UNITED STATES  OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS
SECOND SESSION

VOLUME 92—PART 7

JULY 2, 1946, TO JULY 18, 1946
(PAGES 8091 TO 9396)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1946

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

SENATE

TUESDAY, JULY 2, 1946

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, the might of them that put their trust in Thee, amid all the subtle dangers that beset us, save us from the fatal folly of attempting to rely upon our own strength. In a world so uncertain about many things, we are sure of no light but Thine, no refuge but in Thee.

The din of words assails our ears from an agitated world. Grant us an inner calm undisturbed by any outer commotion. Give us courage to seek the truth honestly and reverence to follow humbly the kindly light that leads us on.

Thou hast created us to be Thy temples. Grant that the holy places of our inner lives may harbor nothing unworthy of our high calling in Thee:

"The ruins of our soul repair,
And make our heart a house of prayer."

In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 2, 1946.

To the Senate

Being temporarily absent from the Senate, I appoint Hon. BURNET R. MAYBANK, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence

KENNETH MCKELLAR,
President pro tempore.

Mr. MAYBANK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 1, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller ,one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF NATIONAL ACADEMY OF SCIENCES

A letter from the President, National Academy of Sciences, transmitting, pursuant to law, the annual report of the Academy for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on the Library.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution of the House of Representatives of the Legislature of the State of Missouri; to the Committee on Commerce.

"House Resolution 376

"Whereas a preliminary examination of the upper Osage River Basin was made prior to World War II by the United States Department of Agriculture for the purpose of establishing a definite and comprehensive plan of water-flow retardation and soil-erosion prevention; and

"Whereas the recommendation in the report was that a detailed survey of the upper Osage River Basin was justified but because of the war effort the Department of Agriculture suspended its flood-control activities and the survey was not completed, and

"Whereas it is indicated that the production of food and clothing will be a vital issue in America and abroad for a number of years and a goodly portion of our surplus manpower can best be used in the development of our agriculture resources; and

"Whereas such a plan of development will greatly enhance the agricultural, wildlife, and recreational advantages of the Osage River Basin and will also lend to the preservation of health and give additional flood relief to the lower Missouri and Mississippi Rivers: Be it therefore

"Resolved by the Missouri House of Representatives, That the United States Department of Agriculture resume its activities pertaining to the development of the Osage River Basin. We urge the appropriation of funds for the completion of the detailed land and water management study recommended by the Department of Agriculture. We also urge that the study be expanded to include all of the Osage (Marais Des Cygnes) River Basin in Missouri and Kansas. In view of the adverse effects of the proposed Osceola Reservoir on the economy of the Osage River Basin and of the State of Missouri, as shown by reports of the Missouri State Department of Resources and Development and other State agencies, we urge Congress to abandon this project in the flood-control bill now being prepared by the Committee on Flood Control; be it further

"Resolved, That copies of this resolution be sent to the United States Department of Agriculture, the chairman and each member of the Agriculture, Flood Control, and Appropriations Committees of the House and Senate of the Congress of the United States."

A resolution adopted by the Peace and Service Committee of Friends' General Conference at Cape May, N. J., favoring an appropriation of $465,000,000 for UNRRA, to the Committee on Appropriations

A resolution and a report adopted by the Eighth Conference of Teachers of International Law and Related Subjects at Washington, D. C., relating to the need for improved policies of publishing and distributing materials in the field of international affairs, to the Committee on Foreign Relations

RESOLUTIONS OF NATIONAL SOCIETY, SONS OF THE AMERICAN REVOLUTION

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred resolutions adopted at a meeting of the National Society, Sons of the American Revolution, held at Trenton, N. J., May 15–16, 1946, relating to matters affecting the welfare of the Nation.

The ACTING PRESIDENT pro tempore. Without objection, the resolutions will be appropriately referred and printed in the RECORD.

To the Committee on Military Affairs.

"MILITARY TRAINING

"Whereas the maintenance of peace can best be preserved by being prepared; and

"Whereas the protection of our country and its safety requires an adequate, well-trained, and disciplined Army, Navy, and Air Force: Now, therefore, be it

"Resolved, That the Fifty-sixth Congress of the Sons of the American Revolution heartily endorses universal military training of such character as shall least interfere with the education and home training of youth; and be it further

"Resolved, That a copy hereof be sent to each member of the Committees on Military Affairs of the Senate and House of Representatives."

To the Committee on the Judiciary:

"ENDORSING BILL H. R 5904

"Resolved, That this Congress endorse and urge the passage of H. R. 5904 introduced in the present Congress by Representative CEARHART, of California, and entitled 'An act to prevent the desecration and mutilation of the flag of the United States'; and be it further

"Resolved, That a copy of this resolution be sent to Representative BERTRAND W. GEARHART and to each of the Members of the Senate and of the House."

"Resolution urging careful scrutiny by United States Senate of qualifications of all judicial appointees

"Whereas the safeguards of American freedom, life, liberty, and pursuit of happiness,

were entrusted to the judiciary of our country by the framers of the Constitution; and

"Whereas the Sons of the American Revolution stands squarely upon the basic principles of our forefathers as expressed in the Constitution of the United States, whereby a separate and independent judiciary should act as a check and balance upon the administrative and legislative branches of our Government, and

"Whereas a competent and independent judiciary depends solely upon the judicial temperament, character, integrity, and absolute impartiality of the men appointed to the bench; and

"Whereas the basic principles of careful thought and discretion in the selection of judges has been displaced in many instances and in hasty and ill-considered confirmation by the Senate of the United States, whereby political considerations have been allowed to take precedence over real judicial qualifications Be it

"Resolved by the National Society of the Sons of the American Revolution in Fifty-sixth Annual Congress, assembled at Trenton, N. J., this 16th day of May A D. 1946, That this society urges the Members of the United States Senate to carefully scrutinize every appointment to the Federal judiciary, to insist upon judicial qualification, training, and experience as the first requirement of every appointee whose confirmation is sought, that no man may be confirmed unless his record discloses that the appointee believes in, practices, and will exert his capabilities to the utmost to uphold and defend the impartial and independent judiciary as provided by the Constitution "

To the Committee on Foreign Relations:

"Resolution expressing gratitude to those who served Nation in World War; continuing to maintain relations of friendship with all peoples, approving policy of providing food for starving peoples; demanding that Government officials secure national defense and a just peace with all nations

"Whereas our Nation has recently emerged from the most frightful and disastrous war that ever afflicted the world, in the course of which instrumentalities and techniques of destruction were developed so dreadful in their immediate effects and so much more dreadful in their potentialities of future horror, that the mind of man shrinks from contemplating the physical and moral ruin of another war, and nevertheless even the pattern of peace has not yet appeared out of the chaos which has ensued from the conflict so lately closed, and

"Whereas it is necessary that all sane and patriotic people shall give their most earnest thought and effort to the end that the leaders of our Nation may be directed by enlightened public opinion to solutions of the grave problems which the late war has created, both in the present and for the future. Now, therefore, be it

"Resolved by the Fifty-sixth Annual Congress of the National Society of the Sons of the American Revolution

"That we express our utmost gratitude to the men and women of America who so bravely and patriotically served our Nation and the world in the recent conflict, to destroy totalitarian tyranny, to restore freedom to other peoples, and to maintain our own liberties, all at frightful cost of life, suffering and disability for many, and the loss of educational opportunity and precious years of youth for millions more, and we urge that our Government spare no effort or necessary cost to do all that may be done to compensate or aid the surviving veterans of the war, to help them to recover so far as possible the opportunities for education and useful living which they have sacrificed, and to care for the disabled, and to provide for their dependents and those of the men who made the supreme sacrifice;

"That we urge our Government, while making plain our purpose to maintain relations of friendship with all peoples and to refrain from any attempt to interfere with the forms of government, cultures or legitimate aspirations of any other nations, to adopt and pursue a firm policy of speedily bringing about a peace of justice, but without vindictiveness or revenge, to the end that the world may be convinced by our example that our ways of free civilization and Government are better than aggressive force and despotism and that friendly cooperation and understanding are the necessary conditions of real and lasting peace and security for any people;

"That we heartily approve the policy of providing food for the starving and desperate victims of the war, wherever and whoever they may be, and whether lately allies or foes, to the end that by another and greater demonstration of America's historic generosity to suffering peoples we may not only alleviate distress, stay the spread of disease and starvation and prevent outbreaks of desperate violence, but also prove once more that liberty and mercy go hand in hand, that from freemen the world has nothing to fear, and that in freedom rather than regimented slavery will be found the best security and happiness; and

"That we demand of our Government the adoption of all necessary measures to secure our Nation against attack, and to make possible our effective participation in the establishment and maintenance of just peace, while sincerely joining, in association with other nations, in every effort that may lead to the establishment of a reign of law in international relations, with free opportunity to every people to develop according to its own genius and native culture, but so far maintaining our own independent strength that we may neither be subject to hostile interference with our own affairs, or our system of free constitutional democracy, nor be coerced into either participation or acquiescence in any foreign policy or enterprise contrary to the national conscience of American freemen."

To the Committee on Education and Labor:

"Resolution relating to public service employees' refusal to work and requesting public officials to call upon the full force and authority of Federal and State police power to protect the rights of the people

"Whereas the fundamental functions of American Government depend upon the functioning of each and every branch and department without coercion, duress, intimidation, or threat of violence, from any source whatever, and

"Whereas the refusal of any governmental employee or any employee of any utility or organization responsible for public health, protection, education, or welfare to perform the duties for which he is employed and paid is basically a denial of the principles on which our Government is founded, and

"Whereas political considerations of politically ambitious men have been permitted to submerge and disregard the interests of the people of this Nation, and perhaps the very future peace of the world, in order to avoid facing an issue with an organized minority of the exploiters of hundreds of thousands of good Americans through fear of personal violence and injury to property; and

"Whereas in our considered judgment such a refusal to work is an attempt at the same time to prevent or discourage the performance of such essential functions of governmental service by others, un-American, and is anarchistic: Now, therefore, be it hereby

"Resolved by the National Society of the Sons of the American Revolution in the fifty-sixth annual congress, assembled at Trenton, N. J., this 15th day of May A. D. 1946, That this society call upon the executive, legislative, and judicial branches of the Government of the United States and of each State and municipality in the Nation to treat every such refusal to work, accompanied by interference with the carrying on of public service, as an overt act against the peace, dignity, and honor of the sovereign people and to immediately call upon the full force and authority of the police power to protect the personal and property rights of the people, and to punish all who are guilty of fomenting, perpetuating, or encouraging such refusal to work by threat, coercion, intimidation, or duress, to the detriment of public health, protection, education, or welfare, and to insure to the American citizen the right to work when he wishes without paying tribute to any other person or organization whatsoever "

Ordered to lie on the table

"Resolution endorsing McCarran-Sumner bill

"Be it resolved by the National Society, Sons of the American Revolution duly assembled at Trenton, N. J , That Senate bill No 7, commonly known as the McCarran-Sumner bill, governing Federal administration agencies, therefore approved by the Judiciary Committees of both the Senate and the House of Representatives, passed by the Senate and now pending in the House of Representatives, be approved as a measure productive of good government, and that a copy of this resolution be sent to each Member of the House of Representatives "

COMMITTEE SERVICE

On motion of Mr. BARKLEY, and by unanimous consent, it was

Ordered, That the Senator from Louisiana [Mr OVERTON] be excused from further service as chairman of the Committee on Manufactures and appointed as chairman of the Committee on Irrigation and Reclamation, to fill the vacancy caused by the death of the Senator from Alabama [Mr Bankhead],

That the Senator from Virginia [Mr. BURCH] be assigned to service on the Committee on Banking and Currency and the Committee on Irrigation and Reclamation; and

That the Senator from Alabama [Mr. SWIFT] be assigned to service on the Committee on Agriculture and Forestry and the Committee on the District of Columbia.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs.

S 2375. A bill to change the name of the Chemical Warfare Service to the Chemical Corps; without amendment (Rept. No. 1635).

By Mr. HILL, from the Committee on Expenditures in the Executive Departments:

H R 6533. A bill to authorize certain administrative expenses in the Government service, and for other purposes; with amendments (Rept. No. 1636).

By Mr. McMAHON, from the Committee on Claims.

H R 844. A bill for the relief of John P. Hayes, postmaster, and the estate of Edward P. McCormack, former postmaster, at Albany, N. Y.; without amendment (Rept. No. 1637).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry;

S. 1923. A bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes, without amendment (Rept No 1638);

H. R 3821. A bill to amend sections 4 and 8 of the act of September 2, 1937, as amended; without amendment (Rept. No 1639);

H. R. 5958. A bill to amend the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1640);

H. R. 6459. A bill to extend the period within which the Secretary of Agriculture

may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers; without amendment (Rept No. 1641);

H. J. Res 336 Joint resolution relating to cotton marketing quotas under the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No 1642);

H. J. Res. 359 Joint resolution relating to peanut marketing quotas under the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1643); and

H J Res 364 Joint resolution to provide for the establishment of an international animal quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the United States, and for other purposes, without amendment (Rept No 1644)

By Mr. GREEN, from the Committee on Expenditures in the Executive Departments:

H R. 6532. A bill to provide a method for payment in certain Government establishments of overtime, leave, and holiday compensation on the basis of night rates pursuant to certain decisions of the Comptroller General, and for other purposes; with amendments (Rept No 1645)

By Mr WAGNER, from the Committee on Banking and Currency:

H J Res 321 Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, Philippine Islands, and for other purposes, without amendment (Rept No. 1646)

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The ACTING PRESIDENT pro tempore laid before the Senate a report for the month of June 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

APPROPRIATIONS

JULY 2, 1946.

To the Senate

The above-mentioned committee hereby submits the following report showing the name of a person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of June 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual and address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs Mamie L. Mizen, 1434 Saratoga Ave	District of Columbia government	$3,970

K D MCKELLAR, *Chairman.*

AMENDMENT OF INTERSTATE COMMERCE ACT RELATING TO CERTAIN AGREEMENTS BETWEEN CARRIERS—MINORITY VIEWS (PT. 2 OF REPT. NO. 1611)

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of myself and the Senator from New Hampshire [Mr. TOBEY], as members of the Committee on Interstate Commerce, I submit minority views of the bill (H. R. 2536) to amend the Interstate Commerce Act, with respect to certain agreements between carriers.

The ACTING PRESIDENT pro tempore. The minority views will be received and printed.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

The ACTING PRESIDENT pro tempore. The introduction of bills and joint resolutions is in order

The Chair lays before the Senate a joint resolution offered on yesterday by the Senator from New York [Mr. WAGNER], the introduction of which was objected to, under rule XIV, paragraph 1, by the Senator from Texas [Mr. O'DANIEL]

Under the rule, the joint resolution may now be introduced, and it will be read the first time by title.

The joint resolution (S. J. Res. 172) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, introduced by Mr. WAGNER, was read the first time by its title

The ACTING PRESIDENT pro tempore Is there objection to the second reading of the joint resolution?

Mr. O'DANIEL. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is made

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows

By Mr MCCARRAN:

S. 2403 A bill to amend Public Law No 2, Seventy-second Congress, as amended, and for the purpose of transferring to the Reconstruction Finance Corporation the administration of the premium price plan for copper, lead, and zinc; to the Committee on Banking and Currency

By Mr. STEWART (for himself and Mr HILL).

S 2404. A bill to amend section 502 (a) of the Department of Agriculture Organic Act of 1944, to the Committee on Agriculture and Forestry.

(Mr ANDREWS introduced Senate bill 2405, to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes, which was referred to the Committee on Public Buildings and Grounds, and appears under a separate heading)

By Mr. MURRAY.

S. 2406. A bill for the relief of Ward A. Besanson; to the Committee on Claims.

By Mr PEPPER:

S. 2407 A bill for the relief of E R. Ensey; to the Committee on Claims

By Mr. HOEY:

S. 2408. A bill to amend the act of February 9, 1907, as amended, with respect to certain fees, to the Committee on the District of Columbia.

AREA AND USE OF UNITED STATES CAPITOL GROUNDS

Mr. ANDREWS. Mr. President, I introduce for appropriate reference a bill to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes, and I ask unanimous consent that a statement in explanation of the bill may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be appropriately referred, and the statement will be printed in the RECORD.

The bill (S. 2405) to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes, was read twice by its title and referred to the Committee on Public Buildings and Grounds.

The explanatory statement presented by Mr. ANDREWS is as follows:

EXPLANATION BY MR. ANDREWS OF "A BILL TO DEFINE THE AREA OF THE UNITED STATES CAPITOL GROUNDS, TO REGULATE THE USE THEREOF, AND FOR OTHER PURPOSES"

The bill has a fourfold purpose:

1. It specifically defines for purposes of law, jurisdiction, and maintenance the areas comprising the United States Capitol Grounds

2 It rewrites the acts of July 1, 1882, and March 3, 1901, regulating the use of the Capitol Grounds to exempt the new area of the Capitol Grounds lying north of Constitution Avenue from certain provisions of those acts impractical of application to the new area.

3 It clarifies the authority of the Capitol Police and the Metropolitan Police with respect to policing and making arrests within the Capitol Buildings and Grounds, and is so drafted as to insure against any person committing a criminal act outside of the Capitol Buildings and Grounds and securing immunity from arrest therefor within the Capitol Buildings and Grounds

4 It vests the Capitol Police Board, composed of the Sergeant at Arms of the Senate, the Sergeant at Arms of the House, and the Architect of the Capitol, with the authority to make traffic regulations for the Capitol Grounds and to prescribe penalties and fines for violations thereof, in the same manner and to the same extent that the District Commissioners are empowered to act with respect to traffic in the District of Columbia generally, and that the Director of National Park Service is empowered to act with respect to the Federal park system of the District of Columbia under his jurisdiction and control

SALARIES OF CERTAIN JUDGES OF THE UNITED STATES—AMENDMENT

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (S. 920) to fix the salaries of certain judges of the United States, which was ordered to lie on the table and to be printed.

ATTORNEY'S FEES IN CERTAIN CASES AGAINST THE GOVERNMENT—AMENDMENTS

Mr. MORSE submitted amendments intended to be proposed by him to the bill (S. 2146) to provide for reasonable attorney's fees in the case of any suit by or against the United States, which was referred to the Committee on the Judiciary and ordered to be printed.

UTILIZATION OF SURPLUS AGRICULTURAL COMMODITIES—AMENDMENT

Mr. FULBRIGHT (for himself, Mr. GEORGE, and Mr. BUTLER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1908) to provide for the maximum and most effective utilization of surplus agricultural commodities through increased industrial and other uses and through the development of improved methods of storing and marketing such commodities, and for other purposes, which was

ordered to lie on the table and to be printed.

INCORPORATION OF NATIONAL WOMAN'S RELIEF CORPS—AMENDMENT

Mr WILLIS submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1650) to provide for the incorporation of the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, organized 1883, 62 years old, which was referred to the Committee on the Judiciary, ordered to be printed, and to be printed in the RECORD, as follows:

Amendment in the nature of a substitute intended to be proposed by Mr WILLIS to the bill (S 1650) to provide for the incorporation of the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, organized 1883, 62 years old, viz. Strike out all after the enacting clause and insert in lieu thereof the following

"That the following persons, to wit: Ellenore M Zeller, 2629 Southeast Salmon Street, Portland 15, Oreg; Grace O'Brien, 213 West Seventh Street, Huntington, W Va; Nell P. Webster, 319 Grant Street, Dennison, Ohio; Cora M Davis, 3206 Southeast Yamhill Street, Portland 15, Oreg; Katherine Antrim, 629 South Seventh Street, Springfield, Ill; Fern Jordan Long, 224 North Third Street, Arkansas City Kans, Harriette G McCollough, 1335 York Street, Des Moines, Iowa; Laura I Smith, 28 Prairie Avenue, Providence 5, R. I; Bessie M Cummings, rural free delivery 5, Pennacook, Webster, N H; Lizetta Coady, 2579 Field Avenue, Detroit, Mich; Alice F. Larson, 510 Seventh Street, Minot, N Dak; Grayce L Vedetta, 1833 East Thirty-eighth Street Brooklyn, N Y, Lena Brucken, 643 Kinder Street, Richland Center, Wis; Eleanor Stables, 12160 Broadstreet Boulevard, Detroit 4, Mich; Laura Keller, box 2048, Great Falls, Mont; Sallie Mae Cartmill, 628 South Thirty-fifth Street, Louisville, Ky; Eugenia Bergen, 114 Oakwood Avenue, Cliffside Park, N J; Tillie Oken, 712 North Thirty-fourth Street, Seattle 3, Wash; Mary J Love, 2206 Alta Avenue, Louisville, Ky, Mary E Curtis, 188 Oakland Beach Avenue, Oakland Beach, R I; Moree Buckles McElroy, 1412 Sixteenth Street NW, Washington, D. C, and such persons who are members of the National Woman's Relief Corps, auxiliary to the Grand Army of the Republic (a corporation not for pecuniary profit) formed pursuant to the general laws of the State of Illinois, and their successors, are hereby created and declared to be a body corporate by the name National Woman's Relief Corps, auxiliary to the Grand Army of the Republic, and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions herein contained

"SEC 2. The qualifications for membership in such corporation shall be loyal women, such as are fix d by the constitution and by-laws adopted by the governing body thereof

"SEC 3 The objects and purposes of the corporation shall be. To especially aid and assist the Grand Army of the Republic and veterans of all wars of the United States of America to perpetuate the memory of their heroic dead, to assist such veterans of all wars and such widows and orphans of veterans of all wars as need help and protection, to find them homes and employment, and assure them of sympathy and friends, to cherish and emulate the deeds of Army nurses and of all loyal women who rendered service to the United States during her hour of peril, to maintain true allegiance to the United States of America; to inculcate lessons of patriotism and love of country among the children and in the communities of the United States, and to encourage the spread of universal liberty.

"SEC. 4. The corporation shall have perpetual succession and the following powers: To sue and be sued in courts of law and equity, to receive, hold, own, use, and dispose of such real and personal property as shall be necessary for its corporate purposes; to adopt a corporate seal and alter the same at pleasure, to adopt and alter a constitution and by-laws not inconsistent with the laws of the United States or of any State, to use in carrying out the purposes of the corporation such emblems and badges as it may adopt, to establish State and Territorial organizations and local chapter or post organizations; to publish a magazine or other publications, and to do any and all acts and things necessary and proper in carrying into effect the purposes of the corporation, and for such purpose shall have, in addition to the foregoing, the rights powers, duties, and liabilities of the existing corporation so far as they are not modified or superseded by this act

"SEC 5 (a) No part of the activities of the corporation shall consist of carrying on propaganda.

"(b) The corporation and its officers and the members of its executive board or board of directors shall not contribute to or otherwise support or assist any political party or candidate for elective public office

"(c) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers, or be distributable thereto

"(d) The first executive board or board of directors shall be chosen from the incorporators named above, and may consist of the members of the board of the existing Illinois corporation

"(e) The headquarters office and principal place of business of said corporation shall be located in Springfield, Ill, but the activities of such corporation, as set out herein, may be conducted throughout the various States, Territories and possessions of the United States

"SEC 6 Each member of the corporation shall have the right to one vote in the conduct of official business at the post level. Such post shall have the right to elect delegates to national conventions of the corporation, which delegates shall each exercise one vote in the conduct of business of the respective convention to which he is elected

"SEC 7 The corporation shall acquire all of the assets of the existing Illinois corporation upon discharge or satisfactory provisions for the discharge of all its liabilities and upon satisfactory assurances that the Illinois corporation will thereupon be dissolved

"SEC 8 The corporation and its State and Territorial organizations and local chapter or post organizations shall have the sole and exclusive right to have and to use the name National Women's Relief Corps, Auxiliary to the Grand Army of the Republic

"SEC 9 In the event of a final dissolution or liquidation of the corporation, and after the discharge or satisfactory provisions for the discharge of all its liabilities, the remaining assets of the corporation shall be transferred to the Grand Army of the Republic

"SEC 10. The corporation shall be liable for the acts of its officials, representatives, and agents when acting within the scope of their authority

"SEC 11 The corporation shall maintain in the District of Columbia at all times a disignated agent authorized to accept service of process for such corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation

"SEC 12 The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, executive committee, and committees having any of the authority of the executive committee; and shall keep at its registered office or principal office a record giving the names and addresses of its members entitled to vote; and permit all books and records of the corporation to be inspected by any member or his agent or his attorney for any proper purpose at any reasonable time.

"SEC 13 The corporation shall not have or issue shares of stock, nor declare or pay dividends

"SEC 14. No loan shall be made by the corporation to its officers or directors, or any of them, and any directors of the corporation who vote for or assent to the making of a loan or advance to an officer or director of a corporation, and an officer or officers participating in the making of any such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof

"SEC 15 (a) The financial transactions of the corporation may be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians

"(b) The corporation shall reimburse the General Accounting Office for the full cost of any such audit of the financial transactions of such corporation as billed therefor by the Comptroller General, and the General Accounting Office shall deposit the sums so reimbursed in the Treasury as miscellaneous receipts

"SEC 16 As a condition precedent to the exercise of any power or privilege herein granted or conferred the National Woman's Relief Corps, auxiliary to the Grand Army of the Republic, shall serve notice on the secretary of State, in each State, of the name and address of an authorized agent in such State upon whom legal process or demands against the corporation may be served

"SEC 17 For the purposes of court jurisdiction based upon diversity of citizenship the corporation shall be deemed to be a citizen of Illinois

"SEC 18 The right to appeal, alter, or amend this act at any time is hereby expressly reserved "

INVESTIGATION OF PEARL HARBOR ATTACK—INCREASE IN LIMIT OF EXPENDITURES

Mr. BARKLEY submitted the following concurrent resolution (S. Con. Res. 69), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures authorized by Senate Concurrent Resolution 27, Seventy-ninth Congress, for the investigation of the Pearl Harbor attack, as increased by Senate Concurrent Resolution 56 be, and the same is hereby, further increased by an additional $25,000, one-half of said amount to be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the Joint Committee on the Investigation of the Pearl Harbor Attack.

CONTROL OF ATOMIC ENERGY BY TREATY RATIFIED BY THE SENATE

Mr. WILEY Mr. President, I ask unanimous consent that I may address the Senate in relation to a resolution which I desire to introduce.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Wisconsin is recognized.

Mr. WILEY. Mr. President, in a recent debate on Town Hall, presided over with such distinction by George V. Denny, Jr., it appeared that both Major Eliot and Mr. Finletter arrived at the same conclusion, to wit: that there was no intention on the part of the United States Government to give up the possession or the manufacture of the atomic weapon until there is established a system of safeguards. The idea was that there should be no surrender until there were "real guaranties." It will be remembered that the plans suggested by Mr. Baruch, among other things, provided for the international control of materials essential to the manufacture of atomic bombs; world-wide distribution of plants and stock piles of such materials; complete inspection throughout every nation by a world atomic authority which would have the power of immediate punishment for any violation of the atomic control agreement by any nation, and the abolition of the veto power with respect to the atomic agreement.

It will also be remembered that the Russian plan suggested by Mr. Gromyko differs in two important respects. It retains the veto power of the Big Five with full enforcement authority remaining in the Security Council; forbids the use of atomic weapons under any circumstances, and provides that all stocks of atomic weapons be destroyed within 3 months after the agreement is ratified.

The theory of those who speak about world government is that at this stage of the world's history there can be created by compact a limited world government with adequate power to enforce peace Reliance is placed on law, force, and a limited world government. This would mean that this world government would have the right to make laws binding upon the individual. If it is a representative world government—and we know that most of the world does not believe in the democratic way of life—then what kind of laws will come into being? we ask. If the nations of earth could agree to establish a world democratic government capable of making and enforcing peace and punishing aggression by utilizing the complete control of atomic energy, that is "a consummation devoutly to be wished."

The Baruch proposal has been turned down by Russia It has never been considered by the Senate. While we hope and pray for world unity, we know that the millennium is not around the corner. The peoples of earth are stratified like the rock in a quarry. They have different intellectual, political, religious, social, and economic approaches. All through the ages this has been so. However, I am not a pessimist; there are hopeful signs now. We believe that there are more people who want to live the democratic way than ever before. But we know definitely that the majority of people on this earth know nothing about that way. Under those circumstances, where do the guaranties come in? Under the Kellogg-Briand Pact, we outlawed war. We expressed a great hope. Under the United Nations, we hope in time there will be built up an international police force that will be able to cope with the situation if aggression and war arise.

But one thing is sure. We cannot now under conditions as they are, be unalert. The present calls for alertness and adequacy. Our real problem is to sell Russia our way of life. We know Russia is doing everything to sell America her way. Therein lies the real field of conflict—one of ideas. Which political idea shall rule the world, presents the issue.

All over the land there is a great campaign going on for what is called world government. Mankind is tired and hungry and mentally unpoised, and it cannot help but grope for utopia. The United Nations Charter is a beginning in that direction But no mechanism is of any avail unless humanity will live by it. And there is the real crux of the matter. It calls for patience and understanding by all those who seek the better way. But it also calls for a high degree of alertness and adequacy which will not permit us to be swept off our feet by wishful thinking or inability to appreciate the realities of the present.

While other nations—China, Britain, France, and perhaps a number of the smaller nations—have intimated they are in favor of a world order under law, backed up by effective force, and while we are pressing in that general direction, we cannot be ignorant of the fact that we and other nations recognize that underneath all this hope and action, we are preparing for the eventuality of another war.

Reasonable men know what another world war would mean to the victor and the vanquished. But reason is not always "in the saddle", as we well know. National ambitions for territory and power and national hatreds that have been aggravated through the centuries still obtain. If men and nations could be impacted by the dynamic of the lowly Nazarene, we would need nothing else. While we know the ferment of the Golden Rule is working, nevertheless, America, as the custodian of great values, cannot afford in this atomic age any international or domestic Pearl Harbors. That is why, Mr. President, I am offering today a Senate resolution, which reads as follows:

It is the sense of the Senate that any international agreement relating to the use, development or control of atomic energy, entered into by a representative of the United States, is not valid and binding upon this country unless it is ratified by a two-thirds vote of the Senate as a formal treaty.

The purpose of this resolution is obviously to insure against any binding executive agreement on atomic energy being entered into by Mr. Baruch or anybody else representing America on the United Nations Atomic Energy Commission without the consent of the United States Senate.

We have not as yet, of course, received even semicomplete details of the results of the Bikini experiment in which the fourth atomic bomb dropped in history was tested against a fleet.

But from the results of the three previous atomic blastings, and from the fact that these four bombs utilize only a fraction of the energy released by nuclear fission and are therefore mere firecrackers compared to the atomic bombs that will eventually be made, we see the imperative need for a resolution such as I am now proposing.

"Eternal vigilance is indeed the price of liberty," the price of maintaining liberty, and the vigilance of the Senate is absolutely essential with regard to any executive program which might lead us into disarmament folly and destruction of our store of atomic bombs.

Under the United States Constitution, article II, section 2, it is the prerogative of the United States Senate to accept by two-thirds vote or to reject all treaties entered into by the President of the United States. It would be absurd to assume that an agreement which might give away to a predatory world the secrets of the most devastating instrument of destruction of all times is not a treaty.

Moreover, it is outrageous to assume that any appointive official of the United States, such as Mr. Baruch, or even one elective official, such as the President of the United States, should have the power, in effect, to abdicate the sovereignty of the United States by turning over atomic energy to some supergovernment or international authority. The President and his officials are servants of the people. It is not within the right of a servant to dissipate the heritage of its master, the people, in whom sovereignty resides. Congress represents the people, and the Senate has jurisdiction in the foreign affairs of the Nation.

It is difficult to conceive of any international agreement more worthy of the status of a formal treaty than a commitment on atomic energy. To deny such a commitment treaty status would be, first, to make a mockery of article II, section 2, of the United States Constitution; second, to place the national defense of America in incalculable jeopardy.

We have seen instance after instance in the past how our Chief Executive at Yalta and Potsdam made secret agreements, committing the United States to peace settlements which neither our people nor our Congress ever had a chance to decide upon. We dare not risk such a calamity in the future, particularly if it would mean destroying our atomic defense and relying exclusively upon the pious promises of Russia.

We know that the Soviet Union is so far removed from us politically, spiritually, economically, is on such a different level of thinking, has often evidenced such little regard for the integrity of an agreement, and is so obviously, actively allied with the force of world revolution as to render her pledges gravely suspect.

We must in particular enact such a resolution as I propose in order to guard against the terrible possibility that, while Congress is not in session, the President and his representative enter into an agreement on atomic energy. The time for action to prevent such a grave eventuality is now—immediately—before Congress adjourns sine die for the summer. The fate of ourselves and of our children and our children's children is in our

hands. Let us be adequate by adopting this resolution.

Mr. President, I submit the resolution I have read, and ask that it be appropriately referred.

The resolution (S. Res. 297) was referred to the Committee on Foreign Relations.

LABOR FACT-FINDING BOARDS

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from the previous day, which will be read.

The Chief Clerk proceeded to read the resolution (S. Res. 215) proposing to discharge the Committee on Education and Labor from the further consideration of S. 1661, the Labor Fact-Finding Boards Act

Mr. BARKLEY. I ask that the resolution go over.

The ACTING PRESIDENT pro tempore. The resolution will be passed over.

NURSERY AND NURSERY SCHOOLS FOR DAY CARE IN THE DISTRICT OF COLUMBIA

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5933) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HOEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. HOEY, Mr. HUFFMAN, and Mr. SMITH conferees on the part of the Senate.

THE POLITICAL ACTION COMMITTEE OF THE CIO—ADDRESS BY SENATOR BYRD

[Mr McCLELLAN asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BYRD on June 24, 1946, dealing with the Political Action Committee of the CIO, which appears in the *Appendix.*]

TESTIMONIAL DINNER TO SENATOR TUNNELL AND REPRESENTATIVE TRAYNOR—ADDRESSES BY SENATORS MURRAY AND TUNNELL

[Mr. MURRAY asked and obtained leave to have printed in the RECORD addresses delivered by himself and Senator TUNNELL at a Delaware joint labor committee testimonial dinner to Senator TUNNELL and Representative TRAYNOR, Wilmington, Del., June 27, 1946, which appear in the Appendix.]

LIVING IN ONE WORLD—ADDRESS BY SENATOR MORSE

[Mr. MORSE asked and obtained leave to have printed in the RECORD a commencement address delivered by him at the commencement exercises at Reed College, Portland, Oreg., June 9, 1946, which appears in the Appendix.]

THE VOICE OF NEBRASKA AND THE TEMPLE OF JUSTICE—EDITORIALS FROM THE OMAHA WORLD-HERALD

[Mr. WHERRY asked and obtained leave to have printed in the RECORD two editorials, one entitled "The Voice of Nebraska," published in the Omaha World-Herald of June 13, 1946, and the other entitled "The Temple of Justice," published in the Omaha World-Herald of June 18, 1946, which appear in the Appendix.]

PRICE CONTROL

[Mr MITCHELL asked and obtained leave to have printed in the RECORD the minority views on price control presented by the minority of the Committee on Banking and Currency, as well as a letter from the wife of a serviceman and a circular sent by a New York firm to a merchant in Everett, Wash, which appear in the Appendix]

The ACTING PRESIDENT pro tempore. The routine morning business is concluded.

THE PRESIDENT'S VETO OF THE OPA BILL—ARTICLE BY DAVID LAWRENCE

Mr. WILEY. Mr. President, there appeared in the Washington Evening Star of yesterday one of the finest analysis of the OPA situation I have read in any newspaper. It was written by our distinguished friend, David Lawrence, an able columnist and a resident of this city. He sets forth the picture as it should be portrayed. It is a clear statement by a clear-thinking man, setting forth in dynamic fashion the fact concerning Truman's gamble on OPA. I have been asked to read the article, and, I shall do so. The article reads:

TRUMAN OPA GAMBLE BLAMED ON MUDDLING—COMMENTATOR DECLARES PRESIDENT HIMSELF UNBALANCED ECONOMY

(By David Lawrence)

President Truman took a long chance when he vetoed the OPA bill. In effect, he placed a bet that the confusion resulting from his veto on the eve of the statutory expiration of OPA would arouse the country and force a majority in Congress to reverse itself.

This kind of gambling with the public welfare is not the product of objective reasoning or dispassionate statesmanship. It is the tragic consequence of muddled thinking which seeks to shift the blame to others.

For actually it is President Truman himself who has unbalanced the postwar economy and forced prices up above ceilings and thus brought on a wave of black-market operations and inflationary trends

CONSEQUENCES ALREADY HERE

Mr. Truman now cries out that failure to pass another OPA bill will bring dire consequences. But some of those consequences are already here. The grant of wage increases in major industries by White House intervention and political expediency was the first cause of the congressional revolt against price ceilings. It was an attempt by the President and his subordinates to squeeze out the profits and make industry and business bear all the increased costs. This finally provided an opposition strength in Congress that brought on the passage of the Taft amendment which Mr. Truman criticizes so clearly in his message.

It is the President who has blocked the progress of reconversion and if there were a parliamentary system in the United States such as prevails in Canada, Mr. Truman would be voted out of office today by a landslide, for he has failed to construe accurately the feeling of the people and he has abused the veto power in the interest of political minorities from which he apparently expects support at the polls.

The President's veto message has in it many plausible statements but Mr. Truman presented only one side of the story. He omitted to tell the American people what he and his officials had done to create the high costs which business and industry now want covered by increased prices. Mr. Truman alone is responsible for decisions in labor disputes that have added billions a year to manufacturing and distributing costs. Not a word is to be found in the President's message about the grasping policies of the labor-union groups in the industrial communities.

INCREASED COSTS IGNORED

Instead, rather nonchalantly and almost indifferently, the President refers to the ending of major labor disputes as if the increased costs resulting from his own blundering policies were too trivial to speak of in a message discussing the economic structure of the Nation at a critical time. Naturally, the labor-wing leaders applauded the veto. For the President, transferring the blame for the high costs to management, had left the unions an alibi to help them escape censure.

The OPA died last night and it should not be revived. Theoretically, of course, a case can be made out for rigid controls of both wages and prices, but since Mr Truman has a blind eye where wage increases are concerned and since he had insisted on stimulating the biggest wave of wage inflation the Nation has ever known, the only alternative is to put the question of prices up to the public and let nature take its course. There is no other way now. It is too late to try to reestablish controls where one-sided action has upset the national economy.

REJECTED LEADERS' ADVICE

Efforts will be made of course, this week to continue rent control or some other special phases of price control, but the time has gone by when an orderly handling of prices can be expected. Mr Truman was advised by leaders of his own party that it was the compromise OPA bill or nothing, and the President chose stubbornly to disregard that advice and take long chances. He chose to throw the Nation into confusion and uncertainty He mistakenly assumed the public would blame Congress and not the White House He assumed prices would skyrocket. They will not For buyers will strike when prices get too high to bear.

The economy will have to balance itself and it will do so eventually, though a well-ordered system of both wage and price controls could have been established and thus would have saved the Nation the pain of reconversion that now faces the public. But since leadership vanished from the White House Congress had to assert itself.

The abandonment of the OPA is really more than a repudiation of inept bureaucracy. It is a repudiation of Mr. Truman by a majority of both Houses of Congress. It may mean that the politicians who have been advising the President that this is the road to reelection will discover that they have actually blocked the road to renomination. The poor record which Mr. Truman is making does not deserve a second nomination.

MESSAGE FROM THE HOUSE—EXTENSION OF EMERGENCY PRICE CONTROL ACT AND STABILIZATION ACT

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, in which

it requested the concurrence of the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was read the first time by its title.

Mr. BARKLEY. I ask unanimous consent that the House joint resolution just messaged over from the House be referred to the Committee on Banking and Currency.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, is the number of the resolution House Joint Resolution 371?

The ACTING PRESIDENT pro tempore. Yes; the House joint resolution is numbered 371.

Mr. WHERRY. Is that the joint resolution which provides for the extension of the present OPA?

The ACTING PRESIDENT pro tempore. Yes.

Mr. WHERRY. I object.

Mr. O'DANIEL. I object.

The ACTING PRESIDENT pro tempore. Objection is heard. The joint resolution has been read the first time by its title. Is there objection to the second reading of the joint resolution?

Mr. WHERRY. I object.

Mr. O'DANIEL. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

NATIONAL SCIENCE FOUNDATION

Mr. BARKLEY. Mr. President, I move that the Senate resume the consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky .

The motion was agreed to; and the Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. BARKLEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Overton
Andrews	Hoey	Pepper
Ball	Huffman	Radcliffe
Barkley	Johnson, Colo.	Reed
Brooks	Johnston, S. C.	Revercomb
Buck	Kilgore	Robertson
Burch	Knowland	Russell
Bushfield	La Follette	Smith
Byrd	Langer	Stanfill
Capehart	Lucas	Stewart
Capper	McCarran	Swift
Carville	McClellan	Taft
Chavez	McKellar	Taylor
Donnell	McMahon	Thomas, Okla.
Downey	Magnuson	Thomas, Utah
Eastland	Maybank	Tunnell
Ferguson	Mead	Wagner
Fulbright	Millikin	Walsh
George	Mitchell	Wherry
Gerry	Moore	White
Gossett	Morse	Wiley
Green	Murdock	Willis
Gurney	Murray	Wilson
Hart	Myers	Young
Hawkes	O'Daniel	
Hayden	O'Mahoney	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIDGES] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The ACTING PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. HART. Mr. President, I am unable to support the bill which is now before the Senate, Senate bill 1850, simply because it has become a matter of such very broad coverage. It has snowballed into large proportions from what was at first a moderate conception for necessary improvements in a relatively small area of our national activity. Originally, the leading idea, as I understand it, was only the better promotion, within the country, of research in the fundamental, basic sciences. That is a relatively small area.

Mr. President, it is an undoubted fact that we have led the world in technology and in the applications of the fundamentals of science, as we have known them. It is equally true that we have been backward in those fundamentals themselves. This is illustrated, for instance, by the fact that our Nobel prize winners in that field are few as compared with the number of Europeans. There are many explanations for that situation—some of them good, some of them not so good. It is not necessary to go into them, except perhaps to say that our backwardness in the fundamentals of science is probably because not enough of America's best brains have been channeled into the study of those fundamentals. Instead of that, those intellects have been more employed in the applications of science.

Mr. President, I happened to become cognizant of the lag of our country in the basic sciences at least 15 years ago, while I was engaged in the development of new weapons. A brief search at that time showed that there did not exist, under the Government, either the laboratories or the trained minds to evolve the answers to certain questions in fundamental physics and chemistry.

The needed answers were found elsewhere, and it happened to be in industrial laboratories, where there were a few men who were able to produce them. Those scientists laid aside problems which they had in hand, took on our own, and solved them. Incidentally, Mr. President, there was no cost to the Government whatever, despite the time that was spent on the problems by high-salaried men. There were several similar instances. The point is that those experiences amply disclosed our comparative paucity of research in physics, chemistry, and mathematics within our country, and I have consequently been alive to the fact for some years.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. KILGORE. Did I correctly understand the Senator from Connecticut to say that in order to have research work done it has been necessary to go to the private laboratories of the country?

Mr. HART. In the one instance which I used in illustration of my point that was the case.

Mr. KILGORE. Of course, the product of that research was manufactured by the industry and was sold to the Navy; was it not?

Mr. HART. Not at all. The company had nothing to do with it.

Mr. KILGORE. Has the Senator had experience of very great extent along that line?

Mr. HART. No. I would say perhaps I have had somewhat limited experience, but ample experience to make me quite certain of the point which interests the Senator, namely, that we are backward in basic research.

Mr. KILGORE. Does the Senator from Connecticut have any theory as to

why we have been backward in basic research?

Mr. HART. Yes; I just gave it. I think the best brains of the country have been channeled into applicatory research, instead of into the fundamentals.

Mr. KILGORE. Why has that been?

Mr. HART. Largely because the salaries were higher, I think. But that is altogether a guess, because I never asked any of the men concerned.

Mr. KILGORE. Is it not natural to assume from that fact that applied research has yielded profits, whereas basic research has not?

Mr. HART. I think it was due, perhaps to shortsightedness on the part of those in control of the large commercial laboratories, who saw in applicatory research an immediate return for their expenditures, and did not realize the necessity for also going into the fundamentals. I think that is quite true, and I think that is something which they have now come to realize. But that is beside the point.

Mr. KILGORE. But does the Senator have any reason on which to base his statement that they have come to realize that now?

Mr. HART. No. I said that I had no good evidence to support the statement. It is only my own opinion.

Mr. KILGORE. Let me say to the Senator that I have heard only one scientist contend that their laboratories were doing basic research, and that was Dr Kettering.

Mr. HART. I have heard more than that. Yesterday the Senator mentioned Dr. Langmuir, and I have heard him say that the General Electric laboratories are now paying much more attention to the fundamentals than they had formerly done.

Mr. President, as I have said, I have been alive to this situation for some years, and therefore I have been in entire sympathy with the idea of Federal participation and aid in that field, so that this Nation might overcome its backwardness in basic physics, chemistry, and mathematics in particular, as well, perhaps, as in other somewhat allied sciences. But those three have to me seemed the highly necessary fields for new endeavor. It has, therefore, been disquieting to hear that there has been a progressive drying up of the flow of endowment funds, which in former years were extensive, and which have financed much of the research outside of commercial laboratories which has been accomplished in this country. All Senators are more or less cognizant of the fact that the flow of endowment funds has decreased, and there are no doubt individual ideas as to the causes. But the mere fact of that drying up is a very important consideration as we decide upon national policies for the support of research through Federal participation.

With that background, Mr. President, I am constrained to view Senate bill 1850, first of all, in the light of what it will lead to in the promotion of fundamental research in mathematics, physics, chemistry, and perhaps certain other sciences which are fairly directly allied, if the necessities as to them are equally evident.

The proposed National Science Foundation Act of 1946 provides for 8 operating divisions, in the first instance, and makes it possible to increase that number to 11. Only one of those eight or more divisions—that to be called "mathematical and physical sciences"—is to work in that field of those fundamentals which, to repeat, is the field in which this Nation most needs to advance if it is to maintain its position in this competitive world.

That is just one division, Mr. President, among several which would compose a vast bureau, because of the coverage into which the National Foundation idea has broadened. Moreover, that particular field of these most important fundamentals has to come under various provisions in the bill which are broad and somewhat complex, as they must be, because of the extensive area which the bill covers. The all-important field is rather buried.

Just as an example, Mr. President, note the proposed legislation in section 8 of the bill, which is headed "Use and dissemination of research findings." Even a hasty reading shows that many of the provisions in section 8 really cover patents and patent rights. As I said yesterday, I shall not talk about patents. I, myself, am entirely unqualified to pass upon anything in the highly specialized field of patents. However, I do point out that it is quite rare that any discovery or development in really fundamental and basic science ever becomes a subject for any patents at all. This one example well serves to illustrate the complicating features, in various places in the bill, which would not have been needed if the coverage had not been so greatly broadened.

Several very able Senators have worked on this subject for a long time and S. 1850 has been carefully drawn. The difficulties facing us are not due to any lack of care and ability on their part. To my mind, they are the result of trying to include too many ideas which are not essential to the main issue. Except to a very tenuous degree, many of those ideas are not even connected with the fundamentals of science. That situation is disclosed by a simple examination of the organization of the various divisions under the Office of the Administrator. Some of those divisions might well have been omitted in the interests of simplicity, and thus have greatly increased reassurance as to where we would be headed under the bill.

One of those eight divisions is that of engineering and technology. That subject was discussed yesterday. As has been said, it is a field in which we already excel and, to my mind, one into which the extension of Federal activity need not go. The fundamentals of science do have to be applied by engineering and technological development, if any fruit is to ripen from such basic research. But that kind of development has always been very acceptably accomplished, and there is certainly no need for Federal participation therein which in any way parallels the necessities of pure science.

Moreover, Mr. President, there is other legislation along that line which is before the Senate—a bill originated and painstakingly fostered by the able Senator from Arkansas [Mr. FULBRIGHT]. That bill, S. 1248, is designed to establish a Bureau of Scientific Research in the Department of Commerce. Such bureau would be more in the nature of a service department than anything else. Despite the name, the stated purpose is the promotion of techniques, inventions, and so on. It has been said that there is no interference or duplication whatever as between the two bills That statement is specifically made on page 14 of the report on S. 1850 by the subcommittee to the Committee on Military Affairs.

Mr. President, it is quite true that there is no well-defined line dividing fundamental scientific research and what is commonly called applicatory research. There is an area of considerable breadth in which the two are mingled. However, the very name of that one Division, "Engineering and Technology", seems bound to mean an overlapping between two bureaus which are quite independent of each other If the Congress is to pass the two bills, S. 1850 and S. 1248, in their present form there will be set up two Federal organizations which will not only be working in the same field, but—following the usual bureaucratic pattern—will actually be overlapping and duplicating. That fact is quite clear. I submit, Mr. President, that the very inclusion in S. 1850 of the Division of Engineering and Technology should, right at that point, cause all Senators to have both bills in mind as we act upon either one of them.

Another of the numerous provisions of S. 1850 is that one under which the social sciences are included, as per section 3 (b), although the language indicates that those particular sciences are, at first, to be handled only in the planning stage. Inasmuch as the social sciences are still not subject to close definition, it seems to have been apparent to those who drafted S. 1850 that present support of social science and research should be limited to studies and planning. That is a very good and practical reason why the social sciences should be omitted entirely from the bill, which is primarily for improvement in the basic sciences.

Under the heading of social sciences, many things may present claims for inclusion. There are anthropology, various aspects of psychology, certain political and economic factors, and even racial and religious matters. In fact, there may develop many sufficient reasons for including any of the humanities, the inclusion of some of which has been seriously proposed. A case can be made for philosophy, for literature, for the arts, and there is no limit. I do not oppose any effort to advance this Nation in the social sciences. I merely believe, Mr. President, that this bill is not the place where it should be provided for. It should be done in a separate bill, and not in a way which would vary the basic objective which this bill seeks to attain.

The fact is that social studies and basic science are not sufficiently alike, either to be joined by the same legislation or to be administered by the same organi-

nation. To attempt to bring the two groups of sciences together in one National Science Foundation is of very doubtful wisdom. Any board or any system of administration which is properly qualified to promote and foster the basic sciences will not be competent to administer research and education in the social sciences.

It is to be noted that the report from Dr. Vannevar Bush, Science, the Endless Frontier, did not include the social sciences. So far as can be ascertained, this venture into the areas of human conduct and social control has never been advocated by the scientists who were originally interested in the project for Federal participation. Much more than I am presenting could well be said in objection to that feature of S. 1850.

Mr. President, in this instance I will take the Senate's time to remark on only one other of the numerous divisions which are contemplated by Senate bill 1850. That is the Division of National Defense. In the preamble of the bill, in the declaration of policy, the subject of national defense has been made very prominent.

It makes what looks like a very good selling point. In fact, the first sentence points out only three objectives of the bill, one of which is national defense—meaning, of course, the common defense of the Nation and its security. During the war years science was, of course, much more largely devoted to that field than to any other, and it absorbed the attention of many of our best minds as well as those of scientists.

About 1 year ago the able Senator from Virginia [Mr. BYRD] introduced a bill, S. 825, to establish a research board for the national security, drawn to serve the scientific development needs of the armed services and operating in that field alone. The bill was considered by the Committee on Naval Affairs and was reported out last July. It is now on the Senate Calendar. The provisions of that bill are confined to the one field, and they are not complicated. The overhead expenses would be small. In meeting our necessities in that one field, S. 825 would, in my humble opinion, best meet the purposes sought.

However, during the hearings before the joint subcommittee on the Magnuson and Kilgore bills, both the Secretaries of War and of the Navy testified that it is possible to cover the field of national security in legislation of broad scope. Now that the orilgnal Magnuson and Kilgore bills have evolved into S. 1850, certain doubts of that have arisen.

One of the serious points of uncertainty on the part of the armed services concerns section 8, particularly the provisions therein concerning patents. I shall not, in this instance, go into any details along that line; but subsections 8–C and 8–D do need the Senate's scrutiny. I shall only say that during the war years probably more patents were developed under Federal financing than will be developed again in a generation or two. There were literally thousands of them. They were all handled quite simply, and within the patent laws which exist, under the contracts themselves, and there has been no complaint about it and no evils have thus far been disclosed.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. KILGORE. Is it the Senator's contention that Senate bill 1850 in any way amends the existing patent laws?

Mr. HART. I will ask the Senator to address any question of that nature to some other Senator, because, as I have repeatedly stated, I know nothing of the patent laws. I know only this one circumstance, that there was a difficulty about patents when the Government was financing the work. The questions involved had to be covered in some way, and they seem to have been covered very acceptably without any change in the law. I notice that the bill as now drawn does seem to contemplate some change in the patent laws.

Mr. KILGORE. Then the Senator is contending that the bill contemplates some changes in the patent laws?

Mr. HART. Yes.

Mr. KILGORE. Just what change does the Senator think the bill contemplates? To be frank with the Senator, I think if he will study the bill and study the policy pursued by OSRD, he will find that there is no change in the law. There is merely a fixation of policy which has not heretofore existed. Various departments have had different policies. We must not get inventions or discoveries confused with patents. A patent is merely a license to the exclusive right to an invention or a discovery.

Mr. HART. If the Senator contends that there is no change in the patent law and no change in the existing situation by what he proposes in this bill, I have no dispute with him whatever.

Mr. KILGORE. It has been found by eminent patent lawyers that it does not in any way amend the patent law or change it. It merely standardizes departmental patent policies; that is all. And, so far as patentable national defense items go, they are on the same basis as under the operations of OSRD.

Mr. HART. I accept fully the Senator's word that there is no change in the patent law. I am not prepared now to go along with him to the effect that it will make no change in what is now a satisfactory situation. I would prefer not to express an opinion on that without looking into it further.

Mr. SMITH. Mr. President, will the Senator yield for an observation?

Mr. HART. I am glad to yield.

Mr. SMITH. The Senator has collaborated with me and other Members of the Senate in the amendment in the nature of a substitute. In that substitute there are two parts: Title I and title II. In title II we have tried to take care of the Army and the Navy and the national defense program by itself. I think the Senator approves of that set-up in the amendment.

Mr. HART. Yes, I do.

Mr. SMITH. On the patent question we tried to incorporate a paragraph which after conversation with the Senator, I felt reflected the way in which it had been handled previously in Army and Navy contracts. We tried to simplify the patent divisions and place them under one section, which is section 10. For the purpose of bringing it into the record at this point in the distinguished Senator's discussion of this matter I will read that section:

PATENT RIGHTS

SEC. 10. Each contract executed by the Foundation which relates to scientific research or development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed.

That, I understood, was the way in which the Army and the Navy handled their contracts in the research work which has gone on when they had to deal with organizations and the patent question arose. I ask the Senator whether that accords with his view as to the way it has been handled heretofore by Government agencies.

Mr. HART. Yes; it does; and I thank the Senator for his observation.

Mr. President, to continue on the same feature of the bill, dealing with the requirements for national defense, and to be somewhat more specific in my criticism, I point out subsection 8 (f), in which provision is made for exemption from the dissemination of research findings, and places it in power of someone designated by the President to preserve secrecy in research and development, when it is found to be necessary, along military lines.

There is a provision which states that information may be withheld if "the President or such designated person determines that such exemption is essential in the interest of national security"—that is, in each separate case where any of the various lines of research and development concern the national security, it is intended that someone has to be particularly on guard for that purpose.

Now, Mr President, there is another provision of the act under consideration which makes that safeguard quite impracticable in effect. The National Science Foundation is intended to cover the entire field of science in many branches and have everything under one roof, so to speak. It is to be noted that S. 1850 provides at another point—I think it is at the top of page 8—that the Board and each subcommittee shall have full access to all information in the possession of the foundation. That can mean only that, if any problem involving research and development of weapons is brought to the foundation, by one of the armed services or otherwise, all information concerning the research is to be disclosed to practically everyone within the vast organization which the legislation contemplates.

That presents a difficulty, which perhaps is not insurmountable, but one reason for the difficulty is the very psychology of the scientists themselves. We all recall that during the development of the atomic bomb, which brought into use the best scientific brains of the Nation—physicists in great number—the secret was kept. They were entirely loyal and

nothing was divulged. A great many precautions were taken, and anyone who had to carry the responsibility for the work of the Manhattan district would have felt he had to take those precautions, I am sure. They were very irksome to the scientists. So, since the disclosures can be made, we have read and heard much about compartmentalization and the holding down of scientists—keeping them from talking—all of which to my mind indicates that it is second nature for them to talk and divulge anything they know. That is all right. We cannot change them. We do not want to change them. But when it comes to a great many men knowing some secrets there are some natural laws involved.

It is only stating a truism to say that any secret which is known to a considerable number of individuals, scientists or not, soon becomes no secret at all. That has been the experience for centuries. It is something which lies in human nature and the fallibilities of man. It is simply a situation which must be faced. Therefore, Mr. President, despite the exemptions which can be made under subsection 8 (f) and undoubtedly every effort would be made to make them—there is great fear that there will be little or no secrecy for any secrets which are being worked upon by the foundation. It will simply not be practicable to carry out the permissive provisions for those exceptions.

As I have said, the first few lines of S 1850 bring national security considerations into prominence. That is followed by other provisions which, in effect, state that of all the funds which the Congress may appropriate to the foundation for research and development activities, not less than 15 percent shall be devoted to the field of national defense. That is found in the bill as a part of the requirements for the apportionment of funds for four of the various activities into which it is expected that the national foundation will delve. It is an ingenious legislative provision. The probable effects, if S. 1850 becomes law, do need careful examination throughout on the ramifications which will be found. However, let us continue on the field of the common defense and security.

Whenever the world situation is such that the Congress sees fit to appropriate generously to the foundation for the promotion of research and development of weapons, we will have this result: For each dollar which the Congress intends to have spent for that purpose, we will be automatically putting between five and six dollars into the other activities covered by the apportionment provisions of S. 1850.

That formula will also work in the reverse direction. If, as we all hope, the world can progress toward dependence for security upon the United Nations, it may become unnecessary to devote large sums to research and development of weapons. The defect is that, while writing language to assure everyone that the national security will not be neglected, we have, in S. 1850, a freezing provision which cannot meet the varying conditions that the world will undoubtedly face during the coming years.

In short, Mr. President, the not-less-than-15-percent provision may assure the military that their needs are provided for and bring them to a frame of mind such that responsible officials are quite willing to go along with S. 1850. However, if they were directly confronted with a chance to express a preference, I submit that they most likely would state that they prefer legislative provisions much less complicated. For instance, if the Byrd bill, S. 825, became a law, research and development in the interest of national security alone would be far simpler and probably less expensive in the long run. Moreover, the security of military secrets which, unfortunately, remains an essential to national security, would be much better guarded.

As will turn out a little later Mr. President, my name appears on a substitute measure in which this same process is followed. I have some misgivings in including national defense matters in the field of research, even as we have done it, and I think that the situation would have been better had the bill of the senior Senator from Virginia [Mr BYRD] become a law some time ago.

Mr. President, I shall not, at this time, make mention of the other numerous divisions which are to be set up within the foundation. I shall pass on to section 5, where the bill begins to talk about money. The title of that section is "Support of Research and Development." Those two words, "research" and "development," are joined throughout the bill, although the only objectives at one time was the promotion of pure fundamental research.

Had the word "development" not been taken up and used throughout the bill, it might have been kept to simpler and more reasonable proportions. For instance, the Division of Engineering and Technology, of which I have spoken, is most assuredly under the heading of development rather than research. Anyhow, that 15-percent allocation for research in the field of national defense appears at this point—section 5 of the bill. Coupled with it is a similar allocation in the field of research in health and medical science. Those allocation percentages are to be from the funds appropriated to the foundation for research and development activities. For research and development activities, Mr. President; but it is evidently not the intention that funds appropriated to the foundation shall be for that purpose alone. On that I shall have more to say later.

Now, of those funds appropriated to the foundation for research and development, we will have not less than 30 percent—and that is a minimum—allocated to the national defense and to health and medicine. There are other allocations, one of which is that not less than 25 percent is to be expended in the facilities of nonprofit research organizations. The research is to be done by them under contract. Freedom and flexibility are given, quite properly in my estimation, in the allocation of that proportion of the funds, so that the money may go wherever the best returns can be obtained.

Under the terms of the bill, that discretion rests wholly with the Administrator, although the National Science Board may supply advice on matters of major policy. The provision does concentrate vast powers in the Administrator, but I myself have no quarrel with that particular provision in the respect just mentioned.

Now, there is a further allocation of not less than 25 percent of the funds for research and development activities where there are decided limitations for the guidance of the Administrator. Two-fifths of that portion is to be divided among the States, in equal shares. The remaining three-fifths is to be allocated in the proportion that their respective populations bear to the populations of all the States. That percentage—not less than 25—is to be expended only on the facilities of tax-supported colleges and universities, including the land-grant colleges of the various States.

There are various arguments—some fair, some even good—in support of those provisions. I shall not take the time to discuss further this particular feature of S. 1850, except to point out one more thing. Almost any interested organization—be it one with a background of research experience or almost wholly lacking in such background—can find that it is taken care of. In other words, Mr. President, I can almost say that there is a pork-barrel feature in the proposed legislation. It appears in other features of the bill, as I shall at least mention. It is entirely fair to say that almost all interested parties can find within the bill something which will be of benefit, even though their valid claims upon disbursals from the Federal Treasury may be in extreme doubt.

Adding up those minimum allocations, we find a total of from 65 to 80 percent, which means that at least that much of the funds appropriated by the Congress for Federal aid to research and development is to be funneled into those four definite fields just mentioned. The remaining 20 to 30 percent of the funds can be distributed among those four fields or otherwise. That is a part of this proposed legislation which to me presents a rather unhappy picture. It is not clear thus far that all funds appropriated in the years to come to the foundation by the Congress are to be for aid to research and development. When we come to the next succeeding section, it becomes apparent that there may well be requests for future appropriations for purposes other than research.

That next succeeding section, No. 6, is entitled, "Scholarships and Fellowships." I would doubt that the words "research" and "development" would properly describe appropriations made for subsidizing education. If the interpretation does bring in that coverage, then it may be that the 20 to 35 percent outside of the four minimum allocations is to pay for scholarships and fellowships, in whole or in part. The committee's definition of scholarships and fellowships is to the effect that they mean stipends covering tuition and other fees, living, travel, and other expenses; those are the words, "and other expenses," as the Administrator may determine.

Section 6 of the bill is very brief, being less than 1 page, but it does take in a lot of territory. In all of it, the Administrator appears to be the resurrection and the life. He is to determine the amount paid to an individual for tuition and other fees, living, travel, and other expenses. The Administrator determines the periods over which the scholarship and fellowship awards extend, and he is the one who is to govern all selections of individuals which are made for such higher education. Quotas may be established for such selection in order to insure equitable geographical distribution, but that is not mandatory. One provision is that the institution for acquiring the higher education may be selected by the individual himself, the one who is to be the recipient of such aid. That seems to mean that, after an individual is selected, on the basis of aptitude, he is entirely free to choose the locale of his prospective education. As the bill now stands it is to be noted that any field of science whatever may be chosen, including the social sciences.

Mr. President, in this short section 6 of the bill, the Federal Government will, for the first time, be going into the business of bestowing aid for education to individuals, except, of course, for the temporary provision of education for veterans. It will be a very considerable step, which the Federal Government has never taken before, unless education at the Military, Naval, and Coast Guard Academies is so considered. In those particular instances, the recipient of that Federal aid very definitely contracts to work in a particular field for quite a period after his education has been acquired. He is at his Government's disposal. There is no similar provision in S. 1850 The Federal Government will be extending itself into a very wide field; and here again we find provisions in legislation which will have a decided popular appeal. I think it is fair to point out that such may be one of the subsidiary purposes of the authors of the bill. Again, Mr. President, the legislation swings to the pork-barrel principle. And this section 6 can require very heavy appropriations.

It covers scholarships and fellowships. The line is not strictly drawn between them; but in general when a scholarship is awarded it is awarded to the individual just as he comes out of high school. On the other hand, the fellowship goes to the individual after he has proved himself by 4 years of education at the college level. No one can deliver 100-percent performance in selecting youths and in estimating their future prospects. He can maintain a much better average if he is called upon to do so after the student has spent 4 years at college, when there are so much more data available to him than when the boy is just out of high school.

Mr. SMITH. Mr. President, will the Senator yield for an observation?

Mr. HART. I am certain, Mr. President, that the Government would get far more for its dollars in fellowships and in scholarships.

I now yield to the Senator from New Jersey.

Mr. SMITH. The question I wish to ask the distinguished Senator is whether he supports the provision in the amendment in the nature of a substitute which starts this kind of aid at the graduate fellowship level.

Mr. HART. Yes.

Mr. SMITH. That is a sound place to start, after we have had experience with the graduate colleges, to determine who should be selected for the scientific work.

Mr. HART. I very emphatically support it.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HART. Gladly

Mr. MAGNUSON. I was hoping that the Senator from New Jersey would offer that amendment so that we could vote on it. As I pointed out yesterday, there is no restriction in the bill on the Board or the Administrator, or both, in the use of whatever funds may be available for scholarships and fellowships. The money could all be used for fellowships. There may be occasions—and we leave it to the Board and the Administrator to decide—when men who have spent 2 or 3 years in college show the aptitude which the Board thinks is necessary to justify continuing their training, and the Board may wish to help them. The amendment of the Senator from New Jersey would limit the assistance solely to fellowships; and the reservoir, which is now dry of basic scientific talent, would not be filled.

The purpose of the bill is not necessarily limited to basic scientific research. It is the training of basic scientists. By eliminating scholarships we would prohibit the Board from doing any of that work. In the bill as it now stands there is no restriction on the Board. I presume that the Board would be sufficiently intelligent to adjust its appropriation for scholarships so as to be consistent with the basic scientific needs of the country. There is no reason why the Board should not spend all the money for fellowships if the need for scholarships should not exist. I do not know why we should restrict the Board.

Mr. HART. The Senator says "the Board" Actually it would be the Administrator, and not the Board. The Administrator would have full power. I would hope that he would show sufficient wisdom so that what the Senator suggests would be done. I agree with the Senator that the bill as now drawn does not fix a definite line between scholarships and fellowships. But I question the wisdom of enacting legislation which leaves anything of such great importance, and which is likely to cost the Treasury so much, since it puts the Federal Government into the business of subsidizing education on such a great scale, to such simple and very loose language—if I may use the term—as the bill now contains.

Mr. President, a word as regards numbers. We have nothing to indicate what numbers are contemplated. We all read that at the present time every college in the country is chock full, absolutely up to the limit of its capacity. This being the case—and it seems likely that that condition will continue for some time to come—the question arises, Where are we to find room to educate the number which the proponents of the bill seem to contemplate?

Yesterday there was placed in the RECORD a statement to the effect that Dr. Langmuir had brought back from Russia information showing that the Russians are subsidizing the education of 600,000 scientists. In my judgment the number 600,000 is no menace. If I heard that Russia had 60 first-rate scientists, I would be much more concerned than I am when I hear that she is educating 600,000.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BURCH in the chair). Does the Senator from Connecticut yield to the Senator from Washington?

Mr. HART I yield.

Mr. MAGNUSON. Does not the Senator believe that possibly out of 600,000 basic scientists being trained in Russia at least 60 good ones may emerge?

Mr. HART. Yes; I think that is probable. But why educate 600,000?

Mr. MAGNUSON. The law of averages will take care of the situation if there is enough of them.

Mr. HART. Mr. President, it has been said that S. 1850 will result in building up still another large and powerful bureaucracy On any premise that the National Science Foundation must cover practically all fields, I readily concede that a large organization of full-time men will be required to manage and administer it. That was not the original idea—at least it was not so in the minds of many interested people, including the best of the scientists. Their conception was that the foundation would not be a vast affair, but that it would be administered under a board-of-directors system, with the directors almost wholly part-time men, acting through a small organization of full-time men who would execute the policies and decisions laid down for them.

During the evolution which was taken place in S 1850, that original idea has become considerably shaded. The board of directors is reduced to a position which is quite well summed up in the one word "advisory."

Instead of a relatively small body of full-time administrative officials, the snowballing process through which the bill has passed results in a very large organization which, from its very size, well merits the name of bureaucracy. It is a large body, and most of the power of control will be vested in it. At the top level there will be from 11 to 14 administrators and directors, with salaries of $12,000 a year and more. They include the all-powerful Administrator and his Deputy, plus the directors of the numerous divisions which are to be established.

The board—or really boards—which constitute what is left of the board-of-directors idea, also have run into large dimensions, because of the coverage of the bill and the wide territory it embraces. There is the National Science Board itself, composed of nine members, appointed by the President. There are

also set up scientific committees which act in an advisory capacity in the fields covered by the 8 to 11 divisions. The chairman of each of these scientific committees are also members of the National Science Board. Therefore, the Board itself will be composed from anywhere from 17 to 20 members. That is not too many It can only advise, even in the formulation of the policy itself.

Those scientific committees for the various divisions run into very large numbers—in all, between 140 and 175. In common with the original nine members of the Science Board itself, which is to be appointed by the President with the advice and consent of the Senate, all of the members of the Boards are to be part time. They are required to meet at least six times a year, if not oftener; and they are to be reimbursed at $50 per day each, in addition to expenses. That, Mr. President, is not too much to pay a good many men in this country whose qualifications are such that they would be fully worth that amount or even more. However, I do wish to point out that the number is very great. The total is uncertain, but it will be upwards of one hundred and fifty.

The actual cost of salaries of any bureau is always a quick measure of the probable size of the entire bureau Our annual salary bill for the top echelon, full-time officials contemplated and the men on the various Boards of the Foundation will in itself be well over $200,000 a year. When anyone thinks of the staffs which will be required to serve all those men, he sees at once that we shall be increasing the Federal pay roll very considerably. Any Senator may readily make his own estimate, after examining the bill. My own—for whatever it may be worth—is that the running expenses alone of the Bureau which will be established will be in excess of $1,000,000 annually. Most likely it will be double that much. That amount may be looked upon as comparatively inconsiderable, or it may be otherwise viewed. In either case, it must be remembered that the one or two million dollars a year is merely the cost of allocating and distributing the funds which the Congress is expected to appropriate annually to the National Science Foundation. That may give us some indication of what annual expenditure is contemplated by the proponents of this measure.

If it costs one or two million dollars a year just to allocate and administrate the expenditure of the funds which are to promote science, then what is the amount of the real money—the size of the total appropriations which the Congress is expected to make available annually?

All of that is most unclear, but we do need to have it in mind as we consider this bill. It has been said in various circles that, counting in the contemplated expenditures for scholarships and fellowships, together with the money to go into the original idea of Federal promotion of scientific research and development, the cost can be expected to run up to $200,000,000 annually—not merely for 1 year, but year after year. There is nothing authoritative available to the Senate, but it seems fairly certain that the annual expenditures envisaged by the proponents of this bill will run into large figures. Such is the result of the snowballing process around the original kernel—which was Federal aid in promoting basic, fundamental research, in, say, three or four sciences of high importance to our future economic development that might not have meant very much money. Mr President, balancing the budget is getting to be just like the weather. Many people talk about it, but nobody does anything about it. We cannot do anything about the weather, but we can do something about balancing the Government's budget.

Therefore, I am unable to support Senate bill 1850, even if it is considerably amended in various details, because it is cast from a mold which is entirely too large. At the same time, let me repeat that I do believe that the Federal Government should foster basic research in the fundamentals of certain sciences, such as physics, chemistry, and mathematics

Mr. President, the question before us is, of course, what to do about Senate bill 1850. Legislation on this subject constitutes one of the requests which President Truman has made of this Congress As such, some may think that this legislation is an urgent matter which must not be long delayed I think that quite likely when the President first urged that we pass such a bill, the situation was such that that view was entirely correct. But there has been a change, and I do not think it is now urgent that we enact this measure quickly. Certain of our eminent scientists who are in the best position to judge are in agreement with that statement The reason is new.

Mr. President, the fact is that now, and for a year to come, the Federal Government has already provided funds which, added to those normally available, will tax the capacity of the laboratories and of the scientists who are most qualified to carry on such research at those higher levels.

Mr. MAGNUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SWIFT in the chair). Does the Senator from Connecticut yield to the Senator from Washington?

Mr. HART I yield.

Mr. MAGNUSON. The Senator from Connecticut has stated that we already have provided funds. I should like to know what funds have been provided for research, other than those for the regular, normal, permanent research work of the permanent Government departments.

Mr. HART. Most of those contracts, I say to the Senator, are from the military. The war found the military wishing to get themselves up to date. They had all come to realize thoroughly how necessary it is to be progressive in respect to their weapons. They felt it their duty to do the best they could. They had some funds left over, funds which Congress neglected to take away from them, and evidently they have gotten some more.

Mr. MAGNUSON. Probably it is a good thing that the Congress did neglect to take them away from them.

Mr. HART. And contracts have been let.

Mr. MAGNUSON. Of course, this bill would not interfere with that, at all. If the military have sufficient funds for their research, then they need not apply to the foundation for assistance in connection with any other problems they may have

Mr. HART. Yes; but I may say to the Senator that that is not the point. The point is that the facilities of the country are already taxed. Even if the money were available it would be difficult to accomplish anything along the line to which the Senator is referring

Mr. MAGNUSON. The foundation would not grant any funds for that purpose. Every year it would have to justify what it wanted to do before the Appropriations Committee would recommend the appropriation of the money.

Mr. HART. Exactly; and why not defer the establishment of the foundation for 1 year?

Mr. MAGNUSON. The Senator has probably forgotten more about the Navy than any man in this Chamber ever knew. I wager that the foundation will not have been established longer than 30 days before the Navy will be presenting many research problems which they cannot handle under the appropriations of the present year.

Mr. HART The Senator may be correct. I have been guilty of doing that very thing repeatedly. However, the fact is that the necessary facilities and the scientists do not exist. All the men in the country who are able to do top level research are already employed and will be for a year.

Mr. President, I might also add to that statement that we do not need immediately to set up the proposed foundation for the purpose of carrying on scholarships and fellowships, because there, too, the scientific capacity of the country is already completely occupied.

Mr President, there are quite a number of contracts now outstanding which will provide for financing a very considerable amount of research in the fundamentals. Those contracts have been let by the War and Navy Departments. They are in part a carry-over from the war and in part the result of postwar thought and planning for our future national security. That situation seems to mean that if the National Science Foundation were in being at this moment and supplied with funds for research, not much could be done about it for a year to come, because there are few who could be hired.

Incidentally, it is not apparent that the scientists who are now or who will presently be engaged in research under those Federal contracts are in any way unhappy because the contracts emanated from the War and Navy Departments. It has been spread far and wide over this country that our scientists simply will not work under the military departments. The attempt to give the country that impression appears to have been a part of the propaganda which has been going on around a trumped-up issue of civilian

versus military control of research in atomic energy.

As for Federal aid in the bestowal of fellowships and scholarships is concerned, the Federal Government is committed for some time to very considerable expenditures in education under the so-called GI bill of rights. Passing over the possibility that some of those expenditures could be funneled into higher education in the sciences, we need to realize that there already exists a prospective drain on the Federal Treasury of very considerable amounts. We are faced with the fact of how much further the Federal Treasury can be strained.

It is my opinion that the Senate could well lay aside Senate bill 1850 and begin anew the task of framing legislation which would adequately meet the situation of, say, 1 year hence by providing continued Federal aid in the promotion of research in those fundamentals of science in which we have been lagging. We should return, Mr. President, to the original concept of the problem. The able Senators who have worked so long on this legislation have performed very able service. They are highly able men and have been deeply interested in the subject. Whenever individuals such as the Senators to whom I have referred are engaged on a task, interesting avenues open up more and more. It is natural that they should pursue them. It is hard to stop. It is difficult to keep the snowball from growing. For one thing, there are many pressures being exerted upon them. There is ever a human tendency to plan too largely and go too far. There is a tendency to look too far ahead. I submit that it is all right to build what we all see we must have and then add additional structures to the building when the necessity therefor becomes equally evident.

I do not like to disagree with the results of so much arduous work on the part of my able colleagues. I have seen a necessity for doing something in the way of Federal promotion of the fundamentals in a few branches. I have seen that for a long time. I believe that I saw it probably fully as soon as did any other Member of the Senate. However, at the same time, I cannot accept the complexities and the broad coverage of this bill because I greatly fear that the original idea is deeply buried.

Mr. SMITH obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator from New Jersey yield to me for about 10 minutes so that I may make some observations in reference to the speech of the Senator from Connecticut?

Mr. SMITH. My purpose at the present time is to offer an amendment in the nature of a substitute, and then speak to the amendment. However, if the Senator from Washington wishes to make a few remarks in answer to the Senator from Connecticut, I shall yield for that purpose, provided I do not yield the floor.

Mr. MAGNUSON. Mr. President, unfortunately I did not hear all the speech which was made by the distinguished Senator from Connecticut.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. McMAHON. I have to leave the Chamber within a few minutes. As a result of the colloquy which took place yesterday, I have drawn two amendments to which the Senator from Washington has stated, I believe, that he will agree.

The first amendment is, on page 13, after the period in line 2, to insert the following:

> In order to prevent duplication, the Administrator shall, prior to authorizing any support of nuclear-physics research, obtain the approval of the Government agency created by legislation enacted at this session of the Congress for the development and control of atomic energy.

The second amendment is, on page 19, after the period in line 18, to insert the following:

> Nothing in this act shall be deemed to supersede the provisions relating to the control of atomic-energy information contained in any legislation enacted at this session of the Congress.

Are those amendments agreeable to the Senator from Washington?

Mr. MAGNUSON. I may say, Mr. President, that the Senator from Connecticut and I have discussed the matter informally, and, so far as I am concerned, I have no objection to the amendments, but I should like to have them lie on the table for awhile until I can consult with the Senator from West Virginia [Mr. KILGORE].

Mr. President, as I have already said, I did not hear all the speech which was delivered by the able Senator from Connecticut [Mr. HART], although I did read the press copy.

The Senator makes some points against Senate bill 1850 which I believe should be answered. First of all, I invite attention of the Senate to the Senator's statement in which he said that he could see no urgency for this bill. The President of the United States on three separate occasions, in messages to Congress, has urged immediate adoption of a bill which would set up a National Science Research Foundation. On one occasion he stated specifically why that should be done, and on many occasions I have called the attention of the Senate to the statement. In the first place, the Office of Scientific Research and Development, headed by the very eminent and able Dr. Bush, which did such fine work in cooperation with the military in winning the war, went out of existence last Sunday at midnight. That office has many continuing contracts of great military importance. It has vast files and great funds of information which must be turned over for the use of this country, both in military and in peacetime operations, to some scientific body. I believe that that fact in itself warrants the immediate passage of the pending bill. Without the passage of the bill, the vast fund of knowledge which was gathered by the Office of Scientific Research and Development at great cost to the American people, as well as contracts and files of the scientists, will be without any home.

Mr. HART. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HART. I am not in disagreement with the Senator's statement but I would be in disagreement if he contended that it is necessary to pass the bill with its present coverage in order to cover the situation to which he has referred.

Mr. MAGNUSON. I appreciate the Senator's attitude, and it brings up another point in connection with his objection to the bill. I understand that the Senator does not object to the basic idea of a national research foundation, but, as does the Senator from New Jersey, he objects to certain provisions of the bill and the method of approach toward the goal which we are both trying to reach. I was hoping that both Senators would attempt to press their views on the Senate by offering an amendment to the bill instead of a substitute for the bill. The substitute more or less confuses the legislative situation. However, to offer a substitute for the bill is their privilege, and we will discus the substitute when it comes before the Senate.

The Senator from Connecticut also said that this is not a bill which the scientists desire. As I said yesterday, approximately 18 months ago there were several bills introduced in Congress on this subject. The Senator from Washington introduced a bill, the Senator from West Virginia introduced a bill, the Senator from Florida introduced a bill, and, I believe, there were 8 or 10 bills on the same subject introduced in the other House.

There were various divisions among the scientific world as to which bill would best serve the purpose. I suspected in the beginning, from the information I received that most of the scientists favored the original bill I introduced which was based on the so-called Bush report entitled "Science—the Endless Frontier," which was written by Dr. Bush at the request of the late President Roosevelt, who recognized the importance of this country taking some action about scientific research and the training of basic scientists in order that we might keep up with the rest of the world. That was true in the beginning, but many other factors entered into this matter, and, after months of hearings and listening to 110 of the top scientific and the top lay people of this country who are interested in the problem, to the heads of Government departments and agencies, and having had communications and many conferences with people in the scientific world, including educators, the presidents of practically all universities, many of whom have written to me, this bill was evolved We had many factors to consider; we had to make several compromises, and Senate bill 1850 is the result of those compromises. Certainly there are portions of the bill with which some one scientist does not quite agree; there are other portions of the bill to which another group does not agree; but, by and large, they all agree to this bill.

I desire to put into the record again, I will say to the Senator from Connecticut, in order to refute the statement that this is not the bill the scientists want, a joint statement by scientists and educators on the need for this bill which was issued by them last week. Although the names attached to the statement are

only 11, I think they represent the cream and the bulk—at least 98 percent—of the educators and scientists of this country. The joint statement is signed by the following men:

James B. Conant, president, American Association for the Advancement of Science, and president of Harvard University;

George F. Zook, president, American Council on Education;

Morris Fishbein, editor, Journal of the American Medical Association, speaking for that association;

Thomas P. Cooper, president, Association of Land-Grant Colleges and Universities, and dean, College of Agriculture, University of Kentucky;

Isaiah Bowman, chairman, committee supporting the Bush report and Senate bill 1850, and president of Johns Hopkins University;

Boris Bakhmeteff, chairman of panel on science legislation, engineers joint council for American Institute of Chemical Engineers, American Institute of Electrical Engineers, American Society of Civil Engineers, and American Institute of Mining and Metallurgical Engineers, speaking for all those groups;

Arthur A. Hauck, president, National Association of State Universities, and president, University of Maine;

Willard A. Givens, executive secretary, National Education Association, which speaks for most of the educational associations of the United States;

Harlow Shapley, president, Scientific Research Society of America, and cochairman, committee for a National Science Foundation.

It should be noted, Mr. President, that each of the organizations represented by the men whose names I have given have, either in their governing councils or in their special committees studying science legislation, endorsed the National Science Foundation bill, S. 1850, and urged its immediate passage. In addition, many of the local chapters and individual societies belonging to the above national organizations, have taken similar action endorsing S. 1850 and urging action at this session.

I now ask unanimous consent, Mr. President, that the joint statement issued by these eminent men may be printed in the RECORD. It is a signed statement bearing on this question; it is a statement which embodies the views I believe of approximately 95 or 98 percent of all the scientists and educators in America in support of this bill.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

JOINT STATEMENT OF SCIENTISTS AND EDUCATORS ON THE NEED FOR A NATIONAL SCIENCE FOUNDATION

For the reasons stated in the report by Dr. Vannevar Bush to President Truman in July 1945 and the report on science legislation by the Senate Committee on Military Affairs in April 1946, we are in favor of a national science foundation.

Sober analysis has shown that, because of the expanding frontiers of science and the increasing cost of many types of research, private grants and endowments are not adequate to support the national needs in basic scientific research and training of scientists either now or in the years ahead.

For many years the Government has wisely supported research in the agricultural colleges, and the benefits have been great. The time has come when such support should be extended to other fields of science and to advanced scientific education. There is not now in the governmental structure receiving its funds from Congress, any agency adapted to providing the necessary supplementation of funds or the necessary additional support of basic research in medicine, national defense research or basic sciences, or adapted to administering a program for the support of advanced scientific education.

We believe that the creation of a national science foundation to support fundamental scientific research and the education of scientists is of the utmost importance for the health, security, and welfare of the Nation. Believing the matter to be of great urgency, some of us recently joined with other groups in an appeal to the chairman and members of the Senate Committee on Military Affairs to report a bill on which the majority of scientists and educators could agree. S 1850 is the result We endorse this bill and appeal now to the Congress as a whole to create a national science foundation by the enactment of S 1850 before the end of the present session

All of us recognize that in the democratic process of Senate debate S. 1850 may be modified We would regard, however, as highly prejudicial to the national interest protracted delay or failure to enact legislation because of differences of opinions among scientists and educators in the earlier stages of consideration. We are offering these joint views in order to reaffirm the unity among scientists and educators on the need for national science foundation legislation at this session of Congress, and our common belief that S. 1850 provides the necessary support of basic scientific research and education and is designed to safeguard scientific freedom and to advance the public interest

Mr. MAGNUSON. I agree with the Senator from Connecticut and the Senator from New Jersey in the statement that there are wide variances of opinion regarding this bill; but the problem is so complex and involves so many phases that we had to get together and draw the best bill we knew how, and that is what we have done. It is the result of many months of work, and I sincerely hope that these objections to the bill will be only to specific portions of it. It is true it is a new idea, but there is ample precedent for it in government. Some features of the bill are somewhat new, but it is impossible to draw a perfect bill and this is the bill that all the scientists and scientific organizations now want.

Mr. HART. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HART. I, myself, have received many such statements, and after quite a little experience of that sort something occurred which I think is rather illuminating. I asked, what do you know about other ways of doing it? The reply was, "This is the only thing there is before us and before the country. We want something; so we will take what we can get."

Mr. MAGNUSON. I agree with the Senator that there may be some who would prefer some other approach, but I do not think there is anyone in the scientific and educational world who would flatly say he is opposed to this approach to the problem.

Mr. HART. Their position is that they want something, and if this is all they can have, all right, they will take it.

Mr. MAGNUSON. I will say to the Senator, it is pretty hard to write a bill on the Senate floor. I am sure the Senator will have some consideration for the fact that many of us, even myself at one time, thought that maybe another approach to this problem would be better; but, as I say, it is a large subject; it is a vital subject; we have spent much time on it, and this is the best approach we could make consistently and within the framework of the views of these eminent Americans who think something should be done at this time. To attempt to write this legislation on the floor of the Senate, after all this work has been done, in my opinion, might lead to a very bad approach to the vital problem of establishing a research foundation.

The amendment of the Senator from New Jersey has just been submitted to the Senate. We have had no opportunity to have hearings on his amendment, although I suspect the hearings which were held covered most of its provisions. But two great committees of the Senate have spent much time on the subject and have brought forth Senate bill 1850, which they all agree provides the best approach to the problem. I think the Senate should consider the fact that we looked at it in that way after examining all other approaches. Although some of us may not like this method or that method or certain considerations in the bill or the administrative set-up and many other features, yet we did the best job we knew how, appreciating that something must be done

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yeld to the Senator from Nevada.

Mr. McCARRAN. I should like to ask the Senator a question or two. I notice that on page 2 provision is made for a National Science Foundation Administrator at $15,000 per annum. That is about as high a salary as we have set for a long time for an appointive officer. Has the Senator given consideration to the amount of that salary as compared to the salary a Senator receives?

Mr. MAGNUSON. Yes, I will say to the Senator from Nevada. There was some discussion in all the conferences of salaries of other governmental officials, including Members of Congress. I might say that the consideration of the committee—and I could not very well refute it—was that probably the type of man capable of administering this very vital and important work might have much more worth than a Senator. I might personally object to that; but the figure of $15,000 is not excessive. I should be glad to have the ideas of any Senator whether it should be upped or lowered, but we thought we would have to pay at least $15,000, and so did all the scientists and educators, in order to get the type of man who could administer this work.

Mr. McCARRAN. I might say to the Senator that think we should have to pay $15,000 to get a Senator.

Mr. MAGNUSON. I think we should pay more.

Mr. McCARRAN. I would go along with that, too.

Mr. MAGNUSON. The Senate voted itself $15,000 salaries a few days ago. I hope the House will pass the same bill.

Mr. McCARRAN. I had not heard about that. This is what strikes me: There is to be one Administrator, confirmed by the Senate, and then there will be a number of others of equal importance, and no confirmation by the Senate at all. I wonder if that thought struck the Senator as being worth while.

Mr. MAGNUSON. The thought in setting this up was that there would be several panels, which include several branches of science. The chemical research department, for instance, would pass on what should go to the chemical branch. There would be a panel of scientists who were apt in the particular field affected. It was thought we needed to set up a chairman, who in turn would be also on the Board which would correlate this matter. It was very difficult to determine the administrative details, but this was the best view of the committees as to how to set it up. In the chemical section, for instance, we would have to have a full-time man, a high-type chemist, for instance, and we thought we would have to pay him around $12,000 a year.

Mr. McCARRAN. I think the Senator is probably right in that.

Mr. MAGNUSON. There is no objection to having them confirmed by the Senate. We could just as well have all the top panel men confirmed by the Senate.

Mr. McCARRAN. There has been a growing tendency to have all those who receive top salaries, in important places, confirmed by the Senate. It seems to me that the Senator might strengthen his bill by inserting such a provision in it. I am not going to offer the amendment.

Mr. MAGNUSON. I shall be glad to consider the suggestion. I see no harm in it at all, because I presume that the President of the United States and the Administrator and the Board will make every effort to pick high-class, high-type men, and that the Senate would have no objection to their qualifications.

Mr. McCARRAN. I leave that thought with the Senator.

Mr. MAGNUSON. The Senator from Connecticut [Mr. HART] pointed out the cost of the proposal. I do not know what scientific research is going to cost the people of the United States. I do know that they will probably get a dollar return for a dollar spent. I do know that the expenditure of money for scientific research pays probably better dividends, in the matter of the welfare of this country, than any other money we spend. We will start out in a modest way, but every Member of the Senate knows that every year whatever the Foundation spends must be justified before the Committees on Appropriations.

The Senator from Connecticut pointed out that it may cost a million or two million dollars a year to administer this Research Foundation. That is the cost of one destroyer leader, it is the cost of two destroyers, and if scientific research in this country, the administration of a great scientific body to keep us abreast of the rest of the world scientifically, is not worth two destroyers, then we should abandon the whole idea.

Of course it is. It is worth more than that. It will bring dividends to the people of this country, both for their defense and for their peacetime uses, and for the welfare of the country, in medicine, in all branches of science, public health, sanitary engineering, and all the other phases of science toward which the world is advancing.

I only hope the question of cost will not be brought up too seriously. The Senator from Connecticut did not object to the appropriation of seven or eight billion dollars for the Navy, and I can see no objection to the cost of a couple of destroyers being spent to launch us upon this very vital program.

I thank the Senator from New Jersey for yielding to me.

Mr. SMITH. Mr. President, the distinguished Senator from Connecticut has given us a very thoughtful and carefully worked out analysis of the pending bill. In order to bring the matter to an issue, I shall now offer the amendment, in the nature of a substitute, which lies on the table, and which I presented yesterday in behalf of myself, the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. WALSH], the Senator from Indiana [Mr. WILLIS], the Senator from Connecticut [Mr. HART], and the Senator from Arkansas [Mr. McCLELLAN]. I shall ask the clerk to read the title of the proposed substitute, and then I shall speak on it.

The PRESIDING OFFICER. The clerk will read the proposed amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

TITLE I—NATIONAL SCIENCE FOUNDATION

ESTABLISHMENT OF FOUNDATION

SECTION 1. There is hereby established, as an independent agency of the Federal Government, the National Science Foundation the members of which shall be 60 outstanding men and women representative of all sections of the Nation, recognized leaders in the field of the fundamental sciences, medical sciences, engineering and education, and lay persons of recognized standing in public affairs, selected solely on the basis of established records of distinguished service without reference to any political, social, or religious factors.

MEMBERSHIP OF THE FOUNDATION

SEC. 2. (a) The President of the United States shall select and appoint individuals to the membership of the Foundation from among nominations requested by him (1) from the National Academy of Sciences for those fields within the province of the Academy and (2) from recognized national organizations in those fields outside the province of the Academy. The Academy or such other national organization shall submit at least three names to the President for each vacancy for which he requests nominations.

(b) The terms of office of each member shall be 16 years, except that the terms of the initial members of the Foundation shall be so designated by the President that 10 of the 60 memberships appointed the first year shall expire every 6 years.

(c) The term of a person appointed to fill a vacancy shall be the unexpired term of the member succeeded. No person who has served as a member of the Foundation for 10 years or more shall be eligible for reappointment to another term. Nothing in this section shall in any way disqualify such person from serving in any advisory capacity to the Foundation or as a member of any committee, commission, or panel which the Foundation may from time to time create.

POWERS AND DUTIES OF THE FOUNDATION

SEC. 3. The Foundation is authorized and directed to develop and encourage a national policy for scientific research and scientific education by the following means:

(a) Initiating and supporting basic scientific research and basic scientific development in the mathematical, physical, medical, biological, and engineering sciences through contracts, grants, or other forms of assistance.

(b) Discovering and developing scientific talent, particularly in American youth.

(c) Granting graduate fellowships in the mathematical, physical, medical, engineering, biological, and other sciences

(d) Fostering the interchange of scientific information among scientists in this country and abroad.

(e) Correlating the Foundation's scientific research and scientific development programs with those undertaken by public and private research groups.

NATIONAL SCIENCE BOARD

SEC. 4. (a) The Foundation shall elect biennially from its membership a National Science Board composed of nine members which shall exercise such powers and duties as the Foundation shall determine. The chairmen of the several divisional committees shall be ex officio members of the Board and shall serve in an advisory capacity.

(b) The Board shall choose its own chairman and vice chairman who shall also serve as chairman and vice chairman of the Foundation. The vice chairman shall perform the duties of the chairman in his absence.

(c) The Board shall meet at the call of the Chairman or at such times as may be fixed by it, but not less than six times each year. A majority of the members of the Board shall constitute a quorum.

DIRECTOR AND DEPUTY DIRECTORS OF THE FOUNDATION

SEC. 5. (a) The Foundation shall prescribe the powers and duties of a Director who, subject to the supervision of the Board shall be the chief executive officer of the Foundation. The Director shall be selected and appointed by the Foundation and shall receive compensation at the rate of $15,000 per annum.

(b) The Foundation may appoint such Deputy Directors as it shall deem necessary, not to exceed two, who, when so appointed, shall each receive compensation at the rate of $12,000 per annum. The Director, with the approval of the Board or the Chairman thereof, shall assign such duties to the Deputy Directors as may be necessary to carry out the purposes of this title.

DIVISIONS WITHIN THE FOUNDATION

SEC. 6. (a) There shall be within the Foundation a Division of Mathematical, Physical, and Engineering Science, Division of Biological Sciences, a Division of Health and Medical Science, and Division of Scientific Personnel and Education through which programs relating to the respective fields of science shall be carried out

(b) The Foundation may, from time to time, create such additional divisions as it may deem necessary; and the Foundation may, from time to time, change the organization and activities of the above listed divisions. The Foundation shall prescribe the powers and duties of each such division.

COMMITTEES WITHIN DIVISIONS

SEC. 7. (a) There shall be within each division a committee consisting of not less than five members who shall be appointed by the Foundation after receiving recommendations from the National Academy of Sciences. Each divisional committee shall annually elect its own chairman from among its own members and shall devise its own rules of procedure.

(b) Each divisional committee shall have the power and duty to make recommendations to, and advise and consult with, the Board and the Director of the Foundation with respect to matters of its division, and shall have such additional powers and duties as the Board and the Foundation may prescribe

GRADUATE FELLOWSHIPS AND REGISTER

SEC. 8. (a) The Foundation is authorized to award graduate fellowships for advanced scientific study or scientific work in any field of science at nonprofit institutions of higher learning, or other institutions, selected by the recipient of such aid, for such periods as the Foundation may determine, in the United States or foreign countries. Persons shall be selected for such graduate fellowships solely on the basis of aptitude, within the limits of such quotas from among the States, the District of Columbia, and the territories and possessions, as may be established by the foundation to insure an equitable selection while continuing to maintain a high standard of aptitude for such persons selected

(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its possessions. No individual shall be listed in such register without his consent.

AUTHORITY OF THE FOUNDATION

SEC. 9. The Foundation is empowered to do all things necessary to carry out the provisions of this title and, without being limited thereby, the Foundation is specifically authorized—

(1) to prescribe such rules and regulations as it may deem necessary governing the manner of its operations and its organization and personnel;

(2) to make such expenditures as may be necessary for carrying out the provisions of this title;

(3) to enter into contracts, or amendments or modification of contracts without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes (41 U S C. 5) in case of all contracts which relate to scientific research or development;

(4) to make advance, progress, and other payments which relate to scientific research or development without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C. 529);

(5) to acquire by purchase, devise, bequest, hold, and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from scientific research or development without regard to the provisions of law relating to the acquisition, holding, or disposition of property by the United States: *Provided*, That the Foundation is not hereby empowered to acquire property by condemnation notwithstanding the provision of section 1 of the act entitled "An act to authorize condemnation of land for sites of public buildings, and for other purposes, approved August 1, 1888 (25 Stat. 357; 40 U. S. C. 257);

(6) to receive and use funds donated by others, provided such funds are donated, without other restrictions, in furtherance of one or more of the general purposes of the Foundation;

(7) To publish or arrange for the publication of scientific and technical information of scientific value consistent with the national interest without regard to the provisions of section 87 of the act of January 12, 1895 (28 Stat. 622), and section 11 of the act of March 1, 1919 (40 Stat. 1270; 44 U. S. C. 111); and

(8) to accept and utilize the services of voluntary and uncompensated personnel.

PATENT RIGHTS

SEC. 10. Each contract executed by the Foundation which relates to scientific research or development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed

INTERNATIONAL COOPERATION

SEC 11 (a) The Foundation is hereby authorized, with the approval of the President and through the Department of State, to cooperate in any international research or development activities consistent with the purposes or provisions of this title and to expend for such international research activities such sums within the limits of appropriated funds as the Foundation may deem desirable

(b) The Foundation may defray the expenses of representatives of Government agencies and of other organizations and of individual scientists to accredited international scientific congresses and meetings whenever it deems it necessary in the promotion of the objectives of this title

(c) The Foundation shall, from time to time, in cooperation with the Department of State and other interested governmental agencies, appoint from nominees of scientific and professional associations official representatives to accredited international scientific congresses and meetings and may defray the expenses of such representatives.

APPROPRIATIONS

SEC. 12. To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated annually to the Foundation, out of any money in the Treasury not otherwise appropriated, such sums as Congress may determine to carry out the provisions of this title The acts appropriating such sums may appropriate specified portions thereof to be accounted for upon the certification of the Board only.

GENERAL PROVISIONS

SEC. 13. (a) The Foundation shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this title. Such appointments and compensation shall be made in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that when deemed desirable by the Foundation technical and professional personnel may be employed on a temporary basis without regard to the civil-service laws and their compensation fixed without regard to the provisions of the Classification Act of 1923, as amended. The Director and Deputy Directors shall be appointed without regard to the civil-service laws or regulations or the Classification Act of 1923, as amended.

(b) The Foundation shall not itself operate any laboratories, pilot plants, or other scientific or technical facilities.

(c) The members of the Foundation and the members of the divisional committees and other advisory committees may engage in private and gainful employment, and may serve as such members without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C. 198, 203), or section 19 (e) of the Contracts Settlement Act of 1944, or of any other comparable law, except insofar as such sections may prohibit such persons from receiving compensation in respect of any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

(d) The membership of the Foundation shall meet at such time and place as the Foundation shall from time to time determine. The Foundation shall hold at least one 5-day session per year.

(e) Members of the Foundation shall receive no compensation from the Foundation for the services which they perform for the Foundation but such members and others who serve without compensation shall be reimbursed for their actual travel and subsistence and other expenses while engaged in the business of the Foundation away from their home or place of business

(f) The Foundation shall make a full and complete annual report to the President and to Congress

TITLE II—NATIONAL DEFENSE RESEARCH AGENCY

ESTABLISHMENT OF AGENCY

SEC. 20. There is hereby established, as an independent agency of the Federal Government, a National Defense Research Agency (hereinafter referred to as the "Agency"), which shall be composed of not to exceed 40 members appointed by the President. The membership shall include an Army officer charged in the War Department with the coordination of research and a naval officer charged in the Navy Department with the coordination of research, the Chairman of the National Advisory Committee for Aeronautics, and such chiefs of services or divisions of the War Department and such chiefs of bureaus and offices of the Navy Department as the Secretary of War and the Secretary of Navy respectively may, from time to time, recommend and the President approve; together with a number of civilian scientists, engineers, or industrialists approximately equal to the number of officers of the Army and Navy on the Agency. The civilian members shall be appointed from among persons nominated to the President by the National Academy of Sciences. Initial appointments of civilian members shall be for terms of 1, 2, 3, and 4 years, apportioned as the President may determine, and thereafter appointments shall be for terms of 4 years, except that in case of a vacancy, caused by the death or resignation of a member, appointment of a successor shall be for the unexpired portion of the term Civilian members may be reappointed but, except in case of a national emergency or except when waived by the President, continuous membership shall not exceed two terms.

DUTIES OF THE AGENCY

SEC 21 (a) It shall be the duty of the Agency to formulate programs of scientific research and development relative to problems of national defense, to direct and conduct the scientific study of such problems, and to advise the Secretary of War and the Secretary of the Navy on the applications of science to national defense. Special consideration shall be given to possibilities arising from progress in science and technology.

(b) The Agency shall in no way relieve the Army, Navy, or other governmental agencies of their responsibility for, or authority over, research and development work under their legal cognizance This title shall not be construed as superseding, curtailing, or limiting any of the functions or activities of other governmental agencies authorized to engage in scientific research and development, or as authorizing the Agency to exercise any supervisory direction or power of regulation over such functions or activities in any manner. Funds allocated by the Agency to other governmental agencies shall be utilized for projects designated by the Agency and undertaken on its behalf, and shall be in addition to, and not in lieu of, funds regularly appropriated to the agency concerned.

SAFEGUARDING OF INFORMATION

SEC. 22. The Agency shall take proper measures to safeguard classified information,

REPORTS

SEC 28. The Agency shall submit an annual report to the Congress through the President, and at intervals of 3 to 5 years shall request the President to appoint a committee to review the activities of the Agency and to submit a report to the President, the substance of which shall be made available to the Congress.

MEMBERS AND CONSULTING EXPERTS TO SERVE WITHOUT COMPENSATION

SEC 24. Members of the Agency shall serve as such without compensation. The Agency is authorized to utilize the services of consulting experts who serve as such without compensation: *Provided*, That nothing contained in sections 41, 109, and 113 of the Criminal Code (U S C., title 18, secs. 93, 198, and 203); in Revised Statutes, section 190 (U S C., title 5, sec 99); in section 19 (e) of the Contract Settlement Act of 1944 (Public Law 395, Seventy-eighth Congress); or in any other provision of Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, shall apply to persons solely by reason of their membership upon the Agency or solely by reason of their services as consulting experts who serve as such without compensation.

CHAIRMAN AND VICE CHAIRMAN

SEC. 25 The Agency shall elect annually its chairman and vice chairman from its civilian membership.

EXECUTIVE COMMITTEE

SEC 26. There shall be an executive committee of five members, consisting of the chairman of the agency, who shall be chairman of the executive committee, an Army officer and a Naval officer charged in their respective departments with the coordination of research, and two civilian members elected annually by the civilian members of the Agency.

ADMINISTRATION BY EXECUTIVE COMMITTEE

SEC. 27 The executive committee, acting under general rules approved by the Agency, shall administer and supervise the activities of the Agency.

EXECUTION OF CONTRACTS

SEC 28. The Chairman of the Agency, with the approval of the executive committee, may execute contracts, without regard to section 3709 of the Revised Statutes, for personal services and materials in the making of reports, investigations, tests, models, or apparatus deemed necessary to promote national defense.

COOPERATION WITH OTHER RESEARCH AGENCIES

SEC 29 Wherever practicable the Agency shall make use of the facilities and services of the Army, Navy, and other governmental agencies legally available for scientific research or development work, and whenever practicable it shall cause to be conducted research or development projects related to the legally authorized functions or activities of any governmental agency through or in cooperation with such agency. The said agencies are hereby authorized to make such facilities and services available to the Agency and to participate in the conduct of its projects, on terms mutually agreeable to the Agency and to the agency concerned. The Agency shall not operate laboratories, pilot plants, or other scientific or technical facilities under its own auspices.

TRANSFER OF FUNDS

SEC. 30. The Chairman of the Agency, with the approval of the executive committee, may transfer funds to other governmental agencies for research or development work included within the programs formulated by the Agency.

RULES AND REGULATIONS

SEC. 31. Other rules and regulations for the conduct of the work of the Agency shall be formulated by the executive committee and approved by the Agency.

APPROPRIATIONS

SEC 32. Annual appropriations of such amounts as may be necessary are authorized for: Scientific research; office supplies and equipment and miscellaneous expenses, including personal services in the field and in the District of Columbia; purchase, maintenance and operation of motor-propelled, passenger-carrying vehicles; purchase of magazines and books of reference; printing and binding, and traveling and other expenses of members and employees. Any officers or employees of the Agency or of any other agency of the Government, whose compensation is paid out of funds appropriated pursuant to the authorization contained in this section, may be appointed without regard to the civil-service laws and regulations and their compensation fixed without regard to the Classification Act of 1923, as amended. The acts appropriating such sums may appropriate specified portions thereof to be accounted for upon the certification of the Agency only.

PERSONNEL

SEC 33 (a) The Agency shall have a staff to be headed by a Director who shall be appointed by the executive committee of the Agency, and who shall receive compensation at the rate of $15,000 per annum Two Assistant Directors shall be appointed by such executive committee, and shall receive compensation at the rate of $12,000 per annum. The Director shall prepare the agenda of the Agency and shall have the duty of providing data essential to its deliberations and of distributing its conclusions to the departments and agencies concerned for information and appropriate action. The Director, with the approval of the Agency or the Chairman thereof, shall assign such duties to the two Assistant Directors as may be necessary to carry out the purposes of this title The Director shall perform such other duties as may be prescribed by the Agency or the Chairman thereof. The Director and Assistant Directors shall be appointed without regard to the civil-service laws.

(b) Members of the Agency, consulting experts, and others who serve without compensation shall be reimbursed for their actual travel and subsistence and other expenses while engaged in the business of the Agency away from their home or place of business

ABOLITION OF OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT

SEC. 34. The Office of Scientific Research and Development and its constituent committees are hereby abolished. Such of the property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), contracts, assets, and liabilities shall be transferred to the National Science Foundation or to the Agency, as may be determined by the President.

COOPERATION WITH NATIONAL SCIENCE FOUNDATION

SEC. 35. The Chairman and Vice Chairman of the Agency shall be ex officio members of the National Science Board, and the Chairman and Vice Chairman of the National Science Board shall be ex officio members of the Agency. In carrying out their respective duties the Foundation and the Agency shall cooperate to the fullest extent.

SHORT TITLE

SEC. 36. This act may be cited as the "National Science Research Act of 1946."

OWNERSHIP OF UNITED STATES PROPERTY IN THE PHILIPPINE ISLANDS

Mr. CHAVEZ. Mr. President, I beg the indulgence of the Senator from New Jersey to permit me to ask the Senate at this moment to take up Senate bill 2345, a bill to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence.

The only reason for action on this bill at this particular moment is that, as the Senator knows, the Philippine Islands will achieve their independence on the 4th of July, our time. Tomorrow will be the 4th of July according to the time in the Philippines. Mr. McNutt, who is the High Commissioner of the United States to the Philippines, will make his proclamation of Philippine independence tomorrow.

There is now on the calendar of the Senate a bill which was reported from the Committee on Territories and Insular Affairs, and it is absolutely essential that it should be passed before the proclamation is issued. The State Department has called that particular matter to my attention. This bill was submitted by the State Department, it has been reported from the Committee on Territories and Insular Affairs, and I was wondering whether the Senator from New Jersey would not give his consent at this time for me to ask that the Senate consider the bill.

Mr. SMITH. Will it take some time to dispose of the bill?

Mr. CHAVEZ. I do not believe it will take any time. It is a simple bill. It affects American property in the Philippine Islands, and the idea is that unless we pass the bill before the proclamation is issued, Congress will not have any jurisdiction to pass bills affecting property in the Philippines.

Mr. KNOWLAND. What is the number of the bill on the calendar?

Mr. CHAVEZ. It is Order of Business 1606.

Mr. KNOWLAND. Was the bill reported by the Committee on Territories and Insular Affairs by unanimous vote?

Mr. CHAVEZ. It was reported by the Committee on Territories and Insular Affairs by unanimous vote.

Mr. KNOWLAND. Did the minority members support it?

Mr. CHAVEZ. All the minority members present supported it. It is only to take care of American property in the Philippine Islands after they become independent. Due to the fact that time is different in the Philippines from what it is here, the Fourth of July will come tomorrow in the Philippines, and it is absolutely necessary, if we are to protect American interests in the Philippine Islands, that this bill be passed before the proclamation of independence is issued.

Mr. GURNEY. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH. I yield.

Mr. GURNEY. Let me ask the Senator from New Mexico how he expects to have the bill become law before tomorrow. This is a Senate bill. Has the House a similar bill on its calendar?

Mr. CHAVEZ. There is a similar bill in the House, and the House is acting on it today according to information I have received.

Mr. GURNEY. They should act on our bill or we should act on their bill.

Mr. CHAVEZ. They are acting on theirs and we are acting on ours. I should like to have consideration of the bill expedited in the Senate, so that at the time the House takes up its bill it could act on the Senate bill.

Mr SMITH. Mr. President, I have no objection to yielding, provided I can have unanimous consent that I will still have the floor when the consideration of the bill has been concluded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2345) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill

Mr. WHERRY. Mr. President, was there unanimity on the part of all members of the committee?

Mr. CHAVEZ Every member of the committee who was present, both of the majority and minority, voted to report the bill.

Mr. WHERRY. How many members were present?

Mr. CHAVEZ. It happened 4 or 5 days ago, and, as I remember, 10 or 12 members were present.

Mr. WHERRY. There was full representation, and there are no controversial issues?

Mr. CHAVEZ. I would say that, as I recall, the Senator from New Jersey was present. There were no objections whatsoever. It is a departmental bill, to take care of American interests in the Philippine Islands, which must be taken care of before the proclamation of independence is issued on the 4th of July.

Mr. WHERRY. The Senator from New Mexico started to say something about the Senator from New Jersey.

Mr. CHAVEZ. As I recall, one of the Senators from New Jersey was present.

Mr. WHERRY. Was he the only one who was there representing the minority party?

Mr. CHAVEZ. I could not tell the Senator who was representing the minority party, but I know there were members of the minority present.

Mr. WHERRY. The minority was represented?

Mr. CHAVEZ. Yes.

Mr. WHERRY. And there are no controversial issues contained in the bill?

Mr. CHAVEZ. There are no controversial issues in the bill. The bill was explained thoroughly by the representative of the State Department, and was reported unanimously by the Committee on Territories and Insular Affairs. Time is of the essence, because, as I understand, Mr. McNutt, who represents the American Government in the Philippine Islands, will issue some kind of a proclamation on the 3d instead of on what is our regular 4th of July. Their celebration is on the 3d of July, our time. The State Department is most anxious to have the Congress act on the bill today because the Department feels that unless it is passed before the proclamation is issued the interests of the United States cannot be protected

Mr. WHERRY. Still reserving the right to object, I ask the Senator if he will, in a word, explain what is in the bill.

Mr. CHAVEZ. Yes; I will explain the purpose of the bill. Perhaps the best way to do so is to read from the report. The purpose of the legislation is explained fully in a letter addressed to the chairman of the Senate committee by the Acting Secretary of the Interior, under date of June 17, 1946, which reads as follows:

> The war and the intensity of the destruction it spread throughout the Philippines have made it necessary for the United States to undertake an extensive rehabilitation program that will not be more than well begun when the Philippines become independent on July 4 of this year. This program is authorized by the recently enacted Philippine Rehabilitation Act, which, among other things, provides for the conduct of numerous Federal services in the islands during the next few years. Various other operations attendant upon the recovery of the islands from the invader, or essential for the restoration of their economy, cannot be completed until after independence has been attained
>
> These factors present a problem that was not anticipated in 1934 when the Philippine Independence Act became law Until the outbreak of the war there was good reason to assume that the governmental activities of the United States in the Philippines after independence would be limited to the maintenance of the bases reserved for defense purposes, and to consular and diplomatic functions. Provision was made, therefore, in the Independence Act for the transfer to the Government of the Philippine Republic, immediately upon the taking effect of the transfer of sovereignty, of all property of the United States in the Philippines, except the retained bases, and except consular or diplomatic establishment's
>
> The nature and extent of the property holdings of the United States in the Philippines have changed radically since that time. For example, in the course of prosecuting the campaign to drive out the enemy, and thereafter in the course of establishing a base for the final assault on Japan, vast quantities of munitions, equipment, and other property for the armed forces had to be brought into the Philippines Much of this property still remains at various points in the islands. Furthermore, the Alien Property Custodian is in possession, on behalf of the United States, of large amounts of property in the Philippines representing assets seized from enemy aliens, principally the Japanese. These assets, munitions, and equipment constitute categories of property entirely different in origin and use from those owned in the Philippines by the United States before the war, and entirely outside the contemplation of the transfer arrangements embodied in the Independence Act. In view of the circumstances under which this new property was acquired, or taken to the Philippines, I believe it would be manifestly improper to permit the title to pass automatically to the Philippine Republic on July 4 of this year.

In other words, the United States Government feels that the property which was obtained from the enemy should not pass to the Philippine Government with independence, but that the Government of the United States should have some kind of control over it.

I continue to read:

> Moreover, under the provisions of the Rehabilitation Act, certain agencies of the United States Government have been authorized to carry on prescribed programs for the benefit of the Philippines and to train Filipinos ultimately to take over these programs for the local government. The agencies directed by the act to continue their activities will be required to occupy real property and use personal property for a certain length of time in carrying out their authorized functions in the islands This will also be true with respect to such other Federal agencies as may be authorized to perform services in the Philippines after independence Unless the agencies engaged in these programs are permitted to retain land, buildings, and equipment now owned by the United States in the Philippines until their tasks have been completed, they will be compelled to divert a considerable portion of their appropriations to the purchase or rental of necessary space and equipment, and to delay their operations while these transactions are being consummated

In other words, Uncle Sam now owns some property in the Philippine Islands which it was not intended should be dealt with under the original act of 1934 All they want to do is to protect that property.

Mr. WHERRY. So this legislation deals only with the proprietary interests of the United States in real or personal property within the boundaries of the Philippines?

Mr. CHAVEZ. Yes.

Mr. WHERRY. So that we can use the property in the rehabilitation program which has been suggested by various agencies?

Mr. CHAVEZ. Yes. But if we are to take part in that particular program, this property would have to be turned over to the Philippine government, and we would have to rent new property or probably have to acquire new property. The whole purpose of the bill is to protect the United States.

Mr. WHERRY. I thank the distinguished Senator from New Mexico.

Mr. HART. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. HART. Will the Senator explain the necessity for section 4 of the bill? The background of my question is the fact that the Federal Government has made during the last 40 years very heavy expenditures on the improvement of various pieces of real estate, some of them very advantageously situated, and which have become very valuable by virtue of what we have spent upon them. My question is: Why is it necessary to include this section, which deals with other things which clearly are properly handled at this time. This provision passes out of the hands of the Congress any control or concern whatever with all that

property after this very considerable expenditure.

Mr. CHAVEZ. Section 4 of the bill reads as follows:

SEC. 4. In respect to property not transferable to the Republic of the Philippines under section 3 of this act, the President of the United States is authorized, in his discretion and under such terms and conditions as he may deem appropriate, to transfer to the Republic of the Philippines any or all of the right, title, and interest of the Government of the United States or its agencies or instrumentalities to any or all real and personal property vested in such agencies or instrumentalities.

While the President of the United States has that discretion, this particular bill has in mind protecting all that property in the interest of the United States until such time as the President of the United States feels that transfer should be made. The report says respecting that particular matter:

4 After all claims have been settled against all other former enemy properties which have not otherwise been transferred to the Philippine Government, the President of the United States is directed to transfer all such other enemy properties or proceeds thereof without further compensation to the Philippine Government;

In other words, we keep the property as it is for the moment under the terms of this bill The property is not disturbed, irrespective of the fact that the Philippine Islands become independent and under their own sovereignty. Nevertheless, property belonging to the United States is still kept intact for the United States. After all claims against former enemy properities are paid, if in his discretion it is felt that the United States Government should turn such property over to the Philippine Government, that can be done, but not before. That is the purpose of the bill. We feel that if the bill is not passed, under the Act of 1934 the Philippine Government could get control of our property.

Mr. HART. If the Senator will permit me to make an observation, this places solely in the hands of the President, and within his discretion, the disposal of very valuable and very considerable pieces of real estate, with respect to which Congress has appropriated a great deal of money.

Mr. CHAVEZ. That is correct. The bill is based upon the fact that in 1934 Congress enacted a law permitting the Philippine Islands to become free and independent on the 4th of July of this year. The purpose of this bill is to protect properties of the United States until proper arrangements can be made.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. WHITE. I was not present in the Chamber when the request for consideration of the bill was made. I confess that I know very little, if anything, about it. I have not been able to understand from the recent colloquy why the bill is pressed at this time.

Mr. CHAVEZ. The reason why it is necessary to act at this time is that under the Tydings-McDuffie Act the Philippine Islands become free and independent on the 4th of July of this year. Because of the difference in time, the 4th of July in the Philippine Islands is the 3rd of July in the United States, which is tomorrow. Under the law enacted by Congress the Philippine Islands will become free and independent tomorrow. It is necessary for the authorities of the United States to issue a proclamation to that effect. Unless this bill is passed protecting American property in the Philippine Islands prior to that proclamation, it is doubtful whether the Congress will have any authority to protect such property in the Philippine Islands after the 4th of July.

Mr. WHITE. Will the Senator explain to me why our property should be subjected to confiscation or damage?

Mr. CHAVEZ. Because of the original law. If the proclamation is issued by the United States, recognizing the action taken by Congress in declaring the Philippine Islands free and independent, under that law all our property will go to the Philippine Government.

Mr. WHITE. The Senator just indicated that the bill must be passed by the Senate and the House and approved by the President before tomorrow.

Mr. CHAVEZ. I am so informed by the State Department

Mr. WHITE. Does the Senator anticipate that the House will pass this bill by tomorrow?

Mr. CHAVEZ. Yes. Let me say to the Senator that I am handling this matter for the Senator from Maryland [Mr. TYDINGS], who is absent.

Mr. WHITE. I understand. One thing that troubles me is that I do not see in the Chamber at this time any minority member of the Committee on Territories and Insular Affairs. I feel that legislation coming from that committee ought not to be taken up and disposed of in the absence of minority members of the committee.

Mr. CHAVEZ. I assure the Senator from Maine that when this question was considered in the Committee on Territories and Insular Affairs 5 or 6 days ago the bill was fully explained to members of the committee, both majority and minority, and was unanimously reported to the Senate. The minority members were present. I would no more call up a bill with respect to which the minority was not represented than I would do anything else which I knew to be wrong.

Mr. WHITE. I do not believe that the Senator would knowingly do anything wrong.

Mr. CHAVEZ. I know that I would not; and I am positive that at the time the bill was discussed in the Committee on Territories and Insular Affairs the minority members joined the majority members in reporting the bill. It is essential.

Mr. WHITE. Who in the State Department insists that it is essential?

Mr. CHAVEZ. In connection with the mechanics of the procedure, I am informed by the State Department that tomorrow Mr. McNutt will issue a proclamation of some kind in the Philippine Islands. It is necessary for the State Department to issue a proclamation as to the independence of the Philippine Islands on the Fourth of July. I invite the attention of the Senator to the fact that because of the difference in time our Fourth of July will not be until Thursday, while the Filipino Fourth of July will be tomorrow. Tomorrow will be the Fourth of July in Manila, whether we like it or not. The State Department feels exactly as does the Senator from Maine, that our property should be protected.

Mr. WHITE. When was the bill reported from the committee?

Mr. CHAVEZ. On June 21.

Mr. WHITE. That was 10 days ago.

Mr. CHAVEZ. That is correct.

Mr. WHITE. I instinctively resist whenever I find a situation of that sort. The bill has been on the calendar for 10 days, and it is not taken up until the day before it must become a law.

Mr. CHAVEZ. Let me say to the Senator from Maine that in the best of faith we thought that it was such a fair bill that because of its merits, and because of the fact that it was reported unanimously, when the calendar was called there would be no objection to the bill. I had no idea that there would be any objection. Hence there was no particular hurry. We anticipated that there would be a call of the calendar at almost any time. This morning an official in the State Department telephoned me, and I, acting for the Senator from Maryland [Mr. TYDINGS], who is chairman of the committee, thought it only proper that the bill should be brought to the attention of the Senate. The reason why it has not been considered heretofore is that in good faith we all expected that if the calendar were called and the bill were explained, there would be no difficulty.

Mr. WHITE. If I should withhold my objection at this time to the unanimous consent request for the consideration of the bill, and it should be passed, if later any Senator on this side of the aisle should desire to move to reconsider the vote by which the bill was passed, would the Senator acquiesce?

Mr. CHAVEZ. If any member of the Committee on Territories and Insular Affairs objects to the passage of the bill, I will agree to the suggestion of the Senator.

Mr. WHITE. I wish to enlarge the field. The Senator ties me down to the Committee on Territories and Insular Affairs.

Mr. CHAVEZ. That is because members of the committee know about the bill. If any Senator objects afterward, I will agree to the Senator's request.

Mr. WHITE. Mr. President, I interpose no objection at this time.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2345) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence, which had been reported from the Committee on Territories and Insular Affairs with an amendment, in section 3, on page 4, line 6, after the

word "law", to insert "In any litigation authorized under this section, the officer or administrative head of the agency designated hereunder may appear personally, or through attorneys appointed by him, without regard to the requirements of law other than this section." so as to make the bill read:

Be it enacted, etc—

SHORT TITLE

SECTION 1. This act may be cited as the "Philippine Property Act of 1946."

SEC. 2. There shall remain vested in the Government of the United States or its agencies or instrumentalities all the right, title, and interest of the said Government or its agencies or instrumentalities to all real and personal property within the Philippine Islands as may now be vested in, or later be acquired by the Government of the United States or any of its agencies or instrumentalities.

SEC. 3. The Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading With the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter, to be exercised by the President of the United States or such officer or agency as he may designate: *Provided*, That all property vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading With the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading With the Enemy Act, as amended, and after the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: *Provided further*, That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs, and expenses of administration: *Provided further*, That the courts of first instance of the Republic of the Philippines are hereby given jurisdiction to make and enter all such rules as to notice or otherwise, and all such orders and decrees, and to issue such process as may be necessary and proper in the premises to enforce any orders, rules, and regulations issued by the President of the United States, the Alien Property Custodian, or such officer or agency designated by the President of the United States pursuant to the Trading With the Enemy Act, as amended, with such right of appeal therefrom as may be provided by law: *And provided further*, That any suit authorized under the Trading With the Enemy Act, as amended, with respect to property vested in or transferred to the President of the United States, the Alien Property Custodian, or any officer or agency designated by the President of the United States hereunder, which at the time of such vesting or transfer was located within the Philippines, shall after July 4, 1946, be brought, in the appropriate court of first instance of the Republic of the Philippines, against the officer or agency hereunder designated by the President of the United States with such right of appeal therefrom as may be provided by law. In any litigation authorized under this section, the officer or administrative head of the agency designated hereunder may appear personally, or through attorneys appointed by him, without regard to the requirements of law other than this section.

SEC. 4. In respect to property not transferable to the Republic of the Philippines under section 3 of this act, the President of the United States is authorized, in his discretion and under such terms and conditions as he may deem appropriate, to transfer to the Republic of the Philippines any or all of the right, title, and interest of the Government of the United States or its agencies or instrumentalities to any or all real and personal property vested in such agencies or instrumentalities.

SEC. 5. Immediately upon passage of this act the Alien Property Custodian of the United States shall enter into an agreement with the President of the Philippines to transfer to the Philippine Government for a nominal cash consideration all shares now vested or hereafter vested by the Alien Property Custodian of corporations owning in fee, leasing, or otherwise operating or controlling agricultural lands in the Philippines, other agricultural lands in the Philippines, vested or hereafter vested by the Alien Property Custodian not included in the foregoing, and improved property in Manila vested or hereafter vested by the Alien Property Custodian which in his judgment is urgently needed for the operation of an administrative agency of the Philippine Government: *Provided*, That in respect to property transferred under this section to the Philippine Government, it shall be made a part of the agreement that the Philippine Government shall fully indemnify the United States for all claims payable under the Trading With the Enemy Act, as amended, and for all such costs and expenses of administration as may by law be charged against such property or proceeds thereof.

SEC. 6 Nothing contained in this act shall be construed as amending the provisions of the act of March 24, 1934 (48 Stat. 456), as amended, respecting naval reservations and fueling stations, and diplomatic or consular property, and the property of the High Commissioner to the Philippine Islands, nor as amending the provisions of the joint resolution of June 29, 1944 (Public Law 380, 78th Cong.), respecting bases for the mutual protection of the Philippine Islands and the United States.

SEC. 7. For the purposes of this act the term "Philippine Government" shall mean "Government of the Commonwealth of the Philippines" until the date of independence, and thereafter it shall mean the "Government of the Republic of the Philippines."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE MEAT SITUATION

Mr. WHERRY. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH. I am happy to yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, I should like to report to the Senate the situation with regard to the meat supply and marketing conditions in the first 2 days without price control. I have just received a telegram from the American Meat Institute at Chicago, Ill., which is considered the spokesman for the meat industry and normally represents at least 90 percent of the meat processors of the country. Briefly, this is the report:

Yesterday's markets were extremely confused, due to the sudden and unexpected elimination of price control. Market receipts were at a near all-time low. There were isolated cases of wild pricing, as might be expected under such unusual circumstances. Extremely high-quality cattle, which represented only a minor proportion of the small receipts yesterday, went up to $22, but the bulk of sales made only small gains, notwithstanding the very small supply of these grades also.

The same situation prevailed in the hog market. Receipts were unusually small, causing sharp advances in prices.

All indications are that the principal buyers did not follow this market because, obviously, it was artificial and was no criteria of what the market will be when receipts become more normal.

The market was created largely by former black-market buyers, who no doubt hope to create confusion and artificially high markets in order to encourage restoration of controls under which they have thrived. These same people for months have been purchasing most of the receipts of livestock at prices far above the maximum prices established by OPA. Evidence of this is to be found in the United States Department of Agriculture Daily Livestock Market Report, Monday, July 1: "Order buyers continued to set the price pace in exactly the same fashion as trading the last 2 or 3 months under price control, when approximately 75 to 80 percent of receipts sold to go East." This was the equivalent of saying that big local killers did not follow the advance for all practical purposes, limiting their buy to a few cows and low-grade butcher cattle.

Apparently, if today's receipts are any indication, the normal reaction to production and marketings, as a result of removal of artificial restrictions, will be rapid

Even as early as the second day—

That is today—

after price-control removals, receipts have increased substantially.

Here is today's market:

For example, cattle receipts at 12 important markets totaled over 48,000 head, which compares with less than 30,000 head yesterday and with over 33,000 head Tuesday, a week ago.

Hog receipts at the same 12 markets today exceeded 105,000 head as compared with less than 19,000 head at those markets yesterday and less than 16,000 at those same markets a week ago today.

The effect of increased receipts is reflected in the market price today. For example, the hog market opened very slow this morning and early though limited, sales in Chicago were made at $16 to $16 50 per hundredweight alive, or over $2 per hundredweight less than the top market price there yesterday.

It should be remembered that the tremendous dislocations of both slaughter and distribution of meat created by price control cannot be corrected in 24 hours.

AMERICAN MEAT INSTITUTE.
CHICAGO, ILL.

My distinguished colleague the Senator from Oklahoma [Mr. MOORE] has just handed me an Associated Press dispatch relating to the prices of cattle and hogs on the principal markets. I ask unanimous consent that the dispatch be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

MEAT

CHICAGO—Prices of cattle and hogs dropped sharply here today as yesterday's scooping prices attracted great numbers of both animals to the market.

Salable hog receipts at Chicago were 19,000 head, with an additional 4,000 consigned direct to packinghouses, for the largest 1-day total since January. Cattle also came in

heavily, 9,500 receipts being the biggest Tuesday run since January.

Prices slumped sharply on early rounds at the stockyards, with cattle scarcely lower and hogs moving slowly at about $2 lower than yesterday's high mark of $15.50.

Similar conditions held throughout most of the leading markets of the Nation. Hog receipts at the 12 biggest totaled 111,700 head today, compared with 23,400 a week ago and 54,500 a year ago.

Sioux City, Iowa, had a total of 16,000 salable hogs and Indianapolis, Ind., 20,000, while Omaha, Nebr., netted 10,000 head of cattle to lead all markets.

Mr. WHERRY. Mr. President, black market operations in the next two or three days will depend largely upon livestock receipts. It is significant that with OPA ceiling bids for hogs at country points more than a normal supply was shipped to terminal markets and, as I have already said, this increase in supply resulted in a $2 to $2.50 decline in live prices from the high levels established Monday on light receipts. Mr. President, that shows what we can do when sufficient receipts are obtained, and the receipts are obtained when we do not have these controls.

Since receiving this telegram from the Institute, I have been informed that the hog market has further declined somewhat, on the basis of today's market. If tomorrow and the next day are a repetition of today, they will have a decided effect upon the price, because the market has already had an effect upon the price of yesterday.

The same thing will be true of beef Of course, the sudden and unexpected complete removal of all price controls right now was bound to result in higher prices temporarily on the short supply of cattle being marketed, and which is normal at this season of the year. But the fact that the markets have received more cattle today indicates that increased receipts of cattle are on their way The thing we desire most, of course, is to get those cattle into the hands of legitimate operators.

Mr President, it is significant that yesterday the black market operators took practically all the cattle, and they are making the fight of their lives to protect their own markets. The high prices which were paid for meat yesterday reflect the true black-market price that the black marketers had been paying for livestock. That is what I have been talking about on the floor of the Senate in recent days and weeks. That is exactly what these high prices are, namely, the true black market prices, which the black market operators have been paying for livestock in the days and weeks gone by.

The evidence is such that until there are available more than the 11,000 cattle which were on the Chicago market today, there is not much chance for a legitimate operator to get any within the old price ceilings. It is going to take time to get the proper price adjustment, and this will come about only by the normal operations in a free, competitive market.

Turning to grain for a moment, Mr. President, let me say that the reported price of $1.85 a bushel for corn yesterday reflects for the first time what is and has been the black market price that buyers in the Middle West have had to pay for corn. That is what the cattle feeders have had to pay for corn, in order to get corn to feed their cattle; and we must remember that under the Vinson directive the price of $17.50 a hundred for top-grade cattle was based on corn at $1 a bushel. So that gives an idea of what the cattle feeder has had to pay for grain to feed to his cattle.

Mr. President, I should also like to insert in the RECORD at this point a telegram which I have received from Mr. P. O. Wilson, secretary of the National Livestock Producers Association, of Chicago, Ill. He states that receipts are coming from the producers that 300,000 head of grass-fat cattle from the Osage and Kansas Blue Stem sections are on the way. I wish to have the public know that the producers and processors are doing everything they possibly can do to get the receipts in and to adjust prices so that there can be an orderly market. This is merely an indication of what could happen in the orderly marketing of meat if the controls were removed indefinitely.

I shall report tomorrow on the situation in the market, and I shall do so the next day and every day until we finally do something with the Price Stabilization Act. But it is encouraging to me to note that today 105,000 hogs have been received and that in the principal markets of the country the price has broken between $2 and $3 a hundred. If such receipts continue, the needed meat will be available and prices will go down to where the consumers can afford to buy the meat.

Mr. President, I submit the telegram and ask to have it printed in full in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Senator WHERRY:

The long delay in reaching final decision on OPA legislation resulted in confusion and almost complete disruption of the livestock and meat industry The President's veto, which resulted in end of price control June 30, came on a week end and gave farmers and ranchmen little chance to increase their shipments for Monday, July 1, market, with result receipts were light and prices skyrocketed. Most of Monday's bidding so far as we can check was by order buyers representing slaughterers, many of whom we believe have been active in the black market. As far as we can determine, major packers have confined their bids to prices near or only slightly above those permitted under price control prior to June 30 Livestock producers and feeders are making definite efforts to increase marketings as quickly as possible where livestock is in market condition in order to fill the vacuum which has developed in distribution channels during recent weeks. First results will show in hogs. It is expected increased receipts will result in some reduction in prices as compared with Monday, July 1, and that within few weeks' time, the market level will adjust itself to a reasonable point, considering present supply and demand situation. Cattle must move long distances, and our next big supply will come from the Osage and Kansas Blue Stem sections, where approximately 300,000 transit cattle are being grazed. Normally these cattle start to move during week of July 15. We are informed by our members this particular area we can expect at least a hundred carloads of these cattle to be on the markets Monday, July 8. Already some of these cattle have reached the market, and shipment will increase rapidly for the next few weeks. Transportation problems confront some sections of the country. We have just received requests from Fort Worth, Tex., for assistance in obtaining 95 cars for loading at that station this week. They have been unable to obtain cars locally. This situation we believe will adjust itself within a few days. We urge Congress delay action sufficient time to allow this industry to get underway a movement of livestock that will fill the pipe lines which have long been clogged by OPA regulations. Just remember it takes time, but we assure you that the industry is making a desperate effort to get supplies into market channels as rapidly as possible.

P. O. WILSON,
Secretary, National Livestock Producers Association.

CHICAGO, ILL.

Mr. WHERRY. Mr. President, I have also received a telegram from the senior Senator from Minnesota [Mr. SHIPSTEAD] and I ask unanimous consent that it may be printed at this point in the RECORD

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *July 1, 1946.*

Senator WHERRY,
Senate Office Building,
Washington, D. C:

Think it a mistake to wipe out OPA entirely. In my opinion rents will go up too high Reasonable allowance for cost of maintenance should be granted. Think speculation in real estate should be held down. Pair me for reasonable restrictions. If the President appoints Administrator with sense and good judgment, public can be protected on certain items necessary for restriction on prices Think OPA responsible for most of shortages

SHIPSTEAD.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from New Jersey for his kindness in giving me this time. I know he feels that the public generally should get the report from these livestock markets. So I hope we can carry them in the RECORD and can also give the information to the Senators during this period of time when we are operating without price ceilings or price controls.

Mr. SMITH. Mr. President, I have been glad to yield to the Senator, in order to enable him to submit the important information which he has supplied.

Mr. MOORE. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. MOORE. I merely wish to read several messages on the same subject. The first one is a telegram addressed to me, and it comes from C. E. Wilson, president of the General Electric Co. It reads as follows:

NEW YORK, N. Y., *July 1, 1946.*

Hon. E. H. MOORE,
United States Senate,
Washington, D. C.:

Notwithstanding the expiration of the Price Control Act we give our assurance that the General Electric Co. has no intention of taking any unwarranted advantage of the ending of all price restrictions. We have issued instructions that our present price lines shall be held. Except as it may be necessary to correct serious inequities we contemplate no deviation from this policy.

We expect that such adjustments as may be necessary will be relatively few in number and have little effect in total on our price levels as they existed prior to the expiration of the Price Control Act.

C. E. WILSON,
President, General Electric Co.

The second telegram, which is from R. H. Fogler, president of the W. T. Grant Co., reads as follows:

NEW YORK, N. Y., *July 1, 1946.*

Senator E H. MOORE,
United States Senate Office Building,
Washington, D. C.:

The W T. Grant Co., with 500 stores, guarantees to sell $65,000,000 worth of goods it now owns without increasing prices one penny. Under a free market regulated by free competition, our country's productive capacity is limitless. We have complete confidence that every producer and distributor, with the consumers interest at heart, will exert every effort to provide quality goods in ever increasing quantities at reasonable prices. We face the future with confidence.

R. H. FOLGER, *President.*
W. T. GRANT CO.

I thank the Senator very much for yielding to me.

Mr. HART. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield to the Senator from Connecticut for insertions in the RECORD.

Mr. HART. Following the encouraging news which has been put into the RECORD, I submit some further news from another angle, namely, from the standpoint of a relatively small manufacturer of whom there are a great many in Connecticut. The telegram which I have before me coming from such manufacturer, reads as follows:

MIDDLETOWN, CONN., *July 2, 1946.*

HON. THOMAS HART,
Senate Office Building,
Washington, D C:

Feeling that knowledge of our company policy regarding removal of price control may have some value in your consideration of any pending legislation, we wish to inform you that we, like all reliable manufacturers, will respect our relationship with customers by prices at proper and competitive levels pursuant to this policy. We contemplate no considerable price increase to any customer, but will make individual adjustments in line with applications already under favorable consideration by OPA affecting a very small part of our total business where prices were inadequate due to increased manufacturing costs. I also feel that vast majority manufacturers will take similar position and that there need be no fear of accelerated inflation due to removal of controls.

G. M. WILLIAMS,
President, Russell Mfg. Co.

Mr. O'DANIEL. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. O'DANIEL. Mr. President, in view of the encouraging reports which have been coming in, I merely wish to say that the OPA is dead. Thank God, our Republic still lives.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. SMITH. Mr. President, I cannot help but express the gratification which I feel as the result of the telegrams which we have heard read. I believe that the American people are taking it upon themselves voluntarily to show a great example of patriotism in seeing to it that business conducts itself in an orderly way, without giving way to greed and selfishness. Our people may need some more help. They may need to have controls extended a while longer in certain directions, but I have every confidence in the American people, and I think that the telegrams which have been read warrant such confidence.

Mr. President, returning now to a discussion of the bill before the Senate, which is Senate bill 1850, a bill to promote the progress of science and the useful arts, and so forth, I shall discuss an amendment in the nature of a substitute which I offered a few minutes ago in behalf of myself, the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. WALSH], the Senator from Connecticut [Mr. HART], and the Senator from Arkansas [Mr. MCCLELLAN].

I am deeply interested in the legislation proposed in Senate bill 1850. As a member of the Military Affairs Committee, I voted to report to the Senate the so-called Kilgore-Magnuson bill in order that the matter might be before us for consideration prior to our adjournment this summer. In voting to report the bill I reserved the right to object to certain provisions of the bill and to offer amendments. A number of my Republican colleagues on the committee joined in minority views which are now before the Senate. The principal points made in the minority views have already been discussed on the floor. I did not join in the minority views because they seemed to me to oppose the committee bill without offering any alternative. I do not like to assign objections to measures which may be pending before the Senate unless some alternative is offered when the objective of the bill is one which I can support. I was unwilling to oppose the bill as reported unless in some other way the subject could be dealt with promptly by the Senate, because I feel it to be very important that some program of Federal aid to scientific research be adopted.

I note that my colleague from Connecticut feels that there should be no great haste in connection with this matter, and, in the light of his long experience, I have great respect for his judgment. It has been my feeling, however, from having talked to various persons in the field of science, that if we could pass a bill covering this subject before we adjourn this summer, it would be most desirable to do so.

After talking to many of my scientific friends who favor the principle of this bill, but who object strongly to the bill in the form reported by the committee, I have been in somewhat of a quandary as to whether the proper way to make changes is by way of amendments to specific sections of the bill, or by way of an amendment in the nature of a substitute for the bill. After giving the matter full consideration, and conferring with some of my colleagues who are sponsors of the pending measure, it seemed to be that in order to make the fundamental issues clear, our simplest approach was to offer an amendment in the nature of a substitute, which I did on Tuesday, June 25. Since then I have conferred with the Senator from Virginia [Mr. BYRD], and the Senator from Massachusetts [Mr. WALSH], who have already had a bill reported by the Naval Affairs Committee covering the national defense features of the pending bill. I refer to Senate bill 825 which is now on the calendar and has been for several months. We have now combined to submit a revised version of my amendment, which includes title II of the Byrd-Walsh bill. In offering the amendment in the nature of a substitute I offer it for myself, for the Senator from Virginia [Mr. BYRD], the Senator from Massachusetts [Mr. WALSH], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Connecticut [Mr. HART], and the Senator from Indiana [Mr. WILLIS].

My colleagues, especially the Senator from Connecticut [Mr. HART], have already pointed out what to us has appeared to be objections to the pending bill. It is my present purpose to indicate how the amendment in the nature of a substitute, which I am now offering for the consideration of the Senate, meets those objections.

Mr. President, allow me to speak first of the principal objections so that we may have them clearly in our minds.

Those who do not agree with the committee bill object to the great power which is to be placed in the hands of the Administrator provided for in the committee bill. The Administrator is to be appointed by the President and to be confirmed by the Senate. He will be entirely independent and free from any control of the scientists in whom we feel the power should be lodged to supervise this important subject. The chief difference between the bill as reported by the committee, and the version which we support, lies in the manner of control. We propose a board to be established by the Foundation, the members of which would be appointed by the President from among scientists throughout the country. The Board would appoint a Director who would be responsible to the Board. The Board would control the Director. The Director would not be independent of the Board. The system would be almost like that which is followed in any college or university where there is a board of trustees who choose the president of the university, the president being responsible to them. The principle is contrary to that of a board set up along what might be termed "the Hitler line" where one person is placed in charge and has the direction of the entire policy.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KILGORE. In the case of a publicly owned institution is it not a fact that the board of trustees is appointed by the governor of the State, and that it then selects the president of the institution?

Mr. SMITH. I was thinking more in terms of private institutions.

Mr. KILGORE. But the bill contemplates a public foundation, a public institution.

Mr. SMITH. Very well. However, the Board of Governors may be appointed by the President. Under our amendment the President appoints the members of the Foundation. They choose the Board, but the Administrator is made subject to their control. My objection to the pending bill is that the Administrator is to be appointed by the President, and will not be controlled by the Board.

Mr. KILGORE. Then the Senator does not insist that the Board may select only such members as may be certified by the National Academy of Sciences. That is what I would infer from the Senator's statement.

Mr. SMITH. Mr. President, I shall read our provision on that subject, on page 2 of our substitute, to show exactly what it says. Let me read it for the RECORD so as to make clear what we are suggesting:

> The President of the United States shall select and appoint to the membership of the Foundation 15 persons every 4 years from among nominations requested by him (1) from the National Academy of Sciences for those fields within the province of the Academy and (2) from recognized national organizations in those fields outside the province of the Academy The Academy or such other national organization shall submit at least three names to the President for each vacancy for which he requests nominations

I have talked this over with a great many scientists, and it seems to us that that is the very logic of the situation. The scientists themselves must be asked by the President to do this job. They appoint a board which controls it, and the Board appoints the Director, who is simply subject to their direction, and the Director or Administrator does not have the say he has under the other bill That is the big difference between our substitute and the bill reported by the committee.

Mr. KILGORE. Is not the Senator, by the very wording of the substitute, limiting nominations completely to the National Academy of Sciences?

Mr. SMITH. Not necessarily. The National Academy is in no way called upon to nominate members of their body at all. They can nominate anybody in the country they feel is qualified. They are a good body.

Mr KILGORE. Is there any field of science covered by the Senator's substitute that does not have membership in the National Academy of Sciences?

Mr. SMITH. Class 2 embraces "recognized national organizations in those fields outside the province of the Academy"

Mr. KILGORE. Only in the event that there is no membership in the National Academy in that particular field. Is there any field covered by the amendment which is not covered within the membership of the National Academy?

Mr. SMITH. I would say so. We say in our very opening section:

> There is hereby established, as an independent agency of the Federal Government, the National Science Foundation, a corporation, the members of which shall be 60 outstanding men and women representatives of all sections of the Nation, recognized leaders in the field of the fundamental sciences, medical sciences, engineering and education, and lay persons of recognized standing in public affairs, selected solely on the basis of established records of distinguished service without reference to any political, social, or religious factors.

I think the Senator will agree that is a pretty broad definition and a pretty broad field from which to choose.

Mr. KILGORE. It says "lay persons of recognized standing in public affairs." They might not come from the National Academy of Sciences, but that is the only class that would not come from the academy. Therefore, all the nominations except that class would come from the National Academy of Sciences. What other scientific body would the Senator suggest would make the nominations for the offices, because they must be made by some other scientific body?

Mr. SMITH. Not necessarily. It says "recognized national organizations in those fields outside the province of the academy." They may be educational, or whatever you wish. We are trying to make it sufficiently broad so that we can include persons of qualification for these positions.

I realize there is a difference of opinion on this matter, and I am merely suggesting that our fundamental approach is different from that of the distinguished Senator from West Virginia, because we feel this matter should be handled by scientific men through the best organization they have, the National Academy, and any other organizations of scientists may participate. They may make nominations to the President, he selects the individuals to the membership of the Foundation, they choose a board, and the board chooses the Director. We put the center of gravity in the scientific men of the United States, and not in one Administrator

Mr. KILGORE That is the point I am making. The Senator states that he wants this handled completely by scientists, but he incorporates in the bill the language "lay persons of recognized standing in public affairs." It seems to me that is contradictory.

Mr SMITH. I do not think it is contradictory

Mr. KILGORE Why not?

Mr. SMITH. There are on the board of Princeton University men of distinguished educational qualifications, men of business qualifications, and men of other qualifications We do not need to limit it. The center of gravity in this should be in the scientific group, and that is where it will be, under our plan.

Mr KILGORE. Let me again apologize, but is it not a fact that Princeton University is largely supported by, shall we say, foundation funds?

Mr. SMITH No; it is not.

Mr. KILGORE. Is it a State-owned institution?

Mr. SMITH. It is not.

Mr. KILGORE. Is it a private institution?

Mr. SMITH. It is an institution not for profit. It has a tuition charge. It has foundation contributions from its alumni, men who have profited by the learning they acquired at Princeton, and it has income from its investments.

Mr. KILGORE. It is in no sense, therefore, a public institution?

Mr. SMITH. It does not discriminate in the admission of students. Any student who can pass the examination can be admitted.

Mr. KILGORE. And who can pay the tuition?

Mr. SMITH. Yes.

Mr. KILGORE. It cannot in any sense be termed a State university?

Mr. SMITH. No, it is not a State university.

Mr. KILGORE. The government of Princeton University, then, would be comparable, in business life, to the difference between the government of private corporations and the government of public corporations, as compared with a State university, would it not?

Mr. SMITH. It might be. I do not see that that makes any difference to the discussion.

Mr. KILGORE. I think it does, because in this matter we are dealing with a publicly supported Foundation similar to a publicly supported university, as compared with private foundations.

Mr. SMITH. I know the Senator believes in the head of the Government appointing all-powerful administrators in the departments to conduct the departments, and I definitely do not. I think it is the wrong system, if it is applied to a scientific program. We will not obtain the cooperation of scientific men if we set it up in that way. We will get it only if they think the inspiration is coming from the scientific group themselves, and not coming from a paid Administrator.

Mr. KILGORE. There are two inspirations, one the financial, and the other, which is absolutely essential, the mental.

Mr. SMITH. I do not look upon the scientific men as being at all controlled by the consideration of who pays them the money, whether it comes from the Government, or whether it comes from private sources. They are inspired by their interest in their subject, by their dedication to their pursuit of knowledge.

Mr. HART. Mr. President, will the Senator from New Jersey yield for an observation?

Mr. SMITH. I am glad to yield.

Mr. HART. As I recall, the distinguished Senator from West Virginia yesterday characterized the National Academy of Sciences as being almost wholly an honorary society. That is the inference, that they do not do very much. That is largely true, it is an honor to be elected to that society. But there is one thing which they have done for a great many years, going back to somewhere about the time of the War Between the States, just after which the Academy was founded. They have kept, and still keep, a roster of "who's who" in America in the three groups of science with which they are concerned, and to which their efforts have always been confined. It is the body to which industry and everyone else has always gone to get the best information about various individuals in the sciences, and to obtain nominations for any particular job.

Mr. KILGORE. Mr. President, I wish to correct a statement made by the Senator from New Jersey, or an inference from what he said. It is not possible to buy scientific ability with money alone, no matter how much is spent. However, it must have facilities and some operating capital if it would pursue research. Except for some man who is independent of the need to eat and live, there must be some facilites set forth for him in order that he may work.

Mr. SMITH. That is obvious. If I may continue, I wish to sum up the principal objections, and then go to a discussion of the amendment.

The first point was the question of control by an administrator or board.

The second point was the objection we have to the State by State distribution of funds. I shall discuss that a little later, because it seems to us that what we are now seeking to do is to give financial aid to research and basic science, and that is not an educational problem, such as our educational legislation would deal with.

The third point is the complicated patent provision, on which I shall touch later.

The fourth point of objection was the inclusion of the so-called social sciences.

The fifth point was with reference to scholarships and fellowships—at what point we should begin extending assistance to the student.

The interesting part of the objections to the committee bill is that practically all of them appear first in a letter addressed to the President of the United States, under date of November 24, from scientists throughout the United States headed by Dr. Isaiah Bowman, chairman of the committee supporting the so-called Bush report. I shall refer to that a little further in a moment, and also refer to the fact that subsequently, very recently, Dr. Bowman sent out another message, a committee report, from the same group, stating that under all the circumstances, while the bill is a compromise, they were glad to support Senate bill 1850. I do not wish to mislead Senators, but I do desire to point out that in this letter which was sent to the President in November 1945 the very points which have now been raised by our minority group as objections to the bill were raised by these scientists

I shall read very briefly from this letter, and then I shall ask unanimous consent to have it inserted in the RECORD at the close of my remarks, so that the complete text of the letter may be available.

This is the first point they make in the letter:

> Our experience leads us to believe that responsibility for the program should be placed in the hands of a national science or research board composed of laymen and scientists appointed by the President without reference to political affiliation and solely on the basis of interest in and capacity to promote scientific research and education.

That is exactly what we have tried to provide for in our amendment in the nature of a substitute.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. SMITH. I prefer, if I may be permitted, to conclude. I shall be glad to yield whenever the Senator wants me to, but I suggest that I can make a more consecutive presentation and the Senator can take issue with my conclusions better if I present my whole story. I hope there will not be too many interruptions, but I am glad to yield now.

Mr. KILGORE. The point I am making is this: The Senator said that recommendations contained in the letter were embodied exactly in the substitute amendment. I call the Senator's attention to the fact that the letter does not say that this group of nominations shall come from the National Academy or from any one group. It says "nothing should preclude the President from appointing any qualified person, scientist, or layman."

Mr. SMITH. I agree with that. That difference does exist.

I come now to the second point. I am not reading the paragraph in full, but merely the salient parts of them, to show the position taken by this group of scientists who have given so much time and thought to the subject:

> 2. In our opinion it would be most unwise to subordinate the Board to a single Director appointed by the President, as is done in the Kilgore bill

That is the original Kilgore bill, and that principle is carried over in the legislation we are considering. They go on to say:

> No single person, however eminent or competent, could, except in a great emergency, command the confidence and support of all branches of science and of the many organizations and agencies, private and public, whose cooperation will be required.

Then note this, Mr. President. They go on to say:

> This is an adventure in government for which there is no peacetime precedent, there will be risks and difficulties and responsibilities far beyond the capacity of any individual.

I continue to quote from the letter:

> A subordinated board—a board without ultimate responsibility—would be, or would tend to become, a weak board, especially if it consists in part of ex-officio members—

That is members employed by and therefore responsible to other agencies of Government. Then they pay a compliment to the Senator from Washington. They finish that paragraph by saying:

> We favor a responsible board as provided in the Magnuson bill.

I continue to quote from paragraph 3 of their letter:

> 3. The board should be responsible for the appointment and supervision of the chief administrative officer, who should look after internal affairs, as provided in the Magnuson bill. The Administrator should not be in a position to dictate or interfere with the activities either of the Board itself or of the professional committees appointed by the board; he should be the agent—not the master—of the board.

There is the crux of the issue. I want to see the Director of this Science Foundation appointed by the board and answerable to the board; not appointed by the President and independent of the board. That is fundamental in an undertaking such as this. That is what the scientific men have been telling me is the essence of the difference between the bill which is now before the Senate and the amendment which we are proposing in the nature of a substitute. They do not want an Administrator appointed by the President. No one is questioning the ability, the capacity, or the good faith of the President, but these men want an Administrator who is answerable to them, and not independent of them.

I now quote:

> We are strongly in favor of the distribution of professional responsibility among divisions or committees made up of professional scientists. * * *

I may say that both the bill offered by the Senator from West Virginia and his colleagues and the amendment deal with that matter in about the same way.

> 5. There should be no mandatory provision for ex officio members. * * *
>
> 6. While the board should know about and influence the scientific programs of the Army, Navy, and other departments, we think that it should not undertake to control or coordinate all Government scientific activities to the extent and in the manner required by the Kilgore bill.

That is the original Kilgore bill. It is for that reason that I collaborated with the distinguished Senator from Virginia in separating scientific research outside the area of the national defense in title I of our amendment, and then added title II; and in title II, dealing with the national defense feature, because of this very recommendation, which I had not received until after we had made this division, we provide that the Army and Navy and other departments of the national defense shall be kept separate.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from New Jersey yield to the Senator from Washington?

Mr. SMITH I yield.

Mr. MAGNUSON. Of course, the Senator's proposal then goes contrary to the recommendations of the Secretary of War and the Secretary of the Navy.

Mr. SMITH. I am interested in that suggestion, because I have been told both things. I have been told that the Secretaries of War and Navy would be willing to accept the separate set-up as we have provided it.

Mr. MAGNUSON. I will read what was testified in the hearings on that subject. The testimony in the hearings was contrary to the Senator's proposal.

Mr. SMITH. The Senator would not suggest, would he, that the Army and the Navy group would object to the way we have dealt with this matter in our substitute amendment?

Mr. MAGNUSON. I do not know. That again was their opinion, like the opinion of the men the Senator spoke of as expressed a year ago. The personal opinions of the scientists whose letter the Senator is reading, and those of the men representing the Army and the Navy, are that S. 1850 is satisfactory.

Mr. SMITH. I appreciate the comment made by the Senator from Washington. It simply indicates the difficulty of finding out what everybody does think about this matter.

I continue to read from the letter:

7. The legislation should not attempt to settle the Government's patent policy.

That is another point we deal with in our substitute. We feel that there should be a different approach to the patent situation, to which I shall refer presently.

Next I come to paragraph 8, and this is addressed to the President:

8 In your recent message you—

The President—

stated that the social sciences as well as the basic sciences, should receive support from the proposed national science or research foundation. With all respect, we think it would be a serious mistake to include the social sciences (sociology, political science, economics, law, and so forth) at this time

That is the view of the scientists themselves, and that is one of the points raised by my distinguished colleague, the Senator from Connecticut, and I can say personally that, so far as I am concerned, I think the Senator from Connecticut is right. We should not mix the social sciences with the basic sciences in dealing with this subject. When I was a member of the Princeton faculty I was a member also of the social scientists group, and my prejudice would be entirely on that side. I should like to see the social sciences given aid, but I think their problem is such a different one that the two should not be joined in this bill.

I continue to read from the letter:

We believe that the social sciences should be taken care of by a separate body.

Then finally—

To summarize We are in favor of a responsible board composed of laymen and scientists appointed by the President on the basis of interest and capacity, with a full-time administrator appointed by and responsible to the board. We are opposed to a mandatory provision for ex officio members either of the board or of the professional divisions The board should not be empowered to control or coordinate other Government scientific agencies, although effective liaison should be established and maintained. This legislation should contain no provision respecting patents or the social sciences.

That letter, Mr. President, is signed by a very distinguished group of scientists headed by Dr. Bowman. To make the RECORD clear, I will state that recently practically the same group have issued a statement concerning S. 1850 in which they say that they hope that this legislation can be passed, and it appears to me to have a sort of a despairing note in it, because of a statement to the effect—

While we will stick to our former views, we think that this is a compromise which had better be taken than nothing.

Let me read briefly from this statement which is dated April 16, 1946, and signed by many of the same men who wrote the original letter. They say:

While S. 1850 is a compromise, it is a compromise on which most scientists have agreed. Most of the principles for which this committee has consistently stood have been accepted.

Mr. President, I think it is only fair to place that in the RECORD, because these men now feel they would rather take S. 1850 than nothing. But they say in the middle of their letter—and I quote this to show their attitude that they would rather have this kind of a bill than nothing:

In endorsing S. 1850 and appealing for its prompt enactment, we recognize that many scientists doubt the wisdom of (a) the inclusion of the social sciences in this legislation, (b) the provisions affecting the Government's patent policy and (c) the arrangement for mandatory geographical distribution of funds to State-supported and land grant colleges. While many would be better satisfied if these provisions were dropped from the legislation, we should regard protracted delay or failure to enact this legislation as far more prejudicial to the public interest than the inclusion of the provisions objected to.

I feel just as they do. If we have to take all these extra frills, I would rather do so than not have any bill, and I expect to support this legislation. But I am asking the Senate to go back to what the scientists wanted, as evidenced by their earlier letter of 6 months ago and by conversation with them. To say "We will take this or we will get nothing," I think is a wrong way to deal with the matter. I feel that we should consider both documents together, and I ask that both documents may be printed in full in the RECORD at the conclusion of my remarks, so there will be no question of my not having quoted them accurately.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. SMITH I yield.

Mr. KILGORE. The first letter from which the Senator read was written in 1945?

Mr. SMITH. It was dated November 24, 1945. That was prior to the introduction of S. 1850, or rather the reporting of S. 1850 by the Military Affairs Committee, was it not?

Mr. KILGORE. Yes.

Mr. SMITH. And the second letter was written after the committee had reported S. 1850.

Mr. KILGORE. Yes. There was still another letter which was introduced into the RECORD, if the Senator will remember, by me early in the debate, a letter from all the organizations endorsing S. 1850. Is that not a fact?

Mr. SMITH. Undoubtedly, and I will say for the Senator's benefit, that I had a very fine letter from my friend, Dr. Conant, president of Harvard, saying that while he did not agree with everything in the bill, and thought it was a compromise, he hoped it would be passed. And, as I said a moment ago, I shall support the Senator's bill if I cannot get my amendment adopted, because I think the legislation is important. I shall not be hard-headed about it; but I wish to bring these issues before the Senate. I shall bring them up in a moment, one by one, to show the differences between the committee bill and the amendment in the nature of a substitute which we are offering. I urge on the Senate the acceptance of our substitute, because it does not in any way undermine the objective which the distinguished Senator from West Virginia and the distinguished Senator from Washington have in mind, namely, the establishment of a Science Foundation; but it does put the control of this agency in the hands of the scientists. That is all I am arguing for.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MAGNUSON. If the Senator will permit an observation, I will not interrupt him further.

I appreciate the fact that the Senator is being very fair in his presentation. Of course, when we started the problem was very broad. A great many scientists favored the Kilgore version. A great many others favored my original version, which is more or less embodied in the Senator's substitute. I am hoping that if the Senator favors the basic idea of what we are trying to do, as I know he does, he will help us to perfect the bill. He knows a great deal about the subject. He is himself a distinguished educator.

Mr. SMITH. I thank the Senator.

Mr. MAGNUSON. If the Senator favors the basic idea, I wonder if he does not think it would be the better part of discretion, and his duty to the men for whom he is speaking, to try to perfect this bill, as we have been trying laboriously to do for the past 2 years, rather than to offer a substitute to be acted upon on the floor of the Senate. We have no pride of authorship about the bill. We might accept some of the Senator's amendments.

Mr. SMITH. As I stated earlier, at first I was in a quandary as to the best course to pursue—whether to offer a substitute, which I have done, and with respect to which I have obtained the collaboration of other Senators, or to offer a series of amendments to the bill. I want the Senate to consider the completely different approach which the substitute presents. If the substitute should be rejected, I shall offer amendments to specific paragraphs, which I think should be corrected. As I previously stated, I intend to support the legislation. I am simply trying to perfect it as to make sure so that it will work.

Mr. MAGNUSON. The normal way is to offer amendments.

Mr. SMITH. We may come to that presently.

Mr. President, I wish to take up the amendment in the nature of a substitute which we have offered, and try to sum up briefly, and as clearly as possible, the controversial points at issue, as distinguished between the committee bill, sponsored by the Senator from West Virginia and the Senator from Washington, the two distinguished Senators who have fathered the pending measure, and the substitute proposal. I wish to take up the issues point by point.

The first point is the control issue—that is, whether there should be a board or an administrator. I do not believe that I need to develop that point further at this time. What we have tried to do is not to leave the control definitely in the hands of a single administrator. We do not want an administrator appointed by the President and who will be beyond the reach of the scientists. We want the

director to be named and appointed by the scientific group itself. We do want the President to be the origin of the power behind the scientific group. That is perfectly proper. The President should appoint the Foundation and the Foundation should appoint the group to control the program. But the group should appoint the Director. If he does not do what they think he should do, they should be able to dismiss him.

Under the terms of the bill sponsored by the Senator from West Virginia, the scientists could not dismiss the administrator. He would be appointed by the President and confirmed by this august body. The scientists would be helpless if they found someone with whom they could not deal. Scientists will not work under those conditions. We may call them prima donnas if we will, but they are the greatest group of thinkers in the country in the fundamental things which we need so desperately for our national defense, national health, and for many other reasons. We must stimulate the scientists to do the job in the way they are accustomed to doing it. I am only pleading for that kind of a set-up.

The second point is freedom of action. Under the administrative plan the scientists would not have the freedom of action which they would have if they were the originators of the projects to be explored. The Foundation which we propose would make for greater freedom of action, and protect the independence of scientists.

The third point is the flexibility issue. I am very anxious to see the maximum flexibility in the areas in which these experiments are conducted. There is no possible way to set up a program as to what percentage of funds should be devoted to this, that, or the other activity. We must give the scientists credit for knowing what it is necessary to explore in the scientific field.

It has been suggested that the scientists will be pulled hither and yon by political considerations. I do not believe they would. I believe that they are the type of men who are deeply concerned with the search for truth, and I am willing to trust them with the flexibility which they need in determining the program. I think they should have the decision as to the use of money. They know where to spend it for the best results. We have provided in our substitute bill for sound fiscal control. It is word for word the same type of fiscal control as that established in the legislation recently passed to control atomic energy.

The fourth point is the basic-science issue. In our bill we have tried to make it clear that this legislation is for the purpose of assisting research in basic science and is not in any sense an educational-support bill. Furthermore, it has nothing to do with applied science, except in title II, in which we deal with the question of national defense, involving the Army and the Navy. There, of course, applied science enters into the picture. But title I, which deals with research in basic science, has no relation to the applied-science issue. It is our belief that applied science, which leads to inventions—the making of gadgets—and which is largely in the field of patents, which we have been discussing, is a field for research by industries. Industries are prepared to do it and can do it. It is possible that the Foundation may make arrangements with industries to do certain things necessary to be done in that field. But fundamentally the Foundation is to subsidize those who are seeking to find fundamental truths. Their activities may have no relation whatever to any immediate applied use. The researcher in basic science is the man who discovers a great new principle, such as fire, atomic energy, or something else, the immediate use of which is not always apparent until the time comes to apply it. We are trying to encourage that sort of research. Americans have been geniuses in that field. It is true that other countries have gone ahead of us in the application of funds. We were in danger of lagging behind Russia, Germany, and other countries.

The purpose of this legislation is to make it possible for our men of science to progress in the area of basic research in the fundamentals. Personally, I believe that the committee bill misses this point by its attempted distribution of funds among States and populations. I do not see how that has any relevancy to the result we are attempting to attain. It seem to me it is injecting into this bill a principle which I favor in connection with the educational bill which was recently introduced by the Senator from Ohio [Mr TAFT] and the Senator from Alabama [Mr. HILL]. In that case the attempt is made to distribute Federal funds among the States so as to build up our educational systems, and to bring the poorer States up to an educational level with the wealthier States. That is a principle all by itself. I am entirely for it, and I sincerely hope that that bill will pass. But I insist that the principle of division among the States according to population, wealth, and so forth, has nothing to do with this bill, which is aimed at research in basic science. It makes no difference where the project is found or where the man is found to do the work. It is that man whom we intend to find and subsidize in his work. Otherwise I am afraid that we would be subsidizing second- or third-rate work at an entirely unjustified expense to the Federal Government.

The fifth point is the much-discussed patent issue. I very much regret that the Senator from Vermont [Mr. AUSTIN] is not present because he has made a very elaborate study of this subject. In the statement of the minority views, which is on our desks, will be found his objections to the patent provisions of the bill.

What we have tried to do in this connection in our bill is to offer a very simple substitute, which appears in section 10, and which it seems to us would adequately protect the public and adequately protect those who are entitled to be protected, in the same way that the Army and Navy has heretofore protected those with whom it has dealt in having them carry on scientific research for the Government. Let me read that section so that it will be before us at this point in the RECORD. Our section 10 reads as follows:

> Each contract executed by the Foundation or by the Agency—
>
> Either the Foundation or the Agency dealing with the Army and Navy program—
>
> which relates to scientific research or development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. REVERCOMB. I should be glad to have the able Senator from New Jersey point out the differences between the patent rights provisions of the substitute which he offers and the provisions of the bill as it now stands, so that the distinctions may be clearly shown. To my mind, one of the most important features to be dealt with, a feature which is brought into consideration by Senate bill 1850, is the patent feature. I believe that if Senate bill 1850, containing section 8, dealing with patents, is enacted, it will virtually destroy the patent laws of this country.

Under the provisions of section 8 of the bill, the Administrator is entitled to any discovery or patent which may result from any of the work done, if Government aid has been received. The Government does not take the patent for its own use; but under the terms of the bill as now written, as I understand, the Government is required to give it to the public. In other words, the public would be entitled to profit from the work and ingenuity of those who might discover new processes. I should be glad to have the able Senator dwell upon the differences between the two bills.

Mr. SMITH. I regret very much that I am not sufficiently versed in patent law to give the answer which the Senator would like to have; but I can point out, for example, that in the committee bill, sponsored by the Senator from West Virginia and his colleagues, section 8 begins on page 14 and extends through pages 15, 16, 17, 18 and 19. Those pages deal with the manner in which anything that may be discovered shall be handled. It goes further than the Foundation or Board proposed to be established, because it requires the head of any Government agency to comply with those provisions. As I understand the purpose—and if I am in error, I hope to be corrected—the proponents of the bill are trying to establish an entirely new patent policy in this field for all governmental activities. We are avoiding that. The scientists asked us to avoid it. What we did was to include a simple paragraph, which I have just read, and which provides that in any contract the rights and patents privileges shall be adequately taken care of, as between the Foundation and the person with whom the Foundation is dealing.

Mr. REVERCOMB. The Senator makes the statement that it appears from section 8 of the bill as written that the proponents of the bill advocate a complete change of policy with respect

to the rights of Government agencies in the matter of patents.

Let me ask the Senator whether it does not go even further than that. Does not Senate bill 1850 require that such discoveries as may be made by the use of Government funds may not be used by Government agencies or may not be used for governmental purposes, but shall be given to the public at large?

Mr. SMITH. Oh, yes; absolutely. There is no doubt about that. That is the purpose of the provision.

Mr REVERCOMB. In that event, anyone can use the discovery.

Mr. SMITH. Yes. It has been suggested by some Senators, as the Senator from West Virginia knows, that that is a complete change of our patent law. The proponents of the bill say it is not a change of the patent law. I regret that the Senator from Vermont [Mr. AUSTIN], who has made a study of this matter, is not here to give us the correct answer. Possibly the Senator from West Virginia can give us further light on the subject. But I agree with him that this provision does open the door. It provides that anything into which any Government funds go must be the property of the public from then on. We wish to have inducements made to people to make discoveries. We do not wish them to feel that merely because some Government help has been given, thereby a man cannot make the ordinary progress which others can make in the field of invention. I think the Senator will agree with me on that point.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr SMITH. I am glad to yield.

Mr. REVERCOMB. The Senator says that under the committee bill such discoveries will become the property of the Government. If the bill went only that far, it might not be so objectionable. But the bill provides that the governmental agency must disseminate the information and must give the public at large the benefit of the discoveries. In other words, if the inventor or discoverer of a new formula had found it in the course of an investigation or experiment to which Government funds were contributed, it might be well worth-while to say that the Government should have it free, to use. But Senate bill 1850 goes further than that, and says that the public shall have it, and under the bill the Administrator and the Government agency are required to give it freely to public use, which would be an absolute destruction of patents, as I see it, or the encouragement of inventions.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. MAGNUSON. I think the Senator from West Virginia misinterprets the provision. Perhaps he interprets the words differently from the way I do; but I tell him that I know it was the intention of my subcommittee to place in the bill only the patent clauses which the Army and the Navy and the OSRD used during the war, so as to provide for the same type of patent blueprint which they used during the war. It is not a case of requiring anyone to do something. The Foundation could make a research contract with the Senator, and under the provisions of the contract, as we intend the situation to be, and as I think the bill now reads, they could make any type of contract they wished to make. In other words, they would take the equities into consideration.

Suppose the Senator had a laboratory which was furnishing 80 percent of the cost and suppose the Government were furnishing the remaining 20 percent, and suppose the Senator was furnishing all the personnel. A contract could be made with the Senator by which he would have all the patent rights, if the problem was a military research one, or vice versa. No other interpretation could be placed on those words, unless I am mistaken. In other words, we would give the Foundation exactly the same authority which the Army and the Navy and the OSRD and other Government agencies had during the war, by which they made grants-in-aid and made contracts for research.

Mr. REVERCOMB. Mr. President, will the Senator yield to me?

Mr. SMITH. I am glad to yield.

Mr. REVERCOMB. Let me ask the Senator from Washington to consider whether he is correct when he states that the bill provides the same rights which the Army and the Navy provided for during the war. I now read subsection (c) of section 8, beginning on page 16:

(c) All inventions, discoveries, or findings in which the United States (or any Government agency), now or hereafter, hold any rights, including patent rights, shall be made available to the public on a nonexclusive and on a royalty-free basis to the extent the United States or such agency is entitled to do so under the rights held by it Except as provided hereafter in this subsection and in subsection (d), any invention, discovery, or finding hereafter produced in the course of federally financed research and development shall, whether or not patented, be made freely available to the public and shall, if patented, be freely dedicated to the public.

If that is not a free dedication to the public and if it does not make inventions, discoveries, and so forth, freely available to the public, and make it mandatory to do so, then I cannot understand the language.

Mr. MAGNUSON. Mr. President, if the Senator from West Virginia will read further he will find that subsection (d) gives the Foundation the right to make contracts in regard to any research problem and, presumably, the right to take into consideration the equities, as was done during the war. When the Army or the Navy made a contract with the General Electric Corp., or with some other private concern or laboratory, it took into consideration the equities, and it made the best type of contract. Subsection (d) provides for that.

Suppose such a contract is made. Suppose the industry and the Government agree that certain patent rights shall go to the Government. Then after the Government receives them, subsection (c) provides that they shall be available to the public. The Senator from West Virginia cannot find any fault with that.

Mr. REVERCOMB. Mr. President, let me read subsection (d). Undoubtedly there is some conflict between subsection (c) and subsection (d), because subsection (c), which precedes subsection (d), makes it mandatory to dedicate these discoveries and patents to the public use.

Mr. MAGNUSON. That is the case as to patents which the Government has. The Government will not have them until it makes the contract.

Mr. REVERCOMB. That is exactly correct. But in that way the Government can get all of them.

Mr. MAGNUSON. Does the Senator think that any private laboratory would sign a contract to that effect?

Mr. REVERCOMB. Let me say to the Senator that subsection (d) is very interesting and is rather cute.

Mr. MAGNUSON. I am sure the Senator from Washington had no intention of being cute about it.

Mr. REVERCOMB. Is this the Senator's section?

Mr. MAGNUSON. No; it is not my section.

Mr. REVERCOMB. I did not think it was.

Mr. MAGNUSON. But I looked it over very carefully many times, and I intended to have it provide what I have suggested in the last few minutes.

Mr. REVERCOMB Mr. President, let me read this subsection:

(d) The head of any Government agency financing by contract, or otherwise administering, federally financed research and development activities, may, by stipulation in the contract—

The word is "may," not "shall"—

or by other advance agreements with any organization, provide for the retention by the organization, or by the inventor, or by their assignees of such patent rights based on discoveries, inventions, or findings produced in the course of such research and development as the head of such Government agency deems fair and equitable, and consistent with the national interest—

Mr. President, now comes the interesting part, and I wish the Senator from New Jersey also to follow me in reading this provision of the measure, to see if I am correct about it. Here is the proviso, and here is what he must comply with:

Provided, That (1) the head of such Government agency shall, before entering into any such contract or agreement, make a finding that the agency has made every reasonable effort to arrange for the conduct of the necessary research and development without entering into a contract containing such provision.

In other words, the policy of this bill is that he has to make a contract to take over every invention and every discovery in the name of the Government, if he can possibly do so; and he cannot make any other kind of contract until he makes a finding that he cannot make a contract which would give the Government every discovery. And once he gets the discovery, he is required, under a mandatory provision, to give it to the public at large.

Now let us see what the second proviso is. He cannot make one of those limiting contracts unless he also complies with this provision:

(2) the organization shall contribute or shall have contributed substantially to the development of the particular inventions,

discoveries, or findings for which patent rights are retained through earlier or current research and development activities financed by the organization.

Not by the Government; but before he can make the contract which will let the organization or the inventor keep any part of the findings or discoveries, he must find that it was substantially financed by the inventor, through earlier or current research.

Mr. MAGNUSON. What is wrong with that?

Mr REVERCOMB. Nothing is wrong with it if the Government would keep the patent for its own use, instead of disseminating it to the public and destroying the patent laws.

The measure further provides:

(3) in every case, the contract or agreement shall provide for at least an irrevocable, nonexclusive, royalty-free license for governmental purposes to the United States.

I think that provision is good.

Then we find:

and (4), in the case of any nonprofit organization, the head of such Government agency further determines (A) that the research and development is essential in the field of national defense or in such other fields as the President may specify for such purpose, and (B) that the patent rights retained will not be used to serve the special benefit of any organization conducted for profit or of any individual, and will be made available or licensed to applicants on a nonexclusive, uniform, and reasonable royalty basis.

In other words, what is being said here is, undoubtedly, as I read this provision, first, that the policy is that the Government shall take any discovery of any inventor, and he cannot patent it for his own use. The right of patent is to be forever destroyed as to that man. This section provides that the Government shall take it, but not keep it for Government use or for defense use, but shall disseminate it to the public at large.

Then comes subsection (d), which says that the Administrator or the head of the Government agency may make a contract if he complies with the provisions I have read. But a reading of those provisions indicates, I feel, that there can be very few cases in which he will be able to make a contract and still comply with the provisions which are inserted as prerequisites to the making of a contract.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MAGNUSON. Of course, I believe that the Senator from West Virginia is reading something into the language which is not there.

All that the language provides is that if the Government furnishes a portion, be it substantial or small, of the necessary money to a private research laboratory, the Foundation may then make a contract with the laboratory. That is what was done during the war in connection with many of the great industrial research laboratories. Then the results of the research shall go to the laboratory or to the inventor, or in accordance with any arrangement which the Foundation may make. That matter has been gone over by persons who had a deep interest in the subject, and the intent of the language to which the Senator refers is as I have explained.

Mr. REVERCOMB. Once the Government makes an arrangement and obtains rights in the discovery, does not the able Senator agree that the Government must give those rights to the public free of charge?

Mr. MAGNUSON. Oh, no. The Government may keep whatever right it has, if it wishes to do so. Subsection (d) takes care of that.

Mr. REVERCOMB. Let us read the language.

Mr. MAGNUSON. Excuse me. I refer to the language in the last line of page 17, as follows:

That the research and development is essential in the field of national defense—

And so forth.

The President may specify for what purpose the Government may keep the patent rights. What else would the Government keep patents for if not for the national defense? Why should not the Government benefit from them?

Mr. REVERCOMB. Why should not the inventor benefit?

Mr. MAGNUSON. We did exactly the same thing during the war.

Mr. REVERCOMB. Why not have the bill so framed that the Government will take over the findings which the Government may use for national defense or otherwise? Allow me to read subsection (c) on page 16. The language there reads, in part, as follows:

All inventions, discoveries, or findings in which the United States (or any Government agency) now or hereafter, hold any rights, including patent rights, shall be made available to the public on a nonexclusive and on a royalty free basis to the extent the United States or such agency is entitled to do so under the rights held by it.

The point which I am making is that, if we leave that language in the bill we have virtually, so far as Government-financed invention is concerned, destroyed forever the incentive which the Constitution of this country recognized by prescribing the power of Congress to enact patent laws.

Mr. MAGNUSON. The provision to which the Senator refers is exactly the same provision as the one which the War Department and the Navy Department put into contracts during the war. Under the language the Foundation could make a 100-percent grant to a private individual so as to enable him to work on a particular research problem, and provide in the contract that the individual would receive the benefit of any commercial advantages which might result from his work.

Mr. REVERCOMB. According to the language, he may not receive such benefits unless he complies with certain prerequisites which I have read into the RECORD.

Mr. MAGNUSON. Whatever the policy may be, it is similar to the policy pursued by the Government in making contracts during the war.

Mr. REVERCOMB. I believe that it is a pretty severe policy.

Mr. MAGNUSON. But the public must be protected. The public pays the money.

Mr. SMITH. Mr. President, I ask the Senator from West Virginia whether he agrees with the provisions we have incorporated in our substitute. I refer particularly to section 10, on page 8, which, to the opponents of the pending bill, seems to be adequate. We do not question the right of the Government to work out its patent policy in regard to these matters, but we think that an elaborate code of restrictions should not be incorporated.

Mr. MAGNUSON. There would be no restrictions. We leave the bill wide open so that the Foundation may make any contract it wishes to make.

Mr. SMITH. Yes, the Foundation may be expected to take care of the best interests of the public.

Mr. MAGNUSON. I am glad to agree that the Foundation may be expected to take care of the best interests of the public. That is exactly what I have tried to explain. We must have some faith in the persons who will be appointed to administer the Foundation.

Mr. REVERCOMB. Mr. President, I think that section 10 of the amendment in the nature of a substitute, which has been offered by the Senator from New Jersey in behalf of himself and other Senators, should be considered. It entitles the Foundation to make contracts in order to protect the Government and to obtain discoveries which may be useful to the Government, but once the Government obtains those discoveries it is not required to disseminate information and destroy the usefulness of the invention.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. KILGORE. The Senator from West Virginia stated a while ago that the Government will retain the patents on all new discoveries and inventions. What would the Senator have the public do with the discoveries and inventions?

Mr. REVERCOMB. I do not believe that the patents should be retained in the name of the Government except as to those things which can be put to governmental use, such as in the Army or in the Navy. Patents ought not to be held in the name of the Government except for governmental use. Should not the patent go to the inventor?

Mr. KILGORE. Is not the Senator well aware of the policy which is not only commonly but universally invoked in connection with private laboratories and research organizations, of rewarding the inventor?

Mr. REVERCOMB. I know that very frequently contracts are made with employees of research laboratories to the effect that any of their inventions shall become the property of the laboratories.

Mr. KILGORE. Yes.

Mr. REVERCOMB. I believe that any individual who may be responsible for a discovery should have the first benefit to result from such discovery.

Mr. KILGORE. Then the Senator believes that the laboratories which follow the policy to which I have referred violate the constitutional rights of its employees, does he not?

Mr. REVERCOMB. I do not believe that his rights are violated because, in the contract which he makes with the laboratory, he sells the right which he might otherwise have. But if we are to observe the language of the Constitution, there is nothing in it which is clearer in this connection than is article I, section 8, paragraph 8, reading as follows:

The Congress shall have power * * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

Mr. KILGORE. Yes; to their respective writings and discoveries.

Mr. REVERCOMB. Yes. And I think that the inventor ought to have such right. I believe that the Constitution of the United States intended that he should have it. Of course, if he wishes to sell his right, he may do so.

Mr. KILGORE. Then we are getting around his right by denying him the opportunity to work in a laboratory unless he signs a contract assigning his right to the laboratory, and that is what most of such employees do if they want to continue in their employment.

Mr. REVERCOMB. I presume that what the Senator has stated is true. At the same time, if the Senator is asking me what I think is the proper plan to follow, I say that I think the inducement comes in the reward of the patent to the inventor himself

Mr. KILGORE. Oh, I agree with that statement, so far as private industry is concerned.

Mr. SMITH. Mr. President, in regard to my point 5—namely, the patent, concerning which we have listened to a very enlightening discussion by the junior Senator from West Virginia—I should like to have printed in the RECORD at the close of my remarks two articles. One is from the Christian Science Monitor of recent date, which discusses at some length the so-called Kilgore bill. The article is by Mr. Harold Fleming. The other article is by Waldemar Kaempffert, entitled "Science in Review," with a subheading of "Wanted: A clear policy of the Government as to patents in which it is interested," from the New York Times of June 9, 1946.

Mr. President, I ask that both these articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 3 and 4.)

Mr. SMITH. Mr. President, I pass to my point No. 6 which I call the national security issue. A question was raised as to whether we should merge in the bill the Army and Navy program, or separate it. After consideration, the sponsors of the amendment in the form of a substitute have suggested that our title II takes care of the national-defense program, and that title I takes care of the research in other areas. Therefore, we have incorporated the two separate titles in order that there may be no misunderstanding with regard to the differences involved. Of course, we are excluding the field which is covered by the atomic energy legislation recently passed by the Senate. If the language of the amendment covering that matter does not meet with the desires of the senior Senator from Connecticut [Mr. McMAHON], I shall be glad——

Mr. MAGNUSON. Mr. President, the senior Senator from Connecticut has already submitted two amendments to the pending bill.

Mr. SMITH. In the event that our substitute is adopted by the Senate, I shall be glad to accept the amendments of the Senator from Connecticut [Mr. McMAHON] with regard to atomic energy.

Mr. McMAHON. I thank the Senator. As I understand, the amendments I have filed, and which are now lying on the desk, are now in order preceding the Senator's substitute. I should like to have them acted upon now, if the Senator will permit. They would then become amendments to the Magnuson-Kilgore bill. Of course, if the Senator's substitute prevailed, I should then like to reoffer the amendments as amendments to the Senator's substitute.

Mr. SMITH. I understood they had been accepted by the authors of the Magnuson-Kilgore bill, and that it was not necessary to vote on them.

Mr. McMAHON. I anticipated they would be, and I think they will be, but that fortunate event has not yet come to pass.

Mr. MAGNUSON. If the Senator from New Jersey will proceed, I think perhaps we can arrange that.

Mr. SMITH. I shall proceed, but I do not object to the amendments of the Senator from Connecticut being disposed of.

My point 7 is the so-called planning issue. The committee bill contemplates excessive planning by the Administrator and his advisers. Our contention is that the center of gravity should be put among the scientists themselves, and that scientific research should come definitely from that group. That would be ultimately in the best interests of all the people, because then the door would be open for scientists in any part of the country to filter through their organizations with any suggestions they had for exploration.

Point 8 is the scholarship-fellowship issue, which I shall touch upon briefly. The committee bill provides for financial aid to both so-called scholars and fellows, the distinction being that scholars are looked upon as those in their undergraduate years, and fellows in their graduate work. It is our contention in our bill that we are not justified in subsidizing boys in their undergraduate years, but are justified in subsidizing those who are picked by their undergraduate records for graduate work in the sciences.

Point 9 in my list has to do with the applied science issue. I wish to make it clear again that in title I we have no primary interest in applied science. We are dealing only with basic science, and are looking to industrial organizations to take care of the applied-science problems, because it is to their interest to do so.

So far as the application of science is necessary in the field of national defense, proper provision is made in title II, under the control of the agency set up for control of national defense research.

Point 10 has to do with what will happen to the existing science structure. It seems to me this is a real issue. I feel that the committee bill threatens the very existence of the existing science structure of our country, now being taken care of by our institutions of learning and by special scientific foundations. It apparently aims to set up a new system of scientific research. The substitute is not to take the place of the existing science structure, but is to supplement what now exists and actually to aid the institutions carrying on fundamental or basic scientific research.

We are taking the position that the existing science structures should be the ones that should aid, and that we should move from our scientific groups into various institutions, and primarily look to them to aid us in this work. I think neither bill contemplates the Government itself setting up any scientific research laboratories.

Point 11 has already been touched on, namely, the social science issue. The committee report includes the social sciences, which opens up a field far beyond the original intention of those who first proposed the legislation.

I wish to make it perfectly clear that I am as great an enthusiast for pursuit of research in the social sciences as is any one else, but I believe it definitely has nothing to do with this bill. The bill has to do with basic research in pure sciences, as they are understood in the academic world. There is no difference of opinion in the academic world about that. I, myself, was a member of the social science faculty, so I am sympathetic with that point of view.

Mr. President, it seems to me that in our substitute, taking it from one end to another, we have tried to take all the objections which have been made from time to time, and the various points of controversy which are raised to the committee bill, and tried to frame one bill in the nature of a substitute so that all the points could be handled at once. That seems the logical way to do it.

I am presenting the substitute amendment in behalf of my colleagues and myself in order that the Senate may deal with it as the approach from the standpoint of the center of gravity being in the scientists themselves, and not in an administrator appointed by the President. I think it takes care of the objections which have been made.

So, Mr. President, I close by presenting the amendment in the nature of a substitute, and moving its adoption. I am willing, if the Senator from Connecticut [Mr. McMAHON] desires, that he present his amendments first. I do not know which is in order from a parliamentary standpoint, but we present our amendment in the nature of a substitute for action by the Senate.

I shall of course call for a quorum and ask for the yeas and nays on the amendment. I shall be glad to have the Senator from Connecticut present his amendments.

EXHIBIT 1

NOVEMBER 24, 1945.

The PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: We, the undersigned members of the newly organized Committee Supporting the Bush Report, respectfully address you on the subject of pending science legislation, as follows:

Subsequent to the publication of the Bush report, Science, the Endless Frontier (July 19), you stated to the Congress that you were in favor of Federal support for scientific research, fellowships, and scholarships. Bills designed to provide such support have been introduced by Senators KILGORE and MAGNUSON. Most of the scientists called to testify at hearings on these bills stated that they were in favor of the form of organization and other features provided in the Magnuson bill. We understand that in your name certain Government officials have recently disapproved the plan favored by the scientists.

For the reason stated in the Bush report, we are in favor of Federal support for scientific research and education. We are in favor of the Magnuson bill, which was designed to implement the plan outlined by Dr. Bush and approved by his advisory committees We are opposed to the Kilgore bill.

We take this means of bringing our views to your attention, of stating the principles on which we think sound legislation must be established, and of bespeaking your further favorable consideration of the Bush-Magnuson plan which the scientists desire and will support.

1. Our experience leads us to believe that responsibility for the program should be placed in the hands of a National Science or Research Board composed of laymen and scientists appointed by the President without reference to political affiliation and solely on the basis of interest in and capacity to promote scientific research and education. Nothing should preclude the President from appointing any qualified person, scientist or layman, but in making appointments it would be desirable to seek the advice of scientists and scientific organizations. Ordinarily, board members should be persons having no other official connection with government. The board should be made up of persons who would regard appointment as an opportunity to perform a national service of the highest importance and in whom the scientists called on to give professional and other assistance would have confidence These principles are fully recognized in the Magnuson bill.

2 In our opinion, it would be most unwise to subordinate the board to a single director appointed by the President, as is done in the Kilgore bill. No single person, however eminent or competent, could, except in a great emergency, command the confidence and support of all branches of science and of the many organizations and agencies, private and public, whose cooperation will be required. This is an adventure in government for which there is no peacetime precedent; there will be risks and difficulties and responsibilities far beyond the capacity of any individual. A subordinated board—a board without ultimate responsibility—would be, or would tend to become, a weak board, especially if it consists in part of ex officio members, that is, members employed by, and therefore responsible to, other agencies of government. We favor a responsible board as provided in the Magnuson bill.

3. The board should be responsible for the appointment and supervision of the chief administrative officer, who should look after internal affairs, as provided in the Magnuson bill. The Administrator should not be in a position to dictate or interfere with the activities either of the board itself or of the professional committees appointed by the board; he should be the agent—not the master—of the board.

4. We are strongly in favor of the distribution of professional responsibility among divisions or committees made up of professional scientists selected by a responsible board on recommendation of the National Academy of Sciences and other qualified organizations, as specified in the Magnuson bill.

5. There should be no mandatory provision for ex officio members. The board itself and the professional committees should establish and maintain close and effective relations with all scientific agencies within the Government; representatives of other Government scientific agencies should be encouraged, and perhaps required, to consult and advise, but should not be empowered to vote. Ex officio professional committees, like an ex officio board, would not be designed to formulate and carry out a well-considered, imaginative program; they would tend to encourage or permit the promotion of special interests and logrolling. The Magnuson bill is designed to avoid these evils.

6. While the board should know about and influence the scientific programs of the Army, Navy, and other departments, we think that it should not undertake to control or coordinate all Government scientific activities to the extent and in the manner required by the Kilgore bill. Indeed, we think that—given high standards and sound practice in scientific education and research—proliferation of interest and activity, together with a high degree of institutional and individual freedom and responsibility, is desirable.

7. The legislation should not attempt to settle the Government's patent policy The subject of patent reform, formerly assigned to the National Patent Planning Commission, has now been placed by you in the hands of a committee headed by the Secretary of Commerce. We think that for the present it should be left in those hands—that partial solution of this important, complex problem should not be anticipated, as attempted by the Kilgore bill, in legislation providing for a national research or science foundation

8. In your recent message you stated that the social sciences, as well as the basic sciences, should receive support from the proposed national science or research foundation. With all respect, we think it would be a serious mistake to include the social sciences (sociology, political science, economics, law, and so forth) at this time. In saying this we do not wish to be understood as suggesting that no such provision should be made for social studies. Rather we wish to emphasize that we do not believe that the group which will administer grants for research, scholarships, and fellowships in the basic sciences would be the appropriate group to allocate funds to the social sciences, or that they will be in a position to interpret the will of the Congress as to the proportion of the funds to be used among the many social sciences. We believe that the social sciences should be taken care of by a separate body. The Bush report was based upon factual studies showing the need and outlining a program for Federal support in the basic sciences; there are no comparable data and programs for the social sciences. Looking only at the scholarship and fellowship program, it is believed that the board proposed in the Bush report and provided for in the Magnuson bill could do an excellent job in the selection and support of scientific students; it would be faced with a very different sort of task—a task for which it would not be qualified—if it were required to make similar provision for students of sociology, political science, economics, law, and so forth. Our reasons for excluding the social sciences from this legislation apply with even greater force to the type of administration required by the Kilgore bill.

To summarize: We are in favor of a responsible board composed of laymen and scientists appointed by the President on the basis of interest and capacity, with a full-time administrator appointed by and responsible to the board. We are opposed to mandatory provision for ex officio members either of the board or of the professional divisions. The board should not be empowered to control or coordinate other Government scientific agencies, although effective liaison should be established and maintained. This legislation should contain no provision respecting patents or the social sciences.

In conclusion, Mr. President, the great majority of American scientists are in favor of Federal aid to scientific research and education, and we are confident that, if legislation based on the principles stated above be enacted, the program sponsored by Dr. Bush and the many scientists and others associated with him can be made a great success. We hope that on further consideration you will support the Bush report and the Magnuson bill

Respectfully yours,

Isaiah Bowman, chairman of the committee, president, the Johns Hopkins University; Roger Adams, professor of organic chemistry, University of Illinois; Carl D Anderson, Nobel laureate, professor of physics, California Institute of Technology, Boris A Bakhmeteff, professor of civil engineering, Columbia University, chairman, engineering panel appointed by the Engineers Joint Council; G W Beadle, professor of biology, Stanford University; D W Bronk, director, Johnson Research Foundation; George Granger Brown, past president, American Institute of Chemical Engineers, R. E Buchanan, professor of bacteriology, Iowa State College, director, Iowa State Experimental Station; William B. Castle, professor of medicine, Harvard University; A. G. Christie, past president, American Society of Mechanical Engineers, professor of mechanical engineering, the Johns Hopkins University, Walter C Coffey, president emeritus, University of Minnesota; James B. Conant, president, Harvard University; Bradley Dewey, president, Dewey & Almy Chemical Co, president-elect, American Chemical Society; Robert E. Doherty, president, Carnegie Institute of Technology; Edward A. Doisy, Nobel laureate, director, department of biochemistry, St Louis University School of Medicine; L A. DuBridge, director, radiation laboratory, Massachusetts Institute of Technology; Paul R Klicker, executive secretary, National Association of Secondary School Principals; F. Malcolm Farmer, fellow and past president, American Institute of Electrical Engineers; Ernest Goodpasture, dean, Vanderbilt University School of Medicine; Farnham P. Griffiths, San Francisco; R. F. Griggs, professor of botany, George Washington University; C. P. Haskins, director, Haskins Laboratories; A. C. Ivy, professor of physiology and pharmacology, Northwestern University School of Medicine, formerly scientific director, Naval Medical Research Institute; W. M. Latimer, dean, college of chemistry, University of California; E. M. MacEwen, dean, State University of Iowa School of Medicine, chairman of executive council, Association of American Medical Colleges; Charles E. MacQuigg, dean, college of engineering, Ohio State University; C. S. Marvel, president, American Chemical

Society; Carl Niemann, professor of organic chemistry, California Institute of Technology; Alton Ochsner, professor of surgery, Tulane University School of Medicine; Walter W. Palmer, Bard professor of medicine, Columbia University; Linus Pauling, head of division of chemistry and chemical engineering, California Institute of Technology; A. N. Richards, vice president, University of Pennsylvania; Walter S. Rogers, director, Institute of Current World Affairs; Homer W. Smith, professor of physiology, New York University College of Medicine; Robert L. Stearns, president, University of Colorado; John T. Tate, professor of physics, University of Minnesota; E H. Volwiler, director of research, Abbott Laboratories; J. J. Waring, professor of medicine, University of Colorado School of Medicine, Warren Weaver, director, the Natural Sciences, Rockefeller Foundation; Bethuel M. Webster, Webster & Garside, New York, Lewis H. Weed, director of the school of medicine, the Johns Hopkins University, chairman, division of medical sciences, National Research Council; F. C. Whitmore, past president, American Chemical Society, Robert E. Wilson, chairman of board, Standard Oil Co of Indiana.

EXHIBIT 2

COMMITTEE SUPPORTING THE BUSH REPORT—STATEMENT CONCERNING S 1850

On behalf of the 5,000 scientists and others who signed or endorsed our letter to the President dated November 24, 1945, we appeal to the Congress to enact S 1850, the National Science Foundation bill, introduced February 21, 1946, by Senators KILGORE, MAGNUSON, JOHNSON, PEPPER, FULBRIGHT, SALTONSTALL, THOMAS, and FERGUSON, and recently reported out with approval by a majority of the Senate Committee on Military Affairs.

For the reasons stated in the Bush report and in the report on science legislation of the Committee on Military Affairs, we are in favor of Federal support for scientific research and education. We are in favor of a National Science Foundation We are satisfied that, given appointments by the President to the National Science Board solely on the basis of demonstrated capacity and fitness, the foundation described in S. 1850 will promote and protect the interests of science, and will thus serve the public welfare.

While S. 1850 is a compromise, it is a compromise on which most scientists have agreed. Most of the principles for which this committee has consistently stood have been accepted. Thus, there is provision for a strong National Science Board. Though the Administrator will be appointed by the President, the President must consult with and receive the recommendations of the National Science Board concerning the appointment. And the Administrator must consult and advise with the Board on all matters of major policy, program, or budget. The Board has the power to make recommendations to the President and to the Congress independently of the Administrator. The advice and approval of the Board are required for appointment to the divisional scientific committees, the chairmen of which will serve as members of the Board. Except in the case of national defense, there is no provision for ex officio appointments either to the Board or to the divisional committees. The foundation will be endowed with powers sufficient to initiate and carry out an effective program in aid of scientific research and education.

In endorsing S. 1850 and appealing for its prompt enactment, we recognize that many scientists doubt the wisdom of (a) the inclusion of the social sciences in this legislation; (b) the provisions affecting the Government's patent policy; and (c) the arrangement for mandatory geographical distribution of funds to State-supported and land-grant colleges. While many would be better satisfied if these provisions were dropped from the legislation, we should regard protracted delay or failure to enact this legislation as far more prejudicial to the public interest than the inclusion of the provisions objected to.

We believe that the creation of a national science foundation to support fundamental scientific research and the education of scientists is of the utmost importance for the health, security, and welfare of the Nation. Moved by this conviction and recognizing the public responsibility of men of science in these matters, we have, to the full extent of our ability, endeavored to aid the Congress in the formulation of workable legislation. Believing the matter to be of great urgency, we recently joined with other groups in an appeal to the chairman and members of the Senate Committee on Military Affairs to report a bill on which the majority of scientists could agree S 1850 is the result. We endorse this bill and appeal now to the Congress as a whole to create a national science foundation by the enactment of S 1850 before the end of the present session.

Isaiah Bowman (chairman), Roger Adams, William P Anslow, Jr., Boris A Bakhmeteff, G W. Beadle, Francis G. Blake, D W. Bronk, William B. Castle, Alfred Chanutin, Walter C Coffey, Robert E. Doherty, Edward A. Doisy, L A. DuBridge, Herbert S Gasser, Ernest Goodpasture, Farnham P. Griffiths, R. F. Griggs, C P Haskins, A C Ivy, Chauncey D Leake, E M MacEwen, Charles E. MacQuigg, H L Marshall, C S Marvel, J S Nicholas, Alton Ochsner, J. Hugh O'Donnell, Walter W. Palmer, Linus Pauling, A N Richards, Homer W Smith, Kenneth B Turner, James J. Waring, Bethuel M Webster, Lewis H Weed

APRIL 16, 1946

EXHIBIT 3

KILGORE BILL IS HELD ADVERSE TO RESEARCH

(By Harold Fleming)

NEW YORK.—Serious danger to the national defense is seen by industrial engineers and research men here in the provisions of the pending Kilgore-Magnuson bill (S. 1850) to set up a national science foundation.

They look on the Kilgore-Magnuson bill as more or less of a Trojan horse, which would, true enough, accomplish the laudable task, recommended by Vannevar Bush, wartime director of the Office of Scientific Research and Development, of setting up a Government agency to spur the basic research which has been lagging in the United States. But it also would provide a sharp, willful, and unnecessary discouragement to essential military research by depriving industrial organizations working on defense contracts of any patent rights in their discoveries.

A severe contrast is drawn between the powerful incentives being provided by the Russian Government to research, and the whittling away of incentives in this country which has its latest embodiment in the Kilgore-Magnuson bill.

MUST DEPEND ON PRIVATE RESEARCH

The background of the matter appears to be as follows:

To begin with, the feeling is that for national defense purposes the armed services must obtain in the next few years a very great deal of applied research work on devices like the atomic bomb, proximity fuze, radar, and so on. Many of the devices used successfully during the war nevertheless cry for improvement, and new ones are needed and wanted. Advanced engineering and research in applied science is now considered the first line in national defense, the equivalent of Admiral Mahan's fleet in being.

To get this, however, private agencies must be used. The Government does not have the facilities and could not develop them in the time available any more than a nurseryman can make a tree. As R. P Russell, president of Standard Development Co., recently said, "The complex problems of modern industry are best solved by seasoned teams of professional men." The accent belongs on the word "seasoned."

This means that Army and Navy must rely, for their new weapons, on farming out the problems to private research and engineering organizations, including both the little outfits that have grown up in the last 10 or 15 years on a free-lance basis, and the large captive outfits owned and operated by big-business outfits like General Motors, Jersey, G E., Westinghouse, Western Electric (American Telephone), du Pont Monsanto, and the like

RESEARCH OUTFITS OVERBURDENED

But the pinch comes in the fact that these outfits, big and little, are crowded with overdue assignments already. Like everybody else today, they, too, are in a seller's market To make up for the lost years of the war, and to keep their places or their corporate owners' places in a competitive market, they have more commercial work on hand than they can get round to in years. And they are seriously short of scientific help, both young and enthusiastic and old and matured And they are short of equipment, the capital-goods makers being far behind on deliveries

During the war, these privately owned risk-taking outfits contributed mightily to the war effort by developing radar, flame-thrower, proximity fuze, jet propulsion, atomic bomb, and so on Now they must contribute more. But under the Kilgore-Magnuson bill Army and Navy can go to them only with requests which would require them to stand a substantial loss

The privately financed engineering research organization justifies and pays for itself only through its ability to keep its employer or employers on a par with, or ahead of, competitors—and this through patent rights.

It is true that the customary contract between the armed services and private research organizations calls for the defraying by Army or Navy of the costs incurred by the private outfit in the called-for research into the stipulated subject

COSTS NEVER WHOLLY MET

But from the private organization's post-war viewpoint this is not enough for several reasons

To begin with, the costs are never wholly met By the time that items billed for administrative overhead, traveling expenses, extraordinary outlays for rush work, and so on, have been through the governmental mill, the private engineering firm is out of pocket by substantial amounts on each and every assignment from the armed services

If during peacetime they take on such contracts they automatically must devote scarce personnel and equipment to defense research which they need to devote to maintaining their own or their corporate employer's competitive position in a fast-shifting market.

Their only personal or private inducement to take such contracts, then, would consist in the right to patent such inventions and ideas as occur to them. Such patents would

enable them to retain their competitive position, or their bargaining position with competitors in future patent pools.

These patents would, of course, be subject to a 20-year-old law which gives the Government the right to license at a reasonable royalty or in some cases at no royalty at all.

But the Kilgore-Magnuson bill would kill these patent rights. It would take them for the Government, and make them available to everybody without money and without price—on a nonexclusive, royalty-free basis. That means no patent, what is everybody's property is nobody's. The essence of a patent lies in the right to obtain a reward for its use by others, or to exclude others from using it

COSTLY TO BE PATRIOTIC

The provisions of the Kilgore-Magnuson bill, thus, would make it costly to be patriotic, and would work to the inventive principle in reverse. It would make any proposal by the armed services to any private engineering research organization carry the well-understood implication that "if you take this contract, you are not only certain to lose but also certain not to gain. You cannot win. Do this for us, and for patriotism, although we all know that if you take this contract you will, if you are a free-lance outfit, have to turn away cash customers in favor of a financial loss, and if you are a captive research outfit owned by a big industrial concern you will have to tell your corporate owner down and split away his stockholders' assets."

In these circumstances it is small wonder that the Secretary of War wrote to Senator THOMAS on April 5 that the patent provisions in the pending Kilgore-Magnuson bill "would impose an impossible burden on the Secretary of War." Also small wonder is the furtive feeling sometimes felt in industrial research circles that it is too bad American "liberals" who push the illiberal patent patent provisions in the Kilgore-Magnuson bill could not take a leaf out of the Russian book as to the desirable attitude toward research on military and naval projects. For, they say, the pending plans call on existing research organizations either to unpatriotically turn down Army and Navy calls for help or else to commit slow financial suicide

EXHIBIT 4

WANTED: A CLEAR POLICY OF THE GOVERNMENT AS TO PATENTS IN WHICH IT IS INTERESTED

(By Waldemar Kaempffert)

If we are ever to have a national science foundation, the question of patents will have to be settled, because some of the great industrial research laboratories are alone capable of conducting research of the kind needed. This is particularly true of electronics, synthetic rubber, surface chemistry, photochemistry, drugs. Must the industrial laboratories turn over all their rights to the Government? And what is to be done when they have already partly explored a field and covered it with patents?

During the war industrial corporations signed some stiff contracts with the Office of Scientific Research and Development. Under one, the Government has the sole power "to determine whether or not a patent application shall be filed and to determine the disposition of the title to and the rights under any application or patent that may result." The decision of the Government is final. It is not likely that an industrial corporation would so limit itself in time of peace.

In a second type of contract—and this is the standard—the laboratory's past patent position is recognized, but the Government receives a royalty-free license for military, naval, and national defense. The contractor may use his invention or license others. Under this type of contract an industrial organization can do work for the Government without sacrificing either the Government's legitimate claim on an invention or its own commercial interest. In these cases the corporation usually has a greater financial stake and interest in the field to be explored than the Government.

IRREVOCABLE OPTION

In a third and more restrictive type of contract the Government receives an irrevocable option to purchase a nonexclusive and nontransferable license limited to patents only but including secret patent applications which are of military importance. The corporation is permitted to grant licenses to others on a royalty basis "not to exceed 6 percent per unit cost for the Government of such mechanical units to be made by or for the Government." If the corporation decides not to patent its inventions the Government may do so at its own expense and thus acquire a monopoly Patent applications may not be filed in foreign countries without permission. If the Government decides that it is advisable to keep an invention secret, any patent application on file can be suppressed. Under this form of contract the Government can make the invention, sell it, or dispose of it as it sees fit according to law

In a fourth type of contract it is made difficult, if not impossible, for industrial organizations to undertake research and development for the Government even on request The corporation has to grant the Government agency immunity from suit and the right to extend immunity to others for infringement of any and all patents based upon inventions made under contract. Thus, a corporation that develops a plastic for the Government, or some product derived from natural or refinery gas, has to give a free license to the Government and the right to transmit such free licenses to others for the whole field, and the Government obtains property rights under all inventions that the corporation may make

CORPORATION CONTRACTS

The corporations signed such contracts when we were at war But will they do so again to oblige a national science foundation which may ask them to conduct research which has no bearing on military matters or national defense? There is no question that when the Government pays any scientist or engineer to make and develop an invention or discovery there should be no patents at all The fruits of research should be public property. But where is the line to be drawn when a contractor has already partly explored a field and covered what he has developed with patents? Or if he has done much research which will result in a patentable invention?

These are knotty questions that must be answered. The whole policy of the Government toward patents in which it is interested needs unification and clarification. There is no agreement among Government agencies now. A clear policy should be laid down in some well-considered piece of legislation.

JOINT COMMITTEE ON ECONOMIC REPORT

The PRESIDENT pro tempore. The Chair appoints as the members on the part of the Senate of the Joint Committee on the Economic Report, established by section 5 (a) of Public Law 304, Seventy-ninth Congress, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Delaware [Mr. TUNNELL], the Senator from Utah [Mr. MURDOCK], the Senator from Pennsylvania [Mr. MYERS], the Senator from Ohio [Mr. TAFT], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Wisconsin [Mr. LA FOLLETTE].

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S 342. An act to amend section 5298 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines;

S 344. An act to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and seal;

S 345. An act concerning the method of payment of the compensation of United States Commissioners,

S 1678. An act to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration;

S 1746. An act to govern distribution of war trophies and devices,

S 1893. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

S 1979 An act to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.,

S 2099 An act to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes,

S 2335. An act to excuse employees of the Government from work on July 5, 1946, and

S J Res. 160. Joint resolution to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6477) to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Form Mortgage Corporation Act, as amended, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S 2335. An act to excuse employees of the Government from work on July 5, 1946;

H. R 6056. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes, and

H. R 6496. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1947, and for other purposes.

CONTROL OF RENTALS

Mr. KNOWLAND. Mr. President, I think the retail merchants and the manufacturers generally are to be commended on the restraint they have shown in the situation as it has developed since the veto of the OPA legislation by the President. How long this condition can continue, of course, no one knows; but there is one serious problem which I think vitally concerns every person who does not own his own home, and which

particularly affects the veterans who have returned to their homeland and are trying to establish their families. I refer to the control of rentals.

I have today received a letter from a war veteran in Hollywood, Calif. It is a brief letter. He points out that he has served in the armed forces of the United States, that he has a pension for disability incurred in line of duty, and he and his wife have an apartment in Hollywood. Under date of June 29 Mr. and Mrs. Drake received from the owner of their apartment a letter which I shall read to the Senate:

NIRVANA APARTMENTS,
Hollywood, Calif., June 29, 1946.

Mr. and Mrs. ROBERT O. DRAKE,
Apartment 211,
1775 North Orange Drive,
Los Angeles, Calif.

DEAR MR. AND MRS. DRAKE: This will serve as official and legal notice to you that the rent for the apartment which you now occupy at this address in the Nirvana Apartments, will be changed effective August 1, 1946, from $53.50 a month to $150 a month.

Very truly yours,
NIRVANA APARTMENTS,
REY B. WHEELER,
Proprietor.

STATE OF CALIFORNIA,
County of Los Angeles, ss:

Robert O. Drake, being first duly sworn, hereby deposes and says that the above is a true copy of the original which was served on him personally this 1st day of July 1946.

ROBERT O. DRAKE.

Sworn and subscribed to before me this 1st day of July 1946.

[SEAL] SAMUEL R. GABB,
Notary Public.

My commission expires February 4, 1949.

I wish to say, Mr. President, that this case is not the only one which has been called to my attention. I think the Congress of the United States, regardless of how much time it may take in order to dispose of the general OPA legislation, has an important responsibility to get legislation under way giving protection in the matter of rent controls.

I was pleased to see that the able and distinguished Senator from Virginia [Mr. BYRD] had introduced a joint resolution which would take care of this type of situation such as is faced by Mr. Drake in Hollywood. I certainly hope that the Senator from Virginia will press his joint resolution, and I further hope that the Banking and Currency Committee will immediately proceed to report an adequate measure providing for protection in the matter of rent control.

Mr. MAGNUSON. Mr. President, along the line of the statement of the Senator from California, I should like to place in the RECORD at this point an editorial from the Seattle Star entitled "A Sensible Approach." It deals with the veterans' housing problem. It prints an excerpt from the house organ of Henry Broderick, Inc., one of the large and outstanding real-estate firms in my city.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A SENSIBLE APPROACH

In a house organ of Henry Broderick, Inc., which you must admit knows its subject, we read this:

"Anything designed to aid the veteran is always popular. Politicians, being fully aware of this, sometimes sponsor visionary legislation that instead of doing something for the veteran, does something to him. Now the idea of settling every ex-soldier in a home of his own is laudable enough, but in actual practice, this utopia turns out to be a misnomer. To begin with, the vast majority of veterans cannot afford to buy a home at current construction costs. Lending, or giving the down payment, does not change the situation. It saddles the soldier with a debt, coupled with taxes, insurance, and upkeep, that is hard for him to manage. Furthermore, everybody knows that the greatest inflation of all has occurred in the selling price of homes ranging from $5,000 to $10,000, and it is in this bracket that it is proposed to place a soldier as a buyer.

"What is really needed in Seattle, as in most cities, are modestly priced apartments and bungalows to rent, and all those who are really trying to help the boys who fought World War II would do well to concentrate governmental encouragement in this direction."

We'd always say this was sound advice.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. BYRD. Mr. President, I should like to make an explanation of title II of the proposed substitute.

Mr. SMITH. I am glad to yield, because the Senator from Virginia and the Senator from Indiana desire to address the Senate.

Mr. BYRD. Mr President, I wish to make a brief explanation of title II, page 12 of the amendment. The title is headed "National Defense Research Agency." That was not discussed by the distinguished Senator.

The purpose of the title is to establish a national defense research agency, which will be an independent agency, for the purpose of carrying out research for both the Army and Navy, a permanent program for national research in the interest of national security.

During the war, scientific research in connection with the war effort has been carried on under the direction of the Office of Scientific Research and Development. A brief explanation of the methods employed by the Office has been compiled from Report No. 5 of the Subcommittee on War Mobilization to the Senate Committee on Military Affairs, and I ask unanimous consent that it be inserted in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. SWIFT in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Under Executive Order No. 8807, dated June 28, 1941, the Office of Scientific Research and Development was given two main functions. First, it was charged with the initiation and support of scientific research on the mechanisms and devices of warfare. Secondly, it was given the task of initiating and supporting scientific research on medical problems affecting the national defense.

The National Defense Research Committee (which had been created on June 27, 1940, by an order of the Council for National Defense, approved by the President) was reconstituted by Executive Order No. 8807 and charged with the duties of advising and assisting the Director of the Office of Scientific Research and Development in the performance of his duties in the field of mechanisms and devices of warfare. The Committee on Medical Research was established by Executive Order No. 8807 to advise and assist the Director in the performance of his duties in the field of war medical research.

An advisory council was also established by Executive Order No 8807 to advise and assist the Director on broad questions of policy affecting the Office of Scientific Research and Development, and is composed of six members, namely:

1. The Director of the Office of Scientific Research and Development as chairman.
2. The Chairman of the National Advisory Committee for Aeronautics.
3 The Chairman of the National Defense Research Committee
4. The Chairman of the Committee on Medical Research
5. An Army representative designated by the Secretary of War.
6. A Navy representative designated by the Secretary of the Navy.

The Director of the Office of Production Research and Development of the War Production Board and the president of the National Academy of Sciences are invited to attend meetings of the council at which matters of concern to them are considered

The Director is chairman of the Joint Committee on New Weapons and Equipment of the Joint Chiefs of Staff, which is charged with the coordination of the scientific program with the requirements of the Army and Navy. The Commissioner of Patents is a member of the National Defense Research Committee.

The Office of Scientific Research and Development has no laboratories and none of its staff are employed as research workers. They are engaged in the planning, directing, administration, reporting, and utilization of scientific research and development in the fields of military devices and medicine

The National Defense Research Committee is divided into 19 separate divisions and 2 panels, each of which specializes in a comparatively narrow field of war research.

The work of the Committee on Medical Research is handled by specialized committees of the National Research Council of the National Academy of Sciences

Nearly all proposals for specific projects undertaken by the Office of Scientific Research and Development arise out of direct requests for aid from either the Army or the Navy. The Office has the authority to and occasionally does, initiate research on its own initiative

When one of the armed services submits a proposed project to the Office of Scientific Research and Development it goes first to the National Defense Research Committee or Committee on Medical Research. The process from that point on will be described only for National Defense Research Committee, as it is representative. From the Chairman's office the proposal is sent to the division or panel specializing in the particular field There it is studied by the scientific staff, first as to its feasibility from a research and development viewpoint and then, if the first answer has been favorable, as to the laboratories best able to handle the necessary research and development work. These findings and recommendations of the scientific staff, usually crystallized in a tentative contract covering the specific work to be done and the probable cost, are then considered by the division, or section, particularly in their relation to other projects being handled by the division. The recommendations of the division are then returned to the Chairman's office for presentation at a regular meeting of the National Defense Research

Committee. If members decide that a particular proposal is well calculated to achieve the desired results in the particular project, the proposal is acted on favorably and a recommendation is made to the Director of the Office of Scientific Research and Development that a contract be entered into with the designated prospective contractor and for a stated amount. If the Director approves the proposal, final steps are immediately taken by the executive secretary of the Office of Scientific Research and Development to complete the negotiation and execution of the contract.

When the contract has been authorized, the division or section of the National Defense Research Committee again enters the picture. The chief of a section or division or one of the scientific staff is made specifically responsible for following the progress of the contract with respect to the scientific and technical work, and in this he is the representative of the contracting officer. But he is also required to report regularly to the division or section on the progress of the work. If the division is not satisfied that proper progress is being made, it may, at any time, recommend changes in the contract or the initiation of new contracts or such other steps as may seem necessary. Additional reviews are also provided in other ways. The staff of the Chairman's office is continually following the progress of related work in separate divisions for the purpose of insuring better correlation and balance. The division chiefs appear before the National Defense Research Committee, or reviewing committees composed of 3 or 4 members of the committee, to discuss the programs of research under way in their divisions. When special problems arise that are not easily handled by the regular organization, ad hoc committees are appointed to study them and report with recommendations.

Briefly summarized, it can be stated that the Office of Scientific Research and Development undertakes primarily war projects requested by the armed services or in which the armed services have an interest, that every possible attempt is made to familiarize the proper armed services' representatives with the progress of projects, and that all possible assistance is given to the armed services and their contractors in order to accomplish efficiently and expeditiously the transition of a project from research and development into production and use on the fighting fronts. The Army and Navy have already adopted for production and use over 200 weapons, devices, or substances developed by the Office of Scientific Research and Development. They have entered into contracts totaling over $2,000,000,000 for the quantity production of such developments. It has been estimated that just one development (a simplified process for manufacturing an explosive) has already saved the Government well over $100,000,000 in constructing manufacturing facilities and saves tens of thousands of dollars each day in manufacturing the developed substance.

Mr. BYRD Mr. President, the Office of Scientific Research and Development coordinated the efforts of industrial, educational, and governmental institutions so effectively that today the United States is in the vanguard of scientific research and has the best and most modern military and naval equipment.

The pending bill sets up a research organization somewhat similar in structure and function to the Office of Scientific Research and Development. The national research agency established by the bill is designed to carry on in peacetime the work performed so effectively during the war by the OSRD.

A section by section explanation of the bill is as follows:

It establishes a national research agency which shall be composed of not to exceed 40 members. The membership shall include an Army officer charged with the coordination of research in the War Department, a naval officer charged with the coordination of research in the Navy Department, the Chairman of the National Advisory Committee for Aeronautics, and such chiefs of services or divisions of the War Department and such chiefs of bureaus or offices of the Navy Department as the Secretary of War and the Secretary of the Navy, respectively, may from time to time recommend and the President approve. The membership shall also include a number of civilians, approximately equal to the number of Army and Navy officers on the Board. The civilian members shall be appointed by the President from among civilian scientists, engineers, or industrialists nominated by the National Academy of Sciences. Initial appointments of civilian members shall be for terms of 1, 2, 3, and 4 years, and thereafter for terms of 4 years. In case of a vacancy caused by death or resignation of a member, appointment of a successor shall be for the unexpired term. Civilian members may be reappointed but continuous membership shall not exceed two terms except in case of a national emergency and by special waiver by the President in the case of an outstanding individual.

It prescribes the duties of the agency. Its function is to formulate programs of scientific research and development relative to the problems of national security; direct and conduct the scientific study of such problems and advise the Secretary of War and the Secretary of the Navy on the application of science to national security. For the purposes of the bill, science is interpreted to include the employment of scientific methods of analysis, experiment, and test, in any branch of science or technology, including engineering, medicine, dentistry, psychology, and biology. It directs that special consideration shall be given to possibilities arising from progress in science and technology.

It directs that the agency shall not relieve the Army, Navy, or other governmental agencies of their responsibility for, or authority over, research and development work under their cognizance. It provides that the act shall not be construed as superseding, curtailing, or limiting any of the functions or activities of existing governmental agencies engaged in scientific research or development or as authorizing the agency to exercise any supervisory direction or power of regulation over their functions or activities. Funds allocated by the agency to other governmental agencies are to be utilized for projects designated by the agency and undertaken on its behalf, and are to be in addition to and not in lieu of funds appropriated to other agencies.

The agency is directed to take proper measures to safeguard classified information, i. e., confidential, secret, and restricted data. It requires the agency to submit an annual report to the Congress through the President. At intervals of 3 to 5 years, the agency is directed to request the President to appoint a committee to again review the activities of the agency and to submit a report to the President. The substance of this report shall be made available to the Congress.

It directs that the members of the agency shall serve as such without compensation. The agency is authorized to utilize the services of consulting experts who shall serve as such without compensation. The proviso to this section provides that various sections of the Criminal Code and other statutes imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, shall not apply to persons solely by reason of their membership upon the agency or solely by reason of their services as consulting experts who serve as such without compensation.

It directs that the agency shall elect annually its chairman and vice chairman from its civilian membership.

It directs that there shall be an executive committee of five members. The executive committee is to be composed of the chairman of the board, the Army officer charged with the coordination of research in the War Department, the naval officer charged with the coordination of research in the Navy Department, and two civilian members elected annually by the civilian members of the board. The chairman of the board shall be the chairman of the executive committee.

It directs that the executive committee, acting under general rules approved by the agency, shall administer and supervise the activities of the board.

It authorizes the chairman of the agency, with the approval of the executive committee, to execute contracts without regard to section 3709 of the Revised Statutes, for personal services and materials in the making of reports, investigations, tests, models, or apparatus deemed necessary to promote national security. In other words, contracts may be awarded without advertising competitive bidding.

It provides that the agency shall not operate laboratories under its own auspices and directs that whenever possible it shall make use of facilities and services of the Army, Navy, and other governmental agencies available. It provides, also, that whenever practicable, research and development projects related to the legally authorized functions or activities of any governmental agency shall be conducted through or in cooperation with such agency. Governmental agencies are authorized to make their facilities and services available to the agency and to participate in the conduct of its projects on terms mutually agreeable to the agency and the agency concerned.

It authorizes the chairman of the agency, with the approval of the executive committee, to transfer funds to other

governmental agencies for research and development work included within programs formulated by the agency.

It provides that other rules and regulations for the conduct of the work of the agency shall be formulated by the executive committee and be approved by the agency.

It authorizes the appropriation of such funds as may be necessary to carry out the purposes of the act. It authorizes appropriations for scientific research, office supplies, and equipment and miscellaneous expenses, including personal services in the field and in the District of Columbia, purchase, maintenance, and operation of motor-propelled passenger-carrying vehicles, purchase of magazines and books of reference; printing and binding; and traveling expenses of members and employees. It authorizes the appointment of a director at $15,000 per annum and two assistant directors at $10,000 each per annum. The proviso authorizes an allowance of $10 per diem in lieu of subsistence to members and others who serve the agency without compensation. The last paragraph of this section authorizes the appointment, without regard to civil-service laws and regulations, and the Classification Act of 1923, of officers and employees of the agency, and officers and employees of other Government agencies whose compensation is paid out of funds appropriated to the agency.

If we fall behind in scientific developments, our military and naval equipment will become obsolete and our country will be in grave danger. Each day it becomes more apparent that the war of the future will probably be waged without the necessity of invading armies. Each day it becomes more apparent that American scientific laboratories contain the most positive means of providing ourselves with adequate weapons of defense. Our chances of becoming involved in a war in the future will decrease in almost direct ratio with our preparedness for war, as measured with respect to weapons and methods of the future.

I realize that basic research and industrial research, as well as military and naval research, must continue in the postwar period and that the future security, prosperity, health, and welfare of our Nation depend to a great extent upon how effectively we keep abreast of scientific discoveries and apply scientific methods to the solution of our everyday problems.

Title II of the bill is practically the same as Senate bill 825, which has been on the calendar for some time, and was approved by the Acting Secretary of the Navy, Mr. Hensel, on May 22, 1945. It was approved by the Acting Secretary of the Interior, and a statement was made by one of the Assistant Secretaries of the Navy, Mr. Lewis S. Strauss, in support of the amendment.

The purpose of it, as I have said, Mr. President, is to keep separate military research from peacetime research, and I hope very much that title II will be adopted.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MAGNUSON. Did the Senator place the dates of those endorsements in the RECORD?

Mr. BYRD. I gave the date of that of the Acting Secretary of the Navy as May 22, 1945.

Mr. McMAHON. Mr. President, I now call from the table the two amendments to Senate bill 1850 which I offered, and which are agreeable to the sponsors of the bill. I may say that they provide for the Atomic Energy Commission to have the control over atomic energy research.

The PRESIDING OFFICER. The first amendment will be stated.

The LEGISLATIVE CLERK. On page 13, after the period in line 2, it is proposed to insert the following:

> In order to prevent duplication, the Administrator shall, prior to authorizing any support of atomic energy research, obtain the approval of the Government agency created by legislation enacted at this session of the Congress for the development and control of atomic energy, within the authority granted by such legislation

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment offered by the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. On page 19, after the period in line 18, it is proposed to insert the following:

> Nothing in this act shall be deemed to supersede the provisions relating to the control of atomic energy information contained in any legislation enacted at this session of the Congress

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WILLIS. Mr. President, the attendance of Senators during the discussion of this very important measure has been so small as to indicate to me that the Members of the Senate are wholly ignorant of its importance, or have failed to understand it, or are too busy with their other duties to give proper consideration to what I consider to be a measure which will mark a milestone in our American life. It is one of the most important measures that we have considered in recent weeks. Therefore, I wish to address myself for a few moments to its implications with respect to our system of government, and some of the important things to which it may lead.

The Kilgore subcommittee report states that—

> The full and balanced development of science in America cannot take place without broad national support contemplated in this legislation.

The authors of S. 1850 are trying to do the impossible.

The work of science that will be done in our lifetime is ridiculously small compared to what has gone before or what will come. It is laughable to think that the mere setting-up of a foundation, the passage of a law, or the appropriation of huge sums of money will create a "full and balanced development of science in America."

The milestones of progress in science are not state aid, spectacular science laws, or grants of money. Progress in science is represented by men, ideas, and time

Progress in science is measured not in weeks or months or years or even decades. Science is measured in centuries, ages, eons of time. Magnetism, the father of electricity and radar, was first discovered by a Chinese investigator before the birth of Christ. Attempts of man to change base metals into gold began before recorded history, and continued in Egypt, Greece, and at the court of King Arthur. That dream has only been realized in this century by splitting the atom.

Progress in science is the record of men, rich and poor, young and old, men of all races, who starved in cellars or spent their own fortunes, seeking truth and light.

Progress in science has resulted from the age-old desire of man to better his fellow man, to free him from the elements, to ease his burden.

Science is the product of the imagination, struggles, and failures of innumerable men from time immemorial.

How pathetic is the belief that a "full and balanced development of science" can be accomplished merely by passing a law and spending a lot of money.

The present administration has fostered a dangerous notion that anything can be accomplished in America by passing a law. The administration has attempted to control our whole price system by a law. Men once thought that by legislation they could prevent drinking.

Today the Senator from West Virginia [Mr. KILGORE] hopes to keep America preeminent through science legislation. Mr President, there are forces in the world far greater than even the supreme law of the land.

The history of science shows that laws have usually been an impediment to science. The law is always a force to maintain the status quo, while science is ever bursting the bonds of convention. Science laws put Galileo in prison; such laws condemned Bacon as a madman; such laws said that a steam engine could not go more than 15 miles an hour.

Scientific legislation in other countries has never been a success. The science laws of those countries bear great similarity to the Kilgore bill. All of them depend on state support, state direction of the aims of science, and control by one central authority which has the power of the purse.

During the first 5-year plan, 1927–32, in Russia scientists were ordered to "stop daydreaming and buckle down to solving the pressing problems of Socialist reconstruction." The control of science rested with a body called the Academy of Sciences, headed by a secretary, who was

responsible for the development of science.

In 1938 Professor Mosely, one of our historians from Cornell University, wrote these impressions of how the Russian academy worked:

> Each secretary exercised what is in practice a monopoly right of patronage over his respective field.
>
> • • • • •
>
> Politicians, but slightly acquainted with the complex problems which are being worked out along the frontiers of knowledge, attempt crudely and arbitrarily to define the channels and goals of human thought.
>
> • • • • •
>
> Such absolute power enables these "leading comrades" through material and political pressure to lend unlimited support to certain creative workers and to force others to abandon forever their chosen field of activity. • • •
>
> This system—

Concludes Professor Mosely—

> naturally leads creative workers to seek protection of some leading comrades Such protection brings with it material support from organs of the state through favorable consideration of requests for funds.

But when Russia needed the tools of war that could only be forged by a nation which had achieved scientific and technological success in the prewar years, Russia and her academy of science had to come to a free and unregimented America.

Mussolini created a clear and detailed law for the foundation of a national research council.

Article 15 of that law states its functions:

> The national research council, in pursuance of the provisions and directives of the head of the government
>
> (1) promotes and encourages scientific research, keeping in view the technical and economic progress of the nation,
>
> (2) coordinates national activities in the various branches of science and of its applications, with the aim of attaining the maximum advancement of scientific research, with particular attention to the problems of economic autonomy and of the defense of the nation;
>
> • • • • •
>
> (5) collects and classifies all documentary and bibliographical material which pertains to scientific research,
>
> • • • • •
>
> (8) requests from the agencies concerned the granting of scholarships at home and abroad. • • •
>
> (9) encourages all the other initiatives which it deems necessary for the diffusion of scientific knowledge and for the promotion of the technical progress of Italian productive economy.

Observe how the Italian law takes the same tone, the same line, the same purposes, and the same method as Senate bill 1850. Instead of contributing to the advancement of Italian science, this type of law was responsible for the gradual departure from Italy of such great minds as Enrico Fermi.

Meitner, Einstein, Bohr—the list is long of those who fled German absolutism. German regimentation and repression of scientists drove by far the greatest number of fine minds out of Europe.

Scientists who remained in Germany were controlled by a national science council. The German council had a single director, assisted by an impotent advisory board, with separate administrators for each branch of science—again the familiar pattern of S. 1850. In the same way, the single director had the power to grant or refuse money to any project in accordance with a central plan of the state.

It was from that time that over-all German science began to fall behind American science in most of the branches of scientific investigation. For example, by the end of the war German medicine was 5 to 7 years behind American medicine.

All this does not mean that some law might not benefit science. It means that the mere fact that we pass a law will not push science ahead the faster. It means that the very existence of a scientific foundation will not solve all the problems of science.

It is certain in my mind that the Kilgore bill will do nothing, in its present form, to help science. The Kilgore bill will only destroy American science. It will tie scientific studies to political pressure and make the appropriation of funds for science depend on patronage and administration favor. These are almost uniformly the results of such centralization of science under similar laws in other countries.

The supporters of the Kilgore bill plan to give the Science Foundation $200,000,000 a year to carry on its work if it becomes a law. Two hundred million dollars! If science could use all this money well, it might be wisely spent. Few men would deny any request of science that could rid the Nation of disease and insure us better things in life.

There is grave doubt, however, as to whether so great an amount of money can be spent wisely. The growth of science must be gradual and deliberate; it cannot be pushed, bribed, or bought into producing results.

During the war OSRD told the medical research men, "The sky is the limit for money you need to carry out your research program." These men had as their scope the whole field of medical science. The greatest amount of money that these research workers were able to spend in 1 year was $6,000,000. Six million dollars brought forth penicillin, blood substitute, DDT, and malarial controls.

The Kilgore bill proposes that—

> Not less than 15 percent shall be available • • • for research • • • in the field of health and medical science.

This is $30,000,000 of a $200,000,000 appropriation for 1 year of medical research. OSRD-sponsored medical research was able to spend only a total of $24,000,000 for 4 years of war when there was no limit to what the research people could spend if they wished.

Dr. Bush, himself, speaking of appropriations for medical science, says on page 11 of his report to the President, Science, the Endless Frontier:

> The amount which can be effectively spent in the first year should not exceed $5,000,000. After a program is under way perhaps $20,000,000 a year can be spent effectively.

Let us, therefore, not delude the public into thinking that we are opening new vistas in technology for them by the mere writing of a Government check.

We cannot recite the unsolved medical problems of the world, put a money value on each, write a check for that amount, and await the solution. Do we think that we can set an amount of gold beside a problem that must be solved as though a cancer cure cost two million and a heart disease cure three million?

The discovery of medical cures has no relation whatsoever to the amount of money that is spent on it. A medical cure is something which may cost thousands or it may be discovered by accident at no cost.

The bases of discovery are completely divorced from any relation to money. First, discovery depends on the drive needed for a cure. Much work has been done on malaria because it is a fatal disease. Little has been done to cure the common cold because it is not.

Second, it depends on what stage of scientific development has been reached. The Curies were able to isolate radium in their day only because the particular equipment they needed had been produced beforehand. The Curies would have worked in vain on radar if the French Government of their day had wished it invented. Radar could come only in our era, and no sooner.

Third, the men and women with the training and the will to work must be available. The French Government spent millions in Panama. They failed with the Canal. They had the famous de Lesseps to direct the work—de Lesseps, the man who had built the Suez Canal. The Panama Canal remained unbuilt, however, until Walter Reed and other Americans solved the mystery of yellow fever. The Panama Canal succeeded because of men, not because of the amount of money spent.

Men cannot force scientists with money. Redoubling the amount of money spent will not necessarily bring results. More often, the doubling of efforts will only reduce the caliber of the work. Mediocre work in science is worse than none at all.

Dr. Bush, on page 58 of his report to the President, says:

> A grave danger in any effort to accelerate discovery is the ease with which the quality of work can be lowered by encouraging men to undertake research who are inadequately prepared or unfitted for the task. Mediocre research work in medicine is not only apt to be useless, but may prove dangerous by misleading medical practice and by fostering false hopes in the public.

THE DANGERS

The dangers of plunging into this field, unexplored and uncharted, are real and of terrible consequence. We cannot set up, complete and going full blast, an organization for science. Science is intangible, dynamic, and ever-changing. What may be right for science today may be wrong tomorrow. To set up any Government aid that does not grow as science grows will be wasteful and injurious. No amount of regulating or spending can shape science into another mold. Scientists will reject that organization which is wrong, and your Foundation will become another magnificent ruin.

This bill will unwittingly flood the country with thousands of mediocre scientists. No one can become a useful scientist merely by getting a scientific education. No boy ought to become a scientist unless it is the one most important thing that he wants to do in life. No amount of schooling will ever surpass the will to be a scientist that is necessary to create an Edison or a Franklin. These two hardly saw the inside of a school.

Senate bill 1850 offers every student in the country a free education, but only in science, provided he has some minimum intelligence. The result will be a flood of second-rate Oppenheimers, Bushes, and Meitners. What boy or girl would not be attracted by the profession that offers a free education. There is no comparable offer in law, teaching, engineering, or other nonscience fields. We would have a lopsided education system, a flood of youngsters looking into microscopes who have no business to be scientists in the first place.

Is this the "full and balanced development of science"? What is balanced about making a lot of second-rate scientists out of all our best brains?

Look at science in its true perspective. It is only a part of the national picture. Guard against making a religion or a fetish of science. Do not raise up new idols to bow down to. Science is not an idol to which we must sacrifice the most and best that we have. Science, for all its wonder, is but the servant of mankind.

Mr. President, I submit that Senate bill 1850 is trying to do the impossible. It is attempting in the face of history, against all natural reason, to force into existence a full-grown national science by governmental decree and Federal funds.

If we are to have a science measure born of hope and of a good and laudable objective, it is well that it be sanely founded.

Therefore, Mr. President, I most sincerely urge the Senate to consider thoroughly the modified program which is offered by the amendment in the nature of a substitute proposed by the distinguished Senator from New Jersey.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled "$1,002,500 Spent By Carnegie Fund."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

$1,002,500 SPENT BY CARNEGIE FUND—MAJOR PART OF LAST YEAR'S OUTLAYS, OR $567,000, GIVEN TO WAR AGENCIES

Devereaux C. Josephs, making his first annual report as president of the $170,000,000 Carnegie Corp. of New York, reviewed yesterday the corporation's expenditures in the last year. The corporation was founded in 1911 by the late Andrew Carnegie for advancement and diffusion of knowledge among the English-speaking peoples. Mr Josephs is the third president of the foundation.

During the year, spending for the war took the major part of the $1,002,500, that the corporation distributed. There were grants of $235,000 to the American Red Cross, $150,000 to the National War Fund, and $10,000 to the National Japanese American Student Relocation Council, among others, for a total of $567,000 in war gifts.

Gifts to permanent agencies included $75,000 to the Carnegie Foundation for the Advancement of Teaching, $75,000 to the American Council on Education, and $25,000 to the National Bureau of Economic Research. Other grants included $5,000 to the National Academy of Sciences, $25,000 to the United Negro College Fund, $5,000 to the National Urban League, and $25,000 to the Boy Scouts of America, to set up a camp system for Negro scouts in the southern States.

In discussing the reasons behind some of the grants, other than those connected with the war, Mr. Josephs said:

"Certainty of success is not one of them, although there should be a reasonable promise of results Individuals and foundations with no direct responsibility to the taxpayer do not have to secure immediate justification for an expenditure. It is important that the corporation remember this.

"Support must often be given in unobvious directions to the possible as well as the probable. Foundation money has been called the risk capital in philanthrophy, and it should be used with prudent imagination. For this very reason, the returns on an enterprise, if successful, should be large enough to justify the risk and offset the failures which such a policy will produce There should be a great potential leverage between the money and the results. Relative to the economy within which it exists, the income of this corporation has declined year by year. This relative decline makes that income more precious. It should be reserved for the enterprises which deal with causes rather than effects, with prevention rather than cure, with the seed that comes before a harvest"

Mr. WILLIS. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD two articles from the Washington Star, one being entitled "Dr. Condon Believes Scientific Gains in Wartime Overrated," and the other "Medicine and Surgery in Reich Described as Casualty of War."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

DR CONDON BELIEVES SCIENTIFIC GAINS IN WARTIME OVERRATED

Efforts to continue wartime departmentalization and secrecy in scientific research will be disastrous, Dr. Edward U. Condon, director of the Bureau of Standards, said in the first Howard lecture at George Washington University last night.

The idea that science made much progress during the war is illusory, Dr. Condon explained, since war research consisted largely of the pooling of knowledge already available to perfect devices for military use. Even the basic principles of the atom bomb, he said, were fairly well understood before the Manhattan district project started.

Dr. Condon asked for a return to the international cooperation which distinguished true research before the war and which is essential for expanding fundamental knowledge Two major steps already are planned, he said One will be the meeting of the United Nations Educational and Scientific Organization in Paris next November. Delegates are expected from all the major countries, and at that time it is probable a permanent office will be set up there.

The other is the plan of the American Philosophical Society and the National Academy of Sciences to receive as guests 50 prominent foreign scientists whose trips are to be financed by their own countries.

Dr. Condon pointed out that prior to the First World War America was largely dependent on Europe for scientific research. But from 1918 to 1939, with science unhampered by national boundaries throughout the world, research in this country began to come of age. The period of free research all over the earth ended when Hitler started his anti-Jewish drives against the German universities and placed their work under military secrecy.

Still, Dr. Condon said, the fact that Germany was rearming was no secret to the world scientific community, although the extent of the work seemed too monstrous to believe.

The Howard lectures it was announced, will be given annually, due to a gift from Frank A. Howard, retired president of the Standard Oil Development Co. of New Jersey, a George Washington graduate.

MEDICINE AND SURGERY IN REICH DESCRIBED AS CASUALTY OF WAR

BOSTON, March 21.—German medicine and surgery were a wartime casualty, according to Col. Robert M Zollinger of the United States Army Medical Corps.

Writing in the New England Journal of Medicine, the colonel described how supposedly outstanding disciples of Hippocrates went into stagnation under the stress of nazidom

"It is now apparent," he asserted, "that the myth of German superiority in the medical profession is as much a fallacy as it was found to be in other forms of German endeavor.

"This deterioration has been due in part to the curtailments resulting from a long war, but prolonged interference and regulation by the state in the selection and activities of students, as well as of the teaching staffs, did irreparable damage to the medical profession."

YEARS BEHIND TIMES

He said that a visit to clinics of professors of medicine in three prominent German medical schools indicated that:

"Although the basic principles of good surgery appeared to be thoroughly understood, it was evident that many practices were years behind the times.

"Penicillin had never been made available.

"The surgeons used vitamin preparations, but did not have so much confidence in this form of therapy as did the internists.

"There was no evidence of the use of plasma or any type of amino-acid preparations for the intravenous therapy of malnutrition

"There was little evidence that the actual requirements of whole blood in the various surgical conditions were understood. Transfusion was largly affected by an antiquated direct method Neither glucose nor refrigeration seemed to have been in use as a preservative in civilian hospitals"

WET PLASMA AVAILABLE

"Wet plasma was available, but neither the dosage of blood nor that of plasma appeared to be controlled by laboratory tests or based on previous scientific estimations.

"The operating rooms in the various clinics did not have a single modern anesthesia machine. No new instruments or modern devices were observed in any clinics visited

"That no significant new developments have been made in Germany, either in medicine or surgery, in recent years."

Mr. WILLIS. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article entitled "Yale Head Assails Controlled Study," published in the New York Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YALE HEAD ASSAILS CONTROLLED STUDY—SEYMOUR VOICES WARNING AGAINST SCRAMBLE FOR CONTENTS OF RESEARCH PORK BARREL—URGES STRESS ON RELIGION—REPORT TO ALUMNI CALLS FOR NEW DEPARTMENT—RECORD OF MEN FROM SERVICES HAILED

NEW HAVEN, CONN., January 3.—Warning of the dangers of political control of the universities of the country in research or teaching, President Charles Seymour, of Yale

University, in his annual report to 51,000 alumni, declared today it would be "disastrous for our academic morale if the universities become involved in a scramble for the contents of a research pork barrel."

Industry and Government have available at the present time large grants for research, particularly in scientific fields, he continued, but "how far we may prejudice our freedom by the acceptance of such grants is a matter demanding close scrutiny and capable and wise decision only on the merits of each individual case."

With his over-all picture of the academic year 1944-45, Dr. Seymour went on to advocate abandonment of research which a university could not finance from its own funds if it were compelled to yield its independence in the methods of conducting such research.

He also emphasized his conviction that academic freedom from outside interference was of even greater importance in the matter of instruction.

FOR FREEDOM IN INSTRUCTION

"We must be free to teach what we think is right, free to do it in the way we think best, and free to admit students or exclude them, according to our own estimate of their capacity," said Dr. Seymour. "Our power for effective service would disappear once we became dependent upon outside subsidies or controls."

Citing the religious activities at Yale, the president, as a result of a recent survey made by a faculty committee, stressed that the time was ripe for a further awakening in students of the consciousness of spiritual values

"There is a crying need for the appointment to the faculty of scholars in the field of religion who can serve primarily the undergraduate and the graduate school," he asserted in advocating the development of an undergraduate major in religion which would attract "an appreciable number of students."

President Seymour also described as "desirable" the establishment of "a University Department of Religion, with its own budget, and made responsible for the integration of undergraduate courses comprising the major and for graduate studies leading to the higher degrees

"That we wish to strengthen religion at Yale is a fact, and whatever can be achieved in this direction will heighten the service of the university to the Nation in the years ahead," the Yale president affirmed

PROGRAM FOR WAR VETERANS

Reiterating his expressed opinion that the educational institutions of the country must adjust themselves to the necessities of military defense, he recommended universal military training as an essential of national security but opposed the merger of such training with academic education.

Yale is adjusting to "fresh conditions of national life," said President Seymour, citing the assimilation of veterans of the Second World War into academic life. The Yale program of studies for returning servicemen was playing an important part in this assimilation, and had more than proved its worth, he stated

"Some students who left college when their work was well advanced return with changed objectives that necessitate alterations in their courses," he explained. "Others who return with well-formulated objectives discover, after a brief experience here, new perspectives opening before them and require a change in program."

"Flexibility of administration," which Dr. Seymour said was "of the first importance," was provided in the Yale studies plan, he added.

In the education of veterans, the report stated that clearly the GI bill of rights was leading many young men to enter colleges, men who previously were financially unable to aspire to such training. Dr. Seymour stressed the surprisingly high percentage of those achieving the dean's list and the very few failures in course, asserting that the record showed the veterans' serious determination to capitalize on this opportunity

Part of the report which dealt with postwar changes stressed as one of the chief problems the results of wartime accelerated courses in the medical school. Dr. —— referred to "serious depletion in the faculty," and the abbreviation of hospital internships and the "often disorganized premedical experience" which he said had been handicaps to this generation of medical students. The Board of Permanent Officers of the School of Medicine have outlined the main principles and policies underlying the postwar program

Mr. McMAHON. Mr. President, I offer two amendments to the amendment in the nature of a substitute offered by the Senator from New Jersey [Mr. SMITH]. The amendments, or at least one of them, would constitute title III of the substitute, in order to take care of the atomic energy situation. I believe the amendments which I propose are acceptable to the Senator from New Jersey. I should like to call them up now, because I am informed that because of the parliamentary situation they should be agreed upon before the amendment in the nature of a substitute is voted upon.

So if the amendments are acceptable to the Senator from New Jersey, I should like to have them voted upon and adopted at this time.

Mr. SMITH. Mr. President, I understand that the Senator's amendments simply protect the Atomic Energy Committee. Is that correct?

Mr. McMAHON. That is correct. The amendment is what was adopted by the sponsors of the Magnuson-Kilgore bill, and it is now in the bill. If the Senator's amendment in the nature of a substitute prevails, I should like to have my amendment in it.

Mr. SMITH. Mr. President, I am very glad to accept it, as I told the Senator before.

Mr. McMAHON. Mr. President, I offer the amendments and ask to have them stated.

The PRESIDING OFFICER. The amendments to the amendment will be stated.

The LEGISLATIVE CLERK. In the amendment in the nature of a substitute, offered by Mr. SMITH, it is proposed to insert on page 19, after line 11, the following:

TITLE III

In order to prevent duplication, the Administrator shall, prior to authorizing any support of atomic energy research, obtain the approval of the Government agency created by legislation enacted at this session of the Congress for the development and control of atomic energy, within the authority granted by such legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment in the nature of a substitute.

The amendment to the amendment was agreed to.

Mr. McMAHON. I also offer the second amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. Following the amendment just adopted to the amendment in the nature of a substitute, it is proposed to insert:

Nothing in this act shall be deemed to supersede the provisions relating to the control of atomic energy information contained in any legislation enacted at this session of the Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment in the nature of a substitute.

The amendment to the amendment was agreed to.

Mr. McMAHON. I thank the Senator.

ESTABLISHMENT OF TRANS-JORDAN AREA OF PALESTINE AS AN INDEPENDENT STATE

Mr. MYERS. Mr. President, about 3 months ago I rose to call the attention of the Senate to the action taken by the British Government affecting the large section of Palestine known as Trans-Jordan. I questioned the legality of this action in international law and I most emphatically questioned the morality of this action in view of the fact that almost 2,000,000 Hebrew people, who were among the greatest victims of the last war, were being deprived by this deed of their rights and their hopes for the future. In addressing the Senate, I pointed out that this action by the British Government violated certain well-defined American interests and disregarded humanitarian objectives which were incorporated in the Anglo-American Convention of 1924.

The action to which I refer was a new treaty between Great Britain and Emir Abdullah, purporting to grant independence to the territory of Trans-Jordan and recognizing Emir Abdullah as the sovereign of that territory. I say "purporting" advisedly, because the published reports of the text of that treaty show clearly that Great Britain retains virtual control of the territory of Trans-Jordan.

I am sure that the members of the Senate will not be surprised at the fact that Emir Abdullah signed such a treaty. Abdullah has been on the British pay roll since 1917. After the establishment of the British mandatory over Palestine, he was imported from Hedjaz to rule in Trans-Jordan where he was a total stranger. He was paid £5,000 a month from the Palestine treasury, money collected by taxing the Hebrew population of Palestine. Since 1922 he has served as a puppet of the British Foreign Office, without any status or strength other than that bestowed upon him by the British.

At the time that I raised the question in the Senate, I sent a communication to the Secretary of State expressing my opinion that this action on the part of Great Britain as a mandatory of Palestine was not merely a violation of the

mandate, but was equally a violation of her treaty with the United States, and, moreover, that it negated the spirit and letter of the Charter of the United Nations, especially section 80 of the Charter.

In response to this communication I received a letter from the Secretary of State offering an interpretation of the Anglo-American Convention, which seems to permit the British Government to take whatever action it pleases in regard to Palestine, and specifically in regard to Trans-Jordan. I desire to place in the RECORD at this point for the consideration of the Senate this letter and my answer of May 8, in which I indicate that the interpretation set forth by the Secretary of State is inadmissible.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 8, 1946

The Honorable JAMES F BYRNES,
Secretary of State, Washington, D C

MY DEAR SECRETARY. This will gratefully acknowledge your letter of April 23, 1946, in reply to my communication regarding Trans-Jordan I am happy to note that the State Department has at least for the present withheld recognition of Trans-Jordan as an independent state, but I am sorry to say that I find myself at variance with you on many of the vital facts and reasons presented in your letter.

Our fundamental difference is one of interpretation I do not agree that under article 7 of the convention between the United States and Great Britain, signed December 9, 1924, the United States lacks the power to prevent the unilateral modification by Great Britain of the mandate. The fact that the whole of the mandate, including the preamble, was incorporated in the convention of 1924 indicates that the contracting parties considered the mandate as the basis of the treaty they were signing. Therefore, any change in the mandate made by Great Britain without previous consultation and agreement with the United States, may justly be regarded as a unilateral denunciation of the treaty.

Moreover, as you have yourself stated, the Government of the United States and His Majesty's Government exchanged a series of notes in July 1924 to gain the consent of the United States to the modification of the mandate in respect to Trans-Jordan. This would indicate that His Majesty's Government recognized its obligation to get the approval of the United States to modifications of the mandate before they were made.

Similarly, I cannot accept the view that the modification of the mandate in regard to Trans-Jordan was a final act recognizing the independence of that country. I believe that it is clear from the text of the mandate itself that it was a temporary administrative measure, and as such it was accepted by the Council of the League of Nations.

May I point out that article 25 of the mandate permitted the mandatory "to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local donations, and to make such provision for the administration of the territories as he may consider suitable to those conditions provided that no action shall be taken which is inconsistent with the provisions of articles 15, 16, and 18."

The very words "to postpone or withhold" indicate that this was a temporary measure. The French text make this intent even clearer, for it uses the words "de retarder ou suspendre" in respect to the application of the provisions of the mandate. Suspendre means, without the slightest doubt, a provisional arrangement that leaves things in suspense.

In view of the fact that the terminology of the mandate is in every instance very explicit, it is obvious that if the intent had been to differentiate permanently between Trans-Jordan and the rest of Palestine, the document would have stated that the mandatory was entitled "to terminate, or except, or exclude" the application of the provisions of the mandate in respect to Trans-Jordan or simply to have two separate mandates

This is substantiated by the fact that in all the negotiations and agreements between the mandatory and the Council of the League of Nations, as well as with the Emir of Trans-Jordan, His Majesty's Government made it clear that it would fulfill its international obligations. These international obligations were the provisions of the mandate, including those which were temporarily suspended with the consent of the Council of the League of Nations.

May I, at the same time, take exception to another point made in your letter? You cite "a differentiation between Palestine and Trans-Jordan formally approved by the Council of the League of Nations in September 1922 and tacitly approved by the Government of the United States when it signed and ratified the convention of December 3, 1924" If I read your letter correctly, you interpret this differentiation as a virtual recognition of the independence of Trans-Jordan. I cannot agree with this interpretation If this differentiation constituted a recognition of independence in 1923 or in the subsequent dates mentioned in your letter, it would not be necessary for His Majesty's Government to grant independence to Trans-Jordan in 1946

I am aware of the fact that in an effort to justify its recent action with respect to Trans-Jordan, the British Government has made a claim of legality. This claim is based on article 25 of the League of Nations mandate for Palestine, which has become article 25 of the preamble of the convention of 1924. Further supporting its claim, the British Government advanced a note by the Secretary General of the League of Nations, dated September 23, 1922. This note informs the British that the Council of the League approved a memorandum by the British representative permitting the mandatory power to withhold application of certain specific provisions of the mandate from the portion of Palestine known as Trans-Jordan.

In order to determine the extent to which this note justifies the action taken by the British Government, I have analyzed the convention of 1924. In the preamble of the convention I wish to point out those portions of the mandate which were designated in the note of the Secretary General of the League of Nations as being inapplicable to Trans-Jordan.

You will observe that—

A Recital 5 continues to refer to His Brittanic Majesty as the mandatory for Palestine.

B Recital 6 reads: "Whereas the mandate in respect of Palestine has been formulated in the following terms."

C. Recital 8 states that "His Britannic Majesty has accepted the mandate in respect of Palestine and undertaken to exercise it on behalf of the League of Nations in conformity with the following provisions"

It is thus clear that the League Council did not intend that Trans-Jordan should be regarded as distinct from the rest of Palestine. In approving the British memorandum the Council was merely permitting it to withhold application of those portions of the mandate which dealt with the establishment in Palestine of the Jewish national home. But even here the circumstances surrounding the issuance of the mandate and the approval of the memorandum prove that the intention was to permit only temporary withholding and not a permanent removal of the Trans-Jordan from the scope of all the provisions of the mandate.

Finally, it must be noted that article 5 of the mandate remains intact with respect to both Cis-Jordan and Trans-Jordan. This article reads in its entirety: "The mandatory shall be responsible for seeing that no Palestine territory shall be ceded or leased to, or in any way placed under the control of, the government of any foreign power."

Hence the very act of recognizing the Emir Abdullah as an independent sovereign places him in the category of a foreign power to whom the mandatory is expressly prohibited from ceding or leasing any Palestine territory.

I am firmly convinced that the British Government was thoroughly aware of its violation of this specific article and I submit that its awareness may be adduced from the undue haste with which the treaty of the Emir Abdullah was consummated. It is difficult to believe that if the action taken by the British Government were legally and morally justified, it would not have submitted the application for the independence of Trans-Jordan to Trusteeship Council of the United Nations for consideration and decision.

In addition to all these legal arguments, there is the irrefutable fact that since 1923 Trans-Jordan has been the responsibility of the British High Commissioner for Palestine and has been administered as an integral part of Palestine

I have questioned the moral justification of the British Government's action I desire to call your attention to the fact that in the quarter century which has elapsed since Britain became the mandatory for Palestine, Cis-Jordan has progressed far beyond the requirements of article 22 of the League of Nations covenant for the attainment of independence by mandated territories—except only in the vital respect of fulfilling the obligation assumed by the mandatory of facilitating Hebrew immigration and close settlement on the land.

Culturally, economically, and politically this western part of Palestine has made tremendous progress due to Hebrew development of the land from which the Arabs, as well as the Hebrews, derived enormous advantages Trans-Jordan, on the contrary, has stagnated. Its population has remained the same culturally and numerically because its more enterprising Arabs have emigrated to Cis-Jordan. Its rates of illiteracy, of morbidity, and of infant mortality continue to be among the highest in the world. It remains an appalling example of oriental feudalism Obviously, it is not ready for representative or democratic government, and any attempt to establish it as an independent state may justly be regarded as an effort to create another puppet state in the game of power politics that inevitably leads to war.

It is in view of all this, Mr. Secretary, that I welcome with satisfaction your assurance that your Department considers "it would be premature for this Government to take any decision at the present time with respect to the question of its recognition of Trans-Jordan as an independent state."

It is my considered opinion, and I trust the opinion of the majority of the Senate as well, that on grounds of America's interest and leadership in building the peace, as well as on moral and legal grounds, the Government of the United States should adhere strictly to the terms of its convention with Great Britain and refer the entire matter to the United Nations for their consideration. It is this British strategy of jumping the gun and confronting the United Nations with a fait accompli, which I consider a serious threat to the success of the American policy of true international cooperation which you are so ably and stanchly advocating and fighting for.

Sincerely yours,

FRANCIS J. MYERS.

DEPARTMENT OF STATE,
Washington, D. C., April 23, 1946.
The Honorable FRANCIS J MYERS,
United States Senate.

MY DEAR SENATOR MYERS: I have received your letter of April 9, 1946, with respect to Trans-Jordan.

Before taking up the points raised in your letter it may be useful to review some of the background

In the mandate of the League of Nations of July 24, 1922, a distinction was made between the lands lying to the west and to the east of the Jordan River Article 25 of the mandate reads as follows

"In the territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined, the mandatory shall be entitled, with the consent of the Council of the League of Nations, to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions, and to make such provision for the administration of the territories as he may consider suitable to those conditions, provided that no action shall be taken which is inconsistent with the provisions of articles 15, 16, and 18"

In September 1922 the Council of the League of Nations approved a memorandum presented by the British Government proposing that Trans-Jordan should be exempted from all classes of the Palestine mandate dealing with the holy places and the Jewish national home, and providing for a separate administration in Trans-Jordan.

In its memorandum to the League Council the British Government accepted responsibility as mandatory for Trans-Jordan in the following words

"In the application of the mandate to Trans-Jordan, the action which in Palestine is taken by the administration of the latter country, will be taken by the administration of Trans-Jordan under the general supervision of the manatory"

Following this action of the Council of the League of Nations, the High Commissioner for Palestine made the following announcement at Amman in April 1923.

"Subject to the approval of the League of Nations, His Majesty's Government will recognize the existence of an independent government in Trans-Jordan under the rule of His Highness the Emir Abdulla, provided that such government is constitutional and places His Britannic Majesty's Government in a position to fulfill its intanational obligations in respect of the territory by means of an agreement to be concluded between the two governments"

It was agreed in an exchange of notes in July 1924 that the United States' consent would be applicable to Trans-Jordan. (Hackworth's Digest of International law, vol I, pp. 114–115) Subsequently, on December 3, 1924, the United States signed a convention with the United Kingdom regarding the mandate for Palestine By article 1 of that convention the United States consented to the administration of Palestine by the British Government, pursuant to the mandate. By articles 2, 3, 5, and 6, the British Government recognized certain rights of the United States with regard to Palestine and Trans-Jordan. These rights comprised nondiscriminatory treatment in matters of commerce; nonimpairment of vested American property rights; permission for American nationals to establish and maintain educational, philosophic and religious institutions in Palestine; safeguards with respect to the judiciary; and, in general, equality of treatment with all other foreign nationals. Lastly article 7 of this convention stipulated that:

"Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate, as recited above, unless such modification shall have been assented to by the United States."

It has been the consistent position of the Government of the United States that article 7 does not empower this Government to prevent the modification of the terms of the mandate. This article, however, renders it possible for this Government to decline to recognize the validity of the application to American rights and interests, as defined by the convention, of any modification of the mandate unless such modification has been assented to by the Government of the United States. (For the text of the convention see Treaties, Conventions, etc., between the United States and other powers, vol. 4, pp. 4227–4234; S Doc. No 134, 75th Cong, 3d sess)

By signing the convention of December 3, 1924, the Government of the United States acquiesced in the decision of the Council of the League of Nations referred to above that Trans-Jordan should be exempted from all the clauses of the Palestine mandate dealing with the holy places and the Jewish National Home and that it should enjoy an independent position. There has been, therefore, a differentiation in the treatment of Trans-Jordan and Palestine since 1923, a differentiation formally approved by the Council of the League of Nations in September 1922 and tacitly approved by the Government of the United States when it signed and ratified the convention of December 3, 1924.

In February 1928, the British and Trans-Jordan Governments signed an agreement, formally ratified in October 1929 and supplemented in June 1934, thereby consummating the earlier agreement of 1923. Finally, on January 17, 1946, in an address before the general assembly of the United Nations, the British foreign minister made the following statement with regard to the future status of Trans-Jordan:

"Regarding the future of Trans-Jordan, it is the intention of His Majesty's Government in the United Kingdom to take steps in the near future for establishing this territory as a sovereign, independent state and for recognizing its status as such. In these circumstances, the question of placing Trans-Jordan under a trusteeship does not arise."

On February 9 at a plenary session of the General Assembly of the United Nations a resolution on non-self-governing peoples was unanimously adopted which included the following statement:

"The General Assembly welcomes the declarations, made by certain States administering territories now held under mandate, of an intention to negotiate trusteeship agreements in respect of some of these territories, and in respect of Trans-Jordan to establish its independence."

On March 22, 1946, a treaty of alliance was entered into between the United Kingdom and Trans-Jordan. Article 8 of that treaty contains the following provisions:

"1. All obligations and responsibilities devolving on His Majesty the King in respect of Trans-Jordan in respect of any international instrument which is not legally terminated should devolve on His Highness the Amir of Trans-Jordan alone, and the high contracting parties will immediately take such steps as may be necessary to secure the transfer to His Highness the Amir of these responsibilities.

"2. Any general international treaty, convention, or agreement which has been made applicable to Trans-Jordan by His Majesty the King (or by his government in the United Kingdom) as mandatory shall continue to be observed by His Highness the Amir until His Highness the Amir (or his government) becomes a separate contracting party thereto or the instrument in question is legally terminated in respect of Trans-Jordan."

After a careful study of the matter, the Department has found nothing which would justify it in taking the position that the recent steps taken by Great Britain with regard to Trans-Jordan violate any treaties existing between Great Britain and the United States, including the convention of December 3, 1924, or deprive the United States of any rights or interests which the United States may have with respect to Trans-Jordan The Department considers, however, that it would be premature for this Government to take any decision at the present time with respect to the question of its recognition of Trans-Jordan as an independent state.

Sincerely yours,

JAMES F. BYRNES.

Mr. MYERS. Mr. President, it will be noted that I have challenged the position taken by the Secretary of State in respect to the rights which the United States has under the Anglo-American Convention of 1924 to prevent the unilateral modification by Great Britain of the Palestine mandate. It is my opinion that any change in the mandate made by Great Britain, without previous consultation and agreement with the United States may justly be regarded as a unilateral denunciation of that Convention.

As a treaty-making body of the Congress, the Senate must maintain its right to prevent infractions and violations of solemn covenants to which the United States is a party. It must insist that the Department of State shall vigilantly guard against such violations. It must insist that the Department of State shall safeguard American rights and interests in respect to the treaties signed by the American Government.

Recently the Anglo-American Committee of Inquiry filed its report. This report actually tends to subscribe further to this policy of discrimination, for it allows only 100,000 Hebrews to be repatriated, while it grants that at least five times that number ought to leave Europe, and have no other hope but Palestine. This quota, which some have referred to as a sentence of doom, was justified by the Anglo-American Committee by a twofold argument: First, the Committee implied that there was no room in Palestine for more at the present time; and, second, that the opposition of the Arab world is too great to be defied.

Had the Anglo-American Committee taken into consideration the whole territory of Palestine, which includes the 35,000 square miles of Trans-Jordan, the Commission could have found room for every Hebrew who wants to go there, and still not reach a population density any greater than one-tenth that of England. Economically, Palestine has proved its ability to absorb and provide work for all comers under a most flourishing economy. A former member of this body, my good friend, Guy M. Gillette, now president of the American League for a Free Palestine, informs me that according to the most reliable reports, Palestine loaned to Great Britain during the six war years more than $440,000,000, amounting to $250 for each man, woman, and child. Based on the same scale, the pending British loan would total $35,000,000,000 for the United States.

In addressing the Senate last April, I questioned the moral as well as the legal ground on which the British Government

entered upon a treaty with a puppet, presenting to him the territory which it had no right to give away. I pointed out that, considering the backwardness and illiteracy of the nomadic population of Trans-Jordan, considering its lack of representative government and democratic institutions, any effort to present it to the United Nations as an independent state may justly be regarded as an attempt to create another autocratic puppet state in the game of politics that inevitably leads to war.

Mr. President, on May 29, 1946, I submitted to the Secretary of State a further communication, since it had come to my attention that our Government had sought the views of the Government of Trans-Jordan on the recommendation of the Anglo-American Committee of Inquiry. I desire to place in the RECORD at this point my letter and the reply of the Secretary of State, dated June 10, 1946.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 29, 1946

Hon. JAMES F. BYRNES,
Secretary of State, Washington, D C.

MY DEAR MR. SECRETARY: A recent press dispatch has come to my attention which reports that the State Department has addressed "the Governments of Egypt, Iraq, Lebanon, Saudi Arabia, Syria, Trans-Jordan, and Yemen," seeking their views on the report and recommendations of the Anglo-American Committee of Inquiry

I am at a loss to know why these states have been singled out and why, if the United Nations as a whole was not consulted, the views of all individual members of the United Nations were not invited

But I do not wish to pursue this point at this time. I wish only to recall to your attention your letter to me of April 23, 1946, the concluding sentence of which reads:

"The Department considers, however, that it would be premature for this Government to take any decision at the present time with respect to the question of its recognition of Trans-Jordan as an independent state."

I ask you now whether, if the news report is correct, the State Department's policy has changed since your letter; or whether the Department's communication was in fact addressed to the Mandatory for Palestine, which is the only Government of Trans-Jordan the United States at this time recognizes.

Sincerely yours,

FRANCIS J. MYERS.

DEPARTMENT OF STATE,
Washington, June 10, 1946.

The Honorable FRANCIS J. MYERS,
United States Senate.

MY DEAR SENATOR MYERS: In reply to the questions contained in your letter of May 29, 1946, I have no hesitation in reassuring you as to the policy of the State Department with respect to recognizing the independence of Trans-Jordan. Our policy, as outlined in my letter to you of April 23, has not changed.

Trans-Jordan, together with the members of the Arab League, is being consulted by this Government with regard to the report of the Anglo-American Committee of Inquiry, in accordance with our previous long-standing commitment to consult with Arabs and Jews before taking any definite decision relative to Palestine. Consultation with the Government of Trans-Jordon does not constitute recognition of that country's independence.

During the past years a number of communications have been exchanged directly between Presidents Roosevelt and Truman and the Amir of Trans-Jordon. In this instance our communication to the Government of Trans-Jordon, inviting a statement of its views on the report and recommendations of the Anglo-American Committee of Inquiry, was forwarded through the American Consul General at Jerusalem.

Sincerely yours,

JAMES F. BYRNES.

Mr. MYERS Mr. President, last April I called the attention of the Senate to the fact that in taking the action to which I have referred, Great Britain was prejudicing the interests of the Hebrew people in Europe and Palestine by depriving them of three-quarters of the territory to which they are entitled by virtue of international treaties. At this time, when those people must find a haven of refuge or perish, the action of the British Government appears to me to be in flagrant disregard of human rights and needs. I am astounded that such is the case. I feel certain that the British nation shares the sympathy which the American people have so often expressed for the Hebrew victims of Nazi brutality. I believe that by calling to the attention of the British public the disapproval of the United States Senate of the action taken by the British Government, we shall awaken their sentiments of fair play and humanity and inspire them to impress upon their government their dissatisfaction with the Trans-Jordan treaty.

Palestine, both Trans- and Cis-Jordan, is the historic territory of the Hebrew Nation. Official title to this territory was granted by the League of Nations to the Hebrews and to no one else. Palestine is not, was not, and of right never ought to be British territory. Great Britain's wanton act of dismembering Palestine constitutes a violation of the rights of the Hebrew Nation, a violation of the Covenant of the League of Nations, a violation of the Anglo-American Convention of 1924, and a violation of the letter and spirit of the United Nations Charter.

These are terrible and bloody days in Palestine. A people fight for their independence while the interests of empire block their only avenue to freedom. Further, the amphibious forces of the British are dedicated today to blocking the homeward road of a million and a half martyred Hebrews who want to exercise their legal option by going to Palestine.

Great Britain dares to pursue her current policy in Palestine because she thinks we Americans are indifferent to our treaty rights in Palestine and our responsibility for the fate of the Hebrews. Mr. Bevin expressed this opinion when he declared that the whole issue in the United States was raised purely as the result of agitation emanating from New York City. I do not propose to discuss Mr. Bevin's slurs on my fellow Americans of all religions. I do hope, however, that the Senate of the United States makes it clear by its actions that we are all concerned with the solemn treaties and covenants made with our Government. We must not permit the impression to go abroad that the United States regards internationalism as a one-sided, unilateral proposition in which Americans abide by treaties, pay bills, and support rehabilitation in the world, while others tear up our treaties, ignore reciprocal agreements, and hurl gratuitous insults at our people. To Americans, internationalism is a two-way street, and that applies particularly in the case of Palestine.

No doubt one of these days the British will ask us to recognize Trans-Jordan and exchange ministers with the camel court of Abdullah. No doubt one of these days the British, or some member of the Arab League, will sponsor Trans-Jordan for membership in the United Nations, and we shall be asked to go along and accord a seat to Trans-Jordan in the Council of the Nations.

America recognizes peoples, not parcels of real estate. The granting of sovereignty is a sacred and precious rite to be applied in the case of human beings and not empty tracts of land. We cannot recognize this cynical application of the word independence as applied to Trans-Jordan, a land without industries, commerce, agriculture, cities, schools, hospitals, or newspapers; and a land virtually without population, for Trans-Jordan has about 300,000 wandering nomads living in semibarbaric styles under the medieval feudalism of the British puppet. Trans-Jordan represents gerrymandering on an international scale to give the British bloc another vote It is a provocation against the Hebrews, for it constitutes a willful and flagrant disregard of their rights at a time when Palestine provides the only chance for their survival.

We must support the Hebrew people in their historic effort to reconstitute themselves as a free and recognized nation in Palestine. We must support the Arab people in any struggle which they may undertake for democracy and for progressive life. We cannot support the creature states, or puppet sovereigns which the British Empire, or any other empire, foists upon the world. In the long run, America's active support of the forces of democracy in the Middle East, as expressed by the Hebrew Committee of National Liberation, will bring peace and prosperity to that part of the world. The alternative is for us to become more involved daily in a deteriorating imperialism.

Therefore, Mr. President, feeling, as I do, that on moral as well as on legal grounds the Government of the United States must voice its unequivocal opposition to the action taken by the British Government in respect to Trans-Jordan, I herewith submit a resolution.

The resolution (S Res. 298) submitted by Mr. MYERS (for himself, Mr. CAPPER, Mr. MCMAHON, Mr. GUFFEY, Mr. MAGNUSON, Mr. JOHNSON of Colorado, Mr MURRAY, Mr. PEPPER, Mr. LA FOLLETTE, and Mr. TAYLOR), was referred to the Committee on Foreign Relations, as follows:

Whereas article 27 of the Mandate for Palestine confirmed by the convention between the United States and Great Britain in regard to Palestine, dated December 3, 1924, provided that "The consent of the Council of the League of Nations is required for any modification of the terms of this mandate"; and

Whereas article 2 of the said convention provided that "The United States and its nationals shall have and enjoy all the rights and benefits secured under the terms of the

mandate to members of the League of Nations and their nationals, notwithstanding the fact that the United States is not a member of the League of Nations", and

Whereas article 7 of the said convention provided that "Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate, as recited above, unless such modification shall have been assented to by the United States"; and

Whereas the rights enjoyed heretofore by the United States and the former members of the League of Nations in respect of the entire territory under the Palestine Mandate are safeguarded by article 80 of the Charter of the United Nations which provides that "Except as may be agreed upon in individual trusteeship agreements, made under articles 77, 79, and 81, placing each territory under the trusteeship system, and until such agreements have been concluded, nothing in this chapter shall be construed in or of itself to alter in any manner the rights whatsoever of any states or any peoples or the terms of existing international instruments to which members of the United Nations may respectively be parties"; and

Whereas the entire territory of Palestine has been entrusted to Great Britain by the League of Nations in order to facilitate its restoration as the national home of the Hebrew people; and

Whereas without obtaining the consent of either the Council of the League of Nations or of the United States and without concluding a trusteeship agreement for the territory under the Palestine mandate in accordance with the provisions of the United Nations Charter, the Government of Great Britain has concluded an agreement with the British-selected ruler of the Trans-Jordan area purporting to reparate that area from the rest of Palestine and to set it up as an independent state, to terminate the mandate with respect to that area, and to establish a special relationship between that area and Great Britain which would not be subject to international supervision, thereby violating the provisions of chapter 12 of the Charter of the United Nations and American rights under the convention of 1924. Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that pending further constitutional action by the United States regarding Palestine the Government of the United States is bound to continue to regard the territory known as Trans-Jordan as part of the area included in the mandate over Palestine, subject to all the provisions of the convention of 1924; and be it further

Resolved, That the Senate of the United States request the Executive department to take no action which in any way recognizes the Trans-Jordan area of Palestine as a separate or independent state and that it so inform the United Nations, and that the United States representatives on that body be instructed to seek the postponement of the international determination of the status of the Trans-Jordan area until such time as the future status of Palestine as a whole will be determined (in accordance with S. Con. Res 44 and H Con. Res. 113 of 1945).

VETERANS' EDUCATION

Mr. MORSE. Mr. President, I hold in my hand an address entitled "Veterans' Education," prepared by R. B. Stewart, vice president and comptroller of Purdue University and chairman of the Administrator's Special Advisory Committee. He is one of the outstanding educators of America, and in this address he discusses veterans' education, makes some very constructive criticisms of it, and points out the steps which need to be taken if we are really to attain the objectives of the GI bill of rights, insofar as its educational provisions are concerned. I ask that the address be printed in the body of the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

VETERANS' EDUCATION

(By R. B. Stewart, vice president and controller, Purdue University; chairman, Administrator's Special Advisory Committee, GI bill)

On December 28, 1945, the President affixed his signature to Public Law No 268 of the Seventy-ninth Congress of the United States, thereby making it into law. Public, 268 is the last amendment to the Servicemen's Readjustment Act of 1944 and thus brings down to date Public Law 16 and Public Law 346, commonly referred to as the GI bill of rights

The original Public, 346 provided in section 1505 that any benefit received under the act would be charged against the veteran's account and deducted from any later bonus or benefit voted by Congress. This section was the real basis for much of the dissatisfaction among certain groups, including educational institutions which could not, for political reasons, secure sufficient funds to defray the direct teaching costs imposed by the program The amendment, Public, 268 (79th Cong), repealed that section, thereby giving real meaning to those provisions of the act permitting the advancement of payments for tuition when equitable and necessary. In response to demands from self-interested groups as well as from the veterans themselves, especially concerning short or part-time courses, correspondence courses, restrictions on eligibility, and the rate of using the educational entitlement, no less than a dozen different bills were introduced in the Congress to amend Public, 346 before it had been in operation for a year. All of these, however, were finally resolved in Public Law 268 (79th Cong.), which was carefully reviewed by the Administrator's Advisory Committee for the administration of title II of the GI bill.

SIZE OF THE APPROPRIATION

As the law now stands, this is the largest single appropriation for direct educational purposes ever enacted in the history of civilization. While the act itself mentions no total sum, the expenditures thereunder for education (including subsistence allowances) will amount to not less than ten to fourteen billions of dollars, and probably will reach at least two billions in a single year at the peak of the program. As scaled at present, the rate of outlay is about $1,000,000,000 annually. Keep in mind that this outlay is for a relatively few students and that the spending agency is given only the most limited control over any part of the program. Except for genuine rehabilitation, all direct control is given to two instrumentalities outside the Veterans' Administration, viz: (1) the State agency approving the educational and training institutions and (2) the approved institutions themselves.

Therefore, this is perhaps the most liberal expenditure of Federal funds ever made for any purpose, and, naturally, selfish proprietary schemes for personal gain have already been developed by the thousand. This imposes the greatest responsibility for constructive service ever placed upon our educational system. Will we meet the challenge of this responsibility or will education be emasculated and betrayed in exchange for easy Federal dollars? Will the GI bill cause us, under the guise of patriotism, especially at Federal expense, to develop an offering of educational panaceas and quackery which will bring shame to the spirit of the Republic? Faculties, but more particular administrative officers supported by boards of trustees and public citizens must recognize such a danger and accept as genuine statesmen their time-honored American responsibility to support and direct only effective education for veterans in spite of the popularity of political and uneconomical educational expediencies.

CONTROLLED AND UNCONTROLLED EXPENDITURES FOR EDUCATION

Because a series of acts affect servicemen discharged from World War II, some confusion exists in educational circles regarding the differences especially between Public Law 16 and Public Law 346 as amended. It is well in the beginning, therefore, to explain that Public 16 is that law which requires the Veterans' Administration to provide for such training and rehabilitation as will make an injured veteran an employable citizen Under this act, it is the duty of the Administrator to see that the veteran receives training for a certain objective. The objective is pursued under conditions approved by the Administrator. This is very different from the philosophy and terms of Public 346 as amended, which provides that the veteran "may elect * * * any approved educational or training institution at which he chooses to enroll whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue." The law provides for approval by the Administrator "after he shall have secured from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), etc. * * * which are qualified and equipped to furnish education or training," etc. The Administrator's Advisory Committee for Title II has consistently urged the Administrator not to approve institutions without reference to State agencies. We of the committee believe it would be much better if all approval should be carried out at the State level rather than at the Federal level. This position also seems consistent with the basic philosophy of Public 346, which clearly recognizes the State's responsibility for the educational or training institutions and provides that "no department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution." The law thus makes clear that no Federal agency shall supervise or control institutions either by way of setting academic standards, by way of controlling enrollment, or by any other way, unless such control is authorized over "any Federal educational or training agency * * * by existing provisions of law." Such provisions are at once a challenge to the American educational system and a responsibility for educational statesmanship on the part of men like yourself who direct our higher institutions. Lack of Governmental control ordinarily is a dramatic shortcoming in any public appropriation. In this case it is amply justified, in my judgment, although I am sad to say that, where money is involved, there is just as much danger of abuse in the educational system as in other areas of the American economy.

The difference is important, then, between Public Law 16 (controlled expenditure) and Public Law 346 as amended (uncontrolled expenditure). Our educators wanted freedom from control and wisely so; but having been given the freedom to use funds on their own terms it is up to these same leaders now to prove the soundness of their position. Under Public 16, the Administrator has a responsibility for the selection of the institution and for the veterans' training program. He alone must bear the burden of

guilt if funds are wasted under that act. However, under Public 346, it is the officers of State government who have the power of institutional approval; and it is the leaders of legitimate educational units within the States who must bear the guilt of fraud and tragedy if the purposes of that act are not achieved.

WHAT THE VETERANS' ADMINISTRATION DESIRES

It should be emphasized at this point that the Administrator and his assistants are motivated by a strong and proper desire to do two things; first and foremost of which is to secure genuine worth-while values to the individual veteran for the time and money devoted to his training under title II and, secondly and secondarily, to protect the Federal Treasury from an extravagant use of money and effort in wasteful educational and training schemes advertised to accomplish the fantastic and impossible. For that reason, certain provisions of the amended bill are of increasing concern and importance to our mutual welfare.

PROBLEM OF APPROVING INSTITUTIONS—TRAINING ON THE JOB

The first of these involves the confusion and difficulty in approving educational and training institutions. Several States have no educational agency or other qualified authority to approve competent institutions for education or training as provided in the act. Consequently, special boards have been set up in several States with little or no background or standards for the approval of training institutions Since education and training encompass the entire range of human experience, the learning of crafts, trades, professions, or even of loafing, all being equally possible under the law, and since training on the job is permitted as well as instruction in regularly established schools and colleges, the State agencies are beset by all manner of enterprises from the get-rich-quick style of specialized instruction to private professional training of the highest order; from well-established vocational training schools or industrial establishments, to racketeers of the worst order who would convert the GI bill into a device for chiseling on wage or salary payments to provide increases in private or corporate income never contemplated in the conception of the Congress. Since the veteran is entitled to subsistence payments during the period of his training even though the institution itself may not be eligible for tuition payments, there is an enormous pressure upon the approving agencies to designate all manner of enterprises as training institutions qualified for the purposes of the GI bill. That this is no dream is proved by the fact that already, exclusive of the regularly established schools and colleges, both public and private, upwards of 50,000 different on-the-job training agencies have been approved in the several States. This particular problem is one of the most pernicious resulting from the GI bill. On-the-job training is almost unadministrable on such a vast scale and permits the grossest misuse of subsistence payments never contemplated in the law.

In this connection the Administrator's Advisory Committee has recommended regulations drastically limiting the amount of subsistence payments for training on the job in an effort to prevent a real national scandal. Raids on the Federal Treasury through this section are motivated not only by the private gain of the particular veterans involved but also by the advantage which some enterprises hope to gain for themselves in lower wage costs during the training period when wage rates are supplemented by subsistence payments under the GI bill. Before I am accused of unjustly criticizing business establishments in these remarks, may I point out that legitimate schools and colleges are not omitted from this criticism. On my return from one of our recent committee meetings in Washington, during which I had vigorously advocated limitation of subsistence payments during training on the job, I found on my desk a special message from the business manager of a small municipal college pointing out the benefit he secured by qualifying as a training-on-the-job institution so that he could hire superior office help at a low hourly rate because the veterans on the job could receive subsistence payments during the period of training on the job in his office. Those of you in charge of first-class institutions can well imagine the quality of training in such a situation and the standard of ethics motivating that college officer—or can you? I blush that one I must call a colleague should have thus perverted the avowed intent of a careful Congress and a generous people.

Can you blame me, then, when I warn the American people, the officers of States, the heads of legitimate industrial and labor organizations, as I do you, of this potential and uncalled for extravagance of scandalous proportions?

The law is such at present that unless means are devised by regulation and State cooperation for effectively controlling the evils of this particular subsidy, a pernicious financial practice may easily involve a basically honest people in a scandal of abuse. I am informed that the use of GI subsistence payments were recently advocated at a teacher's meeting in New York State as a means of making teaching attractive financially to returning veterans In other words, by the subterfuge of requiring a period of retraining service, of training on the job, standard salaries could be supplemented for a time by GI subsistence payments. Such avoidance of local responsibility for teaching service is citizenship degraded to its lowest level

But even this is not the limit of the evil I have been reliably informed by an agricultural extension worker that the technique of misusing the subsistence allowance under the educational provisions of the GI bill has been carried over into the retraining of farmer veterans I am told that when a GI borrows funds under the GI bill to purchase a farm he may also receive instruction from one of his "approved" neighbors in learning the operation and management of his farm The GI is thus entitled to receive subsistence payments during the training period when he works on the job with his neighbor learning how to operate the farm purchased with funds loaned by his benevolent Government This is one way to relieve the shortage of farm labor

What a tragedy it is that the American people are so perverse, so gullible, so easy-going, or so indifferent as to permit the conversion of the GI training program into a vehicle for subsidizing any worker in his normal occupation or inducing him to accept a debased wage scale. Is there no medium of communication in this land of freedom by which such practices may be cried to the high heaven and an enraged public awakened to such action as will restore sanity in the use of veterans' Federal aid? These practices are a moral scandal. Will we recognize and check them before the enormity of the payments makes them a scandal of a different sort?

SHORT COURSE OFFERINGS MAY LEAD TO WASTE AND LOSS

A scandal could develop in the administration of another paragraph under the amended bill unless the responsible State agencies are alert and strict in approving educational and training institutions. I refer to paragraph 3 (b) of section 5 (Public Law, 268), pertaining to short intensive postgraduate or training courses of less than 80 weeks. As this was originally agreed upon by the Members of Congress, there was no limitation whatever upon the amount of expenditure for a short course or courses except possibly the veteran's maximum entitlement. The Administrator's advisory committee urged that short courses be limited to one, and that the amount of expenditure be limited to $500 or some other reasonable sum, as allowed for correspondence courses As in all other cases under the GI bill, the Administrator must recognize institutions approved by the State agencies In the case of short courses, however, he must enter into a contract with the approved institutions for the reasonable and fair cost of such courses. This is a wise proviso which gives the Administrator the opportunity and the obligation to investigate the amount of charges for short courses and to determine that they are reasonable and fair Although this is a check it is not an absolute limitation upon abuses which may arise under this paragraph of the bill Since the number and nature of short intensive training courses are limited only by the imagination of our 130,000,000 people (see any college catalog), you will admit that determining reasonable and fair charges for all of such courses is a monumental administrative task The new short course proviso does not limit the rate of expenditure over a fixed period of time It is believed lawful for a veteran to take one short course after another. Therefore, an unethical institution could sell a veteran such a series of courses as would keep him enrolled for whatever period, short or long, as might be required to utilize his entire entitlement Since the entitlement need not be spread over a series of ordinary school years, it would be possible for the maximum entitlement in each case to be spent within a relatively few months. Obviously, such a series of short courses, unsupervised under the law by the Administrator or any Federal agency, might bring no ultimate value, whatever, to the veteran This is a serious, a vicious possibility Does it not place upon your institutions as public agencies a responsibility for developing short intensive courses and disseminating widespread information about such programs in order to minimize the effect of private advertising of that get-rich-quick education which appeals to the unsuspecting and gullible veteran? I believe it does Unless the veteran, regardless of his ability, receives some real benefit from his education or training at whatever level it be, the loss will be greater than money—frequently it will be a human tragedy.

I submit that, under paragraph 3 (b) of section 5 of the amended bill, it is possible for a veteran to enroll, for example, in a course in photography, a course in dancing, a course in music, not even excluding hog-calling or barber-shop harmony, or in other similar subjects, the cost of which would be apparently nominal, but each course would need to be followed by a subsequent course or courses in the same or a related subject, presumably at an advanced level but at least at such a rate of compensation as to utilize all of any entitlement within the period of a few calendar months. The one limitation the bill does provide is that not more than $500 shall be paid for any one such course Consequently, six such courses would utilize the maximum entitlement that any veteran can receive

THE ENTITLEMENT FOR EDUCATION

In connection with this matter of entitlement, perhaps I should explain how it is calculated. It is naturally related to the length of time the individual served in the armed forces of the United States, all service men (and women) being entitled to one basic year if they "have served in the active military or naval service 90 days or more, exclusive of any period assigned for a course of education or training under the Army Specialized Training Program or the Navy College Training Program, which course was a continuation of a civilian course and was pursued to completion," etc. Practically all

veterans served more than 90 days and relatively very few were engaged in one of the types of schooling mentioned in the act, so that, generally speaking, all are entitled to 1 basic year of education or training. In addition, the serviceman may have additional time equal to that spent in service, up to a maximum allowance of four calendar years. If the veteran is registered in school for four calendar years, he will receive subsistence allowances for 48 months However, payments for tuition are limited to a maximum of "$500 for an ordinary school year" By administrative decision, an ordinary school year is two semesters, three quarters, or 34 weeks Thus, it is possible to have three semesters, or 1½ ordinary school years during a calendar year An individual, therefore, could be entitled in his four calendar years to tuition payments for 6 ordinary school years Six times $500 is $3,000, the maximum entitlement for tuition fees and books provided under the act.

If this sum can be expended at the rate of $500 per short course of less than 30 weeks, then it is evident that a maximum series of six short courses could be taken as suggested Whether these must lead to an education or useful training is debatable. As an attempt to limit such a possibility, the Veterans' Administration has wisely adopted regulations designed to restrict cost allowances and adequately to define what constitutes a course of instruction Since each of the short courses must be taken in an approved institution which has negotiated a contract with the Veterans' Administration, a reasonable degree of control may be expected. However, the limitation prohibiting the Veterans' Administrator or any Federal agency from supervising or controlling instructional or training institutions permits the payment for short courses which do not lead to a constructive educational result.

Another major problem with the short-course provision is its sheer administrative limitation. Since practically any type of institution or individual who can devise a short-course scheme can secure approval by some State or approving agency, then the number of such institutions will become so large as to make a sound contract procedure well nigh impossible The Administrator is endeavoring to combat this evil by devising regulations excluding advertising and selling expenses from the reasonable and fair cost for such courses Likewise, salaries paid and administrative expenses must be reasonable as judged in comparison with offerings by standard schools This is specifically where you, as educational leaders, can point up a program to provide services which will make such evil practices unprofitable—at least reduce the evil to an administrable size. I urge you not to take this responsibility lightly!

CORRESPONDENCE COURSES ALSO A PROBLEM

The amended act specifically provides for correspondence courses, another area in which very serious waste could occur since correspondence courses generally are not well known for the high standard of their prerequisites This need be no reflection upon properly administered, competent correspondence schools or educational agencies, because such agencies could establish worthwhile intellectual requirements if they would USAFI has demonstrated the great value of correspondence study. Many of our leading citizens and industrial leaders have benefited from correspondence study intelligently pursued. The difficulty with the correspondence course is the unreliability of student selection and the sale by any means of special courses to those not fitted to profit from them. Therefore, I believe, the State approving agencies have a very great responsibility to examine carefully into the methods of student selection and course methods before approving any correspondence institution. This is a field also where the public-school system, including the colleges and universities, may act as a brake upon extravagance and waste if their own correspondence and extension departments will publicize widely the nature of correspondence study and the limited scope of courses which can be taken advantageously by correspondence. If legitimate schools will make proper offerings and adequately inform the public about the limits as well as economy of courses, a constructive piece of work can be done. Local high schools should be interested directly in such valuable guidance and counseling. They should know the local veterans and their background better than others and be in the very best position of all to give sound advice on an educational program

The total amount of money to be spent on correspondence courses is wisely limited to $500, a limitation which reduces the extravagance possible under this paragraph. Furthermore, the Administrator has issued rather strict regulations for correspondence courses, excluding any allowance for advertising and selling and providing other limitations in computing reasonable cost In addition, payments are made only for lessons completed, thus eliminating all expense for uncompleted work The fact that the Administrator must specifically contract with approved institutions provides an additional check on unethical correspondence schools. It must be admitted, however, that if the institution has secured approval of a State agency, the Administrator will find it difficult not to enter into a contract; and there are so many ways of establishing "costs" in such circumstances that some waste is to be expected In spite of the waste which can occur in the correspondence field, I believe a greater loss is inherent in the short-course enterprise Perhaps the provisions of paragraphs 3 (b) and 3 (c) of section 5 are as sound as could be expected in view of the pressures put upon the Members of Congress for such legislation by self-seeking individuals and groups. They challenge the American educational system to offer so many educational and training opportunities and make them so well known to GI's everywhere as to make unprofitable any attempt of unethical operators to secure from the Federal Government large sums of money for service of no value to the veteran—perhaps even detrimental to him and, therefore, injurious to the generous society wherein he lives

PAYMENTS TO EDUCATIONAL AND TRAINING INSTITUTIONS

The final section about which I wish to speak this morning is paragraph 5 of section 5 concerning the payment to educational or training institutions for persons enrolled in full-time or part-time courses of education or training Public 268 contains some changes in this paragraph intended to clarify the basis upon which payments can be made to the approved institutions. It is this paragraph which is of primary concern to the colleges and universities I direct your attention, first, to the exact wording of paragraph 5, namely, "the Administrator shall pay for each person enrolled in full-time or part-time courses of education or training the customary cost of tuition and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses exclusive of board, lodging, other living expenses and travel as are generally required for the successful pursuit and completion of the course by other students in the institution." At this point, may I direct your attention to the fact that the customary cost of tuition and such laboratory, health, library, infirmary, and other similar fees shall be paid, while the cost of books, supplies, equipment, and other necessary expenses exclusive of board, lodging, etc., may be paid. This is clear evidence that the Congress intended that the cost to the institution for teaching the veteran was intended to be paid by the Federal Government, whereas it was intended that books, supplies, equipment, etc., might be paid for only if funds remained available within the entitlement. These payments are limited for any person to $500 "for an ordinary school year." At this point an amendment was included of importance in those cases where the trainee will be in school for less than his period of entitlement. Since most students, even when entering as freshmen, do not expect to be in a university for six ordinary school years, a great many of the veterans may find it wise to use more than $500 for an ordinary school year, and this can be done "when the veteran elects to have such customary charges paid in excess of such limitation" If he so elects, "there shall be charged against his period of eligibility the proportion of an ordinary school year which such excess bears to $500"

Of vital concern also to many schools and colleges is the new provision for charges to be paid by the Federal Government when "the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor" In such cases the Administrator "may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction, and may in like manner readjust such payments from time to time." This last proviso makes it possible for the Administrator to increase or decrease the payment for tuition to a sum estimated to equal the cost of teaching personnel and supplies for instruction. It is not understood, and the law does not state, that the Administrator may provide any change in the amount of laboratory, library, health, infirmary, and other similar fees customarily charged

COLLEGE FEES ARE A HODGEPODGE OF CHARGES

It is important that this be understood, because the fees charged to college students are almost entirely a matter of combined expediency and necessity, rather than a considered sharing of the cost of education as between the endowment or the public and the student. It may surprise you that the Veterans' Administration has found as many as 158 separately and distinctly named and described fees or charges being levied in colleges and universities. I think you will agree with me that most of these charges, however named, are levied for the purpose of securing some additional income for the school which would permit it to do the total instructional job as defined by that school. Even though such fees do bear specific names and references, I believe it can be shown that few of the charges are made actually to carry on a specific enterprise or function. Most of the fees are converted into the general fund of the college from which the budget is made up and the various activities of the institution are supported. In only a relatively few cases are the activities related to the special charges or fees. Thus, it becomes a very difficult task for the Administrator to judge "the customary cost of tuition" and yet allow all of the other 157 fees which are named in the school catalogs. Obviously, some schools may benefit and others may lose in relation to each other if all fees other than tuition are allowed in cases where cost contracts are negotiated. Nonetheless, the law is specific on that point.

LIMIT TO CHARGES IN LIEU OF TUITION

It seems to me that the Congress was wise in accepting the recommendation of the Administrator's Advisory Committee to limit the adjustment of the tuition fee only, and to the "estimated cost of teaching personnel and supplies for instruction." All who operate institutions of higher learning know that the cost of teaching personnel, as evi-

denced by the direct salary pay roll, is not over 50 percent of the total cost of instruction. At least, this general ratio would apply to the average institution. Undoubtedly, there are institutions where the direct salary cost of teaching personnel may not equal this percentage. However, in many of the smaller colleges the percentage of teaching personnel salaries may be much higher than 50 percent of the total budget. Our experience under Navy instruction contracts during the past 2 years indicates that 15 percent of the cost of teaching personnel should adequately cover the cost of related teaching salaries and supplies for instruction. Therefore, the total cost of teaching personnel and supplies for instruction as defined in paragraph 5, section 5, of the act would not average more than 57½ percent of a total college budget. Consequently, I am of the opinion that the formula set forth for schools and colleges in circular 47, February 27, 1946, does carry out the congressional intent to pay, not necessarily all the costs of instruction, but to provide a flexible standard only for the direct teaching costs, which would increase in amount and rate as the enrollment of veterans increased. I think this is a fair assumption and a reasonable way to approach the problem since it is evident that most of the administrative expense and the plant expense would exist whether or not veterans attended the schools. It is true that most schools will have enrollments far in excess of any prewar peak and, consequently, will use their plant more efficiently than before the war This increased instructional load should permit at least a financially more efficient operation and, consequently, the adjustment allowed in the act as limited to teaching personnel and supplies for instruction, I believe, will permit the financing of instruction under the act. If schools cannot operate under the cost of teaching formula as now established, it might be wise to revise their fee structure to some sensible basis relating fees to the purpose thereof. This might bring order out of the present chaotic fee system in our institutions. In providing for teaching salaries, the Veterans' Administration intended surely to make possible the strongest educational service to veterans If our schools fail to provide just such service they will betray those who look to them for their answer to the promise of tomorrow. Let no institution dilute its substance while seeking additional support for the high task to which it is dedicated.

HIGHER EDUCATION FACES A CRISIS IN SEPTEMBER 1946

In addition to possible abuses and certain problems of adjustment which I have already enumerated, there now looms a far greater and more serious situation than I believe anyone contemplated when the GI bill of rights was enacted. At this moment more students are in attendance at most of the large universities than were ever before enrolled. At the same time, however, it appears that numerous small colleges and minor educational resources have not yet been tapped for the GI training program. It seems self-evident from experience to date that the entire composite higher educational plant in America will be overloaded in September 1946, by at least 30 to 35 percent. The prewar peak enrollment for all colleges in America was approximately 1,500,000 students. With the number of veterans who will be discharged and eligible for training under Federal sponsorship next September, the number of students will be not less than 2,000,000. Veterans are now showing preference for the larger better known institutions and most of these have already announced plans for the limitation of the September enrollment. Therefore, on recommendation of the Administrator's Advisory Committee the Veterans' Administration is now making an extensive survey of the present enrollment in schools and colleges and of spaces which institutions plan to make available for students next autumn.

May I point out the importance of this situation? It will not be sufficient for large public or endowed institutions to expect a mere limitation of enrollment to be an acceptable response to their responsibility in the situation. I believe several other actions are in order. First, these institutions should undertake jointly or otherwise to persuade veterans to attend the smaller and less known institutions. Many of these are excellent centers of learning and culture Where they are not, the strong units should cooperate in strengthening the weaker institutions whenever possible by staff references, exchanges, and upgrading of course offerings. Every effort must be made to keep the total educational experience of the veteran at the highest possible standard.

Secondly, therefore, colleges and universities should abandon the practice of pirating staff members from each other, should cease bidding against each other at constantly increasing salary rates to secure professors from one another for a momentary advantage in reputed educational skills. True, there must always be some such transferring to meet individual situations. However, the educational administrators, having sold a bill of goods to the Congress, must now join in a courageous and united effort to make certain that every veteran may take advantage of the opportunity afforded him. The Nation's confidence in its educational leadership must not be betrayed. The veterans must not be left in the position of a Shylock who is offered, as his pound of bloodless flesh, a college education without the facilities necessary to provide it Colleges and universities cannot be satisfied with limited enrollments while veterans go untrained and opportunities under the bill are lost.

If educators do stand idly by they may witness the creation and staffing of temporary educational institutions under political or other less gifted leadership Therefore, I also propose that school and college administrators of each State band together as a unit in working out a program to provide instruction and space accommodations for all veterans who seek training as citizens of their respective States. To this end colleges and universities should contract for the better high-school facilities, including staff, to carry on elementary college work. Undoubtedly, much of the work in the veterans' program probably will be that of the first year or two of college. At least this may be the case at the outset. Consequently, at this level many qualified high-school teachers under college or university supervision and direction could do much with their own facilities to carry on the desired work. This might relieve the total load on the colleges so they would not need to dilute their advanced and more important work As another step they might advantageously lend staff members capable of supervising instruction to off-campus centers where veterans could be trained at home. This would also relieve the campus housing shortage. Credits would be transferred to the college or university after the veteran has shown himself capable of pursuing bona fide collegiate work.

The situation is critical and may be tragic by September. The entire Nation will suffer and the educational clock be turned back a half century if educational leaders have not by that time worked out a solution which will provide genuine opportunities within the limitations of housing and of staff. The papers are full of suggestions for new veterans' colleges, but better yet are local centers developed as I have suggested. These have been started in such cities as Philadelphia where the high schools are giving collegiate work with the aid and supervision of the university and in other States, such as Indiana, where the university extension centers, using local as well as staff talent, are offering the freshman and sophomore years of college work to be transferred later to the campus. Lengthening the teaching day and readjusting to shorter laboratory periods are already increasing the capacity of the college plant in many places and this should be done wherever necessary. It has just been announced that Vassar College has gone coeducational.

NEED FOR CAUTION IN FEDERAL FINANCING OF EDUCATION

May I conclude this discussion with a word of warning and of emphasis upon some dangers which I see in the effort of educational leaders to secure funds from the Federal Government? I have been privileged since 1941 to serve four agencies of the Federal Government which have made direct use of the schools and colleges. These four are the Office of Scientific Research and Development, the Navy Department, the War Department, and the Veterans' Administration In addition I have had the honor of serving on an advisory committee appointed pursuant to a resolution of the House of Representatives to advise the House Committee on Education in a study of the effect of the war upon colleges and universities in America. These four agencies, during the period which I have served as adviser, have spent not less than $1,000,000,000 for specific services in our educational institutions—services which have simultaneously aided and injured our institutions and have altered our methods of operation to such an extent that the Congress of the United States was seriously concerned. During this entire experience, I have tried to assist in devising contractual bases of payments which would provide the Federal Government with a necessary degree of supervision over the expenditure of public funds, yet at the same time would leave the colleges and universities all of their traditional, time-honored, and invaluable freedom to carry on vital educational work as they deemed most proper. Few people realize, I believe, how easy it is for any Federal agency, or other unit of Government, to gradually, unobtrusively, and yet surely obtain definite control and direction over any institution by controlling its operating funds. I believe it is a sound principle that any use of public funds should be subject to the scrutiny and control of those charged with the careful utilization of such funds If that is sound doctrine, it follows as the night the day that, whenever Federal funds are made available to operating schools and colleges for a definite specified service, it is incumbent upon the Federal Government or its agencies to make sure the funds are wisely used and the expenditure constructively made in the public interest.

Frequently this is a matter of opinion. I am sure everyone of us will agree that there are many decisions included in our daily operation which another one of us would question. I think it is accurate to say that, in any large institution, many could alter, change, or reduce the budget without, in their judgment, decreasing the effectiveness of the institution. I once heard the vice president of the University of Michigan admit that he could extract a quarter-million dollars from his university budget without hurting Michigan's effectiveness. In response to this observation, I reminded him that I could do perhaps the same proportionate amount of cutting from our own budget but that, were I to operate on the Michigan budget and he on mine, we would undoubtedly clash violently over each other's judgment. Who is wise enough to determine a uniform teaching load, a uniform salary scale for teaching and research, a universally satisfactory textbook, the one best or most economical method of teaching, or for that matter the one acceptable content of a course or curriculum? What if such judgments were made by a far-off Federal agent, by a general accounting office, or by a unified department of national defense.

Much good will come if out of the experience of federalized education as practiced through the War Department and Navy Department in their wartime college training program and as now provided through the Veterans' Administration peacetime program, we fulfill our educational responsibility and develop a pattern of relationships with the Federal Government which will establish sound principles for compensation without restrictive regulatory limitations upon our individual objectives However, if we are not ever watchful at the present time, we may through overplaying our quest for money, awaken to find ourselves dominated by the Federal Government, directly under a Federal regulatory body, having lost our traditional freedom of judgment in determining that which is worthwhile and which shall be within our institution. Surrendering our individual differences weakens all those things which each of us consider important, a terrific price to pay but not an impossible consequence from reliance on Federal funds—an exchange for Federal funds of a priceless heritage of the only freedom which makes us truly great

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes

Mr. PEPPER Mr President, for almost 3 years I have had the honor to serve as chairman of the Senate Committee on Wartime Health and Education. During most of that time, our Nation was at war. But in our investigations of the wartime health problems of our country, we found in every case the roots of these problems were in the inadequacies and failures of our peacetime provisions for the welfare of our citizens. Our national deficit of trained physicians, of hospitals, and clinics, and of healthful living conditions, accumulated during the prewar years, was brought into sharp relief by the demands of war. This deficit appeared clearly as the basic cause of much of the sickness, absenteeism and inefficiencies in our critical war industries. The number of young men called up for military service who were rejected for physical defects was a severe shock to all of us—all of us, that is, except the doctors and public health experts whose voices had been ignored for years as they warned of our need for better health care.

The hearings before the Senate Committee on Wartime Health and Education, as well as the hearings on the National Science Foundation bill, have also showed up the tremendous gaps and lags in our medical-research programs. We all know how medicine has in the last 150 years made great strides from the Dark Ages of the eighteenth century when treatment was half guesswork and half witchcraft. Our morning newspaper now brings us almost daily accounts of new scientific advances in medical treatment—penicillin, plasma, streptomyecin, malaria remedies, and so on. From 1900 to 1942 we increased the average life expectancy of the American from 40 years to 65 years. Unfortunately, we are apt to ignore the great gaps remaining in our medical knowledge. Our greatest successes have been in fighting the contagious diseases and the diseases of children. Today we find that 45 percent of deaths in the United States are due to circulatory and heart diseases. The infectious diseases are now only second in importance. Cancer is the third more frequent cause of death.

Also, we have ignored the diseases which disable but seldom kill their victims outright. These include arthritis, allergies, gastric ulcers, and the common cold. The common cold is probably the most important of these ailments in its annual cost to the American people in time lost from work, lowered resistance to other diseases, and in medical care.

I interpolate, Mr. President, that some 600,000,000 man-days are lost annually in this country by people who are ill, and the number of days lost by the average workman in the United States on account of illness is about 10 days a year.

Nor do we realize, Mr. President, the extent of mental disease in this country and the need for improved methods of care and treatment. At least 1 percent of our population is presently confined in mental hospitals. According to one competent witness, at least seven out of every hundred of our population require, at one time or another, some psychiatric care. In spite of the size and the urgency of this problem, the National Committee on Mental Hygiene has estimated that all prewar funds available for psychiatric research totaled only about $350,000 annually, when industrial research was receiving over 800 times that amount.

Again I interpolate to say that fortunately a few days ago the Senate passed, and it has now been agreed to by both Houses, a bill providing for additional funds, altogether $17,500,000, in the field of psychiatric tests, seven and one-half million for the building in the District of Columbia of a psychiatric research institute, and $10,000,000 to be made available for Federal aid to the States in the research end, and in the treatment of psychiatric patients.

I have given the figures to show how relatively little expenditure was made for psychiatric research, as important as that activity is, compared with industrial expenditures for research.

Most significant of all, we found that, before the war, relatively little work was being done in basic biological and medical studies. During the war such work almost entirely ceased As in most other scientific fields, the urgencies of war did not permit the sort of fruitful activity among the bypaths of invesigation which lead to the great new discoveries. Most of the work was sternly directed toward application of known principles to the solution of specific problems. Before the war, we gave our scientists little enough opportunity for fundamental scientific work. During the war we were eating up our accumulated capital of basic data and providing little or no foundation for future advances.

This is the situation we found at the end of World War II—relatively insignificant resources available for research in some of the most important areas of medcine and biology. Great progress has been made in some fields. In other areas, we are still back in the Dark Ages.

But we also found a bright side in our investigations of the Nation's wartime health and medical progress. We may take a very great pride in the record of the scientists who were enabled during the war to work on medical and biological problems of military importance. They made great advances. Their contribution to our victory was not in the development of weapons of destruction; it was in the development of new methods for prevention, diagnosis, and cure of wounds and disease.

Although the urgencies of war banned fundamental research, they permitted for the first time a sufficient expenditure of funds for intensive developmental work in a number of fields. We will never be able to determine how many men would have been killed in battle if not for the wartime development of dried plasma for wound shock treatment. Federal funds permitted pharmaceutical manufacturers to work out methods of mass production for penicillin. Because psychiatric care was clearly an urgent military need, the trained men of this profession were given the resources to apply their knowledge to war problems and, according to their chief, Brig. Gen. Karl Menninger, 60 percent of battle psychoneuroses were cured within 15 miles of the combat areas, and the patients able to return directly to duty.

There is no way of measuring the value of this wartime medical research work. All of us, ex-servicemen and civilians alike, owe everlasting gratitude to the intensive and unselfish efforts of these scientists, men and women, who have saved so many from death and from mental and physical disability. One concrete measure of their achievement was the reduction of death from disease in our armed forces from 14 per thousand in World War I to 0.6 per thousand in World War II. The monetary cost of this research and development was small—almost negligible in comparison to the total costs of the war. Nevertheless, it was a princely amount in comparison with funds previously available for medical and health work. This expenditure was repaid a thousandfold.

Now that the war is over, shall we return to our prewar neglect of medical research? The administrators of medical schools tell us that the situation promises to be even worse than before the war. With declining foundation funds and higher administrative costs, the schools, which were the chief research centers, will be able to provide their students with fewer and fewer research opportunities for original creative work.

We like to think that medical discoveries spring from the mind of the inventor, full armed and ready to battle disease. And, in fact, shrewd observation on the part of a doctor does now and again lead to some great stride in medicine. But we must face the fact that most discoveries are the end result of such study and experiment, often in fields which seem far removed from the end result. The keen observation of Dr. Fleming in 1929 made the discovery of penicillin. Fleming's discovery was of interest to mycologists, but not directly important to medicine. Less well known

is the story of how Dr. Florey, glimpsing the medical possibilities of penicillin, worked on this strange mold at Oxford University, performing endless and exhaustive experiments with almost no funds for equipment and only the part-time assistance of a few students. It was not until 1941 that Florey came to the United States with his accumulated knowledge and saw the work of himself and Fleming carried to completion by the unlimited resources of our Office of Scientific Research and Development. They particularly emphasized the need for support of fundamental research in medicine, biology, and other related scientific fields. As one well-known medical educator pointed out:

Even if the well-springs of humanity are not drying up and the resources of philanthropy nearing exhaustion, as some fear, philanthropy is too casual and too emotionally activated to advance effectively a concerted program of medical investigation Although commercial organizations have made important contributions, their efforts must needs be directly chiefly to exploitable objectives. The contributions which have the greatest long-term value, however, those which revolutionize practice, are usually the products of fundamental research directed to no immediately practical end

Last fall there appeared before the joint hearings on the National Science Foundation bill a group of our most distinguished medical men All of them strongly urged the need for some sort of Federal aid to medical and health research All of them pointed to the complete inadequacy of private funds and urged the establishment of some Federal organization to encourage the free development of research work

Dr. Cohn spent some 15 years at Harvard working on methods for fractionation of the blood. This work was considered of only theoretical importance until the war emergency demanded a compact, nonperishable form of blood for transfusions in shock treatment. Thus, the painstaking work in a Harvard laboratory made possible the production of dried blood albumen which was one of the greatest life savers of World War II.

Since the introduction of the present National Science Foundation bill, S 1850, I have received any number of letters from individuals and from scientific organizations urging passage of this bill as the best possible way to foster this development.

In the first place, the scientists favor an organization whose funds are unrestricted and which can operate with great flexibility. In that that is essential, Mr. President, to any form of effective research The National Science Foundation, they believe, can be such an organization. Although there is a provision for a 15 percent minimum expenditure for health and medicine and a 15 percent minimum expenditure in the field of national defense, within these limits the funds can be allocated where there is the greatest need. Furthermore, the funds of the foundation can be contracted for specific projects or for general studies in a certain area, depending on the needs of the situation.

There are at the present time a number of bills before the Congress proposing Federal research foundations for work on specific medical problems. While every one of those bills are directed toward a worthy objective, I believe that a national science foundation, covering all fields of investigation, would prove more fruitful by permitting a more flexible use of funds and resources. Furthermore, in the National Research Foundation, emphasis would be placed upon fundamental work, the sort of work which can lead to an unexpected solution in any one of a number of fields and provide the fertile ground upon which knowledge grows best.

The scientists also believe that S. 1850 provides for a democratic organization, essentially run by the scientists and responsive to their needs. As it was expressed by the head of the OSRD's Committee on Medical Research, the scientists—

must be trusted to select their own tasks and must be made to feel that government has no other intention with respect to them and their work than to encourage and foster.

The medical men and other scientists with whom I have talked and who have written to me also feel very strongly that the program for fellowships and scholarships as provided in the National Science Foundation is most essential. Our wartime draft policies were notoriously short-sighted in regard to scientific students. We have lost a whole generation of medical students by drafting them into military service, usually for general duty, in their premedical training period. To make up this loss, in a country where there were never enough doctors to fill the needs of the population, we must enable more of our promising young men and women to study medicine. We have not only lost a generation of medical students, but we have also cut off the training of young graduate doctors after a brief internship, instead of allowing them to continue graduate studies and research investigations.

To quote a witness testifying on the bill—

Because of the peculiar utility of physicians to the military forces, no profession suffered more than medicine in this educational infanticide. We cannot afford to lose a generation of medical scientists, especially when it is realized that upon this lost generation we must depend for the education of their successors.

The National Science Foundation bill would provide both graduate fellowships and undergraduate scholarships to help fill this deficit.

Finally, the National Science Foundation would provide for development of medical and health research throughout the country. Our Nation has suffered greatly from the concentration of large endowments in a few universities while smaller institutions throughout the States are starved for lack of funds. The present bill provides that minimum funds be allocated proportionately to the population to the State supported institutions. Dr. A. N. Richards, head of the Committee on Medical Research of the OSRD, testified:

I would lay emphasis on consideration of geographical distribution and on the seeking out of small institutions where the investigative spirit is frustrated by the absence of margin in the budget for purposes beyond the demands of teaching.

For it is my firm conviction that the measure of the scientific strength of the country as a whole will become large in proportion to the breadth of the structure upon which it rests.

I am proud to be one of the sponsors of the National Science Foundation bill. Its passage, I am sure, will be a landmark in the scientific progress of our Nation. At this time I wish to urge upon my colleagues the necessity for speedy action on this important legislation.

I interpolate that in the field of heart disease, for example, which I believe is the major killer of our people, there is hardly anything being done by way of research and investigation. In the field of hardening of the arteries and arthritis there is relatively little being done. As a matter of fact in the whole field of old age and the deteriorating processes which old age brings on there is hardly anything being done of a research character. We can add immeasurably to the length of the lives of our people and to the strength of our country by devoting wisely, through this National Science Foundation, funds which will make such investigation possible.

During the war, we were able to make great advances in applied science. Today, many projects are being left unfinished because the war emergency has passed. The major war medical research unit, the Committee on Medical Research of the OSRD, will soon be abolished, carrying with it a number of projects such as the clinical studies of convalescence, highly important to our Army and Navy, as well as to the Veterans' Administration and to civilian medicine This bill makes provision for transferring the unfinished business of the Committee on Medical Research to the foundation.

Furthermore, our war research was largely directed toward military ends. In the world of medicine, it is true, the demarcation between civilian and military is largely a matter of emphasis on certain types of disease and treatment. But we must not lose this opportunity to adapt the discoveries of war research to the care and healing of our civilian population In preventive medicine, in surgery, in the treatment of mental illness, our civilian physicians can profit greatly from wartime discoveries, but they need funds for further experimentation, for clinical work, for research equipment.

But the most important task which lies ahead, is the assurance of a vigorous growth of research and development in our country. We cannot assure this growth merely by the provision of money for research projects. The money we will provide is only the means to the end. By setting up the National Science Foundation we will provide another important means, an organization through which scientists will be better able to work together, think together, and plan fruitful investigations. By making possible a wide program of varied work, particularly in fundamental science, we will assure the conditions for this growth of useful knowledge.

There has been considerable discussion centered around the so-called patent provisions of the National Science Foundation bill. As chairman of the Senate Committee on Patents, I would like to say that I have studied those provisions of this bill and that I fully approve them. The chief purpose of section 8, which contains the patent provisions, is to assure that the results of research financed by the people shall be made freely available to the people. It alters in no way the patent laws of our country but only provides for the disposition of rights to the results of publicly financed research. If a private company or university undertakes a research project in cooperation with the Government, this bill provides for equitable disposal of patent rights according to the contribution of the organization. Such disposition is clearly provided for in the contract negotiated between the Government and the cooperating organization.

In his testimony on a more strictly worded patent provision in an earlier draft of the bill Mr. Casper Ooms, Commissioner of Patents, said:

Many of the witnesses who have appeared here have opposed this provision as patent legislation beyond the true scope of this bill I do not agree that this is patent legislation It merely expresses the national policy with respect to patents procured upon inventions made at the public expense It is time that such a policy is formulated and declared. * * * I see nothing difficult or impossible in expressing that policy in this bill, assuming that there is sufficient flexibility provided to care for the exceptional situation.

I may add that Commissioner Ooms suggested certain minor modifications to provide this flexibility. These appear in the present bill. I believe that there can be no serious criticism of the present wording of section 8.

In closing, let me again urge passage of the National Science Foundation bill. Our national welfare depends on our scientific development. Not only must we have adequate military defense preparations, but we must have the inner strength of a free and prosperous nation which can cooperate wholeheartedly with its fellow nations. And it is through better health, expanding industry, and the improved understanding that science can provide, that we can and must achieve this position.

Mr. President, I wish to add only this: We think of the atomic bomb as a creation that came altogether out of this war. As a matter of fact, what was actually done, so I am advised, was to make available the scientific knowledge and apply it in a practical way in the form of the bomb. But the scientific basic facts that made the bomb possible have been generally known for a long period of time. They were worked out by careful research in many parts of the world by many people. In other words, it was many, many long years of basic scientific research in physics and in various fields of science that made possible the atomic bomb. Great discoveries ordinarily are not born like Minerva, full-blown from the brow of Jove, but are very carefully and tediously and painstakingly built up, generally over a long period of time, by many faithful workers in the field of research. That is true of penicillin. It was discovered and finally came to fruition and meaningfulness here in the United States. So today, when nations are competing, when we are flinging back the frontiers of ignorance and darkness, we can give no greater assurance of our continued growth and power than by aiding research in every possible and practical way. I dare say that the expenditure of money upon research and the use of such money by competent persons would yield the greatest and best dividend that could possibly be obtained.

Mr. MORSE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. PEPPER. I yield.

Mr. MORSE. Mr. President, I am very much interested in the present discussion, but also very much perplexed about the business of the United States Senate in these very critical hours in our country's history. The fires of inflation are sweeping across the land. I should like to make a parliamentary inquiry as to what the status of OPA legislation is in the Senate. I think we as a Senate should proceed to take up OPA legislation in the interest of 140 million people.

The PRESIDING OFFICER. The House joint resolution and the Senate joint resolution have both been read once.

Mr. MORSE. Can the Chair advise me further, from a parliamentary standpoint, whether or not any announcement has been made on the floor of the Senate by the majority leader as to when we shall proceed to discuss the vital issue facing America, namely, that of OPA?

The PRESIDING OFFICER. No announcement has been made.

Mr. MORSE. I thank the Chair; and I thank the Senator from Florida for yielding to me.

Mr. PEPPER. Mr. President, before I take my seat I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a paper which I hold in my hand, entitled "A Tribute to Senator ED C. JOHNSON," by H. J. Corper, M. D., Ph. D, director of research, National Jewish Hospital at Denver, Colo. It is an address delivered by Dr. Corper in high and deserved tribute to the Senator from Colorado for what he did as Governor of Colorado in making possible research in the field of tuberculosis in the State penal institutions of Colorado. I should like to read the first part of the address.

Back in 1934, the State of Colorado was fortunate in having a research-minded Governor, ED C. JOHNSON. At that time, the scientific world faced a major problem in tuberculosis, and the research department of the National Jewish Hospital was seeking the answer to the question, "What part, if any, does specific immunity play in this important disease?"

Dr. Corper then described the fine work of the Senator from Colorado, and concluded with these words:

We feel that our studies have elucidated many of the mechanisms involved in tuberculosis, and in this way we have prevented harm to the patient by guiding appropriate and valuable treatment.

I wish to thank my good friend and coresearcher, Senator ED C. JOHNSON, for his visit this evening. I am deeply grateful to him for his help in the past and know that his interest in our cause will continue into the future.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO SENATOR ED C. JOHNSON

(By H. J. Corper, M. D., Ph. D., director of research, National Jewish Hospital, Denver, Colo.)

Back in 1934, the State of Colorado was fortunate in having a research-minded Governor, ED C. JOHNSON. At that time, the scientific world faced a major problem in tuberculosis, and the research department of the National Jewish Hospital was seeking the answer to the question, "What part, if any, does specific immunity play in this important disease?"

The general medical trend was against the immunity conception, yet certain animal experiments substantiated it and pointed to the possibility of preventive potentialities inherent therein. The work in the research department had reached an impasse in this problem, and only one man could help in its solution.

It was then that ED C. JOHNSON joined our research staff, by statement and fact a research-minded Governor motivated entirely by humanitarian conceptions It was not easy for a governor to give his time to the apparently minor subject of disease study which had always been relegated to a few physicians. But Governor JOHNSON, now our senior Senator, knew that the problems of tuberculosis could be solved only if those in a position to be of service took time enough to lend a hand in dissolving the doctors' and scientists' perplexities. It was no easy task, but our Senator JOHNSON is a big man of unlimited capabilities as over a decade of association has proved.

On March 21, 1934, Governor JOHNSON called Warden Roy Best to Denver to discuss plans for using convicts for our epochal experiments. Many of the greatest thinkers and physicians in the United States complimented Governor JOHNSON on his forward-looking and humanitarian attitude And thus began one of the most important tests ever attempted in tuberculosis

The March 21, 1934, Denver Post stated, "The materials to be tested do not constitute a cure for tuberculosis. They do offer a means of preventing the disease, in somewhat the same manner as vaccine prevents smallpox" My own statement concerning these experiments was that "We have planned a number of experiments that can be performed on human beings with a fair assurance of producing no permanent harm and of giving us valuable information regarding the advisability of using some of these materials for human protective purposes in tuberculosis. Strictest medical precautions will be taken and the tests confined strictly to the gaining of scientific knowledge for the benefit of humanity." More than two-thirds of the convicts volunteered to Warden Best to take part in these experiments.

On March 23, 1934, the Denver Post quoted Governor JOHNSON, "I am deeply interested in the success of this proposal. I want it to be carried out in the exact spirit in which it was conceived, as a sincere experiment in the interests of humanity. In the selection of those who volunteer, I am determined that there shall be fair play, and that the opportunity for reward shall go to those who deserve it most."

And that was Governor JOHNSON's conduct throughout the entire test period. At the conclusion of the tests and the release of two of the convicts, Governor JOHNSON told them, "You have earned your pardon and have repaid in a measure for the dreadful things of the past. I feel you will justify the faith we have placed in you, and I know you will be a

credit to the State for the rest of your lives. Although that dread disease which has made millions its victims down through the ages is not yet wholly conquered, we have come upon a new era of preventive medicine. This is due to the unwavering and unselfish devotion of faithful doctors, and you two men, in this instance, have had an important part in this important work."

Just what did the Canon City experiments demonstrate?

1 That there is a decided specific immunity in tuberculosis which (a) can be produced by specific vaccination, a fact which was greatly discredited in 1934; (b) that this specific immunity accounts to a great extent for the chronic protracted course of tuberculosis in many patients and that some can survive as carriers for many years; and (c) that there is a need for an efficient nonviable vaccine which would meet the objections to a viable vaccine, even though safe, and the use of this as a preventive would spare untold numbers of victims from infection and a life of incapacitation

The work at Canon City with Governor JOHNSON and Warden Best led to the subsequent discovery of the following information:

1 That immunization must be by a vaccine actively on the subject himself because (a) the immune substances are not present in the blood and blood injections do not transfer it; (b) the immunity is not transferred from mother to child

2 That tuberculin is not an immunizing agent

3 That tuberculosis when developed is a complicated dual disease consisting of (a) the manifestations of the disease itself, and (b) the cumulative manifestations of tuberculous allergy for which we have no known treatment as yet, but this presents a future problem for solution

A few of the practical achievements of the research development in addition to those just mentioned are:

1. The development of the new transdermal tuberculin test. Its safety and performance make this most valuable diagnostic aid in tuberculosis of universal importance It can be applied without reservation to anyone and can be repeated at frequent intervals without danger of invalidating the test. It obviates entirely the mental anguish of injection tests and is far more acceptable as a test to discern tuberculosis when still in the curable stages medically

2. Another of our diagnostic achievements is the development of simple culture methods for discerning the presence of tubercle bacilli in small numbers and making this test available at a nominal performance cost to health departments, clinical laboratories, and private physicians as compared with the formerly used and expensive animal test

3. Along the line of protecting the tuberculous invalid from the application of useless and unnecessary treatments, we have demonstrated conclusively that tuberculin, gold, and more recently the sulfa and sulfone drugs are of no value for treating tuberculosis in human beings even though indirect effects may be noted in certain rodents, which action was explained by us.

4. Likewise, we have shown that diathermy and hyperpyrexia treatment are of no specific value in tuberculosis and may prove a decided hazard.

5 While we pioneered in some of the early antibiotic tests, we have thus far obtained no encouragement that penicillin or mold products have a place in the treatment of tuberculosis in man.

However, we are not discouraged in the possibility of finding a chemotherapeutic agent of value in treating tuberculosis and are continuing this search. We are also looking for a means of measuring the grade of specific immunity in man as an aid to specific therapy.

We feel that our studies have elucidated many of the mechanisms involved in tuberculosis, and in this way we have prevented harm to the patient by guiding appropriate and valuable treatment.

I wish to thank my good friend and coresearcher, Senator ED C JOHNSON, for his visit this evening. I am deeply grateful to him for his help in the past and know that his interest in our cause will continue into the future.

Mr. MAGNUSON obtained the floor.

Mr. FERGUSON. Mr. President, will the Senator yield to me for a few brief remarks?

Mr. MAGNUSON. On the pending legislation?

Mr. FERGUSON. Yes; on the pending legislation.

Mr. MAGNUSON. I yield.

Mr. FERGUSON. Mr. President, there has been placed before the Senate an amendment in the nature of a substitute for Senate bill 1850. I wish to make a few remarks with relation to section 2, and to state why I am opposed to the method of appointing members of the foundation as provided in that section.

The National Academy of Sciences was incorporated under an act of Congress of March 1863. That act provided for the appointment of 50 members, and authorized those members to adopt bylaws and also to provide for future members.

Among other things, I find that the National Academy of Sciences "shall, whenever called upon by any department of Government, investigate, examine, experiment, and report upon any subject of science or art."

The expense of such investigation, examination, or experimentation is to be paid by the Government from money appropriated by Congress.

It is now proposed that we enact a law which would compel the President of the United States to appoint as members of the foundation provided for in the substitute bill persons named by the National Academy of Sciences for those fields within the province of the Academy, or persons nominated by recognized national organizations in fields outside the province of the Academy.

The first paragraph of section 2 of the substitute reads as follows:

SEC. 2. (a) The President of the United States shall select and appoint individuals to the membership of the foundation from among nominations requested by him (1) from the National Academy of Sciences for those fields within the province of the Academy and (2) from recognized national organizations in those fields outside the province of the Academy. The Academy or such other national organization shall submit at least three names to the President for each vacancy for which he requests nominations.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. WILLIS. Under section 2 the National Academy of Sciences is called upon to submit at least 3 names to the President for each position.

Mr. FERGUSON. Yes.

Mr. WILLIS. So the names of three times the number to be appointed would be submitted.

Mr. FERGUSON. It has been called to my attention, and the RECORD should show, that the National Academy of Sciences or the other recognized national body shall name three times as many candidates as there are positions to fill. But that does not affect the fundamental principle which I wish to discuss.

The National Academy of Sciences and the other organizations have particular fields in which they work. I feel that the President should make his own appointments, and that the Academy should not name the appointees, even though it submits three times as many names as there are positions to be filled. I take that position for the reason that the National Academy of Sciences should be in a position to criticize the appointments. It should be in a position also to criticize each and every act of the appointees after they are named. I say to the Senate and to the people of the country that if the National Academy of Sciences is to name these persons, even though it names three times as many candidates as there are positions to fill, it will not be in a position to tell the American people what it thinks of the appointments. Neither will it be in a position to criticize the work and the conduct of those members. The same thing is true of other recognized national organizations.

If democracy is to work, we must be in a position to criticize what has been done, or what has been omitted. We should be in a position to praise or criticize, as we find the facts to justify.

This is an important feature of the bill. I think it goes to its very foundation. It is undoubtedly true that the President of the United States would seek advice, but he should not be placed in the position of being compelled to take advice from these bodies, because they should be in a position to advise all the people, not only as to the conduct of the President, but as to the conduct of these men after they assume their positions. It is not fair to the National Academy of Sciences to place that great scientific organization in politics by having it name as candidates for positions on the board or the foundation the men who are to carry on the work covered by the bill.

There is no provision in the bill as to how the National Academy of Sciences or the other recognized national organizations in fields outside the province of the Academy shall make the nominations. We do not know whether the body as a whole is to vote, or whether the presidents of the respective organizations are to make the nominations. We do not know whether the Board of Directors would name those men. I say that it would be placing in politics that organization and other organizations which might submit names to the President, and that would be a sad day for science. We ought to keep medicine and all the other sciences out of politics. We ought to provide for scientific education, and for carrying on scientific investigations; but we should not place the organizations which are leaders in the various fields in the position of having the responsibility for appointments, a position in which

they would find themselves unable properly to advise the people as to what the board should do in the future.

Mr. KILGORE. Mr. President——

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. MAGNUSON. I yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I wish to speak particularly with reference to the amendment in the nature of a substitute offered by the Senator from New Jersey. I desire to concur in the criticism of the amendment made by the Senator from Michigan [Mr. FERGUSON] in regard to the references the amendment contains to the National Academy of Sciences, and I also wish to make a further comment.

As the Senator from Michigan so well stated, the amendment provides that the National Academy of Sciences shall nominate, at the request of the President, three men for every vacancy, for a term of 16 years each, and that those men when so selected shall appoint a director, thereby legally taking from the Chief Executive of the United States the responsibility as to any mistakes which might be made or any activities which might be undertaken. But actually in the eyes of the people it would leave the responsibility upon the President, because the people do not understand these matters. The amendment would also place the academy in a position in which it could not criticize anything which might be done, because it would be legally bound by the selections, just as the President would be.

Moreover, Mr President, it will be noted that section 13 (c) of the amendment would give to the members so chosen immunity from prosecution under sections 109 and 113 of the Criminal Code. Thereby we would relinquish any powers of control which we might have if, as is sometimes the case, someone who was selected did not do a good job So I think that provision seriously weakens the amendment and prevents the accomplishment of the desired purpose. It seems to me that the amendment contains many other features which weaken it and tend to prevent the accomplishment of the purpose of the foundation.

Earlier today a great deal was said about patents. I think most of that discussion was based on two misapprehensions. The first was, as it seems to me, in regard to the difference between a patent and an invention. There is the same difference between them as there is between a house and lot and a deed. In other words, an invention would be the house and lot. A deed would be the evidence of title thereto. We must not be misled in regard to the difference between patents and inventions.

The bill in no sense revises or affects the existing patent laws of the United States. It does establish a national policy in regard to patents in connection with the foundation and the funds appropriated for it. It also takes down the dam which now holds back the use of many useful patents.

The second misapprehension was as to the difference between the Government and the people. It seems to be a horrible thing, to some persons, when something which has been developed by the Government goes to the people. Mr. President, just what is the meaning of the words "We, the people"? Do they mean that the Government of the United States constitutes all the people? Or do they mean that a few people in Washington constitute the Government, and that the people have nothing to do with the Government?

If we are to believe in the latter principle, I should like to call attention to the way the Members of the Congress and various other public officials hurry to go back to their home States about election time. We have ony to remember that, to know whether the people really constitute the Government. So, Mr. President, when the Government buys something, it buys it with the money of the people. One of the provisions of the bill states that all patents except those excluded under national defense features, and all rights to patents which are held under contract by various Government departments, shall be given to the people without license or without royalty, shall I say, on a free-use basis, in order that we may give back to them some benefit for, or some small portion of, the $3,000,000,000 which we spent on research during the 4 years of the war. If it is a crime to do that, then we have become an oligarchy, or an autocracy, rather than a democracy

The second proviso is with respect to following the policy as laid down by the departments in dealing with the question of patents If a laboratory or a group of Senators has, by previous work, contributed in some way to an invention or a discovery, if the work could not have been done elsewhere, and if by reason of that fact a contract has been let to them, they would retain whatever rights their work entitled them to have, and any other rights would go to the Government of the United States, and by that I mean to the people of the United States, who are the Government. I have always resented the inference that there is some kind of separation between the Government and the people. We, the Congress, are the representatives of the people. So long as we hope to maintain the Congress as a representative body, typifying democracy in these United States, we had better look to the people and to the democratic processes.

With reference to the so-called patent features of the substitute amendment, let me say that they appeal to me like a resolution of congratulations. Anyone who might enter into such contracts would have left utterly to his discretion the determination of just what should be done which might affect the public interest. Inasmuch as the public would have nothing to say about the appointment of such persons, such appointments therefore would mean nothing to the public.

Mr. President, if the substitute amendment were adopted, the bill would set up a virtual scientific autocracy which would not be responsible either to the President, to the Congress, or to the people. The group so established would be subject to long-term supervision from certain persons selected by the National Academy of Sciences. Let me say that the National Academy of Sciences is not the only scientific body in the United States. There are a number of others. We might just as well say that we would leave it up to the Odd Fellows, the Masons, or some other lodge, or to some church group, or something of the sort, and have it represent us. I think it is a fair analogy to say that we might select the officials from the members of the Baptist Church and have them represent all the Christian people of the United States. We might just as well do that as to confine the selections to the list of persons which would be submitted by an organization which is but one of the very fine and very wonderful scientific groups we have in this country—such groups as the various engineering societies, the aeronautical societies, and many others. To leave the matter merely to one such group would be unfair to the others, it seems to me. Furthermore, the amendment provides that persons selected would be exempt from prosecution under certain important Federal laws with respect to financial and legal responsibility. Of course, the exemption from prosecution under the cited provisions of the Criminal Code would be of no interest to the vast number of scientists, but only to scientists who might have corporate connections.

Moreover, by being placed under the effective supervision of the National Academy of Sciences the organization would be tied in with a self-perpetuating group who elect their own members from time to time

Mr President, let me say, and with this statement I wish to close, that when I came into the Chamber a few minutes ago I picked up the report of the National Academy of Sciences for the fiscal year 1944, and from looking at the letter of transmittal, which is dated August 1, 1945, I discovered that Dr Frank B. Jewett, the only outspoken opponent of a public foundation, was president of the academy at that time, and I assume that he still is Yet, we would turn the management of the foundation over to a group whose president is hostile to its purposes

Mr. MAGNUSON Mr. President——

Mr. DONNELL. Mr. President——

Mr. MAGNUSON. Mr. President, does the Senator from Missouri wish me to yield to him, or does he wish to speak on the bill?

Mr. DONNELL. I wish to speak on section 2 of the amendment. But I yield to the Senator.

Mr. MAGNUSON. I have the floor.

Mr DONNELL. I beg the Senator's pardon

Mr. MAGNUSON. I wish to have the Senate vote on the amendment in the nature of a substitute offered by the Senator from New Jersey, and I had hoped that speeches on it had been concluded.

Mr DONNELL. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield.

Mr. DONNELL. Mr. President, I have been very much impressed with the points made by both the Senator from Michigan and the Senator from West Virginia with respect to section 2 of the pending amendment.

Moreover, I think the same point applies to section 20 of the amendment, on page 12, in lines 20 to 22, as follows:

The civilian members shall be appointed from among members nominated to the President by the National Academy of Sciences

Mr. President, to my mind it is decidedly bad public policy to restrict the President of the United States in his power of appointment to lists of persons submitted to him by certain organizations. To my mind, the President should have the utmost latitude. I have no doubt that in his sound, good judgment he would consult with persons who were qualified to render advice. But to restrict the President to a list of persons who shall have been nominated by an organization or organizations, to my mind is decidedly improper and is a relinquishment of the power of the Government pro tanto to those particular organizations.

Therefore, Mr. President, I desire to submit two amendments for the consideration of the proponents of the substitute amendment which has been offered The amendments which I propose are as follows: On page 2 of the amendment offered by the Senator from New Jersey on behalf of himself and other Senators, I propose to amend by placing a period in line 9 after the word "foundation" and striking out the remainder of the language down to and including the word "nominations", in line 16; and on page 12, beginning with the words "The civilian", in line 20, to strike out down to and including the word "Sciences" at the beginning of line 22.

I ask the Senator from New Jersey whether or not those two amendments are acceptable to him?

Mr. SMITH. Mr. President, I am glad to reply to the distinguished Senator from Missouri. I hold no brief for making the nominations of the members of the National Academy of Sciences mandatory. I am perfectly willing to accept the amendments which the Senator has offered and leave the discretion entirely within the President. I know that he would seek the advice of others. I am happy to accept the amendments suggested by the Senator from Missouri on page 2 and on page 12 of the amendment which I have offered on behalf of myself and other Senators. I know of no reason why my colleagues would not be willing to join me in accepting the amendments.

Mr DONNELL. Mr. President, may we understand that the two amendments which I have suggested to the substitute amendment offered to Senate bill 1850, are acceptable to the Senator from New Jersey and his colleagues?

Mr. SMITH. I am willing to accept the amendments.

The PRESIDING OFFICER. Without objection, the Senator from New Jersey modifies his amendment accordingly.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry. Does the Senator from New Jersey accept the amendments to his substitute?

Mr. SMITH. Yes.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	O'Daniel
Andrews	Huffman	Overton
Ball	Johnson, Colo	Pepper
Barkley	Johnston, S C	Reed
Brooks	Kilgore	Revercomb
Buck	Knowland	Robertson
Byrd	La Follette	Russell
Capehart	Langer	Smith
Capper	McCarran	Stewart
Carville	McClellan	Swift
Donnell	McKellar	Taft
Downey	McMahon	Taylor
Ferguson	Magnuson	Thomas, Utah
Fulbright	Maybank	Tunnell
George	Mead	Wagner
Green	Millikin	Walsh
Gurney	Mitchell	Wherry
Hart	Morse	White
Hawkes	Murdock	Wiley
Hayden	Murray	Willis
Hill	Myers	Young

The PRESIDING OFFICER. Sixty-three Senators having answered to their names, a quorum is present.

Mr. McKELLAR. Mr. President, I feel that it is my duty to tell the Senate exactly what it is doing.

In the naval appropriation bill which has gone to the White House recently, Congress appropriated $249,415,201 for scientific research and development. The Army bill provides $281,500,000 for research and development. Those two bills alone provide $535,915,201 for research and development.

In addition to that we have just gotten through appropriating for atomic development $200,000,000, and that sum is not included in the figures I have given.

Furthermore, the Commerce Department appropriation bill, which we have just passed, contains quite a large sum for research purposes; the Agricultural Department has a large sum for such purposes, the Interior Department has quite an appropriation along similar lines, and the Committee on Aeronautics has also a large appropriation for the purpose.

We already have the exact figures of $534,000,000 for two of the departments, to be used for research and development during the coming year. The total appropriation for scientific research and development this year will probably amount to an aggregate of $750,000,000.

The question for us to determine is, Where are we to get the money? We are establishing another bureau, without limitation of any kind, nature, or description. The sky is the limit. They can spend a billion, if they can get it from the Appropriations Committees of the two Houses of Congress, or they can spend $5,000,000,000, or $100,000,000,000 a year. I do not know how much they will spend on scientific research and development,

We appropriated two hundred million for atomic development and research, and that was for a good purpose. It may be that these millions we are to spend will be well spent, but as the servant of the Senate on the Committee on Appropriations, I feel it my duty to tell the Senate exactly what it is doing. It is proposed that we establish another spending agency for scientific development and research.

We are now spending more than we receive. There is a deficit, and if we can spend a deficit instead of actual money, we may get along. I do not know how long we can proceed in that way.

I am merely calling this to the attention of the Senate. I am not asking Senators to vote one way or the other. I am merely wondering where we are to get the money to pay for this enormous scientific research and development program, when we are already spending these vast sums, amounting to nearly a billion dollars a year, on that activity.

Mr. SMITH. Mr. President, the distinguished Senator has raised a very important point. I do not know whether it has come out in the debate before, but in the committee report it appears that there is set forth an item of costs with a limit of $224,700, with a number of salaries ranging from $12,000 to $15,000.

The substitute which my colleagues and I are offering provides a maximum statutory cost of $78,000. We tried our best to simplify this whole matter. We realize we are in the experimental stage, and that this subject should be approached step by step rather than having as large a program as the committee bill suggests.

Mr. President, while I am on my feet I should like to suggest one slight change, because I see, in light of the amendment the Senator from Missouri offered a moment ago, that there is another place where the National Academy of Sciences is mentioned in our substitute for the bill. On page 5, lines 16 to 19, it is provided:

SEC. 7 (a) There shall be within each division a committee consisting of not less than five members who shall be appointed by the foundation after receiving recommendations from the National Academy of Sciences.

So long as we decided to eliminate the reference to the Academy in the other section, I should like to have unanimous consent to modify my substitute by eliminating the words "after receiving recommendations from the National Academy of Sciencies," which appear on lines 18 and 19, page 5.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. KILGORE. Mr. President, I did not catch the amendment offered by the Senator from Missouri. I could not catch his exact words.

Mr. SMITH. I am glad to explain to the distinguished Senator from West Virginia that on page 2 of the substitute bill, section 2, we have left the membership of the foundation to be appointed in this manner, that "the President of the United States shall select and appoint individuals of the membership of the foundation."

In other words, we took out the reference to the National Academy, to which the Senator and others objected, and we left the choice entirely in the discretion of the President.

It has been suggested to me that possibly there should be added "with the advice and consent of the Senate," but they are not executive positions; they constitute a group, and I think the President would consult with the scientific people before he made the appointments.

Mr. KILGORE. Under that provision, then, the President would appoint a foundation of 60 members?

Mr. SMITH. Sixty.

Mr. KILGORE. Who would serve for 16 years?

Mr. SMITH. Yes.

Mr. KILGORE. And they in turn would appoint——

Mr. SMITH. They would appoint the administrative board, and they would also appoint the Director.

Mr. President, I wish to point out to those who are present now, and who have not been present throughout the debate, that there are two proposed approaches to the National Scientific Foundation. One is the bill reported by the committee, and which has been sponsored by the distinguished Senators from West Virginia and Washington and certain other Senators, and the other is the substitute bill, which is submitted by me, the Senator from Virginia [Mr. BYRD], and certain other Senators.

I shall state the main differences between the two bills. I shall not elaborate, but shall speak for about 2 minutes

In the first place, in the committee bill the center of gravity, the center of control, of the whole scientific problem, is vested in an Administrator appointed by the President with the advice and consent of the Senate, and he is independent of the scientists, who are provided for in the form of boards, committees, and so forth.

In our substitute measure we are putting the center of authority in the scientists of the country. They are to be appointed in the form of a large foundation by the President of the United States. They will appoint a board, and that board will appoint the executive director. That means that the executive director will be subject to that board The board will have all the questions of policy to decide. The committee bill gives that power to the Administrator.

The second point is that the committee bill provides for distribution of funds State by State; by States first and then according to population, in order that the funds may be distributed in a geographical way. The group I represent, in our substitute measure have deleted the provision for distribution State by State, because we feel that this is a program for research in pure science, and that the scientific groups set up to administer this fund are the ones to determine where the research should be done, how it should be done, by whom and under what circumstances. It is not a question of an educational bill which would deal with distribution of funds State by State.

The third point is that the sponsors of the substitute object to the complicated patent provisions of the committee bill. We have offered a very simple substitute, merely providing that the foundation, in making arrangements for research work, shall protect both the interests of the public and the interests of the persons who may be working on the particular job, with reasonable arrangements similar to the arrangements which have been made by the Army and Navy during the war in having research work done.

The fourth point of difference between the two bills is that the committee bill includes the so-called social sciences, and the substitute bill omits the social sciences. We are not reflecting on the social sciences. We take the position that they should be taken care of by proper legislation, but we claim that the social sciences have no part in a bill aimed simply to foster research in basic sciences.

Finally, whereas the committee bill provides funds for helping scholars in the undergraduate stage as well as graduates, we feel that the start should be made with graduates selected on the basis of their records in college as being worthy of being carried on into the research field.

Those are the main differences between the two proposals and we have submitted our amendment as a substitute for the bill of the committee.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. LANGER. What is the difference in cost between the substitute bill and the original bill?

Mr. SMITH. As I have just stated, the committee bill costs $224,700 merely for the heads of the organization, an enormous staff proposed to be set up to take care of the various divisions. In the substitute bill the corresponding figure is $78,000, which is the maximum figure.

Mr. HAWKES. Mr President, will the Senator yield?

Mr. SMITH. I yield.

Mr. HAWKES. I desire to ask my colleague from New Jersey why he does not carry through the thought that he expressed a few moments ago? In section 2 (a) of the substitute amendment we find the language:

> The President of the United States shall select and appoint individuals to the membership of the foundation

Why did not the authors of the amendment add "by and with the advice and consent of the Senate?" The measure would provide for the selecting of a great body of men, 60 men. We heard the distinguished Senator from Tennessee just say that governmental research will involve maybe $750,000,000 a year. Why in the world should there not be provision made in the bill that the appointees to this foundation shall be confirmed by the Senate? This is a most important organization. Other individuals much less important, appointed by the President, are confirmed by the Senate. Why should not these appointees be confirmed by the Senate?

Mr. SMITH. The reason, as I stated a moment ago, is, briefly, that this is a little different kind of a set-up than an ordinary Executive appointment. But I will say to the distinguished Senator that if he wishes to offer an amendment to add the words he has just suggested, I shall be glad to accept the amendment, because I see no reason why it should not be accepted. It would be rather a cumbersome list to come before the Senate for confirmation, but it would be probably a proper thing to do, as is done in similar cases.

Mr. HAWKES. I will say to my colleague that it would not be nearly so cumbersome for this body to approve the appointees of the President as it will be to pay the bill of $750,000,000 a year. We must begin to think of what we are doing when we are talking about establishing another agency which may spend vast sums of money.

Mr. President, I offer the amendment on page 2, in section 2 (a), line 9, after the word "foundation" to add "by and with the advice and consent of the Senate"

Mr. SMITH. I am glad to accept the amendment as offered by the Senator from New Jersey

Mr. MAGNUSON. A parliamentary inquiry

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Is the Senator accepting amendments to the bill or his substitute?

Mr. SMITH. To my substitute

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr TAFT The Senator referred to spending $750,000,000 a year I take it that under the board proposed by the Senator the expenditures of money will be infinitely smaller than that. The actual cost of this research, under the control of this board, would certainly be a very minor figure compared to the figure stated by the Senator from Tennessee.

Mr. SMITH If I thought it was anywhere near that figure I would have great difficulty in supporting the proposal at all, because I think we should start in a much smaller way and feel our way in this important work.

Mr HAWKES Mr. President, will the Senator yield again?

Mr. SMITH I yield.

Mr HAWKES I want to say that from my point of view we are getting to the point in this country where we have got to consider $78,000,000, or $100,000,000, or $150,000,000 to be a substantial amount of money. I think one of the great mistakes that has been made in the United States and by the Congress has been in regarding $100,000,000 as a minor matter.

Mr. SMITH. I agree with my colleague.

The PRESIDING OFFICER. Does the Senator accept the amendment offered by his colleague?

Mr. SMITH. Yes; and I modify my amendment accordingly.

Mr. MAGNUSON. Mr. President, I want to take only about 2 minutes, and I hope we can then vote on the substitute. In the first place I wish to disabuse the mind of the Senator from New Jersey regarding the $750,000,000 figure. The Senator from Tennessee was speaking about the appropriations for this year which his own committee has approved, I presume after careful scrutiny, for the Army and the Navy. The bill provides for an appropriation which the research fund will get every year, I presume, in an amount which they can justify before the Appropriations Committee.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HAWKES. I do not suppose the Senator knows at the moment how much that appropriation would be.

Mr. MAGNUSON. There was some testimony by the eminent witnesses that probably the first year they would ask for somewhere between $15,000,000 and $20,000,000 to start the fellowship and scholarship program. From there on they would see where this research led to, and of course the Appropriations Committee would not be giving money to the Army and Navy or any other branch of the Government to duplicate any work being done by the foundation. As a matter of fact the foundation will correlate this work, and I can assure the Senator from New Jersey that if the plan operates successfully, instead of having all these agencies doing the work, a great deal of it will be correlated within the foundation. One agency will know what the other is doing, and the cost of research to the country will be far less than it is at present when money for research work is appropriated to eight or nine different governmental agencies.

Mr HAWKES But the Senator remembers that we spent nearly $3,000,000,000 on one research activity.

Mr MAGNUSON. Yes I assume the money the Government has spent for research has probably given us more in return than any other tax dollar we have spent. The difference, of course, between the substitute and the committee bill is very little in the sense that the substitute provides for 60 men who are paid for part-time, and we set up an organization with full-time pay. The big cost will be the money spent on research. The administrative cost under either bill would amount to no more than the cost of one destroyer.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question.

Mr. MAGNUSON. I yield.

Mr. REVERCOMB. I call the Senator's attention to page 23 of the bill as reported from the committee. It authorizes the Administrator—

> To prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research and development shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

We are discussing now the subject of cost and spending for this program and it seems to me that there is quite an extensive authority granted to the Administrator, with the approval of the Comptroller General, to prescribe the extent to which vouchers for funds expended under contracts for scientific research and development shall be subject to itemization or substantiation prior to payment, and without regard to the limitation of other laws relating to the expenditure of public funds and accounting therefor.

Mr. MAGNUSON. I can explain that, Mr President. Money would be appropriated to the foundation and report would be made by the foundation of the expenditure of the funds to the Budget Director, who in turn would report to Congress. That would be itemized. The reason we used the language—

> without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor—

is that from year to year it is not possible to undertake a research problem and begin it on July 1 and say that work on the problem shall stop on next July 1. The foundation may want to make a grant-in-aid for some important vital research problems for the welfare of the Nation that may extend for 5 or 6 years, or it may make a contract for 5 or 6 years, and the scientists may come back and say "We have not solved the problem yet. We have made some progress, and we must continue." If it were necessary to make provision from year to year, scientists could not be obtained to do the work. That is the purpose of the language, I will say to the Senator from West Virginia.

Mr REVERCOMB. Mr. President, will the Senator again yield?

Mr. MAGNUSON I yield.

Mr. REVERCOMB. I should like to have the Senator explain why the Administrator is given power to do away with itemization or substantiation of money to be paid out prior to such payment.

Mr. MAGNUSON. Where is that language?

Mr. REVERCOMB. On page 23. And further, to make payment without regard to limitations of other laws relating to the expenditure of public funds and accounting therefor. That is a very broad power to give to the Administrator, it seems to me.

Mr MAGNUSON. The purpose of that is as I have just stated. Deadlines cannot be placed on scientific research. A scientist may say, "I am close to finding what I am seeking I can accomplish what I am trying to accomplish if I can get some of this and some of that." The Administrator then should have the power to pay out the funds needed. The Administrator can itemize the amounts paid out by the foundation and make reports to Congress twice a year or three times a year, or, if the Senator from West Virginia wishes, the Administrator could make report every month of the expenditures. The purpose of the language is to give the Administrator some freedom with respect to whatever funds the Foundation may receive. I do not think anyone is going to run away with this thing. Some of the money may be spent foolishly. There has been a great deal of money spent foolishly on inventions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. AIKEN. The expenditure for the atomic energy experiment would have been foolish if the experiment had not succeeded, would it not?

Mr. MAGNUSON. That is correct.

Mr. AIKEN. That is not the question which I rose to ask. Am I to understand that Senate bill 1850 requires a wide distribution of research work among the States and areas? Is there any provision in the bill making such a requirement?

Mr. MAGNUSON. In the beginning we left the distribution of the funds purely discretionary, but some of the land-grant colleges and smaller schools were fearful that they might be left out. They have now endorsed the bill wholeheartedly. We have provided that two-fifths of the funds to be expended shall be distributed equitably among the States according to population.

Mr AIKEN. Am I to understand that the substitute bill which is offered by the Senator from New Jersey would permit the research work to be concentrated in whatever colleges or stations might be selected by the Board?

Mr. MAGNUSON. That is correct, as I understand.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SMITH. The point is that we are now dealing with the subject of research in basic science. It has nothing to do with the distribution of funds for educational purposes. As I stated earlier this afternoon, I am entirely for Senate bill 181, with which the Senator is familiar, and which distributes funds for educational purposes on the basis of population. This proposal has nothing to do with that principle. It is not a question of distributing funds State by State. It is a question of finding the job to be done and the man to do the job, and concentrating on that problem.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LA FOLLETTE. Mr. President, I had not intended to say anything in connection with this bill; but there has been criticism of the proposal to distribute the funds I should like to make a few remarks on that subject.

The Senator from New Jersey [Mr. SMITH] seems to take the position that basic research in science cannot be conducted by the State universities and the land-grant colleges. I should like to say that the most successful utilization of public funds for experimental purposes has been in conjunction with the money appropriated for experimental work which has been conducted by the land-grant colleges.

As I see it, this proposal is very simple. The substitute proposes to turn over to the administrative authorities power to concentrate the expenditure of the research money in any institutions which they may choose. That may have been justified during the war. We all know that there was a tremendous concentration in a very few educational institutions of research expenditures for war purposes. That may have been justified because it was necessary to take whatever basic research was available and translate it as rapidly as possible into practical application for the production of weapons of offense and defense.

I say that this whole question affects the problem of the ultimate development of our entire system of higher education; and unless there is some provision in this measure for an equitable

distribution of funds to State universities and to the land-grant colleges, we know from our experience during the war that the money will be concentrated in a few institutions, and that the land-grant colleges and the State universities will be stripped of their scientists, because the institutions receiving money from the Federal Government, out of the Treasury of the United States, will be able to outbid all the land-grant colleges and State universities whose scientific branches will wither and die.

I am not arguing on the basis of a distribution of money simply to see money distributed; but I am interested in the distribution because it can be proved by the record that the greatest success which has come from the public expenditure of money for research purposes has come as a result of the experience which we have had in research in the land-grant colleges, financed from funds provided in agricultural appropriation bills. Every Senator is familiar with that fact. Senators are likewise familiar with the fact that this research has gone on, with the expenditure of public moneys, without the withering hand of bureaucracy being placed upon the research activities of the land-grant colleges.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I do not know who has the floor.

Mr. MAGNUSON. I yield.

Mr. REVERCOMB. I think the Senator touches upon a very important point when he speaks of the withering hand of bureaucracy. What does the Senator think about the withering hand of the Administrator, under the powers proposed to be given to him?

Mr. LA FOLLETTE. I say to the Senator from West Virginia that the plan is predicated upon the principle carried out in the experimental work among the land-grant colleges The same principle is contained in this bill. Plans for research projects will be submitted just as they are submitted under the land-grant arrangement between the Federal Government and the land-grant colleges.

Mr. President, I do not believe that all the scientific knowledge of this country is concentrated in a few institutions. Nor do I believe that all the potential scientific research talent in the country is located within a few metropolitan areas. Who knows where the next great basic scientist is coming from? Who knows where the next great scientific brain may be in the process of development?

So, as I see this issue, it is a naked issue between the substitute, which will inevitably result in the concentration in a handful of institutions of whatever Federal moneys are provided for research, with the fellowships concentrated in those institutions, and the plan proposed by the bill. Based upon our proved experience as to what can be done with Federally supported research over the long years in which the land-grant colleges have carried on research with Federal funds, I say that they should have an opportunity to participate and make their contribution to the development of basic scientific research and the development of young men and women who have the proved talent to fill the great gap which has been created in our scientific personnel by the policy which we adopted for selective service, which placed in uniform the young manhood who were engaged in preliminary work in scientific training. That was not done in Great Britain and Russia.

If this Nation is adequately to prepare itself for defense, if we are to go forward with the basic research which is essential in order that the country may maintain its place as a leading Nation of the world, I say that we cannot do it by concentrating these funds in a handful of institutions.

A portion of the funds should be spread to the land-grant colleges and the State universities and other institutions over this vast country, not only in order that we may tap their abilities and their knowledge, but in order that we may give opportunity to those who have demonstrated their aptitude for scientific research and work in the scientific field.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute, as modified, offered by the Senator from New Jersey [Mr. SMITH].

Mr. SMITH. Mr. President, I ask for the yeas and nays.

Mr. TAFT. Mr. President, I did not intend to say anything in connection with this bill; but the attack made by the Senator from Wisconsin on the amendment in the nature of a substitute seems to me to be utterly unreasonable. The only question is, Shall the board of scientists determine where research may properly be done, or shall Congress do so? There is no prohibition against giving money to land-grant colleges, or any reason to suppose that under the terms of the amendment money will not be granted to land-grant colleges. Why not? This group of scientists will presumably be solely interested in getting the best scientific research obtainable. Certainly if we distribute the money to 400 colleges it will be so dissipated that we will get no results. Someone must decide the question. I really do not see that it is a fundamental question in the program. The question is, Who is to decide it?

Is the question to be decided by a board of nine scientists on a scientific basis, or is one director, appointed by the President, and responsible to no one but the President to dish out money to any college in the country to which he wishes to give it, subject to the rather restricted formula in the bill?

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I would rather finish what I have to say.

Mr. MAGNUSON. The Senator has not read the bill.

Mr. TAFT. I leave that to the author of the bill; but so far as I can discover, there is no prohibition against giving money to land-grant colleges.

Mr. MAGNUSON. Two-fifths of the funds must go to the respective States.

Mr. TAFT. If we distribute the money to 500 colleges in 48 States, when we get through we shall have a great waste of money.

That is not the real issue. The issue is whether we shall place the entire administration of this program in the hands of a political officer appointed by the United States, and who is to receive $15,000 a year and have a vast staff appointed by the President, with 12 directors at $12,000 a year, and all the staff members that each of them may wish, or whether we shall say that this is a scientific problem. The President appoints a group of 60 scientists. From those 60 scientists, an executive board of 9 would be selected, and that executive board would determine how the grants should be given out. The executive board of nine also would select the Director.

So I say the question is whether the institution shall be a really scientific one or whether it shall be a political one.

The scientists themselves, when they came to present their recommendations, were very definite in regard to them. Since that time they have said, "Well, we have to compromise on the Kilgore bill. We were not for it or for any of the principles it contains, but we have to compromise."

Why do they have to compromise? It is because they were told to do so if they wanted to have any bill on the subject enacted. With whom did they have to compromise? The subcommittee of the Senate Committee on Military Affairs was the only group with whom they had to compromise. There was no one else.

Let us examine what those scientists said. That group of scientists was composed of some of the most competent and experienced scientists in the United States. It included, among others, James B. Conant, president of Harvard University. They were told that they had to take Senate bill 1850 as a compromise. But in submitting their opinions to the President of the United States they said:

1. Our experience leads us to believe that responsibility for the program should be placed in the hands of a National Science or Research Board composed of laymen and scientists appointed by the President without reference to political affiliation and solely on the basis of interest in and capacity to promote scientific research and education. Nothing should preclude the President from appointing any qualified person, scientist or layman, but in making appointments it would be desirable to seek the advice of scientists and scientific organizations. Ordinarily Board members should be persons having no other official connection with government. The Board should be made up of persons who would regard appointment as an opportunity to perform a national service of the highest importance and in whom the scientists called on to give professional and other assistance would have confidence. These principles are fully recognized in the Magnuson bill.

Of course, Mr. President, this program would be solely under an administrator, who would serve with an advisory board. We know the difference. As a matter of fact an advisory board does not have anything to say about the administration. The one who runs the organization under those circumstances is the administrator,

and he takes no advice unless he wants it.

The scientists also said:

2 In our opinion it would be most unwise to subordinate the board to a single director appointed by the President, as is done in the Kilgore bill. No single person, however eminent or competent, could, except in a great emergency, command the confidence and support of all branches of science and of the many organizations and agencies, private, and public, whose cooperation will be required. This is an adventure in Government for which there is no peacetime precedent; there will be risks and difficulties and responsibilities far beyond the capacity of any individual A subordinated board—

In other words, an advisory board—

a board without ultimate responsibility—would be, or would tend to become, a weak board, especially if it consists in part of ex officio members, that is, members employed by, and therefore responsible to, other agencies of Government. We favor a responsible board as provided in the Magnuson bill

So Mr. President, again they say, "We do not want a single administrator." This bill provides for a single administrator and an advisory board, but they say they do not want a single administrator.

They also said:

3 The board should be responsible for the appointment and supervision of the chief administrative officer, who should look after internal affairs, as provided in the Magnuson bill.

That is the bill that was compromised and practically, as I see it, became the Kilgore bill.

They further said:

The Administrator should not be in a position to dictate or interfere with the activities either of the Board itself or of the professional committees appointed by the Board, he should be the agent—not the master—of the Board.

That principle is most important from a scientific point of view, because the great objection to anything of this sort is that it means that the research will be directed by politics, by the political organization of the Government of the United States. That is what the scientists and the universities do not want.

Yet in this bill it is provided that this one Director, who shall be appointed by the President, shall in effect have the direction as to the expenditure of the great bulk of the money, subject to the rather limited formula, as I understand it, as to two-fifths of the funds.

Later on the scientists said this:

While S 1850 is a compromise, it is a compromise on which most scientists have agreed Most of the principles for which this committee has consistently stood have been accepted Thus there is provision for a strong National Science Board Though the Administrator will be appointed by the President, the President must consult with and receive the recommendations of the National Science Board concerning the appointment.

I think that anyone who has had any experience with government knows that simply does not mean anything. The President would still appoint the man he wanted to appoint. I do not know whether the scientists realize how this Government is run, but that is the fact. If one man is given the power he has the power. If a board has the power, it is the one that has the power.

The scientists also said:

And the Administrator must consult and advise with the Board on all matters of major policy, program, or budget.

We know that as a practical matter that does not mean anything.

They further said:

The advice and approval of the Board are required for appointment to the divisional scientific committees

That is a real change in the original bill

The scientists further said:

In endorsing S 1850 and appealing for its prompt enactment, we recognize that many scientists doubt the wisdom of (a) the inclusion of the social sciences in this legislation

What does research in social sciences mean? It means a political board. It means someone concerned with promoting all the health legislation which someone may want, all the housing legislation, and all the other legislation and all the other matters which come in under the all-inclusive term of "social sciences." If we wish to have a science research board at all, it should be confined to science, and should not turn to social sciences. Social sciences are politics. In effect, the inclusion of a provision for research in social sciences throws the Board into politics.

Mr MAGNUSON. Mr. President, will the Senator yield?

Mr TAFT I prefer not to yield at the present moment.

The scientists further said:

(b) The provisions affecting the Government's patent policy.

They do not like those provisions, but they are retained in the bill.

They further said:

And (c) the arrangement for mandatory geographical distribution of funds to State-supported and land-grant colleges

Although many of them would be better satisfied if that provision were not included in the measure, because it would tie their hands, yet they are willing to accept it. But they do not think it is a scientific approach to the problem of promoting the basic scientific research in the United States.

They further said:

4 We are strongly in favor of the distribution of professional responsibility among divisions or committees made up of professional scientists selected by a responsible board on recommendation of the National Academy of Sciences and other qualified organizations, as specified in the Magnuson bill.

In that respect, both measures contain about the same provision.

They further said:

6. While the board should know about and influence the scientific programs of the Army, Navy, and other departments, we think that it should not undertake to control or coordinate all Government scientific activities to the extent and in the manner required by the Kilgore bill.

Mr. President, in the measure which some of us support, a separate provision has been inserted with respect to research for scientific programs conducted by the Army and Navy. That was done with the approval of the Senator from Virginia [Mr. BYRD], who offered such a provision, and with the approval of the Senator from Massachusetts [Mr. WALSH], both of whom are interested in the national-defense features of the measure.

The scientists further said:

7. The legislation should not attempt to settle the Government's patent policy. The subject of patent reform, formerly assigned to the National Patent Planning Commission, has now been placed by you in the hands of a committee headed by the Secretary of Commerce. We think that for the present it should be left in those hands, that partial solution of this important, complex problem should not be anticipated, as attempted by the Kilgore bill, in legislation providing for a national research or science foundation

Finally, Mr. President, the scientists disapproved of the establishment of a Division of Social Sciences. But they were told that they must accept what the subcommittee of the Committee on Military Affairs recommended, or else they would not get any bill

I submit that every principle which has been proposed and endorsed by the scientists is contained in the substitute measure proposed by the Senator from New Jersey

Mr. President, if we wish to obtain scientific research without putting the whole matter into politics and without giving the President the right practically to dominate the entire research work which is done by all universities in the United States, then we should vote for the substitute measure, and not for the original bill

Mr. MAGNUSON Mr. President, I wish to say just a word. I think the Senator from Ohio has misinterpreted many parts of the bill Of course, what he has read from is what the scientists sent to me about a year and a half ago, in endorsing my own bill. Since that time, I say to the Senator from Ohio, we have had meeting after meeting and conference after conference. . No one has been forced to do anything. Everyone has submitted his ideas.

The compromise which is contained in Senate bill 1850 was suggested and drawn up by one of the most distinguished Members of the Senate on the Republican side of the aisle, the junior Senator from Massachusetts [Mr. SALTONSTALL].

The Senator from Ohio is a little late, as usual. He has been reading the endorsements given by some of the members of the scientific world, but not all of them, a year and a half ago.

Now the members of the scientific world agree that the pending bill is what should be enacted. Of course there are other methods of approach. We could not draw up a perfect bill. One of the main reasons why I am asking the Senate to reject the substitute amendment submitted by the Senator from New Jersey is that we have worked long and hard on this matter, we have worked on it for many months, and we have drawn up the best bill we know how to prepare.

If the Senator from New Jersey wishes to improve the bill, I think that in fairness to us he should submit amendments to it. Some of them might be agreed to.

However, now we find that a substitute measure was submitted last night, which, among other things, contains provisions for research by the Army and the Navy. Such a proposal was submitted by the Army and the Navy practically a year ago. I have in my files, and I shall be glad to read it to the Senate, testimony of the Secretary of War and the Secretary of the Navy endorsing the provisions of Senate bill 1850 and stating that it serves their purpose.

On April 2, some weeks ago, in the course of the House committee hearings on the Mills bill, a bill identical to Senate bill 1850, the Secretary of War and the Secretary of the Navy reiterated that this is what they want and that it is satisfactory.

I am glad to accept what the distinguished Senator from Virginia drew up some months ago. It is practically the same language as the provision contained in the bill. But it simply adds another department, or a division of research; and I am sure that the Senator from Virginia, in view of his desire to have governmental economy, would not like to have that duplication.

Mr. President, I hope the substitute will be rejected, so that we can get to the bill. If the Senator from New Jersey has amendments which he wishes to offer to the bill, for instance, amendments predicated on the fact that the Senator from Ohio does not like to have the bill include provision with respect to the social sciences or with respect to housing, and so forth, and the various other subjects he mentioned—amendments to eliminate such provisions can be submitted, and we shall be glad to vote on them.

I am sure, and the scientists and educators of this country realize it themselves, that in view of the fact that under this program the taxpayers' money will be spent, the governmental authorities should have some power and responsibility.

Mr. President, this bill is a good bill. It is a bill which should be passed. Its enactment into law is vital.

Therefore, I hope the Senate will reject the amendment in the nature of a substitute proposed by the Senator from New Jersey, so that we can proceed to consider the bill and discuss it section by section.

Mr. AIKEN. Mr. President, will the Senator yield.

Mr. MAGNUSON. I yield.

Mr. AIKEN. Is there anything in the bill that interferes with existing patent rights?

Mr. MAGNUSON. Not at all.

Mr. AIKEN. Does the bill give the Government greater power over scientific research that is conducted by the land-grant colleges than the Goverment now has over agricultural research which is conducted by land-grant colleges?

Mr. MAGNUSON. Not at all. As a matter of fact, some of the chief supporters of the bill are the land-grant colleges.

Mr. KILGORE. Mr. President, I wish to call to the attention of the Senate the fact that just a few minutes ago the Senator from Wisconsin [Mr. LA FOLLETTE] pointed out a most important matter, namely, that the greatest thing we can accomplish by the bill is the development of scientific talent. The boys on the frontiers have the greatest natural ingenuity.

I wish also to suggest that we sometimes do not read completely the CONGRESSIONAL RECORD. I wish to quote from a joint statement which appears on page A3731 of the CONGRESSIONAL RECORD. In that statement it was pointed out that 10 leading scientists and educators have endorsed Senate bill 1850. They are:

James B. Conant, president, American Association for the Advancement of Science; president, Harvard University.

George F Zook, president, American Council on Education.

Morris Fishbein, editor, Journal of the American Medical Association.

Thomas P. Cooper, president, Association of Land-Grant Colleges and Universities; dean, College of Agriculture, University of Kentucky.

Isaiah Bowman, chairman, Committee Supporting the Bush Report; president, Johns Hopkins University.

Boris Bakhmeteff, chairman of panel on science legislation, Engineers Joint Council for American Institute of Chemical Engineers, American Institute of Electrical Engineers, American Society of Civil Engineers, American Institute of Mining and Metallurgical Engineers, and American Society of Mechanical Engineers.

Arthur A. Hauck, president, National Association of State Universities; president, University of Maine

Willard A. Givens, executive secretary, National Education Association.

Harlow Shapley, president, Scientific Research Society of America, and cochairman, Committee for a National Science Foundation.

The joint statement included the following language:

> We are offering these joint views in order to reaffirm the unity among scientists and educators on the need for National Science Foundation legislation at this session of Congress, and our common belief that S. 1850 provides the necessary support of basic scientific research and education and is designed to safeguard scientific freedom and to advance the public interest

Mr. President, that statement was signed by the men whose names I have read They represent practically all the scientific organizations of this country. I rather resent the implications which have been made. I, for one, resent the implication that men like Dr. Bush, Dr. Bowman, and others can be blackjacked into an agreement in a subcommittee. No such thing happened, and I challenge the implication.

Mr. HAWKES. Mr. President, what is the date of the joint statement which the Senator from West Virginia put into the RECORD and to which he has referred? I believe the date is important.

Mr. KILGORE. The joint statement was put into the Appendix of the RECORD on June 25, 1946, and was dated, as I recall, on June 24.

Mr. HAWKES. Therefore, it is up to date.

Mr. KILGORE. It is the last joint statement issued by those scientists in connection with this matter.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from New Jersey offered in behalf of himself and other Senators, in the nature of a substitute for Senate bill 1850.

Mr. SMITH. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. GUFFEY], who, if present, would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the Senator from Rhode Island [Mr. GERRY], who, if present, would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIGGS], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business

The Senator from Virginia [Mr. BURCH], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GERRY], the Senator from Idaho [Mr. GOSSETT], the Senator from Illinois [Mr. LUCAS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from New Hampshire [Mr BRIDGES] is necessarily absent. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oklahoma [Mr. MOORE], the Senator from Kentucky [Mr. STANFILL], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The Senator from Kentucky [Mr. STANFILL] would vote "yea," if present.

The result was announced—yeas 24, nays 39, as follows:

YEAS—24

Ball	Hawkes	Smith
Brooks	Knowland	Swift
Buck	Langer	Taft
Byrd	McClellan	Walsh
Capehart	Millikin	Wherry
Connell	O'Daniel	White
Gurney	Revercomb	Wiley
Hart	Robertson	Willis

NAYS—39

Aiken	Huffman	Murdock
Andrews	Johnson, Colo	Murray
Barkley	Johnston, S. C.	Myers
Capper	Kilgore	Overton
Carville	La Follette	Pepper
Downey	McCarran	Radcliffe
Ferguson	McKellar	Russell
Fulbright	McMahon	Stewart
George	Magnuson	Taylor
Green	Maybank	Thomas, Utah
Hayden	Mead	Tunnell
Hill	Mitchell	Wagner
Hoey	Morse	Young

NOT VOTING—33

Austin	Cordon	O'Mahoney
Bailey	Eastland	Reed
Bilbo	Ellender	Saltonstall
Brewster	Gerry	Shipstead
Bridges	Gossett	Stanfill
Briggs	Guffey	Thomas, Okla.
Burch	Hatch	Tobey
Bushfield	Hickenlooper	Tydings
Butler	Lucas	Vandenberg
Chavez	McFarland	Wheeler
Connally	Moore	Wilson

So the modified amendment offered by Mr. SMITH in behalf of himself and other Senators, in the nature of a substitute for Senate bill 1850, was rejected.

Mr. McKELLAR. Mr. President, only a short time ago I read some figures, but at that time I did not have before me all the figures which I wished to read. Since then I have received the remaining figures, and I wish to read them into the RECORD.

The total amount which we have appropriated this year for the purpose of scientific research and development within the several Government departments, is as follows:

Civil Aeronautics, $875,000; Bureau of Standards, $5,837,000; National Advisory Committee on Aeronautics, $26,500,000; Agricultural Research, $31,920,000; Atomic Bomb Research, $200,000,000; for the Navy and Army together, $535,915,201.

The total is $801,047,201.

Mr. President, that is an enormous amount of money. It was at about the time I became a Member of Congress that we spent only a little more than that amount appropriated for the entire operation of the Government. Today we are spending for scientific research and development nearly as much as we spent for all the purposes of Government between 35 and 40 years ago.

Mr. President, to my mind this is the grossest extravagance. I voted against the amendment a few moments ago, and I shall vote against the bill when the vote is taken.

Mr. HAWKES. Mr. President, will the Senator from Tennessee yield?

Mr McKELLAR. I yield.

Mr. HAWKES. I for one am very grateful to the Senator for bringing these facts to the attention of the Senate. I wish to say that I am in favor of scientific development, but I personally do not believe this body understands what it is doing. I have talked to any number of Senators and all seem to be at sea and in a fog as to what we are asked to do.

I want first of all to leave this word with the Senator from Tennessee: We may need scientific development along the lines being talked about here today, but we do not need any scientific development to find out how to go into bankruptcy. We have discovered that already.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr SMITH. Mr. President, I should like to have four amendments to the bill printed and lie on the table, unless the majority leader wants to take them up today.

Mr MAGNUSON. Mr. President, I should like to proceed with a vote tonight. I think everything has been said that can be said on the bill.

Mr SMITH. I have no objection.

Mr. WHERRY. Mr. President, several of these amendments are long, and I have suggested to the distinguished Senator from New Jersey to have them printed, because we may have to discuss them. I do not wish to block the consideration of the bill, but I think we will expedite matters if the amendments are printed and lie on the table, and we take them up tomorrow.

Mr. MAGNUSON. As I understand the amendments, they are merely a break-down of the substitute submitted by the Senator from New Jersey.

Mr. WHERRY. They are amendments to the bill, and some of them I have read for the first time. I do not want to delay the bill, but I suggest we would expedite matters if the amendments may be printed and lie on the table, and taken up tomorrow morning. But whatever the majority leader wants to do is agreeable to me.

Mr. MAGNUSON. I should like to proceed with a vote on the bill. We may not have Senators here tomorrow. We have discussed these amendments all day, and as I understand it they are a break-down of the substitute.

Mr. SMITH. That is correct. I should like to ask the majority leader what his wishes are.

Mr. BARKLEY. Personally, I should like to finish with the bill if possible. I do not care to hold the Senate here too long, but inasmuch as we have discussed the various amendments in bulk, and now they are offered separately, it should not take too much additional discussion to dispose of them. I should prefer to proceed this evening, if it is possible.

Mr. SMITH. The only difficulty is that many Senators were not present when we presented our main discussion today.

Mr. BARKLEY. That was not the fault of the Senator from New Jersey or of the Senator from Kentucky. They were here when they voted on the amendment.

Mr. TAFT. Mr. President, it seems to me that the discussion of these amendments will take quite a long time, I should think easily a couple of hours, because each one raises a separate point. I do not see why we cannot consider them tomorrow morning. There is nothing pressing that I know of.

Mr. MAGNUSON. Will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MAGNUSON. I understood the Senator to say he wanted to discuss the amendments for 2 hours. Is that correct?

Mr. TAFT. There are four amendments, raising different points, which will have to be explained. They will have to be discussed.

Mr. MAGNUSON. They are the same as the substitute, except that they are a break-down.

Mr. TAFT. But each one stands on its own feet.

Mr. MAGNUSON. We have been discussing them for 2 days.

Mr. SMITH. I think the Senator from Connecticut has two amendments he desires to offer.

Mr. HART. That is correct.

Mr. SMITH. And I have another amendment I should like to offer, which I want to send to the desk and ask to have printed. There are seven amendments altogether which have to be disposed of.

Mr. MAGNUSON. None of these amendments was offered when we started discussion of the bill. I was hoping we could get through with it tonight I wonder if it would be agreeable to the

majority leader if we could put this matter over until some other day.

Mr. BARKLEY. No; I am sorry. I do not know what we will have when another day comes. I hope we will have something equally important as the proposal before us. I am perfectly willing to sit here for 2 or 3 hours, but I do not want to hold the Senate if we cannot finish tonight.

Mr MAGNUSON. I do not know why we cannot finish the bill tonight. The rebuttal on my part will not be very long on each amendment.

Mr. SMITH. I have been talking nearly all day, and some of my colleagues would like to be heard on some of the amendments I am offering the amendments.

Mr MAGNUSON. Can we not proceed to consider them now?

Mr BARKLEY Might we not take the first one and see what it sounds like, and determine whether we want to discuss it, or vote on it promptly, and we can take a cue from that.

Mr. SMITH. I do not know whether the clerk has the amendments in the order in which I sent them up. The first amendment has three pages of inserts, stating what is proposed.

Mr WHERRY. Mr President, I suggest that the Senate is out of order, and that if we are going to have the amendments read, the Senate should be in order. I again suggest that I think we would expedite matters if the amendments were printed and we took them up in the morning, or whenever the majority leader wants to go on with the bill.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Jersey.

Mr. SMITH I might say to the majority leader that many of my colleagues have said to me that they did not quite understand what the issues are, and wanted a little more time to think over some of the points. We tested out the substitute bill and it has been defeated. I stated earlier that I expected to support the pending bill. I really believe it is unfortunate to precipitate a vote on the amendments, because I think a number of them the Members of the Senate would like to adopt. I think it is most desirable that we let them be printed, and take them up the first thing in the morning, and we can probably dispose of them very rapidly.

Mr. MAGNUSON. Will the Senator agree to have the first one read and see if we cannot dispose of it? My point is that we discussed the very same amendments for 2 days, and they are just a break-down of the Senator's substitute. I thought there might not be too much more to say about them. Perhaps there is.

Mr. BALL. Mr. President, as I understood, the first amendment is several pages long, and I do not like to vote on an amendment like that without having it printed and on our desks, so that we would know what we were voting on.

Mr. MAGNUSON. It is practically the substitute, which has been discussed 2 days.

Mr. SMITH. The first amendment I am offering takes the committee bill, the bill the Senator from Washington is sponsoring, and changes in the first part of the bill the set-up of the Board and the Administrator. We have attempted to use the Board set-up, and make that the center of gravity for the control of the policy of the scientific group, and not have the Administrator appointed by the President, and carrying right through the bill with that theory. That is the first amendment I want considered. It should be discussed by other Members of the Senate who do not quite realize what the difference is between the controls Those who have been here all day heard me discuss the matter, but there are others who were not here.

Mr. MAGNUSON. If the Senator from New Jersey can assure me that tomorrow, when he rediscusses what he has been discussing 2 days, he can have an audience in addition to the Senator from Washington and one or two others, there might be some sense in the matter going over, but I am afraid the Senator from New Jersey will tomorrow discuss for the third time the same things he has been discussing 2 days, in the same manner, and then we will have a quorum call and a vote.

Mr WHERRY. But we will at least have the amendments printed, and we can study them for our own information. I do not think the request is out of order. I really think we can expedite matters if we have the amendments printed and see what is in them.

Mr. MAGNUSON. I was hoping to get through today, but I am afraid I shall have to yield to the wishes of the Senator from New Jersey

Mr CAPEHART Mr. President, I should like to offer a suggestion, inasmuch as we have already appropriated nearly a billion dollars for research purposes. I do not know of a single factory or businessman in America that can fill the orders which have been received—and that possibly may be true for a year or two—and I suggest that we vote on the bill by acclamation, and all vote against it, and next year, when we reconvene, we can start again spending money. I feel that when we have appropriated nearly a billion dollars for scientific development, it is enough to appropriate. My suggestion will simplify the matter, and we can all go home.

Mr. MAGNUSON. If the Senator from Indiana will vote for the bill, he will find that the appropriations for research will be much less under one bill than scattered among many.

Mr. CAPEHART. How much will this cost?

Mr MAGNUSON. Whatever Congress thinks will be justified from year to year.

Mr. CAPEHART. How much does the Senator recommend we appropriate for this year?

Mr. MAGNUSON. I have not any recommendation at this time.

Mr. CAPEHART. What would the Senator say?

Mr. MAGNUSON. There would not be any money appropriated this year.

Mr. CAPEHART. What would the Senator say would be appropriated next year?

Mr. MAGNUSON. I imagine the first year it would be around $20,000,000. It would take up the slack of probably $100,000,000 that is now being duplicated in all the other agencies. Probably it would save $80,000,000 the first year.

Mr. President, I must yield to the wishes of the Senator from New Jersey.

Mr. HART. Mr. President, I send to the desk three amendments to the pending bill, which I request to have printed and lie on the table.

The PRESIDING OFFICER. The amendments will be received and printed, and lie on the table.

EXECUTIVE SESSION

Mr BARKLEY I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SWIFT in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nomnations were submitted:

By Mr GEORGE, from the Committee on Foreign Relations

E Tomlin Bailey, of New Jersey, now a foreign-service officer of class 5 and a secretary in the diplomatic service, to be also a consul;

Eldred D Kuppinger, of Ohio, to be a foreign-service officer of class 6, a secretary in the diplomatic service, and a consul,

Sundry persons to be foreign-service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service, and

Sundry persons for promotion in the foreign service

By Mr THOMAS of Utah, from the Committee on Military Affairs:

Ebenezer L. Compere for appointment as State director of selective service for Arkansas, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended,

J Watt Page for appointment as State director of selective service for Texas, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended, and

Daniel O Omer for appointment as general counsel and chief, Legal Division, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended

By Mr. WAGNER, from the Committee on Banking and Currency:

Edmond M. Hanrahan, of New York, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1947;

John W. Snyder, of Missouri, to be United States Governor of the International Monetary Fund and United States Governor of the International Bank for Reconstruction and Development for a term of 5 years;

John S. Hooker, of Maryland, to be United States Alternate Executive Director of the

International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed; and

George F. Luthringer, of New Jersey, to be United States alternate to the Executive Director of the International Monetary Fund for a term of 2 years and until his successor has been appointed.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. BARKLEY. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk read the nomination of Capt. Erl C. B. Gould, United States Naval Reserve, to be commodore in the Naval Reserve, for temporary service, while serving with the Foreign Liquidation Commission, State Department, and to continue during any assignment commensurate with the rank of commodore or until release from active duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the executive calendar.

Mr BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ADJOURNMENT

Mr. BARKLEY. I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 14 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, July 3, 1946, at 11 o'clock a m.

NOMINATIONS

Executive nominations received by the Senate July 2, 1946:

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals

Maj Gen. Charles Hartwell Bonesteel (brigadier general, U. S. Army), Army of the United States.

Lt. Gen. William Hood Simpson (brigadier general, U. S. Army), Army of the United States

Lt. Gen. Wilhelm Delp Styer (brigadier general, U. S. Army), Army of the United States.

Lt. Gen. John Kenneth Cannon (brigadier general, U. S. Army), Army of the United States.

Lt. Gen. Harold Lee George (brigadier general, U. S. Army), Army of the United States.

To be brigadier generals

Lt. Gen. Charles Philip Hall (colonel, Infantry), Army of the United States.

Lt. Gen. Lewis Hyde Brereton (colonel, Air Corps), Army of the United States.

Maj Gen. Stephen J Chamberlin (colonel, Infantry), Army of the United States.

Lt. Gen. Willis Dale Crittenberger (colonel, Cavalry), Army of the United States.

Lt. Gen. Geoffrey Keyes (colonel, Cavalry), Army of the United States

Maj. Gen Harold Roe Bull (colonel, Infantry), Army of the United States.

Maj Gen Henry Spiese Aurand (colonel, Field Artillery), Army of the United States.

Maj Gen, James Alward Van Fleet (colonel, Infantry), Army of the United States

Lt Gen George Edward Stratemeyer (colonel, Air Corps), Army of the United States.

Maj Gen. Clarence Ralph Huebner (colonel, Infantry), Army of the United States.

Maj Gen. William E. Kepner (lieutenant colonel, Air Corps), Army of the United States.

Maj Gen Willard Stewart Paul (lieutenant colonel, Infantry), Army of the United States

Maj Gen St Clair Streett (lieutenant colonel, Air Corps), Army of the United States

Maj. Gen Muir Stephen Fairchild (lieutenant colonel, Air Corps), Army of the United States.

Lt Gen Nathan Farragut Twining (lieutenant colonel, Air Corps), Army of the United States.

Lt Gen Ennis Clement Whitehead (lieutenant colonel, Air Corps), Army of the United States

Brig Gen Kearie Lee Berry (lieutenant colonel, Infantry), Army of the United States.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be major generals

Brig. Gen Eugene Lowry Eubank (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig Gen. Grandison Gardner (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig Gen. Thomas Dresser White (lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States

Brig Gen Frederick William Evans (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States

Brig Gen William Donald Old (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States

Brig Gen Charles Franklin Born (major, Air Corps; temporary lieutenant colonel, Air Corps, temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig Gen. William Evens Hall (major, Air Corps, temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig. Gen. William Henry Tunner (major, Air Corps, temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig. Gen. Laurence Carbee Craigie (lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig, Gen George Clement McDonald (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Francis Hopkinson Griswold (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig. Gen. Edward Sedley Bres (colonel, Corps of Engineers Reserve), Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2, 1946:

IN THE NAVY

APPOINTMENT IN THE NAVY FOR TEMPORARY SERVICE

Capt. Erl C. B. Gould, United States Naval Reserve, to be a commodore in the Naval Reserve, for temporary service, while serving with the Foreign Liquidation Commission, State Department, and to continue during any assignment commensurate with the rank of commodore or until release from active duty

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS IN THE REGULAR CORPS

To be assistant surgeons, effective date of oath of office

Ralph Berg, Jr	Edward M. Tracy
Lindsay K. Bishop	George A. Spendlove
Alton Meister	Robert A. Ravich
Vincent E Price	Helns Weisheit
Edwin F. Price, Jr.	Robert F. L. Polley
John D. Rutledge	Edward J. Lowell, Jr.
Joseph Satten	Terrell O. Carver
Robert S. Wallerstein	William E. Petersen
Austin R. Tyrer, Jr.	Samuel P. Bessman
Frederick G. Germuth, Jr	Roy P Lindgren
Daniel Shapiro	Elliah M Nadel
Clyde H. Dabbs, Jr.	Milton J. Miller
Robert S. Weinhaus	Ivan Lee Bunnell
Robert E Greenfield, Jr.	Everett L. Ellis
John G Clothier	Herbert J. Forrest
Robert H Dysinger	Martin M. Cummings
Kirkland C. Brace	Loring W Pratt
Hans R. Huessy	John H. Miller
Oswald P Erickson	Elroy G Burgwald
Gene H. Stollerman	Robert S. Radding
George M Ellis	William A. O'Brien, Jr.
Robert B. Neu	W Burton Haley
David Ira Seibel	Ralph T Behling
Morton Orlov	Edmund V Cowdry, Jr.
Jack Kleh	Robert B. Dorsen
Virgil Hanson	J. Howard Beard, Jr.
	Gleb A Nedzel
	LaVere G. White

To be senior assistant surgeons, effective date of oath of office

Ernest Jawetz	James V Neel
William G Hollister	George J. Cooper, Jr.
Norman B McCullough, Jr.	Andrew J. McQueeney
Robert L Faucett	Joseph Kovacs, Jr.
William Roemmich	J. Frederick Bell
Raymond R Lanier, Jr	Iva G. Murphy
David M Gould	Connie I Hood
James O. Davis	William R Sutton
George Adams	Richard B. Stephenson
James T Hearin	Maurice L. Brodsky
Jules H. Last	Paulo do A Pamplona
Leslie A. Falk	Alfred J Kahn
	Walter F. Edmundson

POSTMASTERS

ALABAMA

Peyton R. King, Jones.
Carrie C. Crump, Samantha.

ARIZONA

Dona E. O'Neil, Tiger.

COLORADO

Edward Lee Barrington, Granada.

CONNECTICUT

William F. Newton, Canterbury.
Adelaide Lauretta Plumley, Clintonville.
Ralph H. Russell, Hadlyme.

DELAWARE

Anne H. Rose, Delaware City.

GEORGIA

Clarence E. Hope, Homer.

IDAHO

Myrtle M. Cochran, Juliaetta.

IOWA

Everett V. Anderson, Story City.

KENTUCKY

Charles R Nilles, Bagdad.
Lois S Hiers, Canada

MICHIGAN

Irving A. Kime, Burt.
Chauncey E Brown, Eben Junction.
Marlie Slingluff, Elwell.
Georgia Hinkle, Montgomery
Emery Massie, Quinnesec.

MISSISSIPPI

Ione T. Burns, Weathersby.

MISSOURI

Rebecca G Walton, Hawk Point.
Kate W Snead, Iantha.

NEW YORK

Frank G Shattuck, Bouckville.
Leonard W Riell, Copake Falls.

NORTH CAROLINA

Frank A Smith, Jacksonville.
Hazel P. Strickland, Stedman.

NORTH DAKOTA

Barthold G Shubert, Parshall.

OHIO

Alta G. Chambers, Kimbolton.
James W. King, Martinsville.
Harold E Hall, West Lafayette.

OKLAHOMA

Oliver C. Broking, Bokoshe.

OREGON

Glen P. Kelsay, Spray
Bertha Darnielle, The Dalles.

PENNSYLVANIA

Carmine A Perriello, Koppel.
Besse Keener, Livermore.

SOUTH CAROLINA

R Lucius Jumper, Gaston
McBride S McFadden, Kingstree.
Charlie V Daniel, Nichols
Marvin C Baldwin, Orangeburg.

SOUTH DAKOTA

Emma Erbe, Bowdle.
Harry Schnarr Brandt
Frank E. Phelps, Humboldt.

TEXAS

Lucile W. Martin, Hearne.
Gorman Moore, Kildare
Uple L. Clifton, Laird Hill.
Harvey F Shuler, Snyder

VIRGINIA

Fred Ray Johnson, Marion.

WASHINGTON

William Norris, Amboy
Carol E Sherman, Dryden

WEST VIRGINIA

Lucille E. Cooper, Kincaid.

WYOMING

Florence H. Schriver, Ten Sleep.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 2, 1946

The House met at 11 o'clock a. m.

Rev. E. Jerome Winter, pastor of St. Stephen's Church, Washington, D. C., offered the following prayer:

Merciful Father, Saviour of mankind, relying on Thy infinite goodness and infallible promise to assist those who have recourse to Thee, we implore the light and guidance of Thy divine wisdom on these Thy servants, who have assembled here to engage in momentous deliberations calculated to bring peace and happiness to our beloved country in these days when confusion and turmoil as well as inordinate greed for expansion and dominion take possession of the minds of men. Thou, who are the physician of man's soul, heal, we beseech Thee, the evil that torments men; give them grace and strength and courage to continue faithful in the discharge of their duties to Thee and to each other. Illumine their minds to know and understand what is for the best interest of our people and their eternal good

Bless these, our representatives before the world, that they may be filled with the spirit of Christ and labor earnestly for the spread of His kingdom of "peace on earth to men of good will."

Come, O Holy Spirit, fill the hearts of these Thy servants and kindle within them the fire of love and knowledge that they may know how to discern the true from the false and unwaveringly obey the dictates of Thy holy inspirations. O Eternal Father, unite all minds in truth and all hearts in charity. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5991. An act to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. RUSSELL, Mr. STEWART, Mr. CAPPER, and Mr. AIKEN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6056) entitled "An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 8, 46, 50, 57, and 74 to the foregoing bill.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts in each.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include a statement from the Conference of Small Business Organizations.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

[Mr. ROBERTSON of North Dakota addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include an article by David Lawrence.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and to include clippings from a newspaper.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include two telegrams from constituents.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Bristol Courier of Friday evening, June 28, entitled "Political Action."

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include a news item from the Salisbury Times of Salisbury, Md.

LIVESTOCK RECEIPTS AT MIDWESTERN STOCKYARDS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, a little item received over the ticker in the Press Gallery provides an interesting postscript to some of yesterday's wild alarms. The dispatch is dated Chicago and reads as follows:

Hogs and cattle poured into major midwestern stockyards today, with early hog receipts at Chicago Stockyards the largest since January 9, 1945. Prices dropped $2 to $3 under the high of Monday

Early hog receipts at Chicago were 19,000, up 15,000 from the previous day and up 18,000 from last Friday, the last full day's operations under OPA ceilings.

Cattle receipts were 9,500, up 7,000 from yesterday and up 8,700 higher than Friday.

Whether the sharp upsurge in receipts will continue was a matter for debate among market experts. It was noted that the early top for hogs was $16 a hundredweight, about $2.50 under the best prices of the previous day. The market was slow.

PUTTING THE GOVERNMENT INTO BUSINESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, yesterday I objected to a request to agree to a con-

ference on the Government corporations and independent agencies appropriation bill for 1947. My reason was that it seems to me pretty tough that the House of Representatives should be confronted with the situation that it does not have the opportunity to consider the building of a fertilizer plant at Mobile, Ala., at cost of $3,000,000 or more or the construction of dams by the Tennessee Valley Authority, things that put the Government into business, things whose ultimate outcome is communism. There is no reason why the House of Representatives should not have the opportunity to vote on whether it wants to construct a fertilizer plant or whether it does not. That is the question we should give our attention to today. Private industry can furnish the farmers with all the fertilizer they want at prices cheaper than the Government can do the job. This proposal of the Government going into the fertilizer business is one more step toward communism.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a table of my own.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. STEFAN addressed the House. His remarks appear in the Appendix.]

ELECTIONS IN POLAND

Mr FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, the attention of the State Department and of the western nations has been directed in the past 24 hours to the conduct of certain types of elections in Poland under the auspices of the so-called Polish Government. I take this time, Mr. Speaker, to suggest that in view of the fact that, contrary to the Russian suggestion, there has been no civil war in the conduct of these elections, and the Polish people are ready and capable for elections, the time has come for immediate elections to be held in Poland to be known as the parliamentary elections for that Government, so that the people of Poland can indicate by a free election their desire for a democratic form of government.

BRITISH BRUTALITIES IN PALESTINE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, Britain again shows her true colors. She has closed the Jewish Agency and imprisoned four senior Jewish leaders in Palestine, together with 2,000 others. The British Labor Party has raided the Jewish labor office and seized its leaders. Thus British labor compensates Jewish labor.

Britain held De Valera. She held and tortured our own Revolutionary compatriots, but nonetheless the United States and Ireland became independent. She seized Gandhi and Nehru, but her cruelties availed her naught. India's freedom is imminent. The incarceration of Jewish leaders will only cover Britain's hands with the blood of more Jewish martyrs and strengthen the Jewish resistance movement. Britain refuses to learn and profit by history.

The British tear gas and bayonet their way into innocent Jewish settlements and renew Black and Tan brutalities, as in Ireland. Sir Alan Cunningham, high commissioner, is like the hated General Dyer, and would repeat in Palestine the horrifying Amritsar massacre, as in India.

Britain staged these raids without consultation with our administration and at a time when President Truman's agents were conferring with the British on Palestine. Thus Britain offers insult to our President. She says, in effect, "We will talk to you but do not give a fig for your views. We will scourge and purge the Jews in Palestine, notwithstanding."

EMERGENCY FARM MORTGAGE ACT

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6477, an act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 19, after "Federal", insert "Farm"

Page 3, line 1, strike out "Agriculture and forestry" and insert "Banking and Currency"

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HOPE. Mr. Speaker, reserving the right to object, these amendments are merely clerical in their nature?

Mr. FLANNAGAN. Yes.

Mr. HOPE. They in no way affect the merits of the bill?

Mr. FLANNAGAN. They do not in any way affect the merits of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EMPLOYEES OF THE HOUSE OF REPRESENTATIVES

Mr. ELLIOTT. Mr. Speaker, I offer a privileged resolution (H. Res. 90) from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective February 1, 1945, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation to the clerk for the minority members of the Committee on Ways and Means at the rate of $1,000 per annum so long as the position is held by the present incumbent.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJUSTING SALARIES OF CERTAIN EMPLOYEES OF THE HOUSE OF REPRESENTATIVES

Mr. ELLIOTT. Mr. Speaker, I offer a privileged resolution (H. Res. 691) from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective July 1, 1946, the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, until otherwise provided by law, additional compensation per annum, payable monthly, to certain employees of the House, as follows:

OFFICE OF THE SERGEANT AT ARMS

Two bookkeepers, the sum of $120 each; stenographer, the sum of $150.

Capitol Police force under the Sergeant at Arms: To the three lieutenants, the sum of $200 each; 1 special officer, the sum of $200; 5 sergeants, the sum of $200 each; 64 privates, the sum of $200 each.

OFFICE OF THE POSTMASTER

To the assistant postmaster, the sum of $200, 2 registry and money-order clerks, the sum of $200 each, 40 messengers (including 1 to superintend transportation of mails), the sum of $200 each.

OFFICE OF THE CLERK

To the enrolling clerk, the sum of $200; assistant enrolling clerk, the sum of $400 additional as assistant to the Clerk of the House, in addition to that which he is now receiving, so long as the position is held by the present incumbent; chief bill clerk, the sum of $280; locksmith and typewriter repairer, the sum of $240; messenger and clock repairer, the sum of $160; first laborer, now receiving $1,440 per annum, the sum of $160

OFFICE OF THE DOORKEEPER

To the special employee the sum of $300; superintendent of the House Press Gallery the sum of $160; first assistant to the superintendent of the House Press Gallery the sum of $200; second assistant to the superintendent of the House Press Gallery the sum of $180; superintendent of the House Radio Press Gallery the sum of $700; messenger of the House Radio Press Gallery the sum of $340; chief janitor $200, so long as the position is held by the present incumbent to be in addition to that now provided by law during the present incumbency; 30 messengers, including 14 on soldiers' roll, the sum of $160 each; superintendent of the folding room $200 so long as the position is held by the present incumbent to be in addition to that now provided by law during the present incumbency; foreman of the folding room the sum of $160; two chief pages the sum of $420 each, two telephone pages the sum of $120 each; two floor managers of telephones (one for the minority) the sum of $220 each, so long as the respective positions are held by the respective present incumbents to be in addition to that now provided by law during the present incumbencies; two assistant floor managers in charge of telephones (one for the minority) the sum of $400 each; assistant superintendent of the document room the sum of $440; clerk of the document room the sum of $280.

SPECIAL AND MINORITY EMPLOYEES

To the one minority employee whose compensation is now prescribed by law at $3,650 the sum of $300 and $50 additional so long as the position is held by the present incumbent to be in addition to that now provided by law during the present incumbency; the two minority employees whose compensation is now prescribed by law at $3,500 each, the sum of $300 each; the one minority employee whose compensation is now prescribed by law at $3,900 the sum of $200.

OFFICIAL REPORTERS OF DEBATES

To the clerk the sum of $500, six expert transcribers the sum of $300 each.

OFFICIAL REPORTERS TO COMMITTEES

To the six expert transcribers the sum of $300 each

SEC 2 That effective July 1, 1946, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation at the rate of $1,260 per annum each for the employment of three additional laborers in the Office of the Doorkeeper.

SEC 3. That effective July 1, 1946, there shall be paid out of the contingent fund of the House, until otherwise provided by law, an additional sum not to exceed $5,000 during a fiscal year for the employment of professional and other necessary help in the disbursing office in accordance with the provisions of House Resolution 585, adopted December 16, 1942.

SEC 4. That effective July 1, 1946, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation at the rate of $2,400 per annum for the employment of an assistant superintendent of the House Radio Press Gallery.

The SPEAKER. The question is on agreeing to the resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. MARTIN of Massachusetts. Will the gentleman kindly explain these increases?

Mr. ELLIOTT. Mr. Speaker, more than a year ago a subcommittee of the Committee on Accounts started an investigation to adjust inequities that existed in the salaries of employees who work for the House, including policemen and doorkeepers. At that time we discussed and studied the inequities in salaries for employees of committees of the Congress. After the Senate passed a bill, which was a new legislative movement, to combine a number of the committees, the Committee on Accounts discontinued the study as to the adjustment of salaries that existed from one committee to the other. We did, however, continue our studies to pick up inequities in the salaries of employees who work for Members of Congress, which we thought needed adjustment, comparable to the same work that others in similar positions were receiving.

The total amount of the adjustments in salaries is $51,720, to adjust the inequities in salaries of 195 workers.

Mr. MARTIN of Massachusetts. Will the gentleman yield further?

Mr. ELLIOTT. I yield.

Mr. MARTIN of Massachusetts. Are these salary increases to employees who have not had the benefit of the general raise that has been given to all employees?

Mr. ELLIOTT. That is correct.

Mr. MARTIN of Massachusetts. You mean these people have not been given increases that other Federal employees have had?

Mr. ELLIOTT. These different individuals have not received an increase in base pay as have other workers doing the same type of work over the past several years.

Mr. MARTIN of Massachusetts. But on the 1st of July they will have the same increase that all the rest of the employees have had?

Mr. ELLIOTT. On the 1st of July they will have the same increase that the other employees have had, but the base pay has not been increased as others have been in the past.

Mr. MARTIN of Massachusetts. Has every other group of our Federal employees had the same increase in base pay?

Mr. ELLIOTT. Yes; the base pay of some has been increased in some instances.

Mr. MARTIN of Massachusetts. What I am trying to get at is this: In the past we have made a few increases in salary and that has been the leverage which other groups employed a little later to get additional increases. Is that the case in this instance? Or does it bring these people up to a common level, a common base?

Mr. ELLIOTT. In my opinion, I may say to the gentleman from Massachusetts, these increases we are proposing in this resolution would level these people up to the same base pay that others receive for doing similar work. In other words, the thing that threw the alinement out was the increase of some brackets of employees but not all. For instance, the page boys receive more per year than the policemen, yet the policemen work 8 hours a day whether Congress is in session or not in session, but when the Congress is not in session the page boys are not working.

Mr. MARTIN of Massachusetts. Do the higher salaried employees receive increases under this bill?

Mr. ELLIOTT. We considered the base pay of all employees, but decided not to increase the salaries of those in the upper brackets owing to the fact that those receiving $5,000 and above received such an increase under the new increase bill we passed just a few weeks ago. We eliminated the matter of increasing their base pay further at this time.

Mr. MARTIN of Massachusetts. Then this is simply to take care of those in the lower brackets.

Mr. ELLIOTT. This takes care of those in the lower brackets; that is correct. For instance, two men on the minority side doing the same type of work as similar men on the majority side, yet they receive $350 a year less for similar work.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. CANFIELD. The gentleman would say then that in the classifications he had just described no one has been left out.

Mr. ELLIOTT. I do not think anyone has been left out. We have been working on this for weeks, we have taken a lot of time. We have tried to include everybody in the lower brackets.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. SABATH. Is any provision made to increase the pay for the employees in the Press Gallery? I am told they have not received an increase for many years.

Mr. ELLIOTT. I may say that the men in the Press Gallery are given increases in this resolution, also the men in the Radio Gallery. The resolution provides also for an additional man in the Radio Gallery.

Mr. SABATH. What is the increase for the men in the Press Gallery?

Mr. ELLIOTT. The base pay of some is quite high, but the increase given here will put them about $700 a year more than in the Radio Gallery. The radio people are satisfied with what we have done.

Mr. SABATH. How much will they receive? What will be their base pay? I happen to know that these boys work under great pressure; it is rush, rush, rush. I think they are entitled to fair treatment and should not be ignored.

Mr. ELLIOTT. The superintendent of the Press Gallery at the present time receives $5,190 08. With the increase given in this resolution he will get $5,419.79.

Mr. SABATH. How about the assistant manager?

Mr. ELLIOTT. The assistant manager now gets a base pay of $3,000. With the increase of $200 in his base pay plus the increase given in the recent bill he will get something like $4,564 56.

Mr. SABATH. How about the other men?

Mr. ELLIOTT. The second assistant on July 1 will receive an additional $180 increase to an annual rate of $3,461 04.

Mr. SABATH. They have been taken care of, have they?

Mr. ELLIOTT. They are being taken care of, and the press people are satisfied with this adjustment.

Mr. SABATH. The gentleman is satisfied that they are satisfied?

Mr. ELLIOTT. They are satisfied.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the committee tried its best to consider inequalities that we thought existed in reference to employees not receiving the amount they should in comparison with others? In other words, we tried our best to see that these inequalities were corrected.

Mr. ELLIOTT. That is correct.

Mr. RICH. And where one receives under this bill $200, that is a $200 increase in the base pay?

Mr. ELLIOTT. That is correct.

Mr. RICH. According to the way they figure out the base pay, he would receive 20 percent on the first $1,200, 10 percent up to $4,600, and, of course, we increased no one who was receiving over $5,000. Therefore, there is no one who will receive compensation over $5,000. Also on July 1 the law that was passed here last year granting increases would give them 14 percent over and above that total and then 10 percent on the total figure. The laws that we have passed here in the last year or two increasing

the salaries of these people are so complicated that it takes an accountant almost to figure out just what the increases are going to be because there are several multiplications necessary on every increase which we have allowed.

Mr. ELLIOTT. Correct.

Mr. RICH. Our object was to try to equalize and correct any deficiencies so that eventually we would treat everybody alike.

Mr. ELLIOTT. That is correct.

The SPEAKER. The question is on the resolution

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. HAGEN addressed the House His remarks appear in the Appendix]

EXTENSION OF REMARKS

Mr MASON asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr FARRINGTON (at the request of Mr. HAGEN) was given permission to extend his remarks in the RECORD and include a resolution adopted by the Committee for Maritime Unity, and also to extend his remarks and include a report of Secretary of the Interior J A Krug on legislation enabling the Territory of Hawaii to become a State.

THE OFFICE OF PRICE ADMINISTRATION

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLE of Missouri. Mr Speaker, I take this time to read several telegrams I have received from my district.

The first one comes from the St Joseph Chamber of Commerce and reads as follows:

ST JOSEPH, MO., *July 2, 1946*

Congressman WILLIAM C. COLE,
Washington, D C

Survey St. Joseph retail firms shows 100-percent compliance with President Truman's request to hold prices down. No instances of price boom All indications today point to sane approach of price problem

SIMON ROSITSKY,
Vice President, St. Joseph Chamber of Commerce

Another one comes from the St. Joseph Grain Exchange and reads as follows:

ST. JOSEPH, MO., *July 1, 1946.*

Representative WILLIAM C. COLE,
House Office Building,
Washington, D. C

We believe relief from price control on commodities will meet with approval of the thousands of producers and consumers and urgently hope no action will be taken to again restore regulations which will hamper production and force commodities almost

wholly into black-market trading such as occurred under grain ceilings, regulations, and policies. Grain markets orderly today, and appears that transition to normal economy being achieved rapidly and easily.

ST. JOSEPH GRAIN EXCHANGE.

Another one comes from Don L. Miller, president, Miller Chevrolet Co., of St. Joseph, and reads as follows:

ST JOSEPH, MO., *July 1, 1946*

The Honorable WILLIAM C COLE,
Member of Congress,
House Office Building,
Washington, D C

We have just announced a 15-percent cut in prices on all used cars now that OPA is out We also have cut the price down to $39.50 for painting Chevrolets, Fords, and Plymouths Previously we asked $50 Now that we are rid of OPA let's stay rid of it and give the public credit for having enough brains to not buy anything that is priced too high Regards

MILLER CHEVROLET CO.,
DON L. MILLER,
President.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

DEBTOR RAILROAD CORPORATIONS

The Clerk called the bill (H R. 5924) to enable debtor railroad corporations, whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structure without further proceedings under section 77 of the Bankruptcy Act, as amended

Mr. COLE of New York Mr Speaker, I ask unanimous consent that the bill be passed over without prejudice

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMANDANT OF THE UNITED STATES COAST GUARD

The Clerk called the bill (H R. 6219) to authorize the Commandant of the United States Coast Guard to accept enlistments of certain individuals for duty at lifeboat stations during the year 1946.

Mr COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

WAR TROPHIES

The Clerk called the bill (H. R. 5195) to govern the distribution of war trophies.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1746, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to apportion and distribute pro rata among the several States in the ratio that the total number of persons who have served or are serving in the Army of the United States from each State bears to the total number of such persons from all States, all with the exception of such trophies as may be required for experimental purposes or for other use by the United States or any department or agency thereof, and the further exception of such trophies as may be required for display in national museums, at national homes for disabled members of the armed forces, or for monumental purposes in Arlington National Cemetery and in other national cemeteries, national parks, and national monuments wheresoever situated.

SEC. 2 For the purposes of this act, the reports compiled under the direction of the Secretary of War showing the number of persons in the Army of the United States accredited to each State, Territory, and possession of the United States and to the District of Columbia either by enlistment or by the process of the Selective Training and Service Act of 1940, or otherwise on active duty with the Army of the United States during the period from May 27, 1941 (the date of the President's proclamation of full national emergency) to the date of this act, shall serve as the basis for determining the apportionment of war devices and trophies for distribution

SEC. 3 As soon as practicable, the Secretary of War shall cause the chief executive of each of the several States, to be informed of the character and quantity of war devices and trophies apportioned thereto, and shall invite each such chief executive to designate such material as will be accepted free on board common carrier at the point of storage in the continental United States or point of debarkation and to designate the point or points to which the accepted material is to be shipped without expense to the United States, other than that of packing and loading at the point of storage or debarkation

SEC 4 Shipment of the apportionment of each State shall be made as soon as practicable after the chief executive thereof shall have informed the Secretary of War that such State will accept and take possession thereof as hereinbefore provided, and will relieve the United States of all responsibility for the safe delivery of the material and of all charges, costs, and expenses whatsoever connected with the transportation thereof If the chief executive of any State shall not, within 2 years from the date on which the notification by the Secretary of War was issued to the chief executives file with the Secretary of War such acceptance and agreement, such apportionment, or any part thereof, or any war devices or trophies then deemed by the Secretary of War to be suitable for distribution whether previously so deemed or not, shall be reapportioned and redistributed to the several States as the Secretary of War shall determine, and any residue not accepted or rejected on or before the expiration of 3 years from such notification shall be otherwise disposed of according to law, and those war devices and trophies considered by the Secretary of War as unsuitable for distribution under this act, may similarly be disposed of according to law

SEC 5. All charges for apportioning, segregating, packing, and transporting war trophies and devices to points of debarkation or storage in the continental United States and for repacking and loading them for distribution to the designated point or points within each of the several States, as provided for herein, and for transportation to national museums, national homes for disabled members of the armed forces, national cemeteries, and national parks, and for the disposition of undistributed war devices and trophies shall be paid by the United States Government from an appropriation to be made for that purpose; but no part of such appropriation shall be extended in cleaning, painting,

or otherwise reconditioning war devices and trophies prior to shipment.

SEC. 6. The Secretary of War is authorized to transfer, without reimbursement, such devices and trophies as the Secretary of War in his discretion shall determine, to the Secretary of the Treasury for the promotion of the sale of war or victory bonds, and to any other Government agency for scientific, experimental, monumental, or display purposes. The Secretary of the Treasury is authorized to sell or donate such war devices and trophies for the promotion of the sale of war or victory bonds.

SEC. 7. The Secretary of War shall afford to those who have donated or contributed to the United States during the present emergency, and prior to the date of this act, trophies and devices from previous wars, suitable preferences in the distribution of similar war trophies and devices under this act, and the cost of delivering such replacements to ultimate destination shall be borne by the United States.

SEC. 8. As used herein the terms "State" or "States" shall include all Territories and possessions of the United States, and the District of Columbia, and the Canal Zone.

SEC. 9. The Secretary of War is authorized to make all rules and regulations necessary to effectuate the terms of this act: *Provided*, That he shall require that war devices and trophies distributed in accordance with this act shall, insofar as practicable, be mutilated prior to distribution so as to render them incapable of use as lethal weapons.

SEC. 10. (a) As used in this act the term "trophies" includes rifles, guns, howitzers, tanks, aircraft, items of individual equipment, and other articles used in warfare which originated with enemy countries and which were captured by, surrendered to, or have otherwise come into the possession of the Army of the United States.

(b) As used in this act the term "war devices" includes rifles, guns, howitzers, tanks, aircraft, items of individual equipment, and other articles used in warfare which originated with the armed forces of the United States and which are obsolete or unserviceable and not economically repairable.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5195) was laid on the table.

SECURITIES EXCHANGE ACT OF 1934

The Clerk called the bill (H. R. 3129) to amend the Securities Exchange Act of 1934 so as to limit the power of the Securities and Exchange Commission to regulate transactions in exempted securities.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

IMPROVEMENT OF RANGE LANDS

The Clerk called the bill (H. R. 1392) for the purpose of renewing and increasing forage and improving watershed conditions on range lands, forest or Indian lands, or other publicly owned and controlled lands of the United States; authorizing the sowing operations by airplane, machinery, or other means, for conducting experiments to improve methods of reseeding, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York, Mr. KEAN, Mr. CUNNINGHAM, and Mr. RICH objected.

FREE HIGHWAY BRIDGE ACROSS THE SUSQUEHANNA RIVER

The Clerk called the bill (H. R. 5537) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at a point between the Borough of Plymouth, in Plymouth Township, and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania.

Mr. COLE of New York. Mr Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, an identical bill was on the Consent Calendar 2 or 3 months ago. Objection to its consideration was registered by the majority side. An effort was made by me at the time to ascertain the reason for the objection. No explanation was given. I inquired and learned that that bill was sponsored by a member of the minority. In spite of the fact that there was no explanation given for registering objection to the passage of the bill, the bill was defeated by the objection from the majority side. Now an identical bill to the one objected to is before us, the only difference being that this bill is sponsored by a member of the majority.

In view of the action that was taken by the House on the earlier bill, indicating that this particular bridge bill at least is being considered with partisan implications, we on the minority have no other recourse than to follow the practices established by the members of the majority and object to its passage. For that reason, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALTER. Reserving the right to object, Mr. Speaker, may I state to my friend from New York that I was requested originally to introduce this bill. The request came from the secretary of highways of Pennsylvania. When I received the request I ascertained the location of the bridge and did what I presume every Member of the Congress has done from time to time, namely, referred the matter to the Member in whose district a bridge was going to be erected. After I ascertained that the bridge was going to be located in the district represented by the gentleman from Pennsylvania [Mr. FLOOD], he prepared a bill and introduced it. It certainly seems to me that we ought to permit what we have always done, namely, that the Member whose district is affected have his bill considered.

Mr. COLE of New York. All I can say in reply to the gentleman is that it is regrettable that he did not make that explanation some months ago when I made an effort to obtain an explanation of the objection by the majority members to the bill introduced by the gentleman from Pennsylvania [Mr. GILLETTE]. Failure to obtain that explanation indicated that the objection was based on partisan considerations.

Mr. WALTER. The other bill was objected to without my knowledge, or I certainly would have attempted to make the explanation I have just made.

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, I wonder if the gentleman has given consideration to the fact that the rule provides that when a bill is once objected to by three or more Members it shall immediately be stricken from the calendar and shall not thereafter during the same session of the Congress be placed thereon.

Mr. COLE of New York. Of course, this is a different bill to the extent that it at least has a different number.

Mr. CASE of South Dakota. I realize that it has, but I understood the gentleman to say that it is an identical bill. I think that the precedents of the House would not be strained very far if we go on the general principle that an amendment once disposed of may not be offered again and say that placing an identical bill on the calendar a second time would be a violation of the rule. I am not going to press the point, but I think that if the bill is permitted to stay on the calendar and receive consideration it should be recognized that there might be a basis to challenge its position there.

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, I think this is a situation which was brought about in good faith. It happens that two Members introduced the same bill. As I understand, the bridge is located exclusively in the district of one Member. It is not a question of where a bridge is to be erected over a river that divides two congressional districts. I know that the other Member who introduced this bill introduced it in good faith. This follows a custom and a practice which has been going on since long before anyone of us was here and I hope it will be going on long after we have left here, because it is based upon good understanding. The action taken with reference to the other bill was not because one Member happened to be sitting on this side. The same thing would happen if a Member on this side introduced a bill relating to a bridge exclusively in the district represented by a member of the Republican Party. I would feel as though an honest mistake having been made we should follow the ordinary practice and procedure, which is based upon experience and good understanding. So I think we should let it go with that statement of mine that everything has happened in good faith because that is actually the case. The bridge is exclusively within the district represented by the gentleman from Pennsylvania [Mr. FLOOD]. We let these things go through when the committee reports them out. It is simply the ordinary procedure in accordance with custom. Of course, it is none of my business except that as majority leader I would like to see the things done that ought to be done. There is no reflection upon any other Member because

it happened in good faith. Those things are just bound to happen occasionally. I assure the gentleman there is nothing unusual about this because one Member happens to be on their side.

Mr. COLE of New York. I can understand the gentleman's explanation. I have no disagreement with it. I think as a matter of policy it is entirely fair. But the unfortunate part of it is that the explanation was not given some months ago when it was sought but no reason whatsoever was given for the objection to the bill sponsored by a Republican. That action made it rather difficult and embarrassing for a member of the minority to have his bill objected to by a member of the majority without any explanation whatsoever. The unfortunate part is that the explanation which has been made today is made at such a tardy time.

Mr. Speaker, I renew my request.

Mr. FLOOD. Mr. Speaker, reserving the right to object, this is a matter that has caused me considerable embarrassment. It is not, of course, a murder case by any means. I was advised by many Members of the House and I am so advised this morning that there is probably no precedent for this kind of action since it is the custom of the House that this courtesy be given to the Member in whose district the bridge is located I would like to tell the Members of the House that the secretary of Highways of the Commonwealth of Pennsylvania sent a round robin to, I believe, all, or at least many, of the members of the Pennsylvania delegation, Republicans as well as Democrats, asking them to introduce certain bills and asking the Federal Government to grant permission to construct various bridges. Several members of the delegation, Republicans as well as Democrats, sent to my office the copies that they received dealing with this particular bill, since it was in my district. As soon as I received the notice, being a new Member and having no idea what these things were, I got in touch with the War Department and said, "What do you do about this kind of thing?" That took me a few days when they called me back and said, "It is a pro forma matter. Submit the bill and it will be passed on or proceeded with in due course." I did that In the interim, one of my colleagues from Pennsylvania introduced not an identical bill, I can say to my friend, but a similar bill. I think the identity of the two bills is not the same because there are some words and phrases that are different. So it is not on all fours with my bill. But it is a similar bill at least. When the bill came up on the calendar, it was objected to. I was in touch with the chairman of the committee. I was in touch with several members of the committee. I did everything I was instructed to do by men who I had reasonable cause to believe could give me the proper advice. Then to my utter amazement when my bill was called on the calendar, it was objected to, and I do not yet have the faintest idea why.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Of course I yield to the distinguished minority leader.

Mr. MARTIN of Massachusetts. What were the reasons for the objection to the other bill?

Mr. FLOOD. There were none that I know of. I do not know that any reason was given for the objection to the other bill.

Mr. MARTIN of Massachusetts. Did you object to the other bill?

Mr. FLOOD. No; I was not even here.

Mr. MARTIN of Massachusetts. Or did you cause objection to be made to the other bill?

Mr. FLOOD. No; I was not here. I was not even in town but was away on official business. I am sure there was no reason given for objecting to my bill. I am sure my colleague from Pennsylvania acted in good faith because he, I understand, was of the opinion that he had been requested to introduce the bill by the secretary of highways of Pennsylvania. So he acted absolutely in good faith. He did not know that I had been asked to do it as well as had several other Pennsylvania Members.

Mr. MARTIN of Massachusetts. Who did the objecting?

Mr. FLOOD. I do not have any idea.

Mr. MARTIN of Massachusetts. The record will show that. Probably the objectors are here on the floor and they might state the reasons for their objection.

Mr. FLOOD. I could not tell the gentleman.

Mr. MARTIN of Massachusetts. Does not the gentleman think we should put the bill over until we find out something about it?

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes; I yield.

Mr. BARDEN. I am a little interested to know just where the objection lies. The gentleman is in perfect harmony with the bill. The other gentleman from Pennsylvania and the House seem to be perfectly agreeable to the gentleman's bill being passed. If something has happened in the handling of a bill 6 months ago, I cannot understand why we should take up the time of the House with a purely academic matter.

Mr. MARTIN of Massachusetts Those Members who objected to the bill previously must have had some good reason for objecting.

Mr. BARDEN. Evidently it was on account of the name which was carried on the bill.

Mr. MARTIN of Massachusetts. What does the gentleman mean by that? That a Republican's name is one which should cause objection?

Mr. BARDEN. I will say to the gentleman that most of the talk was because there was a Democrat's name on the bill.

Mr. COLE of New York. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE] that the bill be passed over without prejudice?

There was no objection.

SURPLUS PROPERTY FOR MARITIME ACADEMIES

The Clerk called the bill (H. R. 6408) to authorize the War Shipping Administration and the Maritime Commission to make available certain surplus property to certain maritime academies.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Reserving the right to object, Mr. Speaker, and I shall not object, I simply ask if the committee would consent to the substitution of the word "municipality" for the word "city" in line 5.

Mr. BLAND. That is entirely agreeable. I will offer an amendment to amend by striking out the word "city" and inserting the word "municipality."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the War Shipping Administration and the Maritime Commission are authorized to make available to any State maintaining a marine school or nautical branch in accordance with the act of July 20, 1941 (Public Law 101, 77th Cong., 55 Stat 607), excess or surplus material, supplies, and equipment for use in connection with the teaching and training of cadet-midshipmen, at such ports or other localities as may be designated by such State, without charge except for transportation and delivery of such material, supplies, or equipment.

With the following committee amendments:

Page 1, line 4, after the word "available", insert "or transfer"

Page 1, line 5, after the word "State", insert the words "or city."

Mr. BLAND. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND to the committee amendment Page 1, line 5, strike out the word "city" and insert the word "municipality."

The amendment to the committee amendment was agreed to.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVESTIGATION OF FISHERY INDUSTRY IN HAWAII

The Clerk called the bill (H. R. 3230) to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the Territory of Hawaii and of adjacent waters of the Pacific Ocean, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that this bill carried no limit on the amount authorized to be spent, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MAKING JULY 5, 1946, A HOLIDAY

The Clerk called the bill (H. R. 6691), to excuse employees of the executive branch of the Government from work on July 5, 1946.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WILSON. Mr. Speaker, reserving the right to object, I would like to inquire whether or not the bill provides that this day either be deducted from the annual leave of the employees or made up on some other work day, such as Saturday?

Mr. FALLON. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield.

Mr. FALLON. This bill has already passed the Senate. The work day will be made up, hour for hour. There are two reasons for this bill. One is to give Government employees a 4-day holiday. Many of them who live out of town would like to go to their homes.

The second reason is that we found the 4-day holiday on May 30, many of the people left the Departments and took advantage of sick leave or annual leave and stayed away from work that day, leaving a skeleton force. The result was a waste of a great deal of time on the part of a great deal of people who had nothing to do. People who contribute work to other people found that they had nothing to do that day. It will not only save the Government a great deal of money but give the employees of the Government a 4-day rest.

Mr. WILSON. Mr. Speaker, I believe the gentleman is entirely correct, and that this is in keeping with my previous statement on the bill regardless of what many members of the press have said. I think it is a splendid idea, and I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that an identical Senate bill (S. 2335) to excuse employees of the Government from work on July 5, 1946, be substituted for the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of any other act, employees of the executive branch of the Government, employees of the District of Columbia municipal government, employees of the legislative branch whose basic workweek is fixed in accordance with section 604 (a) of the Federal Employees Pay Act of 1945, employees of the Government Printing Office, and employees of the judicial branch who occupy positions subject to the Classification Act of 1923, as amended, may, in the discretion of the heads of their respective departments, establishments, and agencies, be excused from duty on July 5, 1946. The absence on such date of any employee so excused shall be without loss of pay or charge to annual leave or accrued compensatory time if, during the month of July 1946, such employee performs work (without pay or time credit therefor) outside of the regularly scheduled hours of duty in any administrative workweek, at a time or times, other than Sundays, to be selected by the head of his department, establishment, or agency, for the number of hours for which compensation is paid with respect to July 5, 1946 July 5, 1946, shall not be construed to be a holiday within the meaning of section 302 of the Federal Employees Pay Act of 1945, as amended, or any other provision of law or regulation authorizing payment of compensation at premium rates for holiday work, and shall not be construed as a nonworkday within the meaning of any leave regulation.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and the bill H. R. 6691 were laid on the table.

FORT ORD MILITARY RESERVATION, CALIF

The Clerk called the bill (H. R. 4484) relating to the construction and maintenance of permanent buildings and improvements for banking purposes on the Ford Ord Military Reservation, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War may, upon such terms and conditions as he may prescribe, authorize the use and occupancy of land on the Fort Ord Military Reservation, Calif., by the Mo..terey County Trust and Savings Bank, Salinas, Calif., for the purpose of constructing and maintaining a permanent building or buildings and other permanent improvements for use in conducting a branch bank on such reservation.

With the following committee amendment:

Page 1, line 8, in each place where it occurs, strike out the word "permanent."

The committee amendment was agreed to

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill relating to the construction and maintenance of building and improvements for banking purposes on the Fort Ord Military Reservation, Calif."

A motion to reconsider was laid on the table.

DISPOSAL OF SURPLUS VESSELS

The Clerk called the bill (H. R. 4842) to allow the disposal of surplus vessels without necessity for public bidding, with prior inspection rights, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RABAUT. Mr. Speaker, reserving the right to object, I would like for someone to explain the bill a little.

Mr. BLAND. Mr. Speaker, the bill was introduced by the gentleman from Louisiana [Mr. DOMENGEAUX]. It received the unanimous approval of the Committee on the Merchant Marine and Fisheries.

The purpose of the bill was to enable veterans in particular and smaller fishermen to get the benefit of small boats. It is limited to boats of 65 feet in length or under, and less than a thousand gross tons. As I say, veterans are given priority rights to acquire the boats.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law 805, Merchant Marine Act of 1936, as amended; section 510, Merchant Marine Act of 1920, as amended, section 5, Public Joint Resolution 74, Seventy-sixth Congress, as extended, and all other laws pertaining to the sale of vessels by the War Shipping Administration or the United States Maritime Commission, be amended to enable war veterans and Government agencies to acquire such vessels without recourse to public bidding, to permit war veterans and Government agencies to inspect such vessels before they are advertised for sale and to purchase same at negotiated price.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the act entitled 'An act to authorize the return to private ownership of certain vessels formerly used or suitable for use in the fisheries or industries related thereto,' approved April 29, 1943, as amended (U. S. C. 1940 ed., Supp. V, title 50 App, secs. 1301-1304), is amended by inserting in section 3 after the words 'advertise the vessel' the following: ', except any vessel acquired by a veteran pursuant to section 5 (a) (1),' and by adding at the end thereof the following section

"'SEC 5. (a) (1) If any such vessel of 65 feet or less in length between perpendiculars is not returned to such owner as provided in section 3, then, prior to advertising such vessel for sale, the War Shipping Administration or the Maritime Commission shall make such vessel available for acquisition by a veteran, as defined in subsection (b), in accordance with the provisions of the Surplus Property Act of 1944, as amended (U. S. C., 1940 ed., Supp. V, title 50 App., secs. 1611-1646), and regulations made thereunder, as property for exclusive disposal to veterans.

"'(2) In the case of any vessel of 65 feet or less in length between perpendiculars to be disposed of by the War Shipping Administration or the Maritime Commission as surplus property by virtue of any law other than this act, such vessel shall be available for acquisition by a veteran, as defined in subsection (b), in accordance with the provisions of the Surplus Property Act of 1944, as amended (U. S. C., 1940 ed., Supp. V, title 50 App., secs. 1611-1646), and regulations made thereunder, as property for exclusive disposal to veterans.

"'(b) For purposes of this act the term "veteran" means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions, or any person who is or has been eligible to receive a certificate for substantially continuous service in the merchant marine as provided in the act of June 23, 1943 (U. S. C., 1940 ed., Supp. V, title 50 App., sec. 1471).'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of April 29, 1943, so as to afford a preference to veterans in acquiring certain vessels."

A motion to reconsider was laid on the table.

PROTECTING AND FACILITATING USE OF NATIONAL FOREST LANDS IN THE TOWNSHIP OF ELIZABETH, OHIO

The Clerk called the bill (H. R. 6298) to protect and facilitate the use of national-forest lands in township 2 north, range 18 west, Ohio River survey, township of Elizabeth, county of Lawrence, State of Ohio, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That where lands have been acquired by the United States for national-forest purposes under the provisions of the act of March 1, 1911 (36 Stat. 961; 16 U. S. C. 515), and acts amendatory thereof or supplementary thereto, in township 2 north, range 18 west, Ohio River survey, Lawrence County, Ohio, and the instruments conveying title to said lands reserved to the grantors the right thereafter to mine and remove the mineral resources of said lands, and the mining and removal of said minerals may result in pollution of the body of water known as Lake Vesuvius or in interference with use by the public for recreational and other public purposes of lands of the United States within the watershed of said lake, the Secretary of Agriculture is authorized to acquire said reserved mineral rights on behalf of the United States by granting in exchange therefor not to exceed an equal value of national-forest land and/or timber in the State of Ohio, said exchanges to be in full conformity with the procedures described by the act approved March 3, 1925 (43 Stat. 1215, 16 U. S. C. 516).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

The Clerk called the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States, by and with the advice and consent of the Senate, shall appoint an additional judge of the district court of the United States for the judicial district of the State of Delaware, who, except where because of seniority other provision is made, shall possess the same powers, perform the same duties, and receive the same compensation and allowance as the present judge of said district

With the following committee amendment:

Page 1, line 10, after the word "district:" insert the following: "*Provided*, That the first vacancy occurring in the office of district judge in said district shall not be filled: *Provided further*, That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISCHARGE OF INDIGENT CONVICTS FOR NONPAYMENT OF FINES

The Clerk called the bill (S. 342) to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5296 of the Revised Statutes, as amended by section 4 of the act entitled "An act to amend certain laws governing Federal prisoners, and for other purposes," approved June 29, 1940 (54 Stat. 699; 18 U. S. C. 641), is amended to read as follows:

"SEC 5296 When a poor convict, sentenced by any court of the United States to be imprisoned and pay a fine, or fine and costs, or to pay a fine, has been confined in prison 30 days, solely for the nonpayment of such fine, or fine and costs, such convict may make application in writing to the nearest commissioner of the United States court in the district where he is imprisoned or, if confined in a Federal penal institution, to the warden of such institution, setting forth his inability to pay such fine, or fine and costs, and after notice to the district attorney of the United States, who may appear, offer evidence, and be heard, the commissioner or the warden as the examining authority to whom such application is addressed shall by an appropriate administrative proceeding inquire into the matter. If on examination it shall appear to the examining authority that such convict is unable to pay such fine, or fine and costs, and that he has not any property exceeding $20 in value, except such as is by law exempt from being taken on execution for debt, the examining authority shall administer to him the following oath: 'I do solemnly swear that I have not any property, real or personal, to the amount of $20, except such as is by law exempt from being taken on civil process for debt by the laws of (naming the State where oath is administered), and that I have no property in any way conveyed or concealed, or in any way disposed of, for my future use or benefit. So help me God' Upon taking such oath such convict shall be discharged, and the examining authority shall file with the institution in which the convict is confined a certificate setting forth the facts. Any such convict to whom the warden shall fail or refuse to administer the oath may apply to the nearest commissioner for the administration of the oath upon a proceeding de novo as above provided, and upon taking such oath shall be discharged. In case the convict is found by the examining authority to possess property valued at an amount in excess of said exemption, nevertheless, if the Attorney General finds that the retention by such convict of all of such property is reasonably necessary for his support or that of his family, such convict shall be released without further imprisonment solely for the nonpayment of such fine, or fine and costs; or if he finds that the retention by such convict of any part of such property is reasonably necessary for his support or that of his family, such convict shall be released without further imprisonment solely for nonpayment of such fine or fine and costs upon payment on account of his fine and costs, of that portion of his property in excess of the amount found to be reasonably necessary for his support or that of his family."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANDARD UNITED STATES COMMISSIONER FORMS

The Clerk called the bill (S. 344) to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and seal.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I wish to have a brief explanation of this bill.

Mr. WALTER. This bill merely provides a uniform system of forms for the use of United States Commissioners and provides for the furnishing to the Commissioners of the Code of the United States. The cost is negligible, and the code, as well as all of the forms furnished, belong to the United States. The title never passes, so that the successor to any Commissioner who receives these forms and the code will be compelled to pass them on to his successor.

Mr. RICH. We are trying to simplify the manner of payment; is that it?

Mr. WALTER. No; not by this bill. That is another bill.

Mr. RICH. I thought that you were trying to simplify the payment of Government officials. I do not know of any better thing the Congress could do than to simplify its procedure so far as payment of all Government employees is concerned. The difficulty we are encountering now requires many helpers in the offices down here, and certainly by resolution of the House and Senate we could simplify that to the extent we would eliminate much of the work entailed by the officials here in keeping our accounts. I am going to recommend now to the Civil Service Commission that it bring in here something that will simplify the manner in which they figure out the amount of salary paid to every one of these Government employees. It does not seem right, and it certainly is not economical, and it does not seem sensible to me.

Mr. WALTER. Recognizing the force of the gentleman's argument, may I say that in the next bill we attempt to do that very thing?

Mr. RICH. I hope you do.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Director of the Administrative Office of the United States Courts shall supply to United States commissioners without cost to them blank forms of such content as he shall consider best adapted for the transaction of their business and docket books of approved content in which to enter the record of all proceedings before them. Upon the approval of the senior district judge of the district in which he serves, each commissioner shall also without cost to him be furnished by the Director of the Administrative Office of the United States Courts with a copy of the United States Code, which shall remain the property of the United States. Commissioners appointed after the effective date of this act shall be furnished with the official impression seal required by the act of June 28, 1906 (ch. 3573, 34 Stat 546). All property furnished to any commissioner under this act shall, upon the termination of his term of office, be transmitted to his successor in office, if any; otherwise disposed of as the Director of the Administrative Office of the United States Courts shall direct.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

METHOD OF PAYMENT OF COMPENSATION OF UNITED STATES COMMISSIONERS

The Clerk called the bill (S. 345) concerning the method of payment of compensation of United States Commissioners.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fees of United States commissioners prescribed by law shall be paid out of the Treasury upon the approval of their accounts for such fees by the Director of the Administrative Office of the United States Courts. Such payment shall, however, be subject to the final settlement of such accounts in the General Accounting Office and to any adjustments of prior payments necessitated thereby.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESCRIBING FEES OF UNITED STATES COMMISSIONERS

The Clerk called the bill (S. 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners.

There being no objection, the Clerk read the bill, as follows.

Be it enacted, etc., That section 21 of the act of May 28, 1896 (ch. 252, 29 Stat. 184, 28 U S C., sec 597), be amended to read as follows.

"SEC 21. The fees of United States commissioners for the following services in connection with criminal cases shall be as provided in the following subdivisions of this section. The provision of the War Overtime Pay Act of 1943 shall not apply to payment of compensation to United States commissioners so as to increase the amounts of their fees as herein provided for

"(a) In each case in which a complaint in writing and sworn to shall have been lodged with the commissioner, for all services rendered prior to the presentation of the accused before the commissioner, a fee of $2 50, said fee to accrue when the complaint is filed

"(b) In each case in which the accused is presented before the commissioner for binding over, for all services rendered after the presentation of the accused a fee depending upon the number of such cases disposed of by the commissioner during the quarterly accounting period either by discharge or by binding over, as follows

"(1) $7 for each of the first 25 cases so disposed of;

"(2) $6 for each of the next 25 cases;

"(3) $5 for each of the next 50 cases; and

"(4) $2 for each of all cases over 100.

"(c) In each case in which the accused is presented before the commissioner not for binding over but only for purposes of bail, whether or not bail is taken or a commitment is ordered, a fee of $2.50

"(d) For all services in connection with each formal, written application for a search warrant, whether the application be granted or denied, a fee of $4.

"(e) For all services in connection with the application by a convict for examination under 18 United States Code, page 641, a fee of $4.

"(f) For all services in each case in which the commissioner under the authority of section 1 of the act approved October 9, 1940 (54 Stat. 1058; U. S. C., of 1940, title 18, sec. 576), and under the rules promulgated by the Supreme Court under the authority of section 2 of said act (U. S. C., of 1940, title 18, sec. 576a), conducts the trial or on a plea of guilty imposes sentence, a fee of $10 in lieu of all other fees herein provided.

"(g) For all purposes of this section, each accused shall be considered as a 'case'."

SEC. 2. Each United States commissioner shall be entitled to the following-named fees for the following services in connection with civil cases:

(a) For attending to a reference in a litigated matter in a civil cause or in admiralty in pursuance to an order of the court, $5 a day.

(b) For taking and certifying depositions to file in civil cases, 10 cents for each folio; for each copy of the same furnished to a party on request, 10 cents for each folio

(c) For the purpose of computing the compensation of commissioners as provided in this amendment, services performed in a case in connection with the issuance of an attachment and subsequent hearing in internal revenue matters as provided for in United States Code, title 26, section 3615 (e), and services performed in a case in connection with settling or certifying the nonpayment of a seaman's wage, as provided for in United States Code, title 46, sections 603 and 604, shall be considered as cases under section 1 (b) above and shall be charged for and compensated accordingly.

SEC 3 No commissioner may receive compensation for his services in that capacity exceeding $7,500 per annum

SEC 4. None of the provisions hereof shall apply to United States commissioners in the Territory of Alaska.

SEC 5 This act shall become effective on the first day of the month succeeding its approval and shall apply to all cases arising thereafter A case shall be deemed to arise when it first requires action of a commissioner.

With the following committee amendments:

1 On page 1, line 9 and 10, and page 2, lines 1 and 2 of the bill, strike out the sentence reading: "The provision of the War Overtime Pay Act of 1943 shall not apply to payment of compensation to United States commissioners so as to increase the amounts of their fees as herein provided for", and insert in lieu thereof the following: "The additional compensation provided for by section 521 of the Federal Employees Pay Act of 1945 as amended by section 6 of the Federal Employees Pay Act of 1946 shall apply to the fees for the specified services prescribed in this act."

2 On page 4, line 10, strike out the words and figures "exceeding $7,500 per annum" and insert in lieu thereof the following "in excess of $7,500 for any one calendar year (exclusive of additions under section 521 of the Federal Employees Pay Act of 1945 as amended by section 6 of the Federal Employees Pay Act of 1946) "

Amendments Nos. 1 and 2 were made to provide that the increases authorized by the Federal Employees Pay Act of 1945 as amended by the Federal Employees Pay Act of 1946 be applied to the fees of commissioners prescribed by the bill. The following five amendments are to correct the language of the bill

3. On page 1, line 3, after the word "That", insert the words "the first paragraph of."

4. On page 3, lines 2 and 3, strike out the words "eighteen United States Code, page 641" and substitute "sections 1042 and 5296 of the Revised Statutes of the United States as amended (18 U S. C., sec 641)."

5. On page 4, lines 2 and 3, strike out the words "United States Code, title 26, section 3615 (e)" and substitute "section 3615 (e) of the Internal Revenue Code, approved February 10, 1939 (53 Stat. 429, 26 U. S. C., sec. 3615 (e))."

6. On page 4, lines 5 and 6, strike out the words "United States Code, title 46, sections 603 and 604" and substitute "sections 4546 and 4547 of the Revised Statutes of the United States as amended (46 U. S. C., secs. 603 and 604)."

7. On page 4, line 7, strike out the words and figure "section 1 (b) above" and insert in lieu thereof "section 21 (b) of the act of May 28, 1896 (ch. 252, 29 Stat. 184, 28 U. S C. 597), as amended by this act."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSIBILITY OF FOREIGN DOCUMENTS IN EVIDENCE

The Clerk called the bill (H. R. 5078) relating to the admissibility of foreign documents in custody of Allied authorities of occupation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, this bill makes admissible into evidence certain documents that may be available from foreign sources and changes the rules of evidence in litigation in a very substantial and important respect. From a reading of the report I should judge it is designed to take care of current claims or disputes that arise out of the war disturbances, but the bill as drafted makes this evidence admissible permanently.

One question I should like to ask the gentleman from Pennsylvania is why there is not some time limit in this bill?

Mr. WALTER. That is because the bill is applicable only to that class of cases where an attempt is made to cover up for the Nazis by a cloak the ownership of Nazi property. May I call the attention of the gentleman to the fact that an order was issued on the 17th of March 1939 by officials of the Nazi government pointing out to the industrialists of Germany the possibility that there would become operative at some time or other the Alien Property Custodian laws of the United States and of England. Pursuant to those orders a great many German industrialists cloaked the real ownership of their property in friendly neutral nations.

Now that the alien property laws have become operative and this property has been taken by the Alien Property Custodian, suits are being instituted and will continue to be instituted by alleged friendly aliens for the return of this property. All this bill does is make it possible for the United States to offer into evidence documents seized and held by the representatives of the Military Government. I have an amendment on the Speaker's desk which clarifies to some extent, in the judgment of my colleagues on the committee, the entire situation, so that there can be no doubt that it applies but to one class of cases.

Mr. COLE of New York. Does the gentleman's amendment also make an explicit provision that the documents admitted in a civil case under this bill will not be used at some other trial based upon criminal proceeding?

Mr. WALTER. Oh, yes; there is no question about that.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Indiana.

Mr. SPRINGER. It is true, is it not, that this bill provides that it applies only to civil actions.

Mr. WALTER. That is right.

Mr. SPRINGER. By the amendment which the gentleman proposes to offer it will apply only where the title to real estate or personal property is involved.

Mr. WALTER. Exactly.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Michigan.

Mr. MICHENER. Since this bill has had most careful consideration, it is most important that it pass. It is vital right now, and I hope that no objection will be made unless the person making the objection understands fully the purport of what he is doing.

Mr. COLE of New York. It is not my view that any document found in a foreign country should be admissible in evidence in a legal proceeding in this country for all time to come, because that is contrary to all the historic principles of evidence in litigation, and yet this bill does that very thing.

Mr WALTER. That is certainly what it is intended to do.

Mr. COLE of New York. If that is the case, Mr. Speaker, I ask unanimous consent that the bill be passed over.

Mr. WALTER. Would the gentleman be willing to permit the bill to be passed in the event that a statute of limitations was written into it?

Mr. COLE of New York. I am sure we can work out some satisfactory arrangement, and it is only for that purpose that I ask that it be passed over.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALTER. I object

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. WALTER. Yes.

Mr. SUMNERS of Texas. Mr. Speaker, may I make this observation in regard to this particular legislation? Here is the situation exactly. There are a lot of papers that have been seized by the Government. They have been taken from the files of business concerns in occupied territory, chiefly, I believe, and it is not possible to authenticate those papers as they are ordinarily authenticated in the trial of a lawsuit. These documents are to be admitted for whatever they are worth. They are not to be excluded from the consideration of the judge who tries the matter without a jury. As the gentleman from Pennsylvania [Mr. WALTER] has suggested, there is a belief on the part of this Government that many of the aliens have covered up. This Government has been able to procure custody of these documents. They have to be certified as coming from the custody of one of these business concerns. I very much hope that something can be done to get this evidence available as soon as possible.

Mr. WALTER. The gentleman from New York objects to the bill because of the possibility that in a criminal trial somebody's rights might be prejudiced, but may I point out to him that on line 3 of page 1 it is provided that this is upon the trial of any civil action, so it could not possibly be applicable in any criminal action.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WALTER. I object, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Under the circumstances, Mr. Speaker, I have no other course than to object to the consideration of the bill.

LIGHTHOUSE PROPERTY AT ATLANTIC CITY, N. J.

The Clerk called the bill (H. R. 6023) providing for the conveyance to the city of Atlantic City, in the State of New Jersey, of lighthouse property at Atlantic City for public use.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Coast Guard be, and hereby is, authorized and directed to convey to the city of Atlantic City, in the State of New Jersey, for use as a public park, the lighthouse property at Atlantic City, which is no longer required for lighthouse purposes, comprising an area approximately 350 feet in length and 275 feet in width, situated on Pacific Avenue, between Vermont and Rhode Island Avenues, and including structures thereon *Provided*, That the city of Atlantic City shall not have the right to sell or convey aforesaid property, nor to devote the same to any other than public use, and in the event that said property shall not be used as above provided, the right, title, and interest hereby authorized to be conveyed shall revert to the United States.

With the following committee amendments:

Page 1, line 3, after "Guard", insert "or such agency of the United States as holds title"

At the end of the bill insert the following "*Provided*, That there shall be excepted from this conveyance the building occupied by the United States Weather Bureau, and the land on which it is situated, not exceeding 50 by 150 feet."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECEASED WAR VETERANS' BURIAL ALLOWANCES

The Clerk called the bill (H. R. 571) to increase deceased war veterans' burial allowances to $150.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, undoubtedly this bill has considerable merit; but, in view of the fact that it carries an authorization for an appropriation of $4,000,000, I ask unanimous consent that it be passed over without prejudice.

Mrs. ROGERS of Massachusetts. Reserving the right to object, Mr. Speaker, I understand the gentleman does not object to the bill; it is simply that the bill carries an authorization of over $4,000,000. This bill has the green light from the Veterans' Administration.

Mr. COLE of New York. That is the impression I tried to convey when I said it was a meritorious bill, but in view of the size of the authorization I doubted that it should be passed by unanimous consent.

Mr. PETERSON of Florida. As I understand it is generally the policy that where a bill involves more than $1,000,000 it should not be considered on the Consent Calendar.

Mr. COLE of New York. The gentleman is correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

VETERANS' COMPENSATION DURING HOSPITALIZATION

The Clerk called the bill (H. R. 6811) relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes.

Mr. KEAN. Mr. Speaker, I understand that the Speaker has agreed to recognize the chairman of the Committee on World War Veterans' Legislation for a suspension on this measure. Therefore I ask unanimous consent that it be passed over without prejudice.

Mrs. ROGERS of Massachusetts. If the gentleman will yield, the gentleman from Massachusetts [Mr. MCCORMACK] stated yesterday that the bill H. R. 6811 would be brought up this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LIGHTHOUSE PROPERTY AT CASTLE NECK, MASS.

The Clerk called the bill (H. R. 5932) providing for the conveyance to the town of Ipswich, in the State of Massachusetts, of lighthouse property at Castle Neck, for public use.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Coast Guard be, and hereby is, authorized and directed to convey to the town of Ipswich, in the State of Massachusetts, for use as a public park, the lighthouse property at Castle Neck, Ipswich, which is no longer required for lighthouse purposes, comprising an area approximately 540 feet in length and 264 in width, and including certain appurtenant structures thereon. *Provided*, That the town of Ipswich shall not have the right to sell or convey aforesaid property, nor to devote the same to any other than a public use; and in the event that said property shall not be used as above provided, the right, title, and interest hereby authorized to be conveyed shall revert to the United States.

With the following committee amendment:

Page 1, line 8, strike out "five hundred and forty" and insert "six hundred."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OIL REFINERIES

The Clerk called the bill (S. 680) to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, would the author of the bill explain it?

Mr. BARRETT of Wyoming. Mr. Speaker, this is a Senate bill which was reported out unanimously by the Committee on the Public Lands of the House with certain amendments. The purpose of the bill is to give small refineries that do not have an adequate source of crude oil the right to purchase Government royalty oil at the price established by the Secretary of the Interior. It is a meritorious piece of legislation. It merely permits small business enterprises such as small refineries to remain in operation or to reopen if they have been closed down because of their inability to buy crude oil. This bill gives the Secretary of the Interior the right to sell to these small refineries such crude oil as will enable them to remain in operation.

Mr PETERSON of Florida. The bill also protects the rights of the small refineries to use the oil in the areas as far as possible

Mr. BARRETT of Wyoming. That is correct

Mr. PETERSON of Florida. This bill has had the consideration of the Committee on the Public Lands and was unanimously reported out by the committee. We put these amendments in the bill to be sure that everything would work out all right.

Mr. KEAN. Can the gentleman explain how the Secretary of the Interior will decide in favor of any particular oil company?

Mr. BARRETT of Wyoming. The bill provides that small refineries operating in the area in which the oil is produced may request the Secretary to sell them Government royalty oil at the price established by the Secretary, and it authorizes the Secretary to pro rate the oil according to needs as he deems proper.

Mr. KEAN. It is entirely at the discretion of the Secretary of the Interior?

Mr. BARRETT of Wyoming That is right. The Secretary must administer the bill, and the discretion must lay in his hands.

Mr. KEAN. The gentleman is very much in favor of the bill?

Mr. BARRETT of Wyoming. We are in favor of the bill as amended.

Mr. KEAN. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 36 of the act of February 25, 1920 (41 Stat. 451, U. S. C., 1940 ed., title 30, sec. 192), is amended by adding before the first proviso in the second paragraph thereof the following: *"Provided,* That inasmuch as the public interest will be served by the sale of royalty oil to refineries not having their own source of supply for crude oil, the Secretary of the Interior is authorized and directed to grant preference to such refineries in the sale of oil under the provisions of this section, for processing or use in such refineries and not for resale in kind, and in so doing may sell to such refineries at private sale at not less than the market price any royalty oil accruing or reserved to the United States under leases issued pursuant to this act, as amended.

With the following committee amendments:

Page 1, line 5, insert "in order to assist small business enterprise by encouraging the operation of oil refineries not having an adequate supply of crude oil."

Page 2, line 3, after "Interior", insert "when he determines that sufficient supplies of crude oil are not available in the open market to such refineries"

Page 2, line 12, insert *"Provided further,* That in selling such royalty oil the Secretary of the Interior may at his discretion prorate such oil among such refineries in the area in which the oil is produced"

The committee amendments were agreed to.

Mr. PETERSON of Florida. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, attention should be called to the fact that the amendments adopted by the Public Lands Committee of the House to this bill, S 680, are properly reported on page 1 of the committee report The bill with the amendments as it appears on the printed copy before the House is also correct.

However, in the copy of the bill in the report, and in setting out the proposed changes to the existing law under clause 2a, rule XIII, of the Rules of the House of Representatives, the first amendment was inadvertently placed immediately preceding the second amendment, whereas, as shown by the amendment and by the printed bill, it should have appeared after the word "amendment" on line 5 of the bill. This amendment to the bill is not an amendment of the existing law, nor does it become a part of the existing law, but is merely an amendment to the bill declaring the policy of the Congress in enacting the bill. In order to avoid confusion this statement should be made for the record.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLERS IN WADSWORTH, NEV.

The Clerk called the bill (S. 1979) to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Interior is hereby authorized to issue a patent, pursuant to applicable laws, to any qualified settler in the town site of Wadsworth, Nev., for more than two lots in that town site as surveyed and platted, notwithstanding the restriction contained in section 2382 of the Revised Statutes. No patent heretofore issued to any settler in the town site for more than two lots shall be vacated or annulled on the ground that it covers more than two lots.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAN BERNARDINO COUNTY, CALIF.

The Clerk called the bill (H R. 6816) to authorize the Secretary of the Interior to grant to the State of California, for State highway purposes, a tract of land situated in San Bernardino County, Calif.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr KEAN. Mr. Speaker, reserving the right to object, this bill does not carry the usual reversion clause. I understand the gentleman from California [Mr. SHEPPARD] is going to introduce that as an amendment

Mr. SHEPPARD. Mr. Speaker, the gentleman has correctly stated the situation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to grant to the State of California, for State highway purposes, including the use thereof as a site for a State highway maintenance station, under such conditions as may be approved by the Secretary of the Interior, all right, title, and interest of the United States of America in and to the southeast quarter of the southeast quarter of section 32, township 9 north, range 23 east, San Bernardino meridian, San Bernardino County, Calif.

With the following committee amendment:

Page 1, line 4, after the word "authorized", strike out "and directed."

The committee amendment was agreed to

Mr. SHEPPARD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr SHEPPARD: On page 2, line 3, after the word "California", insert "provided in the event that such property shall not be used as above provided, the right, title, and interest hereby authorized to be conveyed shall revert to the United States."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTION OF DESCRIPTION OF LAND CONVEYED TO THE STATE OF WYOMING

The Clerk called the resolution (S J. Res. 160) to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc, That the act entitled "An act to convey certain lands to the State of Wyoming", approved March 22, 1946, is amended (1) by striking out "312" and inserting in lieu thereof "324"; (2) by striking out "one hundred feet", wherever it occurs in such act, and inserting in lieu thereof "two hundred feet", and (3) by striking out

"forty-eight one-hundredths" and inserting in lieu thereof "ninety-six one-hundredths."

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESERVATION OF TECHNICAL AND ECONOMIC RECORDS OF DOMESTIC SOURCES OF ORES OF METALS AND MINERALS

The Clerk called the bill (H. R. 4562) to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) after the termination of hostilities in the present war or at such date prior or subsequent thereto as the agency may determine all files and records which relate to the technological and economic phases of domestic sources, supply, and beneficiation of the ores of metals and minerals, and which no longer are required in the conduct of the business of the various governmental agencies (including Government-owned or controlled corporations) dealing with such matters, shall be transferred to and consolidated in the possession of the Bureau of Mines.

(b) Whenever an agency having custody of any such files and records determines that it has no further need therefor, it shall immediately notify the Bureau of Mines. Upon receipt of such notification the Bureau of Mines, with the aid and advice of the staff of such agency, shall carefully examine such files and records, eliminate extraneous and duplicative material therefrom, and classify the data contained therein in such form as will be of greatest permanent value to the national economy. Each item transferred to the Bureau of Mines shall be microfilmed by the agency having original custody of such files and records and such microfilm shall be delivered to The National Archives.

(c) Such portions of the aforesaid files and records as are not retained by the Bureau of Mines shall be subject to disposal in the manner prescribed by law.

(d) The National Archives shall reimburse the agencies for the out-of-pocket cost of microfilming

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TWO FOUR-LANE BRIDGES ACROSS THE POTOMAC RIVER IN THE DISTRICT OF COLUMBIA

The Clerk called the bill (H. R. 541) authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that this bill carries an authorization of $7,000,000, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

BRIDGE ACROSS THE TUG FORK OF THE BIG SANDY RIVER NEAR WILLIAMSON, W. VA.

The Clerk called the bill (H. R. 6323) to authorize the Departments of Highways of the States of Kentucky and West Virginia to construct, maintain, and operate a free highway bridge across the Tug Fork of the Big Sandy River at or near Williamson, W. Va.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, in the title of this bill it calls for a free highway bridge. In the body of the bill the word "free" is omitted. I see the author of the bill present. Will he accept an amendment?

Mr. CHAPMAN. Yes. I will offer an amendment to insert the word "free."

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Reserving the right to object, Mr. Speaker, is this to be a free bridge?

Mr. CHAPMAN. It authorizes the States of West Virginia and Kentucky to construct and operate a free highway bridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of the States of Kentucky and West Virginia to construct, maintain, and operate a bridge and approaches thereto across the Tug Fork of the Big Sandy River at a point suitable to the interests of navigation at or near Williamson, Mingo County, W. Va., and on the Pikeville-Williamson Road in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2 The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. KEAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr KEAN: On line 5, page 1, after the word "a", insert "free highway."

Mr. CHAPMAN. The committee has already agreed to this amendment.

Mr. KEAN. It is not in the bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield.

Mr. RICH. I notice that many times the States want to construct a toll bridge. Many times Members of Congress object to the States doing that. I cannot understand, if two States or any one State wants to construct a toll bridge why anybody in Congress should object to that. That is entirely a matter for the States.

Mr. KEAN. This has nothing to do with this. This is supposed to be a free bridge, but inadvertently when the bill was written the word "free" was left out of the body of the bill.

Mr. CHAPMAN. That is an entirely correct statement. I agree with the gentleman from Pennsylvania. That is the only way we will ever be able to have a system of free bridges, to first authorize the construction of a toll bridge with an appropriate amortization period. After that they should be free.

Mr. RICH. There is nothing wrong about that at all.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the highway departments of the States of Kentucky and West Virginia to construct, maintain, and operate a free highway bridge across the Tug Fork of the Big Sandy River at or near Williamson, W. Va."

A motion to reconsider was laid on the table.

COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 6644) to increase the efficiency of the Coast and Geodetic Survey.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DEFINING MEMBERSHIP IN THE AMERICAN LEGION

The Clerk called the bill (S. 1893) to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act approved September 16, 1919 (41 Stat. 285, U. S. C. of 1940, Supp. IV, title 36, sec. 43), entitled "An act to incorporate The American Legion," as amended is hereby further amended to read, as follows:

"That no person shall be a member of this corporation unless he has served in the naval or military services of the United States at some time during the period between April 6, 1917, and November 11, 1918, or during the period between December 7, 1941, and September 2, 1945, all dates inclusive, or who, being citizens of the United States at the time of enlistment, served in the military or naval services of any of the governments associated with the United States during either of said World Wars: *Provided, however*, That such person shall have an honorable discharge or separation from such service or continue to serve honorably after September 2, 1945."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SPRINGER. Mr. Speaker, the pending bill, S. 1893, which has been

substituted for an identical bill which I introduced in the House, merely designates the dates of December 7, 1941, and September 2, 1945, as the dates between which service in the military or naval service of the United States will entitle those who so qualify to become members of the American Legion.

It was my very high privilege to introduce the original measure which gave the right and eligibility of membership in the American Legion to the veterans of World War II. And, I hope this measure will be approved today by the unanimous vote of the House, thereby sending this praiseworthy piece of legislation to the President for his approval

Mr. Speaker, our veterans' organizations have grown in leaps and bounds since the close of World War II, and they will continue to grow in membership and in power We realize that these veterans of World War II, with those of World War I, will become the leaders in our country during future years. They must be encouraged, and every assistance rendered them in their daily progress.

Mr. Speaker, this piece of legislation will completely clarify the period of service which will entitle all of those veterans who so desire to become members of the American Legion, who have served during World War II, as well as in World War I. I hope this measure is approved by the unanimous vote of the House.

DEDICATION DAY

The Clerk called House Joint Resolution 35, designating November 19, the anniversary of Lincoln's Gettysburg Address, as Dedication Day.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the Gettysburg Address of President Abraham Lincoln is the outstanding classic of the ages, and

Whereas it will touch the hearts of men and inspire them with faith in our matchless democracy as long as time endures; and

Whereas in that address Mr. Lincoln adjured his fellow countrymen to dedicate themselves to the principles of democracy in order that government "of the people, by the people, and for the people shall not perish from the earth": Therefore be it

Resolved, etc, That November 19, the anniversary of the Gettysburg Address, be, and hereby is, designated in our calendar of special days as Dedication Day

That the President of the United States is requested to proclaim November 19 as Dedication Day and to suggest that the address be read on that day in public assemblages throughout the United States and its possessions, on our ships at sea, and wherever the American flag flies

With the following committee amendments:

Page 2, lines 3 and 7, after the figure "19", insert the figure "1946."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill designating November 19, 1946, the anniversary of Lincoln's Gettysburg Address, as Dedication Day."

A motion to reconsider was laid on the table.

DISPOSING OF CERTAIN PUBLIC LANDS OF THE UNITED STATES IN THE STATE OF OKLAHOMA

The Clerk called the bill (H. R. 3593) relating to the disposition of public lands of the United States situated in the State of Oklahoma between the Cimarron base line and the north boundary of the State of Texas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That under such regulations as the Secretary of the Interior may prescribe, whenever it shall be shown that public land situated south of the Cimarron base line in Oklahoma and north of the north boundary line of the State of Texas has been used, improved, or cultivated in connection with abutting land, and has been held in good faith in peaceful, open, adverse possession by a citizen of the United States, his ancestors, or grantors, for a period of not less than 10 years prior to the passage of this act, and until submission of proof hereunder, such person, or persons, shall be entitled to purchase from the United States and enter such tract, or tracts, and to receive patent therefor upon payment of $1 25 per acre. *Provided, however*, That one-half of all oil, gas, or other mineral deposits contained therein are hereby reserved to the United States, and said minerals shall be and remain subject to sale or disposal by the United States under applicable laws; and permittees, lessees, grantees, or agents of the United States shall have a right of ingress or egress over and upon said lands for the purpose of prospecting for and the mining of said minerals *And provided further*, That any person entitled to a patent under this act shall present his application within 5 years from the official filing of the official plat respecting said lands

SEC 2 That where any land included within said area has heretofore been included in townsite plats recorded on the county records in either Texas or Oklahoma, and the lots, blocks, streets, alleys, highways, and other rights-of-way have been shown on the official United States township plats according to such townsite plat, the title of the United States to town lots shown on such plat is hereby relinquished to and confirmed in those persons, their heirs, assigns, or successors, who would be the true and lawful owners if the lands had been owned in fee simple at the time of the recordation of such townsite plats. The township plats representing streets and alleys of any townsite shall be considered as executed under the townsite laws and shall constitute a dedication of the streets, alleys, public highways, and railroad rights-of-way shown therein.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: That wherever it shall be shown, under such regulations as the Secretary of the Interior may prescribe, that public land situated south of the Cimarron base line in Oklahoma and north of the north line of Texas has been used, improved, or cultivated in connection with abutting land, and has been held in good faith, in peaceful, open, adverse possession by a citizen or citizens of the United States, his or their ancestors, or grantors, for a period not less than 20 years prior to the passage of this act, such citizen or citizens shall be entitled to receive a patent therefor upon payment of $1.25 per acre: *Provided*, That oil, gas, or other mineral deposits contained therein are hereby reserved to the United States; that said minerals shall be and remain subject to sale or disposal by the United States under applicable laws; and that permittees, lessees, grantees, or agents of the United States shall have a right to enter upon said lands for the purpose of prospecting for and mining said minerals. *And provided further*, That any person entitled to patent under this act shall present his application within 1 year from the official filing of the township plat.

"SEC. 2. That where any land included within said area has been included in townsite plats recorded on the county records in Texas or Oklahoma, and the lots, blocks, street, alleys, and highways have been shown on the official United States township plats, according to such town-site plats, the title of the United States to town lots shown on such plats is hereby relinquished to and confirmed in those persons, their heirs, assigns, or successors, who would be the true and lawful owners if the lands had been owned in fee simple at the time of the recordation of such town-site plats The township plats representing streets and alleys of any town site shall be considered as executed under the town-site laws, and shall constitute a dedication of the streets, alleys, and public highways shown thereon *Provided*, That the oil, gas, or other mineral deposits in the land relinquished, confirmed, or dedicated by this section are hereby reserved to the United States for disposal as provided in section 1 hereof "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SURVEY OF A PROPOSED MISSISSIPPI RIVER PARKWAY

The Clerk called the bill (H. R 6609) to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TO AMEND THE FIRST WAR POWERS ACT OF 1941

The Clerk called the bill (H. R 6890) to amend the First War Powers Act, 1941.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN Mr. Speaker, reserving the right to object, this bill is too complicated for consideration on the Consent Calendar. I therefore ask that it be passed over without prejudice.

Mr. CELLER. Mr. Speaker, will the gentleman withdraw his request and reserve his objection in order that the bill may be explained?

Mr KEAN. I do not think there will be time. I think it would be better to consider it more fully than can possibly be done under Consent Calendar procedure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey that the bill be passed over without prejudice?

There was no objection.

DENYING ADMISSION TO THE UNITED STATES OF CERTAIN ALIENS

The Clerk called the bill (H. R. 6869) to amend the immigration and naturalization laws to deny admission to the United States of certain aliens who have

served in the armed forces of countries at war with the United States, also members of certain parties and organizations, and to deny naturalization to such persons, and to deny admission to the United States of persons who the Attorney General knows or has reason to believe seek to enter the United States for the purpose of engaging in activities which will endanger the public safety of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act of February 5, 1917 (39 Stat. 875), as amended is further amended by inserting the following clauses before the clause "persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude;": "persons who, since December 7, 1941, have served in the armed forces of any country while such country was at war with the United States, or any person who is or at any time has been a member of the Nazi Party, or of the Fascist Party, or of the Gestapo, or of the Schutz Staffel, or of the Sturm Abteilung, or of any other organization or party auxiliary to or supporting nazism or fascism, or any person classified as a war criminal by the United Nations War Crimes Commission".

SEC. 2 The Nationality Act of 1940 (54 Stat. 1137; U S C 907) is hereby amended by adding a new section to be known as section 306A to read as follows:

"SEC 306A. A person who since December 7, 1941, has served in the armed forces of any country while such country was at war with the United States, or any person who is or at any time has been a member of the Nazi Party, or of the Fascist Party, or of the Gestapo, or of the Schutz Staffel, or of the Sturm Abteilung, or of any other organization or party auxiliary to or supporting nazism of fascism, or any person classified as a war criminal by the United Nations War Crimes Commission, shall be ineligible to become a citizen of the United States"

SEC. 3 Any person described in section 1 of this Act who can prove beyond a reasonable doubt his hostility toward and his opposition to nazism and fascism between December 7, 1941, and May 8, 1945, and if such person served in the armed forces of any country while such country was at war with the United States as described in section 1, who can furnish additional proof that such service was involuntary and against his will, is exempt from the aforesaid provisions of this act

SEC 4 That section 28 (c) of the Immigration Act of 1924 (43 Stat 168; U. S C, title 8, sec 224 (c)), is hereby amended to read as follows·

"(c) The term 'ineligible to citizenship' when used in reference to any individual, includes an individual who is debarred from becoming a citizen of the United States under section 303, 306, or 306A of the Nationality Act of 1940, as amended (54 Stat. 1140, 1141; U. S C., title 8, secs 703, 706), or section 3 (a) of the Selective Training and Service Act of 1940, as amended (55 Stat. 845; 50 App. U. S. C. Supp. 303 (a)), or under any law amendatory of, supplementary to, or in substitution for, any such sections;".

SEC. 5. That section 3 of the act of February 5, 1917 (39 Stat. 875), as amended, is further amended by inserting the following clause before the clause, "anarchists, or persons who believe in or advocate the overthrow by force or violence of the Government of the United States, or of all forms of law, or who disbelieve in or are opposed to organized government, or who advocate the assassination of public officials, or who advocate or teach the unlawful destruction of property;": "persons who the Attorney General knows or has reason to believe seek to enter the United States for the purpose of engaging in activities which will endanger the public safety of the United States."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RIGHTS OF FORMER OWNERS OF COMMERCIAL REAL ESTATE UNDER THE SURPLUS PROPERTY ACT OF 1944

The Clerk called the bill (H. R. 6702) to clarify the rights of former owners of real property to reacquire such property under the Surplus Property Act of 1944.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I see the author of the bill present. I would like some explanation of the bill. I notice that in the report, the Chamberlain Hotel property, is to be declared surplus and that it states that the return shall be at a price no greater than that for which the property was acquired by the United States.

When we declare property surplus do we not sell it at the highest price obtainable, to the best bidder?

Mr. SMITH of Virginia No; we do not. We had considerable discussion about that in the committee, and the gentleman will find if he examines the matter that the language in the Surplus Property Act is the same as that in the bill. As a matter of fact the gentleman from Mississippi [Mr. WHITTINGTON] thought it was better to put the language in the exact terms in which it was contained in the original Surplus Property Act.

Mr. HINSHAW. Mr. Speaker, further reserving the right to object, I wish to inquire of the author of the bill concerning the situation in which a hotel property was taken by the Government and made over into a hospital. As the property exists it was remodeled by the Government until it is now of very little use as a hotel property and would cost almost as much as the Government paid for it to restore it for hotel purposes. Is there any way in which the former owners of this hotel property can be assured of their right to bid on this property or perhaps to acquire this property at the value which they sold it to the Government less the present rehabilitation cost?

Mr. SMITH of Virginia. The law, as I understand it, is that in selling surplus real property to former owners the price formula is the original cost of the property to the Government plus improvements less depreciation. How that would work cut in the gentleman's case I do not know.

Mr. HINSHAW. That would not work out in this case at all because it is not a question of depreciation. It is a question of the complete remodeling of the property to a wholly different use. Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice in order that we may arrange this matter.

Mr. BARDEN. Mr. Speaker, will the gentleman withhold his request a moment?

Mr. HINSHAW. I withhold it.

Mr. BARDEN. The Committee on Expenditures has had considerable difficulty trying to work out these formulae, and every once in a while we find a case that is awfully hard to fit into an individual picture. This particular case has been considered by two committees, and, in my opinion, it is a perfectly meritorious bill. So far as the gentleman's case is concerned, I can see where he would probably be in some difficulty, but I believe the committee would be just as anxious to help the gentleman solve his problem if this bill passes as it would if it were objected to and removed from the calendar.

Mr. HINSHAW. My attention has been called to page 4, lines 22 to 24, inclusive, reading "such acquisition price being properly adjusted to reflect any increase or decrease in the value of the property resulting from action by the United States, or a price equal to the market price at the time of sale, whichever price is the lower."

If that means that the rehabilitation cost for the purposes for which the property was originally built shall constitute a decrease in value in the case I refer to, then, of course, I would have no objection to the passage of the bill.

Mr. BARDEN. I may say to the gentleman that, in my opinion, if the House passes this bill it will be a precedent for the gentleman and will help him to his problem.

Mr. HINSHAW. Would the gentleman object to insertion of language in line 24 after the word "property" as would define that property as being property as it was originally intended, the use for which it was originally intended?

Mr. BARDEN. I have no objection to the insertion of that language, but this being legislation referring to a specific piece of property, I do not know just what value it would be. I am not in position to appraise the effect of the gentleman's amendment. So far as I am concerned, I would have no objection to it; however, the gentleman from Virginia is more familiar with it than I am.

Mr. HINSHAW. This amendment the gentleman has placed in the bill, being section 2, really applies to a specific piece of property. I think that the gentleman can work out an amendment to the bill which would provide a similar terminology to apply to existing property that has been worked over by the Government. Then I could have no objection to the bill. In the meantime the bill ought to be carefully examined, and, therefore, unless the gentleman can show me that the bill will provide as I have described, I shall have to ask that it go over without prejudice.

Mr. SMITH of Virginia. I hope the gentleman will not take that position. I am perfectly willing to give the gentleman any assistance I can in working out his problem, but I hope the gentleman will not destroy our opportunity for relief when it is not going to do him any good. I may say to the gentleman that this bill is now pending in the Senate. I will be glad to cooperate with him in getting an amendment on the bill over there that will work out what he wants.

Mr. HINSHAW. The gentleman understands that this bill does not apply wholly and exclusively to the Chamberlain Hotel, Fortress Monroe, Va., but applies to other properties which include hotels and commercial structures.

Mr. SMITH of Virginia. The first section of the bill is general.

Mr. HINSHAW. It is general in character and does not apply exclusively to the gentleman's property.

Mr. SMITH of Virginia. If the gentleman objects to the passage of this bill I do not see how it will do him any good.

Mr. HINSHAW. I do not object to the passage of it. I simply ask that it be passed over without prejudice so that we can work out an amendment

Mr SMITH of Virginia. May I say this, if the gentleman's action this morning results in the ultimate failure of this bill to go through, then he is entirely removing any opportunity that his people may have to get their property back, because the Surplus Property Administration has by regulation excluded this type of property from the terminology of real property, and therefore the previous owners of hotels and such property as the gentleman is interested in would have no right unless we do pass this bill to negotiate on a preferential status.

Mr HINSHAW. The gentleman realizes that perhaps in a few minutes after the calendar is completed he and I could go over the bill and find out where such language could be inserted, and it could be brought up later today by unanimous consent and the bill passed. I am not desiring to obstruct the passage of the bill.

Mr. SMITH of Virginia. I will say this that if this bill passes as it is written it will be of distinct advantage to his constituents with respect to their property, because as the law is construed now they have no rights to acquire the property.

Mr. HINSHAW. I appreciate that.

Mr. SMITH of Virginia. And I think the gentleman's position would be very much improved if he would let it go through.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr HINSHAW. I yield to the gentleman from North Carolina.

Mr. BARDEN. After this bill goes to the Senate I believe it would be a simple matter to get the type of amendment the gentleman suggests in the Senate, and thereby both of you gentlemen would realize your objectives. I will say this, if this bill is delayed very much, neither of you will realize any advantage that this bill will give you.

Mr. HINSHAW. If I could be assured of the cooperation of both of the gentlemen in placing the bill in proper form in the Senate I would not object to its present consideration, but I would like to have that cooperation because the matter is equally as important to me as it is to the gentlemen.

Mr. SMITH of Virginia. I would be very glad to cooperate with the gentleman and give any assistance I can.

Mr. HINSHAW. I withdraw my reservation of objection, Mr. Speaker.

Mr. RANDOLPH. Mr. Speaker, further reserving the right to object, this bill is meritorious and its passage, at this time, is needed. It has peculiar application not only to the property in which the gentleman from California is interested. In the State of West Virginia, the Chesapeake & Ohio Railway Co., the original owners are interested in the return of the Greenbrier Hotel property, at White Sulphur Springs, which was used during the war for Army hospital purposes. Our Committee on Expenditures in the Executive Departments has considered this matter, and will cooperate with the gentleman from California as well as the gentleman from Virginia [Mr. SMITH], in proper legislation.

Mr. HINSHAW. I appreciate that.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 23 (a) (1) of the Spurplus Property Act of 1944 is amended to read as follows:

"(1) The term 'real property' means property consisting of land, together with any fixtures and improvements thereon (including hotels, apartment houses, office buildings, stores, and similar commercial property located outside of the District of Columbia, or any interest (whether by leasehold or otherwise) in any such property, but does not include war housing, industrial plants, factories, or similar structures and facilities, or the sites thereof, or land which the administrator determines is essential to the use of any of the foregoing, and".

SEC 2 Section 23 (d) (1) (A) of the Surplus Property Act of 1944 is amended to read as follows.

"(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the administrator by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to acquire such property, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of 90 days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the disposition of any surplus real property under this subsection. If the person from whom the property was acquired was a trustee for bondholders under a mortgage covering such property, and such bondholders were the equitable owners of such property, such bondholders, or such of them (representing at the time the property was acquired by the United States not less than a majority in the aggregate of the face amount of such bonds) as desire to acquire such property shall be entitled to acquire such property at private sale within such 90 day period, or such period as so extended The fact that the real property which was acquired was a leasehold and the United States either owned or acquired a greater interest in such property shall not for the purposes of this act be considered as extinguishing such leasehold or preventing the owning agency from declaring any interest in such land (leasehold or otherwise) as surplus to its needs and responsibilities."

With the following committee amendments:

Page 1, line 8, strike out "similar commercial property" and insert "other commercial structures."

Page 2, line 2, after the comma strike out down to and including the word "property" on line 3.

Page 2, line 3, after the word "include", insert "hospitals constructed by the Government"

Page 2, line 5, after the word "factories", insert "airports, airport facilities"

Page 2, line 9, strike out section 2 and insert a new section reading as follows:

"SEC 2. The Secretary of War and the War Assets Administration are authorized and directed to take such action as may be necessary (1) to reinstate the leasehold covering the Chamberlin Hotel, Fort Monroe, Old Point Comfort, Virginia, and its appurtenant land, buildings, utilities, and facilities, which leasehold, with all the furnishings and equipment used in connection therewith, was acquired on December 30, 1941, by the Department of the Navy, and on December 20, 1945, declared by the Department of the Navy to be surplus to its needs and responsibilities, and (2) to convey and sell, to the person or persons authorized under this section to be the lessee under the reinstated leasehold, all of the right, title, and interest in and to such hotel, land, buildings, utilities, furnishings, and equipment, which existed in the person who was the lessee prior to such acquisition by the Department of the Navy The lessee under the leasehold so reinstated shall be the person or persons who on December 30, 1941 (the date on which the leasehold was acquired by the Department of the Navy), owned a majority of the bonds to secure payment of which the property was then held by a trustee as security (such bondholders being the equitable owners of the property on such date). The leasehold shall contain the same terms and conditions as that which was in effect immediately prior to the acquisition of the property by the Department of the Navy, and upon the reinstatement thereof shall be subject to all of the provisions of Public Resolution 71, Sixty-seventh Congress (42 Stat 843), as if such acquisition by the Department of the Navy had not taken place. The consideration to be paid to the United States for reinstating such leasehold and for such conveyance and sale to the lessee shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of the property resulting from action by the United States, or a price equal to the market price at the time of sale, whichever price is the lower This section shall cease to be in effect unless, within six months from the date of the enactment of this Act, the person or persons authorized to be the lessees make application for the benefits of this section and pay or tender the consideration prescribed in this section for the reinstatement of the leasehold and for such conveyance and sale"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 679 was laid on the table.

RETENTION OF REAL AND PERSONAL PROPERTY IN THE PHILIPPINES

The Clerk called the bill (H. R. 6801) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Philippine Property Act of 1946."

SEC. 2. There shall remain vested in the Government of the United States or its agencies or instrumentalities all the right, title, and interest of the said Government or its agencies or instrumentalities to all real and personal property within the Philippine Islands as may now be vested in, or later be acquired by the Government of the United States or any of its agencies or instrumentalities

SEC. 3. The Trading With the Enemy Act of October 6, 1917 (40 Stat 411), as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading With the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter to be exercised by the President of the United States, or such officer or agency as he may designate: *Provided*, That all property vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading With the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading With the Enemy Act, as amended, and afte the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: *Provided further*, That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs, and expenses of administration: *Provided further*, That the courts of first instance of the Republic of the Philippines are hereby given jurisdiction to make and enter all such rules as to notice or otherwise, and all such orders and decrees, and to issue such process as may be necessary and proper in the premises to enforce any orders, rules, and regulations issued by the President of the United States, the Alien Property Custodian, or such officer or agency designated by the President of the United States pursuant to the Trading With the Enemy Act, as amended, with such right of appeal therefrom as may be provided by law: *And provided further*, That any suit authorized under the Trading With the Enemy Act, as amended, with respect to property vested in or transferred to the President of the United States, the Alien Property Custodian, or any officer or agency designated by the President of the United States hereunder, which at the time of such vesting or transfer was located within the Philippines, shall after July 4, 1946, be brought, in the appropriate court of the first instance of the Republic of the Philippines, against the officer or agency hereunder designated by the President of the United States in any litigation authorized under this section, the officer or administrative head of the agency designated hereunder may appear personally, or through attorneys appointed by him, without regard to the requirements of law other than this section.

SEC. 4. In respect to property not transferable to the Republic of the Philippines under section 3 of this act, the President of the United States is authorized, in his discretion and under such terms and conditions as he may deem appropriate, to transfer to the Republic of the Philippines any or all of the right, title, and interest of the Government of the United States or its agencies or instrumentalities to any or all real and personal property vested in such agencies or instrumentalities.

SEC. 5. Immediately upon passage of this act the Alien Property Custodian of the United States shall enter into an agreement with the President of the Philippines to transfer to the Philippine Government for a nominal cash consideration all shares now vested or hereafter vested by the Alien Property Custodian of corporations owning in fee, leasing, or otherwise operating or controlling agricultural lands in the Philippines, other agricultural lands in the Philippines vested or hereafter vested by the Alien Property Custodian not included in the foregoing, and improved property in Manila vested or hereafter vested by the Alien Property Custodian which in his judgment is urgently needed for the operation of an administrative agency of the Philippine Government: *Provided*, That in respect to property transferred under this section to the Philippine Governmen , it shall be made a part of the agreement that the Philippine Government shall fully indemnify the United States for all claims payable under the Trading With the Enemy Act, as amended, and for all such costs and expenses of administration as may by law be charged against such property or proceeds thereof

SEC 6. Nothing contained in this act shall be construed as amending the provisions of the act of March 24, 1934 (48 Stat. 456), as amended, respecting naval reservations and fueling stations, and diplomatic or consular property, and the property of the High Commissioner to the Philippine Islands, nor as amending the provisions of the joint resolution of June 29, 1944 (Public Law 380, 78th Cong.), respecting bases for the mutual protection of the Philippine Islands and the United States.

SEC. 7 For the purposes of this act the term "Philippine Government" shall mean "Government of the Commonwealth of the Philippines" until the date of independence, and thereafter it shall mean the "Government of the Republic of the Philippines."

With the following committee amendment:

Page 4, line 5, strike out "in" and insert "with such right of appeal therefrom as may be provided by law"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF VETERANS' AFFAIRS TO ACCEPT GIFTS

The Clerk called the bill (S. 2099) to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized in his discretion to accept devises, bequests, and gifts, made in any manner, with respect to which the testator or donor shall have indicated his intention that such property shall be for the benefit of groups of persons formerly in the active military or naval forces of the United States who by virtue of such service alone, or disability suffered therein or therefrom, are or shall be patients or members of any one or more hospitals or homes operated by the United States Government, or shall have indicated his intention that such property shall be for the benefit of any such hospital or home, or shall be paid or delivered to any official as such, or any agency in administrative control thereof

SEC. 2. For the purpose of acquiring the title and the possession to any property which he is by this act authorized to accept, the Administrator of Veterans' Affairs is authorized to initiate and to appear in any appropriate legal proceedings, and to take such steps therein or in connection therewith as in his discretion may be desirable and appropriate to reduce said property to possession. He may incur such expenses incident to such proceedings as he deems necessary or appropriate, which shall be paid as other administrative expenses of the Veterans' Administration All funds received by devise, bequest, or gift, or otherwise, for the purposes in this act contemplated, including net proceeds of sales by this act authorized, shall be deposited with the Treasurer of the United States to the credit of the general post fund, a trust fund provided by Public Law No. 473 of the Seventy-third Congress, approved June 26, 1934, being section 20 (b) (45) thereof (31 U S. C. 725s; 48 Stat 1283).

SEC. 3 (a) Disbursements from the general post fund shall be made on orders by and within the discretion of the Administrator of Veterans' Affairs and in the manner prescribed in section 4 of the act of December 26, 1941 (Public Law No. 382, 77th Cong., 55 Stat 868), except that (1) if the testator or donor has directed or shall direct that his devise, bequest, or gift be devoted to a particular use authorized by this act, the same, less expenses incurred, or the net proceeds thereof, shall be used or disbursed as directed, except that a precatory direction shall be fulfilled only insofar as may be proper or practicable; and (2) if the testator or donor shall have indicated his desire that his devise, bequest, or gift shall be for the benefit of persons in hospitals or homes, or other institutions operated by the United States but under the jurisdiction of an official other than the Administrator of Veterans' Affairs, the same, less expenses incurred, or the net proceeds thereof which may come into possession of the Administrator of Veterans' Affairs shall be disbursed by transfer to the governing authorities of such institution, or otherwise, in such manner as the Administrator may determine, for the benefit of the persons in the institution indicated by the testator or donor, for proper purposes, as nearly as practicable in conformity with such desire of the testator or donor.

SEC 4 If the Administrator of Veterans' Affairs shall receive any property other than moneys as contemplated by this act, he is authorized in his discretion to sell, assign, transfer, and convey the same, or any interest therein claimed by virtue of such devise, bequest, or gift, for such price and upon such terms as he deems advantageous (including consent to partition of realty and compromise of contested claim of title); and his assignment, deed, or other conveyance of any such property, executed in the name and on behalf of the United States, shall be valid to pass to the purchaser thereof such title to said property as the United States, beneficially or as trustee of said post fund, may have by virtue of any such devise, bequest, or gift, and the proceedings incident thereto, subject to the conditions, limitations, and provisions of the instrument so executed by the Administrator.

SEC. 5. (a) Nothing contained in this act shall be construed to repeal or modify the act of May 23, 1928 (45 Stat. 715; 38 U. S C. 438a), or section 4831 of the Revised Statutes,

or any other statute authorizing the acceptance of devises, bequests, or gifts to the United States for their own use and benefit or for any particular purpose specified by the donors or testators.

(b) In any case where the United States hereafter receives property and it appears that it is, or shall have been, the intention of the testator or donor that such devise, bequest, or gift be for the benefit of those persons described in section 1 of this act, or any particular hospital or other institution operated primarily for their benefit, such property or the proceeds thereof shall be credited to the post fund as provided for in this act, and shall be used or disbursed in accordance with the provisions of this act.

SEC 6. The annual report to Congress by the Administrator of Veterans' Affairs shall include a summarized statement of post fund receipts, disbursements, and investments, and other pertinent information concerning said post fund.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORLD WAR VETERANS' LEGISLATION

The Clerk called the bill (S 294) to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Administrator of Veterans' Affairs is authorized, upon request of the proper officials of the government of any nation allied or associated with the United States in the present war to furnish, in his discretion, to discharged members of the military or naval forces of any such government, at such rates and under such regulations as the Administrator may prescribe, medical, surgical, and dental treatment, hospital care, transportation and traveling expenses, prosthetic appliances, education, training, or other similar benefits, and to make medical examination, social investigations, and other reports pertaining to such persons. Any agreement entered into pursuant to the authority of this act shall provide that such services shall be paid for by the government of the nation requesting the same Any amount received by the Veterans' Administration as reimbursement for such services shall be credited to the appropriate appropriation of the Veterans' Administration for the fiscal year during which expenditures were made pursuant to this act.

With the following committee amendment:

Strike out all after the enacting clause and insert "That (a) the provisions of section 202 (14), World War Veterans' Act, 1924 (38 U S C 488), are hereby extended and confined to those governments allied with the United States in the war since December 7, 1941, and prior to termination thereof.

(b) In consideration of reciprocal services extended to the United States, the Administrator of Veterans' Affairs is authorized, upon request of the proper officials of the government of any nation allied or associated with the United States in the present war to furnish to discharged members of the military or naval forces of any such government, under agreements requiring reimbursement in cash of expenses so incurred, at such rates and under such regulations as the Administrator may prescribe, medical, surgical, and dental treatment, hospital care, transportation and traveling expenses, prosthetic appliances, education, training, or other similar benefits authorized by the laws of such nation for its veterans, and services required in extending such benefits: *Provided*, That hospitalization in a veterans' facility shall not be afforded hereunder, except in emergencies, unless there be available beds surplus to the needs of veterans of this country: *Provided further*, That the Administrator may contract for necessary services in private, State, and other Government hospitals All amounts received by the Veterans' Administration as reimbursement for such services shall be credited to the current appropriation of the Veterans' Administration from which expenditures were made pursuant to this subsection.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States."

A motion to reconsider was laid on the table

VETERANS' ADMINISTRATION

The Clerk called the bill (S. 1578) to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration

The SPEAKER pro tempore Is there objection to the present consideration of the bill?

Mr. SCRIVNER. Reserving the right to object, Mr. Speaker, and I shall not object, I merely take this opportunity to explain briefly the nature of this bill.

There was a time when service-connected disability payments were considered as compensation whereas those payments which were given as a matter of privilege in connection with non-service-connected disabilities were called pensions. A few years ago legislation designated all payments as pensions. This bill restores the language as it formerly was and makes the distinction clearly, namely, that payment for a service-connected disability is now to be called compensation and payment for a non-service-connected disability is to be called pension.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That under laws administered by the Veterans' Administration monetary benefits, other than retirement pay, for service-connected disability or death shall be designated "compensation," and not "pension."

SEC. 2. Section 33 of Public Law No. 141, Seventy-third Congress, is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF CERTAIN PENSIONS OR OTHER BENEFITS

The Clerk called the bill (H. R. 5148) to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That notwithstanding the provisions of section 5 of Public Law No. 144, Seventy-eighth Congress (the act of July 13, 1943), or Public Law No. 828, Seventy-sixth Congress (act of December 9, 1940, as amended), or Public Law No. 783, Seventy-seventh Congress (act of December 2, 1942), any person who, but for such provisions, was entitled to benefits under an, law administered by the Veterans' Administration, and who was not guilty of any of the offenses stated in section 4 of said Public Law No. 144, shall be paid out of currently available appropriations of the Veterans' Administration the full amount of any benefits withheld, including the amount of any checks covered on his account into the Treasury as miscellaneous receipts together with any amount to his credit in the special-deposit account pursuant to the provisions of said Public Law No 828, as amended, or, in the event of the death of such person prior to receipt of the amount herein authorized, payment shall be made under the provisions to his estate, except the 1-year limitation, of section 12 of said Public Law No 144, if claim therefor, together with satisfactory evidence that neither the claimant nor the person deceased was guilty of any of the offenses stated in said section 4, shall have been filed with the Veterans' Administration within 1 year after the effective date of this act

With the following committee amendments:

Page 2, line 6, after "benefits", insert "not paid because of the provisions of section 5 of Public Law 144, or "

Page 2, line 14, strike out "to his estate"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DEFENSE HOUSING

The Clerk called the bill (H. R. 6810) to amend the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the act entitled "An act to expedite the provisions of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended (U S C, 1940 ed., Supp. III, title 42, secs 1521 and the following), is hereby amended by adding in section 302 (a), after the words "demountable houses" within the parentheses, the following, "other than those leased or bailed prior to December 31, 1945, for temporary reuse on a site from which they were acquired by State or local law to be removed within a period not exceeding that provided in section 313 hereof."

With the following committee amendment:

Page 2, line 3, strike out "acquired" and insert "required."

The committee amendment was agreed to

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' CANTEEN SERVICE

The Clerk called the bill (H. R. 6836) to establish and provide for the maintenance and operation of a veterans' canteen service in the Veterans' Administration, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I should like to have some member of the Committee on World War Veterans' Legislation undertake an explanation of this bill, because it is of general interest to the Members of the House.

Mr. KILDAY. Mr. Speaker, I object to the present consideration of the bill.

Mr. SCRIVNER. Mr. Speaker, will the gentleman withhold his objection?

Mr. KILDAY. No. I object to the present consideration of the bill.

FARM LABOR-SUPPLY PROGRAM

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN] to ask unanimous consent for the immediate consideration of a bill that is on the Consent Calendar but is not eligible for consideration today. The gentleman from Virginia has assured the Chair that he has cleared this matter with the objectors, and it is on the basis of that assurance that the Chair is recognizing the gentleman from Virginia.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6828) to provide for continuance of the farm-labor-supply program up to and including June 30, 1947.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. COLE of New York. Mr. Speaker, I reserve the right to object only to corroborate what the Speaker has said. The gentleman from Virginia did speak to me about this particular bill and urged that the usual rules of procedure and practice under the Consent Calendar be waived with regard to this bill because of the urgency of it and because of the imminence of the adjournment of Congress. Under those circumstances, I do not register objection to the present consideration of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the farm labor supply program conducted pursuant to the Farm Labor Supply Appropriation Act, 1944 (Public Law 229, 78th Cong., title I), as amended, shall be continued up to and including June 30, 1947. Such amounts as may be necessary for the continuance of such program as provided in this act are hereby authorized to be appropriated.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN DOCUMENTS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5078) relating to the admissibility of foreign documents in custody of allied authorities of occupation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I do so for the purpose of inquiring of the gentleman from Pennsylvania what type of amendment he proposes to offer.

Mr. WALTER. I submitted to the gentleman the amendment placing a limitation on the effectiveness of this act for a period of 2 years.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That upon the trial of any civil action without a jury, whether now pending or hereafter brought, any book, paper, statement, record, account, writing, or other document, or any portion thereof, of whatever character and in whatever form, from the files of any foreign industrial, business, or commercial enterprise, or from the official files of a foreign government or any subdivision or agency thereof shall, if otherwise relevant, be admissible in evidence in any court of the United States, when authenticated by a certificate of a duly designated officer of the allied military or civil authorities of occupation stating that such document or other writing came from the files of such industrial, business, or commercial enterprise or from the official files of the foreign government, subdivision or agency thereof, and is in the custody of such allied military or civil authorities of occupation All circumstances of the making of such record or writing, as well as the lack of opportunity for cross-examination, shall be considered by the trial judge in determining its weight but shall not affect its admissibility A copy of such record or writing shall be equally admissible with the original when accompanied by a certificate of the allied military or civil authorities of occupation having custody thereof, stating that it conforms with the original.

With the following committee amendments:

Page 1, line 3, after "jury", insert "to which the United States or any officer or agency thereof is a party"

Page 2, line 2, after "relevant", insert "and competent"

Page 2, line 4, strike out "officer" and insert "representative"

Page 2, line 15, after "admissible" strike out "with" and insert "as".

Page 2, line 19, insert:

"Any party to such an action who requires such authenticated documents or records or other writings for the purpose of such suit shall make written application therefor to the Attorney General, and shall describe each such document or other writing, its location, if known, and shall represent that it is proposed to use such document or record in such action. If the Attorney General shall be satisfied that said application is made in good faith for the purposes therein stated he shall request the allied authorities of occupation to furnish the authenticated document or record or other writing. Upon receiving such document or record or other writing from the allied authorities of occupation the Attorney shall transmit it to the party requesting it."

The committee amendments were agreed to.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr WALTER: On page 2, line 7, insert a new paragraph as follows:

"This act shall remain in full force and effect for a period of 2 years from the date of the signing thereof."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIPPINE INDEPENDENCE

Mr. McCORMACK. Mr. Speaker, I am about to submit a unanimous-consent request for which I am indebted to the gentleman from New York [Mr. COLE] for calling to my attention.

I ask unanimous consent that the Speaker send an appropriate message to the President and the people of the Republic of the Philippines extending the congratulations and felicitations of the House of Representatives of the United States on their independence.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I do so only for the purpose of suggesting that the message might very well go to the leaders of the legislature as well as the executive of the Philippine Republic. Since this message comes from the Legislature of the Republic of the United States, it seems to me it might well go also to the leaders of the Legislature of the Philippine Republic as well as to the President of the Republic. Of course, that is only a suggestion, and if it has no merit, I withdraw it.

Mr. McCORMACK. Of course, the gentleman is aware that I have asked that an appropriate message be sent to the President and the people of the Republic, which includes everybody.

Mr. COLE of New York. Very well.

Mr. McCORMACK. As I say, I am indebted to the gentleman from New York for his very fine suggestion.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VETERANS' COMPENSATION DURING HOSPITALIZATION

Mr. PETERSON of Florida. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6811) relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That (A) (1) where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration, any pension, compensation, or retirement pay otherwise payable shall continue without reduction until the first day of the seventh calendar month following the month of enactment hereof, or the month of admission of such veteran for treatment or care, whichever is the later. If treatment or care extends beyond that period, the pension, compensation, or retirement pay, if $30 per month or less, shall continue without reduction, but if greater than $30 per month, the pension, compensation, or retirement pay shall not exceed 50 percent of the amount

otherwise payable or $30 a month, whichever is the greater: *Provided*, That if such veteran is discharged from such treatment or care upon certification by the officer in charge of the hospital, institution, or home, that maximum benefits have been received or that release is approved, he shall be paid in a lump sum such additional amount as would equal the total sum by which his pension, compensation, or retirement pay has been reduced under this section: *Provided further*, That where treatment or care is terminated by the veteran against medical advice or as the result of disciplinary action the amount by which any pension, compensation, or retirement pay is reduced hereunder, shall be paid to him at the expiration of 6 months after such termination; and the pension, compensation, or retirement pay of such veteran shall, upon any future readmission for treatment or care, be subject to reduction, as herein provided, from the date of such readmission, but if such subsequent treatment or care is continued until discharge therefrom upon certification, by the officer in charge of the hospital, institution, or home in which treatment or care was furnished, that maximum benefits have been received or that release is approved, the veteran shall be paid in a lump sum such additional amount as would equal the total sum by which his pension, compensation, or retirement pay has been reduced under this section subsequent to such readmission.

(2) In the event of the death of any veteran subject to the provisions of this section, while receiving hospital treatment, institutional or domiciliary care, or prior to payment of any lump sum authorized herein, such lump sum shall be paid in the following order of precedence: First, to the widow, or widower; second, if the decedent left no widow, or widower, or the widow or widower be dead at time of settlement, then to the adult or minor children in equal parts; third, if no widow, widower, or children, then to the father and mother in equal parts; fourth, if either the father or mother be dead, then to the one surviving; fifth, if there be no widow, widower, children, father, or mother at the time of settlement, then to the brothers and sisters in equal parts. *Provided*, That if there be no persons in the classes named to whom payment may be made hereunder, no payment shall be made, except there may be paid only so much of the lump sum as may be necessary to reimburse a person who bore the expenses of last sickness or burial, but no part of the lump sum shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of such veteran. *Provided further*, That no payment shall be made under this paragraph unless claim therefor shall be filed with the Veterans' Administration within 5 years after the death of the veteran, except that if any person so entitled under this paragraph be under legal disability at the time of death of the veteran, said 5-year period of limitation shall run from the termination or removal of the legal disability.

(B) Where any veteran having neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration, and shall be deemed by the Administrator of Veterans' Affairs to be insane, the pension, compensation, or retirement pay for such veteran shall be subject to the provisions of subsection (A) of this section: *Provided*, That no payment of a lump sum herein authorized shall be made until after the expiration of 6 months following a finding of competency: *Provided further*, That in any case where the estate of such insane veteran derived from any source equals or exceeds $1,500, further payments of such benefits will not be made until the estate is reduced to $500: *And provided further*, That all or any part of the pension, compensation, or retirement pay, payable on account of any such veteran may, in the discretion of the Administrator, and in accordance with instructions issued by the Administrator, be paid to the chief officer of the institution wherein the veteran is maintained, to be properly accounted for by said chief officer and to be used for the benefit of the veteran; or may be paid to the guardian of the veteran in accordance with the provisions of paragraph 1 of section 21 of the World War Veterans' Act, 1924, as amended; or, in the event the veteran has a wife, child, or dependent parent, may, in the discretion of the Administrator, be paid to his wife or apportioned on behalf of such wife, child, or dependent parent; or otherwise be disposed of in accordance with the provisions of paragraph 3 of section 21 of the World War Veterans' Act, 1924, as amended

(C) Where any veteran who is being furnished hospital treatment, institutional or domiciliary care by the United States, or any political subdivision thereof, has a wife, child, or dependent parent, the pension, compensation, or retirement pay may, in the discretion of the Administrator, be apportioned on behalf of such wife, child, or dependent parent, in accordance with instructions issued by the Administrator.

(D) Any veteran subject to the provisions of subsection (A) or (B) shall be deemed to be single and without dependents in the absence of satisfactory evidence to the contrary *Provided*, That in no event shall increased compensation, pension, or retirement pay of such veteran be granted for any period more than 1 year prior to receipt of satisfactory evidence showing such veteran has a wife, child, or dependent parent.

(E) Subparagraphs (A), (B), (C), and (D) of paragraph VI of Veterans Regulation No 6 (a), as amended, are hereby repealed.

(F) The administrative, definitive, penal, and forfeiture provisions of Public Law No. 2, Seventy-third Congress, act of March 20, 1933, and the Veterans' Regulations, as now or hereafter amended, not inconsistent with this section, shall be applicable under this section

SEC 2 That all monthly rates of compensation and pension payable to veterans of World War I and World War II and dependents of such veterans which are payable under any laws or regulations administered by the Veterans' Administration are hereby increased by 20 percent: *Provided*, That such increase shall not apply to subsistence allowances payable under Public Laws Nos. 16 and 346, Seventy-eighth Congress, as amended.

The increases provided by this section shall be effective from the first day of the first month following the passage of this act.

The SPEAKER. Is a second demanded?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I demand a second.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

The gentleman from Florida [Mr. PETERSON] is recognized for 20 minutes, and the gentlewoman from Massachusetts [Mrs. ROGERS] will be recognized for 20 minutes.

Mr. PETERSON of Florida. Mr. Speaker, I yield myself such time as I may require.

Section 1 of H. R. 6811. Under existing law any veteran having no dependents while being furnished hospital treatment, institutional or domiciliary care by the Veterans' Administration is reduced in pension, compensation or retirement pay from the date of admission to $20 per month and to $8 per month if in receipt of pension for non-service connected permanent and total disability.

The bill provides that such veteran without dependents receiving treatment or care by the Veterans' Administration shall receive his full payments until the first day of the 7th calendar month after admission or enactment of the bill, whichever is the later. After that time if payment to which he is entitled amounts to $30 or more, it shall be reduced by 50 percent. Should the veteran be discharged with medical advice he will receive in a lump sum the total amount of which his payments were reduced. If treatment or care is terminated against medical advice the lump sum payment will be deferred for 6 months and upon subsequent readmission he will be reduced effective the date of readmission and upon subsequent discharge with medical advice he will receive the full amount in a lump sum. This is to discourage premature departures from hospitals.

Provision is made for payment of any accrued lump sum at death of veteran to certain classes of relative in the following order: Widow or widower; children, father, and mother; and brothers and sisters. If no such persons survive them so much of the lump sum as may be necessary may be paid to cover expenses of the veteran's last illness and burial.

As to incompetent veterans, the payments are subject to the same provisions as in the case of competent veterans, provided, however, that if the veteran is subsequently found to be competent, the payment of any lump sum authorized shall not be made until the expiration of 6 months following a finding of competency in order that a reasonable period may follow in which certainty of competency can be determined. There is preserved a limitation existing in the present law to the effect that where the estate of such incompetent veteran derived from any source equals or exceeds $1,500, further payments will not be made until the estate is reduced to $500.

Other provisions of existing law relating to payment on behalf of incompetent veterans to the chief officer of the institution or to the veteran's guardian or to a dependent on behalf of the veteran are carried forward in the bill.

Existing law providing for apportionment of payments due any hospitalized veteran on behalf of dependents is also reenacted in the bill.

It is the view of your committee that there is need for the liberalization of the present law to remove the hardships and inadequacies which appear to be prevalent in the majority of cases and section 1 of this bill is designed to provide this liberalization.

Section 2 authorizes an increase by 20 percent of all monthly rates of compensation and pension payable to veterans of World Wars I and II, and dependents of such veterans such increase shall not apply to subsistence allowances payable under the Vocational Rehabilitation Act and the Servicemen's Readjustment Act of 1944, as amended.

In view of the current substantial rise in the cost of living and the general revision upward of wages and salaries by

the Government and private employers, it is clear that the basic rates of pension and compensation are inadequate to meet this rise in the cost of living and to provide the minimum needs for the veterans and their dependents.

This is something that has had the consideration of the Congress and the committee for a long period of time. Many veterans going into the hospital have claims upon them. They have purchased property and they have installment payments to make. Oftentimes, by reason of this situation of cutting off the sum while in the hospital causes them mental worry.

This bill is the result of considerable study by the committee, and I trust it may be passed without opposition.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Florida. I yield to the gentleman from California.

Mr HINSHAW. I am glad the gentleman has brought this bill up. It is particularly true in cases of these paraplegics and amputees, men who are going to suffer rehabilitation of their faces through plastic surgery. They must have these funds to maintain themselves and their families.

Mr. PETERSON of Florida. That is correct.

Mr. HINSHAW. It is impossible to live on the allowance and carry on their normal business as they should be able to It is not their fault that they are in the hospital.

Mr PETERSON of Florida. I thank the gentleman very much.

This bill is fair and needed. The obligations of the veterans and increased costs makes it really imperative.

Mr. Speaker, I yield to the gentleman from Louisiana [Mr. ALLEN] such time as he may desire.

Mr ALLEN of Louisiana. Mr. Speaker, I will be very brief, because we certainly do not want to take any more time than is necessary. We all desire to rush this legislation through before Congress recesses.

I want to say a word about section 2, about the increased pension payments up to 20 percent. I call attention to the fact that this covers only veterans of World War I and World War II and the dependents of such veterans. It provides for an increase of pensions and compensations by 20 percent. The committee felt that this increase was right. We felt that it was necessary. We felt that anything less than that would be inadequate. We all know about the cost of living. It is going up continually. The committee was unanimous in feeling that we should take the step at this time to increase the pension payments by 20 percent. So many of these people have no other income. I do not think it is necessary to go into a long discussion to justify this increase. It is so meritorious that we feel that you will approve it unanimously.

The gentleman from Florida [Mr. PETERSON] has discussed section 1 of the bill. Just a word more about that. Under the procedure and regulations now, those veterans going into the hospital who do not have dependents have their payments reduced to $20 per month. This has long been a source of trouble and confusion. We are advised that many veterans hesitate to enter hospitals for needed treatment because they do not want their payments cut to $20. The committee discussed that and we have weighed all angles of it. We think that it would be to the interest of the veteran and to the interest of the Government also to help veterans to go into a hospital for treatment and to get well as soon as possible and be restored to society Hospitalization delayed may mean longer hospitalization and fewer recoveries which would probably cost the Government more in the long run. We want to bring around the rehabilitation of the men as fast as possible and proper treatment at the right time is most important. Under this bill we propose to give to these veterans without dependents seeking hospital treatment their full payments until the first day of the seventh calendar month after admission. After that payments will be reduced 50 percent, but if the sum they have been receiving is $30 or below, there will be no reduction. When the veteran is discharged by the hospital medical staff, he will receive the full sum of all payments which were withheld after he had been there 6 months.

In no event will he lose anything eventually from the payments due him. Thus a veteran can concentrate on trying to get well with his mind at ease about his payments from the Veterans' Administration.

Mr. CHELF. Mr Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I will be happy to yield to the distinguished gentleman from Kentucky

Mr. CHELF I think the gentleman has done a magnificent job because cases have come to my personal attention where veterans were reluctant to enter hospitals for treatment they needed. Now they will go to get it because they know their pension will not be cut.

Mr ALLEN of Louisiana. I appreciate the statement of the gentleman from Kentucky.

Mr. CHELF. If I may add, the only criticism I have is that I feel the committee has not gone far enough. I think there should have been a 30-percent increase instead of the 20; but, anyway, I think the gentleman has done a fine job

Mr. ALLEN of Louisiana. Well, this is the figure which the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans recommended and agreed upon, as I understand it. They suggested 20 percent. It is well to bear in mind that it follows an increase of 15 percent in 1944.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. BAILEY. The bill carries a 20-percent increase in pensions for veterans of World Wars I and II. Could the gentleman as a member of the Committee on Pensions advise the House whether legislation treating Spanish-American War veterans in the same manner has already been favorably reported by the committee?

Mr. ALLEN of Louisiana. I thank the gentleman from West Virginia. We have received some suggestion that we ought to include in this bill Spanish-American War veterans, but we did not want to infringe upon the jurisdiction of the Committee on Pensions. We therefore left to the Pensions Committee the matter of presenting legislation along this line for Spanish-American War veterans.

Since then the Committee on Pensions, which has jurisdiction over legislation affecting Spanish-American War veterans, has taken the matter up with reference to that group of veterans and has reported out a bill embodying a similar provision for a 20-percent increase. I imagine that bill will be presented to the House at an early date.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield to the fine gentleman from Mississippi.

Mr. ABERNETHY. About 2 years ago, I believe, the Congress passed a bill increasing all pensions by 15 percent. Is this 20-percent increase in addition to the 15 percent or will it actually result in a 5-percent additional increase?

Mr. ALLEN of Louisiana. This 20-percent increase covers all veterans. The 15-percent increase we passed last year, as I understand it, covered service-connected cases. Many, therefore, will be getting the 15 percent we granted in 1944 and also the 20 percent in this bill. This will be to those, a total increase in the two bills of a little more than 35 percent from the sums paid before we enacted the bill in 1944.

Mr. Speaker, in conclusion, I trust that the House will give this bill unanimous approval. As I stated, we have given it serious consideration and I think it is fair and justified under the circumstances prevailing today. And I repeat that we are most anxious for this bill to become a law before Congress recesses.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I am very glad indeed to have opportunity to support H. R. 6811. I believe it a measure of justice to our veterans and am sure it will pass the House without opposition.

I am only sorry the bill has had to come up under suspension of the rules whereby no amendments could be offered. For I believe it would have been very well to add an amendment to the bill which would have had the effect of relieving retired Army and Navy men of the necessity of paying for hospitalization in Army and Navy hospitals. At present such payment is required and consequently many men on admission to an Army hospital apply for transfer to the status of Veterans' Administration patients whereupon they no longer have to pay for the hospitalization. This confusion and red tape could have been avoided by the amendment I had hoped to offer. The same result can, I hope, be

accomplished in connection with some other legislation.

Mr. DOMENGEAUX. Mr. Speaker, needs of those who have served in the armed forces of our Nation and the needs of their dependents should always have first consideration in the matter of Government aid. There are none more deserving of our interest and attention than those who have worn the uniform of our country. It is they who have formed the front line of defense when our lives and our property have been at stake; it is for them that Congress should form the front line of defense in time of peace.

The United States Government has met its responsibility to the veteran as the occasion called for from time to time. But what may be regarded as liberal benefits when enacted can easily become inadequate under later circumstances. It is therefore most necessary that constant thought and study be given to the problems of the veterans in order that their economic and physical welfare may be constantly improved and the way be paved for them to cope with changing conditions.

Congress has worked hand in hand with the veterans' organizations in a sincere effort to meet these needs whenever they have developed. In one sense, of course, the benefits provided can never be adequate, for we cannot repay in dollars or in any other way the sacrifices that have been made by those entitled to receive these benefits. We can only seek to express, to the fullest extent of the Government's resources, our realization of the limitless debt we owe those who have given so much.

With these thoughts in mind, I wish to discuss the legislation now before us for the relief of veterans and their families, whose needs have materially increased. Surely, in this difficult period of postwar readjustment, we should turn our attention first of all to them and should direct our major efforts toward their protection and their good. To see that they are properly cared for is more than ever before our principal obligation.

H. R. 6811, the measure we are now considering, embodies proposals previously submitted on two separate subjects. These have been consolidated in this bill with the view of expediting adoption before the summer recess of Congress. We should not think of adjournment until favorable action has been taken on this legislation.

The first section of H. R. 6811 provides for full compensation, pension, or retirement pay of a veteran during hospitalization. This provision was originally introduced as H. R. 536 by the gentleman from Florida, Representative PETERSON. Section 2 grants a 20-percent increase in all monthly rates of compensation and pension payable to veterans of World War I and World War II under any laws or regulations administered by the Veterans' Administration. This is the same benefit proposed in H. R. 5681 which I introduced sometime ago.

With reference to section 1, there has long been need of changing the present law which reduces the benefits of a veteran while receiving treatment in a Government hospital. As a matter of fact, disabled veterans without dependents are now, in effect, required to largely pay for their hospitalization, since regardless of the amount of pension, compensation, or retirement pay otherwise due them, this is reduced from the date of their admission to an amount not in excess of $20 per month. At the same time, in this connection, payment to veterans entitled to pension for nonservice-connected disabilities cannot exceed $8 a month. On the other hand the veteran with dependents receives that which is held out to be a benefit for all eligible veterans, namely, free hospitalization. Furthermore, as the reduction requirement fails to take into consideration the veteran's independent income the application of the present law penalizes to a greater extent those who are least able to bear it.

Many single veterans claim that although they have no dependents they have other obligations to meet on which they must default when they enter the hospital, because of their reduced payments.

Under H. R. 6811 any veteran having neither wife, child, nor dependent parent, and who is being furnished hospital treatment, institutional, or domiciliary care by the Veterans' Administration, will continue to receive any pension, compensation, or retirement pay until the first day of the seventh calendar month following the month of the bill's enactment, or the month of admission of the veteran for such treatment or care, whichever is the later. If the hospitalization extends beyond the first day of the seventh month the payments, if $30 per month or less, will not be reduced, but if greater than that amount they will be made at a rate not exceeding 50 percent of the amount otherwise payable or $30 per month, whichever is the greater.

However, the veteran is not permanently deprived of any benefits, as the bill provides that the amount deducted is to be paid in a lump sum upon discharge from treatment or care upon certification by the officer in charge that maximum benefits have been received or release approved.

If treatment is terminated by the veteran against medical advice or as the result of disciplinary action, the measure stipulates that the amount withheld will be payable 6 months after that time. Should the veteran subsequently be readmitted for treatment the reduction will be effective the date of readmission. In that case, if subsequent treatment is continued until the veteran is discharged upon proper certification he will then receive in a lump sum the total amount by which his payments are reduced subsequent to such readmission.

The plan of temporarily withholding a portion of the veteran's pay is based, for one reason, upon the indications that many disabled veterans without dependents, leave Government hospitals before maximum treatment is reached, in order to secure full payments of pension, compensation, or retirement benefits. In so doing, the veteran not only jeopardizes his own health, but that of others. It is also felt that the lump-sum payment, upon discharge, of the amount deducted, will substantially assist in the veteran's rehabilitation.

In view of all the factors involved it was the opinion of the Committee on World War Veterans' Legislation that it is necessary to liberalize the present law relative to hospitalization in order to remove the hardships and inequities which appear to be prevalent in a great number of cases. This legislation is designed to provide such liberalization.

On previous occasions I have pointed out the necessity for greater financial aid for veterans and their dependents. I was glad to offer a bill providing for an increase and to sponsor that measure as a member of the Committee on World War Veterans' Legislation. We all know of the rising costs of living. The veterans and their families, dependent upon Government benefits, must face this situation with only a small, fixed income which is far from sufficient. We do not want them to become objects of charity, but unless we grant more assistance there is the likelihood that many will be forced to seek aid elsewhere. In many cases the increased benefits proposed here will still not be adequate, but on the whole they will give considerable relief.

H. R 6811 should be adopted speedily and without a dissenting vote. We should not be influenced by any point raised as to the additional Government expenditures it will involve. At a time when Congress is considering huge loans to foreign countries and appropriations for many and varied purposes it would be inappropriate, to say nothing of being inconsistent, if we were to neglect the needs of those who have preserved our Government and have helped to preserve those governments which now seek our financial assistance. If money can be found for this and that cause, we can surely find the funds to help those who should be helped first of all. This is our privilege and our duty.

Mr. SCRIVNER. Mr. Speaker, my comments on H. R. 6811 will concern only that section relating to pay of compensation or pension to hospitalized veterans.

At present when veterans without families or dependents are hospitalized the service-connected compensation is reduced to $20 per month and non-service-connected pensions are reduced to $8.

It cannot be denied that in many cases this reduction has worked hardships upon these veterans. Because of this reduction veterans have not entered hospitals for needed treatment and many—too many—have left the hospital against medical advice and before their condition warranted their release.

The purpose of H. R. 6811, which is approved by the American Legion, VFW, and DAV, is to encourage veterans to enter hospitals for needed care, to remain until their release is advisable, to think twice before leaving against medical advice or without permission, and yet hold out some inducement to vacate their space when recovered.

For these reasons this bill provides that there shall be no reduction for the first 6 months of hospitalization. This period will cover the time during which a new

rating is considered. It marks the period during which insurance must be paid, and better enables a veteran to determine his future course and the attitude he is to take toward existing obligations. It should be pleasing to Congress to know that the greater number are in the hospitals for shorter periods than 6 months and that the average period has recently been reduced from 47 to 19 or 20 days.

After 6 months' hospitalization veterans receiving $30 or less will have no deductions. Those receiving over $30 will receive $30, or 50 percent of their allowance, whichever is greater. The balance is withheld until discharged by hospital authorities, when it is paid to the veteran in a lump sum, giving him a nest egg with which he can take up his post-hospital life.

Should the veteran decide to go AWOL or leave against the advice of authorities, he must wait 6 months before being paid the lump sum. This should cause him to think twice before taking such inadvisable action, especially when he knows deductions will begin when he reenters the hospital.

Mr. Speaker, it is the hope of the veterans' legislative committee that this bill will have the beneficial results for which it was designed.

Mrs ROGERS of Massachusetts. Mr. Speaker, I wish to say that the 20-percent increase provided by this bill would simply mean that veterans of World Wars I and II will receive two increases due to the high cost of living, but it is only comparable with what we have done for all the Federal employees They have had their pay increased twice.

Let me say insofar as the first provision of the bill is concerned that I feel the veterans should receive their full compensation whether they be in the hospital a long time or a short time. I am hopeful that the Senate will include the provision of a bill I introduced which would give that to them. Other Members have introduced bills of a similar nature providing that while the veterans were hospitalized, and no matter how long they were hospitalized, they should receive their full compensation. I am speaking now of single men who are hospitalized. Men with dependents do receive their full compensation anyway.

Mr HENRY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr HENRY. Do I understand, then, that under section 2, on page 6, all of those who are directly receiving compensation whether service connected or not are to receive the 20-percent increase?

Mrs. ROGERS of Massachusetts. That is correct as it applies to World War I and II veterans. It does not apply to veterans of other wars. I think it should, however.

Section 1 of this bill as applied to single veterans provides that if they are hospitalized longer than 6 months the man's compensation shall be withheld for a while but given to him when he is discharged, this with the thought that the men would want to get out of the hospital sooner. My bill provides that they shall receive their pay all the time no matter how long they are in the hospitals and that would include the mental cases.

Mr. McDONOUGH. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I shall be pleased to yield to the gentleman who himself had a bill dealing with single men in hospitals.

Mr. McDONOUGH. The gentlewoman is a member of the committee handling this legislation?

Mrs. ROGERS of Massachusetts. Yes; as the gentleman knows, I am the ranking Republican member of the World War Veterans' Committee. I have served on this committee since coming to Congress in 1925.

Mr. McDONOUGH. And was the bill providing for suspension of retirement pay and pension during hospitalization for single men considered at the time this bill was reported out?

Mrs. ROGERS of Massachusetts. Yes; that is included in the bill but does not provide for full payment to the veteran while he is hospitalized

Mr. McDONOUGH. But it does provide for a period of suspension?

Mrs. ROGERS of Massachusetts. Yes, they receive full compensation for 6 months. After that it is withheld for them and they receive it when they are discharged This was in order that they not stay in the hospital longer than necessary They thought that by withholding it they might get them out more quickly, but I think it is not fair to withhold any money. I have had a bill before the committee which provides that no money shall be withheld from single men in hospitals I should like to state that General Bradley approved the measure that paid full compensation to single men without dependents. The committee amended it much to my regret. I have fought to have full compensation restored to the single veteran in hospitals without dependents ever since the Economy Act. I shall not rest until the veteran receives his compensation or retirement pay without any withholding. A man who can fight for us should not be treated like a child. He should be trusted with his own money.

Mr. McDONOUGH. Must they be in the hospital for 7 months before they qualify?

Mrs. ROGERS of Massachusetts. Oh, no. They get their full compensation for over 6 months, then final settlement at leaving.

Mr. McDONOUGH. But not until after 7 months?

Mrs. ROGERS of Massachusetts. For the 6 months they receive full compensation, then $30 a month until they leave; then the full amount due is given them, so they do not lose that money.

Mr. McDONOUGH. It is given them in a lump sum?

Mrs. ROGERS of Massachusetts. It is given in a lump sum; yes. I, of course, prefer the bill I have had before the committee for a long time.

Mr. McDONOUGH. The gentlewoman still favors the provisions of the bill that is now pending before the committee that the full amount of the pension and retirement pay be provided to the veteran?

Mrs. ROGERS of Massachusetts. Yes. There are several bills for that purpose before our committee. I think my bill is the most comprehensive. Without any withholding. No money should be taken away from them or withheld from them. It was very unjust ever to take it away or withhold it from them.

Mr. McDONOUGH. During all the time he is in the hospital or in a domiciliary-care institution?

Mrs. ROGERS of Massachusetts. I think it is only just, because the veteran has certain necessary expenses he must meet. I am very sure the Senate will amend the bill.

Mr. McDONOUGH. Without taking any more of the gentlewoman's time, I may say that I offered that in a discharge petition on the Clerk's desk asking that a similar bill come before the House for action.

Mrs. ROGERS of Massachusetts. Yes; I know that. I think my bill before the committee is broader.

Mr. CARLSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Kansas.

Mr. CARLSON. As I understand it, section 2 of H. R. 6811, provides a 20-percent increase in the pensions and compensations paid veterans of World Wars I and II and their dependents. This means that increases will be paid to those receiving benefits either through service-connected or non-service-connected cases. This legislation is timely and will partly compensate our veterans who are drawing these benefits and need the increase in view of the decreased purchasing power of the dollar. I want to compliment the gentlewoman from Massachusetts [Mrs. ROGERS] and the committee for bringing the bill before the House today, and want to urge its immediate approval.

Mrs. ROGERS of Massachusetts. They will receive a 20-percent increase just as the Federal employees received an increase.

The following is a description of H R. 6811 by the Veterans' Administration:

NONREDUCTION OF PAYMENTS DURING HOSPITALIZATION AND 20 PERCENT INCREASE IN PENSION FOR VETERANS AND THEIR DEPENDENTS OF WORLD WARS I AND II

Section 1 of H. R 6811. Under existing law any veteran having no dependents while being furnished hospital treatment, institutional, or domiciliary care by the Veterans' Administration is reduced in pension, compensation, or retirement pay from the date of admission to $20 per month and to $8 per month if in receipt of pension for non-service-connected permanent and total disability.

The bill provides that such veteran without dependents receiving treatment or care by the Veterans' Administration shall receive his full payments until the first day of the seventh calendar month after admission or enactment of the bill whichever is the latter. After that time if payment to which he is entitled amounts to $30 or more, it shall be reduced by 50 percent. Should the veteran be discharged with medical advice he will receive in a lump sum the total amount of which his payments were reduced. If treatment or care is terminated against medical advice the lump-sum payment will be deferred for 6 months and upon subsequent

readmission he will be reduced effective the date of readmission and upon subsequent discharge with medical advice he will receive the full amount in a lump sum. This is to discourage premature departures from hospitals

Provision is made for payment of any accrued lump sum a death of veteran to certain classes of relatives in the following order: widow or widower, children, father and mother, and brothers and sisters. If no such persons survive then so much of the lump sum as may be necessary may be paid to cover expenses of the veteran's last illness and burial

As to incompetent veterans, the payments are subject to the same provision as in the case of competent veterans: *Provided, however*, That if the veteran is subsequently found to be competent, the payment of any lump sum authorized shall not be made until the expiration of 6 months following a finding of competency in order that a reasonable period may follow in which certainty of competency can be determined. There is preserved a limitation existing in the present law to the effect that where the estate of such incompetent veteran derived from any source equals or exceeds $1,500, further payments will not be made until the estate is reduced to $500.

Other provisions of existing law relating to payment on behalf of incompetent veterans to the chief officer of the institution or to the veteran's guardian, or to a dependent on behalf of the veteran are carried forward in the bill.

Existing law providing for apportionment of payments due any hospitalized veteran on behalf of dependents is also reenacted in the bill.

It is the view of your committee that there is need for the liberalization of the present law to remove the hardships and inadequacies which appear to be prevalent in the majority of cases and section 1 of this bill is designed to provide this liberalization

Section 2 authorizes an increase by 20 percent of all monthly rates of compensation and pension payable to veterans of World Wars I and II and dependents of such veterans, such increase shall not apply to subsistence allowances payable under the Vocational Rehabilitation Act and the Servicemen's Readjustment Act of 1944, as amended.

In view of the current substantial rise in the cost of living and the general revision upward of wages and salaries by the Government and private employers, it is clear that the basic rates of pension and compensation are inadequate to meet this rise in the cost of living and to provide the minimum needs for the veterans and their dependents.

Mr. CARLSON. I thank the gentlewoman from Massachusetts

Mrs. ROGERS of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, the measure now before us was debated at length by the Committee on World War Veterans' Legislation and briefly it covers single men or men without dependents now drawing compensation and not confined to a veterans' hospital. In the event that they go to a hospital or to any home under the jurisdiction of the Veterans' Administration to be treated they will not, if this bill becomes law, have their compensation reduced while they are in the hospital or the home.

Under the Economy Act that went through in about 1933, as I understand it, this amount was reduced to not to exceed $8 per month for every disabled veteran while he is in the hospital, provided he has no dependents. The bill now before us will restore what was taken away in the Economy Act and put him back where he was.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It was $20 a month for service-connected cases and $8 a month for non-service-connected cases.

Mr. CUNNINGHAM. Twenty dollars a month for service-connected and $8 a month for non-service-connected.

This bill further provides that in the event he is in the hospital for a period of more than 7 months and the compensation that he is entitled to does not exceed $30 per month, then there is no reduction, but if the amount of compensation he has been drawing exceeds $30 per month, then there is a reduction of 50 percent of the amount in excess of $30 per month. However, this is not taken away from the veteran but is merely withheld until such time as he is ready to be discharged from the hospital when it will be turned over to him in one sum.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr CUNNINGHAM. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. May I say that I am glad to see this bill reported to the House. It so happens that when the Economy Act went into effect, as the gentleman has described, it created such a situation of havoc and distress at a town I was living in at the time, in which a veterans' hospital was located, that the State American Legion had to raise a fund, which I was asked to administer, for hospitalized veterans who were left without any resources to take care of their families at that time.

Mr. CUNNINGHAM. None of us could understand at the time of the Economy Act why the disabled men who had served their country so well were the ones affected by the act. This is simply undoing the wrong that was done at that time.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Will the gentleman give the House some reason why we should withhold the 50 percent until after a man has been in the hospital for 7 months?

Mr. CUNNINGHAM. I will endeavor to answer that question. Frankly, I am one member of the committee who did not wholeheartedly agree with that provision; yet I can see some merit in it. The testimony before the committee was to the effect that there are veterans who stay in the hospital year in and year out, who make it a permanent place of abode. They draw this compensation and there would be further inducement for them to continue there. There has been evidence that some of them spend their winters in Florida and summers in the Northern States, transfer from one hospital to another. This bill provides that if they are in there a certain period of time, then there is a reduction in the amount that is paid to them each month, but it is not taken away from them permanently.

That is, it is held in a reserve fund and paid to them when they are discharged from the hospital. The purpose of it is to encourage the men to take advantage of the treatment offered them so they will get recovery and vacate the bed and make room for another veteran who may need it. That is the best answer I can give to the gentleman.

Mr. ZIMMERMAN. Does the gentleman mean it would encourage a man to stay there because the Government has inaugurated a saving plan so that he will have a nice sum when he gets out?

Mr. CUNNINGHAM. Of course, the testimony before the committee was just contrary to what the gentleman says, although I can see some point to what he advances also

Mr. McDONOUGH. Mr Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from California.

Mr. McDONOUGH. Is not the determination of the length of time that a veteran stays in the hospital up to the medical authorities of that institution, and does not the bill penalize the man who, because he is injured, has to stay in the hospital? It penalizes him by holding back this money.

Mr. CUNNINGHAM. I do not see that the holding back is any penalty at all, because the money is not taken away from him He gets it when he is discharged. But it is an inducement to help himself to get out of the hospital, that is all.

Mr. McDONOUGH. Is it not also an inducement to him to get out of the hospital before he should, according to medical advice?

Mr. CUNNINGHAM. I think the gentleman will find that situation taken care of in the bill.

Mr. McDONOUGH. If the veteran has obligations exceeding $30 a month by reason of some contract or some other financial obligation, is he not penalized because of that?

Mr CUNNINGHAM. I would not say so. It is much better than he is getting now, anyhow.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I understood the gentleman to say that the veteran's compensation was cut 50 percent. It is cut to $30 a month instead of 50 percent. The remainder of the compensation is withheld after 6 months. I feel very strongly that the whole amount of compensation should be paid, because the veterans have continuing expenses and the veteran should have the use of his money. I hope the Senate will amend it, and I believe that they will. It is just a matter of equity to me. We did not assume guardianship over the veterans while in the service. We should not now. The cut then should have been made and the full payment should be restored to the veterans.

INCREASE TAXES TO PAY ON NATIONAL DEBT AFTER BUDGET BALANCED

Mr. PETERSON of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I am very much in favor of this bill. It is certainly not too much for a grateful nation to do for its defenders in time of war. But I want to invite your attention to the fact that it would be awfully bad if we were to allow these additional benefits and then not be able to pay them; in other words, if we are forced to have another economy act to drastically reduce Government expenses like we did in 1933.

There are two ways in which we can give security and can afford security for these veterans, and that is, first, by having a balanced Budget, and next, by preventing inflation so the dollars paid to them will be of fair value. Those two things are absolutely necessary in order to give these veterans security in their compensation or any benefits that they might receive.

WAYS AND MEANS REQUESTED TO GIVE HEARING

I am strong for a balanced Budget and I want to respectfully invite the attention of the Committee on Ways and Means to the fact that we are going to have a lot of big profits made in the next few months and maybe the next few years, and why would it not be a good time for the committee to meet and bring out to the floor of the House a bill that would provide for increased taxes. I know it is unpopular to advocate increased taxes, but I am advocating it. I am advocating that the Committee on Ways and Means bring out a bill that will provide taxes, set aside in a special fund after the Budget is balanced, to pay on our national debt. Why should we not pay our national debt when we are able to pay it and when we have the ability to pay it? That is the only way that we can be assured of a balanced Budget.

The National Association of Manufacturers has been advocating 1941 profits, and I call the attention of the Committee on Ways and Means to the fact that if they are satisfied with the 1941 profits, why not have a tax bill that will take a large part of the profits above 1941 for the present and use those profits to pay on the public debt, which will help the members of the National Association of Manufacturers as well as the veterans and others. So, the Committee on Ways and Means should bring out a tax bill.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 194]

Adams	Ellsworth	Norrell
Allen, Ill.	Engle, Calif.	Norton
Anderson, Calif.	Fuller	Pace
Andresen, August H.	Gardner	Patrick
Andrews, N. Y.	Gibson	Patterson
Baldwin, Md.	Gifford	Peterson, Ga.
Baldwin, N. Y.	Gillespie	Pfeifer
Barry	Gossett	Ploeser
Bates, Mass.	Granger	Plumley
Bell	Grant, Ala.	Powell
Bland	Hagen	Rains
Bonner	Hancock	Rankin
Boren	Harness, Ind.	Rayfiel
Boykin	Harris	Reece, Tenn.
Bradley, Mich.	Hébert	Robinson, Utah
Bradley, Pa.	Hoffman, Mich.	Rodgers, Pa.
Bulwinkle	Holifield	Roe, N. Y.
Bunker	Hope	Rogers, N. Y.
Byrne, N. Y.	Horan	Rooney
Camp	Izac	Russell
Celler	Jarman	Shafer
Chenoweth	Johnson, Okla.	Sheridan
Clevenger	Kearney	Sikes
Clippinger	Kefauver	Slaughter
Cochran	Kelley, Pa.	Stewart
Coffee	Kilburn	Stigler
Cole, Kans.	King	Sumner, Ill.
Colmer	LeCompte	Tarver
Courtney	Luce	Taylor
Cox	Ludlow	Thomas, N. J.
Crawford	McGehee	Tolan
Curley	McKenzie	Torrens
Curtis	Mahon	Vinson
Daughton, Va.	Mankin	Wadsworth
Dawson	Mansfield, Mont.	Welch
De Lacy	Mansfield, Tex.	West
Dondero	May	Wickersham
Drewry	Miller, Calif.	Winstead
Earthman	Morrison	Wolfenden, Pa.
Eberharter		Wood
		Worley

The SPEAKER. On this roll call, 307 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include an article appearing in the New York Times of July 2.

Mr. KEEFE asked and was given permission to extend his remarks in the RECORD and include a table that he prepared.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first individual bill on the Private Calendar.

BEN W. SCHUBERT

The Clerk called the bill (H. R. 4576) for the relief of Ben W. Schubert.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. McGREGOR objected; and, under the rule, the bill was recommitted to the Committee on Claims.

MRS AMELIA SHIDZEE NAGAMINE TONEMAN

The Clerk called the bill (H. R. 6403) for the relief of Mrs. Amelia Shidzee Nagamine Toneman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws or the laws of the United States relating to the issuance of immigration visas for admissions to the United States and relating to admissions at ports of entry of aliens as immigrants, for permanent residence in the United States, the provision of section 13 (c) of the Immigration Act of 1924 (54 Stat. 162), as amended (U. S. C. A., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter be held to apply to Mrs. Amelia Shidzee Nagamine Toneman, who is the wife of Paul A. Toneman, Sr., a citizen of the United States and a veteran of World War II, and the said Mrs. Amelia Shidzee Nagamine Toneman, if otherwise admissible under the immigration laws, may be granted admission to the United States upon application hereafter filed without presenting immigration visas or other travel documents.

SEC. 2 Notwithstanding the provisions of section 303 of the Nationality Act of 1940 (54 Stat. 1140), as amended, the said Mrs. Amelia Shidzee Nagamine Toneman may become naturalized upon compliance with all other applicable requirements of the naturalization laws

With the following committtee amendment:

Strike out all after the enactment clause and insert "That notwithstanding the provisions of law, excluding persons of races ineligible to citizenship from admission to the United States, Mrs. Amelia Shidzee Nagamine Toneman, who is the wife of Paul A. Toneman, an honorably discharged United States citizen soldier who served honorably in the armed forces of the United States, may be admitted to the United States for permanent residence upon meeting the requirements of Public Law 271, approved December 28, 1945, the so-called Soldier Brides' Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLEVELAND COUNTY, OKLA.

The Clerk called the bill (S. 438) authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That B. H. Goodin, his heirs or assigns, may maintain a suit to partition the northeast quarter of section 33, township 9 north, range 1 east, Indian meridian, in Cleveland County, Okla., against any restricted Indian who is a part owner of said lands in the United States District Court for the western district of Oklahoma in accordance with the law governing partitions in the State of Oklahoma. The United States shall be made a party to such action, and jurisdiction is hereby conferred upon such court to hear and determine such cause, and service may be had on the United States by serving one copy of the petition or bill in equity on the United States attorney for the western district of Oklahoma not less than 41 days before said cause is set for trial, and any conveyance ordered made by said court, in such proceedings, shall operate to remove all restrictions on the lands conveyed to the grantee therein, except where such grantee is a restricted Indian.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAYNE C. PROPER

The Clerk called the bill (S. 593) for the relief of Warrant Officer Wayne C. Proper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Warrant Officer (jg) Wayne C Proper, personnel adjutant, Eighteen Hundred and Eighty-first Engineer Aviation Battalion, United States Army, is relieved of all liability to pay to the United States the sum of $4,998.33 Such sum represents personal funds of Army personnel deposited with him at Port Moresby, New Guinea, for transmission to payees in the United States, and stolen while in his custody on the night of November 15–16, 1943 The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, an amount equal to the aggregate of any amounts which have been paid by the said Wayne C Proper, or which have been withheld from amounts otherwise due him, in partial satisfaction of the claim of the United States arising by reason of such theft

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK SABLE

The Clerk called the bill (H R. 1957) for the relief of Frank Sable

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Frank Sable, of route 2, Dillonvale, Ohio, the sum of $320 65, in full settlement of all claims against the United States for medical and hospital expenses paid by Frank Sable on account of the illness of his son, Corp Frank Sable, Jr., while he was on furlough, visiting his parents: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "to", strike out down to and including the word "parents" on line 10 and insert "the Ohio Valley General Hospital, of Wheeling, W. Va., the sum of $202 15, to the Wheeling Clinic, of Wheeling, W Va , the sum of $100, to Rosetta Snyder, of Wheeling, W. Va , the sum of $5; to Virginia Barron, of Wheeling, W Va , the sum of $5; to Dr. Paul H. Cope, of Mount Pleasant, Ohio, the sum of $6; and to Dr. J. E. Ricketts, of Dillonvale, Ohio, the sum of $2.50. The payment of such sums shall be in full settlement of all claims of said institutions and persons for professional services rendered to Corp Frank Sable, Jr., now deceased, during the period from May 6, 1941, to May 24, 1941, inclusive."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J. E. Ricketts."

A motion to reconsider was laid on the table.

RALEIGH B. DIAMOND

The Clerk called the bill (H. R. 2132) for the relief of Raleigh B. Diamond.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

J. B. SHROPSHIRE ET AL

The Clerk called the bill (H. R. 2319) for the relief of J. B. Shropshire, Firemens Insurance Co. of Newark, N. J., and Pacific Employers Insurance Co., of San Francisco, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J B Shropshire, of Lindsay, Calif , the sum of $16,042 43; to Firemens Insurance Co., of Newark, N J , the sum of $2,341 08, and to Pacific Employers Insurance Co., of San Francisco, Calif , the sum of $2,544 The payment of such sums shall be in full settlement of all claims of J B Shropshire for personal injuries, expenses, and property damages, sustained by him, and certain expenses incurred by Firemens Insurance Co , of Newark, N J , and Pacific Employers Insurance Co , of San Francisco, Calif , as the result of a collision between the tractor and trailer, owned and operated by the said J B Shropshire, and a United States Army truck, approximately three-quarters of a mile south of the city of Fresno, Calif , on, Highway 99, on January 23, 1943

With the following committee amendment:

Page 1, line 6, after the words "sum of", strike out the remainder of the bill and insert "$2,941 63 in full settlement of all claims against the United States for property damage and personal injuries sustained and for medical and hospital expenses and loss of earnings incurred, as a result of a collision between a tractor and trailer owned by him and an Army truck on United States Highway No 99, near Fresno, Calif , on January 23, 1943 "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of J. B. Shropshire."

A motion to reconsider was laid on the table.

A. C. McMEANS

The Clerk called the bill (H. R. 3145) for the relief of A. C. McMeans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,075, to A. C. McMeans, of Bastrop, La., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses, and property damage, sustained as the result of a collision between the automobile in which he was riding and a United States Army vehicle in Monroe, La., on April 23, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike "$2,075" and insert "$1,075."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WARREN H. THOMPSON AND MADELINE PARENT

The Clerk called the bill (H. R. 3857) for the relief of Warren H. Thompson and Madeline Parent.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Warren H Thompson, San Diego, Calif., the sum of $5,000, and to Madeline Parent, San Diego, Calif , the sum of $5,000 The payment of such sums shall be in full settlement of all claims against the United States on account of personal injuries sustained by the said Warren H Thompson and Madeline Parent on November 17, 1944, when the automobile which the said Warren H Thompson was driving and in which the said Madeline Parent was a passenger was involved in a collision with a United States Army truck on the highway from Carlsbad, Calif., to San Diego, Calif : *Provided*, That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claims settled by the payment of such sums and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$1,200 "

Page 1, line 7, strike out "$5,000" and insert "$1,000."

Mr. SPRINGER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER to the committee amendments:

Page 1, line 6, strike out "$1,200" and insert "$1,000."

Page 1, line 7, strike out "$1,000" and insert "$800."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY JANE SHERMAN

The Clerk called the bill (H. R. 4265) for the relief of Mary Jane Sherman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to

pay, out of any money in the Treasury not otherwise appropriated to Mary Jane Sherman, of Northbrook, Ill., the sum of $35,000. Payment of such sum shall be in full settlement of all claims of the said Mary Jane Sherman against the United States for personal injuries, medical, and hospital expenses sustained as a result of a collision on May 18, 1943, involving the automobile she was driving, a tractor and trailer owned by the Kool-Rite Sales Co., Chicago, Ill., and a United States Army truck, at the intersection of Waukegan Road and Shermer Ave., Northbrook, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

With the following committee amendment:

Page 1, line 6, strike out "$35,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

L. O. GILLIAM

The Clerk called the bill (H. R. 4415) for the relief of L. O. Gilliam.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of the United States against L. O. Gilliam, of route 1, Hartford, Sebastian County, Ark., the father of Eugene T. Gilliam, Army serial number 37061335, of the Army of the United States, in the sum of $620 be, and the same is hereby, canceled, said claim having occurred and accumulated as follows: That under date of February 3, 1942, the Finance Office of the United States Army on A. F. O. Form 28 advised the said L. O. Gilliam that he had been allotted $20 per month as the father of the above-mentioned soldier and that said allotment was to be paid over a period of 17 months; thereafter on the seventh day of September 1942, the Finance Office of the United States Army on A. F. O. Form 111A advised the said L. O. Gilliam that the allotment referred to had been discontinued effective August 31, 1942, that payments of said allotment were suspended until several months thereafter when the said L. O. Gilliam again commenced to receive monthly allotment checks in the sum of $20 each and until said allotment checks paid under the resumed schedule had totaled the amount above set forth and said amount having been received without further notice or explanation to the said L. O. Gilliam and same having been accepted by him in good faith and in the honest belief that the remittances were authorized and that he was entitled to receive the same; and it now being claimed by the United States that remittances totaling the amount above paid were made through error on its part.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Comptroller General of the United States is hereby authorized and directed to cancel the claim of $620 of the United States against L. O. Gilliam, of Mustington, Ark., father of Eugene T. Gilliam, Army serial number 37061335, such sum being the allotment of Eugene T. Gilliam to his father, and that L. O. Gilliam be relieved of his obligation to reimburse the United States for this amount."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

QUALITY ELECTRIC CO., LTD.

The Clerk called the bill (H. R. 4592) for the relief of the Quality Electric Co., Ltd.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MRS. GEORGIA LANSER AND ENSIGN JOSEPH LANSER

The Clerk called the bill (H. R. 4660) for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Mrs. Georgia Lanser; and to pay the sum of $2,500 to Ensign Joseph Lanser, both of Elkhorn, Wis., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses, and loss of services sustained as the result of an accident involving a United States Navy bus en route from Hertford, N. C., to the naval auxiliary air station at Harvey Point, N. C., on August 26, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000,

With the following committee amendments:

Page 1, line 5, strike out "$10,000" and insert "$7,500."

Line 6, strike out "$2,500" and insert "$500."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. OPAL RILEY AND ROBERT R. RILEY

The Clerk called the bill (H. R. 5025) for the relief of Mrs. Opal Riley and Robert R. Riley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Opal Riley, Kansas City, Mo., the sum of $10,000, and to Robert R. Riley, Kansas City, Mo., the sum of $1,000. The payment of such sum of $10,000 shall be in full settlement of all claims of the said Mrs. Opal Riley against the United States on account of personal injuries and property damage sustained by her on March 25, 1945, when her automobile which she was driving was in collision with a United States Navy station wagon at the intersection of Kansas State Highways Numbered 7 and 10, in Johnson County, Kansas. The payment of such sum of $1,000 shall be in full settlement of all claims of the said Robert R. Riley against the United States for property damage and personal injuries as the result of such collision: *Provided*, That no part of either of the sums appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$10,000" and insert "$5,578.24."

Line 7, strike out "$1,000" and insert "$299."

Line 8, strike out $10,000" and insert "$5,578.24."

Page 2, line 5, strike out "$1,000" and insert "$299."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIXIE MARGARINE CO.

The Clerk called the bill (H. R. 5279) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PEARSON REMEDY CO.

The Clerk called the bill (H. R. 5304) for the relief of Pearson Remedy Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of Pearson Remedy Co., Burlington, N. C., for drawback pursuant to section 3250 (1) of the Internal Revenue Code, of tax with respect to distilled spirits used in the manufacture or production of nonbeverage products during the quarter beginning October 1, 1944, and ending December 31, 1944, filed with the Commissioner of Internal Revenue during the month of April 1945, is authorized to be considered and acted upon as if it had been filed within the period of limitations properly applicable thereto. The general manager and secretary and treasurer of the said Pearson Remedy Co., C. M. Houser, was unable on account of illness to file such claim on or before March 31, 1945, the date of the expiration of the period of limitations.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. CANNON

The Clerk called the bill (H. R. 5722) for the relief of Charles L. Cannon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles L. Cannon, of Custer, S. Dak., the sum of $2,514.33. The payment of such sum shall be in full settlement of the claim of said Charles L. Cannon against the United States for personal injuries and loss of earning power as a result of a collision on June 30, 1945, in Custer County, S. Dak., between his vehicle and a vehicle of the Bureau of Entomology and Plant Quarantine, United States Department of Agriculture. *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$2,514.33" and insert "$2,510.33."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY C. LAMMERS

The Clerk called the bill (H. R. 5128) to provide for the conveyance of certain real property to G. D. Lammers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized and directed to donate and convey to G. D. Lammers, of Spokane, Wash., all right, title, and interest of the United States in certain land situated in the county of Benewah, State of Idaho, known and described as follows: The south half of the northeast quarter of the northwest quarter of the southeast quarter, and the northeast quarter of the northeast quarter of the northwest quarter of the southeast quarter; and the northwest quarter of the southeast quarter of the northwest quarter of the southeast quarter, all in section 6, township 43, range 2 north, West Boise meridian.

The said land was formerly owned by the said G. D. Lammers, and was conveyed by him to the United States in May 1935 for use for a Civilian Conservation Corps camp.

With the following committee amendments:

Page 1, line 4, strike out "G. D." and insert "Roy C."

Page 2, line 6, strike out "G. D." and insert "Roy C."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the transfer of certain real property to Roy C. Lammers."

A motion to reconsider was laid on the table.

CAMP COOKE MILITARY RESERVATION, CALIF.

The Clerk called the bill (H. R. 3963) to authorize the Secretary of War to sell and convey to the Southern Pacific Railroad Co. a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to sell and convey to the Southern Pacific Railroad Co., a corporation, its successors and assigns, on terms and conditions to be fixed and prescribed by the Secretary of War, a right-of-way and easement for railroad purposes across that portion of the Camp Cooke Military Reservation in the State of California occupied by said company, and more particularly described as follows, to wit:

A piece or parcel of land situate, lying, and being in the county of Santa Barbara, State of California, described as follows:

Beginning at the most southerly corner of the parcel of land described in the deed dated February 7, 1912, from Hans Christian Hansen and Anne E. Hansen, his wife, to Southern Pacific Railroad Co., recorded February 17, 1913, in book 137 of deeds, page 410, records of Santa Barbara County, said point is south seventy degrees forty-six minutes eleven seconds east, measured radially, one hundred and seventy feet from the originally located center line of the main track of the Southern Pacific Railroad Co. at engineer's station 12111+60.3; thence south twelve degrees nine minutes thirteen seconds west one thousand and ninety-four and three one-hundredths feet to a point that is three hundred and seventy-five feet southeasterly, at right angles, from said originally located center line of main track, one thousand two hundred and ninety and no-tenths feet; thence south thirty-three degrees thirty-five minutes fifteen seconds west, parallel with and three hundred and seventy-five feet southeasterly, at right angles, from said originally located center line of main track, one thousand two hundred and ninety and no-tenths feet; thence south thirty-three degrees thirty-six minutes forty-six seconds west one thousand eight hundred and sixty-six and ninety-one one-hundredths feet to a point in the easterly line of the right-of-way of the Southern Pacific Railroad Co., said point is fifty feet southeasterly, at right angles, from the said originally located center line of main track at engineer's station 12153+48.4; thence north twenty-three degrees thirty-five minutes fifteen seconds east, along said easterly line of right-of-way, parallel with said originally located center line of main track, three thousand eight hundred and twenty-two and six-tenths feet to a point that is fifty feet southeasterly, at right angles, from the said originally located center line of main track at engineer's station 12115+25.6; thence northerly, concentric with and fifty feet easterly, measured radially, from said originally located center line of main track, on a compound curve to the left, tangent to said curve at last-mentioned point is the last-described course, having the following radii, central angles, and arc lengths:

Radii	*Central angles*	*Arc lengths*
22,963.32 feet	0°04'30"	30.07 feet
11,509.17 feet	0°09'00"	30.13 feet
7,669.45 feet	0°13'30"	30.20 feet
5,779.60 feet	0°18'00"	30.26 feet
4,633.89 feet	0°22'30"	30.33 feet
3,869.75 feet	3°13'56"	218.30 feet

to a point in the southerly line of the said parcel of land described in said deed dated February 7, 1912, said point is fifty feet easterly, measured radially, from said originally located center line of main track at engineer's station 12111+60.3; thence south seventy degrees forty-six minutes eleven seconds east, along said southerly line of the parcel of land described in said deed dated February 7, 1912, a distance of one hundred and twenty and no-tenths feet to the point of beginning, containing an area of twenty-one and eighty-three one-hundredths acres, more or less.

With the following committee amendments:

Page 2, line 1, after "California", insert "presently."

Line 1, after "said", strike out "company, and more particularly described as follows, to wit:" and insert "company."

Page 2, beginning in line 3, strike out the remainder of the bill.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIAN ANTOINETTE McCLOUD

The Clerk called the bill (H. R. 5178) for the relief of Marian Antoinette McCloud.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of law excluding persons of races ineligible to citizenship from admission to the United States, Mrs. Marian Antoinette McCloud who is the wife of Gordon McCloud, a United States citizen soldier who served honorably in the armed forces of the United States, may be admitted to the United States for permanent residence upon meeting the requirements of Public Law No. 271, approved December 28, 1945, the so-called Soldier Brides' Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANN MAUREEN BELL

The Clerk called the bill (H. R. 5391) for the relief of Ann Maureen Bell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, Ann Maureen Bell shall not be subject to sections 3 and 19 of the Immigration Act of February 5, 1917, as amended (39 Stat. 878, 886; 8 U. S. C. 136, 155), insofar as both provisions may be applicable to her two convictions in Australia for the theft of personal property.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIMITRIOS KARAMOUZIS

The Clerk called the bill (H. R. 5527) for the relief of Dimitrios Karamouzis (known as James C. Karamouzis or James C. Kar).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Dimitrios Karamouzis (known as James C. Karamouzis or James C. Kar), of Gallup, N. Mex., who served honorably in the armed forces of the United States in time of war and has resided in the United States of America since 1926, shall be held and considered to have been lawfully admitted to

the United States for permanent residence on the date in October 1926, that he entered the United States at Calexico, Calif.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued with respect to the said Dimitrios Karamouzis.

SEC 3. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the non-preference category of the first available Greek immigration quota.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLIVE IRENE MILLOGLAV

The Clerk called the bill (H R 6694) for the relief of Olive Irene Milloglav.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That in the administration of the immigration laws relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admission at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat 875), as amended (U S C., title 8, sec 136 (e)), which exclude from admission into the United States persons who have been convicted of or admit having committed a felony, or other crime or misdemeanor involving moral turpitude, shall not hereafter be held to apply to Olive Irene Milloglav, who is the wife of George E Milloglav, an American citizen and veteran of World War II, on account of an offense alleged to have been committed abroad while she was about 18 years of age during her legal infancy and prior to her marriage in Australia to George E Milloglav If she is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Olive Irene Milloglav under this act upon application hereafter filed

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BVT FIRST LT MARGARET UTINSKY

The Clerk called the bill (H. R. 6213) for the relief of Bvt. First Lt. Margaret Utinsky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Brevet First Lt. Margaret Utinsky, of Washington, D C., the sum of $9,820, in full settlement of all claims against the United States for money, goods, and supplies furnished and delivered by said Brevet First Lt Margaret Utinsky to the armed forces of the United States in the Philippine Islands between December 7, 1941, and August 14, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney or account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JESUS GONZALES

The Clerk called the bill (S. 1988) to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, N. Mex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc, That, in recognition of the following facts· (1) That Jesus Gonzales, of Rodarte, N Mex. (now deceased), and his predecessors in interest had by occupancy and use for agricultural purposes during a period of approximately 40 years established an equitable interest in certain lands comprising a portion of the Santa Barbara grant prior to the acquisition of said grant by the United States through an exchange consummated under the provisions of the act of January 12, 1925 (43 Stat. 739), whereby said grant became a part of the Carson National Forest, said Jesus Gonzales subsequently continuing such occupancy and use until the time of his demise, (2) that the said area thus occupied and cultivated by the said Jesus Gonzales has been specifically delineated by a survey executed on July 12, 1945, by H C. Langston, truck-trail locator, of the Forest Service, United States Department of Agriculture, whose field notes and plat of said survey have been accepted and filed by said Department and show the area occupied and cultivated by said Jesus Gonzales to be 8 2 acres, and (3) that the said Forest Service has found and stated that the equities of the said Jesus Gonzales are such as to warrant recognition of his lawful heirs as the true and full owners of the said described 8 2 acres of land, the Secretary of the Interior be, and he hereby is, authorized and directed on behalf of the United States to execute a quitclaim deed conveying to the lawful heirs of the said Jesus Gonzales, their successors or assigns, all right, title, and interest which the United States now holds in the said described lands

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUSKEGON TRUST CO

The Clerk called the bill (H. R. 1860) to authorize the Secretary of the Interior to issue a duplicate of Porterfield scrip certificate numbered 53 to the Muskegon Trust Co., Muskegon, Mich., as trustee of the John Torrent trust.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Interior is authorized to issue to the Muskegon Trust Co., Muskegon, Mich., as trustee of the John Torrent trust, a duplicate of Porterfield scrip certificate numbered 53, originally issued for 40 acres of public land pursuant to the act of Congress approved April 11, 1860, located to the extent of 4.25 acres by John Torrent on December 28, 1895, and returned to John Torrent certified as to its unused portion of 35.75 acres on August 21, 1903, upon satisfactory proof of ownership and loss of same, and the execution of a bond, with good and sufficient securities, in double the market value of the certificate so to be issued, to be approved by the Secretary of the Interior, conditioned to indemnify the United States against the presentation by an innocent holder of the alleged lost certificate. Such duplicate shall have all the legal force and effect of the original.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES MARVIN SMITH

The Clerk called the bill (H. R. 4492) for the relief of Charles Marvin Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Marvin Smith, Greenwood, S. C., the sum of $5,000 at the rate of $50 per month for 100 months. The payment of such sum shall be in full settlement of all claims of the said Charles Marvin Smith against the United States for personal injuries sustained on December 15, 1941, while engaged in filling an excavation for a tunnel at the United States Penitentiary, Atlanta, Ga. The said Charles Marvin Smith is permanently disabled as the result of such accident: *Provided*, That upon the death of Charles Marvin Smith the unpaid sum, if any, shall be paid to his estate. *Provided further*, That no part of the amount appropriated in this act in excess of 5 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000 at the rate of $50 per month for one hundred months" and insert "$3,000 "

Mr McGREGOR. Mr Speaker, I offer an amendment to the committee amendment

The Clerk as follows.

Amendment offered by Mr McGREGOR to the committee amendment. Page 1, line 7, strike out the sum "$3,000" and insert "$2,500 "

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. S BURLESON

The Clerk called the bill (S. 437) for the relief of W S. Burleson.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HAROLD H. RHODES

The Clerk called the bill (S. 661) for the relief of Harold H. Rhodes.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PATUXENT DEVELOPMENT CO., INC.

The Clerk called the bill (S. 884) conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon any claims of the Patuxent Development Co., Inc., of Southern Pines, N C., against the United States arising out of the use and occupancy of the Pine Needles Hotel property, at Southern Pines, N C., by the Army Air Forces Technical Training Command under contract numbered W2203 eng-16862, dated March 3, 1942 In the determination of such claims, the said company shall, notwithstanding any provision of any contract, release, or other agreement, be deemed to be entitled to receive fair and just compensation from the United States for the use and occupancy of such property, including fair and just compensation for expenses incurred by the said company, and for damage done to such property, by reason of its use and occupancy by the United States all between and including August 17 and August 31, 1943.

SEC 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations Proceedings for the determination of such claims, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in the cases over which such court has jurisdiction under the provisions of paragraph twentieth of section 24 of the Judicial Code, as amended.

With the following committee amendment:

Page 2, line 11, after the word "States", strike out "all between and including August 17, 1943, and August 31, 1943 "

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF SYBEL SPENCE

The Clerk called the bill (S. 933) for the relief of the estate of Sybel Spence.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Sybel Spence, the sum of $5,000, in full satisfaction of the claim of such estate for compensation for the death of the said Sybel Spence as a result of personal injuries sustained by her when she was struck by a United States mail truck in Seattle, Wash., on October 7, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. SIMPSON AND JOHN R ROGERS, SR.

The Clerk called the bill (S. 1051) for the relief of William J. Simpson and John R. Rogers, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Simpson, of Milford, Del, the sum of $5,424, and to John R. Rogers, Sr., of Frederica, Del., the sum of $8,285.47, in full satisfaction of their claims against the United States for compensation for personal injuries sustained by them, and for reimbursement o medical, hospital, and other expenses incurred by them, as a result of an accident which occurred when the automobile in which they were riding collided with a United States Army vehicle, on the Ocean Highway between Rehoboth Beach and Indian River Inlet, Del., on November 11, 1942. *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIOLET LUDOKIEWICH

The Clerk called the bill (S. 1061) for the relief of Violet Ludokiewich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Violet Ludokiewich, of Fairfield, Conn., the sum of $3,697, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred when a Coast Guard truck in which she was riding collided with a trolley car at Orange Avenue and Admiral Street, West Haven, Conn., on October 20, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AERONAUTICAL TRAINING CENTER, INC.

The Clerk called the bill (S. 1132) for the relief of Aeronautical Training Center, Inc.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

JOHN LEBERMAN

The Clerk called the bill (S. 1150) for the relief of John Leberman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Leberman, of Lawton, Okla., the sum of $7,500, in full satisfaction of his claim against the United States for compensation for a certain building built by him and used as a meat market on the Fort Sill Military Reservation, Okla, which was acquired by the United States Army on April 1, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and the motion to reconsider was laid on the table.

FREDERIC P. L. MILLS

The Clerk called the bill (S. 1314) for the relief of Frederic P. L Mills

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frederic P. L. Mills, of Deerfield, Mass., the sum of $49 92, in full satisfaction of his claim against the United States for compensation for property damage caused by unidentified soldiers of the First Army breaking into his house in Pepperell, Mass., during the evening of September 2, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOFTS & SON

The Clerk called the bill (S. 1517) for the relief of Lofts & Son.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lofts & Son, a partnership consisting of A. C. Lofts, Clara Lofts, and Arthur C. Lofts, Jr., of Hood River, Oreg., the sum of $1,000, in full satisfaction of its claim against the United States for compensation for damages resulting from the relocation and reconstruction, in connection with the construction of the Bonneville Dam, of a portion of the Hood River-White Salmon Highway over and across certain premises near Hood River, Oreg., then in the legal possession of Lofts & Son, such relocation and reconstruction having made necessary the removal of certain structures, materials, and equipment of Lofts & Son from such prem-

ises, having caused delays and shut-downs in the operation of the business of Lofts & Son, and having prevented the use by Lofts & Son of a direct and convenient means of entering and leaving such premises: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GWYNN C TRIPLETT

The Clerk called the bill (S 1569) for the relief of Gwynn C. Triplett, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, That notwithstanding the provisions of the Classification Act of 1923, as amended, the sum of $1,253 70 shall be credited to the disbursing officers holding the account of Gwynn C Triplett, for compensation received by the said Triplett, as quarters allowances while serving as fire chief in the Puget Sound Navy Yard from May 1, 1942, to February 15, 1944, as follows: $549 78 to be credited to the pay account of Commander T J Bright, Supply Corps, United States Navy (retired), symbol 56608, for the period of May 1, 1942, through January 31, 1943, $259 28 to be credited to the pay account of Lt (jg) B S Wells, Supply Corps, United States Naval Reserve, symbol 51514, for the period of February 1, 1943, through June 15, 1943, and $444 64 to be credited to the pay account of Lt (jg) B S. Wells, Supply Corps, United States Naval Reserve, symbol 553, for the period of June 16, 1943, through February 15, 1944, and that the said Triplett shall be relieved of any liability to the United States Government for the sum of $1,253 70 for quarters allowance paid to him from May 1, 1942, to February 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF MRS SUFRONIA ANDRUS

The Clerk called the bill (S. 1683) for the relief of the estate of Mrs. Sufronia Andrus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mrs. Sufronia Andrus, deceased, of New Orleans, La., the sum of $5,000, in full settlement of all claims against the United States on account of the death of the said Mrs. Sufronia Andrus, who was killed on July 10, 1945, when struck by a United States Navy vehicle on Tulane Avenue and South Lopez Street, New Orleans, La.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVOR E NICHOLAS

The Clerk called the bill (S. 1748) for the relief of Ivor E. Nicholas.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FREDERICK UHRMANN

The Clerk called the bill (S. 1773) for the relief of Frederick Uhrmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frederick Uhrmann, of Norwood, Mass., the sum of $1,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him, as a result of an accident which occurred when the automobile which he was driving was struck by a United States Army vehicle, on Dollar Lane, Milton, Mass., on August 14, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF ARLIS EARL TEEKELL

The Clerk called the bill (S. 1852) for the relief of the legal guardian of Arlis Earl Teekell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Arlis Earl Teekell, a minor, of Hineston, La., the sum of $3,000, in full satisfaction of all claims against the United States for compensation for personal injuries sustained on February 19, 1944, by the said Arlis Earl Teekell, and the subsequent aggravation of such injuries which led to the loss of his left eye, as a result of the explosion of a .30 caliber blank cartridge which had come into his possession through the negligence of United States military personnel who, while engaged in training maneuvers, left a quantity of such cartridges on a public road in the vicinity of the home of the said Arlis Earl Teekell: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIG GEN. CARL H. SEALS

The Clerk called the bill (S. 1912) for the relief of Brig. Gen. Carl H. Seals.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Brig. Gen. Carl H. Seals, of Laurel, Md., the sum of $1,550 47, in full satisfaction of his claim against the United States for the difference between (1) the amount he was actually allowed as compensation for the value of the personal property which he lost as a result of the invasion of the Philippine Islands by the Japanese in December 1941, and (2) the amount which the War Department has now determined should have been allowed to the said Brig. Gen. Carl H Seals as compensation for the value of such property: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF C BENJAMIN STAPLETON

The Clerk called the bill (S. 1965) for the relief of the estate of C. Benjamin Stapleton

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of C. Benjamin Stapleton, the sum of $5,000, in full satisfaction of the claim of such estate against the United States for compensation for the death of the said C. Benjamin Stapleton as a result of personal injuries sustained by him when he was struck by a United States Army vehicle, on Cass Avenue, in Detroit, Mich., on February 8, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM H. MORRIS

The Clerk called the bill (S. 2015) for the relief of William H. Morris.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That William H. Morris, formerly employed by the Federal Public Housing Authority as the housing manager of the Safe Haven housing project (Alaska–50076) at Anchorage, Alaska, is hereby relieved of pecuniary responsibility for the loss of $258, with interest thereon, public funds for which he was accountable and which were stolen, without his fault, from the Safe Haven housing project office some time between the close of business on December 2, 1944, and the opening of business on December 4, 1944 The Comptroller General is hereby authorized and directed to remove from the records of his office any indebtedness which may have been raised against Mr. Morris by the aforementioned theft.

SEC 2 That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William H. Morris the sum of $186 07 in reimbursement for the amount deducted from Mr. Morris' salary as a result of the aforementioned theft. *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN POSTAL EMPLOYEES

The Clerk called the bill (S. 2107) for the relief of certain postal employees.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to approve payment of vouchers submitted by postal employees for travel performed during the fiscal years 1944, 1945, and 1946 as a result of their transfer from one post office to another by direction of the Postmaster General in those instances where the Postmaster General determined that the transfer was in the interest of the Government, notwithstanding that the expenses of travel were not authorized in the order directing the transfer and the travel order authorizing the expenses of travel was issued retroactively after the travel had been performed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIAMI HERALD, KEY WEST CITIZEN, AND THE MIAMI DAILY NEWS

The Clerk called the bill (S. 2292) for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $189.23 to the Miami Herald; the sum of $68.14 to the Key West Citizen; and the sum of $393 58 to the Miami Daily News, all of the State of Florida, in full settlement of all claims against the United States for newspaper advertising contracted by the Navy Department during the period of September 18, 1942, and May 1, 1943: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. L. HARRIS

The Clerk called the bill (H. R. 2222) for the relief of J. L. Harris.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WILMA E. BAKER

The Clerk called the bill (H. R 3043) for the relief of Wilma E. Baker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wilma E Baker, the sum of $3,879.70, in full settlement of all claims against the United States for personal injuries sustained by her on August 17, 1944, near Tigard, Oreg , when the car in which she was traveling was struck by a trailer being used and operated at this time by the United States War Food Administration.

With the following committee amendment:

Page 1, line 6, strike out "$3,879 70" and insert "$2,379.70 "

Mr. SPRINGER Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read, as follows:

Amendment offered by Mr. SPRINGER to the committee amendment: Strike out "$2,-879.70" and insert "$1,579 70."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAY TOMLINSON ET AL

The Clerk called the bill (H. R. 3742) for the relief of Kay Tomlinson and Larry Max Tomlinson.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc, That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $18,202 20, to the legal guardian of Kay Tomlinson and Larry Max Tomlinson, of Ropesville, Tex., in full settlement of all claims against the United States for the death and burial expenses of their father and mother, John Ferris Tomlinson and Lela May Tomlinson, and for personal injuries sustained by Kay Tomlinson and Larry Max Tomlinson as a result of an accident involving a United States Army vehicle at the intersection of Twenty-fourth and K Streets, Sacramento, Calif., on January 14, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

With the following committee amendment:

Page 1, line 5, strike out "the" through "1945", line 3, page 2, and insert the following. "to Burgess C Moore, of Ropesville, Tex., as administrator of the estate of Lela May Tomlinson, deceased, the sum of $2,074 43, and to Burgess C Moore, as legal guardian of Kay Tomlinson, a minor, the sum of $3,600, and as legal guardian of Larry Max Tomlinson, a minor, the sum of $2,560, in full settlement of all claims against the United States on account of the personal injury and death of Lela May Tomlinson and the medical, hospital, and burial expenses incurred incident thereto, and the personal injuries sustained by Kay Tomlinson and Larry Max Tomlinson, minors, and the medical and hospital expenses incurred for the treatment of such injuries, all resulting from an accident involving an Army vehicle which occurred in Sacramento, Calif., on January 14, 1945 "

Mr. DOLLIVER Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER to the committee amendment. Page 2, line 6, strike out "$2,074 43" and insert in lieu thereof "$1,074 43 "

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Burgess C. Moore, as administrator of the estate of Lela May Tomlinson, deceased, and as legal guardian of Kay Tomlinson and Larry Max Tomlinson, minors."

A motion to reconsider was laid on the table.

ROBERT JUNE

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 1010, which covers the bill (H. R. 228) for the relief of Robert June,

Report No. 2187, and ask for its immediate consideration.

The SPEAKER. The Chair does not quite understand the gentleman's request.

Mr. McGREGOR. Mr. Speaker, this refers to H. R. 228, Report No. 2187.

The SPEAKER. The gentleman asks unanimous consent for the immediate consideration of the bill?

Mr. BARDEN. Mr. Speaker, I am wondering if the gentleman does not wish to ask unanimous consent that that bill be restored to the calendar? It is not on the calendar at this time.

Mr. McGREGOR. I was hoping it might be restored to the calendar and be called up for immediate consideration so that it can get over to the Senate for further consideration. If there is objection, I will be glad to ask unanimous consent to have it restored to the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Ohio that the bill be restored to the Private Calendar?

There was no objection.

Mr. BARDEN. Mr. Speaker, that concludes the call of bills on the Private Calendar.

CALL OF THE HOUSE

Mr. GORE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER Evidently a quorum is not present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 195]

Adams	Fernandez	Murray, Wis.
Allen, Ill	Fuller	Norrell
Andresen, August H.	Gardner	Norton
Andrews, N. Y	Gibson	O'Neal
Baldwin, Md.	Gifford	Pace
Baldwin, N. Y.	Gillespie	Patrick
Barry	Gossett	Patterson
Bates, Mass.	Granger	Peterson, Ga.
Bell	Grant, Ala.	Pfeifer
Bloom	Hagen	Ploeser
Bonner	Hancock	Powell
Bonner	Harness, Ind.	Price, Fla.
Boren	Harris	Rains
Boykin	Hébert	Rankin
Bradley, Mich.	Hoffman, Mich.	Rayfiel
Bradley, Pa.	Holifield	Reece, Tenn.
Bulwinkle	Horan	Robinson, Utah
Byrne, N. Y.	Izac	Rodgers, Pa.
Camp	Jennings	Roe, N. Y.
Cannon, Mo.	Johnson, Luther A.	Rooney
Celler	Johnson, Lyndon B	Russell
Chenoweth	Johnson, Okla.	Sheppard
Clements	Kearney	Sheridan
Clippinger	Kefauver	Sikes
Cochran	Kelley, Pa.	Slaughter
Coffee	Kilburn	Stewart
Cole, Kans	LeCompte	Stigler
Colmer	Leanski	Sumner, Ill.
Courtney	Luce	Tarver
Cox	Ludlow	Taylor
Crawford	McGehee	Thomas, N. J.
Curley	McGlinchey	Thomas, Tex.
Daughton, Va.	McKenzie	Tolan
Dawson	Mahon	Torrens
De Lacy	Mankin	Vinson
Doyle	Merrill	Welch
Drewry	Mansfield, Mont.	West
Earthman	Manasfield, Tex.	Wickersham
Eberharter	May	Winstead
Ellsworth	Miller, Calif.	Wolfenden, Pa.
Elsaesser	Morrison	Wood
Engel, Mich.	Murdock	Worley
Fellows		

The SPEAKER. On this roll call 306 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD.

Mr. CELLER asked and received permission to extend his remarks.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S 2345 An act to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5933) entitled "An act to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOEY, Mr. HUFFMAN, and Mr. SMITH to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Commerce.
2. Department of the Interior.
3. Department of Justice.
4. Department of the Navy.
5. Department of the Treasury.
6. Department of War.
7. Federal Power Commission.
8. National Archives.
9. Petroleum Administration for War.
10. Reconstruction Finance Corporation.
11. Selective Service System.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1947—SENT TO CONFERENCE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr RICH. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr RICH moves to instruct the conferees on the part of the House not to agree to those parts of Senate amendments Nos. 1, 2, and 8, relating to the construction of a fertilizer-manufacturing plant at or near Mobile, Ala., and to reduce the amount specified in said amendments at least by $3,000,000, from $46,572,000 to not more than $43,572,000.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER The gentleman will state it.

Mr. COOLEY. Do the rules of the House permit a discussion of the motion just made?

The SPEAKER. It is debatable under the 1-hour rule.

Mr. COOLEY. Mr. Speaker, I ask for recognition.

The SPEAKER. The gentleman from Mississippi has the floor.

Mr. WHITTEN. I yield 30 minutes to the gentleman from Iowa, but first would like to discuss the matter myself.

Mr. CANNON of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CANNON of Missouri. Has the conference been agreed to?

The SPEAKER. The House has agreed to send the bill to conference, but conferees have not been appointed.

The gentleman from Mississippi is recognized.

Mr. WHITTEN. Mr. Speaker, I yield myself 10 minutes.

Mr. COOLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOLEY. Do I understand that conferees have not yet been appointed?

The SPEAKER. The conference has been agreed to, but the Chair has not appointed conferees.

This motion is in order between the time the conference is agreed to and conferees are appointed.

The gentleman from Mississippi is recognized for 10 minutes.

Mr. WHITTEN. Mr. Speaker, the effect of this motion which has been made by the gentleman from Pennsylvania is to instruct the House conferees to disagree with the Senate on a provision written into the appropriation bill for Government corporations whereby the Senate provided the sum of $3,000,000 for the construction of a fertilizer plant at Mobile, Ala., by the TVA. This is a subject matter that may be new to the membership this afternoon, but it is not new to the Congress.

Congress approved the construction of this plant for the fiscal year 1945, again

in 1944, and again in 1945. The only reason the plant was not built was due to the fact that the War Production Board turned it down on the use of strategic materials and equipment.

The Senate has added this appropriation at this time and they had exhaustive hearings on it.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I should like to complete my statement, then I shall be pleased to yield.

We find that the question of an adequate supply of fertilizer is one that has burdened this country for many years. Under the original TVA Act, the Tennessee Valley Authority is charged with the responsibility of promoting the better uses of fertilizer and with experimentation and exploration in the field of fertilizer use. In addition to that, it is given the authority to construct at Muscle Shoals and elsewhere plants for the manufacture of fertilizer and making it available to the American farmers.

At Muscle Shoals we have seen the beneficial results of the TVA in the manufacture of fertilizer. We have had a pilot plant there engaged in the production of nitrate fertilizers and some phosphates. The TVA has used the production from that plant for experimental uses throughout the United States in practically every area. Use of fertilizer has increased in every area where such experiments have been conducted.

We find that in the use of nitrate fertilizers there has continually been an inadequate supply. We find, further, that many people did not know of the value of the use of fertilizers. We find after the TVA was put in the nitrate field and they started to make experimental use of it in all States of the Union, the demand for fertilizer increased many times, increasing the market for commercial concerns. We find also that through their experimentation and their research and by the development of chemical nitrates that the cost of the chemical nitrate fertilizer has decreased down to about 55 percent in 1944 of what the cost of that fertilizer was in 1925, you may say almost altogether as a result of the experimentation of the TVA.

With regard to phosphate fertilizers we find that the phosphate fertilizers have not kept up the pace with the nitrates. We find that this is an industry that is almost 100 years old and that the same practices are followed today as were used almost 25 years ago so far as the manufacture of phosphate fertilizers is concerned.

This plant that is attempted to be set up here is to be placed there largely to meet the needs of the great Midwest, the area of our country that is so sadly lacking in fertilizers, and particularly in phosphates that are needed by the soil. The record shows that a total of 1,669,064 tons of phosphoric acid were removed from the soil of the Nation in 1943. Only 20 percent of the phosphoric acid removed from the soil was replaced through commercial fertilizer.

We find in the Midwest area that the State of Ohio replaced about 89 percent of the fertilizer taken out by the use of crops, Indiana 71 percent, Illinois only 11 percent was replaced, Michigan 7 percent, Minnesota 5 percent, Iowa only 3 percent of the phosphoric acid taken out from the soil for the planting of crops was replaced, 21 percent in Missouri, 1 percent in North Dakota, three-tenths of 1 percent in South Dakota, eight-tenths of 1 percent in Nebraska, and 3.9 percent in Kansas.

The question may be asked as to why this plant should be located at Mobile. As contrasted with nitrate fertilizers, which can be made chemically, phosphate fertilizers must be made from the native phosphate rock. There must be access to the phosphate rock from which phosphate fertilizers are made. The greatest supply known in the United States of phosphate rock is in Florida, Mobile, Ala., is on a water route to the supply of the raw material, which is in Florida. By having this plant at Mobile, which is on the Warrior River, it has easy access to the coke around Birmingham, of which a tremendous supply must be made available. So we say that by placing the plant at Mobile under the TVA, which has done such a wonderful work in the field of providing nitrate fertilizers to the American farmer at 55 percent of the former cost, we can make the same progress in reducing the cost of phosphate fertilizer by putting this plant at Mobile

This great western area which grows more than 50 percent of the food of this Nation will have access to the production of this plant at Mobile by water transportation up the Mississippi so as to make it available to this great midwestern area of our country.

There is another reason why this should be done. The record shows that the old-line commercial companies for years have been making superphosphate, which contains about 16 percent phosphate of actual food value that we want to go to the crops of the country.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN I yield to the gentleman from Tennessee.

Mr. GORE The gentleman has said that the so-called superphosphate has a 16 percent plant content. Will the gentleman explain just what this 100-pound bag of 16-percent phosphate contains other than plant food?

Mr. WHITTEN. I thank the gentleman for his suggestion.

The average bag of superphosphate contains only 16 percent of the food value that you want, so if you buy a 100-pound bag of superphosphate you get 16 pounds of food value, the balance is other substances in many cases, sand or filler of no benefit to the soil.

Under the leadership of the TVA activities at Muscle Shoals they have developed a double superphosphate with a food value content of about 33 or 34 percent. At Muscle Shoals and elsewhere the TVA has developed a triple superphosphate which has a food value content of approximately 49 percent. When you buy ordinary fertilizer you either get it in a mixture where, perhaps, the other elements are not needed or desired as you obtain a fertilizer that is filled with ballast, sand, or some other foreign matter, for which the average farmer has no use whatever. That is the kind of mixed fertilizer that is made available to the farmers of this country, and it means that you must pay the freight on a bag of this so-called mixture when only 16 to 32 percent of it is real food value which you want to buy.

The record shows, according to the testimony of representatives of the Farm Bureau Federation from Minnesota and from Iowa that with the freight rate from Florida, with water transportation, by the development of the highly concentrated triple superphosphate and by this TVA operation at Mobile, the fertilizer can be delivered within 300 miles of St. Paul cheaper than you can buy fertilizer in Florida or Kentucky, of the kind that is now available on the market.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. JOHNSON of California. A little while ago the gentleman mentioned the small amount of fertilizer produced by private enterprise. Is that due to the fact that the private manufacturers that make fertilizer were engaged in war production, or is that the normal amount that they are now producing?

Mr WHITTEN. When you say "output" I would not want to say that the war has had no effect on it at all. I will say this, though, that the entire capacity of the private plants will not half way meet the needs of the country. If the plants of the commercial companies were used to full capacity to meet the needs of the farmers, it would meet only about 50 percent of the demand, so the question of the war needs does not enter into that situation. If this plant is built it will mean that the TVA can lead the way in providing a concentrated fertilizer and, of course, that will create a demand for it, because in the midwestern area they would much rather get the concentrated fertilizer with a much cheaper freight rate. There would be a big saving in expense by shipping this super, triple superphosphate to the Midwest, such as Iowa and Illinois. One ton of this is equal to two and one-quarter tons of the regular fertilizer, so it means that the regular fertilizer today would cost you two and one-quarter times as much freight to get it to the Iowa territory or the Illinois territory or other midwestern area as it would of the tripie phosphate.

The great problem that is raised here is about putting Government in business. We have seen, by reason of the TVA activity in the nitrate field at Muscle Shoals, that there has been a great demand for nitrate fertilizer. We have found that instead of taking away the market of the commercial fertilizer companies, that they cannot begin to meet the demand created as a result of the TVA demonstration of the high concentrate, though they are supplying more fertilizer than ever. I would like to say further that in this field this plant will supply only about 5 percent of the fertilizer of this kind as compared with the capacity of the commercial fertilizer companies to produce, if they will, in this field.

On the other hand, when we come to saying that this is a case of putting the

Government in business, I think the history of phosphate fertilizers trailing so far behind nitrate is evidence that the Government through the TVA has done a wonderful job with nitrate.

This is like the REA in the electrical field. In my own area before the REA associations were organized under the law you could not get one of the old-line power companies to build a rural line. You were helpless as far as getting electric current was concerned. But the minute we put the REA's in, they did not replace the old companies at all but they made available to the rural residents of the section the REA current. As a result, the commercial or the private companies now are building rural lines and they are selling more electricity than ever before in the history of the country, and have expanded their lines twofold or threefold in that area. The rates of the power companies have come down and yet they are making more money than before because of increased consumption.

Thus it will be here with the TVA to lead off and show the advantage of a highly concentrated fertilizer and to show the people the advantage and cheapness of buying this fertilizer as compared with mixed fertilizer. I think it will result in benefit to the American farmer in a better fertilizer at a lower cost and by demonstration bring about a change in the practices of the commercial companies and through developing the demand, increase their market.

While the construction of this plant does call for an outlay of Government funds, this money will be repaid from the sale of fertilizer and the cost amortized over a reasonable period of years.

Mr. JENSEN. Mr. Speaker, I yield myself 5 minutes.

Mr. SPEAKER. Many of you know the conferees have already met and have decided on this item. The fact of the matter is that the House committee was ignored entirely relative to this item. Rather, they saw fit to go to the Senate and have it included by the Senate committee, which is not a bit pleasing to me. That practice is becoming too regular.

Mr. PETERSON of Florida. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. A few years ago there was a special joint committee to study the adequacy of phosphates. At that time the committee said that if a plant was to be built there should be a pilot plant built in the West. There are vast deposits in Idaho, Utah, Wyoming, and Montana. The gentleman who preceded the gentleman now speaking made reference to the delay of the present phosphate companies. That is due to the inability to get equipment. They are begging for priorities for equipment now and are expanding their plants as fast as they can get equipment.

Mr. JENSEN. Private industry contend they are ready to build 30 plants in different sections of the United States, to produce commercial fertilizer.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is not this just another New Deal socialistic venture?

Mr. JENSEN. I am simply giving the facts as I see them and leave it to the House to decide the question.

Mr. SMITH of Ohio. It means that the Government is going into the business of producing fertilizer.

Mr. JENSEN. That is right, however they claim it is to be a pilot plant only. A laboratory so to speak.

Mr. SMITH of Ohio. What is that but socialism?

Mr. JENSEN. It is clear that the party in power has no faith in private enterprise, and that they want to get into business all over the country and drive private industry to the wall. I will agree with the gentleman that it is very evident that that is the purpose of some very powerful people in this administration, but in this instance when the farmers need this fertilizer so desperately I am not quite ready to say that this plant is not a necessity in order to fully develop this kind of fertilizer.

Mr. HENDRICKS. I recall distinctly in the years that we had the TVA before the Independent Offices Appropriations Subcommittee, this question was brought up. I want the House to understand that the TVA was taken out of the independent offices appropriation bill this year and put in the Government corporations appropriation bill. But this question has been brought up before. I know of one time for certain—I know it has been brought up many times—but I know of one time for certain that this matter was put in by the Senate, and the House conferees knocked it out. We have never permitted this plant to be put in under the TVA appropriation. I do not think the House would want it if they knew all the facts. Of course, this is a new committee, and as I understand from talking with the acting chairman they did not even hold hearings on it but the matter was brought up after the hearings were over. But we did hold hearings before the Subcommittee on Appropriations for the Independent Offices and we always denied this plant in Mobile.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I cannot refuse to yield to my good friend of the committee.

Mr GORE. I thank the gentleman very kindly. The distinguished gentleman from Florida is in error. The committee of which he was a member, the Independent Offices Appropriations Subcommittee, and of which the distinguished gentleman from Virginia, our former colleague, Mr. Woodrum, was then chairman, approved this item ab initio in the House for the fiscal years 1942, 1943, 1944, and 1945. It has never been knocked out. It was approved for three successive years and the plant was not built only because of the shortage of materials during wartime. The gentleman from Florida is absolutely in error.

Mr. TABER. Mr. Speaker, I would be pleased if the gentleman would yield so that I may make a correction with reference to the situation. In 1946—that is, a year ago, when the 1946 bill was up—the Senate put this in and the conferees threw it out.

The SPEAKER. The time of the gentleman has expired.

Mr. JENSEN. Mr. Speaker, I yield myself five additional minutes.

Mr. HENDRICKS. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HENDRICKS As I said before, we discussed this matter many times. It was in the bill once that I know of and was knocked out. That is all I can say.

Mr. JENSEN. May I proceed now? As I said before, I am trying earnestly to state the facts concerning this case and then let the House work its will. I yield to no man in the Congress or in the United States in my great desire to get the desperately needed commercial fertilizer for the farmers of America. Neither do I yield to any man in my desire to see that private industry has an opportunity to furnish any commodity, if they can furnish that commodity, close to the same price that the Government can furnish it and in sufficient quantities. Private industry has been doing the best job it possibly could in producing fertilizer under very adverse conditions. As soon as they can get the equipment, they will go ahead with the building of some 30 fertilizer plants in different sections of the United States. They say they are ready to build one in my own State of Iowa on the Mississippi River, as soon as they can get material

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. WHITTEN. Does the gentleman recall that any representative of commercial companies were able to give us any figures whether they were able to manufacture triple superphosphate?

Mr. JENSEN. Yes.

Mr. WHITTEN. I would be glad if the gentleman would give us the facts.

Mr. JENSEN. A representative came before our committee and testified to that yesterday.

Mr. WHITTEN. I believe he was requested to state what provisions, if any, he had for manufacturing triple superphosphate, and my recollection is that there were no figures available at all.

Mr. JENSEN. I think I can give the gentleman those figures. The private fertilizer industry say they are now making at the rate of 262,000 tons of triple superphosphate annually.

Mr. WHITTEN. And all that is going into mixed fertilizer. Isn't that true?

Mr. JENSEN. Possibly so; nevertheless, they are manufacturing it now according to the testimony.

Mr. WHITTEN. That 200,000 tons is against the need for over 3,000,000 tons. Is that not true?

Mr. JENSEN. Of course, we have an undersupply of commercial fertilizer, and that is why private industry is trying to get priorities so that they can build their plants.

The SPEAKER. The time of the gentleman from Iowa has again expired.

Mr. JENSEN. Mr. Speaker, I yield myself five additional minutes.

Up to this time the States in my section of the country, and other States far removed from the supply of phosphate rock, have received very little of this phosphate fertilizer. I have found

no one who has assured me that those States, including my own State of Iowa, would receive an extra pound of this phosphate fertilizer if the Mobile plant were built. I certainly wish someone would assure me that the States far removed from these phosphate deposits, if this Mobile plant is built, will receive their fair share of this phosphate fertilizer.

Mr WHITTEN Mr Speaker, will the gentleman yield?

Mr JENSEN. Yes; if the gentleman can assure me that that will be the case.

Mr. WHITTEN. The only way I can assure the gentleman is this, that his location and the tremendous shortage we have was used in the presentation before the committee on this matter. I would like to point out that so far as the production of nitrate fertilizer is concerned, the gentleman knows that the TVA has distributed that to all the States of the Union where there was any need for it.

Mr. JENSEN. But my State, for one, has received very little and if this Mobile plant is built I hope the gentleman will help me see to it that my State gets its fair share.

Mr. WHITTEN The total output is very little, but the gentleman has received his share.

Mr. JENSEN. We certainly have not received our share as the records will prove.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to my colleague from Iowa.

Mr. HOEVEN. I do not want to bring up the question of sectionalism, but is it not true that most of this fertilizer has been going into the Southern States, and the Midwest has been getting very little?

Mr. JENSEN. Absolutely, that is the fact. The record will show that is the fact.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. McDONOUGH. It is commonly known that the cost of fertilizer is based upon the active element, either phosphorous or nitrate.

Mr. JENSEN. Certainly.

Mr. McDONOUGH. What is the cost of the active element of superphosphate fertilizer, delivered in Iowa, as compared with the cost delivered in Iowa from the Mobile plant? Those facts should be known in response to the question brought up recently that some 3,000,000 tons of superphosphate fertilizer were necessary.

Mr. JENSEN. The answer to the question is simply this that if we can get a triple superphosphate sent to our State for example from the phosphate deposit, that we shall have less freight to pay because it will contain no ballast, we will pay no freight on ballast; so naturally we are anxious to have this kind of fertilizer developed because we do not like to pay freight on sand or dirt. We would rather get the pure McCoy and then mix the sand and dirt with it to suit ourselves so as to spread it evenly over the land.

Mr. McDONOUGH. Is not the gentleman arguing that they can produce superphosphate in Iowa? The gentleman just referred to a plant that it was proposed to build along the Mississippi River.

Mr. JENSEN. Private industry proposes to build that plant, ship the phosphate rock to the plant up the water route on the Mississippi, and process it there

Mr. McDONOUGH. And what would it cost to produce there as compared with delivering the finished product from Mobile, Ala ?

Mr. JENSEN. We are told that the annual report of TVA for 1945 shows that the total cost per ton of triple superphosphate disposed of by them amounted to $92.70. Private industry was selling this product under ceiling prices of $75 per ton. It is safe to assume that private industry had some profit from their operations, and TVA cost accounting factors may not have included all of the costs that must be met by private industry.

Mr. McDONOUGH. That is a differential of almost $15 a ton.

Mr. JENSEN. Yes.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. CUNNINGHAM. Following up what the gentleman from Iowa [Mr. HOEVEN] stated as to the distribution of phosphate fertilizer, I call the gentleman's attention to the fact that the Department of Agriculture this year has allowed Iowa 4,000 tons and South Carolina 69,000 tons, and other Southern and Eastern States in proportion.

Mr. JENSEN. Yes. I have simply given the facts as I honestly see them, but I certainly do not want anything to happen that would not make available to the farmers of America the necessary commercial fertilizer. So now I am leaving it to the membership to decide the case.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. WHITTEN. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Speaker, the first misapprehension which I would like to dispel, insofar as I am capable, is the statement, not a fact, that the House has not given consideration to this proposition. Extensive hearings have been held in previous years by the House and hearings were held this year by the Senate committee. Moreover, on three successive occasions, fiscal 1943, 1944, and 1945, the House of Representatives has approved this proposition. The only reason the plant is not now built and in operation is because we had a war. On account of the urgent need for materials for war purposes, the War Production Board held up, as it did many other projects, the building of this plant.

Mr. Speaker, it is rather interesting to examine the source of the opposition to this proposal. It does not come from the farm organizations, it does not come from the agricultural leaders, it does not come from the Department of Agriculture, it does not come from the land-grant colleges. From where does it come? It comes from the Fertilizer Trust.

Do you fear competition? Why, this plant would only produce at its maximum 5 percent of the existing productive capacity, and the existing capacity is less than one-fourth of the demand of the country. What, then, is the fear? It is the fear that by example in the production and distribution of a concentrated form of fertilizer at a cheaper price, fertilizer will go to the farmer at a cheaper price.

There are some grounds for that apprehension. Why do I say this? Because the same situation prevailed in the nitrate fertilizer field before the long fight for the people was finally won to put the Muscle Shoals nitrate plant into production and experimentation of nitrates. As a result of that, nitrates are now being demanded by the farmer in concentrated form and he is receiving it, not diluted with common sand and dirt as is now the case with most all phosphate commercial fertilizer. As the gentleman from Mississippi pointed out, a bag of this so-called superphosphates, which is a trade misnomer, contains only 16 percent plant food. The remainder is foreign element, unusable to a large extent, such as sand and dirt, on which the farmers have to pay a high freight rate. As a result of the Muscle Shoals nitrate plant, if I may get back to that, the price of nitrate fertilizer has been reduced, practically cut in half, since that fertilizer plant went into operation. By comparison, there has been little change in phosphate fertilizer price and by comparison there has been very little technological improvement and development in the phosphatic field.

Of course, all of us are generally wedded to free enterprise, but when free enterprise is not meeting the challenge, as was the case in rural electrification, education, public roads, as was the case in the nitrate fertilizer field, and as has been the case in other instances, the Government is within its rights, it is politically feasible, it is morally right, to set up a demonstration to prove a principle of value to the people. I believe it is amply justified in this case for the Government to build a plant to experiment, produce, and demonstrate methods of production of a concentrated fertilizer in a more usable form for the farmers of this country at a more economical price.

Let me point out that the demand for this was not raised by the TVA. The question was raised, not by people from the Tennessee Valley; it was raised by farm organizations and farm leaders from the Midwest, where the most acute shortage for phosphate fertilizer exists.

The gentleman from Iowa in his keen desire to assist the farmers and agricultural interests of his great State asked how this is to come to Iowa. There are very definite reasons why such a program is necessary to bring an adequate supply of cheap phosphate fertilizer to his area. In order to get phosphatic fertilizer into Iowa and the Middle West, a long haul is necessary and that long haul must be on one of three items.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. WHITTEN. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. GORE. You must ship either the crude prosphate rock and the coke to Iowa and there process the fertilizer, which would be exorbitant from the standpoint of freight, or you must ship the so-called superphosphate commercial fertilizer now available in the market, which is only 16 percent. That, again, would result in excess freight charges because the farmer has to pay freight on a lot of foreign matter which is of no value whatever to him; or, third, which is proposed here: We can build a plant in an area where the coke and the phosphate rock can be assembled economically, reduce it to triple superphosphate, 49 percent content, if you please, and then ship the product in its reduced, more useful content to the farmers of the Midwest. This latter method offers the best and most feasible manner of bringing cheap fertilizer to the Nation's farmers. This applies to the whole fertilizer industry as well as to this proposed plant. The demand for this project arose out of the Middle West, and I submit to you that it would be a great boon to the phosphate fertilizer industry just as the nitrate plant at Muscle Shoals has been a big boon to the nitrate fertilizer industry. Why, since the TVA has demonstrated improved methods of producing a concentrated form of nitrates and demonstrated its use through demonstration farms in many States of the Union, since it has demonstrated to the industry itself by technological improvement they could produce it in concentrated form, the demand and the use of nitrate fertilizer has trebled in the country. Therefore, the fertilizer industry has developed a more efficient process, and it is being distributed in greater supply at a cheaper price to the farmer.

We want to follow a similar pattern with phosphatic fertilizer. The industry and the farmers would, I believe, benefit.

The importance of soil fertility to human nutrition and to civilization cannot be overlooked nor overestimated. This is a fundamental problem.

CALL OF THE HOUSE

Mr. RIZLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. WHITTEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 196]

Adams	Buffett	Curley
Allen, Ill.	Bulwinkle	Daughton, Va.
Anderson, Calif.	Camp	Dawson
Andresen, August H.	Case, N. J.	De Lacy
Andrews, N. Y.	Celler	Doyle
Bailey	Chenoweth	Drewry
Baldwin, Md.	Clark	Durham
Baldwin, N. Y.	Clements	Earthman
Bates, Mass.	Clippinger	Eberharter
Bell	Cochran	Engel, Mich.
Bennet, N. Y.	Coffee	Fisher
Bonner	Cole, Kans.	Fuller
Bowler	Colmer	Gardner
Boren	Combs	Gibson
Boykin	Courtney	Gifford
Bradley, Mich.	Cox	Gillespie
Bradley, Pa.	Crawford	Gossett
Granger	McKenzie	Rodgers, Pa.
Grant, Ala.	Mahon	Roe, N. Y.
Hagen	Maloney	Rogers, Fla.
Hancock	Mankin	Rogers, N. Y.
Harness, Ind.	Mansfield, Mont.	Rooney
Harris	Mansfield, Tex.	Russell
Hart	May	Sheridan
Hartley	Miller, Calif.	Sikes
Hébert	Morrison	Slaughter
Hoffman, Mich.	Murphy	Stewart
Holifield	Norrell	Stigler
Horan	Norton	Sumner, Ill.
Isac	O'Neal	Sumners, Tex.
Jennings	Outland	Tarver
Johnson, Luther A.	Pace	Taylor
Johnson, Okla.	Patrick	Thomas, N. J.
Kearney	Patterson	Thomas, Tex.
Kefauver	Peterson, Ga.	Tolan
Kelley, Pa.	Pfeifer	Torrens
Kilburn	Ploeser	Vinson
LeCompte	Powell	Welch
Lesinski	Rains	West
Luce	Rankin	Wickersham
Ludlow	Rayfiel	Winstead
McGehee	Reece, Tenn.	Wolfenden, Pa.
McGlinchey	Robinson, Utah	Worley

The SPEAKER. Three hundred and two Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

COMMITTEE ON APPROPRIATIONS

Mr. HARE Mr Speaker, I ask unanimous consent that the Subcommittee on Appropriations having charge of the Labor Department-Federal Security Agency appropriation bill make have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. ROBSION of Kentucky asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a statement by Mr. Vinson Villamen, of Los Angeles, Calif.

GOVERNMENT CORPORATIONS CONFERENCE REPORT

Mr. JENSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I want the conferees to bring back to the House of Representatives the chance to vote on whether we are going to build a fertilizer plant down in Alabama or not. If we build a fertilizer plant down there we might just as well build a furniture plant for the Federal Government, we might just as well build a clothing plant, we might as well say we are going to become socialistic in this country. This is the way to do it. Of course, the Government is in lots of business but there is no reason why we should go any further. Stop it. Stop it now.

Mr. Speaker, I object to the building of this plant for the following reasons:

First. There is no Budget approval for the expenditure.

Second. The erection of a fertilizer plant by TVA is a radical departure from its accustomed activities. It puts the Government squarely in the fertilizer business in competition with industry.

Third. Private industry can and will supply the required plant food as soon as Government controls are lifted on building materials and machinery.

Fourth. Such a drastic encroachment on the American system of private enterprise should not be embarked upon without full hearings and careful consideration.

Fifth. The fertilizer industry should be given an opportunity to be heard.

Sixth. The whole subject of a national fertilizer policy has been for some time pending before congressional committees.

Seventh. It is submitted that the Congress should await some decision on the broad question of national policy before embarking TVA on a program of fertilizer manufacture.

It makes no difference what line of business this Government embarks upon, certainly the private enterprise system is the thing that made this country great. If we are going to try to put private industry out of business, especially when private industry can furnish the fertilizer that this plant would furnish for $75 a ton when it has been stated here a while ago by the gentleman from Iowa that the Government price will be $93 and over a ton, then it seems to me that the Federal Government is wrong in embarking on this line of manufacture because it shows that private industry can do it better and cheaper than the Federal Government. If socialism is to prevail, vote against my amendment, if not, vote for it.

Why do we want to start the Federal Government in a project of this kind? Certainly the people of this country are not willing to do that. There are plants in Florida, there are plants in the Southern States and in the Midwest that are willing to spend money to improve the situation and furnish all the fertilizer that is necessary if we will just give them a chance. I speak for the private enterprise system; not government in business.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

NEED OF FERTILIZER

Mr. JENSEN. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, the farm lands of the country are wearing out and are hungry for fertilizer. Fertilizer on the soil means more food.

I am not sure that we should permit the United States Government to go into the business of producing fertilizer, unless it would be to use a small plant as a yardstick indicating the cost of fertilizer. I am convinced that there is now a monopoly in the production of fertilizer and unless this monopoly is broken, the price of fertilizer may advance far beyond its present price. If I understand the gentleman from Iowa correctly, he said there were some 30 private plants ready to produce fertilizer as soon as the allocations could be had for the necessary machinery. I am all in favor of

private enterprise producing not only fertilizer, but everything else the American people may need.

I was amazed last week to find out that three Southern States, producing mostly cotton and tobacco, were receiving more fertilizer than the other 25 food-producing States in the Nation. I called this to the attention of the Production and Marketing Administration in the Department of Agriculture, and it is my understanding that they are about to issue a directive which will allocate fertilizer in this country. I am quite sure that cotton and tobacco sandwiches are not very tasty and certainly do not contain very much nutrition.

It is interesting also to note that the Army is in the business of producing fertilizer. Last week in several conferences I learned that they are now producing about 80,000 tons of fertilizer a month. This fertilizer is all earmarked for overseas delivery to the armies of occupation. The plant at Grand Island, Nebr., is capable of producing 14,000 tons a month. The farmers in that rich valley need fertilizer to produce corn, potatoes, and other crops. They see the cars being loaded with fertilizer and all marked for export, and they are unable to get sufficient fertilizer for their own crops It means that this valley will be short a million bushels of corn because they lack fertilizer. The general with whom I talked informed me that the military controlled the sulfuric and nitric acid of this country and that they could allocate when and where they pleased.

I am convinced, Mr. Speaker, that a further careful study of the business of producing fertilizer must be made Certainly it is not the function of the Army; neither is it the function of government. Because if they can produce fertilizer, they can also make furniture, candy, or shoestrings. They should not be in competition with free enterprise. I am hoping that things will adjust themselves quickly in order that the food-producing States may receive sufficient fertilizer to produce the crops so badly needed by this Nation and the rest of the world.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, I am very strongly in favor of this plant and I want to say that the building of this plant would not in any way interfere with private enterprise. The purpose of this plant is not to manufacture fertilizer to sell in competition with private fertilizer companies. It is to extend an experimentation process that has been working very nicely down in the Tennessee Valley to teach people the proper methods of using fertilizer.

This Congress has authorized this on three different occasions before, and the building of it was simply held up because of the scarcity of critical materials at that time. That condition has now been removed, and there is no reason in the world why we should not go along with this.

I should like to call your attention to some of the testimony before the Senate committee by Mr. O'Neal, president of the American Farm Bureau Federation, urging the construction of this plant and urging it on behalf of the American Farm Bureau Federation. He told some of his experiences in the early days trying to get different kinds of fertilizers, and he told how the fertilizer people fought it at that time. Yet he said that the very process that he initiated created so much more business for the private fertilizer companies that soon it became the most popular thing that had been done. That has been proven true right in the Tennessee Valley area. It is not a matter of cutting down on the sales of fertilizer by the private companies at all. It teaches the people the proper method of using fertilizer and encourages the use of fertilizer in a proper and adequate manner. That is all in the world the building of this plant proposes to do.

Mr. WHITTEN. Mr Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, in my opinion if we establish the Mobile plant we are taking a step in the right direction. The establishment of this pilot plant is more than a farm problem; it is a national problem. The strength of this Nation depends upon the strength of our topsoil. When we realize that in a little over 150 years we have whittled our topsoil down from 9 inches to 6 inches we begin to realize the importance of soil improvement and conservation

You talk about free enterprise I have heard that argument ever since the cities began to put in waterworks and gas plants I heard it when we had the TVA legislation before this body. I heard it when the Holding Company Act was under consideration. I have heard the same cry every time we had legislation in the interest of the people of this Nation.

This is a pilot plant. It is an attempt to blaze the way to educate the people of this country in conserving and preserving the soil. I say it is a national problem. Being a national problem, it is vital to every man, woman, and child in America. We have already destroyed 100,000,000 acres of our topsoil and another 50,000,000 acres are eroded to the extent that their productivity has been cut in half. Three billion tons of topsoil go down the streams of America every year, at a loss to this Nation of around $4,000,000,000. Then tell me that it is not a national problem. It is a national problem and the National Government should now step in and pilot the way and show us how to preserve and conserve our soil. Moreover, we need a yardstick by which to measure fertilizer prices. The establishment of this plant will serve as a yardstick by which fertilizer prices can be measured in the same way TVA has served as a yardstick by which to measure power prices.

Let us establish the plant.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. LYNDON B. JOHNSON].

AGRICULTURE: VICTIM OF LOPSIDED ECONOMICS

Mr. LYNDON B. JOHNSON. Mr. Speaker, the passage of this bill means much to the farmers of America. Support prices as provided by Congress and included in this legislation have been a prop without which our rural people would have been at the mercy of the speculator.

Mr. Speaker, for 10 years in this House I have watched the ebb and flow of farm legislation. My primary concern, for my own district, was to help the farmer. That was an entirely selfish view; not selfish in terms of getting elected because there are more city folks than there are farm folks in my district; but selfish because of my conviction that the land has been, is, and always will be, the basis of whatever prosperity the world enjoys.

If you have not been personally acquainted with farm problems you may sometimes think the Congress is overly concerned with problems of the farmer and legislation to help the farmer. You may wonder why the farmer is not left alone to work out his own fate. That might have been possible several generations ago. But the farmer's plight today is the result of an economic policy, established by law many years before any man on this floor ever opened his eyes to the light of day. We did not leave him alone when this Nation was young. Now we cannot.

THE UNPROTECTED FARMER

The farmer must sell on a buyer's market and buy on a seller's market. Alone among producers for ultimate consumption, the farmer has absolutely no control over the price he gets for what he sells.

The machinery he must buy to work his land—the plows, harrows, binders, balers, threshers, cultivators—all of these are priced to him by an industry which was built up behind the tariff walls which surround this Nation; an industry which could dump its surplus on the world markets at a much lesser price than it sells to the American farmer. Because that industry and all the other industries which supply the farmer are protected, industry in general can pay wages to labor with which the farmer cannot possibly compete.

That is the fundamental reason why the Congress, almost since the days of Andy Jackson, has been passing so-called farm laws. And, to win the farmer an equal footing with other classes in our economy seems to be a constantly losing battle. We think we have it whipped on one front and it breaks out on another. He got a long hind start and he cannot catch up.

STRIKES HIT FARMERS

Today the farmers have all of their old familiar problems plus all of those born of the war and our failures in reconversion. He plugged along during the war years when his boys and his hired hands were taken away from him. He produced the food our armies had to have. He hoped like the rest of us for the bright new days of peace. The worn-out machines were wired together and made to last for one more round across the fields. The farmer dreamed of new tractors, new disks, and new planters. Then, like a baby's soap bubble, those dreams were shattered by strikes. No

machinery. One more try at baling-wire repairs. One reason I have voted for every strike-control bill brought to this floor is because I know the farmer's need. We can get along with old cars or no cars at all; but the farmer, short-handed, cannot produce the food we need unless we give him the machines.

These bright new days of peace brought to the farmer a shortage of livestock feed. In my district we encouraged him to diversify, to raise less cotton and more poultry and more turkeys and cattle and dairy cows and hogs. Now he is told that there is not enough livestock feed to go around. Even the feed he can find is so high in price that it is a money-losing proposition to use it. He is plagued by an increasingly tight farm-labor situation. The hired hand on a farm is as rare a bird as the dodo. Like the carrier pigeon, he is threatened with extinction And you cannot blame the hired hand for going where he can get a higher wage. Every time industrial wages are raised, the farmer's supply of labor dwindles a little more. The statistics say that fewer and fewer young people are staying on the farm, or are going back to it from the service.

TARIFF WALLS STILL STAND

We of the South have not been able to break down tariff walls, although we have breached them in a few places, and made a few dents here and there. Failing in that direction, the Congress has worked toward equalizing the farmer's lot.

Questionable tampering with natural economics—the tariff walls—placed the farmer at his present disadvantage; he is not allowed to operate in a free competitive economy. Laws we enact to assist the farmer likewise constitute a questionable tampering with natural economics. If we were suddenly to discard all of the legal protections which we have thrown up around business and industry in general, a major economic upheaval undoubtedly would ensue. This Congress is not going to wipe the slate clean and start over again. But until we are prepared to wipe clean the slate, let's have an end to the howl that the farmer receives any special congressional consideration. Much more probable is my hypothesis that we could pass laws from now until doomsday, and still the farmer would be at a disadvantage in competing with business and industry for a fair share of the consumer's dollar. Just now we have parity prices under the AAA; we have price support purchasing programs; we have grants and loans; we have cooperatives; we have ceilings on interest; we have educational appropriations for such things as soil-conservation work and vocational education. We of the farming areas vote for these measures knowing well that they are inadequate to rectify the lopsided position of agriculture in our economy. You of the industrial areas join us in voting for them because you are aware that your vaunted wealth and power would crumble into dust unless we perpetuate the foundation and basis for our national wealth: the land.

"FREE" FARMER

You talk about free enterprise. Why the farm is the last remaining freehold of free enterprise. Where else is one man the proprietor and the worker, the executive and the bookkeeper, the buyer and the seller, all rolled into one? Yes, the farmer has freedom; he is his own boss. All he needs to do is to be sure the cows are milked twice a day so their bags do not cake; check the chicken-lot gravel so his hens will not die of indigestion. All he needs to do is to plow and harrow and plant and then pray for rain. When it rains, all he needs to do is pray that it will not rain too much or too little. The farmer is his own boss; but these particular free enterprises which dot our land from Maine to California are not free. They are tied into the rest of our economic set-up, and their position is away down at the bottom of the picture.

Sometimes I think of the laws of Congress enacted to help the farmers as crutches. Everybody knows that a cripple never will walk on his two legs so long as he uses crutches. I do not like crutches. But if that is the best we can do, let us work out the best crutches humanly possible.

That is why I have fought on the House floor, and with bureaus and departments all over Washington, for funds for rural electrification. The farmer grows the food we eat. He is the only member of society absolutely necessary to our survival. Yet his reward for feeding us has been that we deny him the advantages of our progress Because of his geographical position, he had long been refused electricity. Private utilities said it was not economically feasible to stretch those great high lines across the countryside and link up widely scattered farm homes. Utilities did not believe they could make any money out of the project. Well, that would not have been so bad, although we have since proved their error. But the utility lobby adopted a dog-in-the-manger attitude; they would not do it themselves and they did not want Congress to use the people's money to do it. They could not see any farther than the ends of their own noses, but they had to be whipped before they would let anybody else use foresight They howled about using Government money—which is now being repaid—but they forgot that money would not exist except for the farmer.

UTILITIES RECANT

Before we could have electric co-ops we had to harness rivers. To harness rivers we had to borrow the people's money. There was a twofold blessing: removing one of the scourges, floods; and making available electric power. Your memories are short indeed if you have forgotten the contumelies heaped upon those of us who harbored such radical ideas. I think Bolshevik was the cuss word then generally favored. I take a perverse pleasure in pointing out that the same utilities which fought us so hard today publicly acknowledge the benefits of controlling our streams.

Mr. Speaker, today there are electric lights instead of coal-oil lanterns in more than 12,000 rural homes in my district; I glory in the fact that I got the REA to lend us nearly $4,000,000 in Federal funds to crisscross that district with lines. We have paid back almost one-half million ahead of schedule. If those lines were laid end to end they would reach a fifth of the way around the earth. I brag about our cooperatives, the two largest in the Nation, on most occasions. But in my quieter moments, like today, I will admit that our loan to the farmers was a small contribution indeed toward correcting the lopsided economics which has forced agriculture into using such crutches.

LOW INTEREST RATES

Another time the prophets of disaster predicted we were going to ruin our economic system—more particularly, we were going to ruin the money markets—was when the proposal first was made to force down the interest rate on farm loans to 4 percent. During that particular legislative fight I expected at any time to hear somebody argue that we were doing violence to a literary tradition. I expected them to say, "How can a play be written about the farmer's daughter if there's no villian in the story threatening to foreclose the mortgage?" Nevertheless we persevered and today a 4-percent interest charge is just about standard. The figures show what this has done for Texas Farm indebtedness has been reduced from $524,000,000 to $278,000,000. Still, those very figures showing farmers still owe $278,000,000 on their homes should be proof enough that reducing interest rates was just another crutch—a piecemeal solution of the eternal farm problem.

BIG JOB AHEAD

We are trying to help the farmer by giving him farm-to-market roads, over which he can also send his children to good schools. We have spent, and are spending, in my district something over $7,000,000 of road money of which around four million came from the Federal Treasury. Of course, not enough of that total is going into the needed farm-to-market roads. We are timid. By the time we get our roads surfaced, the automobile may have joined the horse and buggy. Maybe we will always be too little and too late. Soil-conservation work was initiated before I came to Congress. Yet only a half million acres of the farms in my district have conservation plans. Ours was one of the first sections in the country to engage in soil-conservation work on a planned basis, but it goes back only to 1933, when CCC camps set up demonstrations in Williamson County Not until 1940 were the oldest conservation districts organized, and the last of them was organized no later than this year. To organize them costs money. It costs money to train soil technicians and supervisors to advise with and work with the farmers and help them plan how best to save their topsoil. I am inclined to think this particular aid to the farmer will be one of the best in terms of long-range benefits. If you will come down to Caldwell County with me and see the Herefords standing belly-deep in clover, you would be as sold on soil conservation

as I am; you would think it a fine way to invest the people's money for multiple returns.

NO SURPLUSES

A few months ago, this House voted the school-lunch program. I wondered at the time whether the votes of many of you were dictated by the reasons which dictated mine. Of course, feeding underprivileged children was our first objective, but there was another objective. Into these school-lunch programs are poured those farm commodities which have come to be known under the misnomer of "surpluses."

There is a word calculated to make any farmer see red. Surplus. These days we are acutely aware that there are enough people in the world to eat all the food we can produce. But there always were enough people to consume the world's food output. The problem always has been getting the food to those people. Even in these days of mass starvation they still talk about "surpluses." Down in my own district, just a few weeks ago, a surplus of eggs threatened. And I hear talk we may have a surplus of watermelons. Of course up here you will be paying 4 and 5 cents a pound for melons when you can get them. But down in my home country they will be feeding watermelons to the hogs. Onions will go begging while up here in some of these eating places around the Capitol they charge you a nickel extra for a hamburger if you ask for a slice of onion on it. Even those good old stand-bys, Irish potatoes, are heading for a surplus, I am told by the Surplus Commodities Corporation. Yet we know the word "surplus" is a misnomer. It is entirely a problem of distribution. Distributing a product that is produced by thousands of producers and therefore must be collected from thousands of points of origin. And a product, at that, which is largely perishable—a product which must be sold for what it can bring because it must be sold or fed to the hogs. Mr. Speaker, in my humble judgment, distribution is the one real farm problem that we have not even begun to whip, which must be whipped before the farmer ever will take his rightful place in our economic system. To this problem Congress should lend its most earnest consideration. We will go a long way toward stabilizing farm prices when we know that what the farmer produces will get to somebody willing to pay a fair price for it.

WHEN PRICES DROPPED

Mr. Speaker, if there was not something about the land that pulls a man back to it, we would not have many farmers today. I was born and raised on a farm and did all the chores a farm boy has to do, including cotton picking. On rare and celebrated occasions I got to take the cotton to the gin. I was a kid, some 13 or 14 years old, when cotton dropped from 40 cents to 6 cents, and we lost our homestead. The experts on children tell us that one of the necessities for children is the feeling of security in their formative years. I know that as a farm boy I did not feel secure, and when I was 14 years old I decided I was not going to be the victim of a system which would allow the price of a commodity like cotton to drop from 40 cents to 6 cents, and destroy the homes of people like my own family. Because it was the same cotton. We had fought the same boll weevils to grow it. We sweat the same amount of sweat to hoe it and pick it. It cost the same amount to gin it; the freight rates on it were unchanged. The next year I hitch-hiked from the little town of Johnson City to the town of San Marcos, which is quite a piece if anyone asks you; and I entered school. I got a job moving rock and it was not any WPA project, either; it was a bread project. Well, I am not going into autobiography at this point and there are probably dozens of men on this floor with parallel experiences. But I say to you that whatever we do for the farmer is not too much until he gets his rightful share of the consumer's dollar. Whatever we do for the farmer is not boondoggling, it is justice. Whatever we do for the farmer is not socialistic or communistic, it is simply an attempt to right an artificial economic condition that was set in motion like a chain reaction by laws enacted many, many generations ago

FARM PROGRAM

I have no panacea for the economic condition of agriculture in our country. I do have a program—a program of the obvious things we can do, and should do, and must do. I will outline that program in terms of my own district, but it is applicable to yours as well as mine:

First. Bring lights, and all that electricity means, to every farm in those 10 counties

Second. An all-embracing conservation program, ranging from making pastures out of what are now cedar-covered hills to preserving the few inches of topsoil which have managed to survive the years of neglect.

Third An all-weather road to every farm.

Fourth. Continue to fight for low farm interest rates. One of the first votes I cast in Congress was to vote to override President Roosevelt's veto of a bill to lower land-bank interest rates. I believe the 33⅓-percent reduction in interest charges effected, abundantly justifies that vote.

Fifth. Continuation of the policy we established by law of authorizing the Farm Security Administration to assist the small-income farmer with production loans.

Sixth. Continuation of Government-sponsored crop insurance for those farmers who desire to take out insurance against floods, droughts, and crop hazards.

Seventh. Enactment of the Pace bill which provides that the cost of labor shall be figured in computing parity prices, an enactment which should go far toward equalizing the advantage which industry now enjoys in the labor market.

Eighth. Continuation of the school-lunch program for the reasons I have already enumerated.

Ninth. Continue to guarantee to farmers at least 90 percent of parity for at least 2 years after the officially declared end of the war.

Tenth. An honest study and appraisal of the problem of distribution so that we may avoid price-destroying surpluses and within some foreseeable time be able to eliminate Government support buying.

Eleventh. As another step toward bringing farm living standards up to those enjoyed by city dwellers, the construction of hospitals within reasonable accessibility to every rural family.

Twelfth. Favor distributing surplus Army and Navy dirt-moving machinery to soil-conservation districts, counties, and other public agencies.

And I may add, Mr. Speaker, that farm prices are considerably higher than when I came to Congress in 1937. Nobody wants to go back to the prices which prevailed in the days of the Hoover administration but at the same time, nobody will pretend that today's prices are going to make the farmer rich.

I commend this program to your consideration, and I hope that my colleagues will help us achieve it and better it.

Mr. COOLEY. Mr. Speaker, North Carolina uses more commercial fertilizer than any other State in the Union. I am for more, better, and cheaper fertilizer Our need is great and fertilizer is now in short supply. Fertilizer is not only in short supply in North Carolina and in the Nation, but throughout the world. If I were satisfied that the short supply is due to a lack of efficiency or effort on the part of the fertilizer industry which is now operated by private capital, or if I were satisfied that the short supply is due to any kind of monopoly or combination in restraint of trade I would be among the first to vote for a bill authorizing an expenditure of Federal funds for the purpose of enabling some agency of the Government to go into the business of manufacturing fertilizer. I am not so satisfied but, on the contrary, I am convinced that private industry has performed well in the manufacture of essential fertilizers. While I am very much in favor of doing everything possible to increase the manufacture and supply of fertilizer I believe that private industry should be given a fair chance to function. I believe that if private industry is able to obtain the necessary equipment it will be able to supply the fertilizer needs of the farmers of America and at the same time make a large contribution to the world's supply. I am in favor of private industry. I am likewise against Government in business, if it can possibly be avoided.

As a member of the House Committee on Agriculture I am anxious to protect the integrity of that committee. Frankly, however, I am at a loss to understand how the gentleman from Virginia, the chairman of the House Committee on Agriculture, can, under existing circumstances, approve this effort on the part of the Appropriations Committee to legislate with regard to a matter of this importance, especially in view of the fact that he has a bill, H. R. 2922, which has been pending before his own committee since the 17th day of April 1945 and no hearings have been held upon that measure. The bill to which I have referred and to which our chairman is the author, has for its purpose the es-

tablishment of a national fertilizer policy and program and among its provisions there is a provision which deals directly with the proposed plant near the city of Mobile in the State of Alabama. Why has not our committee been given an opportunity to consider the provisions of H. R. 2922?

A suggestion has been made to the effect that extensive hearings have been held concerning the proposed plant at Mobile. I challenge anyone to produce 1946 hearings on the proposition other than the very brief hearings before the Senate Appropriations Committee at which the representatives of only one farm organization testified. During the war consideration was given to the advisability of building the Mobile plant, but the money had not been provided and the plant has not been constructed. At that time there was, of course, a critical shortage of both fertilizer and building material. The statement has been made that building material and equipment is now available. If it is available, why not give private industry an opportunity to move forward in its own field?

We may call this bill what we want to call it, but the plain purpose of the bill is to put Government in business—into the business of manufacturing fertilizer in direct competition with private industry. Only $3,000,000 is involved in the pending proposition, but the record shows that the ultimate cost of the Mobile plant will be $7,000,000. This is just the beginning. According to Mr. J. W. Wiseman, of the Civilian Production Administration, "all present foreseeable increases in the production of rock will be taken up by existing fertilizer-manufacturing plants." The private fertilizer industry is making 362,000 tons of triple superphosphate annually at the present time. CPA reports that the production of triple superphosphate by private industry will be materially increased during the next 12 months if building material, rock, and labor are available. The plant producing the largest amount of triple superphosphate is located at Tampa, Fla., and this plant plans to increase production by 50 percent during the next 12 months. I am advised that new facilities for the production of phosphate fertilizers are also being constructed in Montana, Idaho, California, Illinois, and in other regions throughout the country.

The TVA has phosphate-manufacturing facilities for all research tests and demonstration needs. Its prewar capacity was approximately 125,000 tons of concentrated superphosphates annually. It is now producing about 11,000 tons of concentrated superphosphates a month. The records of the War Production Board on TVA's phosphorus capacity would indicate that it could produce at least 275,000 tons of concentrated superphosphates per year by converting all of its phosphorus capacity to the production of concentrated superphosphate. Certainly this is sufficient capacity to meet all research tests and demonstration needs. The addition of the plant at Mobile cannot increase the supply of phosphatic fertilizer unless the supply of phosphate rock is materially increased.

The War Production Board made a survey of the superphosphate industry in 1945. Its survey covered 98 percent of the industry and 97 percent of the total productive capacity. It reported that the maximum acidulating capacity of the industry at that time was 15,290,000 tons basis 18 percent P_2O_5. It reported that the practical operating capacity of the superphosphate industry was 11,500,000 tons basis 18 percent P_2O_5 at that time. Some additional plant capacity has been built and is not included in this statement and yet farmers had a little less than 8,000,000 tons of superphosphate basis 18 percent P_2O_5 during the fertilizer year ending June 30, 1946. The Bureau of Mines on June 14, 1946, said that the production of phosphatic rock reached a new high in 1945 and amounted to 5,400,000 long tons. The rock-mining interests have tried to get additional equipment so that more rock could be mined and made available. The USDA has requested that its application for equipment be given every consideration.

If the information furnished me is correct and the Annual Report of the TVA for 1945 is accurate, the TVA cost per ton for P_2O_5 in triple superphosphate disposed of by the TVA amounted to $92.07. Private industry was selling this product under ceiling price of $75 per ton. It is only reasonable to assume that private industry had some profit from the operation. It is likewise reasonable to assume that the TVA cost-accounting factors may not have included all of the costs that must be met by private industry. Unfortunately, I do not have accurate information in this regard. The fact remains that the Department of Agriculture, the fertilizer industry, all of the farm organizations of the country, and others interested should be given an opportunity to present their views fully concerning this very important matter. Most all of the legislative committees of Congress should legislate rather than abdicate in favor of the Appropriations Committee, and I therefore urge the adoption of the pending motion, to the end that the House conferees may be definitely instructed to eliminate the Mobile project from the pending appropriation bill.

Mr. Speaker, I desire to insert a telegram which I received from Hon. W. Kerr Scott, commissioner of agriculture for the State of North Carolina:

RALEIGH, N. C., *July 1, 1946.*

Hon. HAROLD D. COOLEY,
House Office Building,
Washington, D. C.:

The Senate amended H. R. 6777 by adding an appropriation of $3,000,000 to be used by TVA for the construction of a fertilizer plant at Mobile, Ala. We hope the House will delete this item in order that hearings can be held and the need for such operation established. Private enterprise has done a remarkable job supplying fertilizer at reasonable prices during the war and they are expanding operations as rapidly as possible; therefore, we think the need for Government operation should be well established.

W. KERR SCOTT,
Commissioner, North Carolina Department of Agriculture.
D. S. COLTRANE,
Assistant Commissioner, North Carolina Department of Agriculture.

Mr. JENSEN. Mr. Speaker, I yield 1½ minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, in 1938 the Congress created a special joint committee for the study of the phosphate industry in the United States. The gentleman from Florida [Mr. PETERSON] and I were members of that committee.

We visited the phosphate industry in Idaho, in the TVA area, and in Florida. As a result of the investigations that were conducted we published our hearings, and the United States Geological Survey revised its estimates and said there were at least twice the phosphate reserves in this country that had been contemplated before then.

As part of our discussion at Knoxville, I remember very distinctly when the late Senator Norris was there he was very much disturbed over the allegation that was made that the TVA was going into the production business because he said very emphatically the purpose was entirely demonstration and that it was not proposed to set the Government up in business TVA's phosphate operations back there in 1938 were believed by many to be on a production rather than a demonstration basis. This particular proposition now before us is nothing if it is not an indisputable attempt to expand from the demonstration basis to a production basis.

You must ask yourself this question today: Am I in favor of the Government going into the business of production whenever it wants to, to produce phosphate or plows or harnesses or even food itself in competition with natural private industry? That is the basic issue here involved.

If you are in favor of the Government going into business you will vote for this $10,000,000 plant. If not, you will vote for the motion by the gentleman from Pennsylvania [Mr. RICH] to instruct the conferees against it.

Mr. JENSEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Speaker, this appropriation should not be granted. It has never been shown that the fertilizer industry cannot keep up with the needs of the country. The needs set forth by certain speakers here are propaganda that comes from within the Government to justify projects of this kind. It is evident from the statements made here by a certain group of Members that they were uninformed as to fertilizer ingredients, their sources, or their methods of distribution. They are talking about filler-in fertilizers and so on, which never did pertain to acid phosphate in South Carolina or Florida rock. Those statements apply to what is known in the market as complete ready-mixed fertilizer for which there is a need. Complete fertilizers are mixtures that have potash, nitrogen, and phosphoric acid in them. This plant, as I understand, wants to make one line of fertilizer. Some of these Members are talking about fertilizer and they do not know when on the bag or on the tag it says that the fertilizer contains so much percentage of this, that, or the other, whether it is

available as plant food or is not. This should not be granted. There is no need for it. I believe that free private enterprise with encouragement will supply our needs. There is much need but no demand in some sections of the country.

The proponents of this measure are claiming that the Government plant would supply new grades of fertilizer of the higher concentrated brands, but I want to inform them that the highly concentrated brands have been on the market for a number of years and have been supplied by our old-line manufacturers. There are a great many things on this fertilizer question that I could had I been alloted more than 2 minutes of time. Let me repeat the Government does not have to go into the fertilizer business to supply the country's needs.

Mr. JENSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, a study was made several years ago with reference to phosphate and phosphatic fertilizer. The entire estimates of phosphate were rewritten. At that time it was definitely determined in the great West there were large deposits upon public lands. It was recommended that if plants were to be built, a pilot plant be constructed in that area. We were very careful in our recommendation that any plant constructed should be purely for experimental purposes. As long as the TVA kept within the confines of experiments they were rendering a great public service, but the amount involved in this appropriation shows clearly they are going beyond the field of experimentation. They are actually going into the fertilizer business. Private industry today is held down because of the fact that they cannot get priorities. Within the last few weeks man after man has been trying to get priorities for equipment. Even mining operations cannot keep pace with the need unless they get priorities. Within my own home county today there is operating the largest dragline in the world, with a boom of more than 200 feet. If they cannot get priorities for the additional equipment they cannot keep pace with needs.

We do not need any great amount of experimentation on triple phosphate fertilizer. There are other processes, mining processes, that may be developed, and lower freight rates are needed to bring cheap fertilizer. The flotation method enables the mining companies to go back to old dumps and get the ore. This appropriation is not for an experiment. This is the Government going into business.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may desire to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Speaker, as I am not on the committee handling the bill now before us, I was not afforded an opportunity to hear the testimony and the justifications for the proposal being considered. I may say that I am fundamentally opposed to the Federal Government going into competition with private enterprise, but in view of the shortage of commercial fertilizers in my State, I can see some justifications for it unless the fertilizer manufacturers are in a position to increase production. I have had complaints from a number of farmers, as well as the State extension service director, within the last 60 days to the effect that fertilizer companies were unable to supply them with sufficient quantities of fertilizers to meet their needs, particularly nitrate of soda and other nitrates. I conferred with the Chemicals and Fertilizers Branch of the Department of Agriculture and was advised that the supply of imported nitrates for this year is between 25 and 30 percent less than the amount available for the past year saying, however, there is an increased supply of domestic nitrates of 10 or 12 percent, but there will still be a shortage of from 12 to 15 percent of this particular fertilizer constituent as compared with last year, despite the fact that we were at war a good portion of last year, when a considerable portion of this constituent was used in the production of ammunition and war materials.

It would appear, therefore, there is an unnecessary shortage in the production of fertilizers and it would appear further that the production should be greater than during the past year. I am not fully advised as to the reason for this situation, but since there is a shortage and since there is considerable complaint on the part of farmers in that they are unable to secure the necessary fertilizers, I must submit there is some apparent justification for this proposal.

In view of the interest expressed in the motion of the gentleman from Pennsylvania [Mr. RICH] to eliminate this item, my guess is that the amendment will be carried, although it is my intention to vote against it with the idea that if no steps are taken by private enterprise to increase the production of fertilizers within a reasonable time, I think it would only be fair to say that in the interest of our national economy there would then be sufficient justification for the authorization of this proposal.

Mr. WHITTEN. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, as we come to the conclusion of this debate, it leaves the issue very clear before us. We have a picture of the great midwestern section of this country which admittedly has not been getting fertilizer in the last several years. That has been testified to by the people who have spoken to you from that area. They have not gotten it during the war. They did not get it prior to the war. They are complaining because fertilizer manufactured on the eastern seaboard goes into the southern region and into the East. That is because the companies are manufacturing a low-grade fertilizer with much mixture, 16 percent fertilizer, 84 percent other matter, which must be transported at high freight costs to the great northwestern sections of the country for use. Regions close by can afford the freight bill better than you can. We are asking today not to put the Government into a competitive position as far as fertilizer is concerned, but to have the Government set up a yardstick, if you please, to show that fertilizer can be manufactured economically and can be put into such concentrated form that the midwestern section of the country can afford to pay the freight rate necessary to carry it to the great Midwest.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I decline to yield at this time.

I say to you gentlemen this afternoon who represent the farmers from that region—and I know you mean to represent the farmers in that area—if you will check the record you will see that they have been unable to obtain fertilizer. You will see that such fertilizer as is available is of a low grade which costs $1.58 per unit, while triple superphosphate such as will be manufactured by the TVA, you would obtain the same fertilizer for $1.30. You will find that the fertilizer manufactured on the eastern seaboard is being used close by because it is only 16 to 33 percent food value, and the farmers close by with short hauls are the only ones able to pay the price. The extra freight that you have to pay on the mixture makes it come at a terrifically high price. This plant certainly is a step toward bringing to your sections the relief so badly needed. The soils are being rapidly depleted in Iowa, Illinois, Indiana, Kansas, Wisconsin, Missouri, and the other sections of the Northwest.

Your people want fertilizer at a reasonable price. This plant will help to meet your needs. It will do so at a reasonable price. The operation of this plant will demonstrate what the commercial companies should do to help meet your needs, that is supply a high concentrate fertilizer which you can transport for 40 percent of the freight cost of the output of commercial companies today. You can answer today as to whether you want this help for your people.

Mr JENSEN. Just to keep the record straight, and I know the gentleman wants to do that, I am sure the gentleman will agree that every concern that is making commercial fertilizer today knows exactly how to make triple superphosphate fertilizer.

Mr. WHITTEN. And if I may say to the gentleman—and I am sorry I cannot yield further—the commercial companies make little triple superphosphate and the fertilizer that they do manufacture is being used in mixed fertilizers and you are getting other ingredients whether you want them or not.

Further, with regard to this particular fertilizer plant, you remember the cries made about REA when it was started, that REA was the Government getting into business, yet REA has increased the consumption of electricity, it has increased the number of lines, it has increased the revenue of the power companies while decreasing the cost of production. The cost to the consumer has been reduced. The number of consumers on the power company lines has greatly increased. And I say to you today that the fertilizer trust has got a great hold throughout this country, and they have been able to get a hold on many war plants, which are being kept out of production. We must create this yardstick, the Government must make

this fertilizer as an experiment. Fifty thousand tons of fertilizer is not going to answer any great part of the needs of the country, but it will provide an answer to the costs of production. It will show that phosphate fertilizer can be made in concentrated form, whether at Mobile, Ala., or some other place, can be shipped up the Mississippi River at a much cheaper rate to the consuming farmers of the gentleman's area and can be sold in that area cheaper than it can be bought today. We have reason to believe that such a plant would result in great reduction in the cost of fertilizer. The fertilizer companies must think so else they would not oppose this plant, because there is twice as much demand for fertilizer as there is today capacity to produce. The question is do you want better fertilizer at cheaper prices. If so oppose this motion.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. GORE. Mr. Speaker, I move the previous question on the motion.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that the motion may again be read.

The SPEAKER Without objection, the Clerk will again read the motion.

There was no objection.

The Clerk read as follows:

Mr RICH moves to instruct the conferees on the part of the House not to agree to those parts of Senate amendments Nos. 1, 2, and 3 relating to the construction of a fertiliser manufacturing plant at or near Mobile, Ala., and to reduce the amounts specified in said amendments at least by $3,000,000, from $46,572,000 to not more than $43,573,000.

The SPEAKER. The question is on the motion.

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 113, noes 65.

Mr. WHITTEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently no quorum is present The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 161, nays 148, not voting 123, as follows:

[Roll No 197]

YEAS—161

Allen, La.	Case, S Dak.	Fulton
Almond	Chiperfield	Gamble
Angell	Church	Gary
Arends	Clason	Gavin
Arnold	Clevenger	Gearhart
Auchincloss	Cole, Mo	Gerlach
Barden	Cole, N. Y.	Gillette
Barrett, Wyo.	Cooley	Goodwin
Beall	Corbett	Graham
Bender	Cotton	Grant, Ind.
Bennett, Mo.	D'Alesandro	Griffiths
Bishop	D'Ewart	Gross
Blackney	Dirksen	Gwinn, N. Y.
Bland	Domengeaux	Hale
Boiton	Dondero	Hall,
Brehm	Doughton, N. C.	Edwin Arthur
Brooks	Dworshak	Hall,
Brown, Ohio	Eaton	Leonard W.
Brumbaugh	Elliott	Halleck
Buck	Ellis	Hand
Butler	Elsaesser	Hendricks
Byrnes, Wis.	Elston	Herter
Campbell	Ervin	Hesselton
Canfield	Fallon	Hess
Cannon, Fla.	Fellows	Hill
Carlson	Fenton	Hinshaw
Case, N. J.	Fernandes	Hoffman, Pa.
Holmes, Mass.	Mundt	Simpson, Ill.
Hope	Murray, Wis	Simpson, Pa.
Howell	Norblad	Smith, Maine
Jenkins	O'Hara	Smith, Ohio
Jennings	O'Neal	Smith, Va.
Johnson, Ill.	Peterson, Fla.	Smith, Wis.
Jones	Phillips	Springer
Jonkman	Plumley	Stefan
Kean	Pratt	Sundstrom
Kerr	Price, Fla.	Taber
Kinzer	Ramey	Talbot
Knutson	Randolph	Tibbott
Kunkel	Reed, Ill	Towe
Landis	Reed, N Y.	Trayner
Larcade	Rees, Kans.	Vorys, Ohio
Latham	Rich	Vursell
LeFevre	Rivers	Wadsworth
Lewis	Risley	Walter
McConnell	Robertson, Va	Wasielewski
McCowen	Robsion, Ky	Weaver
McDonough	Rockwell	Welchel
McGregor	Roe, Md	Wigglesworth
McMillen, Ill.	Rogers, Mass	Wilson
Martin, Mass.	Schwabe, Mo	Winter
Mason	Schwabe, Okla	Wolverton, N J.
Mathews	Scrivner	Woodruff
Merrow	Sharp	
Miller, Nebr.	Short	

NAYS—148

Abernethy	Hagen	Morgan
Andersen, H Carl	Hare	Murdock
Andrews, Ala.	Harless, Ariz.	Murray, Tenn.
Bailey	Hart	Neely
Barrett, Pa.	Havenner	O'Brien, Ill
Bates, Ky.	Hays	O'Brien, Mich.
Beckworth	Healy	O'Konski
Biemiller	Hedrick	O'Toole
Bloom	Heffernan	Outland
Brown, Ga.	Henry	Patman
Bryson	Hobbs	Philbin
Buchanan	Hoch	Pickett
Bunker	Hoeven	Pittenger
Byrne, N Y.	Holmes, Wash	Poage
Cannon, Mo	Hook	Price, Ill.
Carnahan	Huber	Priest
Chapman	Hull	Quinn, N. Y.
Chelf	Jackson	Rabaut
Combs	Jarman	Rabin
Cooper	Jensen	Rains
Cravens	Johnson, Ind	Rees
Crosser	Johnson, Luther A.	Richards
Davis	Johnson, Lyndon B	Riley
Delaney, James J.	Judd	Robertson, N Dak
Delaney, John J.	Kee	Rowan
Dingell	Keefe	Ryter
Dolliver	Kelly, Ill.	Sabath
Douglas, Calif.	Kilday	Sadowski
Douglas, Ill	King	Sasscer
Doyle	Kirwan	Savage
Ellsworth	Kopplemann	Sheppard
Engle, Calif.	LaFollette	Somers, N Y.
Feighan	Lane	Sparkman
Fisher	Lea	Spence
Flannagan	Lemke	Starkey
Flood	Lesinski	Stevenson
Fogarty	Link	Stockman
Forand	Lyle	Sullivan
Gallagher	Lynch	Talle
Gathings	McCormack	Thom
Geelan	McGlinchey	Thomas, Tex.
Gillie	McMillan, S. C	Thomason
Gordon	Madden	Trimble
Gore	Manasco	Voorhis, Calif.
Gorski	Marcantonio	Whitten
Grannahan	Martin, Iowa	Wolcott
Green	Michener	Woodhouse
Gregory	Mills	Zimmerman
Gwynne, Iowa	Monroney	

NOT VOTING—123

Adams	Clark	Gibson
Allen, Ill.	Clements	Gifford
Anderson, Calif	Clippinger	Gillespie
Andresen, August H.	Coohran	Gossett
Andrews, N. Y.	Coffee	Granger
Baldwin, Md	Cole, Kans.	Grant, Ala.
Baldwin, N. Y.	Colmer	Hancock
Barry	Courtney	Harness, Ind.
Bates, Mass.	Cox	Harris
Bell	Crawford	Hartley
Bennet, N. Y.	Cunningham	Hébert
Bonner	Curley	Hoffman, Mich.
Boren	Daughton, Va.	Holifield
Bogtin	Dawson	Horan
Bradley, Mich.	De Lacy	Izac
Bradley, Pa.	Drewry	Johnson, Calif.
Buckley	Durham	Johnson, Okla.
Bufkett	Earthman	Kearney
Bulwinkle	Eberharter	Kefauver
Camp	Engel, Mich.	Kelley, Pa.
Celler	Fuller	Kilburn
Chenoweth	Gardner	Klein
		Lanham
LeCompte	Patterson	Stewart
Luce	Peterson, Ga.	Stigler
Ludlow	Pfeifer	Sumner, Ill.
McGehee	Ploeser	Sumners, Tex.
McKenzie	Powell	Tarver
Mahon	Rankin	Taylor
Maloney	Rayfiel	Thomas, N. J.
Mankin	Reece, Tenn	Tolan
Mansfield, Mont	Robinson, Utah	Torrens
Mansfield, Tex.	Rodgers, Pa	Vinson
May	Roe, N Y.	Welch
Miller, Calif.	Rogers Fla	West
Morrison	Rogers, N Y.	White
Murphy	Rooney	Wickersham
Norrell	Russell	Winstead
Norton	Shafer	Wolfenden, Pa
Pace	Sheridan	Wood
Patrick	Sikes	Worley
	Slaughter	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr Peterson of Georgia against.

Mr. Hartley for, with Mr Vinson against.

Mr Taylor for, with Mr. Wood against.

Mr. Thomas of New Jersey for, with Mr Camp against.

Mr Hoffman of Michigan for, with Mr Izac against

Mr Gillespie for, with Mr Rayfiel against

Mr. Drewry for, with Mr Horan against

Mr Kearney for, with Mr Sheridan against

Mr. Fuller for, with Mr Mansfield of Montana against

Mr Crawford for, with Mr Pfeifer against

Mr Kilburn for, with Mr Rooney against

Mr Wolfenden of Pennsylvania for, with Mr Holifield against

Miss Sumner of Illinois for, with Mr Celler against

Mr. Rodgers of Pennsylvania for, with Mr Powell against

Mr Shafer for, with Mrs. Mankin against

Mr Bradley of Michigan for, with Mr Kelley of Pennsylvania against

Mr. Cole of Kansas for, with Mr Kefauver against

Mr Gifford for, with Mr. Boykin against.

Mr Harness of Indiana for, with Mr Wickersham against.

Mr. Bennet of New York for, with Mr Bradley of Pennsylvania against.

Mr. Andrews of New York for, with Mr. Eberharter against.

Mr. Engel of Michigan for, with Mr. Coffee against

Mr Allen of Illinois for, with Mr De Lacy against.

Mr Adams for, with Mr Klein against.

Mr. LeCompte for, with Mr Barry against

General pairs until further notice:

Mr. Slaughter with Mr. Anderson of California

Mr Rankin with Mr Bates of Massachusetts

Mr. Bulwinkle with Mr August H. Andresen

Mr Colmer with Mr Clippinger

Mr. Morrison with Mr Johnson of California.

Mr. Combs with Mr. Hancock.

Mr. Sikes with Mr. Chenoweth.

Mr. Folger with Mr. Reece of Tennessee.

Mr. Pace with Mr. Buffett.

Mr. Hébert with Mr Cunningham.

Mr. McGehee with Mr. Welch.

Mr. May with Mrs Luce.

Mr. Miller of California with Mr. Baldwin of New York.

Mr. ALLEN of Louisiana changed his vote from "nay" to "yea."

Mr. VORYS of Ohio changed his vote from "nay" to "yea."

Mr. O'KONSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

The SPEAKER. The Chair appoints the following conferees: Mr. MAHON, Mr. WHITTEN, Mr. GORE, Mr. JENSEN, and Mr. PLOESER.

RETENTION BY UNITED STATES GOVERNMENT OF REAL AND PERSONAL PROPERTY WITHIN THE PHILIPPINE ISLANDS

Mr FERNANDEZ. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S 2345) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read as follows

Be it enacted, etc—

SHORT TITLE

SECTION 1 This act may be cited as the "Philippine Property Act of 1946"

SEC. 2 There shall remain vested in the Government of the United States or its agencies or instrumentalities all the right, title, and interest of the said Government or its agencies or instrumentalities to all real and personal property within the Philippine Islands as may now be vested in, or later be acquired by the Government of the United States or any of its agencies or instrumentalities

SEC 3 The Trading With the Enemy Act of October 6, 1917 (40 Stat 411), as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading With the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter to be exercised by the President of the United States, or such officer or agency as he may designate: *Provided*, That all property vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading With the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading With the Enemy Act, as amended, and after the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: *Provided further*, That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs, and expenses of administration: *Provided further*, That the courts of first instance of the Republic of the Philippines are hereby given jurisdiction to make and enter all such rules as to notice or otherwise, and all such orders and decrees, and to issue such process as may be necessary and proper in the premises to enforce any orders, rules, and regulations issued by the President of the United States, the Alien Property Custodian, or such officer or agency designated by the President or the United States pursuant to the Trading With the Enemy Act, as amended, with such right of appeal therefrom as may be provided by law: *And provided further*, That any suit authorized under the Trading With the Enemy Act, as amended, with respect to property vested in or transferred to the President of the United States, the Alien Property Custodian, or any officer or agency designated by the President of the United States hereunder, which at the time of such vesting or transfer was located within the Philippines, shall after July 4, 1946, be brought, in the appropriate court of first instance of the Republic of the Philippines, against the officer or agency hereunder designated by the President of the United States with such right of appeal therefrom as may be provided by law.

SEC 4 In respect to property not transferable to the Republic of the Philippines under section 3 of this act, the President of the United States is authorized, in his discretion and under such terms and conditions as he may deem appropriate, to transfer to the Republic of the Philippines any or all of the right, title, and interest of the Government of the United States or its agencies or instrumentalities to any or all real and personal property vested in such agencies or instrumentalities

SEC 5 Immediately upon passage of this act the Alien Property Custodian of the United States shall enter into an agreement with the President of the Philippines to transfer to the Philippine Government for a nominal cash consideration all shares now vested or hereafter vested by the Alien Property Custodian of corporations owning in fee, leasing, or otherwise operating or controlling agricultural lands in the Philippines, other agricultural lands in the Philippines, vested or hereafter vested by the Alien Property Custodian not included in the foregoing, and improved property in Manila vested or hereafter vested by the Alien Property Custodian which in his judgment is urgently needed for the operation of an administrative agency of the Philippine Government: *Provided*, That in respect to property transferred under this section to the Philippine Government, it shall be made a part of the agreement that the Philippine Government shall fully indemnify the United States for all claims payable under the Trading With the Enemy Act, as amended, and for all such costs and expenses of administration as may by law be charged against such property or proceeds thereof

SEC 6 Nothing contained in this act shall be construed as amending the provisions of the act of March 24, 1934 (48 Stat 456), as amended, respecting naval reservations and fueling stations, and diplomatic or consular property, and the property of the High Commissioner to the Philippine Islands, nor as amending the provisions of the joint resolution of June 29, 1944 (Public Law 380, 78th Cong), respecting bases for the mutual protection of the Philippine Islands and the United States.

SEC 7. For the purposes of this act the term "Philippine Government" shall mean "Government of the Commonwealth of the Philippines" until the date of independence, and thereafter it shall mean the "Government of the Republic of the Philippines."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings by which the bill (H. R. 6801) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence, was passed will be vacated and the bill laid upon the table.

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. KERR. Mr. Speaker, I call up the conference report on the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement of the managers on the part of the house.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 6837) "making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 11, 13, and 26

That the House recede from its disagreement to the amendments of the Senate numbered 1, 16, 17, 18, 19, 20, 22, and 25, and agree to the same

Amendment numbered 5 That the House recede from its disagreement of the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$31,000,000", and the Senate agree to the same

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows In lieu of the sum proposed insert "$2,585,800,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows In lieu of the sum proposed insert "$150,000"; and the Senate agree to the same

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows In lieu of the sum proposed inser "$597,900,000"; and the Senate agree to the same

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$500,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$102,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$375,544,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amend-

ment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$325,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$816,044,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$495,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: ", to be available until June 30, 1948"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$11,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 27, and 28

JOHN H KERR,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
EMMET O'NEAL,
LOUIS C. RABAUT,
FRANCIS CASE,
HARVE TIBBOTT,
JOHN TABER,
Managers on the Part of the House.

ELMER THOMAS,
CARL HAYDEN,
JOHN H OVERTON,
RICHARD B. RUSSELL,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M REED,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to the appropriation "Contingencies of the Army," appropriates $14,480,300, as proposed by the Senate, instead of $10,000,000, as proposed by the House.

Amendment No. 2, relating to the appropriation "Field Exercises," appropriates $7,000,000, as proposed by the House, instead of $10,000,000, as proposed by the Senate.

Amendment No. 4, relating to the appropriation "Pay of the Army": Restores the House provision with respect to military personnel engaging with publications of any branch or organization of the Army or military association under certain conditions.

Amendment No. 5, relating to the appropriation "Finance service", appropriates "$31,000,000, instead of $30,000,000, as proposed by the House, and $31,578,000, as proposed by the Senate.

Amendment No. 6, adjusts a total.

Amendment No. 7, relating to the appropriation "Horses, draft and pack animals", appropriates $150,000, instead of $100, as proposed by the House, and $200,100, as proposed by the Senate.

Amendment No. 8, adjusts a total.

Amendment No. 9, relating to the appropriation "Transportation service, Army", appropriates $500,000,000, instead of $475,000,000, as proposed by the House, and $524,664,256, as proposed by the Senate.

Amendment No. 10, relating to the appropriation "Signal service of the Army", appropriates $102,000,000, instead of $100,000,000, as proposed by the House and $104,115,112, as proposed by the Senate.

Amendment No. 11, relating to the Appropriation "Air Corps, Army", strikes out the provision proposed by the Senate barring the use of Air Corps appropriations for research in or procurement of rockets or guided missiles which come under the "normal" cognizance of the Ordnance Department.

Amendment No. 12, relating to the appropriation "Engineer Service," appropriates $375,544,000, instead of $350,000,000, as proposed by the House, and $475,544,000, as proposed by the Senate. As to the amount agreed upon, it is the sense of the managers on the part of the House and Senate that the position of the House as expressed in the report of the House Committee on Appropriations on this bill (Report No 2311) with respect to Tripler General Hospital, T. H., and the acquisition of land for a hospital at San Juan, P R., shall prevail.

Amendment No. 13, relating to the appropriation "Military posts," appropriates $115,500,000, as proposed by the House, instead of $215,500,000, as proposed by the Senate.

Amendment No 14, relating to the appropriation "Barracks and quarters, Army," appropriates $325,000,000, instead of $300,000,000, as proposed by the House, and $350,000,000, as proposed by the Senate.

Amendment No 15, adjusts a total.

Amendment No. 16, relating to the appropriation "Ordnance service and supplies, Army," appropriates $327,719,000, as proposed by the Senate, instead of $315,000,000, as proposed by the House.

Amendments Nos. 17 and 18, relating to the appropriation for the National Guard, makes the appropriation available for alterations and additions to present structures, as proposed by the Senate.

Amendment No. 19, relating to the National Board for Promotion of Rifle Practice, Army, appropriates $281,500, as proposed by the Senate, instead of $167,000, as proposed by the House.

Amendments Nos. 20 and 21, relating to government and relief in occupied areas, provides for expenses incident to the operation of schools for American children, as proposed by the Senate, and appropriates $425,000,000, instead of $350,000,000, as proposed by the House, and $500,000, as proposed by the Senate.

Amendments Nos. 22 and 23, relating to "Atomic Service," includes the provision proposed by the Senate providing for the operation of community facilities necessary to the conduct of atomic service activities, and makes the appropriation available until June 30, 1948, instead of until expended, as proposed by the Senate.

Amendment No. 24, relating to printing and binding, appropriates $11,500,000, instead of $10,000,000, as proposed by the House, and $13,000,000, as proposed by the Senate.

Amendment No. 25, relating to Sec 4 of the bill, strikes out, as proposed by the Senate, the limitation proposed by the House upon expenditures for carrying into effect the provisions of paragraph 8 of Executive Order 9630 of September 27, 1945.

Amendment No. 26, relating to Sec. 20 of the bill, inserted by the Senate, strikes out such section, which pertains to expenditures and reimbursements as regards surplus property.

AMENDMENTS IN DISAGREEMENT

Amendment No. 3, relating to reimbursements for expenses of detailed naval dental officers, and providing that detailed military and naval personnel may be in excess of the numbers otherwise authorized and appropriated for.

The House Managers will move to recede and concur.

Amendment No. 27, providing for a 10 per centum interchange as between appropriations, no appropriation, however, to be increased by more than 10 per centum thereby

The House Managers will move to insist on disagreement to such amendment.

Amendment No. 28, changing a section number.

Disposition will depend upon action on Amendment No. 27.

JOHN H. KERR,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
EMMET O'NEAL,
LOUIS C. RABAUT,
FRANCIS CASE,
HARVE TIBBOTT,
JOHN TABER,
Managers on the Part of the House.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read, as follows:

Senate amendment No. 3 Page 7, line 8, insert the following:

"Appropriations available to the Military Establishment for the fiscal year 1947 shall be available for reimbursement to such appropriations of the Naval Establishment as may be designated by the Secretary of the Navy, for the pay, allowances, and other expenses as authorized by law, for such number of naval dental officers as may be authorized by the President to perform service with the Military Establishment: *Provided*, That such military and naval personnel, as may be detailed for duty with other than the War and Navy Departments, respectively, on a reimbursement basis may be employed in addition to the numbers otherwise authorized and appropriated for."

Mr. KERR. Mr. Speaker, I move to recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 68, line 16, insert the following:

"SEC. 21 Not to exceed 10 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 10 percent thereby."

Mr. KERR. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate numbered 27.

The Clerk read as follows:

Mr. KERR moves that the House insist on its disagreement to the amendment of the Senate numbered 27.

Mr. HENDRICKS. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. HENDRICKS moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment as follows: After the word "exceed", strike out "10" and insert "5"; and in line 23, after the word "than", strike out "10" and insert "5."

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. HENDRICKS].

Mr. HENDRICKS. Mr. Speaker, it would really not make any difference to me personally whether we adopt this amendment or not, but I think we ought to be reasonable with the War Department and put them on the same basis we did the Navy Department. The amendment which I have offered would make amendment No. 27 of the Senate read as follows:

Not to exceed 5 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 5 percent thereby

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is not that the identical language employed in the Navy bill?

Mr. HENDRICKS. This is the identical provision. I do not know if the language is exactly the same or not, but it is the same provision. That is what I was getting at.

Mr. Speaker, the statement will be made that the Navy came in and asked for this based on the fact that the War Department had it. If that is true, and we gave it to them, we should give it to the Navy Department. This House did pass on that matter. It gave the Navy Department a 5-percent transfer clause. In other words, this House has approved the 5-percent transfer clause for the Navy Department, and as I said, they came in and asked for it based on the fact that the War Department had it, therefore the Navy ought to have it. Now, we are inconsistent if we give it to the Navy Department based on the War Department having it, then take it away from the War Departme.it.

I am not going to quote any Member in conference or tell the position of any Member in conference, but I will say that I believe we would have agreed on a transfer clause except that the Senate would not agree to cut it below 5 percent.

The Senate put in an amendment and it was in the bill for many years, even before the war, giving the War Department a 10 percent transfer in each of their appropriations. In this case we asked that it be cut down and they were willing to cut it to 5 percent. We went up to 3, but we could not get together on the other.

I feel that there are contingencies in which the War Department will need this privilege. I could point out a good many of those, but just to give you one example, let me say that yesterday they came up with the proposition that there was surplus property in Europe valued at about $500,000,000 which the Army had to take care of. They thought they could take care of it out of their 1946 appropriation, but are not able to do so. So they need about $6,000,000 to take care of this $500,000,000 worth of property. They did not have it in last year's appropriation or in this year's appropriation and there is no way for them to get it unless they can transfer.

Mr. Speaker, this does not mean any additional appropriation. It simply means where they need to take the money from one department and use it in another, they may do so. They have been doing that since before the war and there are cases where they need to continue to do so. They are in a transition period just the same as the Navy, from war to peace, and their problems are more difficult than the Navy's problems because we occupy Japan and Germany. The Navy does not do so. Yet we give the Navy 5 percent and we do not give the War Department anything.

I believe they are entitled to this privilege. We can trust the Secretary of War, the Chief of Staff, General Eisenhower, and those who have to do with it. Let me say that they cannot transfer one cent from one fund to another without the approval of the Budget. If they want to transfer funds they first have to come and make their proposal to the Bureau of the Budget and get its permission before they can transfer funds. I find that the Bureau of the Budget does approve this transfer clause in here, because I called them up and asked them if it were necessary and they said it is necessary.

Mr. Speaker, we ought to treat the Army just the same as we do the Navy. We are not giving them one cent more money. We are just providing that if it is necessary for them to transfer funds they may be permitted to do so without having to come up here for a deficiency. I bring to your attention the fact that in the past they have been able to come to the House most any time and ask for a deficiency appropriation; however, it is hoped that the Congress will adjourn in a few days and if it does, then they cannot come up here and make such request. We may be cutting them off from something they need to do.

Mr. Speaker, I hope my motion will be agreed to.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, the issue before us is whether or not you want to put a transfer clause into the War Department appropriation bill. We carried one during the war, it is true, but that was done on the argument that during the war we needed flexibility in the handling of funds. However, it was also under that transfer clause that the Tripler Hospital was started in Hawaii by the transfer clause of funds into the engineers construction fund, and you all remember the speech of the gentleman from Michigan [Mr. ENGEL] how originally that hospital was expected to cost about $11,000,000, later was boosted up to $16,000,000, later was boosted up to $24,000,000, later was boosted up to $33,000,000, with a present estimate of completion under the full plans of possibly as much as $40,000,000. The gentleman from Michigan has threshed over this issue of transferability of funds of the War Department appropriations so much that I think the membership is thoroughly familiar with it.

The issue comes before us now in this question: Shall we put back into the War Department appropriation bill a transferability clause that the committee left out and which the House left out when we passed it?

May I comment on the argument made by the gentleman from Florida [Mr. HENDRICKS]. He said that the Navy bill has this clause this year and says, "Let us treat the War Department the same as the Navy Department."

First of all, let me say that the Navy Department has not had the transfer clause in its bill before this year. It was put in under the expectation that we were going to have one in the Army bill. The other day when the Navy appropriation bill conference report was before the House I questioned the gentleman from California [Mr. SHEPPARD], and the gentleman from Texas [Mr. THOMAS], on the subject, and I want to read what was finally said in conclusion by Mr. THOMAS of Texas:

I will say to my friend from South Dakota that we reluctantly put the 5 percent transfer clause in the bill for this year and served notice on the Navy that in the future we would not do it under any circumstances Next year they will not get it.

Mr. CASE of South Dakota. It is not be regarded as a precedent then either for the Navy or the War Department?

Mr. THOMAS of Texas. No.

Mr. HENDRICKS. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Florida.

Mr. HENDRICKS. The gentleman will recall that that is exactly what I proposed in our subcommittee; that we give them the 5 percent and tell them that they would get nothing next year, and that is what I propose now.

Mr. CASE of South Dakota. And the committee decided that we might just as well say "No" now and be done with this transfer clause.

There is an essential difference between the situation in the Navy bill and the Army bill, and it is necessary that the Members understand the difference if they are to vote understandingly.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Texas.

Mr. THOMASON. It is a fact, is it not, that the Navy bill carries a 5 percent transferability clause and the War Department bill as it now stands does not carry one cent?

Mr. CASE of South Dakota. That is not correct, I must reply.

Mr. THOMASON. If that is true, that is not fair to the War Department.

Mr. CASE of South Dakota. That is not correct, and that is the point I want the gentleman from Texas as well as the membership to get clearly in mind. The War Department appropriation bill is not set up as the Navy bill is. Under the Navy bill there are appropriations to specific subjects. The War Department is set up differently, and it does provide considerable leeway although we eliminate the general transfer clause.

Take, for example, the Finance Service of the Army. You have several heads under the appropriation for the Finance

Service of the Army. Travel of the Army, for example, carries an appropriation of $175,000,000. The pay of the Army carries a large amount of money, $2,375,000,000. Apprehension of deserters carries $50,000. Expenses of courts martial carries $150,000. Then at the end of the section dealing with the Finance Service the bill carries this language:

In all, Finance Service of the army $2,596,378,000 to be accounted for as one fund.

"To be accounted for as one fund." That is the language to which I draw your attention. In other words, there is complete transferability under the Finance Service for all of these separate categories or subheads. The Navy bill is not set up that way.

Now, this is not only true with reference to the Finance Service. Take the Quartermaster Corps. We wind up the Quartermaster Corps appropriation with this language:

In all, Quartermaster Service, Army $597,000,000, to be disbursed and accounted for as one fund

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. KERR. Mr. Speaker, I yield three additional minutes to the gentleman from South Dakota.

Mr. CASE of South Dakota. I thank the chairman. Under "Quartermaster Service, Army" we have $231,000,000 under one head for subsistence, $19,000,000 under another head for welfare of enlisted men, $80,000,000 under regular supplies of the Army, $152,000,000 under clothing and equipage, $115,000,000 under incidental expenses of the Army, and smaller amounts under minor heads. Then we wind up the Quartermaster Service as a whole with this language:

In all, Quartermaster Service, Army, $597,950,100, to be disbursed and accounted for as one fund.

In other words, there is complete transferability under all of these separate heads within the Quartermaster Service affording a tremendous amount of leeway yet holding appropriations to a general purpose or branch of the Department.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Texas.

Mr. THOMASON. The gentleman has picked out certain departments within the War Department where there is a transferability clause, but there is no over-all transferability clause. The gentleman just read the statement made by the chairman of the subcommittee that handled the Navy Department appropriation bill, the gentleman from California [Mr. SHEPPARD] and likewise the statement of my colleague, the gentleman from Texas [Mr. THOMAS], who said that they had very reluctantly included that 5 percent over-all transferability clause this year but they did not propose to do it any more.

Mr. CASE of South Dakota. They did it reluctantly. They were under pressure to do what had been in the War Department bills before. Why continue a bad example? We go far enough in permitting transferability through the totaling paragraphs I have been citing. I continue.

For the engineer service of the Army we appropriated $375,000,000 for general engineer service. Then we have $115,500,000 for military posts. We have another appropriation for barracks and quarters, $325,000,000. And again we wind up by saying:

In all, engineer service, Army, so many total million dollars to be accounted for as one fund

Thus, in all the major categories of the War Department we do have complete transferability with the money spread under these different heads to indicate the intended purposes but allowing transferability So the analogy between this bill and the Navy bill does not hold. There is no need for the general transfer clause in the Army bill.

There is no discrimination against one Department or the other. It is purely a matter of trying to appropriate more closely and insure that funds are spent only for projects explained to and approved by the Congress.

We might just as well face this issue now. Do you want transferability or do you not? Do you want Congress to keep control of the appropriations or do you want to turn the job over to the Bureau of the Budget?

Mr. KERR. Mr Speaker, I yield 2 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I do not claim there has been any deliberate discrimination between the Army and the Navy, but certainly if you will take a careful look at just what has happened you will be forced to that conclusion. The Army and the Navy, both parts of our Military Establishment, ought to be treated exactly alike. I undertake to say that the sections from which the gentleman from South Dakota quoted do provide for transferability in certain sections, but there is no over-all transferability in the War Department bill, not a cent, insofar as over-all transferability is concerned.

The gentleman from South Dakota also quoted from the RECORD. I listened to the debate carefully a few days ago when the naval appropriation bill was up. The chairman of the subcommittee, the gentleman from California [Mr. SHEPPARD], and my colleague from Texas [Mr. THOMAS], who is also on the committee, made the statement that they reluctantly, very reluctantly, agreed to any transferability clause in the Navy Department appropriation bill for this year, and they served notice on the House that this was the last year they would ever do it. Yet it is in there, an over-all transferability clause.

I do not know, but I suspect perhaps, in view of the remarks of the gentleman from South Dakota, there has been a great deal of protest growing out of the construction of that general hospital. I do not approve of it myself, because I know something about it; but those things happen in wartime. Nevertheless, this is no time for prejudice, and it is no time to punish the War Department or treat them differently from the way you treat the Navy Department. I assert that there is no over-all transferability clause in the War Department bill, but it has already been admitted, and the gentleman from South Dakota read from the RECORD from the statements of those who were in charge of the Navy Department bill, the gentleman from California [Mr. SHEPPARD] and the gentleman from Texas [Mr THOMAS], that there is an over-all transferability clause in the Navy bill, and that this was the last year they were going to do it. Nevertheless, this conference report comes in here and says, "No; the War Department cannot do it." I say that is just not treating them fairly. You either ought to cut out the Navy Department transferability clause or else you ought to vote for the motion offered by the gentleman from Florida.

Mr KERR. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr TABER].

Mr. HERTER. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. HERTER. In this conference report there is a little misunderstanding with respect to the agreement reached on the appropriations for food for the occupied areas. It is my understanding that the agreement reached was in the neighborhood of $425,000,000 even though General Eisenhower said that half a billion dollars was required. Is it not true that in reaching that agreement there was no effort to cut down on the minimum amounts that General Eisenhower thinks are essential in Germany and Japan but to leave the matter open until the harvests can be properly gaged and then, if necessary, increase the amount next year?

Mr. TABER. I think we felt we were supplying plenty of money—way beyond what really was needed. The present rate of expenditure is $30,000,000 a month and we know that that cannot go on. That means there will be $75,000,000 surplus in all probability in that fund. The country is oversensitive on the question of foreign relief and we have provided for every set-up that I know of, from UNRRA to this, on a basis way beyond what can possibly be supplied.

Mr. HERTER. The countries are entirely satisfied then that the minimum calorie rations can be maintained?

Mr. TABER. Yes, they are.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. RABAUT. I would like to comment on the inquiry of the gentleman from Florida concerning the Army War College.

The appropriation for 1945 was $111,800. The Budget estimate this year was $294,600. The committee allowed the entire sum. So it seems to me they are well taken care of.

Mr. TABER. One would almost think so.

Mr. HENDRICKS. I only used that as an example.

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. KERR. Mr. Speaker, I yield the gentleman one additional minute.

Mr. TABER. In my opinion, not only is the Army not being discriminated against if we leave out this clause entirely and vote for the motion that the gentleman from North Carolina [Mr. KERR] has made to further insist upon the disagreement of the House to the Senate amendment, but it is being favored, because of all of these transferability clauses. Almost two-thirds of the whole appropriation can be transferred within the subdivisions of six or seven different items without any action by the Congress. I do not like these transferability clauses, but the question is whether the House of Representatives is going to appropriate money or whether it is going to delegate to somebody else the authority to appropriate money. I hope that the motion offered by the gentleman from Florida [Mr. HENDRICKS] will be defeated and that we will adopt the motion offered by the gentleman from North Carolina [Mr. KERR].

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. HAYS. Mr. Speaker, I was glad to hear the statement of the gentleman from New York [Mr. TABER] in answer to the question of the gentleman from Massachusetts [Mr. HERTER] to the effect that there will be no reduction in the daily calorie allotments for the populations in occupied areas. I am pleased to note that the conference committee recommends an appropriation of $425,000,000 which is an increase of $75,000,000 over the amount in the bill as passed by the House.

I assume from the statement of the gentleman from New York [Mr. TABER] that the conference committee is convinced that any savings must be accomplished not by reducing the amount of food but in measures which will depend largely upon crop conditions and other favorable factors.

General Eisenhower has stated repeatedly that the feeding of the people of the occupied areas is directly related to the maintenance of peace and he quoted to congressional committees the telegram of General MacArthur:

> Send me food or send me soldiers and if you don't hurry you will have to send both.

The sum of $425,000,000 recommended by the conference committee represents a substantial reduction from the original figure, $700,000,000, submitted by the War Department. General Eisenhower stated that the Budget Bureau reduced this figure to $500,000,000 which was not protested by the War Department only because they hoped that improved conditions would enable them to get by on that sum but later General Eisenhower told the Senate Appropriations Committee that it would be dangerous to reduce this amount and that if minimum standards were maintained, it would all be needed. General Eisenhower is quoted on page 16 of the Senate Appropriations Committee hearings as follows:

> Honestly, I am very, very disturbed about the cut for Japan and Germany.

And later in his testimony said:

> I decided to try and get along with $500,000,000 because if we run into a jam, we can come back since it is a problem squarely in front of you and you can see it.

The point I wish to make Mr. Speaker, is that the sum recommended by the conference committee is $75,000,000 less than the amount regarded as a minimum by General Eisenhower but I am pleased that the conference committee did not take issue with the War Department about the amount of food for daily allotments and that there is no controversy about the importance of carrying out the War Department's policy with reference to meeting our responsibility for preventing starvation in the occupied areas. I, therefore, assume that the Appropriations Committee will act favorably upon any subsequent request that may be made by General Eisenhower for a deficiency appropriation to maintain minimum standards

Mr. KERR. Mr. Speaker, I yield myself 4 minutes.

The provision that funds might be transferred from one account to another without any action by the Congress is a war provision. It came into the military appropriation bill in 1942 when it was provided that not to exceed 5 percent might be transferred upon the approval of the Director of the Bureau of the Budget. For the fiscal years 1943, 1944, and 1945 the provision remained, but the amount that might be so transferred was increased to 10 percent. And in the First Deficiency Appropriation Act, 1945, the amount that might be transferred was increased to 20 percent. In the 1946 fiscal year appropriation the amount was held at 10 percent although representatives of the War Department made a determined effort to retain the 20 percent transferability authority. In that 1946 appropriation bill the approval of the Director of the Bureau of the Budget was dropped and only the approval of the Bureau of the Budget was necessary.

As I said before, this was a war provision and I do not say that it was not a proper war provision, but in a peacetime era it is indefensible. In reality we have been in a peaceful status for almost a year and the time has come that every effort should be made to return to such status so far as appropriation matters are concerned. Any authority to transfer funds held by an executive agency of government takes just that much authority over appropriations away from the Congress and particularly from this body in which appropriations must originate. If we are to exercise the responsibilities imposed upon this body by our organic law it is up to us to recover from the executive agencies any and all such authority over appropriations that they may exercise.

I am informed that the Navy Department did not have any authority to transfer funds within its appropriation accounts until the present fiscal year, 1947. At no time during the war did it find itself so hampered that it could not perform its duties. But during recent hearings that department, on the strength of the fact that the War Department had enjoyed such transfer authority, prevailed upon the members of its committee to give it like authority, and I understand that the chairman of that committee stated publicly here on the floor of the House that this was the only year that such authority would be granted. Now the War Department comes in with the argument that because the Navy Department has been given such authority it should be extended to the War Department. There is no logic to such argument when all the facts are taken into consideration and it is apparent that the proper effort is now being made to bring the responsibility of appropriating funds for all purposes back to this body where it legally belongs.

Without this provision the War Department has authority to use all funds appropriated for the Finance Department, which in this bill amount to $2,585,800,000, as one fund for all finance activities, which includes pay of the Army, travel of the Army, expenses of courts martials, apprehension of deserters, finance service employees, claims for damage to or loss or destruction of property or personal injury or death, and claims of military and civilian personnel for destruction of private property. This is in fact transfer authority of more than two and one-half billions of dollars for the purposes I have just named.

In the Quartermaster Corps where the amount in this bill is $597,900,000, there is authority to account for this amount as one fund which gives the Department authority to use these funds for welfare of enlisted men, subsistence, regular supplies, clothing and equipage, incidental expenses, and horses, draft and pack animals.

In the Engineer Corps where the overall amount provided in this bill is $816,044,000, it may be accounted for as one fund to cover expenditures for engineer service, military posts, and barracks and quarters. It is under this fund that such activities as the construction of Tripler Hospital in Honolulu has been undertaken, and without any proper authority from the Congress to undertake a particular project new and unauthorized projects may be undertaken and constructed to a point that it would be more wasteful to discontinue them than to carry them to completion.

These three appropriation accounts total in round figures $4,000,000,000.

In view of all these facts and many others that I do not now have the time to go into in detail it is my considered judgment that the House should vote down the amendment offered by my friend and colleague from Florida [Mr. HENDRICKS].

The War Department now comes in with the argument that because the Navy Department had been given the authority it should be extended to the War Department. There is no logic to such an argument, and all the facts when taken into consideration show that the proper effort is now being made to bring the responsibility to appropriate funds for all purposes back to the body to which it legally belongs. That is the fundamental question involved in this issue and I hope that the House will reject the motion of the gentleman from Florida.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield.

Mr. THOMASON. I agree with the gentleman from New York [Mr. TABER], that now that the war is over there

ought not to be any transferability clause, but inasmuch as the Navy Department came in and wanted the transferability clause because they said the War Department had asked for it, it was given to them, but now you bring in the War Department bill and take it away from the War Department.

Mr. KERR. Because we made a mistake in the case of the Navy Department does not justify our making another mistake in the case of the War Department.

Mr. THOMASON. But it was given to the Navy Department on the theory that the War Department had it. Now you would take it from the War Department.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield.

Mr. SHEPPARD. Just for the benefit of those who are complaining of the Navy Department, let me say that the Navy's justification is not predicated upon the War Department's having the transferability clause, but justification was made of the need of flexibility in the matter of expenditures.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. KERR. Mr. Speaker, I move the previous question on the motion to recede and concur with an amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Florida to recede and concur with an amendment.

The motion was rejected.

The SPEAKER. The question recurs on the motion of the gentleman from North Carolina to recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will announce the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: Page 69, line 6, strike out "20" and insert "22."

Mr. KERR. Mr. Speaker, I move that the House insist on its disagreement.

The Clerk read as follows:

Mr. KERR moves that the House insist on its disagreement to the amendment of the Senate numbered 28.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. GARY. Mr. Speaker, I call up the conference report on the bill (H. R. 5990) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1947, and for other purposes.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 1 to the bill (H. R. 5990) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 1.

JOHN M. COFFEE,
J VAUGHAN GARY,
DANIEL J. FLOOD,
KARL STEFAN,
WALT HORAN,
GORDON CANFIELD,
Managers on the Part of the House.

JOSEPH C O'MAHONEY,
JOHN H. OVERTON,
DENNIS CHAVEZ,
CLYDE R. HOEY,
JOSEPH H BALL,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate remaining in disagreement to the bill (H. R 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended as to such amendment, namely:

Amendment No 1, relating to the amount of the Federal contribution toward the expenses of the government of the District of Columbia: The House managers will move to recede and concur with an amendment.

JOHN M COFFEE,
J. VAUGHAN GARY,
DANIEL J FLOOD,
KARL STEFAN,
WALT HORAN,
GORDON CANFIELD,
Managers on the Part of the House.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1. Page 1, line 8, strike out "$6,000,000" and insert "$10,000,000."

Mr. GARY. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sums stricken out and inserted by said amendment, insert "$8,000,000."

Mr. REES of Kansas. Mr. Speaker, I am not in favor of this proposal to increase a further payment from the Federal Treasury in the sum of $2,000,000 to help pay the expenses of running the government of the District of Columbia. This is in addition to $6,000,000 already allocated from the Treasury. To take the $2,000,000 more from the taxpayers of the country and hand it over to the District of Columbia is not justified. It is going too far.

Few people in this country know the people in Washington enjoy the low tax rate of $1.75 on real and personal property. That is the total tax. In most cities it runs from $3 to as much as $4 when you add all levies together. Furthermore there is no general sales tax at all. The gasoline tax of 3 cents is lower than anywhere I know about. The District income tax is much lower than in my State or other States where there is a State income tax. There is no District inheritance tax. Even the license tax on automobiles is lower than in most States.

All this, Mr. Speaker, in a city where the income per capita is higher than in any other large city in the United States. In a city where expenses are high, and in a city that never felt a depression. While the depression was coming on in other parts of the country, Washington was increasing in population as well as incomes because of increased employment in Washington by the Federal Government.

Of course, we want the Capital City of Washington to be maintained in the best way possible. I do think, however, that people who own property in Washington and make their money in Washington, because it is the seat of government, ought to be willing to pay taxes comparable with other people. They should not ask other people to help support the city government and institutions until they have paid their share of the expense. I just do not see how the Members of this House can really justify a vote in favor of this appropriation, not if they will compare Washington taxes with the taxes that are being paid by their own people at home.

A great deal has been said about the right of the people of the District to vote and to be represented in Congress by their own elections. I certainly would have no objection to that request. In fact, I think the people of Washington would have a better understanding with respect to this problem as well as other problems that affect the welfare of the entire country if they had the right of franchise.

The SPEAKER. The question is on the motion.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 73, noes 31.

Mr. TABER. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 192, nays 102, not voting 136, as follows:

[Roll No 198]

YEAS—192

Abernethy	Carlson	Douglas, Ill
Almond	Carnahan	Doyle
Andrews, Ala.	Case, N. J.	Elliott
Angell	Chelf	Elston
Arends	Church	Engle, Calif.
Auchincloss	Combs	Ervin
Bailey	Cooley	Fallon
Barden	Corbett	Fellows
Barrett, Pa.	Cravens	Fernandez
Beall	D'Alesandro	Fisher
Bender	Delaney, James J.	Flannagan
Bennet, N. Y.	Delaney, John J.	Flood
Biemiller	Dewart	Fogarty
Blackney	Dingell	Folger
Bolton	Dirksen	Forand
Brooks	Dolliver	Fulton
Brown, Ga.	Domengeaux	Gallagher
Brown, Ohio	Dondero	Gamble
Buchanan	Doughton, N. C	Gary
Bunker	Douglas, Calif.	Gathings
Byrne, N. Y.		Gerlach
Canfield		

Gillie	Keogh	Rabaut
Goodwin	Kerr	Rabin
Gordon	King	Randolph
Gorski	Kinzer	Reed, Ill.
Granahan	Kirwan	Resa
Grant, Ind.	Kopplemann	Rich
Green	Kunkel	Richards
Gwinn, N Y.	LaFollette	Riley
Gwynne, Iowa	Larcade	Rivers
Hale	Latham	Robertson, Va.
Hall, Edwin Arthur	LeCompte	Rockwell
	Lemke	Rogers, Mass.
Hall, Leonard W.	Lesinski	Ryter
Halleck	Lewis	Sasscer
Harless, Ariz.	Link	Savage
Hart	Lyle	Shafer
Havenner	Lynch	Sheppard
Hays	McConnell	Simpson, Ill.
Healy	McCormack	Smith, Maine
Hedrick	McDonough	Smith, Va
Hendricks	McGlinchey	Somers, N Y.
Herter	McMillan, S C	Sparkman
Heselton	Madden	Spence
Hess	Marcantonio	Starkey
Hill	Martin, Mass.	Stefan
Hinshaw	Mathews	Stockman
Hobbs	Michener	Sullivan
Hoch	Monroney	Sumners, Tex
Holmes, Mass.	Morgan	Talbot
Holmes, Wash	Neely	Thom
Hook	Norblad	Thomason
Howell	O'Brien, Ill.	Traynor
Huber	O'Brien, Mich.	Trimble
Jackson	O'Hara	Voorhis, Calif.
Jarman	O'Toole	Vorys, Ohio
Johnson, Calif	Outland	Vursell
Johnson, Luther A	Peterson, Fla	Walter
	Pittenger	Wasielewski
Jonkman	Pratt	White
Judd	Price, Fla.	Wigglesworth
Kean	Price, Ill	Wolverton, N J.
Kee	Priest	Woodhouse
Kelly, Ill.	Quinn, N Y	Zimmerman

NAYS—102

Allen, La	Graham	O'Neal
Andersen, H Carl	Gregory	Patman
	Griffiths	Philbin
Arnold	Gross	Phillips
Barrett, Wyo	Hand	Pickett
Beckworth	Hare	Poage
Bennett Mo	Henry	Ramey
Bishop	Hoeven	Rees, Kans
Brehm	Hoffman, Pa.	Ribley
Brumbaugh	Hope	Robertson, N Dak
Bryson	Hull	
Buck	Jenkins	Robsion, Ky
Buffett	Jensen	Roe Md
Butler	Johnson, Ill	Rowan
Byrnes, Wis.	Johnson, Ind	Sabath
Campbell	Johnson, Lyndon B	Schwabe, Mo.
Cannon Mo.		Schwabe, Okla.
Case, S Dak	Jones	Smith, Ohio
Chapman	Kefe	Smith Wis.
Chiperfield	Kilday	Springer
Clason	Knutson	Stevenson
Clevenger	Landis	Sundstrom
Cole, Mo	Lane	Taber
Cole N Y	Lanham	Talle
Cooper	McCowen	Thomas, Tex
Crosser	McGregor	Tibbott
Curtis	McMillen, Ill.	Towe
Dworshak	Martin Iowa	Wadsworth
Ellis	Merrow	Welchel
Esaesser	Miller Nebr	Whitten
Feighan	Mills	Whittington
Fenton	Mundt	Wilson
Gavin	Murray, Tenn	Winter
Gillette	Murray Wis	Wolcott
Gore	O Konski	Woodruff

NOT VOTING—128

Adams	Chenoweth	Fuller
Allen, Ill	Clark	Gardner
Anderson, Calif	Clements	Gearhart
Andresen, August H.	Clippinger	Gibson
	Cochran	Gifford
Andrews, N Y.	Coffee	Gillespie
Baldwin, Md.	Cole, Kans.	Gossett
Baldwin, N Y.	Colmer	Granger
Barry	Courtney	Grant, Ala.
Bates, Ky	Cox	Hagen
Bates, Mass.	Crawford	Hancock
Bell	Cunningham	Harness, Ind.
Bland	Curley	Harris
Bloom	Daughton, Va.	Hartley
Bonner	Davis	Hébert
Boren	Dawson	Heffernan
Boykin	De Lacy	Hoffman, Mich
Bradley, Mich.	Drewry	Holifield
Bradley, Pa	Durham	Horan
Buckley	Earthman	Isac
Bulwinkle	Eaton	Jennings
Camp	Eberharter	Johnson, Okla.
Cannon, Fla.	Ellsworth	Kearney
Celler	Engel, Mich.	Kefauver
Kelley, Pa.	Pace	Sheridan
Kilburn	Patrick	Short
Klein	Patterson	Sikes
Lea	Peterson, Ga	Simpson, Pa.
LeFevre	Pfeifer	Slaughter
Luce	Ploeser	Stewart
Ludlow	Plumley	Stigler
McGehee	Powell	Sumner, Ill.
McKenzie	Rains	Tarver
Mahon	Rankin	Taylor
Maloney	Rayfiel	Thomas, N. J.
Mankin	Reece, Tenn.	Tolan
Mansfield, Mont	Reed, N Y	Torrens
	Robinson, Utah	Vinson
Mansfield, Tex	Rodgers, Pa	Weaver
Mason	Roe N Y	Welch
May	Rogers, Fla	West
Miller, Calif	Rogers, N. Y	Wickersham
Morrison	Rooney	Winstead
Mundock	Russell	Wolfenden, Pa
Murphy	Sadowski	Wood
Norrell	Scrivner	Worley
Norton	Sharp	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr Rankin with Mr Hoffman of Michigan
Mr Barry with Mr Ploeser
Mr Pfeifer with Mr Horan
Mr Boykin with Mr Ellsworth.
Mr Rayfiel with Mr Jennings
Mr Bradley of Pennsylvania with Mr Eaton.
Mr Sheridan with Mr Plumley
Mr Celler with Mr Bradley of Michigan
Mr Klein with Mr Kilburn.
Mr Coffee with Mr LeFevre
Mr Sikes with Mr Mason
Mr Vinson with Mr Reed of New York
Mr Colmer with Mr Scrivner
Mr Camp with Mr Taylor
Mr Peterson of Georgia with Mr Simpson of Pennsylvania
Mr De Lacy with Mr Kearney.
Mr Wood with Mr Hartley
Mr Eberharter with Mr Gillespie.
Mr Bulwinkle with Mr Fuller
Mr Heffernan with Mr Chenoweth
Mr Pace with Mr Short
Mr Holifield with Mr Harness of Indiana.
Mr Kefauver with Mr. Gearhart
Mr Izac with Mr Allen of Illinois
Mr Mansfield of Montana with Mr. Thomas of New Jersey
Mr May with Mr Crawford

Mr. BENDER changed his vote from "no" to "aye."

The result of the vote was announced as above recorded

The doors were opened.

A motion to reconsider was laid on the table

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks in the RECORD immediately preceding the roll call by which this amendment was adopted.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection

DAY CARE NURSERY SCHOOLS IN THE DISTRICT OF COLUMBIA

Mr. HEALY submitted the following conference report and statement on the bill (H. R. 5933) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 5933) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same.

NED R HEALY,
J GLENN BEALL,
JNO L MCMILLAN,
Managers on the Part of the House.

CLYDE R. HOEY,
JAMES W HUFFMAN,
H ALEXANDER SMITH,
Managers on the Part of the Senate

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 5933) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report

Amendment No 1 authorizes the Board of Public Welfare to administer the program rather than the Board of Education

Amendment No 2 limits the number of nurseries and nursery schools to 14, the number in operation at the present time

Amendment No 3 requires residence of 1 year in order to be eligible under this program

Amendment No 4 limits the authorization of funds to $500,000 rather than $500,000 annually as in the House bill.

JNO L MCMILLAN,
NED R HEALY,
J GLENN BEALL,
Managers on the Part of the House

Mr HEALY Mr Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H R. 5933) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman explain the report?

Mr. HEALY. This was a bill which would provide for the continuation of the nursery schools, some known as day-care centers, in the District of Columbia. The Senate added four amendments to the bill passed by the House 2 weeks ago. The matter went to conference and the House conferees have agreed to the four Senate amendments.

Mr. MARTIN of Massachusetts. Will the gentleman explain the Senate amendments?

Mr. HEALY. The first amendment of the Senate provides that the administration of the program shall come under the Board of Welfare of the District of Columbia rather than the Board of Education.

The second amendment would limit the number of nursery schools to 14, which is the number in operation at the present time. I might say that these schools have been operated since the discontinuance of Federal funds from funds provided by the District of Columbia war chest.

The third change made by the Senate would require a residence of 1 year in the District of Columbia in order to be eligible to send children to the schools under this program.

The fourth change of the Senate was to limit the appropriation to $500,000 rather than $500,000 annually as was provided in the bill adopted by the House.

Mr. MARTIN of Massachusetts. The House provided a $500,000 yearly program; this is limited to $500,000 in total amount?

Mr. HEALY. Yes; in other words, it is a program limited to 1 year rather than making it a permanent program.

Mr. MARTIN of Massachusetts. Was there full agreement among the House conferees?

Mr HEALY. There was complete agreement among the conferees of both the House and the Senate.

The SPEAKER. Is there objection to the present consideration of the conference report?

There was no objection.

The Clerk read the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table

ADDITIONAL COMPENSATION TO ASSISTANT JOURNAL CLERK

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Accounts, I send to the Clerk's desk a resolution (H. Res. 693) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That effective July 1, 1946, there shall be paid out of the contingent fund of the House until otherwise provided by law additional compensation to the Assistant Journal Clerk at the rate of $400 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table

SPECIAL ORDER GRANTED

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that on tomorrow after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore (Mr. MILLS). Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. PHILLIPS asked and was given permission to extend his remarks in the RECORD and include a table and a radio address.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include an editorial from a local newspaper.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a manuscript entitled "California Observes Dairy Month." I am advised by the Public Printer that this will exceed 2 pages of the RECORD and will cost $210. I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. HAND] is recognized for 20 minutes.

SOCIAL SECURITY OR INSECURITY?

Mr. HAND. Mr. Speaker, for a good many weeks the House Committee on Ways and Means has been engaged in an extensive study of our whole social security system. In addition to the large number of witnesses called, the committee has had before it since January 17, a report by its staff relating to nearly all phases of this subject. The report is 742 pages long, so it will be readily seen that the committee has faced an enormous task. Just last week the committee reported, but I think the bill is only a partial approach to the problem.

It has been evident for some time that our whole social-security plan needs readjustment and revision, and I sincerely hope that it will not be much longer before Congress will be able to pass a new Social Security Act. In the first place, the payments now being made to our senior citizens under the so-called old-age benefits are entirely inadequate under present-day circumstances. The cost of living has multiplied to such an extent that payments that once were at least helpful are now inadequate for the bare necessities of living. Of all the correspondence that I have had on this subject, and of all the official reports that I have examined, nothing makes this quite so clear to me as a letter I received, portions of which I here insert:

DEAR SIR As our representative in Congress, I am writing you in behalf of our social insecurity. My husband and I are Americans, as are our ancestors for many, many generations back. We were born in New Jersey and have lived here for over 50 years. As to our grievance—we positively do not receive enough social security pension each month to afford the bare necessities of life. My husband is 78 years of age. I am 66. He worked every day up to 4 years ago when he was stricken with a cerebral hemorrhage which totally disabled him. For several years before, his pay check had been $17 per week. It took all of that to live—no chance to put any money aside for old age, none. It seems those who earned the least are allotted the lowest pensions—the higher their earnings, the more pension they draw. I can see no justice in that—nor does anyone we've ever talked to about social security.

My husband's pension is $22.16 a month and my own is $11.08. I'm almost ashamed to write it. (Such a mere pittance as it is.) Ashamed for our Government and our wonderful country to expect two people to live, in these times, on $33.24 a month. Why, a soldier's wife is paid $50 a month, and $30 for each child, $90 a month, or more.

We live in a very small bungalow just outside of town for which we have to pay $25 per month rent, which leaves us the small sum of $6.24 to live on for a month. It can't be done. There is fuel, food, light, clothing, medicine, doctor's bills, insurance, etc. We are both ill, under a doctor's care all the time, and need medicine we cannot afford to buy. We do so want to keep our little home together while we do live. If it was not for the kindness of relatives and friends we'd have had to break up long ago and go to the poorhouse. If one asks for relief, they say, "Why don't you draw social security?" Anyone on relief in this vicinity is looked down on and talked of as bums or boggars. Our relatives' and friends' help cannot go on indefinitely. Millions of dollars are being poured into Europe and elsewhere for relief and what not. The Government is spending money and wasting money right and left but nothing is being done to improve conditions for their own old and feeble citizens The price of everything is rising. Cannot something more be done for us old folks in the low bracket income? There are many of us who are praying for more consideration from our Government Cannot something be done before it is too late for many of us? Freedom from want would be a godsend Please try to help us—do.

Respectfully.

Increasing payments to the recipients of old-age assistance will be money wisely spent. A sound social-security system is an investment in the peace, happiness, and welfare of our country. I am not disturbed by the wise expenditure of public funds, but by their foolish dissipation.

Mr Speaker, sometimes it seems to me that there has developed an attitude that we can afford everything else except the care of our own people. Hundreds of millions, yes, billions of American dollars have been spent in an attempt to bring some measure of health and security to peoples all over the world, but we hesitate about bringing a measure of health and security to our own people. If we can spend upwards of $3,000,000,000—and that probably is a modest estimate—for the necessities of life for foreign people, including our late enemies, we certainly should not quibble over adequate social security for loyal citizens here at home, who have helped materially to bring this country to the great and strong position it now occupies.

In the New York Times of February 13, 1946, there was an editorial which referred to the burning of four homes for the aged in which 44 elderly people lost their lives, probably because of the unsafe conditions of the homes. This kind of thing is a reproach to the American people. The Times suggests that the needed repairs and modernization should be promptly made. I suggest, on the other hand, that it should be our ultimate goal that our elderly people spend their declining years in homes of their own under a humane security system, which will provide the means for living and decent privacy, rather than in institutions.

These older citizens were not covered by the benefits of the Social Security Act during the years when they were wage earners, and most of them now are wholly or partially dependent upon charity because of the inadequacy of payments.

We are obliged to provide adequate allowances for those who are already covered, and we are further obliged to extend coverage so that millions of citizens, who are now wholly outside the benefits of our present law, may be included. The case of the small individual employer is a notable example. He pays social-security taxes, and all of his employees are covered by the benefits of the act, but he himself is not covered, even after paying his full share of contributions, unless he is smart enough to incorporate and pay himself a salary.

Thousands of people throughout the United States are still greatly interested in the Townsend plan, and are convinced that this is the best solution of the problem. The Ways and Means Committee finally held additional hearings on this plan on April 15 Whatever may be the merits or demerits of this legislation as presently written, it is time that the Ways and Means Committee and the Congress itself come to a definite conclusion about it. It is unfair to keep thousands of persons in a state of uncertainty and hope. If the committee feels the plan is not feasible, it should say so directly, or, in the alternative, report it for the consideration of the House. If it comes before the House, the House should take prompt action and determine once and for all whether this plan or anything closely resembling it can work.

Regardless of whether this particular plan receives further consideration it remains our duty to promptly and completely revise our Social Security System, both for the purpose of providing adequate payments to those now covered and to extend coverage to those who are not covered.

Another thing must be considered: I am not an advocate of the theory that we can spend ourselves into prosperity, but the fact remains that the general prosperity is increased, and general business does profit by a proper and reasonable increase in purchasing power. It is far better for the national economy that qualified individuals should have the means to purchase the things that they require rather than dole out a pittance to them or have them exist on private charity.

Since the first of the year, millions of workmen have received substantial increases in their compensation. Within the last month, Congress has increased the pay of Federal employees generally, pay in the Post Office Department, and most recently has started an increased pay schedule for military personnel. The aggregate cost of these increases is hundreds of millions annually, and for the most part they were motivated by the realization that their compensation is no longer adequate to meet increased living costs. The same reason requires us not to fail those who need it most.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CLEMENTS (at the request of Mr. CHELF), for 7 days, on account of important business in the Second Congressional District of Kentucky.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H R 6056 An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes; and

H R. 6496. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S 2335 An act to excuse employees of the Government from work on July 5, 1946

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H R. 6056 An act making appropriations for the Department of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes, and

H R 6496 An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1947, and for other purposes.

ADJOURNMENT

Mr. DINGELL Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 3, 1946, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on S. 1636 and H. R 6680, both relating to surplus property on Wednesday morning, July 3, at 10 a. m , in room 304, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1431. A letter from the Comptroller General of the United States, transmitting reports on audit of United States Maritime Commission and War Shipping Administration for the fiscal year ended June 30, 1944 (H. Doc. No. 689); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1432 A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr ELLIOTT: Committee on Accounts. House Resolution 90 Resolution to provide additional compensation for the clerk to the minority members of the Committee on Ways and Means, without amendment (Rept. No. 2450). Referred to the House Calendar

Mr ELLIOTT: Committee on Accounts. House Resolution 691 Resolution relating to compensation of certain employees of the House; without amendment (Rept No 2451). Referred to the House Calendar

Mr. McMILLAN of South Carolina: Committee on the District of Columbia S 2234 An act to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes; without amendment (Rept. No. 2453) Referred to the Committee of the Whole House on the State of the Union.

Mr ELLIOTT Committee on Accounts. House Resolution 693 Resolution providing additional compensation for the assistant Journal clerk, without amendment (Rept No 2454). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PITTENGER: Committee on Claims. H R. 228 A bill for the relief of Robert June; without amendment (Rept No 2452). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr BARTLETT:

H R 6946 A bill to extend the Federal Declaratory Judgments Act to the Territory of Alaska, to the Committee on the Judiciary.

By Mr ROBERTSON of North Dakota:

H. J Res. 374 Joint resolution to suspend application of section 304 of the Tariff Act of 1930, as amended, until January 1, 1947, with respect to certain brick imported from Canada, to the Committee on Ways and Means

By Mr. PITTENGER:

H. J Res 375. Joint resolution extending the rent-control provisions of the Emergency Price Control Act of 1942, as amended, until June 30, 1947; to the Committee on Banking and Currency.

By Mr BLAND:

H Res 692 Resolution for consideration of H. R. 2346; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 6947. A bill to record the lawful admission to the United States for permanent residence of Karl Frederick Kucker; to the Committee on Immigration and Naturalization.

By Mr. LANE:

H. R. 6948. A bill for the relief of Donat and Laura Larouche; to the Committee on Claims.

SENATE

WEDNESDAY, JULY 3, 1946

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, to the high altar of Thy mercy we come, each with his private need which only Thou knowest. In Thee alone we find the deep springs of the spirit at whose crystal waters we may be so strengthened with might that, maintaining our integrity and fidelity in an evil time, we shall go forth to be in the world but not of it.

As when curtains are lifted through the smallest window streams the light of a vast and distant sun, so Thou whose light fills all, illumine the rooms of our being which are dark only because we shut Thee out.

In the midst of all that saddens and perplexes in this difficult yet splendid day, give us an inner radiance; send us out where sound the cries of class and clan, not knowing that our faces shine, but humbly glad that in a world that lieth in darkness we are the children of the light. In the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D C., July 3, 1946

To the Senate

Being temporarily absent from the Senate, I appoint Hon BURNET R MAYBANK, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence

KENNETH MCKELLAR,
President pro tempore.

Mr MAYBANK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 2, 1946, was dispensed with, and the Journal was approved.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on July 2, 1946, he presented to the President of the United States the enrolled bill (S. 2335) to excuse employees of the Government from work on July 5, 1946.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 1, 1946:

S 2341. An act to amend the National Housing Act, and for other purposes.

On July 2, 1946:

S. 2335. An act to excuse employees of the Government from work on July 5, 1946.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S 438 An act authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes;

S. 593 An act for the relief of Warrant Officer Wayne C. Proper;

S 933. An act for the relief of the estate of Sybel Spence;

S 1051. An act for the relief of William J. Simpson and John B Rogers, Sr.,

S. 1061 An act for the relief of Violet Ludokiewich,

S. 1150 An act for the relief of John Leberman,

S 1314 An act for the relief of Frederic P. L Mills;

S. 1517. An act for the relief of Lofts & Son,

S. 1569. An act for the relief of Gwynn C. Triplett, and for other purposes,

S. 1683 An act for the relief of the estate of Mrs. Sufronia Andrus,

S 1773 An act for the relief of Frederick Uhrmann,

S. 1852. An act for the relief of the legal guardian of Arlis Earl Teekell,

S 1912 An act for the relief of Brig Gen. Carl H Seals,

S. 1965 An act for the relief of the estate of C Benjamin Stapleton,

S 1988. An act to authorize the Secretary of the Interior to quit claim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, N. Mex;

S 2015 An act for the relief of William H Morris,

S. 2107 An act for the relief of certain postal employees;

S 2292 An act for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News, and

S 2345 An act to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. WHITTEN, Mr. GORE, Mr. JENSEN, and Mr. PLOESER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 3 to the bill, and concurred therein, and that the House insisted upon its disagreement to the amendments of the Senate numbered 27 and 28 to the bill.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5933) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes.

The message further announced that the House had receded from its disagreement to the amendment of the Senate numbered 1 to the bill (H R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF STATE (S. DOC NO. 233)

The ACTING PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, amounting to $339,853.60, fiscal year 1947, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Utah, from the Committee on Education and Labor,

S 2070 A bill to authorize the Federal Security Administration to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; without amendment (Rept. No 1648)

By Mr MURDOCK, from the Committee on Banking and Currency:

H R 6372. A bill to amend the Federal Credit Union Act, with an amendment (Rept. No. 1647).

By Mr. MURRAY, from the Committee on Foreign Relations.

H J Res 305. Joint resolution providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor; with amendments (Rept. No. 1649).

Mr. O'MAHONEY, from the Committee on Military Affairs, submitted a report (No. 1650), accompanied by an original joint resolution (S. J. Res. 174) prohibiting the War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program has been submitted to Congress, which joint resolution was read the first time, and, by unanimous consent, the second time, and ordered to be placed on the calendar.

By Mr. HUFFMAN, from the Committee on Claims:

S 1674. A bill for the relief of Michael Joseph Bennett, a minor; with amendments (Rept. No. 1651);

S. 2260. A bill for the relief of Roy M Davidson, without amendment (Rept. No. 1652); and

H R. 5541. A bill for the relief of F. B. Sweat; without amendment (Rept. No. 1653).

By Mr. WHERRY, from the Committee on Claims:

S. 357. A bill for the relief of the Forward Columbus Fund, of Columbus, Nebr; without amendment (Rept No 1654);

H R 1707 A bill for the relief of Arcadio Saldana Agosto; without amendment (Rept. No 1655);

H.R 2269. A bill for the relief of Dr. William A. Schumacher and Magdalen M. Schumacher, without amendment (Rept. No. 1656); and

H R. 3848. A bill for the relief of the legal guardian of Johnnie Pollock, a minor; without amendment (Rept No 1657)

By Mr WILSON, from the Committee on Claims.

S. 1751. A bill for the relief of Wayne Parker; with an amendment (Rept No. 1658); and

H.R 1469 A bill for the relief of Cox Bros; without amendment (Rept No. 1659).

By Mr. MORSE, from the Committee on Claims

S 1880. A bill for the relief of the Crosby Yacht Building & Storage Co, Inc, without amendment (Rept No 1660); and

S. 2369. A bill for the relief of Col S V. Constant, General Staff Corps, without amendment (Rept. No 1661).

By Mr JOHNSTON of South Carolina, from the Committee on Claims:

S. 1733. A bill for the relief of Deamark Wright; with amendments (Rept No 1662).

By Mr. McMAHON, from the Committee on Claims.

H R 3065 A bill for the relief of Standard Dredging Corp; without amendment (Rept No. 1663).

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which, under the rule, will be read the second time by title.

The joint resolution (H. J. Res. 371) extending the time of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, was read the second time by its title.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be referred to the Committee on Banking and Currency.

Mr. O'DANIEL. Mr. President, tomorrow, July 4, will be Independence Day. The citizens of this Nation will celebrate our independence with increased pride because they now have a new independence—an independence free from dictation and domination by OPA.

The clerk has just read for the second time a joint resolution which would resurrect OPA and again rob our citizens of a large part of their personal liberty, freedom, and independence.

Reports coming in from all over the Nation indicate that we are getting along fine without OPA. Almost everybody seems to be satisfied except some New Dealers who want OPA renewed. To reenact OPA would replace on the Federal pay roll about 65,000 former employees of defunct OPA. We do not need the services of this vast army of ex-employees and to pay them out of Federal funds would appear to me to be more of a pension than anything else.

Therefore I move that the joint resolution which has just been read be referred to the Committee on Pensions instead of the Committee on Banking and Currency.

Mr. BARKLEY. I make the point of order that the motion of the Senator from Texas is not in order.

The ACTING PRESIDENT pro tempore. The Chair sustains the point of order made by the Senator from Kentucky that the motion of the Senator from Texas is not in order.

If there be no objection, the joint resolution will be referred to the Committee on Banking and Currency.

Mr. BARKLEY Mr. President, there is at the desk a joint resolution offered by the Senator from New York [Mr. WAGNER].

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the joint resolution (S. J Res 172) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which, under the rule, will be read the second time by title.

The joint resolution was read the second time by title.

The ACTING PRESIDENT pro tempore. The joint resolution will be referred to the Committee on Banking and Currency.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr WAGNER introduced Senate bill (S 2409) to authorize the establishment of a fund in the Treasury of the United States of the revenue collected from duties levied upon all articles coming into the United States from the Philippine Islands commencing January 1, 1947, which fund shall be used to provide educational opportunities in the United States for the people of the Philippine Islands which was referred to the Committee on Territories and Insular Affairs and appears under a separate heading.)

By Mr. BUSHFIELD:

S 2410. A bill to provide for a uniform method of payments to the several States on account of certain lands of the United States; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Utah:

S 2411. A bill for the relief of Jesse F Cannon, Jackson Jones, and the estate of John Halstadt; to the Committee on Claims.

By Mr. ANDREWS.

S 2412. A bill to provide for site acquisition and design of Federal buildings, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. GOSSETT:

S. 2413. A bill to authorize the construction and operation and maintenance of the Payette unit of the Mountain Home project, Idaho; to the Committee on Irrigation and Reclamation.

By Mr. WALSH:

S 2414 A bill for the relief of Antanos Butkus; to the Committee on Immigration.

By Mr. RADCLIFFE:

S 2415. A bill to increase the efficiency of the Coast and Geodetic Survey; to the Committee on Commerce.

By Mr. LANGER:

S. J. Res. 173. Joint resolution to suspend application of section 304 of the Tariff Act of 1930, as amended, until January 1, 1947, with respect to certain brick imported from Canada; to the Committee on Finance.

PHILIPPINE EDUCATIONAL FUND

Mr. WAGNER. Mr. President, I introduce for appropriate reference, a bill which is known as the Philippine educational fund bill. Under it we would devote all or part of our customs receipts on goods imported from the Philippines to the establishment of a special fund for providing higher education for Filipino students in the United States.

Administration of this fund would be vested in the United States Office of Education, which would be assisted by a special advisory commission on which the State Department and the Philippine Government would be represented. Necessary funds would be turned over by the United States Office of Education to the States for disbursement to the educational institutions within the States on requisition of the State educational authorities and in accordance with an approved allotment plan.

The bill follows the precedent set when we devoted Boxer indemnity funds to the education of Chinese students in the United States. That act of generosity and the contacts established by Chinese students in the United States have provided a cornerstone of good will and trade in American-Chinese relations. The program proposed by the Philippine Educational Fund bill may be expected to achieve similar results on an even larger scale. It is espccially appropriate that legislation of this type be presented to the Congress on the eve of Philippine independence.

The bill (S. 2409) to authorize the establishment of a fund in the Treasury of the United States of the revenue collected from duties levied upon all articles coming into the United States from the Philippine Islands commencing January 1, 1947, which fund shall be used to provide educational opportunities in the United States for the people of the Philippine Islands, was read twice by its title and referred to the Committee on Territories and Insular Affairs.

PRICES OF MEAT AND DAIRY PRODUCTS

Mr. WHERRY. Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks a report from the American Meat Institute on marketing in the livestock centers of the country, as compiled and wired to me, and of which I am just now in receipt. It gives the markets right up to the last minute as we find them throughout the United States at this very moment. I shall read the report. It comes from the American Meat Institute. I promised to read such reports to the Members of the Senate each morning, so that they could keep tab on the receipts in the markets throughout the country. The Meat Institute constitutes about 95 percent—I do not want to make an extravagant statement and will say from 90 to 95 percent of the meat processors of the

country—and what they say in this telegram is official. It gives a last-minute and correct report, regardless of whether it is favorable or unfavorable to those interested in price control. Here is the report, and I read the telegram which has just been received:

A substantial increase in livestock receipts at nearly all markets yesterday, accompanied by a decrease in prices of both hogs and most grades of cattle, is being followed today by moderately heavy marketings. These increased marketings, if continued, will mean more meat for consumers within the next few weeks at fair, open, competitive market prices, no higher than the black-market prices prevailing prior to removal of price controls It should be kept in mind that the higher prices for livestock are going back to livestock producers and feeders rather than into the pockets of black-market operators and that this should encourage meat production, especially in view of the bumper-feed-crop prospects.

I should like to comment upon that. What they mean to say is that for the first time in the last 2 days the black-market operators have had to pay the price across the table instead of under the table, and they are doing business today on the open market at prices that the black-market racketeers have been paying for 80 percent of the meat during all these months, or, in reality, for the last year and a half. I think we understand that. Now getting back to the telegram:

Yesterday the drastic decline in hog prices—

And, by the way, I said yesterday that the decline was from $2 to $4, and this is commenting upon it—

Yesterday the drastic decline in hog prices, at various markets, amounted to $1 to $4 per hundredweight alive. Cattle prices also declined The United States Department of Agriculture summarized the cattle market at Chicago yesterday as follows.

The quotation from the Department of Agriculture, as cited by the American Meat Institute, is as follows:

"But while the extreme upper crust of the crop brought premium prices compared with Monday's selling, the general trade on steers, yearlings, and heifers developed along steady to 25-cent lower lines, with scattered loads of medium to good shortfeds as much as 25 to 50 cents lower on late rounds."

Mr. President, I wish to comment on that for a moment. We should remember that the meat processors are going into the market and buying cattle and selling them at the ceiling prices today, which means that they have to absorb the subsidies, which amount to nearly $5 a hundred. We should bear that in mind, because if in straightening out these prices finally the meat processors have to raise the price of meat 2 or 3 or 4 or 5 cents a pound, they will do it with only one thing in mind, that is, that they cannot continue to absorb the loss of the subsidy over a long period. I think we should all understand that. But up to this moment, at least—and I have been assured that it will be true for this week—they are continuing to buy cattle, sell them at the ceiling prices, and absorb the subsidy, to show good faith, and that they do not want run-away prices.

Mr. KILGORE. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. KILGORE. I am interested in the telegram, in connection with a news story this morning in the newspapers in Washington which said that the price of beef went up $4 a hundred above the ceiling price, and that the drop-back was merely a drop-back from the overceiling price; that pork went up approximately the same, and that the drop-back was the drop-back from the overceiling price; so that the price on the market was over what the ceiling had been.

Mr. WHERRY. I agree with the distinguished Senator that the prices in the markets are higher than the ceiling ranges have been, but even though the price has been higher, the processors are buying and selling through the wholesale and retail channels at the ceiling prices, and they are absorbing the subsidy. They cannot continue to do that for long; but the least we can do is to give them our heartfelt expression of thanks for attempting to stabilize the market by absorbing the subsidies, even though they have to meet the prices of the black-market racketeers.

Mr. KILGORE. I agree with the Senator in that.

Mr. WHERRY. Mr President, I have the floor, and I should like very much to answer any queries any Senator may wish to make.

Mr. BARKLEY. Will the Senator from Nebraska yield?

Mr. WHERRY. I yield

Mr BARKLEY. We are in the morning hour, and the Senator asked unanimous consent to put something in the RECORD and make a statement, but if we are to get into a debate over the OPA and the black market in meat, I must call for the regular order.

Mr. WHERRY. If the Senator will bear with me, I asked for unanimous consent and got it, and if he will permit me to finish my statement——

Mr. BARKLEY. I will but I do not want to see a debate on the OPA.

Mr. WHERRY. I agree with the distinguished Senator.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

Mr. WHERRY. I shall continue, and read the telegram right through, and have it in the RECORD so that Senators will have the continuity of the report, if the Senate will indulge me, complying with the request of the majority leader. If there are any questions to be asked, Senators may ask them sometime after the conclusion of the morning hour. The telegram continues:

Market receipts of cattle at 12 major markets today amounted to about 42,000 head, as compared with 48,000 head yesterday and slightly over 34,000 head last Wednesday. In spite of this decrease in receipts from yesterday, the early report of the cattle market at Chicago today is that buyers are operating cautiously with a few sales being made of the best grades of cattle near yesterday's prices but the market for the bulk of cattle on sale today is reported slower and weaker.

Hog receipts at 12 markets today amounted to slightly over 57,000 head as compared with over 105,000 head yesterday and slightly over 13,000 head for Wednesday of last week. The hog market opened this morning slightly stronger with early sales reported at 25 to 50 cents above yesterday's close, with an early top of $17 at Chicago, as compared with the top of yesterday of $16.75.

Meat supplies available to consumers this week, of course, continue sharply curtailed because last week's meat production was extremely small. The Government reported yesterday that meat production under Federal inspection last week was only 121,000,000 pounds—the lowest on record—and 57 percent less than meat production in the corresponding week a year ago.

Price levels during the remainder of this week—a holiday week—and, in fact, for the next several weeks—will be influenced by a number of abnormal circumstances.

These include:

1 The summer period is a period of seasonal short production. Substantial seasonal increases in market supplies, however, can be expected by late summer and early fall

2 The filling of an almost-empty food pipe line takes time and creates for the time being an added demand for meat.

3 OPA price regulations failed to allow for proper storage of meat last fall and winter, the season of high production, which influences considerably meat supplies available during the summer months.

In addition to these facts, it is important to keep in mind that consumers have been paying indirectly for many months—"indirectly" under the guise of subsidies—the equivalent of about 5 cents a pound. People have had to pay this tax assessment whether they were able to get meat or not. Therefore, with meat subsidies eliminated, market prices for meat will be offset by a saving of approximately $750,000,000 dollars a year in tax payments, which amounted to at least $20 annually per average family. In addition, independent, reliable surveys indicated that prior to removal of price control consumers already were paying a black-market price on all meat they purchased of about 20 percent over the ceiling, or more than 7 cents per pound.

That is the end of the telegram which I just received from the American Meat Institute.

Now, Mr. President, without taking the time of the Senate, I also wish to insert at this point in the RECORD a report of the milk producers of the country.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington, D. C., July 2, 1946.

Hon. KENNETH WHERRY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WHERRY: This letter is in response to your inquiry as to price movements within the dairy industry since the expiration of the Price Control and Stabilization Acts on June 30, 1946.

President Truman's veto produced a situation which was unexpected and is fraught with great uncertainty. Because of their familiarity with the vetoed bill, dairy producer groups throughout the Nation did not expect removal of subsidies and compensatory maximum price increases until July 31. Expiration of price-control legislation, therefore, put them in the position whereby without price increases they are losing the aggregate of $2,000,000 a day based upon the Government's announced program of subsidy rates of payments in lieu of fair prices. In consequence, there has been a distinct series of moves throughout the country by producers to obtain compensatory price increases. The nature of these moves is of

great importance and we have endeavored to appraise them. Within the past 2 days I have heard from our organizations in almost every representative section of the Nation and I can speak authoritatively when I say that in no instance has it been reported to me that producers were asking more than compensation to relieve their present distress and to make readjustment into what they hope will be a continuation of a free economy. In some sections of the country where State authorities are empowered to act, prices are being ordered to be increased to producers by approximately the average rate of the subsidies paid by the Federal Government In other sections, producers and distributors have returned to the customary method of bargaining for the sale or purchase of the product

These reports also revealed the fact that in only a few instances are wholesale handlers of butter asking prices higher than prevailed under OPA, despite the fact that producers of separated cream are now suffering a daily loss of 18 cents per pound of butterfat sold by them. The same holds true of manufacturers of cheese, evaporated and dry milk.

Under the plan announced April 15 by former Stabilization Administrator Chester Bowles, dairy subsidies in all markets were to be increased July 1 over a year ago by 20 cents per hundredweight of milk and 5 cents per pound of butterfat Total subsidies during July were to have been 18 cents per pound of butterfat sold, and 65 to 95 cents per hundredweight of milk, depending upon location. In addition, 11 markets had dealer subsidies of 25 to 40 cents per hundredweight. On the average 15 percent of farmers' income for whole milk and 22 percent of their income for butterfat was to have been in the form of subsidies.

There is no indication anywhere of a runaway market in dairy products and I am confident there will not be one. I am also confident the consuming public, when it realizes that the price changes which are occurring are merely substitutes for subsidies which farmers have been receiving from the Government in lieu of fair prices, will accept this necessary readjustment.

I am also confident that dairy farmers in general do not desire to be placed again under the OPA yoke and that freedom from controls will bring the distribution of dairy products into better balance with a resulting partial relief in the near future of scarcity of certain dairy products.

Sincerely yours,

CHARLES W HOLMAN,
Secretary, The National Cooperative Milk Producers Federation.

Mr. WHERRY. Mr. President, another report I have points out specifically that with the exception of the increase in the price of liquid milk in some areas to the amount of the subsidy, milk prices throughout the country have remained the same.

This report, submitted to me by the National Cooperative Milk Producers' Federation of the United States of America, was made after they had made telephone calls yesterday to all the areas of the 48 States of the Union.

Mr. President, at this point in the RECORD, I should like also to have printed a telegram from the Cook Packing Co., one of the outstanding sheep slaughtering and packing companies in Nebraska. In the message they state that they have not only kept their prices, but they went to hold the prices, and that they are going to do so if we give them a chance. I ask unanimous consent that the telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SCOTTS BLUFF, NEBR., *July 3, 1946.*

Senator KENNETH H. WHERRY,
Washington, D. C.:

We want you to know that we are keeping our livestock prices steady, especially on lambs. We are offering and buying lambs at prices the same as last week and are holding firm on cattle and hogs We are refusing to lift our prices to take advantage of any runaway prices, and we thoroughly believe that within a few days the markets will generally steady at past OPA ceilings. The chiselers will be crowded out by the legitimate packer who is interested only in a reasonable profit. If Congress will leave us free from restrictions, the industry can well take care of supply and demand that will be satisfactory to the producers, give sufficient meat to consumers, provide profits that justify fair wages, and will not be in the least inflationary. This can only be accomplished if the legitimate packers are not hamstrung by OPA restrictions

COOK PACKING CO., INC.

Mr. WHERRY. Mr. President, I should also like to give the Senate a report of the Nebraska Stock Growers' Association. I am satisfied that the report of this Association is similar to the reports of other producers of cattle and hogs, not only in Nebraska, but in all the meat-producing-area States. It is very enlightening, and shows what the producers are trying to do to get the prices of meat down.

I hope that a reading of these reports will help us to get out of our systems the fear psychology which is being spread over the radio by Chester Bowles and Mr. Porter attempting to drive into the minds of the American people the idea that we cannot operate without price controls.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ALLIANCE, NEBR., *July 2, 1946.*

Hon. KENNETH S. WHERRY,
Washington, D. C.:

The executive and advisory council of the Nebraska Stock Growers' Association in special session here today pledges its membership to increased production of meat animals to the end that supply will soon equal demand and further urges all produoers of foodstuffs to the same program It is urged that meat remain free of Government control. Free markets for livestock offer only means of relieving meat shortage and restoring the livestock industry to legitimate processing and distributing channels.

Producers are anxious to produce more meat and we ask the buying public to be patient with their purchases as there will be an interval before production can be materially increased; but it never will be increased under the kind of price control we have had in the past.

It is not the belief of this association that prices on livestock should advance unreasonably. We reaffirm our belief that American business can meet any situation if given an opportunity.

NEBRASKA STOCKGROWERS ASSOCIATION.

PUBLIC WORKS ON RIVERS AND HARBORS FOR FLOOD CONTROL—AMENDMENT

Mr. BURCH (for himself and Mr. BYRD) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

SALARIES OF CERTAIN JUDGES OF THE UNITED STATES—AMENDMENT

Mr. LUCAS submitted an amendment intended to be proposed by him to the bill (S. 920) to fix the salaries of certain judges of the United States, which was ordered to lie on the table and to be printed.

TOLL BRIDGE ACROSS MISSISSIPPI RIVER NEAR CAHOKIA, ILL.—AMENDMENTS

Mr. LUCAS submitted amendments intended to be proposed by him to the bill (H. R. 6004) to provide authorization for the village of Cahokia, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cahokia, Ill., and for other purposes, which were ordered to lie on the table and to be printed.

CONTINUATION OF CERTAIN PREMIUM PAYMENTS WITH RESPECT TO COPPER, LEAD, AND ZINC—AMENDMENTS

Mr. MURDOCK (for himself, Mr. MCFARLAND, Mr. HAYDEN, Mr. JOHNSON of Colorado, Mr. THOMAS of Utah Mr. TAYLOR, Mr. CHAVEZ, Mr. HATCH, Mr. CARVILLE, Mr. MURRAY, Mr. MCCARRAN, and Mr. MITCHELL), submitted amendments in the nature of a substitute intended to be proposed by them jointly, to the bill (S. 1815) to permit the continuation of certain premium payments with respect to copper, lead, and zinc, which were referred to the Committee on Banking and Currency and ordered to be printed.

MAY B. MURPHY

Mr. WAGNER submitted the following resolution (S. Res. 299), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to May B. Murphy, widow of George W. Murphy, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

LABOR FACT-FINDING BOARDS

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from the previous day, which will be read.

The Chief Clerk proceeded to read the resolution (S. Res. 215) proposing to discharge the Committee on Education and Labor from the further consideration of S. 1661, the Labor Fact-Finding Boards Act.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will go over.

ADDRESS BY SENATOR WILEY ON COMPULSORY ARBITRATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD a radio address delivered by him on the subject Compulsory Arbitration: An Answer to Industrial Chaos, delivered by him on July 2, 1946, which appears in the Appendix.]

THE ETERNAL STRUGGLE FOR FREEDOM—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "The Eternal Struggle for Freedom," delivered by him at the southern California B'nai B'rith 1946 convention luncheon, Los Angeles, on June 24, 1946, which appears in the Appendix.]

PREPAREDNESS FOR WORLD UNITY—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "Preparedness for World Unity" delivered by him at the twenty-second session of the Institute of World Affairs on June 25, 1946, at the University of Southern California, which appears in the Appendix.]

RESPONSIBILITIES OF THE UNITED STATES IN THE POSTWAR WORLD—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "Responsibilities of the United States in the Postwar World," delivered by him at the twenty-second session of the Institute of World Affairs, June 27, 1946, at the University of Southern California, which appears in the Appendix.]

INDEPENDENCE FOR PALESTINE—ADDRESSES BY HON GUY M GILLETTE AND SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a radio address entitled "Independence for Palestine—the Answer to British Foreign Secretary Ernest Bevin," delivered by former Senator Gillette of Iowa, on June 18, 1946, which appears in the Appendix]

THE LAPSE OF PRICE CONTROL—ADDRESS BY SENATOR MOORE

[Mr WHERRY asked and obtained leave to have printed in the RECORD a radio address on the effect of the end of price control, delivered by Senator MOORE on July 2, 1946, which appears in the Appendix]

LET'S GET OFF THE ROAD TO WAR—ARTICLE BY WILLIAM HARD AND ANDRE VISSON

[Mr CAPPER asked and obtained leave to have printed in the RECORD an article entitled "Let's Get Off the Road to War," by William Hard and Andre Visson, from the July issue of Reader's Digest, which appears in the Appendix.]

FEDERAL AID FOR SCHOOL SYSTEMS

[Mr. HILL asked and obtained leave to have printed in the RECORD a discussion with reference to Federal aid for school systems over radio station WINX June 30, 1946, which appears in the Appendix]

"WE KEEP A PROMISE"—EDITORIAL FROM THE CLEVELAND PLAIN DEALER

[Mr HUFFMAN asked and obtained leave to have printed in the RECORD an editorial entitled "We Keep a Promise," dealing with Philippine independence, published in the Cleveland Plain Dealer of June 26, 1946, which appears in the Appendix]

THE STATUS OF WOMEN—ARTICLE BY MRS ROOSEVELT

[Mr. HUFFMAN asked and obtained leave to have printed in the RECORD an article by Mrs. Roosevelt dealing with the equal status of women, published in the Washington Daily News of June 1, 1946, which appears in the Appendix.]

NATIONAL SCIENCE FOUNDATION

The ACTING PRESIDENT pro tempore. The routine morning business is concluded.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate resume the consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky.

There being no objection, the Senate resumed the consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. HART. Mr. President, I wish to take a few minutes on the subject of research, though not directly connected with the bill before the Senate, but having a particular bearing on what the chairman of the Appropriations Committee had to say yesterday about expenditures.

Last week, when the Military Establishment appropriation bill was before the Senate I submitted an amendment which was intended to limit the Army Air Corps in their research in the field of guided missiles. I did not take the Senate's time to explain the amendment on that occasion, and the result later was that it was rejected in conference, and is gone. A certain amount of explanation of it at this point will have some bearing on the subject which the Senate is now considering.

The purpose of the amendment was to prevent unnecessary duplication in research. As the Senate will recall, the Senate did not receive the Army appropriation bill from the House until very late, I think about the 20th of June, and there was scant time to consider it. As a member of the Military Affairs Committee I examined the report from the House, and on the subject of funds for research I found $281,500,000 for research and development, exclusive of that under the atomic service. Of that amount $185,000,000 was for the Army Air Forces. The remainder was to go to the Ordnance Department, Signal Corps, the Medical Department, Chemical Warfare, and so forth.

I wondered at that, Mr President, because as we all know, there is a National Advisory Committee for Aeronautics set up by the Congress as an official agency for the purpose of conducting research in the field of aeronautics for both the Army, the Navy, and civil air activities. That committee has its own appropriations. I do not know what the sum is this year, but it is considerably less than the $185,000,000 referred to in the House report.

In search for the reason and on the assumption that the $185,000,000 was not for duplication of the work being done by the National Advisory Committee for Aeronautics, I found in the testimony of Secretary Patterson a statement that it was for over-all research and development, divided up among various agencies. The Secretary of War said at one point—

> The Army Air Force * * * is particularly going into the supersonic side, and also into the guided-missile program.

The Secretary further said that—

> There are certain phases of that where the most careful scrutiny has to be exercised to keep them from getting in one another's way and duplicating one another's activities.

The purpose of the amendment which I submitted was to assist the Secretary of War in preventing such duplication.

Some time before last March the Chief of the Army Air Corps, General Spaatz, said in a formal address in New York that the Air Force had always been the most progressive of all our military organizations, and that—

> Therefore the Air Force would logically be the agency best fitted to be entrusted with the nonconventional air development such as rockets, guided missiles, and so on. These will go far beyond the present known limits

Further in the report by the Military Affairs Committee of the House, in General Spaatz testimony I find the following:

> In general terms, the Air Force develops those forms of guided missiles and rockets that depend on the aerodynamic principles, and Ordnance develops those in the projectile field.

He further says that it is difficult to establish a rigid line as between a projectile and a guided missile.

The crux of the matter, to my mind, Mr. President, is what the field is. It is clearly understood by everyone that missiles taking off from the ground, propelled by forces from the ground, or self-propelled, are a matter of ballistics and physics, rather than aerodynamic principles and aeronautics.

It appeared to me from reading General Spaatz' testimony that he was somewhat less than frank, and he did not meet the question of what is ballistics, what is physics, and what is in his own field, namely, aeronautics.

Sometime ago General Doolittle made a public statement. As we all know, General Doolittle was in position of authority at that time, and he since has been so continued by being assigned as chairman of the board appointed by the Secretary of War dealing with the caste system. I think we all look upon him as an authority. In a public statement some time last winter he definitely said that it was his belief and that of many, if not all, members of the Army Air Corps, that that branch should be the agency to control, handle, conduct, and have full responsibility for operations in the guided-missile field.

To throw further light on the subject, I may say that certain discussions and negotiations have been going on with regard to research facilities in the aeronautics field. Recently there was a series of conferences to divide funds and allocate various areas in which aeronautics research should operate. General LeMay is the head of that department of the Army Air Corps, and he was presumably in the conferences. I am given to understand that there was full agreement that the facilities which the country possesses for aeronautical research are adequate, and that it is altogether a question of preventing duplication. However, sometime later General LeMay, in his official position, stated in a public interview that he proposed that the Government spend from $360,000,000 to $600,000,000 in further equipping the Army Air Corps with research facilities, this at a time when there appeared to be

agreement that research facilities in the field of aeronautics were already adequate As we know, the Army Air Corps men—and to be perfectly fair, I think the same thing may be said of the Navy air men—very largely use rather heavy figures whenever they talk about doing anything.

As a result of what seems to be some conflict, a rather serious situation is developing. Further light is thrown upon the subject in an article by Mr. Hanson W Baldwin, of the New York Times, who is one of the best trained and experienced columnists in the field in which he writes. Last May, after a visit to the White Sands Proving Ground in New Mexico, where rapid work was in progress, he wrote an article in which he stated:

The tests though successful, were clouded by * * * the frank and outspoken effort of the Army Air Forces to secure sole, or at least dominating, control of the long-range missile program

He further stated that the Army Ordnance Department, the Signal Corps, and other nonflying arms were in opposition. He further developed the point that there appeared to be developing in the Army Air Corps a fear psychosis, and he speculated as to the cause. He indicated that some time ago General Arnold took a definite stand, in articles published in the National Geographic magazine and in the National Aeronautics magazine, to the effect that in future wars he believes that the piloted airplane, in strategic bombing attacks or any other form of mass attack, will be a thing of the past. He supported that statement by the assertion that defensive power has greatly increased; but more pertinent is the development of guided missiles.

Mr. President, yesterday the chairman of the Appropriations Committee set forth that in the current fiscal year the Government is already committed to the expenditure of vast sums for research and development. I believe he accounted for a total of approximately $800,000,000. The amendment which I offered to the appropriation bill would have effected the expenditure of approximately $185,000,000, or nearly a quarter of that sum. When the appropriation bill reached the Senate it was too late to effect that adjustment; but I point out to the Senate that it is within the power of the Secretary of War to make certain adjustments, because he is authorized to transfer 10 percent of the funds among various headings.

Mr. President, I close by repeating that my object in offering the amendment was to assist the Secretary of War in a function which he felt would be difficult for him to perform.

I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks approximately two-thirds of the article by Mr. Hanson Baldwin, to which I have referred.

There being no objection, the portion of the article referred to was ordered to be printed in the RECORD, as follows:

ROCKET PROGRAM SPLITS SERVICES—ARMY AIR FORCES SEEKING CONTROL

(By Hanson W. Baldwin)

WHITE SANDS PROVING GROUND, LAS CRUCES, N. MEX., May 11.—A service struggle for control of the country's long-range missile program was the somewhat somber background for the first successful firing in this country of the German V-2 rocket

The tests at this new proving ground yesterday marked the start of a missile project which in time will revolutionize the art of war and may provide invaluable scientific data about cosmic rays, temperatures, density, pressure, dust, and bacteria in the ionosphere, that kingdom of dead, still cold far above the earth which can be reached only by giant rockets

The tests, though successful, were clouded by the knowledge that the Germans, and perhaps other nations, were far ahead of us in giant rocket development and by the frank and outspoken effort of the Army Air Forces to secure sole, or at least dominating, control of the long-range missile program

The newest service disagreement has little or nothing to do with unification of the War and Navy Departments It is, generally speaking, the Army Ordnance Department, Signal Corps, and other nonflying arms and services siding with the Navy in opposition of the Army Air Forces

The genesis of the dispute is to be found in the technological revolution in the art of war through which the world is passing In the long and bitter fight over unification of the armed services the Navy has been charged with opposing the President's program partly because of an instinctive fear that surface ships and navies will have, in this atomic and rocket age, more limited usefulness in the future than in the past Many spokesmen for the Army Air Forces have put it bluntly. The Navy, they say, is finished Such generalities as this, of course, contain only a germ of truth, but what might be called a fear psychosis has probably been one of the factors, though not by any means the only one, in the Navy's undeviating opposition to merger of the War and Navy Departments.

But it has not been so generally recognized that some of the same fear psychosis influences the Army Air Forces Gen H H. Arnold has said that World War II was the last war of the pilots—meaning that in any future push-button conflict, long-range rockets and guided pilotless missiles would replace them. Such a statement again is probably an oversimplified generalization, but it has had a great effect on Air Force thinking.

ALL SHARE IN PROGRAM

Maj Gen Curtis E LeMay, Deputy Chief of Air Staff for Research and Development, recently restated the same thesis in pleading for $200,000,000 to $300,000,000 for establishment of a giant Army Air Force missile-development center If long-range rockets can achieve reasonable accuracy and simplicity—and there is every evidence that in time they can—the usefulness of defensive fighters or interceptors is certainly questionable, and rockets may well take over the main burden of heavy bombardment The Air Forces, therefore, have their own form of fear psychosis and the background of the struggle for control of the long-range missile program is in one sense a struggle for survival.

As things stand today no arm of service controls the program—though all participate. The tests here yesterday were conducted under the auspices of the Army Ordnance Department, but a very large part of the personnel involved, and of the instrumentation and technical aid and direction, was provided by other arms and services, particularly the Army Air Forces, the Signal Corps, and the Navy.

The Navy will participate in the development of White Sands as a major proving ground for medium-range and short-range missiles, and the Army Ordnance and Signal Corps will participate at a naval coastal proving ground in the development of long-range missiles. The Army Air Forces will also be included in both developmental programs, and the Navy and the nonflying services of the Army—which seem to be cooperating in the missile project with excellent teamwork—are very well satisfied with these arrangements.

But the Army Air Forces are not satisfied, and as General LeMay expressed it yesterday, they do not believe that there is adequate coordination of the missile-development program. General LeMay went so far as to say that "there is no integrated program" and that the direction given by the Joint Chiefs of Staff was inadequate.

The Air Forces point out that the Navy has a missile-development center at Inyokern, Calif. Army Ordnance at White Sands, the Air Forces at Wendover, Utah, and that there are numerous other missile research development and proving projects in various parts of the country. Apparently the Air Forces would like to see one huge main developmental center established, to be controlled by the Air Forces.

This view is sharply disputed by the Navy and by most of the Army nonflying services, who get along together much better, at least in the missile field, than do the Army Air Forces and the rest of the Army.

The missile program, particularly the long-range missile program, is still in its infancy, and with a whole new world in science and in the art of war still to be opened, it would be a profound mistake, it is held, to attempt at this time to sharply increase the limitations under which each service should develop missiles.

No one service or agency should have sole control or dominating control of missiles, all should participate and fully and freely exchange all information.

Each service must be free to develop missiles along functional lines—the Ground Forces, artillery weapons and antiaircraft missiles, the Navy, missiles launched from ships, the Air Forces, missiles launched from planes, etc.

To try to define at this time which—or if any—one service should control long-range missiles launched from the ground against an enemy's cities would be wrong, it is held.

RESEARCH GRANTS FAVORED

The Army Ground Forces and the Navy also feel that instead of putting $200,000,000 to $300,000,000 in the physical facilities of a huge missile developmental center, it would be better to put the same amount into basic research grants to universities, institutions, etc, and to improvement of already existing facilities Duplication of effort at this stage of rocket research and many minds working on the same problems is in accordance with industrial practice, and, far from being wasteful, is the only way to achieve maximum and quick results, it is held

There is thus a basic cleavage about the form and organization our missile research and developmental program should thus assume, with the behind-the-scenes struggle particularly bitter between Army Ordnance and the Army Air Forces

It is not a struggle which is likely to be decided soon and it seems probable that the present form of coordinated research and development—rather than centralized direction and control—will continue for some time, since most scientists seem to be in sympathy with this approach.

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. O'MAHONEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 1 to the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed

to recommend and do recommend to their respective Houses as follows:

The committee of conference report in disagreement amendment numbered 1.

JOSEPH C. O'MAHONEY,
JOHN H. OVERTON,
DENNIS CHAVEZ,
CLYDE R HOEY,
JOSEPH H. BALL,
HOMER FERGUSON,
Managers on the Part of the Senate.

JOHN M COFFEE,
J. VAUGHAN GARY,
DANIEL J FLOOD,
KARL STEFAN,
WALT HORAN,
GORDON CANFIELD,
Managers on the Part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WHITE Mr. President, may I inquire from the Senator from Wyoming whether the conference report is a unanimous report so far as the Senate conferees are concerned?

Mr. O'MAHONEY Yes. All the members of the Appropriations Subcommittee, and, so far as I know, all Members of the Senate, agree with what is being done.

Let me explain to the Senator that the District of Columbia appropriation bill was agreed to in conference, with the exception of one amendment. Yesterday the House agreed to a compromise on that single amendment. The Senator from Minnesota [Mr. BALL], who is the ranking Republican Member, is in complete agreement with the motion which I am about to make.

The PRESIDING OFFICER The question is on agreeing to the conference report.

The report was agreed to.

Mr. O'MAHONEY. Mr. President, I ask that the Chair lay before the Senate the message from the House of Representatives

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5990, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U S.,
July 2, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, and concur therein with an amendment as follows: In lieu of the sum stricken out and inserted, insert "$8,000,000."

Mr. O'MAHONEY. Mr. President, the Senate increased the Federal contribution from $6,000,000 to $10,000,000. The conference agreement is $8,000,000.

I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 1.

The motion was agreed to.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Daniel
Andrews	Hill	O'Mahoney
Ball	Hoey	Overton
Barkley	Huffman	Pepper
Brooks	Johnson, Colo	Reed
Buck	Johnston, S C.	Reverecomb
Burch	Kilgore	Robertson
Bushfield	Knowland	Russell
Byrd	La Follette	Smith
Capehart	Langer	Stanfill
Capper	Lucas	Stewart
Carville	McCarran	Swift
Chavez	McClellan	Taft
Donnell	McKellar	Thomas, Okla.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tunnell
Ferguson	Maybank	Wagner
Fulbright	Mead	Walsh
George	Millikin	Wherry
Gerry	Mitchell	White
Gossett	Moore	Wiley
Guffey	Morse	Willis
Gurney	Murdock	Wilson
Hart	Murray	Young
Hawkes	Myers	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness

The Senator from Missouri [Mr. BRIGGS] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], and the Senator from Arizona [Mr McFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The ACTING PRESIDENT pro tempore. Seventy-four Senators have answered to their names. A quorum is present.

NURSERY AND NURSERY SCHOOLS FOR DAY CARE IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. HOEY submitted the following report.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5983) to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same.

CLYDE R. HOEY,
JAMES W. HUFFMAN,
H ALEXANDER SMITH,
Managers on the Part of the Senate.

NED R HEALY,
J GLENN BEALL,
JNO. L. MCMILLAN,
Managers on the Part of the House

The report was agreed to.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

Mr. THOMAS of Oklahoma. I send to the desk the conference report on the Military Establishment appropriation bill, and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 6387) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes: having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 11, 13, and 26.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 16, 17, 18, 19, 20, 22, and 25, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$31,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,585,800,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to

the same with an amendment as follows: In lieu of the sum proposed insert "$150,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$597,900,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$500,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$103,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$375,544,000", and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$325,000,000"; and the Senate agree to the same

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$816,044,000", and the Senate agree to the same

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows. In lieu of the sum proposed insert "$425,000,000"; and the Senate agree to the same

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", to be available until June 30, 1948", and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,500,000"; and the Senate agree to the same

The committee of conference report in disagreement amendments numbered 3, 27, and 28

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
RICHARD B RUSSELL,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED
Managers on the Part of the Senate.

JOHN H. KERR,
JOE HENDRICKS,
MICHAEL J. KENNAN,
ERNEST O'NEAL,
LOUIS C. RABAUT,
FRANCES CASE,
HARVE TIBBOTT,
JOHN TABER,
Managers on the Part of the House.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the report was considered, and agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I ask the Chair to lay before the Senate the papers from the House showing the action of the House on certain amendments still in disagreement.

The ACTING PRESIDENT pro tempore, laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6837, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 2, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the bill (H R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, and concur therein; and

That the House insist upon its disagreement to the amendments of the Senate numbered 27 and 28 to said bill.

Mr. THOMAS of Oklahoma. Mr. President, there is really only one amendment that is in disagreement. The Senate added to the bill a clause providing for a 10-percent transfer, under which the War Department could take 10 percent from one fund and transfer it to another. The House is not agreeable to that 10-percent transfer. That was the issue before the conference committee.

I now move that the Senate further insist upon its amendments Nos. 27 and 28 to the bill; ask a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr THOMAS of Utah, Mr. GURNEY, Mr. BROOKS, and Mr. REED conferees on the part of the Senate at the further conference.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. SMITH. Mr. President, I send forward a group of amendments which I ask to have read and considered en bloc as one amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The amendment offered by the Senator from New Jersey will be read.

The Chief Clerk proceeded to read the amendment.

Mr. MAGNUSON. Mr. President, I wonder if unanimous consent cannot be obtained to dispense with the reading of the remainder of the amendment. It is, as I understand, merely perfecting.

Mr. SMITH. I should be glad to accept the suggestion of the Senator from Washington. I might say that it is simply a perfecting amendment to which I shall speak in a few moments.

Mr. MAGNUSON. The Senator will explain the amendment. I ask unanimous consent that the further reading of the amendment be dispensed with and that it be printed in full in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment proposed by Mr. SMITH is as follows:

On page 2, beginning in line 14, strike out through line 7 on page 3 and insert in lieu thereof the following:

"SEC. 3. (a) There is hereby established an independent agency of the Federal Government to be known as the National Science Foundation (hereinafter referred to as the 'foundation'), to be administered by a National Science Board created in section 4 (and hereinafter referred to as the 'Board') "

On page 3, line 15, strike out "Administrator" and insert "Board"; on line 16 strike out "after receiving the advice of the Board"; on line 17, beginning with "Administrator", strike out through "have" in line 19 and insert "Board, except that until the Board has,"

On page 4, lines 2, 4, and 11, strike out "Administrator" and insert "Board."

On page 4, line 18, beginning with "The", strike out through "Board" in line 22 and insert "The National Science Board."

On page 5, line 5, beginning with "Administrator", strike out through line 9 and insert "Board. The Board shall consult and advise, through the Directors of the several divisions, with divisional scientific committees, on all matters of major policy, program, or budget. The Board shall choose its own chairman and vice chairman. The vice chairman shall perform the duties of the chairman in his absence "

On page 5, lines 12 and 13, strike out "Administrator, with the advice and approval of the."

On page 6, line 8, strike out "appointed by the Administrator "

On page 7, line 10, strike out "$12,000" and insert "$15,000"; on line 11 strike out "Administrator" and insert "Board"; on line 12, after "an" insert "the executive secretary,"

On page 7, line 25, beginning with "The", strike out through "Administrator", on page 8, line 2, and insert in lieu thereof "The Board, upon its own initiative, and each divisional scientific committee, upon its own initiative or upon request by the Board, shall."

On page 8, line 6, strike out "Administrator" and insert "Board"; and in lines 20 and 21, strike out "Administrator" and insert "executive secretary "

On page 9, line 23, strike out "Administrator" and insert "Board "

On page 10, line 18, strike out "Administrator" and insert "Board."

On page 11, lines 2, 19 and 20, 21, and 23 and 24, strike out "Administrator" and insert "Board "

On page 12, line 1, strike out "Administrator" and insert "Board"; in lines 2 and 3, strike out "he may, after receiving the advice of the Board," and insert "it may"; in lines 13, 22, and 24, strike out "Administrator" and insert "Board."

On page 13, lines 4, 14, and 20, strike out "Administrator" and insert "Board."

On page 14, lines 10, 17, 20, and 25, strike out "Administrator" and insert "Board."

On page 15, lines 8 and 15, strike out "Administrator" and insert "Board"; and in lines 9 and 16, strike out "he" and insert "it."

On page 16, line 5, strike out "Administrator" and insert "Board"; and in line 6, strike out "him" and insert "it."

On page 18, line 11, strike out "Administrator" and insert "Board."

On page 19, line 6, strike out "Administrator's" and insert "Board's"; in line 8, strike out "he" and insert "it."

On page 20, lines 4, 10, and 11, strike out "Administrator" and insert "Board"; and in line 16, strike out "administrator" and insert "chairman of the Board"; and in line 18, strike out "he" and insert "it."

On page 21, lines 1, 11, and 17, strike out "Administrator" and insert "Board."

On page 22, lines 9 and 14, strike out "Administrator" and insert "Board"; and in lines 12 and 15, strike out "he" and insert "it"; and in line 13, strike out "his", and insert "its."

On page 25, line 19, strike out "Administrator" and insert "Board."

Mr. SMITH. Mr. President, the amendment which I have just sent to the desk and offered to Senate bill 1850 is a fundamental amendment to this whole bill. Yesterday in presenting a substitute bill, my point was that I wanted to see control of the science bill in the hands of scientists and not in the hands of an administrator; but the amendment I then offered was voted down. I am now taking the course suggested to me by the distinguished Senator from Washington and am offering specific amendments to various features of the bill, which I believe will strengthen it. I desire to emphasize again that I believe in the principle involved in this bill, and I hope there can be perfected such a bill as we can support

This amendment to the text of the bill as presented by the committee simply changes it in this respect. It strikes out everything having to do with the appointment of an Administrator by the President, and confirmed by the Senate, and in place of the Administrator puts the foundation in charge of a National Science Board.

I am leaving in the committee bill without change section 2, which is the declaration of policy, but the amendment proposes to change section 3 (a). If the Members are interested and will follow the bill they will see what fundamental changes are proposed by this amendment.

Section 3 (a) as proposed to be amended would read as follows:

There is hereby established an independent agency of the Federal Government to be known as the National Science Foundation (hereinafter referred to as the "foundation") to be administered by a National Science Board created in section 4 (and hereinafter referred to as the "Board")

The remainder of that section is stricken out because it has to do with the appointment by the President of an Administrator. In lieu of leaving the administration in charge of an Administrator, under the amendment it would be in charge of a National Science Board.

Mr. President, without going through the details of the remainder of the amendment it simply brings the bill in line with the fundamental principle of shifting from control by an Administrator to control by a Board, which is appointed by the President, with the advice and consent of the Senate.

The remainder of the provisions are substantially the same as in the committee report, except that wherever the word "Administrator" appears the amendment changes it to Board; so the Board becomes the controlling factor. That is the issue, then, presented by this amendment—control by a National Science Board appointed by the President with the advice and consent of the Senate, instead of a single administrator appointed by the President. It is the issue we discussed at some length yesterday, and which I shall touch on briefly today before the amendment is put to a vote.

Our objection to an administrator as set forth in the minority views of the committee is that he has too wide powers. I shall point out what those principal powers are to which we object, and then I shall present some testimony with regard to the preference for administration by a board.

An administrator can do the following things:

He can appoint a deputy administrator, at $12,000, without consultation with or approval of anyone.

He can create three additional divisions of the foundation in addition to the eight created by the bill, after receiving advice of the Board, though he is not bound by it

He can prescribe the functions of each division after receiving the advice of the Board, but is not bound to do it.

He can appoint from 8 to 11 directors, one to each division, at $12,000, without consultation with or approval of anyone.

He can appoint and fix the compensation of such personnel as he may deem necessary, subject to civil service and classification.

He can exempt from the Civil Service and Classification Acts such personnel as he may decide—expert scientific, technical, and professional—when he deems it to be necessary

He can appoint, with the advice and approval of the National Science Board, up to 180 members of the divisional scientific committees for 3-year terms.

He can pay the compensation of the executive secretary of the Board.

He can render an annual report to the President and Congress on activities and recommendations. We think that such report should be rendered by the Board.

He can publish and disseminate widely any recommendations prepared by the Board or a committee whenever requested by the Board or a divisional committee

He can create such special advisory committees as he may deem to be necessary; he can determine the compensation, up to $50 a day, of the members of such committees.

He can enter into contracts or other arrangements to finance or support research and development action.

He can give widest latitude in each institution to selection of individual research. That is in his discretion.

He cannot be required to expend funds in any institution unless it submits proposals which he finds consistent with his program. He determines the program. The institutions have no control over it. He can allocate all funds within the provisions of the act.

He can allocate funds to other Government agencies for use.

He can approve all projects using such funds.

He can make every effort to eliminate restraints upon the free expression of views.

He can award scholarships and fellowships, without advice.

He can determine the periods of such grants.

He can establish quotas for States.

He can establish "basis of aptitude" for recipients.

He can maintain a register of scientific and technical personnel.

He can provide a clearing house for information on scientific and technical personnel in United States and its possessions.

He can make and maintain an inventory of all current federally financed research and development projects.

He can establish, in cooperation with the Commissioner of Patents, a central register of all inventions, discoveries, patents, patent rights, and findings in which the United States has any right, title, or interest.

Mr. President, I shall not read all the other powers the Administrator would have, because it would encumber the RECORD unnecessarily. I am merely pointing out that by the committee bill we are asked to set up one of the most autocratic bureaus that ever existed in the United States Government, that bureau to be headed by an Administrator, who would have the power to appoint the entire personnel, who would have the power to control everything that went on. He could control the scientific advances in the United States almost with a free hand.

It is that to which the minority objects; it is that to which I object; it is to correct that situation that I have offered this amendment. I think that if any of us will think this proposal through, we must feel that the distinguished Senator from Washington was right in his original bill, the so-called Magnuson bill, which he introduced a year or so ago, and which provided for a board appointed by the President with the advice and consent of the Senate, which would be a clearing house for policies, and which itself would employ the executive director. The amendment as it now reads sets up a board to be appointed by the President, arranges for the board to have an executive secretary or director, which it appoints, and the director is responsible to the board, but the board itself as set up by the President has the powers vested in it.

To follow the views of scientific men themselves on this subject, I wish to read a very important statement which was made by the very man who originally suggested this whole program, the man who wrote that important book on Science—The Endless Frontier, Dr. Vannevar Bush. Dr. Bush has been criticised by some for having changed his views. He has not changed his views. From the very beginning he has felt that the movement in this direction must be a vote of confidence, as might be said, in the scientists of America.

In his testimony on this subject, he used words which I wish to quote because I think they should be in the RECORD. This is the man on whom we relied for the original ideas as to this whole project, who wrote this important book, who inspired us all with the need of setting up this foundation. He has

felt from the beginning that the center of gravity should be in the scientists. I quote Dr. Bush:

There are several objections in my opinion to this second proposal. In the first place, all powers are centered in one man as director. This may lead to efficiency in an operating agency, but it is a kind of autocracy which holds grave dangers to the full development of science. As former Chairman of the National Advisory Committee for Aeronautics and as Director of the OSRD, I have participated in, and be n the responsible head, of both kinds of organisations, and I can testify without reservation that a national science foundation will be on a far sounder basis if its policy is determined by a board rather than by one man.

That is the testimony of a man who was a one-man head, and who knows from his own experience that there is no man so gifted as to be able to dictate and conduct a program of this kind. I continue the quotation from Dr. Bush:

It should be kept in mind that what may be duplication and inefficiency in normal business affairs may be the essence of progress in science. It would be a mistake to apply to the administration of science the concepts of administration developed by commerce or for military organization, or for the operative agencies of the Government. Science should be administered in the way which scientists have discovered through decades of experience to be the most productive of results The form of administration contemplated by Senator MAGNUSON—

He is referring to the original Magnuson bill—

is based on broad and successful experience in the administration of scientific research. This form of organization will minimise the grave danger in a single director that a disproportionate amount of research effort will be channeled into one or two areas. This danger is altogether too great when decisions depend upon the wisdom and experience of one man alone It is true that there would be an advisory board, but the director could ignore its advice at will This is not a situation which will induce men of really high stature to serve upon such a board

There is no question, in my opinion, that the great majority of scientists feel strongly that the form of organization in which policy is determined by the board is far preferable to having policy determined by a single individual.

Mr. President, I have received communications from various people saying that my statement of yesterday that the scientists favored this kind of board was not correct, that most scientists favor the pending bill, providing for a single administrator. I definitely take issue with that suggestion. I have been in touch with groups who are in contact with the scientists of this country and they say they would rather take the pending bill than no bill at all, and I am sympathetic with them in that, but they do not want a single man administrator, they want a board of scientists to determine the policies.

I am offering my amendment. I discussed it at some length yesterday. It merely makes the shift I have indicated, using the committee bill, taking out the administrator and providing for a board of nine, appointed by the President, with the advice and consent of the Senate, to be the administrative head of the proposed science foundation.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, the Senator from New Jersey has quoted at some length from Dr. Bush regarding the bill introduced by the Senator from Washington approximately a year ago. At that time Dr. Bush stated his views upon two bills pending before the Senate. One was the so-called Kilgore bill, one was the Magnuson bill.

I may say to the Senator from New Jersey that I am not in a paradoxical position in this matter. The scientists originally—and I had many conferences with them—as between the two bills preferred the set-up provided in my original bill. But my bill covered mainly scholarships and fellowships and the training of basic scientists. The original Kilgore bill covered a wider field, and as between the two, some favored that. But back of their endorsement of my original bill is their desire for persons in private institutions to participate in the program. There is a vast difference between making a decision at that time between those two bills, and the decision they must make now as to Senate bill 1850.

I cannot quite agree with the Senator from New Jersey that Senate bill 1850 provides a one-man board. Certainly the minority views say the Administrator can make contracts and do these other things, but he does no more than the Secretary of War or the Secretary of the Navy can now do in making research contracts. In fact, his power is somewhat restricted.

Senate bill 1850 is a compromise between the two extreme viewpoints which were expressed to the Congress and to the two committees a year ago, on which many scientists expressed their opinion. They now express another opinion. I agree with the Senator that this is somewhat of a compromise between the two extremes. But the power is not all in one man. I think Senate bill 1850, which involves much more than the original Magnuson bill, requires that the Government, which is going to spend the money, be represented on the Board.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER (Mr. SWIFT in the chair). Does the Senator from Washington yield to the Senator from New Jersey?

Mr. MAGNUSON I yield.

Mr. SMITH. My position is that that is one of the mistakes in the pending bill. It tries to cover too much territory. This is a new field, an adventurous field, and that is why I should like to have the field explored, and not try to do the whole thing at once. I think the appointment of an administrator of this type may spoil the whole thing. That is my contention.

Mr. MAGNUSON. There was a great deal of discussion of the subject during the hearings. I will say that many witnesses expressed the opinion that they would like a board, and that the board should appoint the administrator. Many other witnesses expressed the opinion that there should not be a board at all, but since this was a Government program it should be directed like the Army and the Navy were directed, or like any department was conducted, under one man, a Cabinet member. There were other witnesses in the twilight zone between those two groups. But many witnesses, scientists and others, testified that they did not think it made any difference; that it all depended on the character of the board or the administrator in any event. Of course, the original proposal of the Senator from New Jersey would go much further than did the original Magnuson bill. It would place the control of the Foundation in so-called dollar-a-year men, and we have had some unhappy experiences with that sort of thing in Government.

I read from the report what the subcommittee said in discussing this vital proposal. The whole committee concurred in the statement of the subcommittee. I read as follows:

Your subcommittee also considered the alternative proposal of vesting the powers of the foundation in a board or commission of full-time Government employees—

That was another proposal—

but it believes that the organization recommended in this bill represents a more efficient form of administration and which by utilizing the part-time services of larger numbers of scientists on the National Science Board and on the Divisional Scientific Committees, and on other advisory bodies (see sec. 4), makes for an even fuller participation of the Nation's scientists in the program of the foundation.

In recommending a single full-time administrator, your subcommittee follows the established principle of executive responsibility which it believes necessary to an agency of the scope of the foundation. This principle is followed in the administration of executive departments, which are headed by Cabinet officers, and in most Government agencies other than those with semijudicial functions.

The administrator will not personally carry on the detailed activities of the foundation any more than the Secretary of War or the Secretary of Agriculture conduct the many diverse activities of their departments. However, there will be one person whom the President, the Congress, and the public may hold responsible for the foundation's activities.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. SMITH. The Senator contemplates, then, that the Administrator will be virtually the same as a Cabinet officer, and that he will have the same kind of functions and the same power?

Mr. MAGNUSON. In effect.

Mr. SMITH. That is where I take issue with the whole proposal.

Mr. MAGNUSON. There was also some testimony by eminent scientists—I believe Bernard Baruch was one of the laymen—who testified that this should be a Cabinet office. That was another approach to the problem in setting up the Foundation.

Mr. SMITH. That presents a fair difference of opinion, and I am taking the other position. I think that is the wrong kind of a set-up if we are going to stimulate the interest and the inventive genius of our scientific people.

Mr. MAGNUSON. The report continues:

Your subcommittee considered but rejected the alternative proposal of vesting the

powers of the foundation in a board of noncompensated members. This would be a delegation of congressional power to persons who would of necessity be devoting the major part of their time and energies to other work.

In other words, we believed, and the testimony shows, that the creation of a board that would work only part time, and the turning over to them of the expenditure of all the money, without any responsibility to anyone but the board itself, may not be the best way to set up this organization. Of course no agency of Government has ever been set up in that way. Some used the example of the National Advisory Committee on Aeronautics, but even that is not a good example, because that committee is composed of part-time scientists in that field and Government employees representing various departments. So that we would be embarking contrary to precedent in the set-up of a foundation in which Government funds would be spent.

I might say frankly that this has given me a great deal of concern. I do not know just which method of approach will best accomplish what we all want to accomplish. At first, in connection with my original bill, because it was particularly limited to the main object—scholarships and fellowships—I thought that probably a board in connection with them might function better.

At that time Dr. Bush was of the opinion, as well as Dr. Bowman and Dr. Conant, that that might be the better way to do it. The only alternative was the designation of a single Administrator who had no restriction placed upon him in operating the organization. Senate bill 1850 is somewhat of a compromise, and there has been agreement that, all in all, this might be the best system. It is a matter which has been given a great deal of study by everyone concerned with the problem.

Mr. SMITH Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Yes.

Mr. SMITH. I cannot see how there was a compromise. It seems to me that it was a complete concession on the part of the Senator, and his group, and the Bush group, to the Kilgore position. I am not criticizing that, except to state it in the discussion here. I do not agree with it.

Mr. MAGNUSON. I do not think it was a complete concession. The committee points out exactly what it is. The subcommittee says on page 12 of the report:

> After much deliberation your subcommittee has arrived at that form of administration—

That is the form contained in Senate bill 1850—

> which will not only be efficient but which will simultaneously safeguard the interests of the general public supporting research through their Government and the interests of the nongovernmental facilities which will perform the needed research.
>
> The new administrative organization is believed to be distinctly superior to that proposed in either of the original bills. It is discussed in detail in the section-by-section analysis of the bill contained in this report.

I quoted from that a moment ago.

> In brief, the proposal is to use parallel staffs of full-time and part-time scientific personnel.

That was exactly what was in the minds of these men, in my opinion, when we discussed the matter originally a year ago. Not that the scientists wanted to control and operate this agency; but they desired to accomplish two objectives. One was to make sure that those who would become a part of this agency would have sufficient authority and be given sufficient standing so as to attract good men, who would feel that they were not coming to Washington simply to give advice which someone might or might not take. Secondly, they wanted to be sure that there would be a part-time participation in the foundation by top scientists, because obviously the full-time services of many of the top men could not be obtained at the salaries the Government would pay. Moreover, in view of the abuse to which Government officials are sometimes subjected, I am sure scientists would rather continue as presidents of universities or of large foundations. So, in my opinion, the position taken now is a little different than the position taken in the original statement made on the two bills.

I continue to read from the report:

> In brief, the proposal is to use parallel staffs of full-time and part-time scientific personnel The full-time staff is charged with the actual administrative responsibility for the activities of the foundation, but part-time non-Government scientists will participate actively in planning and evaluating all programs of the foundation While it is believed that these two groups will normally work together harmoniously, provision is made whereby each serves as a continual check on the other, thus increasing the possibility that the foundation will at all times remain equally responsible to the needs of both scientists and the general public.

The original proposal and the proposal of the Senator from New Jersey would place the responsibility squarely on no one but the scientists, and I do not think the scientists themselves want that. Because of the fact that public funds are to be expended, and because of the fact that there should be some responsibility in that connection, we believe that Senate bill 1850 is not giving way to the original proposal, but that it does exactly what the committee says. It gives equal responsibility with respect to both the needs of the scientists and of the public. That is why, I may say to the Senator from New Jersey, no one has changed his mind. We have a different proposal. A year later, since Dr. Bush made the statement which the Senator quoted, and since the Senator from Washington introduced his original bill, we believe that Senate bill 1850 serves the purpose which we had in mind originally.

I hope the amendment of the Senator from New Jersey will be defeated. I am sure the Senate realizes that this whole question has been given a great deal of consideration. We have not passed the matter over lightly. We discussed at great length the proposal of the Senator from New Jersey, and five or six other administrative proposals for the foundation, and we reached the conclusion that the provisions of Senate bill 1850, providing for administration of the foundation, will do exactly what the committee says they will do, which is what the scientists want.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. SMITH. I have before me what purports to be a report of a committee supporting the Bush report and supporting the so-called Bush-Magnuson plan for Federal aid for scientific research. I am told that this report appeared about the first of this year. I should like to ask the Senator how he reconciles the proposal in the committee bill with this language. I shall read one paragraph from the report of the committee supporting the Bush report:

> We are in favor of a responsible Board. We think the Administrator should be the agent—not the master—of the Board. We appreciate that, in the interest of theoretical efficiency and accountability, an honest claim can be made for one-man administration in many fields of Government, but not, we know, in a field of intellectual inquiry, the very nature of which is that of a community of scholars far removed in approach and method from the rule and report-making, press-releasing, dynamic administration of an ordinary Government department We think nothing can be said for one-man control and responsibility checked by an irresponsible reviewing authority such as that proposed by the Kilgore bill. We cannot believe that busy, reputable laymen or scientists would waste time on such a board, notwithstanding the $50 per diem granted for such nominal advisory service.

Can the Senator possibly reconcile that statement from the committee of scientists with the existing proposal?

Mr. MAGNUSON. It is very simple to reconcile. One group of scientists—and they do not represent all scientists—was making a decision as between the original Kilgore bill and the original Magnuson bill. That report was the result of a conference held last October, as I recall, of some of those interested. The difference is that Senate bill 1850 has no similarity to what is described in the report because, as I previously stated, the scientists had in mind part-time participation. In making their decision now they feel that the provisions of Senate bill 1850 give them exactly what they intended to get in the beginning. But in the beginning the basis of that report was a choice between two somewhat extreme proposals. That is how the two things are reconciled.

Mr. SMITH. If the Senator will yield, I am advised that this report was based on the revision of the Kilgore bill, Senate bill 1720, dated December 21, which is practically the bill now before the Senate.

Mr. MAGNUSON. Oh, no.

Mr. SMITH. There must be a mistake.

Mr. MAGNUSON. The Senator's statement, I think, is not correct. The revision of the Kilgore bill at that time

did not deal with the administrative provisions. The revision dealt with scholarships, fellowships, and some of the patent features. As a matter of fact, the Senator from West Virginia and I made 10 or 12 revisions of bills on this subject, indicative of the length of time during which we have considered the problem and the amount of thought devoted to it. We consulted all interests concerned. I repeat that I believe that 95 percent of those interested now feel that this is the best solution to the problem.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILEY. As I understand the bill which the Senator favors, it practically places in the hands of one man omnipotent power in a field which is comparatively new. At the same time, it would pay what we would ordinarily call a board of directors pretty good compensation to be "men Friday," or advisers without any authority to direct. The thing that troubles me is this: Under our form of government——

Mr. MAGNUSON. If I may interrupt the Senator, if what is troubling him is based upon what he has just recited, I think perhaps he should restudy the bill, because I do not interpret the bill as giving such power to one man. Neither does the committee. Neither does practically anyone interested in the bill. Approximately 90 percent of those interested in the subject favor the bill. We do provide for a one-man administration, but there is a divided responsibility, and that is exactly what the scientists want.

Mr. WILEY. Where is the division, if the group of scientists who are to be hired at definite salaries have no check on the Administrator? They would be like a board of directors. The Senator will understand that I am looking for light.

Mr. MAGNUSON Of course. There is not a complete check, but we hope that there will be sufficient liaison. The scientists felt that by placing in Senate bill 1850 a provision whereby the Administrator, appointed by the President by and with the advice and consent of the Senate, would consult the Board itself, we would get the type of man who would work in complete harmony with the board, and that the board would not be "men Friday." They do not believe that they would be "men Friday." Either we must do that or have the Foundation operated by a board of scientists alone. The scientists themselves do not wish to operate it, because they cannot spend full time at the job.

The other side of the problem is that we are spending Government funds, and we must have some Government participation. After months of study we felt that this was the best solution we could arrive at. I do not interpret the bill as giving the Administrator the power which has been suggested by some Senators, any more than the Secretary of War or the Secretary of the Navy would have such power. The Administrator will be appointed by the President, with the advice and consent of the Senate. If the Senator from West Virginia is agreeable, I am perfectly willing to have all the top jobs filled by men appointed by the President, with the advice and consent of the Senate. I see no objection to such a plan.

Mr. KILGORE. Mr. President, if the Senator will yield, I think I can answer the question of the Senator from Wisconsin.

In the conference on this bill we were seeking one thing, and that was management for the foundation. It was agreed that one of the secrets of management was the right of the Board to have a full-time executive secretary who would be the Board's own man and who would be able to advise the Board.

Let me say to the Senator from Wisconsin that that was agreed upon and it is incorporated in Senate bill 1850, which gives the Board a full-time man. The directors will be employed only part-time. They will not be on salary. They will meet whenever they wish to, although of course they will be required to have certain meetings. They will advise with the Administrator and criticize and report on what he has done. But they will have a full-time executive secretary who will be their man, and who will be selected by them. He will be employed by the foundation to keep the directors fully advised of what is going on. So that is the connecting link.

In the conference on this matter it was agreed by the representatives of the scientists, who included Dr. Bush, Dr. Bowman, and various others, that that arrangement would iron out the differences of opinion we had as to the proposals of the two bills.

I wonder whether the Senator from Wisconsin would favor a corporation in which the board of directors made every decision, or whether he would prefer to have one in which the president of the corporation had some executive authority. I also wonder whether he would like to have a fleet at sea controlled by a board of admirals who would decide when the battle should open.

On the other hand, under the arrangement we favor, the man who will serve, in effect, as president will consult with the board of directors, and the board of directors will maintain contact and they will give him their best advice about what should be done, and they will help him lay down the policy.

In the formulation of Senate bill 1850, most of the criticisms were based upon Senate bill 1720, which was drawn during the war, looking largely to the war. After that bill was drawn up, and following the end of the war, that measure was changed into Senate bill 1850, but with a policy which is governmental, in that administrative authority is lodged in an administrator.

Let me point out, for instance, that before the War Production Board came into being we had all kinds of organizations operating in that field. The greatest criticism which was leveled at us then was that we were trying to have authority lodged in committees at all times. But we found that administratively committees could not function well. Administration must be handled by an administrator. Joint action or advisory action can be taken by a board or by a court, of course.

But the point is that the Board will have a full-time secretary who will stay on the job at all times and will advise the members.

The great objection I have to the amendment of the Senator from New Jersey is that it would completely wipe out administration by an administrator, and would lodge all administrative power in a board, constituted of a group of men who would come together perhaps once a month and make decisions. If the amendment of the Senator from New Jersey would result in a better solution than we have found, for the purpose of establishing policy and allowing someone to carry out the policy, that would be different.

Let me say further to the Senator from Wisconsin that the basis of Senate bill 1850 is the same as that of the foundation on which the United States of America operates, and the same as the foundation on which every successful corporation operates. It is the foundation requisite to successfully operating a mass business of any kind, namely, that one man on the job, with sufficient assistance, shall make the decisions in line with the views of a proper board which will help him on matters of policy.

I am very much surprised that there is an idea in the mind of anyone about establishing anything different. I wonder how the United States would get along with nine Presidents, or how the War Department would get along with nine Secretaries of War, with an attempt to abide by the majority's decision, but with none of them staying on the job at all times. Similarly, I wonder how the United States Steel Corporation would get along if it had nine presidents and if the decision of the majority were to control, and if the nine presidents had a meeting only about once in 3 months.

Under our bill there will be a secretary who will remain on the job and will be able to call the board together. The board will be unhampered, because it will be able to criticize the Administrator and to express its criticisms to the Congress or to the President. The board will not be bound as to who shall be appointed. The board will be free, just as the scientists want them to be free. That principle is the one which the conference chose as the one way by which to obtain true scientific freedom under this bill.

We must also realize that the board will not do research work. It will be a fund-allocating body.

Mr. MAGNUSON. Mr. President, I wish to point out one other thing. Of course, we have discussed considerably, during the debate, the so-called Kilgore and Magnuson bills. I think the RECORD should show that the Senator from West Virginia [Mr. KILGORE] made his original proposal in the light of wartime conditions. At that time the war was on, and conditions were much different from peacetime conditions, insofar as the operations of such a foundation would be affected. If the war were still going on, I should be inclined to favor the original proposal of the Senator from West Virginia.

I wish to say further to the Senator from Wisconsin, so that he may understand what we were trying to do, that most of the scientific decisions will be

made in the echelons of the various committees which will be composed of scientists. The Board and the Administrator will do no research work. They merely will make the broad determinations in connection with the allocation of funds.

I wish to repeat that the full-time staff will be charged with the actual administrative work, and the staff will participate in the planning of all programs. While it is believed that these two groups will normally work together harmoniously, provision is made whereby each serves as a continual check on the other, thus increasing the probability that the foundation will at all times remain equally responsive to the needs of both the scientists and the general public, who are the ones who pay the bill.

Mr. WILEY. Mr. President, the last thing the Senator has mentioned has been in my mind all along. We have heard a great many generalities on this subject. When power is conferred on an organization dealing with human relations we who live in the United States believe in a system of checks and balances on the power which is conferred.

Ten minutes ago I started to say that I have not had time to give a great amount of consideration to the bill It was not before any of my committees. When we are entering this new field, if we are going to confer power, I wish to know what check will be placed on the exercise of power by any one person. In other words, will the man who will have office hold it for life? Will he be subject to removal? What is the process by which he could be removed? Will he be an "autocrat at the breakfast table," so to speak, or will he be at least required to listen to a few other cooks while he is thinking about brewing some broth, when only God knows what it will be.

I am perfectly satisfied with the general theory that there are new fields of activity into which the Government must step and probably this is one—but I am particularly concerned with what was developed yesterday, namely, that approximately $900,000,000 has been allotted to various segments of our Government, for the purpose of having them engage in work of the kind contemplated by the pending bill. I should like to be sure that the result of the adoption of the pending measure will be a coordinated program whereby it will be possible to cut corners and get rid of some of the tremendous duplication and, probably, many of the foolish expenditures which are being made at the present time, when we are thinking about balancing the budget and getting rid of many of the bureaucrats. However, instead of that, we now seem to be accumulating more bureaucrats and increasing government overhead. It seems to me that all those problems are tied together.

I should like to have the Senator tell me what check is to be provided on the person who will be appointed to this overlordship. I do not think there is any comparison between the position he will hold and the position held by a member of the President's Cabinet. A member of the Cabinet is subject to removal, and he must report to the President; and if he does not do what the President says, out he goes. What provisions of that sort are made by the pending measure?

Mr. MAGNUSON. We have exactly the same situation under this bill. The Administrator and the Board are appointed by the President, with the advice and consent of the Senate, and they are subject to removal by the President.

Mr. WILEY. What does the bill provide in that respect?

Mr. MAGNUSON. It provides much the same as other bills on the subject do. For instance, the provisions with respect to the Secretary of War and the Secretary of the Navy are much the same. I read from the bill:

NATIONAL SCIENCE FOUNDATION

SEC 3 (a) There is hereby established an independent agency of the Federal Government to be known as the National Science Foundation (hereinafter referred to as the "foundation"), and administered by an Administrator (hereinafter referred to as the "Administrator") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $15,000 per annum. The President, before appointing an Administrator, shall consult with and receive the recommendations of the National Science Board created in section 4 (and hereinafter referred to as the "Board").

And the same provisions apply to the Board.

Mr. WILEY. Would the Senator say that the language which he has read is sufficient to make the Administrator subject to removal by the President?

Mr. MAGNUSON. Yes.

Mr. WILEY. Is the Senator satisfied?

Mr. MAGNUSON. Yes.

Mr. WILEY. What is the Senator's authority for his belief?

Mr. MAGNUSON. I can read the language to the Senator.

Mr. KILGORE. Not only that, but reports must be submitted to the Congress.

Mr. WILEY. What is to be the term of office of the Administrator?

Mr. KILGORE. No term is fixed in the bill. He is appointed by the President, after consulting with the Board.

Mr. MAGNUSON. The Senator from Wisconsin is a good lawyer. The authority which he has inquired about is in the principle that the authority to appoint is the authority to remove. That is a cardinal principle of administrative law.

Mr. WILEY. According to this bill, the Senate must give consent.

Mr. MAGNUSON. Yes.

Mr. WILEY. So the Senate is a part of the appointing power.

Mr. MAGNUSON. I do not believe it is so interpreted. The President always has the right to remove officials, such as Cabinet officers, and so forth.

Mr. WILEY. But we are here creating an administrative office, are we not? Does it have quasi-judicial powers?

Mr. MAGNUSON. We are creating an executive office. An executive officer is entirely under the President. I do not believe that the Senator from New Jersey would disagree with that statement.

Mr. SMITH. Mr. President, what is that I would not disagree with?

Mr. MAGNUSON. I have said that we are creating an executive office.

Mr. SMITH. Yes.

Mr. MAGNUSON. That is what the Senator from New Jersey is objecting to.

Mr. SMITH. Yes; that is what I am objecting to.

Mr. MAGNUSON. The question of the Senator from Wisconsin was whether or not we are creating a quasi-judicial office. I think that we are creating an executive office.

Mr. HAWKES. Mr. President, I believe that the Senator from Wisconsin could help clear the matter in our minds if he would tell us how the President could get rid of the Administrator if he did not like what he was doing or if we did not like what he was doing. I should like to know the process by which the Administrator could be eliminated. Suppose he were asked to resign and he refused to resign. What then would be the situation?

Mr MAGNUSON. I suppose that the President would have a problem on his hands similar to that which he would have if a Cabinet officer refused to resign from office after being asked by the President to resign. The Cabinet officer might lock himself inside his office. The illustration is far-fetched, but I am sure that if such an occurrence took place the Congress would immediately cut off the man's salary. Such things could occur, but, as I have said, I think they are pretty far-fetched. If the Executive took the matter to the courts, I believe they would say that the power to appoint is the power to remove. That principle is a cardinal one in administrative law. For a time, the official might continue to go to his office However, I do not think that by so doing he would serve any purpose.

Mr. HAWKES. I think the Senator has given the best answer he could give by saying that the Congress could cut off the appropriation for the officer's salary.

Mr. MAGNUSON. Sometimes such things happen. Sometimes executive officers of the Government refuse to resign when requested to do so. I do not know how they have been forced to leave office when it has been necessary to force them. Sometimes they have perhaps held out for a while, and at other times perhaps they went to court.

Mr. HART. Mr. President, I am not fully uninformed with regard to this matter, but it has always been my understanding that if the President appointed a successor to the position and the appointment was confirmed by the Senate, the incumbent would automatically go out of office. Am I correct?

Mr. MAGNUSON. I believe the Senator is correct.

Mr. HART. With reference to the assurances which the Senator received comparatively recently from scientists to the effect that they wholly approve Senate bill 1850 in its present form, the Senator is aware, of course, that the latest word on the subject is in the direct testimony which was given fairly recently in the other House in connection with hearings held there on a bill known as the Mills bill. Is the Senator aware that in the testimony which was given before a subcommittee of one of the committees of the House, the great preponderance of testimony from the scientists

was to the effect that they preferred a method of control and administration not such as is provided in Senate bill 1850, but more like that which was provided in the bill about which they were testifying, a bill which was considerably like the proposal of the Senator from New Jersey?

Mr. KILGORE. Mr. President, allow me to say that the hearing to which the Senator has referred was conducted with a special group of persons who had been invited, and about which no publication was had. No publication was made of the fact that the meeting would be held. The special group consisted of persons who were proposing a certain type of bill. They were the only witnesses who were heard. Many of the other scientific groups throughout the country had no information of the hearing being held. It was merely a quiet little hearing, and, may I say, for propaganda purposes?

Mr. HART. Does the Senator contend that the persons who were heard—I do not know who they were—were not representative of the scientists?

Mr. KILGORE. I not only contend it, but I aver it. The hearings which were held on Senate bill 1850 were wide open. All scientific groups were advised that the hearings would be held. I have yet to hear of any scientific groups, other than the one group which was present at the hearing, who were advised of the meeting which was later held by a committee of the other House. I know of no one on this side of the Capitol who knew that such a hearing was to take place, and the holding of it was very much one-sided. Of course, no opportunity was afforded to cross-examine the scientists who attended the hearing.

Mr. HART. However, it was an open hearing, was it not?

Mr. KILGORE. Mr. President, I may say to the Senator from Connecticut that if I held a conference in my office with only a few persons in attendance, not having let anyone else know that the conference was going to be held, it would be just about the same kind of a conference or meeting as the one which was held by the other House. I did not exclude anyone and I did not notify anyone.

Mr. MAGNUSON. Mr. President, I have before me a printed copy of the House hearings. I note that three or four of our top scientific people testified. I have read the testimony of one of them. I have not looked over the testimony of Dr. Bush, but I see——

Mr. SMITH. On page 42 of the hearings it will be seen that Dr. Bush submitted comparisons between Senate bill 1850 and the House bill.

Mr. MAGNUSON. That may be true, because the House committee wanted to know what we had done here, and wanted to eliminate the necessity of going through weeks and months of hearings if we had already covered the ground.

Mr. SMITH. I merely wanted to indicate that the testimony before the committee of the other House showed that there was an attempt to go into those matters.

Mr. MAGNUSON. Oh, they were attempting to discuss the whole subject. Of course, I agree with the Senator from New Jersey that many persons in the scientific field favor the Senator's proposal and also the original proposal of the Senator from West Virginia. Altogether, I believe there were suggested 10 methods of approach to this subject. Some of the witnesses said that it did not make any difference what the method was; it depended on the Administrator.

What I am trying to point out to the Senate is that we attempted to take all these proposals and examine and consider them all. The committee did that, and, after months of work, decided that this was probably the best approach to the problem.

Mr. KILGORE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. KILGORE. That decision was reached by the subcommittee in the presence of Dr. Bush and Dr Bowman. They were present at the subcommittee hearings and we gave them just as much rights as if they had been members of the subcommittee.

Let me say also that sometimes this activity in the House reminds me of a man in my home town who after selling a piece of property, if he decided that perhaps he could get a little more money for it, when it came time to sign the deed would have his wife refuse to sign. Having gotten a bill into the Senate which is all right, the proposal to go back on an agreement we had, with which Dr. Bush said he was perfectly satisfied, has somewhat the earmarks of such a practice as I have just described. I cannot understand it. I rather think Dr. Bush does not mean it in that way. I do not think he is that kind of a man. I think he is being misrepresented in these hearings to some extent Previous quotations of matters in which Dr. Bush had stated opposition to a previous bill, a wartime bill, introduced under the stress of war, and largely as a guinea pig to test this matter out, are now being brought up to show that he is opposed to a bill in the draftsmanship of which he had a part, as to the details of which he agreed, together with Dr. Isaiah Bowman and two or three other eminent scientists.

I cannot understand it, coming from a scientist of the eminence of Dr. Vannevar Bush or Dr. Isaiah Bowman. Dr. Bowman's recent efforts in support of the bill certainly bore out his attitude in the committee, and indicated that he was in favor of what he agreed to when we talked the matter over.

Mr. MAGNUSON. Mr. President, I have been reading the testimony, and I think in fairness to Dr. Bush, I should say that the House committee asked him if he would give them some information leading up to this problem, and the Mills bill, which is somewhat different from Senate bill 1850. They asked him if he would point out the differences, which he did. He intimated in the testimony that at one time prior he preferred Senate bill 1850, the exact statement read previously by the Senator from New Jersey in supporting the Bush report.

Mr. WILEY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Wisconsin.

Mr. WILEY. I think the general rule in relation to removal is as the Senator suggested a few moments ago. However, as laid down in the case of Humphrey against the United States, a question is raised of the authority of Congress to condition the President's power of removal by fixing a definite term and restricting removal except for cause.

Congress can do that, but it depends upon the character of the office. Here is the language:

> The authority of Congress to condition the President's power of removal by fixing a definite term and restricting removal except for cause depends upon the character of the office Where an office is predominantly quasi judicial and quasi legislative rather than executive, the President has no constitutional power to remove for reasons other than those specified by law. So held, that the President had no power to remove without cause a Federal Trade Commissioner, when the act establishing the Commission provides for removals for inefficiency, neglect of duty, or malfeasance only.

That was held in the case of *Humphrey v. United States* (295 U. S. 602).

The only question in that connection—and this is what bothered me—was whether or not what we are creating can be considered as an executive office or whether there is any question of there being a quasi-judicial character to it. That goes back to the original proposition of a check on what I consider to be practically an autocratic grant of power which, under ordinary circumstances, is un-American.

I think perhaps the Senator is correct, but I think it is something which should be considered in line with the original question; that is, whether or not we are reposing a power in one man on which there should be some reasonable checks.

I assure the Senator I am inquiring in all sincerity because I have lived through the last two decades and have seen how good men in office have become drunk with power, with the esteem and the honor and whatever an office gives, in other countries as well as our own.

Here we are going into a brand-new field, and to me it is important that we make no mistake in that regard. That is why I say, in answer to the Senator from West Virginia [Mr. KILGORE], I have always felt that there should be checks when any one man is in charge of an organization. It has truly been said that any enterprise is the lengthening shadow of one great man; and do not forget that Lincoln also said, "All I am or hope to be I owe to my mother." Do not forget, furthermore, that in every successful organization, business, or government, there is back of the lengthening shadow of the one man the brains and the vision of other men. Thus every great President has become great because he has known, as it was said of Lincoln, how to choose men to give him guidance and direction.

Now we are proposing to set up a tremendous new something, and I want to make no mistake. I would feel a little better if the Senator could assure me that this is an administrative executive office with no quasi-judicial powers.

Then there is no question of the right of removal by the President.

Then we face the other proposition. It is a political appointment, and the man is subject to removal by any President to whom the appointee does not toady or follow through with. But we have to take that chance, I presume.

Mr. MAGNUSON. Mr. President, I can assure the Senator from Wisconsin that all of us who have been associated with this bill feel we are setting up an executive agency of the Government. I merely wish to point out to the Senator that it is not quite a new field. Although we are not interfering with present research activities of various Government departments, but are supplementing them, we hope that someday much of this work will be correlated into one foundation, and in the long run save the Government money, so that there will be no duplication.

For instance, the Army and Navy have practically agreed to a section of the bill under which I am sure that in time Army and Navy research will come under the Foundation. It will be a great help to the Appropriations Committees if the Army and the Navy, or the Bureau of Mines, or similar agencies, come forward and say, "We need so much money for this problem," and the foundation can tell the Appropriations Committees immediately whether or not the problem is being worked out some place else, or whether another department or a private laboratory is working on it.

Mr. President, this foundation is to do no research whatever. That is prohibited in the bill, and I think in the long run we will find that all governmental research and all governmental aid to research will find its vortex in this foundation. I think in that way we will save money.

The Senator from Tennessee referred to the enormous amounts spent for research I do not think they are enormous when we think of the results in dollars and cents. I always felt the Government should spend more for research.

Mr. President, this is not a new field. I personally participated in legislation some years ago setting up the National Cancer Research Foundation, which is somewhat similar to the proposed foundation. That institution has functioned very effectively. I participated in the creation of the Advisory Committee on Aeronautics, which is somewhat similar, as well as in the setting up of research departments in mining and in agriculture, and in the Army and Navy, which are somewhat similar to the foundation proposed. We hope to supplement and correlate these activities. The Army and Navy will look to the foundation every year in regard to problems they cannot themselves solve. There will be the national defense panel.

I think what it proposed is something we should do, and I assure the Senator that if he votes for the bill, at sometime in the future he can look with pride on the fact that by his vote he did something for the welfare of our country, because it could be one of the most important pieces of legislation, one of the most important undertakings Congress has embarked upon for the welfare of the country in two or three decades.

Mr. President, I hope the amendment of the Senator from New Jersey will not be agreed to. I understand the yeas and nays have been ordered, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Murray
Ball	Hill	Myers
Barkley	Hoey	O'Daniel
Bridges	Huffman	Overton
Brooks	Johnson, Colo	Pepper
Buck	Johnston, S C	Reed
Byrd	Kilgore	Revercomb
Capehart	Knowland	Robertson
Capper	La Follette	Russell
Carville	Langer	Smith
Chavez	Lucas	Stanfill
Donnell	McCarran	Stewart
Downey	McClellan	Swift
Eastland	McKellar	Taft
Ferguson	McMahon	Thomas, Utah
Fulbright	Magnuson	Wagner
George	Maybank	Walsh
Gerry	Mead	Wherry
Gossett	Millikin	White
Guffey	Mitchell	Wiley
Gurney	Moore	Willis
Hart	Morse	Young
Hawkes	Murdock	

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. MAGNUSON. Mr. President, I merely want to point out to the Senate that the Smith amendment is now before the Senate, and the yeas and nays have been ordered. It is an amendment which changes the administrative set-up provided by the committee bill. The provisions of the amendment are substantially the same as contained in the substitute amendment offered by the Senator from New Jersey, which was voted on last night by the Senate and rejected.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. TUNNELL. I have been somewhat puzzled in regard to the argument respecting the question of management. I am wondering if the move to change the management from a director to a board has any connection with an effort to divide membership on the board among a few large schools, and thus in a way attempt to control the whole situation. I have heard the name Princeton brought into the discussion several times. I was wondering if that was the purpose.

Mr. MAGNUSON. I will say to the Senator from Delaware that I do not know what the purpose is. There probably is an honest difference of opinion as to the method of approach to the result at which we all want to arrive.

The amendment on which we are about to vote is in effect the same as the substitute amendment offered by the Senator from New Jersey which was voted on yesterday, which would take away the equal responsibility which would exist between a board and a director, and would put it in the hands of the board. It is true, the original amendment of the Senator from New Jersey would take the membership of the board from among members of the National Academy of Sciences, which is a self-perpetuating organization.

Mr. TUNNELL. It could be used in the way I suggested, as I understand?

Mr. MAGNUSON. Yes.

Mr. SMITH. Mr. President, I desire to correct the implication contained in the statement of my distinguished friend from Delaware. There has been no purpose to have any combination. Princeton University has nothing to do with this question, except that I have stated the views of my scientific friends from Princeton as to the manner in which they think science can function.

The Board which I propose is the Board provided for in the committee bill. I have simply eliminated the Administrator. The members of the Board are to be appointed by the President of the United States, with the concurrence of the Senate. There is no way that I can see whereby any combination could compel the President to select any particular type of board.

I thank the senior Senator from Washington for his statement that we are simply trying to find the best kind of an organization, without any underhanded or devious implications of any sort. I know that that statement is true of my efforts, and I am sure that the Senator is actuated by the same motives.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TUNNELL. Does the Senator feel that the board plan would not result in what I have suggested?

Mr. SMITH. I cannot see how it could, any more than in the case of any other board which might be appointed. There is always danger of wires being pulled, but I see no danger in the plan.

Mr. HART. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. HART. Returning to the subject brought up by the distinguished Senator from Delaware, as the bill now stands, if the Administrator desired to show favoritism to one particular educational institution, would he not be able to do so without any trouble?

Mr. SMITH. That is my objection to the administrator system. Under the terms of the bill he would have absolute power to do anything he wished to do along that line. That is why I think we should oppose the bill as it stands, and adopt the amendment.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question is on agreeing to the series of amendments offered by the Senator from New Jersey [Mr. SMITH]. Unless there is objection, they will be voted upon en bloc. The Chair hears no objection.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIDGES] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. MCFARLAND], and the Senator from

Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BURCH], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

I also announce that if present and voting, the Senator from Rhode Island [Mr. GREEN] and the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The result was announced—yeas 34, nays 34, as follows:

YEAS—34

Ball	Eastland	McClellan
Bridges	George	Millikin
Brooks	Gerry	Moore
Buck	Gurney	O'Daniel
Byrd	Hart	Reed
Capehart	Hawkes	Revercomb
Capper	Hoey	Robertson
Donnell	Knowland	Russell
Smith	Taft	Wiley
Stanfill	Walsh	Willis
Stewart	Wherry	
Swift	White	

NAYS—34

Aiken	Johnson, Colo.	Mitchell
Barkley	Johnston, S. C.	Morse
Carville	Kilgore	Murdock
Chavez	La Follette	Murray
Downey	Langer	Myers
Ferguson	Lucas	Overton
Fulbright	McCarran	Pepper
Gossett	McKellar	Thomas, Utah
Guffey	McMahon	Wagner
Hayden	Magnuson	Young
Hill	Maybank	
Huffman	Mead	

NOT VOTING—28

Andrews	Cordon	Taylor
Austin	Ellender	Thomas, Okla.
Bailey	Green	Tobey
Bilbo	Hatch	Tunnell
Brewster	Hickenlooper	Tydings
Briggs	McFarland	Vandenberg
Burch	O'Mahoney	Wheeler
Bushfield	Radcliffe	Wilson
Butler	Saltonstall	
Connally	Shipstead	

So Mr. SMITH's amendments were rejected.

Mr. TUNNELL subsequently said: Mr. President, I should like to make an explanation concerning a vote taken this afternoon. It appears that I was not recorded as voting on the first amendment which was offered by the Senator from New Jersey [Mr. SMITH]. The vote was announced as 34 yeas and 34 nays, and I was not recorded as voting. I did vote. I voted "nay," and I did not know at the time that I had not been recorded as voting on that question. It does not make any particular difference, except that I should like to have the RECORD corrected to show that I voted "nay."

The PRESIDING OFFICER. Without objection, the RECORD will be corrected accordingly.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S 1469. An act to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 23, 1942 (56 Stat. 1073);

S. 2307. An act to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia; and

S 2234. An act to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 984. An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.; and

S. 1801. An act authorizing the appointment of an additional judge for the district of Delaware.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 294. An act to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II, and for other purposes;

S 346. An act to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 567), prescribing fees of United States Commissioners; and

S. 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FLANNAGAN, Mr. ZIMMERMAN, Mr. COOLEY, Mr. PACE, Mr. HOPE, Mr. KINZER, and Mr. H. CARL ANDERSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 841. An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes;

H R. 1860. An act to authorize the Secretary of the Interior to issue a duplicate of Porterfield scrip certificate No. 53 to the Muskegon Trust, Co., Muskegon, Mich., as trustee of the John Torrent trust;

H. R. 1957. An act for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J. E. Ricketts;

H R. 2219. An act for the relief of J. B. Shropshire;

H. R. 2043. An act for the relief of Wilma E. Baker;

H. R. 2145. An act for the relief of A. C. McMeans;

H. R. 2563. An act relating to the disposition of public lands of the United States situated in the State of Oklahoma between the Cimarron base line and the north boundary of the State of Texas;

H. R. 2763. An act for the relief of Burgess C. Moore, as administrator of the estate of

Lela May Tomlinson, deceased, and as legal guardian of Kay Tomlinson and Larry Max Tomlinson, minors.

H. R. 3857. An act for the relief of Warren H. Thompson and Madeline Parent;

H. R. 3993. An act to authorize the Secretary of War to sell and convey to the Southern Pacific Railroad Co. a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif.;

H. R. 4265. An act for the relief of Mary Jane Sherman;

H. R. 4415. An act for the relief of L. O. Gilliam,

H. R. 4484. An act relating to the construction and maintenance of building and improvements for banking purposes on the Fort Ord Military Reservation, Calif.;

H. R. 4492. An act for the relief of Charles Marvin Smith;

H. R. 4562. An act to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals;

H. R. 4660 An act for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser;

H R. 4842 An act to amend the act of April 29, 1943, so as to afford a preference for veterans in acquiring certain vessels,

H R. 5025. An act for the relief of Mrs. Opal Riley and Robert R. Riley,

H. R. 5128. An act to provide for the conveyance of certain real property to Roy C. Lammers,

H R. 5148 An act to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II,

H. R 5178 An act for the relief of Marian Antoinette McCloud,

H R. 5304 An act for the relief of Pearson Remedy Co ,

H. R 5391 An act for the relief of Ann Maureen Bell;

H R 5527. An act for the relief of Dimitrios Karamouzis (known as James C Karamouzis or James C. Kar);

H. R 5722 An act for the relief of Charles L. Cannon;

H. R. 5932 An act providing for the conveyance to the town of Ipswich, in the State of Massachusetts, of lighthouse property at Castle Neck, for public use,

H R. 6023. An act providing for the conveyance to the city of Atlantic City, in the State of New Jersey, of lighthouse property at Atlantic City, for public use,

H. R. 6213. An act for the relief of Brevet First Lt. Margaret Utinsky,

H. R. 6223. An act to authorize the highway departments of the States of Kentucky and West Virginia to construct, maintain, and operate a free highway bridge across the Tug Fork of the Big Sandy River at or near Williamson, W. Va.;

H. R. 6298. An act to protect and facilitate the use of national-forest lands in township 2 north, range 18 west, Ohio River survey, township of Elizabeth, county of Lawrence, State of Ohio, and for other purposes;

H. R 6403. An act for the relief of Mrs. Amelia Shidzee Nagamine Toneman;

H R. 6406. An act to authorize the War Shipping Administration and the Maritime Commission to make available certain surplus property to certain maritime academies;

H. R. 6694. An act for the relief of Olive Irene Milloglav;

H. R. 6702. An act to clarify the rights of former owners of real property to reacquire such property under the Surplus Property Act of 1944;

H. R 6810. An act to amend the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

H. R. 6811. An act relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes;

H. R. 6816. An act to authorize the Secretary of the Interior to grant to the State of California, for State highway purposes, a tract of land situated in San Bernardino County, Calif.;

H. R 6828. An act to provide for continuance of the farm labor supply program up to and including June 30, 1947;

H. R. 6869. An act to amend the immigration and naturalization laws to deny admission to the United States of certain aliens who have served in the armed forces of countries at war with the United States, also members of certain parties and organizations, and to deny naturalization to such persons, and to deny admission to the United States of persons who the Attorney General knows, or has reason to believe, seek to enter the United States for the purpose of engaging in activities which will endanger the public safety of the United States; and

H J Res 35 Joint resolution designating November 19, 1946, the anniversary of Lincoln's Gettysburg Address, as Dedication Day

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2345) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence, and it was signed by the Acting President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R 541 An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes; to the Committee on the District of Columbia

H. R 1860 An act to authorize the Secretary of the Interior to issue a duplicate of Porterfield scrip certificate No. 53 to the Muskegon Trust Co., Muskegon, Mich., as trustee of the John Torrent trust,

H. R. 3593 An act relating to the disposition of public lands of the United States situated in the State of Oklahoma between the Cimarron base line and the north boundary of the State of Texas,

H. R. 5.28. An act to provide for the conveyance of certain real property to Roy C. Lammers; and

H. R. 6816 An act to authorize the Secretary of the Interior to grant to the State of California, for State highway purposes, a tract of land situated in San Bernardino County, Calif.; to the Committee on Public Lands and Surveys.

H. R. 1957. An act for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J. E. Ricketts;

H R. 2319. An act for the relief of J. B. Shropshire;

H R 3043 An act for the relief of Wilma E Baker;

H R. 3145. An act for the relief of A. C. McMeans;

H. R. 3742. An act for the relief of Burgess C. Moore, as administrator of the estate of Lela May Tomlinson, deceased, and as legal guardian of Kay Tomlinson and Larry Max Tomlinson, minors;

H. R. 3857. An act for the relief of Warren H. Thompson and Madeline Parent;

H. R. 4265 An act for the relief of Mary Jane Sherman;

H. R. 4415. An act for the relief of L. O. Gilliam;

H. R. 4492. An act for the relief of Charles Marvin Smith;

H. R. 4660. An act for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser;

H. R. 5025. An act for the relief of Mrs. Opal Riley and Robert R. Riley;

H. R. 5304. An act for the relief of Pearson Remedy Co ;

H. R. 5722. An act for the relief of Charles L. Cannon; and

H R 6213. An act for the relief of Bvt. First Lt Margaret Utinsky; to the Committee on Claims.

H. R 3993. An act to authorize the Secretary of War to sell and convey to the Southern Pacific Railroad Co a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif.; and

H R. 4484 An act relating to the construction and maintenance of building and improvements for banking purposes on the Fort Ord Military Reservation, Calif.; and

H R. 6702 An act to clarify the rights of former owners of real property to reacquire such property under the Surplus Property Act of 1944; to the Committee on Military Affairs

H R 4562 An act to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals, to the Committee on Mines and Mining

H. R. 4842 An act to amend the act of April 29, 1943, so as to afford a preference for veterans in acquiring certain vessels;

H R 5932 An act providing for the conveyance to the town of Ipswich, in the State of Massachusetts, of lighthouse property at Castle Neck, for public use;

H. R. 6023. An act providing for the conveyance to the city of Atlantic City, in the State of New Jersey, of lighthouse property at Atlantic City, for public use;

H R 6223 An act to authorize the highway departments of the States of Kentucky and West Virginia to construct, maintain, and operate a free highway bridge across the Tug Fork of the Big Sandy River at or near Williamson, W. Va ; and

H R. 6406 An act to authorize the War Shipping Administration and the Maritime Commission to make available certain surplus property to certain maritime academies; to the Committee on Commerce.

H. R. 5148. An act to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II; and

H R 6811 An act relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes; to the Committee on Finance

H R. 5391 An act for the relief of Ann Maureen Bell;

H. R 5527. An act for the relief of Dimitrios Karamouzis (known as James C. Karamouzis or James C. Kar);

H. R. 6403. An act for the relief of Mrs. Amelia Shidzee Nagamine Toneman;

H. R 6694. An act for the relief of Olive Irene Milloglav; and

H. R 6869. An act to amend the immigration and naturalization laws to deny admission to the United States of certain aliens who have served in the armed forces of countries at war with the United States, also members of certain parties and organizations, and to deny naturalization to such persons, and to deny admission to the United States of persons who the Attorney General

knows or has reason to believe seek to enter the United States for the purpose of engaging in activities which will endanger the public safety of the United States; to the Committee on Immigration

H R 6298 An act to protect and facilitate the use of national-forest lands in township 2 north, range 18 west, Ohio River survey, township of Elizabeth, county of Lawrence, State of Ohio, and for other purposes; and

H R 6828 An act to provide for continuance of the farm labor supply program up to and including June 30, 1947; to the Committee on Agriculture and Forestry

H R 6810 An act to amend the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Education and Labor.

H R 6178 An act for the relief of Marian Antoinette McCloud; ordered to be placed on the Calendar.

H J Res 35 Joint resolution designating November 19, 1946, the anniversary of Lincoln's Gettysburg Address, as Dedication Day, to the Committee on the Judiciary.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

The PRESIDING OFFICER The bill is open to further amendment

Mr. SMITH obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. SMITH. I am glad to yield.

Mr. BARKLEY. In order that all Senators may understand the situation, inasmuch as many Senators have been inquiring privately about whether there will be a session tomorrow, I desire to announce that it is not planned that there shall be a session tomorrow. But there will be a session on Friday, and perhaps on Saturday, depending entirely on the legislative situation at that time.

Mr. KILGORE. Mr. President, will the Senator yield to me for a moment?

Mr. SMITH. I yield.

Mr KILGORE. At this time, before we proceed further, I wish to say that two amendments which have been prepared have been agreed to by the proponents of the bill and also by the opponents. One of them is an amendment proposed by the Senator from New Jersey [Mr. SMITH].

The PRESIDING OFFICER Will the Senator send the amendment to the desk?

Mr. KILGORE. I do so at this time, Mr. President.

The other amendment to which I refer has been offered by the Senator from Connecticut [Mr. HART], and there is no disagreement as to it, either. The amendments are merely clarifying amendments, and we are perfectly willing to have them adopted at this time.

Mr. President, I ask that the amendment submitted by the Senator from Connecticut be read first.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, in line 13, after "Education", it is proposed to insert "and"; and in line 14, beginning with the first comma, it is proposed to strike out through the word "Board" in line 16.

Mr. KILGORE. Mr. President, let me say that that amendment will remove from the bill the right to appoint three extra divisions, as was originally contemplated. The amendment will limit the bill to making provision for the divisions which will be provided for by Congress, and it will leave the Congress free to set up other divisions, in line with the powers provided for the Foundation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. HART].

The amendment was agreed to.

Mr KILGORE. Mr. President, I now ask that the amendment submitted by the Senator from New Jersey [Mr. SMITH] be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK On page 13, line 4, after "Administrator", it is proposed to insert a comma and the following: "with due regard to the national security of the United States."

On page 13, line 12, after "development", it is proposed to insert a semicolon and the following: "except in cases in which the President, or any person designated for that purpose by him, finds that such discussion, writing, or publication will endanger the national security of the United States."

Mr. KILGORE Mr. President, that amendment is submitted in an attempt to reinforce the powers which we thought were already granted by the bill. We still think the bill grants them; but we favor the amendment, in order to make certain that the matter is adequately covered by the bill.

The PRESIDING OFFICER The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH].

The amendment was agreed to.

Mr. SMITH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER The amendment will be stated.

The CHIEF CLERK. On page 14, beginning in line 16, it is proposed to strike out all down through and including line 18 on page 19, and insert in lieu thereof the following:

PATENT RIGHTS

SEC 8 Each contract executed by the Foundation which relates to scientific research and development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed.

On page 25, beginning in line 4, it is proposed to strike out through line 10.

Mr. SMITH. Mr. President, the question of patents was discussed at some length yesterday, so I shall not detain the Senate very long on the subject at this time, unless some of my colleagues wish to speak regarding it.

The amendment proposes to strike out the entire section 8, which comprises five or six pages of detailed regulations with regard to patents. We do so on the theory that that particular line of approach does not have a proper place in a bill of this kind.

In lieu of that section, which provides a complicated patent program, we have offered a simple paragraph. It has just been read by the clerk; and in our judgment it will provide adequate protection to patent rights, both from the standpoint of the public and from the standpoint of any individual who may be concerned. The amendment is brief, and I shall read it at this time:

PATENT RIGHTS

SEC. 8 Each contract executed by the Foundation which relates to scientific research and development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed.

Mr. President, I am advised by my friends in the War Department and the Navy Department that a program of this kind has been carried out in connection with all the research work which has been done during the war. I think I am correct in stating that there has been no dissatisfaction on the part of anyone with the way it has been carried out.

The Senator from Connecticut is informed on this point, I believe.

Mr. HART. Mr. President, will the Senator yield to me?

Mr SMITH. I yield.

Mr. HART. I must take exception to the Senator's statement. Out of many thousands of these contracts, there is one case of dissatisfaction.

Mr. SMITH. Mr. President, that brings out the point I was making. These contracts have been carried out under this sort of understanding, and both the Government and the workers have been adequately protected by it.

We do not think this bill should set forth the Government's policy on patents. If it is to be set forth, we believe it should be done by a separate measure, not by the pending bill.

We also believe that there may be a real danger that under the bill, as it now stands, some of the existing patent laws will actually be abrogated. That is the belief of some Members of the Senate.

We offer the amendment to take the place of the five or six pages of patent regulations which we think have no place in this bill

Mr. KILGORE. Mr. President, the suggested amendment simply signs a blank check to anyone who has a laboratory or to anyone who wishes to spend money to grab a patent which has been developed with public funds.

I repeat what I said yesterday, namely, that the Government of the United States consists of the people of the United States, and their welfare is the public welfare, and it is the particular charge of all the Members of Congress.

In this amendment we have some very nice eulogies and we have some very nice blank checks. By the amendment we would permit the Foundation to make any kind of contract it wished to make. That is one of the reasons why section 8 was included in the bill. In the past, we

have had the same sort of policy. I remember that only recently a large corporation advertised in the press that it had invented and patented a process of changing hardwood into softwood. When I challenged that statement they finally admitted that it had been invented by the Forest Service of the Department of Agriculture. But the people of the United States will pay for that invention.

I do not wish to see that happen in the future. During the recent war we took out of the pockets of the taxpayers $3,000,000,000, plus 5 percent of all cost-plus contracts, to be used in research. Except where the OSRD was able to protect us under patents, and that occurred in only a few instances, particularly those in regard to weapons, the people of the country, who had paid the $3,000,000,000, got nothing for their money.

In this section of the bill we endeavor to establish a policy with respect to the expenditure of public funds in research work. We say that, wherever possible, research shall be done in public institutions and in institutions which operate on a nonprofit basis. We do not mean institutions which claim to operate on a nonprofit basis, but which actually operate patent pools. We mean those that are genuinely nonprofit. We would have a distinct understanding that the results of the research shall be given to the small businessman, the little man in a small town who wants to manufacture something and who wishes to use the results of such research.

We also say that in the event that no such facility can be found, the Director may check and find out how much previous work has been done, and may write an equitable agreement with the private laboratory which will do the work. In that way its rights will be properly protected, so that it will receive an equitable return for the work it does.

If such an arrangement is not fair, I do not know what is. If we wish to let all patents, including those developed at public expense, be controlled by private concerns and let them develop into cartels, which were the foundation stone of World War II, and will be the foundation stone of World War III, if there should be one, we have only to continue to take the money out of the taxpayers' pockets and spend it for research and then let the results of the research be controlled by private persons, and then spend more of the taxpayers' money to pay royalties for the things the taxpayers' money have developed.

Oh, yes; we are told that we cannot get research workers unless they are given the results of their work. In that connection, I ask if those who make that argument can point out a single privately operated laboratory in the United States which does not require the workers in its laboratory, before they begin to work there, to assign to the laboratory any patents which may result from their work. When that is done, the laboratory pays the worker a sum, which I have never found to be in excess of $25, and usually it is only $1, as compensation for conveying to the laboratory the results of the work that person does in research in the laboratory.

In this case the Government stands in the same position as that of a private laboratory. Yet the private laboratories have been able to have wonderful work done.

Furthermore, Mr. President, section 8 removes the fence which now encloses the results of the research work which has been done during the course of World War II. It will enable the small businessman and the public to profit from the money the Government has spent on research during the recent war, to the extent of $3,000,000,000, as I have said, and also the additional billions of dollars, which are rather hard to account for, but we can simply add 5 percent of all the contracts to that amount. The bill takes cognizance of that fact, insofar as it does not encroach upon private rights, by giving to the public only the rights which the Government has reserved.

Mr. President, I ask, What is the Government? If the Government has, may I say, degenerated into a group of persons in Washington who are operating it without regard to the people back home, then I assert that the founding fathers had a terrible misconception when they used the words "We the people" and set up a government by and for the people. The conception of the founding fathers would be stricken down by the amendment now before the Senate. I will admit that certain great corporations would profit vastly by the amendment. I have already cited some examples. Let us take further, as an example, the celebrated vitamin case in which the owners of the patent on the invention or discovery which had been worked out with Government money, refused even to reduce the excessive profits which they had been making on their product, because, as they said coldbloodedly, "If the people cannot afford to pay for it they may not have it." The owners of the product did not care how many children became afflicted with rickets; they wanted their excessive profits which already had run into millions of dollars within a very short space of time.

Mr. President, the language to which reference has been made does not encroach on the rights of the man who has invented something. It does not compel him to bring his invention to the Government. But if he does do that he has the right to sit down and bargain, and make the best deal he can make for his invention.

Mr. President, I say in fairness to the people that a vote in favor of this amendment will be a vote to say to the people of the United States that the Senate does not believe they are entitled to what their money pays for. For that reason I sincerely hope that the amendment will not be agreed to.

Mr. President, allow me to point out what might take place if the amendment should become law. Suppose that out of the research which will take place there should come a substance, for example, such as that which is known as DDT. Under the rules and regulations of the proposed amendment, that substance would have to be turned over to XYZ Co. That company would have a monopoly on the manufacture and distribution of the substance, and would continue as such provided they had sufficient funds to protect themselves in the event that injunction suits were filed, or other litigation of that nature. The people of the United States who pay taxes out of one pocket in the purchase of materials and articles, and pay taxes direct to the Government out of the other pocket would still be paying out of both pockets. I want them to be in position to pay only out of one pocket the money which they will necessarily spend in connection with the proposed research work. I want scientific secrets to be made available to the smallest machine shop, laboratory, or chemical organization which can finance the necessary production.

Yesterday it was argued that the best thing to do would be to take out patents in the name of the Government which would license their use. We discussed that matter very thoroughly in the committee. The subject was discussed with representatives of the Patent Office and with representatives of the Department of Justice. Mr. President, the best thing to do is to turn this scientific knowledge loose to the people of the country and give them the right to manufacture and take their rights as they find them. If during the war the Government reserved unto itself patent rights in certain inventions, let us leave those rights in the Government. If the Government has developed something which is of value to the general welfare, let its use be licensed free to anyone who wishes to produce it, and let the little town, for example, with a population of 3,000 or 4,000, with sufficient money to set up a plant, make the article or substance, or whatever it may be, and come to the Government to obtain a patent.

Mr. President, the idea of free information and publication was suggested by the scientific groups. They said that that was what they wanted. In the amendments which were agreed to a few minutes ago, the national defense features were protected. But if any inventions or discoveries are made, let them be on the basis of free information and free publication.

Awhile ago I believe the distinguished Senator from Connecticut [Mr HART] questioned the expenditure of funds in the Air Corps and in the Navy. He wanted to know whether they might conflict one with another. I can assure the Senator that in connection with the pending bill there will be no conflict, but no one will be permitted to take a patent on the results of an invention.

Mr. President, I invite attention to some hearings which were held by the Military Affairs Committee on the question of how secrets were disclosed prior to World War II by the very contracting companies who had entered into various contracts. I refer to aircraft, steel, and other products.

The very features which we are discussing are designed for the benefit of the public. If we reject the patent features of this bill, I assert, Mr. President,

that we will say to the people, in passing the bill, "We will take the result of the research and permit it to go into patent pools consisting of certain selected—should I say—preferred stockholders of the United States to the utmost exclusion of the common stockholders," of whom I am one.

Mr. REVERCOMB. Mr. President, I desire to discuss briefly the amendment which is now pending before the Senate affecting section 8 of Senate 1850 The subject of that section pertains to patents and how they shall be handled if the bill is passed by the Congress and becomes law.

Yesterday I discussed the subject during the course of the debate. What we are really confronted with, Mr. President, for the first time in recent years in the Senate, is a conflict between two schools of thought, and between two viewpoints with regard to the subject of patents. There are those who advance the idea that there should be no patents, that an inventor should never receive any special right in his discovery. It is contended by some that all inventions and discoveries should be public property. If this bill is passed with section 8 in it, that philosophy of thought will be carried into full force throughout the country.

There are others who believe that inventors should have some special right for a limited length of time in the results of their ingenuity and work. So important was that belief to the founding fathers of this Government that there was written into the Constitution of the United States, in article I, section 8, clause 8, the following language:

> The Congress shall have power • • • to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

From that time on this Government proceeded on the basis that, in order to encourage invention and advancement in science, special rewards should be granted in the form of patents to discoverers of new methods, inventors of new engines, and articles of various forms. We have carried out that theory, and for many decades Congress has granted such rewards to inventors.

So, today, in the very section we are confronted with the question of whether we shall turn from a philosophy of protection to a philosophy which would give no right of protection to the inventor, and would give the result of the invention to the public at large. I am not going to debate——

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. KILGORE. Was not that the right to protection on the part of those who made inventions on their own?

Mr. REVERCOMB. Yes.

Mr. KILGORE. It was not based upon the idea that the Government furnished the money to enable individuals to go ahead with the invention, was it?

Mr. REVERCOMB. I do not care who advanced the money, it is a question of the inventor. I will say that if through the use of Government money a discovery is made which can be used for Government advancement, for the Army or Navy or any other Government undertaking, certainly the Government should have the use of it. But I am opposed to the idea that when a scientist or an inventor makes a discovery, it can be taken from him and given to the public at large, as under this bill it may be required to be given. That is a breaking down of the patent system.

Mr. KILGORE. What, then, does the Senator define as the government of this country?

Mr REVERCOMB. The Government in its proprietary status. That is what I am defining the Government to be

Mr. KILGORE. Are the duly elected officials of the people the Government?

Mr. REVERCOMB. No; not the officials of the people, but the Government itself as it continues from generation to generation.

Mr KILGORE. Does not the Government consist of all the people?

Mr. REVERCOMB No; the Government does not consist of all the people, as I see it The people are the country. The Government is their agent of government.

Mr. President, I know that there can be great appeal, and there has been in past times and as there is today more so than ever, in the idea that if a discovery is made by one person it should be given to all the people for use. As I have said, in the early history of this Nation another view was advanced, namely, that the inventor, the man who worked out a special invention, should have a particular right, a monopoly in it, as the Supreme Court said, for a period of time fixed by the Congress. I believe that period of time is 17 years.

Mr KILGORE. Mr. President, will the Senator yield?

Mr. REVERCOMB I yield, but I should like to proceed. I did not interrupt the Senator; but I shall try to answer his question.

Mr. KILGORE. There are two questions involved. The statement made by the Senator would infer that any man who made an invention would be bound by the bill. The Senator does not mean to infer, does he, that that means that any man who makes an invention is bound by the terms of the bill to give the public the benefit of it?

Mr. REVERCOMB. I did not understand the question.

Mr. KILGORE. The Senator's remarks would tend to leave the inference that any American citizen making an invention is bound to turn it over to the public. The Senator does not mean to draw that inference, does he? He means only to infer, does he not, that any person who makes an invention in which this Foundation or any Government agency is involved by the use of funds and facilities, would be required to turn it over, unless otherwise provided by contract? Is not that correct?

Mr. REVERCOMB. I am talking only about where there is a Government contribution to research.

Mr. KILGORE. That is what I want to make clear.

Mr. REVERCOMB. I will say futher, while that point is before us, that there is no provision in the bill which would limit the time within which an invention would be taken over and given to the public at large. For instance, if a research body, a university or a laboratory, were aided with Government funds, and some 5 years hence, or 10 years hence, as a result in part of the work done with Federal funds, there should be brought forth a new, a novel, an absolutely patentable process, there is nothing in the bill to keep the Government from stepping in and saying "I take that. That is mine, and I have to give it to the public at large."

Mr KILGORE. Will the Senator yield again?

Mr. REVERCOMB. I yield

Mr. KILGORE. There is nothing providing for patents. The only thing is publication. It is required that at the time the original invention comes out it shall be publicized. If a man then later develops something based upon that, with which he can go to the Patent Office, he can get a patent on his ultimate invention That is based on patent law pure and simple.

Mr REVERCOMB. I can find nothing whatsoever in the bill which limits the time within which the Government may receive the benefits of any discovery and then distribute it to the public at large.

Mr. President, I am always very glad to yield for a question, but let me proceed now, as I may, to develop the point without further interruption, and then later I shall submit to any questions any Senator may desire to propound.

Let us see what is in the bill, and let us see if it does not absolutely bring to issue before the Senate the philosophy of whether science and invention shall be encouraged by the Government, or whether science and invention shall be discouraged through the taking away of the patent system.

I wish to say, Mr. President, that the very advancement of this country in the field of science—in the field of machinery—is largely attributable to the philosophy of the patent that has rewarded the man who made research and who brought forth a novel idea.

I am advised that Germany followed the patent system until about 1933. Everyone knows that that country made great progress in discovery and in science. But we are told that from 1933, when the Government took over direction of research, Germany lagged behind other countries which did not follow such a course.

I say that to follow that course would be in essence and substance taking the road that was followed by Germany after 1933, when the government itself took over not only the direction of research but seized and disseminated as it saw fit patents and new inventions brought forth by inventors—taking away from them the one incentive for invention.

If the Congress of the United States desires to break down that incentive and follow this suggested new philosophy of thought—that the discoverer has no right in his product—but if the Government has aided him it may take from him the special enjoyment inventors have had in this country since its beginning,

then, indeed, we are embarking on a new course.

Much has been said about Dr. Vannevar Bush, and so that those who hear may know who he is, he is the Director of the Office of Scientific Research and Development—an office which did outstanding, patriotic, and wonderful work during the war. Dr. Bush heads that office.

Mr. President, I have in my hand a clipping from the New York Times dated March 15, and I wish to quote what is said by Dr. Bush because he mentions something with respect to patents. I read from the article:

Dr Bush said he would remain as Director He said he hoped for congressional passage of the bill for a National Research Foundation to enlarge the war agency and make it a permanent institution.

He was speaking of the war agency.

Discussing pending legislation for patent control, he said he thought the American patent system was one of the reasons America had prospered. "Anyone reading the proposed legislation would think the patent system a fearful thing, and I do not believe that," he added.

Mr. President, that is a statement attributed to Dr. Bush upon the subject of this one part of the bill we are considering which has to do with inventions and discoveries. The question is up to the Congress whether to change its policy and the policy of this country of more than 150 years. Of course, great appeal is made with regard to the benefits to the public, but the benefit would not be to the public, but to a few manufacturers who would profit by the invention of an inventor when the Government hands it out freely to them to be used as they desire without any reward to the inventor himself.

Mr. President, I have no defense whatsoever of the private organization which takes over the rights of an inventor any more than I have of the right of the Government to seize an invention of an inventor and give it to manufacturers freely to profit by, without reward for the ingenuity and the work of the man who brought it into being. It is not a benefit to the public. It is a benefit to the profit-making effort, to the till, to the cash register of some manufacturers. They are the ones who will profit by it.

Let us now turn to the terms of the bill itself, Mr. President. I am sorry that so many Members of the Senate are apparently engaged in other work, because this is one of the most far-reaching bills ever presented to the Congress. It represents a complete change of the philosophy of government. I desire to read from the bill so there may be no mistake as to what it provides. I read from page 16, section 8, subsection (c) in which the amendment now pends:

(c) All inventions, discoveries, or findings in which the United States (or any Government agency), now or hereafter hold any rights, including patent rights, shall be made available to the public on a nonexclusive and on a royalty-free basis to the extent the United States or such agency is entitled to do so under the rights held by it.

I repeat, Mr. President, that giving the Government a preference over any private enterprise is justified, and if the Government desires in its governmental capacity the use of any invention arising out of any federally aided research, such as for the Army and the Navy, certainly it should have that invention free of charge. I think there is a law upon our statute books today which permits the Government to seize patents, as it should have the right to seize them, for the common defense of the Nation.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. DONNELL. Are not inventions, discoveries, or findings in which the United States holds rights, property?

Mr. REVERCOMB. The Supreme Court has defined them more as licenses and rights rather than property.

Mr. DONNELL. Is not an invention property?

Mr. REVERCOMB. I believe the terminology "property" has not been used. I think I have before me something that may shed light upon the subject.

Mr. DONNELL. I may say, while the Senator is collecting his answer, that the thought which was in my mind, to which I should like him to address himself, if he will, is whether there is any reason why the Government should give away to the general public inventions any more than it should give away to the public any other property belonging to the United States Government. Is not the same principle involved in the gift of an invention as would be involved in gifts by the Government of any rights, whether technically property or not, which belonged to the Government?

Mr. REVERCOMB. I am very glad the able Senator has presented that question. First upon the subject of whether or not a patent is property, I believe the Supreme Court has time after time referred to it as a license or right, as distinguished from the broader term "property." It has sometimes referred to it as a monopoly, a personal monopoly, that is the right of the individual to use it himself to the exclusion of the rest of the world. When the word "monopoly," which has surrounded itself with such an ill aura, is used, I think of a definition which was made of monopoly with regard to patents by John Henry Wigmore, the great law teacher. This is what he said:

I take the opportunity to intrude my personal opinion that neither courts nor treaties writers have been radical enough in defending the legitimacy of the monopoly in a patent as distinguished from the ordinary trade monopoly. Is it not a fact that every property right that we have is a monopoly? The right to our house or our automobile is simply a right to keep anyone else from entering or using it without our consent; and is that not a monopoly? Take the case of the miner; he discovers a deposit of gold; he stakes it out and registers it and he gets a monopoly—and not merely for 14 years but forever. Yet no one ever publicly attacked his monopoly or proposed to cut down its duration, or to take it away from him unless he worked it, and so on. When Sir Isaac, by thinking and thinking, discovered the law of gravity, and when Alexander Bell, by thinking and tinkering, discovered electric telephony, and the California gold miner, by digging and sinking, discovered gold, they all three were doing an identical thing, i. e., discovering a condition of nature which had been existing all along but nobody else had ever found it out. Yet the third man gets a perpetual property right, monopoly; the first one gets no legal recognition at all; and the second one is awarded grudgingly a temporary right, and every once in a while he is reproached for even that temporary monopoly.

There he speaks of the inventor. We have long recognized the right of patent, which is as described, a personal monopoly.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. REVERCOMB. I yield.

Mr. DONNELL. It was not so much, Mr. President, the question as to whether a patent right or an invention is technically property, to which I addressed myself, although I used that term. I might say to the Senator, however, that, as I understood what he read, the writer refers there to property right. Would it not be true that under a bequest in a will, for instance, a provision in a will that the testator bequeaths and devises all his property, real, personal, and mixed, all inventions and patent rights would pass?

Mr. REVERCOMB. I believe that would be so; yes.

Mr. DONNELL. The thought I addressed myself to, however, is not so much the question as to whether a patent right or an invention is technically property. Offhand, it would appear to me that it is a type of property. But, regardless of whether that be true or not, it is, at any rate, something which the Government would own, insofar as that which the Senator has read from the bill is concerned, which leads me then to the fundamental question which I present to him, namely, Is there any difference in principle whatsoever between the provision that the Government shall be required to give the general public rights, whether technically property or not, in and to inventions, and a provision of law which would require the Government to give food or clothing or oil wells or any other property which might belong to the Government, to the people generally? Is there any difference in principle?

Mr. REVERCOMB. There is, as I see it, no difference in principle. However, I will say that I would not want to have brought such a situation that the Government would take the patent and then bottle it up. My point is that the Government ought not to take patents, unless they are patents that can be used in a governmental capacity. I do not think the Government ought to be used as a means, if I may use that expression, or as a vessel for carrying through a new philosophy of government, of taking away the rights of a person to property, or a thing of value, and then disseminating it to the public at large. It is an absolute destruction of the theory of patents.

There will be individuals aided, because the bill provides for fellowships and scholarships to individuals to make research. That part of the bill is good. I want to say to the able Senator that I am absolutely in favor of the Government aiding in research if it will help

bring forth new and novel ideas in science, but in doing so let us not unnecessarily break down the patent system of this country.

The part of the bill I read on page 16 requires the Government, after it takes over patents, to give them away. But, say those who espouse the bill, look at subsection (d). The Administrator under this act, or the Director, or the head of any Government agency which finances any contract of research is authorized to make an agreement with one who is aided, or with the research laboratory or the college, that the individual or laboratory or college may keep and may patent certain of the discoveries made by any one of them. But let us see how that is hedged in; let us examine how that general power is restricted. When we do that we see that it is utterly or almost destroyed. I read:

(d) The head of any Government agency financing by contract, or otherwise administering, federally financed research and development activities, may, by stipulation in the contract or by other advance agreements with any organization, provide for the retention by the organization, or by the inventor, or by their assignees of such patent rights based on discoveries, inventions, or findings produced in the course of such research and development as the head of such Government agency deems fair and equitable, and consistent with the national interest. *Provided*—

Now I call attention to the provisos:

That (1) the head of such Government agency shall, before entering into any such contract or agreement, make a finding that the agency has made every reasonable effort to arrange for the conduct of the necessary research and development without entering into a contract containing such provision.

That proviso and that limitation is a declaration of policy under this act.

That policy means that it is the purpose of the Government, however little it may contribute to the financing, and without limitation after the financing is extended, to say, "Anything you find shall go to the Government, not for its own use but for dissemination to the public." The public does not get it. As a matter of fact, manufacturers get it free of charge for use in their plants, to the absolute loss of the inventor himself.

There are other provisos, but I call particular attention to the first one, which is a limitation upon making any contracts which would give the inventor the benefit of his discovery.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks that portion of the minority views beginning with the title "Patents" on page 7 and continuing to the end of the treatment of that subject, on page 12.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PATENTS

Article I, section 8, clause 8 of the Constitution provides:

"The Congress shall have power * * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

In *Martinetti v. Maguire* (1, Deady, 216 (1867)), it was held that this power is not given generally but only as a means to this particular end; hence, it expressly appears that Congress is not empowered by the Constitution to pass laws for the protection or benefit of authors and inventors, except as a means to "promote the progress of science and useful arts."

The purpose of promoting the progress of science and useful arts is, therefore, a fundamental policy of our Government. Otherwise, it would not be found in the Constitution.

Under the guise of protection for Federal money, the bill contains basic reforms in the patent laws which are in conflict with the purpose of the Constitution and that tend to eliminate the private patent system.

Research and development are defined by section 12 (a) to cover not only basic and theoretical exploration in science but to extend to the "experimental production and testing of models and processes." Thus, the foundation may finance development to the ultimate production.

The patent provisions of the bill require the Administrator, or the head of any Government agency to insure that all patent rights which result from federally financed research shall be in the possession of the Federal Government and discoveries given to the public. The theory that the inventor's exclusive right to his discovery shall be protected by patent and he be thus given an incentive to promote the progress of science and useful arts would be destroyed. The public gets the benefit of the discovery and the inventor suffers the injustice of having his work enrich those who had no part in its production and wholly without profit to him.

There is no limitation in the bill determining where Federal money ceases to control the direct, or indirect, results of federally financed research, except the Administrator's findings.

Assuming that a university should accept Federal money for equipment with which to train students in science, or that an industrial research laboratory should accept a grant for a special project, it is legally possible that Federal claims could be made against subsequent patents obtained by such persons trained with that equipment, or that the model and process produced from the laboratory would be subject to Federal claim, limited only by an interpretation of reasonableness by the courts.

Assuming that scholarships and fellowships should be awarded by the Administrator to qualified persons, under section 6, the acceptance of the scholarship under the foundation would impose on such student, even *8 years later, the liability of having* a discovery which is patentable, made by him, and dedicated to the public, without reward to the discoverer.

This bill legislates with respect to all patents resulting from research and development conducted directly by the Government, as well as that conducted by outside agencies, financed in whole, or in part, by the Government.

Section 8 (c) provides:

"All inventions, discoveries, or findings in which the United States (or any Government agency), now or hereafter, hold any rights, including patent rights, shall be made available to the public on a nonexclusive and on a royalty-free basis, to the extent the United States or such agency is entitled to do so under the rights held by it."

This ignores exceptional cases in which exclusive licenses are desirable in the public interest. It tends to exclude exploitation of new enterprises which involve risk and uncertainty.

Again, section 8 (c) provides that "any invention, discovery, or finding hereafter produced in the course of federally financed research and development shall, whether or not patented * * * be freely dedicated to the public," with certain exceptions as to organizations, which exceptions will later be specified.

By section 11 (c) (5), the bill invests the foundation with the broadest possible power over private patents. Thus, the Administrator is authorized:

"(5) to acquire by purchase, or otherwise, hold and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from, scientific research or development."

In *James v. Campbell* (104 U. S. 356 (1882)), it was held that letters patent for a new invention or discovery in the arts confer upon the patentee an exclusive property in the patented invention, which cannot be appropriated or used by the Government itself, without just compensation, any more than it can appropriate or use, without compensation, land which has been patented to a private purchaser.

In *Crozier v. Krupp Aktiengesellschaft* (224 U. S. 290 (1912)), it was held that prior to the act of 1910, authorizing suit in the Court of Claims, the right of a patentee against the Government was based on an implied contract, by the act of 1910 (36 Stat. 851), a remedy was afforded in cases where such implication did not arise, but the use of the patent rights was ratified and adopted by the Government.

The revolutionary character of this absolute power is pointed up by specifically applying it to patents, thus The Administrator may acquire patents necessary for scientific research or development, or patents resulting from scientific research or development, without limitation of any kind and in any manner whatsoever.

The scope of the subject matter is so great as to nullify the professed purposes of basic research and development because it includes by section 12 (b) "all other research and development financed in whole or in part, directly by the Federal Government from funds designated."

By reversing the constitutional theory of promoting the progress of science and useful arts by securing to inventors the exclusive right to their discoveries, the bill also draws in any invention hereafter made by an employee of the Government. This, too, is intended to be freely dedicated to the public.

The existing law (act of Apr. 30, 1928, 45 Stat. 467, amending act of Mar 3, 1883, 22 Stat. 625) reads as follows:

"The Commissioner of Patents is authorized to grant, subject to existing law, to any officer, enlisted man, or employee of the Government, except officers and employees of the Patent Office, a patent for any invention of the classes mentioned in section 4886 of the Revised Statutes (U. S. C., title 35, sec. 31), without the payment of any fee when the head of the department or independent bureau certifies such invention is used or liable to be used in the public interest: *Provided*, That the applicant in his application shall state that the invention described therein, if patented, may be manufactured and used by or for the Government for governmental purposes without the payment to him of any royalty thereon, which stipulation shall be included in the patent."

If the pending bill should become the law, would not the existing protection for employees of the Government be in jeopardy?

Now, considering federally financed research and development by organizations: Under the bill "organizations" include State and local government agencies, corporations, partnerships, nonprofit institutions, and individuals (sec 12). Certain exceptions are made in the rule that patents shall be freely dedicated to the public, if federally financed, in whole or in part, thus exception in section 8 (c).

The above requirements as to dedication, to the extent that they require modification of arrangements already entered into, shall not go into effect until 120 days after the enactment of the act. Does not this imply arbitrary cancellation of contracts between the Government and outside agencies?

Subsection (d) of section 8 sets forth another exception, as follows:

"The head of any Government agency financing by contract, or otherwise administering, federally financed research and development activities may, by stipulation in the contract or by other advance agreements with any organization, provide for the retention by the organization, or by the inventor, or by their assignees of such patent rights based on discoveries, inventions, or findings produced in the course of such research and development as the head of such Government agency deems fair and equitable, and consistent with the national interest."

This exception is further subject to three provisos applicable to any "organization," and still a further fourth proviso applicable only to any "nonprofit organization."

Proviso (1) is:

"That (1) the head of such Government agency shall, before entering into any such contract or agreement, make a finding that the agency has made every reasonable effort to arrange for the conduct of the necessary research and development without entering into a contract containing such provision."

This would undoubtedly bar organizations best equipped and qualified for the undertaking, if some less qualified or poorly qualified organization makes a bid therefor

Proviso (2) is that:

"(2) The organization shall contribute or shall have contributed substantially to the development of the particular inventions, discoveries, or findings for which patent rights are retained through earlier or current research and development activities financed by the organization"

Would salaries paid to research scientists be considered as "activities financed by the organization"?

Proviso (3) is that:

"(3) In every case, the contract or agreement shall provide for at least an irrevocable, nonexclusive, royalty-free license for governmental purposes to the United States"

If the invention is one which is solely of use to the Government, this third proviso would make the undertaking less attractive to such organization. It should at least for a certain limited period of time have the exclusive right to manufacture the invention for the Government

Proviso (4), applicable only to nonprofit organizations, is:

"In the case of any nonprofit organization, the head of such Government agency further determines (A) that the research and development is essential in the field of national defense or in such other fields as the President may specify for such purpose, and (B) that the patent rights retained will not be used to serve the special benefit of any organization conducted for profit or of any individual, and will be made available or licensed to applicants on a nonexclusive, uniform, and reasonable royalty basis."

This proviso, which provides for compulsory licensing, would discriminate unduly against nonprofit organizations; and, added to the three other objectionable provisos, might well discourage nonprofit organizations from undertaking federally financed research and development, especially in the case of partly financed undertakings.

The above referred to subsections of section 8 are rendered even more uncertain by subsection (f), which reads:

"Notwithstanding any other provision of this act, the President, or any person designated for that purpose by him, may exempt from the requirements of this act relating to dedication to the public * * *, patents, inventions, or discoveries, relating to or produced in the course of federally financed research or development or in which the United States holds any rights, if and so long as the President or such designated person determines that such exemption is essential in the interest of national security."

Does the committee propose to alter the constitutional basis of exclusive rights to discoveries?

Under the Constitution, it is not necessary that the President determine that such exemption is essential in the interests of national security. A protection of a private patent for an inventor is founded upon the purpose to "promote the progress of science and useful arts."

Is it the intention by this section to indicate that Congress is not repealing the act of 1883, as amended in 1928, providing that "the employee of Government who has a patent for his invention shall state in his application that the invention may be manufactured and used by, and for, the Government for governmental purposes, without payment to him of any royalty thereon?"

The revolutionary purpose of the bill is indicated by the use of the words "in whole, or in part" in the definition of "federally financed research and development" in section 12 (b), line 7, page 25, of S 1850.

Federal agencies may be obliged to make unjust demands for the public dedication of all inventions arising out of a cooperative research project financed only in part by the Federal Government. Such a result is not altogether clear in view of the provisions of section 8 (d), but it is reasonably clear that the use of the present definition of "federally financed research and development" would force Federal agencies to demand broader licenses than those to which it is entitled in a cooperative research program

For example, suppose that university A, a State university, plans a research program requiring some basic and some applied research work, and costing an estimated $500,000. University A approaches an interested Federal agency and obtains a promise of a contract under which $100,000 is made available for the project. University A then receives $100,000 from State funds to help finance the project and manages to convince a manufacturing firm to finance the remaining $900,000 balance.

In such a case, it would be equitable to use patent provisions in the contract between university A and the Government agency under which the Government would receive patent rights on inventions made in the course of the research work, supported by the Government's $100,000. It would not seem fair for the Government to demand the use of contract provisions to cover all inventions arising out of the entire $500,000 project

In such a case, however, unless the words "in whole or in part" are eliminated from the definition of "federally financed research and development," the provisions of section 8 (c) and 8 (d) are subject to the interpretation that the Government must not enter into such a contract to furnish one-fifth of the necessary funds for a research project unless it receives patent rights covering all inventions made on the project, even though the major part is financed—not by the Government—but by a private commercial organization.

The provisions relating to patents further in this bill depart from the recommendations of Dr. Bush in his report for a national science foundation, entitled "Science, the Endless Frontier," wherein he says:

"The success of the National Research Foundation in promoting scientific research in this country will depend to a very large degree upon the cooperation of organizations outside the Government. In making contracts with, or grants to, such organizations, the foundation should protect the public interest adequately and at the same time leave the cooperating organization with adequate freedom and incentive to conduct scientific research. The public interest will normally be adequately protected if the Government receives a royalty-free license for governmental purposes under any patents resulting from work financed by the foundation. There should be no obligation on the research institution to patent discoveries made as a result of support from the foundation. There should certainly not be any absolute requirement that all rights in such discoveries be assigned to the Government, but it should be left to the discretion of the Director and the interested division whether in special cases the public interest requires such an assignment. Legislation on this point should leave to the members of the foundation discretion as to its patent policy in order that patent arrangements may be adjusted as circumstances and the public interest require."

Mr. REVERCOMB. This part of the report was prepared by the able Senator from Vermont [Mr. AUSTIN], who is not present. I regret that he is not here to discuss it.

I wish to refer to one of the ablest treatments of the subject of patents and the history of the American patent system that I have seen. It is a speech delivered in the Senate by the senior Senator from Maine [Mr. WHITE], on the 29th of June 1942. I make special reference to it so that anyone interested in the subject may follow the history of patents and see how closely the protection of invention has been associated with the advancement of science in America.

Mr. President, I leave this subject with this statement to my colleagues: I know that in passing upon section 8, they will weigh carefully the question whether we wish to abandon the protection given by patents and copyrights, and look to a new theory and philosophy which is being advanced to do away with the patent system, or whether we shall adhere to the course we have followed in the past, which has brought to this country a great series of inventions which have enlightened mankind and added to his happiness.

Mr. THOMAS of Utah. Mr. President, I do not wish to enter into a discussion in regard to patents; and especially do I wish to avoid an argument in regard to patent law as such. But it seems to me that if we are to be fair in judging section 8 of the bill we ought to preface every remark we make about patents by reference to the opening sentence of section 8, and realize that that sentence limits all that follows it. It applies to very few patents. The first sentence of section 8 reads as follows:

The Administrator shall make and maintain an inventory of all current federally financed research and development projects.

Section 8 deals only with inventions which come into existence as a result of federally financed activities. Everyone knows that when a young scientist or prospective inventor enters into a contract with a private laboratory or a private institution, and he is sponsored by the private institution and becomes a hired man in relation to the work which he does, the institution which enters into a contract with him is protected by the law of the land. If he makes certain discoveries and inventions on the time of the private institution, that which he finds belongs to the private institution.

I am also sure that everyone will agree that it is common practice in America for employers and employees to enter into arrangements granting certain

rights to an inventor in the case of an extraordinary discovery while in the employment of a private individual. If the inventor has a patentable idea or concept which might result in profit to him, arrangements are frequently made between the employer and the employee to grant the employee certain rights.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. REVERCOMB. I am very glad to have the Senator bring out that point. I have often thought that a wrong has been done, and that the very purpose of the patent has been violated, because there has not been some restriction which would preserve to the individual inventor himself certain rights under any contract.

Mr. THOMAS of Utah. That is the whole point which I make. Under this plan an individual who is operating with Government money and on Government time makes an agreement that that which he discovers shall belong to the Government, just as would be the case if he were working for a private institution. On the other hand, the Government can be liberal with him and grant him all the rights which the Senator from West Virginia has been discussing. I do not believe it can be successfully argued that this bill would in any way destroy the great theory of patents, as that theory has been evolved under the Constitution. If the plan outlined in the bill is carried out, it will, of course, protect the people of the United States in the rights which they have as a result of the use of Government money and Government facilities. All the bill provides is that discoveries made as the result of such investigation shall belong to all the people. But it goes further than that and provides that if a man of extraordinary talent accomplishes an extraordinary thing which would entitle him to some reward, the Administrator or the Government may encourage individual activity to the extent of granting to the individual certain patentable rights. The idea behind the bill is that the Administrator will operate at all times for the benefit of all the people and for the benefit of the Government.

The Senator from West Virginia is probably more familiar than are most of the others of us with the way in which the Bureau of Mines operates in its investigations. We find that ordinarily the results of research under governmental auspices are not made available to the public, but to various institutions which work in cooperation with the Bureau. So far as patents and discoveries are concerned, certain rights are granted to individuals.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am almost through. I am merely pointing out that if we will confine our arguments about patents to the provisions in the bill itself, in connection with activities which are financed by the Government, we will realize that the Government grants to individuals exactly the same rights which it grants to corporations or institutions. I cannot see how the patent rights of anyone in the United States can be infringed.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. REVERCOMB. The Senator refers to the Bureau of Mines. Of course, that is a governmental agency. The bill does not apply merely to governmental agencies. It applies to private agencies, schools, colleges, and even research agencies which are private in nature, and have their own laboratories. The Government does not finance them entirely, but only partially.

Mr. THOMAS of Utah. On the basis of quid pro quo, which is a legal term sometimes used by lawyers, the exact meaning of which I do not know, if there is a partial financing, that is the extent of the Government's interest. Therefore, the policy would have to be very liberal. At all times the Government should preserve its rights. The Government is everlastingly and eternally thinking that in granting particular rights—to use the term which the Senator from West Virginia has used—or in granting particular monopolies to individuals, it should be done in the public interest Ultimately the public benefits as the result of private investigation and private monopoly, because a patent is not perpetual. That is the scheme of the patent law. Ultimately the invention comes back to the people.

Mr. REVERCOMB. I feel that the Senator is entirely missing my point when he talks about selecting this one or that one. The bill goes further. It does not deal solely with Government institutions such as the Bureau of Mines. It goes into financing private organizations and giving Government aid. I favor that. But I do not favor the idea of having the Government take for itself all the discoveries, unless the Government itself in its governmental capacity can use them. To use the method of having the Government take and channel out to manufacturers or others the discoveries of inventors, I think is wrong and I believe it will result ultimately in the complete break-down of the patent system of this country.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MAGNUSON. Of course, as I said yesterday, I do not interpret the section to mean that at all, unless the language is different from what I understand it to be. All we are trying to do is to say to a private concern, "If and when you join with the Government in a research job, we shall make a contract, ahead of time, covering the patent rights." If the proposed contract is not agreeable, the private concern does not have to join in the work. That is all the section provides.

Mr. REVERCOMB. Then the Senator from Washington and I simply do not understand language which appears to me to be quite clear.

Mr. MAGNUSON. Apparently we do not.

I wish to point out that that was the intention and the only reason why we included the provision.

Mr. LA FOLLETTE. Mr. President, I wish to say a few words on this matter. In the first place, I cannot see that these provisions of the bill change the existing patent law or policy in any shape or manner. It seems to me this is a simple proposition. It is proposed under this measure that the Federal Government shall take the taxpayers' money and arrange for research work to be carried on with that money. It is proposed that this research work shall be carried on in nonprofit institutions and in private profit institutions. All this section seeks to do is to provide by contract with the nonprofit or with the private profit institutions that if, as a result of the Government's having provided the financing for the research, patentable processes or products are developed, a patent shall be available on a nonroyalty, license-free patent arrangement.

So far as the principle is concerned, I can see no difference between that proposition and what goes on in the institutions of the Government which are carrying on research with Government employees

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I shall yield in a few minutes.

For example, Mr. President, I happen to be familiar with the work of the Forest Products Laboratory, at Madison, Wis. That laboratory is financed wholly by Federal appropriations. If any processes or products which are patentable are developed at that laboratory, the patent is taken out in the name of the Secretary of Agriculture, and is available to any licensee in the United States, who is then free to utilize the patent or the product.

The only difference here is that the type of research to be conducted under the bill is to be carried on by contract with either nonprofit, educational institutions, or with private profit institutions which may have laboratory facilities. There is no compulsion on either the nonprofit or the private profit organizations to take one dollar of Federal money for research.

Mr. REVERCOMB Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. The Senator has referred to Government agencies which do research work for the Government, and the Senator has said there is no difference at all between such cases and the cases which will arise under the bill. Does the Senator mean to imply that he favors having the Government take over the direction of all research work, both private and governmental?

Mr. LA FOLLETTE. Of course not, and nothing that I have said is, I submit, subject to such an interpretation.

So far as the principle is concerned, I cannot see one iota of difference between having the Federal Government spend money, for example, at the Forest Products Laboratory at Madison, Wis., and as a result of the research there conducted obtaining a patentable product or a patentable process, and then making it

available under a license-free patent or a royalty-free patent; and having the Government go to the University of Wisconsin or having the University of Wisconsin come to the organization to be created under the bill, and saying, "We desire to enter into a contract with the Administrator for the purpose of carrying on research," and then having the Administrator say, "If you are going to take this Government money, which, after all, belongs to all the people of the United States, and if you are going to carry on this research which the people of the United States are financing, if as a result of it there is developed a patentable process or product, it shall be license free, and the benefits of such research shall flow to the people of the United States, and not to some individual inventor or some corporation."

Mr. REVERCOMB. Mr President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. If we follow the view which the able Senator has expressed and if this financial aid goes to all the research laboratories in the United States, that will mean that all discoveries will come into the hands of this country, and then the result will be an end to the patent system.

Mr. LA FOLLETTE. Mr. President, in the first place, I think it is absurd to assume that the money which will be appropriated under this bill will be sufficient to encompass all the research activities in the United States.

In the second place, insofar as this money results in the production of a patentable process or product, it seems to me that in all conscience the result of the use of the people's money for that purpose should flow generally to the public, and not to the private, sole, monopolistic profit of an individual or a corporation.

Let me say, Mr. President, that, so far as I know, most corporations which carry on research work require the persons employed therein to sign a contract which gives to the corporation the exclusive results of any patentable processes or products which they develop. Are we to be less tender with the taxpayers' money than the board of directors of a corporation are with the stockholders' money?

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. I wish to say to the Senator from Wisconsin that I have never approved, and I do not now approve, of the idea of having any corporation or even an association take over the patents to the discoveries of an inventor.

The question I have is this: The able Senator from Wisconsin has said that the Government should give the invention to the people. As a matter of fact, any process or discovery upon the basis of which any product is manufactured will be used by some corporation, which will get it free, and will not have to pay for it.

Mr. LA FOLLETTE. Mr. President, the difference is that under the Senator's theory the public's money will be taken to finance this research, and if any patentable process or product is developed thereby, the benefits thereof and the royalties therefrom will flow solely and exclusively to the individuals or the corporations involved; whereas, under the theory of this bill, if such patentable processes or products are developed, they will be license free, and no individual or corporation will be in a position to have exclusive right to utilize the benefits which will flow therefrom. That, as I see it, is the simple issue involved in this controversy.

Mr. President, it does not seem to me that we can justify the utilization of public moneys to finance research unless we provide that no individual or corporation shall have the exclusive, monopolistic right—which is what a patent really is—flowing from the expenditure of public money in research.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. LA FOLLETTE. I yield.

Mr. REVERCOMB. Let me say to the Senator that when he speaks of the use of public funds to finance research, the public funds would be used either in part or in whole for the research. Let me say again, as I have already said time after time, both yesterday and today, that when public funds are used, even in part, if the discovery is of use to the Government in any of its capacities—either the War Department, the Navy Department, the Department of the Interior, or any other governmental agency—the Government should have it free for any governmental use to which it may wish to put it. But I have tried to say that if we follow the suggested course of handing a discovery to all corporations, free of charge, to any manufacturers anywhere in the country, we shall not be helping the public; we shall be helping only a few manufacturers. Then, I say, we shall have done two things. First, we shall have given the manufacturer the right of free use of the discovery; second, and worse than the first, we shall have discouraged the inventor, by taking away from him the protection of a patent.

Mr. LA FOLLETTE. Mr. President, I do not agree at all with the Senator. What is a patent, anyway? It is merely an exclusive right or monopoly to benefit from the expenditure of time, ingenuity, and money which have resulted in the development of a patentable process or product. That comes in the form of a grant from the Government. Tomorrow, if we wished to do so—although I do not wish to have us do it—we could wipe out all the patent rights by amending our patent laws in such a way

But such a step is not proposed by this bill. All that is proposed by the bill is that the Government withdraw the monopolistic benefits which flow from the development of a patent on a product or a process which comes into being as a result of the expenditure of the taxpayers' money in research.

It is my own view, although perhaps I should not express it, because I know too little about this subject, that this issue has been blown up out of all proportion to its sound evaluation, because, after all, primarily this is going to be basic research; and I think it is commonly understood that as a result of basic research there will not be the same number of patentable processes and products developed as will be developed in the case of applied research. It has been the custom from time immemorial to make the results of basic research available to the public and to scientists everywhere. So, what we are really talking about is the small byproduct which may come from this basic type of research, financed by public money.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. SMITH. The Senator is taking the same position that I have taken. This whole subject is one of basic research.

Mr. LA FOLLETTE. Very well. There may be patentable processes and patentable products as a byproduct of basic research.

Mr. SMITH. That is the reason I asked the Senator what his objection was to the alternative which I have offered for the five or six pages of complicated provisions. Allow me to read section 8 of my amendment.

SEC. 8. Each contract executed by the foundation which relates to scientific research and development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed

That language represents the governmental policy which has been pursued right along in all Army and Navy contracts.

Mr. LA FOLLETTE. I do not agree with the able Senator from New Jersey that his proposal is calculated to carry out what seems to me should be the sound policy that should be followed.

Mr. DONNELL. Mr. President, will the Senator from Wisconsin yield in order that I may propound a question?

Mr. LA FOLLETTE. I yield.

Mr. DONNELL. On page 16 of the pending bill we find the following language:

(c) All inventions, discoveries, or findings in which the United States (or any Government agency), now or hereafter, hold any rights, including patent rights, shall be made available to the public on a nonexclusive and on a royalty-free basis to the extent the United States or such agency is entitled to do so under the rights held by it.

The question which I desire to ask the Senator is this: Suppose there should be an invention which would be of significance equal to that of the atomic bomb, for example. Suppose that the invention were developed and owned by the United States. Would the language which I have read not obligate the United States to make the invention or discovery available to all persons in the country free of royalty and without restriction, or is there at some place in the bill a saving clause which would restrict and save the Government from the obligation of revealing secrets pertaining to an invention of that type?

Mr. LA FOLLETTE. I believe there is such a provision in the bill. I believe that the bill was strengthened by the acceptance of an amendment offered by

the Senator from New Jersey which gave to the President the right—I do not have the exact language before me—to exercise his discretion with regard to matters which might affect the security of the United States.

Mr. MAGNUSON. If the Senator will look on page 17, line 25, he will find the following language:

(A) That the research and development is essential in the field of national defense or in such other fields as the President may specify for such purpose, and (B) that the patent rights retained will not be used to serve the special benefit of any organization conducted for profit—

And so forth In other words, in the interest of national defense the President could withdraw any patents or processes. I believe that the language of the bill was somewhat strengthened by the amendment of the Senator from New Jersey. I may say that in connection with contracts made by the Army and the Navy, the President still has the right to withdraw any patent rights and put them on the shelf or use them, whichever may be deemed essential to the national security.

Mr. DONNELL. Mr. President, I am glad to have the Senator's statement. I understand that it is the opinion of both the Senator from Washington [Mr. MAGNUSON] and the Senator from Wisconsin [Mr. LA FOLLETTE] that the broad language in lines 9 to 14, on page 16, modified and restricted by the other provision which has been referred to, is such that the Government would not be obligated under the law to reveal any information which might be of importance to the Government from the standpoint of military protection.

Mr MAGNUSON. I may say further that the reason for the language on page 16, beginning in line 9, making it mandatory that all inventions shall be disseminated to the public, particularly those which may result from the research provisions of the bill is, as Senators all know, that the Government has withdrawn from circulation on many occasions in the past certain patent rights which reverted to the Government. Those rights are of immense importance to the welfare of the country. The patents have rested on the shelves of the Patent Office and no one has been able to use them. The Government itself does not use them, and they are not made available to the public. We had hoped that this language would take care of that situation and maintain on the shelf only such patents as are deemed necessary to the national security.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the amendment of the Senator from New Jersey on page 14, beginning in line 16.

Mr. SMITH. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Mahoney
Andrews	Hill	Overton
Ball	Hoey	Pepper
Barkley	Huffman	Radcliffe
Bridges	Johnson, Colo	Reed
Brooks	Johnston, S. C.	Revercomb
Buck	Kilgore	Robertson
Burch	Knowland	Russell
Bushfield	La Follette	Smith
Byrd	Langer	Stanfill
Capehart	Lucas	Stewart
Capper	McCarran	Swift
Carville	McClellan	Taft
Chavez	McKellar	Taylor
Donnell	McMahon	Thomas, Okla.
Downey	Magnuson	Thomas, Utah
Eastland	Maybank	Tunnell
Ferguson	Mead	Wagner
Fulbright	Millikin	Walsh
George	Mitchell	Wherry
Gerry	Moore	White
Gossett	Morse	Wiley
Guffey	Murdock	Willis
Gurney	Murray	Wilson
Hart	Myers	Young
Hawkes	O'Daniel	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH].

Mr. DONNELL. Mr. President, I am not yet satisfied with the answer made to the question which I propounded a few minutes ago. I have conferred in the last few minutes with the Senator from New Jersey, and examined the amendment which was mentioned as having somewhat strengthened the bill in the respects to which I have referred. So far as I can see, the amendment to which reference has been made does not affect the point I made.

Mr. President, I should like to have the attention of the Senator from Washington [Mr. MAGNUSON]. The point I made was that on page 16 of the bill there is a mandatory requirement that all "inventions, discoveries, or findings in which the United States (or any Government agency), now or hereafter, hold any rights, including patent rights, shall be made available to the public on a nonexclusive and on a royalty-free basis to the extent the United States or such agency is entitled to do so under the rights held by it."

The point to which I invite the attention is this: If an invention be made which is of peculiar importance from the standpoint of national security, and it should be retained by the United States Government inviolate without revealing the secrecy of it, would not the sentence I have read make it obligatory that that information shall be given out generally to the public free of charge?

Mr. President, the answer I understood to be made was that the language commencing in line 25, on page 17, and in the succeeding lines on page 18, protects the situation. As I read those lines, they have reference only to the provisions of contracts or certain provisos applicable to contracts made by heads of Government agencies or organizations which have been engaged in research and development activities. The provision in line 25, page 17, and thereafter, as I see it, does not in any sense restrict the absolute obligation appearing on page 16 to reveal to the general public inventions and discoveries or findings regardless of their nature.

The amendment which I understand was offered by the Senator from New Jersey and was adopted does not refer at all to the language on page 16. It refers to line 12, page 13, which merely provides that any person engaged in such research and development activities financed or otherwise supported by the Foundation shall not be precluded from independently discussing, writing, or publishing his own views and conclusions relating to such research and development, "except in cases in which the President, or any person designated for that purpose by him, finds that such discussion, writing, or publication will endanger the national security of the United States."

In other words, that amendment of the Senator from New Jersey merely restricts the rights of persons engaged in research and development activities from the writing or publishing of views relating to research or development.

So far as I can see, the language appearing away back on page 12 has no applicability whatever to the language in lines 9 to 14 on page 16. If I am in error in that, I should like to know it; but I cannot as yet see where there is any connection with the answer made by the two distinguished Senators in response to the question I asked.

Mr MAGNUSON. Mr. President, I understand the Senator's point clearly. I first understood him to be talking about the making of the contracts and the dissemination of information with people working. I now understand the Senator has in mind the fundamental point of the withdrawal for national security of any patent rights.

Mr DONNELL. Yes.

Mr. MAGNUSON. If the Senator will turn to page 19, line 9, subdivision (f), he will find that "the President, or any person designated for that purpose by him, may exempt from the requirements of this act relating to dedication to the public, publication, dissemination, making available, or reporting information, data, patents, inventions, or discoveries relating to or produced in the course of federally financed research or development or in which the United States holds any rights, if and so long as the President or such designated person determines that such exemption is essential in the interest of national security." In other words, this exception is made in subdivision (f).

Mr. DONNELL. I thank the Senator for his response. I think that it is a satisfactory answer, and I had not observed that section. I do not think that either of the sections to which reference was made by the Senators in their response a few moments ago covers the point I presented.

Mr. MAGNUSON. I misunderstood the Senator. What we do here is, in the first place, to allow the President to stop anyone from giving information when such action would not be in the interest of national security; second, to

allow the Board to put that in the contract; third, if there are patentable rights under subsection (f), the President may withdraw them in the interest of national security.

Mr. DONNELL. Let me ask another question along that line Is there in the mind of the Senator still some possible danger arising from the fact that the language on page 16 provides that these inventions, discoveries, or findings shall be made available to the public? In order that the President or person designated for that purpose by him shall exempt from the requirements of this act items which are essential to the interest of national security, the provision on page 19 would necessitate independent study by the President or someone designated by him to determine whether or not the exemption is essential in the interest of national security.

Might it not be that in the administration of the act, with no one paying special attention to that question, and no specific duty resting on anyone, save only the President of the United States, it is entirely possible that inventions and discoveries essential to the national security might be revealed on the basis of the absolute mandatory obligation on page 16? I present that as a query for the consideration of the Senator.

Mr. MAGNUSON. That would be possible, and to minimize that possibility we state "or any person designated for that purpose" That means that if there is a contract affecting the War Department the President would designate officials in the War Department to watch the progress of it in case something arose which should be withheld in the interest of national security. That was the only way we could word it.

Mr. DONNELL. Let me suggest in regard to that that it is certainly imposing a very heavy responsibility on the President. I am not so much worried about the responsibility on the President because he naturally must assume responsibility. But it would appear to me that if a person designated by him had the vast responsibility of determining whether or not a particular invention is essential to the national security, and that one person should make an error, a tremendous and irreparable injury might be done to the country by reason of the error of that one individual. Is it advisable to leave the determination of such an important and perhaps absolutely vital question to one person designated by the President, with no qualifications prescribed in the act for such person, no provision in the act that the appointment of such person shall be subject to senatorial confirmation, or any guaranty given as to the capability of the individual who is to be designated for that highly important purpose?

Mr. MAGNUSON. I am afraid the Senate would encounter a little difficulty in designating that type of sleuth. We thought the best way would be to allow the President to do this. Of course, the President always does these things upon advice of the military, of the Army, the Navy, and others. He could designate the Board. I think the Senator perhaps has a point in the word "person." Perhaps we should say "person or persons," because the President would probably designate someone on the Board itself or someone in the Army or in the Navy or in the Joint Defense Invention Conference.

Mr. KILGORE. Mr. President, perhaps I should give a bit of historical background for the information of the Senator from Missouri. Under the original draft of the bill a specific committee was provided for that purpose. After considering the various departments involved we arrived at a more loosely drawn provision which says "any person" That does not limit the President to one person necessarily. Any person he may designate in that connection has the arbitrary power, which was not granted in the original proposal, to say "this cannot be disclosed" We added to that the words "notwithstanding any other provision of this act," in order to take care of anything that had been developed in the past, or that might be developed in the future, and allowing the President to designate representatives of the armed forces as his personal representatives to see that secrecy was preserved.

It was agreed that this provision was much stronger than, shall we say, provision for a congressionally constituted board. The President could designate any research man he wanted to, to make certain that secrecy would not be violated. Not only that, but it was also agreed that if the Navy or the Army or anyone else at any time raised the point that a certain thing should be kept secret, the President could immediately designate a person to block it if he wanted to, until such time as it was determined whether it should be kept secret. The use of the words "Notwithstanding any other provision of this act" coupled with the use of the words "the President, or any person" represents much more comprehensive language than the language originally drafted. It does not say that he must have a permanent representative there. It shall be any person he may designate. He may designate a dozen if he wants to, but they must be specifically designated by him.

Mr. DONNELL. Mr. President, one further question. I trust the Senator does not regard these questions as captious. I personally think they are of much importance and should be considered. The language on page 19 gives to "the President, or any person designated for that purpose by him" the power to "exempt from the requirements of this act relating to dedication to the public, publication, dissemination, making available, or reporting information, data, patents, inventions, or discoveries relating to or produced in the course of federally financed research or development or in which the United States holds any rights." Does the Senator regard that language as sufficiently broad to include all the following language on page 16: "All inventions, discoveries, or findings in which the United States (or any Government agency), now or hereafter, holds any rights, including patent rights"?

I am sure the Senator has given thought to the question, and I should like to have his opinion.

Mr. KILGORE The wording "or in which the United States holds" is very plain. That means that at the date of the passage of the act any rights reserved in the United States in the past, up to the date of the passage and approval of the act, would still be covered under this section. The Senator will notice one other proviso, which begins "if and so long as the President."

Mr. DONNELL. May I interrupt the Senator at that point for one other question? I note that the word "findings" appears on page 16, in the provision that "all inventions, discoveries, or findings," and so forth, shall be made available to the public, but that the word "findings" does not appear in the language on page 19.

Mr. KILGORE. Yes; that is correct.

Mr. DONNELL. The words "discoveries" and "inventions" do appear, but not the word "findings" Is there any reason why the word "findings" should not be included on page 19?

Mr. KILGORE. We did not think it was necessary, because we are using the words "or reporting information, data, patents, inventions, or discoveries." The word "information" and the word "data" cover "findings" and everything else. That is the reason the word "findings" was not included there. We felt that the wording was all-inclusive

Mr WILEY. Mr. President, I ask unanimous consent to have printed preceding the vote the short amendment offered by the Senator from New Jersey [Mr. SMITH], so that anyone reading the RECORD may understand what the issue is.

There being no objection, the amendment offered by Mr. SMITH was ordered to be printed in the RECORD, as follows:

On page 14, beginning in line 16, strike out all down through and including line 18 on page 19, and insert in lieu thereof the following:

"PATENT RIGHTS

"SEC. 8 Each contract executed by the Foundation which relates to scientific research and development shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract is executed."

On page 25, beginning in line 4, strike out through line 10.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH] on page 14, and on page 25. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES], who, if present, would vote "yea." I transfer that pair to the Senator from Rhode Island [Mr. GREEN], who, if present, would vote as I intend to vote. I vote "nay"

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIDGES], the Senator from Tennessee

[Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business

The Senator from Arkansas [Mr FULBRIGHT] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent

The Senator from Illinois [Mr. LUCAS] is detained on official business in his capacity as chairman of the subcommittee of the Special Committee To Investigate the Pearl Harbor Attack, in connection with the preparation of its report

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

I also announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

Mr WHERRY The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. He is paired with the Senator from Utah [Mr. THOMAS]. If present he would vote "yea."

The result was announced—yeas 31, nays 41, as follows:

YEAS—31

Ball	Hart	Stanfill
Brooks	Hawkes	Taft
Buck	McClellan	Walsh
Bushfield	Millikin	Wherry
Byrd	Moore	White
Capehart	O'Daniel	Wiley
Capper	Radcliffe	Willis
Donnell	Reed	Wilson
Ferguson	Revercomb	Young
Gerry	Robertson	
Gurney	Smith	

NAYS—41

Aiken	Huffman	Morse
Andrews	Johnson, Colo	Murdock
Barkley	Johnston, S C	Murray
Burch	Kilgore	Myers
Carville	Knowland	O'Mahoney
Chaves	La Follette	Overton
Downey	Langer	Pepper
Eastland	McCarran	Russell
George	McKellar	Swift
Gossett	McMahon	Taylor
Guffey	Magnuson	Thomas, Utah
Hayden	Maybank	Tunnell
Hill	Mead	Wagner
Hoey	Mitchell	

NOT VOTING—24

Austin	Cordon	Saltonstall
Bailey	Ellender	Shipstead
Bilbo	Fulbright	Stewart
Brewster	Green	Thomas, Okla.
Bridges	Hatch	Tobey
Briggs	Hickenlooper	Tydings
Butler	Lucas	Vandenberg
Connally	McFarland	Wheeler

So Mr. SMITH's amendment was rejected.

CERTAIN BENEFITS, SERVICES, AND SUPPLIES TO DISCHARGED MEMBERS OF THE ARMED FORCES

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 294) to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II, and for other purposes," which were to strike out all after the enacting clause and insert:

That (a) the provisions of section 202 (14), World War Veterans' Act, 1924 (38 U. S. C. 488), are hereby extended and confined to those governments allied with the United States in the war since December 7, 1941, and prior to termination thereof.

(b) In consideration of reciprocal services extended to the United States, the Administrator of Veterans' Affairs is authorized, upon request of the proper officials of the government of any nation allied or associated with the United States in the present war to furnish to discharged members of the military or naval forces of any such government, under agreements requiring reimbursement in cash of expenses so incurred, at such rates and under such regulations as the Administrator may prescribe, medical, surgical and dental treatment, hospital care, transportation and traveling expenses, prosthetic appliances, education, training, or other similar benefits authorized by the laws of such nation for its veterans, and services required in extending such benefits: *Provided*, That hospitalization in a veterans' facility shall not be afforded hereunder, except in emergencies, unless there be available beds surplus to the needs of veterans of this country: *Provided further*, That the Administrator may contract for necessary services in private, State, and other Government hospitals. All amounts received by the Veterans' Administration as reimbursement for such services shall be credited to the current appropriation of the Veterans' Administration from which expenditures were made pursuant to this subsection.

And to amend the title so as to read: "An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States."

Mr. GEORGE. Mr. President, the House has stricken out all after the enacting clause, but has reinserted the substance of the Senate bill, which the Senate passed in February of 1945, and has amended the title. The effect of the language in the House amendment is precisely the effect of the language of the Senate bill. I therefore move that the Senate concur in the amendments of the House.

The motion was agreed to.

ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1801) entitled "An act authorizing the appointment of an additional judge for the district of Delaware," which was, in line 10, after "district", to insert ": *Provided*, That the first vacancy occurring in the office of district judge in said district shall not be filled: *Provided further*, That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect."

Mr. MCCARRAN. I move that the Senate disagree to the amendment of the House, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCCARRAN, Mr. MURDOCK, and Mr. MOORE conferees on the part of the Senate.

PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT NO 206, ENTITLED "ECONOMIC CONCENTRATION AND WORLD WAR II"

Mr. HAYDEN. Mr. President, from the Committee on Printing I report favorably Senate Resolution 292, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution, submitted by Mr. MURRAY on June 25, was read, as follows:

Resolved, That there be printed for the use of the Special Committee to Study Problems of American Small Business 2,000 additional copies of Senate Document No. 206, being a report entitled "Economic Concentration and World War II," made to the special committee by the Smaller War Plants Corporation.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, reserving the right to object, will the Senator explain what the report is?

Mr. HAYDEN. I have not seen the report. The committee states that there has been a great demand for the report, and it desires a reprint. The cost will be about $400.

Mr. WHERRY. Which committee?

Mr. HAYDEN. The Smaller War Plants Subcommittee of the Special Committee to Study Problems of American Small Business.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

AUTHORIZATION TO SIGN BILLS, AND SO FORTH

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the impending recess or adjournment of the Senate the President pro tempore be authorized to sign bills and resolutions ready for signature; that the Secretary of the Senate be authorized to receive messages from the House of Representatives, and that the committees be authorized to report to the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. HART obtained the floor.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. BUSHFIELD. I understand that the vote upon the Smith amendment to the pending bill was a tie vote. I was absent from the Chamber at the time the vote was taken. If it be in order, I desire to make a motion to reconsider the vote on that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. Mr. President, reserving the right to object, there were several Smith amendments.

Mr. SMITH. On the first amendment the vote was 34 to 34, and the Senator from South Dakota wishes to move to reconsider that vote, to see what the will of this body is.

Mr. MAGNUSON. I object.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. The Senator from South Dakota made a motion to reconsider the vote, which was in order. It is not a question of objecting. It is a question of whether or not the motion will be agreed to.

The PRESIDING OFFICER. The Senator from Washington has a right to object if the Senator from Connecticut [Mr. HART], who had the floor, does not yield for that purpose.

Mr. HART. Mr. President, I have yielded to the Senator from South Dakota for the purpose of making this motion.

The PRESIDING OFFICER. The Senator has the right to make the motion.

Mr. MAGNUSON. I thought the Chair asked if there was objection.

The PRESIDING OFFICER. That is correct.

Mr. MAGNUSON. I reserved the right to object.

The PRESIDING OFFICER. The Chair had in mind the fact that the Senator from Connecticut had the floor at the time.

Mr. MAGNUSON. Mr President, I make the point of order that unless a Senator votes on the prevailing side he has no right to make such a motion.

Mr. HART. Mr. President, I believe I have the floor. I yielded to the Senator from South Dakota for the purpose of making the motion.

The PRESIDING OFFICER. The Senator from Connecticut is recognized. He has the floor.

Mr. HART. What is the action of the Chair upon the motion of the Senator from South Dakota?

The PRESIDING OFFICER. The motion was entered and awaits determination by the Senate.

Mr. MAGNUSON. I make the point of order against the motion that the Senator from South Dakota did not vote with the prevailing side, and the Chair did not put the question. Under the rules——

Mr. WHERRY. Mr. President——

Mr. MAGNUSON. Let me finish. Under the rules of the Senate, as I understand, a Senator must vote on the prevailing side in order to be qualified to make a motion for reconsideration.

The PRESIDING OFFICER. The Chair will say to the Senator that in the first part of rule XIII, under the heading "Reconsideration," there is the following language:

> When a question has been decided by the Senate, any Senator voting with the prevailing side or who has not voted may, on the same day, or on either of the next 2 days of actual session thereafter, move a reconsideration

Mr. MAGNUSON. Then the motion of the Senator is in order.

Mr. BUSHFIELD. I did not vote.

Mr. MAGNUSON. The Senator did not vote. Therefore his motion is in order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota [Mr. BUSHFIELD].

Mr. MAGNUSON. Mr. President, I must suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Connecticut yield for that purpose?

Mr. HART. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Buck	Capper
Andrews	Burch	Carville
Ball	Bushfield	Chavez
Barkley	Byrd	Connell
Brooks	Capehart	Downey
Eastland	McCarran	Robertson
Ferguson	McClellan	Russell
Fulbright	McKellar	Smith
George	McMahon	Stanfill
Gerry	Magnuson	Stewart
Gossett	Maybank	Swift
Gurney	Mead	Taft
Hart	Millikin	Taylor
Hawkes	Mitchell	Thomas, Okla.
Hayden	Moore	Thomas, Utah
Hill	Morse	Tunnell
Hoey	Murdock	Wagner
Huffman	Murray	Walsh
Johnson, Colo.	Myers	Wherry
Johnston, S. C.	O'Daniel	White
Kilgore	O'Mahoney	Wiley
Knowland	Overton	Willis
La Follette	Pepper	Wilson
Langer	Radcliffe	Young
Lucas	Reed	
	Revercomb	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.

The Senator from Connecticut has the floor.

Mr. HART. Mr President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. What is the pending question?

The PRESIDING OFFICER. A motion was entered for the reconsideration of the vote by which the Senate rejected the amendment of the Senator from New Jersey [Mr. SMITH] providing for administration by a National Science Board. That motion is now being considered.

Mr. HART. Mr. President, I ask for immediate consideration of the motion, with the understanding, inasmuch as I do not wish to speak on this point, that I may have the floor as soon as the motion is disposed of.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Tennessee.

Mr. HART. Mr. President, I believe I have the floor.

Mr. MAGNUSON. I thought the Senator had concluded.

Mr. HART. No; I believe I still have the floor.

The PRESIDING OFFICER. If the Senator from Connecticut yields the floor, the question is on the motion to reconsider.

Mr. HART. Mr. President, I have no desire to speak on the motion. I shall yield the floor, but I request that I may resume the floor as soon as that question is settled, in order that I may present the amendment which I was about to send to the desk.

Mr. WHERRY. Mr. President, I ask unanimous consent that that privilege be granted the Senator from Connecticut after the vote is taken on the motion to reconsider.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I move that the motion to reconsider be laid on the table.

Mr. WHERRY. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceed to call the roll.

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New

Hampshire [Mr. BRIDGES], who, if present and voting, would vote "nay." I transfer that pair to the senior Senator from Rhode Island [Mr. GREEN], who, if present and voting, would vote "yea." I am therefore at liberty to vote. I vote "yea."

Mr. HILL. I announce that the Senator from North Carolina [Mr BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIGGS], the Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senators from Virginia [Mr. BURCH and Mr. BYRD] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. LUCAS] is detained on official business in his capacity as chairman of the subcommittee of the Special Committee to Investigate the Pearl Harbor Attack, in connection with the preparation of its report.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

I also announce that if present and voting the Senator from Arkansas [Mr. FULBRIGHT] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. His pair has been stated by the Senator from Utah [Mr. THOMAS]. If present he would vote "nay."

The result was announced—yeas 35, nays 34, as follows:

YEAS—35

Aiken	Johnson, Colo	Murray
Andrews	Johnston, S C	Myers
Barkley	Kilgore	O'Mahoney
Carville	La Follette	Overton
Chavez	McCarran	Pepper
Downey	McMahon	Radcliffe
Ferguson	Magnuson	Swift
Gossett	Maybank	Taylor
Guffey	Mead	Thomas, Utah
Hayden	Mitchell	Tunnell
Hill	Morse	Wagner
Huffman	Murdock	

NAYS—34

Ball	Hawkes	Russell
Brooks	Hoey	Smith
Buck	Knowland	Stanfill
Bushfield	Langer	Taft
Capehart	McClellan	Walsh
Capper	McKellar	Wherry
Donnell	Millikin	White
Eastland	Moore	Wiley
George	O'Daniel	Willis
Gerry	Reed	Wilson
Gurney	Revercomb	
Hart	Robertson	

NOT VOTING—27

Austin	Connally	Saltonstall
Bailey	Cordon	Shipstead
Bilbo	Ellender	Stewart
Brewster	Fulbright	Thomas, Okla
Bridges	Green	Tobey
Briggs	Hatch	Tydings
Burch	Hickenlooper	Vandenberg
Butler	Lucas	Wheeler
Byrd	McFarland	Young

So the motion to lay on the table was agreed to.

LEAVE OF ABSENCE

Mr. STEWART. Mr. President, I ask unanimous consent that I may be absent from the Senate for a few days, possibly not later than Monday or Tuesday of next week.

The PRESIDING OFFICER. Without objection, consent of the Senate is granted.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. HART. Mr. President, I send forward an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 3, line 10, it is proposed to strike out "a Division of Social Sciences";

On page 3, line 18, beginning with the comma, to strike out down through the word "Foundation" on page 4, line 1;

On page 13, lines 17 and 18, to strike out "medical, and social sciences" and insert in lieu thereof "and medical sciences"; and

On page 24, lines 24 and 25, to strike out "engineering, and social sciences" and insert in lieu thereof "and engineering sciences."

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. HART. Mr. President, the amendment which has just been read by the clerk would have the effect of eliminating from the bill the subject of social sciences. It appears that the subject was one of the last to be included in the bill, because it was not discussed by the scientists, notably Dr. Vannevar Bush whose writings and recommendations to the President of the United States had much to do with the formulation of the bill in the first place. I myself am constrained to look upon the inclusion of this subject, in a bill for the promotion of fundamental research in the basic sciences as a part of the snowballing process which has taken place and which has resulted in Senate bill 1850 There are many things in the bill in its present form which are additional to the original purposes contemplated, and this appears to be one of them.

All of this, of course, will be at the expense of the Treasury, and no person can foresee what the expense will be. I believe that that statement applies particularly to the subject of social science. In the first place, no agreement has been reached with reference to what social science really means. It may include philosophy, anthropology, all the racial questions, all kinds of economics, including political economics, literature, perhaps religion, and various kinds of ideology.

I believe, Mr President, that the inclusion of social sciences in this bill is very apt to result in doubling the complexity of governmental bureaucracy and, quite likely, the expense of the Government. There is no connection between the social sciences, a very abstract field, and the concrete field which constitutes the other subjects to be dealt with by the proposed science foundation.

Mr. President, this may well be a field in which the Government should proceed to foster and subsidize research; but I submit that it has no place in this bill. This is a bill for the promotion of research in the fundamentals of natural sciences.

For one thing, the increase in magnitude, which will be a most likely consequence, will tend to vitiate and vary what should constitute the bill's main objective.

Furthermore, Mr. President, what to my mind is one of the greatest objections to its inclusion in the bill is the fact that no board, no administrative organization which we could set up could possibly be adequately qualified to administer such policies and carry on work in two fields so absolutely diverse.

Mr. President, that concludes my remarks, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THOMAS of Utah. Mr. President, I rise for the purpose of speaking against the amendment, and I trust that the

Senate will sustain the bill as it is written, and will vote down the amendment.

The purpose of the bill is to set up a foundation to promote the development of science for the benefit of the people of the United States, and ultimately for the benefit of the people of the world.

It strikes me about as strange as anything that could happen in the history of the United States to find any Senator or any scientist being frightened at what is called social science. It strikes me as particularly strange, in view of the economy and the history of the United States, that a proposal comes from the Republican side of this body which is in depreciation of the social science and what the social sciences accomplish, when probably the only incident during the whole 4 years of the Hoover administration which will live in the history of the United States will be the studies which that great President—great from the standpoint of the Republican side—instigated and consummated, which resulted in the investigation into social trends in the United States.

Mr. President, no invention, no patent, no scientific development amounts to anything for the benefit of the people anywhere unless it has its social aspect, and for us to assume that we can carry on this great political institution, the Government of the United States, and cause it to develop for the benefit of the people of the United States without having reference to that great branch of knowledge which is called social science, would be to make the mistake of all time.

Are we to pay no attention to social trends? Are we to pay no attention to the study of population? Are the representatives of the Government of the United States here in the Senate to turn their back to the social aspects of the Constitution of the United Sates?

Is there not a social meaning in the general-welfare clause? Do not the views of the minority themselves, in dealing with patents, for example, start out by quoting the law, which states the reason why patent laws are supported in the United States—that is, for the benefit of the people—and ultimately for the public good?

Mr. President, sciences have been classified in one way today, and will be classified in another way tomorrow. This will always be the case in growing institutions of knowledge. We cannot have a tight, little, compact understanding and knowledge and assume that we can fasten it in a box and label it one way or another. If we insert limitations barring social science in this bill, which establishes a great foundation, they will cripple—probably forever—the very things the Government wishes to do the most.

Mr. President, let us consider some of the sciences and see how they have changed through new discoveries, new inventions, new understandings. Is not Mr. Einstein, himself, in developing his great mathematical theory, thinking of ultimate social processes? How can any man live and not assume that in the end every new notion, every new discovery, will in time have its social aspect?

Mr. President, we have gone through great depressions, we have studied migrations of people over the country, we have carried on investigations which had to do with the moving of persons because of want, because of unemployment, because of various incidents, all of them related to scientific aspects of man's life on earth, and very closely related to what is called social science. Do we want to bar those studies?

How in the wide world would the Army and the Navy get along without taking into consideration the social aspects of the Army and the Navy? Read the little statement sent out by the Army today in relation to the increased number of officers and how those officers were selected. We discover that they were selected as a result of an applied social scientific evaluation of the officers.

Mr. President, to bar the social sciences from a scientific fundamental institution would be to cripple its very purpose. What are we to do? Are we to teach someone to control a wave or a ray, or one having a new idea about astronomy to develop it? For what good? For the good of mankind, of course, and the social aspects come into the field.

My plea is merely that when we create this scientific foundation there be a proper evaluation of the worth of the persons who are to administer it, so that at no time will it turn into fields into which it should not go, and undertake investigations in fields into which it should not enter. If we cannot trust the investigators, if we cannot trust the scientific boards, if we cannot trust the heads of State institutions, if we cannot trust the great men of our country to make the right sort of evaluation, then we cannot trust anyone in government.

To put such a limitation in the bill would kill the spirit and kill the soul of the movement and the very purpose in the minds of persons in the United States who believe that new inventions and new discoveries should be used for the benefit of the people. It would cause the law to be administered in such a way that we might discover that the exact sciences would become so exact that they would help no one.

Mr. President, the yeas and nays have been ordered, and I trust that the amendment will be voted down.

Mr. SMITH. Mr. President, I do not care to prolong the debate on the amendment, but having been a member of a university faculty, and having been interested in the social science side, I wish to say a few words.

I am just as much interested in social science as is my distinguished colleague, the eminent Senator from Utah [Mr. THOMAS], who has just spoken. But I have conceived of this bill, as I have said so many times, as a bill for research in pure science, not in applied science, but in pure science. We are trying to subsidize pure science, the discovery of truth. This has nothing to do with the theory of life, it has nothing to do with history, it has nothing to do with law, it has nothing to do with sociology. I am all for those sciences, and I call them sciences, but they do not belong in this bill. We are going to confuse our thinking in setting up the organization if we try to combine those things in one bill. I am for furthering the other objects as well, but I submit they do not belong in this bill, any more than the patent provision, against which I voted, belonged to it. We have confused our thinking by making the bill complicated, when it was intended to be only for research in pure science.

Mr. President, I hope very much that the amendment will be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut on which the yeas and nays have been ordered.

Mr. ANDREWS. Mr. President, I should like to have the amendment read again.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed on page 3, line 10, to strike out "a Division of Social Sciences";

On page 3, line 18, beginning with the comma, to strike out down through the word "Foundation" on page 4, line 1;

On page 13, lines 17 and 18, to strike out "medical, and social sciences" and insert in lieu thereof "and medical sciences"; and

On page 24, lines 24 and 25, to strike out "engineering, and social sciences" and insert in lieu thereof "and engineering sciences."

Mr. WHITE. Mr. President, I ask unanimous consent that the amendments may be considered en bloc.

The PRESIDING OFFICER. The order has been made that the amendments be considered en bloc, and the yeas and nays have been ordered on the question.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Mahoney
Andrews	Hill	Overton
Ball	Hoey	Pepper
Barkley	Huffman	Radcliffe
Brooks	Johnson, Colo	Reed
Buck	Johnston, S. C	Revercomb
Burch	Kilgore	Robertson
Bushfield	Knowland	Russell
Byrd	La Follette	Smith
Capehart	Langer	Stanfill
Capper	Lucas	Stewart
Carville	McCarran	Swift
Chaves	McClellan	Taft
Donnell	McKellar	Taylor
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tunnell
Ferguson	Maybank	Wagner
Fulbright	Millikin	Walsh
George	Mitchell	Wherry
Gerry	Moore	White
Gossett	Morse	Wiley
Guffey	Murdock	Willis
Gurney	Murray	Wilson
Hart	Myers	Young
Hawkes	O'Daniel	

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Seventy-four Senators having answered to their names, a quorum is present.

Mr. KILGORE. Mr. President, before the vote is taken on the amendment I desire to call the attention of the Senate to the fact that in the conference between scientific leaders and members of

two subcommittees the provision which is sought to be stricken from the bill was considered and discussed. None of the scientists who participated were social scientists, and on their suggestion we inserted in the bill a clause to the effect that the division could carry out no program, conduct no investigations, or do anything else until such time as it had submitted to the Administrator and to the Board a complete program as to what it was going to do, and until such time as the Administrator and the Board had accepted the program. That was to obviate the fears expressed by some that the division might branch off into unrelated subjects.

It was felt by those scientists and also by the committee members at that time that this provision gave to the social scientific group of the United States—among whom there are a great number of eminent individuals—the opportunity to show what their true program was, and also the opportunity, if the program were scientific—and a greater portion of it is purely scientific—to come in under the foundation and do their share of the work. The feeling was that the natural sciences and the social sciences were linked together; that it was very hard to separate them under two separate foundations, and that therefore they should be included in this measure, with the provision, however, that their program must be submitted and must be approved before any work can be done. In view of that agreement—and the Senator from Arkansas [Mr. FULBRIGHT] was present and agreed to it—most of the arguments against this division failed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. HART] on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES], who if present and voting would vote "yea." I transfer that pair to the Senator from Rhode Island [Mr. GREEN], who if present and voting would vote as I am about to vote. I vote "nay."

The roll call was concluded.

Mr. WAGNER. My colleague the junior Senator from New York [Mr. MEAD] is necessarily absent on official business. If he were present and voting, he would vote "nay."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIGGS], the Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr VANDENBERG].

I also announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. His pair has been stated by the Senator from Utah [Mr. THOMAS]. If present he would vote "yea."

The result was announced—yeas 46, nays 26, as follows:

YEAS—46

Andrews	Hart	Revercomb
Ball	Hawkes	Robertson
Brooks	Hoey	Russell
Buck	Huffman	Smith
Burch	Johnson, Colo	Stanfill
Bushfield	Johnston, S. C.	Swift
Byrd	Knowland	Taft
Capehart	McClellan	Walsh
Capper	McKellar	Wherry
Carville	McMahon	White
Donnell	Maybank	Wiley
Eastland	Millikin	Willis
George	Moore	Wilson
Gerry	O'Daniel	Young
Gossett	Overton	
Gurney	Reed	

NAYS—26

Aiken	La Follette	Myers
Barkley	Langer	O'Mahoney
Chavez	Lucas	Pepper
Downey	McCarran	Radcliffe
Ferguson	Magnuson	Taylor
Guffey	Mitchell	Thomas, Utah
Hayden	Morse	Tunnell
Hill	Murdock	Wagner
Kilgore	Murray	

NOT VOTING—24

Austin	Cordon	Saltonstall
Bailey	Ellender	Shipstead
Bilbo	Fulbright	Stewart
Brewster	Green	Thomas, Okla.
Bridges	Hatch	Tobey
Briggs	Hickenlooper	Tydings
Butler	McFarland	Vandenberg
Connally	Mead	Wheeler

So Mr. HART's amendment was agreed to.

Mr. WHERRY. Mr. President, I move that the vote on this amendment be reconsidered.

Mr. REED. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

CLAIMS OF PATUXENT DEVELOPMENT CO.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S 884) conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.," which was on page 2, line 10, to strike out all after "States", down to and including "1943" in line 11.

Mr. HOEY. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

FEES OF UNITED STATES COMMISSIONERS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners, which were, to strike out all after "section." in line 9, page 1, ov/t to and including "for" in line 2, page 2, and insert "The additional compensation provided for by section 521 of the Federal Employees Pay Act of 1945, as amended by section 6 of the Federal Employees Pay Act of 1946, shall apply to the fees for the specified services prescribed in this Act.", on page 3, lines 2 and 3, strike out "eighteen United States Code, page 641" and insert "sections 1042 and 5296 of the Revised Statutes of the United States, as amended (18 U. S. C., sec. 641)"; on page 4, lines 2 and 3, strike out "United States Code, title 26, section 3615 (e)" and insert "section 3615 (e) of the Internal Revenue Code, approved February 10, 1939 (53 Stat. 439, 26 U. S. C., sec. 3615 (e))"; on page 4, lines 5 and 6, strike out "United States Code, title 46 sections 603 and 604" and insert "sections 4546 and 4547 of the Revised Statutes of the United States as amended (46 U. S. C., secs. 603 and 604)"; on page 4, line 7, strike out "section 1 (b) above" and insert "section 21 (b) of the act of May 28, 1896 (ch. 252, 29 Stat. 184, 28 U. S. C. 597) as amended by this Act"; and on page 4, line 10, strike out "exceeding

$7,500 per annum" and insert "in excess of $7,500 for any one calendar year (exclusive of additions under section 521 of the Federal Employees Pay Act of 1945 as amended by section 6 of the Federal Employees Pay Act of 1946)."

Mr. McCARRAN. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. HUFFMAN, and Mr. STANFILL conferees on the part of the Senate.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr HART. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 13, beginning in line 15, it is proposed to strike out all down through and including line 8 on page 14, and insert in lieu thereof the following:

GRADUATE FELLOWSHIPS

SEC 6 The Board is authorized to award graduate fellowships to persons for advanced scientific study or scientific work in any field of science, including but not limited to the mathematical, physical, biological, and medical sciences at nonprofit institutions of higher education, or other institutions, for such periods as the Board may determine, in the United States or in foreign countries. Persons shall be selected for such graduate fellowships solely on the basis of aptitude, within the limits of such quotas as may be established to insure an equitable selection of such persons from among the States, the District of Columbia, and the Territories Persons selected for such graduate fellowships may include employees of the Federal Government, and such employees selected and detailed for advanced scientific study or training shall not lose their status or seniority ratings for reason of absence from regularly assigned duties during the course of such study or training.

And on page 25, line 17, to strike out "scholarships and fellowships" and insert in lieu thereof "graduate fellowships."

The PRESIDING OFFICER. Without objection, the two amendments will be voted upon en bloc.

Mr. HART. Mr. President, the language of the amendment is altogether similar to that in the bill as it now stands, the difference being that the amendment applies to fellowships only, not scholarships as well as fellowships. The effect would be to narrow the field in which the Federal Government would be subsidizing education. As the bill now stands, such subsidies could, and probably would, go all the way down to the level of the high-school graduate, and cover him during his undergraduate work in college. If this amendment were adopted the subsidy would be confined to graduates of colleges after they have achieved their bachelor's degree.

The colleges of the country are now filled to capacity, and a continuation of that condition is foreseen for at least another year. One thing that has filled the colleges to overflowing is the Government subsidy for education included in the GI bill of rights. That is a temporary provision, and it will not continue for long.

We are now considering a permanent provision, something to go on and on. Whatever we adopt as a permanent provision will serve as a precedent for possible future application in other fields.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. PEPPER. How does the Senator distinguish between scholarships and fellowships and between advanced study and continued study, so that in the future the Government would not be prevented from giving assistance in training to some young Einstein who did not have a formal education and perhaps was not a graduate of a university, but was a genius in some field and had proved himself entitled to assistance?

Mr. HART. Under the interpretations which I would expect to be placed upon the amendment which is now pending, I think the so-called genius who had no formal education would have to acquire some and would have to prove that he was a genius.

Mr PEPPER. Would the fact that he had already exhibited promise in a given field of investigation, although he had no formal education, be considered by the Senator to be a sufficient showing of qualification to entitle him to a fellowship instead of a scholarship?

Mr HART. I doubt that anyone administering this act, if it is changed as provided by the amendment, would feel free so to interpret it. I think the application of the act would be confined to men who by means of the possession of a college degree in the field of science which they wished to enter, already had proved their ability to absorb further education.

Mr. PEPPER. I know that the Senator from Connecticut is very much interested in the objectives of this bill, and I wonder whether he feels that it is desirable to limit in that way the discretion of the Administrator and the authorities who would award the aid. I do not recall what the formal education of Dr. Einstein was, but I received the impression that his was not a formal education, and that he happens to be one of the men who possess great natural genius. I know that many discoveries have been made by men who did not have a considerable formal education.

I wonder whether the Senator thinks that the agency to be set up under the bill can be trusted with discretion to give the desirable amount of aid to a person who has shown himself to be worthy, even though he does not possess a college degree.

Mr. HART. I would say to the Senator that we are legislating in the interest of fundamental research. As I understand the Senator's question, when he speaks of a genius he is really speaking of an inventor, someone who undoubtedly has capacity in a certain line, but not necessarily in the field of fundamental basic science, which I think is the subject of this bill, and I believe it should be confined to it.

Mr. PEPPER. No, Mr. President. If the Senator from Connecticut will permit me to say a little more, I should like to state that I had the great privilege of talking with Dr. Einstein, at Princeton, not long ago, and he told me that his tools largely were a chair and a desk and a pencil and a piece of paper and time and quietude to sit and think. So he is one of those men who, largely out of creative thinking, have been able to arrive at great discoveries.

I think there may be many men who have such natural genius as that, and who might be able to render great public service if they were given assistance in the way of making it possible for them to pursue certain studies in which they were interested. So if the amendment is adopted, I am at a great loss to understand how the Senator will be able to define the provisions of the bill in such a way that they will not limit the discretion of the administrative agency to such an extent as to prevent it from rendering the desirable aid.

Mr. HART. I would define "fellowships" according to the usual understanding of the word. The Senator from Florida has referred to Dr. Einstein, who undoubtedly is a genius. I simply point out that no doubt Dr. Einstein could have gone to any university and could have obtained a college degree in very short order, by virtue of his ability. I do not think he would have been blocked in making such progress by the bill as I propose to change it by my amendment.

Mr President, the matter of the cost of the pending measure, when enacted, perhaps has not received sufficient consideration. It should be considered. The Senate should realize that a part of the bill relates to a field in which the costs can become extremely high. It may be that they should be extremely high. I am quite certain that everyone in this Chamber wishes to have the Government and the Nation receive the greatest possible return from the expenditures. When a young man is given a subsidy for his education at, or, let us say, soon after, the high-school level, there is much more of a gamble in regard to the return which will be received than is the case later on. As he comes out of high school, on the average he does not know whether he wishes to be a scientist. He may think so at that time, but his opinion may change materially during his 4 years of undergraduate college work. That happens everywhere.

Furthermore, a great many, perhaps too many, would think that they would wish to major in physics or mathematics or chemistry, and then quite likely they would subsequently find the going too hard, and they would not wish to continue with it.

On the other hand, after 4 years of college there is data to go upon. Then a record is available to the administrators of the act, to enable them to pick out

the men who are most suitable and who give the greatest promise of giving return for the money which will be spent upon them.

Mr. President, I hope the amendment will be adopted, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LANGER. Mr. President, will the Senator yield to me?

Mr. HART. I yield.

Mr. LANGER. Is it true that under the Senator's amendment, Thomas Edison would have been barred from receiving assistance?

Mr HART. I doubt it.

Mr. SMITH. Mr. President, will the Senator yield to me to permit me to speak in answer to the question asked by the Senator from North Dakota?

Mr. HART. Yes. The Senator from New Jersey is much better qualified to answer it.

Mr. SMITH. Mr. President, the case of a man like Mr. Edison suggests to my mind the kind of man this bill would aid. He would be subsidized to do research work. He would not need a scholarship or a fellowship. I cannot understand how he would need one. Thomas Edison never had a scholarship or a fellowship. He did his work in his laboratory. If a man of that sort were discovered by the Board which I advocate, he would receive the aid.

Mr. LANGER. Mr. President, do I correctly understand that a man like Thomas Edison still would have to have a degree of bachelor of science or bachelor or arts before he could receive such assistance?

Mr. SMITH. No; he would not have to have a degree of any kind. If there were someone who was recognized by the scientific board as doing research work of value, he would be eligible to receive such aid to do that work. That is the way I construe the bill.

Mr. HART. Mr. President, may I say to the Senator from North Dakota that the basis of selection is simply that of aptitude. I repeat the answer I gave to the question asked me a moment ago by the Senator from Florida, namely, that I would expect that in the administration of the measure usually it would be necessary for a person who would receive such aid to have a bachelor's degree. Usually the possession by the applicant of a bachelor's degree would be looked for. But the extraordinary boy would not have to have it.

Mr. MAGNUSON. Mr. President, unfortunately, I was called out of the Chamber in order to answer a long-distance telephone call, and I did not hear all of the remarks which were made by the distinguished Senator from Connecticut. However, as I understood from what I heard, his amendment would eliminate scholarships from the bill and limit it to grants-in-aid for fellowships.

Mr. President, the amendment would go to the very heart of the program. The real reason why the Congress is now considering a bill for the establishment of a National Research Foundation originated when Dr. Bush made his famous report and after many other scientists throughout the United States had found a very alarming situation to exist with reference to our basic sciences. When the OSRD started to set up various laboratories throughout the Nation it found great difficulty in locating young men and women who had been receiving training in scientific fields. As I have already said, I believe the Army made a mistake in drafting qualified young men who had been scientifically trained.

I attempted the other day to amend the draft-extension bill by excluding from the draft young men who had been scientifically trained. The amendment carried in the Senate but was rejected in conference. However, I understand that the War Department will follow the policy of not drafting young men of the type to which I have referred.

Mr. President, persons with whom I have talked, as well as all the witnesses who were heard during the many months of hearings on this bill, stated that the training of young scientists made imperative the creation of a National Research Foundation. It was one of the main reasons why such a foundation should be set up. They found a deficit of approximately 17,000 basic scientists in this country. They also found a hiatus of from 5 to 6 years which the war had taken away from America the young scientific talent which probably would have been America's today had we not put it into the Army and used it for purposes other than of a scientific character.

The other day I referred to Russia as one of the countries which have made special provision for their young scientists. England in every way has encouraged the development of her young scientific talent. We are far behind in keeping abreast with the other nations of the world in connection with scientific development. Adequate development and training of young scientists is as essential to our military defense and to our peacetime welfare in the future as could be any thing else which the Congress might consider. It seems to me that we must now begin to make some attempt to replenish the reservoir.

Mr. KILGORE. Mr. President, I may also point out to the Senate that it was stated in the hearings that during the war Russia had given undergraduate training in the basic sciences to 600,000 scientists. Such training had been given through scholarship methods.

Mr. MAGNUSON. Yes; that was the testimony of Dr. Langmuir.

Mr. President, the deficit to which I have referred must be eliminated. I do not know why we should quibble about the word "scholarships" or the word "fellowships." We must place some faith in the type of man whom the President will appoint as administrator. Whatever may be the funds which will be used in connection with grants-in-aid to education, they will be used in the wise discretion of the Board. If the needs of the time require no grants-in-aid for scholarships, I am sure that the Board will recognize the fact much more quickly than will Congress. I am sure that the educators of the country will recognize it. All the funds may be used, if necessary, for scholarships. I know, Mr. President, that all the great private scientific laboratories such as Edison, Westinghouse, General Electric, General Motors, and others, conduct tests among high-school students whenever they are about to subsidize students and grant scholarships. Many Members of the Senate have looked very proudly upon young men in their communities who had won such scholarships. The Board will not be required to seek out high-school graduates, but I am sure that it will find many young men and women with perhaps 1 or 2 years of college, who have shown an unusual aptitude for scientific matters and should be given financial assistance.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. TUNNELL. As I understand it, the amendment attempts to draw a line between persons who may be aided regardless of their ability, and those who may not.

Mr. MAGNUSON. The Senator is correct.

Mr. TUNNELL. It draws an arbitrary line. One boy, for example, may have been born with sufficient wealth back of him to go to college. Another boy may not have been born with such wealth back of him. One boy may be helped by the Federal Government and another may not.

Mr. MAGNUSON. The Senator is correct. The amendment, if agreed to, would limit grant-in-aid to college graduates. That would mean that a fellowship would have to be pursued in the highly technical graduate schools. Right or wrong, those schools are concentrated, in the main, in the great eastern universities. Therefore, the bulk of the men and women whom the Foundation might wish to aid would naturally be siphoned into those institutions. I believe that in many instances the Foundation would want to help some person who did not have a college degree, but who might turn out to be a great scientist.

Mr. President, I am sure that the Board will exercise good judgment. I believe that the Senator from Connecticut is somewhat alarmed with regard to what the Board will do. I do not believe that the Board will use funds to subsidize all education in America. The Board must justify before Congress each year what it intends to do. I do not believe that it will use all its money for scholarships or fellowships. The money will be used in accordance with the needs of the time. Those needs today are in the training of young people in the basic sciences.

Mr. HART. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HART. The Senator will grant, will he not, that there is nothing in the amendment which requires a person to have a bachelor's degree?

Mr. MAGNUSON. There is nothing which would require such a degree, but I am sure that some of the distinguished educators here, such as the Senator from Utah [Mr. THOMAS], will tell the Senator that it is most difficult for an individual to pursue a fellowship in any school in the United States unless he starts in with a college degree.

Mr. HART. That statement is certainly correct with regard to the average person, because various questions have been asked with reference to unusually clever and talented persons.

Mr. MAGNUSON. Oh, Mr. President, the witnesses before the committee did not testify about that type of man. They were testifying about training a great number of young persons in the United States, because they knew that out of that reservoir will come the great scientists of the future. We want to put America on a plane with other countries which are investing in great programs looking toward the scientific training of their youth.

Mr. THOMAS of Utah. Mr. President, I hope the amendment which has been offered by the Senator from Connecticut will be defeated because I believe that it hits at the very base of the bill itself. I grant that in normal times scholarships will be granted in much the same way as that which the Senator from Connecticut has suggested. But this bill is for the purpose of providing for abnormal times as well as for normal times. It is a bill which has been designed to take care of the country's need so far as scientific research and training is concerned. At the present time one of the country's greatest needs is a reservoir of elementary students in the sciences, as provided for in the bill.

When it comes to a person who has majored in the scientific field, the fellowships given by our colleges and universities offer a tremendous opportunity today. But nothing is done to start these men going, and the need today is for some 17,000 students in the elementary scientific courses, who have to take such courses before they can develop into the higher courses, and it is a striking need.

The principal reason why I am against the amendment is that in the long run, like the last amendment agreed to, it is crippling. It does not give the Board a chance to work toward the broad scientific purposes for which it is established. I trust the amendment will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr HART], which will be stated.

The CHIEF CLERK. On page 13, beginning in line 13, it is proposed to strike out all down through and including line 8 on page 14, and insert in lieu thereof the following:

GRADUATE FELLOWSHIPS

SEC. 6. The Board is authorized to award graduate fellowships to persons for advanced scientific study or scientific work in any field of science, including but not limited to the mathematical, physical, biological, and medical sciences at nonprofit institutions of higher education, or other institutions, for such periods as the Board may determine, in the United States or in foreign countries. Persons shall be selected for such graduate fellowships solely on the basis of aptitude, within the limits of such quotas as may be established to insure an equitable selection of such persons from among the States, the District of Columbia, and the Territories. Persons selected for such graduate fellowships may include employees of the Federal Government and such employees selected and detailed for advanced scientific study or training shall not lose their status or seniority ratings for reason of absence from regularly assigned duties during the course of such study or training

On page 25, line 17, to strike out "scholarships and fellowships" and insert in lieu thereof "graduate fellowships."

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES], who if present would vote "yea." I transfer that pair to the Senator from Rhode Island [Mr. GREEN], who if present would vote as I intend to vote I vote "nay."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness

The Senator from Missouri [Mr. BRIGGS], the Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. LUCAS] is detained on official business in his capacity as chairman of the subcommittee of the Special Committee To Investigate the Pearl Harbor Attack, in connection with the preparation of its report

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

I also announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr SHIPSTEAD] are absent by leave of the Senate

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained. His pair has been stated by the Senator from Utah [Mr. THOMAS]. If present he would vote "yea."

The Senator from West Virginia [Mr. REVERCOMB] and the Senator from Iowa [Mr. WILSON] are detained on official business.

The result was announced—yeas 27, nays 42, as follows:

YEAS—27

Ball	Gurney	Robertson
Brooks	Hart	Smith
Buck	Hawkes	Stanfill
Burch	Millikin	Taft
Byrd	Moore	Walsh
Capehart	O'Daniel	Wherry
Capper	Overton	White
Donnell	Radcliffe	Wiley
Gerry	Reed	Willis

NAYS—42

Aiken	Huffman	Mitchell
Andrews	Johnson, Colo	Morse
Barkley	Johnston S C.	Murdock
Carville	Kilgore	Murray
Chavez	Knowland	Myers
Downey	La Follette	O'Mahoney
Eastland	Langer	Pepper
Ferguson	McCarran	Russell
George	McClellan	Swift
Gossett	McKellar	Taylor
Guffey	McMahon	Thomas, Utah
Hayden	Magnuson	Tunnell
Hill	Maybank	Wagner
Hoey	Mead	Young

NOT VOTING—27

Austin	Cordon	Saltonstall
Bailey	Ellender	Shipstead
Bilbo	Fulbright	Stewart
Brewster	Green	Thomas, Okla.
Bridges	Hatch	Tobey
Briggs	Hickenlooper	Tydings
Burnfield	Lucas	Vandenberg
Butler	McFarland	Wheeler
Connally	Revercomb	Wilson

So Mr. HART's amendment was rejected.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

AMENDMENT OF ANTIRACKETEERING ACT—APPROVAL OF BILL

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair) laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk, and ordered to lie on the table:

(For President's message, see today's proceedings of the House of Representatives on p. 8299.)

Mr. GUFFEY. Mr. President, I am sorry that the President has approved the

Hobbs bill, as it is aimed simply at weakening the strength of organized labor throughout the Nation. In my opinion, there is no need for such legislation because, as everyone knows, robbery and extortion are unlawful in every State in the Union. Had I been present in the Chamber when the bill was passed I would certainly have asked for a record vote on it. It was passed without notice. I hope the act will prove to be as advantageous as the Attorney General has advised the President it will be.

NATIONAL SCIENCE FOUNDATION

The Senate resumed consideration of the bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes.

Mr. WILLIS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 4, line 1, after the word "Foundation" and the period, it is proposed to strike out "Each Division shall be headed by a Director, who shall be appointed by the Administrator, and shall receive compensation at the rate of $12,000 per annum."

Mr. WILLIS. Mr. President, we are all concerned about the great potentialities of the pending bill. We know we are creating a great institution. It may so expand as to become as great as any authority in the Government. We have been greatly concerned about the expansion of Federal bureaus and institutions. The purpose of my amendment is to strike out the provision for eight Directors who shall be paid $12,000 per annum each. The amendment is offered for the purpose of reducing the expenses under this bill and for the further purpose of providing some supervision over the appointment of the personnel of this organization. On page 7 of the bill this provision appears:

> The Administrator shall pay the compensation of such executive secretary and may furnish for the Board and the divisional scientific committees such additional personnel, and such facilities, services, and supplies as may be necessary for the proper performance of the functions of the Board and the divisional scientific committees

Under that provision, the Administrator will have the power to appoint such personnel as he deems wise to head the different divisions, but the appointments will be made subject to the limitations governing appointments in the several branches of the Government. Under my amendment, the maximum salaries which can be paid will be $10,000 per annum. The amendment will not take from the Administrator the power to appoint and the power to regulate and to select the personnel of his department, but will provide for a review and consideration of those who are to be appointed. I believe the amendment will not in any way harm the operations under the bill; but will be in the interest of economy and of safety in the future development of the Foundation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

Mr. KILGORE. Mr. President, the amendment offered by the Senator from Indiana is either too far-reaching or is not sufficiently far-reaching. It strikes out the directors of the divisions. The purpose of the director of a division is to do the scientific planning for the entire division. The director is a full-time officer and is also a member of the Board He sits on the Board and helps supervise the planning of the program. In the first place, he directs the planning, and, in the second place, he sits on the Board and helps to pass on the plans submitted. If that language is deleted, it will result in eliminating the director of the division, and the whole organization becomes unworkable. The director cannot be replaced under any other language of the bill.

If it is the aim and purpose of the Senator from Indiana to put the directors under civil service I think the proper amendment would be to make that direct statement. But I think we have already agreed that if we are to obtain the type of men on whom we want to spend the money to do this work they cannot be limited by civil-service ratings. We will have to pay such mer adequate salaries. One of the prime essentials of the bill was to have the planning done at the level of the division. The purpose is to have the scientific, technical work done at that level. Without a competent director at that level, with full-time status, the work cannot be done Provision is made for a full-time executive secretary to keep in constant touch with the entire operations of the organizations, and keep the various divisions informed by mail. When the directors of divisions are eliminated it results in eliminating the coordination which is so necessary if the Foundation is to operate successfully.

Mr. President, it is my hope that the amendment will not be adopted, because as it stands the amendment would make the entire scheme unworkable. Adoption of the amendment would be like removing the coupling between two cars in a train of cars. These directors are the couplings between the planning and the administrative sections. They are put in the places assigned to them to be specialists in their own line. Each in his own division in a full-time specialist.

Mr. MAGNUSON Mr. President, I have, frankly, been as much concerned as has the Senator from Indiana and the Senator from New Jersey about the directors. I agree with the Senator from West Virginia whole-heartedly that it would be disastrous to strike out these divisions, because they are what the educators and the scientists want. The scientific work will be done at that lower echelon, in a separate division. The divisions themselves will really make the policy. The division directors will go to the Board with their plans. I think, however, we might perfect the bill, and I wish to offer a substitute for the amendment offered by the Senator from Indiana. My substitute is on page 4, line 2, after the word "Administrator" to add the words "with the advice and consent of the Senate."

Mr. WILLIS. I am glad to support the substitute for my amendment.

The PRESIDING OFFICER. The Chair understands that the Senator from Washington has offered his proposal as a substitute for the amendment of the Senator from Indiana.

Mr. MAGNUSON. That is correct.

Mr. WILLIS. And I have accepted the substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington, on page 4, line 2, after the word "Administrator", to insert "with the advice and consent of the Senate."

The amendment was agreed to.

Mr. MAGNUSON. Does the Senator from Indiana wish to withdraw his amendment?

Mr. WILLIS. I withdraw my amendment.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr WILLIS. I offer an amendment to the bill on page 3, in line 1, after the word "appoint" to insert the words "with the advice and consent of the Senate", so the language will read "The Administrator shall appoint, with the advice and consent of the Senate, a Deputy Administrator."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana.

Mr. MAGNUSON. Mr President, I hate to oppose all these amendments, but we considered the Deputy Administrator to be in the same category as a sort of a "man Friday", or in the relationship of a secretary to a Senator. We thought the Administrator probably ought to have the right to fill the position by appointing the man he wanted. However, I can see no particular objection to the amendment. The bill also gives the Administrator the right to remove the Deputy Administrator if he does not come up to the expectations of the Administrator. However, I do not see that it makes much difference.

Mr. WILLIS. I think the adoption of my amendment would result in placing the same limitations upon appointments as are usually placed on other appointments.

Mr. MAGNUSON. So long as we have placed the same limitation on other echelons I shall be glad to accept the amendment, if the Senator from West Virginia is willing to accept it.

Mr. KILGORE. I do not quite understand the purpose of the amendment.

Mr. MAGNUSON. The Senator from Indiana has offered an amendment on page 3, line 1, the purpose of which is that the Deputy Administrator shall be appointed "with the advice and consent of the Senate."

Mr. KILGORE. I suggest that the wording be slightly changed, so the language proposed by the Senator from Indiana come after the word "shall"; and read "the Administrator shall, with the advice and consent of the Senate, ap-

point." That is the customary draftsmanship.

Mr. WILLIS. Mr. President, will the Senator from West Virginia accept the amendment with the modification he proposes?

Mr. KILGORE. Yes.

Mr. WILLIS. Very well. Mr. President, I submit the amendment, in the form suggested by the Senator from West Virginia, on page 3, line 1, after the word "shall", to insert "with the advice and consent of the Senate."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WILLIS Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 15, it is proposed to insert the following new subsection:

(d) No person who advocates, or who is a member of any organization which advocates, the overthrow of the Government of the United States by force or violence shall be appointed to any position in the Foundation, or as a member or, or to any position in the National Science Board, any divisional scientific committee, or any other agency created pursuant to the provisions of this act, and no such person shall be awarded any scholarship or fellowship under the provisions of this act.

Mr WILLIS. The amendment speaks for itself

Mr. MAGNUSON I am glad to acccpt that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

Mr. SMITH. Mr. President, I have one more amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated

The CHIEF CLERK. On page 10, beginning with line 23, it is proposed to strike out all down to and including line 17 on page 12.

On page 12, line 18, it is proposed to strike out "'(d)" and "insert "(b)"; and on page 13, line 3, it is proposed to strike out "(e)" and insert "(c)"

Mr. SMITH. Mr. President, I wish to say a word on this amendment It relates to the provisions for the distribution of the funds in certain proportions. It begins in subsection (b), which provides as follows:

(b) Of the funds appropriated to the Foundation for research and development activities, not less than 15 percent shall be available only for expenditure for research and development, pursuant to contracts or other financial arrangements made by the Administrator under this section, including contracts or arrangements to which subsection (c) is applicable, in each of the following fields: (1) National defense and (2) health and the medical sciences.

I do not object to that so much, but it is part and parcel of the next paragraph, which is subsection (c), being a plan for dividing the funds among the States. It seems to me that we should very seriously consider this issue. It is one which has been discussed before, and I do not intend to discuss it at length. The distinguished Senator from Wisconsin [Mr. LA FOLLETTE] discussed it last night. He thinks that we must be willing to distribute this money through all the States of the Union, first, on the basis that they are States, and secondly, on the basis of population.

I hold in my hand a study which has been made showing what would happen to a fund if it were divided in that way. Let me give one or two illustrations. Suppose we had an over-all appropriation of $40,000,000, which has been suggested for the first year, and that 25 percent were to be divided among the States. That would mean $10,000,000 to be divided I find some curious results, to which I wish to call the attention of the Senate.

On that basis we would be sending to the Territory of Alaska $4,800 a teacher for the 17 teachers in higher education who are in Alaska. There is no "give" or "take" about it. That is what we would be doing. In the case of the State of Delaware we would be allowing $876 a teacher to 103 teachers.

Taking the States of Washington and West Virginia, the States of the two Senators sponsoring this bill, in the State of Washington there are 783 teachers under this classification, and that State would receive $156,100. In the State of West Virginia there are 403 teachers in this classification, and West Virginia, with approximately half the number of teachers there are in the State of Washington, would receive $163,600 In other words, it would get substantially more money for approximately half the number of teachers there are in Washington. The formula must be thought through further if we are to adopt such a scheme.

I could read further examples from this study There is a complete schedule of the study made. I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks. It covers every State in the Union, on the basis of a study of the census for 1940, showing the allocation by States and by population, as the bill provides, the number of teachers in the grades that would be affected, assuming that we include them all, and the amount of money each State would receive. It is a very interesting exhibit.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LIST OF TAX-SUPPORTED COLLEGES AND UNIVERSITIES

Attached is a list of tax-supported colleges and universities in the United States, Alaska, Hawaii, and Puerto Rico, grouped according to States These are further subdivided according to type of institution.

1. Universities and colleges
2. Professional and technological schools.
3. Teachers colleges and normal schools.
4. Negro institutions (some are teachers colleges).

The list was made up from part III, Educational Directory, United States Office of Education. The 1940 Census and the numbers of students and teachers were taken from the 1945 World Almanac. Since it is believed that no research and development could profitably go into teachers colleges and normal schools, the number of students and teachers there is omitted. It is suggested that these be eliminated from the list.

Opposite the name of each State is given its population by 1940 Census, the amount allocated to the States, first by State and then by population, and the total amount to each State.

It will be noted that there is very little relationship between the allocation to each State and the number of teachers or students in that State, except in a very general way. This will result, in many cases, in large appropriations to some States that may be poorly qualified to do much research and development The ratio of appropriation to the number of teachers is sometimes quite high, as in the following examples:

Alaska, $4,800 per teacher, 17 teachers.
Nevada, $1,340 per teacher, 92 teachers.
Rhode Island, $1,138 per teacher, 97 teachers

Hawaii, $945 per teacher, 105 teachers.
Delaware, $876 per teacher, 103 teachers

To be sure, some of these teaching staffs were greatly depleted by the war, and in many cases can be supplemented by competent research workers. However, their research facilities (laboratories and equipment) may be either very poor or completely lacking. Furthermore it is believed that the ability of an institution to spend money profitably on research will increase as the square of the number of teachers. That is a college with 100 teachers can probably spend something like 100 times as much as one with only 10 teachers. Since the States listed above have not only the greatest appropriation per teachers, but also have the smallest number of teachers, their research capabilities should be investigated rather thoroughly. In the case of other States, there is no doubt that the allocations can be properly spent.

Allocation of $10,000,000 (25 percent of $40,000,000) to the States for research and development in tax-supported colleges and universities

	1940 Census	Allocated to States: By State	By population	Total
Alabama, 616...	2,832,961	$78,400	$127,000	$205,000
1 Universities and colleges *Alabama Polytechnic Institute, Auburn, 3,511-1.00 University of Alabama, University, 2,852-300 Alabama College, Montevallo (women) 662-64. 2. Professional and technological schools. 3. Teachers colleges and normal schools State Teachers College. Florence. Jacksonville Livingston. Troy 4. Negro institutions. State Agricultural and Mechanical Institute, Normal, 850-82. State Teachers College, Montgomery.				
Alaska, 17...	72,524	$78,400	$3,200	$81,600
1. *University of Alaska, college, 281-17				
Arizona, 188.....	499,261	$78,400	$22,600	$100,900
1 *University of Arizona, Tucson, 1,860-188. 3. Arizona State College: Flagstaff. Tempe.				
Arkansas, 305...	1,949,387	$78,400	$87,100	$165,500
1. Arkansas Agricultural and Mechanical College, Monticello, 806-36. Arkansas State College, State College, 723-39. *University of Arkansas, Fayetteville, 2,153-195. 3. Arkansas State Teachers College, Conway. Henderson State Teachers College, Arkadelphia 4. Agricultural, Mechanical and Normal College, Pine Bluff, 478-35.				
Calif. (1,501+)?.	6,907,387	$78,400	$209,000	$287,000
1. Chico State College, Chico Fresno State College, Fresno Humboldt State College, Arcata. San Diego State College, San Diego. San Francisco State College, San Francisco. San Jose State College, San Jose. *University of California, Berkeley and Los Angeles, 17,606-1,501. 2. California Polytechnic School, San Luis Obispo. *Land grant.				

Allocation of $10,000,000 (25 percent of $40,000,000) to the States for research and development in tax-supported colleges and universities—Continued

	1940 Census	Allocated to States By States	By population	Total
Colorado, 589...	1,123,296	$78,400	$50,300	$128,700

1. Colorado Agricultural and Mechanical College, Fort Collins, 1,248–185.
   *University of Colorado, Boulder, 5,185–389.
2. Colorado School of Mines, 673–65.
3. Adams State College, Alamosa
   Colorado State College in Education, Greeley.
   Western State College of Colorado, Gunnison.

Conn., 195...	1,709,242	$78,400	$76,800	$154,900

1. *University of Connecticut, Storrs, Hartford, and New Haven, 2,171–195.
2. U. S. Coast Guard Academy, New London (national).
3. Danbury State Teachers College, Danbury.
   New Haven State Teachers College, New Haven.
   Teachers College of Connecticut, New Britain.
   Willimantic State Teachers College, Willimantic.

Delaware, 103	266,505	$78,400	$11,900	$90,300

1. *University of Delaware, Newark, 412–103.
4. State College for Colored Students, Dover.

District of Columbia.

1. Gallaudet College, Washington, 235–30 (national)
3. James Ormond Wilson Teachers College, Washington (city)
4. Howard University 3158–395 (national).
   Miner Teachers College (city)

Florida, 478	1,897,414	$78,400	$85,000	$163,400

1. Florida State College for Women, Tallahassee, 2060–200
   *University of Florida, Gainesville, 4,755–183.
4. Florida Agricultural and Mechanical College for Negroes, Tallahassee, 684–25.

Georgia, 504.....	3,123,723	$78,400	$140,000	$218,000

1. Georgia State College for Women, Milledgeville, 883–92.
   Georgia State Women's College, Valdosta, 332–26.
   *University of Georgia, Athens, 1,502–190
2. Georgia School of Technology, Atlanta, 2,854–160.
3. Georgia Teachers College, Collegeboro.
4. Albany State College, Albany.
   Fort Valley State College, Fort Valley
   Georgia State College, Industrial College, 440–36.

Hawaii, 105.....	465,339	$78,400	$20,800	$99,200

1. *University of Hawaii, Honolulu, 2,006–105

Idaho, 195. ...	524,873	$78,400	$23,500	$101,900

1. *University of Idaho, Moscow, 943–195.
3. Albion State Normal School, Albion
   Lewiston State Normal School, Lewiston.

Illinois, 1,046...	7,897,241	$78,400	$354,000	$432,000

1. *University of Illinois, Urbana 11,998–1,046.
3. Eastern Illinois State Teachers College, Charleston.
   Illinois State Normal University, Normal.
   Northern Illinois State Teachers College, De Kalb.
   Southern Illinois Normal University, Carbondale.
   Western Illinois State Teachers College, Macomb.

Indiana, 1,181..	3,427,796	$78,400	$153,000	$231,000

1. Indiana University, Bloomington and Indianapolis, 12,088–886.
   *Purdue University, La Fayette, 9,002–896.
3. Ball State Teachers College, Muncie.
   Indiana State Teachers College, Terre Haute.

Iowa, 1,075.....	2,538,268	$78,400	$114,000	$192,000

1. *Iowa State College of Agriculture and Mechanic Arts, Ames 12,923–816.
   State University of Iowa, Iowa City, 3,536–559.
3. Iowa State Teachers College, Cedar Falls.

Kansas, 585.....	1,801,028	$78,400	$60,600	$139,000

1. Fort Hays Kansas State College, Fort Hays, 695–87
   *Kansas State College of Agriculture and Applied Science, Manhattan, 3,202–289.
   Municipal University of Wichita, Wichita, 912–85 (city).
   University of Kansas, Lawrence, 1,736–92.
   Washburn Municipal University of Topeka, Topeka, 998–80. (city).
3. Kansas State Teachers College:
   Emporia.
   Pittsburg.

Kentucky, 678...	2,845,627	$78,400	$127,000	$205,000

1. *University of Kentucky, Lexington, 1,902–339.
   University of Louisville, Louisville, 5,122–908 (city).
3. Eastern Kentucky State Teachers College, Richmond.
   Morehead State Teachers College, Murray.
   Western Kentucky State Teachers College, Bowling Green.
4. Kentucky State College, Frankfort, 321–31.

*Land grant.

Allocation of $10,000,000 (25 percent of $40,000,000) to the States for research and development in tax-supported colleges and universities—Continued

	1940 Census	Allocated to States By States	By population	Total
Louisiana, 727...	2,363,880	$78,400	$128,000	$206,000

1. Louisiana Polytechnic Institute, Ruston, 2,089–112.
   *Louisiana State University and Agricultural and Mechanical College, Baton Rouge, 6,364–350.
   Southeastern Louisiana College, Hammond, 285–33.
   Southwestern Louisiana Institute, Lafayette, 2,275–146.
3. Northwestern State College, Natchitoches.
4. Louisiana Normal and Industrial Institute, Grambling
   Southern University and Agricultural and Mechanical College, Scotlandville, 726–92.

Maine, 140. ..	847,226	$78,400	$37,000	$116,300

1. *University of Maine, Orono, 1,077–140.
3. Madawaska Training School, Fort Kent.
   State Normal School, Farmington.
   State Teachers College, Gorham.
   Washington State Normal School, Machias.

Md., 1,770.....	1,821,244	$78,400	$81,600	$160,000

1. *University of Maryland, College Park, 5,550–800
   Johns Hopkins, Baltimore, 2,604–600 (?).
   Washington College, Chestertown, 194–26 (?).
2. U. S Naval Academy, Annapolis (national).
3. Maryland State Teachers College.
   Frostburg.
   Salisbury.
   Towson.
4. Coppin Teachers' College, Baltimore (city).
   Maryland State Teachers College, Bowie.
   Morgan State College, Baltimore, 598–98.
   Princess Anne College, Princess Anne, 83–17.

Mass., 761-	4,316,721	$78,400	$193,000	$271,000

1. *Massachusetts Institute of Technology, Cambridge, 2,240 (?).
   *Massachusetts State College, Amherst, 746–135.
2. Lowell Textile Institute, Lowell, 80–1.
3. Massachusetts School of Art, Boston.
   State Teachers College
   Bridgewater
   Fitchburg.
   Framingham.
   Lowell.
   North Adams.
   Salem
   Westfield
   Worcester.
   Teachers College of the City of Boston, Boston (city).
   Training School for Teachers of Mechanic Arts, South Boston (city).

Michigan, 2,129	5,256,106	$78,400	$236,000	$314,000

1. Michigan State College, East Lansing, 6,734–506.
   University of Michigan, Ann Arbor, 14,049–775.
   Wayne University Detroit, 9,061–761 (city).
2. Michigan College of Mining and Technology, Houghton, 1,234–87.
3. Central Michigan College of Education, Mount Pleasant.
   Michigan State Normal College, Ypsilanti.
   Northern Michigan College of Education, Marquette.
   Western Michigan College of Education, Kalamazoo.

Minn., 804	2,792,300	$78,400	$125,000	$203,000

1. *University of Minnesota, Minneapolis, 13,870–804.
3. State Teachers College:
   Bemidji.
   Duluth.
   Mankato.
   Moorhead.
   St. Cloud.
   Winona.

Miss., 253.....	2,183,796	$78,400	$27,600	$176,000

1. *Mississippi State College, State College, 450–65.
   Mississippi State College for Women, Columbus, 920–63.
   University of Mississippi, University, 703–90.
3. Delta State Teachers College, Cleveland.
   Mississippi Southern College, Hattiesburg.
4. Alcorn Agricultural and Mechanical College, Alcorn, 222–35.
   Jackson College, Jackson.

Missouri, 530....	3,784,664	$78,400	$169,000	$247,000

1. *University of Missouri, Columbia and Rolla, 3,455–469.
3. Central Missouri State Teachers College, Warrensburg.
   Harris Teachers College, St. Louis (city).
   Northeast Missouri State Teachers College, Kirksville.
   Northwest Missouri State Teachers College, Maryville.
   Southeast Missouri State Teachers College, Cape Girardeau.
   Southwest Missouri State Teachers College, Springfield.
4. Lincoln University, Jefferson City, 446–61.
   Stowe Teachers and Junior College, St. Louis (city).

*Land grant.

Allocation of $10,000,000 (25 percent of $40,000,000) to the States for research and development in tax-supported colleges and universities—Continued

	1940 Census	Allocated to States By States	By population	Total
Montana, 200...	559,456	$78,400	$25,000	$103,400

1. *Montana State College, Bozeman, 1,121–156.
   Montana State University, Missoula, 784–109.
2. Montana School of Mines, Butte, 370–25.
3. Eastern Montana State Normal School.
   Montana State Normal College.

Nebraska, 379...	1,315,834	$78,400	$58,000	$137,300

1. Municipal University of Omaha, Omaha, 484–43 (city).
   *University of Nebraska, 3,398–336.
3. Nebraska State Teachers College:
   Chadron.
   Kearney.
   Peru.
   Wayne.

Nevada, 62.....	110,247	$78,400	$4,900	$83,300

1. *University of Nevada, Reno, 472 62.

New Hamp., 165	491,524	$78,400	$22,000	$100,400

1. *University of New Hampshire, Durham, 1,119–165
3. Keene Teachers College, Keene
   Plymouth Teachers College, Plymouth.

New Jersey, 446.	4,160,165	$78,400	$187,000	$265,000

1. *Rutgers University, New Brunswick, 2,670 209.
   New Jersey College for Women (part of Rutgers), 944–90.
2. Newark College of Engineering, 1,705–67.
3. New Jersey State Teachers College.
   Glassboro.
   Jersey City.
   Newark.
   Paterson.
   Trenton.
   Upper Montclair.

N. Mex., 262....	531,818	$78,400	$23,900	$102,300

1. Eastern New Mexico College, Portales, 241–30
   *New Mexico College of Agriculture and Mechanic Arts, State college, 1,083–87.
   University of New Mexico, Albuquerque, 1,773–121.
2. New Mexico School of Mines, Socorro, 303–24.
3. New Mexico Highlands University, Las Vegas.
   New Mexico State Teachers College, Silver City.

New York, 3,813.	13,479,142	$78,400	$603,000	$681,000

1. Alfred University, Alfred, 1,028–77.
   Brooklyn College of the City of New York, Brooklyn, 8,250–342 (city).
   *Cornell University, Ithaca, 7,700–1,175.
   Hunter College of the City of New York, New York, 13,293–504 (city).
   Queens College of the City of New York, Flushing 1,731–180 (city).
   Syracuse University, Syracuse, 4,539–655 (?).
   City College of the City of New York, New York, 18,020–910 (city).
2. United States Military Academy, West Point (national).
3. New York State College for Teachers, Albany.
   State Teachers College:
   Brockport.
   Buffalo.
   Cortland.
   Fredonia.
   Geneseo.
   New Paltz.
   Oneonta.
   Oswego.
   Plattsburg.
   Potsdam.

N. C., 814.....	3,571,623	$78,400	$160,000	$238,000

1. University of North Carolina, Chapel Hill, 3,900–350.
   *State College of Agriculture and Engineering, Raleigh, 1,145–309.
   Woman's College of the University of North Carolina, Greensboro, 2,260–175.
3. Appalachian State Teachers College, Boone.
   East Carolina Teachers College, Greenville.
   Pembroke State College, Pembroke.
   Western Carolina Teachers College, Cullowhee.
4. Agricultural and Technical College of North Carolina, Greensboro, 875–48.
   Fayetteville State Teachers College, Fayetteville.
   North Carolina College for Negroes, Durham, 599–38.
   State Teachers College, Elizabeth City.
   Winston-Salem Teachers College, Winston-Salem.

N. Dak., 234....	641,935	$78,400	$28,700	$107,100

1. *North Dakota Agricultural College, State College, 1,270–99.
   University of North Dakota, University, 775–135.
3. State Normal and Industrial School, Ellendale.
   State Teachers College:
   Dickinson.
   Mayville.
   Minot.
   Valley City.

*Land grant.

Allocation of $10,000,000 (25 percent of $40,000,000) to the States for research and development in tax-supported colleges and universities—Continued

	1940 Census	Allocated to States By States	By population	Total
Ohio, 2,625.....	6,907,612	$78,400	$309,000	$387,000

1. Bowling Green State University, Bowling Green, 1,290-96.
   Kent State University, Kent, 875-115.
   Miami University, Oxford, 2,262-228.
   *Ohio State University, Columbus, 10,225-1,154.
   Ohio University, Athens, 1,927-207.
   University of Akron, Akron, 909-106 (city).
   University of Cincinnati, Cincinnati, 7,301-589 (city).
   University of Toledo, Toledo, 1,967-101 (city).

Oklahoma, 783.. 2,336,434 $78,400 $105,000 $183,000

1. Oklahoma Agricultural and Mechanical College, Stillwater, 5,040-384.
   Oklahoma College for Women, Chickasha, 780-65.
   Panhandle Agricultural and Mechanical College, Goodwell, 250-10.
   University of Oklahoma, Norman and Oklahoma City, 3,778-272.
3. Central State College, Edmond.
   East Central State College, Ada.
   Northeastern State College, Tahlequah.
   Northwestern State College, Alva.
   Southeastern State College, Durant
   Southwestern Institute of Technology, Weatherford.
4. Langston University, Langston, 313-46.

Oregon, 673..... 1,089,684 $78,400 $48,800 $127,200

1. *Oregon State College, Corvallis, 2,193-348.
   University of Oregon, Eugene and Portland, 2,002-325.
3. Eastern Oregon College of Education, La Grand.
   Oregon College of Education, Monmouth.
   Southern Oregon College of Education, Ashland.

Penn., 1,358.... 9,900,180 $78,400 $443,000 $521,000

1. *Pennsylvania State College, State College, 5,384-713.
   Temple University, Philadelphia, 8,801-645 (?).
2. Jefferson Medical College, Philadelphia.
3. State Teachers College:
   Bloomsburg.
   California.
   Clarion.
   East Stroudsburg.
   Edinboro.
   Indiana.
   Kutztown.
   Lockhaven.
   Mansfield.
   Millersville.
   Shippensburg.
   Slippery Rock.
   West Chester.
4. Cheyney Training School for Teachers, Cheyney.

P. R., 269..... 1,869,255 $78,400 $83,600 $162,000

1. University of Puerto Rico, Rio Piedras, Mayaguez, San Juan, 4,540-269.

R. I., 97..... 713,346 $78,400 $31,900 $110,300

1. *Rhode Island State College, Kingston, 636-97.
3. Rhode Island College of Education, Providence.

S. C., 474..... 1,899,804 $78,400 $85,100 $163,500

1. *Clemson Agricultural College, Clemson, 752-132.
   College of Charleston, Charleston, 361-18 (city).
   The Citadel, The Military College of South Carolina, Charleston, 705-42.
   University of South Carolina, Columbia, 2,318-125.
   Winthrop College, Rock Hill, 1,600-92.
2. Medical College of the State of South Carolina, Charleston.
4. State Colored Normal, Industrial, Agricultural, and Mechanical College, Orangeburg, 1028-65.

S. Dak., 211..... 642,961 $78,400 $28,800 $107,200

1. *South Dakota State College of Agriculture and Mechanic Arts, Brookings, 612-101.
   University of South Dakota, Vermillion, 480-75.
2. South Dakota School of Mines and Technology, Rapid City, 600-36.
3. Black Hills Teachers College, Spearfish.
   Eastern State Normal School, Madison.
   Northern State Teachers College, Aberdeen.
   Southern State Normal School, Springfield.

Tennessee, 242.. 2,915,841 $78,400 $131,000 $209,000

1. Tennessee Polytechnic Institute, Cookeville, 317-51.
   *University of Tennessee, Knoxville, Memphis, and Martin, 1,600-191.
3. Austin Peay State College, Clarksville.
   East Tennessee State College, Johnson City.
   Memphis State College, Memphis.
   Middle Tennessee State College.
4. Tennessee Agricultural and Industrial State College, Nashville.

*Land grant.

Allocation of $10,000,000 (25 percent of $40,000,000) to the States for research and development in tax-supported colleges and universities—Continued

	1940 Census	Allocated to States By States	By population	Total
Texas, 1,243....	6,414,824	$78,400	$287,000	$365,000

1. *Agricultural and Mechanical College of Texas, College Station, 3,115-338.
   College of Mines and Metallurgy, El Paso, 731-55.
   Texas College of Arts and Industries, Kingville, 774-75.
   Texas State College for Women, Denton, 2,471-152.
   Texas Technological College, Lubbock, 1,627-185.
   University of Houston, Houston, 2,317-61 (city).
   University of Texas, Austin, 3,908-400.
3. East Texas State Teachers College, Commerce.
   North Texas State Teachers College, Denton.
   Sam Houston State Teachers College, Huntsville.
   Southwest Texas State Teachers College, San Marcos.
   Stephen F. Austin State Teachers College, Nacogdoches.
   Sul Ross State Teachers College, Alpine.
   West Texas State Teachers College, Canyon.
4. Prairie View State College, Prairie View.

Utah, 490..... 550,310 $78,400 $24,600 $103,000

1. University of Utah, Salt Lake City, 2,437-343.
   *Utah State Agricultural College, Logan, 4,843-147.

Vermont, 235.... 359,231 $78,400 $16,100 $94,500

1. *University of Vermont and State Agricultural College, Burlington, 1,300-235.
3. State Normal School:
   Castleton.
   Johnson.
   Lyndon Center.

Virginia, 991..... 2,677,773 $78,400 $120,000 $198,000

1. College of William and Mary, Williamsburg, Norfolk and Richmond, 960-85.
   University of Virginia, Charlottesville and Fredericksburg, 1,341-135.
   *Virginia Polytechnic Institute, Blacksburg and Radford, 3,353-275.
2. Medical College of Virginia, Richmond.
   Virginia Military Institute, Lexington, 961-59.
3. Madison College, Harrisonburg.
   State Teachers College, Farmville.
4. Virginia State College for Negroes, Ettrick, 976-87.

Wash., 783..... 1,736,191 $78,400 $77,700 $156,100

1. *State College of Washington, Pullman, 1,058-264.
   University of Washington, Seattle, 7,547-519.
3. Central Washington College of Education, Ellensburg.
   Eastern Washington College of Education, Cheney.
   Western Washington College of Education, Bellingham.

W. Va., 403..... 1,901,974 $78,400 $85,200 $163,600

1. Marshall College, Huntington, 1,176-62.
   West Virginia Institute of Technology, Montgomery, 147-26.
   *West Virginia University, Morgantown, 1,603-250.
3. Concord College, Athens.
   Fairmont State College, Fairmont.
   Glenville State College, Glenville.
   Shepherd State College, Shepherdstown.
   West Liberty State College, West Liberty.
4. Bluefield State College, Bluefield.
   Storer College, Harpers Ferry.
   West Virginia State College, Institute, 623-48.

Wisconsin, 767... 3,137,587 $78,400 $140,000 $218,000

1. *University of Wisconsin, Madison, 6,062-767.
3. State Teachers College:
   East Claire.
   La Crosse.
   Milwaukee.
   Oshkosh.
   Platteville.
   River Falls.
   Stevens Point.
   Superior.
   Whitewater.
   Stout Institute, Menomonie.

Wyoming, 125... 250,742 $78,400 $11,200 $89,600

1. *University of Wyoming, Laramie, 1,553-125.

*Land grant.

Numbers following the name and location of the institution are the number of students and teachers, respectively, as taken from the 1945 World Almanac.

Mr. SMITH. My point is that if we are to adopt such a plan as this we should go at it scientifically, the way the distinguished Senator from Ohio [Mr. TAFT] and the distinguished Senator from Alabama [Mr. HILL] did in connection with the educational bill. In that case a formula was devised to help the States on the basis of need. I thoroughly believe in such a plan in connection with that bill. That is an educational bill. We are trying to build on the basis of a very weak formula. The formula is designed for distribution on an educational basis, which is not the purpose of this bill. The purpose of the bill is to find the areas where research in science can best be done, irrespective of divisions by States or by population. I still insist that these provisions have no place in the bill, and I have offered the amendment to strike from the bill the State-by-State distribution, because I feel very strongly on the subject.

Mr. MAGNUSON. Mr. President, I hope the purpose of the Senator from New Jersey in reading those figures was not to shame the Senator from Washington for not accepting the sum of $100,000 for research. I am sure that the University of Washington, Washington State College, and 8 or 10 other great institutions of learning in that State could use $100,000 between them for research.

Mr. SMITH. I would not for a moment make such a suggestion to the distinguished Senator; but I think he would feel that if there were more men available in his State, he would like to have as much per capita for his people as the State of West Virginia would receive.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. KILGORE. I should like to ask the Senator from New Jersey a question. Were not the figures which the Senator used for West Virginia taken from the State universities?

Mr. SMITH. I cannot be sure. This study was prepared on the basis of a list of tax-supported colleges and universities in all the States and in Alaska, Hawaii, and Puerto Rico, and it gives these fundamental figures. The list was made up from part III of the Educational Directory of the United States Office of Education. The 1940 Census figures and the number of students and teachers were taken from the 1945 World Almanac.

Mr. KILGORE. The reason I ask the question is that the figures look as though they were from the State universities, whereas there are 11 other educational institutions of degree rank, besides a number of private institutions. I believe that the teaching list was taken from the State universities, and does not include the other 11 colleges.

Mr. MAGNUSON. In any event, let us assume that the figures are correct. If $10,000,000 is to be distributed for teachers, and not for research, there is nothing wrong with this great Nation sending $48,000 to Alaska for research. One of the finest research institutions in the world is located at the University of Alaska at Fairbanks. Forty-eight thousand dollars invested in meteorological studies would bring a return worth 10 times that amount. As for the State of Washington using $100,000 for research, that is only a drop in the bucket. I suppose we spend 100 times as much a year in educational institutions in Washington.

Mr. SMITH. Is the Senator speaking of tax-supported schools?

Mr. MAGNUSON. Yes. In aeronautical engineering alone the State of

Washington spends between $6,000,000 and $7,000,000 a year. The only purpose of this provision was to enable the Board to concentrate the research funds in any one area. This is not an automatic distribution of funds. If the State of Washington or the Territory of Alaska cannot present a sensible research plan to the Board, it cannot obtain funds. But we thought that if they presented a sensible plan, this would be an equitable distribution to the smaller States. As the Senator from Wisconsin [Mr. LA FOLLETTE] well said last night, scientists and potential scientists, potential research problems, and potential research developments are not concentrated in certain geographical areas.

Mr. SMITH Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SMITH. Let me correct one statement which the Senator made. The Board would not administer the plan. It would be administered by the Administrator and his staff. The fundamental objection I have to the bill is that this enormous fund would be distributed all over the country by the Administrator. If the Senator had been willing to accept the first amendment which I offered, which was nearly adopted by the Senate today, placing the entire control in a board of scientists who know what they are talking about, I would have been willing to consider this part of the bill.

Mr. MAGNUSON. I do not wish to get into that argument

Mr. SMITH. In view of the fact that the Administrator has the control which is given to him, I am offering this amendment. I am not asking for the yeas and nays because it is late, but I wished to offer the amendment so that it could be considered.

Mr. MAGNUSON. Taking the Senator's argument, I do not concede that the Administrator would have the sole power to make the distribution; but even if he did, I think the necessity for the provision is even greater, because the wrong kind of an administrator could place it all in three or four States in the Union.

Mr. LA FOLLETTE. Mr. President, I wish to say a few words on this question. So far as any one man could be the author, I am the author of this plan. Senators have been kicking it around on the floor during the debate on the bill. The kindest thing I can say about what they have said in this connection is that they do not know the experience which this country has already had in Government-supported research, and their knowledge of educational institutions is not sufficiently broad to take in the entire United States and what has been achieved in research in these institutions, which are not all located east of the Allegheny Mountains.

Mr. President, the greatest advance in science which has taken place in the United States from the expenditure of tax money has been the result of appropriations which have been made from year to year, and which have been administered by the Secretary of Agriculture—a political officer, if you please—in connection with research in the land-grant colleges of the United States. Having seen what happened to research during the war, and knowing to some extent the predilection to concentrate these funds in a few great institutions, I felt, in view of the fact that this was a program contemplated to extend over a long period of time, and in view of the experience which we had in research supported by Government funds through the land-grant colleges, that a portion of these funds should be distributed in such manner that the effect of this bill over a period of years would not be the withering and ultimate death of the scientific branches of the colleges and universities scattered throughout the United States.

I resent the implication that this is designed as a pork-barrel scheme, because if any Senator will take the time to look into the question he will find that the research which has been done by the land-grant colleges can stand comparison with that carried on at any endowed institution, or by any private research organization in the country.

Mr SMITH. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I shall be glad to yield in a few moments. The Senator spoke at great length on this subject, and I wish to talk about it for a little while.

I know it will be said that this bill is designed to secure basic research. I recognize that, in large measure, the type of research which has been conducted in the land-grant colleges has not been basic research, although basic scientific developments have been made as a result of the type of work they carry on.

But the point I wish to make is that the same type of formula has not resulted in any pork-barrel methods It has not resulted in a throwing away of the taxpayers' money. It has resulted in great scientific achievements, without the withering hand of bureaucracy, which those on this side of the aisle who attack this bill have constantly iterated and reiterated is their fear.

Mr. President, the experience we have had with the land-grant colleges is the only experience this country has had with public research, and it shows that there is a form and a pattern which can be pursued under this bill, and it shows that there can be an economical use of the money and at the same time the greatest possible freedom for scientific research.

No provision of the bill would compel the Administrator to give any university or any land-grant college or any nonprofit institution a dollar of money. They must demonstrate to his satisfaction and, I assume, to the satisfaction of a board that (a) the project which they have in mind is one which fits in with the basic program for scientific research and (b) that the institution and its manpower are capable of successfully carrying out such research.

So this cannot be said to be a proposal to spread this money over the United States wastefully. But I saw what occurred during the war, Mr. President, and so did every other Senator who paid any attention to what was happening to scientific men in the United States. Our educational institutions were virtually stripped of their basic scientific men and women, who were drained off to the few institutions where the wartime research was conducted. I do not wish to see that condition perpetuated.

I wish to see the institutions of America have an opportunity, if they have the manpower and the capacity, to carry on scientific research. I desire that opportunity to exist as to all institutions in the United States and in our Territories. Fun has been poked because of the fact that some of the money might go to the University of Alaska. Mr. President, as the Senator from Washington has said, one of the greatest meteorological laboratories of the United States is connected with the University of Alaska. This measure is not a proposal to give teachers some money, as the Senator from New Jersey said This bill is not comparable to the bill which provides Federal support for education. The money under this program is to be spent for research. It is to go to carry on research projects, not to be distributed on a per capita basis to individual teachers or members of faculties of institutions.

Likewise, Mr. President, I have felt that the fellowship and scholarship program was of vital importance to this whole program, in order to make up the deficit which our draft policies of the war has created in the supply of men and women who had gone into scientific fields; and I did not wish to see all of the scientific research concentrated in a handful of institutions and, therefore, have all the scholarships quite naturally channeled into those few institutions. I say it is just as likely that a great future scientist may be living somewhere west of the Mississippi as it is that he is living east of the Alleghenies.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LA FOLLETTE I yield.

Mr. MORSE. I wish to say that I am in entire agreement with the major thesis of the Senator from Wisconsin. I think two of the strongest features of the bill are the one pertaining to scholarships and fellowships and the proposal which is now sought to be stricken from the bill.

I wish to suggest to the Senator that, in addition to the very significant points he has made about the draining off of students in basic science from a great many of the institutions in the hinterlands of a number of us in the field of education—and I speak on the basis of 20 years of experience in that field, having served on the scholarship and research boards of two institutions—believe that in the field of education, where we have had great private foundations for the dispensing of money for research purposes, we have discovered that politics is not altogether limited to the Government of the United States. We have had a lot of educational politics in America. If anyone wishes to get a graduate course in practical politics, I think he has only to belong to the faculty of an educational institution. Certainly that is where I got my training.

Mr. SMITH. Mr. President, if the Senator will yield to me for a moment,

let me say that I am glad to corroborate what he has said. I, too, got my experience in politics there.

Mr. MORSE. The same remark may be made in relation to some of the great private foundations. I mean no criticism, but it is simply the fact.

One of the criticisms which is made by some of the institutions in the hinterlands, so to speak, where some notable work has been done, is that undue emphasis has been given in connection with the endowments to Yale and Harvard and some of the other great institutions east of the Mississippi, to which I am sure the Senator has been referring

If we are to develop a basic science foundation for the whole country I think we should have just such checks as the distinguished Senator from Wisconsin has been responsible for placing into this bill.

I believe that the support of this bill by the Senate will win the warm praise of educators in the institutions of higher learning west of the Alleghenies.

Mr LA FOLLETTE. Mr. President, I thank the Senator from Oregon for his contribution.

I merely wish to say that I think my record in this body will show that I have never sought to secure the distribution of money simply for the purpose of spreading it over the United States for a wasteful purpose

I repeat that if the measure is sound at all in its administrative set-up, as I believe it to be—and we must remember that each year the Foundation will have to come before the Congress and justify its past performance, in order to secure appropriations—not a dollar of money will be wasted under this formula, and yet at the same time we shall be assured that wherever institutions are capable of carrying on basic research they will have a part to play in this great effort to keep the United States abreast, if not ahead, of the rest of the world in basic scientific research

Mr. SMITH. Mr. President, I wish to say just a word Let me say first that I am very glad the distinguished Senator from Wisconsin has made the remarks he has addressed to the Senate, because they tend to interpret the meaning of this provision; and if the bill becomes law what the Senator has said will be an important record of what we are to expect in the way of checks on the manner in which these funds are handled. I thank the Senator for his contribution.

I have offered the amendment. I should like to have a vote taken on it. I shall not ask for a yea-and-nay vote, but I believe the amendment presents a principle as to which we should go on record.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. SMITH. Mr. President, before a vote is taken on the bill I wish to make a few brief final remarks.

I have tried sincerely to present what seemed to me to be amendments to this important measure which might make it acceptable to the Senate and to the Congress generally. I think it is about as important a piece of legislation as we can possibly pass. I regret exceedingly that many of the amendments which we offered were not adopted.

I said earlier in my remarks that I was in favor of the principle of the measure. I am now in a difficult quandary, because I feel that the bill in its present form is very difficult to support. But, Mr. President, I have to weigh the advantages and the importance of the measure in one way or another. I have been engaged in educational work for a number of years. I am in contact with many people in scientific fields who have supported me in the position I have taken here, but who, I feel sure, if they were asked right now the question, "Do you prefer this bill or no bill?" would say they prefer this bill.

Mr. President, I shall vote for this bill because I feel it is vitally important that we enact now legislation assisting in the field of research in the fundamental sciences, both from the standpoint of the scientific situation in the United States and the lack of funds from private sources for educational research, and also from the standpoint of national defense.

Mr. President, I am not asking the Senators who believe the bill should be defeated to vote as I shall vote, but I believe that we should act positively in regard to this bill, which provides support by the Federal Government for fundamental research in science

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. LA FOLLETTE. Mr. President, on this question I ask for the yeas and nays

The yeas and nays were ordered, and the legislative clerk called the roll

Mr. HILL I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Missouri [Mr. BRIGGS], the Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], and the Senator from Arizona [Mr. MCFARLAND] are detained on public busines..

The Senators from Virginia [Mr. BURCH and Mr. BYRD] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GERRY], and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

I also announce that on this question the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Arkansas would vote "yea."

I announce that if present and voting, the Senator from Rhode Island [Mr. GERRY] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from West Virginia [Mr. REVERCOMB] and the Senator from Iowa [Mr. WILSON] are detained on official business. The Senator from Iowa would vote "nay" if present.

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained.

The result was announced—yeas 48, nays 16, as follows:

YEAS—48

Aiken	Guffey	La Follette
Andrews	Hart	Langer
Barkley	Hayden	Lucas
Carville	Hill	McCarran
Chaves	Hoey	McClellan
Donnell	Huffman	McMahon
Downey	Johnson, Colo.	Magnuson
Ferguson	Johnston, S. C.	Maybank
George	Kilgore	Mead
Gossett	Knowland	Mitchell

Morse	Pepper	Thomas, Utah
Murdock	Radcliffe	Tunnell
Murray	Russell	Wagner
Myers	Smith	Walsh
O'Mahoney	Swift	Wiley
Overton	Taylor	Young

NAYS—18

Ball	Gurney	Robertson
Bridges	Hawkes	Stanfill
Brooks	McKellar	Taft
Buck	Millikin	Wherry
Capehart	Moore	White
Capper	O'Daniel	Willis

NOT VOTING—30

Austin	Gordon	Revercomb
Bailey	Eastland	Saltonstall
Bilbo	Ellender	Shipstead
Brewster	Fulbright	Stewart
Briggs	Gerry	Thomas, Okla.
Burch	Green	Tobey
Bushfield	Hatch	Tydings
Butler	Hickenlooper	Vandenberg
Byrd	McFarland	Wheeler
Connally	Reed	Wilson

So the bill (S. 1850) was passed.

OMNIBUS RIVERS AND HARBORS BILL

Mr. OVERTON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1536, House bill 6407, the rivers and harbors bill.

The PRESIDING OFFICER (Mr. MYERS in the chair). The bill will be read by its title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. OVERTON. Mr. President, it is not my intention to ask for any discussion of the bill today. I merely wish that the Senate proceed to its consideration, and that it be made the unfinished business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments.

DOMESTIC POLICY PLATFORM OF AMERICAN VETERANS COMMITTEE

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD the domestic policy platform adopted by the American Veterans Committee, AVC, at Des Moines, Iowa, June 14 to 16.

This platform was drafted by veterans of this war who are keenly interested in the destiny of America. I believe that the platform is a remarkable achievement. It should be studied carefully by Members of Congress as an important indication of the type of national program which young America wants.

The platform was adopted at the first national convention of AVC under circumstances which were variously described as "democracy in action" and "an inspiring miracle." The delegates were deadly serious. They had no time for capering. They were urgently interested in adopting policy platforms which would express their feeling that a program of progressive legislative action is necessary to save America from another boom-and-bust cycle.

AVC stands for a liberal program. Their progressivism follows along the line of the great precedent set by the late President Franklin D. Roosevelt. They want action. They feel that the fate of their own generation, as well as that of their children, hangs in the balance. They are anxious that we hear their pleas for democratic action on the problems facing us all.

They have attacked specific problems with courage and foresight. To mention but a few of the stands they have taken on matters of immediate interest, they want a realistic housing program, a strong democratic labor movement, the development of our river valleys, a vital price-control program, an honest opposition to discrimination, aid to small business, a Federal health program, and a tax program based upon ability to pay.

I personally am deeply moved by this platform because it includes many of the major legislative goals for which I have worked during my many years in Congress. I want to commend the members of the American Veterans Committee (AVC) for their unselfish interest in the welfare of all America and wish them success in creating a reawakened and revitalized public opinion among the veterans of this war.

There being no objection, the platform was ordered to be printed in the RECORD, as follows:

PLATFORM PASSED BY FIRST CONSTITUTIONAL CONVENTION, AMERICAN VETERANS COMMITTEE, INC., DES MOINES, IOWA, JUNE 15, 1946

DOMESTIC AFFAIRS

As citizens and veterans our greatest stake is in a democratic and prosperous America and a stable world. As all men, our primary needs are peace, jobs and freedom. We have learned at high cost that the Four Freedoms are inseparable; that without freedom from want and freedom from fear we cannot enjoy nor truly know freedom of religion and freedom of speech. We have learned that without security there is only the freedom to suffer or perish. Accordingly we turn our attention to those domestic, economic, political and social problems which must be solved as a part of the task of winning the peace. We are confident that with our abundant resources, our manpower and skill and our basically sound democratic system we can solve these problems This is our program for action.

I. HOUSING

1 We demand that the wartime governmental controls—priorities, subsidies, price controls—now again be utilized to give us homes in which to live. Particularly, we demand that building materials be channeled into low-cost residential construction.

2. Where private builders are unable or unwilling to build low-cost homes, government must build them. Until the emergency has been dealt with, unessential and deferrable construction, like racetracks and office buildings, should be denied building permits.

3. We demand that the powers granted the National Housing Expediter be exercised immediately to carry out the enacted legislative housing program so that at least 50 percent of the 2,700,000 housing units be permanent low-cost rental units. We urge that representatives of World War II veterans' groups active in housing, be put on mayors' and OPA housing committees; and that unoccupied usable housing be made available to veterans who now have no homes.

4. Finally, we urge immediate enactment of the present provisions of the long-term Wagner-Ellender-Taft bill.

II. LABOR

1. We favor all measures by business, employees' organizations and Government necessary to insure full and fair employment.

2. We urge amendments to the Federal Fair Labor Standards Act to provide a minimum wage of 75 cents an hour and of State laws to provide an equivalent minimum wage for employees not subject to Federal legislation.

3. We favor the principle of a guaranteed annual wage and immediate steps to bring it about as soon as practicable.

4. We favor the continuation of the maximum work week of 40 hours for all workers with time-and-a-half for all hours over 40 and double time for the seventh day.

5. We recommend a permanent Federal employment service.

6 We urge uniform Federal unemployment compensation at a minimum rate of $25 for 26 weeks for unemployment of all kinds, including time lost due to labor disputes, and extension of social security provisions to cover all persons

7. We urge continuance and improvement of our safeguards against child labor

8 A strong democratic labor union movement is one of the most effective forces for political and economic democracy in the United States. We therefore support the right of all organized labor to unionize any or all workers anywhere in the United States We recommend to union leadership recognition of its responsibility not alone to union membership but to the entire public as well. We recommend that such leadership exercise its responsibility by promoting efficiency and an ever increasing production of goods to provide an adequate standard of living for all.

9 We favor broadening and strengthening collective bargaining We oppose any form of compulsory arbitration, the use of armed forces in labor disputes, and any procedures crippling the laws protecting labor against injunctions. Labor's right to strike must be maintained

III. AGRICULTURE AND NATURAL RESOURCES

1. The welfare of the agricultural population depends primarily upon full employment and a rising level of consumption for all elements of the population In this respect the basic problems confronting agriculture are identical to those of labor, and we call upon both groups to support each other fully for their mutual benefit. American democracy is deeply rooted in the historic family type farm unit as contrasted to the growing corporate type of land ownership and farm operation We favor the improvement and stabilization of tenure arrangements giving special emphasis to programs designed to encourage owner operation of family type farm units.

2. To promote these ends we urge that appraisal of land values for tax purposes and for mortgage loans be commensurate with expected incomes, that utmost support be given to cooperative marketing, purchasing and service facilities, soil and water conservation programs, land-use planning, reforestation, rural electrification, farm housing and health and education.

3. We favor a full production policy for agriculture within the limits of good soil use. In consideration of farmers' full production programs, we favor direct income payments to agriculture when necessary in preference to support of market prices which injure the consumer.

4. Where necessary to enable farmers to get needed machinary and repairs immediately in order to produce critically needed food requirements, we urge Government seizure and operation of closed farm equipment factories.

5. As veterans, we recognize that the greatest strength of our Nation is in its peoples, its resources, its rivers, its lands, and what lies beneath the land. Therefore we will support the creation of valley authorities modeled on the TVA in such areas

as the Missouri, the Arkansas, the Columbia River and Central Valley (Calif.) watersheds, and the creation of a Great Lakes-St. Lawrence seaway and correlated power developments, in this way opening up new frontiers of science, agriculture and industry.

IV. PRICE AND RENT CONTROL

1. Legislative or executive action weakening the price and rent line now being defended must be condemned. We favor a strong policy of price and rent control with adequate appropriations for its enforcement and the release of any commodity from control only when its supply and that of related commodities is sufficient so that the price will not rise measurably when control is lifted.

2 The practice of using wage or other cost increases as a basis for price increases where added costs may be absorbed within established industry profit standards as now defined and economies of mass production, are unjustified

3 We urge that the price and rent-control lines be further safeguarded by the establishment of commercial rent ceilings. We favor the extension of priority and allocation regulations to force production of low-cost items.

4 We urge that the United States return to a system of rationing of essential commodities such as food, clothing and building materials to provide adequate supplies at reasonable prices to family units and governments in order to provide essential commodities for all citizens and veterans of the United States

5 We recognize that no issue is more important to veterans and the American people than effective price and rent control Therefore we condemn the efforts of Senator Taft and the House Republican leadership to [illegible] the Office of Price Administration [illegible] a crucial [illegible] program. It will lead to ruinous inflation followed by a period of unemployment, bankruptcy, and hardship at home and abroad It represents a direct denial, in face of overwhelming evidence, of our objective to achieve and maintain full employment. We urge President Truman to veto the bills offered by either House of Congress

6 We demand the exposure by vigorous public campaign of each Senator and Congressman who voted to destroy price control by crippling amendments

7 We instruct our national leadership to consult immediately with all national organizations for the purpose of taking militant steps on a Nation-wide coordinated scale to rescue OPA from inflationary forces Such steps to include

(1) Simultaneous Nation-wide demonstrations;

(2) buyers strikes,

(3) veteran, consumer, business, and labor delegations to Congress,

(4) any other measures that are necessary to convince an indifferent Congress that the people insist upon having a strong, adequately financed and staffed OPA.

V. INDUSTRY

1 Business management not only has a responsibility to the owners of business but it also has a social responsibility to labor and the public It must constantly attempt to provide full and increasing production, full employment, and greater business efficiency. When business management falls down on this social responsibility proposals and action are bound to ensue which it then claims are inimical to business.

2 We believe that American democracy requires efficient and prosperous small business We therefore recommend a liberal credit system for small businessmen, legislation to provide them with adequate market research and scientific and technological service, and the granting to them of preference over big business in obtaining surplus war materials and surplus plant facilities.

3 We consider the antitrust laws to be basic American policy. We therefore oppose the removal of any industry from the operations of these laws and urge their effective enforcement. In those industries where the enforcement of the antitrust laws do not insure adequate competition and where artificially high prices may be maintained, production limited and opportunities for employment destroyed we favor effective Government control or ownership.

4. We oppose restrictive legislation on legitimate cooperative societies

5. We urge the elimination of regional discrimination in freight rate differentials.

6 We recommend the retention or reestablishment of production controls until normal demand and supply relationships exist.

VI HEALTH

1 The health of every citizen is the concern of the Nation We therefore favor a comprehensive national health program to include hospital planning and construction, Federal aid for the establishment of community-wide health service, compulsory health insurance to provide adequate personal medical care for all citizens, extension of social security protection as it relates to health, particularly disability compensation, and establishment of an adequate mental health program

2 Industrial accidents and occupational diseases represent continuous national peril and a drain on manpower Accordingly, we urge adequate legislation, particularly in the several States, adequate research and the appropriation of enough funds by the responsible [illegible] to obtain [illegible] to promote accident prevention campaigns to reduce such casualties.

VII EDUCATION

1 The present educational system presents serious inadequacies, particularly regarding discrimination, equal opportunity and adequate compensation for teachers

2 We demand national legislation to bring about improved educational facilities with equal opportunity and facilities for all. We favor Federal aid for the public-school systems of the country on a per capita and not on a State matching basis, with safeguards to prevent Federal control of what is taught.

3 Any discrimination in school entrance requirements due to race, creed, color, or national origin must be eliminated. We favor the repeal of tax exemptions to schools engaging in such discrimination, and we are opposed to segregation in schools.

4 We favor the establishment of free college and professional schools, admission to which shall be based on merit only

5 To enlarge the educational opportunities of veterans we favor the payment of tuition for them to public schools of all levels in which they may enroll, and the use of such payments to supplement, not substitute for regular State or local school appropriations

6 We demand that the teachers of our Nation receive salaries commensurate with their position as leaders in the community.

7 We favor raising to cabinet level the Federal Security Administration.

8. We favor the establishment of entrance requirements to the military academies on the basis of free competitive examinations, and without congressional appointment.

VIII. SCIENCE

1. We urge the establishment of a national science foundation to promote, encourage, and coordinate research and education in all natural, social, and medical sciences; and we recommend that the results of such research be made freely available for public use.

IX. CONGRESSIONAL REFORM

1. We urge a complete overhauling and streamlining of congressional procedures.

2. We oppose the seniority system in congressional committees.

3. We favor the right to impose cloture in the Senate by simple majority vote.

4. We favor providing Members of Congress with more and better research and staff facilities, higher salaries, and retirement pay consistent with the pension fund for Federal employees.

5. We urge that congressional proceedings be broadcast from the floor.

6. We favor the regulation of the activities of all lobby groups and the publicising of the sources of their funds.

7 We urge the registration by Members of Congress of their sources of income, and the registration of all dealings in securities and commodities by Members of Congress and members of their immediate families.

X DISCRIMINATION AND CIVIL LIBERTIES

1 We oppose Jim Crow laws, anti-Nisei restrictions, and all other forms of racial discrimination by all individuals, by private businesses, by labor unions, government, and other associations. We forbid it in our own ranks and we shall fight it in law and in practice wherever it is found.

2. We strongly and actively oppose any laws, practices, customs, or usages whereby any person or group by virtue of discrimination due to race, religion, color, or sex attempts to prevent another from obtaining employment, being paid at a fair rate for the services performed, living in any area, obtaining a free and sound education, practicing any creed, or voting or enjoying any right of citizenship

3 We urge laws to make such discrimination illegal and punishable, and to give members of minorities the right to sue for libel or slander against the whole majority group

4. We strongly urge support of all movements for a permanent Federal fair employment practices law.

5 We urge that veterans organize to cooperate with other similarly minded groups and with governmental law enforcement authorities to protect civil liberties particularly in such regions where they are now threatened

6. We favor effective Government action to preserve, protect and implement the civil liberties granted in the Constitution and other laws of the States and the United States

7. We urge abolition of the House un-American Activities Committee.

8. We support discharge of conscientious objectors from Federal custody but no faster than discharge of soldiers from the armed forces

9 We urge a liberal immigration policy including immigration for all races, irrespective of the places of their origin, so that the United States may continue to serve as a refuge for the oppressed. We call upon Congress to enact legislation prohibiting immigration of all former members of Nazi and Fascist parties

10. We indorse the following corrective legislation:

(1) That all resident aliens not now eligible to become naturalized citizens of the United States be so privileged on the same basis as for all other immigrant groups;

(2) That the Congress enact legislation providing indemnification for losses sustained by reason of the arbitrary evacuation of all persons of Japanese ancestry from the west coast in the spring of 1942;

(3) That deportation proceedings against persons of Japanese ancestry is carried out on the same basis as for other races; and

(4) That restrictive Federal, State and municipal laws of a discriminatory nature be abolished and repealed wherever found.

XI. TAX POLICY

1. We consider fiscal policy to be critically important to full employment and full production. We therefore favor a tax program

based upon ability to pay, to provide for the fullest development of our potential national resources, with the least possible restriction of production and employment, and inclusion in it of the following provisions: (1) As the basic source of tax revenue, a steeply graduated personal income tax, and increased exemptions consistent with minimum levels of subsistence; (2) elimination of regressive excises and sales taxes, (3) financing of social security benefits from the general revenues; (4) elimination of preferential tax treatment of capital gains and losses, with constructive realization of gains and losses upon gift or death, (5) elimination of tax-exempt securities, (6) removal of the tax advantage presently enjoyed by persons residing in community property States; (7) elimination of double taxation of corporate income, coupled with an undistributed profits tax to compel current distribution of corporate income to shareholders; (8) offsetting of individual and corporate income by a 6-year-carry-forward of net operating losses; (9) restriction of depletion allowances of industries engaged in exploitation of natural resources to recovery of the capital investment in such properties; (10) heavy increases in estate and gift taxes and immediate closing of all present loopholes; (11) prohibition of refunds of excess-profits taxes where the decline in corporate income results from other than reconversion costs, e. g., labor disputes; (12) revision of State and local taxation consistent with above objectives and coordination of Federal, State and local taxation.

XII. SUFFRAGE

1. We urge that residents of the District of Columbia should, in common with all other citizens, enjoy the right of suffrage, upon a national and a municipal basis.

XIII. TERRITORIES AND POSSESSIONS

1. We favor the immediate admission of the Territory of Hawaii as the forty-ninth State; the consideration of Alaska for statehood; granting to the Virgin Islands increasing responsibilities of self-government, and giving to Puerto Rico the deserved right to vote on its political status.

2. We urge that there be no discrimination against the full citizenship rights of American Indians and that civil rights and citizenship be granted to the inhabitants of Guam and American Samoa. We further urge immediate civil rather than military government for the former Japanese mandated islands.

3 We believe that the continued subjection of Puerto Rico to colonial rule is contrary to our principles of national liberation and self-determination and to the principles of the United Nations, including the furtherance of world peace and justice between the peoples of all nations. In support of these principles, and to aid in establishing a basis for lasting friendship with Latin America, we urge that Puerto Rico be granted the right of self-determination in the creation of a democratic government, and that adequate economic assistance be extended to Puerto Rico to aid in the provision of its economic well-being.

SPECIAL ASSISTANT TO COMMITTEE ON EDUCATION AND LABOR

Mr. LUCAS. Mr. President, from the Committee To Audit and Control the Contingent Expenses of the Senate I report favorably, without amendment, Senate Resolution 279, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 279) submitted by Mr. MURRAY on June 5, 1946, was read, considered, and agreed to, as follows:

Resolved, That Senate Resolution 243, Seventy-ninth Congress, agreed to April 1, 1946, authorizing the Committee on Education and Labor to employ a special assistant to be paid from the contingent fund of the Senate at the rate of $5,640 per annum, hereby is continued in full force and effect until June 30, 1947.

COUNSEL TO COMMITTEE ON THE JUDICIARY

Mr. LUCAS. Mr. President, from the Committee To Audit and Control the Contingent Expenses of the Senate I report favorably Senate Resolution 280, submitted by the Senator from Nevada [Mr. MCCARRAN] on June 7, 1946. It asks for the employment of counsel to be paid from the contingent fund. I ask for the immediate consideration of the resolution.

There being no objection, the resolution (S. Res. 280) was read, considered, and agreed to, as follows:

Resolved, That until otherwise provided by law, the Committee on the Judicary is authorized to employ a counsel for the committee, to be designated by the chairman of the committee, to be paid out of the contingent fund of the Senate at the rate of $6,500 per annum.

APPROPRIATIONS FROM THE CONTINGENT FUND FOR COMMITTEE EMPLOYEES

Mr. LUCAS. Mr. President, about 10 months ago the Committee To Audit and Control the Contingent Expenses of the Senate asked that the chairmen of committees having employees paid from the contingent fund go before the Committee on Appropriations in order that the employees might be placed permanently on the roll. That was done, but today, now we are reverting to the old practice which we recently repudiated.

Mr. President, as I understand it, those sponsoring these employees who have been provided for in the resolutions agreed to go before the Committee on Appropriations, and the Committee on Appropriations refused to place these employees on the permanent roll. Now they come to the Committee To Audit and Control the Contingent Expenses of the Senate for relief. I regret that this has been done, but the pressure put on me and other members of my committee caused us to accede to the demands.

INVESTIGATION OF PEARL HARBOR ATTACK—INCREASE IN LIMIT OF EXPENDITURES

Mr. LUCAS. Mr. President, from the Committee To Audit and Control the Contingent Expenses of the Senate, I report favorably Senate Concurrent Resolution 69, submitted by the Senator from Kentucky [Mr. BARKLEY] on July 2, 1946, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the concurrent resolution was read, considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures authorized by Senate Concurrent Resolution 27, Seventy-ninth Congress, for the investigation of the Pearl Harbor attack, as increased by Senate Concurrent Resolution 66, be, and the same is hereby, further increased by an additional $25,000, one-half of said amount to be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the Joint Committee on the Investigation of the Pearl Harbor Attack.

COMMODITY COSTS AND PROPOSED EXTENSION OF OPA

Mr. PEPPER. Mr. President, I wish to give a few figures from today's New York Journal of Commerce regarding price rises. I have here a daily index of 30 sensitive commodities, wholesale, as follows:

For all commodities on June 28 the index figure was 202.3. Today the figure is 227.8, a percentage rise of 12.6 percent.

In respect to grain, on June 28 the index figure was 297.3. Today it is 362, a percentage rise of 21.8.

On food, the index on June 28 was 171.1. Today it is 208.2, a percentage rise of 21.7.

Mr. President, I think it is of vital interest to the people of the United States how these indices are going up, and I am sure it is to Senators.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator tell us what commodities that covers? I want to know how much of the $2,000,000,000 in subsidies is involved in these figures, too.

Mr PEPPER. I am going to give the indices, and then some figures of commodity prices.

Mr. JOHNSTON of South Carolina. I should like to know what the subsidies have to do with them.

Mr. PEPPER. As to textiles, on June 28 the figure was 210.9. Today it is 210.8. There is a one point drop in the figure.

As to metals, on June 28 the index was 141.9. Today it is 148.2, a percentage rise of 4.3 percent.

For miscellaneous, on June 28 the index figure was 189.3. Today it is 209.7, a percentage rise of 10.8 percent.

Here are five commodities which are listed, with the prices:

Prices

	June 28	Today	Rise
Hogs (per 100 pounds)	$14 75	$17 50	$2 75
Wheat (bushel)	2 01	2 17	.16
Corn (bushel)	1 43	2 26	.83
Beef, hind quarters	20 80	26 30	5 50
Pork loins	24 25	29 75	5 50

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ROBERTSON. I should like to know if the Senator has any figures as to what the black-market prices have been.

Mr. PEPPER. No; I have no figures as to black-market prices.

I wish to say in conclusion that it is my opinion, and I believe it is the confirmed opinion of the people of this country, that what the Senate should do is to pass instanter the House joint resolution continuing until the 20th of July the price-control authority as it now exists, just as the House has passed it. In the meantime our able committee, which is now diligently working on this matter, the Committee on Banking and Currency, may bring out a better bill, or a more acceptable bill can be introduced and can be considered by the Senate and

go to the House of Representatives, or, if the House passes a bill for the permanent extension of the OPA, that can come to the Senate in due course. But inevitably, Mr. President, price dislocations will become worse every day, and if we do not stop them, whenever we do try to put back—if we do try to do so—permanent controls again, it will be all the more difficult to do so, and the shock to the economy of the country will be all the more violent.

Mr. President, it seems to me that there is no reason why we could not, in a mere matter of minutes, take up the continuing resolution and agree to it as the House has sent it to us, and in the meanwhile let the Committee on Banking and Currency continue to deliberate on the subject. They would have more time, and could in due course bring out whatever might be the fruits of their labor.

I certainly believe that the American people today are in a terrible state of uncertainty and anxiety, and we could quiet their fears for at least 20 days, and prevent these violent dislocations, by merely passing the resolution continuing the controls to July 20, as the resolution has already been passed by the House of Representatives, and I appeal to the Senate to give consideration to that course.

Mr. BARKLEY. Mr. President, let me make a statement in connection with the legislation to which the Senator from Florida has referred.

The question of procedure in the committee is one for the committee itself to determine. Whether the committee feels that it would be wise or futile to try to pass a 20-day continuing resolution, or to try to bring out a comprehensive bill which the Senate and the House could deal with probably as promptly as the Senate could deal with a continuing resolution, is a matter for the Committee on Banking and Currency to decide. That matter is now under consideration. I hope the committee will be able to report before we adjourn today a bill for the calendar, which may be taken up Friday if it is reported. If it is not reported today the committee may be in session tomorrow, depending upon its own decision as to whether it will work on the Fourth of July or whether it will recess until Friday. I still am hopeful that the committee will act today in reporting a bill of some kind, whatever it may be, so that the Senate can take it up on Friday. Whether we can pass a continuing resolution in a few minutes is a matter upon which I need not animadvert. I hope that we may pass a bill which will have a reasonable chance of acceptance by the executive branch of the Government and that we may end any chaotic situation that has been produced by the failure of the last bill to be enacted, whoever may be responsible.

My own view is, as I have expressed it publicly, and I do not hesitate to do so here, that it would be much better for the Senate and the House to try to write a bill which would take effect at the earliest possible date, rather than to take two bites at the same cherry or apple, whatever it is that we are trying to bite at. I still entertain that view, and if the Senate committee can report a bill today which the Senate can take up on Friday I hope we may be able to take it up then.

I desire to say to the Senate that in view of the possibility that we may do that, I hope Senators will be here on Friday. We are not going to have a session tomorrow, and I know that many Senators desire to go away over the Fourth of July. But I hope they will arrange to be back on Friday so that, no matter what happens, whether a bill is reported today or tomorrow, if it is possible to take it up on Friday, we may do so.

WALTER WANGER'S UNIVERSAL PRODUCTION CANYON PASSAGE

Mr. MORSE. Mr. President, recently on the floor of the Senate, the junior Senator from Wisconsin [Mr. WILEY] made a suggestion that a special all-American award be given by the Academy of Motion Picture Arts and Sciences for the best picture representing the highest ideals of American life to our own and other peoples. At that time the Senator from Wisconsin said that such an award would stimulate producers to an effort to correct misleading notions abroad about America and would encourage a better understanding of America by our own people. He stressed that the award must be an all-industry affair, with no interference by the Government.

He further said that films long ago had graduated from the level of mere entertainment to that of being an important weapon in the "world-wide battle between the forces of individualism and collectivism. * * * Many of the industry's worthy projects have been overlooked by those engaged in the rush to point out the industry's shortcomings."

Mr. President, I find myself very much in agreement with the suggestion made by the Senator from Wisconsin, and out of some bias, may I say, I should like to call the attention of the Senate and of those who might be responsible for granting such an award, to a picture about to be released in the major city of my State, Portland, Oreg., Walter Wanger's Universal production entitled "Canyon Passage" starring Susan Hayward, with Brian Donlevy, Dana Andrews, Hoagy Carmichael, and Ward Bond. The screen play for this picture was written by one of the prominent writers of my State and one of the outstanding fiction writers of the Nation, Mr. Ernest Haycox, and was directed by Jacques Tournier.

Mr. President, having seen the picture last night, which was presented to the entire Oregon delegation and the members of the staff of the Oregon delegation, I am very happy to say that I hope the Members of the Senate will see this picture at an early date and judge for themselves whether or not this great technicolor picture is worthy of such an award as was recommended by the junior Senator from Wisconsin.

Mr. President, it is a picture—and I said I speak out of some bias—taken in the State of Oregon. It portrays in technicolor some of the scenic beauties of that State, the majesty of which are not equaled by those in any part of the country, and I say, out of bias, that I should like to have the Members of the Senate judge for themselves.

Quite seriously, though, here is a picture which does portray and depict some of the great struggles of the pioneers of the West, and I think that although it is fiction in nature so far as its motif is concerned, it is highly historic so far as portraying the struggle of the pioneers is concerned.

THE RULES COMMITTEE AND ITS WAYS—ARTICLE BY RICHARD L. STROUT

Mr. MORSE. Mr. President, I ask unanimous consent to have published in the body of the RECORD as a part of my remarks an article entitled "The Rules Committee and Its Ways," written by Mr. Richard L. Strout, and published in the Christian Science Monitor of June 28, 1946.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RULES COMMITTEE AND ITS WAYS

(By Richard L. Strout)

WASHINGTON.—My friend from London keeps getting surprises about American Government. He is conscientious, and is following the British loan. He has watched its slow passage in the Senate, where he suddenly discovered the Chamber has no rules of relevancy and any Member can talk on any subject, at any time, at any length. This took him aback. The Langer filibuster startled him. But after 5 weeks the loan passed, and my friend's attention shifted to the House.

Here, he learned, the House Banking Committee took all the dreary loan testimony, previously heard in the Senate, right over again—generally from the same witnesses. It seemed a bit wasteful.

Now my friend is learning about the House Rules Committee. This power-behind-the-throne operates so quietly even many Americans do not understand it. My friend is literal-minded and thumbed through the United States Constitution, hoping to find something about the powerful Rules Committee. It was no good, the Rules Committee belongs to America's unwritten constitution.

To watch this mysterious agency perform we went to its loan hearing this week. This was held in a retired cubbyhole of an office, in the Capitol. It has all the benefits but none of the trappings of power; it is dingy, small, and omnipotent. Inside the committee room door (just off the elevator), the place was full of smoke, human bodies, and heat. Two committeemen and a witness were all talking at once.

In the ornate committee rooms, witnesses from all over the country and from every walk of life are heard under supervision of committee chairmen. But in the dingy little Rules Committee room, the chairmen themselves are heard. The committee have passed certain bills. But to get these bills before the huge House membership of 435, authority of the Rules Committee is needed. They dispose of the House time, they draw up its calendar, they say what bills may or may not come before the House, how much time shall be allowed to debate them, whether the House membership shall be permitted to add amendments, and such matters.

The House is so big that it needs a group at the top to guide its sessions, but many critics believe the Rules Committee exercises too much power and oversteps democratic limits.

"Why, this means that the Rules Committee is really a third legislative body," said my friend.

The committee was deciding whether to let the House consider the 65-cent minimum wage bill, which the Senate has passed, and which President Truman wants so badly as part of his social-reform program. You could

see right away that most Rules Committee members didn't like it. Of their 12-man membership 8 are Democrats, 4 Republicans; of the 8 Democrats, 6 are from the South Why should farmers, in the South or anywhere else, they demanded irritably, have to pay more for their help? Although the Labor Committee pleaded for a chance to bring the bill to the floor for debate, they didn't seem sympathetic nor did the four Republicans

No decision was made right away on that bill, and the British loan bill was called up The chairman of the House Banking Committee and the leader of the Republican minority on the committee were here as witnesses and a rather violent woman from Illinois, who turned out to be a Congresswoman, who opposed the loan and talked a great deal, often when other people were also talking. Nobody seemed to mind The Rules Committee seemed pretty suspicious about the loan They made no secret that in "granting" rules they were weighing the merits of the bills, like any legislative body. They finally granted the loan 16 hours—about 4 days—of debate

Later we learned the fate of the 65-cent minimum wage bill The Rules Committee had killed it. By deciding to withhold action till the date after which Congress is expected to adjourn, they had blocked debate Passage by the Senate, approval by the House Labor Committee, and the President's recommendation went for naught.

"Extraordinary system you chaps have here," said my friend reflectively. "Very"

FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS FOR WELFARE, EDUCATION, AND HEALTH PROGRAMS

Mr. MORSE. Mr. President, I submit and ask to have referred to the appropriate committee a resolution the purpose of which is to make a full and complete study and investigation with respect to existing and proposed Federal grants to State and local governments for welfare, education, and health programs.

I think the appropriate committee to which to refer the resolution is the Committee on Education and Labor. I may say to my fellow member of the committee, the Senator from Florida [Mr. PEPPER], that the resolution will be discussed at a meeting of the committee either Friday or Monday next. I understand there is great interest in the resolution, not only on the part of members of the committee, but on the part of many Members of the Senate, and I am submitting it now so that we can discuss it in the committee and then have full discussion on the floor of the Senate later.

The resolution (S. Res. 300) was referred to the Committee on Education and Labor, as follows:

Resolved, That the Committee on Education and Labor, or a duly authorized subcommittee thereof, is hereby authorized and directed to—

(a) make a full and complete study and investigation with respect to existing and proposed Federal grants to State and local governments for welfare, education, and health programs and for other programs within the jurisdiction of such committee; the volume, types, purposes, and administration of such grants; and the standards and conditions applicable to such grants, with special emphasis upon the need for such improved legislative and administrative policies as will more effectively meet the needs for which such grants have been or may be authorized, eliminate duplication and inconsistencies, promote economy and efficiency, clarify the relationship between the Federal Government and State and local governments, help solve the problem of the development of underdeveloped regions, and contribute to the development and maintenance of sound fiscal policy,

(b) consult, in the course of such study and investigation with State and local governments, with such other legislative committees of the Senate as are directly concerned with Federal grants to State and local governments, with the Federal agencies administering such grants, and with such other agencies or persons as the committee or subcommittee may see fit to consult;

(c) report to the Senate, from time to time, the results of its studies and investigations under this resolution, together with such proposed legislation and other recommendations as it may deem desirable

For the purpose of this resolution, the Committee on Education and Labor, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during sessions, recesses, and adjourned periods, to employ such technical, clerical, and other assistance, to require by subpena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths; to take such testimony, and to incur such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $22,000 for the period extending from July 15, 1946, to June 30, 1947, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or the chairman of the subcommittee

INTERNATIONAL POLICY PLATFORM ADOPTED BY AMERICAN VETERANS COMMITTEE, DES MOINES, IOWA

Mr. MORSE. Mr. President, we have just finished one of the most fearful conflicts in history and, as in all wars, we have solemnly resolved that a way should be found to remove the curse of warfare from mankind forever. I have just finished reading a document on this problem which was drafted by a group of World War II veterans who have made it their goal to fight for a peaceful world with the same courage that they fought the enemies of democratic civilization on the global battlefields. I commend this document, the international affairs platform of the American Veterans Committee (AVC), to the attention of the Members of Congress and the people of America. In many ways it provides a valuable insight into the thought of young American veterans on the grave international problems we face.

These young men realize that wishing for peace is not enough. They know that we must work for peace sincerely and actively or we will lose the hope of a world without war.

I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks the international policy platform adopted by the American Veterans Committee (AVC) at Des Moines, Iowa, June 14 to 16, 1946.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

INTERNATIONAL AFFAIRS

I. PREAMBLE

1. As veterans we know that without world peace and understanding we cannot achieve our other goals. We support a strong United Nations as the basis for world understanding. We recognize that the unity of the Big Three is essential to a strong United Nations. We believe in development of world government through the United Nations.

2. We support United Nations control of atomic energy and all weapons of mass destruction.

3 We support the most far-reaching measures for relief and reconstruction with priority for those peoples who fought the Axis.

4. We oppose participation of our country in any alliance or bloc against the United Kingdom or the U. S. S. R.

5 We oppose Fascist organizations and governments We support those organizations and governments which advance political, social, and economic democracy.

6 We support the endeavors of colonial peoples for independence We ask that the United Nations give aid to these endeavors and that liberated colonial peoples become members of the UN with equal vote and participation with other members

7 We call upon the veterans of the world to join in common action to advance these ends through the creation of a United Nations veterans' league.

II. UNITED NATIONS

1. We urge that the primary objective of United States foreign policy be support of the United Nations, with the mutual consent of the Big Five, amendment of the charter through the calling of a general conference under article 109 so as to provide the United Nations with the legal authority to prohibit the ownership and manufacture of the weapons of mass destruction by the member nations and to prevent the occurrence of war between them

2. We further urge, as a means of enforcing this authority, the creation of a world armed force recruited from individuals of the United Nations who will owe exclusive allegiance to the United Nations.

III ATOMIC ENERGY

1 We urge that control of atomic energy be vested in an international atomic energy authority, which in accordance with the principles of the Acheson-Lilienthal report and the Baruch proposal to the United Nations, is organized as a subsidiary organization of the United Nations. We agree that the veto power of the UN Security Council shall not apply to this authority.

2 We urge the cessation of manufacture of atomic bombs and disposition of existing atomic bombs. Domestically, we advocate vesting of national controls of atomic energy in a Federal civilian commission having as its object the promotion of scientific and medical research in atomic energy, and the utilization of all phases of atomic energy constructively in the public interest.

IV. FAMINE

1. Eight hundred million people face famine in the world today. Unchecked, this famine must endanger peace.

We deplore the inability of the United States to meet its solemn obligations under UNRRA Our failure spells untold human agony and greatly impairs our prestige throughout the world

We therefore urge that our Government immediately restore food rationing and take all other necessary measures to meet this great human crisis.

V. TRADE AND FINANCE

Realizing that economic rivalry is one of the underlying causes of war.

(1) We support the equal access of all nations to trade raw materials of the world.

(2) We favor the granting of loans to nations enabling them to reestablish their war-damaged economies with priorities to those who fought the Axis powers. We oppose the use of loans to place or maintain undemocratic movements in power.

(3) We urge the elimination of cartels.

(4) Pending international commercial agreements, we urge that the United States embark on an immediate program designed to reduce American tariffs.

VI. FASCIST GOVERNMENT

1. We call for the elimination throughout the world of the fascism, against which we fought in this war.

2. We support the findings of the subcommittee of the Security Council that fascism in Spain is a potential threat to world peace. We call for the breaking of relations with the Spanish Government; the application of economic sanctions, and the recognition of the Spanish Government in exile.

3. We recognize further that fascism in Argentina is also a potential threat to world peace. We urge continued opposition to the Argentina Government and the expulsion of Argentina from the United Nations.

VII INTERNATIONAL INFORMATION AND CULTURAL AFFAIRS

As veterans who have seen service in all parts of the world, we recognize the urgent need of the following.

(1) That Congress grant full authority and the necessary funds to maintain a program of international information and cultural affairs throughout the world in order to promote mutual understanding between the people of the United States and citizens of the other United Nations. Participation in such a program should utilize, to the maximum, private information and cultural facilities in addition to those established within the government.

(2) That the United States encourage other countries to carry on similar programs within the United States

(3) Likewise, that we support United States participation in the United Nations Educational, Scientific, and Cultural Organization, and favor broadening the scope of the contemplated program

(4) We favor establishment of a world university

VIII OCCUPATION POLICY

1 We favor the implementation of the Potsdam Declaration by all participant countries until a more far-reaching agreement can be developed. In Germany and Japan the last vestiges of fascism should be destroyed and deindustrialization and dimilitarization should be completed. Reeducation and the introduction of democratic processes should be fully achieved.

2. We further urge the following:

(1) We recognize the plight of all displaced persons in Europe. We urge the American delegation to the United Nations to press for emergency measures by all governments including the lowering of immigration barriers for the care of these displaced persons

(2) We recognize the particular plight of 1,400,000 Jews in Europe. We urge the immediate entry into Palestine of 100,000 Jews in accordance with the report of the joint Anglo-American committee. We urge support of efforts for Arab Jewish unity including action against forces creating dissension between Arabs and Jews. We further urge the creation of an international trusteeship for Palestine administered by the United Nations

(3) We welcome the action of the United Nations in granting adequate participation in its work to the World Federation of Trade Unions.

(4) We recognize that civil war in China is a potential threat to world peace. We urge upon our Government all possible efforts to aid in establishing unity in China through the creation of a representative and democratic Chinese National Government.

SCIENTISTS' COMMENT ON BIKINI ATOLL TESTS

Mr. McMAHON. Mr. President, the press and radio are replete with comments on the Bikini bomb tests. It is not my purpose to speak at length at this time about the first test that has taken place. I think this is a time when we should all withhold judgment. However, I should like to have printed in the body of the RECORD a most interesting release from the Federation of American Scientists, dated May 26, 1946, entitled "Scientists' Comment on Bikini Atoll Tests." I should like every Senator to read it, because I think after reading it Senators will agree with me that what the scientists told us a month ago came pretty close to the exact results, at least with respect to what was going to happen on the first test. I think it will be very interesting to Members of the Senate, who have read such conflicting reports from Bikini.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SCIENTISTS' COMMENT ON BIKINI ATOLL TESTS

It has been stated in the Senate and elsewhere that the atom bomb tests at Bikini are being held to furnish scientific information. It is thus implied that scientists are professionally interested in these tests to learn more about the potentialities of atomic energy.

This is not true The tests are purely military, not scientific Appended to this statement is a resolution adopted by the Federation of American Scientists, at a recent council meeting in Philadelphia, in which this fact is stated in unequivocal language. Scientists expect nothing of scientific value, and little of technical value to peacetime uses of atomic energy as a result of these tests

Whether or not these tests, involving the expenditure of millions of dollars and tens of thousands of man-hours, are justified is not a question which scientists are qualified to decide An atomic bomb is a military weapon, and when, where, and how it should be tested are military questions

The tests, of course, are based on the frightful idea that we—mankind—might have an atomic war in which navies would desperately seek to survive, to defend their countries, or to attack the enemy. Scientists seek by education to teach men that they must abandon atomic weapons to preserve civilization, but we recognize that it may take an atomic war to teach them this lesson

So long as they have not learned it the military have a mission, fantastic and short-sighted though it may seem to reasonable men. Scientists are cooperating in these tests at the request of their country's armed forces, although they do so with heavy hearts and without enthusiasm.

They would like, however, to assist the American people in forming an accurate judgment of the purposes and results of the Navy experiments We suggest that correspondents and newspaper readers should keep in mind the following considerations. This statement was prepared by the national officers of the Federation of American Scientists. It is based on a special report made to national headquarters by the executive committee of the Association of Los Alamos Scientists—the men who developed the bomb and made the first test at Alamogordo, N. Mex., and who are working on the current tests.

1. THE NUMBER OF SHIPS DESTROYED WILL NOT BE THE BEST STANDARD FOR JUDGING THE EFFECT OF THE BOMB

Reasonable men should discount in advance headlines which may read Fleet Survives Test; Only One Ship Sunk. Area of damage done by the bomb to brick or steel and concrete structures is about 10 square miles. Total destruction extends for a radius of about 1 mile. There will be 100 assorted target ships spread over a radius of miles, and the majority will probably not be damaged to any extent. But there is no doubt whatever that a direct hit or near miss by an atom bomb will destroy any ship ever made: One bomb, one battleship.

Flimsy houses 3 miles from the blasts in Japan were destroyed, but a battleship should be more than 50 times as strong as a Japanese house. It is well known that the variation in pressure is such that at one-half the distance it is not more than four times as great, and the estimated lethal blast distance is less than half a mile. Published reports indicate no serious radiation damage to people beyond 1 mile. Persons below decks and well shielded by heavy steel construction would probably be safe from radiation at a shorter distance.

Ships closer than one-half mile will be damaged, but only those closest to the point of detonation will be sunk. Few ships will be appreciably affected, perhaps 10 out of 100, and probably only 1 or 2 will be sunk.

Dr Hans Bethe, formerly director of theoretical physics at Los Alamos, who had made some studies of the forthcoming test, has predicted that not even one capital ship will be sunk

Again, it must not be assumed that any conclusions may be drawn from this as to what damage a bomb would do to an American city Cities are not built like battleships (See the May Reader's Digest, or contact Federation Headquarters, for excellent brief, popular studies of what an atomic bomb would do to an American city.)

2. ACTUAL STRENGTH OF BIKINI BOMB BLAST SHOULD BE ANNOUNCED

It is possible for an atomic bomb to be a dud or a semidud. The Navy has announced that the Nagasaki type bomb will be used in these tests, but the actual bomb used may not explode as efficiently as did the bomb at Nagasaki. Instruments for measuring this precisely will be in operation and unless this data is announced at least in part, no valid conclusions may be drawn as to effect of atomic bombs on naval vessels. We cannot here, of course, discuss future more powerful bombs.

3. THE DEEP UNDER-WATER TEST OF NEXT YEAR WILL BE FAR MORE IMPORTANT THAN THE TWO TESTS PLANNED THIS SPRING

All scientists who have studied naval atomic bombing are unanimously agreed that there is nothing final to be said about the subject until a deep under-water test has been tried. The first test will not yield spectacular results, the second test will be more damaging, but an under-water test at an appreciable depth, perhaps using something similar to the bathysphere, is potentially far more dangerous to an entire fleet.

Even the surface test will give some tidal-wave effect, and since water is noncompressible a deep-sea bombing might have extreme and unpredicted results. The intense shock produced by the chain reaction is dissipated in air, but below the surface would create a sort of monstrous bubble of energy, which might buckle the plates of ships several miles distant. In this connection it should be noted that even ordinary torpedoes do not wound ships by penetrating, but by exploding on contact, alongside the ship under water.

4 ONE BOMB FOR ONE SHIP—THIS ITSELF IS A REVOLUTIONARY ACCOMPLISHMENT IN NAVAL WARFARE

A battleship costs approximately $100,000,000, even a destroyer twenty million. Dr. J. R. Oppenheimer has stated that an atomic bomb could be produced for about $1,000,000. It would be good business to spend not one, but a considerable number of bombs to sink a battleship, and even a few bombs to sink a destroyer. In addition, it takes many times longer to produce a ship than an atomic

bomb, an extremely important factor in industrial total war We already know, then, that it is cheap to sink naval vessels with atomic bombs. Since the bomb creates a ball of fire approximately one-third of a mile across, and does total damage for a half mile on either side, it can be seen that it does not have to be a direct hit in the sense that ordinary bombs are described as direct hits.

5 NONETHELESS BOMBING A FLEET MIGHT NEVER BE TACTICALLY VALUABLE

Despite the economics suggested above, it is still possible that bombing a fleet at sea would not be worth the trouble in an atomic war. Supposing that mankind risks suicide by undertaking such a war, the economics would still be against bombing ships. One square mile of city destroyed atomically would be a loss, in the average American city, representing $500,000,000, or five times the cost of one battleship

Strategically speaking, when the guided missiles now being developed are perfected, V-2's, V-3's, and other robombs with atomic warheads will arch through the stratosphere far above any Navy, even above air forces, and so far as present science is concerned, beyond reach of any kind of radar detection and defense Scientists assert there is no foreseeable defense whatever against such an attack in a future war

6. WHAT, THEN, WILL BE THE MISSION OF THE SO-CALLED FIRST LINE OF DEFENSE, IN THE NEXT WAR? WHAT WILL BE THE GOOD OF THE NAVY'S PROTECTING ITSELF BY DISPERSION WHEN IT CAN NO LONGER PROTECT THE HOMELAND THAT IT SERVES?

Scientists cannot know any final answer to this question A proper answer must take into account the full role of the Navy, as well as many relatively minor phases of atomic bombing

Even where the bomb might not crush and blast whole ships, radiation and incendiary effects would produce incalculable damage, particularly in harbors. Water in the vicinity of the bomb and dust particles in the air will become radioactive and be deadly to human beings until dissipated by the processes of nature. A breeze containing radioactive particles, blown for miles, might conceivably result in the death of many sailors on ships miles away from an atomic bombing. The precautions taken in allowing personnel to enter Bikini harbor after the bombing may be taken as a fair indication when repair and ship crews might reenter Pearl Harbor, if it were ever atomically bombed.

W. A. HIGINBOTHAM, *Chairman,*
Federation of American Scientists.
MELBA PHILLIPS, *Secretary,*
J. H. RUSH, *Treasurer.*

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S 342 An act to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines;

S 344. An act to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and seal,

S. 345. An act concerning the method of payment of the compensation of United States commissioners;

S. 498. An act authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes;

S. 593. An act for the relief of Warrant Officer Wayne C. Proper;

S. 933. An act for the relief of the estate of Sybel Spence;

S. 1051. An act for the relief of William J. Simpson and John R. Rogers, Sr.;

S. 1061. An act for the relief of Violet Ludokiewich;

S 1150. An act for the relief of John Leberman;

S. 1314. An act for the relief of Frederic P. L. Mills;

S. 1517. An act for the relief of Lofts & Son;

S. 1569 An act for the relief of Gwynn C. Triplett, and for other purposes;

S 1578 An act to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration;

S 1683 An act for the relief of the estate of Mrs. Sufronia Andrus,

S 1746. An act to govern distribution of war trophies and devices;

S 1773 An act for the relief of Frederick Uhrmann;

S. 1852 An act for the relief of the legal guardian of Arlis Earl Teckell;

S 1893 An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein,

S 1912 An act for the relief of Brig. Gen. Carl H. Seals;

S 1965 An act for the relief of the estate of C Benjamin Stapleton,

S. 1979. An act to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.,

S. 1988 An act to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, New Mexico,

S 2015 An act for the relief of William H. Morris,

S 2099 An act to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes;

S. 2107 An act for the relief of certain postal employees,

S. 2292 An act for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News, and

S J Res 160 Joint resolution to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act

EXECUTIVE SESSION

Mr. BARKLEY I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MYERS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. The Chair lays before the Senate a nomination which the clerk will read.

The legislative clerk read as follows:

THE WHITE HOUSE,
July 3, 1946.

To the Senate of the United States:

I nominate Grenville Mellen, of Mississippi, to be a member of the United States Maritime Commission for the unexpired term of 6 years from September 26, 1944. This nomination is submitted for the purpose of correcting the nominee's name as submitted to the Senate June 25, 1946, and confirmed June 28, 1946.

HARRY S. TRUMAN.

Mr. OVERTON. Mr. President, this nomination has been submitted in order to correct the spelling of the name of the nominee. Mr. Mellen's nomination was submitted to the Senate on June 25, 1946, under the name of "Granville" Mellen instead of "Grenville" Mellen.

Mr. WHITE. Mr President, is the nomination on the calendar?

Mr. BARKLEY. The nomination has already been confirmed. This is merely a correction in the spelling of the name of the nominee.

Mr. OVERTON. The purpose of the nomination is to correct the spelling of the name of the nominee, and to change it from "Granville" to "Grenville". Since the nomination has already been confirmed, I ask unanimous consent that the corrected nomination be confirmed, under the proper name.

The PRESIDING OFFICER Without objection, the nomination is confirmed.

Mr. OVERTON. I ask unanimous consent that the resolution of confirmation of June 28 be recalled from the President.

The PRESIDING OFFICER. Without objection, the resolution of confirmation of June 28 will be recalled.

NOMINATIONS IN THE REGULAR ARMY OF THE UNITED STATES

Mr. THOMAS of Utah. Mr President, on June 27 the President of the United States transmitted to the Senate certain nominations for appointments in the Regular Army of the United States, which were referred to the Committee on Military Affairs. The list of nominations appears on pages 7685 to 7721, inclusive, of the CONGRESSIONAL RECORD of that date, comprising 36 pages.

The Committee on Military Affairs, after consideration, has ordered them reported favorably to the Senate. I therefore ask unanimous consent to report the nominations, and further ask for their immediate consideration. Confirmation at this time will obviate the necessity and expense of printing them for the Executive Calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and without objection, the nominations are confirmed.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The legislative clerk read the nomination of John W. Snyder to be United States Governor of the International Monetary Fund and United States Governor of the International Bank for Reconstruction and Development, for a term of 5 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John S. Hooker to be United States Alternate Executive Director of

the International Bank for Reconstruction and Development, for a term of 2 years and until his successor has been appointed.

Mr. TAFT. Mr. President, I wish to make a comment on the nomination of Mr. Hooker and the nomination which follows it on the calendar. One is a nomination to the International Bank, and the other to the International Monetary Fund.

These officials are among the rather high-salaried officials apparently provided for under the rules and regulations of the bank. Mr. John S. Hooker and Mr. George F. Luthringer will both receive $11,500 net, without payment of income tax, the result being that the salary received by Mr. Hooker will be equivalent to $17,500, and that received by Mr. Luthringer equivalent to approximately $15,000, because he has more dependents.

It seems to me that these high salaries were authorized because of the desire to obtain men from business life who had had experience in this field. Instead of that, nearly every one of those high-salaried positions, with the exception of that occupied by Mr. Eugene Meyer, and including the position of Mr. White, who receives a salary equivalent to $30,000 a year—more than anyone else in the Government excepting the President of the United States—has been filled by an employee of the State or Treasury Department. These two gentlemen are both employees of the State Department. I have nothing against them. However, Mr. Hooker has never had any business experience whatsoever, except as a minor employee in the State Department, gradually becoming somewhat more important. This appointment will approximately double his salary.

Mr. Luthringer was for 8 years at Princeton University as an instructor and assistant professor. He has had somewhat more experience, but no business experience qualifying him for the operation of the International Bank or the International Monetary Fund. Both gentlemen have had such experience as one obtains in the Government. They know something of government procedure. I do not wish to reflect on them, but it seems to me that as a general policy the State and Treasury Departments are to be criticized, first, for providing these very high-salaried positions, because the American delegates undoubtedly had the power to determine what the salaries should be; and secondly, for filling the positions with employees from the State and Treasury Departments.

I do not wish to object to the confirmation of the nominations of these particular gentlemen—and they are gentlemen. They have been good minor employees in the State Department, but it seems to me that the State Department itself is to be criticized for the policy which has been adopted.

Mr. RADCLIFFE. Mr. President, in connection with the statement made by the Senator from Ohio, I should like to say that this question was discussed at very considerable length at a meeting of the Committee on Banking and Currency. The Senator from Ohio was present and participated in the discussion.

We had the flat-footed and emphatic statement of Assistant Secretary of State Clayton, who is certainly a very practical man, that before any decisions were reached in regard to these men many names were considered very carefully—not only the names of persons in the State Department, but persons outside the State Department. He stated that a decision was reached after consideration, not particularly of men in the State Department, where there was an opportunity to advance them, but of men in the entire field. The question was considered very carefully, and the conclusion was reached that these were the best men for that purpose. Mr. Clayton was very emphatic on that point, and I think very convincing.

Mr. BARKLEY. Mr. President, as I understand, the salaries for these positions were fixed as a result of the conference in Savannah, at which the International Monetary Fund and the International Bank were considered by the various nations represented there. Those discussions had no relationship to the appointment of these particular men. Salaries were fixed which it was thought were calculated to attract men of experience, ability, and character.

One of these men is to be Alternate Executive Director of the International Bank, and the other Alternate to the Executive Director of the International Monetary Fund. Both men appeared before the Committee on Banking and Currency and made statements. They have been associated in an intimate way with the State Department in the preparation of the agreements resulting from the Bretton Woods Conference. They were both at Savannah at the conference to implement the Bank and the Fund. While it is true that one of them, Mr. Hooker, has not been a businessman—nor has Mr. Luthringer been a businessman in the real sense of the word—one of them, at least, has for a number of years taught those who became businessmen, and therefore he certainly is entitled to some credit and prestige in that field.

Mr. Hooker impressed me as being a sincere, earnest, devoted public servant. I do not believe that either one of these men ought to be castigated because they happen to have been in the State Department. The staff of the bank and of the fund will contain many men. These happen to be two taken from the State Department. In view of their experience in the preliminary work which established these institutions, it is not an unusual number to be selected from the State Department.

Mr. SMITH. Mr. President, when the name of Mr. Luthringer was sent to me, as one of the Senators from New Jersey, in view of the fact that he came from Princeton University I was careful to make inquiry at the university, where he served for a number of years. I do not know him personally, but I received a most cordial expression from the university as to his service there, his ability, his integrity, and his fitness for this appointment.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John S. Hooker to be United States Alternate Executive Director of the International Bank for Reconstruction and Development?

The nomination was confirmed.

The legislative clerk read the nomination of George F. Luthringer to be United States Alternate to the Executive Director of the International Monetary Fund for a term of 2 years and until his successor has been appointed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of Edmond M. Hanrahan to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1947.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. BARKLEY. I ask that the nominations in the Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Foreign Service are confirmed en bloc.

SELECTIVE SERVICE

The legislative clerk proceeded to read sundry nominations in the Selective Service.

Mr. BARKLEY. I ask that the nominations in the Selective Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Selective Service are confirmed en bloc.

This completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified, not only of the confirmation of the nominations on the Executive Calendar, but of all other confirmations during the day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ADJOURNMENT TO FRIDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until Friday next.

The motion was agreed to; and (at 6 o'clock and 30 minutes p. m.) the Senate adjourned until Friday, July 5, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 3, 1946:

DIPLOMATIC AND FOREIGN SERVICE

Joseph F. McGurk, of New Jersey, now Ambassador Extraordinary and Plenipotentiary to the Dominican Republic, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Harold H. Tittmann, Jr., of Missouri, now a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

UNITED STATES MARITIME COMMISSION

Grenville Mellen, of Mississippi, to be a member of the United States Maritime Commission for the unexpired term of 6 years from September 26, 1944. (This nomination is submitted for the purpose of correcting the nominee's name as submitted to the Senate June 25, 1946, and confirmed June 28, 1946.)

WAR ASSETS ADMINISTRATION

Robert McGowan Littlejohn, of South Carolina, to be War Assets Administrator.

UNITED STATES DISTRICT JUDGES

Hon. Raymond W. Starr, of Michigan, to be United States district judge for the western district of Michigan, vice Hon. Fred M Raymond, deceased

Theodore Levin, of Michigan, to be United States district judge for the eastern district of Michigan, vice Hon. Edward J Moinet, retired.

IN THE NAVY

Rear Adm Harold G. Bowen, United States Navy, to be a vice admiral in the Navy, for temporary service.

IN THE MARINE CORPS

The following-named officers for appointment as commissioned warrant officers in the United States Marine Corps

Paul G Abernethy
Paul Adams
William K. Akerley
Leland H. Alexander
Lewis R Alexander
Roy C Allen
Frank T Allen
George E Allison
James S. Ammons
Adolph J. Anderson
Eugene Anderson
Emory L. Anderson
Cecil E. Anderson
Allan C. Anderson
Charles J Angers
Henry H Anglin
Robert J. Anthony
Elbert H Arndt
Dorn E Arnold
Albert J. Assad
George S. Atcheson
Leonard K Atkins
Bennie C. Atkinson
Albert N. Bailey
Harold L. Bales
James Banklier
Herman T Barbee
Ralph Barefoot
Noble J Barger
Lloyd F. Barker
Wilbur R. Barnes
Dean C Barnum
Thurman E. Barrier
Victor J. Bartoszek
William E. Bateman
Stewart L Baughman
Jessie K. Bate
Herbert W. Beard
Leonard I. Beatty
Donald M. Beeson
Walter H. Belcher
Robert H Bell
Frederick Belton
Max Beruefly, Jr.
Hazen P. Bishop
Ray H. Bishop
Harry L. Blackwell
William C. Blackford
John R. Blackett
Richard P. Blandford, Jr.
Thomas P. Blankenship
Harley E. Bledsoe
Ralph M. Blessing
Daniel M. Blue, Jr.
James N. Bonson
Joseph L. Bonville
Frank C. Bottemer
Vernon D. Boyd
Vincent E. Boyle
James J Bradley
Paul F. Brandenburg
Lorenzo I Brandt
Herman A. Brazke
Richard P Brezinski
Richard J. Britten
Harry L Brooks
Frank W. Brookes
James E Brown
Zachariah J Brown
Fred A. Brown
Joseph B Brunson
William Bruner
James E. Buckle
Frederick C Buechmann, Jr.
Edmond V. Bullock
George P. Bunker
Joseph A. Burch
Richard Burgess
Robert V. Burns
Ray M. Burrill
Marvin D. Buschow
Eugene A Bushe
Lawrence H Buss
Charles W. Byers
Walter R. Cameron
Henry F. Camper
William S. Campbell, Jr.
Edwin T. Carlton
Robert B. Carney
Cecil T. Carraway
John S. Carter
Hall V. Cartmell
Mario Caruso
Charles W. Case
George W. Caso
Theodore R. Cathey
Frank J. Cermak
Willis H. Chamberlin, Jr.
Winfree Chaney
Raymond L Chapel
Thomas W. Chellis
Walter E. Chrismas
Francis L. Churchville
Edwin M. Clements
Robert E. L. Closson
Robert E. Coddington
William F. Codner
John W. Coho
Carlton G. Cole
George Cole
Robert Colsky
Jess R. Colwell
Arthur A. Compton
Harold L. Cook
Andrew N Cook, Jr.
Robert J. Corbett
George H. Corcoran
Louis A Cortright
Max J. Cowsert
Lester D. Cox
Jesse F. Cox
John E. Cravit
Bert E. Craven
Robert G. Crawford
John Crecion
James N. Crocker
Homer F Cross
William J Cross
Charles S. Cummings
Thomas H. Cutler
John J Dalton
Herman O Danmeyer
Gus C Daskalakis
Floyd T. Davenport
Frederick D. Davis
Arthur C. Davison, Jr.
George Davison
Lincolen P Davis
Merle C Davis
Joseph E. Davis
Harold L. Davis
Perry W Davis
Evan D Davies, Jr.
Ollie B Dawdy
Henry T Dawes
Samuel C Dean
Alvin J Deason
Louis L Dermako
Louis P Dilberger, Jr
Charles O. Diliberto
William W. Dill
Lee E Dimter
Loy L Doggett
Clarence M. Dorsey
James W. Drooks
Robert B Dowdy
Oliver E Doxey
George A. Dudderar
Russell H. Dudley
Cless O. Dukeman
John C. Duncan
John S Durant
Otto J. Dyhr
Arthur R. Dykeman
John T. Eakes, Jr.
George R. Eargle
Augustus J Eden
Theodore Edwards
Hugh S. Edwards
Clarence M. Edwards, Jr
Harold B. Eggers
James W. Eldridge
Thomas J. Eley
James F. Elliott
Irvin H. Elrod
Richard O. Ely
Richard J. Eme
Robert H Enders
Francis M. Engbaum
Charles E. Esako, Jr.
James P. Evans
Martin Exiger
John H. Faggart
James T. Farley
Claude U. Farmer
John J. Fedor
William Fellner
Ernest E. Feltwell
Alfio B. Ferazzi
Felix L Ferranto
Thomas G. Fields
Irving Fine
Dominic F. Fiori
Albert A. Firth
Henry E. Fitzgerald
Arthur C. Fix
Lester D. Flory
Robert E. Follendorf
Thomas F. Ford
Robert H. Fore
Nils B. E. Forsberg
Howard L. Franklin
Henry L. Franzen
Lloyd T. Franzen
Howard C. Frazer
Clarence A. E. Frederickson
Lawrence Frucci
William R. Fuller
Edward W. Gallagher
James B Galloway
Robertson H. Galvin
Frederick F. Garcelon
Britton A. Garlow
Horace D. Geer
Lionel J. Gelinas
John Gerey
Cletus K. Gibson
Lucian C. Gifford
James Gifford
Ralph H. Gilb
Walter R. Giles
Jasper J Gillette
Richard E. Gilmore
Charles O Glick
Henry G. Goare
Albert J. Goble
John C Godwin
Curtis R. Goehring
Jack W Goodall
Joseph Gordon
Raymond F. Gotko
James I. Graham, Jr.
John P. Grando
Warren L. Granger
Harris D. Gray
Ruben W. Gray
Eugene E Greening
Standish Green
Robert J. Greenway
John H. Griffin
Doyle Grimes
William T. Grimes
James D. Grounds, Jr.
Samuel Groves
Marvin D. Gruah
Louis Guidetti
Robert C Gunsalus
Albert I Haas
Philip R. Hade
John Hamas
Edgar S. Hamilton
Douglas J. Hance
"C" "L" Haney
Reuben H. Hanson
Dean R. Hansberry
Kenneth B. Harker
James K. Harris
James C. Harr
Willie S. Harrison
Dawson Harris
Albert C. Hartkopf
Harold E. Haught
Jack Hayden
Ira N. Hayes
John C. Hayes
Carl F. Haynes
Benjamin F. Hearn, Jr.
Henry R. Heath
Albert E. Helmick
William E. Hemingway
Norman G. Henderson
Wallace Henry
Lester V. Henson
Milligan G Hereford
Roscoe C. Hibberd
Aubrey T. Hicks
Jerome Hieronymus
Lloyd M. Hill
Ivan C. Hill
Robert W. Hines
Milton O. Hogue
Ernest C. Hohlt, Jr.
Alford L. Hollis
Lucien N. Hudson
Joseph Hudson
Barnett Hughes
Samuel F. Hunter
Harry D. Hutchcroft.
Floyd E. Hyatt
Donald M. Hyde
Thomas W. Hyland
Charles A. Hyman
Wayman H. Imus
Joseph A. Inferrera
George R. Ingersoll
Thomas Inman
Boyd J. Jackson
Charlie A James
Alexis A. Jedenoff
Laury Jeffers
George E. Jefferies
Johnny Jennings
Edgar Jodoin
Samuel A. Johnstone, Jr.
Alvin E. Johnson
William C. Jones
Elmer Jones
Harold R. Jordan
Maynord E. Julson
Bernard T. Kafka
Raymond W. Kaltenback
William H Kapanke
Albert H Keith
Cyrus W Keith
Irving N. Kelly
Russell S Kelley
Thomas O. Kelly
Lee S. Kelley
Joseph E. Kelly
William H. Kennedy
Arthur L. Kent,
Norman D. Kent
William C. Kepple
Paul Kerns
Albert D Keyfel
Bernard E Kilday
Luther E. Kilions
Homer King
Harry E Kipp
Charles Klein
Frederick J. Knack
Charles W Knoll
Valentine J. Kravitz
George Kross
Matthew J Kruszewski
John D. Kurner
Adolph J. Kutilek
Lawrence O Kyler
Charles T. Lamb
Walter P. Landis
Fernand A Landry
James R. Lane
William F. Lane
William J. Lane
Cecil F. Lane
Julius H Lanham
Lester D Lansing
Russell S. LaPointe
Horace Larn
James S. LaRue
Byron Latimer
Richard C. Laubach
David L. Lawson
Robert D. Leach
Samuel F. Leader
Robert A. Leadon
Warren F Lear
Benjamin G. Lee
Joseph O. Lee
William G. Leeman
Raymond H. Leeper
Wilfred S. LeFrancois
Stanley C. Lenn
Stephen Lesko
Lornie Leslie
William C. Lewis
Joseph H. Lewis
Beldon Lidyard
Arthur H. Lilly
Haldon E. Lindfelt
Marcie O. Lindquist
Frederick A. Lock
Raymond E. Logan
Willis R. Lucius
Raymond L. Luckel
James D. Ludvigson
Francis J. Lutz
Charles A. MacCrone
Adger C. Mahaffey
Laurie P. Mallard
Thornwell R. Mangum
Peter Mangogna
William G. Mann
Michael M. Marks
Lester L. Marshall
Virgil R. Martin
Forrest L. Martin
Ralph Martin
Taylor F. Mason
Jesse L. Massey
Irvin V. Masters
John W. Matchett
Harry T. Mayes
Harold L. Mayfield
Norman Mazurek
Charles P. McCallum
Edward J. McCabe
James F McClanahan
Floyd M. McCorkle
Gilbert McConville
Kenneth R McCoy
James B. McCree
Harley F. McCulley
Edward H. McFarland
Charlie H. McGee, Jr.
David R. McGrew, Jr.
James L. McGuire
Charles I. McKay
George E. McKain
Sterling G McKay
Vearle McKean
Edgar A. McKean
Robert A. McKeown
George R McLeod
George B. McManus
William M McMakin, Jr.
William F. McMillian
Vinson A. McNeill
Thomas W McNeely
Charles E. McPartlin, Jr.
Gordon B. McPherson
John C Mericantante
Don B. Merica
Charles Merman
Oscar J. Meyer
William D. Miears
Calvin C. Miles 3d
Victor V. Miller
Lawrence E. Miller
Norman V Miller
Agge V. Mills
John W. Minick
James F. Mitchell, Jr.
William E. Mitchell
Henry L. Mitchell
Tracy P. Mizelle
Lee Moberly
Warren L Mobley
Alfred E Montrief
Conrad J. Morgan
Augustas G. Morgan
Wilbert F. Morris
Howard E. Morris
Peter G. Morton
Patrick H. Mucciaccio
Joseph F. Murphy
Vincent E. Murphy
Francis J. Murphy
Seraphin G. Musachia
Daniel H. Musselman
Edward R. Nasin
Ernest W. Needham
Robert L. Neef
Edward C. Nelson, Jr.
Harold E. Nelson
Jack I. Nelson
Doyle A. New
Harvey S. Newgarde
William L. Nolte
Arthur J. Noonan
Edward J. Nooney
Hero Nori
Ronald J. Nourse
George J. Nowsak
Elbert L. O'Banion
Frederick O'Connor
Glen C. O'Dare
Leonard A. Oderman
Vincent J. Odeski

Richard C. O'Dowd
Fulton L. Oglesby
Melvin M. Oberstrom
Lawrence E. O'Neal
Wilfred J. Opitter
Robert O. Ozmo
Emmett W. Orr
Frederick V. Osborn
Cornelius Overstreet
Thomas C. Palmer, Jr.
Paul R. Paquin
Bill L. Parham
Howard E. Parker
Roy L. Barker
Larry D. Parker
Howard R. Parrett
Harry C. Parsons
Frank G. Paul
Stephen K. Pawloski
George W. Pearce
James E. Pearsall
Howard W. Pearson
Earl W. Peasley
Joseph W. Peden
Waldo C. Perry
Emerson D Perry
George T. Perschau
John M. Peterson
Ivan A. Peterson
James G. Petrie
Theodore A. Petras
Joseph A. Petrosky, Jr
Parker O. Pettigrew
Fred R. Philpot
Russell Piel
Joseph J Pifel
George S. Plantier
John Poelk
"J" "B" Powell
Fred E. Pratt
Caryll A. Price
John M Price
James C Puckett
Maurice C. Pulliam
William F. Pulver
Kenneth H. Quelch
Chester L. Raichart
Frank C. Railsback
Carl Raines
Clarence H. Raper
John A. Rapp
Hans O. Rasmussen
John J. Rausch
George Raymond
Henry B Reed
William G. Reeves
William G Reid
William A Reno
Frank H. Rentfrow
Thomas W. Reynolds
Maurice V. Reynolds
Jesse L. Reynolds
William C. Rhodes
William B. Richards
Clarence W. Richardson
Lewis C. Riddle
Fred Riewe
Albert P. Rinehart
Preston H. Robb
Lee E. Roberts
Charles E. Roberts
George L. Robinson
Milton B Rogers
Wilburn K. Rogers
Albert A. Romano
Francis J. Rooney
Anthony J. Roscoe
Phillip Rosenberg
Marvin L. Ross
William M. Rossiter
Earl S. Ross
Thomas R. Rowell
William K. Rudolph
Edward G. Rupe
John W. Russell
Donald Russell
Edward S. Rust
Manuel M. Salguero
Walter Sandusky
Ruthledge S. Sasser
Virgie L. Seatena
Walter C. Scheffler
Milton W. Schreiber
Edward J. Schroeder
Joseph F. Schuerafe
Robert C. Schutte
William V. Schwebke
John C Schwab
Lawrence J. Scott
William A. Searight
James B Seaton
Clifton L See
Victor E Sellers
Eugene E Seyler
Levi J Shambaugh
Kenneth L Shaw
Donald L. Shenaut
James B Shimel
John L. Shue
William H Shuman
Walter L. Simpson
Walter A Sira
Michael J Sisul
Alfred Skowronek
Leo F. Slavin
John M Sleght
Clyde Sloan
Philip W. Slocum
Arnold P Smith
Frederick W Smith
Harry E Smith
Howard B Smith
Jobe F Smith
Matthew V Smith
Percy L Smith
Robert A. Smith
William P Smith
William T Smith
Walter Smulski
Evard J Snell
Leo R Sonnenberg
Mainerd A. Sorenson
Frederick E Sparling
Purvis Sparks
Porter W Stark
Jack W Starr
Tony Stepanuk
Joseph F Stepka
Allen F Stockdale
Alfred E Stoffer
Rupert E Stone
Albert Straba
Robert G. Straine
John G. Stutts
Robert Stutts
Kenneth P Styer
Philip W. Sullivan
Pat L Sumners
Bynum W. Sutton
Ben Sutts
Harold E Swain
Gordon B Swango
Donald W Swanson
Thomas Swift
James D Swinson
William J Tade
James U. Tallent
Walter L. Tate
Aubrey D. Taylor
Amos W. Taylor
Max C. Taylor
William T. Taylor
Everett L Tennyson
Ben T Thomas, Jr.
Harold J. Thomas
Hubert N. Thomas, Jr.
Charles W. Thompson
John L Thompson
Patrick H Thompson
Fred K. Thornton
Joseph E. Thralikill
Roscoe V. Thurman
Joseph H. Timms
Patrick H Tobin
John H. Tomlinson
Roy A. Tomlinson
George W. Torbert
William L. M. Townsend
Samuel M. Trippe
David J. Trojan
Theodore W. Turcotte
Vernon A. Tuson
Joseph W. Uts
Frank J. Van
Werner J. VanBuren
Judson Vanderhoof
Samuel E. Vansant
Ross E. Varnum
Burney L. Vinson
Stephen J. Vitka, Jr.
Paul J. Vontersch
William E. Vorhies
Robert J. Vrogindewey
Robert E. Wall
Thomas W. Wallace, Jr.
Kenneth A Walsh
John E. Ward
Hubert N. Ward
Alvin D Warner
Harry Watkins
William F Watson
Calvin C. Watters
Marshall Watwood
Lyman B Waugh
John W. Webber
Alton C Weed
Joseph O Weist
John H Welch
Robert W Wells
Dwight B Werthwein
Walter T Wesson
William C. Wester
Ben W. White
Charles T White
Erving F White
Francis L White
Russell C. White
Earl W. Whittaker
John A. Whiting
William M. Whittaker
Carl Wick
Ford R. Wilkins
Doward S. Wilkinson
William A. Willett
George L. Williams
Lloyd O. Williams
William L. Williams
James C. Wilson
James L Wilson
Raymond G Wilson
William F. Wilson
William T. Wilson
Elmer R. Wirts
Charles H Withey
Harold E. Withey
John W. Wolcott
Leo T. Woltring
Levi Woodbury
Stuart F. B. Wood
Jack E Woodburn, Jr.
William B Word
Leonard E. Wordehof
James M. Wray
Joe B Wrenn
Ellis R. Wright
John J Wulk, Jr
Albert H Wunderly
Charles E. Yale
Daniel J Young
James K. Young
Sanford N. Young
Clifford A Younge
George E Zawasky
Herman A Zehngebot

IN THE MARINE CORPS

The following-named officers for appointment in the United States Marine Corps in the ranks hereinafter stated

TO BE CAPTAIN

Charles M Nees

TO BE FIRST LIEUTENANT

John H McMillan

TO BE SECOND LIEUTENANTS

Arthur H Adams
John A. Burns
Henry J. Smart
Martin W. Storm
Clay A Boyd
Kenneth P. Dunkle
Edward R. Gilbert
Reed F. Taylor
Richard G. Warga
Don P. Wyckoff
John M Baker
Edson W. Card
Aubrey K. Edmonds
Wellington E Ehmann
Cyril D Jeffcoat
Jack R. Jones
Warren H. Keck
Edward S McDonald
John F. Mentzer
Thurman L. Perkins
Daniel J Regan
Donald G. Saunders
Dave E. Severance
Frank E. Sullivan
Elmer C. Anderson, Jr.
Hermann L. Anderson
"L" "V" Arnett
James O. Gasser
Harold B. Gingher
Roscoe F. Good, Jr.
Charles H. Gould
Ralph M. Head
Robert G. Hilliard
John C. Johnston
Arthur W. Latta, Jr.
Everett R. Leiser
Norbert C. Manley, Jr.
Russell E. McCreery
John P. McMahon, Jr.
Walter D. Phillips, Jr.
Darwin B. Pond, Jr
Paul A Schmuck, Jr.
Nicholas G. W. Thorne
Truman B. Anderson
Herbert J. Binda, Jr.
Joseph W Buecker, Jr.
Asa B Culver, Jr.
William J. Cupelo
Edmund G. Derning, Jr
Robert W Fraser
Allan C. Furth
Clayton V. Hendricks
Russell S. Hibbs
Edward H. Jones
Harrol Kiser
Frank W. Leyva
Frank P. Martenis
George C. McNaughton
John B. Melvin
Michael V. Palatas
Edward J. Rowe
Thomas J. Stevens
Richard D. Temple
Robert N. Vance
Dawes Walter
Edwin B. White, Jr.
Lyle H. Worster
Cruger L. Bright
Harold L. Lantz
Russell R. Riley
Donald N. Aldrich
Eugene F. Bable
Robert Baird
Albert A. Black
Thomas M. Forsyth, Jr.
James B. Graves
Lionel D. Hastings
Edwin J. Herman, Jr.
Raphney O. Humphreys
Robert M. Keim
Paul H. Kellogg
William A. Lamont
Howard Lipstreu
Joseph P. Lynch
James E. Martin
Eugene G. McIntyre
Carl T. McLean
Ellsworth T. Nobles
Edwin O. Reed
Kenneth L. Reusser
John H. Scherer
Edward L. Schnettler
Alan D. Smith
Paul N. Storzaali
William M Streeter
Robert A. Strieby
Royce W Watson
John J. Windsor
Harry F. Abbott
Dwayne E. Adams
Stanley E. Adams
Kenneth A. Anderson
Roy L. Anderson
Charles C. Angle
Charles E. Boswell, Jr.
Claude T. Bromley, Jr.
Richard C. Browning
Eugene T. Card
George E. Chenoweth
Kevin Cochrane
James R. Coltrane
Frank S. Crawford
Jesse R. Crone
Frederick J Egan, Jr.
Thomas R Egan
Norman G Ewers
Philip S. Farrand
Luther L. Fetters
Donald E. Francke
John P. Giberson
Albert A. Grasselli
Gaylord C. Greenfield
William D Harvey
Jesse T. Hastings, Jr.
Robert A. Hensemer
James R. Hibbard
James V Holcombe
John A. Hughes
Neal E. Jameson
Richard D Jones
Dick R. Kinser
Donald M. Koch
Arthur L LaRoche, Jr.
Robert J. Larsen
George M. Legere
Frank J. Lentsch
Robert J. Leuk
Daniel R. Linker, Jr.
Charles H. Luidens
Alden McBarron
Thomas V. McLaughlin
Walter T McMillin
Delmer O. Morris
William H. Ness, Jr.
Alfred C. Palfrey
John D. Petterborg
Edgar D. Pitman
Eugene W. Read
William E. Register
Norman R Reichwald
Walter N. Roark, Jr.
Gus Robinson
Milford V. Seaman
John L. Shearer
Robert F. Shields
Robert G. Shipp
Robert L. Smith
Gordon R. Squires
John R. Stanton, Jr.
"W" Edward Tisdale, Jr.
Charles S. VonHorn
Guy M. Washburn
Herschel "A" Watson, Jr.
Guy O. Badger
Richard Bell
James H. Berge, Jr.
William E. Clark
William J. Hinson, Jr.
Timothy J. Keane, Jr.
Francis C. Opaka
Elsmore P Ravensberg
Edward M. Robinson, Jr.
Harold E. Roland, Jr.
Richard L Shirey
Alfred J. Ward
Charles A. Weaver
Charles H. Brush, Jr.
Louis G. Ditta
Robert F. Flaherty
Robert W. Greeley
Sidney L. Groff
Russell L. Janson
David D, Kliewer
Henry G. Lawrence, Jr.
John S. Payne
Vernon A. Peltzer
Wallace J. Slappey, Jr.
Arthur H. Ackerman
Charles A. Barnes
Victor J. Barringer
Jesse V. Booker
Kenneth B. Boyd
Robert E. Brant
Elwood D Bush
Charles I Calhoun, Jr
Kenneth Dunlap
Alexander H. Edwards II
Robert Flocck
Ashby J. Fristoe
Russell Hamlet
Chester R. Harris
Ben L. Hoover
Robert S Hudson
Ovis D. Hunter
Walter F. Jacobs, Jr.
Albert E. James
Stanley H. Jeffrey
Oscar B. Johnston
George J. Kelley
Edward C. Kicklighter
Stanley F. Legan
Ward J Lytle
Rolland E. Marker
William S McCarson
Grover C McClure, Jr.
Francis K. McManus
Andrew M. McNicoll
William R. Myers
Leon L. Patrow
Floyd G. Phillips
Zigmund J. Radclinski
Godfrey H Reed
William R. Rozier
Charles S. Rumbold
Albert G. Schoneberger
Albert J Sinuc
Louis H Steman
Andrew W. Stirton
Gilbert R. Templeston
James E. Warren, Jr.
George C. Westover
Kenneth A. Williams, Jr.
Victor F. Wojcik
Albert Wood
Fletcher R. Wycoff
George H. Albers
Almarion S. Bailey
Louis L. Ball
Vernon E Ball
Shirley Batson
William L. Besch
Robert C. Bickel
Rudolph L. Bittman
Lewis E. Bolts
David W Breen
James P Bruce
Francis C. Burton
Robert O Carlock
John H. Cavalero
Thomas G. Chalmers
John W. Collier, Jr.

Thomas E. Cooney
"J" Ned Corman
James F. Crumly
Joseph P. Cushing
Edward F. Danowitz
Charles D. Dawkins, Jr
Sandy J. DeJohn
William K. Dormady
Ray H. Dormandy
Gordon L. Duffin
James W. Dunning
Floyd W Earnest
William P Elzey, Jr
Richard H. Fairchild
Donald L. Fenton
Kenneth G Fiegener
John J Filippo
Edwin H. Finlayson
Melvin J Flannagan
Edward M Fleming
Huyward M Friedrich
Edward F Ganschow
Albert A Gooley
Norman W. Gourley
Roy C. Gray, Jr
Samuel J Griffin
William F Guss
George L Haggerty
Milton C Hall, Jr.
Curtis F Hamlin, Jr.
Michael D Harvath
Owen P Hatley
Woodford H Hayes
Wayne H Hoereth
Edgar P Holt
James O Huston
James M Jefferson, Jr.
James R Jones
Arthur H Jorgensen
Theodore A Kelley
John L Kelly
Raymond E Knapp, Jr
Raymond Koch
Joseph R Kurcaba
Gordon G Lancaster
James Landrum, Jr.
Urban A. Lees
Dean W Lindley
William H. Livingston
James W. Luther
Walter E. Magon
John McManus
Edwin J. Mika
Eugene Millette
Clifford D. Miller
Edward J Miller
Ernest A. Mitch
Adelorde G. Morency
Clarence L Morrison
George Mottl
Joseph T. Murphy
Wilbur O. Nelson
Herbert A. Nelson
William J. Nichols
Joseph Northrup
John A. O'Bremski
Thomas P. O'Callaghan
Richard E Oderwald
Robert J. O'Leary
Rodger Olson
John N. Orr
John H Paetow
Frank G. Parks
George E. Petro
Arthur E. Phillips
Elwood H. Potter
George W. Poulson
John A. Powers
John V. B. Pruitt, Jr.
Emil J. Radics
Edgar L. Rafferty
Edward H. Rice
John E. Roche, Jr.
Francis E. Rogers
Elbert E. Rutledge
Charles A. Selser
Stuart V. Schuyler
David B. Shanley
Robert B. Sinclair
Jack A Smith
Eldon C. Stanton
Grover S. Stewart, Jr.
Robert B. Straley
John P. Strength, Jr.
Harry B Stuckey
John W. Sullivan
John F. Sutkus
Lee B Swindall
Arthur S. Tarkington
Edgar J. Thompson
Forrest I Townsend
Johnnie V. Townsend
William R. VanNess
Howard C Veach
George H Walker
Ray B Wall
Edward L. Walls, Jr.
Robert P. Warren
Warren E Weinberg
Rupert C Wesley, Jr.
Thomas A White
Jack H Wilkinson
Wayne A Youngren
Frank R Young
Howard H. Zagrodzky
William S Anthony
Marshall S Austin
Robert S Baker
Benjamin Barak
Raleigh E Barton, Jr
Joseph C Bennet, Jr.
Joe R Bibby
Joseph J Brady
Walter C. Btune, Jr.
Billy F Buschman
John T Clarke
John A Colby
Thomas B Collins
Thomas P Connolly
Frank B. Coppins
Frank V Costanza
Robert E Cox
Duane J Doty
Thomas J Duggan
Harry D. Elms
Donald E Estes
Robert B Ettenborough
Robert L Gover, Jr.
Chester L Hall
Clifford B Hall
Charles D Herald
Richard S Hodgson
Amo F Judd
William R Kelley
David Kessler
Herbert J Korstange
Richard A Krajnyak
Eugene J Kritter, Jr.
Fred D Kuhlmann
Lawrence R. Kuntz
Elmer M Lewis, Jr.
James B. Lichtenberger
Charles Ligibel, Jr.
Herbert M. Lorence
John F. Lynch
Clyde R. Mann
Donald L. May
Robert L. McNeely
Kenneth L. Morey
Vincent P. Mros
Max Nebergall
William L. Nelson
Joseph T. Odenthal
William H. Payne
Jack B. Phillips
Ray D. Pineo
Brockman L. Plauche
Albert C. Pommerenk
Richard A. Primrose
Francis A. Ratchford
Shirley W. Reese
Joseph H. Robbins III
Harry Ross, Jr.
Charles I. Sheehan
Perry T Smith
Hugh W. Stewart
Theodore Summers
Charles M. Sypolt
Adrian L. Testerman
John T. Thompson
Risher M. Thornton III
Jo M. VanMeter
Harold T. White
Arthur T. Whitehead
Charles E. Wyrner, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 3, 1946:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

John W. Snyder to be United States Governor of the International Monetary Fund and United States Governor of the International Bank for Reconstruction and Development for a term of 5 years

John S Fooker to be United States Alternate Executive Director of the International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed.

George F. Luthringer to be United States alternate to the Executive Director of the International Monetary Fund for a term of 2 years and until his successor has been appointed

FOREIGN SERVICE

PROMOTIONS IN THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, EFFECTIVE AS OF MAY 19, 1946

To be Foreign Service officer of class 2

Maurice W. Altaffer
George R Canty
Fayette J Flexer
Julian C. Greenup
George J Haering
Joel C Hudson
Lester DeWitt Mallory
Earl L Packer
J. Bartlett Richards
Paul P Steintorf
George H Winters

To be Foreign Service officer of class 3

Ware Adams
Sidney A Belovsky
Burton Y Berry
Russell M Brooks
Allan Dawson
Charles H. Derry
Bertel E Kunlholm
John H Morgan
Sidney E O'Donoghue
Harry L. Troutman
Carlos J. Warner

To be Foreign Service officer of class 4

Glenn A. Abbey
Roy E B. Bower
Robert Y. Brown
Montgomery H. Colladay
John Davies, Jr.
Henry B. Day
Edmund J Dorsa
Ernest E Evans
Dorsey Gassaway Fisher
Willard Galbraith
James W Gantenbein
John N Hamlin
Randolph Harrison
Thomas A Hickok
Frederick W. Hinke
Morris N. Hughes
J Winsor Ives
Henry P. Leverich
Raymond P. Ludden
Cecil B. Lyon
Robert Mills McClintock
Walter P McConaughy
Thomas J. Maleady
Patrick Mallon
Edward S. Maney
Gerald A. Mokma
John B. Ocheltree
Troy L Perkins
Joseph P. Ragland
Charles S. Reed 2d
Arthur R. Ringwalt
James C. Sappington 3d
Willard Quincy Stanton
Tyler Thompson
Clifton R Wharton
Charles W. Yost

To be Foreign Service officer of class 5

R Austin Acly
Stephen E. Aguirre
William K. Ailshie
Daniel V. Anderson
Carl H. Boehringer
Ellis A. Bonnet
Reginald Bragonier, Jr.
Richard W. Byrd
Carl E. Christopherson
Harlan B. Clark
Gilon Curtis, Jr.
Sherburne Dillingham
Howard Elting, Jr.
James Espy
Edmund A. Gullion
James E. Henderson
Paul C. Hutton
Beppo R. Johansen
U. Alexis Johnson
Perry Laukhuff
F. Ridgway Linseweaver
Elbert G. Mathews
Gordon H. Mattison
Ernest de W. Mayer
Miss Kathleen Molesworth
Robert Newbegin
Carmel Offie
John Ordway
Marselis C. Parsons, Jr.
Edward E Rice
W. Garland Richardson
Winfield H Scott
William P. Snow
Carl W. Strom
Robert M. Taylor
Charles W. Thayer
Ray L. Thurston
Jay Walker
T. Eliot Weil
Rolland Welch
H Bartlett Wells
Evan M. Wilson

To be Foreign Service officer of class 6

Waldo E Bailey
William Belton
Niles W. Bond
William O. Boswell
Robert P. Chalker
H Francis Cunningham, Jr.
Philip M Davenport
Arthur B Emmons 3d
Nicholas Feld
William N. Fraleigh
Fulton Freeman
Forrest K Geerken
John Goodyear
Robert Grinnell
Theodore J. Hadraba
Parker T. Hart
Richard H. Hawkins, Jr.
Outerbridge Horsey
Randolph A. Kidder
Joseph Palmer 2d
Robert W Rinden
M Robert Rutherford
Robert C. Strong
Alfred T. Wellborn

To be Foreign Service officers of class 7

Charles W. Adair, Jr.
H. Gardner Ainsworth
Donald B Calder
Leonard J Cromie
C. Vaughan Ferguson, Jr
Robert S Folsom
Paul E. Geier
Lewis E Gleeck, Jr.
Richard E. Gnade
Richard A Johnson
M Gordon Knox
Alfred H Lovell, Jr.
David H. McKillop
John M. McSweeney
Henry T Smith
William L Smyser
John L. Topping
John W Tuthill
William W. Walker
Fraser Wilkins

To be Foreign Service officers of class 8

Philip H. Bagby
Walter W. Birge, Jr.
Byron E Blankinship
George F Bogardus
Robert M Brandin
Gray Bream
Findley Burns, Jr.
Kenneth A Byrns
Ralph N Clough
William A Crawford
Juan de Zengotita
Thomas P. Dillon
James M Gilchrist, Jr.
George McM. Godley 2d
Alden M. Haupt
James C. Lobenstine
Wilfred V. MacDonald
Edwin W. Martin
W. Paul O'Neill, Jr.
Albert E. Pappano
Richard A Poole
Lubert O Sanderhoff
William Langdon Sands
Harold Shullaw
Ernest V Siracusa
Joseph S. Sparks
James P. Speer 2d
Walter J. Stoessel, Jr.
F. Lester Sutton
Temple Wanamaker, Jr.
Byron White

To be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America

John W. Bowling
Rolland H. Bushner
John X. Carrier
Thomas J Dunnigan
Cornelius J. Dwyer
Craig F. Edwards
Arthur D. Foley
William H. Friedman
Francis P. Gaines, Jr.
Arthur L. Gamson
Edwin M. Harbordt
John C. Harley
Ben D. Kimpel
Miss Mary S. Olmsted
Edward F. Prince
John G. Riddick
John L. Stegmaier
Albert W. Stoffel
Kingdon W. Swayne
Miss Mary Vance Trent
Harris H. Williams
Harry R. Zerbel

To be consul of the United States of America

E Tomlin Bailey

To be a Foreign Service officer of class 6, a secretary in the diplomatic service, and a consul of the United States of America

Eldred D. Kuppinger

UNITED STATES MARITIME COMMISSION

Grenville Mellen to be a member of the United States Maritime Commission for the unexpired term of 6 years from September 26, 1944.

SECURITIES AND EXCHANGE COMMISSION

Edmond M. Hanrahan to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1947.

SELECTIVE SERVICE

Daniel O. Omer to be General Counsel and Chief, Legal Division, national headquarters, Selective Service System, with compensation at the rate of $8,179.50 per annum.

Ebenezer L. Compere to be State director of selective service for Arkansas, with compensation at the rate of $6,324 per annum.

J. Watt Page to be State director of selective service for Texas, with compensation at the rate of $8,179.50 per annum.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Joseph F. Eichhorn and 9,839 others for appointment in the Regular Army of the United States, which were received by the Senate on June 27, 1946, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, beginning with the name of Joseph F. Eichhorn on page 7962 and ending with the name of Ralph E. Craycraft on page 7986.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 3, 1946

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal Father, strong to save, breathe upon us that we may love what Thou dost love and do what Thou dost do. O make pure our hearts within us, free from all resentment, jealousy, and evil thinking, realising that only at Thy feet can we find peace and rest.

Thou of the unrecorded years, who hast promised to come and set Thy people free, grant that our leaders may be men and women of good will; that the knowledge of our Lord may direct them in the avenues of courageous service, faithfully and obediently honoring our historic Republic. We approach Thee with praises on our lips for the past and with hope in our hearts for the future, praying that we may achieve higher and grander attainments. O let the blessings of peace and rest be upon our President, our Speaker, all Members, and others associated with the Congress, and allow not the silver cord be loosed or the golden bowl of our fellowship be broken. Let us hear the conclusion: Fear God and keep His commandments; for this is the whole duty of man. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT UNTIL FRIDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR REMAINDER OF THIS WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I inquire of the majority leader as to the program for the remainder of this week?

Mr. McCORMACK. If the railroad retirement bill, that is to be considered today, is not disposed of today, it will be considered further on Friday. If it is disposed of today, then nothing of a controversial nature will come up on Friday or Saturday, and we will adjourn over Saturday. There are conference reports to be disposed of, and if they are not disposed of today we will dispose of them Friday, if we can. If we clean up the legislative program of the week today, then Members will be in a position where they can go home until next Monday, at least. We intend to start the consideration of the British loan bill on Monday.

Mr. MARTIN of Massachusetts. If the Crosser bill is not finished today, it will be concluded on Friday?

Mr. McCORMACK. Yes. It is only fair that it should be.

Mr. RIZLEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Has the gentleman any comment to make on the Hobbs bill?

Mr. McCORMACK. I have no knowledge about that and prefer not to discuss it, because any discussion of it would have to be based on an assumption. I am unable to make any statement about it. I assume the gentleman is referring to a possible veto, and I have no knowledge about that, of course. If that does happen, the leadership is in a position to handle that situation.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from South Carolina.

Mr. RIVERS. If we do not finish the Crosser bill today, there is a possibility of a roll call on Friday.

Mr. McCORMACK. The consideration of that bill will continue until it is disposed of, and if it is not disposed of on Friday, we will meet Saturday to consider it further.

Mr. RIVERS. But if we do complete it today, there will be no roll call or anything, certainly before Monday?

Mr. McCORMACK. No.

Mr. MARTIN of Massachusetts. Let me understand. If we finish that bill on Friday we will get rid of it on Friday, roll call or not?

Mr. McCORMACK. Exactly. If it is not finished on Friday, we will have to continue with it on Saturday, but if we dispose of it today there is no further business that will require Members to stay Friday or Saturday.

Mr. RIVERS. Even though a veto comes down?

Mr. McCORMACK. We can handle that situation. I prefer not to discuss it, but if a situation like that occurs it is capable of being handled consistent with what I have said.

CIVIL SERVICE RIGHTS OF VETERANS OF WORLD WAR II

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6903) to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand that this bill is for the purpose of seeing that veterans do not lose their rights because of their service in the armed forces of the United States.

Mr. RANDOLPH. That is correct. The gentleman from Massachusetts in essence has explained the provisions of the bill. I think the author of the measure, our colleague [Mr. McCORMACK], might desire at this point to make some explanation of the bill.

Mr. MARTIN of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The purpose is basically to assure veterans of World War II who are appointed to civil-service positions subsequent to their discharge that their seniority rights will be preserved, despite the fact that their names were reached on the list while they were in the service and were unable to accept appointment by reason of that fact. We make seniority as far as we can retroactive to that time. In other words, to illustrate, suppose the gentleman from Massachusetts [Mr. MARTIN] entered the military service on January 1, 1942, and his name was on the civil-service list and was reached on July 1, 1942. Of course, he could not accept appointment because he was in the service. Suppose he was discharged on January 1, 1945, and having been restored to the list he was reached and appointed. The purpose of this bill is to restore to you your seniority and pay rights to the date that you would have been appointed when your name was first reached on the list on July 1, 1942.

Mr. MARTIN of Massachusetts. The bill is a most meritorious one. Mr. Speaker, I withdraw my reservation of objection.

Mr. McCORMACK. Mr. Speaker, the purpose of H. R. 6903 is to provide benefits for certain employees of the United States who are veterans of World War II and who lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States.

Specifically, these benefits relate to their salary rates and their seniority rights when they recapture the appointment opportunity they lost and enter Federal civilian employment.

The President has issued Executive orders—No. 9538, April 13, 1945, now superseded by No. 9733, June 4, 1946—under which a World War II veteran who was on a civil service eligible list between

certain dates, and who lost a chance for appointment because he was then in the military service, can be certified by the Civil Service Commission for a probational appointment.

Many of these veterans have been and will be in this way appointed to positions covered by pay schedules calling for periodic increases based on length of service and satisfactory work. But under existing law, since they did not leave regular civilian positions to enter the armed forces, there is no way of crediting their military service toward these periodic pay increases. H. R. 6903 makes this possible.

The equity of this can be illustrated as follows: The position which the veteran would have secured had he not been in the military service was filled by another eligible lower down on the list. The lower eligible has been receiving periodic pay increases by virtue of his civilian service. The veteran, upon his return, upon taking advantage of the opportunity to recapture the appointment he previously lost, should have his salary computed as if he had been appointed at the same time the lower eligible was. H R. 6903 accomplishes this result and puts both on the same basis so far as periodic pay increases are concerned.

H. R. 6903 covers another situation, peculiar to the postal service. The opportunity for appointment, lost by a veteran subject to this bill, may be to a substitute position. When this opportunity is restored he is also appointed to a substitute position. Vacancies in regular positions are filled by the senior substitute, that is, the one earliest appointed. Consequently, unless some corrective legislation is enacted, the veteran goes to the bottom of the substitute list and is considered last for regular appointment. H. R. 6903 corrects this situation by allowing him to count his military service toward seniority on the substitute list. In other words, the returned veteran takes the same place on the substitute list that he would have secured had he been able to accept appointment originally. He does not lose seniority by virtue of his military service, in view of the fact that he lost an earlier chance for a substitute appointment because of service in the armed forces.

In order to safeguard the rights of regular employees—veterans and nonveterans alike—the bill provides that no regular employee shall be reduced to a substitute status by reason of its enactment.

The seniority provisions of the bill apply only to the postal service. The pay increment provisions apply to groups of Federal employees who are covered by laws which provide for salary ranges administered under periodic-increase programs. These groups include clerks, carriers, and other groups in the postal service, immigration inspectors, customs clerks, employees subject to the Classification Act of 1923, as amended, policemen and firemen in the municipal government of the District of Columbia, White House police, and United States Park Police.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) any person—

(1) whose name appeared on any list of eligibles either (A) at any time between May 1, 1940, and March 16, 1942, with respect to a position the rate of compensation of which is determined by the Classification Act of 1923, as amended, an act entitled "An Act to adjust the compensation of certain employees in the Customs Service," approved May 29, 1928, as amended, or the second paragraph of section 24 of the Immigration Act of 1917, as amended, or (B) at any time between May 1, 1940, and October 28, 1943, with respect to a position in the field service of the Post Office Department, or (C) at any time between May 1, 1940, and the effective date of this act, with respect to positions of officers and members of the Metropolitan Police or of the Fire Department of the District of Columbia, and officers and members of the United States Park Police and the White House Police; and

(2) who, pursuant to Executive Order No 9538, dated April 13, 1945, or regulations of the Civil Service Commission covering similar situations in which an eligible lost opportunity for probational appointment because of military service during World War II, was certified for probational appointment to such position, and, subsequently, was given such appointment—

shall, for the purpose of (A) determining his rate of compensation and (B) his seniority rights in the postal field service, be held to have been appointed to such position as of the earliest date on which an eligible standing lower on the same list of eligibles received a probational appointment therefrom: *Provided, however*, That no regular employee in the postal field service shall be reduced to substitute status by reason of the enactment of this act.

(b) No person shall be entitled to the benefits of this section who has reenlisted after June 1, 1945, in the Regular Military Establishment or after February 1, 1945, in the Regular Naval Establishment.

SEC. 2 No person shall, by reason of the enactment of this act, be entitled to any compensation for any period prior to the effective date of this act.

SEC 3. This act shall take effect on the first day of the calendar month following the calendar month in which it is enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCLUDING HEADS OF EXECUTIVE DEPARTMENTS UNDER CIVIL SERVICE RETIREMENT ACT

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5831) to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. REES of Kansas. Mr. Speaker, reserving the right to object, will the gentleman from West Virginia explain the provisions of this bill?

Mr. RANDOLPH. I will extend my remarks upon the explanation of this measure. This bill comes to the floor of the House with the unanimous support of the Committee on the Civil Service. It includes certain heads of the executive departments and independent agencies within the Civil Service Retirement Act not now included.

During the consideration by Congress of the amendment to the civil-service retirement system, which became the act of January 24, 1942, the Commission, upon request of the Civil Service Committee, submitted a report in which it recommended approval of the bill. When the bill was approved it contained provisions extending retirement coverage to heads of departments, independent establishments, and agencies (including corporations) in the executive branch of the Federal Government. The act of March 7, 1942, withdrew this particular coverage.

There are at present about 2,000,000 positions in the executive branch of the Federal Government covered by the civil-service retirement system. There are approximately 90 positions in the executive service excluded by the language in the retirement law which H. R. 5831 proposes to eliminate. However, some of the persons holding these positions are now under the retirement system because they were promoted to their present positions, without break in service, from positions which are under the retirement system.

This is remedial legislation.

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, will the gentleman give us an example of who would be blanketed in under this provision?

Mr. RANDOLPH I believe the largest number that the committee found who were not included were 16 within The Tax Court of the United States, which individuals are not protected by either the judiciary or civil-service retirement system. It seems they should not be discriminated against.

There are 11 members of the Interstate Commerce Commission who are at present excluded, 7 in the Communications Commission, 6 in the Tariff Commission. In other agencies there are 4 with 5 members each, 4 with 3 members each, and about 17 with 1 in each. The number will not exceed 90 in all.

As a result of the language in the present law, there are many men in all agencies who have retirement rights who were appointed in the same way, who are doing the same sort of work and carrying the same responsibilities as those who are denied any sort of old-age security.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 (a) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by striking out the words "and heads of executive departments."

SEC. 2. This act shall be effective, with respect to any head of a department, at the beginning of his first pay period commencing in the second month following the month in which this act is enacted. As used in this section the term "department" means any department, independent establishment, or

agency (including corporations) in the executive branch of the Government.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE CIVIL SERVICE RETIREMENT ACT, MAY 29, 1930, AS AMENDED

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6673) to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. REES of Kansas. Mr. Speaker, reserving the right to object, will the gentleman from West Virginia explain this legislation?

Mr. RANDOLPH. Mr. Speaker, this measure was also passed unanimously from the committee, both the majority and minority members agreeing. The purpose of this bill is to assure equitable treatment to persons entitled to an annuity under the Retirement Act as a result of services rendered and any concurrent benefit under the act of September 7, 1916, entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," on account of the death of any other person.

I might cite, as an example, the case of a widow of a former employee who lost his life in an explosion in the Department of Agriculture powerhouse. On his death she was awarded compensation at the rate of $35 a month. The widow was appointed to a minor position in the Government service and has been contributing to the retirement fund. She reached the age of 70 years, and she had completed more than 15 years of service, and was then separated. She would be entitled to retirement of $50 a month on the basis of her own service and contributions made to the fund. However, in order to receive this she must surrender the $35-a-month compensation that she was receiving on account of the death of her husband.

The committee studied this and felt the inequity should be corrected.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. RICH. You are not figuring that this applies to any particular person except this individual case?

Mr. RANDOLPH. There are similar cases, but all in that category.

Mr. RICH. You are not making a precedent and permitting employees to receive more than one pension from the Government?

Mr. RANDOLPH. No. Section 6 of the Civil Service Retirement Act of May 29, 1930, as amended, reads in part as follows:

No person shall be entitled to receive an annuity under the provisions of this act, and compensation under the provisions of the act of September 7, 1916 * * * covering the same period of time; but this provision shall not be so construed as to bar the right of any claimant to the greater benefit conferred by either act to any part of the same period of time.

In construing this section, the Comptroller General in his decision of April 3, 1934 (13 Comp. Gen. 758), held that payment of death compensation to a widow on account of her husband under the terms of the Employees' Compensation Act and disability retirement annuity on her own account under the terms of the Civil Service Retirement Act for the same period of time is prohibited. This decision was confirmed by the Comptroller General in his decision of August 6, 1945, B-51111.

Annuity under the Civil Service Retirement Act and compensation to a relative on account of death of an employee are predicated on separate and distinct services.

Basically, the purpose of the Employees' Compensation Act is to provide compensation for injuries incurred in the course of employment. In case of death of the employee, compensation is payable to the widow by reason of the loss of services of the husband. Annuities under the Civil Service Retirement Act are based upon the individual's own service and contributions.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth paragraph of section 6 of the Civil Service Retirement Act of May 29, 1930, as amended, be, and it is hereby, amended as follows:

"No person shall be entitled to receive an annuity under the provisions of this act, and compensation for injury or disability to himself under the provisions of the Act of September 7, 1916, entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', covering the same period of time, but this provision shall not be so construed as to bar the right of any claimant to the greater benefit conferred by either act for any part of the same period of time, nor shall this provision nor any provision in such act of September 7, 1916, be construed so as to deny to any person an annuity accruing to such person under this act on account of service rendered by him, or to deny any concurrent benefit to such person under such act of September 7, 1916, on account of the death of any other person."

This amendment shall become effective as of July 1, 1941.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF ACCUMULATED AND ACCRUED LEAVE TO FEMALE DIETITIANS AND PHYSICAL-THERAPY AIDES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1489) to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. REES of Kansas. Mr. Speaker, reserving the right to object, will the gentleman please explain this measure.

Mr. RANDOLPH. This measure was strongly endorsed and urged by the War Department.

The proposed bill would authorize payment for earned annual leave which accrued to female dietitians and physical-therapy aides employed as civilians by the War Department prior to March 31, 1943. Payments would be authorized in the same manner and on the same basis as are authorized by existing law to be made to other employees separated from civilian service under the Federal Government.

The act of December 22, 1942 (56 Stat. 1072), provides that such female dietetic and physical-therapy personnel as the Secretary of War may consider necessary shall be included in the Medical Department of the Army. Employment by the Military Establishment of such personnel was limited by the act to persons appointed under the provisions thereof, and appointments of such personnel under the provisions of any other law were terminated by the act not later than March 31, 1943. Those female dietitians and physical-therapy aides who accepted appointments in the Medical Department were included therein on April 1, 1943, and those of such personnel who did not accept appointments in the Medical Department had their employments terminated on March 31, 1943, in accordance with the act.

The requirements of the Army for the continuous service of female dietitians and physical-therapy aides prevented the granting to them of accrued leave between December 22, 1942, the date of the approval of the act mentioned above, and March 31, 1943, the date on which the act required the termination of their civilian employment. The War Department believes that the personnel concerned were protected with respect to accrued leave by the act of August 1, 1941 (55 Stat. 616), as amended, by the act of April 7, 1942 (56 Stat. 200), which provides that Federal employees who enter on active duty in the armed forces may elect to be paid for accumulated annual leave or to allow such leave to remain to their credit until they return to civilian employment. However, in a decision of March 30, 1943 (B-33305), the Comptroller General of the United States held that there was no authority of law for retaining the personnel concerned on the War Department rolls after March 31, 1943, for the purpose of compensating them for annual leave since the positions were terminated on that date by the terms of the act of December 22, 1942. The Comptroller General's decision has resulted in a denial of accrued leave or payment for accrued leave to those female dietitians and physical-therapy aides who did not accept appointments in the military service as well as those who did accept such appointments. Such denial is clearly discriminatory against such personnel, since other Federal employees who enter on active duty in the armed forces are protected in their accrued leave under the act of August 1, 1941, as amended.

The War Department believes that such discrimination against the loyal group of personnel concerned is unjust, and strongly urges the enactment of the proposed bill to rectify the situation and to permit payment of accrued annual leave. It does not call for any special treatment for these individuals.

Mr. REES of Kansas. And it has the unanimous approval of the committee?

Mr. RANDOLPH. That is correct.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, any person whose appointment as a civilian employee was terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073), shall be entitled to receive compensation, based upon her rate of pay as such civilian employee at the time of such termination of service, for the period of any accumulated and accrued annual leave to which she was entitled at the time of such termination of appointment to be computed over the period immediately following separation from civilian service, except that this act shall not be deemed to authorize payment of any person for any such accumulated and accrued annual leave which was credited to her upon her subsequent employment by any department or agency of the Government.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TWO FOUR-LANE BRIDGES ACROSS THE POTOMAC RIVER, DISTRICT OF COLUMBIA

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 541) authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOLMES of Massachusetts. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the subcommittee to make an explanation of this legislation to the House.

Mr. CHAPMAN. Mr. Speaker, this bill was introduced by the then chairman of the Committee on the District of Columbia, the gentleman from West Virginia [Mr. RANDOLPH], upon request of the Board of Commissioners of the District of Columbia.

A subcommittee held extensive and exhaustive hearings on this subject. There appeared Mr. Thomas H. MacDonald, Chief of the Public Roads Administration, representatives of the Fine Arts Commission, various automobile clubs and citizens organizations, Commissioners of the District of Columbia, the National Capital Park and Planning Commission, the Secretary of the Interior, and other capable and well-informed witnesses. As a result, the committee reported this bill to provide for the construction of two four-lane free bridges to replace the inadequate and obsolescent Fourteenth Street Bridge. There was brought to the attention of the committee a very definite and urgent need for replacement at the earliest possible date.

Mr. HOLMES of Massachusetts. This is a unanimous report from the Subcommittee on Bridges and also the full committee?

Mr. CHAPMAN. This is a unanimous report from both the subcommittee and the full committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HOLMES of Massachusetts. I yield.

Mr. RICH. Why is it necessary to construct two bridges? Why not erect one bridge now, and leave the Fourteenth Street Bridge as it is until eventually you have the funds in hand to construct the second bridge?

Mr. CHAPMAN. As far as the funds are concerned, I may say to the gentleman from Pennsylvania that the funds are already available. One bridge will be constructed before the Fourteenth Street Bridge is torn down; then the other bridge will be constructed.

Mr. RICH. It seems to me there should be more thought of the cost. Only yesterday the Congress granted an additional $2,000,000 toward the support of the District. It costs the taxpayers back in the district of Pennsylvania to run the District of Columbia. If you have the money appropriated for one bridge and build that bridge, certainly the present Fourteenth Street structure ought to be good for some years to come and there is no reason why with the country in the condition it is, everybody hollering for something back home, costing the taxpayers lots of money and more taxes, that we should permit you to tear down the Fourteenth Street Bridge and construct another one in its place when it is good for service for years to come.

Mr. CHAPMAN. Mr. Speaker, I wish the gentleman from Pennsylvania had taken time to read the hearings that were held and which were printed several months ago on this subject. If he had I am sure he would not make such statements.

Mr. RICH. I do not know what the hearings disclose. I have seen so many unwise things done here in the District of Columbia. Take for instance the underpass at Sixteenth Street, constructed perpendicular to the one at Fourteenth Street. As long as you live here, you will rue doing such a ridiculous thing. It blocks an underway from Ninth Street to Twenty-fifth Street or further up Massachusetts Avenue as it should be, but you blocked such a sound plan as that.

Mr. CHAPMAN. Evidently the gentleman has not read the hearings and does not know what information was before the committee.

Mr. RICH. It seems to me that instead of tearing down the Fourteenth Street Bridge it should be permitted to remain intact and in use until the country gets on its feet.

Mr. HOLMES of Massachusetts. Mr. Speaker, I wish to reply to the gentleman from Pennsylvania. The statements he has just made indicate the intent of this legislation. We are going to build a new bridge and leave the Fourteenth Street Bridge in use until such time as we can take it down.

Mr. RICH. You will no more than get the one bridge up until someone in the District who thinks he knows it all will tear the other one down, and you will not be consulted about it.

Mr. CHAPMAN. I do not agree with the gentleman. The old bridge is not only a traffic bottleneck, but competent engineers have told the committee that it is rapidly becoming unsafe and needs to be replaced before it becomes necessary to condemn it in the interest of public safety.

Mr. RICH. See if that does not happen.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized and directed to construct two four-lane bridges across the Potomac River to replace existing Fourteenth Street or Highway Bridge, together with bridge approaches and roads connecting such bridges and approaches with streets and park roads in the District of Columbia and with roads and park roads on the Virginia side of the Potomac River, the south-bound bridge to be constructed as nearly as practicable in the location of the existing Fourteenth Street or Highway Bridge, and the north-bound bridge to be constructed within 600 feet of the downstream side of the existing Fourteenth Street or Highway Bridge, at a cost not to exceed $7,000,000.

SEC. 2. The Federal agencies having control and jurisdiction over the lands at and adjacent to the ends of the two bridges shall transfer to the Commissioners of the District of Columbia, upon their request, the areas to be occupied by said bridges, approaches, and connecting roads, all as more particularly described on plans of said bridges, approaches, and connecting roads approved by the Commissioners of the District of Columbia and the Public Roads Administration.

SEC. 3. The Commissioners of the District of Columbia are authorized to acquire by purchase or by condemnation any and all lands not under Federal jurisdiction or control in the State of Virginia needed for said bridges, approaches, and connecting roads, title to such land to be taken directly to and in the name of the United States; and in case a price satisfactory to the Commissioners of the District of Columbia cannot be agreed upon for the purchase of such land or in case the title cannot be made satisfactory to the Attorney General of the United States, then the latter is directed to procure such land by condemnation, and the expenses of procuring evidence of title, or condemnation, or both, shall be paid from funds made available for the purposes of this act. Jurisdiction and control over any land acquired under the authority of this act shall be transferred to the District of Columbia.

SEC. 4. The Commissioners of the District of Columbia are authorized to make such use of federally owned and controlled lands at and adjacent to the north and south ends of the respective bridges as may be necessary for making borings, performing other preliminary work, routing and rerouting traffic, constructing said bridges, approaches, and connecting roads, and storing of materials incident to such preliminary work and to actual construction.

SEC. 5. The Commissioners of the District of Columbia are authorized and directed to route and reroute and to cause the routing

and rerouting of traffic on, and to close or cause to be closed, park roads, streets, and highways under the jurisdiction of the United States, and to negotiate for the closing of roads by contact with Virginia authorities, when necessary in connection with the preparation of plans for, and during the actual construction of, said bridges, approaches, and connecting roads. The Commissioners of the District of Columbia are further authorized to prepare plans for such changes in park roads as they deem necessary to provide maximum efficiency in handling traffic to and from said bridges, and, when such plans are approved by the Public Roads Administration, to construct roads in conformity with such approved plans.

SEC. 6. The National Capital Park Service is authorized and directed to remove or transplant to other locations any and all planting materials within the area to be used for the bridges, approaches, and connecting roads or for construction purposes, when requested by the Commissioners of the District of Columbia. The Commissioners of the District of Columbia are authorized and directed to regrade the areas involved in the construction of the bridges, approaches, and connecting roads so as to conform with plans approved by them and the Public Roads Administration. Upon completion of said bridges, approaches, and connecting roads and the regrading of the areas, or prior thereto, when authorized by the Commissioners of the District of Columbia and when such operation or operations will not interfere with the construction of said bridges, approaches, and connecting roads, the National Capital Park Service is directed to landscape such areas in accordance with plans of the National Capital Park Service as may be approved by the Commissioners of the District of Columbia and the Public Roads Administration, the cost of said landscaping to be paid out of funds made available for the purposes of this act.

SEC. 7. That the cost of construction, reconstruction, and repair of all roads which are changed or made necessary as an incident to the construction of said bridges, approaches, and connecting roads, when approved by the Commissioners of the District of Columbia and the Public Roads Administration, shall be paid out of funds made available for construction of said bridges, approaches, and connecting roads.

With the following committee amendments:

Page 1, line 4, after the word "construct,", insert "maintain, and operate."

Page 2, line 7, after "$7,000,000", insert the following: "in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations in this act."

Page 5, after line 14, add a new section as follows:

"SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WORKWEEK FOR EMPLOYEES IN BANKS AND SAVINGS INSTITUTIONS IN THE DISTRICT OF COLUMBIA

The SPEAKER. The Chair recognizes the gentleman from South Carolina.

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2307) to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the legislation?

Mr. McMILLAN of South Carolina. This merely makes the workweek of the employees of certain banks and savings institutions in the District of Columbia similar to that of Government employees.

Mr. MARTIN of Massachusetts. It is a unanimous report and both employers and employees are anxious to have it?

Mr. McMILLAN of South Carolina. That is correct.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. DIRKSEN. There is a statute applying to the District of Columbia under which banks and thrift institutions must remain open 6 days a week. It requires this legislation in order for them to go on a 5-day week. The bankers, the employees, and everybody is in accord on it. The bill comes to the House with a unanimous report from the committee.

Mr. SMITH of Ohio. It is not mandatory?

Mr. McMILLAN of South Carolina. No; it is permissive, but it cannot be done unless the statute is amended.

Mr. RANDOLPH. It requires an amendment of the statute.

Mr. SMITH of Ohio. But it is not mandatory.

Mr. McMILLAN of South Carolina. No.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the fourth sentence of section 1329 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, 1940 ed., sec. 28-616), is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That every Saturday shall be a holiday in the District and not a business day for (1) every bank or banking institution having an office or banking house located within the District, (2) every Federal savings and loan association whose main office is in the District, and (3) every building association, building and loan association, or savings and loan association, incorporated or unincorporated, organized and operating under the laws of and having an office located within the District; and any act which would otherwise be required, authorized, or permitted to be performed on Saturday in the District at the office or banking house of, or by, any such bank or banking institution, Federal savings and loan association, building association, building and loan association, or savings and loan association, if Saturday were not a holiday, shall or may be so performed on the next succeeding business day, and no liability or loss of rights of any kind shall result from such delay."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2234) to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes and its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what changes are made by this bill?

Mr. McMILLAN of South Carolina. This bill does not make any material changes in the Unemployment Compensation Act. It merely clarifies the situation.

Mr. MARTIN of Massachusetts. It has the unanimous report of the committee?

Mr. McMILLAN of South Carolina. Yes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended, is further amended to read as follows:

Section 3 (c) (5) is amended to read as follows:

"(5) The Board shall for any uncompleted portion of the calendar year beginning with the effective date of this act and for each calendar year thereafter classify employers in accordance with their actual experience in the payment of contributions and with respect to benefits charged against their accounts. Each employer's contribution rate for each subsequent year or part thereof shall be calculated on the basis of his records filed with the Board and benefit payments disbursed through the applicable computation date."

Section 3 (c) (7) is amended to read as follows:

"(7) (a) If the business of any employer is transferred in whole or in part, the transferee shall be deemed a successor for the purpose of this section. In case the transfer of any of the assets of a covered employer's business by any means whatever, otherwise than in the ordinary course of trade, such transfer shall be deemed a transfer of business and shall constitute the transferee a successor hereunder, unless the Board, on its own motion or on application of an interested party, finds that all of the following conditions exist:

"(1) The transferee has not assumed any of the transferor's obligations; and

"(2) The transferee has not continued or resumed transferor's good will; and

"(3) The transferee has not continued or resumed the business of the transferor, either in the same establishment or elsewhere; and

"(4) The transferee has not employed substantially the same employees as those the transferor had employed in connection with the assets transferred.

"(b) The successor, if not already subject to this section, shall become an 'employer' subject hereto on the date of such transfer, and shall accordingly become liable for contributions hereunder from and after said date.

"(c) The successor shall take over and continue the employer's account, including its reserve and all other aspects of its experience under this section, in proportion to the pay roll or employees assignable to the transferred business as determined for the purposes of this section by the Board. The successor shall be secondarily liable for any amounts owed by the employer to the fund at the time of such transfer, but such liability shall be proportioned to the extent of the transfer of business and shall not exceed the value of the assets transferred.

"(d) The benefit chargeability of a successor's account under section 3 (c) if not accrued before the transfer date shall begin to accrue on the transfer date, in case the transferor's benefit chargeability was then accruing, or shall begin to accrue on the date otherwise applicable to the successor, or on the date otherwise applicable to the transferor, whichever is earlier, in case the transferor's benefit chargeability was not accruing on the transfer date Similarly, benefits from a successor's account, if not chargeable before the transfer date shall become chargeable on the transfer date, in case the transfer was then chargeable for the benefit payments; or shall become chargeable on the date otherwise applicable to the successor or on the date otherwise applicable to the transferor, whichever is earlier, in case the transferor was chargeable for the benefit payments on the transfer date

"(e) The account taken over by the successor employer shall remain chargeable with respect to accrued benefit and related rights based on employment in the transferred business, and all such employment shall be deemed employment performed for such employer

"(f) The contribution rates applicable with respect to the accounts of the successor employer and a transferring employer shall be respectively determined or redetermined as of the next preceding June 30 computation date, to apply from the date of transfer of business until the close of the current calendar year, and shall thereafter be determined whenever required by section 3 (c), as follows: For the purposes of section 3 (c), the Board shall determine the 'experience under this section' of the successor employer's account and of the transferring employer's account by allocating to the successor employer's account for each period in question the respective proportions of the transferring employer's pay roll and the benefits which the Board determines to be properly assignable to the business transferred.

"(g) Special combinations of experience: Any successor employer who has failed to obtain credit for its predecessor's experience solely because of the provisions of section 3 (c) (7) of the act prior to its amendment by this act may file a written application for such allowance after the effective date of this act In the event the Board finds that such employer is entitled to such combination of experience under the provisions of section 3 (c) (7) as amended by this act, the combination shall be allowed effective for the calendar year next succeeding the date of such application."

Section 3 (c) (8) is amended by adding at the end thereof the following subsection:

"(iii) Except as otherwise provided in this section, whenever through inadvertence or mistake erroneous charges or credits are found to have been made to experience-rating accounts, the same shall be readjusted as of the date of discovery and such readjustment shall not affect any computation or rate assigned prior to the date of discovery but shall be used on the next computation date in calculating future contribution rates."

Section 3 (c) (10) is amended by inserting, after the words "employer thereof", found at the end of the third sentence of said section, the following additional sentence, "All such hearings shall be held before a Contribution Rate Review Committee composed of three members who shall be employees of the Board and appointed by the Board. The findings and decision of this committee shall not be subject to review by the District Auditor."

This act shall take effect as of 12.01 antemeridian on the first day of the next succeeding calendar quarter following the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSIBILITY OF FOREIGN DOCUMENTS IN EVIDENCE

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the proceedings by which the bill (H. R. 5078) relating to the admissibility of foreign documents in custody of Allied authorities of occupation was passed yesterday be vacated.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the reason for this request?

Mr. WALTER. The reason is that through inadvertence there was not read the amendment that the gentleman from Indiana [Mr. SPRINGER] and the members of our committee agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5078) relating to the admissibility of foreign documents in custody of Allied authorities of occupation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That upon the trial of any civil action without a jury to which the United States or any officer or agency thereof is a party, whether now pending or hereafter brought, any book, paper, statement, record, account, writing, or other document, or any portion thereof, of whatever character and in whatever form, from the files of any foreign industrial, business, or commercial enterprise, or from the official files of a foreign government or any subdivision or agency thereof, shall, if otherwise relevant and competent, be admissible in evidence in any court of the United States, when authenticated by a certificate of a duly designated representative of the Allied military or civil authorities of occupation stating that such document or other writing came from the files of such industrial,, business, or commercial enterprise or from the official files of the foreign government, subdivision, or agency thereof, and is in the custody of such Allied military or civil authorities of occupation. All circumstances of the making of such record or writing, as well as the lack of opportunity for cross-examination, shall be considered by the trial judge in determining its weight but shall not affect its admissibility. A copy of such record or writing shall be equally admissible as the original when accompanied by a certificate of the Allied military or civil authorities of occupation having custody thereof, stating that it conforms with the original.

Any party to such an action who requires such authenticated documents or records or other writings for the purpose of such suit shall make written application therefor to the Attorney General, and shall describe each such document or other writing, its location, if known, and shall represent that it is proposed to use such document or record in such action. If the Attorney General shall be satisfied that said application is made in good faith for the purposes therein stated he shall request the Allied authorities of occupation to furnish the authenticated document or record or other writing. Upon receiving such document or record or other writing from the Allied authorities of occupation the Attorney General shall transmit it to the party requesting it.

This act shall remain in full force and effect for a period of 2 years from the date of the signing thereof.

Mr. WALTER. Mr. Speaker, I offer three amendments.

The Clerk read as follows:

Amendments offered by Mr. WALTER:

Page 1, line 3, after "action", insert "involving the title to or ownership of any property, real, personal, or mixed."

Page 2, line 2, after "relevant", strike out "and competent."

Page 2, line 3, after "United States", insert "as competent evidence of the matters therein contained."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FARMERS' HOME CORPORATION

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. FLANNAGAN, ZIMMERMAN, COOLEY, PACE, HOPE, KINZER, and AUGUST H. ANDRESEN.

EXTENSION OF REMARKS

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD in two instances and to include in each a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter from the secretary of the

Chamber of Commerce of Fort Wayne, Ind., on the congressional reorganization bill, and in the other to include a letter from the Veterans of Foreign Wars, State chapter of Massachusetts, endorsing and supporting extension of the OPA.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a magazine article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $160, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made

There was no objection.

THE WAGNER-ELLENDER-TAFT GENERAL HOUSING BILL

Mr. HEALY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HEALY. Mr. Speaker, the Wagner-Ellender-Taft general housing bill is inseparable from the veterans' emergency housing program. It is basic to it, and its provisions are essential to a sound and successful veterans' housing program.

The biggest bottleneck in the housing program is the shortage of materials. The Veterans' Emergency Housing Act provides the tools to overcome this obstacle. But there remains the problem of building houses for veterans at down-to-earth prices. There is no mystery about what veterans can afford to pay for homes. A War Department survey made at separation centers indicates that more than 50 percent think they can pay only between $30 and $50 a month, and more than 30 percent think that $30 a month or less is all they could pay.

The Wagner-Ellender-Taft general housing bill is the answer to these figures. It is the important second half of the Nation's housing program. It contains provisions to bring the cost of soundly financed home ownership lower than it can be brought under any combination of title VI of the National Housing Act and the GI bill of rights. It contains provisions which will stimulate privately financed, moderately priced rental units in large quantity. And certainly the combination of existing laws is not achieving this necessary rental part of the veterans' emergency housing program. And, finally, the bill contains provisions for housing for veterans of very low income. Does the Congress of the United States intend to discriminate against these veterans because they have fewer dollars than their fellow veterans? Unless the Wagner-Ellender-Taft bill is passed, with its provision for low-rent public housing, there is no chance for the veterans who suffer the worst housing distress to obtain any relief.

In fairness to our World War veterans, Congress should pass the Wagner-Ellender-Taft bill and give the Nation a sound, over-all, well-rounded housing program.

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in three instances and include in each a newspaper article.

Mr. COX (at the request of Mr. BROWN of Georgia) was given permission to extend his remarks in the RECORD.

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a letter, and in the other an editorial.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include two editorials appearing in a recent issue of the Baltimore Sun.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial on the OPA appearing in the Times-Herald entitled "Keep Your Shirts On."

PRICE CONTROL

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I believe it is worth while to record in this rather difficult period the commendable restraint that is being exercised by American business. Let me read two telegrams, if time permits The first one is from a group of retailers.

The following pledge indicates the willingness of Peoria retailers to help maintain present price levels Over two hundred retailers, representing 2,450 retail outlets in greater Peoria, at a mass meeting held Tuesday, July 2, pledged themselves to sell goods in stock at the present price levels and that all new merchandise coming in will be sold at the lowest possible percentage mark-up. For the sake of the Nation's economic security and in accordance with our desire to retain permanent customer good will, our retailers adopted the above pledge to keep prices in line.

TRADE EXTENSION DIVISION, PEORIA ASSOCIATION OF COMMERCE,
W. J. CRAWFORD, *Chairman*.

The automobile dealers did the same thing. They wired as follows:

Can advise you that enfranchised automobile dealers are not raising car prices, that they will wait congressional action with confidence. Next OPA bill will include Crawford amendment. Some Illinois localities are advertising no increase of prices. Please so inform others in Congress and also that National Automobile Dealers Association promptly urged continued compliance with OPA ceilings and regulations pending further legislation. No reply needed. Thanks for your support.

ILLINOIS AUTOMOTIVE TRADE ASSOCIATION,
C. W. COGGS, *Manager*.

I think those are commendable statements.

PERMISSION TO ADDRESS THE HOUSE

Mr. KILDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix.]

THE BRITISH LOAN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, tomorrow we are going to celebrate the Fourth of July. We have been doing it ever since 1776. I was under the impression that we were going to debate the British loan on Friday and Saturday. I am now advised that it was postponed until the 8th. There is one thing you should have done, and that is to advance the date for tomorrow morning, the 4th of July, and we should all come in here and shoot the works and decide that the thing to do is to stop this deficit spending; stop giving away $4,400,000,000 to any one country; save our taxpayers in this Nation and try to keep this country solvent and sound; do the thing that is best for the people of America and keep from taking them for any foreign country, regardless of who that foreign country might be. Taxation for any foreign country without consent of the taxed is as unconstitutional as anything can be. I hope the Congress will think more of the United States of America than they do of any foreign country. Let us celebrate the Fourth of July tomorrow and be prepared on Monday next to realize what we were celebrating. Then vote for the United States of America.

PRICE CONTROL

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, following the statement made by the gentleman from Illinois [Mr. DIRKSEN], I want to read a telegram received from the largest merchandising house in Michigan; undoubtedly one of the finest and largest retail stores in the entire United States. Here is what they say:

The recent expiration of price control by the Government will affect in no way the basic merchandising policy of the J. L. Hudson Co. It has always been our aim to provide our customers with the best merchandise available at a fair price. We shall continue to devote all our energies toward the maintenance of this policy. The above statement of policy is sent as a matter of possible interest to you.

THE J. L. HUDSON CO.,
JAMES B. WEBBER, JR.,
Vice President.

All the patriotism of the country is not centered in OPA. I have received many other telegrams and letters showing an attitude of fairness and restraint.

These have come from real-estate boards, chambers of commerce, automobile dealers and business generally. Production of goods will prevent further inflation, scarcity, and black markets. This response from the people to the President's veto of the price-control bill, killing all control, ought to be an answer to the hysteria created in the country, or attempted to be created by intemperate radio speeches and some commentators.

PERMISSION TO ADDRESS THE HOUSE

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. MASON addressed the House. His remarks appear in the Appendix.]

WHY SHOULD NOT THE AGRICULTURE COMMITTEE CONSIDER FERTILIZER LEGISLATION?

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I call the attention of the Members, especially those on the Committee on Appropriations, to the bill H. R. 6932. There was a lot of talk here yesterday about pilot plants. Here is a very desirable piece of legislation. I hope the leadership will see that it is brought out on the floor and passed. I should like to see it passed, because I am getting kind of tired of seeing the Appropriations Committee run this country. The Appropriations Committee better get a copy and read it. I thought we had a few legislative committees left in Congress, but maybe we are getting so far down the road, we have seen so much government by men instead of by law, that we even want to pass the power on down to the Appropriations Committee. This is the same old story under the New Deal. If the members of the Committee on Appropriations do want to take over the agricultural legislation of this Nation, I think the individuals who come up here and talk about how they know all things in connection with it should take a little time and find out exactly what is happening in the agricultural world. They should take time out and they will find that plenty of agricultural research is taking place in our Federal and State experiment stations. They could also find out that plenty of the New Dealers are not too accurate in presenting the facts. The real reason that midwestern farmers do not obtain fertilizer is because the South is in the saddle and allocates the fertilizer for nonfood crops like tobacco and cotton. This has been taking place during the war even if $232,000,000 worth of tobacco was fertilized, processed, and shipped under lend-lease and even two enormous quantities of fertilizer have been allocated for cotton though millions upon millions of dollars are spent for export bounties. In fact $20 per bale export bounty is being paid this very minute.

PERMISSION TO ADDRESS THE HOUSE

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. VURSELL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. TOWE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from a constituent regarding OPA, and further to extend her remarks and include certain letters from veterans regarding cars for amputees.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include two newspaper clippings

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include a release from the retail lumber industry.

Mr. SUMNERS of Texas asked and was given permission to extend his remarks in the RECORD and include an address recently delivered by Mr. George Maurice Morris.

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial.

CALL OF THE HOUSE

Mr. MASON. Mr. Speaker, I make the point of order that a quorum is not present

The SPEAKER. Evidently a quorum is not present.

Mr. LANE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 199]

Adams	Cox	Horan
Anderson, Calif	Crawford	Izac
Andresen, August H.	Cunningham	Jennings
Andrews, N. Y.	Dawley	Johnson, Okla.
Baldwin, Md.	Daughton, Va.	Johnson, Lyndon B.
Baldwin, N. Y.	Dawson	Kearney
Barry	De Lacey	Keefe
Bates, Mass.	Douglas, Calif.	Kefauver
Bell	Drewry	Kilburn
Blackney	Earthman	Kirwan
Bloom	Eberharter	Klein
Bonner	Engel, Mich.	LaFollette
Boren	Feighan	LeCompte
Boykin	Fellows	LeFevre
Bradley, Mich.	Fuller	Lemke
Bradley, Pa.	Gardner	Lesinski
Buckley	Gavin	Luce
Bulwinkle	Geelan	Ludlow
Byrnes, Wis.	Gibson	McGehee
Camp	Gifford	McKenzie
Campbell	Gillespie	Mahon
Cannon, Mo.	Gossett	Mankin
Case, S. Dak.	Granger	Mansfield,
Celler	Grant, Ala.	Mont.
Clements	Hancock	Mansfield, Tex.
Clippinger	Hare	May
Cochran	Harness, Ind.	Miller, Calif.
Coffee	Harris	Morrison
Cole, Kans.	Hébert	Murphy
Colmer	Hoffman, Mich.	Norrell
Courtney	Holifield	Norton
Pace	Roe, N. Y.	Tarver
Patrick	Rogers, N. Y.	Taylor
Patterson	Rooney	Thomas, N. J.
Peterson, Ga.	Russell	Tolan
Pfeifer	Shafer	Torrens
Plumley	Sheridan	Vinson
Powell	Short	Welch
Rankin	Sikes	West
Rayfiel	Slaughter	Wickersham
Reece, Tenn.	Stewart	Winstead
Robertson, Va.	Stigler	Wolfenden, Pa.
Robinson, Utah	Sumner, Ill.	Wood
Rodgers, Pa.	Taber	Worley

The SPEAKER. On this roll call, 298 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RAILROAD RETIREMENT ACTS

Mr LEA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 1362) to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1362, with Mr. PATMAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on June 20 the first section of the bill had been read and is now open for amendment.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr LEA: Strike out section 1 of the bill, beginning with page 1, line 4, down through page 8, line 12, and renumber the remaining sections of the bill accordingly.

Mr. LEA. Mr. Chairman, the object of this amendment is to strike out the expanded coverage made by this bill over the present law. The effect of the amendment, if adopted, would be to leave the coverage in the law exactly as it is at present. The coverage, of course, relates to those who come within the provisions of the bill.

The original bill primarily covered railroad workers. Section 1 of the Crosser bill would include freight forwarders and a great many other corporations who are engaged in work incidental to transportation. The freight forwarders have been operating on a very low income basis. If this section as it is included in the Crosser bill should remain there and become a law, it would impose a tax on freight forwarders ranging from 14 to 18 percent of their pay roll. That is an impossible tax for the freight forwarders to bear. Most of the freight forwarders last year operated on a very narrow margin above the actual cost.

One argument made for the extension of this coverage is to place an equality of competition between different transportation agencies. In order to follow out that logic, it would be necessary to bring all transportation agencies in the country within the terms of the railroad retirement legislation. There is no more reason why the freight forwarders should

be brought in or the corporations having only an incidental relation to transportation than there is that all the transportation agencies of the country should be brought in. There is no logic for the limitation proposed as to forwarders.

However, that is only one feature of the extensions the Crosser bill proposes. If you will notice the provisions of section 1, several pages are occupied in defining those who would be brought in by this extension of coverage.

The Treasury Department calls attention to its objections to this measure on account of the indefinite character of its provisions in this section. It indicates that there are many instances in which it would be impossible to determine by the language of this bill what corporations were to be brought in. The Department cites a number of illustrations showing the indefinite character of this legislation. First, if you will look at the report you will find several pages of proposed changes in the text of the existing law. The Treasury Department refers to this and says:

> The italic portions of the definitions are not explicit and their application to a particular case would depend upon the judgment of the Railroad Retirement Board. The foregoing instances are pointed out only as examples, and it should be noted that other indefinite terms are used elsewhere in provisions of the bill affecting the extent of coverage. As stated above, coverage under the bill in certain instances is expressly made dependent upon a finding of the Railroad Retirement Board. From the standpoint of determining liability for employment taxes, all these provisions are subject to the objection that a taxpayer cannot readily ascertain his liability and that the Bureau of Internal Revenue and the Board may disagree as to the effect of the coverage provisions in particular cases.

Outside of the administrative difficulties, we have substantial objections to the inclusion of the freight forwarders and these corporations who are only incidentally engaged in transportation. This bill carries burdens they do not deserve to have placed upon them and which they cannot afford. For instance, coal companies, ice manufacturing companies, and companies that supply utilities to hotels and restaurants, are in a borderline. Their representatives came to present objections to this provision of the bill because its enactment would bring great hardship and inconvenience to them.

I trust the amendment will be adopted.

Mr. CROSSER. Mr. Chairman, I offer perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: Strike out section 1 thereof, page 1, line 4 through page 8, line 12, substituting the following section 1 (a):

"Section 1 (a) of the Railroad Retirement Act of 1937 and section 1 (a) of the Railroad Unemployment Insurance Act are amended by striking out the words 'trucking service' and after the comma which follows the words 'or handling of property transported by railroad' inserting the words 'or is engaged in transportation by motor vehicle.'

"(b) Section 1 (m) of the Railroad Retirement Act of 1937 and section 1 (b) of the Railroad Unemployment Insurance Act are amended by striking out the period at the end of the subsection and inserting in lieu thereof a comma and adding the words 'and a freight forwarder subject to Part IV of the Interstate Commerce Act.'"

Further amend H. R. 1862 on page 6, line 24, by striking out the words of the last sentence of paragraph 10 of subsection (a) and substituting therefor the words "This provision."

Further amend H. R. 1862 at the beginning of section 208 thereof page 17, lines 23 and 24, by striking out the words "Section 1 (m) is amended to read as follows: '(m)'" and substituting therefor the words "A new subsection is added at the end of section 1 as follows: '(p).'"

Further amend H. R. 1862 by striking out section 410 thereof, page 60, lines 13 through 15.

Mr. LEA. Mr. Chairman, I make a point of order against the amendment on the ground that it proposes to amend section 2 of the bill which has not been read.

Mr. CROSSER. Mr. Chairman, I ask unanimous consent that the amendment although applicable to section 2 may be considered at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CROSSER. Mr. Chairman, the purpose of section 1 of the bill is to clarify the law as to coverage and to prevent the contracting out of what is properly railroad work. It would extend coverage to freight forwarders, whether or not railroad controlled, and to railroad-controlled trucking companies. There has been so much propaganda making it appear to be the purpose of proponents of this measure to include all kinds of industries not really included in the bill that I am offering an amendment which leaves the present law just as it is and adds "freight forwarders, whether or not railroad controlled, and also railroad-controlled trucking companies." As a matter of fact, all railroad-owned freight forwarders have already been held to be subject to the railroad retirement and unemployment insurance laws.

Trucking companies owned and controlled by the railroads certainly are performing a railroad service and there is no reason why they should not be included.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. THOM. Does the freight forwarder own his own conveyances? Secondly, does he use trucks?

Mr. CROSSER. The freight forwarder can do as it likes to carry on its business, but generally what it does is to hire space from the railroads at carload rates, and charge their customers a rate higher than the carload rate which they pay but below the less-than-carload rate charged by the railroads.

Mr. THOM. So he uses the railroad for transportation?

Mr. CROSSER. Oh, yes.

Mr. THOM. He does not use automobiles?

Mr. CROSSER. Not independently, no. It is all a part of the transportation business.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. LEA. You recognize that frequently, freight forwarders use trucks also?

Mr. CROSSER. Only incidentally, just as the railroads do now. That is why we want the railroad-owned trucks brought in.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. POAGE. Will you tell us how you differentiate between railroad-controlled trucks——

Mr. CROSSER. If they own a trucking company, they certainly control it.

Mr. POAGE. If they own more than 51 percent of the stock?

Mr. CROSSER. Yes. They then control the company.

Mr. POAGE. Suppose a railroad owns only 40 percent of the stock.

Mr. CROSSER. They would not control it then.

Mr. POAGE. I am trying to find out just what the bill provides.

Mr. CROSSER. I have given you the best answer I can. We use the word "railroad-controlled." If they control it, that is the answer.

Mr. POAGE. But you do not define how it is controlled?

Mr. CROSSER. No. Not by any reference to a majority percentage of the stock.

Mr. POAGE. You leave that open for argument as to what is "controlled."

Mr. CROSSER. No. If they control it "through any form of property interest," see page 3, lines 10 and 11, of the bill, we would say that the company is controlled and covered.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I rise in opposition to the substitute amendment.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I rise in support of the amendment that has been offered by the gentleman from California [Mr. LEA] chairman of the committee. I am opposed to the substitute which has been offered by the gentleman from Ohio [Mr. CROSSER].

If the membership will look at the bill they will see that it is a highly technical one. The amendment that has been offered by the gentleman from California [Mr. LEA] is clear and understandable. The substitute amendment that has been offered by the gentleman from Ohio [Mr. CROSSER] is not understandable. It is complicated. It is uncertain in its terms, and there is no one who could determine at this time just what the effect of the amendment offered by the gentleman from Ohio would be.

Bear in mind that the Committee on Interstate and Foreign Commerce has had this bill under consideration for upward of 2 years, giving it close and careful study in all of its provisions. Never once during the deliberations of that committee was the amendment now offered by the gentleman from Ohio offered, nor anything like it. Also bear in mind that this is the fifth or sixth bill that has been introduced by the

gentleman from Ohio on this subject over the period of the last few years. Never in any of the other bills was any such amendment offered as is now offered on the floor of the House, and to which consideration is expected to be given on the spur of the moment.

I am in support of the amendment offered by the gentleman from California for the reason that it leaves the law with respect to who is covered by the existing law just as it is today. I am certain that if a poll were taken of the railroad employees, they would all be of the opinion that the law should remain in this respect as it is. It is highly important that it should remain as it is if you are interested in the welfare of the railroad workers.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield briefly at that point?

Mr. WOLVERTON of New Jersey. I yield.

Mr. KNUTSON. Is there not danger that in the event the Crosser bill is enacted into law there will be a strong movement to cover all the railroad people under social security?

Mr. WOLVERTON of New Jersey. I am not able to say just how far it will go. It may go as far as the gentleman from the Committee on Ways and Means has indicated. It may be that the hearings recently held in that committee would indicate to him that it might have such effect; but I may say that the amendment that has been offered by the gentleman from Ohio is not in the interest of the railroad employees who are presently covered by this legislation which has been in existence since 1935 or thereabouts.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield.

Mr. LEA. Is it not also true that the passage of the Crosser bill with this provision would charge the employees with retroactive credits for which no contribution whatever was made to the funds for which the railroad employees and carriers are responsible?

Mr. WOLVERTON of New Jersey. That is true.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON of New Jersey. I wish to emphasize the point that the broad coverage sought by the gentleman from Ohio in his amendment would weaken the financial status of the railroad retirement system, in that large numbers of persons newly brought under its provisions would receive credit for prior service in the classification of their pensions, although no taxes have been paid by them or their employers or would be paid in the future with respect to such prior service. The present acts, as the titles quite clearly show, were intended for application to railroads and railroad employees. Their coverage provisions are identical. The coverage feature of the Railroad Retirement Act and the Railroad Unemployment Insurance Act has been copied from the Railway Labor Act of 1926. This definition of the coverage was embodied in the agreement between the railroads and their employees. It was a mutually satisfactory plan for the payment of retirement pensions. In other words, for the purpose of retirement and unemployment benefits, the Congress used as the basis of coverage the definition of "employee" as fixed in the Railroad Labor Act of 1926, and through all these years that has been the understanding.

The amendment now offered by the gentleman from Ohio would change all that and would bring in a new group who up to the present time have paid not one penny into this fund, and yet they will be entitled to a credit for all of the service they have rendered in the years that have passed. The membership of this House must not overlook the fact that the railroad retirement fund, according to the report of the Retirement Board and by every actuary that has studied it, is actuarily unsound at the present time; therefore, to increase the coverage to include those whom the gentleman from Ohio seeks to bring in will certainly increase the unstable condition of the fund. I say to those Members who are interested in the welfare of railroad employees—and I am—there has never been a piece of legislation passed by this House in their behalf which I have not advocated on this floor. I have not changed my allegiance overnight; however, I have studied this question thoroughly. When I speak, I am speaking in the interest of the railroad employees. We want the retirement fund that has been given under the legislation previously passed to be sound so that when the employees come to the point of life where they are entitled to the benefits of the act the fund will be sufficient to give them what they are entitled to under the law. The fund is not now sound. The provisions contained in the Crosser bill, if adopted, would make the fund additionally unsound.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. As I understood it from the debate, the original act under which they are operating, this railroads retirement was predicated upon an agreement between the railroad workers and the railroads themselves; is that correct?

Mr. WOLVERTON of New Jersey. That is true.

Mr. ROBSION of Kentucky. In that agreement did they include these folks that are now proposed to be taken in?

Mr. WOLVERTON of New Jersey. They did not. The employees and the management adopted by agreement between themselves the definition as carried in the Railway Labor Act and it is that definition which the amendment of the gentleman from California seeks to have in the bill so that the law will remain as it is at the present time with respect to coverage.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman may have one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. Is it not the fact that those now sought to be included in the coverage are presently covered by the Social Security laws?

Mr. WOLVERTON of New Jersey. They certainly are, and to bring them into this law will so complicate the question that neither employers nor employees will know under which act they come and the result could readily be that some of the employees or concerns would come under the Social Security Act, some would come part of the time under the Railroad Retirement Act. This would create a state of confusion. It will lead to litigation and other unsatisfactory conditions.

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Is it not also a fact that there are many concerns that would be covered under the provisions of this act if the Lea amendment is not adopted that are in direct competition with similar concerns that would not be covered? In other words, as an example, here is a company that may have a contract to render a certain service to a railroad, yet be rendering the same service, perhaps 10 times as much service to other citizens or to other concerns than railroads. They would be covered by the Railroad Retirement Act as a result of this legislation unless it is amended. But another concern of exactly the same kind which does not do business with the railroads but only with the general public would not be covered. Therefore, the first concern would be placed in a bad competitive situation as far as their general operations are concerned because they would have to pay much heavier social-security or retirement taxes than the competitor who had no railroad business whatsoever; is that correct?

Mr. WOLVERTON of New Jersey. The gentleman's statement is absolutely correct.

Mr. BROWN of Ohio. I wish the gentleman would explain that a little further because I think it is an important point. For instance, an ice company might have a contract to deliver 500 pounds of ice a day to a railroad and might be delivering 50,000 pounds of ice

to other customers, yet they would be covered by this bill unless the Lea amendment is adopted; while some other ice company in the same community that did not sell 500 pounds of ice a day to a railroad company would not be covered; is that correct?

Mr. WOLVERTON of New Jersey. That is true. I am certain that any Member of this House who desires to be helpful to railroad employees should vote against this substitute amendment offered by the gentleman from Ohio [Mr. CROSSER] because it will do a disservice to the railroad employees presently within the law instead of a service and, therefore, should be defeated.

A most important and fundamental feature of any provision relating to social security is to determine the persons or classes of persons to whom the provisions shall apply. This is particularly true of the two acts that provide social security for railroad employees, who constitute a part of the whole aggregate of employed persons in the United States.

Prior to passage of the Railroad Retirement Act in 1937, Congress had already determined the question of what constitutes railroad employment. This Congress did in the Railway Labor Act of 1926. When railroads and their employees in 1937 negotiated the terms of a railroad retirement system, they adopted the explicit language of the Railway Labor Act in defining the classes of employment to be covered by the system, and Congress in the Railroad Retirement Act accepted the recommendations of railroad management and labor to that end. Congress also followed the same policy when it enacted the Railroad Unemployment Insurance Act in 1938, adopting the same language as to coverage that had already been written into the Railroad Retirement Act a year earlier. These provisions are still effective, no changes having been made in the coverage provisions of either act.

The clear intent of those acts, as indicated by their legislative history, and the language of the acts themselves, show that they apply only to—

First. Persons covered by the Railway Labor Act, that is, employees of any express company, sleeping car company, or carrier by railroad subject to part I of the Interstate Commerce Act.

Second. Employees of associations, bureaus, agencies, or organizations controlled and maintained wholly or principally by two or more carriers, which perform services in connection with or incidental to railroad transportation, such as consolidated ticket offices, and so forth.

Third. Employees of railroad labor organizations directly connected with the railroad industry.

Fourth. Employees of companies directly or indirectly owned or controlled by one or more carriers, and furnishing facilities or performing services—other than trucking service—in connection with passengers or property while in the course of railroad transportation.

The Crosser bill would extend the coverage of the Railroad Retirement and Unemployment Insurance Acts to include a large number of employers and employees who are engaged in miscellaneous and outside activities having little in common with railroad operations. The result would be to add to the railroad retirement and unemployment insurance systems a large number of persons whose interests and relationships lie in wholly different fields from those of the railroads. In the case of some enterprises, the employees of the same employer would be segregated into two groups, one subject to the terms and provisions of the Social Security Act, the other subject to the terms and provisions of these special railroad acts. The confusion and discrimination which would arise out of such a situation are manifest.

Even more important, the broadened coverage would weaken the financial status of the railroad retirement system, in that large numbers of persons newly brought under its provisions would receive credit for prior service in the calculation of their pensions, although no taxes had been paid by them or their employers, or would be paid in the future, with respect to such periods of prior service.

The present acts, as their names quite clearly show, were intended for application to railroads and to railroad employees. Their coverage provisions are identical, those of the Railroad Unemployment Insurance Act having been copied from the Railroad Retirement Act which embodied the agreement between railroads and their employees as to a mutually satisfactory plan for the payment of retirement pensions. The provisions defining the employers and the employees covered by those acts were as much a part of that agreement as were the other provisions. The language defining coverage was taken verbatim from the Railway Labor Act. That language has never presented any fundamental difficulty of construction in connection with the administration of that act and presents no difficulties in connection with these other acts.

The labor relations of all persons who are really employees of the railroad industry are controlled and regulated by the Railway Labor Act. The coverage of the railroad retirement and unemployment insurance systems ought to be generally coextensive with that of the Railway Labor Act, as is true under the present laws. The Crosser bill would bring into the coverage of the railroad retirement and unemployment insurance systems large classes of persons who are not recognized as railroad employees by the Railway Labor Act and whose employment relations are controlled not by that act but by acts regulating employment relations in other industries.

An employer responsible for the payment of taxes under one or the other of two different social security systems, or an employee entitled to benefits under the one or the other, should be able to ascertain from the language of the statutes themselves the one under which he is covered. It ought not to be necessary to await the determination of an administrative board before knowing what taxes are to be paid, to what authority they are to be paid, or where the employee is to look for his benefits. Similarly, an officer responsible for the collection of taxes or the payments of benefits under the Federal Social Security Act or one of the State acts is entitled to know who are covered by the statute he is charged with administering, without awaiting the exercise by the Railroad Retirement Board of an uncontrolled discretion vested in it by another act.

H. R. 1362 would put into effect a broadened coverage of employers and employees. As to these, it is proposed to shift such employers and employees from coverage and taxation under the Social Security Act to coverage and taxation under the Railroad Retirement and Railroad Unemployment Insurance Acts, thus greatly increasing the tax burdens on both employers and employees. The retirement tax on each group would be jumped, at one long step, from 1 percent to 5¾ percent. In addition, it is proposed to grant the employees thus brought under the railroad acts prior service credit, not only for service prior to 1937, which is what railroad employees were granted under the 1937 act, but also for the 8 intervening years from 1937 to 1945. This is not only discriminatory against the railroad employees who have been paying taxes since 1937, but would add heavily to the costs, because the employees involved would receive credit for considerable periods of service during which no taxes had been collected toward the financing of their annuities.

The existing law specifically excludes truckers of all kinds from coverage under the railroad acts. H. R. 1362 would include truckers, not only those which are owned or controlled by railroads but also such independent trucking companies as perform local collection and delivery service for railroads under contract.

H. R. 1362 would also cover freight forwarders specifically under the act. This group now occupies an anomalous status, one large company having accepted coverage whereas another is contesting it in the courts.

But H. R. 1362 would go far beyond taking in truckers and freight forwarders. It would bring under coverage a large number of independent activities which supply goods or services to the railroads and which in many cases do business not only with railroads but with many other enterprises as well. Here is where independent truckers, warehousers, ice manufacturers, elevators, stevedores, and many private and wholly independent contractors would be brought in, and all or a part of their employees would be brought under the railroad acts by directives issued by the Railroad Retirement Board. Many of these employer groups appeared in opposition to the bill.

All these illogical changes proposed in the Crosser bill, with resulting confusion and uncertainty, will be avoided by approving the proposed amendment, which simply leaves the coverage where it is today, as adopted by Congress in 1926, in connection with the Railway Labor Act, and again in 1937 and 1938, in connection with the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Mr. PRIEST. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, this question of coverage as contained in the original bill and

in the amendment now offered by the gentleman from Ohio [Mr. CROSSER], is one subject in connection with this proposal that I have been interested in from the very beginning. As the gentleman from Ohio and other members of the committee will recall, I think the first motion that I made on this bill in the subcommittee was to strike out the provisions of extended coverage, and allow existing law to prevail, unless we could agree to some substitute language that would do what I think the committee and the House wanted to do. That was to preserve the coverage for the railroad men.

On the question of freight forwarders, I have no strong conviction one way or the other, except to this extent. I think, as has been well emphasized by the gentleman from New Jersey [Mr. WOLVERTON], that if we expand coverage according to the provisions of the substitute amendment, we will create utter confusion in many respects. We have the freight forwarders act. Freight forwarders are well defined under the law. They are regulated by the Interstate Commerce Commission. Freight forwarders, so regulated, for example, may enter into an agreement with a trucking concern, a motor-vehicle company, to transport a shipment of goods from one town to another at rates approved by the Interstate Commerce Commission. This same trucking company, after delivering a cargo to one city may, on its own, or for some independent operator, bring back a cargo to the city where the first shipment originated. I think that since freight forwarders are now covered under Social Security that if we attempt to cover them under the Railroad Retirement Act, we are not helping the freight forwarders by creating uncertainty, and we are possibly injuring the Railroad Retirement System that is for railroad men primarily.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Minnesota.

Mr. O'HARA. Does the gentleman recall whether the substitute amendment offered by the gentleman from Ohio was ever offered in the committee or in the subcommittee?

Mr. PRIEST. I am certain that the full language of it was not. I might say this, though, that the gentleman from Ohio and I conferred frequently on this matter. He knew of my interest and he showed a willingness to cooperate with my viewpoint at the beginning that we would tighten down the coverage in this bill, although the amendment in the language presented today was not offered, I am sure, in the subcommittee.

Mr. O'HARA. Would the gentleman say that it is a fair statement to make that practically all of the members of the committee were opposed to attempted extended coverage?

Mr. PRIEST. I believe that is a fair statement.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from California.

Mr. LEA. Does the gentleman not recognise that the amendment offered by the gentleman from Ohio would amend, in effect, the Social Security Act by removing these certain corporations from the Social Security Act, and imposing on the employer a double tax, part to Social Security and part to some other agency?

Mr. PRIEST. That is the confusion, Mr. Chairman, that I hope we can avoid by remaining by the existing law insofar as coverage of this bill is concerned. I believe it would be in the public interest. I think it would be in the interest of the men and women who work for the railroads of this country, and that is the primary purpose of this bill, to improve the present railroad retirement system.

I do not believe that a careful study will convince anyone that that system can be improved by extending and expanding the coverage as is here proposed.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Ohio.

Mr. THOM. The gentleman gave an illustration of a freight forwarder entering into a contract with an automobile trucking company to transport a certain amount of goods. If you extend coverage to freight forwarders, I do not see how under the law the employees of an automobile company, with which the freight forwarder entered into a contract of hire, would be subject to this act.

Mr. PRIEST. Perhaps they would not. Perhaps the employees of the trucking company with whom they enter into an agreement would not be subject under the amendment offered by the gentleman from Ohio. I think the gentleman is correct on that point.

Mr. THOM. Has the gentleman any knowledge as to how many employees these freight forwarding companies have that would be affected by this confusion?

Mr. PRIEST. I am sorry I do not have that figure. I am sure the gentleman from Ohio [Mr. CROSSER] does have.

Mr. CROSSER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CROSSER. What is the parliamentary situation at the present time?

The CHAIRMAN. Unanimous consent has been given to vote on the whole amendment at one time.

Mr. CROSSER. On the amendment I offered?

The CHAIRMAN. Yes, on the Crosser amendment.

Mr. CROSSER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the propagandists have tried to make it appear that the bill subjects to its terms warehouses, ice houses, and many other kinds of business. That is not true. We add non-railroad-owned freight forwarders and railroad controlled trucks. Anyone who has given study to the subject knows that freight forwarders are doing a railroad service. At the present time all the railroad-owned freight forwarders are subject to the terms of the railroad retirement law and the unemployment insurance law. My amendment would merely add the few forwarders not owned by the railroads. They should be included because they are performing a railroad service.

Mr. RABIN. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from New York.

Mr. RABIN. I heard the gentleman from New Jersey [Mr. WOLVERTON] say that the men do not want it. What is the position of the men on this issue?

Mr. CROSSER. It is amusing to me to hear first in the committee and now in the House that the opposition knows much more about what the men want than do the men themselves. When this bill was introduced it was introduced at the request of the Railway Labor Executives Association, consisting of the chief executives of 18 of the railroad brotherhoods, the membership of which includes railroad men throughout the United States and almost all of which include railroad workers in Canada.

Since the closing of the hearings on the bill the chief executives of the two brotherhoods which are not members of the Railway Labor Executive Association have been supporting the measure. All of the railroad labor organizations of the United States, therefore, speaking through their presidents and their committees which have studied the measure, are in favor of the bill.

As to this railroad trucking business: Is it not performing a part of railroad transportation service when, in order to avoid the necessity of operating locomotives and railway cars, it uses trucks incidentally and instead of the usual railroad equipment.

Mr. Chairman, I ask for a vote on the amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Idaho.

Mr. WHITE. Are not these freight forwarders in many instances operated and controlled by the railroads?

Mr. CROSSER. Yes, of course they are.

Mr. Chairman, I ask for a vote.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are this afternoon considering what I think is very important legislation of far-reaching consequence. I trust that the membership generally may be present in order that the majority view may prevail. We debated this measure at some length the other day when the first issue was raised with respect to the committee substitute for the bill that we are now considering. As was pointed out in that debate, that committee substitute was adopted in the Committee on Interstate and Foreign Commerce, by a vote of 15 to 6, an action arrived at after months and months of careful and painstaking consideration—consideration which so occupied the attention and time of the committee as to almost exclude the consideration of other matters before the committee. This particular amendment, as you observe, is offered by the gentleman from California [Mr. LEA], who is chairman of the Committee on Interstate and Foreign Commerce.

Mr. MARGANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. MARCANTONIO. I think the gentleman should also mention the committee substitute was overwhelmingly rejected by the Committee of the Whole.

Mr. HALLECK. It was not overwhelmingly rejected. It was rejected by the close vote, as I remember it, of 136 to 129, and if that is an overwhelming rejection then I think that is pushing the meaning of "overwhelming" pretty far.

Mr. MARCANTONIO. But it was rejected anyway and the majority went on record against it in the Committee of the Whole.

Mr. HALLECK. Of course, if the gentleman from New York withdraws the word "overwhelming," then he and I would be in agreement that the substitute was rejected in the Committee of the Whole.

However, that has nothing to do with the particular proposition to which I now wish to address myself which is this. This amendment is offered by the chairman of the committee. Undoubtedly it cannot fairly be said that it is, strictly speaking, a committee amendment, because there has been no meeting of the committee or the majority of the members of the committee who voted for the committee substitute to consider individual amendments. But I think no one would deny that this amendment offered by the gentleman from California, insofar as the matter of coverage in the proposal is concerned, expresses the view of what I now say was the overwhelming judgment and determination of the members of the Committee on Interstate and Foreign Commerce.

Let us go back over just a little of the history of this. The bill was introduced containing these broad extensions of coverage We should constantly bear in mind that originally this program was set up to apply to the railroad industry. It contains provisions for benefits which are above and beyond similar provisions applicable generally in our economy. As has been pointed out, the legislation which was finally written, after the first two attempts were declared unconstitutional, was the result of the operation of collective bargaining, an agreement between management and the men to put this legislation on the books.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HALLECK. In other words, it clearly was a system designed to be applicable to the railroad industry alone. Then came this proposal, seeking to extend the provisions to the employees of, say, ice companies who might, as a very small fraction of their operations, sell a little ice to the railroads at a given station. I pointed out in the general debate and in the debate on the committee substitute that in Logansport, Ind., in my district there is a city ice company. A small part of the operation of that ice company is in providing ice and doing certain icing operations for the railroad. Then came this proposal bringing all of those people in. The people in that business across the country appeared individually and through their association, and said, "We are not in the railroad business. We should not be included in this system." There were the same objection from the freight forwarders. There were the same objections from the trucking companies.

The gentleman from Ohio [Mr. CROSSER] claims to have all the information as to just what the men want. As I said once before, I have talked to a lot of men who work on the railroad, and I never had one of them say to me that he wanted to bring all of these other employees into his system, into his arrangement by which these benefits are set up for him. I can understand why the people at the head of an agency might like to bring in all of those people. We have seen things like that before. We have seen them want to build up their agency to great proportions, because then they have a bigger operation to carry on.

We went all through these hearings. We went through the consideration of the bill, and as far as I know—and I think I ought to know something about it because I was there day after day after day—this is the first time this sort of a proposal has been submitted.

Mr. Chairman, I do not recall that this proposal came either to the subcommittee or to the full committee. Some time ago it was suggested that there would be some amendments offered in respect to coverage. I never saw any copy of the proposed amendment. I listened to it read. It is long, involved, and complicated. I do not know now, of my own knowledge, just who it includes and who it excludes, but I do know that this original position taken by the advocates of this legislation was an uncompromising position, a position which refused to try to work out with the majority members of the committee, legislation upon which we could agree, legislation that would be defensible and in the interest of the railroad men and the economy of the country generally. I say there was not such a degree of cooperation as gave us an opportunity to pass on this matter. Now, if that uncompromising position is to be deserted at this hour, and if something that for the first time we have heard read to us is to be taken by us, it does seem to me a little strange. I think it would be better to take the amendment offered by the gentleman from California [Mr. LEA] because that is not going to harm any man who works on the railroad, and I challenge anyone to deny that.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HALLECK] has again expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. LEA. Does the gentleman not also recognize that the Supreme Court has specifically ruled that the retroactive feature of the act of 1935 was, for that reason, unconstitutional; that Congress could not deliberately vote money from one man to another without some relationship to justify it?

Mr. HALLECK. Of course, that is true as to the immediate effect. The extension would bring people in who would share in the contributions that have been made over a period of 10 years by railroad men.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Briefly.

Mr. MATHEWS. In reference to the ice company, if an employee of the ice company delivers ice in the morning to the railroad and in the afternoon to independent customers would he come under Social Security or the Railroad Retirement Act?

Mr. HALLECK. If the original proposition is maintained I think he would come under this act.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. O'HARA. What about the matter of the coverage of the Workmen's Compensation Act? Is he covered by the State Compensation Act or by the provisions of the Railroad Retirement Act?

Mr. HALLECK. Obviously he ought to be all one or the other. If you treat him as a railroad employee for the purposes of the Railroad Retirement and Unemployment Insurance Act then is he to be treated as a railroad employee for all other purposes of all other Federal acts?

Reference has been made to freight forwarders. We on the Interstate and Foreign Commerce Committee know what freight forwarders are. They do not own any trucks, they do not own any railroad, they do not own any physical properties for the transportation of goods. There are many who contend that the forwarders are shippers and not carriers. They perform this service, they bring about the assembling of less-than-carload or truckload items of freight. They assemble them at a given point, a point of origin. Then after assembly those goods are transported to a point of destination, a so-called line haul in a carload or a truckload, and then at the other end the forwarder distributes those goods to the ultimate consignee. Mr. Chairman, that does not invest those people, the forwarders, with the status of railroad operation that ought to bring them under this act.

The forwarders use trucking companies that are not railroad owned, they use all manner of facilities, and I do not believe they should be included.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. WHITE. Mr. Chairman, I rise in opposition to the Lea amendment.

Mr. Chairman, it has always been interesting to me to go in a courtroom and hear astute lawyers talk all around the subject and try to confuse the jury and win their cases. I propose to talk directly on the issue before the Committee at the present time.

The railroads in handling their business have two general classes of rates;

the first is carload rates covering carload shipments; the second covers less-than-carload lots, small shipments, generally referred to as l. c. l., which shipments take a much higher rate. In the great railroad and shipping centers there has grown up a business known as freight forwarding. The freight forwarders assemble diverse shipments headed in a general direction or consigned to a given terminal until they have assembled a carload. As the gentleman from Indiana said, they do not own any equipment, but they do use railroad cars and assemble these less-than-carload lots until they do make up full carloads. They are just as much working for the railroad as is the man who handles freight in a railroad warehouse for a railroad. They hand-truck it into the same kind of cars. It is the same kind of business and done in exactly the same way.

The shippers are using this service in shipping on the railroads at the present time in less than carload lots, putting combined or consolidated shipments into a freight car and turning them over to the railroads for movement. They are no different from the man who is the truckman in the freight house or working in the cars that are at the freight terminals of the railroads.

The railroads in dealing with the men under what we call schedules of contracts with their employees have avoided the union scale of wages or schedules as far as possible. They contract the work wherever there is an opportunity. There are firms that ice cars. Icing cars is a big business in connection with the railroads because whole trains of perishable goods are run into an ice plant at the terminals. The companies contract for icing those cars in many cases. Those men are there exclusively engaged in railroad work but they do not come under the contract schedule of the railroads, but are just as much employees of the railroads as the fellow who is working in a plant that is owned by a railroad and who gets his pay check from the railroads. He is working for the railroads just the same.

Mr. WOLVERTON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from New Jersey.

Mr. WOLVERTON of New Jersey. I would like to have the gentleman's opinion with reference to the right of employees who have paid nothing into a retirement fund to come in and have the benefits of it the same as those who have been paying in for a period of years.

Mr. WHITE. I wish the gentleman would apply that philosophy to the Government retirement fund. These people are blanketed in under civil service and get the benefits of retirement from the Government. That is no different, as I see it, from the plan to put these men in and let them commence making their contributions to the retirement fund just like anybody else.

Mr. WOLVERTON of New Jersey. In view of the fact that the actuaries and the Retirement Board have reported that the fund is unsound at the present time, does the gentleman believe in making it further unsound?

Mr. WHITE. What does the gentleman think about what the actuaries would say in reference to the retirement fund of the Federal Government when all we have got in the retirement fund of the Federal Government is a bunch of I O U's? The administration has already taken the money and spent it and all the funds represent is some I O U's. And, if you want to know the fact, practically all of the railroad retirement fund is represented by I O U's and if Government bonds ever begin to slip in value I am wondering what the men who have worked a lifetime and contributed are going to get for their retirement pay. If the bonds slip as they did after the last war when they went to 86, I am wondering what is going to happen. If the gentleman wants to go into the question, let us get down into the fundamentals of it.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. WHITE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Chairman, may I say to the Members of the House that this Crosser amendment has been well thought out, drafted with care, it has been studied by the members of the railroad employees' organizations and they are behind it. I have traveled in every section of the country and I have discussed it with railroad men. I am an old railroad man myself. My father was a railroad man and I was raised in a railroad office and I think I know something about the business. I have switched many cars and I have hauled many a train into these icing plants where they were iced by these contractors. I know that there is a policy on the railroads of avoiding these schedules and these railroad union wage scales through contracting everything they can. If you do not adopt this amendment offered by the gentleman from Ohio [Mr. CROSSER], you are going to exclude a very large segment of bona fide railroad employees.

Mr. BECKWORTH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to try to add a comment or two in an effort to clarify the question of coverage. The gentleman from Arkansas [Mr. HARRIS] took a very active interest in this legislation. He studied it very carefully and asked many good questions. Another man who tried to do as good a job as any for railroad labor was Mr. David Robinson, who has taken a great deal of interest in this legislation all along.

According to what is found on page 956 of the hearings the gentleman from Arkansas [Mr. HARRIS] asked this question:

> Now, Mr. Robinson, I would like to ask, merely for clarification in my own mind, about the intent with reference to coverage that is proposed in this legislation.
>
> Could you or would you state whether or not it was the intention to take in such industries as ice companies, the ice industry, cold storage warehousing industry, cotton compresses, and so forth?

Mr. ROBINSON. Well, I can make a definite answer to that. No; it was not. We might just as well face the facts. We did not come here with any legislation designed to impose a railroad retirement act on ice companies. We do not work for ice companies.

Mr. Robinson, again I repeat, was one of the strong advocates of this legislation, and in answer to Mr. HARRIS' question stated that it was not the intent of railroad labor to take in such people as the ones mentioned. I believe that he is an honest man and meant exactly what he stated.

Mr. NEELY. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from West Virginia.

Mr. NEELY. Is there any doubt in the gentleman's mind that the Crosser substitute now before us rigidly excludes from its operation everyone who is not employed by a railroad company or a concern that is controlled by a railroad company?

Mr. BECKWORTH. I will be glad to make this comment. It is obvious that it is difficult to write language that clearly defines who is to be included and who is to be excluded. That is a hard job to do. But there is no doubt in my mind but what the railroad men themselves do not want to take in people who are not railroad employees. If they did, why stop with some one who works for, we will say, a freight forwarder? They would endeavor to take in anybody else who might be in the business of doing that which constitutes transporting people or goods for hire. This they, the railroad men, do not desire to do.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman said that some of the spokesmen for the railroad brotherhoods expressed that it was not their intent to do so and so, but I am sure the gentleman realizes that there are certain regions that are paved with good intentions, and it is not a question of intent, but it is a question of what the law says and how the law is interpreted. Of course, the law as originally introduced did cover all of these different individuals regardless of what the intention of any one might have been.

Mr. BECKWORTH. I want to comment here that many bills are introduced that do things that people do not intend, and that is the very purpose of coming here to amend these bills.

Mr. BROWN of Ohio. That is the reason why the gentleman from California has introduced an amendment to correct it.

Mr. BECKWORTH. And the gentleman from Texas who is now talking has never objected to the amendment process; I am willing for the House to work its will.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. It is proposed to take in persons who are not railroad workers. Are these groups pro-

posed to be taken in qualified to belong to the railroad brotherhoods, that this bill is designed to help?

Mr. BECKWORTH. I do not pretend to be qualified to answer that for I do not know the requisites for membership in the railroad brotherhoods.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield to the gentleman from California.

Mr. LEA. The statement was made here that some of the forwarders are now within this act. Is the gentleman aware of the fact that information was presented to the committee to show that no forwarder has, by decision of the courts, been held subject to this act, but the Board did try to bring some in and there are two cases now pending that involve that question?

Mr. BECKWORTH. The gentleman is correct.

Mr. NEELY. Mr. Chairman, I am opposed to the Lea amendment and for the Crosser substitute. According to an old aphorism, one should beware of those bearing gifts. The friends of the Crosser bill should beware of the gift-bearing enemies of the reforms which that measure is designed to achieve.

In my opinion, the railroad employees prefer the Crosser proposals to any substitutes for them that have been offered or may be offered by the gentleman from California [Mr. LEA].

Mr Chairman, Charles Dickens' fascinating romance—Bleak House—is the history of a chancery suit and a devastating exposition of the intolerable evils of the law's delay. Miss Flite, one of the characters in the story, vainly went to court for relief for many, many years. She finally became insane. Subsequently asked when she expected a decision in her favor, she replied: "I expect to get judgment on Judgment Day."

In view of the innumerable delays that have long scourged the Crosser bill and the unmistakable indications that its enemies will endeavor to postpone its passage by the House till Judgment Day, or at least until it is too late for the Senate to have even a chance to consider it, I am impelled to give notice that, in an effort to assure decisive, favorable action before adjournment, I shall object to any unanimous-consent request that may be made by anyone for the privilege of speaking more than 5 minutes on any proposed amendment.

It is my sincere hope that every temptation to place an additional obstruction in the pathway of the much-abused Crosser bill will be resisted, and that the House will pass it by an overwhelming majority before the end of the day.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. NEELY. I yield to the gentleman from Ohio.

Mr. RAMEY. True, this is judgment day and we should have answers. I am using the gentleman's time because I agree with him we should not take up more than 5 minutes. I should like to have an answer to the question asked by the gentleman from Kentucky [Mr. ROBSION]. Are these men so connected with the railroad industry and the workers that they may belong to the brotherhoods themselves? That question has not been answered.

Mr. NEELY. To my regret, I cannot answer that question yes or no. But, in my opinion, those to whom the gentleman refers are eligible for membership in the railroad brotherhoods.

Mr. CROSSER. The freight forwarders belong to the clerks.

Mr. ROBSION of Kentucky. Do they not already come under the law?

Mr. NEELY. Some of them do not.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. NEELY. I yield to the gentleman from California.

Mr. LEA. That is true as to a limited number of freight employees, but as a general thing the freight employees are not members of the brotherhoods.

Mr NEELY. I do not know how many are members, or how many are not, but I do know that the railroad brotherhoods are in favor of the Crosser substitute and not in favor of the amendment offered by the gentleman from California.

Mr. WINTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California [Mr. LEA]. I think that anyone who will stop and think about this for a minute will agree that the debate here this morning shows the futility of trying to bring in legislation as technical as this matter is and write it here on the floor of the House of Representatives.

The distinguished gentleman from West Virginia has said there has been a concerted effort here to keep this bill from getting to the floor of the House of Representatives. That is not true. This bill was reported out of the committee and came to the floor, and way back on June 10 it was on the floor for debate.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I do not have time. The gentleman's colleague says he is going to object to any extension of time. I will not yield. In the interim other legislation from other committees has taken precedence as granted by the leadership of the House. This committee and none of the members of the committee have been trying to hold it up. I hope you will not be influenced in arriving at a decision as serious as this by such a trivial argument.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield.

Mr. BROWN of Ohio. I merely want to point out for the RECORD that this bill was reported to the Committee of the Whole House on May 9, 1946.

Mr. WINTER. That is right. The arguments were finished here on June 10 when the bill first came up under the rule for debate.

There has been quite a bit of argument here this morning about who is covered in this bill. Every railroad forwarder who is employed in railroad work is now covered under the provisions of the bill as the law now stands. If you adopt the Crosser amendment, you are going to take in a great horde of people who have not paid one dime into this fund. Let me tell you here and now that this fund is running a deficit every 30 days of over $10,000,000.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield.

Mr. McGREGOR. Can the gentleman advise us whether or not this great horde of people that this amendment takes in really want to come in?

Mr. WINTER. I am coming to that in just a moment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield.

Mr. HALLECK. They and their representatives appeared before our committee and said they did not want to come in.

Mr. WINTER. That is exactly correct. I have five railroad centers in my district. I think it is about as big as Mr. WHITE's district. I have taken it upon myself to contact the railroad workers in my district and the men who pay the bill—not the heads of the organizations who draw these fabulous salaries out of the pockets of the railroad men who do the work—but the men who actually pay the bills and do the work do not want this extended coverage. They only want to cover those who are engaged in railroad work. That is exactly what the Lea amendment will do. It will leave this act so that it covers those who are employed in railroad work and nobody else. That is what you gentlemen should want to do because that is the only way you are going to keep this fund solvent so that when these men get old and are ready to draw their retirement benefits out of this fund, there will be something there to pay them with.

Mr. McGREGOR Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield.

Mr. McGREGOR. Is it not true that if this new group does get in they will have the advantage of the money paid in over a period of years by the older group and that the older group will be penalized under the Crosser amendment?

Mr. WINTER. That is exactly right. They will have the benefit of what has been paid in since 1935.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield.

Mr. WHITE. Is it not a fact that when a man takes out an insurance policy he gets the benefit of what other people have paid in?

Mr. WINTER. No, it is not, because that insurance has a reserve which has been built up on a sound actuarial basis, which this fund has not, and it is agreed by everybody concerned that it is not. This fund is now bankrupt and it will require at least 3 percent of the payrolls to make it solvent. The gentleman knows that and it is just political expediency to take any other position.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEA. Mr. Chairman, I ask unanimous consent that debate on this amendment close at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CROSSER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CROSSER. The question is on my amendment to the Lea amendment; is that not correct?

The CHAIRMAN. The gentleman is correct.

Mr. BROWN of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Ohio. Will the Crosser amendment be voted on first?

The CHAIRMAN. The Crosser amendment will be voted on first.

The question is on the amendment offered by the gentleman from Ohio [Mr. CROSSER].

The question was taken, and on a division (demanded by Mr. CROSSER) there were—ayes 51, noes 97.

Mr. CROSSER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. PATRICK and Mr. CROSSER to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 79, noes 102.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the adoption of the amendment offered by the gentleman from California [Mr. LEA].

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 105, noes 62.

So the amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer a conforming amendment to the one just adopted to correct a cross-reference.

The Clerk read as follows:

Amendment offered by Mr LEA Page 8, lines 22 to 25, strike out the following: "or he is personally performing for an employer any service by reason of which, except for the last sentence of paragraph (10) of subsection (a), he would be an employer"

The CHAIRMAN. The question is on the amendment

The amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I desire to submit a consent request. I wish to offer several amendments about which I believe there can be no controversy. The first amendment I wish to offer is to omit completely any reference to maternity.

The second amendment would change dates. We thought the bill would be passed last year and accordingly named the year 1945 throughout.

A third amendment would provide for appeal to the district court of the United States instead of the Court of Appeals.

I thought perhaps we could have unanimous consent to consider said amendments at this time.

Mr. BROWN of Ohio. What are we to consider?

Mr. CROSSER. Mr. Chairman, I would like to offer some amendments to which no one should object; such, for example, as one correcting the dates. We had hoped that this bill might pass in 1945. It did not pass then. Then I desire to offer an amendment eliminating any reference to maternity benefits.

Mr. BROWN of Ohio. I think the chairman of the committee who has this bill in charge probably has those amendments to offer.

Mr. CROSSER. I thought you would like to accept these amendments and avoid unnecessary discussion and delay since I know that the opposition also favors them.

Mr. BROWN of Ohio. It is perfectly satisfactory to me, but I am not sure what the committee might have in mind.

Mr. LEA. Mr. Chairman, I believe it would be more satisfactory to offer the amendments as we reach the various sections. So, for the present, I shall object.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. Section 1 (c) of the Railroad Retirement Act of 1937 and section 1 (e) of the Railroad Unemployment Insurance Act are each amended as follows: After the word "if" in the first sentence insert "(i)" and for the phrase "which services he renders for compensation" substitute the following: "or he is rendering professional or technical services and is integrated into the staff of the employer, or he is rendering, on the property used in the employer's operations, other personal services the rendition of which is integrated into the employer's operations, or he is personally performing for an employer any service by reason of which, except for the last sentence of paragraph (10) of subsection (a), he would be an employer, and (ii) he renders such service for compensation"; and for the purpose of continuing the amendment of the Railroad Retirement Act of 1937, only, add after the word "compensation" the following: ", or a method of computing the monthly compensation for such service is provided in section 9 (c)". Said subsections are further amended by inserting at the end of the first proviso the following: ", and if the application of such mileage formula, or such other formula as the Board may prescribe, would result in the compensation of the individual being less than 10 per cent of his remuneration for such service no part of such remuneration shall be regarded as compensation"

SEC 3 Section 1 (h) of the Railroad Retirement Act of 1937 is amended by substituting for the words "earned by" the words "paid to", and section 1 (i) of the Railroad Unemployment Insurance Act is amended by substituting for the word "payable" the word "paid"; by striking out the proviso in said section 1 (i) of the Railroad Unemployment Insurance Act and replacing the colon with a period; and by inserting at the end of said section 1 (h) of the Railroad Retirement Act of 1937 and at the end of said section 1 (i) of the Railroad Unemployment Insurance Act, the following: "A payment made by an employer to an individual through the employer's pay roll shall be presumed, in the absence of evidence to the contrary, to be compensation for service rendered by such individual as an employee of the employer in the period with respect to which the payment is made. An employee shall be deemed to be paid, 'for time lost' the amount he is paid by an employer with respect to an identifiable period of absence from the active service of the employer, including absence on account of personal injury, and the amount he is paid by the employer for loss of earnings resulting from his displacement to a less remunerative position or occupation If a payment is made by an employer with respect to a personal injury and includes pay for time lost, the total payment shall be deemed to be paid for time lost unless, at the time of payment, a part of such payment is specifically apportioned to factors other than time lost, in which event only such part of the payment as is not so apportioned shall be deemed to be paid for time lost. Compensation earned in any calendar month before 1946 shall be deemed paid in such month regardless of whether or when payment will have been in fact made, and compensation earned in any calendar year after 1945 but paid after the end of such calendar year shall be deemed to be compensation paid in the calendar year in which will have been earned if it is so reported by the employer before February 1 of the next succeeding calendar year or, if the employee establishes, subject to the provisions of section 8, the period during which such compensation will have been earned."; and in said section 1 (h), immediately after the word "earned", at the end of this insertion, insert the following additional language: "In determining the monthly compensation, the average monthly remuneration, and quarters of coverage of any employee, there shall be attributable as compensation paid to him in each calendar month in which he is in military service creditable under section 4 the amount of $160 in addition to the compensation, if any, paid to him with respect to such month."

SEC. (4). (a) Sections from 1500, to 1580, inclusive, of the Internal Revenue Code are hereby amended by substituting "Board" for "Commissioner" and for "Bureau of Internal Revenue," "title" for "subchapter," and by deleting "with the approval of the Secretary" wherever said language appears.

(b) Sections 1500 and 1510 of the Internal Revenue Code are amended by substituting for the language, "$300 for any calendar month earned by" the language, "$300 multiplied by the number of months in the calendar year with respect to which compensation is paid, paid to." Section 1520 of the Internal Revenue Code is amended by substituting for the language, "in excess of $300 for any calendar month paid by him to any employee," the language, ", with respect to any employee, in excess of $300 multiplied by the number of months in the calendar year in which the employee was in his service, paid by him"; by substituting for "December 31, 1936" the date "June 30, 1945"; by substituting for "$300" in the proviso the language, "$300 multiplied by the number of months in the calendar year in which the employee will have been in the service of an employer,"; and by substituting for the portion of the section beginning with the words "month, and each such" and continuing to the end of the proviso the following: "year, and each employer other than a subordinate unit of a national railway-labor-organization employer shall be liable for that proportion of the tax which the compensation paid by him to the employee bears to the total compensation paid to the employee by all such employers; and in the event that the compensation paid by such employers to the employee is less than $300 multiplied by the number of calendar months in such year in which the employee will have been in the service of an employer each subordinate unit railway-labor-organization employer shall be liable for such proportion of any additional tax as the compensation paid by such employer bears to the compensation paid by all such employers:"

(c) Sections 1500 and 1520 of the Internal Revenue Code are further amended by substituting for the numbered paragraphs the following:

"1. With respect to compensation payable between June 30, 1945, and January 1, 1946, and compensation paid during 1946, 1947, and 1948, the rate shall be 5¾ percent;

"2. With respect to compensation paid during the calendar years 1949, 1950, and 1951, the rate shall be 6 percent;

"3. With respect to compensation paid after December 31, 1951, the rate shall be 6¼ percent."

Section 1510 of the Internal Revenue Code is amended by substituting for the numbered paragraphs the following:

"1. With respect to compensation payable between June 30, 1945, and January 1, 1946, and compensation paid during 1946, 1947, and 1948, the rate shall be 11½ percent.

"2. With respect to compensation paid during the calendar years 1949, 1950, and 1951, the rate shall be 12 percent.

"3. With respect to compensation paid after December 31, 1951, the rate shall be 12½ percent."

(d) Subsection (a) of section 1530 of the Internal Revenue Code is amended by substituting for the language "as internal-revenue collections,", the following: "together with any interest, penalties, and additions to the taxes, to the credit of the railroad retirement account All moneys so paid into the Treasury are hereby permanently appropriated to the railroad retirement account: *Provided, however*, That the appropriation herein made of moneys paid in for the fiscal year 1946 shall be (A) increased, from moneys in the general fund of the Treasury not otherwise appropriated, by an amount by which (1) the sum of all amounts heretofore or hereafter collected under the Carriers Taxing Act of 1937, and subchapter B of chapter 9 of the Internal Revenue Code may exceed (11) the sum of all appropriations made to the railroad retirement account (exclusive of the appropriations for crediting military service) and all appropriations made to the Board pursuant to section 16, whether heretofore or hereafter made, or (B) decreased by payment into the general fund of the Treasury of an amount by which the sum computed in clause (1) may exceed the sum computed in clause (1) There is hereby authorized to be apppropriated from the Railroad Retirement Account such sums as may be necessary to provide for the expenses of the Board in administering both titles of this act and the Railroad Retirement Act of 1935. Any part of any appropriation so made which may at any time lapse shall revert to the credit of the Railroad Retirement Account"

(e) Section 1536 of the Internal Revenue Code is amended to read as follows: "All provisions of law applicable with respect to the contributions imposed by section 8 of the Railroad Unemployment Insurance Act shall be applicable with respect to the taxes imposed by this title."

(f) The amendments made by this section shall become effective on January 1, 1946, except those relating to the rate of taxation which shall become effective July 1, 1945. Effective January 1, 1946, sections 1500 to 1530, inclusive, and section 1536 of the Internal Revenue Code are removed from the Internal Revenue Code and shall constitute title II of the Railroad Retirement Act of 1937, being renumbered sections 20 through 32 with appropriate renumbering of all cross-references therein contained, said title to be in the words and marks: "Carriers' Taxing Act of 1945"; effective also on that date all other provisions of subchapter B of chapter 9 of the Internal Revenue Code shall be repealed. The provisions of this section becoming effective on January 1, 1946, shall not affect any rights or liabilities accrued before January 1, 1946.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: On page 11, strike out lines 9 to 14, inclusive; and in line 15, strike out "(b)" and insert "Section 3 (a)"; and on page 14, strike out lines 20 to 24, inclusive; and on page 15, strike out lines 8 to 11, inclusive, and reletter the subsections accordingly.

Mr. LEA. Mr. Chairman, at the present time the taxes for the railroad retirement fund are collected through the Bureau of Internal Revenue. The Crosser bill proposes to take this out of the Bureau of Internal Revenue and place it in the Railroad Retirement Board. That is contrary to the general policy of the Nation. All taxes are collected by the Bureau of Internal Revenue with the single exception of the unemployment insurance tax under the Railroad Unemployment Insurance Act. The amendment I offer proposes to leave the collection of taxes with the Bureau of Internal Revenue.

I desire to call attention to the objection of the Treasury Department to this amendment. This amendment is an administrative amendment. The Treasury Department objects to this provision, first, because the taxpayer should not be required to deal with more than one agency in paying his taxes.

In the second place, this amendment would create unnecessary duplication of audits by the Treasury Department. One audit would have to be made of the taxpayer's books for the retirement fund; and another audit, for instance, by another agency for income-tax returns. In the third place, this amendment would make it impossible to integrate the collection and administration of income and pay-roll taxes.

The Department states its reasons in this language:

> The intended effect of section 1536 of the code, as amended, is to confer upon the Railroad Retirement Board, or any of its designated officers and employees, in connection with the administration of the taxes imposed under title II of the Railroad Retirement Act of 1937, all powers conferred upon the Secretary of the Treasury, the Commissioner of Internal Revenue, and collectors of internal revenue by internal revenue laws applicable generally, or in the case of taxes imposed by section 600 or 800 of the Revenue Act of 1926, or the corresponding provisions of the Internal Revenue Code. For example, it is intended that the provisions of internal revenue laws relating to compromise of civil and criminal cases, examination of books and witnesses, liens for taxes and their enforcement, penalties, returns, assessments, and refunds and credits shall be made available to the Board or its designated employees for the purpose of the administration of the taxes imposed under title II of the Railroad Retirement Act in the same manner as they are available to the Secretary, Commissioner, and collectors of internal revenue in connection with internal revenue taxes. Unnecessary duplication of facilities and functions, and possibly conflict in administrative policies and interpretations developed under the same or corresponding provisions of law, result when another agency is permitted to function, even in a limited field, in the tax-collection activities of the Federal Government.
>
> As stated in the Department's report to the committee under date of April 26, 1938, relative to H. R. 10127 (75th Cong., 3d sess.), which became the Railroad Unemployment Insurance Act, this Department is opposed to the collection of Federal taxes or to the collection of contributions or other payments (even though not taxes) under provisions of law relating to taxes, by any other agency than the Treasury Department notwithstanding the fact that the proceeds are to be devoted to carrying out the functions for which such other agency was created. In addition to the considerations mentioned above, it is desired to invite attention to the fact that the Department, through the Bureau of Internal Revenue, now has the duty of collecting from employers, including carrier employers, the income tax required under existing law to be withheld from the wages of their employees; and that possibilities exist for a future unification or simplification of the various pay-roll taxes and the income tax collected at source from employees, or the procedures for the collection thereof, to the advantage of taxpayers and the Government, if the administration of all such Federal taxes is entrusted to a single agency.

Mr. CROSSER. Mr. Chairman, rather than contribute to interminable delay, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 79, noes 45.

Mr. CROSSER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PRIEST and Mr. CROSSER.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 66.

So the amendment was agreed to.

Mr. LEA. Mr. Chairman, I propose to offer an amendment on page 12 which would fix the taxes that are necessary to be paid in order to place the retirement fund on a sound basis. In order to know the amount of taxes that should be provided it is necessary to know what new expanded benefits are to be included in the bill as finally passed by the House. Therefore, so that we may consider this question logically, I ask unanimous consent that we pass this section for the present and that later we may return to it when I will offer a proper amendment fixing the taxes required.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER:

First: Change "1945" to "1946" on page 10, line 16; page 12, lines 1 and 25; page 13, line 11; page 15, lines 2 and 9, page 23, line 13, page 57, line 14; page 60, line 10.

Second: Change "1946" to "1947", on page 10, line 16; page 12, line 25; page 13, lines 1, 11, and 12, page 14, line 1; page 15, lines 1, 3, 13, 14, and 25; page 23, line 11; page 26, line 9; page 28, line 16; page 29, line 1; page 32, line 17; page 33, line 11; page 35, line 19; page 57, lines 2, 5, 6, 11, and 15; page 58, lines 6, 14, 21, and 23; page 59, line 14; page 60, line 10.

Third: Change "1947" to "1948" on page 13, lines 1 and 12; page 38, line 4; page 58, line 15.

Fourth: Change "1948" to "1949" on page 13, lines 1 and 12.

Fifth: Change "1949" to "1950" on page 13, lines 4 and 14.

Sixth: Change "1950" to "1951" on page 13, lines 4 and 14; page 33, line 24.

Seventh: Change "1951" to "1952" on page 13, lines 4, 7, 14, and 17.

Mr. CROSSER. Mr. Chairman, the only purpose of this amendment is to correct the dates. No one can reasonably object to doing that.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

DIVISION II

SEC. 201 Section 1 (d) of the Railroad Retirement Act of 1937 is amended to read as follows:

"(d) An individual shall be deemed to have been in the employment relation to an employer on the enactment date if (i) he was on that date on leave of absence from his employment, expressly granted to him by the employer by whom he was employed, or by a duly authorized representative of such employer, and the grant of such leave of absence will have been established to the satisfaction of the Board before July 1946; or (ii) he was in the service of an employer after the enactment date and before January 1945 in each of six calendar months, whether or not consecutive; or (iii) before the enactment date he did not retire and was not retired or discharged from the service of the last employer by whom he was employed or its corporate or operating successor, but (A) solely by reason of his physical or mental disability he ceased before the enactment date to be in the service of such employer and thereafter remained continuously disabled until he attained age 65 or until August 1944 or (B) solely for such last-stated reason an employer by whom he was employed before the enactment date or an employer who is its successor did not on or after the enactment date and before August 1944 call him to return to service, or (C) if he was so called he was solely for such reason unable to render service in six calendar months as provided in clause (ii); or (iv) he was on the enactment date absent from the service of an employer by reason of a discharge which, within 1 year after the effective date thereof, was protested, to an appropriate labor representative or to the employer, as wrongful, and which was followed within 2 years of the effective date thereof by his reinstatement in good faith to his former service with all his seniority rights: *Provided*, That an individual shall not be deemed to have been on the enactment date in the employment relation to an employer if before that date he was granted a pension or gratuity on the basis of which a pension was awarded to him pursuant to section 6, or if during the last pay-roll period before the enactment date in which he rendered service to an employer he was not in the service of an employer, in accordance with subsection (c), with respect to any service in such pay-roll period, or if he could have been in the employment relation to an employer only by reason of his having been, either before or after the enactment date in the service of a local lodge or division defined as an employer in section 1 (a) (7).

Mr. LEA. Mr. Chairman, I offer a conformative amendment to correct the cross-reference on account of the amendment adopted to section 1.

The Clerk read as follows:

Amendment offered by Mr LEA: On page 17, line 10, strike out "defined as an employer in section 1 (a) (7)" and insert in lieu thereof the following: "established pursuant to the constitution and bylaws of any railway labor organization, national in scope, organized in accordance with the Railway Labor Act."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 59, noes 41.

So the amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: On page 16, lines 23 and 24, strike out the words "reinstatement in good faith to his former service with all his seniority rights" and insert in lieu thereof the words "restoration to the service of the employer."

Mr. CROSSER. Mr. Chairman, that is just for the purpose of clarification, and I ask for a vote on the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

The Clerk read as follows:

SEC. 202 Section 1 (f) is amended by changing the period at the end of the proviso to a semicolon and adding "it may also be included as to service rendered to a person not an employer in the performance of operations involving the use of standard railroad equipment if such operations were performed by an employer on the enactment date." Section 1 (f) is further amended by substituting for the word "An" in the next to the last sentence the following: "Ultimate fractions shall be taken at their actual value, except that if the individual will have had not less than 54 months of service, an" and by striking out the last sentence.

SEC. 203 Section 1 (m) is amended to read as follows

"(m) An individual shall be deemed to have 'a current connection with the railroad industry' at the time an annuity begins to accrue to him and at death if, in any 30 consecutive calendar months before the month in which an annuity under section 2 begins to accrue to him (or the month in which he dies if that first occurs), he will have been in service as an employee in not less than 12 calendar months and, if such 30 calendar months do not immediately precede such month, he will not have been engaged in any regular employment other than employment for an employer in the period before such month and after the end of such 30 months. For the purposes of section 5 only, an individual shall be deemed also to have a 'current connection with the railroad industry' if he is in all other respects completely insured but would not be fully insured under the Social Security Act, or if he is in all other respects partially insured but would be neither fully nor currently insured under the Social Security Act, or if he has no wage quarters of coverage."

Mr. LEA. Mr. Chairman, I offer an amendment to make this conform with section 1 as amended.

The Clerk read as follows:

Amendment offered by Mr. LEA:
Page 17, line 23, after "M" insert "1."
Page 18, line 17, strike out the quotation marks and insert after line 17 the following:

"2. The term 'carrier' means an express company, sleeping car company, or carrier by railroad subject to part 1 of the Interstate Commerce Act"

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

SEC. 204. A new subsection is added to section 1 as follows:

"(o) The terms 'quarter' and 'calendar quarter' shall mean a period of three calendar months ending on March 31, June 30, September 30, or December 31."

SEC. 205. Section 2 (a) is amended by substituting for all that portion of the subsection after the first numbered paragraph the following:

"2. Women who will have attained the age of 60 and will have completed 30 years of service.

"3. Individuals who will have attained the age of 60 and will have completed 30 years of service, but the annuity of such an individual shall be reduced by one one-hundred-and-eightieth for each calendar month that he is under age 65 when his annuity begins to accrue.

"4. Individuals having a current connection with the railroad industry, and whose permanent physical or mental condition is such as to be disabling for work in their regular occupation, and who (i) will have completed 20 years of service or (ii) will have attained the age of 60. The Board, with the cooperation of employers and employees, shall secure the establishment of standards determining the physical and mental conditions which permanently disqualify employees for work in the several occupations in the railroad industry, and the Board, employers, and employees shall cooperate in the promotion of the greatest practicable degree of uniformity in the standards applied by the several employers. An individual's condition shall be deemed to be disabling for work in his regular occupation if he will have been disqualified by his employer because of disability for service in his regular occupation in accordance with the applicable standards so established; if the employee will not have been so disqualified by his employer, the Board shall determine whether his condition is disabling for work in his regular occupation in accordance with the standards generally established; and, if the employee's regular occupation is not one with respect to which standards will have been established, the standards relating to a reasonably comparable occupation shall be used. If there is no such comparable occupation, the Board shall determine whether the employee's condition is disabling for work in his regular occupation by determining whether under the practices generally prevailing in industries in which such occupation exists such condition is a permanent disqualification for work in such occupation. For the purposes of this section, an employee's 'regular occupation' shall be deemed to be the occupation in which he shall have been engaged in more calendar months than the calendar months in which he will have been engaged in any other occupation during the last preceding five calendar years, whether or not consecutive, in each of which years he will have earned wages or salary, except that, if an employee establishes that during the last 15 consecutive calendar years he will have been engaged in another occupation in one-half or more of all the months in which he will have earned wages or salary, he may claim such other occupation as his regular occupation, or

"5. Individuals whose permanent physical or mental condition is such that they are unable to engage in any regular employment and who (i) have completed 10 years of service, or (ii) have attained the age of 60.

"Such satisfactory proof shall be made from time to time as prescribed by the Board, of the disability provided for in paragraph 4 or 5 and of the continuance of such disability (according to the standards applied in the establishment of such disability) until the employee attains the age of 65. If the individual fails to comply with the requirements prescribed by the Board as to proof of the continuance of the disability until he attains the age of 65 years, his right to an annuity by reason of such disability shall, except for good cause shown to the Board, cease, but without prejudice to his rights to any subsequent annuity to which he may be entitled. If before attaining the age of 65 an employee in receipt of an annuity under paragraph 4 or 5 is found by the Board to be no longer disabled as provided in said paragraphs his annuity shall cease upon the last day of the month in which he ceases to be so disabled. An employee, in receipt of such annuity, who earns more than $75 in service for hire, or in self-employment, in each of any six consecutive calendar months, shall be deemed to cease to be so disabled in the last of such 6 months; and such employee shall report to the Board im-

mediately all such service for hire, or such self-employment. If after cessation of his disability annuity the employee will have acquired additional years of service, such additional years of service may be credited to him with the same effect as if no annuity had previously been awarded to him."

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA:

On page 19, line 10, after the word "condition", insert "As the result of occupational injury or disease"

On page 20, line 25, after the word "condition", insert "As the result of occupational injury or disease"

On page 22, line 4, strike out the quotation marks, and after line 4, insert the following paragraph

"Those individuals whose permanent physical or mental condition is such that they are unable to engage in any regular employment and who (1) have completed 30 years of service or (2) have attained the age of 60. The term 'occupational injury or disease,' as used herein, means (1) Accidental injury arising out of and in the course of employment as an employee, (2) such occupational disease or infection as arises out of such employment or as natural or unavoidable results from such accidental injury; or (3) injury caused by the willful act of a third person directed against an individual because of his employment as an employee."

Mr LEA. Mr. Chairman, the present law provides for permanent and total disability benefits for employees. Two classes are covered One where the employee has served for 30 years. Regardless of the cause from which the disability occurs he can receive the disability benefits. The other is in cases where the service is less than 30 years where he may have a pension after reaching 60 years of age with a slight deduction for the years before he becomes 65.

The Crosser bill provides for two new conditions for disability

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield

Mr. COLE of Missouri. I believe the gentleman did not intend to state the present law just a moment ago; that is not the law at the present time.

Mr. LEA That is not the retirement law?

Mr. COLE of Missouri. That is right.

Mr. LEA. In what respect?

Mr. COLE of Missouri. Under the present law a man may have worked for a railroad company 30 years but if he has not attained age 65, even though he be totally disabled, he cannot draw a pension. He cannot be pensioned until he does reach the age of 65 years.

Mr. LEA. The present act provides that in case of permanent and total disability where the employee has served 30 years he may be a beneficiary even though he is under 65.

Now, it is proposed here to make two new classifications. One is where the man is permanently and totally disabled and has from 10 to 30 years' service. The other is where he is so disabled as to be unable to continue a railway occupation and has completed 20 years of service.

The change as proposed by the committee in its bill and by this amendment would put a limitation upon that right as applied to these new disability benefits. The effect of this new provision in the Crosser bill measured by the present pay roll would be to add about $40,000,000 a year.

The amendment I have offered would reduce the $40,000,000 to about $8,000,000 based on the present pay rolls by confining benefits for disabilities in these two classes to those cases where the disability is due to occupational injuries or disease are disconnected with the service. Under the Crosser bill a man could be compensated for a disability even after he has left the railway employment that has no connection whatever with his service. An employee could recover for injuries or diseases due to his own misconduct.

What the committee proposes to do is to confine the benefits to causes that have a relation to the employment. That is all that is proposed by this amendment. Now, this is a matter of some importance It is important from the standpoint of the amount of money involved and it is of equal or greater importance on account of the precedent it would set for social security in this country. We must contemplate an expansion in our social security field. The logic of the situation may require that. The limited inclusion under our social security plans largely rest on special benefits to limited groups. The burdens of these plans are to some extent borne by all consumers, to the advantage of special groups. We cannot carry a large program unless we put the payments and benefits on reasonable levels. Can we say to the employers of this Nation that they are to assume responsibility for sickness, accidents, and disabilities, even disabilities that result from misconduct, that have no relation whatever to the employer's work? That is a form of insurance beyond any relation between employer and employee. The employer is in no way responsible for it. But here it is proposed to load that responsibility upon him.

The disability might occur when he had no connection whatever with the railroad, even 2 or 3 years after his connection had ceased.

This proposal is very important and far reaching because of the standard it may set for the future. The other day when I talked to you I tried to emphasize the importance, if social security is to succeed in this country, of keeping it within reasonable limits. If we overload it it will eventually be self-destroying. That will be emphasized further as the other provisions of the bill are thoroughly considered.

It is an unwarranted charge against the employer in those cases where the injury or sickness has no relation to the employment. Where the relation exists, the committee amendment would provide for taking care of it.

We must recognise that the people of this country have the power through their Congress, with the concurrence of the President, of destroying our economic system, our way of life. That can be done by the reckless support of improvident measures such as we have before us here. We can try to vote ourselves, or our constituents into ease at the expense of other people. We can transfer the wealth of the Nation, to the destruction of our economic system, from those who produce it to those who would consume it without replacing it.

Our only protection against that is in the hope that we and our constituents have the integrity and the wisdom not to so abuse our powers.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of Missouri. What section or sections does this amendment propose to amend?

Mr. LEA. Two hundred five.

The CHAIRMAN. Section 205.

Mr. COLE of Missouri. On page 18?

The CHAIRMAN. Page 19, line 10. That is where the first amendment occurs.

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that the amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk reread the pending Lea amendment.

Mr. CROSSER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me say that this is the most objectionable of all the amendments which I expect to be offered. It would serve no good purpose to take the time of the Committee by further discussion. I ask for a vote on the amendment.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I move to strike out the last word

Mr Chairman, I take exception to the statement which was just made by the gentleman from Ohio [Mr. CROSSER], namely, that this is a vicious amendment. I am certain that if you understand the situation you will realize that this amendment offered by our distinguished chairman, the gentleman from California [Mr. LEA], is not vicious, but that it is exceedingly important.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Ohio.

Mr. McGREGOR. Is not this simply an amendment that protects those who have already paid into this fund?

Mr. WOLVERTON of New Jersey. It has that effect.

In the consideration of these matters that are being presented to the Committee in the bill offered by the gentleman from Ohio, we must bear in mind that to change the existing law in essential particulars is a serious matter and should not be done without careful consideration. A friend of railroad employees should stop, look, and listen before adopting the Crosser bill. Bear in mind that the first act that was passed for railroad retirement was declared unconstitutional. Members of the committee pointed out at that time that some of its provisions were exceedingly questionable, and that in the interest of the men and women it was sought to serve some of the proposals should not be in the bill.

Little heed was given to those admonitions by those of us who were interested in the genuine welfare of the men, with the result that the committee reported out the bill which was passed by the House and the Senate and approved by the President. But when the act went to the Supreme Court it was declared unconstitutional.

Then another effort was made to obtain similar legislation. Again attention was called to the fact that there were provisions in the proposed bill that were serious from the standpoint of constitutionality. The same lack of heed as in the previous instance was shown. The bill was passed, it was approved by the President, and it was again attacked in the courts, and as far as it went in the courts was declared unconstitutional.

When that situation arose the men and the management sat down together and agreed on the provisions of the law as it is today. The constitutionality of that law has never been tested because part of the agreement was entered into between the workers and management. Management agreed not to attack the constitutionality of it. Consequently, all these benefits that have been paid over this period of years have come about as the result of an act that was mutually agreed upon between the management and the men, and the constitutionality of which has never been tested.

The provision that is sought to be put in this present law by the bill introduced by the gentleman from Ohio in my opinion raises a very serious constitutional question. I do not want to see anything put in this bill that will in any way work against the interests of the men or take from them that which they now have.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON of New Jersey. Bear in mind that the bill as agreed upon between management and men and enacted by Congress, and that has been effective over the years that have intervened is a pension bill, a retirement bill. It was never intended to be anything else. Now there is proposed by the Crosser bill a provision which is entirely foreign to what was the original intention, namely, disability insurance. How far did they go in their endeavor to change the bill in this respect? They go to the extent of saying that an employee of a railroad if totally disabled shall be entitled to disability allotments regardless of how the disability was incurred.

There is no one in this House who will fight harder or more aggressively for a law that will protect an individual worker from the handicaps of disability where it has occurred within the scope of his occupation than will I. To me, it would make no difference if the employee was employed for only 1 hour by a railroad company. If he became disabled, he is entitled to disability benefits. But when you say that railroad workers, shall pay their money into a fund that will give benefits to an individual even though his disability may arise by reason of his own misconduct, I say you are going far afield. You are going beyond even what we have done for veterans. You are requiring in this bill that the employer and innocent workers shall pay for disabilities incurred by some worker entirely outside of his employment.

In other words, suppose that the employee of a railroad, after his work is done, gets into his car and goes out for a good time and becomes intoxicated, and in the operation of his car runs into a telegraph pole and is permanently disabled. Is there any obligation upon his fellow workmen to support him under circumstances such as that? Is there any responsibility on his employer to contribute to a fund, the purpose of which is to pay disability compensation of that character? I want to say to you, and I do not pose as any great constitutional lawyer nor am I one of those who would use the question of constitutionality as a cloak for voting against legislation, but I do say in all seriousness it is a matter that should have the most careful consideration of those who are interested in the welfare of railroad workers before adopting a policy or principle such as that of placing such a provision in the law. I do not want to wreck all that has previously been done for railroad workers by doing something now that is very questionable. When you depart from the agreement under which this legislation originally became law, you are releasing the employer of his responsibility or obligation not to contest the constitutionality of the law and you enable railroad management to attack it on any constitutional ground it may seem fit. I am speaking in the interest of the worker, and when I call to your attention this important matter of constitutionality.

The present Railroad Retirement Act provides for retirement and payment of pensions or annuities to persons in railroad service on or after August 29, 1935, who have become totally and permanently disabled for regular employment for hire, provided they have attained age 60 or have completed 30 years of service. Such a totally disabled person is entitled to his pension immediately upon the incurrence of his disability if he has 30 years of service regardless of his age; or, if he is 60 years of age or over, regardless of the length of service. If he meets neither of these conditions, he must wait until he reaches age 60 before beginning to collect his pension, although his disability may have been earlier.

Where the disability pension is based on age 60, rather than on 30 years of service, it is subject to the same cutback or reduction as applies in the case of old-age pensions; that is, a reduction of one one-hundred-and-eightieth for each calendar month that the employee is under 65 when the pension or annuity begins to accrue.

Those are the disability pension provisions on which all the parties agreed in 1937, after the most careful consideration of how far they could afford to go in the matter of disability coverage, remembering always that occupational disability is completely covered by the Federal Employees' Liability Act and workmen's compensation laws of the States. The provisions of the present law are simple, precise, easily understood, and easy to apply. They have given practically no difficulty in practical application.

H. R. 1362 would change these provisions in fundamental respects and by most complicated, indefinite, and troublesome language, as follows:

First. The basic concept of disability would be changed. Whereas the present act merely says "totally and permanently disabled," the bill would substitute the much more indefinite concept "whose permanent physical or mental condition is such as to be disabling." That would import into the coverage a host of intangible mental conditions not contemplated by the present law, opening up new fields for dispute and litigation and for uncontrollable administrative expansions of the coverage.

Second. The period of service required for a disability annuity to an employee under 60 would be reduced from 30 to 10 years. This is perhaps the broadest expansion proposed in the bill.

Third. A further change in the concept of disability would be made as to those having a so-called current connection with the railroad industry and who have completed 20 years of service or attained age 60. As to them, they would no longer have to be "totally and permanently disabled for regular employment for hire," but the provision would be changed to "whose permanent physical or mental condition is such as to be disabling for work in their regular occupation." That would import a host of most complicated new problems as to what is an employee's "regular occupation," what is a permanent physical or mental disability to work in such regular occupation, what are to be the standards for such disqualification, and who is to fix such standards—all of which again would open up large new fields for administrative expansion of the disability coverage.

The effect of this amendment would be to authorize the granting of disability annuities to railroad employees who are under 60 years of age, or who have had less than 30 years of service, only in case the disability has developed as the result of an occupational injury or disease. In support of this amendment, the following facts are strongly persuasive.

In the first place, the present disability pension provisions, now asserted to be unduly restrictive, are those agreed to by all the employees' organizations by national agreement. They agreed to them after full and extensive conferences.

In the second place, what the railroads and the employees agreed to in 1937, and what the Congress enacted pursuant to that agreement, was essentially and intentionally an old-age retirement and pension system, not a disability compensation system. Disability incurred in railroad employment is already fully covered by the Federal Employers' Liability Act and by the workmen's compensation laws of the States. For this reason, there was no intention of the parties to

the 1937 agreement to set up any extensive disability pension coverage which would necessarily duplicate the coverage of the Federal Employers' Liability Act and the State workmen's compensation laws. What they were agreeing to set up was essentially an old-age pension plan which would make it practicable for superannuated employees to retire from the industry by providing pensions for them based on two things—age and length of service.

As a part of such agreed system, accordingly, the parties agreed to the present purely incidental and comparatively inexpensive disability pension features, limited to total disability from all gainful employment combined with old age or length of service—which is another way of stating old age—age of 60 years or service of 30 years. Such a provision was recognised as having an incidental and reasonable relation to an old-age pension system. That was as far as the parties thought they could go in providing for disability pensions.

But when the employees now come before Congress, and propose to change this agreed and incidental feature of the system by adding these large expansions, they are proposing disability pension provisions no longer incidentally and reasonably related to an old-age pension system. Under these proposals the elements of old age and length of service would substantially go out the window, and we would have enlarged a system essentially intended to provide pensions upon retirement for old age and length of service a wholly new disability compensation feature substantially based only upon the mere fact of partial disability. Such a feature would have no reasonable relation to an old-age retirement and pension system. It would be an encroachment upon, and an unwarranted duplication of, other legally established systems for the coverage of compensation for disability as such.

This very question, as to whether or not the agreed provisions for disability pensions based on age or length of service were or were not too restrictive, came up in the discussions of the subcommittees of management and labor which negotiated the details of the 1937 agreement. As I understand it, representatives of the labor organizations took a very strong position on that question. They said, in effect, what we are working out here is an old-age retirement and pension system, not a disability compensation system; these incidental and restricted provisions for disability pensions are as far as we can go and stay within the limits of reasonable financing; what we want is a sound old-age pension system.

The railroads agreed with that view. It was a part of the compromise and a very important feature of the agreement. The agreement was very specific as to those disability provisions, and Congress put the seal of its approval on the agreement. What was true in 1937, as expressed by the labor representatives, is just as true today.

Comparison with Social Security Act: The Social Security Act offers no support for these extreme proposals. Under that act—section 402 (a)—a worker cannot obtain any pension before he reaches 65, age alone being recognized as grounds for retirement. Furthermore, owing to the way in which pensions under that act are computed, the fact that a man has a period of disability before reaching 65 operates to reduce the amount of his pension, because the disability period is included in calculating the average earnings on which the pension is based. That is not true of railroad pensions, which are based on average monthly earnings, determined by dividing total earnings by the number of months actually worked.

Suppose that in 1937 a man of 25 started to work for an employer covered by the Social Security Act and continues in such employment for 30 years, when he becomes totally and permanently disabled. He would have to wait 10 years before he would be entitled to any pension under that act, and his pension would be based upon his monthly earnings, calculated not by dividing his total earnings by the 360 months in which actually earned, but by the total of 480 months between the date he began employment and the date he reaches retirement age. If his earnings up to the time of disablement averaged $200 a month, such a basis of calculation would have the effect of reducing the monthly average to $150, and his monthly pension would be $39, compared with $45.50 if based on $200 per month. Had the same man been working for a railroad, he could, under the present Railroad Retirement Act, claim his pension immediately upon becoming disabled, based upon his actual average earnings of $200 per month. His monthly pension would be $90

The issue involved in this amendment is this. Should the railroad retirement system, which is already highly preferential of railroad workers as compared with workers in other industries, be made still more preferential by incorporating therein these costly disability provisions of H. R. 1362, for which there is no precedent in the Social Security Act? This amendment would grant disability pensions to railroad employees on a more liberal basis than does the existing Railroad Retirement Act, but with the very reasonable provision that if the disability is incurred by a man less than 60 years of age, or with less than 30 years of service, it must be an occupational injury or disease, not some disability he has incurred as the result of his own negligence or wholly unconnected with his job.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NEELY. Mr. Chairman, I ask unanimous consent that debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. HALLECK. Mr. Chairman, I object.

Mr. NEELY. Mr. Chairman, I move that debate on this amendment do now close.

The question was taken; and on a division (demanded by Mr. NEELY) there were—ayes 42, noes 72.

So the motion was rejected.

Mr. HALLECK. Mr Chairman, I move to strike out the last word.

Mr. Chairman, possibly some Members may feel that anything that may be said here would add nothing to the determination that may be made. I should regret seriously if that really were true because what we are about to do on this amendment has a broader connection than just the matter of what we are going to do about railroad retirement. I think it has to do with the whole scheme of things as far as our national social-security program is concerned.

This is what we are up against—and it can be clarified as the gentleman from New Jersey pointed out. This scheme was originally set up as a retirement plan to pay retirement benefits to men when they reach the age of 65. It was not designed at the outset as a disability act. As we have progressed under the plan, it has been contended that some provision should be made for the man who becomes totally disabled short of completion of his 30 years of service or the attainment of the age of 65.

As we look at what we are doing by the amendment offered by the gentleman from California [Mr. LEA], we see that it is to extend this program into disability payments in what was originally a retirement action. In that connection we ought not forget that there is no Federal provision at all in the Social Security Act which is analogous to this, to take care of the workmen generally in the country. The proposal of the Crosser bill was to pay this disability pension after 10 years, for certain extents of disability, and after 20 years for certain other extents of disability not limited to disability arising out of the employment but extended clear beyond that to a disability arising from any cause, even from misconduct or from anything completely apart from railroad employment.

I am not seeking to impose my personal view upon anybody, but I do think I owe it to the membership to point out what the fundamental issue here is. If we are to extend this retirement system to take care of disabilities—and I want to say here and now, I am in sympathy with extension that undertakes to do something for the man who by reason of his employment has been knocked out so that he cannot work—but the question is: Do you want to go beyond the social-security scheme to the extent of saying that for disabilities that have nothing to do with the employment, the employer shall be charged with the responsibility? The reason I point that out is this: If you do not adopt the amendment offered by the gentleman from California [Mr. LEA], then you had just better be ready to go along with a proposal to amend the Social Security Act to the extent that this proposal would go. How can you justify such a great distinction between the two? Let us not forget that under the provisions of the bill as amended by the gentleman from California [Mr. LEA], we make provision for the railroad men to the extent of paying for permanent disabilities if they arise in the course of employment, paying benefits that are not

included in the general Social Security Act. As we attempt this extension, and as we get ready to do something more for the men working on the railroads, is it not fair to say that that is a good beginning?

I do not have before me a copy of the railroad labor paper that some time ago pointed out the things that were in the Crosser bill that were fundamental. I know that in the minds of the men some provision to take care of total permanent disability is desired by them, and I want to go along with them on that. If I read that brief statement in the labor paper correctly, their idea was that they would have to do with disabilities arising out of employment. My view is that we should maintain that position.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise particularly to ask the distinguished chairman of the committee some questions with respect to this amendment.

First, I would like to know how his amendment would affect or change the present law with regard to employees in service who are disabled.

Mr. LEA. It does not affect the present disability provisions of the law. It leaves the present act, as far as disability is concerned, the same as at present.

Mr. REES of Kansas. In other words, you are reenacting the present law, in substance?

Mr. LEA. No. It is more than that. We created two new conditions under which a man might be entitled to disability benefits. Under the limitation that we provide, we are confining it to the employment, and refers only to those two new provisions. So we take nothing from the men at present and we add two new classes who may enjoy disability benefits.

Mr. REES of Kansas. I have in mind particularly the case of a man being totally disabled. Then the question arises as to why or how he was disabled. For example, take the case of a man who has given his life to the railroad service, who has been in railroading for 26 or 27 years and has rendered faithful service and then is afflicted with heart trouble and has to leave the service. Under the gentleman's proposal as I understand it this man would not be entitled to any disability benefits or protection, any different than now provided under present law.

Mr. LEA. He would if it were an occupational injury. The definition we provide is what Congress provided in reference to the longshoremen:

> The term "occupational injury or disease" as used herein means (1) accidental injury arising out of and in the course of employment as an employee; (2) such occupational disease or infection as arises out of such employment or as natural or inevitable results from such accidental injury; or (3) injury caused by the willful act of a third person directed against the individual because of his employment as an employee.

Mr. REES of Kansas. The language, of course, relates to injury. What I have in mind is this: I happen to know men who have given their lives to the railroad service, 24, 25, 26, or 28 years given to railroading—I have in mind one man who spent 29 years of his life in the railroad service, unable to work now because of a heart affliction and is now being retired; yet because he has not served a total of 30 years he does not come within the present law. And bear in mind the fact too that he had to work harder than ever during the war period. Even though he has given his life to railroading, worn himself out, has a heart affliction—it is said that probably he can do little chores around the house, look after his garden or probably oversee the operation of a gas station, or something like that—yet such men are not entitled to come within the provisions of the present act. And more than that, he cannot prove his disability is service-connected. He does not get an even break. The burden is against him to prove service-connected disability.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. The gentleman from Indiana indicated a while ago that the question involved is whether we are going to protect people from disability; that this is all new. Even if it is new, the question is whether it is the right thing or not. It seems to me that this group of individuals I am talking about is entitled to the protection I have outlined. In a great many cases they even have difficulty in getting their cases properly presented. In other words, the burden of proof is so strongly against the employee with regard to cases such as I have just mentioned that it seems to me the individual does not even get a fair break.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Indiana, a member of the committee who has given this problem a great deal of study.

Mr. HALLECK. I think the gentleman quoted me correctly and I think that is the issue involved. Let me raise this question: Suppose the man instead of working for the railroads works for the Studebaker Corp. in my State at South Bend and has worked there over a long period of years; he is under Social Security; he becomes ill and disabled by reason of nothing that had to do with his employment. There is no provision in the Social Security Act that will pay him disability pay.

The only question, I may say to the gentleman from Kansas, that I raise is that it is a matter of very fundamental policy, and I cannot find reason to apply it in one particular industry if we are not ready to apply it in every industry; yet there is no other place I know of where the Government imposes upon a private employer a responsibility such as would be imposed by the provisions contained in this bill.

Mr. REES of Kansas. The employees themselves, of course, are required to pay their share of any additional cost that may be required for the protection to which I believe they are entitled.

I am convinced that men in the railroad service believed, when the Railroad Retirement Act was passed, that employees such as I have described were being protected. I should add that we are dealing with amendments to the Railroad Retirement Act and not with the Social Security Act. The real question is whether my proposal is right. I think it right and is sound. I shall offer an amendment later on in line with the proposal I have just made.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROBSION of Kentucky. Mr. Chairman, I am not a member of the Interstate and Foreign Commerce Committee that has spent many months on hearings and discussions of the terms of this bill. They all state that it is a very complicated and technical bill. The original bill contained 60 printed pages, and the committee amendment or substitute for the bill contains 50 printed pages, a total of 110 pages, and I confess that there are some matters not entirely clear to me.

As I understand the Crosser bill and also the substitute bill, they greatly liberalize the retirement features. Under the present law a worker must be 65 years of age before he retires. However, he may retire after 30 years of service at the age of 60. The amendment offered by the chairman, the gentleman from California [Mr. LEA], provides for retirement before the age of 60 provided the railroad worker has had 20 years of service and he becomes totally and permanently disabled. The worker may also retire after 10 years of service provided he becomes totally and permanently disabled where the disease or injury is due to his railroad service. I am inquiring of the chairman, the gentleman from California [Mr. LEA], if my interpretation is correct.

Mr. LEA. That is correct.

Mr. ROBSION of Kentucky. If they have 10 years of service and become disabled either by disease or injury traceable to their railroad service, they come within the law?

Mr. LEA. That is correct.

Mr. ROBSION of Kentucky. If they have had 20 years of service and become disabled by reason of disease or have become disabled through accident, then they still can retire even though they have had only 20 years of service if their disease or injury is traceable to their service for the railroad?

Mr. LEA. Disabled in their regular work?

Mr. ROBSION of Kentucky. Yes; that is my question.

Mr. LEA. Yes.

Mr. ROBSION of Kentucky. Let us consider the case that the gentleman from Kansas [Mr. REES] has mentioned. If a man has given his life and worn himself out for 25 or 30 years' service and is no longer able to work at his railroad job, I think it could be very well said that his disability or illness is due to his service and he certainly should not be denied his retirement pension.

It is being urged by some that we should grant railroad-retirement pensions to those who have become disabled

after their separation from their railroad service or for disease and injuries that were not brought about by their railroad service, and it is urged here in the Crosser bill that railroad workers, although they may become sick or become disabled by reason of their own misconduct, should still be permitted to retire with a pension when that illness or injury has no connection whatsoever with their railroad service. These pensions are paid out of a retirement fund, 50 percent contributed by the railroad workers and the other 50 percent by the railroad company. It would certainly be unfair to the railroad workers who have worked for years and contributed their money to this fund and also to the railroad company who has contributed a like amount to take care of persons who are sick and disabled by reason of their own misconduct and not by reason of their service with the railroad company.

Under the Social Security Act persons cannot retire and receive a pension whose sickness or injury is not traceable to their work in the mines, factories, mills, or shops. The Congress has granted pensions to the Spanish War, World War I, and World War II veterans who have become disabled by disease or by injury not due to their service. This pension is very limited and is not one-half as much as those who are disabled by reason of disease or disabilities contracted in the service in line of duty, but the Government pays no pension for disabilities due to the misconduct of the veteran himself, and I have never yet heard any railroad man say that a worker should be retired and receive a pension for either disease or injury that was the result of the worker's own misconduct and not incident to his service.

It has been made very plain that the relief funds of the railroad workers are not now actuarily sound. To make it safe and sound it will require a larger contribution on the part of the railroad workers and the railroad companies and it would certainly be unfair to award pensions to workers when his disabilities were due to his own misconduct.

This retirement fund must be kept solvent at all times. The workers pay their money into this fund with the expectation that there will be ample funds and ample money at all times to pay the worker his pension when he retires. Let us not put an additional burden upon the honest railroad worker. Let us not impair this fund for that group of workers and give money to the fellow who, by his own wrongful conduct or acts, has contracted disease or injury, and I am quite certain when this bill is written into law there will be eliminated these unfair provisions, and to insist on provisions like this will likely hold up the passage of this bill. I am one of those who signed the petition to bring the bill from the committee to the House for consideration and I want to see a bill become law at this session of Congress that will do justice to all of the parties concerned.

Mr. WINTER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the amendment now before the committee is one of the most important amendments that will be offered during this debate.

What does the Crosser bill do? If you take the Crosser bill without this amendment you might just as well get ready to vote to increase the tax both on the employer and the employee double what it is now in order to keep this fund solvent and take care of the provisions in the Crosser bill. Here is the reason why. The amendment offered by the distinguished gentleman from California only affects two provisions of the present law that are important. The Crosser bill will add to that the protection of every railroad employee for 24 hours a day, no matter what he is doing. He may be out fishing; he may be out to a baseball game; he may be out to a night club; he may be out on a drunken spree; he may get injured by some act of his own negligence, and he will come under the provisions of this act. Now then, if you are ready to go that far, if you are ready to say "That is what we want to do"—and that is exactly what you will do if you adopt the Crosser bill, and there is not one on this side who will deny it—if you are ready to go that far, all well and good, but understand what you are voting for when you vote for the Crosser amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield to the gentleman from Indiana.

Mr. HALLECK. I made reference a little while ago to a statement in the railroad labor paper about this proposition. I now have before me that language and I would like to read it with the gentleman's permission:

> Third, the totally disabled railroad worker, the man who, because of what he gave to the industry, is not longer able to hold a job in the industry, is treated somewhat more generously than at present.

It seems to me that the use of those words "who, because of what he gave to the industry" necessarily implies that the disability arose in connection with his employment and by reason of his employment in the industry.

Mr. WINTER. That is right. Take the example that my good friend, the gentleman from Kansas [Mr. REES] gave about a man who served 25 years and had heart failure. If he had been working on the railroad for 25 years and his heart failed, the presumption is in his favor in every court that I ever practiced in that his disability was due to his employment.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I am glad to have the gentleman's opinion, and I hope this legislation will protect that particular individual. But it just happens that in the instance I mentioned he was not protected, and I wanted to make sure that under this legislation you would protect that class of individuals. I certainly did not have in mind protecting anybody who, because of some wrongful thing he did himself, would be disabled.

Mr. WINTER. If the gentleman does not have that in mind, he does not want to vote for the Crosser bill, because that is exactly what is does. If the gentleman has something else in mind, he better offer an amendment to that effect.

Mr. REES of Kansas. I want to see to it that the individual who has given most of his life to the railroad industry, even though he was not thrown off the train, but was incapacitated because of heart trouble, is entitled to the protection that he does not now get under the present law.

Mr. WINTER. If the gentleman feels that way, he should introduce an amendment to that effect.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WINTER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. How about the veteran of the First World War who sustained a heart disability after his discharge?

Mr. WINTER. He cannot get it. He cannot get it under the social-security disability clause.

Mr. KNUTSON. I am not saying it should not be done, but if we do it for one it should be done for all.

Mr. WINTER. I agree with the gentleman.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield further, the Committee on Ways and Means is right now before the Committee on Rules seeking a rule to make in order a certain amendment to the Social Security Act. The gentleman from Minnesota has been before the Committee on Rules in connection with that legislation. I am wondering what the position of the members of the Committee on Ways and Means would be if we sought to extend coverage of the general Social Security Act to the coverage that would here be provided for disability.

Mr. WINTER. Certainly, this is no place to write that kind of legislation, without proper hearings, and without a proper study of what it will do to the stability of this fund and the precedent it will establish in regard to our entire social-security program.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there are one or two thoughts about this controversy that I would like to bring to the attention of the House. In the first place, the gentleman from Indiana is in error in saying that there has been no provision made for disability insurance under the social-security program.

In four States in the Union, at least, there has been passed legislation to provide for disability insurance, on the following premise, that if you are going to pay unemployment insurance to a man who is perfectly well because he cannot find a job, there can be no logical reason why you should not pay unemployment insurance to a man who is unemployed and also ill in addition, or disabled in addition. Hence it is not a complete departure from precedent to consider an insurance system which will cover disability.

In the second place, I do not believe you can compare legislation having to do with railroad men with legislation having to do with the employees of an automobile company, or somebody like that.

As I pointed out a few days ago in connection with this same legislation, I think it is incumbent upon the House to bear in mind that it was not very long ago that the Government of the United States, to put it baldly, in effect said that it could not stand a strike on the railroads. It seems to me that under those circumstances, and as to any industry where the Congress or anybody else is going to take that position, the workers in that industry, as far as our responsibility for them is concerned, are in a fundamentally different situation than workers in other industries where there is no question about the right on their part to exercise in full their own economic power.

I would only like to say further that if I understand this provision correctly, it is not possible for a man to get any insurance unless he is completely disabled, so that I do not think it is fair to compare that with the situation of a partially disabled person in another group who would also have to be permanently and totally disabled in order to draw a pension. As I understand, this man must be completely disabled for any kind of employment.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. LEA. What the gentleman has stated does not apply to 20 years' service.

Mr. VOORHIS of California. The gentleman means that if a man has had 20 years of service, then, if he is disabled for railroad employment, he would be able to draw it, but if he has had less than 20 years' service, he would have to be disabled for any kind of employment. Is that correct?

Mr. LEA. Yes.

Mr. VOORHIS of California. I am glad to have the gentleman's comment about that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Indiana.

Mr. HALLECK. Would the gentleman support a similar provision as an amendment to the social-security law, to make this sort of coverage broad enough to apply to all of the employees who are included in that system?

Mr. VOORHIS of California. I am inclined to believe, in answer to what the gentleman asked me, that it is better to wait and see what is going to happen in the State of California, the State of Alabama, the State of New Jersey, and the State of Rhode Island, with legislation for disability insurance, before we attempt to enact a national law about it. I think it would be wise to see that first. But here we are legislating, certainly, with regard to a great national industry in which both employees and employers have for years been regarded as in a very different position relative to congressional legislation than the ordinary employer and ordinary employee in other industries.

Mr. PETERSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. Under the amendment as drawn at the present time, if a person was injured or became disabled before he had served 20 years, he might be prevented from getting the disability allowance, and be required, if he was a conductor, engineer, or other skilled worker, to be a watchman.

Mr. VOORHIS of California. I think so. I think the point the gentleman makes is a very good one and a very serious one.

Finally I would answer all the talk I have heard this afternoon about penalizing the men who have paid into the fund simply by saying that this is the legislation those very men ask be passed.

Mr. REED of New York. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have profound respect for the railroad men, the engineers, firemen, brakemen, and all classes of railroad workers, even the man who taps the box when the train comes into the station to see whether or not there is a hot-box. We all place our lives and the lives of our families in the hands of the railroad men when we board a train. In other words, it is a question of faith in railroad employees when we get on a train. Some years ago there was a passenger train moving up a very steep grade in Pennsylvania when the engineer saw something far ahead on the same track which object was coming his way. His eagle eye detected that a car had broken loose and was coming down toward him. He said to the fireman: "Uncouple this engine!" He stopped the train, the fireman uncoupled the engine. The engineer opened the throttle, met head-on the car loaded with stone, ditched the car which wrecked the engine. The engineer was crippled for life. We admire such heroism, especially had we been on that train or had our friends been there. I, for one, have always supported railroad legislation which I thought was sound. I am very much in favor of it. I have a duty and responsibility to every railroad employee. A man is no friend of the railroad men if he is responsible for legislation which creates a situation where the fund or system becomes actuarially unsound. I call attention to the second actuarial valuation made as of December 31, 1941, and presented in the Annual Report of the Railroad Retirement Board for the fiscal year ending June 30, 1943, which indicated that the existing tax schedule is insufficient to support the benefits under the act. The report concludes:

> Under the most probable assumption, the pay-roll taxes required to support the system would be 10.6 percent.
>
> Expressed in another way, the removal of the deficit would necessitate adding 3.32 percent of the pay roll to the present tax schedule.
>
> Under assumptions with respect to the future that are highly favorable to the fund, a tax of only 8.1 percent might restore its solvency, but under highly unfavorable circumstances the tax might have to go to 14.5 percent.

That is in the Annual Report of the Railroad Retirement Board of 1943 on pages 118 and 119. It has been pointed out by an expert that the railroad system is far more favorable to covered employees than it is to the Social Security System. Here is an issue that presents itself. The benefits are more favorable under the Railroad Retirement Act than they are to the regular social security people under the OASI. Are we going to draw on the fund for so many benefits that the fund becomes actuarially unsound, and then appropriate money for the deficit out of the Federal Treasury in favor of one group as against another? You cannot do that. I say, if you are not going to keep this fund actuarially sound, then you are not a friend of the railroad men. I think the time has come to consider the solvency of the system as the main issue involved. To favor insolvency would be just like sending an engineer out with a defective engine which you knew was going to ditch him before he got to his destination. The thing to do now is to protect the men who have been covered and who have paid their money to insure future security. Furthermore, we should not discriminate between those who are under the regular social security bill and those who are under the railroad retirement bill.

Mr. WHITE. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 46, noes 56.

So the motion was rejected.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 11 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McGREGOR. Mr. Chairman, I move to strike out the last word. I think we have just one question involved in this so-called Lea amendment. The amendment offered by the gentleman from Ohio [Mr. CROSSER] does not require that the disability be service-connected. The amendment offered by the gentleman from California [Mr. LEA] requires that the disability be service-connected. That is the whole issue. If you have time, call up some of your railroad men and ask them if they want their funds protected. They have worked for years and paid money into this fund so that when they become service-connected disabled they will have some funds there to draw from. I am for protecting the funds that have been paid in by this splendid group of workers.

You have certain individuals on a railroad the same as you have in civic organizations and elsewhere who will take advantage and draw from this railroad fund every penny they can get. They will draw from this fund even when they are not service-connected disabled. The question arises whether you are going to protect the funds of that individual who has paid in or going to allow the gates to be thrown open to individuals who are not entitled to these funds and probably paid in only a small amount, if any at all.

The railroad men do not want to be a preferential class. They want to serve the same as you and I. They have been patriotic and certainly have done a grand job. Let us protect their rights and funds so there will be some money in that fund when they become disabled and really need it. Let us give them the method provided in the Lea amendment.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to my colleague from Ohio.

Mr. BREHM. Does the gentleman feel that if a man suffers a stroke of apoplexy or paralysis that this would be classed as service-connected disability?

Mr. McGREGOR. I would say yes to my friend from Ohio, although I am not an attorney and speak only as a layman. I might say to the gentleman from Kansas in reply to his question if you have industries that are not covered under such a law (whereby men injured are not immediately covered) I suggest that they move to the great State of Ohio and we will take care of their disabilities incurred in line of duty under our Workmen's Compensation Law.

Mr BREHM. There is a gentleman in Somerset, Ohio, who lacks 7 months of having served 30 years with the railroad but has not yet reached age 65. He suffered a stroke while working on the section. For the first year he drew $1 a day. Today he is drawing 50 cents a day compensation. That is not fair to this gentleman who has given 29 years and 5 months of his life to the railroad.

Mr. McGREGOR. Personally, I feel that that individual is a service-connected disability but as stated before I am only giving layman views. That is the man we want to protect rather than the fellow who will go out on a big party and have a wreck and then charge it up to the disability clause of the Railroad Retirement Act. Let us protect the individuals who have paid in and really have service-connected disability and truly are entitled to the compensation backed by these funds that we are now trying to protect.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. WHITE. Do you know of any railroad man who has gone out on a beer party and had a wreck?

Mr. McGREGOR. I am not going to be personal about it. I might ask the gentleman if he has ever been on one, if I wanted to get personal about it, but I am not accusing anyone. But I do say we have individuals who would do most anything to wreck the railroad retirement fund, but I assure you I am not one of them and will do everything in my power to protect this fund so the railroad workers will receive their just benefits.

Mr. BREHM. Mr. Chairman, will the gentleman yield further?

Mr. McGREGOR. I yield.

Mr. BREHM. Does the committee bill take care of the individual to whom I referred?

Mr. McGREGOR. I would say it does. I personally feel that we want to protect those individuals who have paid in their money so that when they become service-connected disabled they will be able to draw their money; and please let us not throw it away so that the fund will become insolvent, as my distinguished friend from Indiana said.

I think we should go along with the amendment offered by the gentleman from California [Mr. LEA], so that our railroad workers will be assured that there will be some money in their retirement fund when they actually need it. Again I say, let us protect this fund from outside individuals who would like to take a part of it, if not all of it.

The CHAIRMAN. The gentleman from California [Mr. DOYLE] is recognized.

Mr. DOYLE. Mr. Chairman, I am certainly not going to vote for any amendment which can be reasonably construed in court to benefit any man who deliberately goes on a beer party as was suggested by a distinguished gentleman a few minutes ago, or who is taking a joy ride without any connection with his employment, as was referred to, and thereby injures himself and members of his family. I feel that my practice of civil law for about 25 years before I came to Congress entitles me to have an opinion as a result of that experience, to the effect that I feel that an employee is not entitled to benefit under this bill if he deliberately and by willful misconduct and without any connection with his job, injures himself physically or contracts disease. But there are many border-line cases in which there is occupational disease or infection arising out of, and in the course of, employment and yet it is practically impossible, after a term of years for the conscientious and trustworthy employee to prove that such disease arises or occurs as a result of such occupational employment as he or she has engaged in over a long term of years. For instance, when a man works for 20 years or more on a railroad and then suffers heart attack or failure or any other disease, should we say that such disease arose within the body of that railroad employee prior to the commencement of his occupation 20 years before, or could we reasonably be expected to presume that it arose or developed during the 20-year period of his faithful and conscientious work on the railroad? I choose the latter course, and believe that there should be a presumption of law existing to the effect in such cases that such developments are a result of the occupation. Certainly it develops during the 20-year period, else he could not have been able to hold his job reasonably and satisfactorily during the 20-year period.

Now the burden rests on the employee to prove that it is an occupational disease. I favor the shift of that burden from the shoulders of the employee so that the men or women who presently suffer unintended injustices shall have the sound benefits of a fairer provision of law in this connection. Let us not continue the burden of proof on the applicant who has worked steadfastly for a railroad for more than 20 years and then finds that, because he does not suffer specific physical injury, as a result of accident or calamity, that he is out and has no benefits under this bill because he cannot assume the technical proof that is now demanded of him to prove that the disease he manifestly suffers arose because of, and on account of, the occupation he has been faithful in lo these many years. He has had no other occupation during these long years so how could it help but arise from his railroad occupation. Let us therefore set up a clear-cut prima facie presumption in his favor.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. HINSHAW. The gentleman has expressed the thought I had in mind in voting for this amendment, and I trust the amendment will be so interpreted.

Mr. DOYLE. I renew my statement that the burden of proof should not have to be assumed by the applicant.

The CHAIRMAN. The time of the gentleman from California his expired.

The gentleman from Minnesota [Mr. O'HARA] is recognized for 5 minutes.

Mr. O'HARA. Mr. Chairman, I think perhaps it should be understood that both the Crosser bill and the amendment offered by the gentleman from California [Mr. LEA] constitute a broadening of the present retirement law. The question as I see it simply divides itself into whether we want to accept the language of the Crosser bill, which takes the lid off completely, and allows payment for all non-service-connected disabilities, the drunken-driver case and all, and whether we want to subject the retirement law to that expense because you would be writing an accident policy which had nothing to do with employment when you say to the railroad people and the railroad men who pay the cost of this bill that they have to take care of such cases, or whether you want to limit it to the degree to which it has been limited by the Lea amendment, to the basis of occupational injury or disease with the privilege of retirement after 20 years' service in certain cases.

I feel as does the gentleman from California [Mr. DOYLE] that if the Crosser proposal is adopted it will be the first time in industrial law, workmen's compensation acts, where a workman may recover for injury or disease not arising in the course of his employment.

Mr. PETERSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. PETERSON of Florida. Is it not very difficult at times to determine what is an occupational disease?

Mr. O'HARA. I agree with the gentleman. That is one of the most difficult problems in the administration of compensation acts.

Mr. PETERSON of Florida. These men frequently work under such unfavorable weather conditions that it is possible some physical disability may follow.

Mr. O'HARA. Yes; and I would be in favor of having such cases covered. They should be paid either disability or retirement benefits, but I am not going to say that a man who goes out on a wild party, drives his car and gets hurt, should be paid either disability or retirement benefits.

Mr. PETERSON of Florida. Is not that a rather extreme example? I have known thousands of railroad men but not one who has been involved in such an incident.

Mr. O'HARA. It is extreme, but when you open the door anything can happen.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Kansas.

Mr REES of Kansas. I do not think there is anyone who wants to protect an individual who by reason of his own misconduct becomes injured, but there is a feeling that the individual who has become ill because of exposure, as I tried to explain a while ago, or whose heart has gone bad or who has become afflicted with arthritis, is entitled to more protection than is given him under the present law and I would like to see him protected under this act.

Mr. O'HARA. How are you going to do it?

Mr. REES of Kansas. We have one suggestion that we should resolve the doubt in favor of the employee rather than in favor of the employer as we have been doing.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Michigan.

Mr. DONDERO. Suppose a man went up to the store on a shopping tour for his wife and was run over by an automobile. That would not be on account of his own misconduct, yet it would not be connected with his employment.

Mr. O'HARA. That is exactly the point.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Indiana.

Mr. HALLECK. Unless the Lea amendment is adopted why the bill will provide that a man can get these disability payments if he is disabled by reason of his own misconduct or for any other cause.

Mr. O'HARA. The gentleman is correct.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The question was taken, and on a division (demanded by Mr. WHITE) there were—ayes 85, noes 80.

Mr. WHITE. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. LEA. Mr. Chairman, if no one wants to offer an amendment to sections 206 to 212 I make the unanimous-consent request that we waive the reading of those sections.

Mr. CROSSER. Mr. Chairman, I have an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: On page 19, lines 5 to 7, substitute the following:

"3. Individuals who have completed 30 years of service and will have attained the age of 60 in the case of men or the age of 55 in the case of women, the annuity of such individuals shall be reduced by one one-hundred-and-eightieth for each calendar month that he is under the age of 65 or she is under the age of 60 when the annuity begins to accrue."

Mr. CROSSER. Mr. Chairman, this amendment is self-explanatory. It simply extends to women the same rights that men have now to retire 5 years before the retirement service is up by taking a cut of one one-hundred-and-eightieth for each month of the 5 years. Everybody in the committee hearings seemed to be for it.

Mr. LEA. Mr. Chairman, personally I see no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. CROSSER].

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I renew my request that the reading of sections 206 to 212, inclusive, be waived, and printed in the RECORD at this point, and that amendments thereto may be in order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The sections referred to are as follows:

SEC. 206. Section 2 (b) is amended by substituting for "2 (b)" and "3" the numbers "4" and "5", respectively.

SEC. 207. Section 3 (b) (4) is amended by substituting for the portion of the sentence following "June 30, 1937" the following: "and after the end of the calendar year in which the individual attains the age of 65."

SEC. 208. Section 3 (c) is amended by substituting the phrase "paid to an employee with respect to" for the phrase "earned by an employee in."

SEC. 209. Section 3 (c) is further amended by substituting for that portion of the subsection following the phrase "and (2)" the following: "the amount of compensation paid or attributable as paid to him with respect to each month of service before September 1941 as a station employee whose duties consisted of or included the carrying of passengers' hand baggage and otherwise assisting passengers at passenger stations and whose remuneration for service to the employer was, in whole or in substantial part, in the form of tips, shall be the monthly average of the compensation paid to him as a station employee in his months of service in the period September 1940–August 1941: *Provided, however*, That where service in the period 1924–31 in the one case, or in the period September 1940–August 1941 in the other case, is, in the judgment of the Board, insufficient to constitute a fair and equitable basis for determining the amount of compensation paid or attributable as paid to him in each month of service before 1937, or September 1941, respectively, the Board shall determine the amount of such compensation for each such month in such manner as in its judgment shall be fair and equitable. In computing the monthly compensation, no part of any month's compensation in excess of $300 earned before 1946, and no compensation for the months of service in a calendar year after 1945 in excess of $300 multiplied by the number of months of service in such calendar year shall be recognized."

SEC. 210. Section 3 (e) is amended to read as follows:

"(e) In the case of an individual having a current connection with the railroad industry and not less than 5 years of service, the minimum annuity payable shall, before any reduction pursuant to subsection 2 (a) (3), be whichever of the following is the least: (1) $3 multiplied by the number of his years of service; or (2) $50; or (3) his monthly compensation."

SEC. 211. Section 3 (f) is amended to read as follows:

"Annuity payments which will have become due an individual but will not yet have been paid at death shall be paid to the same individual or individuals who, in the event that a lump sum will have become payable pursuant to section 5 hereof upon such death, would be entitled to receive such lump sum, in the same manner as, and subject to the same limitations under which, such lump sum would be paid, except that, as determined by the Board, first, brothers and sisters of the deceased, and if there are none such, then grandchildren of the deceased, if living on the date of the determination, shall be entitled to receive payment prior to any payment being made for reimbursement of burial expenses. If there be no individual to whom payment can thus be made, such annuity payments shall sachest to the credit of the Railroad Retirement Account."

SEC. 212. Section 4 is repealed, section 3A is renumbered as section 4, subsections (h) and (m) of said section are repealed, and all references to section "3A" are changed to "4."

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA Page 22, after line 8, insert:

"SEC. 208A. Section 3 (a) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"'SEC 3 (a). The annuity shall be computed by multiplying the individual's years of service by the following percentages of his monthly compensation: 2 percent of the first $100, 1½ percent of the next $100, and 1 percent of the next $100.'"

Mr. O'HARA. Mr. Chairman, there are no provisions in H. R. 1362 which would provide any increased annuity benefits to railroad employees with average monthly wages of over about $80 per month. My amendment provides for increased benefits. There are no provisions for increased benefits in the pending bill, with this exception.

The increased costs of living and the large differentials as between the wages received by the higher paid railroad employees and the annuity benefits which are provided them under the present law, and which would be continued if bill H. R. 1362 becomes law, create conditions under which many employees remain in service instead of retiring on the rather limited annuity benefits they would receive if they did retire.

I think the average railroad man is concerned in an increased annuity benefit. This amendment would provide what is substantially a 10-percent increase in benefit. If under the present law he was receiving, we will say, $80 a month, under this amendment, he would receive approximately $96 a month. If he was receiving $190 a month, the maximum he would receive under this amendment would be approximately $135.

The question is as to the cost of it. The increased cost would be approximately 10 percent. The total annuity benefit paid retired railroad employees during the year 1945 was $124,417,67. That would mean that on that basis of retirements for the last year's payment the additional cost which would be borne by the railroads and by the employees would be something between twelve and fifteen million dollars on a 10-percent cost basis. I hope that when we get through writing this bill that all of us

can say to the railroad employees that we have done something that is of benefit to them.

I am happy to offer this amendment because I think there is one thing the railroad employees expect to know when this bill becomes law, that is, whether it is going to increase their benefits, not just increase their expenses, but increase their benefits. I am happy to offer this because we can say to those railroad employees who are in a position to retire that they will have something to retire on to meet the increased cost-of-living conditions that exist today. I sincerely hope that my friends on the right and on the left who favor the different versions of this bill will unanimously support this amendment.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Under the Crosser bill and the committee bill, no increase is provided in the annuities?

Mr. O'HARA Except as to those getting up to about $80. Up to that extent they do get an increase.

Mr. ROBSION of Kentucky. I mean above $80.

Mr. O'HARA. Above $80 they do not; no.

Mr. ROBSION of Kentucky. Has the gentleman any idea as to how many people will be benefited by this amendment who are now drawing annuities?

Mr. O'HARA. It is extremely difficult to estimate that. I do not have that figure.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Michigan.

Mr. DONDERO. What part of the $15,000,000 would have to be borne by the men?

Mr. O'HARA. Half.

Mr. DONDERO. Or $7,500,000?

Mr. O'HARA. That is right. It is divided equally between the railroads and the employees.

Mr. DONDERO. Is there any expression on the part of the railroads and the men as to their attitude on this amendment?

Mr. O'HARA. I know some of the working employees, the ones who work on the roads, are very much interested in this amendment. I know that the Brotherhood of Engineers, whose members are among the higher-paid employees, favor this amendment. The amendment, as a matter of fact, was suggested in our hearings by Mr. John Corbett, of that brotherhood.

Mr. ROBSION of Kentucky. Does that take care of those who are now drawing annuities?

Mr. O'HARA. Yes.

Mr. ROBSION of Kentucky. And those who in the future will do so?

Mr. O'HARA. Yes.

Mr. WINTER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Kansas.

Mr. WINTER. Can the gentleman give us any figures as to what the additional tax would be on both the employer and the employee on an actuarial basis?

Mr. O'HARA. It is impossible except as I have indicated.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

I am reluctant to make this statement about this amendment because I am in doubt as to what amount the adoption of the proposed amendment would carry. We have been making a fight here against unnecessary increases in this bill and have been trying to reduce those that we believe are unjustified. As I understand, those who support this bill did not make a request for this amendment.

From a fractional standpoint this figure does not appear to be large; it would be a small fraction of these big numbers, but when translated into the dollars involved, 1 percent means $40,000,000. So I submit that uncertainty to the consideration of the Committee. We are trying to hold expenses down here to keep this bill in proper relation to a social-security program for the country. I do not want to depart from that purpose.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment of the gentleman from Minnesota. It is similar to an amendment I proposed a few days ago when this legislation was under consideration.

Mr. Chairman, I agree with the gentleman from Minnesota that this is one place where you can really help the men in the railroad service. It is legislation they have requested and to which they are entitled The additional cost is moderate as compared with the benefits that will be derived therefrom. As the gentleman from Minnesota has suggested, it would not change in any way the benefits of the employees whose monthly average wages are $80 or under. It does give just a little more needed benefit to the employee who receives more than $80 per month pay.

In view of the increased cost of living and in view of the fact that the employee who gets the higher wages is the man who pays most proportionately for the benefits he receives, I think he is entitled to this consideration.

Figures have been submitted as to the cost. I think there was one suggestion that it would cost as much as $50,000,000. The best suggestion I have received from those who have studied it is that the additional cost is approximately $40,000,000, or probably less. It is worth the additional cost. The employees are willing to pay their share of it. It is equitable and fair

I am also in favor of what the gentleman from California suggests in keeping costs at a minimum and not burdening the railroad men; after all they are paying their share of this additional expense. I think this amendment is fair. It ought to be adopted. It is equitable. There is nothing unsound about it. I trust the membership will go along and support this amendment.

Mr. LEA. Mr. Chairman, I ask unanimous consent that debate on this amendment conclude in 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, I have heard considerable talk today about what the railroad men want or do not want. Over the last 2 or 3 years, and perhaps longer, I have received many, many letters from railroad workers in my district. I have attended some of their conventions. There are three things that they have always insisted upon, and on those three things I stand committed:

First. The one thing they want apparently more than anything is a pension for their widows and minor children.

Second. They want some increase in their annuities in view of the tremendously increased cost of living.

Third. They want some liberalization of the retirement provisions; that is, the 10- and 20-year provisions.

I think those things really mean something to the railroad workers.

The Crosser bill and the committee bill both grant pensions for the widows and minor children of railroad workers. Under the present Railroad Retirement Act, widows and minor children of railroad workers cannot secure any pension unless the railroad worker agrees to a joint survivor provision. If he does, he must yield a part of his own pension after he retires so that his widow may receive some pension after his death. That greatly reduces the pension or annuity of the railroad worker. Both bills before us provide for a pension for both the widow and minor children and without taking anything away from the annuity or pension of the railroad worker himself. Many railroad workers in my district have strongly urged me to vote for such a provision.

Many railroad workers in my district have already retired and the annuities of many of them are small. The cost of living has gone up by leaps and bounds. They are old and disabled. They are dependent upon their retirement pension to support themselves and their families. This is grossly inadequate and the railroad workers have strongly urged me to vote for an increase. Neither the Crosser bill nor the committee bill provides for any increase in the annuities. The gentleman from Minnesota [Mr. O'HARA], who is a member of the Interstate and Foreign Commerce Committee, has offered an amendment to the committee bill which increases this annuity approximately 10 percent. This is not much, but it will be appreciated by the railroad workers who have retired and who will in the future retire. It is only fair to say that the retirement benefits of railroad workers in the present law are already higher than the benefits paid to workers under the Social Security Act, but in view of the tremendous increase in the cost of living and the experience and responsibility to the Nation, I strongly feel that we should adopt the O'Hara amendment and I appeal to each one of you to support it.

The third provision that the railroad workers in my district have insisted upon is a liberalization of the retirement provisions so as to permit those who have had no more than 10 years and no more

than 20 years of service, but who are totally disabled, may retire, and I certainly strongly favor this provision in both bills. We all now know that even though a railroad worker is totally disabled, unless he has had 30 years of service, he cannot retire under 60 years of age, and if he has had less than 30 years of service, although totally disabled, he cannot retire until he is 65 years of age.

I have found one serious objection to the railroad-retirement law. It is almost impossible to prove to the retirement board that a railroad worker is totally and permanently disabled. They hold, under the present law, that he must be so disabled that he cannot follow any kind of gainful occupation. I think when the railroad worker has worn himself out in the railroad service of the railroad company and can no longer follow his own occupation, and if he has had sufficient years of service, he should be permitted to retire on the basis that he cannot carry on his occupation as a railroad man. The present procedure should be modified and liberalized, but I do not insist that it should be so modified and liberalized that persons can receive pensions on account of disease or injuries that were brought on by their own misconduct and not in line of their service with the railroad company. Such a provision is unfair to the other railroad workers who must contribute 50 percent of this retirement fund. This fund must at all times be solvent. I have discussed this matter at some length today on another provision of the bill.

These three things that I have mentioned are the amendments that the railroad workers in my district have insisted upon. I think they are substantial, and these amendments will get something to every railroad man and his family and to his dependents.

OPPOSE INCREASING COVERAGE

The Crosser bill provides that we increase the coverage of retirement benefits to persons who are not employed by the railroad companies but who perhaps render some service in servicing trains with ice, and so forth, for the railroad companies. Under the present law no one can come under the provisions and receive the benefits of the railroad retirement law except those employed by the railroads of this country. These railroad workers have been paying into this fund for many, many years in building up a retirement fund. I think it would be unfair to amend the law and admit to these retirement benefits other persons who have not been and are not now employed by the railroad companies. They have never paid anything into this retirement fund. Yet they would have time, counted for years, perhaps, that they rendered certain services in the way of furnishing supplies, and so forth, to the railroads, and they would be placed on an equal footing with those railroad workers who have been paying into this fund for many years. The rail workers certainly do not favor this.

There is another amendment in the Crosser bill to the present law. This amendment provides that the taxes paid by the railroad workers and the railroad company should be paid to the Railroad Retirement Board instead of to the collector of internal revenue. The Treasury Department and Internal Revenue Bureau have objected seriously to this proposed change in the present law. Taxes are collected by the Internal Revenue for the various agencies of the Government. The Internal Revenue Bureau has a well-organized set-up to collect these and other taxes. It certainly would cost considerably more money to set up a new tax-collecting unit for the Railroad Retirement Board, and this would mean the employment of many more Federal officeholders, and it would be paid out of the railroad retirement fund, and this would lessen the amount of that retirement fund. Such a provision might hold up final action on this legislation.

HISTORY OF THE RAILROAD RETIREMENT ACT

For many years, various railroad companies and the railroad workers of their respective systems had their own retirement set-up. Finally, the Congress passed a railroad retirement act for the railroad workers of the entire Nation. The Supreme Court held it was unconstitutional. After considerable delay, Congress passed another railroad retirement act and the constitutionality of this second act was contested by the railroads. The Supreme Court held that that act was unconstitutional. It was then that the railroad workers and the railroads got together and through the process of collective bargaining, entered into an agreement. Congress, by an act, in effect ratified that agreement. The agreement provided that the railroads would not contest that act and it has been ever since and is now the Railroad Retirement Act. There has been no agreement between the railroads and the railroad workers as to changes in that act. It is highly desirable that there should be some substantial amendments to the act but if we want to be realistic and really get something to the railroad workers, their widows and orphans except a lawsuit, we should not overload this bill with a lot of amendments, the constitutionality of which is very much in question.

The Crosser bill contains two of the three provisions in which the railroad workers and their families of my district have expressed very great interest, but the provision to increase the annuities or pensions of railroad workers is omitted, and I trust that the bill will not be overloaded now so at least these three important provisions may become law at this session of Congress. While I am not a member of the committee that had this bill, I have done what I could to expedite consideration by the Congress and, in fact, signed a petition to bring the bill before the House for consideration. The time is drawing near for the adjournment of the Congress, and if anything worth while is enacted into law to benefit the railroad workers and their families, we should avoid, as far as possible, highly controversial and doubtful items.

The gentleman from Ohio [Mr. CROSSER] had in his bill a provision to pay benefits to a female railroad worker while she was giving birth to a child, and so forth. Of course, no other workers are given any such benefits. One or two of the leaders of the railroad workers here in Washington frankly told me that some of the things in the Crosser bill should come out. If it is passed as is, it will likely cause considerable delay. In fact, it is most unfortunate that the railroads and the railroad workers did not get together on the changes on the bill and thereby expedite action on the bill and remove any possibility of it being held up through litigation.

Mr. DONDERO. Mr. Chairman, will the gentleman from Kentucky yield?

Mr. ROBSION of Kentucky. I yield to my distinguished friend from Michigan.

Mr. DONDERO. Can you give the House any estimate as to any increase of tax on the wages of the men who work on the railroad will be in order to increase this pension by 10 percent?

Mr. ROBSION of Kentucky. The amount of annuities paid out annually is approximately $125,000,000. An increase of 10 percent would add approximately $12,500,000. The railroads would pay 50 percent of this sum and the workers 50 percent. As I understand the facts, these taxes are levied on the pay roll. The pay rolls average more than $4,000,000,000. One percent of this sum would be $40,000,000 and this $12,500,000 would be less than one-third of 1 percent on the pay rolls and therefore it would mean that the railroad companies would pay less than one-sixth of 1 percent and the railroad workers less than one-sixth of 1 percent.

I know that the railroad workers in my district are very anxious to have this sum increased on their annuities. I have also received some letters and telegrams urging me to support H. R. 1362 without amendment. I am quite sure that all those who have written or wired me, if they could read all the provisions of this bill and know all the facts, they would decide that in justice to the railroad workers and their families there should be some amendments. I think those who collaborated and developed H. R. 1362 discovered that this is a very difficult subject. I understand that the bill has been modified and reintroduced some five or six times, and the gentleman from Ohio [Mr. CROSSER], who has had charge of this bill, has himself offered some substantial amendments to his own bill.

When the bill comes up in the House for a record vote I sincerely trust that the amendments will not be defeated that provide for pensions for widows and minor children of railroad workers; that the amendment granting an increase of annuities and the amendments liberalizing the retirement features will not be defeated. If these and some other provisions are defeated when the bill goes to the Senate the whole matter will be considered, and then the bill will likely go to conference, and if the conferees can agree on a compromise bill and the conference report is adopted by the Senate, a compromise bill in the conference report will become the bill that will go to the President for his approval or disapproval.

The CHAIRMAN. The gentleman from California [Mr. HINSHAW] is recognized.

Mr. HINSHAW. Mr. Chairman, the gentleman from Michigan [Mr. DONDERO] in questioning the gentleman from Kentucky [Mr. ROBSION] asked how much this was going to cost in the matter of tax on the income of the men.

I would like to say to the gentleman from Michigan [Mr. DONDERO] that, insofar as the railroad workers are concerned, they are perfectly willing to pay the additional tax in order to obtain a benefit in the form of a pension which they can rely upon for their support when they retire.

I rise in support of the amendment offered by the gentleman from Minnesota, because I, too, know that the thing these men want most is, first, absolute assurance that the fund which is going to pay their retirement is sound actuarially, so that the money will be there when they reach the age of retirement. Secondly, that they be taxed and of course the employers likewise be taxed enough so that the amount they will receive as a pension will be adequate for their support in their old age. They are not going to chisel on this at all. What they want is an adequate pension, and they are perfectly willing to pay for it. It does not come out of the tax moneys of the United States. It comes out of the pay envelopes of the employees, 50 percent, and 50 percent from the employers.

I am glad to say that the railroad workers in my part of the country do not want a lot of furbelows in this bill. They want it as simple as possible. They do not want it so complicated that they will have great difficulty in figuring it out for themselves. If is complicated enough as it is. What they do want is a sound, adequate pension law, and they are willing to pay for it.

Therefore, I support the amendment offered by the gentleman from Minnesota.

The CHAIRMAN. The time of the gentleman from California [Mr. HINSHAW] has expired.

Mr. D'EWART. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. D'EWART. Mr. Chairman, the Railroad Retirement Act, under consideration by this House, is a matter of great concern to the railroad men of my district. There are three transcontinental railroads that travel this area east and west for over 300 miles and there are also two other railroads which come in from the south. This means that there are a large number of railroad men in my district vitally interested in this legislation.

On October 5, I received a letter signed by 18 railroad employees from Livingston, Mont., that reads as follows:

DEAR SIR: The only change we want is a provision, the widow of a retiring pensioned employee shall receive 75 percent of the amount the deceased had been drawing before his death.

We feel that any other changes are out of place in a railroad pension bill and if you refer to subcommittee hearings on previous bills for railroad workers, you will see this is the sentiment of the rank and file.

Respectfully yours,

Mrs. Ella A. Merrill, H. G. Merrill, Grace S. Schuits, Beatrice Smith, Sam Shepperd, F. A. Schuls, Manson W. Smith, J. P. Binniek, Earl Schoenheiser, J. J. Vanaken, Alice E. Vanaken, W. T. Carter, W. O. Carrico, V. V. Van Aken, Ben H. Adams, John Wordell, Altha B. Van Aken, L. D. Holderbaum.

On September 20 a group of 28 members of railroad organizations in my district sent me the following resolution:

DEAR REPRESENTATIVE D'EWART: We, the undersigned members of railroad brotherhood, ask you to oppose passage of H. R. 1362 because the bill in present form converts the Railroad Pension Act into a maternity and social-security bill.

The only change we want in the present Retirement Act is a provision as follows:

Wives of deceased members under the Railroad Retirement Act to receive 75 percent, or at least 60 percent of the amount deceased was receiving monthly, until the widow remarries when all payments will stop.

One-hundred-dollar minimum pension, optional either with 20 years' service or at the age of 55.

That the incapacitated man be pensioned regardless of service or age.

That the act specify that a man be regarded as totally disabled and eligible for pension when he can no longer perform his regular railroad duties.

That they keep all maternity, sickness, child, parent, and estate benefits out of any railroad pension plan (which this or no other pension plan can afford).

The proposed bill was never submitted to the rank and file of the railroad brotherhoods for their approval, and we are bitterly opposed to making the act into a maternity benefit, which would certainly decrease the amount available as pensions to our widows.

W H Spamsering, J. L. Smith, F. G. Burns, W. E. Counts, D. W. Fraser, B. H. Beardsley, Albert Kluth, R. J. Fist, C. F. Nickelson, H. J. Scalise, R C Shinn, W. A. Hargrove, Bertha Gander, W W. Woodbridge, W. J. Priest, F. J. Mjelde, A. E. Van Vorhis, A. L. Griod, T. F. Mitchell, A. T. Bull, J W. Wright, A. J Kelly, L. P. Zimmerman, C. L. Fagecil, G. G. Reppas, P. I. Blankenship, C. W Gander, B. M. Helper.

You will note in both of these communications that the railroad men of my district are interested in the liberalization of the Railroad Retirement Act so the widow of a retired, pensioned employee will receive from 60 to 75 percent of the amount the deceased had been drawing before his death. Neither of these communications desires maternity, sickness, child, parent, and estate benefits out of the railroad-pension plan.

I am in receipt of a large number of other telegrams and letters, from Great Falls, Havre, Miles City, Glendive, Billings, and Laurel, all indicating a desire for liberation of this act along the lines indicated by these two resolutions. These communications indicate a strong desire that the act be kept actuarially sound. In their testimony before the House committee, such men as Mr. John T. Corbett, of the Brotherhood of Locomotive Engineers, emphasized the importance of keeping this legislation within the tax rate provided to support it.

After a full days' debate last month, the Committee of the Whole House on the State of the Union rejected the committee amendment to H. R. 1362, but did not make any recommendations to the House as to further action.

We now have before us the so-called Crosser amendment. I sincerely hope this amendment can be amended so that there will be no question of its soundness, actuarially, and so that it will contain the amendments asked for in the resolutions which I have quoted above, that is, the granting of a pension from 60 to 75 percent to widows of deceased railroad men, liberalization of the main pension features, some aid to an incapacitated man, and provision that a man be regarded as totally disabled and eligible for pension when he can no longer perform his regular railroad duties.

It is my hope that we can amend this bill before us so that it will be limited to these items and so that it will meet with the desires of these railroad employees. A careful reading of the three volumes of hearings held before the committee will convince any interested person that some liberalization of the legislation before us is urgently needed. I believe the amendments suggested above can be written into this legislation so that the act, when finally passed, will be sound and still provide the increased benefits asked by the railroad employees and still remain within the tax formula proposed by the committee.

It is my sincere hope that the House will approve this legislation today so that it can go to the Senate in time to be acted on before we recess.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, with the understanding that it will be printed at this point in the RECORD, and that amendments may be offered to the successive sections.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The remainder of the bill reads as follows:

SEC. 213. The heading preceding section 5, and section 5 are amended to read as follows:

"ANNUITIES AND LUMP SUMS FOR SURVIVORS

"SEC. 5. (a) Widow's insurance annuity: A widow of a completely insured employee, who will have attained the age of 65, shall be entitled during the remainder of her life, or, if she remarries, then until remarriage, to an annuity for each month equal to three-fourths of such employee's basic amount.

"(b) Widow's current insurance annuity: A widow of a completely or partially insured employee, who is not entitled to an annuity under subsection (a) and who at the time of filing an application for an annuity under

this subsection will have in her care a child of such employee entitled to receive an annuity under subsection (c) shall be entitled to an annuity for each month equal to three-fourths of the employee's basic amount. Such annuity shall cease upon her death, upon her remarriage, when she becomes entitled to an annuity under subsection (a), or when no child of the deceased employee is entitled to receive an annuity under subsection (c), whichever occurs first

"(c) Child's insurance annuity: Every child of an employee who will have died completely or partially insured shall be entitled, for so long as such child lives and meets the qualifications set forth in paragraph (1) of subsection (i), to an annuity for each month equal to one-half of the employee's basic amount

"(d) Parent's insurance annuity: Each parent, 65 years of age or over, of a completely insured employee, who will have died leaving no widow and no child, shall be entitled, for life, or, if such parent remarries after the employee's death, then until such remarriage, to an annuity for each month equal to one-half of the employee's basic amount

"(e) When there is more than one employee with respect to whose death a parent or child is entitled to an annuity for a month, such annuity shall be one-half of whichever employee's basic amount is greatest.

"(f) Lump-sum payment: Upon the death, on or after January 1, 1946, of a completely or partially insured employee who will have died leaving no widow, child, or parent who would on proper application therefor be entitled to receive an annuity under this section for the month in which such death occurred, there shall be paid a lump sum of eight times the employee's basic amount to the following person (or if more than one there shall be distributed among them) whose relationship to the deceased employee will have been determined by the Board, and who will have been living on the date of such determination: to the widow or widower of the deceased; or, if no such widow or widower be then living, to any child or children of the deceased and to any other person or persons who, under the intestacy law of the State where the deceased will have been domiciled, will have been entitled to share as distributees with such children of the deceased, in such proportions as is provided by such law; or, if no widow or widower and no such child and no such other person be then living, to the parent or parents of the deceased, in equal shares. A person who is entitled to share as distributee with an abovenamed relative of the deceased shall not be precluded from receiving a payment under this subsection by reason of the fact that no such named relative will have survived the deceased or of the fact that no such named relative of the deceased will have been living on the date of such determination. If none of the persons described in this subsection be living on the date of such determination, such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of the deceased. If a lump sum would be payable to a widow, a child, or parent under this subsection except for the fact that a survivor will have been entitled to receive an annuity for the month in which the employee will have died, but within 1 year after the employee's death there will not have accrued to survivors of the employee, by reason of his death annuities which, after all deductions pursuant to paragraph (1) of subsection (i) will have been made, are equal to such lump sum, a payment to any then surviving widow, children, or parents shall nevertheless be made under this subsection equal to the amount by which such lump sum exceeds such annuities so accrued after such deductions. No payment shall be made to any person under this subsection, unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of 2 years after the date of death of the deceased employee, except that if the deceased employee is a person to whom section 2 of the act of March 7, 1942 (56 Stat. 143, 144), is applicable such 2 years shall run from the date on which the deceased employee, pursuant to said act, is determined to be dead, and for all other purposes of this section such employee, so long as it does not appear that he is in fact alive, shall be deemed to have died on the date determined pursuant to said act to be the date or presumptive date of death.

"(g) Correlation of payments: (1) An individual, entitled on applying therefor to receive for a month before January 1, 1946, an insurance benefit under the Social Security Act on the basis of an employee's wages, which benefit is greater in amount than would be an annuity for such individual under this section with respect to the death of such employee, shall not be entitled to such annuity. An individual, entitled on applying therefor to any annuity or lump sum under this section with respect to the death of an employee shall not be entitled to a lump-sum death payment or for a month beginning on or after January 1, 1946, to any insurance benefits under the Social Security Act on the basis of the wages of the same employee

"(2) A widow or child otherwise entitled to an annuity under this section shall be entitled only to that part of such annuity for a month which exceeds the total of any retirement annuity and insurance benefit under the Social Security Act to which such widow or child would be entitled for such month on proper application therefor. A parent otherwise entitled to an annuity under this section shall be entitled only to that part of such annuity for a month which exceeds the total of any other annuity under this section, retirement annuity, and insurance benefit under the Social Security Act to which such parent would be entitled for such month on proper application therefor.

"(h) Maximum and minimum annuity totals: Whenever according to the provisions of this section as to annuities, payable for a month with respect to the death of an employee the total of annuities is more than $20 and exceeds either (a) $120, or (b) an amount equal to twice such employee's basic amount, or with respect to employees other than those who will have been completely insured solely by virtue of subsection (1) (7) (iii), such total exceeds (c) an amount equal to 80 percent of his average monthly remuneration, whichever of such amounts is least, such total of annuities shall, prior to any deductions under subsection (i), be reduced to such least amount or to $20, whichever is greater. Whenever such total of annuities is less than $10, such total shall, prior to any deductions under subsection (i), be increased to $10.

"(i) Deductions from annuities. (1) Deductions shall be made from any payments under this section to which an individual is entitled, until the total of such deductions equals such individual's annuity or annuities under this section for any month in which such individual—

"(i) will have rendered compensated service within or without the United States to an employer;

"(ii) will have rendered service for wages of not less than $25;

"(iii) if a child under 18 and over 16 years of age, will have failed to attend school regularly and the Board finds that attendance will have been feasible; or

"(iv) if a widow otherwise entitled to an annuity under subsection (b) will not have had in her care a child of the deceased employee entitled to receive an annuity under subsection (c);

"(2) The total of deductions for all events described in paragraph (1) occuring in the same month shall be limited to the amount of such individual's annuity or annuities for that month. Such individual (or anyone in receipt of an annuity in his behalf) shall report to the occurrence of any event described in paragraph (1).

"(3) Deductions shall also be made from any payments under this section with respect to the death of such employee until such deductions total—

"(i) any death benefit, paid with respect to the death of such employee, under sections 5 of the Retirement Acts (other than a survivor annuity pursuant to an election);

"(ii) any lump sum paid, with respect to the death of such employee, under title II of the Social Security Act, or under section 203 of the Social Security Act in force prior to the date of the Social Security Act Amendments of 1939,

"(iii) any lump sum paid to such employee under section 204 of the Social Security Act in force prior to the date of the enactment of the Social Security Act Amendments of 1939, provided such lump sum will not previously have been deducted from any insurance benefit paid under the Social Security Act; and

"(iv) an amount equal to 1 percent of any wages paid to such employee for services performed in 1939, and subsequent to his attaining age 65, with respect to which the taxes imposed by section 1400 of the Internal Revenue Code will not have been deducted by his employer from his wages or paid by such employer, provided such amount will not previously have been deducted from any insurance benefit paid under the Social Security Act.

"(4) The deductions provided in this subsection shall be made in such amounts and at such time or times as the Board shall determine. Decreases or increases in the total of annuities payable for a month with respect to the death of an employee shall be equally apportioned among all annuities in such total. An annuity under this section which is not in excess of $5 may, in the discretion of the Board, be paid in a lump sum equal to its commuted value as the Board shall determine.

"(j) When annuities begin and end: No individual shall be entitled to receive an annuity under this section for any month before January 1, 1946. An application for any payment under this section shall be made and filed in such manner and form as the Board prescribes. An annuity under this section for an individual otherwise entitled thereto shall begin with the month in which such individual filed an application for such annuity: *Provided*, That such individual's annuity shall begin with the first month for which he will otherwise have been entitled to receive such annuity if he files such application prior to the end of the third month immediately succeeding such month. No application for an annuity under this section filed prior to 3 months before the first month for which the applicant becomes otherwise entitled to receive such annuity shall be accepted. No annuity shall be payable for the month in which the recipient thereof ceases to be qualified therefor.

"(k) Provisions for crediting railroad industry service under the Social Security Act in certain cases: (1) For the purpose of determining insurance benefits under title II of the Social Security Act which would begin to accrue on or after January 1, 1946, to a widow, parent, or surviving child, and with respect to lump-sum death payments under such title payable in relation to a death occurring on or after such date, section 15 of the Railroad Retirement Act of 1935, section 209 (b) (9) of the Social Security Act, and section 17 of this act shall not operate to exclude from 'employment', under title II of the Social Security Act, service which would otherwise be included

in such 'employment' but for such sections. For such purpose, compensation paid in a calendar year shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the year in which the employees will have been in service as an employee.

"(2) Not later than January 1, 1950, the Board and the Social Security Board shall make a special joint report to the President to be submitted to Congress setting forth the experience of the Board in crediting wages toward awards, and the experience of the Social Security Board in crediting compensation toward awards, and their recommendations for such legislative changes as are deemed advisable for equitable distribution of the financial burden of such awards between the retirement account and the Federal Old-Age and Survivors Insurance Trust Fund.

"(3) The Board and the Social Security Board shall, upon request, supply each other with certified reports of records of compensation or wages and periods of service and of other records in their possession or which they may secure, pertinent to the administration of this section or title II of the Social Security Act as affected by paragraph (1). Such certified reports shall be conclusive in adjudication as to the matters covered therein: *Provided*, That if either board receives evidence inconsistent with a certified report and the application involved is still in course of adjudication or otherwise open for such evidence, such recertification of such report shall be made as, in the judgment of the board which made the original certification, the evidence warrants. Such recertification and any subsequent recertification shall be treated in the same manner and be subject to the same conditions as an original certification.

"(l) Definitions: For the purposes of this section the term 'employee' includes an individual who will have been an 'employee', and—

"(1) The qualifications for 'widow', 'child', and 'parent' shall be, except for the purposes of subsection (f), those set forth in section 209 (j) and (k), and section 202 (f) (8) of the Social Security Act, respectively; and in addition—

"(i) a 'widow' shall have been living with her husband employee at the time of his death;

"(ii) a 'child' shall have been dependent upon its parent employee at the time of his death; shall not be adopted after such death; shall be unmarried, and less than 18 years of age; and

"(iii) a 'parent' shall have been wholly dependent upon and supported at the time of his death by the employee to whom the relationship of 'parent' is claimed, and shall have filed proof of such dependency and support within 2 years after such date of death, or within 6 months after January 1, 1946.

A 'widow' or a 'child' shall be deemed to have been so living with a husband or so dependant upon a parent if the conditions set forth in section 209 (n) or section 202 (c) (2) or (4) of the Social Security Act, respectively, are fulfilled. In determining whether an applicant is the wife, widow, child, or parent of an employee as claimed, the rules set forth in section 209 (m) of the Social Security Act shall be applied;

"(2) The term 'retirement annuity' shall mean an annuity under section 2 awarded before or after its amendment but not including an annuity to a survivor pursuant to an election of a joint and survivor annuity; and the term 'pension' shall mean a pension under section 5;

"(3) The term 'quarter of coverage' shall mean a compensation quarter of coverage or a wage quarter of coverage, and the term 'quarters of coverage' shall mean compensation quarters of coverage, or wage quarters of coverage, or both: *Provided*, That there shall be for a single employee no more than four quarters of coverage for a single calendar year;

"(4) The term 'compensation quarter of coverage' shall mean any quarter of coverage computed with respect to compensation paid to an employee after 1936 in accordance with the following table:

Months of service in a calendar year	Total compensation paid in the calendar year				
	Less than $50	$50 but less than $100	$100 but less than $150	$150 but less than $200	$200 or more
1-3	0	1	1	1	1
4-6	0	1	2	2	2
7-9	0	1	2	3	3
10-12	0	1	2	3	4

"(5) The term 'wage quarter of coverage' shall mean any quarter of coverage determined in accordance with the provisions of title II of the Social Security Act;

"(6) The term 'wages' shall mean wages as defined in section 209 (a) of the Social Security Act;

"(7) An employee will have been 'completely insured' if it appears to the satisfaction of the Board that at the time of his death, whether before or after the enactment of this section, he will have had the qualifications set forth in any one of the following paragraphs:

"(i) a current connection with the railroad industry; and a number of quarters of coverage; not less than six, and at least equal to one-half of the number of quarters, elapsing in the period after 1936, or after the quarter in which he will have attained the age of 21, whichever is later, and up to but excluding the quarter in which he will have attained the age of 65 years or died, whichever will first have occurred (excluding from the elapsed quarters any quarter during any part of which a retirement annuity will have been payable to him); and if the number of such elapsed quarters is an odd number such number shall be reduced by one; or

"(ii) a current connection with the railroad industry, and 40 or more quarters of coverage; or

"(iii) a pension will have been payable to him; or a retirement annuity based on service of not less than 10 years (as computed in awarding the annuity) will have begun to accrue to him before 1947;

"(8) An employee will have been "partially insured' if it appears to the satisfaction of the Board that at the time of his death, whether before or after the enactment of this section, he will have had (i) a current connection with the railroad industry; and (ii) six or more quarters of coverage in the period beginning with the third calendar year next preceding the year in which he will have died and ending with the quarter next preceding the quarter in which he will have died;

"(9) An employee's 'average monthly remuneration' shall mean the quotient obtained by dividing (A) the sum of the compensation and wages paid to him after 1936 and before the quarter in which he will have died, eliminating for any single calendar year, from compensation, any excess over $300 multiplied by the number of months he will have been in service as an employee, and from the sum of wages and compensation any excess over $3,000, by (B) three times the number of quarters elapsing after 1936 and before the quarter in which he will have died: *Provided*, That for the period prior to and including the calendar year in which he will have attained the age of 22 there shall be included in the divisor not more than three times the number of quarters of coverage in such period: *Provided further*, That there shall be excluded from the divisor any calendar quarter during any part of which a retirement annuity will have been payable to him.

"With respect to an employee who will have been awarded a retirement annuity, the term 'compensation' shall, for the purposes of this paragraph, mean the compensation on which such annuity will have been based;

"(10) The term 'basic amount' shall mean—

"(i) for an employee who will have been partially insured, or completely insured solely by virtue of paragraph (7) (i) or (7) (ii) or both: the sum of (A) 40 percent of his average monthly remuneration, up to and including $75, plus (B) 10 percent of such average monthly remuneration exceeding $75 and up to and including $350, plus (C) 1 percent of the sum of (A) plus (B) multiplied by the number of years after 1936 in each of which the compensation, wages, or both, paid to him will have been equal to $200 or more; if the basic amount, thus computed, is less than $10 it shall be increased to $10;

"(ii) for an employee who will have been completely insured solely by virtue of paragraph (7) (iii): the sum of 40 percent of his monthly compensation if an annuity will have been payable to him, or, if a pension will have been payable to him, 40 percent of the average monthly earnings on which such pension was computed, up to and including $75, plus 10 percent of such compensation or earnings exceeding $75 and up to and including $250. If the average monthly earnings on which a pension payable to him was computed are not ascertainable from the records in the possession of the Board, the amount computed under this subdivision shall be $33.33, except that if the pension payable to him was less than $25 such amount shall be four-thirds of the amount of the pension or $13.33, whichever is greater. The term 'monthly compensation' shall, for the purposes of this subdivision, mean the monthly compensation used in computing the annuity;

"(iii) for an employee who will have been completely insured under paragraph (7) (iii) and either (7) (i) or (7) (ii): the higher of the two amounts computed in accordance with subdivisions (i) and (ii)."

SEC. 214. Section 8 is amended by striking out the word "monthly" each time it appears; by substituting for the phrase "Any such return" the phrase "The Board's record of the compensation so returned"; by substituting for the phrases "earned by" and "be earned by" the phrases "paid to" and "will have been paid to", respectively; by inserting after the phrase "the fact that" the phrase "the Board's records show that"; and by substituting for the terms "month" and "calendar month" the word "period."

SEC. 215. Section 11 is amended to read as follows:

"Decisions of the Board determining the rights or liabilities of any person under this act shall be subject to judicial review in the same manner, subject to the same limitations, and all provisions of law shall apply in the same manner as though the decision were a determination of corresponding rights or liabilities under the Railroad Unemployment Insurance Act except that the time within which proceedings for the review of a decision with respect to an annuity, pension, or lump-sum benefit may be commenced shall be 1 year after the decision will have been entered upon the records of the Board and communicated to the claimant."

SEC. 216. Section 17 is amended by substituting "209" for "210"; by inserting after the word "act," the phrase "and of section 1426 of the Internal Revenue Code"; and by inserting after the word "include" the following: "service determined pursuant to the provisions of this act to be."

DIVISION III

The Railroad Unemployment Insurance Act is amended as follows:

SEC 301 (a) Subsection 1 (h) is amended by inserting after the phrase "last preceding registration period" the phrase "which began with a day for which he registered at an employment office."

(b) Subsection 1 (h) is further amended by adding the following sentence:

"The term 'registration period' means also, with respect to any employee, the period which begins with the first day with respect to which a statement of sickness is filed in his behalf in accordance with such regulations as the Board may prescribe, or the first such day after the end of a registration period which will have begun with a day with respect to which a statement of sickness was filed in his behalf, and ends with the thirteenth day thereafter."

SEC. 302 Subsection 1 (j) is amended by substituting for the period at the end thereof a comma and adding "maternity insurance, or sickness insurance."

SEC 303. The first paragraph of subsection 1 (k) is amended by inserting "(1)" after the phrase "section 4 of this act,", and by substituting for the colon before the phrase "*Provided, however,*" the following: "; and (2) a 'day of sickness', with respect to any employee, means a calendar day on which because of any physical, mental, psychological, or nervous injury, illness, sickness, or disease he is not able to work or which is included in a maternity period, and with respect to which (i) no remuneration is payable or accrues to him, and (ii) in accordance with such regulations as the Board may prescribe, a statement of sickness is filed within such reasonable period, not in excess of 10 days, as the Board may prescribe."

SEC. 304 Subsection 1 (l) is amended by substituting therefor the following:

"(l) The term 'benefits' (except in phrases clearly designating other payments) means the money payments payable to an employee as provided in this act, with respect to his unemployment or sickness.

"(l) (1) The term 'statement of sickness' means a statement with respect to days of sickness of an employee, and the term 'statement of maternity sickness' means a statement with respect to a maternity period of a female employee, in each case executed in such manner and form by an individual duly authorized pursuant to section 12 (l) to execute such statements, and filed as the Board may prescribe by regulations

"(l) (2) The term 'maternity period' means the period beginning 57 days prior to the date stated by the doctor of a female employee to be the expected date of the birth of the employee's child and ending with the one hundred and fifteenth day after it begins or with the thirty-first day after the day of the birth of the child, whichever is later."

SEC. 305. (a) The first sentence of subsection 2 (a) is amended to read as follows: "Benefits shall be payable to any qualified employee (i) for each day of unemployment in excess of seven during the first registration period, within a benefit year, in which he will have had seven or more days of unemployment, and for each day of unemployment in excess of four during any subsequent registration period in the same benefit year, and (ii) for each day of sickness (other than a day of sickness in a maternity period) in excess of seven during the first registration period, within a benefit year, in which he will have had seven or more such days of sickness, and for each such day of sickness in excess of four during any subsequent registration period in the same benefit year, and (iii) for each day of sickness in a maternity period."

(b) Subsection 2 (a) is further amended by inserting after the word "unemployment" in the second sentence the words "or sickness", by changing the phrase "the total amount of compensation payable to him with respect to employment" to "his total compensation (not in excess of $300 multiplied by the number of calendar months in which the employee will have had employment)", by substituting the following lines for the last line of the table:

"$1,500 to $1,999.99	$4 00
$2,000 to $2,499 99	4 50
$2,500 and over	5.00"

and by adding to the subsection, after the table, the following paragraphs:

"The amount of benefits payable for the first 14 days in each maternity period, and for the first 14 days in a maternity period after the birth of the child, shall be one and one-half times the amount otherwise payable under this subsection. Benefits shall not be paid for more than 84 days of sickness in a maternity period prior to the birth of the child. Qualification for and rate of benefits for days of sickness in a maternity period shall not be affected by the expiration of the benefit year in which the maternity period will have begun unless in such benefit year the employee will not have been a qualified employee

"In computing benefits to be paid, days of unemployment shall not be combined with days of sickness in the same registration period."

SEC 306 Subsection 2 (c) is amended by substituting for "100" at the end thereof the following: "130, and the maximum number of days of sickness, other than days of sickness in a maternity period, within a benefit year for which benefits may be paid to an employee shall be 130."

SEC. 307. Subsection 2 (f) is amended by inserting after the word "unemployment", each time it appears the words "or sickness."

SEC 308. Section 3 is amended by changing the phrase "there was payable to him compensation of" to "his compensation will have been"

SEC 309. (a) Section 4 (a) is amended by redesignating it section 4 (a-1), by including therein only paragraphs (iv) to (viii), inclusive, by redesignating said paragraphs as (i) through (iv), by inserting after the phrase "day of unemployment," in the first clause thereof the phrase "or as a day of sickness," and by changing the semicolon at the end thereof to a period.

(b) Section 4 (a-1) is further amended, by changing paragraph (ii) thereof to read as follows

"(ii) Any day in any period with respect to which the Board finds that he is receiving or will have have received annuity payments or pensions under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937, or insurance benefits under title II of the Social Security Act, or unemployment, maternity, or sickness benefits under an unemployment, maternity, or sickness compensation law of any State or of the United States other than this act, or any other social-insurance payments under a law of any State or of the United States: *Provided*, That if an employee receives or is held entitled to receive any such payments, other than unemployment, maternity, or sickness payments, with respect to any period which include days of unemployment or sickness in a registration period, after benefits under this act for such registration period will have been paid, the amount by which such benefits under this act will have been increased by including such days as days of unemployment or as days of sickness shall be recoverable by the Board: *Provided further*, That, if that part of any such payment or payments, other than unemployment, maternity, or sickness payments, which is apportionable to such days of unemployment or days of sickness is less in amount than the benefits under this act which, but for this paragraph, would be payable and not recoverable with respect to such days of unemployment or days of sickness, the preceding provisions of this paragraph shall not apply but such benefits under this act for such days of unemployment or days of sickness shall be diminished or recoverable in the amount of such part of such other payment or payments."

(c) Section 4 is further amended by inserting after subsection (a-1) a subsection to be designated (a-2), in the following language: "There shall not be considered as a day of unemployment, with respect to any employee——," by including in subsection (a-2) paragraphs (i), (ii), (iii), and (viii) of subsection 4 (a) as it existed prior to its amendment by this act, and by redesignating said paragraph (viii) as paragraph (iv).

SEC 310. Subsection 4 (b) through 4 (e) are amended by substituting for the references to "4 (a) (i)", "4 (a) (ii)", and "4 (a) (iii)", references to "4 (a-2) (i)", "4 (a-2) (ii)", and "4 (a-2) (iii)," respectively.

SEC. 311. (a) The first paragraph of subsection 5 (c) is amended by striking out the phrase "district board" at the end of the first sentence thereof and substituting "referee or such other reviewing body as the Board may establish or assign thereto," and by striking out the balance thereof.

(b) The third paragraph of subsection 5 (c) is amended by deleting the phrase "does not comply with the provisions of this act and," by inserting between the second and third sentences thereof the following:

"The Board may also designate one of its officers or employees to receive evidence and report to the Board whether or not any person or company is entitled to a refund of contributions or should be required to pay contributions under this act, regardless of whether or not any claims for benefits will have been filed upon the basis of service in the employ of such person or company, and shall follow such procedure if contributions are assessed and payment is refused or payment is made and a refund claimed upon the basis that such person or company is or will not have been liable for such contributions."

Subsection 5 (c) is further amended by adding the following paragraph

"Any issue determinable pursuant to this subsection and subsection (f) of this section shall not be determined in any manner other than pursuant to this subsection and subsection (f)."

SEC. 312. Subsection 5 (d) is amended by substituting for the phrase "district boards" the words "reviewing bodies", and by striking out the phrase "a district board or of" each time it appears.

SEC. 313 Subsection 5 (e) is amended by deleting the phrases "upon a claim for benefits," and "allowing or denying benefits", and by changing the word "claimant" to "parties."

SEC. 314. The first sentence of subsection 5 (f) is amended to read as follows:

"Any claimant, or any railway labor organization organized in accordance with the provisions of the Railway Labor Act, of which claimant is a member, or any other party aggrieved by a final decision under subsection (c) of this section, may, only after all administrative remedies within the Board will have been availed of and exhausted, obtain a review of any final decision of the Board by filing a petition for review within 90 days after the mailing of notice of such decision to the claimant or other party, or within such further time as the Board may allow, in the United States circuit court of appeals for the circuit in which the claimant or other party resides or will have had his principal place of business or principal executive office, or in the United States Circuit Court of Appeals for the Seventh Circuit or in the Court of Appeals for the District of Columbia."

SEC. 315. Subsection 5 (g) is amended by substituting for the phrase "benefits or refund and" the words "benefits or refund, the determination of any other matter pursuant to subsection (c) of this section, and."

SEC. 316. Subsection 5 (i) is amended by inserting after the word "claimant" each time

it appears the words "or other properly interested person", and by inserting after the phrase "counsel or agent" the words "for a claimant."

SEC. 317. Section 6 is amended by substituting for the phrase "earned by", each time it appears, and for the phrase "be earned by", the phrases "paid to" and "have been paid to", respectively.

SEC. 318. Subsection 8 (a) is amended by changing the phrases "$300 for any calendar month" and "$300" to "$300 multiplied by the number of calendar months in the calendar year in which the employee will have had employment"; by changing the word "payable" to "paid" wherever it appears, and by substituting for the portion of the subsection beginning with the words "month, and each such" and continuing to the end of the subsection, the following: "year, and each employer other than a subordinate unit of a national railway labor organization employer shall be liable for that proportion of the contribution which the compensation paid by him to the employee bears to the total compensation paid to the employee by all such employers, and in the event that the compensation paid by such employers to the employee is less than $300 multiplied by the number of calendar months in such year in which the employee will have had employment each subordinate unit railway labor organization employer shall be liable for such proportion of any additional contribution as the compensation paid by such employer bears to the compensation paid by all such employers."

SEC. 319 Subsection 12 (b) is amended by inserting after the phrase "being carried on in the District of Columbia," the phrase "or the District Court of the United States for the Northern District of Illinois, if the investigation or proceeding is being carried on in the Northern District of Illinois,"; and by inserting before the phrase "in such proceedings may run" the phrase "or of the District Court of the United States for the Northern District of Illinois"

SEC 320 Subsection 12 (f) is amended by changing the phrases "unemployment-compensation laws", "unemployment benefits", and "unemployment-compensation law" to "unemployment-compensation, sickness, or maternity laws", "unemployment, sickness, or maternity benefits", and "unemployment-compensation, sickness, or maternity law", respectively.

SEC. 321 Subsection 12 (g) is amended by inserting after the word "unemployment", each time it appears, the phrase ", sickness, or maternity", and by striking out the phrase ", with respect to unemployment after June 30, 1939,"

SEC. 322. Subsection 12 (i) is amended by inserting the following paragraph between the second and third paragraphs thereof:

"The Board shall provide a form or forms for statements of sickness and a procedure for the execution and filing thereof. Such forms and procedure shall be designed with a view to having such statements provide substantial evidence of the days of sickness of the employee and, in the case of maternity sickness, the expected date of birth and the actual date of birth of the child Such statements may be executed by any doctor (authorized to practice in the State or foreign jurisdiction in which he practises his profession) or any officer or supervisory employee of a hospital, clinic, group health association, or other similar organization, who is qualified under such regulations as the Board may prescribe to execute such statements. The Board shall issue regulations for the qualification of such persons to execute such statements. When so executed by any such person, or, in the discretion of the Board, by others designated by the Board individually or by groups, they may be accepted as initial proof of days of sickness sufficient to certify for payment a claim for benefits."

SEC. 323. Section 12 is further amended by adding thereto the following subsections:

"(n) Any employee claiming, entitled to, or receiving sickness benefits under this act may be required to take such examination, physical, medical, mental, or otherwise, in such manner and at such times and by such qualified individuals, including medical officers or employees of the United States or a State, as the Board may prescribe. The place or places of examination shall be reasonably convenient for the employee. No sickness or maternity benefits shall be payable under this act with respect to any period during which the employee unreasonably refuses to take or willfully obstructs an examination as prescribed by the Board.

"Any doctor who renders any attendance, treatment, attention, or care, or performs any examination with respect to a sickness of an employee or as to the expected date of birth of a female employee's child, or the birth of such a child, upon which a claim or right to benefits under this act is based, shall furnish the Board, in such manner and form and at such times as the Board by regulations may prescribe, information and reports relative thereto and to the condition of the employee. An application for sickness or maternity benefits under this act shall contain a waiver of any doctor-patient privilege that the employee may have with respect to any sickness or maternity period upon which such application is based. *Provided*, That such information shall not be disclosed by the Board except in a court proceeding relating to any claim for benefits by the employee under this act.

"The Board may enter into agreements or arrangements with doctors, hospitals, clinics, or other persons for securing the examination, physical, medical, mental, or otherwise, of employees claiming, entitled to, or receiving sickness or maternity benefits under this act and the performance of services or the use of facilities in connection with the execution of statements of sickness. The Board may compensate any such doctors, hospitals, clinics, or other persons upon such reasonable basis as the Board shall prescribe. Such doctors, hospitals, clinics, or other persons and persons employed by any of them shall not be subject to the act of Congress approved March 3, 1917 (39 Stat. 1106, ch. 163, sec 1). In the event that the Board pays for the physical or mental examination of an employee or for the execution of a statement of sickness and such employee's claim for benefits is based upon such examination or statement, the Board shall deduct from any sickness or maternity benefits payable to the employee pursuant to such claim such amount as, in the judgment of the Board, is a fair and reasonable charge for such examination or execution of such statement.

"(o) Benefits payable to an employee with respect to days of sickness shall be payable regardless of the liability of any person to pay damages for such infirmity. The Board shall be entitled to reimbursement from any sum or damages paid or payable to such employee or other person through suit, compromise, settlement, judgment, or otherwise on account of any liability (other than a liability under health, sickness, accident, or similar insurance policy) based upon such infirmity, to the extent that it will have paid or will pay benefits for days of sickness resulting from such infirmity. Upon notice to the person against whom such right or claim exists or is asserted, the Board shall have a lien upon such right or claim, any judgment obtained thereunder, and any sum or damages paid under such right or claim, to the extent of the amount to which the Board is entitled by way of reimbursement.

"(p) The Board may, after hearing, disqualify any person from executing statements of sickness who, the Board finds, (i) will have solicited, or will have employed another to solicit, for himself or for another the execution of any such statement, or (ii) will have made false or misleading statements to the Board, to any employer, or to any employee, in connection with the awarding of any benefits under this act, or (iii) will have failed to submit medical reports and records required by the Board under this act, or will have failed to submit any other reports, records, or information required by the Board in connection with the administration of this act or any other act heretofore or hereafter administered by the Board, or (iv) will have engaged in any malpractice or other professional misconduct. No fees or charges of any kind shall accrue to any such person from the Board after his disqualification.

"(q) The Board shall engage in and conduct research projects, investigations, and studies with respect to the cause, care, and prevention of, and benefits for, accidents and disabilities and other subjects deemed by the Board to be related thereto, and shall recommend legislation deemed advisable in the light of such research projects, investigations, and studies."

SEC 324. Subsection 18 (b) is amended by inserting after "1939," in the first, second, and third sentences thereof, "and for the payment of sickness and maternity benefits for sickness or for maternity periods after June 30, 1946,", "or to sickness or maternity benefits under a sickness or maternity law of any State with respect to sickness or to maternity periods occurring after June 30, 1946.", and "or of State sickness or maternity laws after June 30, 1946", respectively.

DIVISION IV

SEC 401 Except as otherwise provided in this act, the provisions thereof shall become effective upon approval.

SEC 402. Sections 203, 205, 206, 207, 210, 211, 213, 306, and 318 shall become effective on January 1, 1946

SEC 403 Sections 301, 302, 303, 304, 305 (except for the revision of the table which shall be effective July 1, 1945), 307, 308, 309, and 310 shall become effective on July 1, 1946.

SEC. 404. Except as hereinafter provided, the rights of persons to whom pensions or annuities were awarded before the date of approval of this act shall continue to be governed by the provisions of law applicable thereto prior to the approval of this act In the award of annuities or increases in annuities after the date of approval of this act on applications on which no award or a partial award has been made prior to said date, service prior to 1937 (and the compensation therefor) shall be credited only if such service is creditable under the amendments made by section 201. No annuity or increase in annuity so awarded crediting such service shall begin to accrue prior to the date of approval of this act.

SEC. 405. The election of a joint and survivor annuity made before the date of approval of this act by an individual to whom an annuity accrues before January 1, 1946, shall be given effect as though the provisions of law under which the election was made had continued to be operative unless no annuity was awarded to such individual prior to the date of approval of this act and, within 1 year after the approval of this act, he revokes the election in such form and manner as the Board may prescribe. Such election by an individual to whom no annuity accrues before January 1, 1946, shall also be given such effect if the individual, before January 1, 1947, reaffirms the election in such form and manner as the Board may prescribe.

SEC. 406. Payments upon death as provided in sections 5 of the Railroad Retirement Acts of 1935 and 1937, other than survivor annuities pursuant to an election, shall be made only with respect to deaths occurring before January 1, 1946.

SEC. 407. An individual to whom an annuity accrued prior to January 1, 1946, and who

would as of the date of initial accrual have been entitled to an annuity in a greater amount by reason of the amendments made by sections 201, 202, 205, or 210 had such amendments been in effect at the date of initial accrual (or, in the case of a survivor annuity, at the date of initial accrual of the annuity from which it derives), shall, without further application therefor other than a statement of any service claimed under section 202, be awarded an annuity in such greater amount beginning as of the date the applicable amendment shall have become operative: *Provided, however,* That, in such award service before 1937 (and the compensation therefor) shall not be credited if such service would not be creditable upon application of all the amendments made by this act. In determinations made pursuant to this section any individual to whom an annuity based on not less than 5 years of service accrues before January 1, 1946, shall be deemed to have a "current connection with the railroad industry." If an annuity increased pursuant to this section is a joint and survivor annuity, the increase shall be in the same form, the actuarial value being computed as of the date the increase begins, unless on that date there is no spouse living for whom the election was made, in which case the increase shall be awarded on a single life basis. If the increase herein provided effects a survivor annuity only, the increase shall be so determined as to bear the same ratio to the survivor annuity, as the increase in the basic annuity would bear to such basic annuity, if the employee annuitant were living and had made no joint and survivor election.

SEC 408 No annuities accruing after the month in which this act is approved shall be reduced under section 2 (a) 3 of the Railroad Retirement Act of 1937 to compensate for an annuity terminated by recovery from disability.

SEC. 409. In the application of section 6 of the Railroad Retirement Act of 1937 with respect to persons who were not employers before the enactment of section 1 of this act, the dates January 1, 1945, and January 1, 1946, shall be substituted for March 1, 1937, and July 1, 1937, respectively.

SEC 410. The enactment of section 1 of this act shall cause subsection 1 (b) of the Railroad Unemployment Insurance Act to be superseded.

Mr. LEA. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by MR. LEA: On page 24, strike out beginning with line 18 down through line 20 on page 40 and insert the following:

"'(q) The term "wages" (except when used in section 5 (d) (1)) means all compensation earned by an employee after December 31, 1936, excluding that part of such compensation which, after compensation equal to $3,000 had been earned by an employee during any calendar year, was earned by such employee during such calendar year; but in computing such compensation no part of any month's compensation in excess of $300, earned before January 1, 1947, shall be recognized.

"'(r) The term "survivor benefit credit" means an amount equal to the sum of the following—

"'(1) (A) 40 percent of the amount of an individual's average monthly wage if such average monthly wage does not exceed $50, or (B) if such average monthly wage exceeds $50, 40 percent of $50, plus 10 percent of the amount by which such average monthly wage exceeds $50 and does not exceed $250, and

"'(2) an amount equal to 1 percent of the amount computed under paragraph (1) multiplied by the number of years in which $200, or more of wages were earned by such individual.

where the survivor benefit credit thus computed is less than $10, such credit shall be $10.

"'(s) The term "average monthly wage" means the quotient obtained by dividing the total wages earned by an individual before the quarter in which he died, became entitled to receive an annuity under paragraph 1 of section 2 (a), or attained the age of 65 if he became entitled to receive an annuity under section 2 (a) before attaining the age of 65, whichever first occurred, by three times the number of quarters elapsing after 1936 and before such quarter in which he died, became so entitled, or so attained the age of 65, excluding any quarter prior to the quarter in which he attained the age of 22 during which he earned less than $50 of wages.

"'(t) The term "completely insured individual" means any individual with respect to whom it appears to the satisfaction of the Board that—

"'(1) He had not less than one quarter of coverage for each two of the quarters elapsing after 1936, or after the quarter in which he attained the age of 21, whichever quarter is later, and up to but excluding the quarter in which he attained the age of 65, or died, whichever first occurred, and in no case less than six quarters of coverage; or

"'(2) He had at least 40 quarters of coverage. When the number of quarters specified in paragraph (1) of this subsection is an odd number, for purposes of such paragraph such number shall be reduced by one. In any case where an individual has earned in a calendar year $3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual dies or (having attained the age of 65) is or becomes entitled to receive an annuity under section 2 and any quarter succeeding such quarter in which he died or was or became so entitled.

"'(u) The term "partially insured individuals" means any individual with respect to whom it appears to the satisfaction of the Board that he earned wages of not less than $50 in each of not less than 6 of the 12 calendar quarters immediately preceding the quarter in which he died.

"'(v) The term "quarter of coverage" means a calendar quarter in which the individual earned not less than $50 in wages; except that for each calendar year during the period beginning January 1, 1937, and ending December 31, 1946, an individual's number of quarters of coverage shall be determined in accordance with the following table:

If during the calendar year the individual earned wages in the following number of calendar months—	And the total wages earned during such calendar year is—			
	$50 but less than $100	$100 but les than $150	$150 but less than $200	$200 or more
	Then the quarters of coverage for such calendar year shall be—			
1 but not more than 3	1	1	1	1
4 but not more than 6	1	2	2	2
7 but not more than 9	1	2	3	3
10 or more	1	2	3	4

For the purposes of subsections (s) and (u) of this section if an individual's quarters of coverage in any calendar year before 1947, as determined from the table—

"'(1) is one, his wages for such year shall be deemed to have been earned in the last calendar quarter of such year;

"'(2) are two, one-half of his wages for such year shall be deemed to have been earned in each of the last two calendar quarters of such year;

"'(3) are three, one-third of his wages for such year shall be deemed to have been earned in each of the last three calendar quarters of such year; and

"'(4) are four, one-fourth of his wages for such year shall be deemed to have been earned in each calendar quarter of such year.

"'(w) The term "widow" (except when used in section 4 (e)) means the surviving wife of an individual who either (1) is the mother of such individual's son or daughter, or (2) was married to him prior to the beginning of the twelfth month before the month in which he died.

"'(x) The term "child" (except when used in section 4 (e) means the child of an individual, and the stepchild of an individual by a marriage contracted prior to the date upon which he attained the age of 60 and prior to the beginning of the twelfth month before the month in which he died, and a child legally adopted by an individual prior to the date upon which he attained the age of 60 and prior to the beginning of the twelfth month before the month in which he died.

"'(y) In determining whether an applicant is the widow, child, or parent of a completely insured or partially insured individual, the Board shall apply such law as would be applied in determining the devolution of intestate personal property by the courts of the State in which such insured individual was domiciled at the time of his death, or if such insured individual was not so domiciled in any State, by the courts of the District of Columbia. Applicants who according to such law would have the same status relative to taking intestate personal property as a widow, child, or parent shall be deemed such.

"'(z) A widow shall be deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by any court to contribute to her support.'

(b) "Such act is amended by striking out section 5 thereof, and by inserting in lieu of such section the following:

"'SURVIVOR BENEFITS

"'*Child's insurance benefits*

"'SEC. 5. (a) (1) Every child (as defined in section 1 (x)) of an individual who died a completely or partially insured individual (as defined in section 1 (t) and (u)) after December 31, 1946, if such child (A) has filed application for child's insurance benefits, (B) at the time such application was filed was unmarried and had not attained the age of 18, and (C) was dependent upon such individual at the time of such individual's death, shall be entitled to receive a child's insurance benefit for each month, beginning with the month in which such child becomes so entitled to such insurance benefits, and ending with the month immediately preceding the first month in which any of the following occurs; such child dies, marries, is adopted, or attains the age of 18.

"'(2) Such child's insurance benefits for each month shall be equal to one-half of the survivor benefit credit (as defined in section 1 (r)) of the individual with respect to whose wages the child is entitled to receive such benefit, except that, when there is more than one such individual such benefit shall be equal to one-half of whichever survivor benefit credit is greatest.

"'(3) A child shall be deemed to have been dependent upon a father or adopting father at the time of the death of such individual unless, at the time of such death, such individual was not living with or contributing to the support of such child and—

"'(A) such child is neither the legitimate nor adopted child of such individual, or

"'(B) such child had been adopted by some other individual, or

"'(C) such child was living with and supported by such child's stepfather.

"'(4) A child shall be deemed to have been dependent upon a mother, adopting mother, or step parent at the time of the death of such individual only if, at the time of such death, no parent other than such individual was contributing to the support of such child and such child was not living with its father or adopting father.

"'Widow's insurance benefits

"'(b) (1) Every widow (as defined in section 1 (w)) of an individual who died a completely insured individual after December 31, 1946, if such widow (A) has not remarried, (B) has attained the age of 65, (C) has filed application for widow's insurance benefits, (D) was living with such individual at the time of his death, and (E) is not entitled to receive an annuity under section 2, or is entitled to receive an annuity under section 2 which is less than three-fourths of the survivor benefit credit of her husband, shall be entitled to receive a widow's insurance benefit for each month, beginning with the month in which she becomes so entitled to such insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to receive an annuity under section 2 equal to or exceeding three-fourths of the survivor benefit credit of her husband.

"'(2) Such widow's insurance benefit for each month shall be equal to three-fourths of the survivor benefit credit of her deceased husband, except that, if she is entitled to receive an annuity under section 2 for any month, such widow's insurance benefit for such month shall be reduced by an amount equal to the annuity under section 2 to which such widow is entitled.

"'Widow's current insurance benefits

"'(c) (1) Every widow (as defined in section 1 (w)) of an individual who died a completely or partially insured individual after December 31, 1946, if such widow (A) has not remarried, (B) is not entitled to receive a widow's insurance benefit, and is not entitled to receive an annuity under section 2, or is entitled to receive an annuity under section 2 which is less than three-fourths of the survivor benefit credit of her husband, (C) was living with such individual at the time of his death, (D) has filed application for widow's current insurance benefits, and (E) at the time of filing such application has in her care a child of such deceased individual entitled to receive a child's insurance benefit, shall be entitled to receive a widow's current insurance benefit for each month, beginning with the month in which she becomes so entitled to such current insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to receive a child's insurance benefit, she becomes entitled to receive an annuity under paragraph 1 or 2 of section 2 (a) equal to or exceeding three-fourths of the survivor benefit credit of her deceased husband, she becomes entitled to receive a widow's insurance benefit, she remarries, she dies.

"'(2) Such widow's current insurance benefit for each month shall be equal to three-fourths of the survivor benefit credit of her deceased husband, except that, if she is entitled to receive an annuity under section 2 for any month, such widow's current insurance benefit for such month shall be reduced by an amount equal to the annuity under section 2 to which such widow is entitled or by an amount equal to such current insurance benefit, whichever amount is less.

"'Parent's insurance benefit

"'(d) (1) Every parent (as defined in this subsection) of an individual who died a completely insured individual after December 31, 1946, leaving no widow and no unmarried surviving child under the age of 18, if such parent (A) has attained the age of 65, (B) was wholly dependent upon and supported by such individual at the time of such individual's death and filed proof of such dependency and support within 2 years of such date of death, (C) has not married since such individual's death, (D) is not entitled to receive any other insurance benefits under this section or any annuity under section 2, or is entitled to receive one or more of such benefits or annuity for a month, but the total for such month is less than one-half of the survivor benefit credit of such deceased individual, and (E) has filed application for parent's insurance benefits, shall be entitled to receive a parent's insurance benefit for each month, beginning with the month in which such parent becomes so entitled to such parent's insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: such parent dies, marries, or becomes entitled to receive for any month an insurance benefit or benefits (other than a benefit under this subsection) or an annuity under section 2 in a total amount equal to or exceeding one-half of the survivor benefit credit of such deceased individual.

"'(2) Such parent's insurance benefit for each month shall be equal to one-half of the survivor benefit credit of such deceased individual, except that, if such parent is entitled to receive an insurance benefit or benefits for any month (other than a benefit under this subsection) or an annuity under section 2, such parent's insurance benefit for such month shall be reduced by an amount equal to the total of such other benefit or benefits or annuity for such month. When there is more than one such individual with respect to whose wages the parent is entitled to receive a parent's insurance benefit for a month, such benefit shall be equal to one-half of whichever survivor benefit credit is greatest.

"'(3) As used in this subsection, the term "parent" means the mother or father of an individual, a stepparent of an individual by a marriage contracted before such individual attained the age of 16, or an adopting parent by whom an individual was adopted before he attained the age of 16.

"'Lump-sum death payments

"'(e) Upon the death, after December 31, 1946, of an individual who died a completely or partially insured individual leaving no surviving widow, child, or parent who would, on filing application in the month in which such individual died, be entitled to a benefit for such month under subsection (a), (b), (c), or (d) of this section, an amount equal to six times the survivor benefit credit of such individual shall be paid in a lump-sum to the following person (or if more than one, shall be distributed among them) whose relationship to the deceased is determined by the Board, and who is living on the date of such determination: To the widow or widower of the deceased; or, if no such widow or widower be then living, to any child or children of the deceased and to any other person or persons who are, under the intestacy law of the State where the deceased was domiciled, entitled to share as distributees with such children of the deceased, in such proportions as is provided by such law; or, if no widow or widower and no such child and no such other person be then living, to the parent or to the parents of the deceased, in equal shares. A person who is entitled to share as distributee with an above-named relative of the deceased shall not be precluded from receiving a payment under this subsection by reason of the fact that no such named relative survived the deceased or of the fact that no such named relative of the deceased was living on the date of such determination. If none of the persons described in this subsection be living on the date of such determination, such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of the deceased. No payment shall be made to any person under this subsection, unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of 2 years after the date of death of such individual.

"'Application

"'(f) (1) An individual who would have been entitled to a benefit under subsection (a), (b), (c), or (d) for any month had he filed application therefor prior to the end of such month, shall be entitled to such benefit for such month if he files application therefor prior to the end of the third month immediately succeeding such month.

"'(2) No application for any benefit under this section filed prior to 3 months before the first month for which the applicant becomes entitled to receive such benefit shall be accepted as an application for the purposes of this section.

"'(3) An application for any payment or benefit under this section shall be made and filed in such manner as the Board may by regulation prescribe.

"'Family payments

"'(g) The Board may, in its discretion, certify to the Secretary of the Treasury any two or more individuals of the same family for joint payment of the total benefits and annuities payable to such individuals under this act.

"'Benefits due but not paid at death

"'(h) The amount of any monthly benefit or lump sum due any individual under this section but not paid to such individual before his death shall be paid to the same persons, and subject to the same conditions and limitations, as though (1) such amount constituted a lump sum payable under subsection (e) by reason of the death of the individual with respect to whose wages such amount was payable, and (2) the individual with respect to whose wages such amount was payable had died on the date of the death of the individual to whom such amount was due.

"'Assignment

"'(i) The right of any individual to any future payment under this section shall not be transferable or assignable at law or in equity, and none of the moneys paid or payable or rights existing under this section shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

"'When an individual is deemed entitled to receive an annuity

"'(j) For the purposes of this section and subsections (s) and (t) of section 1, an individual shall be deemed to be entitled to receive an annuity for any month if an annuity is, or thereafter becomes, payable to him for the accrual during such month.

"'REDUCTION AND INCREASE OF INSURANCE BENEFITS

"'SEC. 5A. (a) Whenever the total of benefits under section 4, payable for a month with respect to an individual's wages, is more than $20 and exceeds (1) $85, or (2) an amount equal to twice the survivor benefit credit of such individual, or (3) an amount equal to 80 percent of his average monthly wage (as defined in section 1 (s)), whichever of such three amounts is least, such total of benefits shall, prior to any deductions under

subsection (d), be reduced to such least amount or to $20, whichever is greater.

"'(b) Whenever the benefit or total of benefits under section 4, payable for a month with respect to an individual's wages, is less than $10, such benefit or total of benefits shall, prior to any deductions under subsection (d), be increased to $10.

"'(c) Whenever a decrease or increase of the total of benefits for a month is made under subsection (a) or (b) of this section, each benefit shall be proportionately decreased or increased, as the case may be.

"'(d) Deductions, in such amounts and at such time or times as the Board shall determine, shall be made from any payment or payments under section 4 to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits for any month in which such individual:

"'(1) rendered services for wages (as defined in section 209 (a) of the Social Security Act, as amended), of not less than $15; or

"'(2) if a child under 18 and over 16 years of age, failed to attend school regularly and the Board finds that attendance was feasible; or

"'(3) if a widow entitled to a widow's current insurance benefit, did not have in her care a child of her deceased husband entitled to receive a child's insurance benefit.

"'(e) If more than one event occurs in any one month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefit shall be deducted.

"'(f) Any individual in receipt of benefits subject to deduction under subsection (d) (or who is in receipt of such benefits on behalf of another individual), because of the occurrence of an event enumerated therein, shall report such occurrence to the Board prior to the receipt and acceptance of an insurance benefit for the second month following the month in which such event occurred. Any such individual having knowledge thereof, who fails to report any such occurrence, shall suffer an additional deduction equal to that imposed under subsection (d).'"

Mr. LEA. Under the present law the dependents of an employee has no survivorship rights except with minor exceptions which it is not necessary to mention here. The provision in this amendment provides for survivorship benefits for the dependents of the employee. That is in the Crosser bill also.

There is a material difference, however, between the two proposals. In the first place the Crosser bill would make survivorship rights at a cost of about 25 percent higher than they are under the Social Security Act. The amendment I offer would make survivorship benefits under this act the same as under the Social Security Act. That would mean a reduction of about 25 percent in the survivorship rights as proposed in the Crosser bill.

The fundamental purpose back of that is to place this act in harmony with the Social Security Act so that the survivors under each act will be entitled to payment on the same equal basis.

The effect of the adoption of this feature of the amendment, as far as the amounts paid are concerned would be a reduction of $28,000,000 a year based on a pay roll of $4,000,000,000 a year.

Another feature of the amendment I propose is that it eliminates payments to survivors or to persons who die before the effective date of the act.

That involves a very important principle. It involves, as far as money is concerned, $12,000,000 a year. The lump sum estimate of the value of that amendment is $500,000,000 if we were to place an actuarial value on it at its present value, but the actual payments involved are estimated to cost $12,000,000 a year.

Mr. Chairman, this amendment presents a question of whether or not the funds of the employees and of the carriers should be applied to furnish benefits to those who contribute nothing. These proposed retroactive payments are for times of credit in which neither the employee nor the employer were under responsibility to contribute anything. The obligation was not within the contract terms of the relations between the employee and the employer nor was it within the law.

The law provides that the carriers of the country are entitled to reasonable rates based upon certain considerations. One is to cover cost. These charges that are retroactive were not among charges on which the carriers could claim higher compensation at the time the employee relation existed. So the effect insofar as the retroactive provision is concerned would be to place upon the men and the carriers an obligation amounting to $12,000,000 a year for purposes for which those men and the carriers themselves made no contribution in the past. The third result of this is to eliminate the very complex method of coordination with social security which is involved in the Crosser bill. That is comparatively minor, but important from an administrative standpoint.

The retroactive provision in the Crosser bill would amount to $12,000,000 a year. The total expanded burden under the Crosser bill would amount to about $88,000,000 per year as a charge against employers and employees. The amendment I propose would reduce the total charge against the men and the railroads by $40,000,000, and it would leave an increase of the present charge by $48,000,000. In other words, $88,000,000 per year are involved in this amendment. This amendment would reduce that burden by $40,000,000.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. NEELY. Mr. Chairman, I object. I want to get along with the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 72, nays 43.

So, the amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 41, strike out lines 17 to 21, inclusive.

Mr. LEA. Mr. Chairman, this amendment takes out the provision of the Crosser bill which would make the Railroad Retirement Board's decision controlling on the Social Security Board and the Bureau of Internal Revenue. The Crosser bill would make the decisions of the retirement board binding on the Bureau of Internal Revenue. This amendment would eliminate that provision and leave the law as it is now.

The adoption of this amendment would make for orderly administration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 74, noes 47.

So the amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 41, beginning with line 23, strike all that follows down to an including line 13 on page 42.

Mr. LEA. Mr. Chairman, this amendment deals with a very important provision in this bill. Under the present law the carriers alone are responsible for all liabilities incurred for unemployment insurance. The Crosser bill provides for increasing these responsibilities in a vast amount without any new tax imposed or without asking any contribution from the men to this fund.

The Crosser bill includes an increase of time of unemployment benefits from 20 to 26 weeks. It increases payments from $20 to $25 a week. Social Security pays only for 20 weeks and at $20 a week. We pay our unemployed servicemen only $20 a week. The Crosser bill includes maternity benefits for 16 weeks at the same rate as for unemployment. The Crosser bill provides for sick benefits payable for 26 weeks at $25 a week. It allows such benefits for sickness in no way connected with employment of the carrier. That provision would add $52,000,000 expense per year. The original act provided for unemployment compensation for 80 days. Later that was changed to 100 days, and now within 8 years of the original act we have a third proposal to make it 130 days. This is typical of progressive new demands of aid programs. That would be an increase of the maximum unemployment compensation from $400 to $650 a year, or 60 percent.

The sick benefits proposed under the guise of unemployment have no relation to the employment. The mere fact that a man is sick entitles him to unemployment benefits at the sole expense of the employer.

Sick benefits may extend out long after the beneficiary has left his employment. It creates a liability of $64,000,000 a year for unemployment sickness based on a $4,000,000,000 pay roll.

Mr. Altmeyer, who is the head of Social Security, estimated that we should have a 2-cent tax for social security to cover unemployment. The Crosser bill proposes no increase whatever in taxes, but leaves the total charge against the carriers at 8 percent for unemployment as fixed by the present law.

According to the best information we can obtain, this would add $40,000,000 a year to what should be provided to maintain the unemployment fund in a sound condition. In other words, if we adopt the Crosser bill this provision would create a deficiency of $40,000,000 a year in addition to the deficiencies that otherwise exist.

There is no place else, as far as I know, where sickness, disconnected from employment, is charged to the employer.

You are asked to set a standard for social security. Do you feel you can vote these special benefits to limited groups and later deny them to the great classes that will yet be brought in under social security? Are you down in the cotton States going to go home and say that you voted $25 a week for unemployment and are unwilling to provide an equal sum to the unemployed of your States? Are you going to inform your employers that you advocate unemployment insurance for 26 weeks. Are you going to say that the employers of this country shall be liable for the sickness of their employees regardless of the cause of that sickness? Would you go home and do that?

If you do do this, if you set this standard for social security, what would be the effect on this country? As I indicated to you the other day, if we should attempt to adopt social security on terms as liberal as those proposed in the Crosser bill it would cost the people of this Nation over $20,000,000,000 a year to maintain. One thing is certain, you cannot create charges like that against the economic system of our country and long maintain the free-enterprise system in this country.

Mr. Rainard B. Robbins, a national actuary, states, "If we make any such extension and expansion of social benefits, as that proposed in the Crosser bill, we should do it with our eyes wide open. We should recognize that, while each of us is engaged in productive enterprise, at least one-fifth of the results of his labor may be expected to go to those who at the time are not so engaged. The all-important consideration is the proportion of the results of productive effort that we think best to transfer by national legislation to nonproductive elements in our population."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 80, noes 51.

So the amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer some amendments. I may say that these are purely conforming amendments.

The Clerk read as follows:

Amendments offered by Mr. LEA: On page 43 strike out lines 14 to 16 inclusive; page 44 strike out line 17 and all that follows down through page 45, line 4; page 45, strike out lines 5 to 26 inclusive; page 44, strike out line 7 and all that follows down through line 16 on page 46; page 45, strike out lines 17 to 22 inclusive; page 45, strike out lines 23 to 25 inclusive; page 46, strike out lines 1 to 3 inclusive; page 46, strike out line 4 and all that follows down through page 48, line 2; page 48, strike out lines 3 to 6 inclusive.

The amendments were agreed to.

Mr. LEA. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 48, strike out line 7 and all that follows down to line 8 on page 49.

Mr. WHITE. Mr. Chairman, I would like to have the chairman explain the last amendment.

Mr. LEA. It simply strikes out the provision that makes the decisions of the Railroad Retirement Board binding upon the Bureau of Internal Revenue.

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer some further amendments.

The Clerk read as follows:

Amendments offered by Mr. LEA: Page 49, strike out lines 9 to 12 inclusive; page 49, strike out lines 13 to 16 inclusive; page 49, strike out line 17 and all that follows down through page 50, line 10; page 50, strike out lines 11 to 14 inclusive; page 50, strike out lines 15 to 18 inclusive; page 50, strike out lines 19 to 22 inclusive; page 50, strike out line 23 and all that follows down through line 15, page 51; page 51, strike out lines 19 and all that follows down to line 2, page 52; page 52, strike out lines 3 to 9 inclusive; page 52, strike out lines 10 to 14 inclusive; page 52, strike out line 15 and all that follows down to page 53, line 11, page 53, strike out line 12 and all that follows down to page 56, line 23; page 56, strike out lines 24 and 25; page 57, strike out lines 1 through 6 inclusive

The amendments were agreed to.

Mr VURSELL. Mr. Chairman, I rise in support of the Crosser bill; and may I say while I am on the floor that there are other provisions in this bill—for instance, one which will more liberally provide for the widows of the railroad men. This particular bill, if passed, will place the widow in a position where she will receive about 25 percent more than she would under the Social Security Act.

The widows, I believe, are entitled to this protection because their husbands, instead of paying in 1½ percent of their wages into the fund, pay in 3½ percent. The Crosser bill, which we have before us, would raise the unemployment maximum for an employee from $4 a day to $5 a day in unemployment benefits and would lengthen the time from 100 days to about 130. Of course, the employee in the lower salaried groups would not draw these maximum benefits, but it would be scaled down in percentages according to his salary. Another provision in the bill will provide for total disability for the person who has seen 10 years of service, so that he may draw a small annuity by reason of the funds he has paid in.

I am supporting this legislation in the interest of the railroad men because their work is hazardous, dangerous, and is absolutely essential to the welfare of the Nation. The trains must run, furnishing transportation essential to the life and health of the people and to help carry on the business of the Nation. The railroad employees, who are among the finest group of laboring men in the Nation, should have working conditions that would allow them to take the trains over the road with the greatest possible amount of safety to the millions of passengers who are carried each year.

Proper retirement limits and the benefits sought in this bill will help to reach this purpose.

The railroad men during the war have done a remarkable job. They will continue to do so in the future. In their homes, in the support of the schools, churches, and civic affairs of their communities, they take an active and leading part.

Fortunate is the town or city which has a railroad division or shops located in its midst, because it brings to the community a splendid group of men, who make a fine contribution to the welfare of such a locality. I think I know whereof I speak because of my personal acquaintance and my past association with the railroad people of my district. This legislation will be helpful to the men and will be helpful to their widows and families. I will support it without any reservations in the hope that these amendments will be added to the bill.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to return to page 22 in order to offer an amendment, which is on the Clerk's desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. BROWN of Ohio. Mr. Chairman, I reserve the right to object. Is there any opportunity to know what the amendment is?

Mr. REES of Kansas. I would like to explain that I am offering an amendment to the Lea amendment which in substance would say that in cases of people who are retired because of disease, the presumption is in favor of the employee, that the disease occurred in the course of employment. I would like to offer that for the consideration of the Members.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. LEA. I understand the gentleman from California [Mr. DOYLE] has an amendment to that effect. Would it be agreeable that that amendment not be read?

Mr. REES of Kansas. My amendment is at the Clerk's desk.

Mr. BROWN of Ohio. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 22, line 4, insert "*Provided*, That in cases of total disability due to disease, as contained in this section such disease shall be deemed to be the result of the occupation of the employee."

Mr. REES of Kansas. Mr. Chairman, the amendment I have submitted is self-explanatory. It takes care of the situation and others similar in nature I mentioned earlier during this debate. Under

my amendment, in cases where an employee is totally disabled because of disease, the presumption is in favor of the employee. That is all there is to it. It takes away the difficulty that was discussed this afternoon when we talked about an employee going out of service, and having so much difficulty with respect to the matter of proving his disease was service-connected. It simply provides that if he is totally disabled because of disease while he is in line of duty, the presumption will be resolved in favor of the employee A man who has given his time and has subjected his life to the hazards of railroad service and is taken out of service because of heart trouble or arthritis or some other disease, the presumption will be resolved in favor of the employee

Mr DONDERO. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to my distinguished colleague from Michigan.

Mr. DONDERO. Does the gentleman mean that the presumption will be in favor of the man that it was service-connected?

Mr. REES of Kansas. That is correct. That is right. It is fair.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Ohio, a member of this committee, who is quite familiar with the railroad employment problem.

Mr. BROWN of Ohio. I have just read the amendment carefully. The amendment goes much further than establishing a presumption because the amendment reads that it shall be deemed. In other words, it shall be found to be the result.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to change the word "deemed" to "presumed." I think the word "deemed" is proper in this case, but I have no objection to the use of the word "presumed." Mr. Chairman, I ask unanimous consent to substitute the word "presumed" for the word "deemed" in my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. I trust the membership will see fit to adopt my amendment.

Mr. WINTER. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to my distinguished colleague from Kansas who, I feel sure, agrees with me with respect to this amendment.

Mr. WINTER. I agree with you in principle, but suppose a man works for the railroad for 25 years, and contracts syphilis. Under your amendment the presumption is that that was contracted in line of duty?

Mr. REES of Kansas. Oh, I do not think anyone would make such contention.

Mr. WINTER. Under the wording of your amendment I am afraid it does.

Mr. REES of Kansas. I do not think that is a fair conclusion. Even with the wildest stretch of imagination, if such presumption were claimed, it certainly would be easily overcome. I respect the gentleman's opinion, but do not believe his point is well taken under my proposal.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Indiana.

Mr. HALLECK. There are two different provisions with respect to disability. One after 10 years of service, and the other after 20 years of service.

I understood the gentleman from Kansas and the gentleman from California [Mr. DOYLE] to be referring particularly to those cases after 20 years of service. As far as I am concerned, I can see considerable support for indulging the presumption at law of service connection, but I think it should be strictly limited to that and should not go to the extent of establishing it as a matter of fact, because that was the very thing against which the committee decided. If it can be limited to 20 years and be clearly indicated as a presumption which may be rebutted by affirmative definite evidence on the other side, I have no objection to that presumption being established.

Mr. REES of Kansas. This amendment simply states that the presumption is in favor of the employee. That is all there is to it. I think it is very clear

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Kansas who at all times has maintained a deep interest in the welfare of the railroad employees in this country.

Mr. CARLSON. I am in favor of the gentleman's amendment because we have a large number of cases in our State of Kansas that are not covered and I know personally of a number of worthy cases where employees were not able to qualify. Therefore I hope, if the amendment is not adequately drawn, that it will be so that the employees the gentleman has in mind will be adequately protected.

Mr. REES of Kansas. I think the amendment is properly drawn. It is just as clear as can be. It says exactly what it means.

Mr COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Missouri who, incidentally, has spent many years in the railroad service and has a pretty clear understanding of the railroad employee's problems.

Mr. COLE of Missouri. In answer to the inquiry of the gentleman from Kansas about syphilis and whether or not it would be presumed to have arisen out of the occupation, we all know that that is a presumption that could very readily be overcome, that it is a disability arising out of a venereal disease.

Mr. REES of Kansas. That is apparent on the face of it. The gentleman is absolutely right.

Mr. BREHM. Mr. Chairman, will the gentleman yield further?

Mr. REES of Kansas. I yield to my distinguished colleague from Ohio.

Mr. BREHM. I am heartily in favor of what the gentleman is trying to do. Suppose such a person had a stroke of apoplexy. There might be difficulty in proving that to be service-connected.

Mr. REES of Kansas. I thank the gentleman for his contribution. He has given a very fair example of the problem we are discussing under this proposed amendment. The presumption should be in favor of the employee.

Mr. BREHM. I want it to be.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DOYLE. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Kansas [Mr. REES].

The Clerk read as follows:

Amendment offered by Mr. DOYLE as a substitute for the amendment offered by Mr. REES of Kansas: On page 22, line 4, insert the following: 'In the event an employee has been employed for a period of at least 20 years and then claims to have suffered an occupational disease or infection as defined in subsection 2, section 5, of this act, for the purpose of obtaining the benefits under this act there shall be a prima facie presumption of law in his favor that it is an occupational disease or infection."

Mr. DOYLE. Mr. Chairman and colleagues, I think that my proposed amendment as just read by the Clerk is self-explanatory, clear and concise, and no doubt its import quickly understood, by all of you. I remind you of my brief discussion along this same angle of about an hour ago In the meantime I have written this amendment on the floor and sent it to the Clerk, but when the distinguished gentleman from Kansas later proposed a similar amendment I find it necessary to offer mine as a substitute. We are apparently in accord on fundamental principles involved. I offer that at the end of line 4, on page 22, the quotation marks be stricken and that there then be inserted at that point the following language:

In the event that an employee has been employed for at least a period of 20 years, and then claims to have suffered an occupational disease or infection, as defined in subdivision 2, paragraph "p" at line 6 on page 61 of the proposed committee amendment, for the purpose of obtaining the benefits under this act, there shall be a prima facie presumption of law in his favor that it is an occupational disease or infection.

The benefits of this presumption are therefore limited to those who have been occupied for not less than 20 years, and are in that very difficult group that do suffer disease or infection after 20 years and yet find it practically impossible as a matter of medical and practical and legal experience to prove that it is actually an occupational disease or infection arising out of the employment of 20 years or more. It is true that I intend by this proposal to shift the burden of proof onto the shoulders of those who would claim that it is not such occupational disease or infection as arises out of 20 years or more employment. I believe this is as it should be, for certainly, if after 20 years of continuous, steadfast, and sober employment on the railroads, an employee suffers heart disease or some other disease which is emphatically without deliberate or willful fault on such an employee's part, then

that employee should have the benefit of a prima facie presumption of law in his favor. Clearly, if there is any element of bad faith or false claim, then such prima facie presumption can be overthrown by adequate proof to the contrary arising out of thorough physical examination and tests and other competent evidence in any given case. I further intend by this amendment to try to save thousands of claimants, in border-line and worthy cases, considerable sums of money for medical and other accompanying expenditures in connection with application for deserving benefits. Therefore, I want an applicant who goes into court with clean hands after 20 years of faithful service to have the consistent benefit of this prima facie presumption of law as provided in my proposal. It should save applicants hundreds of thousands of dollars, and without hitting anybody who is properly chargeable with the administration of the act. The presence of this prima facie presumption of law is intended to shift the burden of proof from such applicant to the shoulders of those who would claim that his alleged occupational disease or infection does not arise out of 20 years of employment in the same capacity.

Mr. BROWN of Ohio Mr. Chairman, will the gentleman yield?

Mr. DOYLE I yield.

Mr. BROWN of Ohio. I believe the substitute amendment offered by the gentleman from California carries out the intent and purpose of the original amendment offered by the gentleman from Kansas, but that it clarifies very much the legal procedure which shall be followed, and in so doing really protects both the employer and the employee.

Mr. DOYLE. That was my intent.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. HALLECK. The gentleman's amendment, of course, would set up a prima facie presumption in favor of the employee. As I indicated, I am willing to go along with that; but that, of course, would be a presumption that could be rebutted by proof of the facts.

Mr. DOYLE. That is correct.

Mr. HALLECK. There might be involved some disease resulting from misconduct that should be rebutted.

Mr. DOYLE. That is correct.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. O'HARA. I think the gentleman has offered a very sound amendment to meet a condition that many of us have been troubled by here today, and that is the undue burden which is placed upon the man suffering from an occupational disease.

Mr. DOYLE. Yes.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. VORYS of Ohio. Should not the words "at law" be taken out of the gentleman's amendment? What we want to provide is a prima facie presumption of fact. The wording of the amendment therefore should be simply "a prima facie presumption" leaving out the words "at law," which I believe are not proper at that place.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield.

Mr. GRAHAM. May I suggest that if the words "fair preponderance" are used that would meet the requirements of almost every State and every court—a fair preponderance of the evidence.

Mr. DOYLE. I thank the gentleman.

Mr. GEELAN. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Connecticut.

Mr. GEELAN. Why does the gentleman select 20 years as the period of time to get benefits under his amendment? What is going to happen to a man with 18, 17, or 15 years of service? Is he not entitled to the same consideration?

Mr. DOYLE. I feel that after a man has worked at least 20 years the presumption should be so strong that it should certainly be given application and I will frankly say to the gentleman that I would favor its being applicable after 10 years of continuous employment on the job, but emphatically it is apparent that a period of less than 20 years would not today be approved, so I feel this 20-year period is a beginning point, and if, by practical experience, it works out to the benefit of all concerned, then the period could be reduced to a shorter term than 20 years.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Ohio.

Mr. BREHM. Will this be retroactive and apply to someone who suffers disease or injury prior to the time this act becomes operative? I want it to.

Mr. DOYLE. That is a legal point which I do not now feel qualified to answer, but certainly it would be operative from the enactive date of this amendment and that is a substantial gain and benefit for the railroad employees of at least 20 years. No doubt if legally it can become retroactive, then this would soon be established as a matter of legal action in a court of competent jurisdiction.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. McDONOUGH. Is it the intention of the gentleman in presenting his amendment to have it understood that social diseases would be ruled out?

Mr. DOYLE. I think without q iestion those diseases would be ruled out. If a man came into court under this bill and claimed he was entitled to these benefits as the result of a social disease, it would not take very much to knock out such claim. I do not intend by this resolution to give benefit or force to any application which does not sound in utmost good faith and merit, and a social disease would certainly not be classed as an occupational disease or infection.

Mr. McDONOUGH. That is the gentleman's thought in presenting the amendment?

Mr. DOYLE. Yes.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. As I understand the gentleman, he is attempting to follow the same proposal that I have submitted except he wants to limit his legislation to employees who have served for a period of 20 years or more?

Mr. DOYLE. Not only that but I want to strengthen a great deal more the hands of the men in the borderland cases. I think there are thousands of men who find it impossible for one reason or another to prove cases which have merit and yet are almost impossible of proof where the burden of proof rests upon the applicant. It places him under an undue hardship in a large number of cases.

Mr. REES of Kansas. I agree with the gentleman.

Mr. DOYLE. I want to shift the burden so that that group of employees will have a fairer chance in court.

Mr. REES of Kansas. We are both trying to reach the same objective but my notion was that a man need not have 20 years' service until it applied. My thought was we would let it apply to all employees who come under the act.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Missouri.

Mr. CARNAHAN. I think the gentleman from California has offered a very constructive, helpful amendment, and I shall support it and hope it is adopted.

Mr. DOYLE. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. It seems to me as though every one agrees with the gentleman's amendment except in the matter of a few technicalities. Why not adopt it and let the other body perfect it?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. COLE].

Mr. COLE of Missouri. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kansas. I can see no reason for limiting its provisions to those who have served 20 years or more. The distinction between the two provisions of the section to which this amendment is offered is that the man who has served 20 years and becomes totally disabled from following his occupation is entitled to retirement pay, whereas the man who has served only 10 years must be totally disabled from following any occupation to receive his retirement pay.

Let us suppose, under the substitute offered by the gentleman from California,

that a man who is a trainman or switchman and has served 10 years or more in that capacity, gets a cinder in his eye, which becomes infected, resulting in total blindness. There is a dispute as to whether the infection was caused by a cinder that he received on the job. Is there any reason why there should not be a presumption in his favor? There would not be under the Doyle amendment. There would be under the Rees amendment.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to the gentleman from Kansas.

Mr. REES of Kansas. In other words, it should not make any difference so far as principle is concerned, and if the principle is good it ought to apply just as well to a man who has been in the service 10 years, 15 years, 18 years, or 19 years, as to the man who has been in the service for 21 years.

Mr. COLE of Missouri. That is right. Length of service should make no difference and does not under your amendment. That is why I favor it rather than the Doyle substitute which would apply only to those employees with 20 years' service or more.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to the gentleman from North Dakota.

Mr. LEMKE. It seems to me that it is only just if you are going to have a presumption, to have it at every stage of the game. For instance, why should there be a different presumption if I work 5 years or 20 years? Why should the presumption not apply from the date I entered the service? I understand that the railroad employees, like engineers and firemen, have to have a medical examination anyway before they get the job, and that presumption should carry all the way through.

Mr. COLE of Missouri. I thank the gentleman for his contribution. Mr. Chairman, I hope that the substitute amendment offered by the gentleman from California will be voted down and that the amendment offered by the gentleman from Kansas prevail.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California [Mr. DOYLE] to the amendment offered by the gentleman from Kansas [Mr. REES].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES] as amended by the substitute.

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 57, after line 6, insert the following:

"SEC. 825. Subsection (a) of section 8 of the Railroad Unemployment Insurance Act, as amended, is amended to read as follows:

"'(a) Every employer shall pay a contribution, with respect to having employees in his service, equal to the percentages set forth below of so much of the compensation as is not in excess of $300 for any calendar month payable by him to any employee for services rendered to him after June 30, 1939: *Provided, however*, That if compensation is payable to an employee by more than one employer with respect to any such calendar month, the tax imposed by this section shall apply to not more than $300 of the aggregate compensation payable to said employee by all said employers with respect to such calendar month, and each such employer shall be liable for that proportion of the tax with respect to such compensation which the amount payable by him to the employee with respect to such calendar month bears to the aggregate compensation payable to such employee by all employers with respect to such calendar month:

"'1. With respect to compensation earned prior to January 1, 1947, the rate shall be 3 percent;

"'1. With respect to compensation earned after December 31, 1946, the rate shall be as follows:

If the balance to the credit of the railroad unemployment-insurance account as of the close of business on September 30 of any year, as determined by the Secretary, *is*:	The rate with respect to compensation payable to employees for services rendered during the next succeeding calendar year shall be: *Percent*
$350,000,000, or more	½
$300,000,000, or more but less than $350,000,000	1
$250,000,000 or more but less than $300,000,000	1½
$200,000,000, or more but less than $250,000,000	2
$150 000,000, or more but less than $200,000,000	2½
Less than $150,000,000	3

"'On or before December 31, 1946, and on or before December 31 of each succeeding year, the Secretary of the Treasury shall determine and proclaim the balance to the credit of the account as of the close of business on September 30 of such year.'"

Mr. LEA. Mr. Chairman, under the present law the carriers alone contribute to the unemployment fund. This amendment does not propose to change that. Under the present law there has been an accumulation of over $700,000,000 in the reserve fund for unemployment, due to the tax collected from the carriers. This tax has been applied principally in a period of increased employment and little unemployment, so up to this time the fund has had only a small load to care for and a limited experience on which to forecast the future.

What the amendment I propose does is to reduce the tax temporarily required of the carriers and also permit the reduction of the reserve fund that is available to this unemployment fund. The tax is admittedly in excess of the requirements for an unemployment reserve.

As I mentioned before, Mr. Altmeyer proposed a 2-cent tax for unemployment under the Social Security Act. The committee proposed a 2-cent tax for unemployment as necessary to assure the unemployment fund from a long-range standpoint.

This amendment proposes that the tax be temporarily reduced and placed on what is called the merit system in the State employment funds of the country. As I understand the laws of the various States commonly provide that the unemployment tax levied against employers shall vary in proportion to the reserve fund. As the reserve fund increases the tax decreases. As the reserve fund diminishes the tax increases. That is the policy followed in this amendment.

The practical question for the committee to consider is whether or not the tax should be as low as is proposed or the reserve fund as low as is proposed. I believe there is no substantial objection to a reduction of this tax or the reserve fund at this time. The fund is in excess of what anybody says is necessary. The rates of tax proposed vary from one-half of 1 percent until the reserve is reduced to $350,000,000 on down to 2 percent when it is more than $200,000,000 and less than $250,000,000, and 2½ percent when the reserve fund is reduced to more than $150,000,000 but less than $200,000,000, and where it is less than $150,000,000 the tax would be restored to its present rate of 3 percent on the pay rolls of the carriers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from North Carolina.

Mr. COOLEY. Was the gentleman's amendment considered by the gentleman's committee?

Mr. LEA. It was.

Mr. COOLEY. Is this offered as a committee amendment?

Mr. LEA. This amendment is the same as was proposed in the committee bill.

Mr. CROSSER. Mr. Chairman, I rise in opposition to the amendment.

This is a proposition to reduce to one-half of 1 percent the 3-percent tax which has been paid into the unemployment insurance fund by the railroad companies of the United States ever since the establishment of the unemployment-insurance system in 1938. Let me point out to you that if the opposition succeeds in thus reducing the unemployment-insurance tax it will mean that the additional benefits provided in the bill will not increase the total payments by the railroads 1 cent. The workers will pay 2½ percent more but the 2½ percent of the unemployment-insurance tax saved by the railroads would pay the 2½ percent additional tax for additional benefits under the railroad-retirement law.

The opposition says a great deal about what they at first called the merit system, and to what they now refer as experience rating.

What does that mean? When the unemployment-insurance system was first proposed it was urged that if unemployment should be less than it may have been calculated in advance, then the unemployment insurance tax should be reduced for the employer accordingly. The fact is that the degree of unemployment of an employer is due to the economic conditions prevailing in the country generally. If industrial conditions in the United States are bad, unemployment in the railroad service will be correspondingly bad. The railroads could do nothing to control the tendency. Experience rating is wrong because it provides for reducing tax rates in periods of prosperity, when the higher tax rate can be paid easily, and for increasing tax rates in periods of depression, when there should not be an increase in tax rates.

It would be most unwise to wait until there is much unemployment in the railroad industry and then to increase the taxes in order to secure the funds required to pay unemployment benefits. It is true, of course, that there is a substantial amount of money in the reserve fund of the unemployment-insurance system as a result of the negligible amount of unemployment during the war years and also because of the large pay rolls during the same time. That fund should be continued as a reserve in order to meet the requirements in case there should be reversal and there should be a great amount of unemployment. Eight years ago the statute provided for the present tax of 3 percent. During the time since the law was enacted there has accumulated over $700,000,000. It is fortunate that such is the case because this accumulated fund, plus the amount derived by the continuation of the present 3-percent-tax rate, will make possible the improvement of the present unemployment-insurance system, which has not been improved since 1940, and will also make it possible to provide benefits on account of unemployment due to sickness. I hope that the amendment will be rejected overwhelmingly.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. Under the social-security laws of the United States, every employer of eight or more is required to pay a 3-perpent levy on his pay roll for unemployment compensation, and each State that has an unemployment-compensation law in effect gets credit for 90 percent of that 3 percent. The employees pay nothing. A similar assessment on the same basis has been established in the Railroad Retirement Act. The 3-percent pay roll tax for unemployment benefits is all paid by the employer—the railroad companies. However, in every State of the Union except two—including the District of Columbia, by the way—there has been a so-called merit system set up whereby the employer who gives constant employment, or good employment, earns a merit rating or an experience rating, and the amount that they have to pay in taxes is reduced to as low as one-half percent if his employment record is good. In this particular instance, the railroads, in the last 8 years, have not only paid in all of the money that has already been paid out for unemployment compensation, but in addition have actually built a reserve fund of $720,000,000, if I am correct in my figures, to guarantee the future payment of unemployment benefits to their employees.

The fund is now drawing $14,000,000 annual interest—more money in interest than is required to meet their present unemployment-benefit pay-outs. If every railroad employee now on the payroll should become unemployed at this very moment, there is sufficient reserve in this unemployment fund to give every one of those employees the full amount of compensation to which he is entitled under the law, and still have something like $150,000,000 left. So what do we propose to do here? Simply this: to extend to the railroads of the Nation the very same rights and the very same benefits that have been extended to all other employers who are required to pay unemployment compensation under the social-security law of the Nation. I know of no reason why the railroad companies, as employers, should be punished, should be set aside as a different class, and be compelled to pay far more in the way of unemployment tax contributions than experience shows is necessary to protect their employees. The committee wants to protect those workers, and we have set up, in this amendment, the provision that whenever that reserve fund begins to drop then the tax rate shall be increased again, so that the reserve fund can never drop below $150,000,000. The tax rate goes back to 3 percent if the fund should fall as low as $150,000,000. If it became that low, it would still be large enough to pay all the unemployment compensation required. But every actuary that we have consulted insists that under this system there just could not any condition arise whereby this fund could ever be depleted, because you have this huge reserve of $720,000,000, plus all the interest coming in, and also of course, increase the tax rate on the railroads whenever conditions may require it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. COOLEY. Under the proposed amendment, over what period of time would the fund be depleted down to $150,000,000?

Mr. BROWN of Ohio. We cannot conceive of any situation under which the fund would be depleted to $150,000,000. In other words, if every railroad employee in the country were laid off today, the fund would still be $150,000,000 at the end of the year, and more. And the rate would go up, of course, as soon as it dropped to as low as $350,000,000.

Mr. COOLEY. The gentleman is convinced that even if it is depleted to $150,000,000, the rights of the workers would not be jeopardized?

Mr. BROWN of Ohio. Absolutely. Of course, our opinion is that it never will be depleted under $350,000,000. It will probably continue to stand around $500,000,000 under almost any condition.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. CLASON. As a matter of history, have the reserves ever gone down or have they steadily increased?

Mr. BROWN of Ohio. They have steadily increased ever since this original law was passed.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent that the gentleman may have three additional minutes.

Mr. NEELY. Mr. Chairman, in pursuance of the notice previously given, I must object.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment which the gentleman from California [Mr. LEA], chairman of the Committee on Interstate and Foreign Commerce, has offered was adopted by the committee by a vote of 15 to 6. If it is given careful consideration it can be readily seen that to adopt this amendment is in accord with good business practice and doing what any businessman would do under similar circumstances. I think that the Committee on Interstate and Foreign Commerce in approving this amendment has done something for which it should be commended. I am surprised that it would be called upon even to explain what it has done, it is so apparently to the benefit of the employees of the railroads.

When the committee reduced the amount to be paid by the railroads for unemployment insurance from 3½ percent to one-half percent provided the fund was over $350,000,000 it was not enabling the railroads to escape the payment of money. What the committee did was to take money that was being charged against the railroads for unemployment insurance, for which it was not necessary due to the size of the fund, and turn it over instead to the retirement fund so that the employees would receive certain increased benefits for this same amount of money; in other words, to require the railroads to continue to pay 3 percent of pay roll into a fund that was already far beyond anything that could be figured as necessary for unemployment compensation is a useless expenditure.

No worker gets any benefit from that fund unless he becomes unemployed, and as has already been pointed out that possibility is not very likely. The unemployment-insurance fund has now reached a total of approximately $720,000,000. In the last 5 years the average amount paid out for unemployment benefits has been only $10,000,000. The interest on the fund at the present time brings in $14,000,000 yearly. So, more money is coming into the fund by way of interest than is necessary to pay out on claims for unemployment. Instead therefore of canceling this obligation of the railroads the committee created additional retirement and other benefits for the workers, their widows, and families, and the railroads are chargeable with that. All that we have done is to permit the amount which has heretofore been paid for unemployment insurance by the railroads, and which is now found to be unnecessary, to be applied to the payment of benefits for the men, their widows and families. In doing that I think we are doing just what any good businessman would do who wanted to benefit his employees in a way that would give them actual and real benefits instead of something uncertain and unlikely.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield.

Mr. HALLECK. Just the other day an increase of freight rates of 6 percent was granted to take care of wage raises in the railroad industry. The railroads contend that is not half enough to take care of their increased costs. I think

we might well be taking a look at this thing we are doing today and try to avoid further freight-rate increases, but still do justice to the railroad men. Any additional freight-rate increases will be a burden on all our people because they are reflected in everything we buy and use.

Mr. WOLVERTON of New Jersey. The point the gentleman from Indiana has made should be given serious consideration. Too often we are likely to think that when you put a financial obligation on the railroads that they are something apart from the public interest, as if they were a private interest, but we should not overlook the fact that any financial obligation that is put upon the railroads immediately is reflected in increased operating costs that make a basis for increased freight and passenger rates to the public. We have already seen within the last few days a general freight-rate increase to be paid by shippers as a result of recent increased wage rates And so if increased charges for additional benefits to the workers are required to be paid by the railroads we can expect increased rates charged to the public. This increase is made unnecessary if the amendment now under consideration is adopted, and yet the workers get the increased benefits.

This amendment would replace the present 3-percent unemployment insurance pay-roll tax on the railroads by a graduated tax, ranging from ½ to 3 percent, dependent upon the amount of money in the railroad unemployment insurance account as of September 30 of each year. This graduated tax is similar to the corresponding taxes paid by other industries under so-called merit ratings.

Under the present law benefits are paid to railroad employees who are willing and ready to work but for whom no suitable employment is available. This system, like those in effect for employees in other industries, covers occupational unemployment due to the inability of the railroads to provide continuous work. The unemployment benefits provided for railroad employees by the existing law are more favorable, all factors considered, than the unemployment benefits payable to employees in other industries under the general social-security system.

The railroad unemployment insurance system is supported wholly by the railroad companies, and the railroad employees make no contribution to its support The railroads are now paying a tax of 3 percent of their pay roll for this purpose. There is no provision in the existing law for a merit or experience rating such as is provided for in almost all States in connection with corresponding taxes for unemployment benefits under the general social-security system applicable to employees in other industries.

Experience has demonstrated that the 3-percent pay-roll tax on the railroads for unemployment insurance is grossly excessive. This is conceded on all sides. As a result of this excessive tax, in less than 10 years there has been accumulated an inflated railroad unemployment insurance account of approximately $750,000,000, from which the interest alone is about $14,000,000 a year.

Fair dealing demands that an adjustment be made in the railroad unemployment-insurance tax which would place this tax more nearly in line with the requirements which it is designed to meet and more nearly in line with the corresponding taxes paid by other industries whose employees are subject to the general social-security system. Of course, the railroad unemployment tax should be kept on a basis which will assure the soundness of the unemployment insurance system and leave no doubt that money will be provided to meet the benefit payments.

All those purposes can be accomplished by substituting a graduated tax for the present flat 3-percent tax.

This amendment which is offered to H. R. 1362 would substitute such a graduated tax, depending upon the amount of the railroad unemployment-insurance account as of September 30 of each year. If the account should fall below $150,000,000, the tax would be at the rate of 3 percent of the pay roll; if the account is between $150,000,000 and $200,000,000 the tax would be 2½ percent; if between $200,000,000 and $250,000,000, 2 percent; if between $250,000,000 and $300,000,000 1½ percent, if between $300,000,000 and $350,000,000, 1 percent; and over $350,000,000, ½ percent.

This would automatically guarantee the soundness of the account and an ample reserve.

This graduated pay-roll tax for the railroads would place that industry in a position comparable to that of other industries subject to State unemployment-insurance laws under the general social-security system. In 45 of the 51 State or Territorial systems, the unemployment insurance tax basis is graduated under merit- or experience-rating provisions. Under these provisions the tax liability of the employer decreases as the reserve account for payment of unemployment benefits increases. In the other six State and Territorial systems, where no merit rating is now in effect, provision is made for the study and consideration of merit ratings.

The minimum rate of tax most generally used in the States is one-half of 1 percent. In only 13 of the 45 jurisdictions which provide a specified minimum tax is the minimum rate as high as 1 percent. In some States, the tax is completely forgiven when a sufficient fund is maintained in the reserve account. It is interesting to note the two instances where a merit rating has already been granted by the Congress, namely, Hawaii and the District of Columbia. In Hawaii complete relief from unemployment taxes is provided under certain conditions, and in the District of Columbia a minimum of one-tenth of 1 percent of the pay roll is provided.

From what has been said it follows that the graduated scale of unemployment tax rates, which would be established for the railroads by this amendment to H. R. 1362, is in keeping with precedent and is in accord with the State unemployment taxes applicable to other industries and therefore necessary to prevent discrimination against the railroads.

It is of the utmost importance, for a special reason arising in connection with this bill, that some relief be afforded with respect to the unemployment tax by the substitution of the graduated scale for the existing flat 3-percent tax. This bill would raise the pay-roll tax of the railroads for the support of the retirement system by 2½ percent of the pay roll. That tax, so increased, will reach 6¼ percent of the pay roll and will amount to about $250,000,000 a year on the basis of the 1945 pay roll. The railroads are now faced with sharply declining traffic in the postwar period. The abnormal war traffic is no longer moving. They are also confronted with heavy increases in operating costs. Railroad wages were raised this year by 18½ cents per hour, which will result in additional expenses for the year of about $620,000,000. As a result of these conditions, the railroads now have pending before the Interstate Commerce Commission a petition for a substantial increase in their freight rates, and the Commission has already, as a temporary measure, granted some increase. The point is that no increase in railroad expenses can be absorbed. Any such increase of pay-roll taxes must be reflected almost at once in higher freight charges.

Thus the 2½-percent increase in the railroad retirement tax must be borne in its entirety by the shippers of the country unless it is offset in part by an adjustment of the unemployment tax such as would be accomplished by this amendment. Fortunately, we have a situation which makes this adjustment possible. The present unemployment-insurance tax of 3 percent is so excessive that the proposed adjustment may be made without in any way threatening the soundness of the railroad unemployment-insurance system. In short, the shippers of this country can receive some relief as a result of the graduated unemployment-insurance tax from the burden which will be placed upon them because of the increase in the railroad retirement tax which this bill provides.

This amendment in establishing a graduated unemployment-insurance tax should be adopted for the following reasons:

First. The present 3-percent unemployment-insurance pay-roll tax paid by the railroads is far higher than necessary and as a result a railroad unemployment-insurance fund of about $750,000,000 has been accumulated in less than 10 years.

Second. This unemployment tax could be placed on the graduated scale of rates proposed in the amendment without weakening the stability of the fund.

Third. The graduated scale would be in accord with the almost universal practice in the States under the general social-security system.

Fourth. Any increase in pay-roll taxes must be borne by the shippers of the country.

Fifth. The bill proposes an increase of 2½ percent of the pay roll in taxes to support the railroad retirement system. It is essential that this increase be offset in part by an adjustment of the railroad unemployment-insurance pay-roll taxes.

and, fortunately, such an adjustment is practicable.

Sixth. An increase in the pay-roll tax on the railroads with no corresponding increase for their competitors places the railroads at a competitive disadvantage and will necessarily result in fewer railroad jobs than would otherwise be available. A steady job at good wages is still the best of all forms of social insurance.

Mr. LEA. Mr. Chairman, I ask unanimous consent that the debate on the pending amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 77, noes 51.

So the amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr LEA: On page 12, strike out beginning with line 21 down through line 17 on page 13 and insert the following:

"(c) Sections 1500 and 1520 of the Internal Revenue Code are amended by substituting for the numbered paragraphs 4 and 5 the following

"'4. With respect to compensation earned during the calendar year 1946 the rate shall be 3½ percent.

"'5. With respect to compensation paid after December 31, 1946, the rate shall be 6¼ percent.'

"Section 1510 of the Internal Revenue Code is amended by substituting for the numbered paragraphs 4 and 5 the following.

"'4. With respect to compensation earned during the calendar year 1946 the rate shall be 7 percent.

"'5. With respect to bompensation paid after December 31, 1946, the rate shall be 13 percent.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The amendment was agreed to.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: At the end of section 214, page 41, after line 4, insert the following paragraph:

"Paragraph 1 of subsection (b) of section 10 is amended by inserting the following language at the beginning thereof."

Mr. CROSSER. Mr. Chairman, I ask unanimous consent to withdraw that amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WHITE. Mr. Chairman, I move to strike out the last word.

Mr. BROWN of Ohio. Mr. Chairman, a point of order. There is no amendment pending. There is no last word to be stricken out.

Mr. WHITE. The Crosser amendment is pending.

Mr. BROWN of Ohio. The Crosser amendment was withdrawn.

The CHAIRMAN. The gentleman from Idaho moved to strike out the last word of the bill and is recognized for 5 minutes.

Mr. WHITE. Mr. Chairman, the tactics of the gentleman from Ohio are right in line with what we have to deal with today. The proceedings of the House today are a fine example of what can be done to emasculate a bill. This bill has been completely emasculated. The responsibility for what has been done to destroy the Railroad Retirement Act today will be obvious to anybody who studies the CONGRESSIONAL RECORD and the proceedings of the House in the handling of this piece of legislation.

I thought that the railroad workers of this country, those engaged in one of the greatest industries of the Nation, had more supporters and more friends on the Republican side of the House than apparently they have. I have been a Member of this House for 14 years, and I have never taken the opportunity to criticize my Republican colleagues for what they have done, but at this time I do hope that the railroad men of the country will make a careful study of the CONGRESSIONAL RECORD and the proceedings of this House today so they will know who their friends are in this House.

Mr WILSON. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Indiana.

Mr. WILSON. Where are the Democrats today? Where are the Members on that side of the House today?

Mr. WHITE. I yield to the gentleman from Minnesota.

Mr WILSON. The gentleman has not answered that question.

Mr WHITE. The RECORD will disclose how the members of the party voted.

Mr. WILSON. The gentleman says they are not here. He says that the Republicans are here.

Mr. WHITE. If anybody will read the RECORD, they will find out who the friends of the railroad workers are.

Mr. KNUTSON. The gentleman will agree, will he not, that every amendment that has been offered today was offered from his own side, the Democratic side?

Mr. WHITE. And I suppose the gentleman will follow that up by saying that they were constructive amendments. They were emasculating amendments; that is all they were, and were voted into the bill by a preponderance of Republican votes.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from the great city of St. Paul, the seat of the railroad industry of the Northwest.

Mr. O'HARA. I do not happen to be from there.

Mr. WHITE. Well, from the great State of Minnesota.

Mr. O'HARA. I offered an amendment which gave an over-all increase in benefits to the railroad men, and it was adopted.

Mr. WHITE. And I suppose it is the gentleman's contention that that was the only constructive amendment.

Mr. O'HARA. It was.

Mr. WHITE. The Republicans appear anxious to complete the work of wrecking this bill, so I will yield the floor, Mr. Chairman, so that they can have that opportunity by the preponderance of this vote to pass this emasculated piece of legislation.

Mr. NEELY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the railroad employees of the country should be and undoubtedly will be grateful to a few Republicans like the gentleman from Minnesota [Mr. PITTENGER], the gentleman from North Dakota [Mr. LEMKE], and four or five others of their political faith for having opposed the amendments by which the Crosser bill has been completely wrecked in the Committee of the Whole House. Ninety percent of the votes by means of which the wrecking has been accomplished were cast on the Republican side of the aisle. On the various unrecorded vital votes of the day 90 percent of those cast on the Democratic side of the aisle were for the Crosser bill and against the amendments which were offered by the gentleman from California [Mr. LEA]. Notwithstanding the fact that a Democratic chairman of a committee proposed the numerous amendments by means of which the bill has been stripped of the most of the benefits it aimed to provide for the railroad employees, I nevertheless appeal both to the House and to the occupants of the galleries for corroboration of the assertion that 90 percent of the Democrats present have consistently voted for the protection of the Crosser bill, and that 90 percent of the Republicans who participated in today's proceedings improved their every opportunity to vote for the multitudinous amendments which have reduced the Crosser bill to a mere shadow of what it was, or of that to which it is my hope the House will later restore it by repudiating every amendment that the Committee of the Whole has adopted.

The railroad men, their families, and their friends will not forget on election day that 90 percent of the Republicans voted for the railroads while 90 percent of the Democrats voted for the railroad employees.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have just finished listening to two political tirades by two political tyros, and I say to those gentlemen that they cannot——

Mr. NEELY. Mr Chairman, I demand that those words be taken down.

Mr. BROWN of Ohio. If the gentleman knows what the word "tyro" means he can have it taken down.

Mr. NEELY. The gentleman knows that that statement is not true and that the statement is not justified. I demand that the words be taken down and stricken from the RECORD.

The CHAIRMAN. The Clerk will report the words objected to.

Mr. NEELY. Mr. Chairman, for fear that this procedure will delay the final vote on the bill, I withdraw my request.

Mr. WILSON. I object, Mr. Chairman.

The CHAIRMAN. It does not require unanimous consent to withdraw the request.

The gentleman from Ohio is recognized.

Mr. BROWN of Ohio. Mr. Chairman, I have nothing further to say except that I still stand on my statement that the gentleman evidently does not know what the word "tyro" means, and his statements made here for political purposes I am sure will have no effect on the outcome of this bill.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PATMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 1362) to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes, pursuant to House Resolution 635, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

Mr. CROSSER and Mr. MARCANTONIO demanded the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The question is on the amendments.

The question was taken; and there were—yeas 106, nays 182, not voting 144, as follows:

[Roll No. 300]

YEAS—106

Allen, Ill.	Graham	O'Hara
Andersen, H. Carl	Grant, Ind.	O'Neal
Andrews, Ala	Gregory	Phillips
Arends	Gross	Pratt
Bishop	Gwynne, Iowa	Priest
Bland	Hale	Reed, N. Y.
Brown, Ohio	Hall, Leonard W.	Rich
Brumbaugh	Halleck	Robertson, N. Dak.
Buck	Henry	Robertson, Va.
Buffett	Herter	Robsion, Ky.
Carlson	Hess	Rockwell
Case, N. J.	Hill	Roe, Md.
Chapman	Hinshaw	Schwabe, Okla.
Chelf	Hoeven	Scrivner
Chenoweth	Hoffman, Pa.	Sharp
Church	Holmes, Mass.	Short
Clason	Howell	Simpson, Pa.
Clevenger	Jarman	Smith, Va.
Cooley	Jensen	Smith, Wis.
Curtis	Johnson, Ill.	Springer
Dirksen	Johnson, Luther A.	Stockman
Dolliver	Jonkman	Sumners, Tex.
Dondero	Judd	Sundstrom
Durham	Kean	Talle
Dworshak	Kinzer	Tibbott
Elliott	Knutson	Towe
Ellsworth	Lanham	Vorys, Ohio
Elston	Lea	Wadsworth
Ervin	Lewis	Welchel
Fellows	McConnell	Whittington
Fisher	McDonough	Wigglesworth
Folger	McGregor	Winter
Gillette	Martin, Iowa	Wolcott
Gillie	Mathews	Wolverton, N. J.
Goodwin	Michener	Woodruff
Gore		

NAYS—182

Abernethy	Beall	Bryson
Allen, La.	Beckworth	Buchanan
Almond	Bender	Bunker
Angell	Bennett, Mo.	Butler
Arnold	Biemiller	Canfield
Bailey	Bloom	Cannon, Mo.
Barden	Bolton	Carnahan
Barrett, Pa.	Brahm	Chiperfield
Barrett, Wyo.	Brooks	Cole, Mo.
Bates, Ky.	Brown, Ga.	Combs
Cooper	Hook	Philbin
Corbett	Huber	Pickett
Cravens	Hull	Pittenger
Crosser	Jackson	Poage
D'Alesandro	Jenkins	Price, Fla.
Davis	Johnson, Calif.	Price, Ill.
Dawson	Johnson, Ind	Rabin
Delaney, John J.	Jones	Ramey
	Kee	Randolph
D'Ewart	Kelley, Pa.	Reed, Ill.
Dingell	Kelly, Ill.	Rees, Kans.
Domengeaux	Kerr	Rees
Doughton, N. C.	Kilday	Richards
Douglas, Calif.	King	Riley
Douglas, Ill.	Kopplemann	Rivers
Doyle	Kunkel	Rogers, Fla.
Ellis	LaFollette	Rogers, Mass.
Elsaesser	Landis	Rowan
Engle, Calif.	Lane	Ryter
Fallon	Larcade	Sadowski
Feighan	Latham	Sasscer
Fenton	Lemke	Savage
Fernandez	Lesinski	Schwabe, Mo.
Flannagan	Link	Shafer
Flood	Lyle	Sheppard
Fogarty	McCormack	Simpson, Ill.
Forand	McCowen	Smith, Maine
Fulton	McGlinchey	Somers, N. Y.
Gallagher	McMillan, S. C.	Sparkman
Gardner	McMillen, Ill.	Spence
Gary	Madden	Starkey
Gathings	Maloney	Stefan
Gearhart	Manasco	Stevenson
Geelan	Marcantonio	Sullivan
Gordon	Merrow	Talbot
Gorski	Miller, Nebr.	Thom
Granahan	Mills	Thomas, Tex.
Green	Monroney	Thomason
Griffiths	Morgan	Traynor
Hagen	Mundt	Trimble
Hall, Edwin Arthur	Murdock	Voorhis, Calif.
	Murray, Tenn	Vursell
Hand	Murray, Wis.	Walter
Harless, Ariz.	Neely	Wasielewski
Havenner	Norblad	Weaver
Hays	O'Brien, Ill.	White
Healy	O'Brien, Mich	Whitten
Hedrick	O'Konski	Wilson
Hendricks	Outland	Woodhouse
Heselton	Patman	Zimmerman
Hobbs	Peterson, Fla.	
Hoch	Pfeifer	

NOT VOTING—144

Adams	Gamble	Miller, Calif.
Anderson, Calif.	Gavin	Morrison
Andresen, August H	Gerlach	Murphy
	Gibson	Norrell
Andrews, N. Y.	Gifford	Norton
Auchincloss	Gillespie	O'Toole
Baldwin, Md.	Gossett	Pace
Baldwin, N. Y.	Granger	Patrick
Barry	Grant, Ala.	Patterson
Bates, Mass.	Gwinn, N. Y.	Peterson, Ga.
Bell	Hancock	Ploeser
Bennet, N. Y.	Hare	Plumley
Blackney	Harness, Ind.	Powell
Bonner	Harris	Quinn, N. Y.
Boren	Hart	Rabaut
Boykin	Hartley	Rains
Bradley, Mich.	Hébert	Rankin
Bradley, Pa.	Heffernan	Rayfiel
Buckley	Hoffman, Mich.	Reece, Tenn.
Bulwinkle	Holifield	Rizley
Byrne, N. Y.	Holmes, Wash.	Robinson, Utah
Byrnes, Wis.	Hope	Rodgers, Pa.
Camp	Horan	Roe, N. Y.
Campbell	Izac	Rogers, N. Y.
Cannon, Fla.	Jennings	Rooney
Case, S. Dak.	Johnson, Lyndon B.	Russell
Celler	Johnson, Okla.	Sabath
Clark	Kearney	Sheridan
Clements	Keefe	Sikes
Clippinger	Kefauver	Slaughter
Cochran	Keogh	Smith, Ohio
Coffee	Kilburn	Stewart
Cole, Kans.	Kirwan	Stigler
Cole, N. Y.	Klein	Sumner, Ill.
Colmer	LeCompte	Taber
Courtney	LeFevre	Tarver
Cox	Luce	Taylor
Crawford	Ludlow	Thomas, N. J.
Cunningham	Lynch	Tolan
Curley	McGehee	Torrens
Daughton, Va.	McKenzie	Vinson
De Lacy	Mahon	Welch
Delaney, James J.	Mankin	West
	Mansfield, Mont.	Wickersham
Drewry	Mansfield, Tex.	Winstead
Earthman	Martin, Mass.	Wolfenden, Pa.
Eaton	Mason	Wood
Eberharter	May	Worley
Engel, Mich.		
Fuller		

So the amendments were rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Clippinger for, with Mr. Horan against.

Mr. Hartley for, with Mr. Engle of Michigan against.

Mr. Hoffman of Michigan for, with Mr. Rayfiel against.

Mr. Campbell for, with Mr. Celler against.

Mr. Thomas of New Jersey for, with Mr. Byrnes of Wisconsin against.

Mr. Drewry for, with Mr. James J. Delaney against.

Mr. Gamble for, with Mr. LeFevre against.

Mr. Fuller for, with Mr Cole of New York against.

Mr. Eaton for, with Mr. Taylor against.

Mr. Bennet of New York for, with Mr. Kearney against.

Mr. Hébert for, with Mr Lyndon B. Johnson against.

Mr. Auchincloss for, with Mr. August H. Andresen against.

Mr. Bonner for, with Mr. Keogh against.

General pairs until further notice:

Mr Boykin with Mr. Ploeser.

Mr. Hart with Mr Martin of Massachusetts.

Mr Bradley of Pennsylvania with Mr. Kilburn

Mr. Rankin with Mr. Mason.

Mr Byrne of New York with Mr Plumley.

Mr Heffernan with Mr Rizley.

Mr Barry with Mr. Taber.

Mr. Klein with Mr. Welch.

Mr. Holifield with Mr Jennings.

Mr Camp with Mr Hope.

Mr Izac with Mr Keefe.

Mr Coffee with Mr Harness of Indiana.

Mr O'Toole with Mr Gillespie.

Mr. De Lacy with Mr Crawford.

Mr Patterson with Mr. Gavin.

Mr. Eberharter with Mr. Case of South Dakota

Mr Kefauver with Mr. Bradley of Michigan

Mr Powell with Mr Adams

Mr. Morrison with Mr. Bates of Massachusetts

Mr Kirwan with Mr Anderson of California.

Mrs Mankin with Mr Blackney.

Mr. Lynch with Mr Gifford.

Mr. Rabaut with Mr. Cole of Kansas.

Mr Miller of California with Mr. Reece of Tennessee.

Mr Quinn of New York with Mr Smith of Ohio

Mr. Mansfield of Montana with Mr. Rodgers of Pennsylvania.

Mr Slaughter with Mr LeCompte

Mr Vinson with Mr. Wolfenden of Pennsylvania

Mr. Rooney with Mrs Luce.

Mr Sikes with Mr. Cunningham

Mr. Wickersham with Miss Sumner of Illinois

Mr Sabath with Mr. Gerlach.

Mr Winstead with Mr Hancock.

Mr. Wood with Mr Andrews of New York.

Mr. Sheridan with Mr. Gwinn of New York.

Mr. ROGERS of Florida, Mr. ELLIS, Mr. MILLER of Nebraska, Mr. BREHM, and Mrs. ROGERS of Massachusetts changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CROSSER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 236, nays 49, not voting 147, as follows:

[Roll No. 201]

YEAS—236

Abernethy	Gathings	Monroney
Allen, Ill.	Gearhart	Morgan
Allen, La.	Geelan	Mundt
Almond	Gillie	Murdock
Andrews, Ala.	Gordon	Murray, Tenn.
Angell	Gorski	Murray, Wis.
Arends	Graham	Neely
Arnold	Granahan	Norblad
Bailey	Green	O'Brien, Ill.
Barden	Griffiths	O'Brien, Mich
Barrett, Pa.	Gwynne, Iowa	O'Konski
Barrett, Wyo.	Hagen	O'Neal
Bates, Ky	Hall, Edwin Arthur	Outland
Beall	Hand	Patman
Beckworth	Hare	Peterson, Fla.
Bennett, Mo.	Harless, Ariz.	Pfeifer
Biemiller	Havenner	Philbin
Bishop	Hays	Pickett
Bland	Healy	Pittenger
Bloom	Hedrick	Poage
Bolton	Hendricks	Pratt
Brehm	Henry	Price, Fla
Brooks	Hewlett	Price, Ill.
Brown, Ga	Heselton	Priest
Brumbaugh	Hess	Rabaut
Bryson	Hill	Rabin
Buchanan	Hobbs	Ramey
Bunker	Hoch	Randolph
Butler	Hoeven	Reed, Ill.
Canfield	Hoffman, Pa.	Rees, Kans.
Cannon, Mo	Hook	Resa
Carlson	Howell	Richards
Carnahan	Huber	Riley
Case, N J.	Hull	Rivers
Chelf	Jackson	Robertson, N Dak
Chenoweth	Jarman	Robsion, Ky.
Chiperfield	Jenkins	Rockwell
Clason	Jensen	Rogers, Fla
Cole, Mo.	Johnson, Calif	Rogers, Mass.
Combs	Johnson, Ind.	Rowan
Cooley	Johnson, Luther A.	Ryter
Cooper	Jonkman	Sadowski
Corbett	Judd	Sasscer
Courtney	Kee	Savage
Cravens	Keefe	Schwabe, Mo.
Crosser	Kelley, Pa	Shafer
D'Alesandro	Kelly, Ill.	Sharp
Davis	Kerr	Sheppard
Dawson	Kilday	Short
Delaney, John J.	King	Simpson, Ill.
Dingell	Kinzer	Smith, Maine
Dirksen	Kopplemann	Somers, N Y.
Dolliver	Kunkel	Sparkman
Domengeaux	LaFollette	Spence
Dondero	Landis	Springer
Doughton, N C	Lane	Starkey
Douglas, Ill.	Larcade	Stefan
Doyle	Latham	Stevenson
Durham	Lemke	Sullivan
Dworshak	Lesinski	Sumners, Tex.
Ellis	Lewis	Talbot
Elsaesser	Link	Talle
Elston	Lyle	Thom
Engle, Calif.	McCormack	Thomas, Tex
Fallon	McCowen	Thomason
Feighan	McDonough	Tibbott
Fellows	McGlinchey	Traynor
Fenton	McMillan, S C.	Trimble
Fernandez	McMillen, Ill.	Voorhis, Calif.
Fisher	Madden	Vurnell
Flannagan	Maloney	Walter
Flood	Manasco	Weaver
Fogarty	Marcantonio	Welchel
Folger	Martin, Iowa	White
Forand	Mathews	Whitten
Fulton	Merrow	Wilson
Gallagher	Michener	Wolcott
Gardner	Miller, Nebr.	Wolverton, N J
Gary	Mills	Zimmerman

NAYS—49

Andersen, H. Carl	Hall, Leonard W.	Robertson, Va
Brown, Ohio	Halleck	Schwabe, Okla.
Buck	Herter	Scrivner
Chapman	Holmes, Mass	Simpson, Pa.
Church	Johnson, Ill.	Smith, Ohio
Clevenger	Jones	Smith, Va.
Curtis	Kean	Smith, Wis.
Elliott	Knutson	Stockman
Ellsworth	Lanham	Sundstrom
Ervin	Lea	Towe
Gillette	McConnell	Vorys, Ohio
Goodwin	McGregor	Wadsworth
Gossett, Ind.	Michener	Whittington
Gregory	O'Hara	Wigglesworth
Gross	Phillips	Winter
Hale	Reed, N. Y.	Woodruff
	Rich	

NOT VOTING—147

Adams	Engel, Mich.	May
Anderson, Calif.	Fuller	Miller, Calif.
Andresen, August H.	Gamble	Morrison
Andrews, N Y.	Gavin	Murphy
Auchincloss	Gerlach	Norrell
Baldwin, Md.	Gibson	Norton
Baldwin, N Y.	Gifford	O'Toole
Barry	Gillespie	Pace
Bates, Mass.	Gore	Patrick
Bell	Gossett	Patterson
Bender	Granger	Peterson, Ga.
Bennet, N Y.	Grant, Ala	Plosser
Blackney	Gwinn, N Y.	Plumley
Bonner	Hancock	Powell
Boren	Harness, Ind	Quinn, N Y.
Boykin	Harris	Rains
Bradley, Mich	Hart	Rankin
Bradley, Pa.	Hébert	Rayfiel
Buckley	Heffernan	Reece, Tenn.
Buffett	Hinshaw	Risley
Bulwinkle	Hoffman, Mich.	Robison, Utah
Byrne, N Y	Holifield	Rodgers, Pa.
Byrnes, Wis	Holmes, Wash	Roe, Md
Camp	Hope	Roe, N Y.
Campbell	Horan	Rogers, N. Y.
Cannon, Fla.	Isac	Rooney
Case, S Dak	Jennings	Russell
Celler	Johnson, Lyndon B.	Sabath
Clark	Johnson, Okla	Sheridan
Clements	Kearney	Sikes
Clippinger	Kefauver	Slaughter
Cochran	Keogh	Stewart
Coffee	Kilburn	Stigler
Cole, Kans.	Kirwan	Sumner, Ill.
Cole, N Y.	Klein	Taber
Colmer	Lea	Tarver
Cox	LeCompte	Taylor
Crawford	LeFevre	Thomas, N. J.
Cunningham	Luce	Tolan
Curley	Ludlow	Torrens
Daughton, Va	Lynch	Vinson
De Lacy	McGehee	Welch
Delaney, James J.	McKenzie	West
D'Ewart	Mahon	Wickersham
Douglas, Calif	Mankin	Winstead
Drewry	Mansfield, Mont.	Wolfenden, Pa.
Earthman	Mansfield, Tex	Wood
Eaton	Martin, Mass	Woodhouse
Eberharter	Mason	Worley

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr Lyndon B. Johnson for, with Mr. Hébert against.

Mr. Sabath for, with Mr. Roe of Maryland against.

General pairs:

Mr. Bonner with Mr. Horan.
Mr Keogh with Mr. Engel of Michigan.
Mr. Camp with Mr Holmes of Washington.
Mr. Barry with Mr. Byrnes of Wisconsin.
Mr. Gore with Mr LeFevre
Mr. Boykin with Mr. Cole of New York.
Mr Gossett with Mr Taylor
Mr. Celler with Mr. Kearney.
Mr. Buckley with Mr August H Andresen.
Mr Eberharter with Mr. Hoffman of Michigan
Mr Coffee with Mr. Jennings.
Mr. Bulwinkle with Mr. Hartley.
Mrs. Douglas of California with Mr. Gillespie
Mr. Colmer with Mr. Martin of Massachusetts.
Mr. Byrne of New York with Mr. Kilburn.
Mr. De Lacy with Mr. Mason.
Mr. Hart with Mr. Plosser.
Mr. James J. Delaney with Mr. Risley.
Mr. Heffernan with Mr. Plumley.
Mr. Sheridan with Mr. Taber.
Mr. Holifield with Mr. Harness of Indiana.
Mrs Mankin with Mr. Clippinger.
Mr. Drewry with Mr. Hope.
Mr. Kefauver with Mr. Campbell.
Mr. Morrison with Mr. Thomas of New Jersey.
Mr. Kirwan with Mr. Gamble.
Mr. O'Toole with Mr. Fuller.
Mr. Rankin with Mr. Hinshaw.
Mr. Klein with Mr. Bennet of New York.
Mr. Poos with Mr. Auchincloss.
Mr. Lynch with Mr. Blackney.
Mr. Patterson with Mr. Adams.
Mr. Mansfield of Montana with Mr. Bender.
Mr. Sikes with Mr. Gwinn of New York.
Mr. Peterson of Georgia with Mr. Crawford.
Mr. May with Mr. Gifford.
Mr. Slaughter with Mr. Cole of Kansas.
Mr. Vinson with Mr. Bradley of Michigan.
Mr. Miller of California with Mr. Rodgers of Pennsylvania.
Mrs. Woodhouse with Mr. LeCompte.
Mr. Rooney with Mr. Buffett.
Mr. Powell with Mr. Gavin.
Mr. Wickersham with Mr. Anderson of California.
Mr. Worley with Miss Sumner of Illinois.
Mr. Quinn of New York with Mr. Welch.
Mr. Winstead with Mr. Reece of Tennessee.
Mr. Rayfiel with Mr. Case of South Dakota.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 21, 1946:

H.R 797. An act for the relief of William W. Willett, Jr.;

H.R 1460 An act for the relief of D. C. Todd;

H R 2772 An act for the relief of Juan Calcano;

H R. 3031 An act for the relief of Walter A Moffett;

H R 3389. An act for the relief of Mrs. Mary Belk,

H R 3401. An act for the relief of Mrs. Hattie Main Babcock, Chester N. Main, and Mr. and Mrs Earl Norman;

H R 4245. An act for the relief of Jose Villafane Munoz;

H.R 4251. An act for the relief of the estate of the late Francisca Sanches Figueroa;

H. R. 4373 An act for the relief of Carl and Naomi Fitzwater.

H.R 4479. An act for the relief of William E. Robertson and Estelle Robertson;

H R. 4495. An act for the relief of William H. Roman;

H R 4525. An act for the relief of Oran Edmund Randall Rumrill;

H R 4600. An act for the relief of the estate of Patsy Ann Maheux, deceased;

H. R. 4693. An act for the relief of Richard C. Ward,

H.R. 5000. An act for the relief of Marion Powell, a minor;

H R. 5091. An act for the relief of Mrs. Mary A. Honnell,

H.R. 5811. An act for the relief of the legal guardian of David Owens, Jr.;

H.R. 6601. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 304. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

On June 22, 1946:

H R. 236. An act for the relief of Hamsah Omar;

H.R. 1236. An act for the relief of Cecil Ashinson;

H. R. 2785. An act for the relief of Will O'Brien, Mrs. Bessie O'Brien, and the legal guardian of Jane O'Brien;

H. R. 3399. An act for the relief of Philibert L. Bergeron, Alfred Quist, and Astrid Quist;

H R 3512. An act for the relief of Willie Lam and Edgar Lam;

H R 3665. An act for the relief of the legal guardian of William Needom Rashal, a minor;

H R. 4339. An act for the relief of Fannie C Fugate;

H R. 4353 An act for the relief of Amy Mary Richter;

H. R. 5187. An act granting the consent of Congress to the Norfolk & Western Railway Co. to construct, maintain, and operate a bridge across New River near Radford, Montgomery County, Va.;

H.R. 5387. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River between the Borough of Belle Vernon, Fayette County, Pa., and the Borough of Speers, Washington County, Pa.;

H R. 5605. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes;

H R 5676 An act to quiet title and possession with respect to certain real estate in Converse County, Wyo;

H R. 5907. An act to authorize the Administrator of Veterans' Affairs to grant an easement for highway purposes to the Commonwealth of Pennsylvania, in certain lands in the reservation of the Veterans' Administration hospital, Lebanon County, Pa., and for other purposes;

H. R 6069 An act to amend section 100 of the Servicemen's Readjustment Act of 1944, and

H. R. 6153 An act to remove the existing limitation on the number of associate members of the Board of Veterans' Appeals in the Veterans' Administration

On June 24, 1946.

H. R. 3611. An act to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes;

H. R 3843. An act to provide for the disposition of tribal funds of the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana,

H. R 3959 An act to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War;

H. R. 4654. An act to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax;

H. R. 5317. An act to amend the act establishing the Hot Springs National Park;

H. R. 5413. An act to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code;

H. R. 5453. An act to authorize certain expenditures by the Alaska Railroad, and for other purposes;

H. R. 5896. An act to extend the term of design patent No. 21,033, dated September 22, 1891, for a badge, granted to George Brown Goode, and assigned to the National Society of Daughters of the American Revolution; and

H. J. Res. 327. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Inter-American Trade Exposition, Fort Worth, Tex., to be admitted without payment of tariff, and for other purposes.

On June 25, 1946:

H. R. 2315. An act for the relief of Adele Nahas;

H. R. 3441. An act to provide for the naturalization of Master Sgt. Gerhard Neumann;

H. R. 3454. An act for the relief of William Clyde McKinney,

H. R. 3966. An act authorizing the Secretary of the Interior to convey certain lands situated in Clark County, Nev., to the Boulder City Cemetery Association for cemetery purposes;

H. R 4046. An act authorizing the issuance of a patent in fee to Richard S. Fisher;

H. R. 4113. An act to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn;

H. R. 4118. An act for the relief of Axel H. Peterson;

H R. 4331. An act for the relief of Esequiel (Frank) Padilla, and others;

H R. 4419 An act for the relief of Mrs. James Plumb;

H. R. 4863. An act to establish the date of acceptance of a commission as lieutenant (junior grade), United States Naval Reserve, by William Leon de Carbonel to be June 1, 1941, and the date of reporting for active duty to be December 9, 1941, and for other purposes;

H. R. 4888. An act for the relief of Gustav F Doscher;

H. R. 4997 An act for the relief of Ernest I. Wade and Alma Wade;

H R 5071 An act for the relief of Mrs Dora Foster;

H R. 5271. An act to amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II";

H. R 5357 An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania;

H R 6195. An act to amend section 1 of the act of June 4, 1920 (41 Stat. 751), entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes," as amended by the act of May 26, 1926 (44 Stat. 658); and

H. J. Res. 307. Joint resolution to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels.

On June 26, 1946:

H. R. 3185. An act for the relief of George Lassila, administrator of the estate of Senia Lassila;

H. R. 5444. An act to revive and reenact and amend the act entitled "An act authorising the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky," approved July 18, 1939;

H. R. 5876. An act to authorise the Secretary of Agriculture to extend and renew to Chicago, Milwaukee, St. Paul & Pacific Railroad Co. for the term of 10 years a lease to Henry A. Scandrett, Walter J. Cummings, and George I. Haight, trustees of Chicago, Milwaukee, St. Paul & Pacific Railroad Co., of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 25, 1936;

H. R. 1660. An act authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Anderson Ranch Reservoir site, Boise reclamation project, Idaho;

H. R. 2677. An act to authorize the Federal Works Administrator to accept and dispose of real estate devised to the United States by the late Maggie Johnson, of Polk County, Ark., and for other purposes;

H. R. 5796. An act to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes;

H R. 6070 An act to amend section 4 of the act of August 25, 1937, so as to provide a filing procedure in cases of adoption outside the District of Columbia, and for other purposes;

H R 6572. An act to provide military assistance to the Republic of the Philippines in establishing and maintaining national security and to form a basis for participation by that Government in such defensive military operations as the future may require;

H. R 6699 An act to decrease the amount of obligations, issued under the Second Liberty Bond Act, which may be outstanding at any one time,

H. R. 3622. An act for the relief of Mrs. Hazel M Skaggs, and

H. R. 6393. An act to amend the act entitled "An act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes," approved March 4, 1923, as amended, in order to extend the Commission's authority to all areas in which our armed forces have operated during World War II. and for other purposes.

On June 27, 1946:

H. R. 5149 An act to govern the effective dates of ratings and awards under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, and for other purposes;

H R. 5606. An act authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Wabash River near Mount Vernon, Ind.;

H. R. 5736 An act authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Mauckport, Ind;

H R. 5748 An act to revive and reenact the act entitled "An act granting the consent of Congress to the South Carolina State Highway Department to construct, maintain, and operate a free highway bridge across the Santee River at or near Leneudes Ferry, S C."; and

H. R. 6265. An act to create a Department of Corrections in the District of Columbia.

On June 28, 1946:

H R. 1095. An act for the relief of the Indians of the Fort Berthold Reservation in North Dakota;

H. R 2954. An act for the relief of John Hamlet;

H. R. 3010. An act for the relief of Mrs. Marie Edens Nast, Mrs. Bessie Amann, and George R. Townsend;

H. R. 4160. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 4488. An act to provide for the conveyance to the State of Alabama for use as a public park of the military reservation known as Fort Morgan;

H. R. 4983. An act to provide for adjustments in connection with the Crow irrigation project, Crow Indian Reservation, Mont.;

H. R. 5674. An act, to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; and

H. R. 6454. An act to amend the act approved July 3, 1943, entitled "An act to pro-

vide for the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities, of the War Department or of the Army."

On June 29, 1946:

H. R. 2544. An act for the relief of Willie Hines;

H. R. 5208. An act for the relief of Michael J. Keaveney and Mary C. Keaveney;

H. R. 5716. An act to amend the Second War Powers Act, 1942, as amended;

H. R. 6084. An act to extend the Selective Training and Service Act of 1940, as amended, and for other purposes; and

H R. 6084 An act to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

On July 1, 1946:

H R. 3565 An act to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge;

H R 5744. An act to incorporate the Civil Air Patrol;

H R 6429. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 6335 An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1947, and for other purposes, and

H R. 6682 An act to amend sections 81, 82, and 83, and to repeal section 84 of chapter IX of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto

On July 2, 1946:

H R. 2543. An act to require weekly newspapers enjoying mailing privileges to make sworn statements with respect to their circulation; and

H R. 3517 An act to authorize the admission into the United States of persons of races indigenous to India, and persons of races indigenous to the Philippine Islands, to make them racially eligible for naturalization, and for other purposes

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6837) entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate further insists upon its amendments Nos. 27 and 28 to the foregoing bill, disagreed to by the House; asks for a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. GURNEY, Mr. BROOKS, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5990) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate, numbered 1, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5933) entitled "An act to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes."

The message also announced that the President pro tempore had appointed as the Members on the part of the Senate of the Joint Committee on the Economic Report, established by section 5 (a) of Public Law 304, Seventy-ninth Congress, the following Senators, viz: Mr. O'MAHONEY, Mr. TUNNELL, Mr. MURDOCK, Mr. MYERS, Mr. TAFT, Mr. BRIDGES, and Mr. LA FOLLETTE.

PHILIPPINE INDEPENDENCE DAY

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on yesterday, July 2, 1946, he did on today, July 3, 1946, send the following message to the President and the people of the Republic of the Philippines:

Expressing the unanimous wish and will of the United States House of Representatives, I send to you and all the people of the Republic of the Philipp'nes our hearty good wishes on this great and singular occasion in the world's history.

You are a great people, who love liberty and are willing to fight to have it and maintain it May we always be good neighbors and friends

Cordially,

SAM RAYBURN,
Speaker, United States House of Representatives.

THE HOBBS BILL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on the Judiciary, and ordered to be printed:

To the Congress of the United States:

I have today approved H. R. 32, the so-called Hobbs bill. This measure makes it a felony for any person to commit robbery or extortion which in any way obstructs, delays, or affects interstate commerce or the movement of any article or commodity in interstate commerce.

This bill corresponds in terms to section 7 of H. R. 4908, the Case bill, which I returned on June 11, 1946, without my approval. In my message of June 11, I stated that I was in full accord with the objectives of section 7 of the Case bill. I added that "some question may arise from the fact that section 7 omits from the original act the provision that it was not to be construed so as to 'impair, diminish, or in any manner affect the rights of bona fide labor organizations in lawfully carrying out the legitimate objects thereof.' "

The measure now comes before me as a separate enactment, rather than as one provision of the Case bill.

Section 11 of the Case bill seriously weakened the protection afforded to labor by the Norris-LaGuardia Act and correspondingly crippled the specific exceptions contained in section 7 of the Case bill. The present act, standing alone, is not subject to this objection.

The Attorney General advises me that the present bill does not in any way interfere with the rights of unions in carrying out their legitimate objectives. He bases this conclusion upon the language of the bill, as a separate measure, and upon the legislative history.

He makes reference, in particular, to title II of the bill. That title provides that nothing in the bill shall be construed to repeal, modify, or affect the Railway Labor Act, the Norris-LaGuardia Act, the Wagner Act, and specified sections of the Clayton Act, i. e., the great legislative safeguards which the Congress has established for the protection of labor in the exercise of its fundamental rights. The Attorney General also advises that the legislative history shows that the bill is not intended to deprive labor of any of its recognized rights, including the right to strike and to picket, and to take other legitimate and peaceful concerted action.

On this understanding, I am approving the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1946.*

EXTENSION OF REMARKS

Mr. CROSSER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill H. R. 1362.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. COOLEY asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include an editorial that appeared in today's Washington Evening Star on the Polish referendum.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD on the Emergency Housing Act and include a brief editorial from the New York Herald Tribune entitled "The Housing Bill Is Needed Now."

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include an article on consumer credit.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an article from Plane Talk magazine entitled "How Planes Serve the Farmer."

MATTER INSERTED IN EXTENSIONS OF REMARKS

The SPEAKER. The Chair has had called to his attention in the last few days some extensions of remarks by Members of the House that the Chair thinks are a reflection on a Member or Members of the Senate. The Chair trusts that that

does not happen any more. If there is any question as to whether or not an extension of remarks refers to a Member of the Senate in any way that might be offensive to him, the Chair hopes the matter will be submitted to the Chair before the remarks go to the printer.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. In other words, Mr. Speaker, under the rules no Member can insert in the Appendix of the RECORD under Extension of Remarks that which could not be stated on the floor of the House.

The SPEAKER That is correct.

PRICE CONTROL

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, early in the session today the gentleman from Illinois [Mr. MASON] attempted to blame the President of the United States for the lack of price control in the country at the present time. I think it is worth noting for the RECORD that the gentleman from Illinois voted to sustain the President's veto and also voted against the 20-day extension resolution. I think the people can draw their own conclusion.

LEAVE OF ABSENCE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Wisconsin [Mr. BYRNES], who is away on official business, be granted leave of absence through July 8

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection

EXTENSION OF REMARKS

Mr. LeFEVRE (at the request of Mr. GWYNNE of Iowa) was given permission to extend his remarks in the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that on next Tuesday after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT OVER FROM FRIDAY TO MONDAY AND LEGISLATIVE PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday it adjourn to meet on Monday next.

Mr. MICHENER. Mr. Speaker, reserving the right to object and, of course, I shall not object, will the majority leader advise the House as to the program for the remainder of this week and for as much of next week as he can?

Mr. McCORMACK. I will be very glad to do so. For the rest of this week there is nothing controversial so far as I know. We are just meeting on Friday in order to adjourn over until Monday, since the House could not adjourn over from today until Monday. The Members of the House have been very cooperative. It was intended to start the British loan on Friday and continue it on Saturday. But with July 4 coming on tomorrow and there being no other legislation, the leadership on both sides felt the only proper and fair thing to do was to go over until Monday. I repeat, the membership of the House have been very cooperative. We have gone through a tremendous program in the last few weeks. With reference to the program, it is as follows:

On Monday and Tuesday, the House will take up the British loan.

On Wednesday, business will be taken up under the Calendar Wednesday rule.

On Thursday, Friday, and Saturday, the British loan will be considered. After that is disposed of and if the bill can be taken up next week, we will take up the atomic energy bill, S. 1717.

Of course, conference reports will be considered next week and they will be taken up in a manner agreeable to the leadership on both sides.

Mr. PHILLIPS. Mr. Speaker, reserving the right to object, referring to Friday of this week, do you mean that we will just meet on Friday and adjourn? Will there be any business conducted on Friday?

Mr. McCORMACK. Of course, if any Member wants to make a speech, that would be perfectly in order. But there will be nothing of a controversial nature. I am not putting any legislation on the program for Friday. Of course, there may be some bill that might go through by unanimous consent, but there is none that I know of at the present time.

Mr. PHILLIPS. It was my understanding, of course, that the British loan was to be discussed Friday, but that has been changed?

Mr. McCORMACK. Yes; that will start on next Monday.

The SPEAKER. In order that the Chair may understand the situation, does the gentleman from Massachusetts mean that nothing will be done on Friday except by unanimous consent?

Mr. McCORMACK. There is no legislation and nothing will be done except by unanimous consent, such as 1-minute speeches or 5-minute speeches or anything of that kind.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

STRATEGIC AND CRITICAL MATERIALS FOR NATIONAL DEFENSE PURPOSES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House on S. 752, the strategic and critical materials for national defense purposes bill, may have until midnight tonight to file a conference report and statement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include therein a statement by General ROMULO and a statement by Antonio Gonzales, president of the Philippine Intercommunity Organizations of Western States, on the signing of the naturalization bill, and in another instance to include an address made by Secretary of the Navy Forrestal at Williams College in Williamstown, Mass., on June 16, 1946.

Mr. PITTENGER (at the request of Mr. MICHENER) was given permission to extend his own remarks in the RECORD and include a copy of a bill.

Mr. REED of New York (at the request of Mr. MICHENER) was granted permission to extend his remarks in the Appendix of the RECORD and include a copy of the Declaration of Independence.

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include an editorial.

INCREASE OF SALARIES OF JUDICIAL OFFICERS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. I would like to ask the distinguished majority leader, Mr. Speaker, about the bill for increasing certain judicial salaries which I understood was to be taken up immediately following the British loan bill.

Mr. McCORMACK. It is my intention to bring up that bill as quickly as possible. I do not like to leave it in the speculative field, but it will be taken up as quickly as possible. It will either be the first or the second bill that I will program after disposition of the British loan.

It is a bill that I think should be passed. I have no hesitancy in expressing my opinion. One of the strong positions we have in our country is an independent judiciary. They should be made independent economically.

Mr. HOBBS. I thank the gentleman.

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. JENKINS] is recognized for 20 minutes.

EFFECT OF FOOD SUBSIDIES ON PRICES

Mr. JENKINS. Mr. Speaker, in watching food prices in the next few days, it is important to distinguish between price increases resulting from competitive bidding for scarce commodities, and those which will take place almost automatically as the result of the sudden ending of food subsidies and because of recent wage increases.

Sharp increases resulting from competitive bidding for scarce items will be some indication of an inflationary trend.

On the other hand, those increases in food prices which will result almost automatically from the sudden removal of food subsidies are not inflationary. They merely mean that the American people

have started paying their grocery bill now, instead of putting it off for future generations of taxpayers.

Government subsidies on many food items have been so huge that their removal will mean a considerable mark-up in the retail price.

On butter, for example, we have been paying 15 cents out of the public treasury for every pound produced. With the ending of this subsidy, that payment will have to be made across the grocer's counter instead of through the income-tax window.

In the case of meat, packers have been receiving a $30 check from the United States Treasury for every 1,000-pound steer they killed. Elimination of the meat subsidy alone will mean a saving to American taxpayers of $750,000,000 a year, which they have had to pay whether they were getting the meat or not.

Incidentally, with OPA restrictions removed, both hogs and cattle are once again moving in ample quantity through legitimate channels. Meat will be relatively plentiful in most retail markets in about a week.

In addition to the previous subsidies, there are two other Government-inspired factors which will soon be reflected in the cost of food. These are recent wage increases in the food industry and the railroad freight rate adjustment which went into effect on July 1.

According to the Office of Price Administration, recent wage increases—not yet reflected in increased food prices—will cause an increase of from 2 to 5 percent in food prices.

The new freight rates, OPA estimates, will add about 1 percent to food prices.

These factors would have been reflected in retail food prices in the next few days whether OPA had been continued or not.

When they are added to the automatic increases resulting from the President's termination of food subsidies, it is obvious that there will be a substantial increase in many food prices.

Following is a partial list of subsidized foods showing the probable effect of subsidy terminations only. Prices quoted are present OPA ceiling prices in Washington Group I retail stores, plus the subsidy which we have been paying out of taxes. Freight and wage increases have not been included because they have not been computed as yet item by item.

The price to which food commodities may rise due only to the removal of subsidies:

Round steak, 1 pound, 57 cents. Subsidy paid to processor and producer.

Rib roast, 1 pound, 47 cents. Subsidy paid to processor and producer.

Pork chops, 1 pound, 46 cents. Subsidy paid to processor and producer.

Ham, 1 pound, 71 cents. Subsidy paid to processor and producer.

Bacon, 1 pound, 50 cents. Subsidy paid to processor and producer.

Butter, 1 pound, 87 cents. Subsidy paid to producer.

Evaporated milk, 14½-ounce can, 12 cents. Subsidy paid to processor and producer.

Fresh milk, quart, 18 cents. Subsidy paid to processor and producer.

Cheddar cheese, 1 pound, 69 cents. Subsidy paid to processor and producer.

Bread, loaf, 11 cents. Subsidy paid to flour millers.

Flour, 10 pounds, 76 cents. Subsidy paid to flour millers.

Navy beans, 1 pound, 20 cents. Subsidy paid to dealer.

Dried prunes, 1 pound, 35 cents. Subsidy paid to processor.

Tomatoes, No. 2 can, 22 cents. Subsidy paid to processor.

Peas, No 2 can, 25 cents. Subsidy paid to processor.

Corn, No. 2 can, 23 cents. Subsidy paid to processor.

Mr. Speaker, I ask unanimous consent that I may introduce a table which explains this matter fully.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I am glad to yield to my friend the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Does it not seem to the gentleman that the way the hog market reacted yesterday in reference to the day previously simply because of ample marketing is positive proof that orderly marketing is a benefit to the American people and will be if we do remove the ceiling from livestock and livestock products?

Mr. JENKINS. The gentleman is absolutely right. I expect to develop that very point further. We hope that it will work out that way, but I am not taking the position in this speech that I am absolutely sure that nothing untoward will happen, because nobody knows, but I think there is a very healthy sentiment in the country among the packers and among the big-store operators and others who sell commodities of various kinds to keep the prices down to a normal basis. They appreciate that it will be to their interest if prices do not skyrocket. Personally I do not think they will, and I hope not; but I am not trying to take the position that they will not, because, as I have pointed out, here is this additional freight rate and here is the additional expense of higher wages and this tremendous expense coming from the payment of subsidies. The subsidy of 15 cents a pound on butter for instance. Somebody has got to pay that, and as I point out further in my remarks, we must not forget the fact we have paid $750,000,000 a year subsidy on meat. Under OPA the groceryman does not pay that subsidy and he does not collect for it from the consumer. That subsidy money is paid to the packer so that he can sell the meat cheaper to the groceryman and the groceryman can in turn sell it cheaper to the consumer. Now who paid the packer this subsidy money? That money was paid to the packer out of the United States Treasury. It is money paid into the Treasury by the taxpayers of the Nation. So you can see that many a man pays on a subsidy through his taxes for somebody else's meat who never gets a bite of meat himself. Now since the Government has quit paying this subsidy to the packer, then the packer must raise his price to the groceryman by the amount of that subsidy or the packer must pay it himself. I understand that for the past 3 days the packer is paying it himself. This is quite an expense. In that case the price to the consumer should not be much above the OPA ceiling. But in the case of butter we can hardly expect the buttermaker to absorb a subsidy of 15 cents per pound. If he does not absorb it the groceryman must add it on to his price and the consumer must pay it. The man who eats the butter will pay it. This large increase illustrates the fallacy of the subsidy.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I am glad to yield to my distinguished colleague from Ohio.

Mr. SMITH of Ohio. The last few days have demonstrated that we can have more production without OPA. Is not that true?

Mr. JENKINS. Absolutely, yes.

Mr. PHILLIPS Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I am always glad to yield to my friend from California, who is an expert on food commodities especially those foods produced in California.

Mr. PHILLIPS. I think the gentleman is doing us a service to bring these things out.

Is it not a fact that in addition to any price factor that is involved that when meat goes through the regular channels every bit of it is used and many parts of the animal, such as the gentleman from Nebraska pointed out, the pancreatic glands, are used for medicinal purposes? They are saved, whereas now they are being destroyed? In other words, will not a regular distribution benefit the people in many ways?

Mr. JENKINS. I may say that I have it on good authority that our distinguished Secretary of Agriculture had indicated that that was one of the most crying demands made of him in the futile fight he was trying to make against the black market; the most crying demand made on the Secretary of Agriculture was the demand of the scientists for the scientific medicinal properties that came from this offal of animals, which was being wasted. The terrific black market, with all its faults, was without any doubt due to the unwise and fallacious theories and practices of OPA.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield further?

Mr. JENKINS. I yield.

Mr. PHILLIPS. Is the gentleman going to point out further that while we are talking about OPA ceiling prices as announced that actually all over the United States people are paying black-market prices higher even than these prices the gentleman is giving?

Mr. JENKINS. There is no question about it. One fine thing that came out of this recess that we are having from the iniquities of OPA by virtue of the President's veto is the fact that it brought out what the black-market prices really were. The packers were smart enough to stand aside and see how far the black market would go in competition with an open market. The black market thrives in the black, in the darkness. It cannot stand the light of competition.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr JENKINS. I yield to my good friend Dr. MILLER.

Mr MILLER of Nebraska. I am somewhat concerned about the amount of meat that may be produced in the next few weeks. The gentleman knows the feed pens of the country are bare and it takes time to put meat on animals that are being fed. I am wondering whether even with this present increase in the price of livestock now coming to market in fairly good shape might not drop off markedly until production can get going.

Mr. JENKINS. The gentleman raises a very serious and important question. There are many conditions that cannot be anticipated. The gentleman knows that the feeding of cattle in feed lots is one For instance, the man who has cattle for sale does not want to sell them in poor condition, he wants to feed them, he wants that increased poundage, but if the feed shortage in his locality is bad of if that man finds himself with a bunch of cattle in a drought area where the grass is short he has got to move them, as the gentleman knows. In that case the cattle will keep coming into the market But if our cattle producers of the country would find themselves with plenty of grass into the late fall and if they could secure an abundance of feed to carry the cattle through the fall and into the early winter, it is likely that they will continue to keep their cattle off the market until they could increase their weight considerably

At Indianapolis about 3 weeks ago the Republican Congressional Food Study Committee held a large meeting devoted to the discussion of many phases of the food problem. This meeting was attended by many of the best informed food men in the Middle West. It was attended by the man who is the largest producer of beef cattle in the United States He went into this matter at length in his address. He said that the feeders have practically gone out of business He said that the feeder played a very important part in the production of meat and that the feeder usually puts on from 300 to 400 pounds of meat before he sells his animal, and, as you know, that would be choice meat.

Because of the fact that the feeder has been put out of business it has taken four head of cattle to produce the amount of meat that would have been produced by three head of cattle under the system that prevailed before we ever heard of the OPA. I appreciate that the gentleman from Nebraska is very interested in that matter because a lot of that feeding was formerly done in his part of the country.

Mr. SMITH of Ohio. Those feeder people were driven into that position because of the restrictions of OPA?

Mr. JENKINS. There is no question about that.

Mr. Speaker, I ask unanimous consent to include in my remarks a telegram which I received today from the American Meat Institute of Chicago. I requested this institute to give me the facts as to the Chicago meat market today. I shall read a portion of this telegram and shall print it all.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, may I say that this telegram covers every phase of the meat market as of today, and I want to read a portion of it. It states:

Yesterday the drastic decline in hog prices at various markets amounted to $1 to $4 per hundredweight alive. Cattle prices also declined The USDA summarized the cattle market at Chicago yesterday as follows:

"But while the extreme upper crust of the crop brought premium prices compared with Monday's selling, the general trade on steers, yearlings, and heifers developed along steady to 25 cents lower lines, with scattered loads of medium to good shortfeds as much as 25 to 50 cents lower on late rounds."

Mr. Speaker, I can go through this telegram and select certain portions of it for discussion, but as I said before, it covers every phase of the market. It is very encouraging to know that if the people who produce meat and other food commodities are given an opportunity to operate freely and are given to understand what they are going to have to contend with in the future, there will be no question but that the market will move off freely. These figures which are contained in this telegraphic report show it.

Another thing has come into the market that has not been in evidence for months and that is the people who have been going to the retail markets have indicated a desire for quality. For the last 2 or 3 years every one, when he went to the market or to the grocery store bought what was there and he was glad to get it He didn't ask any questions. My colleagues, never before in the history of our country have the people suffered so many inconveniences in their battle to secure food when they had the money to pay for it. The life of trade is the right and the chance for people to bargain and sell. It is a great privilege for a person to go from market to market and select what he might want to buy. It is a great privilege for a person to be able to say, "No, I do not believe I will take this article, I would prefer to purchase an article of better quality." There is no freedom for our people to enjoy the right of bargain and sale while Chester Bowles and his gang were fixing the prices and threatening to send the purchaser and the seller to jail on the least pretext.

Mr. H. CARL ANDERSEN. The gentleman brought up the question of top prices. I believe that very few people in America realize that after all the great bulk of the cattle do not sell within $1.50 of the top price.

Mr. JENKINS. Yes. The top price quoted on the Chicago market yesterday was $22 a hundred for cattle. That means on prime, the very prime beef. There is very very little prime beef coming to market in these days, and I understand that the number of cattle that sold at Chicago for $22 per hundred were only about two carloads. They probably were not more than about 1 percent. The great bulk of the cattle were what we might call the common run of cattle. This kind is entirely different from the prime and the price is down accordingly. This telegram to which I have heretofore referred says that the cattle price was lower today than it was yesterday.

Mr. PHILLIPS. The gentleman stated something about the OPA having never understood. It may bring down certain prices but you also bring up prices which should be lower to the people to the ceiling price. Since the OPA is off I can say to the gentleman that the prices of fruits have gone down as well as the prices of a few other things.

Mr. JENKINS. I can give the gentleman my own experience. I went to the market one day and I asked the fellow how much were his apples. He said "$4.50." I said, "That is rather high." He said, "That is the Government price and I cannot sell them for less." He had to get his $4.50. All through the OPA days the general rule was that the maximum price was usually the selling price. In other words the maximum was the minimum.

Mr Speaker, I hope my colleagues will take time to read this somewhat lengthy telegram for it is a complete report on the Chicago meat market for today.

The Republican Congressional Food Study Committee, of which I am chairman, expects to keep up making contacts with the various markets of the country the better to be able to provide the membership with the facts as to the increase of prices. Mr. Bowles last night in his swan song over the radio predicted dire consequences because he has been forced to resign.

Mr Speaker, I cannot see how Bowles and Porter can claim any honor or glory, for although they have had complete control over the food supply of the Nation for years, never before in our history have our people been unable to get bread or butter or meat when they had money to pay for them.

Teletype received from American Meat Institute, of Chicago, July 3, 1946:

A substantial increase in livestock receipts at nearly all markets yesterday, accompanied by a decrease in prices of both hogs and most grades of cattle, is being followed today by moderately heavy marketings. These increased marketings, if continued, will mean more meat for consumers within the next few weeks at fair, open-competitive-market prices no higher than the black-market prices prevailing prior to removal of price controls It should be kept in mind that the higher prices for livestock are going back to livestock producers and feeders rather than into the pockets of black-market operators and that this should encourage meat production, especially in view of the bumper-feed-crop prospects.

Yesterday the drastic decline in hog prices at various markets amounted to $1 to $4 per hundredweight alive. Cattle prices also declined. The USDA summarized the cattle market at Chicago yesterday as follows:

"But while the extreme upper crust of the crop brought premium prices compared with Monday's selling, the general trade on steers, yearlings, and heifers developed along steady to 25-cents-lower lines, with scattered loads of medium to good shortfeds as much as 25 to 50 cents lower on late rounds."

Market receipts of cattle at 12 major markets today amounted to about 42,000 head, as compared with 46,000 head yesterday and slightly over 34,000 head last Wednesday. In spite of this decrease in receipts from yesterday, the early report of the cattle market at Chicago today is that buyers are operating

cautiously with a few sales being made of the best grades of cattle near yesterday's prices, but the market for the bulk of cattle on sale today is reported slower and weaker.

Hog receipts at 12 markets today amounted to slightly over 57,000 head, as compared with over 105,000 head yesterday and slightly over 13,000 head for Wednesday of last week. The hog market opened this morning slightly stronger with early sales reported at 25 to 50 cents above yesterday's close, with an early top of $17 at Chicago, as compared with the top of yesterday of $16 75.

Meat supplies available to consumers this week, of course, continue sharply curtailed because last week's meat production was extremely small. The Government reported yesterday that meat production under Federal inspection last week was only 121,000,000 pounds—the lowest on record—and 57 percent lass than meat production in the corresponding week a year ago.

Price levels during the remainder of this week—a holiday week—and in fact for the next several weeks—will be influenced by a number of abnormal circumstances. These include

1 The summer period is a period of seasonal short production. Substantial seasonal increases in market supplies, however, can be expected by late summer and early fall

2. The filling of an almost empty food pipe line takes time and creates for the time being an added demand for meat

3 OPA price regulations failed to allow for proper storage of meat last fall and winter, the season of high production, which influences considerably meat supplies available during the summer months.

In addition to these facts, it is important to keep in mind that consumers have been paying indirectly for many months in taxes, under the guise of subsidies, the equivalent of about 5 cents a pound. People have had to pay this tax assessment whether they were able to get meat or not. Therefore, with meat subsidies eliminated, market prices for meat will be offset by a saving of approximately $750,000,000 a year in tax payments which amounted to at least $20 annually per average family

In addition, independent, reliable surveys indicated that, prior to removal of price control, consumers already were paying a black-market price on all meat they purchased of about 20 percent over the ceiling, or more than 7 cents per pound

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. HARLESS of Arizona, for 15 days, on account of official business.

To Mr. LEFEVRE (at the request of Mr. MARTIN of Massachusetts), from July 3 to July 8, on account of official business.

To Mr. PLUMLEY, for 1 week, on account of official business.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 342. An act to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines;

S. 344. An act to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and seal;

S. 345. An act concerning the method of payment of the compensation of United States commissioners;

S. 438. An act authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes;

S. 598. An act for the relief of Warrant Officer Wayne C. Proper;

S. 933. An act for the relief of the estate of Sybel Spence;

S. 1051. An act for the relief of William J. Simpson and John R. Rogers, Sr.;

S 1061. An act for the relief of Violet Ludokiewich;

S. 1150. An act for the relief of John Leberman;

S. 1314. An act for the relief of Frederic P L. Mills;

S 1517. An act for the relief of Lofts & Son;

S 1569. An act for the relief of Gwynn C. Triplett, and for other purposes;

S 1578. An act to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration;

S. 1683 An act for the relief of the estate of Mrs Sufronia Andrus;

S 1746 An act to govern distribution of war trophies and devices;

S. 1773. An act for the relief of Frederick Uhrmann,

S 1852 An act for the relief of the legal guardian of Arlis Earl Teekell;

S 1893. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

S. 1912 An act for the relief of Brig. Gen. Carl H. Seals;

S 1965. An act for the relief of the estate of C. Benjamin Stapleton;

S 1979 An act to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev ,

S. 1988 An act to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, N. Mex ;

S. 2015. An act for the relief of William H Morris;

S 2099 An act to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes;

S 2107. An act for the relief of certain postal employees;

S 2292. An act for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News;

S 2345. An act to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence; and

S J.Res 160. Joint resolution to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act.

ADJOURNMENT

Mr. WASIELEWSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p. m.), under its previous order, the House adjourned until Friday, July 5, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1433. A letter from the Secretary of Commerce, transmitting an original and one copy of a letter from the Chairman of the Civil Aeronautics Board regarding a draft of a proposed bill to amend the Civil Aeronautics Act of 1938, as amended, to empower the Civil Aeronautics Board to prescribe rates and practices and to suspend rates of air carriers in foreign air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1434. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the thirty-second annual report, prepared by direction of the Board of Governors of the Federal Reserve System, covering operations during the calendar year 1945; to the Committee on Banking and Currency.

1435. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 111 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Commitee on Immigration and Naturalization.

1436. A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated December 10, 1945, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Lake Pontchartrain, La., from Orleans-Jefferson Parish line westward and northward to the vicinity of Frenier, authorized by the Flood Control Act approved on August 18, 1941 (H. Doc No. 691); to the Committee on Flood Control and ordered to be printed, with two illustrations.

1437. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1946, submitting a report, together with accompanying papers and an illustration on a review of reports on the Columbia and lower Willamette Rivers between Portland, Oreg., and the sea, and a preliminary examination and survey of Astoria, Oreg., with a view to the construction of a mooring basin for fishing boats within the harbor, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 27, 1944, and also authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 692); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1438 A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 9, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Columbia River and tributaries, Oregon and Washington, for improvement at and in the vicinity of Foster Creek, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 24, 1942 (H. Doc. No 693); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations.

1439. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 8, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Clinton River, Mich., authorized by the Flood Control Act approved on August 28, 1937 (H. Doc. No. 694); to the Committee on Flood Control and ordered to be printed, with two illustrations.

1440. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 19, 1946, submitting a report, together with accompanying papers and an illustration on a review of reports on and a preliminary examination and survey of Skagway River and Harbor, Alaska, requested by a resolution of

the Committee on Flood Control, House of Representatives, adopted on January 31, 1944, and also authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 695); to the Committee on Flood Control and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BUCKLEY: Committee on Pensions. H. R. 6900. A bill to grant increased service pensions in certain Spanish-American War cases not included in recent legislation providing increases to other Spanish-American War veterans and their dependents, and for other purposes; without amendment (Rept. No 2456). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEARHART:

H. R. 6949. A bill to amend section 72 of the Judicial Code, as amended, to create a central district of California, and for other purposes; to the Committee on the Judiciary.

By Mr. HENRY:

H. R. 6950. A bill to provide for designation of the United States Veterans' Administration hospital at Madison, Wis., as the Richard Ira Bong Veterans Memorial Hospital; to the Committee on World War Veterans' Legislation.

By Mr. LANDIS:

H. R. 6951. A bill providing direct Federal old-age assistance at the rate of $60 per month to needy citizens 60 years of age or over; to the Committee on Ways and Means.

By Mr. MANASCO:

H. R. 6952. A bill to amend title V of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to authorize the Federal Works Administrator to provide needed educational facilities, other than housing, to educational institutions furnishing courses of training or education to persons under title II of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Public Buildings and Grounds.

By Mr. PRICE of Illinois:

H. R. 6953. A bill authorizing the city of East St. Louis, Ill., its successors and assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point between Delmar Boulevard and Cole Avenue, in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS:

H. R. 6954. A bill to provide for the retirement of members of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. LANE:

H. R. 6955. A bill to provide an additional ground of exemption from service and training under the Selective Training and Service Act of 1940, as amended; to the Committee on Military Affairs.

By Mr. DWORSHAK:

H. R. 6956. A bill to authorize the construction and operation and maintenance of the Payette unit of the Mountain Home project, Idaho; to the Committee on Irrigation and Reclamation.

By Mr. WHITE:

H. R. 6957. A bill to authorize the construction and operation and maintenance of the Payette unit of the Mountain Home project, Idaho; to the Committee on Irrigation and Reclamation.

By Mr. KUNKEL:

H. J. Res. 376. Joint resolution providing for price control; to the Committee on Banking and Currency.

By Mr. SAVAGE:

H. J. Res. 377. Joint resolution authorizing the President of the United States to award, in the name of Congress, a special medal of honor to the Boy Scouts of America; to the Committee on Military Affairs.

By Mr. HINSHAW:

H. Res. 604. Resolution directing the Secretary of the Treasury to transmit certain information to the House; to the Committee on Coinage, Weights, and Measures.

By Mr. PRICE of Florida:

H. Res. 605. Resolution providing for the appointment of a select committee of the House of Representatives to investigate the sugar supply; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Pennsylvania:

H. R. 6958. A bill for the relief of Peter Bourkas; to the Committee on Immigration and Naturalization.

By Mr. CLASON:

H. R. 6959. A bill for the relief of the city of Northampton, Mass.; to the Committee on Claims.

By Mr. JAMES J. DELANEY:

H. R. 6960. A bill for the relief of Gustav Lukowics; to the Committee on Immigration and Naturalization.

By Mr. ELSAESSER:

H. R. 6961. A bill for the relief of George McMullen; to the Committee on Claims.

By Mr. GARDNER:

H. R. 6962. A bill for the relief of the estate of Wesley B. Roehm, the estate of Susan Roush Roehm, the estate of Donna Roehm, the estate of Kathleen Eyre, and the legal guardian of Nina Lee Roehm, a minor; to the Committee on Claims.

By Mr. JOHNSON of Illinois:

H. R. 6963. A bill granting a pension to Lucille Mesmer; to the Committee on Pensions.

By Mr. SASSCER:

H. R. 6964. A bill to authorize the Secretary of Agriculture to quitclaim 2 acres of land near Muirkirk, Md., to the Queens Chapel Methodist Church; to the Committee on Agriculture.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2055. By the SPEAKER: Petition of the Clark County Citizen's Legislative Committee; petitioning consideration of their resolution with reference to urging full appropriation for the Bonneville Power Administration; to the Committee on Appropriations.

2056. Also, petition of James R. Allen, petitioning consideration of their resolution with reference to the injunction demanded and won by the said James R. Allen in a case be immediately issued by the legal number of judges in accordance with the provisions of the laws of the United States, chapter 784, 50 Statutes 751, act of August 24, 1937, governing such suits for injunctions to restrain the enforcement of acts of Congress in contravention to the Constitution; to the Committee on the Judiciary.

2057. Also, petition of First Methodist Church, Albany, Oreg., petitioning consideration of their resolution with reference to their opposition to the use of alcoholic beverages by our officials in high places; to the Committee on the Judiciary.

2058. Also, petition of Barry Campbell and others; petitioning consideration of their resolution with reference to urging passage of the McMahon atomic energy control bill without amendments; to the Committee on Military Affairs.

2059. Also, petition of United Transport Service Employees of America, petitioning consideration of their resolution with reference to applauding the President and the National Housing Expediter for the vision and the leadership reflected in the veterans' emergency housing program and further their endorsement of the comprehensive General Housing Act, Senate bill 1592; to the Committee on Banking and Currency.

2060. Also, petition of Colorado State Federation of Labor, petitioning consideration of their resolution with reference to urging early adoption of the Kilgore-Magnuson bill, (S. 1850); to the Committee on Interstate and Foreign Commerce.

2061. Also, petition of the Society of State Directors of Health and Physical Education; petitioning consideration of their resolution with reference to their urging legislation so that surplus property both real and personal which can be used by eligible schools and colleges be made available to them at a token cost not exceeding the cost of care and handling; to the Committee on Expenditures in the Executive Departments.

SENATE

FRIDAY, JULY 5, 1946

The Senate met at 12 o'clock meridian.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, we give Thee thanks for the daring resolves and for the deathless words of the founding fathers as in turbulent waters, snapping the bonds of tyranny, they launched their noble experiment dedicated to the freely expressed will of all the people. As the sacred memories of those dark and doubtful days have again stirred the Republic on the birthday of the state, give to those who through the treacherous seas of these days pilot the Nation's course a revealing remembrance of the altars at which they knelt, the ideals to which they were committed, the human rights to which they gave their fealty, who pledged their lives, fortunes, and sacred honor as security for freedom's greatest venture. May the bombs bursting in air, tracing colored gardens in the sky, be but symbols of the glory and beauty of democracy which shall yet bloom in this favored land until all "its good is crowned with brotherhood from sea to shining sea." Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 3, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1968. An act to amend the Railroad Retirement Acts, the Railroad Unemploy-

ment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code, and for other purposes;

H. R. 5078. An act relating to the admissibility of foreign documents in custody of allied authorities of occupation;

H. R. 5831. An act to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930;

H. R. 6678. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; and

H. R. 6903. An act to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States.

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 294. An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States;

S. 884. An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

S. 1489. An act to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073);

S. 2234. An act to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes, and

S. 2307. An act to provide that every Saturday shall be a holiday for banks and building-and-loan associations in the District of Columbia.

NOTICE OF HEARING ON NOMINATION OF THEODORE LEVIN TO BE DISTRICT JUDGE, EASTERN DISTRICT OF MICHIGAN

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, July 12, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Theodore Levin, of Michigan, to be United States district judge for the eastern district of Michigan, vice Hon. Edward J. Moinet, retired. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Ohio [Mr. HUFFMAN]; and the Senator from Michigan [Mr. FERGUSON].

NOTICE OF HEARING ON NOMINATION OF RAYMOND W. STARR TO BE DISTRICT JUDGE, WESTERN DISTRICT OF MICHIGAN

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, July 12, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Hon. Raymond W. Starr, of Michigan, to be United States district judge for the western district of Michigan, vice Hon. Fred M. Raymond, deceased. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Ohio [Mr. HUFFMAN]; and the Senator from Michigan [Mr. FERGUSON].

REPORT OF COMMITTEE ON BANKING AND CURRENCY FILED DURING ADJOURNMENT

Under authority of the order of the Senate of the 3d instant,

Mr. BARKLEY, from the Committee on Banking and Currency, to which was referred the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, reported it with an amendment on July 4, 1946.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that, on July 3, 1946, he presented to the President of the United States the enrolled bill (S. 2345) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 111 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with an accompanying report); to the Committee on Immigration.

RIGHTS-OF-WAY OVER CERTAIN INDIAN LANDS

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to empower the Secretary of the Interior to grant rights-of-way for various purposes across lands of individual Indians or Indian tribes, communities, bands, or nations (with an accompanying paper); to the Committee on Indian Affairs.

PURCHASE, EXCHANGE, AND CHARTER UNDER MERCHANT SHIP SALES ACT

A letter from the Chairman of the United States Maritime Commission, transmitting a report of that Commission on the activities and transactions of the Commission under the Merchant Ship Sales Act of 1946 from its date of enactment through June 30, 1946, in accordance with section 13 of such act (with an accompanying report); to the Committee on Commerce.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Civil Aeronautics Act of 1938, as amended, to empower the Civil Aeronautics Board to prescribe rates and practices and to suspend rates of air carriers in foreign air transportation, and for other purposes (with accompanying papers); to the Committee on Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from V. M. Lachia, president, Filipino Communities of America, Inc., New Orleans, La., praying for the enactment of House bill 776, to permit naturalization of Filipinos now permanent residents of United States; to the Committee on Immigration.

A resolution adopted by a mass meeting of citizens of Council Bluffs, Ia., favoring the prompt transfer of 100,000 Jews to Palestine; to the Committee on Foreign Relations.

A resolution adopted by the fifty-third annual convention of the Virginia Bankers Association, Virginia Beach, Va., favoring the immediate balancing of the budget so as to keep faith with the individual purchasers of United States Savings bonds; to the Committee on Finance.

A resolution adopted by the Bloomfield (N. J.) Town Council praying for the enactment of legislation to prevent evictions of present tenants in dwellings; to the Committee on Banking and Currency.

A telegram in the nature of a memorial from Alonzo Dow Brewer, of Dayton, Ohio, remonstrating against the nomination of Lt. Gen. Nathan Farragut Twining to a higher post; to the Committee on Military Affairs.

Telegrams in the nature of petitions from sundry citizens of the United States, praying for the enactment of legislation to continue the Office of Price Administration; ordered to lie on the table.

Telegrams in the nature of memorials from sundry citizens of Chicago, Ill., Atlanta, Ga., and San Diego, Calif., remonstrating against the enactment of legislation to continue the Office of Price Administration; ordered to lie on the table.

MEAT AND HOG PRICES IN PRINCIPAL MARKETS

Mr. WHERRY. Mr. President, I ask unanimous consent to speak for a few moments and to insert in the RECORD as a part of my remarks a telegram received this morning from the American Meat Institute in the nature of a report on the livestock and hog markets in the principal marketing centers.

The PRESIDENT pro tempore. Without objection, the Senator from Nebraska may proceed.

Mr. WHERRY. Mr. President, I shall read the telegram, which I know will be of interest to all Senators. It is as follows:

> An early report on the livestock market situation this morning indicates, with Government control removed from the livestock and meat industry, substantial increases in volume of all classes of livestock being offered for sale today. Cattle receipts at 12 public livestock markets today exceed 27,000 head, as compared with only 8,000 head for the same day a week ago, the last market day under OPA price control.
>
> Hog receipts at these same 12 markets today exceed 70,000 head, as compared with slightly over 10,000 for the same day last week.
>
> It is interesting to note also the early report of the hog market this morning. The Chicago hog market today is from 75 cents to $1 per hundredweight lower than Wednesday's market, with a top today of $16 per hundredweight alive. This price is $2.50 per

hundredweight less than the top hog market price in Chicago on Monday of this week.

The cattle market in Chicago opened this morning steady with last Wednesday's average. The top here this morning was $22.25, as compared with $22.50 per hundredweight last Wednesday.

This price adjustment indicates how supply and demand factors are brought into balance quickly when artificial restrictions no longer exist.

A review of the market supply situation for the past three market days may be of interest because it shows how increased marketings of livestock already has been an important result of the decontrol of livestock and meats. On Tuesday, Wednesday, and Friday of this week cattle receipts at 12 markets were 117,000 head, compared with receipts of only 74,000 head for the same period a week ago. Hog receipts at 12 markets for those three market days were 261,000 head—

More than a quarter of a million head—

compared with 40,000 head for the comparable days a week ago.

This is factual evidence that decontrol already has sharply increased marketings which means more meat soon for consumers.

Reliable reports indicate—

This is important—

that a further increase in cattle marketings may be expected soon since the movement of grass cattle from ranges, especially from well-known grazing areas in Kansas and Oklahoma, is expected to get under way soon—probably next week. With increased and orderly marketing of livestock, a natural, reasonable, and competitive level of prices of livestock and of meats can be expected to prevail without the imposition of wasteful, inefficient, and unnecessary controls.

The livestock and meat industry has demonstrated during the past few days, freed from the maze of Government restrictions, the meat supplies can be increased and that, as soon as the food pipe lines have had an opportunity to be filled, an orderly and equitable distribution of meat can be expected in the near future This will result in great benefit to both meat consumers and livestock producers.

The telegram is signed by the American Meat Institute and I have just received it.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I should be glad to yield, except for the promise I made to the majority leader that if I could read this telegram in the morning hour I would not yield for questions on it until the morning hour had been concluded; but if the majority leader does not object, I shall be glad to yield.

Mr. BARKLEY. I do object while morning business is being transacted.

EQUAL RIGHTS FOR MEN AND WOMEN

Mr. HILL. Mr. President, I present and ask unanimous consent to have printed in the RECORD and appropriately referred a letter addressed to me by William Green, president of the American Federation of Labor, Washington, D. C., and a resolution adopted by the officers and delegates in attendance at the eighteenth biennial convention of the International Glove Workers Union of America, at Champaign, Ill., protesting against the enactment of Senate Joint Resolution 61, proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

There being no objection, the letter and resolution were ordered to lie on the table and to be printed in the RECORD, as follows:

EQUAL-RIGHTS AMENDMENT

Whereas the so-called equal-rights amendment now pending in Congress, if adopted, to the United States Constitution would destroy the protective labor laws for women in many of our States, enacted after years of struggle on the part of the labor movement for the health and welfare of the workingwoman; and

Whereas any unfair discrimination against women in any existing law can be removed by separate legislation and in this way we may know just what law is being corrected, whereby this blanket method as proposed by the equal-rights amendment is vague, uncertain, and dangerous: Therefore be it

Resolved, That the officers and delegates in attendance at the eighteenth biennial convention of the International Glove Workers Union of America meeting in Champaign, Ill., go on record as opposing this proposed equal-rights amendment; and be it further

Resolved, That our local unions and members urge their Senators and Representatives in Congress to vote against this amendment and that a copy of this resolution be sent to the President of the United States, the Secretary of Labor, the Speaker of the House, and the President of the Senate.

Signed by delegates from the following States: New York, Wisconsin, Minnesota, Iowa, Illinois, Michigan, and Ohio.

Adopted June 13, 1946.

AMERICAN FEDERATION OF LABOR,
Washington, D. C., March 11, 1946.

MY DEAR SENATOR. I note that Senate Joint Resolution 61 was reported on March 5, 1946, by the Judiciary Committee.

This is the equal-rights amendment to the Constitution.

The American Federation of Labor has been actively opposing the equal-rights amendment since its 1922 convention, which adopted the following:

"The enactment of laws granting the right of suffrage to women does not carry with it in all States all other political rights, and there are on the statute books various laws discriminating against women as to property rights, guardianship rights, naturalization rights, and other rights now guaranteed to men. The AFL hereby declares itself in favor of the removal of all discriminations against women and advocates specific laws to this end. We disapprove and oppose the blanket legislation for this purpose because such legislation is necessarily drawn in general terms which must be subject to judicial construction and therefore place in jeopardy labor laws for women."

Succeeding conventions took similar action and at the most recent convention of the American Federation of Labor (1944) the following was adopted:

"Whereas there has developed during the last two decades a movement which through a so-called equal-rights amendment to the Constitution has sought to deny to women homemakers and to women industrial workers the benefit of the laws which seek to assure to the child the support of his father, and to the workers the social protection of much needed labor legislation: Therefore be it

"*Resolved*, That the American Federation of Labor in convention assembled does reaffirm its support of every move which would afford women actual political and economic equality, and does therefore oppose the so-called equal-rights amendment which would vitiate family-support laws and destroy all social protection now afforded to women and to the family, under the laws of the several States and the Federal Government."

We have consistently fought for State and Federal legislation giving special protection for women such as minimum-wage laws, social and physical-protective laws, special leave at maternity, etc.

We do not feel such laws discriminate against women and realize that the equal-rights amendment will wipe out all such protective laws.

We therefore oppose it and solicit your support in opposition to it.

Sincerely yours,

WM. GREEN,
President, American Federation of Labor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the District of Columbia:

S 2359. A bill to close the Office of the Recorder of Deeds on Saturdays; with an amendment (Rept. No. 1665).

By Mr. TUNNELL, from the Committee on Education and Labor:

S 2085 A bill to amend title V of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to authorize the Federal Works Administrator to provide needed educational facilities, other than housing, to educational institutions furnishing courses of training or education to persons under title II of the Servicemen's Readjustment Act of 1944, as amended; with amendments (Rept. No. 1666).

By Mr. HOEY, from the Committee on the District of Columbia:

S 2352 A bill to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended; with amendments; and

H. R. 541. A bill authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes, without amendment (Rept. No. 1667).

By Mr. RADCLIFFE, from the Committee on the Library:

S. J. Res. 153. Joint resolution providing for the comprehensive observance of the bicentennial of John Paul Jones; with an amendment.

AMENDMENT OF FEDERAL-AID ROAD ACT—REPORT OF A COMMITTEE

Mr. DONNELL. Mr. President, on behalf of the junior Senator from Kentucky [Mr. STANFILL], from the Committee on Post Offices and Post Roads, I report favorably without amendment the bill (H. R. 6324) to amend and supplement the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, to provide for the design and construction of dams so that they will serve as foundations for highway bridges, to provide for the design and construction of highway bridges upon and across such dams, to authorize the granting of easements and rights-of-way in connection therewith,

and for other purposes, and I submit a report (No. 1664) thereon.

Mr. BARKLEY. Mr. President, I wish to express my appreciation to the Senator from Missouri and to my colleague for reporting that bill, in which, as the Senator knows, I am very much interested, as are, I think, the people of the country generally. I hope we may secure early action on the measure.

Mr. DONNELL. I am very happy to report it.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of June 1946, from the chairmen of certain committees, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

COMMITTEE ON PUBLIC LANDS AND SURVEYS

JULY 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of June, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944 (see attached memorandum):

CARL A. HATCH, *Chairman,*
By STEWART A. HATCH, *Clerk.*

JULY 1, 1946.

To Senator CARL A. HATCH, chairman, Senate Committee on Public Lands and Surveys,
From Senator PAT MCCARRAN, chairman, Subcommittee To Investigate the Administration and Use of Public Lands.

The following persons have been assigned by the Department of Agriculture to assist with the work of the above-named subcommittee:

E. S. Haskell, senior administrative officer, Forest Service, CAF–12, basic salary, $5,000 per annum.

Elizabeth Heckman, clerk, CAF–5, basic salary, $3,000 per annum.

UNITED STATES SENATE,
SPECIAL COMMITTEE TO STUDY PROBLEMS OF AMERICAN SMALL BUSINESS,
July 2, 1946.

Mr. LESLIE L. BIFFLE,
Secretary of the Senate,
United States Capitol,
Washington, D. C.

DEAR MR. BIFFLE: I transmit herewith the list of employees of the Senate Small Business Committee who are not full-time employees of the Senate. The Senate Small Business Committee, however, is reimbursing the agencies who have loaned these employees.

Sincerely yours,
JAMES E. MURRAY,
Chairman.

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

JULY 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of June 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Forbes, F. Preston	809 Four Mile Road, Alexandria, Va.	Commerce Department, Washington, D. C.	$7,175.00
Groeper, Stella J.	1127 Branch Ave. SE., Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	4,716.60
Spicer, L. Evelyn	2515 Wisconsin Ave. NW., Washington, D. C.	do	3,360.00
Strubel, Margie L.	4632 12th St. NE., Washington, D. C.	do	3,600.40

JAMES E. MURRAY, *Chairman.*

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DOWNEY:

S. 2416. A bill for the relief of Robert Irvin Mobley; and

S. 2417. A bill for the relief of Mrs. Clara Belle Daly, postmaster, Montrose, Calif.; to the Committee on Claims.

By Mr. RUSSELL:

S. 2418. A bill for the relief of Knox Lumber Sales Co., Thomson, Ga.; to the Committee on Claims.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—AMENDMENTS

Mr. TAFT submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. MCCARRAN submitted three amendments intended to be proposed by him to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were ordered to lie on the table and to be printed.

VETERANS' PENSION, COMPENSATION, OR RETIREMENT PAY DURING HOSPITALIZATION—AMENDMENT

Mr. OVERTON submitted an amendment intended to be proposed by him to the bill (H. R. 6811) relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional, or domiciliary care, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

THIRD DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment intended to be proposed by him to the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed:

At the proper place, under the subhead "Senate", insert the following:

"Public Law 479, the Legislative Branch Appropriation Act, 1947, is hereby amended by striking out, under the heading 'Senate', subhead 'Office of the Secretary', the words 'special officer, $2,460; special officer, $2,280' and inserting in lieu thereof the words 'two special officers at $2,460 each.' "

REPORT OF FINE ARTS COMMISSION ON WAR MEMORIALS (S. DOC. NO. 234)

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed as a Senate document a report on War Memorials, adopted by the National Commission of Fine Arts at a meeting held on May 14, 1946, including a letter addressed to me by Mr. Casemmerer, the Secretary.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 1862. An act to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes; to the Committee on Interstate Commerce.

H. R. 5078. An act relating to the admissibility of foreign documents in custody of Allied authorities of occupation; to the Committee on the Judiciary.

H. R. 5831. An act to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930;

H. R. 6673. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; and

H. R. 6903. An act to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States; to the Committee on Civil Service.

ATTITUDE OF THE PUBLIC TOWARD OPA CONTINUANCE

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a very informative article which appeared in the New York Herald Tribune, July 4, entitled "What People Are Thinking." The

article is by Elmo Roper, well-known authority on public opinion surveys, who conducts the polls of Fortune magazine. The article summarizes all polls of public opinion taken over the past few months by Fortune magazine, Dr. Gallup, the National Opinion Research Center of Denver, the Des Moines Register, and the Minneapolis Tribune. These polls unanimously show an overwhelmingly sentiment among our citizens, Republicans and Democrats alike, in every part of the country, in favor of the continuance of OPA in effective form. This overwhelmingly public sentiment extends throughout cities, towns, and farms, and applies not only to OPA ceilings generally but to specific ceilings on rent, food, clothing, automobiles, radios, and other manufactured goods.

This article is a complete answer to those who stand in the way of renewal and continuation of price and rent ceilings, whether by open opposition to enactment of the pending bill or by sponsorship of crippling amendments which would legislate inflation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT PEOPLE ARE THINKING

(By Elmo Roper)

POLLS SHOW PUBLIC OPPOSED OPA END

One of the arguments frequently advanced against public opinion polls by scholars and political scientists is that there is grave danger that they may come to replace independent thinking by the elected representatives of the public. The argument runs something like this: "The average Congressman comes to believe that nothing is so important as his reelection. If public polls are developed to the point where a Congressman is able to learn how his constituency stands on every important issue, there is grave danger that he will not vote his own convictions on important matters before him but will vote the wishes of his constituency solely in order to be reelected. Thus we will have destroyed the representative form of government and will have substituted direct democracy."

Opinion polls reporting the thoughts and wishes of the people have been published continuously in this country since the first installment of the Fortune survey in 1935, followed very quickly by surveys of the American Institute of Public Opinion. They now receive such wide publicity that it is doubtful if many Congressmen are unaware of their existence or of the facts they report. On the basis of the record, there is no reason to believe that these polls exercise any undue influence on Congress. In this column last week, I discussed the difference of opinion between the people and their elected representatives on the matter of compulsory military service. Last week furnished an even more striking example.

All of the published polls have queried a cross section of the American public as to their views on the OPA and price controls generally—and all of them have shown that the American people wanted the OPA continued.

The June issue of Fortune magazine reported the results to this question:

"Which of these do you believe is the best way to keep prices within reason this next year?"

	Total	Men	Women	Republicans	Democrats
	Per cent	*Per cent*	*Per cent*	*Per cent*	*Per cent*
To control prices by Government regulations	67.2	63.5	70.7	58.3	75.9
To have no regulation and let competition take care of prices	23.8	29.5	18.5	34.6	16.9
Don't know	9.0	7.0	10.8	7.1	7.2

On March 4 Dr. George Gallup reported that in answer to the question, "The present price ceiling law ends in June. Do you think the price-ceiling law should be continued or should it end in June?" Seventy-three percent of the people voted that it should continue, 21 percent thought it should end, and 6 percent had no opinion. Again on May 24, Dr. Gallup reported in more detail these findings:

For the next year would you like to have OPA price ceilings kept on or taken off the following: Food, rent, clothing, automobiles, radios, and other manufactured goods?

	Keep price ceilings	Remove price ceilings	No opinion
	Percent	*Percent*	*Percent*
Food	75	21	4
Rent	78	17	5
Clothing	70	26	4
Automobiles, radios, and other manufactured goods	66	27	7

On April 21, the National Opinion Research Center at Denver reported the results of a survey it had conducted on the same general subject

"During the next year, do you think it will be necessary or unnecessary for the Government to continue to control prices (rents)?"

	Prices	Rents
	Percent	*Percent*
Necessary	82	85
Unnecessary	13	10
Undecided	5	5

Not only did three of the national polls report an overwhelming desire for the continuance of price control, but two of the best State surveys reported specifically for their district. The Minnesota poll, published by the Minneapolis Tribune, asked a cross-section of adults in the State of Minnesota this question and reported the results on February 17, 1946:

"OPA will end July 1, 1946, unless Congress decides otherwise. Would you favor discontinuing OPA immediately without waiting until July 1; discontinuing it July 1; extending it until January 1, 1947; or extending OPA indefinitely?"

	Percent
Discontinue immediately	18
Discontinue July 1	18
Continue until Jan. 1, 1947	20
Continue indefinitely	37
Undecided	7

The Iowa poll, published by the Des Moines Register on May 5, asked a cross-section of Iowans:

"The law which provides for price ceilings and other price controls automatically expires next June 30. Congress is now trying to decide what to do about these OPA controls. Do you think Congress should pass a law which would extend these OPA controls beyond next June 30?"

	Yes	No	Undecided
	Percent	*Percent*	*Percent*
Total	68	23	9
By sex:			
Man	67	25	8
Woman	68	21	11
By residence:			
City	75	19	6
Town	62	30	8
Farm	60	24	16

Only those Representatives and Senators who voted against the continuance of price control or voted in favor of an emasculated measure are qualified to explain their reasons for doing so. Possibly the mail they received from that small minority who write their Congressmen was against the measure. Possibly there were very active pressure groups working against price control. Possibly the decision was arrived at solely by a consideration of the economic implications for the country. One thing is certain. The decision was not made because of a desire to represent the current wishes of a majority of Americans.

ALTERNATIVES WITHOUT AN OPA LAW

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an able editorial suggestion entitled "A Great Opportunity," from the Atchison (Kans.) Globe on the OPA situation, which I wish to bring to the attention of the Senate.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A GREAT OPPORTUNITY

Since last night at midnight, there has been no OPA.

It legally passed out of existence. Today there is no regulatory structure to control prices.

What will happen? What will be the result?

Only the Nation's manufacturers, wholesalers, retailers, and consumers can answer that question.

There are two alternatives:

1. Allowing short-sightedness, impatience, and greed to triumph. Permitting prices to skyrocket into an inflation spiral that will end in chaos for all concerned. Inevitably this course will end in a buyers' strike when consumers refuse to buy at exorbitant prices; and in a production strike when labor refuses to produce merchandise priced too high for it to buy.

2. Insisting that farsightedness, patience, and self-control be demonstrated. Holding the line on prices to maintain economic stability; going along on past price levels until the situation clarifies and increased production brings into balance the natural regulatory machinery of supply and demand.

NOW IS THE TIME

Now is the time for manufacturers, wholesalers, and retailers—in Atchison and in the Nation—to demonstrate their ability to carry on the Nation's business in a system of free enterprise with a minimum of controls.

Now is the time for manufacturers, wholesalers, and retailers to resist the great pressures and temptations with which they will be bombarded immediately.

It is a great opportunity for businessmen to prove themselves worthy and capable of self-control. It is one of the greatest opportunities in the Nation's history to make the postwar period an era of production and prosperity. It is an opportunity that must not be sacrificed.

This new and strange responsibility confronts business today.

Will business face up to it?

Which way will we go?

WHAT PRICE MEAT?—EDITORIAL FROM THE WASHINGTON POST

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement entitled "What Price Meat?" by the American Meat Institute.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHAT PRICE MEAT?

A lot is being said about the price of meat But what have you actually been paying? You have been paying an additional 6 cents per pound over and above ceiling prices in the form of income taxes to support subsidies, which ended June 30.

In addition to that, many of you have been paying high overcharges to the black market Reliable surveys in typical cities throughout the United States show that 83 percent of meat sales were over ceiling. Prices of meat have varied from city to city and in some cases have exceeded ceiling prices by as much as 262 percent.

From now on (without OPA price controls) the cost of your meat will be what you actually pay over the counter There will be no hidden taxes or tribute to the black market

It is time the American people realize that the so-called OPA ceiling prices of meat for the most part are fictional prices—nothing more than some figures on a piece of paper referring to cuts of meat, many of which you have not been able to buy at ceiling prices.

Painful experience has proved that under OPA regulations.

A. Livestock does not come to market in sufficient quantities

B A large proportion of the meat animals which do reach the market are gobbled up by buyers who divert meat from the average consumer to dishonest channels with which the meat industry cannot and will not compete

It's the consumer who gets hurt.

During the past week of open competition—the first since 1942—there was improvement in marketings of livestock. Such increases in the prices of livestock as have occurred have gone back to the livestock grower as an incentive to production.

Many meat-packing plants on which consumers have relied have been completely or partly shut down. It takes a little time for them to start up operations and get their distribution systems working again.

Your meat dealer soon will be able to serve you at honest prices.

AMERICAN MEAT INSTITUTE.

PROCLAIM LIBERTY THROUGHOUT THE LAND—ADDRESS BY SENATOR O'MAHONEY

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Proclaim Liberty Throughout the Land," delivered by Senator O'MAHONEY at the Cavalcade of Freedom Celebration at the Washington Monument Grounds, Washington, D. C., July 4, 1946, which appears in the Appendix.]

LET FREEDOM RING IN 1946—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on the subject Let Freedom Ring in 1946 delivered by him at Millville, N. J., July 4, 1946, which appears in the Appendix.]

THE OPA—ADDRESS BY SENATOR O'DANIEL

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a radio address on the OPA, delivered by him on July 5, 1946, which appears in the Appendix.]

PRESERVATION OF UNITED STATES SHIPPING—EDITORIAL FROM THE BOSTON AMERICAN

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "We Must Save United States Shipping," published in the Boston American of July 2, 1946, which appears in the Appendix]

NEW HAMPSHIRE AS A LAW-ABIDING STATE—ARTICLE FROM THE BOSTON TRAVELER

[Mr BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "FBI Survey Ranks New Hampshire Most Law-Abiding State," published in the Boston Traveler of June 2, 1946, which appears in the Appendix.]

A COUPLE OF MASKS AND A LITTLE IMAGINATION—ARTICLE FROM POLITICAL GUIDE

[Mr BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "A Couple of Masks and a Little Imagination," published in Political Guide for June 1946, which appears in the Appendix]

LAW AND PEACE—POEM BY JAMES P. McGOVERN

[Mr. HILL asked and obtained leave to have printed in the RECORD a poem entitled "Law and Peace," by James P. McGovern, published in the February 1945 issue of the Journal of the Bar Association of the District of Columbia, which appears in the Appendix]

THE EQUAL-RIGHTS AMENDMENT—LETTER FROM GENERAL COUNSEL OF THE FEDERAL SECURITY AGENCY

[Mr WAGNER asked and obtained leave to have printed in the RECORD excerpts from a letter by the general counsel of the Federal Security Agency showing the adverse effect of the proposed equal-rights amendment to the Constitution on old-age and survivors' insurance under the Social Security Act, which appears in the Appendix.]

NORTHWESTERN UNIVERSITY CONFERENCE ON UNO—LETTER FROM ROZANNE RUPP

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a letter from Rozanne Rupp relative to a UNO conference recently held at Northwestern University, Chicago, Ill., which appears in the Appendix.]

LABOR FACT-FINDING BOARDS

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from the previous day, which will be read.

The Chief Clerk proceeded to read the resolution (S. Res. 215) proposing to discharge the Committee on Education and Labor from the further consideration of S. 1661, the Labor Fact-Finding Boards Act.

The PRESIDENT pro tempore. Without objection, the resolution will be passed over without prejudice.

The morning business is closed.

THE LEGISLATIVE PROGRAM—CONTINUATION OF OPA

Mr. BARKLEY. Mr. President, I wish to say for the information of Senators that the revised bill on the OPA, which the Committee on Banking and Currency reported yesterday, is not available; it has not been printed, but will be here shortly. It had been my hope, and still is, that we may proceed with it today, but of course, I would not ask the Senate to proceed to its consideration without the bill itself being here. In the meantime, the Senator from Louisiana feels that he can finish the rivers and harbors bill, so that we will proceed with that for the time being.

Mr. GURNEY. Mr. President, will the Senator from Kentucky yield for a question on the OPA bill?

Mr. BARKLEY. I yield.

Mr. GURNEY. I have received communications this morning from owners, managers, and operators of elevators in my State to the effect that the reports indicate to them that should the new bill reported by the committee be enacted, they would stand to lose huge amounts of money on grain purchased during the time since the Price Stabilization Act expired last Sunday. They feel that they have completely obliterated the black market in grain through the purchase of corn at prices equal to what was being paid in the black market weeks ago.

They are fearful that the bill as now reported, which provides that prices shall return to the amounts paid last Saturday, only exempting those sales which have completed, will mean that huge amounts will be lost, from the fact that the corn they bought at the high figure will not have been delivered when the new law goes into effect, if and when it does.

I wonder if the majority leader has anything to say on that problem.

Mr. BARKLEY. The bill, in a new section written in, provides that it shall take effect as of the 30th of June, that the orders and regulations in effect at that time will be held to have been in effect during the interim, except that no civil or criminal procedure shall be instituted because of anything that happened in the interim period. There is nothing in the bill which undertakes to guarantee anyone against loss on any contract.

Mr. GURNEY. Mr. President, suppose a man bought a bushel of corn for $2 and has it in his elevator, and has a contract to sell it at $2 and a nickel in Chicago, but the new law goes into effect and puts the price back to $1.60, let us say. Will the elevator man lose the 45 cents?

Mr. BARKLEY. If the sale was during the period in which there was no law in operation, he would not, but if he holds the corn until the law becomes effective, and it becomes retroactive to June 30, there will be no provision of law to compensate him for any loss he might sustain.

Mr. GURNEY. I want to be sure that he will not needlessly have to take a loss

of 40 cents or more a bushel, because that would break every elevator in the grain States.

Mr. BARKLEY. I think it will be wise to wait until the bill is available, to see what it does provide in that regard.

Mr. GURNEY. I am greatly concerned about the matter.

Mr. BARKLEY. So far as I know, there is no provision which would compensate such a person if he holds the grain and sells it after the law becomes effective. He can sell it in the meantime at any price he sees fit to ask.

Mr. GURNEY. Let me say to the Senator that this grain is now sold, but it cannot be delivered because of the shortage of boxcars. The sales are bona fide.

Mr. BARKLEY. That would raise the question whether a bona fide sale would be regarded as a completed transaction regardless of the inability to deliver the grain.

Mr. GURNEY. Unless these purchases or sales are considered as completed, there is no chance of getting any representative of the farm States to agree to the bill. They must be considered as completed transactions, otherwise it will break every grain operator in the Mid-West.

Mr. BARKLEY. We might hold up that particular discussion until the bill gets here and we see what it provides. I am satisfied that unless such a sale could be regarded as a completed transaction there would be no provision for compensation for loss. Of course, the sale would be a completed transaction, but the delivery would not be made, in all likelihood, except in certain cases.

Mr. AIKEN. Mr. President, will the Senator from Kentucky yield for a question?

Mr. BARKLEY. I yield.

Mr. AIKEN. I have had a great number of inquiries on this very matter. If the grain were paid for, it would be a completed transaction.

Mr. BARKLEY. It seems to me that it would be.

Mr. AIKEN Here is another question: If the price-control law shall be enacted, and the ceilings are rolled back to where they were on June 30, or possibly higher, as I understand, if the grain were received and sold as grain ceilings would be applicable, but I also understand that there has been no ceiling on dairy and poultry feed, which is a mixed combination of many kinds of grain and other ingredients. In that case, would the feed mixer in the Northwest or the Northeast who during this week has purchased corn at 80 cents a bushel above the old ceiling price have to sustain a loss, or would he be able to pass along the increase, which would probably amount to eight or ten dollars a ton to the poultry grower and dairyman?

Mr. BARKLEY. There having been no ceiling on it at all at any time, of course, the lapse of the law on June 30 would have no effect.

Mr. AIKEN. Would the bill itself as proposed prohibit ceilings on commodities which were not under ceilings before July the 1st?

Mr. BARKLEY. I might say that the bill is the one adopted by the conference, passed by the Congress, and vetoed by the President, in identical terms, with the exception of section 11, which relates to the Taft amendment, and section 12, as I recall its number, which relates to the Wherry amendment.

Mr. AIKEN. I would not ask these questions except, as the Senator understands, we are getting telegrams and telephone calls all the time about this matter.

Mr. BARKLEY. I understand that. If there were no ceilings, the OPA would have the same authority to impose ceilings, under certain variations which the bill contains in that particular part of it, that it had prior to June 30. If there were no ceilings in effect on June 30, of course, there would be no so-called rollback to that period. If no regulation or order was then in effect on articles or commodities they would not be affected.

Mr. AIKEN. I should like to add, if I may, one more thought, and that is that by paying 80 cents a bushel above what was the ceiling price before, feed dealers have apparently definitely broken the feed famine in those areas where there was an acute shortage, if they can get the grain transported.

Mr. BARKLEY. Of course, if they bought a commodity on which there is no ceiling, and no ceiling is hereafter imposed, it seems to me that they would not operate under any restriction whatever.

Mr. AIKEN. But if they resell it as grain, then they are subject to whatever ceiling prices may be imposed.

Mr. BARKLEY. If they sell it purely as grain there would have been a ceiling imposed upon it, but I thought the Senator was talking about mixed feeds, on which there was no ceiling

Mr. AIKEN. As I understand, there was no ceiling on mixed feed. I do not recall any ceiling having been imposed on mixed feed.

Mr. BARKLEY. I do not recall any ceiling on mixed feed.

Mr. AIKEN. So long as they bought the grain purely to supply the feeders of poultry and dairy cows, then they could pass on the extra eight or ten dollars a ton which will represent the increased costs of mixed feed; but if they bought it and intended to sell it as grain to somebody else at a profit, and then ceilings were imposed, they would have to take their loss.

Mr. BARKLEY. That is true.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The last section of the bill, I think, is one that will have to be considered carefully by the Senate, as to the effect of the retroactive feature of the bill. I take it any completed transaction in the interval will not be illegal under the terms of the section. On the other hand, if a man buys something on contract at more than ceiling, and it is not delivered before the new act goes into effect, I think the bill provides that its enactment invalidates the contract. I think that is the legal effect of the bill. Whether it should or not, I do not venture to say. In the second place of course, if an individual buys feed over the ceiling price, and before he can sell it the ceiling is reimposed, he may suffer a considerable loss.

Mr. AIKEN. But suppose that delay in delivery is due to inability to obtain transportation, as is the case, would the individual be held responsible in such event?

Mr. TAFT. I imagine that the only thing which is validated is a completed transaction. Whether OPA regulations would perhaps make some allowance with respect to something which is already in transit, I do not venture to say, but the bill does not protect such a situation.

Mr. AIKEN. Does not the Senator feel that if the grain has been paid for in whole or in part that that would constitute a completed contract?

Mr. TAFT. Of course whether that would constitute an accomplished contract is a legal question.

Mr. BARKLEY. If the title has passed to the property, no matter where it is located, I would regard it as a completed contract.

Mr. GEORGE. Mr President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GEORGE. I should like to inquire if any plan has been made with respect to calling the calendar. There are some bills on the calendar that should be acted upon. There is one that I should like to move to take up unless we are going to have a call of the calendar.

Mr. BARKLEY. I plan to have the calendar called as soon as we have a breathing spell to do it. If for any reason we should not proceed with the OPA this afternoon we might have a call of the calendar today.

Mr. GEORGE. We cannot breathe until we get OPA disposed of. I am afraid that many good pieces of legislation might suffocate meanwhile.

Mr. BARKLEY. I hope that any lack of breath on account of the OPA will not be transmitted to other legislation.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GURNEY. I desire to call attention of the majority leader, referring again to the OPA bill, to the fact also that possibly some of the grain processors like Quaker Oats or processors making corn flakes have purchased perhaps millions of bushels of grain at higher figures. If they cannot sell their processed commodities or packaged commodities at an increased price, they would stand to lose possibly millions of dollars.

Mr. BARKLEY. I think we will have to discuss the provisions of the bill with respect to the interim period, and if imposition of higher prices in that period is needed, of course, we could give that subject proper consideration; but I doubt if we can very well interpret its provisions accurately without having them before us. I think it is fair, however, to say that the bill does not protect those

who have not completed contracts during the interim period.

Mr. GURNEY. I thank the Senator.

OMNIBUS RIVERS AND HARBORS BILL

Mr. BARKLEY. Mr. President, I move that the Senate resume the consideration of the unfinished business, the rivers and harbors bill.

The motion was agreed to; and the Senate resumed consideration of the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The PRESIDENT pro tempore. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Commerce was, on page 4, line 15, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated April 29, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers, dated May 13, 1946."

The amendment was agreed to.

The next amendment was, at the top of page 5, to insert:

Waterway from Empire, La., to the Gulf of Mexico, in accordance with the report of the Chief of Engineers dated May 31, 1946.

The amendment was agreed to.

The next amendment was, on page 6, line 3, after the words "the sum of", to strike out "$55,000,000" and insert "$150,000,000 "

The amendment was agreed to.

The next amendment was, on page 6, after line 3, to insert:

Sabine River, Cow Bayou, Tex., in accordance with the report of the Chief of Engineers dated May 31, 1946.

The amendment was agreed to.

The next amendment was, on page 6, line 13, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated February 18, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers dated May 16, 1946 "

The amendment was agreed to.

The next amendment was, on page 7, line 12, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated February 18, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers dated May 20, 1946."

The amendment was agreed to.

The next amendment was, on page 7, line 17, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated April 29, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers dated May 17, 1946."

The amendment was agreed to.

The next amendment was, on page 8, line 7, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated February 18, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers dated May 17, 1946."

The amendment was agreed to.

The next amendment was, on page 8, after line 18, to insert:

Yaquina Bay and Harbor, Oreg., in accordance with the report of the Chief of Engineers dated June 13, 1946.

The amendment was agreed to.

The next amendment was, on page 8, line 23, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated April 29, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers dated May 9, 1946."

The amendment was agreed to.

The next amendment was, on page 9, after line 4, to strike out:

Columbia River at Foster Creek, Wash., in accordance with the report of the Chief of Engineers dated April 9, 1946.

Mr. OVERTON. Mr. President, I ask that that amendment be not agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment on page 9, to strike out lines 5, 6, and 7.

The amendment was rejected.

The next amendment was, on page 9, line 9, after the words "of the", to strike out "Board of Engineers for Rivers and Harbors dated April 30, 1946, on file in the Office, Chief of Engineers" and insert "Chief of Engineers dated May 15, 1946."

The amendment was agreed to.

The next amendment was, on page 11, after line 6, to insert:

SEC 6 The Chief of Engineers is authorized to provide such school facilities as he may deem necessary for the education of dependents of persons engaged on the projects listed below, and to pay for the same from any funds available for said projects: *Provided*, That when it is determined to be in the public interest, the Chief of Engineers may enter into cooperative arrangements with local agencies for the operation of such Government facilities; for the expansion of local facilities at Federal expense, and for contributions by the Federal Government to cover the increased cost to local agencies of providing the additional services required by the Government:

River and Harbor Act of March 2, 1945, Public Law No 14, Seventy-ninth Congress:
Columbia River at Umatilla, Oreg.
Neches and Angelina Rivers, Tex.
Snake River to Lewiston, Idaho.

The amendment was agreed to.

The next amendment was, on page 11, line 24, to change the section number from "6" to "7."

The amendment was agreed to.

The next amendment was, on page 13, after line 9, to insert:

Gardiners Bay, N. Y.

The amendment was agreed to.

The next amendment was, on page 13, after line 15, to insert:

Shoal Harbor and Compton Creek, N. J.

The amendment was agreed to.

The next amendment was, on page 14, after line 8, to insert:

Chapel Creek, Dorchester County, Md.

The amendment was agreed to.

The next amendment was, on page 15, after line 19, to insert:

Charleston Harbor, S. C., with a view to extending Shem Creek Channel.

The amendment was agreed to.

The next amendment was, on page 15, after line 23, to insert:

Intracoastal Waterway with a view to constructing a boat basin at or near Bellport, South Carolina.

The amendment was agreed to.

The next amendment was, on page 16, after line 2, to insert:

Intracoastal Waterway with a view to relocating the route of the waterway in the vicinity of Brunswick, Georgia.

The amendment was agreed to.

The next amendment was, on page 17, after line 2, to insert:

Arkansas and Canadian Rivers, Oklahoma and Arkansas.

The amendment was agreed to.

The next amendment was, on page 17, after line 11, to insert:

Mississippi River at Louisiana, Missouri.

The amendment was agreed to.

The next amendment was, on page 17, after line 14, to insert:

Mississippi River at Winona, Minnesota.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, I desire to ask the Senator from Louisiana a question. He will recall that when the flood-control bill was under consideration in 1944, and when the river-and-harbor bill was under consideration in the spring of 1945, an amendment which was known at the time as the O'Mahoney-Millikin amendment was inserted in each bill. It was designed to provide for cooperation between the Army engineers and the respective States in which projects were planned, and between the Army engineers and the Department of the Interior where the Department of Interior was involved, and also to provide a general method for the protection of established water rights and the traditional method of handling water resources in the arid-land States. Does that amendment still apply under this bill?

Mr. OVERTON. Yes. On page 2, beginning in line 6, there is this proviso:

Provided, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.)—

That is the legislation to which the Senator from Wyoming refers.

Mr. O'MAHONEY. Yes.

Mr. OVERTON. Continuing with the proviso:

shall govern with respect to projects herein authorized; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

So that proviso incorporates all the provisions of the O'Mahoney-Millikin amendment into this bill.

Mr. O'MAHONEY. Subsection (b) of section 1 of the act of March 2, 1945, reads as follows:

(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

Mr. OVERTON. That is a part of section 1, and is incorporated in this bill. It applies to every project in the bill.

Mr. O'MAHONEY. The Senator from Louisiana was most cooperative and helpful to the sponsors of the original O'Mahoney-Millikin amendment, and I am grateful to him for his statement, which makes it certain that any project in this bill which has to do with waters rising west of the ninety-eighth meridian will be protected under that provision.

Mr. OVERTON. Under subparagraph (b) of section 1.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, at the top of page 19, to insert:

Siuslaw River and Bar, Oreg.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. BARKLEY and Mr. MAGNUSON addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield; and if so, to whom?

Mr. OVERTON. I yield first to the Senator from Kentucky.

Mr. BARKLEY. I wish to ask the Senator from Louisiana a question. As he no doubt recalls, the House committee included an item for the improvement of the Big Sandy River in Kentucky, and two streams which join to form the Big Sandy River between West Virginia and Kentucky. That item was reported to the House by the House committee. It was eliminated on the floor of the House, and the bill came to the Senate without it.

A large delegation came here from Kentucky and appeared before the committee to advocate the project, which had been surveyed and recommended by the engineers of the War Department and by the Chief of Engineers. The Senate committee declined to include it in the bill, and it is not now in the bill.

The improvement of that river was recommended by the engineers as probably the third most important project they recommended for inclusion in this bill. It is a project of such size as to be entitled to careful consideration. I have conferred with the acting chairman of the committee [Mr. OVERTON] with respect to it. In view of the action of the House and the action of the committee, the acting chairman of the committee felt that probably it would be advisable to obtain additional information with reference to it, rather than to seek to include it here on the floor by an amendment. I should like to ask the Senator from Louisiana what his feeling is with respect to that course of action. I could offer an amendment on the floor of the Senate if I saw fit to do so, and we could debate it. It is a controversial question. What the result would be in the Senate I have no way of knowing. But what is the Senator's general feeling with respect to the wisest course to pursue in regard to the project?

Mr. OVERTON. Before answering the Senator's question, let me make a brief observation. Personally I was very much in favor of including the Big Sandy project in the bill, and in committee I made a motion that it be included. However, my motion was defeated by a very large majority. I believe that the defeat of the proposal which I made was very largely due to local opposition which manifested itself to the inclusion of the Big Sandy project in the bill. It could hardly be predicated on anything else, because the cost-to-benefit ratio is 1 to 1.6, which is a very high ratio, as the Senator has pointed out. The House rejected the Big Sandy project. The Committee on Commerce has rejected it. I believe that there should be further information and a better presentation from the people residing in the Big Sandy district who favor the project. In that way I think the objection can be overcome. The opponents seem to have come here in very large numbers and to have swamped the proponents of the project.

It is my suggestion that the Big Sandy project be deferred until the next river and harbor bill. I have every hope and expectation that it can be included in the next bill, and that the opposition, which I think is ephemeral, and should be overcome, will probably be overcome.

Mr. BARKLEY. I recognize that it is a controversial question. Of course the railroads do not want the project. As a rule they have opposed river improvements—I think under a very mistaken policy. If that attitude had been pursued throughout the country we would never have had any river improvements. As a matter of fact, rail transportation has not been injured by river improvements, and in many cases has been improved and benefited thereby. But, be that as it may, prior to the recommendation of the engineers, I received many communications for and against the projects. I told all my correspondents, regardless of which side they were on, that I would await the investigation and report of the engineers before making up my own mind with respect to it. I have examined the report of the Chief of Engineers and the testimony taken by the engineers. I do not know whether the hearings before the House committee have been printed. I have not had a chance to read that testimony.

Mr. OVERTON. Those hearings have just been printed.

Mr. BARKLEY. But it struck me, from my examination of the testimony, that the project was worthy of very serious consideration and that it should not simply be tossed aside without the most serious consideration of its merits by those on both sides. I shall not offer an amendment to the bill, because I believe that the chairman of the committee, who is sympathetic, probably is wise in his advice that the better course is to await a further showing in the matter, in an effort to dissipate whatever opposition may have developed. If it is without justification and without due foundation, that fact may show up.

But I appreciate the Senator's interest in the matter and his willingness to bring it on the floor if there had been a majority in favor of its consideration.

In the meantime I hope the matter will come up for proper consideration at a later time.

Mr. OVERTON. I assure the Senator that I think it will.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, between lines 15 and 16, it is proposed to insert the following:

Boston Harbor, Mass.; in accordance with the report of the Chief of Engineers dated July 1, 1946.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. OVERTON. Mr. President, I have no objection to the amendment.

The amendment was agreed to.

Mr. OVERTON. Mr. President, I have some preliminary examination and survey amendments. I offer them, and send them to the desk and ask to have them stated.

The PRESIDENT pro tempore. The amendments will be stated in their order.

The CHIEF CLERK. In the preliminary examination and survey section of the bill, on page 16, between lines 24 and 25, it is proposed to insert the following:

Channel from Port Lavaca, Tex., and Palacios, Tex., to the Gulf of Mexico by way of Pass Cavallo, Cotton Bayou or any other suitable outlet to the Gulf of Mexico.

Mr. LANGER. Mr. President, let me inquire how much money is involved in the amendment.

Mr. OVERTON. None at all. It is simply for a preliminary examination and survey.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. OVERTON. The next amendment is submitted on behalf of the Senator from Maryland [Mr. TYDINGS].

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 14, it is proposed to insert the following between lines 21 and 22:

Hatton Creek, Wicomico River, on western shore of Maryland, in the vicinity of Rock Point, Charles County, Md.

The amendment was agreed to.

Mr. OVERTON. The next amendment is also submitted on behalf of the Senator from Maryland [Mr. TYDINGS].

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 14, it is proposed to insert the following between lines 21 and 22:

Miles River, opposite Oak Creek Bridge, to give outlet to Miles River, Talbot County, Md.

Mr. LANGER. Mr. President, how much money is involved in this amendment?

Mr. OVERTON. None at all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Louisiana on behalf of the Senator from Maryland.

The amendment was agreed to.

Mr. OVERTON. The next amendment is submitted on behalf of the Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON].

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 14, between lines 16 and 17, it is proposed to insert the following:

Intracoastal Waterway, with a view to constructing a boat basin at or near Beaufort, S. C.

Mr. LANGER. Mr. President, I ask the same question.

Mr. OVERTON. I give the same answer.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana, on behalf of the Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON].

The amendment was agreed to.

Mr. OVERTON. The next amendment is offered on behalf of the Senator from Maryland [Mr. TYDINGS].

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 14, it is proposed to insert the following between lines 21 and 22:

Point Lookout Creek, in the vicinity of Point Lookout, Saint Mary's County, Md.

Mr. LANGER. Mr. President, the same question.

Mr. OVERTON. The same answer.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana, on behalf of the Senator from Maryland.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment submitted by the Senator from Louisiana.

The CHIEF CLERK. On page 16, between lines 4 and 5, it is proposed to insert the following:

Little Sarasota Bay and channel through Casey's Pass, Fla., with a view to providing a channel across Robert's Bay (Venice Bay), with a suitable turning basin at the eastern end thereof.

Johns Pass, Pinellas County, Fla.

Blind Pass, Pinellas County, Fla.

Pass-a-Grille Pass, Pinellas County, Fla.

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, is the bill still open to amendment?

The PRESIDENT pro tempore. It is.

Mr. ROBERTSON. I send to the desk an amendment which I offer and ask to have stated.

Mr. OVERTON. Mr. President, will the Senator permit me to conclude offering certain formal amendments?

Mr. ROBERTSON. Certainly.

Mr. OVERTON. I desire to submit certain clarifying amendments making typographical changes, so as to make the bill conform to the report of the Chief of Army Engineers.

Mr. ROBERTSON. That is perfectly agreeable.

Mr. OVERTON. I send the amendments to the desk, and ask that they be stated.

The PRESIDENT pro tempore. The amendments will be stated.

The CHIEF CLERK. On page 2, line 24, after the word "Connecticut;", it is proposed to strike out "in accordance with the report of the Chief of Engineers dated May 3, 1946;" and insert in lieu thereof "House Document Numbered 676, Seventy-ninth Congress."

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the Senator from Louisiana will be stated.

The CHIEF CLERK. On page 2, line 22, after the word "Connecticut;" it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 26, 1946;" and insert in lieu thereof "House Document Numbered 680, Seventy-ninth Congress;".

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 3, line 5, after the word "Pennsylvania;", it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 8, 1946;" and insert in lieu thereof "House Document Numbered 679, Seventy-ninth Congress."

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 4, line 5, after the word "Georgia;", it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 1, 1946;" and insert in lieu thereof "House Document Numbered 678, Seventy-ninth Congress."

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 4, lines 7 and 8, after the words "Lake Harney;", it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 10, 1946;" and insert in lieu thereof "Senate Document Numbered 208, Seventy-ninth Congress."

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 5, in lines 10 to 12, it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 16, 1946" and insert in lieu thereof "Senate Document Numbered 231, Seventy-ninth Congress."

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 7, in lines 21 and 22, it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 15, 1946" and insert in lieu thereof "House Document Numbered 677, Seventy-ninth Congress."

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment offered by the Senator from Louisiana.

The CHIEF CLERK. On page 8, in line 17, it is proposed to strike out "in accordance with the report of the Chief of Engineers dated April 22, 1946" and insert in lieu thereof "House Document Numbered 682, Seventy-ninth Congress."

The amendment was agreed to.

Mr. GURNEY. Mr. President, will the Senator yield to me?

Mr. OVERTON. I yield.

Mr. GURNEY. I should like to ask the Senator from Louisiana if he is informed whether a preliminary examination and survey report has been authorized as to the Gavins Point, Missouri River, project?

Mr. OVERTON. Does the Senator refer to the pending bill?

Mr. GURNEY. I refer to either the pending bill or any previous legislation.

Mr. OVERTON. I do not recall whether any has been authorized by previous legislation. Does the Senator have an amendment on that point?

Mr. GURNEY. I do, because I understand it is the intention of the Army engineers to ask for survey money next spring.

Mr. OVERTON. Is the Senator referring to an appropriation or an authorization?

Mr. GURNEY. I am referring to an authorization.

Mr. OVERTON. Then I think the Senator had better offer the amendment, and I shall accept it.

Mr. GURNEY. I offer the following amendment: At the proper place in the bill, insert the words "Gavins' Point, Missouri River Basin."

Mr. OVERTON. Will that come among the provisions relating to preliminary examinations and surveys?

Mr. GURNEY. That is correct.

The PRESIDENT pro tempore. Will the Senator submit the amendment, so that it may be stated at the desk?

Mr. GURNEY. I ask the Senator from Louisiana to assist me in that regard.

Mr. OVERTON. Very well.

Mr. President, on page 17, between lines 12 and 13, insert "Gavins' Point, on the Missouri River, South Dakota and Nebraska."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. GURNEY. I thank the Senator.

Mr. OVERTON. I thank the Senator from Wyoming for permitting us to handle these amendments.

Mr. ROBERTSON. Mr. President, I now offer the amendment to which I have referred, and I send it to the desk and ask that it be stated.

The CHIEF CLERK. On page 4, it is proposed to strike out lines 19, 20, and 21.

Mr. OVERTON. Mr. President, that will be a very controversial amendment.

Mr. ROBERTSON. Mr. President, I wonder whether I may ask the distinguished Senator from Louisiana if we may have the Tombigbee map brought into the Chamber.

Mr. OVERTON. Certainly.

Mr. ROBERTSON. Mr. President, in this bill, H. R. 6407, which is now under consideration there are 58 projects for which authorization for nearly $600,000,000 is sought.

I say there are 58 projects. It would be more nearly correct to say that after the bill was introduced in the other House

there were 58 projects, but one of them, the Big Sandy River and Tug and Levisa Forks, in Kentucky, West Virginia, and Virginia was defeated in the House. I am not fully advised as to whether that was in the House committee or on the floor of the House. I think it was in committee.

It was reintroduced during the hearings on this bill before the Senate Commerce Committee, and was defeated there. So actually that is not in the bill today. It would reduce the total I have given by some $82,000,000.

However, the authorization for another project, the Arkansas River and tributaries in Arkansas and Oklahoma, for which authorization for $55,000,000 was originally sought, was increased to $150,000,000, which more than offsets the $82,000,000 eliminated through omitting the Big Sandy project. With these changes, the figure would be $612,145,070.

Even this staggering sum does not truly represent the total authorization because only that part of the Arkansas River project which would be subject to appropriation, namely, $150,000,000, is included. The total estimated first cost of this project, exclusive of costs of projects previously approved, was $435,000,000, and this has been authorized. So the actual authorizations in this bill, H. R. 6407, would amount to $897,145,070, or nearly $900,000,000. Surely, that is a staggering sum to be authorized by any Congress for 57 projects, of which very, very few, if any, could come under the heading of "Urgent."

In addition to this bill, and the vast sum which we are asked to authorize, there will follow H. R. 6597, the flood-control bill, which will also seek authorization of about $900,000,000.

If the Senate passes these two bills it will authorize to be appropriated approximately $1,800,000,000, which, surely, Mr. President, is a fantastic sum.

However, at the moment we are dealing with the rivers and harbors bill, and I am particularly opposing one project—that known as the Tombigbee and Tennessee Rivers waterway in Alabama of which the initial cost is estimated at $116,941,000, without interest during construction. If interest during construction is taken into consideration, the the amount will be $125,000,000. The estimated annual cost of maintenance is $311,000.

I would not have it thought that this is the only project that I feel the Congress should oppose.

The Tombigbee project, if authorized and completed, would be a waterway in general paralleling the Mississippi River.

It must be remembered in connection with these projects in this bill that no attempt whatsoever is to be made to pay back the vast millions which will be spent in construction.

How different that is to the reclamation projects in the West. There are no fictitious benefits to justify the expenditures in the case of reclamation projects. Each project must stand on its feet. By that, I mean that the project is self-liquidating, and that the cost of that project, with interest, is repayable in 40 years or less. That is a sound investment. No one can possibly term the projects in this bill a sound investment.

Mr. President, the Tombigbee and Tennessee Rivers project involves 200 miles of river drainage and channeling, 15 dams, and some 18 locks. At the northern end it involves the digging of 41 miles of canal in order to join the Tombigbee River to the Tennessee.

It is a 260-mile project, and at the last time when the Senate turned this proposal down in December 1944, the cost as estimated by the engineers, was $75,000,000, including interest during construction, with an annual maintenance charge of $500,000.

Today the estimated cost, as shown in House Report 2009, is $116,941,000, and the estimated annual maintenance charge $311,000.

Mr. President, I have submitted an amendment to strike from the bill under consideration the so-called Tombigbee-Tennessee project, but before dealing with the reasons in support of that specific amendment I feel it my duty to discuss for a few moments the broader questions of policy which are presented to us in consideration of H. R. 6407, the omnibus river and harbor bill.

In 1940, the Congress of the United States passed the Transportation Act of 1940, in which it declared it to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation, subject to the provisions of that act, so administered as to recognize and preserve the inherent advantages of each, all to the end of developing, coordinating and preserving the national transportation system of water, highway, and rail, as well as other means, which I suggest would include pipe lines, and it charged the Interstate Commerce Commission with the duty of executing this policy.

If this statement of policy still represents a sound declaration—and no voice has been raised to argue that it does not—is it right that the Congress should take action in utter disregard of this policy, which represents its carefully considered judgment on the subject?

It would seem natural that the Congress would implement its policy in this regard, rather than to take action in derogation of it. And, I submit that we would be rendering the policy meaningless and ineffectual by the passage of H. R. 6407.

Mr. President, I submitted an amendment to the rivers and harbors bill in 1944 which would have required submission to the Interstate Commerce Commission of all inland waterway projects, the necessity or justification of which depended, in whole or in part, upon the purposes of navigation and transportation. The amendment called for a report from that agency concerning the public convenience and necessity for the navigation and transportation features of the project.

That amendment was defeated, and while I am not again offering it, I have felt it my duty to point out to the Senate the consequences of its action in passing upon a measure such as H. R. 6407, without a study having been made of the effect which it will have upon the development of a sound, efficient transportation system for the United States. Those consequences can only be the promotion of an unsound, uneconomic, and less efficient national transportation system.

I urge upon the Senate the defeat of H. R. 6407 in its entirety with the recommendation that each of the projects included within the bill be submitted to the Interstate Commerce Commission, with the request that it report to Congress on, first, the need for the proposed improvement or project; second, the adequacy of present transportation facilities; third, the estimated traffic which would be handled over the new or improved waterway and the sources from which derived; fourth, the loss of revenue to carriers from which traffic would be diverted; and, finally, its recommendation as to whether the project should be approved, dependent upon whether the transportation system of the country would be more adequate, more efficient, and cheaper, with or without the new project; in short, whether the construction of the new project would be in accord with the national transportation policy declared by Congress in the Transportation Act of 1940.

Before taking up the Tombigbee-Tennessee project in particular, I want to advert to another consideration which is general in its nature. In all these projects, primary reliance is placed upon the so-called savings in transportation charges to shippers as the basis for the economic justification of the projects.

I should like to refer the Members of the Senate to what has been said on this subject by a recognized authority. Joseph B. Eastman, former Coordinator of Transportation, in his discussion of public aids to transportation, in 1939, said of these so-called savings:

> They are, therefore, not savings in an economic sense, but represent in large part the transfer of costs from users to taxpayers.

That statement appeared in volume 3, at page 97, and again at page 250, he said:

> Viewed in ordinary economic terms, the savings are unreal; private enterprise could not survive more than momentarily if it had to look upon savings to its customers as a sufficient recompense for the losses it incurs.

I think the considered views of experts such as Mr. Eastman should be given much weight, and I urge the Senate to bear in mind the doubtful economic soundness of relying upon the so-called savings as the economic justification for these various projects, and particularly in those cases where the benefits consisting largely of these savings are in almost even balance with the admitted annual costs.

The reorganization bill sponsored by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] and recently passed by the Senate calls for the merging of the Interstate Commerce Committee and the Commerce Committee of the Senate.

If the reorganization bill becomes law and the merger of those two committees takes place, I anticipate that the question of inland water transportation will receive much more detailed consideration, particularly as to the necessity and justification of such waterways.

I should like to deal now with the amendment which I have proposed to strike from the pending bill, the proposal to construct the Tombigbee-Tennessee project. When the Senator from Michigan [Mr. VANDENBERG] last opposed this project on the floor of the Senate in 1944, he said he was dealing with no minor matter, but was discussing a project costing $75,000,000.

We are now discussing the same project, and it is no longer a matter of $75,000,000, but, by the figures of the Army engineers themselves, it is a question of $125,000,000 for the Federal Government's share alone, with an additional $3,500,000 to come from local contributions, of which, incidentally, no assurances whatsoever have yet been given.

The Senate is aware of the long history of defeat behind this project, and I need not go over that history in detail. But when it was last considered it was pointed out that among its other defects the report of the Army engineers was out of date.

Since its last defeat a review report has been submitted by the Army engineers, which is contained in House Document No. 486, and which brings up to date their estimates of cost and their estimates of prospective traffic. The Army engineers took advantage of this opportunity to correct many of the obvious defects in the former report which were so ably pointed out by the Senator from Michigan.

It will be recalled that in the previous report, in order to bring the ratio of benefits to annual cost up to the level of 1.16 to 1, specific values were included for such things as national defense, enhancement of land value and recreational value. These obvious defects have been taken care of in the present report, and, likewise, it proposes that the locks be enlarged because it had been demonstrated that under the previous plan the locks would have been too small to accommodate the barges normally used on the Mississippi River system. Thus the cost of the project having risen from $75,000,000 to $125,000,000, and all specific dollar benefits having been eliminated, except those attributable to savings in operating costs from the diversion of traffic up-bound on the Mississippi River, and the so-called transportation savings on other traffic which it is estimated will use the proposed waterway, it was necessary to show much higher figures for the last two items in order to arrive at their favorable ratio of benefits to cost.

The amount by which benefits are estimated to exceed annual cost has grown even smaller and the ratio, as shown by the engineers' report, is now 1.05 to 1.

It has thus been necessary to increase the amount attributable to these two remaining items by an amount which would meet the additional annual carrying charges of almost $2,500,000, and make up for the $1,000,000 of benefits attributable to the three items which have been eliminated from this report.

The amount shown as savings on up-bound traffic diverted from the Mississippi River has been increased by $200,000, and all of the remainder has been derived from increases in the volume of traffic estimated as prospective for the proposed waterway.

The estimated savings on traffic have been increased by over $3,500,000, and the estimated tonnage has been increased by over 2,800,000 tons.

In effect, what we have is the same sheep in a new set of wolves' clothing. The whole suit, except for the vest, might be said to consist of the fantastic level of traffic predicted for this new waterway. The vest might be said to consist of $1,200,000 of savings derived from diversion of traffic from the up-bound movement on the Mississippi River, and is found, not in savings to shippers, but in savings in operating costs to the barge operators.

It will be recalled that General Schley, Chief of Engineers at the time of the submission of House Document No. 269, the former report on this project, stated in his letter transmitting the report that he doubted the wisdom of dependence upon diversion of any considerable part of the Mississippi River traffic to justify the new project.

It is true that two chiefs of engineers since that time have not been in agreement on this point, but I submit that the wisdom of this is extremely doubtful and without the inclusion of this $1,200,000 of savings the ratio of benefits to costs would fall well below one to one, and so far below the standard of requirements set by the engineers.

I think it of doubtful wisdom also to consider savings in operating costs to barge owners as net public benefits when the added cost to common carriers of competing forms of transportation by reason of the diversion of traffic from them to the new waterway is not considered as an offset.

However, these questions might be deemed controversial, and it is not necessary to rely upon controversial questions to prove beyond the shadow of a doubt that the Tennessee-Tombigbee project has not been justified economically.

I might say that this wolf's suit seems to be for the specifications of a giant, whereas in reality it is supposed to fit a dwarf.

In order that Senators may follow me more easily in my discussion of this matter, I have had handed to each a copy of exhibit No. 4, which was introduced before the Senate Commerce Committee by the opponents of this project on June 13, 1946.

If Senators will examine the document closely I think there will be little doubt left in their minds that the estimates of prospective tonnage for the Tombigbee-Tennessee project have been grossly exaggerated.

I should like now to go to the map to illustrate exhibit No. 4.

Mr. President, this map is one which was supplied by the Army engineers, I think. It shows most of the existing waterways in the United States, particularly those dealt with in exhibit 4. The waterways are the Ohio River, the upper Mississippi River, the Illinois River, the Mississippi River, the Tombigbee and Warrior Rivers.

The Tennessee-Tombigbee project runs from Demopolis, Ala., up to the Tennessee River. It is 250 miles long. The Ohio, the Mississippi, the Tennessee, the Tombigbee, and Warrior Rivers have a length of 3,699 miles. Senators will see them in the first and second columns of exhibit 4.

This exhibit deals with most of the principal items of prospective tonnage, and in the last column shows the amount which it is estimated by the engineers would be carried over the Tombigbee, the 260 miles shown on the map.

In the center column is shown the tonnage actually handled in 1939 over the 3,699 miles of the Mississippi, Ohio, Tennessee, Tombigbee, and Warrior Rivers. That column eliminates duplications. The first column, also for the same distance, 3,699 miles, has duplications. I can illustrate that by saying a duplication would occur in the case of a cargo going down the Ohio, then when it was transferred to the Mississippi it would be recorded again, so duplicating the amount. But in the middle column, which is the one which concerns us principally in the 3,699 miles, all duplications are eliminated.

It does not take expert knowledge of any kind, but merely the exercise of good, sound judgment and common sense, for anyone to be convinced that the estimates of the Army engineers in this case are fantastically exaggerated.

I will ask Senators now to look at the item of bauxite, of which 678,000 tons would move, it is estimated, via the Tombigbee-Tennessee, whereas none actually moved in 1939 over the 3,699 miles of this Nation's waterways.

With respect to asphalt the estimate of the tonnage to be moved over the 260 miles of the Tombigbee is 123,000 tons, whereas the actual tonnage moved over the entire 3,699 miles in 1939 was but 23,000 tons.

With respect to salt it is estimated that 197,000 tons will be moved over the 260 miles of the Tombigbee as against 8,000 tons actually moved over the 3,699 miles of the Nation's waterways.

Mr. President, even the acting chairman of the committee, for whom I have the greatest respect, and who has been and is one of the strongest proponents of waterway projects, confessed it was inconceivable to him that with respect to certain of these items the figures in both columns could be correct. At the conclusion he selected the two items of salt and phosphate rock and told Colonel Feringa, who was representing the Army engineers at the hearings, that if the figures with respect to the actual movement in 1939 were not correct, or if there was any satisfactory explanation as to why their estimates should so greatly exceed the experience of the movement of those items of traffic in 1939, he would like to have the information for the record.

Colonel Feringa placed nothing in the record with regard to phosphate rock, nor did he state that he had found any evidence that the figures as to the actual movement of salt in 1939 were not correct. In fact he had previously stated that he thought all the figures with respect to actual movement in 1939, that is, over the 3,699 miles of waterways, were undoubtedly correct.

Opponents stated that these figures had been taken from the annual reports of the Army engineers and had placed the same figures in the hearing before the House Rivers and Harbors Committee more than a month before the Senate hearings.

In order to make doubly sure of the authenticity of the figures before the Senate today, which are a copy of those put in the record by Mr. Prince, one of the opponents, I interrogated Colonel Feringa as follows, and this colloquy is on pages 750–751 of the committee copy of hearings before the Commerce Committee on June 14, 1946:

Senator ROBERTSON. Colonel Feringa, you probably have examined the tables presented by Mr Prince yesterday as his exhibits 3 and 4 Are the figures given there, in your opinion, correct?

I will say that the chart to which I was referring was exhibit No. 4.

Colonel FERINGA. They are correct, Senator ROBERTSON, because he is there showing traffic density Is that the table to which you now refer?

Senator ROBERTSON. No. This is exhibit 8, "Statement showing estimated tonnage anticipated, in the report, as that representing the principal prospective tonnage for the Tombigbee-Tennessee waterway project." Then it goes on to say: "Compared with actual tonnage of the same items moved on various waterways in 1939."

Colonel FERINGA I think it undoubtedly is correct. But I would like to explain, and I have tried to explain it already in part, that he is there comparing tonnage that we expect to be made use of in this waterway, and we are required to do this report differently because of the scope of the authorizing resolution—compare that with the tonnage that actually moved in 1939.

Mr. President, much has been said and many suggestions were made throughout the hearings to the effect that water transportation resulted in a benefit to the final purchaser. At the top of the map which is now before us there are three interesting photographs of barges and their tows. The photograph on the right-hand corner is that of a large barge loaded with automobiles being shipped from Detroit through the Great Lakes to the Illinois River, down to the Mississippi, and to New Orleans, Mobile, Cairo, or some other place. That barge of automobiles is particularly interesting, because I think everyone knows that when one goes to buy an automobile—a Ford, Plymouth, or Chevrolet, we will say—he pays a certain price for it at New Orleans or Mobile regardless of whether it comes by waterborne transport or by rail or by road. So whatever savings might be claimed to be passed on to the public as a result of these waterways certainly cannot be claimed in respect to the automobiles shipped over them from Detroit.

The only rebuttal of any sort by the Army engineers was in the form of a generalization that in their estimates they were looking to the future and expected much more tonnage than was actually carried in 1939. I just do not believe that the Senate is willing to accept the engineers' traffic survey on the basis of the record made and in the face of evidence such as this.

The opponents of this project made one other telling point to which no satisfactory reply was given by the Army engineers in rebuttal. It was stated in the report that, where alternate waterways were in existence for the movement of traffic included as prospective for the proposed waterway, the savings in transportation were calculated by taking only the difference between the cost calculated by the new waterway and the rate presently available by an existing waterway, rather than the difference between the cost by the proposed project and the all-rail rate.

The opponents, through an examination of the underlying data, found there were numerous instances in which all-rail rate was used contrary to the method stated by the engineers as the one generally followed. The cumulative effect of this deviation in the method amounted to over one-half million dollars, which, if eliminated from the savings, would again bring the ratio of benefits to savings below 1 to 1, which is the ratio that the Chief of Engineers stated would have to exist before he could recommend the project.

The only reply of the Army engineers on this point was that they used the all-rail rate rather than the rate by an existing water route when there was not a very great difference between the two.

This explanation does not constitute a logical reason for the action, but merely a statement of what was done, and I do not believe that there is any logical basis for using a different method where the differential is relatively small.

If there be any Senators who feel that I have great temerity in questioning the traffic survey of the Army engineers, and that it is something which should be considered as sacrosanct, I think I could give no better authority than the Army engineers themselves as proof of their fallibility in this respect. I need do no more than give a comparison of the traffic estimate made by the Army engineers for this project in 1939, with the traffic survey by this same body in 1946.

In order not to burden the Senate with details, I will give certain summary figures in percentage form, from which I believe Senators will be convinced that the Army engineers could not possibly have been right in both of their surveys. Three of the items of traffic to pass over the 260-mile Tombigbee which represented 70 percent of the total traffic estimated in the 1939 survey now, in the 1946 survey, represent 7 percent of the traffic estimated.

Two of the three items, which represented 45 percent of the tonnage, do not now appear at all as items warranting independent listing in the new survey. That is on the negative side.

On the affirmative side, seven items which were previously estimated at 81,000 tons, or 5.5 percent of the total tonnage, now are estimated at 2,100,000 tons, or 53.4 percent of the present enlarged total. That 53.4 percent in the report of 1946 is compared with the 5.5 percent in the report of 1939.

In terms of savings, these same items represented $51,900 in the 1939 report, or 3.5 percent of the total savings, and now in the 1946 report amount to $2,500,000, or 51 percent of the total savings.

I think that is sufficient evidence that the Army engineers can and do err in making traffic surveys, and it rests on the very good authority of the Army engineers to account for this great disparity in their two estimates but 7 years apart.

I think nothing more need be said regarding this project, and I leave the matter to the conscience of the Senate.

Mr. BUCK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Wyoming yield to the Senator from Delaware?

Mr. ROBERTSON. I yield.

Mr. BUCK. Can the Senator tell us what the estimated cost of this apparently unnecessary project is?

Mr. ROBERTSON. One hundred and twenty-five million dollars.

Mr. BUCK. It seems to me that that amount might well be saved.

Mr. ROBERTSON. That is compared to $75,000,000 as the estimated cost 2 years ago.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. OVERTON. I think the Senator is slightly in error. The estimated cost in round figures is $116,000,000.

Mr. ROBERTSON. The estimate of $116,000,000 is without interest charges during construction. I so stated in the earlier part of my remarks. Including interest charges during construction, the estimated cost would be $125,000,000. I think the Senator will find that that is in accordance with the figures of the Army engineers.

Mr. OVERTON. That is correct.

Mr. President, I should like to reply briefly to the observations made by the able Senator from Wyoming. I begin by stating that the able Senator was of great value to the committee in its consideration not only of this bill but also of the flood-control bill. He was a constant attendant at all the hearings of the committee. He took an active and very helpful part in the examination of witnesses.

As the Senator has indicated, his viewpoint and my viewpoint differ with respect to river and harbor improvements. The Senator refers to the size of the expenditure contemplated by this bill. I wish to point out that it is an authorization bill and not an appropriation bill. I should like to have members of the press realize that, because some of the press services have referred to the bill as an appropriation bill. It is simply an authorization bill. It will be a number of years before the sums authorized are appropriated. Roughly speaking, I should say that it will be 5 to 10 years before the amounts authorized in the bill are actually appropriated by the Congress. I think I am very conservative in making that statement.

Mr. President, the Tennessee-Tombigbee project met with the opposition only of the railway companies. As was indicated earlier in the day by the majority leader [Mr. BARKLEY] in his remarks, the railway companies have consistently opposed inland waterway improvements. The railroads have been opposing river navigation projects ever since I have been a Member of the Senate, since 1933. When I became a Mem-

ber of the Senate I was made a member of the Committee on Commerce and a member of both the Flood Control and the Rivers and Harbors Subcommittees.

In connection with this bill the railway companies have opposed not only the Tennessee-Tombigbee project, but also the Red River project, the Big Sandy project, the Cumberland project, the Calumet-Sag project, the Arkansas River project, the St. Johns River project, and the Apalachicola, Chattahoochee, and Flint River projects. They have candidly stated that they are opposing every river and harbor project that comes in competition with railway service. They have a fixed pattern of opposition to these projects. First they generally question the estimated costs of the Army engineers. They say that they are erroneous; that they have examined the question of cost, and that the cost of the project will far exceed the estimate of cost made by the Army engineers.

The second ground of opposition is that the waterway will not carry the commerce the Army engineers have estimated that it will carry. They do not give us any figures resulting from their own investigation of the area, what it produces, and what can be transported. They merely criticize the figures presented by the Army engineers. They may occasionally make an investigation, but I do not believe that they have made a single investigation of a river and harbor project in this bill which they have opposed to determine what would be the volume of transportation on the river or stream proposed to be improved

The next ground of opposition is that the railway companies pay taxes, that they must pay heavy taxes, and rivers and harbors do not pay taxes. Of course, rivers and harbors do not pay taxes. We cannot tax our rivers and harbors. When confronted with that issue the railroads say, "That may be very true, but tolls ought to be exacted of all who use the rivers." When told that we do not exact tolls on our public highways when there has been Federal aid to construct the highways that are used by truck lines which compete with railway companies, when they are told that the Federal Government is preparing to extend Federal aid for the construction of airports, to aid in transportation by air, they have no objection to that, except they do admit that when highway improvement was first begun in this country they undertook to oppose it as best they could because highway transportation was competitive to railway transportation. They also have fought truck transportation. They are on record as fighting everything that competes with them including airports.

Mr. HILL. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. OVERTON. I yield.

Mr. HILL. When I have thought about the opposition of the railroads to all of the various waterways, the thought has come to me that practically all the great cities of the United States, whether they are located on the coast or inland, are on some important waterway. It is my information that the largest city in the United States that is not on a waterway is Indianapolis, Ind. We know that all the other great inland cities, such as Detroit, Chicago, Cleveland, Cincinnati, Louisville, Kansas City, Birmingham, Memphis, are located on waterways. That means that where we find the waterways is where we find the great railroad centers. Wherever we find a city on a great waterway, that is where we find a great railroad yard, a great railroad center, and great activities and business for the railroads. In other words, instead of the waterways destroying or being inimical to the railroads, actually they work together, and one makes business for the other. Does the Senator from Louisiana agree?

Mr. OVERTON. Mr. President, there is no doubt about that. The Senator from Alabama is entirely correct. I have had occasion to make arguments along that line on other occasions, but the Senator from Alabama has covered the matter very ably, and has done so better than I could have done. So there is no necessity to stress that phase of the question any further.

Mr. President, the next ground of opposition the railways make is that the Federal Government owes a large debt, now approximately $273,000,000,000. They began that argument when the Federal debt was $35,000,000,000. They used to come before the Senate Committee on Commerce and before the House Rivers and Harbors Committee and say, "The Government owes a monumental debt of $35,000,000,000, and we cannot afford to spend money on inland-waterway improvement."

Now when they present that outworn pattern of opposition, in an effort to controvert the findings and figures of the Army engineers, and when they have found that all their opposition has been made in vain, not only with respect to this bill but with respect to other bills, they propose something new. They propose that before a project is authorized, after it has been approved by the Chief of Army Engineers, it must be sent to the Interstate Commerce Commission, where it will be examined by that Commission, and a certificate of convenience and necessity, as it were, will be issued by the Interstate Commerce Commission in favor of the project, if it approves it. The purpose of that procedure is to bring untold delay to the consideration of any such project, because we know, regardless of whatever we may think about the Interstate Commerce Commission and its processes, that it is exceptionally and dreadfully slow in the consideration of any matter laid before it and in connection with any report which it makes thereon.

Mr. President, I wish to make this general observation: There is not in the Federal Government a more democratic process or a more thorough process than that by which the Army engineers report projects to the Congress of the United States. In the first place, the Army engineers cannot make a report on a single project unless Congress passes a law authorizing and directing them to do so. The Army engineers do not originate projects. They do not initiate projects. The projects are originated and initiated by the Congress, by means of preliminary examinations and surveys which must have statutory origin. When the preliminary examination and survey is authorized to be made, the authorization is sent to the district engineer, and he proceeds to make the examination and survey, and he obtains all the engineering data which he possibly can obtain. After he has gotten all the information which can be attained as a result of his own survey, he holds a meeting with the local people who may be interested in the project, either for it or against it. They meet and at that meeting they present their views for and against the project, and a record is taken of their testimony. That is then presented to the division engineer with the recommendation of the district engineer. The division engineer and his staff go thoroughly through that record, and they modify the project or they report against the project or they take whatever action that they deem to be proper, after a thorough engineering analysis of the project, both as to its cost, its benefits, the estimated transportation, and so forth.

When that is done, the division engineer sends his report to the Board of Engineers for Rivers and Harbors. That Board is composed of seven engineers, and they usually meet in the city of Washington. Notices are given to everyone in interest to appear before the Board of Engineers for Rivers and Harbors, and a public meeting, if one is asked for by either the proponents or opponents, is held. At the public hearing the proponents and the opponents appear, and the whole case is threshed out again. Then the Board of Engineers for Rivers and Harbors takes the case under consideration and studies it for a number of weeks or months, and finally submits a report on the basis of its examination. It frequently modifies the project, and reports either against it or in favor of it. That report is sent to the Chief of Army Engineers. He proceeds to make such changes in the project as he deems to be proper, on the basis of the report of the Board of Engineers. The project is then sent to the Governors of the States which are affected or in which the project is located. The Governors of those States, representing the people of those States, make reports upon the project. Those reports are incorporated in the report of the Chief of Engineers. All projects lying west of the ninety-eighth meridian are submitted to the Department of the Interior, and the Department of the Interior makes its report, and that is incorporated in the report of the Chief of Engineers.

Then the report, which has been thoroughly processed by the Engineers, and has been submitted to the people of each State, through its Governor, and has been submitted to the Department of the Interior, whenever the Department of the Interior has any particular interest, is submitted to the Congress, and the House Committee on Rivers and Harbors sets down the project for a hearing. At the hearing, those who favor the project and those who oppose it come forward and testify. The whole process is gone

through again, and volumes of testimony are taken on these projects. When the Committee on Rivers and Harbors of the other House has completed its work with the bill and it has been acted upon by the House, it is sent over to the Senate where it is referred to the Senate Committee on Commerce. There the committee undertakes to hear any witness who desires to appear in opposition to any project which is contained in the bill, and also to hear the proponents and opponents of any new project which has been submitted in the meantime by the Chief of the Army Engineers. The bill is then reported to the Senate.

Mr. President, a thorough investigation was made by the Army engineers who consulted local people, the shippers, and others who might be interested. After all of those matters had been gone into very thoroughly, the so-called experts of the railroads came forward with this criticism and that criticism, and they all sang the same song, namely, "It will cost much more, it will carry less, it should not be authorized by the Congress, we have too many taxes to pay, we have too big a debt," and so forth.

Mr. HILL Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. The Senator has so thoroughly outlined the steps through which one of these projects must go before it is finally approved, that it would not seem that much else could be said by way of explanation. Is it not true that we have an unusual situation in that the Tombigbee-Tennessee River project has been approved not only by the present Chief of Engineers, but by his predecessor? Has it not been approved by both General Reybold and General Wheeler?

Mr. OVERTON. Yes. The Senator is absolutely correct.

Mr. EASTLAND. Mr. President, is it not a fact that the Midwestern States would be the principal beneficiaries of the adoption of this project, because it would bring them hundreds of miles closer to the ocean?

Mr. OVERTON. The Midwestern States?

Mr. EASTLAND. Yes.

Mr. OVERTON. I do not know that they would be the principal beneficiaries, but they would certainly be beneficiaries of the project.

Mr. EASTLAND. In fact, they would benefit more than would the States through which the canal would go.

Mr. OVERTON. Yes. That is because they handle greater volumes of commerce.

Mr. President, when the barge tows go up the Mississippi River they must encounter heavy currents. In going down the river they are aided by the current. The main argument in favor of this project is that from Mobile up to the Tennessee River there will be slack water, and the north-bound tows can move much more rapidly than when they are fighting the current of the Mississippi River. When they reach the Tennessee River they have a downstream movement which, of course, adds to the rapidity with which the barges are moved.

Mr. President, this project was not only investigated during the last year, but also, as I recall, in 1939. The project has been pending for a number of years. The Army engineers have evolved a project which they are in a position to recommend, without any reservation whatsoever, as being economically justified.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. It is also true, is it not, that the House Committee on Rivers and Harbors held very extensive hearings in connection with this matter?

Mr. OVERTON. It did.

Mr. HILL. In fact, the hearings constitute a full volume. The committee reported favorably the project to the House. The House of Representatives voted favorably on a yea-and-nay vote for the project, just as did the Senate Committee on Commerce vote to report the project favorably to the Senate.

Mr. OVERTON. The Senator is correct.

Mr. President, the argument which the able Senator from Wyoming [Mr. ROBERTSON] has made against the project is the argument of the railroad companies. They made the same argument not only before the Senate committee and before the House committee, but also before the Board of Engineers for Rivers and Harbors, and probably before the district engineers when they were considering the project. However, as to the latter, I have no direct information.

Mr. President, let us take exhibit 3 which has been presented to the Senate by the Senator from Wyoming. The exhibit shows certain selected items out of countless hundreds of items which the Army and Navy engineers considered to be items of prospective transportation over the proposed waterway. These items were culled out by the railway representatives because it was thought that a case could be made against them and thereby call into question all the hundreds of items which were examined by the engineers.

Mr. HILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HILL. Let us take bauxite as an example. I speak of bauxite because it is the first item on the list. The Senator's table shows that no bauxite was moved on the Mississippi River in 1939. That was 7 years ago. We know that since 1939 a great aluminum plant has been built at Muscle Shoals, Ala. With the exception of the production of the Aluminum Co. of America, this plant, owned by the Reynolds Metal Co., produced the greatest amount of aluminum of any plant in the United States. The plant is operated today and it will continue to operate. It is now moving by water large quantities of bauxite. So that fact shows how erroneous is the table, particularly when referring back to as far as 1939.

Mr. OVERTON. The Senator is correct. Not only is what he has said true, but bauxite is about to be imported in tremendous quantities from South America.

Mr. HILL. Certainly.

Mr. OVERTON. When it comes by ship from South America it will enter Mobile Bay and go up the Tombigbee and the Tennessee to where large plants are located.

Mr. HILL. Not only to the plant of the Reynolds Metals Co., but also to the plant of the Aluminum Co. of America. I cite that fact, Mr. President, only as an illustration of how erroneous is the table to which the Senator from Wyoming has referred.

Mr. OVERTON. Mr. President, let us consider the item of salt. I did say to Colonel Feringa when he was on the stand that I could not understand the figures which had been given with reference to salt, because I knew something about salt. My State is one of the largest producers of salt in the United States. Thereupon he referred to the records which had been examined by the Board of Engineers for Rivers and Harbors, and he stated, as shown on page 453 of the hearings, that the production of salt in the United States in 1935 was 7,927,000 tons; in 1940, 10,360,000 tons; and in 1943, 15,214,000 tons.

Let us take the Louisiana production. That will move by waterway along the Gulf Intracoastal Canal to Mobile, and up the Tennessee-Tombigbee. The production of salt in Louisiana in 1939 was 600,000 tons. In 1943 it was 1,620,383 tons, showing that in the meantime the production had trebled.

I could also go into the question of phosphate rock and all the other items, but I have given an illustration of the manner of criticism by the experts of the railway companies in a vain effort to overcome the recommendations of the Army engineers.

Mr. President, river and harbor transportation has been growing by leaps and bounds. In the last decade it has more than trebled on the inland waterways of the United States. I have in my hand a graph which appears in the record of the House hearings in regard to this matter. In 1934, for instance, the inland waterway transportation amounted to 10,000,000,000 ton-miles. The last record, for 1944, shows over 31,000,000,000 ton-miles. That shows an increase of more than three times what it was 10 years ago.

The photographs of the tows shown on the easel indicate that sometimes in one tow there is as much as seven trainloads of freight. Of course it is cheap transportation. It is much cheaper transportation than railway transportation; the people want it, and they are entitled to have it.

I have here a statement in reference to the cost of transportation given in accordance with figures prepared for the ICC. This is taken from the statements of an expert of the Interstate Commerce Commission, and appears in the RECORD. Referring to oil and gasoline, the cost of transportation by tankers is half a mill per ton-mile. By barge movement, it is seventy-three one-hundredths of a mill, or less than a mill. By pipe line it is 1.6 mills. By railway it is 7½ mills for gasoline and 8.1 mills for oil. The people want and are entitled to the cheaper transportation of bulk freight which can move over the inland waterways.

The traffic on the Mississippi River inland waterway system has increased, as I have said, more than 300 percent in the last decade. Besides that, I should like to say to the Senator from Maine [Mr. WHITE], the eastern coast would not have gotten the gasoline and the fuel oil needed, even with the magnificent help the railroads gave, if it had not been for water-borne transportation. The oil was taken from the Texas and Louisiana fields, carried on the Mississippi and Ohio Rivers to Pittsburgh, and sent to New England, where it was used. Magnificent work was done in that connection.

Mr. President, what has been presented is nothing more than the old, worn-out railway opposition to river and harbor projects. I am very happy the Senator from Wyoming has confined his opposition to only one project. The Senator knows that I have been very much interested in developing his own Missouri River Basin. Last year I was instrumental in providing an initial authorization of $400,000,000 for the development of the Missouri River Basin, and in the pending flood-control bill we have added $150,000,000 for the engineers and $150,000,000 for the Bureau of Reclamation to develop that basin. I did not hear any complaint from the Senator from Wyoming on that point, but he does complain of the stupendous sum contained in the river and harbor bill.

For these reasons, Mr. President, I ask that the amendment of the Senator from Wyoming be rejected.

Mr. HILL. Mr. President, it had been my intention to speak somewhat extensively at this point in reference to the pending amendment and on the bill, but the distinguished Senator from Louisiana [Mr. OVERTON], the acting chairman of the Senate Committee on Commerce, speaks with such great authority on the development of our waterways, and has so ably and completely covered the whole matter, that I shall not detain the Senate for long to address it at this time

The distinguished Senator from Wyoming [Mr. ROBERTSON] who offered the amendment to strike out the Tennessee-Tombigbee project, very candidly stated his opposition to the entire bill He has made his argument, and if we were to follow the argument we would kill the entire bill. I am strongly in favor of the bill, and am very much opposed to the amendment the Senator from Wyoming has offered.

The distinguished Senator from Louisiana has set forth why the amendment should be defeated. I shall not at this time reiterate the reasons for the defeat of the amendment, but I wish to emphasize that there is no greater or more beneficial waterway development to be found in all the United States than the Tennessee-Tombigbee. Nowhere else in all our country is it possible to connect two great, prosperous watersheds with such ease, with so little relative cost, and so many benefits to the entire Nation as will the Tennessee-Tombigbee project. There is nothing comparable to it except maybe in Russia, where the Don and the Volga have been tied together. The Tennessee-Tombigbee project is the one missing link today in the vast Mississippi waterways system which serves 33 States. I urge the defeat of the amendment of the Senator from Wyoming and the speedy passage of the bill. I ask to have printed at this point in the RECORD a table showing the savings to be effectuated by the construction of the Tennessee-Tombigbee project.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Possible average savings in line-haul costs for through traffic via proposed Tombigbee-Tennessee waterway as an alternate route for upstream movement of existing traffic on the lower Mississippi River based on an average tow composed of 8 barges (mixed sizes) carrying 3,500 tons of freight

From—	To—	Via Mississippi, per ton	Via Mississippi, per tow	Via Tombigbee-Tennessee, per ton	Via Tombigbee-Tennessee, per tow	Average savings per ton	Average savings per tow
Houston, Tex	Cairo	$2 84	$6,190	$1 94	$6,790	$0 40	$1,400
	Paducah	2 43	5,670	1 88	6,580	.54	1,890
	T-T Junction	2 74	9,590	1 60	5,600	1 14	3,990
New Orleans, La	Cairo	2 02	7,070	1 32	4,620	.70	2,450
	Paducah	2.10	7,350	1.26	4,410	.84	2,940
	T-T Junction	2 42	8,470	.99	3,465	1.43	5,005
Mobile, Ala	Cairo	2 39	8,365	.95	3,325	1.44	5,040
	Paducah	2.47	8,645	.89	3,115	1.58	5,530
	T-T Junction	2 79	9,765	.62	2,170	2.17	7,595
Port Birmingham, Ala	Cairo	2 95	10,325	.55	3,225	2.01	7,035
	Paducah	3 04	10,640	.89	3,115	2 15	7,525
	T-T Junction	3.36	11,760	.62	2,170	2 74	9,590
Demopolis, Ala	Cairo	2.68	9,380	.67	2,345	2.01	7,035
	Paducah	2 76	9,660	.61	2,135	2 15	7,525
	T-T Junction	3.08	10,780	.34	1,190	2 74	9,590
Columbus, Miss	Cairo	2 83	9,905	.51	1,785	2.32	8,120
	Paducah	2 91	10,185	.45	1,575	2.46	8,610
	T-T Junction	3 23	11,305	.17	595	3.06	10,710
Aberdeen, Miss	Cairo	2 88	10,080	.45	1,610	2.43	8,470
	Paducah	2 96	10,360	.40	1,400	2.56	8,960
	T-T Junction	3 28	11,480	.13	455	3 15	11,025
Fulton, Miss	Cairo	2 93	10,255	.41	1,435	2 52	8,820
	Paducah	3 01	10,535	.35	1,225	2.66	9,310
	T-T Junction	3 33	11,655	.08	280	3.25	11,375

Mr. WHITE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Pepper
Andrews	Huffman	Radcliffe
Ball	Johnson, Colo	Reed
Barkley	Johnston, S. C.	Revercomb
Bridges	Kilgore	Robertson
Briggs	Knowland	Russell
Brooks	La Follette	Smith
Buck	Langer	Stanfill
Burch	Lucas	Swift
Bushfield	McCarran	Taft
Capper	McClellan	Taylor
Carville	McKellar	Thomas, Okla.
Chavez	McMahon	Thomas, Utah
Donnell	Magnuson	Tunnell
Downey	Maybank	Wagner
Eastland	Mead	Walsh
Ferguson	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Willis
Gurney	Murdock	Wilson
Hawkes	O'Daniel	Young
Hayden	O'Mahoney	
Hill	Overton	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Tennessee [Mr. STEWART] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], the Senators from Pennsylvania [Mr. GUFFEY and Mr. MYERS], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Montana [Mr. MURRAY] are detained on public business.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Connecticut [Mr. HART] are necessarily absent.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate

The PRESIDENT pro tempore. Seventy Senators having answered to their names, a quorum is present.

Mr. REED. Mr. President, I always dislike to disagree with the senior Senator from Louisiana. On every important subject I think his position is sound and his speech is sane. But when it comes to the question of waterways I fear the Senator from Louisana loses his sense of proportion. He referred very freely to the railroads as being in opposition to the Tennessee-Tombigbee proposal, to which an amendment, I understand, has been offered by the Senator from Wyoming. The Senator from Louisiana is correct. The railroads, generally speaking, do oppose improvements of the character of the Tennessee-Tombigbee, and very properly.

Mr. President, we are trying to build a national transportation system in this country. The backbone of that system is the railroads. That is the one form of transportation which is absolutely indispensable to the people. It is absolutely vital to the welfare of the public as a whole. So the railroads, as a matter of fact, as an agency of transportation, serving the public and having rendered such a magnificent service during the recent war, are entitled to an expression of opinion upon matters which represent so flagrant a waste of money as do many of the items contained in this bill. I refer especially to the proposed improvement of the Tennessee-Tombigbee.

Mr. President, with the exception of four or five examples, the expenditure of money on the inland waterways for navigation purposes is a waste of the taxpayers' money, and cannot be defended upon any sound economic ground.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. OVERTON. Will the Senator point out a single waterway improvement that is not economically justified and has not proved itself to be economically justified?

Mr. REED. It is much easier to point out examples of waterways that handle sufficient traffic to be economically sound. The Senator from Kansas was just about to do that. The Mississippi River below Cairo, the Allegheny and Monongahela Rivers above Pittsburgh, the Illinois River, which incidentally, was improved by the State of Illinois very largely, the Ohio River from Pittsburgh down, and, I think, the Warrior River in Alabama, are examples of inland waterway transportation where the volume of traffic is sufficient to be economical. The Senator from Louisiana was referring to the additional money poured into the Missouri Valley, in which I live.

Mr. OVERTON. Mr. President, will the Senator again yield?

Mr. REED. I yield.

Mr. OVERTON. Does not the Senator know that the railroad companies fought every one of the improvements which he has just mentioned in commendation?

Mr. REED. I would not be surprised. They probably did. I have fought most of them myself since I have been in the Senate.

Mr. HILL. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HILL. I understood the Senator to say that the Warrior River system in Alabama is a justified project and is paying for itself. Did I understand the Senator to make that statement?

Mr. REED. No, I did not say it was paying. I said it was an economic improvement.

Mr. HILL. That it was economically justified?

Mr. REED. I thought it handled a sufficient volume of traffic economically to justify itself.

Mr. HILL. That is, the Senator thought it handled a sufficient volume of traffic to justify itself. Does the Senator realize that the Tennessee-Tombigbee ties directly in and is a part of the Warrior River system which he himself admits is economically justified?

Mr. REED. I am very fond of the Senator from Alabama, and occasionally he is right in the position he takes, and I am also very fond of the Senator from Louisiana. I should be delighted if they would permit me to proceed and make my speech, and then make their speeches in their time, except if I do not make any point clear or at least as clear as I can make it I shall welcome their interruption.

Mr. President the Senator from Louisiana spoke about putting an additional $100,000,000 in the Missouri Valley in which I live. The Senator from Louisiana ought to be ashamed of the appropriation of money to be devoted to trying to make the Missouri River available for navigation. The Missouri River never has been, it is not now, and it never can be an economic agency of transportation, and every dollar that is spent on the Missouri River for that purpose is a waste of money. We have spent already between $80,000,000 to $100,000,000 on the Missouri River from its mouth above St. Louis to Kansas City in an attempt to promote inland navigation.

Mr. President, the average rate per ton-mile for freight moving on the railroads of the country is between 9 and 10 mills. The cost of all traffic moving on the Missouri River is 30 cents per ton-mile. In other words, taking all the traffic that moves on the Missouri River and dividing it into the amount of money which has been spent to make the lower Missouri navigable, the cost is 30 cents a ton-mile for every ton of traffic moved on the Missouri. No one on this floor or any other place can economically defend a waste and extravagance so frightful as that. The truth is that this so-called cheap transportation to which the Senator from Louisiana referred is not cheap transportation, except as it is financed and paid for out of the Treasury, using the taxpayers' money for that purpose.

I said a while ago, and I repeat now, that of all the so-called inland waterways there are only about four or five the volume of traffic on which is sufficient from an economic standpoint to justify the expenditure. I regret, Mr. President, that I am speaking today almost wholly unprepared upon this subject. I have spoken before on it, however, and what I am saying today is based on some general knowledge of the subject. I had no idea that the bill was to come up until I came onto the floor this afternoon, or that this particular project was to be discussed.

Mr. President, I do not want to get crosswise with necessary and economic water transportation. I presume the most efficient and economical transportation in the world is that on the Great Lakes in the United States. There the cost of moving traffic is possibly as low or lower than 3 mills a ton-mile. I have no quarrel with efficient water transportation. My quarrel is with the waste of taxpayers' money in trying to produce what is called cheap transportation, such as the Tennessee-Tombigbee, the Missouri, or a hundred other places in the country where all the money thrown into the projects will not give either cheap, efficient, or adequate transportation.

What we have done—and to this the railroads very properly object—is to subsidize transportation on those streams. Let no one think that the public gets the benefit of it. With respect to the traffic which now moves on the Ohio and Mississippi—and there is a sufficient volume of traffic moving there to bring the cost down to reasonable proportions—the public receives only a small part of the benefit. Let no one think that when the great oil companies move gasoline up the Mississippi River they sell it at destination at any lower price, because it moves on the river, than they would sell it if it moved on the rails. That is true of the steel interests at Pittsburgh. They do not sell their steel any cheaper in the Southwest when they move it down the Ohio and Mississippi Rivers and unload it in Arkansas.

These facts have been developed in hearings before the Senate committee. The oil companies very frankly acknowledge that they pocket the profit. The steel companies and the coal companies do the same thing. Eighty or ninety percent of the traffic which moves upon these inland waterways is owned, and the profit is taken, by the great coal companies, the great steel companies, and the great oil companies, and it is the taxpayer who pays.

Mr. President, on this floor, on the occasion of at least two, and I believe, possibly, three, yea-and-nay votes, this outrageous—I almost said "steal," but I do not like that word——

Mr. HAWKES. Raid.

Mr. REED. This raid or graft under the title of the Tennessee-Tombigbee improvement has been rejected on two or three occasions. I saw the Senator from Michigan [Mr. VANDENBERG] succeed in having the Tennessee-Tombigbee project taken out of the bill on this floor 2 years ago. On April 22, 1940, there was a yea-and-nay vote on the question

whether or not the Tennessee-Tombigbee project should be stricken out. There were 17 votes to keep it in and 56 votes to take it out. That is the record.

Then there was another yea-and-nay vote on December 4, 1944, on the same question. At that time the number of votes to keep it in was 31 and the number of votes to take it out was 37. The only merit, perhaps, from the standpoint of the Senator from Louisiana [Mr. OVERTON], is that on both those occasions only about $66,000,000 or $67,000,000 was asked for the Tennessee-Tombigbee project. The ideas of its proponents have expanded and become more ambitious. If my recollection is correct, it is now proposed to spend $116,000,000 on the so-called improvement of the Tennessee-Tombigbee Rivers. That is as indefensible a raid upon the money of the taxpayers in the Public Treasury as this body has ever been called upon to consider.

Mr. President, I have lived with transportation all my life. I have never worked for a railroad company a day. I hope I understand something about transportation and the various agencies thereof. We have rails, highways, air, and water. A part of the water transportation is indispensable. I refer to ocean transportation. A part of the water transportation—that on the Great Lakes—is the most efficient and lowest-cost transportation in the world.

There is complaint on the part of some carriers that other carriers are subsidized, which, of course, would be a detriment to the carriers that paid their own way all the time and all the way.

I have never objected to spending money for river-and-harbor improvements which were sound and economically justified, and which provided adequate transportation by water. In some places, as I have tried to explain, there is no other way. That is true of our foreign commerce. Water transportation on the Great Lakes is the lowest-cost transportation in the United States, and probably in the world.

But when we try to improve the Missouri River for navigation purposes—and I draw a distinction between navigation and flood control—and when we talk about the Missouri River as an economical transportation facility or agency, let me say that it is not now, it never has been, and never can be made an agency of that kind. I care not what the Army engineers say about it.

There was a time, Mr. President, when a report by the Army engineers had a great deal of authenticity, when we accepted such a report almost without question. It is sad to relate that that is no longer true. The Army engineers have become imbued with the idea of spending money. That attitude is more or less prevalent throughout other Government agencies. Today no Army engineers' estimate and report can be accepted on its face, or accepted at all until after a careful examination. I have seen the Tennessee-Tombigbee project defeated twice on this floor. I think it was defeated a third time. At any rate, the House of Representatives refused to put it in, or perhaps if the House committee put it in, it was taken out by the House.

This is a notorious raid upon the Treasury—call it a steal, graft, or whatever one wishes to call it—so far as the application of money to the Tennessee-Tombigbee in the name of transportation is concerned. The Senator from Alabama [Mr. HILL] will probably follow me and show how wrong I am. I do not know whether it is proposed to have 20 locks or 60 locks, or whether the channel is to be 8 feet wide or 18 feet wide. At any rate, there is not a creek in my State of Kansas which is not as susceptible of being made navigable as are the upper reaches of the Tombigbee River. It is difficult to believe that a presumably responsible group of men like the Army engineers would ever make a recommendation in favor of that sort of thing. Formerly they did not make such recommendations.

There is one thing that ought to be done with respect to the commerce which moves on the inland waterways. Where the money of the taxpayers has been used lavishly—and I think foolishly—on these projects the traffic which moves upon a right-of-way created with taxpayers' money ought to pay tolls for the use of such right-of-way. If there were coupled with these proposals to spend untold hundreds of millions of dollars a requirement that the traffic which received the benefit of this expenditure of money should pay tolls for the use of the right-of-way created with taxpayers' money, in my judgment raids on the public treasury for projects of this kind would cease.

Mr. President, I have that much out of my system. I do not wish to rival the Senator from Texas [Mr. O'DANIEL] in the length of my remarks. I think this is an intolerable and indefensible waste of the taxpayers' money.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HILL. I suggest the absence of a quorum

Mr. WHITE. Mr. President, will the Chair state the question?

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. ROBERTSON] to strike out, on page 4, lines 19 to 21, which reads as follows:

Tombigbee and Tennessee Rivers, Alabama and Mississippi: House Document No. 486, Seventy-ninth Congress.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Hawkes
Andrews	Gurney	Hayden
Bail	Donnell	Hill
Burley	Hickenlooper	Kilgore
Bridges	Hoeyland	Knowland
Briggs	George	Johnson, Colo.
Brooks	Glass	Johnston, S. C.
Buck	Gurney	Kilgore
Butler	Hickenlooper	Knowland
La Follette	Murdock	Taylor
Langer	O'Daniel	Thomas, Okla.
McClellan	O'Mahoney	Thomas, Utah
McFarland	Overton	Tunnell
McKellar	Pepper	Wagner
Mahlon	Radcliffe	Walsh
Magnuson	Reed	Wherry
Maybank	Revercomb	White
Mead	Robertson	Wiley
Millikin	Russell	Willis
Mitchell	Smith	Wilson
Moore	Swift	Young
Morse	Taft	

The PRESIDENT pro tempore. Sixty-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Wyoming [Mr. ROBERTSON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Rhode Island [Mr. GREEN], the Senators from Pennsylvania [Mr. GUFFEY and Mr. MYERS], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Montana [Mr. MURRAY] are detained on public business

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Illinois [Mr. LUCAS] are necessarily absent.

The Senator from Virginia [Mr. BYRD] is absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

On this question the Senator from Mississippi [Mr. BILBO] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Mississippi would vote "nay and the Senator from Virginia would vote "yea."

If present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member

of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Oregon [Mr. CORDON] is absent by leave of the Senate, being a member of a committee designated by the Senate to attend the atomic bombing at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Connecticut [Mr. HART] are necessarily absent.

The Senator from Vermont [Mr. AUSTIN] and the Senator from Minnesota [Mr. SHIPSTEAD] are absent by leave of the Senate.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Kentucky [Mr. STANFILL] are unavoidably detained.

The result was announced—yeas 21, nays 44, as follows:

YEAS—21

Ball	Hawkes	Taft
Bridges	Millikin	Wherry
Brooks	Moore	White
Buck	Reed	Wiley
Capper	Revercomb	Willis
Donnell	Robertson	Wilson
Gerry	Smith	Young

NAYS—44

Aiken	Johnson, Colo	Murdock
Andrews	Johnston, S. C.	O'Daniel
Barkley	Kilgore	O'Mahoney
Briggs	Knowland	Overton
Burch	La Follette	Pepper
Carville	Langer	Radcliffe
Downey	McCarran	Russell
Eastland	McClellan	Swift
George	McKellar	Taylor
Gossett	McMahon	Thomas, Okla.
Gurney	Magnuson	Thomas, Utah
Hayden	Maybank	Tunnell
Hill	Mead	Wagner
Hoey	Mitchell	Walsh
Huffman	Morse	

NOT VOTING—31

Austin	Ellender	Myers
Bailey	Ferguson	Saltonstall
Bilbo	Fulbright	Shipstead
Brewster	Green	Stanfill
Bushfield	Guffey	Stewart
Butler	Hart	Tobey
Byrd	Hatch	Tydings
Capehart	Hickenlooper	Vandenberg
Chavez	Lucas	Wheeler
Connally	McFarland	
Cordon	Murray	

So Mr. ROBERTSON'S amendment was rejected.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment.

Mr. MAGNUSON. Mr. President, before the bill is finally acted upon I feel that I would be somewhat derelict in my duty to the people of my State, and especially to all those in the Columbia River Valley, if I did not express at this time to the senior Senator from Louisiana [Mr. OVERTON] my deep appreciation for his kind and generous reconsideration of a project which is of vital interest to the people of the Pacific Northwest.

Provision is now made in the bill for a project which has been long dear to the hopes and ambitions of persons residing in the Columbia River Valley. It is one of the projects which will probably be the economic cornerstone of the development of a great empire in the Columbia River Valley. The senior Senator from Louisiana gave us every consideration in connection with the proposed project. He listened to all the facts presented by both sides, and gave a great deal of his time and energy to the matter. We are deeply appreciative for what he has done.

Mr. President, I invite attention to the fact that on page 5 of the bill, beginning in line 18, we find the following language:

Provided, That the improvement herein authorized between Shreveport and the mouth shall when completed be named the Overton Red River waterway in honor of Senator JOHN H OVERTON, of Louisiana.

Mr. President, I hope that the project will be a big one because it should be big in order to compensate for the hard work the senior Senator from Louisiana has done and the interest he has exhibited for many years in the development of rivers and harbors and waterways generally. As a member of the Rivers and Harbors Subcommittee of the Committee on Commerce he has done invaluable work, and I hope the name "OVERTON" will always be synonymous with the successful fight for the development of rivers and harbors in this country.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as part of my remarks, a statement of the reasons why the Foster Creek project should be authorized in the current river and harbor bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REASONS WHY FOSTER CREEK SHOULD BE AUTHORIZED IN THE CURRENT RIVER AND HARBOR BILL

1. The project is part of the comprehensive development of the Columbia River system for irrigation, navigation, and power. Already authorized on this system are the Umatilla, the Hungry Horse, and Snake River projects. It would be a waste of resources not to construct the Foster Creek Dam as a part of this comprehensive development of the Columbia.

2. There is ample precedence for authorizing irrigation and power projects in rivers and harbors legislation. Grand Coulee Dam itself was so authorized. In addition, the Central Valley project, Marshall Ford in Texas, and Parker in Arizona were authorized by rivers and harbors legislation.

3. Foster Creek is not a single-purpose power project. It provides reregulation of the river as an after-bay plant for Grand Coulee in the same manner that Keswick Dam in California reregulates water from the Shasta Dam. It is intimately tied into Coulee in that it secures the benefit of Grand Coulee storage as well as other storage on the Columbia. In this respect it is again like Keswick Dam.

4. The additional power is needed in the area for irrigation and industrial purposes. Foster Creek is necessary to aid in meeting power shortages that will develop even before the dam can be completed.

5. The comprehensive development of the Columbia requires the scheduling of projects based on doing first things first in the same manner that the TVA handled its projects. Foster Creek is a logical next step in the development of the Columbia, although it is only a link in the comprehensive plan for the development of the watershed. In addition to its power use, it will make available additional irrigated lands for returning veterans.

Mr. OVERTON. Mr. President, I am very grateful to the Senator from Washington for the kind remarks which he has made with reference to my work in connection with the pending, as well as other, rivers and harbors bills. I wish especially to thank him for the compliment he has paid me in referring to the name "OVERTON" to be associated with the Red River waterway. I wish to say, however, that the suggestion did not originate with me. It originated in the House of Representatives. When I first learned of it I protested very vigorously.

Mr. MAGNUSON. The Senator's protests fell on deaf ears, I may say, Mr. President.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. KNOWLAND. I should like to endorse what my able colleague from the State of Washington has said in connection with the naming of the Red River waterway project. The able and distinguished acting chairman of the committee was not in the room at the time this matter was taken up by the Senate committee. I can say, as a member of the minority party, that I was present when the action was taken, and the acting chairman of the committee was not present. The action of the committee was unanimous.

Mr. PEPPER. Mr. President, I send forward an amendment, which I ask to have read.

The PRESIDENT pro tempore. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 4, in line 18, after "1946" it is proposed to strike out the semicolon, insert a colon, and the following:

Provided, That the proposed dam referred to in such report as Junction Dam shall, upon its completion, be known and designated on the public records as the Jim Woodruff Dam.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida.

Mr. PEPPER. Mr. President, the able acting chairman of the Committee on Commerce is thoroughly familiar with the purpose of the amendment. Mr. Woodruff lives at Columbus, Ga. He has been one of the most dynamic figures in connection with the development of the entire Apalachicola-Chattahoochee project. The people of Florida thought that it was only fitting to have one of these dams named for Mr. Woodruff.

Mr. OVERTON. Mr. President, after listening to the statement of the Senator from Florida, I have no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I invite the attention of the distinguished

acting chairman of the Committee on Commerce to the fact that in 1944 the Senate gave its approval to what was known as the Congaree-Santee River development. The conferees on the part of the House did not agree with what the Senate had done, and the project was removed from the bill. In 1945 the distinguished junior Senator from South Carolina [Mr. JOHNSTON] and myself again submitted the same amendment. In conjunction with the distinguished senior Senator from Louisiana we requested the Army engineers to make resurveys of the project, leaving out of it the two proposed developments to which the conferees in the House had objected, namely, the Buckingham-Clinchfield projects.

Because of the war and the change which had taken place in the personnel of the engineers, the report on the matter with the changes which had been suggested was not available when the hearings were held on this bill in the other House. In fact, the report had been completed, but the records and files had not been made available to the committee. I should like to ask the distinguished senior Senator from Louisiana if he has heard anything further in connection with the Army engineers' report than what I have just stated, namely, that the report had been completed but the records and files had not been sent to the committee so that they could undertake the holding of hearings in connection with the matter.

Mr. OVERTON. The Senator is correct. As yet, no report has been made by the Chief of Army Engineers in connection with this project, or what I understand to be the revised project. I believe that the matter is still before the Board of Engineers for Rivers and Harbors.

Mr. MAYBANK. The delay in making the report was caused through no fault of anyone because early in 1945 the engineers were moved, and changes were made among them because of the war. In view of the fact that the first report on the over-all development was extremely favorable, and in view of the further fact that the over-all development was approved by the Senate Commerce Committee and by the Senate, I am therefore led to believe that, by leaving out the two developments to which I have referred, the report of the Army engineers, when received, will be most favorable. Nevertheless, the time element has been such that the report could not be submitted to the House of Representatives. No testimony was offered in connection with the matter, either before the House committee, before the House, or before the Senate committee. While at one time I and my colleague had thought of calling up the amendment to which I have referred, in view of the fact that we have no report in its final form from the engineers, and the amendment might be questioned by the conferees, I now ask the Senator from Louisiana if, as soon as the next bill comes before the Commerce Committee, the project in which we have been interested for many years may be given a hearing as early as possible.

Mr. OVERTON. I am sure the committee will be very happy to give the matter a hearing.

Mr. MAYBANK. I thank the Senator. I appeal in behalf of my people of South Carolina who well realize that unless something is done to improve flood control and navigation and decrease freight rates, not only our State but other States will suffer. In view of that fact, I want my constituents to understand that I shall do everything within my power, just so soon as the Army engineers' report is filed, to have a bill covering the item or an amendment to the river and harbor or flood-control bill brought before this body.

Mr. JOHNSON of Colorado. Mr. President, if I may have the attention of the distinguished acting chairman of the Committee on Commerce, I wish to call his attention to page 5, line 22, and several lines following line 22, with respect to the Arkansas River and tributaries of the Arkansas in Arkansas and Oklahoma.

I note that on page 2 there is a proviso, in line 6, reading as follows:

Provided, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.), shall govern with respect to projects herein authorized; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

That pertains to a call for water in the upper basins of rivers. I notice that it incorporated with one of the provisos in the bill, and I note that with some pleasure.

Paragraph 7 on page 5 of the House report reads as follows:

7. Arkansas River, Ark. and Okla.: A multiple-purpose project in the interest of navigation, flood control, power, and incidental benefits, at a total cost of $435,000,000.

The proviso on page 2 covers only navigation, but these are multiple-purpose projects. The question is, does the pending bill, containing the proviso on page 2, place any call whatsoever upon the waters of the States above the ninety-eighth principal meridian for water for power or for other uses?

Mr. OVERTON. As I understand the problem which is disturbing the Senator from Colorado, it is whether or not the O'Mahoney-Millikin amendment will apply to the Arkansas River project.

Mr. JOHNSON of Colorado. Yes, inasmuch as these projects are multiple-purpose projects. I should like to read paragraph (b) of section 1 of the O'Mahoney-Millikin amendment in the present law. It is as follows:

(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes.

The use for navigation, the narrow use for navigation, is the matter I want to have cleared. Does that, in the Senator's opinion, include the multiple uses which are provided for in the present act?

Mr. OVERTON. Multiple uses include navigation.

Mr. MILLIKIN. Mr. President, will the Senator from Louisiana permit me to say a word?

Mr. OVERTON. I yield.

Mr. MILLIKIN. I think the specific question which my distinguished colleague, the senior Senator from Colorado, has in mind, is whether, under the intent of what we are trying to do here, so far as these particular improvements are concerned, the upper basin would be called upon to make good power stages in reservoirs, as distinguished from navigation stages. It seems to me that since we are not required to make good a navigation stage, we should not be required to make good a power stage.

I have no expert opinion on the subject, but I believe that whatever power stage might be required could be made good out of the drainage of the lower part of the stream. In any event, if we were required to make good a power stage from the upper part of the stream, we would have the same sort of difficulties imposed upon us, which might be just as dislocating as if we had to make good a stage for navigation purposes.

I hope the Senator in his comments will exclude us from that burden, so far as the intent of the statute is concerned.

Mr. OVERTON. The Senator will recall that this fight originated because the upper reaches of the Missouri Basin feared that too much water would be taken from those areas in order to provide for navigation on the lower reaches of the Missouri River. So paragraph (b) was inserted, in order to prevent too much water being used, or water being used at all, for navigation which would conflict with the interests mentioned with respect to the upper basin.

Paragraph (b) refers solely to navigation, and that was what was agreed upon, and that was enacted into law. So that it will be applied to the Arkansas River, insofar as any project on the Arkansas River is connected with navigation and may utilize some of the waters west of the ninety-eighth meridian.

Mr. MILLIKIN. I hope, then, that if the Senator is not prepared to include power, he will accept an amendment to that effect.

Mr. OVERTON. I should dislike very much to accept offhand an amendment on that question. It is a matter of such long controversy, and so many interests are involved on the Mississippi and the upper Missouri, and so many States are affected, that I hope the Senator will not press a belated amendment on the floor to be taken up for consideration. If at sometime we may have committee hearings on it, that may be a different matter, but I do not know what might be the ramifications of such an amendment, and how far projects would be affected by it. I could not accept such an amendment, I am sorry to say.

Mr. JOHNSON of Colorado. Of course, this is a matter of extreme importance to the upper basin, and it seems to me

it is the full intent of the committee, judging from the language which appears on page 2, not to place any call on the upper basins of the rivers for any purpose whatsoever.

If that be true, I think that if the Senator would say that was the situation, it would satisfy us. But this is a matter of such extreme importance that we cannot afford to have calls made on the upper basin of the Arkansas River for water for the lower basin. As the Senator well understands, we need all that water, and need it badly, and I do not think it is the purpose of the legislation to do anything of the kind I have suggested. But we should know, because if dams are constructed on the lower Arkansas, a prior right will be given over our water.

Mr. OVERTON. Will the Senator let me have his copy of section 1 of the act of 1945?

Mr. JOHNSON of Colorado. Certainly.

Mr. O'MAHONEY. Mr. President, I wonder if the Senator from Colorado will yield to me for a moment.

Mr. JOHNSON of Colorado. I am glad to yield if I have the floor.

Mr. O'MAHONEY. I think the Senator obtained the floor when he raised this question.

Earlier in the day, when the bill was first taken up, after the committee amendments had been agreed to, I understand a question to the Senator from Louisiana with respect to the application to projects under the bill of the provisions of the so-called O'Mahoney-Millikin amendment, and the Senator from Louisiana very kindly stated his interpretation as being that all of section 1, including paragraph (b), applied to projects under the bill.

I understand the difficulty which bothers the Senator from Colorado, and therefore I call his attention to the language here which made me feel, when I raised the question this morning, without knowing the particular problem of the Arkansas River, that paragraph (b) did apply to all projects. Let us see if this interpretation is not warranted by the language of the bill:

Provided, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.)—

That, of course, is the section from which the Senator has just read, paragraph (b)—

shall govern with respect to projects herein authorized—

That means it applies to all projects authorized by the bill—

and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

Mr. JOHNSON of Colorado. Will the Senator let me interject at that point that the procedures have nothing to do with the question we have in mind?

Mr. O'MAHONEY. I understand; but it is procedures with respect to plans.

Mr. JOHNSON of Colorado. Yes.

Mr. O'MAHONEY. Plans for navigation or flood control. So there is a statement there that procedures with respect to plans for flood control and for navigation as set forth in paragraph (b) shall apply. The question arises, therefore, whether or not paragraph (b) deals with procedures or with something else. I can understand that it might do so, and I am wondering if the Senator from Louisiana would not consent to insert in the pending bill on page 2, line 10, after the word "procedures", the words "and provisions." Then after the word "proposals", in line 11, insert the word "construction."

Mr. JOHNSON of Colorado. I may say to the Senator from Wyoming that the difficulty with that is that we do not want to leave a question of this kind to the discretion of anyone. The last part of the paragraph beginning in line 10 on page 2, simply leaves those matters to be worked out by agreement with certain officials, governors of States, and so on. We do not want to leave that matter to anyone's discretion.

Mr. O'MAHONEY. I understand precisely what the Senator has in mind. The suggestion I make would not leave it to anyone's discretion.

Mr. JOHNSON of Colorado. If the Senator will offer an amendment to the portion of the proviso preceding the semicolon in line 10, I think it would be very appropriate.

Mr. O'MAHONEY. But if the Senator will bear with me, the reason I made that suggestion was because the word "provisions" would apply not only to the procedures, but it would apply to the provisions set forth in paragraph (b).

Mr. JOHNSON of Colorado. These matters could be worked out only by conferences and by the discretionary action of officials.

Mr. O'MAHONEY. It was not my thought that that would be the effect of the language I suggested. But if the Senator has an amendment, of course, I have no purpose of insisting upon my amendment as against the one he himself may have in mind.

Mr. OVERTON. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. Yes, I yield.

Mr OVERTON. This provision, Mr. President, was in the House bill, and was thoroughly considered by the House, and came to the Senate, and the Senate Commerce Committee conducted hearings. This amendment was not suggested by anyone. This question was never brought to the attention of the committee. There was no opportunity for hearings on it. It is not simply the people of Colorado or the people of the West that are interested in the O'Mahoney-Millikin amendment. There are people up and down the Mississippi River, and all its tributaries, who are interested in this matter. I am going to ask the able Senator from Colorado to defer such action until some other river and harbor bill comes up, and not to ask the Senate, without any deliberation whatsoever, to adopt an amendment which may be of far-reaching consequence. The O'Mahoney-Millikan amendment was fought over day after day, week after week, month after month, and finally agreed upon, and carefully phrased in exactly the language that it appears in the act of 1944 and in the act of 1945. So I am asking the Senator please not to raise again this controversial issue at this late hour without any opportunity for any Senate investigation.

Mr. JOHNSON of Colorado. Mr. President, in the opinion of the Senator does not the language appearing at this point in the bill, and the proviso which the Senator says was worked out so carefully, in reality protect the upper basin against calls for water for these multiple-purpose projects? Evidently that proviso was placed in the bill for a purpose, and the purpose of the bill was to clarify the demand or the call for water from the upper basin States by the States in the lower basin. That evidently was the purpose of putting it in the bill. The only point on which clarification is needed is to make certain that the proviso applies to all features of these multiple-purpose projects. I believe it does apply to them. If the Senator from Louisiana would say that that is his opinion, it would end the matter so far as I am concerned. But it is a matter of tremendous importance to us, and we do want to have it thoroughly clarified.

Mr. OVERTON. Mr. President, I could not give an offhand opinion with reference to this provision. It speaks for itself and it can be interpreted when the time comes for interpretation. I read the language of the law:

The use for navigation—

I read that again, Mr. President—

The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or party west of the ninety-eighth meridian.

That is the language of the law. The Senator from Colorado places his own interpretation upon it. What I am asking is that he not bring up this very controversial question and try to enlarge the scope of that provision by any amendment at this time.

Mr. JOHNSON of Colorado. Mr. President, since the Senator from Louisiana does not feel justified in clarifying the meaning of this language, I shall ask permission to insert an amendment, and I want a little time to prepare it. I wonder if the bill can go over a little longer until we can work it out? I am sorry to have to delay the bill at this late hour, but this is a matter of great importance to my State and to other States in similar situations, and we simply cannot pass it over, even if the hour is late.

Mr. OVERTON. Mr. President, if the bill goes over I must state that it probably will mean the death of the bill in this Congress, and that it will have to be taken up in another Congress. I was hopeful we could get through with this river and harbor bill by 3 o'clock this afternoon and dispose of the flood-control bill in probably about an hour thereafter. I regret that the Senator, after the bill has been pending for weeks, should come and ask for a delay of its consideration by the Senate in order that he might prepare an amendment. I do

not think it is fair to the countless millions throughout the United States who are interested in the projects contained in the bill. It would probably mean the death of the bill.

Mr. MILLIKIN. Mr. President, will my colleague yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MILLIKIN. I believe it should be pointed out that when we were dealing with the so-called O'Mahoney-Millikin amendment a couple of years ago we then had in mind dams and reservoirs on the Missouri. Those dams were also multiple-purpose dams, including the storage of water for irrigation, and therefore, because they had a definite irrigation feature, we were protected against the point which we are now making.

The distinguished senior Senator from Colorado points out that it could be as damaging to the upper States to have to let water down during the irrigation season to maintain a power level in downstream States as it would be to have to let water down during the irrigation season to maintain a navigation level. The matter might become vital to us.

In my opinion, offhand, I believe that whatever power stage might be desirable to be maintained in these lower stream projects could be maintained out of local run-off; that it probably would not be necessary to ask for any water from the upper basins But if that were not the case, if we had to let water down when we need it it would be a deadly blow to regions in the States in the upper basin which live only by irrigation water and which must have it without fail unless they are to be turned into deserts.

I believe that the distinguished senior Senator from Colorado and I and perhaps other Senators from the arid and semiarid States would be derelict if we allowed this to pass in cavalier fashion. I doubt if any harm would come to the lower basin of this particular stream if it were agreed that by interpretation we are not required to let water down for power purposes. If that cannot be agreed, we have no alternative but to submit an amendment, for it involves the life of great areas in our State.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. Let me point out to the Senator from Colorado that what we are discussing deals with navigation, and therefore it would apply to the provision of the bill with reference to the Arkansas River and tributaries. There are only two items of the bill that relate to the Arkansas River; one is the Eufaula Reservoir, which is a multiple-purpose reservoir, and which is east of the ninety-eighth meridian, not west of the ninety-eighth meridian, and which project is planned to flood control, power, and to improve the lower Arkansas River for navigation purposes. So I see no necessity for offering any amendment to this bill at all to protect the West.

Mr. JOHNSON of Colorado. The Senator says that because the reservoir happens to be east of the ninety-eighth meridian, that therefore we ought not to be concerned with it?

Mr. OVERTON. I did not say that. I was merely giving the location of the reservoir. They are both east of the ninety-eighth meridian, but they are both concerned with navigation.

Mr. JOHNSON. They are both concerned with navigation, but what we want to be certain of is that this authorization for the building of power plants does not place a legal call upon the basins west of the ninety-eighth meridian for their water. That is the whole object.

Mr. OVERTON. I understand the argument. The Senator wants to broaden it, and maintain a strangle hold on the people in the lower valley.

Mr. JOHNSON of Colorado. It is nothing of the kind.

Mr. OVERTON. I cannot escape that conclusion. Otherwise the Senator would not insist on it.

Mr. JOHNSON of Colorado. If the Senator did not wish to take away our water he would not insist on not putting it in. I do not believe there is any purpose in taking our water, but we ought to have the question cleared up, and this is the time to clear it up, when the bill is pending.

Mr. OVERTON. Let the amendment be offered, and we can vote on it.

Mr. JOHNSON of Colorado. The amendment will be offered.

EXTENSION OF PRICE CONTROL—AMENDMENTS

Mr WHERRY. Mr. President, I send to the desk an amendment intended to be proposed to House Joint Resolution 371. On page 9, between lines 14 and 15, it is proposed to insert the following:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

The effect of the proposed amendment is the same as would have been the effect of the amendment appearing on page 20, paragraph (3), section A of the bill as originally passed by the Senate, which amendment was deleted by the conferees.

Under the amendment formerly adopted by the Senate, the provision was made that all controls with respect to livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs, should be removed not later than June 30, 1946.

The effect of the failure to enact a bill prior to June 30, 1946, terminated all controls.

This amendment now proposed merely provides that in any bill that might now be enacted, livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs shall be specifically excluded from any and all controls.

I should like to say that several Senators have expressed a desire to be coauthors of this amendment. We do not wish to foreclose any Senator. I am submitting the amendment on behalf of the Senator from Nevada [Mr. CARVILLE], who has made a terrific fight to have meat and livestock decontrols made a part of the price stabilization act, and also the Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CAPPER], the Senator from Oklahoma [Mr. MOORE], the Senator from Iowa [Mr. WILSON], the Senator from Indiana [Mr. WILLIS], the Senator from Missouri [Mr. DONNELL], and myself. The amendment will be sent to the desk, and if other Senators would like to be coauthors we would like to have their names added to the amendment when it is printed.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. GURNEY. I shall be very happy to have the Senator add my name.

Mr. WHERRY. I will add it now; and if any other Senator wishes to add his name, he will have an opportunity to do so, because I am sending the amendment to the desk. Before it is printed I ask that Senators be given an opportunity to add their names to it. I also ask unanimous consent that the amendment be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. Is my name on the amendment?

Mr. WHERRY. I am not sure; but I shall be very glad to have Senators go to the desk and place their names on it.

Mr. BARKLEY. Mr. President, in the interest of orderly procedure I do not believe that the United States Senate ought to be converted into a Billy Sunday sawdust trail, in order that an amendment may be sent to the desk with an invitation for mourners to come to the mourner's bench and sign on the dotted line. In the first place, I have always doubted the propriety of multiplicity of authorship on bills or amendments. Assuming that the amendment will be voted upon, and that there will be a yea-and-nay vote, every Senator, whether he be for it or against it, will have an opportunity to go on record with respect to his attitude on the amendment. I most respectfully suggest that it is not in the interest of orderly procedure or propriety to submit an amendment and let it lie on the table, with an invitation to Senators to sign the amendment so that they may go on record as coauthors. It is just as effective as an amendment if only 1 Senator offers it as it is if 40 Senators offer it. If the Senator wishes to submit the amendment, it ought to be submitted, and it ought to lie on the table and be printed, to await action when the joint resolution is considered.

Mr. WHERRY. I respectfully say to the distinguished majority leader that it was not my intention to have an outburst of enthusiasm on the part of Senators to get their names on this amendment, merely to put on an exhibition like converts walking up the sawdust trail to shake the hand of Billy Sunday. But I should like to remind the distinguished majority leader that he has brought forward a committee print of House Joint

Resolution 371, and it is my understanding from the majority leader that immediately following the disposition of the pending bill it will be made the unfinished business. I should like to give Senators who believe in the decontrol of meat an opportunity to be coauthors and introducers of the amendment. I was simply trying to facilitate matters and comply with the request of the majority leader so that we could proceed, without interference with his wishes, with the consideration of House Joint Resolution 371. I should like to give Senators who are interested an opportunity to sign the amendment.

Mr. BARKLEY. I feel that the dignified way to submit an amendment is for any Senator who wishes to submit an amendment to submit it and let it be printed and lie on the table. It seems to me that it is not good legislative practice to make an electioneering tour of the Senate to see how many Senators are willing to be coauthors of an amendment.

Mr. WHERRY The majority leader does not mean that I am electioneering. I am simply giving Senators an opportunity to add their names to the amendment. I will give the distinguished majority leader the opportunity if he would like to add his name.

Mr. BARKLEY I thank the Senator for giving me that opportunity, but I will not hit the sawdust trail.

Mr. WHERRY. Not at this time.

Mr. President, I also send to the desk another amendment which I shall read. On page 9, between lines 14 and 15, it is proposed to insert the following:

(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to milk, or food or feed products processed or manufactured in whole or substantial part from milk.

The effect of the proposed amendment is the same as would have been the effect of the amendment appearing on page 20, paragraph (f), section E of the bill as originally passed by the Senate, which amendment was deleted by the conferees.

Under the amendment formerly adopted by the Senate, the provision was made that price controls with respect to milk, and food and feed products processed or manufactured in whole or substantial part from milk, should be removed not later than June 30, 1946.

The effect of the failure to enact a bill prior to June 30, 1946, terminated all controls.

The amendment now proposed merely provides that in any bill that might now be enacted, milk, and food and feed products processed or manufactured in whole or substantial part from milk, shall be specifically excluded from any and all controls.

There are several co-authors in connection with this amendment. If it irks the majority leader to have Senators walk to the desk and sign their names in favor of amendments which might facilitate the final passage of the joint resolution, I will ask Senators to call me on the telephone and I will add their names in a very dignified way.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. BARKLEY. Mr. President, I wish to inquire of the Senator if he is submitting the amendment for the information of the Senate.

Mr. WHERRY. I stated in the beginning that I was submitting the several amendments to lie on the table and to be printed. That applies to both amendments.

Mr. BARKLEY. The customary way is to submit amendments to lie on the table and to be printed. I have no objection to that procedure.

Mr. WHERRY. Mr. President, I have another amendment. There are a great many names on it.

Mr. BARKLEY. I do not care how many names there are on it. I hope that a majority of the Senate is not represented in the names attached to the amendment.

Mr. WHERRY. Mr. President, I send to the desk what I call a combination amendment——

Mr BARKLEY. A combination amendment? I suppose that is a combination of all the others.

Mr. WHERRY. For the enlightenment of the distinguished majority leader, this is an amendment which does in one amendment what I attempted to cover in two amendments. I ask that it be printed and lie on the table. Later we shall decide in what form to present it.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. WHERRY. Mr. President, I have another amendment to House Joint Resolution 371 which I should like to submit. I shall read it. The majority leader has heard this one before. On page 24, beginning with line 14, it is proposed to strike out all down to and including line 18, and insert in lieu thereof the following:

(b) No maximum price shall be established or maintained for any commodity below a price which will return to distributors, wholesalers, or retailers of such commodity their prewar trade discount or the sum of total current cost of acquisition plus the prewar mark-up. The prewar mark-up shall be the average percentage mark-up of such distributors or wholesalers or retailers for such commodity for the period between October 1 and October 15, 1941.

I ask that this amendment be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will lie on the table and be printed.

Mr. BARKLEY. Mr. President, while we are on this subject, in order that the Senate may know what the program is, I ask unanimous consent that when the river and harbor bill is disposed of, House Joint Resolution 371 be made the unfinished business, with the understanding that it will not be taken up until Monday.

The PRESIDENT pro tempore. May the Chair ask the majority leader a question?

Mr. BARKLEY. Certainly.

The PRESIDENT pro tempore. Does that mean that the flood control bill will not be taken up after the river and harbor bill is disposed of?

Mr. BARKLEY. I was about to add the further understanding that if House Joint Resolution 371 is made the unfinished business it may be temporarily laid aside for the consideration of the flood control bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Nebraska.

Mr. WHERRY. I should like to point out to the majority leader that Senate bill 1767, introduced on March 13, 1944, had a joint authorship of practically every Member of the Senate.

Mr. BARKLEY. That does not change the situation.

Mr. WHERRY. It is a common procedure.

Mr. BARKLEY. I have always thought that it was an improper procedure. I think so as much as I ever did, even though every Senator were to place his name on the list.

Mr. WHERRY. The name of the Senator from Kentucky is on this list.

Mr BARKLEY. It may be. I do not care whether it is or not.

Mr. WHERRY. The Senator does not care?

Mr. BARKLEY. I mean that it does not make any difference. If I was a fool 2 years ago or 4 years ago, that is no reason why I should be a fool now.

Mr. WHERRY. It was a very good piece of legislation. My name was on it, too; and it was passed.

Mr. BARKLEY. Of course, that is prima facie evidence that it is good——

Mr. WHERRY. That is correct.

Mr. BARKLEY. But it is subject to rebuttal.

OMNIBUS RIVER AND HARBOR BILL

The Senate resumed consideration of the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. BROOKS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 18, after line 24, it is proposed to insert:

Ohio River at Brookport, Ill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is still before the Senate and open to amendment.

Mr. JOHNSON of Colorado. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, in line 13, after the colon, it is proposed to insert "*And provided further*, That the word 'navigation' appearing in paragraph (b) of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.),

shall include the use of water referred to for power purposes."

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. The able Senator from Colorado has offered an amendment relating to the Arkansas River project. That is all the Senators from Colorado are concerned with. If they will modify the amendment so as to make it applicable only to the Arkansas River project, I shall be glad to accept the amendment.

Mr. JOHNSON of Colorado. We shall be glad to do that.

Mr. OVERTON. Of course, I mean if the amendment as modified is acceptable to the Senator from Arkansas.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAGNUSON. Has the amendment been agreed to or has it been modified as suggested?

Mr. OVERTON. No; it has not as yet been modified. It should be modified before it is acted upon.

Mr. JOHNSON of Colorado. Mr. President, I wish to modify and clarify the amendment which I have sent to the desk, so as to make it apply only to the Arkansas River, instead of generally. I now modify the amendment and ask that the modified amendment be stated.

The PRESIDING OFFICER. The amendment as modified will be stated.

The CHIEF CLERK. On page 2, in line 13, after the colon, it is proposed to add:

And provided further, That the word "navigation" appearing in paragraph (b) of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.), shall in respect to the Arkansas River and tributaries include the use of water herein referred to for power purposes.

Mr. THOMAS of Oklahoma. Mr. President, the Arkansas River rises somewhere in the Northwest, presumably in Colorado, and it flows down through Kansas and finally reaches Oklahoma, and continues on, through Arkansas, into the Mississippi River. If Colorado will keep her water in Colorado, Oklahoma will have no complaint, because when the floods come we have plenty of water in my State. So I do not think it will hurt my State a particle to let Colorado keep all the water she can impound.

Mr. MCCLELLAN. Mr. President, the senior Senator from Oklahoma has just expressed my view regarding the amendment. I have always felt that the Western States—Colorado and the others—that need water for irrigation have first claim on it. I have never desired to siphon off water which they need and could well utilize for irrigation purposes. I do not see that my State will be vitally affected. I do not think it will do us one bit of harm on earth to have Colorado keep all the water which falls within her boundaries, because plenty of water falls below Colorado—sufficient to provide for navigation and power and all the other purposes for which water is needed. In fact, the truth of the matter is that we have more water than we can accommodate without suffering a great deal of damage. My State is primarily interested in obtaining flood control and navigation on the Arkansas River. Of course, we like to have power, where it can be produced along in conjunction with the other projects, and where the other purposes are served.

But I have no objection to the amendment. I think the Senator is perfectly correct in protecting his State, and I do not believe it will inconvenience or injure Arkansas in the least if the water is retained in the Senator's State.

Mr. JOHNSON of Colorado. I thank the Senator from Arkansas for his broad-minded view of this whole matter. I am sure he is correct. We appreciate his attitude, and it has always been his attitude. We are grateful to him for assisting us in working out this provision.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. OVERTON. As I understand, the Senator from Colorado has modified his amendment by inserting in it, after the word "shall" and before the word "include", the words "in respect to the Arkansas River and tributaries," so that that part of the amendment will read: "shall in respect to the Arkansas River and tributaries include the use of water therein referred to for power purposes."

Mr. JOHNSON of Colorado. Yes; I think that will serve the purpose.

Mr. OVERTON. Very well; I accept the amendment as modified.

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Colorado.

The modified amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, in preparing this amendment, the junior Senator from Colorado [Mr. MILLIKIN] did the spade work, as he did on the original section 1 which has been included in this bill. I wish it understood that the junior Senator from my State joins me in offering the amendment.

Mr. OVERTON. Mr. President, allow me to observe that I hope the junior Senator from Colorado does not do too much spade work in the future. [Laughter.]

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HAWKES. Mr. President, I offer the following amendment: At the proper place in the bill insert—

The dam on the Colorado River presently known as Boulder Dam shall in the future be known as Hoover Dam and so recorded in the public record.

Mr. President, in this connection I may say that I believe it will be a fine showing of respect and honor for a man who not only has served this Nation in the capacity of President of the United States, but who has willingly served it ever since he left that office, and who at an advanced age, when men have a right to retire and take life a little easy, has seen fit to fly all over the world in the interest of finding a way to get food to starving humanity throughout the world, and thereby has served our Nation in the interest of decent humanitarianism.

I should like to say that I have discussed this matter with the distinguished senior Senator from Louisiana [Mr. OVERTON], who is in charge of the bill, and he has agreed to accept the amendment. He is present and can speak for himself; but he has told me that he is perfectly willing to have this amendment inserted at the proper place in the bill.

Mr. DOWNEY. Mr. President, I think it is most unfortunate to attempt at this moment to interfere with the nomenclature of the great West. The question that has been raised by the distinguished Senator from New Jersey has been widely discussed in California and elsewhere. Literally millions of people have deep feeling about it. The late distinguished Senator Johnson of California had very marked and partisan feelings on this matter. I hope the Senator from New Jersey will not at this late hour in the afternoon attempt to settle this very controversial question; because, if so, there will be no chance to pass this bill this afternoon. I trust that the Senator from New Jersey will not persist in presenting the amendment at this time.

Every western Senator has extraordinary feelings in regard to this matter. They will need to be heard on it. It should have careful consideration. We could go into a historical discussion at considerable length. To determine whether this particular decision should be made would require long consideration

So I hope the amendment will not be urged at this time.

Mr. CARVILLE. Mr. President, I should like to associate myself with the position taken by the Senator from California relative to changing the name of Boulder Dam. Inasmuch as the matter has come up at this late hour, and no opportunity has been afforded to any of us to go into it, I do not believe that it should be acted upon at this time.

Mr. OVERTON. Mr. President, in view of the controversy which the proposal of the Senator from New Jersey will precipitate upon the floor of the Senate, and in view of the fact that there is now pending in the other House a bill which has exactly the same objective, I ask the Senator if he will not withdraw his amendment and allow us to proceed with the final vote on the bill.

Mr. HAWKES. Mr. President, in view of the graciousness of the Senator from Louisiana, the amount of work which he has done in connection with this bill, as well as his desire to have it passed, and in consideration also of the fact that we have other important legislation on which the Senate must act, I am perfectly willing to withdraw the amendment and endeavor to accomplish its purpose in connection with the bill which is now pending in the other House.

Mr. OVERTON. I thank the Senator.

The PRESIDENT pro tempore. The Senator from New Jersey withdraws his amendment.

Mr. DOWNEY. I thank the Senator.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6407) was read the third time and passed.

Mr. ROBERTSON. Mr. President, I want to be recorded as voting "no" on the passage of the bill.

Mr. OVERTON. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. OVERTON, Mr. BILBO, Mr. RADCLIFFE, Mr. PEPPER, Mr. MEAD, Mr. BREWSTER, Mr. WILEY, Mr. ROBERTSON, and Mr. CORDON, conferees on the part of the Senate.

EXTENSION OF PRICE CONTROL

The PRESIDENT pro tempore. A while ago the Senate agreed to take up the so-called OPA bill. Without objection, the joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilisation Act of 1942, as amended.

The PRESIDENT pro tempore. Is there objection to the Senate proceeding to consider the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 371) which had been reported from the Committee on Banking and Currency with an amendment.

FLOOD CONTROL

Mr. BARKLEY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider Calendar No. 1652, House bill 6597, the flood-control bill.

Mr. AIKEN. Mr. President, is that the $770,000,000 bill?

Mr. BARKLEY. I do not know.

Mr. AIKEN. I would like to object, if the taking up of the bill requires unanimous consent.

Mr. BARKLEY. I hope the Senator will not object. We must take it up. There is no point in postponing it.

Mr. AIKEN. Does the Senator expect to take it up and have it passed this afternoon?

Mr. BARKLEY. I do not know how long it will take to pass it, but I believe that it should be taken up for consideration.

Mr. AIKEN. I thought that I might speak on the bill.

Mr. BARKLEY. I have no objection to that.

Mr. AIKEN. This is a type of bill which comes before the Senate annually, and this one calls for $770,000,000. About $670,000,000 of it is either directly or indirectly for the benefit of the State of Louisiana.

Mr. BARKLEY. I wish to say to the Senator that the OPA extension bill was made the unfinished business with the understanding that it would not be taken up until Monday, and with the further understanding that it might be temporarily laid aside so that the Senate could consider the flood-control bill. I hope the Senator will not object to taking up the flood-control bill.

Mr. AIKEN. May I ask the majority leader if he believes that it will be possible for the Senate to take up the St. Lawrence seaway bill soon?

Mr. BARKLEY. I hope it will be possible. I am in favor of it.

Mr. AIKEN. I would want more than hopes.

Mr. BARKLEY. I cannot guarantee that it will be taken up at any particular time. I will cooperate to the best of my ability to see that it is considered at the first opportunity. The Senator knows the parliamentary situation. It is impossible to guarantee when any bill can be taken up by the Senate in the immediate future. But I am for the St. Lawrence seaway bill, and will cooperate in having it brought up and considered.

Mr. AIKEN. Unfortunately, many who are interested in flood control are not of the same frame of mind as is the Senator from Kentucky.

Mr. BARKLEY. There is no rule of the Senate which requires, merely because he is in favor of one bill, that a Senator be in favor of all other bills. Each bill stands on its own feet. I hope the Senator will not object to taking up the flood-control bill.

Mr. AIKEN. I am apprehensive that those who are interested in taking up the flood-control bill will do all they possibly can do, just as they have in the past, to prevent the Senate taking up the St. Lawrence seaway bill.

Mr. BARKLEY. That is a chance all of us must take.

Mr. AIKEN. For that reason, I do not see how I can give consent to laying aside the unfinished business.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAGNUSON. At the conclusion of the consideration and passage of the river and harbor bill, and after the Senate had taken up the OPA bill, I understood the Senator from Kentucky to ask unanimous consent to lay aside temporarily the unfinished business and proceed with consideration of the flood-control bill. I believe that he had said earlier in the day that the Senate would begin debating the OPA bill on next Monday. The Chair asked if there was any objection. There was no objection, and the Chair said that it was so ordered.

Mr. AIKEN. I did not so understand.

Mr. BARKLEY. The Senator from Washington has stated the situation correctly. I asked that, following consideration of the river and harbor bill, the OPA extension bill be made the unfinished business. I stated that it would not be taken up until Monday, and that it would be my purpose to have it temporarily laid aside in order to take up the flood-control bill. That was agreed to.

Mr. AIKEN. I am sorry; but I did not understand it in that way.

Mr. BARKLEY. When, after I made the unanimous-consent request, the Chair asked me whether it was with the understanding that the flood-control bill would be taken up, I stated that I wished to have that understanding incorporated in my request, namely, that, following the making of the OPA extension bill the unfinished business of the Senate, it would be temporarily laid aside in order to take up the flood-control bill.

Mr. AIKEN. It seems to me that a bill carrying an appropriation of nearly $800,000,000, most of which would be beneficial to one area of the country alone, is a pretty big bill to bring up without any prior notice whatsoever.

Mr. BARKLEY. Of course, the bill has been on the calendar, and the Senator from Louisiana has stated a number of times during the last few days that he wished to have the Senate take up the river and harbor bill, and the flood-control bill. I also believe that he has disseminated the general understanding that one would follow the other. So it cannot be said that no notice has been given in regard to the flood-control bill.

Mr. AIKEN. I wish it to be understood that I did not understand that the proposal was in such form as has been stated on the floor, namely, that the price-control bill would be laid aside and the flood-control bill would be taken up.

Mr. BARKLEY. I believe that if the Senator will examine the record he will find that that was the situation.

Mr. AIKEN. That may be, but I merely say that I did not so understand it at the time, and of course I withdraw my objection now.

Mr. LANGER. Mr. President——

The PRESIDENT pro tempore. The clerk will read the bill by its title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control and for other purposes.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Kentucky that the Senate proceed to the consideration of House bill 6597?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments.

Mr. OVERTON. Mr. President, in reply to the statement made by the Senator from Vermont, I may say that this is not an appropriation bill. There seems to be a marked difficulty sometimes in understanding the difference between an authorization bill and an appropriation bill. The pending bill is an authorization bill. It does not come from the Appropriations Committee, but from the Senate Committee on Commerce, insofar as the Senate is concerned. It does not appropriate a single dollar. It authorizes the appropriation of somewhat more than $700,000,000 for certain projects. It will probably be 10 years before that amount will be appropriated under the bill, and probably a very large portion of it will not be appropriated. The bill would simply establish a backlog of work which could be begun in the interest of flood control throughout the Nation. New England has been taken care of in other flood-control bills.

Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for

amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Is there objection? The Chair hears none, and the clerk will proceed to state the committee amendments.

The first amendment of the Committee on Commerce was, on page 2, after line 17, to insert:

It is hereby declared to be the policy of the Congress that the following provisions shall be observed:

(1) No project or any previously unauthorized modification of a project for flood control or rivers and harbors shall be authorized by the Congress unless a report for such project has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

(2) No hearings shall be conducted by any committee with respect to such works of improvement unless, 21 calendar days prior to such hearing, a report of the Chief of Engineers thereon made in conformity with existing law shall be available for public inspection.

The amendment was agreed to.

The next amendment was, on page 4, after line 19, to strike out:

SEC. 5. That section 7 of the act approved August 18, 1941 (Public, No. 228, 77th Cong.), is hereby amended to read as follows:

"That 75 percent of all moneys received and deposited in the Treasury of the United States during any fiscal year on account of the leasing of lands acquired by the United States for flood-control purposes shall be paid at the end of such year by the Secretary of the Treasury to the State in which such property is situated, to be expended as the State legislature may prescribe for the benefit of public schools and public roads of the county, or counties, in which such property is situated: *Provided*, That when such property is situated in more than one State or county, the distributive share to each from the proceeds of such property shall be proportional to its area therein."

Mr. EASTLAND. Mr. President, I hope that the amendment will be rejected. The matter was carefully gone into by the House of Representatives. The Senate committee did not go carefully into the matter.

Mr. President, the Federal Government has gone into counties in certain States, condemned most of the cultivatable land of the county, taken it away from the people, and taken it off the tax rolls, to such a point that the counties cannot operate. Thousands of acres of such land which are not under lakes where dams are constructed are rented out to farmers who recently owned the land, under a nominal rental. Under the present law 25 percent of such rentals goes to the States, to be paid to the counties to compensate them for what the schools and roads of those counties lose. Only a few thousand dollars are involved, but it means that a number of counties throughout the United States—the State of California and other States are involved—cannot operate. The amendment raises the amount from 25 percent to 75 percent.

Mr. AIKEN. What amendment is the Senator discussing?

Mr. EASTLAND. The second amendment, on page 4, line 20.

Mr. President, I have discussed the matter with many of the members of the Committee on Commerce, and most of them favor the rejection of the amendment, so that the language will be left exactly as the House passed the bill.

Mr. OVERTON. Mr. President, I have not talked to any members of the committee on this subject, but I understand that the statement made by the Senator from Mississippi is correct. If there is no member of the committee who objects to the rejection of the committee amendment, I shall have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 4, line 20.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 5, after line 9, to insert:

SEC. 5 That the Chief of Engineers is authorized to provide such school facilities as he may deem necessary for the education of dependents of persons engaged on the projects listed below, and to pay for the same from any funds available for said projects: *Provided*, That when it is determined to be in the public interest, the Chief of Engineers may enter into cooperative arrangements with local agencies for the operation of such Government facilities; for the expansion of local facilities at Federal expense, and for contribution by the Federal Government to cover the increased cost to local agencies of providing the educational services required by the Government:

Harlan County Reservoir, Nebr.
Garrison Reservoir, N. Dak.
Fort Randall Reservoir, S. Dak.
Detroit Reservoir, Oreg.
Dorena Reservoir, Oreg.
Lookout Point Reservoir, Oreg.
Bull Shoals Reservoir, Ark.
Clearwater Reservoir, Mo.

The amendment was agreed to.

The next amendment was, in section 6, on page 6, line 8, after the word "upon", to strike out "lands under his control" and to insert "acquired lands under his jurisdiction and control, and public lands permanently withdrawn or reserved for the use of the War Department"; and on page 7, line 8, after "authority hereof", to insert "Copies of all instruments granting easements over public lands pursuant to this section shall be furnished to the Secretary of the Interior."

The amendment was agreed to.

The next amendment was, in section 7, page 7, line 13, after the word "lands", to strike out "and improvements" and to insert "other than lands withdrawn from public domain."

The amendment was agreed to.

The next amendment was, on page 9, line 23, after the word "Numbered" to insert "622."

The amendment was agreed to.

The next amendment was, on page 10, line 5, after the word "Numbered" to insert "622."

The amendment was agreed to.

The next amendment was, on page 11, after line 4, to insert:

TALLAHATCHIE-YOCONA-YAZOO RIVER BASIN

The project for the construction of four detention reservoirs at the Wilkesboro, Upper Wilkesboro, Beddies No. 1, and Beddies No. 3 sites is hereby authorized substantially in accordance with plans contained in the report of the Chief of Engineers dated June 19, 1946, with such modifications thereof as in the discretion of the Secretary of War and the Chief of Engineers may be advisable, at an estimated cost of $7,194,000.

The amendment was agreed to.

The next amendment was, on page 16, line 8, after "Mississippi River Commission", to insert a comma and "without prejudice to his status as a retired Army officer, and, in addition to his authorized Army retired pay, shall receive from the Mississippi flood-control funds the difference between the authorized salary of a member of the Mississippi River Commission and the Army retired pay received by him."

The amendment was agreed to.

The next amendment was, on page 16, after line 13, to insert:

(s) To facilitate the inspection, supervision, and conduct of flood fighting, flood control, and navigation operations, the president of the Mississippi River Commission is hereby authorized, notwithstanding any other provision of law, to purchase, maintain, and operate an amphibian airplane from any appropriations heretofore or hereafter made for flood control: *Provided*, That the cost of such airplane shall not exceed $130,000.

The amendment was agreed to.

The next amendment was, on page 18, after line 18, to insert:

The Chief of Engineers is authorized to provide in the Canton Reservoir on the North Canadian River 69,000 acre-feet of irrigation storage, upon the condition that when silitation of the reservoir shall encroach upon the flood-control allocation the irrigation storage will be reduced progressively unless provision is made to raise the height of the dam or otherwise provide compensatory storage for flood control on the basis of an equitable distribution of the costs among the water users and other beneficiaries of conservation storage, as determined at that time.

The amendment was agreed to.

The next amendment was, on page 19, after line 6, to insert:

The project for local flood protection of Carden's Bottom Drainage District No. 2, Yell County, Ark., on Arkansas River, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 17, 1946, at an estimated cost of $1,485,000.

The amendment was agreed to.

The next amendment was, on page 19, after line 12, to insert:

The project for the Hayburn Reservoir on Polecat Creek and for channel improvement on Rock Creek and on Polecat Creek, Okla., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 17, 1946, at an estimated cost of $1,838,500.

The amendment was agreed to.

The next amendment was, on page 23, after line 11, to insert:

Of the conservation storage capacity provided by such reservoir, not to exceed 48,000 acre-feet of such capacity shall be available for irrigation purposes in the Leon, Lampasas, and Little River Valleys.

The amendment was agreed to.

The next amendment was, on page 23, after line 19, to insert:

GILA RIVER BASIN

The project for the Whitlow Ranch Reservoir on Queen Creek, Ariz., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers

in his report dated June 24, 1946, at an estimated cost of $1,645,000.

The amendment was agreed to.

The next amendment was, at the top of page 25, to insert the following subhead:

Salinas River Basin.

The amendment was agreed to.

The next amendment was, on page 25, after line 6, to insert:

BOISE RIVER BASIN

The project for the Lucky Peak Reservoir on Boise River, Idaho, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated May 13, 1946, at an estimated cost of $10,684,000: *Provided*, That said dam and reservoir shall be so constructed as not substantially to damage the structure of the Arrow Rock Dam and shall be operated in such manner as not materially to interfere with the operation of said Arrow Rock Reservoir.

The amendment was agreed to.

The next amendment was, on page 27, after line 21, to insert:

Caloosahatchie River and Lake Okeechobee drainage area, Florida, for drainage improvement and flood control along North New River Canal in Broward County, Fla.

The amendment was agreed to.

The next amendment was, on page 28, after line 2, to insert:

Chactawahatchee River and tributaries, Alabama and Florida.

The amendment was agreed to.

The next amendment was, on page 28, after line 4, to insert:

Cold Water Creek, Calhoun County, Ala.

The amendment was agreed to.

The next amendment was, on page 28, after line 6, to insert:

Cypress Creek, Harris County, Tex.

The amendment was agreed to.

The next amendment was, on page 28, line 14, after the name "Texas", to insert "including Taylors Bayou in the interest of flood control, drainage, and navigation."

The amendment was agreed to.

The next amendment was, on page 29, after line 3, to insert:

Gates Creek and tributaries, Oklahoma, with a view to the completion of the Fort Towson Dam and flood-control reservoir.

The amendment was agreed to.

The next amendment was, on page 29, after line 13, to insert:

Arkansas River, Ark., with a view to providing navigation from Camden, Ark., to Rockport, Ark.

The amendment was agreed to.

The next amendment was, on page 29, after line 22, to insert:

Four Pole Creek, W. Va.

The amendment was agreed to.

The next amendment was, in section 14, page 31, line 21, after the words "sum of", to strike out "$750,000,000" and insert "$772,000,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. BURCH. Mr. President, I have an amendment on the desk which I offer and which I should like to have stated.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Virginia.

The CHIEF CLERK. On page 10, line 23, it is proposed to strike out the period, and insert a colon, and the following:

Provided, That, when constructed, the dam at the power pool shall be limited to a maximum of 220 feet.

Mr. OVERTON. Mr. President, I object to that amendment. I am willing to accept it with a modification.

Mr. BURCH. I shall be glad to have the Senator suggest his modification.

Mr. OVERTON. I will accept the amendment if it be modified to read as follows:

Provided, That the power pool shall be limited to a maximum of 220 feet.

Mr. BURCH. As I understand, that means that the headwater will not be more than 220 feet.

Mr. OVERTON. I think I can better express what I have in mind, on reflection. I suggest this language:

Provided, That the power pool shall be maintained at an elevation not to exceed 220 feet.

Mr. BURCH. As I understand, that would be the dam?

Mr. OVERTON. The dam 220 feet high, or any other height, but what the Senator is interested in is maintaining the level of the pool of water so that it will not inundate certain land?

Mr. BURCH. That is correct, so that it will never be more than 220 feet at the dam.

Mr. OVERTON. Yes.

Mr. BURCH. I accept the modification

Mr. OVERTON. With that modification, I accept the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified, offered by the Senator from Virginia [Mr. BURCH].

The amendment, as modified, was agreed to.

Mr. LA FOLLETTE. Mr. President, on behalf of myself and my colleague, I wish to offer an amendment providing for a survey.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 30, between lines 6 and 7, it is proposed to insert the following:

All streams and rivers, and tributaries thereof, flowing into Lake Superior in Ashland, Bayfield, or Douglas Counties, Wis.

Mr. OVERTON. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Milwaukee Journal of June 26 describing the flood damage in that area.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FLOOD DAMAGE TOTALS MILLIONS—WATERS SUBSIDING IN NORTH; RED CROSS AID REACHES AREA

ASHLAND, WIS.—Under a bright sky, flood-waters receded reluctantly in northern Wisconsin Wednesday, leaving behind them slime, debris, and destruction.

Some new damage was reported as the tumbling waters, passing down watersheds toward the Mississippi, reached their crests. But it was minor compared to the destruction wrought by the floods that roared into Lake Superior Monday and Tuesday.

Glidden, 40 miles south of here, was isolated Tuesday night by a creek flooded by a local cloudburst in its upper reaches. Several homes were flooded. A few families also were forced from their homes at Butternut, south of Glidden.

LOSS IN MILLIONS

As the rivers quieted, it became apparent that preliminary estimates of damage totaling hundreds of thousands of dollars was far too low. The loss, it was said, will mount into the millions.

The damage at Mellen, where a dam was swept away and 200 persons were made homeless, was estimated tentatively at $500,000.

No real effort has been made to compute the entire loss at the other major points of destruction—Odanah, an Indian village of 700, which was entirely inundated, and Ashland, cut in two for a time by a rampaging creek.

But estimates of comparatively minor points of loss have been made, and they indicate what the total toll will be.

The Orienta Falls power-plant dam on the Iron River was washed out, with an estimated loss of $100,000.

At Barksdale $150,000 damage was done to the du Pont Co. plant.

Damage to Bayfield County State trunk highways was set at at least $100,000, and a like amount of destruction was said to have been occasioned to town roads.

CALLS FOR STATE AID

Damage to city of Ashland streets alone was said to total $75,000. Damage to Ashland County highways was not computed

Mayor Harry Van Guilder, of Ashland, called upon the State to aid by money and other facilities in restoration of the roads of the stricken area. At Madison the State Red Cross announced that the Civilian Production Administration would be asked to grant priorities for materials to repair flood damage to residential property.

Red Cross trucks, picking a round-about way along back roads, reached Ashland with relief supplies, and national Red Cross representatives arrived to take charge. John Kruschwitz, county disaster chairman, reported that everything needed, both in money and in goods, had been received or was in prospect

RELIEF RELAYED TO MELLEN

Relief supplies were relayed to still isolated Mellen. The trucks proceeded to a wash-out in the road, where they were met by Mellen residents, who manhandled the goods across the gully, loaded them into their own cars, and took them into the city.

The water was appreciably lower at Odanah, whence 700 Indians had been evacuated when the village was buried beneath a swirl of red, muddy water. Some of them had to be removed forcibly from their homes.

A shut-down of some of Ashland's industries was threatened by its continued isolation from railroad service. Enough ore remains on Ashland docks to fill cargo vessels due this week, but after that the docks will close until rail service is restored. The industry employs 200 persons.

The Consolidated Paper Co., which ships pulpwood, is similarly hit.

It is expected that rail service will resume Tuesday.

CROPS ARE DAMAGED

A survey of the flooded area by plane reveals widespread damage to roads and crops.

Throughout the area for about 80 miles south of Ashland, there were multiple highway wash-outs. From the air they look as if

a giant boiler had not been ranging up to 10 feet from the white roadway.

Some of the smaller streams, returning to docility, were receding. But they left great basins and ugly gashes into farm lands. Sweeping turns and backwaters of the flood were marked at many points by piles of debris—with the lowered water perhaps 100 yards distant.

The damage extends from Port Wing in the west to Rexsamer, Mich., in the east. Port Wing is cut off from highway connection with Ashland by the destruction of three bridges. In Bayfield the torrent has cut a chasm 80 feet and 18 feet deep through the main street. An emergency crew of 300 men, practically every able-bodied man in the city, worked 20 hours sandbagging the gully and prevented the spread of the water. No homes were flooded.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr McCLELLAN. I had to be out of the Chamber for a moment, and I wish to ask whether the amendment on page 29, line 14, was agreed to.

The PRESIDENT pro tempore. That amendment was agreed to

Mr. McCLELLAN. I ask unanimous consent that the vote by which the amendment was agreed to be reconsidered, in order that a correction may be made.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, the vote is reconsidered, and the question is on agreeing to the amendment.

Mr. McCLELLAN. Mr. President, the amendment reads:

Arkansas River, Ark., with a view to providing navigation from Camden, Ark., to Rockport, Ark.

Through inadvertence, apparently, in writing up the amendment, the name "Arkansas" was used before the word "river," whereas it should be the Ouachita River. I ask that the name "Arkansas" be stricken out before the word "River," and that the name "Ouachita" be inserted.

Mr. OVERTON. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to

Mr. OVERTON. I wish to offer a correcting amendment for clarification. I will ask the clerk to report it.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 10, line 9, after the word "Numbered," it is proposed to insert the figures "622."

The amendment was agreed to.

Mr. GOSSETT. Mr. President, I inquire whether the amendment in line 8, on page 25, was agreed to.

The PRESIDENT pro tempore. The amendment was agreed to.

Mr. WILEY. Mr. President, on behalf of the senior Senator from my State [Mr. LA FOLLETTE] and myself I send to the desk an amendment providing for a survey, which I understand has the approval of the Senator in charge of the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the appropriate place in the bill it is proposed to insert "Fox River and its tributaries, Wisconsin, for flood control and other purposes."

Mr. OVERTON. That is for preliminary examination and survey, is it not?

Mr. WILEY. Yes.

Mr. OVERTON. I have no objection.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. WILEY. On behalf of the senior Senator from Wisconsin and myself I send to the desk another amendment providing for a survey.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 29, after line 21, it is proposed to insert "Mississippi River at and in the vicinity of La Crosse, Wis., with a view of providing a small boat harbor improvement at Isle La Plume."

The PRESIDENT pro tempore. Is there objection?

Mr. OVERTON. I have no objection.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BRIGGS. Mr. President, may I inquire of the Senator from Louisiana: On page 20, beginning with line 19, I note there is to be appropriated the sum of $150,000,000 for the prosecution of the comprehensive plan approved by other acts of Congress. Will the Senator be kind enough to tell me what specific work is contemplated?

Mr OVERTON. The reference is to the comprehensive plan which was adopted in the Flood Control Act of December 22, 1944, known as the Sloan-Pick plan, which covers the whole Missouri Basin.

Mr. BRIGGS. Does that contemplate the building of dams? Is this allotment of money to build any specific dam in the State of Missouri?

Mr. OVERTON. No. It is not an appropriation, but it authorizes an additional appropriation of $150,000,000. In the act of 1944 we had authorized an appropriation of $200,000,000 to be expended by the Army engineers under the comprehensive program, and $200,000,000 to be spent by the Department of the Interior under the comprehensive plan. Now in this bill we add $150,000,000 to be spent by the Army engineers, and later on in the same bill the Senator will notice we add $150,000,000 to be spent by the Department of the Interior.

Mr. BRIGGS. Is that for any actual construction, or is it in furtherance of the survey plans?

Mr. OVERTON. It is in furtherance of the whole plan, and without relation to any specific project in it.

Mr. BRIGGS. Under it, then, could any specific project that might be desired by the engineers be considered?

Mr. OVERTON. Not until an appropriation is made. This is merely an authorization. There is not a dollar of appropriation in this bill.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. OVERTON. I yield to the Senator from California.

Mr. KNOWLAND. I should like to invite the attention of the able Senator from Louisiana to page 4, the Senate reinserted the provision which had been stricken out by the committee. Will it not be necessary to renumber the sections? The bill now contains two sections 5.

Mr. OVERTON. I think the Senator from California is correct.

The PRESIDENT pro tempore. The Senator is correct.

Mr. OVERTON. At any rate I now ask unanimous consent that the clerks be authorized to renumber the sections.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, about 30 minutes ago the Senate passed House bill 6407, authorizing approximately $900,000,000 for projects, none of which can be described as urgent. And now, 30 minutes later we are about, no doubt, to pass House bill 6597, the flood-control bill, authorizing about $771,000,000 more, making total authorizations during this day's work of 4 or 5 hours, of some $1,700,000,000 for projects which are not urgent and not necessary. And when the vote is had I want it recorded that I am opposed to the passage of the bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. OVERTON. The Senator is a very able and efficient member of the Committee on Commerce and was present at all the hearings. When we came to mark up the bill the able Senator did not suggest a single amendment to the bill. Apparently he approved of all amendments; at least he did not suggest a single amendment to strike out any provision of the bill.

Mr. ROBERTSON. I reserved the right to move to strike out the whole bill on the floor, and I am recording my vote against it now.

Mr. OVERTON. Does the Senator also take the same attitude with reference to the Missouri River items?

Mr. ROBERTSON. I do with respect to whatever there is concerning the Missouri River in the bill, as being unnecessary at this time.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. LANGER. I offer an amendment at the appropriate place to insert "Red River and its tributaries, North Dakota, for flood control and other purposes."

Mr. OVERTON. Is that for preliminary examination and survey?

Mr. LANGER. Yes.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the appropriate place in the bill it is proposed to insert "Red River and its tributaries, North Dakota, for flood control and other purposes."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. OVERTON. I have some clarifying amendments, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendments will be stated.

The CHIEF CLERK. On page 17, line 7, it is proposed to strike out "his report dated December 10, 1945", and insert in

lieu thereof, "House Document No 961, Seventy-ninth Congress, second session"

The PRESIDENT pro tempore Without objection, the amendment is agreed to

The CHIEF CLERK. On page 23, lines 4 and 5 it is proposed to strike out "of the Chief of Engineers in his report dated April 8, 1946", and to insert in lieu thereof, "House Document No 694, Seventy-ninth Congress, second session"

The PRESIDENT pro tempore Without objection, the amendment is agreed to.

The CHIEF CLERK On page 26, line 9, it is proposed to strike out "his report dated April 15, 1946", and to insert in lieu thereof, "House Document No 695, Seventy-ninth Congress, second session"

The PRESIDENT pro tempore Without objection, the amendment is agreed to

Mr WILEY Mr President, I should like to ask the Senator from Louisiana if the two bills, considered by the Senate today finally become law, what will be the total authorization outstanding in relation to river and harbor and flood control; that is, the total amount represented by these two bills and the amounts still remaining from previous years?

Mr OVERTON I do not have the figures at the moment.

Mr WILEY Can the Senator give any approximate estimate of what the total authorization outstanding is in relation to river and harbor and flood-control measures?

Mr. OVERTON I am speaking purely from a vague recollection of the matter, but I think the active outstanding authorizations amount to between four billion and five billion dollars I think that is the backlog

Mr. WILEY Between four and five billion dollars?

Mr OVERTON Yes

Mr WILEY Does that include the $1,700,000,000 contained in the two bills which the Senate today has considered, one of which it has passed?

Mr OVERTON. The two bills would bring it to between five and six billion dollars

Mr. WILEY Between five and six billion dollars?

Mr OVERTON Yes I may not be accurate in those figures, but I am giving them from my memory, which, I am afraid, is not very reliable

Mr WILEY I agree fully with the statement made by our distinguished colleague, the Senator from Wyoming [Mr ROBERTSON], a few moments ago that there is nothing urgent about these authorizations I remember well when I was a young man that the Representative from my own district—his name was Frear—made quite a name for himself in the Nation because he was against the pork barrel I am saying that these two bills smell like pork I am concerned about them, and the amounts involved When we look at the tremendous demand in the Nation now for private employment for rebuilding highways and bridges, the need for utilization of all manpower, and our wealth to produce for the individual needs of our people, I feel we should go slow on public improvements, When does the Senator think that these vast authorizations are going to be met by appropriations? That is the question I am concerned about, because it seems to me that a great issue is involved. If we enter upon these vast public improvements, what we are doing is virtually competing with private enterprise for material and manpower So, how much of the authorization of $1,700,000,000 provided by the two bills does the Senator think the engineers will ask appropriations for during the coming year? Is there any way to find out?

Mr OVERTON The Senator is asking me to read the minds of the engineers and also of the Bureau of the Budget to see what estimates they will send to the Congress It is difficult for me to say I may answer the first question asked by the Senator I now have the information. I answer from the statement made by the Chief of Engineers. I find I was in error as to the figures I gave. This is the statement of the Chief of Engineers made the other day before our committee:

Beginning with the Flood Control Act of June 22, 1936—

That is when the Omnibus Flood Control Act was enacted—

which marked the time of general flood control throughout the United States, and including the authorizations contained in the acts of 1937, 1938, 1939, 1941, and 1944, the total of authorizations for general flood control amount to $1,680,400,000

Mr WILEY One billion six hundred million dollars?

Mr OVERTON One billion six hundred eighty million four hundred thousand dollars

Appropriations made against these authorizations totaled $788,484,000, including the $159,513,000 appropriated in the War Department Civil Functions Appropriation Act for the fiscal year 1947, as passed by the Senate The unappropriated balance of authorizations, therefore, amount to $891,965,000

Mr WILEY. Does that amount cover both river and harbor improvement and flood control?

Mr. OVERTON. No, only flood control

Mr. WILEY. What about river and harbor improvements?

Mr OVERTON. If we add the $1,680,000,000 to the amount for rivers and harbors, the total will probably be between $3,000,000,000 and $4,000,000,000. I said it was between $4,000,000,000 and $5,000,000,000. I think possibly I am mistaken. I had to make a very hurried calculation. I have just been advised by one of the experts that the outstanding river and harbor authorizations are $507,000,000. There must be some error about that. I am quite sure that they are more than $507,000,000. As I understand, that is the amount unappropriated.

Mr. WILEY. How much is the unappropriated amount for flood control, not counting this bill?

Mr. OVERTON Eight hundred and ninety-one million dollars in round figures. Together, the two activities represent a total of $1,380,000,000

Mr. WILEY. The total would be approximately $3,000,000,000 if this bill were to become the law of the land?

Mr. OVERTON. That is correct.

The PRESIDENT pro tempore The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time

The bill (H R 6597) was read the third time and passed

Mr. OVERTON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate

The motion was agreed to; and the President pro tempore appointed Mr OVERTON, Mr BILBO, Mr. RADCLIFFE, Mr PEPPER, Mr MEAD, Mr BREWSTER, Mr WILEY, Mr ROBERTSON, and Mr. CORDON conferees on the part of the Senate

Mr WHITE subsequently said Mr. President, a few moments ago, at the suggestion of the Commerce Committee, I believe, the Chair designated certain minority members to serve as conferees on both the river and harbor bill conference and the flood-control bill conference Among them were the Senator from Oregon [Mr. CORDON] and the Senator from Maine [Mr BREWSTER]. Both of them were members of the committee which participated at the inauguration of the new President of the Republic of the Philippines Because of that situation, they will be absent for some days. Therefore, I ask unanimous consent that both of them may be excused from service as conferees, and that the Chair appoint two other Senators to serve in their stead.

The PRESIDING OFFICER Is there objection to the request of the Senator from Maine? The Chair hears none. Without objection, the Senator from Oregon [Mr CORDON] and the Senator from Maine [Mr. BREWSTER] are excused from service as conferees on the river and harbor bill and the flood-control bill

Mr OVERTON Mr President, I suggest, if I may do so, that the next minority members of the committee in order of seniority are the Senator from Illinois [Mr. BROOKS] and the Senator from Connecticut [Mr HART].

The PRESIDING OFFICER The Chair appoints the Senator from Illinois [Mr BROOKS] and the Senator from Connecticut [Mr. HART] to fill the vacancies on the committees on conference on the two bills, in place of the Senator from Maine [Mr. BREWSTER] and the Senator from Oregon [Mr. CORDON].

VOCATIONAL EDUCATION AND RETRAINING

Mr GEORGE Mr President, without prejudice to the regular order, I ask that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 619, Calendar No. 1618.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia?

There being no objection, the Senate proceeded to consider the bill (S 619) to provide vocational education and retrain-

ing, including part-time training and work-experience programs for the occupational adjustment and readjustment of youth and adults, including persons demobilized from essential war work or from the armed services, in order that individuals and the Nation may attain economic stability and security, which had been reported from the Committee on Education and Labor with an amendment to strike out all after the enacting clause and insert:

That the act approved June 8, 1936, entitled "An act to provide for the further development of vocational education in the several States and Territories" (49 Stat. 1488, ch. 541), is amended to read as follows:

"SHORT TITLE

"SECTION 1. This act may be cited as the 'Vocational Education Act of 1946.'

"DEFINITIONS

"SEC. 2. As used in this act—

"(1) the term 'States and Territories' means the several States, the Territories of Alaska and Hawaii, the Island of Puerto Rico, and the District of Columbia;

"(2) the terms 'State plan' and 'State board' shall have the meaning which terms have in the Smith-Hughes Vocational Education Act; and

"(3) the term 'Smith-Hughes Vocational Education Act' means the act approved February 23, 1917 (39 Stat. 929, ch. 114).

"AUTHORIZATION FOR APPROPRIATIONS FOR VOCATIONAL EDUCATION

"SEC. 3 (a) For the purpose of assisting the several States and Territories in the further development of vocational education, there is authorized to be appropriated for the fiscal year beginning July 1, 1946, and annually thereafter—

"(1) $10,000,000 for vocational education in agriculture, including supervision of the activities, related to vocational education in agriculture, of the Future Farmers of America and the New Farmers of America, to be apportioned for expenditure in the several States and Territories in the proportion that their farm population bears to the total farm population of the States and Territories, according to the last preceding United States census;

"(2) $8,000,000 for vocational education in home economics, to be apportioned for expenditure in the several States and Territories in the proportion that their rural population bears to the total rural population of the States and Territories, according to the last preceding United States census;

"(3) $8,000,000 for vocational education in trades and industry, to be apportioned for expenditure in the several States and Territories in the proportion that their nonfarm population bears to the total nonfarm population of the States and Territories, according to the last preceding United States census;

"(4) $1,500,000 for vocational guidance, to be apportioned for expenditure in the several States and Territories in the proportion that their total population bears to the total population of the States and Territories, according to the last preceding United States census; and

"(5) $2,500,000 for vocational education in distributive occupations, to be apportioned for expenditure in the several States and Territories in the proportion that their total population bears to the total population of the States and Territories, according to the last preceding United States census.

"(b) The funds appropriated under authority of paragraphs (1) to (5), inclusive, of subsection (a) of this section may be used for assisting the several States and Territories, for the purposes therein specified, in the maintenance of adequate programs of administration, supervision, and teacher-training; for salaries and necessary travel expenses of teachers, teacher-trainers, vocational counselors, supervisors and directors of vocational education and vocational guidance; for securing necessary educational information and data as a basis for the proper development of programs of vocational education and vocational guidance; for training and work-experience training programs for out-of-school youth; for training programs for apprentices; for purchase or rent of equipment and supplies for vocational instruction: *Provided*, That all expenditures for the purposes as set forth in this section shall be made in accordance with the State plan for vocational education.

"(c) Notwithstanding the provisions of subsection (a), the amount to be available for expenditure in any State or Territory shall be not less, for any fiscal year, than $40,000 each for vocational education in agriculture, in home economics, and in trades and industry; $15,000 each for vocational guidance and vocational education in distributive occupations and there is hereby authorized to be appropriated for the fiscal year beginning July 1, 1946, and annually thereafter, such additional sums as may be needed for the purpose of providing such minimum amounts.

"REQUIREMENTS AS TO MATCHING OF FUNDS

"SEC 4 The several States and Territories, in order to receive the benefits of this act, shall be required to match by State and local funds or both 50 percent of the appropriations made under authority of section 3 until June 30, 1951; 60 percent for the year ending June 30, 1952; 70 percent for the year ending June 30, 1953; 80 percent for the year ending June 30, 1954; 90 percent for the year ending June 30, 1955; and annually thereafter 100 percent of the appropriations so made.

"MAKING OF PAYMENTS

"SEC 5. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, shall, upon the certification of the United States Commissioner of Education, pay, in equal semiannual payments, on the first day of July and January of each year, to the custodian for vocational education of each State and Territory designated in the Smith-Hughes Vocational Education Act, the moneys to which the State or Territory is entitled under the provisions of this act.

"AVAILABILITY OF FUNDS FOR SALARY AND EXPENSES OF STATE DIRECTORS

"SEC. 6 Funds appropriated under authority of section 3 shall be available, on a prorated basis determined by the State board, for the salary and necessary travel expenses of a State director of vocational education selected by the State board, in accordance with the requirements of the State plan, on the basis of his technical and professional qualifications including experience in vocational education as a teacher and supervisor.

"APPLICABILITY OF SMITH-HUGHES VOCATIONAL EDUCATION ACT

"SEC 7. The appropriations made under authority of this act shall be in addition to, and shall be subject to the same conditions and limitations as, the appropriations made to carry out the Smith-Hughes Vocational Education Act; except that (1) the appropriations made under authority of this act for home economics shall be subject to the conditions and limitations applicable to the appropriation for agricultural purposes under the Smith-Hughes Vocational Education Act, with the exception of that part of section 10 thereof which requires directed or supervised practice for at least 6 months per year; (2) such moneys as are provided under authority of this act for trade and industrial subjects, and public and other service occupations, may be expended for part-time classes operated for less than 144 hours per year; (3) the provisions of section 11 of the Smith-Hughes Vocational Education Act, requiring at least one-third of the sum appropriated to any State to be expended for part-time schools or classes shall be held to include any part-time day-school classes for workers 16 years of age and over, and evening-school classes for workers 16 years of age and over; (4) the appropriations made by this act for distributive occupational subjects shall be limited to part-time and evening schools as provided in the Smith-Hughes Vocational Education Act, for trade, home economics, and industrial subjects and as qualified by the provisions of this section; (5) preemployment schools and classes organized for persons over 16 years of age or who have left the full-time school may be operated for less than 9 months per year and less than 30 hours per week and without the requirement that a minimum of 50 percent of the time must be given to shop work on a useful or productive basis; and (6) the appropriations available under section 9 of this act shall be available for expenses of attendance at meetings of educational associations and other organizations and for expenses of conferees called to meet in the District of Columbia or elsewhere, which in the opinion of the Commissioner, are necessary for the efficient discharge of the provisions of this act.

"RESTRICTIONS AND CONDITIONS

"SEC. 8. (a) No part of the appropriations made under authority of this act shall be expended in industrial-plant training programs, except such industrial-plant training be bona fide vocational training, and not a device to utilize the services of vocational trainees for private profit.

"(b) In order to receive the benefits of the appropriations made under authority of this act, the State board for vocational education of each State and Territory shall include in its State plan provision for the utilization of representative advisory committees, and where the interests of labor and management are involved they shall have equal representation.

"(c) After June 30, 1951, not more than 10 percent of the amount appropriated for each of the purposes specified in section 3 (a) shall be used for the purchase or acquisition of equipment.

"APPROPRIATIONS FOR OFFICE OF EDUCATION

"SEC. 9. For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated to the Office of Education, Federal Security Agency, for vocational education, for the fiscal year beginning July 1, 1947, and annually thereafter the sum of $350,000, to be expended for the same purposes and in the same manner as provided in section 7 of the Smith-Hughes Vocational Education Act, as amended October 6, 1917."

Mr. GEORGE. Mr. President, this bill was introduced by me on behalf of the Senator from Utah [Mr. THOMAS], the Senator from Alabama [Mr. HILL], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Vermont [Mr. AIKEN], the Senator from Louisiana [Mr. ELLENDER], and myself. The bill as introduced undertook to make certain changes in our basic vocational education system, but as reported by the committee the bill simply continues the present vocational education system exactly as it stands in the law today, but merely increases the appropriation to be matched by the several States out of either State or local funds. No change whatsoever is made in the basic law.

Those of us who are interested in the legislation agreed to the amendments made in the Committee on Education and Labor, and have agreed to the bill as reported, on the theory that this is the

best bill we can obtain at this time. There is an imperative reason why the legislation should be immediately considered and disposed of, because it is believed by friends of the legislation in the House that the House itself may be able to act before Congress adjourns.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WILLIS. Do I correctly understand the Senator to say that the bill proposes no change in the basic law, but merely an increase in the amount of the appropriation?

Mr. GEORGE. That is correct.

Mr. WILLIS. Can the Senator state how large the increase is?

Mr. GEORGE. Under existing law the annual appropriation by the Federal Government for vocational education aggregates $14,200,000. The increase in this bill is $16,150,000.

Mr. WILLIS An increase from $14,000,000 to $16,000,000?

Mr. GEORGE. No. The net increase is $16,150,000.

Mr. WILLIS. A little more than double the present appropriation.

Mr. GEORGE. A little more than double. The bill as introduced called for a larger appropriation, and also for some expansion of the system itself; but as the bill is reported, there is no change in the basic law. There is merely an increase in the several items for vocational education now carried in the annual appropriation bill.

Mr. WILLIS. Can the Senator state what reasons were advanced for the increase? Is it proposed to broaden the work?

Mr. GEORGE. The underlying reason is the tremendous demand on the States to provide vocational education for a larger and larger number of students. The end of the war and primary training of many of the veterans has put an unusual load upon the vocational education system itself.

Mr. WILLIS. As I understand, there is an increased demand on the part of the States to take advantage of this cooperative work.

Mr. GEORGE. There is an increased demand on the part of the States to take advantage of the program. The bill requires matching, as does the existing law.

Mr. HILL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. HILL. Is it not a fact that there has been a tremendous increase in the need and demand for vocational education because veterans who have returned from the war are now seeking such education?

Mr. GEORGE. The Senator is entirely correct.

Mr. HILL. The evidence before the Committee on Education and Labor shows the very great demand and the very great need today for vocational education. Unless we make provision to increase vocational training we shall be denying to veterans the very educational opportunities which we have said we propose to give them.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I may say to the Senator from Indiana that I think the evidence before the committee showed that the need for vocational education will be far from met, even with the increase in authorization contained in the bill. In relation to the demonstrated need, as it appeared from the record, I think this is a very conservative approach.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Ohio

Mr TAFT. I think the bill should be passed. The increased need is obvious. It is largely for the vocational education of veterans who require training for new vocations when they return from the Army.

The bill, as originally introduced, provided a plan calling for nearly $100,000,000 a year for practically a brand-new program, which included a great many phases of vocational education, such as teaching stenographers and bookkeepers, the wisdom of which is somewhat doubtful because private schools fulfill the need pretty well. It seemed to me that a more elaborate plan should be established for each State, and perhaps there should be some reconsideration of the distribution formula, if we are really to go into a new scale of vocational education. I think we could safely do more than is done in this bill. I believe that the entire act ought to be redrafted, and the whole purpose ought to be carefully thought out and studied. So I opposed the original bill. I believe that so far as the expansion of the existing system is concerned, practically doubling the present appropriations for vocational education, it is amply justified. I think there is no doubt about the wisdom of such expansion.

So far as expansion is concerned, I think there is only one new thing in the bill, and it relates to an appropriation of $1,500,000 for vocational guidance, which is an activity not authorized in the present law, but I think that is a very wise extension, and one which involves no large amount of money

Mr. GEORGE. I thank the Senator.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WILLIS. Personally I am in sympathy with this legislation, and I recognize the need for an increased appropriation for this work. Like all other Senators, I am concerned about the tremendous appropriations we are making. The proposed appropriation is rather insignificant in view of what happened earlier today.

On Monday we are to take up the price-control bill again. No power in heaven or on earth can stop inflation and control prices so long as we go madly ahead spending the money of the taxpayers. It is time to give the closest scrutiny to every increased expenditure if we are in earnest about protecting the welfare of the American people against the thing which we all fear, namely, a great inflation which might destroy the economy of our whole country.

Mr. GEORGE. I thank the Senator. I am in general agreement with his views.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, I acted as chairman of the subcommittee which held hearings on this particular bill. We were convinced that additional appropriations were needed for this kind of work Many members of the committee felt that even a larger sum of money should have been provided. Some thought that as much as $97,500,000 should be provided to carry on the work, but that it should be distributed under a different formula from the one under which funds are distributed at the present time. Finally we compromised upon this amount, and the bill was unanimously reported from the committee.

I think there is no question in the mind of anyone who was present at the hearings that every cent of appropriations recommended in the bill is absolutely necessary. It was brought out that a great many of the boys coming back from the service at this particular time are trying to enter various vocations in which they need this kind of training. Not only soldiers, but also our civilian population wish to go into this kind of work and be trained to carry forward various activities. Therefore, as I see it, it is useless to argue the point of the small amount which is now recommended.

I hope that at the next session we shall get together, iron out the differences, and write a formula which will suit the committee and result in the passage of a bill which will carry forward this work in the proper way, as it should be carried along and cared for.

So I certainly hope this bill will be passed now, and I hope that next year we shall do something else in this field.

Mr. GEORGE. I thank the Senator from South Carolina.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of June 8, 1936, relating to vocation education, so as to provide for the further development of vocational education in the several States and Territories."

ENCOURAGEMENT OF SMALL OIL REFINERIES

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 630) to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act, which were, on page 1, line 4, after "amended", to insert: "in order to assist small business enterprise by encouraging the operation

of oil refineries not having an adequate supply of crude oil"; on page 1, line 9, after "Interior", to insert: "when he determines that sufficient supplies of crude oil are not available in the open market to such refineries"; and on page 2, line 7, after "amended", to insert: "*Provided further*, That in selling such royalty oil the Secretary of the Interior may at his discretion prorate such oil among such refineries in the area in which the oil is produced"

Mr. O'MAHONEY. Mr. President, this bill was unanimously recommended for passage by the Senate Committee on Public Lands and Surveys, and was passed by the Senate without objection. It is a bill to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act. The bill provides in effect that such refineries not having their own sources of crude oil shall have a preferred right to buy royalty oil of the Government, when it is for sale

Mr. WHITE. Mr President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHITE. Does the Senator from Wyoming intend to request that the Senate concur in the House amendments to the bill?

Mr. O'MAHONEY. I do. The House has amended the bill in three particulars

Mr. WHITE. Has the Senator from Wyoming shown the amendments to the minority members of the committee?

Mr. O'MAHONEY. I have consulted my colleagues the Senator from Wyoming [Mr ROBERTSON] and the Senator from South Dakota [Mr. GURNEY], who now is on his feet. I have also consulted other members of the Committee on Public Lands and Surveys. The amendments are agreeable to them.

I now move that the Senate concur in the amendments of the House.

The motion was agreed to.

RENEWAL OF TRADE-MARK REGISTRATION

Mr. PEPPER. Mr. President, there are three small patent bills on the calendar. They have been unanimously recommended by the Committee on Patents, and their passage is urged by the Patent Office. All three of them are House bills. There is certainly nothing controversial in them. I hope the leadership will not object to the motion which I now make for unanimous consent for the consideration of these bills.

The first one is House bill 3424, Calendar No. 1110. The Patent Office urges very strongly the passage of the bill.

I now move that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 3424.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

Mr. WHITE. Mr. President, let me inquire whether these bills have been seen by the minority members of the committee.

Mr. PEPPER. They were reported from the committee and placed on the calendar by the majority and minority members of the committee, acting in concert.

Mr BALL. Mr. President, I should like to ask the Senator whether consideration of the bills has been objected to during a previous call of the calendar.

Mr. PEPPER. No; they have never been called during a call of the calendar.

Mr. BALL. Very well.

Mr. PEPPER. Let me say that the purpose of the bill is to authorize the President to allow to the foreign proprietor of a patent an extension of time to complete the application for a patent in this country, if the country of which he is a citizen will allow citizens of the United States similar consideration. The entire matter will be within the discretion of the President. The Committee on Patents strongly urges the passage of the bill.

The PRESIDING OFFICER. The Chair is advised that the bill was called during a previous call of the calendar, and at that time objection was made.

Mr. BARKLEY. Mr. President, I was about to say that the bill was called during a previous call of the calendar, and it went over because of the fact that the Senator from Florida was not present to make an explanation. It may be that I myself was the one who asked that it be passed over because of the lack of an explanation.

Mr. PEPPER. I did not realize that. The bill has been unanimously reported by the Committee on Patents. It is a House bill. The Patent Office has emphasized that, because such a law has not existed thus far, certain of our citizens have been at a disadvantage since some foreign countries have not been allowing reciprocity in connection with this matter, which relates to the completion of patents. Of course, there has been difficulty in having such patents completed, in view of the obstructions caused by the war.

The PRESIDING OFFICER. The question is on the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes, which had been reported from the Committee on Patents, with an amendment on page 2, in line 16, after the word "act", to strike out the period and insert a colon and the following: "*And provided further*, That the benefits of this act shall not extend to nationals of any enemy country with which the United States was at war in World War II."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AUTHORITY FOR PATENT OFFICE EXAMINERS TO SERVE AS EXAMINERS IN CHIEF

Mr. PEPPER. Mr. President, the next bill is House bill 4080, Calendar No. 1111. It is also unanimously reported by the Senate Committee on Patents. In order to enable the Commissioner of Patents to relieve some of the congestion in the Patent Office and to bring the work up to date, the bill merely authorizes the Commissioner of Patents to designate certain examiners to serve as examiners in chief.

The PRESIDING OFFICER. The bill will be reported by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4080) to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2) providing for officers and employees of the Patent Office, and for other purposes.

Mr. PEPPER. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the immediate consideration of the bill.

Mr. WHERRY. Mr. President, I should like to make an inquiry. The Senator from Florida stated that he had two or three small bills which he wished to have considered at this time. Does he mean that there are others which he wishes to have considered?

Mr. PEPPER. There is one more. I explained that I was offering them as chairman of the Patents Committee.

Mr. WHERRY. I did not hear that statement.

Mr. PEPPER. I am sorry.

Mr. WHERRY. Does the other bill have to do with the same subject matter?

Mr. PEPPER. Yes. All the bills come from the Patents Committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Patents, with an amendment, to strike out all after the enacting clause and insert:

That notwithstanding the provisions of section 476 of the Revised Statutes (U. S. C., title 35, sec. 2), the Commissioner of Patents is authorized to designate examiners of the principal examiner grade or higher, having the requisite ability, to serve as examiners in chief and such examiners so designated shall be fully qualified to act as members of the board of appeals constituted by section 482 of the Revised Statutes (U. S. C., title 35, sec. 7): *Provided*, That no such examiner shall so serve for more than 90 days in any calendar year: *And provided further*, That not more than one such examiner shall be among the members of the board of appeals hearing an appeal.

SEC. 2. This act shall take effect on the date of approval and shall expire 2 years after such date.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the Commissioner of Patents to designate examiners to serve temporarily as examiners in chief."

RENEWAL OF PATENT RELATING TO FLAG OF THE CHURCH OF GOD

Mr. PEPPER. Mr. President, the last bill is House bill 5258, calendar number 1112. I now move that the unfinished business be temporarily laid aside, and that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5258) granting a renewal of Patent Numbered 113,244 dated February 7, 1939, relating to the flag of the Church of God.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to the consideration of the bill.

Mr. PEPPER. Mr. President, it has been a uniform policy of the Patent Office to extend from time to time the patents which various religious organizations have obtained in the past. The bill now under consideration relates to a patent already issued to the Church of God.

The PRESIDING OFFICER. The bill is before the Senate, and is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GOVERNMENT EXPENDITURES

Mr. TAFT. Mr. President, I desire to have printed in the RECORD as a part of my remarks an estimate for the next fiscal year of the expenditures of the Federal Government. I may say that it is very difficult to prepare such an estimate at the present time, and I do not guarantee its accuracy, but I believe that it may be of some interest to the Senate.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE 1947 BUDGET

1. Indefiniteness of figures: When the 1947 Budget estimate was prepared by the Bureau of the Budget last winter, there were many doubtful items, not only concerning the future action of Congress, which might materially affect Budget figures but also concerning the general economic conditions likely to prevail in 1947, which would also affect the Budget. At the present time many of the doubts concerning congressional action have been resolved, but some still remain, and it is impossible to predict the turn of economic developments next year. None of the figures, therefore, can be claimed to be really correct at this time. The Bureau of the Budget will make a revised estimate of its own soon after Congress adjourns. This will probably appear early in August.

2. Footnotes: Footnotes have been appended to those figures which require explanation or amplification to be understood. In addition, figures which are in extreme doubt have footnotes in the nature of caveats. It must be emphasized that the footnotes are an integral and important part of the report, and deserve as much attention as the figures themselves.

3. Figures in millions: All figures, except in the textual material, are in millions of dollars.

4. Plan of this report: This report is divided into five sections, as follows: I—Public debt at the beginning of the 1947 fiscal year; II—Estimated receipts in fiscal 1947; III—Estimated expenditures in that year; IV—Treasury balance operations and the national debt at the close of the 1947 fiscal year; and V—A summary of all the foregoing. Section V summarizes in tabular form the textual explanations of the more detailed sections. Without an understanding of the components of section V, it is dangerous to rely upon the accuracy of the figures therein.

5. Description of source material: The basis of this report is the January estimate of the 1947 Budget. In addition, attention has been given to the Government Corporations Supplement, the Navy Supplement, the War Department (Military Functions) Supplement, and over 75 other supplements to the estimates contained in the January Budget, also, a study has been made of the 13 1947 appropriation bills and of the reports on them; and, finally, consideration has been given to legislation passed (or still likely to pass) since the January estimates, which might materially affect the 1947 Budget. On April 11 the President submitted a revised estimate of the 1946 budgetary outlook at that time This referred specifically only to the 1946 fiscal year, and merely made very indirect or general references to 1947 No official over-all estimates have appeared for 1947 since the January Budget. The Bureau of the Budget has been consulted with regard to explanations of some figures and has been cooperative, but no break-down of figures beyond those appearing in the 1947 estimate which appeared in January were obtainable from the Bureau.

I. NATIONAL DEBT AT BEGINNING OF FISCAL YEAR

At the close of business on June 28, 1946, the national debt stood at $269,422,099,173 according to the daily Treasury statement. Since this is the last business day of the 1946 fiscal year, this is the amount that will be shown as the debt at the beginning of the 1947 fiscal year.

	Millions of dollars
January Budget estimate	275,000
Actual	269,422

II. 1947 RECEIPTS

Estimated in January Budget	31,512

The January Budget estimate and all subsequent considerations of 1947 receipts are based upon the assumption that the entire 1946 tax structure will be substantially retained through fiscal 1947. This includes the wartime rates on excise taxes. Any revision of tax rates would, of course, affect receipts accordingly. The administration's position on taxation seems to favor major revision in the interests of attaining simplicity in the tax structure without any substantial change in rates. If this program is adhered to, and if wartime rates on excise taxes do not terminate in time to affect 1947 receipts, it now seems reasonable to expect an increase over the January estimate. Former Budget Director Harold D. Smith is reported as recently forecasting an increase of receipts to a possible $39,500,000,000. This seems excessive, however, and a more probable figure would be in the neighborhood of $35,000,000,000.

	Millions of dollars
January Budget estimate	31,512
President's statement of Apr. 11.	"Substantially higher than estimated"
Mr. Smith's estimate	39,500
Present best guess	35,000

III. 1947 EXPENDITURES

This is the major item of change since the January estimate. Figures presented in the following table are explained in detail in the footnotes following.

Mr. TAFT. Mr. President, we have heard a great deal in recent weeks from the President of the United States and others regarding the importance of preventing inflation. I quite agree with the general premise that Government should do everything to prevent a disastrous inflation and to prevent unreasonable increase in prices, wages, and profits. But when the President says that inflation can be controlled by rigid price regulation, he does not understand what our economic problems are.

In the first place, the rise of prices is really a result of inflation, not inflation itself. It is only one evidence of abnormal and unsound conditions. We cannot possibly prevent the results for long if we permit the causes to continue. Of course, the main cause of inflation was the huge Government deficit during the war. The secondary cause was the encouragement of rapid wage increases without increased productivity. Both of those measures created excessive purchasing power, and the attempt to control prices, partially effective, reduces supply and makes the excess of demand over supply much greater. Furthermore, increases in wages increase costs, and thereby force an increase in prices.

Price control, of course, is impossible to continue for long after wage control is abandoned, particularly if prices are held with extreme rigidity. The only result is a black market which nullifies the control.

It is nothing but hypocrisy to denounce inflation in one breath and in the other to advocate every spending project, and every increase in wages which is demanded.

I have heretofore referred to the fact that the President's policy has been to increase wages and salaries throughout the Nation at least 20 percent, bringing them to at least 50 percent over prewar. The inevitable result of this in the end will be that prices will be fixed permanently somewhere from 40 to 50 percent above prewar, no matter what we may try to do to prevent it. It is simply deceiving the people to pretend that wages and other costs can be increased substantially without increasing prices by practically the same percentage. Wages and salaries make up at least 70 percent of the cost of most products. Farmers get another 10 percent of the national income. Even if returns to individual businessmen and corporation profits are completely eliminated, price increases will have to be 80 percent of wage increases if there is a corresponding increase in farm prices.

Today I wish to talk somewhat more extensively on the subject of Government spending.

The President has recommended to Congress, so far as I can judge, every proposal which anyone has suggested to him for the spending of Government money. When he submitted the Budget he estimated tax receipts of $31,500,000,000. He estimated expenditures of almost $36,000,000,000, leaving a deficit of more than $4,000,000,000 for the next fiscal year. It was impossible to analyze the Budget, because he included a lump sum of $1,500,000,000 for new projects of different kinds which it was impossible to identify. Since then many additional spending proposals have been submitted by the President or by congressional advocates. There has been no revision of the Budget, and it is difficult to obtain accurate information.

I have requested from the Treasury some estimate of tax receipts, but it has not been furnished. Some information seems to have reached the newspapers that tax receipts will be much greater than estimated, and may run from $35,000,000,000 to $39,500,000,000. I am inclined to think that estimates of profits for the year 1946 are completely conjectural, and I should be surprised if the total tax receipts for the 1947 fiscal year exceeded $35,000,000,000, which is about $3,500,000,000 more than the President estimated in January.

The expenditures, on the other hand, including all measures which have passed one House of Congress, but not both, amount according to my calculation to approximately $47,000,000,000. This is not very different from an estimate made by the Committee on Economic Development, except that I have included $2,750,000,000 for the Bretton Woods fund as an expenditure in the year 1947. This does not appear in the usual Treasury statements, but it looks to me like any other expenditure. We turn over $1,800,000,000 to an international organization over which we have no control. We also give it a non-interest-bearing note for $950,000,000 which should be an addition to the national debt. It puts dollars in the hands of foreign purchasers and thereby adds to the purchasing power against American goods.

Counting this additional expenditure, the calculation shows a possible deficit of ten or twelve billion dollars, which cannot be otherwise than inflationary.

There is one large item, namely, an item of $3,000,000,000 for terminal-leave pay, which has been approved by the other House and not yet considered by the Senate. That is the only large item about which I believe there can be any doubt in connection with the total sum.

In other words, while we are talking about preventing inflation we are creating, to a large extent out of thin air, a purchasing power of $10,000,000,000. This necessarily adds to inflationary pressures. It makes the price-control effort still more futile. It makes ridiculous the President's appeals against inflation. In effect, the administration is pretending to be the great friend of a stable economy while its basic policies are stabbing that economy in the back.

Mr. President, I ask unanimous consent that a table with footnotes attached be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the table and footnotes were ordered to be printed in the RECORD, as follows:

Expenditures, fiscal 1947

[All figures are in millions of dollars]

	January Budget estimate	Present estimate	Change
National defense:			
War Department	8,000	[1] 8,300	+300
Navy Department	5,000	[2] 5,218	+218
Coast Guard			
Executive Office of the President	1,059	[3] 1,141	+82
Temporary agencies	547	[4] 582	+35
Federal Security Agency	2	10	+8
Department of Agriculture	33	[5] 61	+8
National Housing Agency	16	16	
Appropriations to liquidate contract authorizations	500	[6] 500	
Department of the Interior	13	[7] 15	+2
Department of Justice	5	5	
Post Office Department	17	17	
Veterans' Administration	5	[8] 12	+7
All other services	474	[9] 474	
Total, national defense	16,000	16,748	+748
Interest on the public debt	5,000	5,000	
Refunds of receipts	1,585	1,585	
Civilian functions	4,206	[10] 5,000	+792
International finance:			
Loan to China	1,800	[11] 1,800	
International Bank for Reconstruction and Development	254	[12] 254	
International Monetary Fund		[13] 2,750	+2,750

[1] The increase is based upon (1) the naval appropriation bill (H. R. 6406), as passed, plus (2) the Coast Guard appropriation bill (H. R. 6826) as passed over and above the same amount included in the January Budget.

[2] Same as footnote [1] above.

[3] This increase is based upon (1) the legislative appropriation bill (H. R. 6601), as passed over and above the same amount included in the January Budget, (2) the Coast Guard appropriation bill (H. R. 6826) as passed over and above the same amount included in the January Budget, and (3) various supplemental appropriations and miscellaneous items. Inasmuch as the conference report on the legislative appropriation bill (H. R. 6601) was not agreed to in various respects by both Houses of Congress at the time this report was prepared, the figures in this column are subject to change.

[4] This increase is based upon (1) the January Budget estimates, (2) increases allowed in various appropriation bills over the January estimates.

[5] UNRRA. The total United States expenditures for UNRRA in 1947 (fiscal) are estimated at $1,300,000,000. For budget purposes this amount has been broken up among the different departments and agencies concerned with UNRRA funds and activities. All of it is under the general heading of "National Defense" and within that [illegible] $25 million [illegible] Department [illegible] Navy [illegible] War [illegible] Office of the Secretary [illegible]

[6] Of the $3,750,000,000 proposed to be loaned to the United Kingdom pursuant to S. J. Res. 138, it is calculated that [illegible] will be drawn upon in the fiscal year 1947. The remainder, under the terms of the agreement, will be drawn upon in the fiscal years [illegible] This item [illegible] about [illegible] will be used in the fiscal year [illegible]

[7] This amount represents 4 percent of the United States [illegible] Export-Import Bank. It takes into account [illegible] Export-Import Bank [illegible] to the Export-Import Bank itself. It is assumed that the Bank [illegible] in the fiscal year [illegible]

[8] The total United States subscription to the International Monetary Fund is $2,750,000,000. Of this amount $1,800,000,000 will be provided in gold and cash from the exchange stabilization fund established under the Gold Reserve Act of 1934, and the remaining $950,000,000 will be paid initially in the form of non-interest-bearing Treasury notes. Neither of these payments will be carried by the Treasury as an expense item. Nevertheless, we are actually paying out to an international organization over which we have no control $1,800,000,000. We are also issuing a note bearing on our Government which increases the national debt by $950,000,000 and is, therefore, equivalent to an actual expenditure just as if we had paid the money and borrowed it back in exchange for a Government note. By the entire transaction the assets of our Government in fiscal 1947 will be reduced by $1,800,000,000, while liabilities increase by $950,000,000.

Expenditures, fiscal 1947—Continued

[All figures are in millions of dollars]

	January Budget estimate	Present estimate	Change
Aids to agriculture	501	[9] 531	+30
Social Security, etc	1,054	[10] 1,056	+1
General public-works program:			
Highways and airports	317	[11] 278	−39
Rivers and harbors	110	[12] 100	−10
Flood control and reclamation	406	[13] 357	−51
Veterans (hospitals)	120	[14] 240	+120
Housing	90	[15] 90	
Other	25	25	
General Government:			
Legislative branch	37	37	
The Judiciary	16	[16] 15	−1
Executive Office of the President	5	5	
Civil agencies and departments	1,500	[16] 1,428 [Surplus] 17	−72 −17
Post Office Department			
District of Columbia	6	[17] 8	+2
Expenditures from anticipated supplemental appropriations			
Expenditures based on proposed legislation	875	[18] 875	
	1,500	[19] 1,500	
Total	35,124	39,357	+4,233

[9] This increase was made in the appropriation act for the Department of Agriculture (formerly H. R. 5605) in order to restore the regular conservation program to the $300,000,000 authorized in the 1946 act.

[10] This increase is based upon supplementary Budget estimates submitted since the January budget. The recent increase in the Federal contribution to old age, dependent children, and blind payments added by the Senate to H. R. 5526 is not included anywhere in this report as it has been impossible to ascertain the cost thereof during the next fiscal year. Nor has any amount been added to this figure to reflect the possible costs to the Government of H. R. 6911 as the time and final form of passage of this bill are very uncertain.

[11] This amount does not include provisions for expenditures under the Federal Airport Act (Public Law 377). Estimates for these expenditures are included in the lump sum of $1,500,000,000 entitled "Expenditures based on proposed legislation." However, for simplicity it will be taken up at this point. The exact amount estimated by the Budget Bureau for this purpose is not revealed, but it includes all of the $3,000,000 authorized in sec. 8 (a) of the act for preliminary planning and surveys plus an amount for first-year activities under State projects. The Commerce Department appropriation bill (H. R. 6056) contains an appropriation of $52,000,000 for this latter purpose, and it may be assumed that this full amount was included in the January budget under the "Proposed legislation" heading.

The reduction in the figure to which this footnote is attached is due largely to a decrease in the 1947 appropriation bills as compared with the Budget estimates.

[12] These reductions are due to decreases in the 1947 appropriations below the amounts provided for in the Budget estimate of last January.

[13] The entire 1947 expenditure for the veterans' hospital construction program was theoretically provided for in the January budget estimate. It now appears, however, that this amount will be at least double the original estimate. (See Hearings before House Appropriations Subcommittee on third urgent deficiency appropriation bill, H. R. 6801.)

[14] This figure has been left unchanged because the 1946 housing authorizations are of such great significance that it has seemed best to list them separately. They will be found under the classification of "Unanticipated legislation."

[15] These changes are due to reductions in appropriations below the estimates of the January budget. The appropriation bills have been considered in their latest available status, whether that be as passed by the Senate, reported to the Senate or passed by the Senate. The amounts in them change from day to day, and cannot be taken as completely accurate. As for the Post Office Department item the change is due to a reduction of 1947 appropriations. No revision has been made of expected Post Office receipts.

[16] A compromise figure of $8,000,000 in the Federal share of District of Columbia expenses has been reached and approved by Congress in H. R. 5990.

[17] "Expenditures from anticipated supplemental appropriations" and "Expenditures based on proposed legislation" are 2 catch-alls. Between them they contain provisions for much of the legislative program requested by the President in his Budget message. The Bureau of the Budget has been unwilling to provide any breakdown of the amounts that went into these 2 figures, but they do say that included in some amount are the following: major items, as well as many minor ones. The postal employees' pay raise, the Federal employees' pay raise, an amount under the Federal Airport Act (see footnote 11 for details), an amount for the administrative expenses of the OPA and the Selective Service System, and an amount for first-year activities under the hospital bill (S. 191), amounts for an educational program, [illegible] control, recreational facilities, and Federal public buildings. Major items not included which have passed or seem likely to pass Congress are listed immediately below under the heading "Unanticipated legislation."

Expenditures, fiscal 1947—Continued

[All figures are in millions of dollars]

	January Budget estimate	Present estimate	Change
Expenditures based on anticipated legislation			
Housing (Lanham Act increase)	.....	[11] 250	+250
Housing (Patman Act premiums)	.....	[12] 400	+400
Armed forces' pay increase	.....	[13] 632	+632
Philippine rehabilitation	.....	[14] 650	+650
Enlisted men's terminal leave	.....	[15] 3,000	+3,000
Cemeterial transfers	.....	[16] 92	+92
Reorganization of Congress	.....	[17] 12	+12
Total, unanticipated legislation	.....	4,986	+4,986
Total, general and special accounts	35,124	44,373	+9,249
ACCOUNTS OF GOVERNMENT CORPORATIONS [18]			
International finance: Export-Import Bank	1,000	[19] 2,000	+1,000
Other	Surplus 198	[20] 1,020	+1,218
Total, Government corporations	802	3,020	+2,218
Grand total	35,926	47,394	+11,467

[11] This is Public Law 336, providing for construction of veterans' emergency housing. It will be largely expended in fiscal 1947, although the appropriations for it have been designated as being available "until expended."

[12] These premiums on housing materials have been authorized to be spent on a permanent basis, that is, to mature beyond the 1947 fiscal year. [illegible] Reconstruction Finance Corporation, and [illegible] the program and under what it would be [illegible] and all [illegible] the [illegible] [illegible] [illegible]

insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) Decontrol of nonagricultural commodities: (1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

"(e) Agricultural commodities: (1) On the first day of the first calendar month which begins more than 30 days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"(C) Within 10 days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such minimum prices in accordance with such recommendations.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

"(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

"(A) An agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"(B) The term 'agricultural community' shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

"(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this act, and upon the withdrawal of his approval such action shall be rescinded.

"(6) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

"(f) Saving provision: Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"(g) Petitions for decontrol: (1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"(2) Within 15 days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards of decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within 10 days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, no later than 5 days prior to such hearing, present in writing evidence relating thereto. Within 15 days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"(3) At any time within 30 days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within 30 days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Sen-

ate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of $12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of 3 months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: "In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region."

SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists courts, rooming houses, and boarding houses."

SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin-America and Africa for which commitments were made before January 1, 1946, $31,000,000.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, $100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, $869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than $629,000,000 during the last 6 months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 86, 104, and 238 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 238, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy.

(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946 (Public law 388, 79th Cong.).

SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(i) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or subetantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer."

SEC 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words "or any operator of any service establishment" after the words "seller of goods at retail."

SEC 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections.

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of 6 months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of 6 months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 percent of the deliveries thereof in the corresponding quarter of 1945.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

"(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942."

SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"SEC. 6 (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

"(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

"(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"(g) As used in this section, 'product' shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator fails to make the adjustments in the maximum prices for any product required by this section or to deny the application within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

SEC. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result

of failure to take practicable precautions against the occurrence of the violation."

(b) Section 205 (c) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration, or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1943 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1943 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

SEC. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable, but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed."

SEC. 14. Section 2 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following.

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1936 to 1941, both inclusive)."

SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed

SEC. 16 (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however*, That only one election may be made for each lot of wheat: *And provided further*, That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

(b) Any producer of wheat who, prior to the date of enactment of this act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order No. 144, may, at any time within 90 days after the date of enactment of this act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

SEC. 17. This act may be cited as the "Price Control Extension Act of 1946."

SEC. 18. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942 (except sections 204 and 205), as amended, or the Stabilization Act of 1942 (except sections 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts: *Provided further*, That insofar as the provisions of this act require any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this act.

RECESS TO MONDAY

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until Monday, July 8, 1946, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 5, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer.

O Thou great God of men and of nations, we thank Thee for all our yesterdays and for that day of solemn and sacred memory in our national history which we call Independence Day. May our minds and hearts continue to enlarge with pride and praise for our beloved country, conceived in sacrifice, dedicated to Thy glory, and consecrated to the service of humanity.

We pray that the ethic of good will and justice and friendship may be the foundation upon which we are seeking to build a more glorious nation and a better world. Fill us with an eager and earnest desire to translate the lofty ideals of democracy and freedom into practical economic, political, and social realities.

May our President, our Speaker, and all the Members of this legislative body, who share the responsibilities of government, be inspired to lead struggling humanity out of the darkness of night into the radiant light of a new day that will be more wonderful than our dreams and more blessed than our fondest hopes.

Hear us in our Saviour's name. Amen.

The Journal of the proceedings of Wednesday, July 3, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1606. An act to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes; and

S. Con. Res. 69. Concurrent resolution further increasing the limit of expenditures for the investigation of the Pearl Harbor attack.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 394. An act to authorize the Administrator of Veterans' Affairs to furnish certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United

States in World War II, and for other purposes; and

S. 584. An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 346) entitled "An act to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr McCARRAN, Mr. HUFFMAN, and Mr. STANFILL to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1801) entitled "An act authorizing the appointment of an additional judge for the district of Delaware," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. MURDOCK, and Mr. MOORE to be the conferees on the part of the Senate.

THE LATE GUY T. HELVERING

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON. Mr. Speaker, it is my sad duty to announce to the House the death of Judge Guy T. Helvering, a former Member of this body. Mr. Helvering died yesterday morning at Doctor's Hospital in Washington, D. C. He came to Washington about 3 weeks ago and passed away following an operation.

Mr. Helvering served in the House from March 3, 1913, to March 3, 1919. During the last two terms of his service, he was a member of the Ways and Means Committee. In 1933 President Roosevelt appointed him Commissioner of Internal Revenue, and he served in that capacity until his appointment as Federal judge in 1943.

Judge Helvering was one of Kansas' most influential citizens, having been the recognized leader of the Democratic Party for many years. He was a successful businessman and a distinguished and honorable public servant. His influence and guiding hand will be missed in the State and Nation.

During my service in Congress, I have had the opportunity of working with Judge Helvering, and he was always friendly and most helpful. Personally, I am going to miss him very much.

Judge Helvering is survived by his widow, Mrs. Tinnie L. Helvering, of Salina, Kans. I want to extend my sincerest sympathy to Mrs. Helvering and other members of the family.

Mr. HAYS assumed the chair.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Texas.

Mr. RAYBURN. I learned on yesterday about the passing of an old friend, Guy Helvering. I served in the House with him many years ago. He went out of public life and into business. Then he was called to serve as Commissioner of Internal Revenue. While Guy Helvering was Commissioner of Internal Revenue we had a Commissioner that knew what it was about. He was a splendid administrator. He was a patriotic and great American. The country has suffered a real loss in his going.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Mr. Speaker, I join with my fellow Members to pay tribute to the life and character of a distinguished former Member of this House, Judge Guy Helvering, who passed to his great reward yesterday.

Judge Helvering had a distinguished career in the State of Kansas. After he left college, he became prosecuting attorney in the county of his residence. He served as a Member of this body prior to and during World War I. He retained his interest and leadership in the Democratic Party and was always effective in political campaigns.

He was successful in the banking business in his home city of Salina, Kans. He served as State highway director during the administration of Gov. Harry Woodring. In 1933 he was appointed Collector of Internal Revenue of the United States, where he served until 2 years ago, when the President appointed him to the judgeship of the Federal district of the State of Kansas.

Although Guy Helvering was of the opposite political faith and although I disagreed with him on many occasions with respect to matters of political policy, I always found him to be fair in a political contest. He was kind. He was unassuming. He was extremely effective.

In the passing of Judge Helvering, the State of Kansas has lost one of its influential citizens. His keenness of intellect and his devotion to his country will be a source of inspiration to everyone who knew him and felt the touch of his friendly spirit.

Yet hope will dream and faith will trust
For He who knows our needs is just,
Somehow, somewhere, meet we must,
Alas, for him who never sees
The stars shine through his cyprus trees!
And hopeless lays his dead away.
Nor sees the breaking of the day
Across the nourmful marbles play!
Who hath not learned in hour of faith
The truth to flesh and sense unknown
That life is ever lord of death
And love can never lose its own!

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include a newspaper article and a letter.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include two editorials from the St. Joseph News-Press.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Edward Steidle.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include a few quotations.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GROSS. Mr. Speaker, since I am a member of the Committee on Insular Affairs and have had a good deal to do with the legislation concerning the Philippines, I ask unanimous consent that I may include in an extension of my remarks an article appearing in the National Grange Monthly entitled "Philippine Independence," written by Fred Brenckman.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE SLAUGHTER-CONTROL PROGRAM

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I have asked for this time because there is a very serious situation that has not been corrected. I have tried to correct it for 30 days. The OPA in my State has sent out word to its local board that the slaughter-control program and sugar rationing continue as usual since authority for such program arises from the Second War Powers Act instead of the Price Control Act.

That information is to be found in an article appearing in the Manawa (Wis.) Advocate, as follows:

BUSINESS AS USUAL AT OPA OFFICE HERE

The following telegram was received this Monday afternoon by Roy Holly, chairman of the local price control board, from F. L. Earp, Green Bay, district director:

"Local boards may continue to schedule and conduct conferences and negotiate settlements with respect to violations occurring prior to July 1, 1946, and forward checks and files to district office for approval. No board surveys to be conducted after June 30, 1946, until further notice.

"The slaughter-control program and sugar rationing continue as usual since authorities of such program arise from the Second War Powers Act instead of Price Control Act. There should be no lapse in activities on either of these programs. Urge all board members and employees to carry on until final decision reached regarding agency."

What I would like to know is exactly who influenced President Truman to issue Executive Order 9745 on June 30, 1946. I realize that the small slaughterers were accused of being in the black market. That was the excuse given for keeping the small slaughterer under the OPA. But the point here is that we cannot take that position any more and no one else can take it that there should be a quota on the small slaughterer and I would like to know why the small slaughterers of this country have to submit to this kind of discrimination. There must be an answer to it. I do not want to

criticize anybody or criticize the administration, but I do think that as a Member of Congress I am entitled to have certain information. I wish to write to my constituents and explain to them why it is that even though the OPA has taken a sleeping pill they cannot slaughter cattle while cattle by the trainload are going to the big packers. I would like to have someone or some spokesman of this administration get this information for me. And will the administration spokesman advise the membership first why this Executive order was issued, and secondly who influenced the decision to issue such an unfair order?

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. MASON. Have you tried to get this information from the source from which it was issued?

Mr. MURRAY of Wisconsin. Yes; I will say that I did try to get it from the source and they said that the Department of Agriculture was ready to recommend the discontinuation of controls on small slaughterers just as the OPA went out of operation, but that does not answer the question. I expect an answer. I have hundreds of small slaughterers in my district, as many as my colleagues have. This administration is being accused rather freely of talking against monopolies, but lying awake nights figuring out schemes to help them. The people deserve a fair answer and I am waiting for it. In the meantime, our legal colleagues might well take another look at the Second War Powers Act.

EXTENSION OF REMARKS

Mr. JACKSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from Time magazine.

THE LATE THEODORE W NOYES

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, on Wednesday a great man died. Members of the Congress knew of his work and admired him greatly.

As an editorial tribute to Mr. Theodore W. Noyes, in a column of his historic competitor this morning, I wish to quote the following:

THEODORE W. NOYES

The ending of a long life well lived is an occasion more for reflection and appraisal than for sorrow. So it is with the passing of Theodore W. Noyes, who had attained the ripe age of 86 and had been for 38 years the editor in chief of the Evening Star. A man of sterling character and great kindliness, Mr. Noyes had endeared himself many years ago to the community of which he was so integral a part. That affection and that respect were not lost with the passing of his active responsibilities into younger hands. On the contrary, we can readily imagine this teeming city, which he did so much to improve, repeating in unison: "Well done, thou good and faithful servant."

There is much to commend in the stability that is reflected in Mr. Noyes' career. He served the Star for nearly three score years and ten. Under its present ownership, the Star has had only two editors, Mr. Noyes and his father, Crosby S. Noyes, whom he succeeded. The manner in which that paper has grown and developed journalistically as well as in community service during that long period is a great tribute to both.

Washington was the primary interest in Mr. Noyes' journalistic career. That is not surprising, for he came to realize as a very young man that the Capital was a discredit to the Nation. He saw it, as he once said, as a city of mud and mire, of unimproved streets without trolleys, of inferior dwellings and open sewers—a city neglected in point of both physical and political development. His became the self-appointed task of fighting to make Washington the Capital that it ought to be, and he pursued that task with relentless energy so long as his strength lasted. His journalistic work was merged into widespread community endeavors. Mr. Noyes took an active hand in civic organizations and movements too numerous to mention. And it was in large part due to his influence that all but a scattered few of the city's civic agencies joined in support of an amendment to the Constitution to give the people of the District representation in Congress and the electoral college. So long as the fight for suffrage goes on and so long as the voting privilege is exercised when won, the name of Theodore W. Noyes will be linked with the great task of democratizing the Capital of the greatest democracy on earth.

The SPEAKER. The time of the gentleman from Arkansas has expired.

EXTENSION OF REMARKS

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Sunday Washington Post.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD in three different instances, in two to include a newspaper article, and in the third an article on the housing situation.

Mr. BATES of Massachusetts (at the request of Mr. MICHENER) was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an editorial by Marquis Childs entitled "Birth of a Nation"; also an article by Vincenti Villamin entitled "History Outlook of a New Nation," relating to the Philippine Nation.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include a proclamation issued by President Truman, known as the Philippine Proclamation; also a broadcast by President Truman to the Philippine people, and the text of an address by Gen. Douglas MacArthur at the Philippine independence ceremony in Manila.

STREAM-POLLUTION LEGISLATION

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, the situation that developed last Wednesday left the call for Calendar Wednesday with the Committee on Rivers and Harbors. That committee has pending before it and ready for action by this House a bill known as the stream pollution bill. It is a measure that should have consideration by this House, and in my opinion should be passed before the Congress adjourns, which it is said will be within the very near future.

I do not know of any legislation that is more important to the people than the stream-pollution legislation. I hope the party leaders will see to it that this bill, which is gathering moss and suffering from neglect, has attention.

This bill, Mr. Speaker, is H. R. 6024, and was introduced in the House of Representatives by the gentleman from Texas [Mr. MANSFIELD], chairman of the Rivers and Harbors Committee. As the committee report indicates, the pollution of our waterways by raw sewage and industrial waste has, with the growth of population and industry, brought about a condition which is a menace to the health of million of our people. That is the language of the committee report.

This type of legislation has long been demanded; and, in my opinion, there should be no further delay. Of course, this matter of water pollution is a national matter, but the people of Minnesota are also concerned. I have had correspondence from Arthur M. Clure, secretary, Isaak Walton League of America, care of McCabe, Gruber & Clure, seventh floor, Torrey Building, Duluth 2, Minn.; Earl F. Nolte, president, Hibbing chapter, Isaak Walton League, Hibbing, Minn.; also, E. E. Eichman, president, Isaak Walton League, Coleraine, Minn.; also, W. C. Hodges, president, Minnesota Resort Association, Grand Rapids, Minn.; and F. M. Shouse, secretary, Minnesota division, Isaak Walton League of America, 1771 Bryant Avenue South, Minneapolis 5, Minn.

All of these men are representatives of groups of our citizens who are very much interested in this proposed legislation.

In addition to the foregoing, I have had correspondence from Chester S. Wilson, commissioner of conservation and chairman, water pollution control commission, Minnesota Department of Health Building, University Campus, Minneapolis 14, Minn.; Dr. C. B. Eusterman, Mayo Clinic, Rochester, Minn.; C. L. Horn, Minnesota Emergency Conservation Committee, 2300 Foshay Tower, Minneapolis 2, Minn.; A. J. Chesley, secretary, State board of health, water pollution control commission, Minnesota Department of Health Building, University Campus, Minneapolis 14, Minn.; and others.

I call attention to the interest of these people, representing, as they do, various groups throughout the State of Minnesota.

It would make these remarks too long to call attention to other persons and organizations in various parts of the country which have written me because of my membership on the Rivers and Harbors Committee of the House. This committee, of course, has jurisdiction over the water-pollution question, and all members of the committee have been well informed, not only by the testimony presented in the hearings but by infor-

mation furnished by citizens in all sections of the United States.

The SPEAKER. The time of the gentleman from Minnesota has expired.

STREAM-POLLUTION CONTROL LEGISLATION

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Speaker, I take this time to echo the sentiments expressed by my good friend, the gentleman from Minnesota [Mr. PITTENGER] and to call attention to the fact that the Rules Committee has very kindly granted a rule on our stream-pollution control bill. I hope it will not be necessary to use the rule in order to get the bill before the House, however, because it should come up as the first matter of business on Wednesday.

If the stream-pollution control bill does come up Wednesday I urge those who have had the habit of asking for a great many roll calls on Wednesday to be good enough to defer those roll calls until we have had time to fully discuss this measure. The debate will consume the entire day and will give us an opportunity to pass a real constructive piece of legislation on Wednesday. That piece of legislation will add greatly to the achievements of the House as far as our activity record on Calendar Wednesday is concerned during the past few weeks. I hope no effort will be made next Wednesday to delay action on this important legislation

The SPEAKER. The time of the gentleman from South Dakota [Mr MUNDT] has expired.

PROGRAM FOR TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I wish to clarify a little uncertainty about today's program which arose in the colloquy I had last Wednesday with the gentleman from California [Mr. PHILLIPS] and with the Speaker.

The gentleman from California [Mr. PHILLIPS], made this inquiry:

Mr. PHILLIPS. Reserving the right to object, referring to Friday of this week, do you mean that we will just meet on Friday and adjourn? Will there be any business conducted on Friday?

Mr. McCORMACK. Of course, if any Member wants to make a speech that would be perfectly in order. But there will be nothing of a controversial nature. I am not putting any legislation on the program for Friday. Of course, there may be some bill that might go through by unanimous consent, but there is none that I know of at the present time.

Then, later the Speaker made this inquiry of me:

The SPEAKER. In order that the Chair may understand the situation, does the gentleman from Massachusetts mean that nothing will be done on Friday except by unanimous consent?

Mr. McCORMACK. There is no legislation and nothing will be done except by unanimous consent, such as 1-minute speeches, or 5-minute speeches or anything of that kind.

My answer to the gentleman from California [Mr. PHILLIPS] was that legislation could be considered and passed by unanimous consent, but my answer to the Speaker indicated that nothing would be done today except for Members to make a few speeches.

There being a little seeming conflict between my two replies I state now that as far as I am concerned my answer to the Speaker will be controlling today.

THE LATE HON. GUY HELVERING

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, as was announced earlier, a former Member of this House, Guy Helvering, passed away in this city yesterday.

It was my fortune to have served with him during the entire time he served in this House—from 1913 to 1919. Afterward I had the privilege of working with him in the 1932 Democratic convention, where he was a delegate from his State. He with other delegates supported the candidacy of Franklin Delano Roosevelt. I have never seen a man more sincere or more active with his delegation than Guy Helvering. He was trying to impart to members of the Kansas delegation, in which there was a division, and to the convention what a great man Franklin D. Roosevelt was. I had the pleasure of knowing the then Governor of New York, who became President of the United States, and whom the country unfortunately lost only a year ago. Consequently it was not necessary for Mr. Helvering to lose much time in gaining my support. I cooperated wholeheartedly with him.

After Mr. Helvering's service in the House, recognizing his sincerity, honesty, and ability, the President appointed him Commissioner of Internal Revenue, and during the 10 years he served he made a splendid record. He was honorable, he was honest, he was able, and hard working. In 1943 the President appointed him to the bench, and as a judge he also made a splendid record.

I have known Guy Helvering and Mrs. Helvering all through the years. I never knew a family the members of which were more devoted to one another than they. They lived in the same hotel and I had frequent contact with them. He was a lovable man, a good husband, and an outstanding American citizen. Naturally, I regret to learn of his passing. His State, the bench, and our Nation have lost an outstanding citizen, and I take this opportunity of extending to his State, to the country, and to his beloved wife my sincere sympathy in his passing.

BRITISH LOAN

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LANDIS. Mr. Speaker, the British loan must be defeated. Every time we spend or give away another billion we reduce the value of our dollars. Spending, lending, giving, and losing will lead to runaway inflation.

The British loan in its present form is a subsidy to the British Empire. We have no right to tax our citizens to make loans to foreign countries without security. There is still time to revise the loan and make Britain put up collateral in the form of island bases or contracts for strategic and critical materials.

Some Americans are disturbed about a British threat that they will wage war at our expense on the economic front. I do not fear a threat of trade restrictions because foreign trade is a two-way street. America will continue to purchase products from Great Britain and they will continue to buy some of our products if they cannot get them from their far-flung empire.

Rumors are afloat that unless we vote for the loan it will embarrass the White House and State Department. It will certainly take a lot of nerve to vote for such a hodgepodge. This piece of legislation should be tabled until after the election and give the American citizens an opportunity to vote on such a proposal. I am certain the American people are against the present loan in its present form.

THE LEGISLATIVE PROGRAM

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I have just listened to the announcement of our distinguished majority leader. I am disappointed that we are moving so slowly with our program. Of course, I am a minority Member of this House, but we were given to understand that this week would be a full week for the consideration of many important legislative matters now pending. There are a good many measures on the calendar that require the consideration of this House. We understood that during Friday and Saturday we were to have a full program. I am disappointed in that we have no legislative business on either Friday or Saturday of this week.

In a few days we will get to a place where those in charge of the program will be crowding and jamming legislation through the House, beginning sessions early in the morning and working until late at night. We could just as well have used these 2 days to extremely good advantage in taking care of some of the important measures on the Calendar. I am informed that legislation on the proposed loan of $4,000,000,000 to the British is next in order. I observe the leadership has assigned several days for its discussion. It seems to me that we could just

as well have used these 2 days for the discussion of that proposal. Every legislative day is valuable to most of us right now, and all available time should be used for the purpose of disposing of important legislative matters that ought to have our consideration before a recess is declared. Too many important measures are pending for this House to fail in use of this valuable time.

THE BRITISH LOAN

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, I was very much disappointed when I learned that we are going to have 16 hours' general debate on the British loan bill. I do not believe speeches are going to change one vote. Regardless of the position a Member takes in his remarks on one side or the other, in my opinion, he is going to lose votes no matter what district in the United States he represents. You can explain a vote, but you cannot explain a vigorous denunciation of the opposition.

So I hope, Mr. Speaker, that we can get to a vote on that matter without using all of that time.

EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a letter from Mayor Edward J. Kelly, and in the other a letter from Mr. Wilson Wyatt.

THE POSITION OF CERTAIN MEMBERS

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, I was somewhat surprised to see in the papers yesterday where a Republican bloc of gentlemen, who had generally voted against old-age pensions in the past, according to the CONGRESSIONAL RECORD, and who have voted against some of the housing legislation for veterans, stated that the British loan should not be made because we should use that money for old-age pensions and for veterans.

I want to point out that on a good, stable world economy it will be much easier for our country to pay old-age pensions, aid the veterans, support the war debt, and make the loan than it would to carry the veterans' program alone if we force ourselves into a trade conflict with the rest of the world which may also lead to the third world war.

It is part of the cost of the war to help rehabilitate our war-torn allies.

This loan is not a burden on our country; it is self-liquidating. Oh, yes; I know you might say Britain did not pay back all of the loan after the last war, but let me remind you that she made her payments until 1931 when the Hoover depression got so bad that our people could no longer buy her goods and, naturally, she had no other way of getting American dollars with which to make her payments.

The American Government could not accept goods in lieu of payments because our unemployed workers could not buy the goods though badly needed.

Farmers stand to lose most if the loan is not made because if it is not made farm surpluses will accumulate immediately upon the expiration of the UNRRA program.

I have been told that elephants test their weight on a bridge before stepping out on it, but evidently, that is not true; or maybe this is just a careless elephant. Nevertheless, we will have to keep our eye on him or he will probably tumble us into another depression.

This statement signed by sixty-odd Republican Members of the House is no doubt the stone that is intended to kill two birds. First, confuse the issue regarding the line of credit for the loan. Second, to inveigle a few votes out of the old people by giving the impression that this bloc is for old-age pensions. What pension is this Republican bloc advocating? They have not spoken very loud nor very often. I have been on this floor as much time as any Member of Congress and I have not heard a single Republican speak in behalf of the Wagner-Murray-Dingell bill nor any other pension bill except the gentleman from Oregon [Mr. ANGELL].

This is not an all-cash loan; it is a line of credit for goods to be obtained from us over a 5-year period, and will in no way take money away from old-age pensions nor the veterans. It is Government credit and Britain pays the interest on it. This loan is part of our future peace and prosperity.

There are many things about Britain that I do not like, as you know, especially her foreign policy, but I would not see her knocked down as our ally and then step on her before she could rise again. Besides her new government is improving her policies. This loan should not be considered on the basis of old prejudices. Scores to settle with England is one thing, and this loan is another.

The question is this, Is it a good investment for the United States? You know it is because it is an investment in peace and prosperity.

Let us be honest with the American people because some facts are available to us that might not always be available to all the people.

I suggest that the elephant had better put his foot on that bridge and give it another careful shake before he walks out on it and tumbles again into another familiar quadrennial abrupt declivity.

The SPEAKER. The time of the gentleman from Washington has expired.

THE BRITISH LOAN

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, as far as my vote on the British loan is concerned I am going to depend upon the 16 hours of general debate in coming to a proper decision. I want to hear some questions answered on the floor of this House that I will pose at this time.

First. How much is a loan either to Great Britain or any other foreign government going to affect the welfare of the several millions of veterans who are looking to the Nation for some sort of cooperation in solving their postwar problems?

Second. What effect will it have upon the attitude of the veteran if we charge a somewhat lower rate of interest on a foreign loan than we charge our own veterans for loans under the GI bill of rights?

Third. How far will the British loan obligate America to make future loans to other nations and will it place us in the position of having the rest of the world say to Uncle Sam, "You did it for them, now you must do the same for us"?

Fourth Can the American people be expected to shoulder additional billions of dollars of debts for outside interests when here at home we should be thinking about spending vast sums to improve our own country?

Fifth. In view of various policies, they are pursuing in the Orient, in India, and in Palestine, can we depend upon present British leaders to see that the welfare of their people is improved by this loan?

Those questions I want answered, Mr. Speaker, before I come to any conclusion.

OLD-AGE PENSIONS

Mr. H. CARL ANDERSEN. Mr. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, may I call to the attention of the gentleman from Washington, who just addressed us, that we in the House have not had an opportunity that I recall since 1939 to express our opinions in any way whatsoever relative to old-age pensions. We did have an opportunity in 1939 to vote on a bill to which the gag rule was applied, and to which we could simply state whether or not we were in agreement with the $200-a-month proposal or not. I voted against that particular bill because of that gag rule, but certainly we have never had the opportunity to say whether or not we were in favor of moderate pensions for the old people of America. A $60-a-month pension would today pass the Congress, if the administration would permit such to come before us.

I would suggest to the gentleman from Washington that he look into this matter again, and believe he will find that such are the facts.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1850. An act to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILLS SIGNED

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 294. An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States;

S. 894. An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina, to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

S. 1489 An act to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073).

S. 2234 An act to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes, and

S 2307. An act to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 33 minutes p. m.) the House, under its previous order, adjourned until Monday, July 8, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1441. Under clause 2 of rule XXIV, a letter from the Director, Office of War Mobilization and Reconversion, transmitting interim report of the Interagency Policy Committee on Rubber, on disposal of butadiene and copolymer plants, was taken from the Speaker's table and referred to the Committee on Agriculture.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOODRUFF:

H. Res. 606. Resolution calling on the Bureau of the Budget for information on all foreign commitments; to the Committee on Ways and Means.

By Mrs. DOUGLAS of California:

H. Res. 607. Resolution authorizing the printing as a House document the report on the international control of atomic energy, prepared by a board of consultants to the Department of State; to the Committee on Printing.

By Mr. WOOD:

H. Res. 608. Resolution authorizing the Committee on Un-American Activities to have printed for its use additional copies of the hearings held before said committee relative to the investigation of un-American propaganda activities in the Communist Party; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Georgia:

H. R. 6965. A bill for the relief of Knox Lumber Sales Co., Thomson, Ga.; to the Committee on Claims.

By Mr. SIMPSON of Illinois:

H. R. 6966. A bill for the relief of Austin C. Kingsley; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2062 By Mr. GRAHAM: Petition of 14 members of the Woman's Auxiliary to the Lawrence County (Pa.) Medical Society, opposing Senate bill 1606 and House bill 4730; to the Committee on Ways and Means.

2063. By Mr. SMITH of Wisconsin: Resolution unanimously adopted at the annual meeting of the American National Fur Breeders Association held in Milwaukee, Wis., on June 19, 1946, urging elimination of all price controls on furs, fur garments, and services; to the Committee on Banking and Currency.

SENATE

MONDAY, JULY 8, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of the morning, we thank Thee for dawning light which softly steals across the darkened earth as the leaves stir in answer to it and the birds sing the broken music of it and the long light falls across the quiet spaces and touches the sleeping waters into molten silver. Our glad eyes rejoice for roads made clear again and for fields revealed again, for love-lit faces into which to look and for a transfigured world made radiant and real.

Make us partakers of the sacrament of light, sharing the mystic secret of the very soul of things. We come with hearts grateful for other lights that no darkness can put out, beacons flaming in the sky, the light of truth and love and duty in whose glory we walk and in the shining splendor of which we toil. Steady us with the assurance that our labor for a new earth of brotherhood is not in vain if we but open our minds and hearts to the life which is the light of men, and if we but listen to a voice not faint and far in fields of Galilee, but in the want and woe of today and tomorrow passionately pleading:

"O brothers, I make the world one kin;
Open your hearts and let Me in,
That the reign of My Father may begin."

We ask it all in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, July 5, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 3, 1946, the President had approved and signed the act (S. 2345) to provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading With the Enemy Act of October 6, 1917, as amended, in the Philippines subsequent to independence.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PETERSON of Georgia, Mr. RANKIN, Mr. JACKSON, Mr. FISHER, Mr. PETERSON of Florida, Mr. DONDERO, Mr. PITTENGER, Mr. ROGERS of Pennsylvania, and Mr. ANGELL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTINGTON, Mr. ALLEN of Louisiana, Mr. ELLIOTT, Mr. CLASON, and Mr. WILSON were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act;

H. R. 5258. An act granting a renewal of Patent No. 113,244, dated February 7, 1939, relating to the flag of the Church of God;

H. R. 5833. An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes;

H. R. 5990. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes;

H R. 6285. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del ; and

H R. 6477. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on July 8, 1946, he presented to the President of the United States the following enrolled bills and joint resolution:

S 294. An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States,

S. 342. An act to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines,

S. 344. An act to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and scal;

S 345. An act concerning the method of payment of the compensation of United States commissioners;

S 426. An act authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes,

S. 593. An act for the relief of Warrant Officer Wayne C. Proper,

S. 884 An act conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc ;

S. 933 An act for the relief of the estate of Sybel Spence;

S. 1051. An act for the relief of William J. Simpson and John R. Rogers, Sr.;

S. 1061. An act for the relief of Violet Ludokiewich;

S. 1150 An act for the relief of John Leberman;

S 1314. An act for the relief of Frederic P. L. Mills;

S 1489 An act to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073);

S 1517. An act for the relief of Lofts & Son,

S. 1569. An act for the relief of Gwynn C. Triplett, and for other purposes;

S. 1578 An act to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration;

S. 1683. An act for the relief of the estate of Mrs. Sufronia Andrus;

S 1746. An act to govern distribution of war trophies and devices;

S. 1773. An act for the relief of Fredrick Uhrmann;

S. 1852. An act for the relief of the legal guardian of Arlis Earl Teekell;

S. 1893. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

S. 1912. An act for the relief of Brig. Gen. Carl H. Seals;

S. 1965. An act for the relief of the estate of C. Benjamin Stapleton;

S. 1979. An act to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.;

S 1988 An act to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, New Mexico;

S 2015. An act for the relief of William H Morris;

S. 2099. An act to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes,

S. 2107. An act for the relief of certain postal employees;

S 2284 An act to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes,

S 2292. An act for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News;

S. 2307 An act to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia; and

S J Res 160. Joint resolution to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC NO. 235)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to $18,500, fiscal year 1947, which, with an accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from S. Franchina, of Brooklyn, N. Y., praying for the enactment of legislation to continue the Office of Price Administration; ordered to lie on the table.

A telegram in the nature of a petition from J. A. Kountz, of Huntington Park, Calif., praying for the consideration of the question of taxes and repairs in providing for rent control; ordered to lie on the table.

A telegram in the nature of a petition from J. Bettinger, of New York, N. Y., praying for the incorporation in the price-control legislation of a provision against so-called black markets; ordered to lie on the table.

REMOVAL OF PRICE CONTROL

Mr. CAPPER. Mr. President, I have received an important telegram from the O. A. Sutton Corp., of Wichita, Kans., appealing to Congress for a free business system. I ask unanimous consent to present the telegram for appropriate reference and that it be printed in the RECORD.

There being no objection, the telegram was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

WICHITA, KANS., *July 3, 1946.*

Senator ARTHUR CAPPER,
Senate Office Building:

As president of the company manufacturing an article for sale throughout the United States I assure you that we will not by virtue of the removal of all OPA control take advantage of the situation of increased prices beyond that point which may be necessary due to increases in raw materials and labor. We urge you to let OPA die a natural death and give us as businessmen a chance to get back into a free business system and flood the market with an abundance of goods at reasonable prices.

THE O. A. SUTTON CORP.,
By O A. SUTTON, *President.*

CONTINUATION OF THE OFFICE OF PRICE ADMINISTRATION

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement from the University of Kansas Chapter of the American Veterans Committee and a petition signed by 1,364 students and members of the faculty of the University of Kansas, asking for continuance of OPA.

The petition reads as follows:

The undersigned urgently request:

1. That the recently expired OPA program be extended until July 20, 1946.

That a new price-control bill providing effective over-all prevention against inflation be enacted immediately.

I also ask unanimous consent that following the statement and petition referred to, to have printed a radio broadcast delivered by myself on Sunday, July 7, over WIBW at Topeka, Kans., in which I trust I have cleared up some of the misunderstandings as to congressional and White House actions in connection with the ending of price and rent controls by President Truman in his veto message of June 29, 1946.

There being no objection, the statement and radio broadcast were ordered to be printed in the RECORD, as follows:

WE NEED PRICE CONTROL

AN OPEN LETTER FROM THE UNIVERSITY OF KANSAS CHAPTER, AMERICAN VETERANS COMMITTEE, TO KANSAS CONGRESSMEN

The representatives of Kansas in Congress have consistently opposed the continuation of a workable and effective price-control program. We believe that this stand does not represent the interests and desires of the people of Kansas. It is the middle-income group, to which most Kansans belong, that will be most critically injured by the inflationary spiral which will follow the permanent abolition of price control at this time.

You will have the responsibility of representing us in Congress are wrong in assuming that we are unwilling to permit Government control of prices in order to avert the chaos of inflation. Those who remember the last war can well testify that price control in this war has succeeded in preventing the runaway prices that can lead only to inflation and depression. We are willing, under our democratic Government, to continue price control as a means of avoiding the high prices whose only result can be 40-cent wheat, dollar-a-day labor, unemployment, bread lines, and bonus lines. The war veterans of Kansas did not fight for those things; the people of Kansas do not want them.

Senator ARTHUR CAPPER, senior spokesman of Kansas in Congress, has been sent a petition signed by more than 1,200 students and faculty members of the University of Kansas. The signatures on this petition were obtained in less than 2 days; the veterans who circulated the petition report that less than 1 out of 10 desires to see the abolition of price control. We believe that these students and faculty members of the university present a fair cross section of the incomes and desires of most of the common people of Kansas. Their incomes are not large and

they are fixed. They are the people who will take the worst beating when prices skyrocket with inflation; they are also the people who will take a far worse beating when prices and wages collapse with deflation and depression.

Let us have controlled price until the now-growing supply catches up with the backlog of demand created by 5 years of wartime scarcity. We who served on the many fronts of this war for 4 years do not want to see the American economy collapse about us in 1 year. We did not fight for that, gentlemen.

To the Congressmen of Kansas we say, your record on this greatest of postwar battles will be open for all to see. You will be judged by the people of Kansas on the basis of whether you do or do not act to prevent another 1929. We, as veterans who fought this war for a better America in a better world, and the people who supported us at home, will judge your competence to represent us.

The people of Kansas will do their share in avoiding inflation and depression, gentlemen; we ask that you do your share by continuing effective price control.

UNIVERSITY OF KANSAS CHAPTER, AMERICAN VETERANS' COMMITTEE, 1,364 SIGNATURES.
LAWRENCE, KANS.

RADIO BROADCAST BY SENATOR CAPPER, STATION WIBW, JULY 7, 1946

Friends in the radio audience, I do not suppose anything I can say today will end the confusion and the confused thinking about renewal and extension of OPA price and rent controls.

But perhaps I can clear up some of the confusion as evidenced in the heavy mail I, and I think all other Senators, are getting on the subject.

Generally speaking, these letters are divided into three classes.

First, those who are convinced that OPA has messed things up to such an extent that the best solution is to abolish OPA entirely and allow the law of supply and demand to determine price levels, as ultimately it will—unless we go Russian.

Second, those who want OPA continued permanently, and the price line held without regard to production costs or anything else.

Third, those who want price controls continued for 6 months to a year, but used to get production going, and with statutory requirements for decontrolling prices as fast as possible without wild speculative inflation.

I might say that all three of these classifications—except landlords and real estate men—apparently feel that some rent controls are necessary for a year or even more. But in this field the great majority of letters written me indicate that some increase in rents over the prewar levels is justified.

Now, my friends, before we get into a discussion of the situation as I see it, let's get one fact definitely into the record.

A large number of those who are for OPA extension write letters indicating they believe that Congress killed price and rent controls.

Congress emphatically did not kill either price or rent controls.

It was President Truman, by his veto message, who killed rent controls, price controls, and subsidies at midnight last Sunday, and killed them off practically without warning.

It is all very well for the White House to declare that President Truman vetoed the OPA extension act for the purpose of getting the kind of a bill that the President felt, and Chester Bowles felt, and the Political Action Committee felt, and that a lot of consumers felt, was necessary to control effectively the sales of commodities and products and rents for the coming year

Congress did send the White House a bill that provided for a tapering off of price controls, and of food subsidy payments, during the coming 6 months. The bill attempted to provide formulas for ending nearly all price controls by the end of this year; ending all food subsidies by next March 31.

But the measure also contained provisions by which controls could be retained, that price ceilings could be restored if necessary, if production of any commodity or product fell so far behind demand that speculative price rises were resulting.

The bill sent to the White House retained the OPA authority and machinery for retaining or restoring price ceilings wherever and whenever necessary to prevent run-away inflation. It provided for the tapering off of food-subsidy payments, so that Uncle Sam no longer would be helping pay the family grocery bill. It provided for continuing rent controls.

It was not Congress that killed OPA, price controls, rent controls, and food subsidies last Sunday at midnight.

It was President Harry Truman who did the killing. I think that fact should be kept in mind.

I might say in passing, referring back to my previous statement that the bill sent to the White House did not decontrol any commodities, that in my judgment the measure did not go far enough in that respect.

The bill passed by the Senate did specifically take away from the OPA the authority to fix price ceilings on meats, dairy products, and petroleum and petroleum products. Senator REED and myself both voted for the bill with these provisions in it. We both voted against approval of the conference report. I voted against the conference report because I wanted the measure to go back to conference again, in the hopes we at least could take from the OPA its power to put price ceilings on meats and livestock. The black market in meats had become a public scandal, and experience of months had proved to me that OPA was not competent to handle the situation, and was too pig-headed in the matter to be allowed any further control over meats.

I say again, it was President Truman, and not the Congress, which threw the Nation into chaos a week ago, and brought fear and uncertainty and even despair to millions of Americans. I admit that President Truman may have done what he did with the best intentions in the world. But the results to date certainly have been catastrophic.

Now let's get down to brass tacks on this matter of prices, wages, production and consumption, and inflation.

As soon as we entered the war—even before that time—it was evident that during the war emergency some forms of price controls and rationing of scarce supplies were necessary. Prices already were on the way up in 1941. So were wages in industry, factory wages, some other wages.

It was plainly evident that when the Government was spending—about to spend at the time I am speaking—some $50,000,000,000 a year more than it could or would collect in taxes, that price controls, rationing, and wage stabilization would be needed to avoid disastrous inflation; to delay price rises that were bound to come with the more rapid making of dollars than making of goods for which the dollars could be exchanged.

It is almost elementary, I think, that when dollars are made faster than goods are made, the dollars become cheaper in relation to goods, and goods become dearer in relation to dollars. I am afraid sometimes that too many people in this country are trying to dodge this very obvious fact—and some of these people are in high public life and really know better.

To make price controls effective against a serious postwar inflation, wages also should have been stabilized, as well as rents. The Congress, I think, was willing to have done this: Mr. Bernard Baruch recommended it. An amendment to put in controls clear across the board was offered in Congress, but was defeated by administration influence. The late President Roosevelt said, and I think he believed, that if Congress would authorize price and rent controls, and give him an agency with power to enforce these, that he would handle the problem of wages through a wage stabilization board—and through his own persuasive ways with labor leaders

At any rate, Congress passed another one of those lopsided laws, under White House pressure, and the Government proceeded to pour out dollars, pay food subsidies to help make people believe the price line on goods was being held, and allow wage increases to members of powerful unions, withhold wage increases to other workers. The volume of currency in circulation increased three times—from less than $9,000,000,000 to more than $28,000,000,000—in the war years. Bank deposits increased at about the same rate. The country bulged with purchasing power, but not with goods that could be purchased.

The program was pretty effective—in fact very effective so far as holding prices down was concerned—during the war. But when the war came to an end, here is what had happened in the economic field in the United States.

Statistically, the dollars and cents increase in the cost of living had increased about 33 percent between January 1, 1946, and VJ-day. But average hourly wage rates of factory labor had gone up more than 60 percent. Farm labor had followed the same pattern. In other words, labor costs had gone up 60 percent. As Senator TAFT pointed out in the Senate, and I believe also in a radio broadcast, this did not affect particularly the big companies with large war contracts. But what it did to the small manufacturers, to the little businessman, was something else again.

Then after VJ-day nearly all ration controls were removed—long before production for civilian use could get going strong enough to meet the demands of well-filled pocketbooks Also somebody or something sold President Truman on the theory that wages could go up another 25 percent without affecting prices. Of course the administration had to desert this policy as soon as it got going—the Government had to allow increases in steel prices ($5 a ton or better) to offset the 18½ cents an hour increase in wages the Government had forced employers to agree to. Coal prices had to be increased to meet increased wage rates for the coal miners. Actually, OPA itself has had to allow some 500 increases in prices since March 1. But most of these came rather late, only after an aroused Congress had served notice on OPA of its intention to limit OPA's power to regulate profits under the guise of holding down prices.

It was, and is, inevitable that the country had to, and has to, move to a dollars-and-cents price level considerably higher than it was before the war. And that the wage levels also would have to move up to meet the higher price levels plus the heavy war taxes that will have to be levied for years and years to come.

The Congress tried to make it possible through continuing OPA for another year, with price- and rent-control powers (but with requirements by law that these be used to bring about more production and make a gradual but steady approach toward the higher price and wage levels), so that the transition period would be made easier all around. Sooner or later ceiling prices are going to have to be determined so as to allow for increased production costs, to insure production during the transition period. Congress tried to give the country an extension act that would accomplish this in an orderly manner. And the OPA would and should have controls sufficient to stop speculative rises in prices.

What I am afraid has happened is that the President, through his hasty and, I think, ill-advised veto that so alarmed the people,

has made the transition period not only more difficult but also more dangerous. As the situation stands today the people themselves, both as producers and consumers, have got to exercise sound judgment and common sense in bridging the gap that still exists between demand and supply, when they should have had the help of their Government during this period.

INVESTIGATION OF FEDERAL GRANTS TO STATE AND LOCAL GOVERNMENTS REPORT OF A COMMITTEE

Mr. MORSE. Mr. President, on July 3 I submitted Senate Resolution 300, to investigate Federal grants to State and local governments for welfare, education, and health programs. Following a study of the resolution, I am pleased to report that the Committee on Education and Labor, by unanimous vote, approved the resolution without change. Therefore I ask unanimous consent, from the Committee on Education and Labor, to report the resolution, and I submit a report—No. 1668—thereon.

There being no objection, the report was received, and, under the rule, the resolution was referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

BILL INTRODUCED

Mr. ANDREWS, by unanimous consent, introduced a bill (S. 2419) relating to the authority of the Secretary of the Treasury to exchange sites at Fort Lauderdale, Broward County, Fla., for Coast Guard purposes, which was read twice by its title and referred to the Committee on Public Buildings and Grounds.

SALARIES OF CERTAIN JUDGES—AMENDMENT

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (S. 920) to fix the salaries of certain judges of the United States, which was ordered to lie on the table and to be printed.

EXTENSION OF PRICE CONTROL—AMENDMENTS

Mr. MOORE submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. MOORE (for himself, Mr. THOMAS of Oklahoma, Mr. REED, Mr. CAPPER, Mr. O'MAHONEY, Mr. ROBERTSON, Mr. EASTLAND, Mr. O'DANIEL, Mr. WILLIS, and Mr. MCCLELLAN) submitted an amendment intended to be proposed by them jointly to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. RUSSELL (for himself and Mr. MAYBANK) submitted an amendment intended to be proposed by them, jointly, to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

FURTHER EXTENSION OF TIME FOR FILING PEARL HARBOR REPORT

Mr. BARKLEY. Mr. President, I ask unanimous consent to submit a concurrent resolution and request its present consideration.

The PRESIDENT pro tempore. The concurrent resolution will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 70), as follows:

Resolved by the Senate (the House of Representatives concurring), That the time for filing the report of the Joint Committee to Investigate the Pearl Harbor Attack be, and it is hereby, further extended to July 16, 1946, inclusive, and that the powers and functions of the said committee be, and the same are hereby, also extended to said date.

The PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

PEACE GOALS—ADDRESS BY SENATOR AUSTIN

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address entitled "Peace Goals," delivered by him at a dinner of the Foreign Policy Association at the Waldorf-Astoria Hotel, New York City, on June 26, 1946, which appears in the Appendix.]

CONFERRING OF DEGREE OF DOCTOR OF LAWS ON PRESIDENT TRUMAN—ADDRESSES BY CARDINAL SPELLMAN, PRESIDENT TRUMAN, REV. ROBERT I. GANNON, AND MAYOR O'DWYER

[Mr. MEAD asked and obtained leave to have printed in the RECORD addresses delivered by President Truman, by His Eminence, Francis Cardinal Spellman; by Rev. Robert I. Gannon, S. J., president of Fordham University; and by Hon. William O'Dwyer, mayor of New York City, on the occasion of the conferring of the honorary degree of doctor of laws upon President Truman by Fordham University, on May 11, 1946, which appear in the Appendix.]

ADDRESS BY PETER J. SCHARDT AT CONVENTION OF NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Peter J. Schardt, chief, postal section, United States military government of Germany, at the convention of the National Association of Postal Supervisors, at Chicago, Ill., on May 29, 1946, which appears in the Appendix.]

THE CONSCRIPTION RUN-AROUND—ARTICLE BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article entitled "The Conscription Run-Around," written by him and published in the Progressive of June 17, 1946, which appears in the Appendix.]

THE SILVER BLOC—ARTICLE BY WADE V. LEWIS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "The Silver Bloc," by Wade V. Lewis, of Boulder, Mont., which appears in the Appendix].

THE MISSOURI VALLEY AUTHORITY—EDITORIALS BY JONATHAN MARSHALL

[Mr. MURRAY asked and obtained leave to have printed in the RECORD two editorials relative to the proposed Missouri Valley Authority, written by Mr. Jonathan Marshall, and published in the newspaper The Silver and Gold, which appear in the Appendix.]

NO SECRET BOMB DEALS—EDITORIAL FROM THE WASHINGTON TIMES-HERALD

[Mr. MOORE asked and obtained leave to have printed in the RECORD an editorial entitled "No Secret Bomb Deals" published in the Washington Times-Herald of July 8, 1946, which appears in the Appendix.]

EXTENSION OF PRICE CONTROL

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. The committee amendment, being in the nature of a substitute for the joint resolution, is open to amendment to the same extent and in the same manner as if it were the original text.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo.	Robertson
Brooks	Johnston, S. C.	Russell
Buck	Kilgore	Smith
Burch	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Murray	Young
Guffey	Myers	
Gurney	O'Daniel	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business; at-

tending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr CAPEHART] is necessarily absent.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Colorado [Mr MILLIKIN] is necessarily absent.

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy-nine Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I wish very briefly to explain what has happened in relation to this proposed legislation. The bill which was adopted by the two Houses in the form of a conference report from the committee of conference of the two Houses, was vetoed by the President for reasons which he set forth in his veto message. Following that the House of Representatives passed a joint resolution (H. J. Res. 371) which in substance extended the operation of the Stabilization Act and the Price Control Act for a period of 20 days, or until the 20th day of July, with the view that in the meantime the two Houses might be able to work out another bill which might receive the approval of the President and extend the operation of the law for another year from June 30, 1946.

In considering the matter, the Banking and Currency Committee of the Senate felt that the wise policy and the better course would be to try to write a bill at once instead of dealing with the temporary extension for 20 days to pass, which might or might not take as long as it would to deal with an entirely new measure; and after that temporary extension had been voted we would still have the problem of attempting to write another bill. So the Senate committee struck out all the language of the House joint resolution, and has reported a substitute which embodies the bill which the President vetoed, without change except in two or three particulars.

The joint resolution as reported carries the decontrol board as it was contained in the bill adopted by the two Houses. It carries the provision with respect to the responsibility of the Secretary of Agriculture in recommending to the Price Administrator the decontrol of agricultural products or the adjustment of prices on agricultural products. It carries the abolition of the so-called maximum average price, known as MAP. It carries the provisions of the vetoed bill pertaining to cotton textiles and wool textiles. In other words, the joint resolution is practically identical with the bill which was previously passed, with the exception of section 11, which contained the so-called Taft amendment, and subsection (t) of section 10 which contained the so-called Wherry amendment.

In the substitute which I offered for the House joint resolution I omitted altogether section 11 and subsection (t) of section 10, because those provisions with respect to the pricing formula were the ones against which the President in his veto message expressed his most decided disagreement In order that that portion of the measure to which he disagreed so vehemently might be omitted from the legislation, I left those two provisions entirely out of the joint resolution which I proposed as a substitute for the House joint resolution.

In consideration of the matter before the committee efforts were made to write a new section 11 by modifying the Taft amendment so as to carry what might seem to be a reasonably satisfactory compromise between the view of the Congress, as expressed in section 11, and the view of the President, as expressed in his veto message, and the same was true with repect to the Wherry amendment. They were referred to in the President's message as the Taft and Wherry amendments, because they were more easily identified by reason of that designation, and in the committee and in the Congress the reference has been made to the Taft and Wherry amendments, because we all understood what they were, and it was more easy to identify them in that way than to refer to section 11 or subsection (t) of section 10 of the measure.

The committee met 3 or 4 days trying to work out section 11 and subsection (t) of subsection 10. The committee has reported a new section 11. My only purpose in taking the time of the Senate now for a very brief period is to draw its attention to the difference between the original section 11, as it was contained in the bill which was vetoed, and the one the committee has now reported to the Senate.

The discussion with respect to the OPA has been gone over time and time again, and at great length, in the Senate and in the committees of the two Houses. So far as I can, I wish to facilitate the discussion of the new measure by avoiding any repetition or thrashing over of old straw in the consideration of the joint resolution which is now before the Senate.

I think all of us, regardless of our attitude on the joint resolution or any part of it, recognize that if there is to be a renewal or extension of price control it ought to be done as promptly as possible, so that the hiatus between the operation of the old law and the enactment of the new law will be as short as possible. We have already seen the result of 1 week's operation without any price control. I shall not now enter into a discussion of figures or statistics in regard to increase in prices during the past week. The truth is that during the consideration of this subject I have grown almost tired of statistics and figures. One can find statistics to justify almost any argument on any subject, depending on where he obtains the statistics and what interpretation he places upon them. But if we take only the news reports in the daily press as to what has taken place during the past week—many of which I have on my desk, but which I do not intend to refer to at this time—the need for the resumption of controls at the earliest possible date is emphasized.

The original section 11, which was discussed at length in the President's message, which I shall not read because it was read to the House of Representatives and has been before us for more than a week, provided, as it was agreed to in conference and incorporated in the bill which was vetoed by the President:

> The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:
> "SEC 6. (a) Notwithstanding the provisions of this act or the Stabilization Act of 1942, as amended, but only after the procedure prescribed in subsection (d) hereof"—

That is the subsection which provides that industry advisory committees may make application to the Administrator. It provides the machinery under which they may do so. The substance of it is retained in section 11 of the pending measure, because it was necessary to provide, if the standard set out in the section were to be applicable, that someone should make application. Both in the original section 11 and in the modified section 11, provision is made that the appropriate industry committee having to do with the commodity or product as to which the formula is sought to be applied, shall make application to the Administrator. Furthermore, in both is a provision that the Administrator shall act within 60 days, and that if he does not act within 60 days the industry committee may go to the Emergency Court of Appeals for relief, and the Emergency Court of Appeals may order the Administrator to comply with the request or petition for an increase in price under the new formula, and give the Administrator not more than 30 days in which to comply. If he has not complied after the end of that 30-day period, price control, insofar as the commodity involved in the petition is concerned, is at an end, and any price which the industry may see fit to impose after the expiration of those two periods is not an unlawful price. Those provisions are practically the same in both the old and the new section 11.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HAWKES. The Senator has stated that if the Administrator refuses to act in any way, the industry committee may go to the Emergency Court of Appeals. Suppose he does act, and says "No." What definite redress has the party then?

Mr. BARKLEY. Under the law as it existed, an appeal could be taken to the Emergency Court of Appeals.

Mr. HAWKES. In the Senator's opinion, how long a time would be required to decide such a case?

Mr. BARKLEY. My recollection is that the Emergency Court of Appeals is not limited as to the time within which it must decide.

Mr. HAWKES. It might require several months.

Mr. BARKLEY. That is possible. What we attempted to do in the original bill, and what we have attempted to do in the revised measure, is to bring about speed in decision. So, whether the Administrator refuses to grant the petition or whether he simply sits and does nothing, the petitioner—the industry committee—may go to the Emergency Court of Appeals, and the Emergency Court of Appeals would have the power, under that provision, to command the Administrator to do something—either grant or deny the petition—and if he does neither within 30 days, the industry itself may fix the price.

Mr. HAWKES. The statement of the Senator is that if he denies the petition, then the aggrieved party has the right to go immediately to the Emergency Court of Appeals.

Mr. BARKLEY. That is the remedy under the old law.

Mr. HAWKES. I think it is most important that whatever is done to the party who thinks he is aggrieved should be done within a reasonable length of time. Does the Senator feel that the measure now presented would give the aggrieved party redress within 90 days, or does the Senator feel that the time required might be longer?

Mr. BARKLEY. It is hardly possible, under any new formula which would require a new approach to the question of prices, for the Administrator, in view of the number of applications which might be filed, to act on all of them immediately. Therefore, we have allowed 60 days in each case. I will say to the Senator from New Jersey that the applications would not all be filed on the same day. Each application filed by an industry committee would date from the date of its filing, and the Administrator would have 60 days within which to act. If he neither granted nor denied the petition, the applicant could go directly to the Emergency Court of Appeals, and the Emergency Court of Appeals would then have the power to order the Administrator, within a period of not more than 30 days, to take action. If he did not take action, then, of course, at the end of that period the prices fixed by the industry involved would be lawful prices.

Mr. HAWKES. I do not know whether I have made myself perfectly clear. What I am trying to find out is this: If the Administrator refuses the request, in the Senator's opinion, can the aggrieved party obtain prompt redress and prompt consideration from the Emergency Court of Appeals?

Mr. BARKLEY. The pricing formula which has been in existence from the beginning, and which established the Emergency Court of Appeals, provided for remedies regardless of the formula. The remedy applies not only under the new formula but to any ordinary application.

Mr. HAWKES. I realize that; but I am asking the Senator how long, in his opinion, such a procedure would require. Would it require 120 days or 150 days? If so it might be fatal.

Mr. BARKLEY. There would be no uniformity in the length of time the Emergency Court of Appeals might take to act, although it is required to act promptly.

Mr. HAWKES. In other words, we must rely on the word "promptly."

Mr. BARKLEY. My recollection of the old law is not that it carried a time limit for the action of the court of appeals, although I might be in error about that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Since the Senator has been interrupted, I should like to ask him a question. As I understand the matter, the Senator from Kentucky is now proposing a measure which is exactly the same as the bill which was passed by the two Houses of Congress, with two exceptions, namely, section 11 and subsection (t) of section 10. Is that correct?

Mr. BARKLEY. I think so.

Mr. TAFT. In that respect the Senator is entirely disregarding the recommendations of the President and the objections of the President as to matters other than those two sections or subsections. Can the Senator from Kentucky tell us why he is making that distinction?

Mr. BARKLEY. The joint resolution speaks for itself. I have said from the beginning, and there is no secret about the fact, that the joint resolution is exactly the same as the bill which was vetoed, with the exception of these two main provisions as to which the President made objection, and also a provision with respect to the interim between the expiration of the old law and the new law.

Mr. TAFT. The pending measure includes all the amendments referred to by Mr. Bowles as booby-trap amendments, I believe.

Mr. BARKLEY. It includes all the amendments and all the provisions, with the exception of these two particular sections which have been changed.

Mr. TAFT. It occurs to me that Congress, after 6 weeks of debate, decided what it wished to do. I cannot understand why the Congress should not take the same position, now that the President has taken the position, "I would rather have nothing than this law," and now that it is a question of a new law, so to speak. If we have decided what is right, why should not we adhere to all of it completely?

The Senator from Kentucky does so with respect to all of the old bill except two amendments. But if we believe in our position, why should not we leave it to the President to say that he prefers nothing to that law?

Mr. BARKLEY. Of course, Mr. President, the Senator from Ohio is asking a hypothetical question. In order to obtain legislation upon any subject, the Congress and the President of the United States must get together. The President is just as much a part of the legislative process as is the Congress. Under the Constitution he has the right to approve or disapprove legislation; and when he disapproves legislation, it can become law only by having two-thirds of both Houses of Congress pass the measure again, notwithstanding the objections of the President.

I did not agree with the President, as everyone knows, in regard to his veto of the bill which the Congress sent to him. Everyone knows that I urged him to sign that bill. But the President exercised his own judgment in regard to it. He exercised a Constitutional duty, if he felt that it was his duty to veto the bill. Now the House of Representatives has sustained his veto. So we are confronted with a problem of trying to write something which will continue these controls under a measure which will have reasonable prospects of receiving the approval of the President.

I have tried to work out such a measure. I have not made many changes in the original measure, I say to the Senator from Ohio, as he knows. I was in favor, in the first place, of the Decontrol Board. Provision for it was made under an amendment which I originally offered in the committee, when the previous bill was before the Senate committee, after it had been passed by the House of Representatives. It was my judgment that the provision authorizing the Secretary of Agriculture, in substance or in fact, to have control of agricultural products by means of a monthly certification to the Price Administrator with respect to agricultural products which were in short supply, was a good provision. Although the President criticized those things, in a way, I do not think he objected seriously to the provision for the Decontrol Board. He did object to the double authority on the part of the Administrator and the Secretary of Agriculture; but the objections which he urged were not so vehement or apparently not so pointed in respect to those things as they were in respect to the provisions which I have undertaken to change. I felt that there was a fair prospect that the President would approve the measure which I have brought to the Senate. I felt that way without consulting him about it, because I did not consult him about it before I indicated that I felt there was a fair prospect that it would be approved, and therefore I brought in the joint resolution as I have brought it in. I felt that the fewer changes we could make in what the Congress had done, and at the same time try to meet the President's objections, the wiser we would be in undertaking to obtain legislation, if we wished to have any legislation at all on the subject. For the Congress to have rewritten word for word, without any change, the bill which the President vetoed, and send it back to him again in that form, would have been, it seemed to me, an attitude of intransigence on the part of the Congress which would not be justified.

Mr. TAFT. What does the Senator from Kentucky think of the President's attitude of intransigence in this matter?

Mr. BARKLEY. Not any more in this case than in any case where the President vetoes a measure.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The President in his message stated four requirements. There is no indication as to their relative importance, so far as I can see. The first provides for a full year. We have provided for a full year.

The second one is that the bill should authorize adequate subsidies and continue them until the first of next July, and at least $250,000,000 more than we are now providing. The Senator from Kentucky is disregarding that point. Does he think the President will eat his words, so to speak, and sign the joint resolution, even though that provision is not included?

Mr. BARKLEY. I shall say, with the same reservations as before, that I am very hopeful that he will sign the joint resolution.

Mr. TAFT. Does the Senator think the question whether the President would veto a bill should be the primary consideration before the Congress in connection with reaching a determination as to what the price-control policy should be?

Mr. BARKLEY. Ordinarily, no. But when the President has vetoed the bill and has stated his objections, it seems to me to be reasonable to try to meet the objections.

Mr. TAFT. Does not the Senator from Kentucky think that this a peculiar case—namely, one in which the law has expired and in which there is to be a new law? We are now considering a new law reimposing control. Does not the Senator from Kentucky think that the Congress should be the primary body to determine what that should be, and that the President should be the one to decide whether he wants nothing or the law which the Congress passes?

Mr. BARKLEY. I think it is the duty of every agency of the Government which, under the Constitution, is required to deal with legislation, to try to come to an accommodation; and that includes the President of the United States. I would say that primarily it is the duty of Congress to pass legislation. But after a measure has been passed by the Congress and has been sent to the President, it is then the President's primary duty to decide, under the Constitution, whether he will approve or disapprove it. When he disapproves a measure and when there is a fair prospect that the two ends of the legislative process may be able to come together, it is the duty of both to endeavor to do that. That is what I am attempting to do in the present case, recognizing the fact that the Congress has the legal and constitutional right to send back to the President precisely, word for word, what he vetoed a few days ago, if it should see fit to do so. But in all frankness, Mr. President, I do not think it would be in accordance with the standards of good legislation on the part of the Congress, for the Congress to do that, in order, as the Senator from Ohio has said, to require the President to eat his words or not to eat them.

Mr. TAFT. The President is saying that we must eat our words or not eat them.

Mr. BARKLEY. No; the President has not said anything about having us eat our words.

Mr. TAFT. Then I have misunderstood the President's message.

Mr. BARKLEY. And I say that under this joint resolution we are not eating any of them.

Mr. TAFT. Mr. President, the Senator noticed that the third requirement which the President made was that he approved of the provision for the Price Control Board, "provided that the standards were modified to make sure that, during the next crucial 8 months, ceiling do not have to be lifted where it is clear that serious price rises would result."

The Senator has not modified in that regard the provision on that subject which is contained in the joint resolution he is now advocating, I take it.

Mr. BARKLEY. The joint resolution speaks for itself, and the Senator from Ohio can read.

Mr. TAFT. I agree. It is clear that the Senator from Kentucky is saying, "I will not follow the President on that question." The Senator from Kentucky insists, as I insist, that during the next 6 months, ceilings must be lifted if there is an adequate supply, even though price increases or serious price increase may result. That is what the bill provided.

The President disapproved of that. The Senator from Kentucky is willing to go against the President on that; but he picks out some provision and says, "If we change this, I think the President will sign the bill." Has the Senator any reasonable basis on which to conclude that that is going to be the result of this new action which is being proposed?

Mr. BARKLEY. Insofar as I have rewritten the bill which the President vetoed, if the Senator wishes to put it in that way, I have disregarded the President's objections to those other parts of the bill to which he called attention in his veto. If that is worth anything to the Senator from Ohio, he is welcome to it.

Mr. TAFT. I think the President said that he would rather have nothing than the bill which Congress passed. Presumably, he would veto the bill if we passed it again.

Mr. BARKLEY. The Senator read the President's veto and he knows what the President said.

Mr. TAFT. I feel that if the choice is between the kind of price control which we have had, and nothing, I am for nothing. It seems to me that that is a perfectly reasonable attitude for Congress to take.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MAGNUSON. Before leaving the subject of decontrols, I understand that the measure which has been reported by the committee provides that the matter of agricultural products shall be turned over to the Secretary of Agriculture. In the case of livestock and meats, for example, what would be the process to be followed by those industries in an attempt to effect decontrol? I refer to the mechanics which may be involved.

Mr. BARKLEY. So far as the provision to which the Senator refers is concerned, the bill, as originally drawn, and as the President vetoed it, is identical with the pending joint resolution. No change has been made at all. Under that provision the Secretary of Agriculture is given authority, within substantially 30 days after the measure becomes effective, to certify to the Price Administrator whatever agricultural product is in short supply. He is required to do that every month. Any product which he fails to certify as being in short supply goes out from under price control. The Secretary of Agriculture is authorized to recommend to the Price Administrator adjustments in prices. The Administrator is required, under the provisions of the joint resolution, to carry out the recommendations of the Secretary of Agriculture. Therefore, if the Secretary of Agriculture should certify to the Administrator 40 articles which are in short supply, we will say, all other articles not in short supply would go out from under price control and the 40 would remain under price control until the Secretary certified during another month, or in the following month, that they were no longer in short supply. Whenever the Secretary of Agriculture makes a certification to the Price Administrator that any agricultural commodity is no longer in short supply, the Administrator is required to lift price control from the particular article.

Mr. MAGNUSON. Then, during any 30-day period following the enactment of this measure if the Secretary should certify that meat, for example, was not in short supply, it would be decontrolled.

Mr. BARKLEY. Yes.

Mr. MAGNUSON. What would be the mechanics by which the meat industry would prove its point? Would the industry appear before the Secretary?

Mr. BARKLEY. The Advisory Committee would appear before the Secretary of Agriculture for the purpose of making whatever recommendations it felt justified in making with regard to the supply of and demand for meat. The committee would make its showing before the Secretary of Agriculture. If the Secretary became convinced, either from the showing made by the Advisory Committee, or from information available in his Department, or otherwise, that meat was no longer in short supply, he would so certify to the Price Administrator and meat would be decontrolled.

Mr. MAGNUSON. Mr. President, I have two more questions, if the Senator from Kentucky will yield to me.

Mr. BARKLEY. I yield.

Mr. MAGNUSON. If the joint resolution became law, the agricultural and dairy people would have no more to do with the Office of Price Administration. In other words, it would be perfunctory with the Office of the Administrator if the Secretary of Agriculture so certified.

Mr. BARKLEY. In a sense it would be perfunctory. The Administrator would

be required to carry out the recommendations not only of the Secretary of Agriculture in reference to decontrol but also with reference to the matter of price adjustment. If the Secretary of Agriculture recommended to the Administrator an increase in the price of a particular product, the fixing of the ceiling would be perfunctory so far as the Administrator was concerned.

Mr. MAGNUSON. So it is entirely possible that within 30 days after the passage of this bill, and the signing of it by the President, and upon a proper showing that products such as meat and dairy products were not in short supply, they could be decontrolled?

Mr. BARKLEY. Absolutely.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MURDOCK. In line with the question of the Senator from Washington, I think it should also be pointed out that, notwithstanding the fact that a product may be in short supply, if the Secretary of Agriculture finds that the prices as fixed are impeding or interfering with the production of the article, and recommends an adjustment be made in its price in order to stimulate production, the Price Administrator must carry out the recommendation.

Mr. BARKLEY. Oh, yes. The Price Administrator is charged with the responsibility of recommending increases in ceiling prices on any agricultural product if he feels it is necessary to stimulate the production of the particular product, notwithstanding, as the Senator from Utah has said, the product may be in short supply. The Administrator is required to impose such increases in prices that the Secretary may recommend.

Mr. MAGNUSON. In other words, agricultural products have been "de-Bowled" from the bill. Am I correct?

Mr. BARKLEY. Yes; I suppose it may be said that all products have now been "de-Bowled" by the resignation of Mr. Bowles. So far as final action with regard to agricultural products is concerned, they have been "de-Portered" also.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GEORGE. What is meant by the word "supply," which the Senator has been discussing? Does it mean when the supply equals the demand, or when the Secretary certifies that the product is not in a short supply? What is meant by "supply"? Does it mean the total supply of the country, or the supply actually coming into the market?

Mr. BARKLEY. What is meant is the total supply available to the American people.

Mr. GEORGE. Does that mean the total supply available in the country, such as in the case of meats? Does it mean the supply available in the butcher shops?

Mr. BARKLEY. If I may be permitted to put my own interpretation on it, I would say that it means the supply, as a whole, of cattle in the field, slaughtered cattle in the shops, or on the market. If there is enough meat, or enough cattle to provide meat for the American people, I would say it is not in short supply, although there may be none in some particular grocery store or butcher shop.

Mr. GEORGE. There might not be any in any particular grocery store or butcher shop, as has been the case until quite recently pretty generally through the country.

Mr. BARKLEY. There is no way by which Congress can compel farmers to sell their cattle to packing houses or slaughterhouses.

Mr. GEORGE. I think it is very important to know what is meant by "supply." If the Secretary of Agriculture is to certify that certain articles are not in short supply, that is, that the supply is equal to the demand, I think it is highly important to know what is meant by "supply." We should know whether it means that there is a total supply in the country which would be adequate, or whether it means that in looking at the product in the market places themselves there is or is not a marketable supply.

Mr BARKLEY. In my judgment the certification of the Secretary of Agriculture contemplates the entire country. It is not a regional certification It would not be a certification that there is a shortage in Washington or in the District of Columbia but a certification that is intended to cover the supply of the entire country. The matter of its distribution may be another question which will have to arise. But my interpretation of this language is that whenever the Secretary of Agriculture finds that in the country there is a sufficient supply of any agricultural product to meet the demand for it among the people, it is no longer in short supply, and therefore he would be expected and required under the language of the joint resolution so to certify.

Mr. MAGNUSON. Mr. President, I dislike to interrupt the Senator, but will he yield for a further question?

Mr. BARKLEY. I yield.

Mr. MAGNUSON. The meat producers, I presume from the testimony I have listened to before the Agricultural Committee and from other data, will probably come to the Secretary of Agriculture immediately, if this joint resolution is passed, with figures and show that the supply of meat in the country—that is the range supply, the number of cattle on the hoof—is greater than the so-called domestic demand. The joint resolution states specifically domestic demand, not imports, which are not included in the calculation—and that is also a good feature of the joint resolution. In the opinion of the Senator from Kentucky what would govern would be, would it not, the over-all supply, including that on the hoof, that moving in the packing houses, and that also in wholesale and retail shops.

Mr. BARKLEY. The entire supply of cattle in the shops, in the packing houses and on the farms. We have been told by the Secretary of Agriculture and by everyone else who is in a position to know that there are 10,000,000 more head of cattle in supply on the ranges and being fed than ever before, and, certainly, with that situation in prospect we are bound to assume that the Secretary of Agriculture in certifying whether the meat situation is in short supply, will take into consideration all these factors—not whether there was no meat in any butcher shop or in any town but if in the United States there was sufficient to supply the domestic demand it would not then be in short supply.

Mr. MAGNUSON. One further question, and then I shall be through. If the Secretary of Agriculture, for example, after getting all the data and the figures in any one month, should say that meat was still in short supply, would there be an appeal from his decision?

Mr. BARKLEY. Yes. Yes, there can be an appeal to the Decontrol Board from the decision of the Secretary of Agriculture, just as there can be an appeal from the Administrator himself to the Decontrol Board if the Administrator refuses to act.

Mr MAGNUSON. And he must act within a certain definite period?

Mr. BARKLEY. That is true. The same rule applies to the Secretary of Agriculture that applies to the Administrator, and the same remedy applies from him to the Decontrol Board that applies from the Administrator to the Decontrol Board.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILLIS. After the Secretary of Agriculture has declared in the case of any commodity that there is a sufficient supply and removes the control, can he again restore control at a later period?

Mr. BARKLEY. Yes, that is true. Both measures, the one the Senate passed some days ago, and this one provide that if at a later date there should be a scarcity and the Secretary shall so find and certify, controls may be reimposed for such period as there is a shortage.

A new section 11 which has been inserted in the pending joint resolution I wish to read:

(a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

The President objected to the base period of 1941, because, as he said, it was a period of high prices and high profits of industry. We had gone further into the war, although we ourselves had not as yet become involved in it; but it was still further from September 1939 to October 1 to 15, 1941, than it was 1940. So that in the new measure the base period is changed from 2 weeks of October 1941 to the calendar year 1940, or to the fiscal year 1940 for companies or industries which operate on a fiscal-year basis rather than on a calendar-year basis.

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment—

It was sought to tie together employment and production—

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall

be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period—

That is during 1940—

plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period,—

That is since 1940—

but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

In other words, the standard set out in this subsection will be complied if the price fixed represents the average total cost of the product in its manufacture, production, or processing, plus the industry's average over-all profit margin on sales in the base period, plus the same profit margin which the industry enjoyed in the base period.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. AIKEN. Was there any evidence introduced before the committee to show how the price level of goods in June would compare under the standard with the price level which was existing on the 30th of June under the old OPA Act?

Mr. BARKLEY. No new testimony was heard by the committee in writing this new legislation, but there was a table submitted to the committee by a member of the committee showing the relative results from a period as far back as 1935 up to 1941, which indicated that the profit from turn-over in 1940 was, roughly, 8 percent, and in 1941, 12 and a fraction percent, and the profit from net worth in 1940 was 12 or 13 percent; in 1941 it was 23 percent plus. So there would be that difference.

Mr. AIKEN. Does the Senator from Kentucky believe that the adoption of this formula would result in a generally higher price level than existed the last of June?

Mr. BARKLEY. Yes; I think there would be an increase. As I said when the previous measure was before the Senate, regardless of what it contained, regardless of any effort which might be exerted there would be gradual increases. We are bound to assume there would be a gradual increase in prices. What we have been seeking to do is to control them so that they will not be too great. There will be undoubtedly under this formula increases in prices. How much the increase will be, of course, I cannot say; but I think the formula now proposed fixes a fairly just and equitable period for industry and for consumers, and that is the year 1940.

Mr. AIKEN. I thank the Senator.

Mr. BARKLEY. Subsection (c) provides:

For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

That language is in part substantially the language in the bill which the President vetoed. In that bill authority was given to take a reasonable number of typical producers, manufacturers, or processors, instead of having to take everybody and everything—to take a sample of producers, processors, and manufacturers who were regarded as typical, and use that as a basis for calculating costs of production in the base period, and currently, during the year in which the bill was supposed to operate.

The last clause reads, "including reasonable adjustments for conditions resulting from abnormal volume of production." In other words, if a concern or an industry, deliberately held down production in order to raise the cost of production, the Administrator would have the right to take that into consideration in determining with respect to ceiling prices.

How many industries would do that I have no way of knowing, but it was felt that if any industry did that, or if for any reason abnormally low output was the result of production at all, so as to increase the over-all or per unit cost of the product being turned out, the Administrator could take that into consideration in determining what the price ceilings should be, or the elements of cost. As in the case of the bill which was passed, so in this joint resolution the Administrator is instructed to follow accepted methods of accounting in the industries involved.

Subsection (d) provides:

Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

In other words, in the fixing of maximum prices there is not a guaranty to every individual engaged in any industry, however inefficient he may be, with respect to his costs or his profits.

Subsection (e) provides:

Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act

That has been the law. The Administrator could make reasonable adjustments to individuals under subsection (c) of section 2.

Subsection (f) provides:

If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

In other words, the increase in price ceilings based upon cost of production in a base period, and currently, is tied in with the stimulation of production, and the greater production becomes by reason of that stimulation the sooner there will be decontrol because of the demand and supply being in balance.

Subsection (g) provides:

As used in this section, "product" shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

That is the same definition of "product" as was originally used.

Subsection (h) provides:

The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

There is another provision in the bill dealing with products coming from wool and cotton yarns, and they are not dealt with in this section.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Before the Senator enters upon the discussion of nonagricultural commodities, I should like to call his attention to the effect of the provision found on pages 6 and 7 under subsection (c). I suggest to the Senator that the language there is so written as to enforce upon the Secretary of Agriculture a vast amount of work which, in my opinion, is unnecessary.

Under the provisions of the joint resolution, the Secretary of Agriculture must on the first day of each month certify the entire list of agricultural commodities that are in short supply. In the interest of efficiency, and in the interest of relieving the Secretary of work, and to make the matter more simple, I suggest that the form of the language be inverted, and in place of providing that he shall certify all commodities in short supply, change the language to read somewhat as follows:

On the first day of the first calendar month which begins more than 30 days after the date of the enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity—

And insert there the words "if any"—

if any, which such Secretary determines to be in surplus supply.

That would relieve the Secretary of Agriculture of making any certificate unless he found or was convinced a commodity was in surplus supply. Then if application is made to have controls taken off livestock, milk, or grain, for instance, he can have a hearing, if he so desires, and if he is convinced that the commodity is in surplus supply, he can so certify. That would relieve him from certifying as to all the commodities under this section. By making one or two slight changes in the section, I think we would accomplish the same result and relieve the Secretary of a vast amount of work which, as I understand, would be wholly unnecessary. I merely make that suggestion.

Mr. BARKLEY. I thank the Senator for the suggestion. This language is the same as the language in the bill we passed a few days ago. I might also say that there is a difference between a commodity being in balance and in surplus supply. If a commodity is certified as being in surplus supply, that might carry the implication that there is more of it than is needed, that the supply is greater than the demand. All we have done has

been to require the Secretary, whenever he finds that an agricultural commodity is in balance, that there is as much of it as there is demand for it, to certify that it is not in short supply. There would be a difference between certifying that something is not in short supply and certifying that it is in surplus supply, because surplus supply would involve a certification that there is more of it in the country than the demand calls for.

I shall be glad to consider the language, and I appreciate the suggestion, but I am afraid it would require the Secretary to find in these cases that there is more of a commodity in the country than there is demand for it. That is what we understand ordinarily by "surplus."

Mr. THOMAS of Oklahoma. If this language remains in the joint resolution and it becomes law, it will require the Secretary to make a complete certificate once each 30 days with respect to every agricultural commodity.

Mr. BARKLEY. He would only have to certify as to those in short supply, and the others he would ignore in the certification, because if he did not certify them as being in short supply, they would automatically go off the list.

Mr. THOMAS of Oklahoma. That would require the knowledge of the Secretary to be all-embracive and all-comprehensive.

Mr. BARKLEY. He would be required in any case to have information about all the commodities, because it would be just as much trouble for him to find out what articles were in surplus, perhaps, as those which were in balance or those which were in short supply. I am not certain, myself, which would require the most work.

Mr. THOMAS of Oklahoma. I merely make the suggestion for the consideration of the Senator.

Mr. BARKLEY. I appreciate the suggestion.

Mr. President, I have stated substantially the difference between section 11 as it is now contained in the pending joint resolution, and that which was contained in the bill which the President vetoed.

We have inserted subsection (f), as I said, in order to tie in the price ceiling with production and the stimulation of production, and in order to make it possible to adjust production, so as to deal with the situation where action under the bill would either not produce any more of a given commodity or, if it produced any more of it, it would take away from the production of some other commodity equally needed by the people. That is why that language was inserted, and it seems that, as a safeguard, there should be power in the hands of the Government to determine that, for instance, a company making electrical appliances should be allowed to increase the manufacture of electric fans, or some other electrical appliance equally important to the people, by turning away from production of electric refrigerators. The Administrator would have the discretion to determine, in cases of that sort, whether the increased ceiling price should go on the one product in order to make an increase in production of that article while lessening the production of something else.

Mr. President, that is about all I have to say. I hope the Senate will accept the revised measure in the spirit in which the committee has brought it to the Senate. We feel that in order to get any legislation at all retaining and continuing price controls it is necessary for the two branches of the Government dealing with legislation, the Congress and the President, to come to an accord; otherwise no legislation is possible. I believe the overwhelming desire and sentiment of the American people is that there should be a continuation of price controls in some form. I think the overwhelming feeling of the American people is that price controls ought not to be terminated abruptly as they have been by the expiration of the law. We arrive nowhere by getting into a discussion and recriminations as to who is responsible for the expiration of the law. We now face a condition and not a theory, as Grover Cleveland said, and I believe that the American Congress, representing the American people, has the wisdom and the fortitude and the intelligence to try to meet in a reasonable way the objections of the President to the bill which was sent to him. I have every reason to believe that if we attempt to do that we will secure a fairly workable and satisfactory law. Though it may not be satisfactory to everybody, it may not be satisfactory to one group or another group or to somebody in the Government, my feeling is that the Congress and the President ought to try to get together, regardless of the opinion of any other branch of the Government, in trying to write a law that can be enforced and be administered, and that will protect the American people from the type of run-away inflation which may ensue if there is no legislation whatever, and which may have already begun in the increase in prices which we have witnessed during the past week.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Kentucky yield to the Senator from Ohio?

Mr. BARKLEY. I yield.

Mr. TAFT. As to the specific discussion of the changes the committee has proposed. In the first place, with regard to the so-called Wherry amendment——

Mr. BARKLEY. I omitted to mention that. I wish to discuss the Wherry amendment.

Mr. TAFT. On page 20 of the joint resolution, and page 10 of the conference report.

Mr. BARKLEY. Yes. In the bill which the President vetoed, subsection (t) of section 10 provides as follows:

(t) No maximum price applicable to any distributor, wholesaler, or retailer, shall be established or maintained for any commodity below a price which will return to such distributor, wholesaler, or retailer with respect to such commodity his January 1, 1946, discount or the sum of (1) total current cost of acquisition plus (2) his January 1, 1946, mark-up. The January 1, 1946, discount or mark-up shall be the percentage discount or percentage mark-up of such distributor, wholesaler, or retailer in effect on January 1, 1946.

The new subsection (t) provides that:

In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

The date of June 29 was substituted for the date of January 1, 1946, because during the 6 months ensuing between the first of January and the 29th day of June, which was the last weekday on which the law was in operation, there had been worked out a process of cost absorption among distributors. In the first place the original amendment, as offered on the floor of the Senate, allowed prewar mark-ups. The conference eliminated the prewar theory and put the date as of January 1, 1946. In view of the fact that in the interim between January 1, 1946, and June 29 there had been worked out a process of cost absorption on the part of the distributors which was satisfactory to many of them, though not to all of them, the committee felt that if we gave to them the current cost of acquisition plus the mark-up that was in force on the 29th day of June, so as to take care of all future additional costs, together with the mark-up in effect at that time, that was all that the distributors, whether wholesale or retail, could really expect us to provide for.

The reason why we set June 29 instead of July 1 was that inasmuch as the controls went off at midnight on the 30th, the committee did not feel like the mark-up on the 1st day of July, when there was no law at all in effect, should be taken as a standard, and so we fixed the 29th of June instead of the 1st of July.

Mr. TAFT. I placed in the RECORD on the 29th of June 500 price increases granted to manufacturers or producers by the OPA since March 1, and there are more since January 1. In most of those cases, as I understand, the OPA made the distributors absorb a part of the increase granted to the producers, and under the amendment as now offered, as I understand it, the distributors have no relief. They must still absorb that cost. All the relief they are given by this amendment is that if subsequent to this time increases are granted to manufacturers and producers, then they cannot be made to absorb the subsequent increases, but they can be made to absorb all past increases.

Mr. BARKLEY. They have absorbed them, and the goods have gone out to the consumers over the period of 6 months, based upon the cost absorption program. If we make it retroactive to January 1 it will become retroactive with respect to many commodities which the distributor has already sold to the consumer, and he has gotten what his price was under the law, or under whatever program was agreeable, or, whether it was agreeable or not, was in effect. So it seemed to the committee it was all the distributor really need to ask if from

now on we give him his increased costs which are passed on to him by the manufacturer, plus the discount which was in effect on the last day of price control.

Mr. TAFT. Now passing to section 11. In discussing what the changes are in this measure compared to section 11 which was in the conference report, section 11 (a) of the pending measure makes the base period the calendar year 1946. Personally I have no objection to it being 1940 instead of 1941. I chose 1941 because that was the date fixed in the Price Control Act itself as the base period. But when we come to section 11 (b) I should like to read what the Senator's amendment provides:

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar prices of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period

Stopping there, may I ask the Senator what difference there is between that formula laid down and that which was contained in the original section 11.

Mr. BARKLEY. The original section 11 contained a formula for the ascertainment of weighted averages in the cost of production of commodities, which is eliminated from the new section 11. It also provided more for cost-per-unit prices than does the new amendment.

Mr. TAFT. This amendment, as I read it, applies to every product—and "product" is defined just as in the original act. The only difference I can see in the formula up to that point is that it starts from an average dollar price in 1940, instead of the individual price of the manufacturer. As I see it, it adds the average increase in cost, requiring the same calculation which was required under the original amendment. Is not that a correct statement?

Mr. BARKLEY. That is true. It requires an average; but this is an average cost to the industry, whereas the original amendment carried with it language which made it seem to apply more to each individual unit, rather than to the average increase in costs.

Mr. TAFT. Leaving out the last five lines of this section, it seems to me that this amendment is the same as that originally offered. It requires the same difficulty of calculation, which was one of the arguments used by the President, except that instead of starting from the individual's price in 1940, it starts from the average price of the industry for the given product in 1940. To me that is not a vital difference, but I think it is a mistaken difference, because in general the smaller operators charge higher prices. They charge higher prices because they are perhaps closer to the customers, or give some special service, and are able to make up, by a somewhat higher price, the greater costs of production. So it seems to me that this average is less favorable to the small producer than to the large producer. However, it is not a vital change, as I see it, until we come to the last five lines. I do not see why it does not require the same elaborateness of calculation, which was one of the arguments of the President against the original section 11.

Mr. BARKLEY. In a sense it requires an over-all ascertainment of the average increase in the price of an industry since the base period. I do not think it requires quite so detailed and meticulous a calculation as to each item as did the original amendment. However, with respect to the over-all picture, it is assumed, of course, that the average increase in costs since the base period, which is 1940, will be ascertained as accurately as it is humanly possible to ascertain it.

Mr. TAFT. I now come to the last five lines, which seem to me to nullify all the rest of it. They were inserted by the committee, as the Senator will remember, at the last moment. They were not in his original amendment

But the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period

There we get back to the over-all industry standard. We no longer divide the industry by products. We simply take the industry's average over-all profit on all sales of all kinds of products. That was one of the main things to which I was objecting when I offered the original amendment. Why does not that language nullify the first part of the section?

Mr BARKLEY I realize the Senator's objection to that language. It was inserted by the committee. We were in the process of discussing a possible substitute for the original section 11, and this language was inserted by the committee as a part of it Let us see what it means.

But the maximum prices for a product—

We are still dealing with a product, which is what we refer to above in the same section—

shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product—

Of course, the current total cost would include any increase in costs since any period we might fix, whether in 1941 or 1940. The total current cost of any product now includes all the additions in cost which have taken place in the production of a commodity since any given period we might fix as a base period. All that language means is that there are to be allowed the present current costs of producing the commodity, which would include any increase in costs since the base period—

plus the industry's average over-all profit margin on sales in the base period.

That simply means that when there have been ascertained the total current costs of a product at this time, which includes all the increases in the cost of production that have taken place, there is added to that the industry's average over-all profit margin on sales in the base period—in other words, the same profit margin on the product now as existed on the same product or a similar product in the base period. It seems to me that that is a perfectly fair and equitable provision.

Mr. TAFT. Does it not give the Administrator the power to choose between the two methods? It seems to me that this is the way it would operate: Under my original amendment each product was considered. If a man was selling a product at a loss in 1941, he had to sell at a loss today. If he was selling at a profit in 1941, he was permitted to sell at a profit today. Under this rule, the Administrator may apply the first part of it to that which the producer was selling at a loss, and make him sell that part at a loss today; but the profit on the things which he was selling at a profit to make up that loss could be averaged down to the average over-all profit. So it seems to me that either way the producer would be placed at a disadvantage. The Administrator chooses whether to make him sell at a loss because he did so in 1941, or whether to cut down his 1941 profit in order to get it down to an average Is not that correct?

Mr. BARKLEY. I think the Senator from Ohio is putting a strained interpretation on the language. In the first place, I think he must admit that under the last clause the Administrator is required to give to the producer the current cost of his product plus the industry's average over-all profit margin. Of course, if the producer had no profit margin in the base period, the Administrator could not be compelled to give him a margin of profit in addition to the current cost. But under this language he is certain to get his current costs, and if he had a margin of profit in the base period, he would get that also. If he did not have a margin of profit, he would not get it. That is exactly what would happen under the Senator's amendment. If he made no profit in the base period, he would not get it now.

Mr. TAFT. Take the case of a concern selling three or four different products. It sells one at a loss. The profits on the others make up the loss. Under my amendment the increased costs were added in the case of each product, so that the same relationship was maintained. Products which were formerly sold at a loss would still be sold at a loss; and products which were formerly sold at a profit would still be sold at a profit. Under this rule products which were formerly sold at a loss would still be sold at a loss; but the prices of products which were formerly sold at a profit would be averaged down to the industry's average over-all profit margin.

Mr. BARKLEY. The producer would not be compelled to sell at a loss. He would be allowed his current costs in the first instance, which would include all the increased costs of production of a given product since the base period. If he got his over-all costs, and if he had

no profit in the base period, would he be any worse off now, without a profit, than he would be under the Senator's amendment, or under the law as it now exists?

Mr. TAFT. So far as concerns the products which he sold at a loss, the situation would be the same. But with regard to products which he formerly sold at a profit, the profit would be scaled down to an average, taking into consideration the loss on the product which was sold at a loss.

Mr. BARKLEY. Under this language, he is allowed his total current costs. The Senator agrees to that, does he not?

Mr. TAFT. Yes.

Mr. BARKLEY. So he gets his total current costs now. It may be that in obtaining his total current costs he will be in a better position than he was in the base period, because he may have been producing at a loss then.

Mr. TAFT. My point is that the Administrator can apply one standard under the first part of the section, and another standard to a different product. He does not have to apply the same standard to the product which was formerly sold at a loss as he applies to the product which was formerly sold at a profit. He can apply one standard to certain products of an industry, and another standard to other products of the same industry. If the Senator wished to make the rule completely alternative, and provide that as to any industry the Administrator might apply either one standard or the other, I would have no great objection. But as the section is written I believe it sets up a double standard.

Mr. BARKLEY. I do not think it sets up a double standard. I think it is all a part of the same picture.

Mr. TAFT. Let me ask the Senator about subparagraph (f), which seems to me to nullify the whole section. Having set up a standard which is more or less like that in the original act, the Senator's amendment now provides:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Does not that leave to the Administrator the power, after he has found the standard and the increase in costs, to say, "I do not think this is going to result in increased production, so I will not apply the standard"? Does it not say, in effect, "Here is the standard, but the Administrator does not have to apply it if he does not want to"?

Mr. BARKLEY. One of the strongest arguments in favor of increased prices, and one of the foundations for the objection to the present pricing system, as expressed by those who oppose it or object to it, is that we need greater production, and that prices should be fixed so as to stimulate production and bring about more production. That has been the theme song of all those who have sought to arrive at a different formula, so that there would be increased prices which would stimulate production, with the result that the increase of production would be sufficient to guarantee reasonable prices, and therefore would obviate all necessity for price control.

All this language does is to say to the Administrator that if the maximum price fixed under the standard for a certain period of time is not such as to stimulate production, or if it would stimulate production in a given commodity at the expense of production in another one equally needed by the American people, he may determine whether for such period a price increase shall be allowed, based upon the possible stimulation of production, as to which I feel, as I think we all feel, there is much logic in the argument that increased prices may stimulate production. But if they do not stimulate production, if nothing of benefit comes to the public in the form of stimulation of production because of an increase in price, the question is whether the Administrator should be placed in a strait-jacket in that respect.

Mr. TAFT. The whole difficulty has been that although the Administrator has admitted the necessity of increasing prices in order to obtain production, he has not done so. The only purpose of the amendment is to say to him that an increase in price shall be allowed up to the increased cost to the manufacturer, and that must be assumed prima facie and conclusively to be helpful to production. The moment we leave it to the Administrator, he will do exactly what he has done for the last year, namely, refuse to increase prices, and thereby prevent production.

Mr. BARKLEY. The Senator is not fair to the present Administrator when he says that he refuses to increase prices. The Senator knows that the Administrator who was in charge of the OPA until last Sunday a week ago has increased many prices. Hundreds of increases in prices have been allowed by the Administrator. Part of the reason and foundation and background for those increases has been the desire to stimulate production, and production has been stimulated and is on the increase.

So it is not fair to say that the Administrator has deliberately refused to increase prices on the basis that to do so might stimulate production. It may not have been done as much as it should have been done. I am not in a position to say yes or no as to that. Certainly it has not been done to the extent desired by some very earnest and sincere people. But it is not fair to say in a broad way that the Administrator, in the increases he has allowed, has ignored the whole question of stimulation of production because he has allowed hundreds of increases within the last 2 or 3 months.

Mr. TAFT. And in some cases they have been well done. In other cases they have been too little and too late.

Mr. BARKLEY. That may well be.

Mr. TAFT. For instance, in the case of butter.

I have information as to three cases today. There is no pulp with which to make paper. A mill in Ohio sent its representative to Sweden, and he offered the Swedes $17.50 a ton, let us say, for wood pulp from Sweden. I give this figure as an illustration; it may not be exactly correct. But in substance the price which was offered to the Swedes was the price the mill was paying to its New Hampshire mill. The Swedes said, "The price of pulp on the world market is $24. That is what the British are paying us. But we would like to get into the American market, and we will sell it to you for $17.50 a ton."

The representative came back to the United States, but the OPA said, "Oh, no; $15 a ton is the price in this country. The New Hampshire mill had a special hardship rate."

So the Swedes canceled their contract. The result of the situation is that today we cannot buy certain types of paper in the United States because the OPA refuses to recognize conditions which prevail in the world. The same situation applies with respect to linseed oil. There is practically no paint available in the United States because the OPA refuses to permit manufacturers to pay for linseed oil from Argentina the price which it is necessary to pay in order to obtain it.

A similar situation exists in respect to hides for shoes. Soon we shall have no shoes because the leather supply has run out, partly because of the shortage of slaughtering in legitimate channels, but largely because the price of hides today throughout the world—in Argentina and everywhere else where we ever bought hides—is higher than the price the OPA is willing to recognize in this country.

It seems to me that if we include in the pending measure a provision to the effect that if the Administrator says, "I do not think this is going to bring about any increase of production," then he will be excused from applying the standard; we might just as well eliminate the standard and the whole law. Of course, in principle we should permit the Administrator to exercise discretion; but how can we permit him to exercise discretion, in view of his record? Under those circumstances, how can we hope the Administrator will apply the standard which is stated in the Senator's amendment?

Mr. BARKLEY. Of course, it is easy to be dogmatic and to say, "This should be precisely this way." But I do not think we can wisely write any price-control law without giving some discretion to the Administrator. The Administrator may not have exercised his discretion in accordance with the Senator's views; and in cases to which I might refer, if it were worth while to do so, he has not exercised his discretion in accordance with my views. But because of that, should we say to him, "You shall not have any discretion. We are putting you in a strait-jacket. We shall have an iron-clad rule which must be applied as we say, and you cannot interpret it except as we say?"

I think there must be some discretion, and I think the discretion proposed by the amendment is one which we may very well leave to the Administrator, because it is in harmony with all the price formulas which we have undertaken to write, in that it will stimulate production.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The difficulty is that over and over again we have written various formulas, but they have never worked, with the single exception of the Bankhead amendment, which was written in definite, clear, formal terms, and as to which there was no discretion. I think the tremendous opposition arising to this formula is not as to the formula itself which is set forth in the Senator's amendment. That is not the objection, but the objection is that this amendment states a definite principle which must be followed, and as to which the Administrator will have no discretion. I agree that that is the difference between the two amendments.

Now, Mr. President, I should like to ask the Senator from Kentucky about subsection (c) of section 11, on page 26. It ends with the words "including reasonable adjustments for conditions resulting from abnormal volume of production."

Why are those words added?

Mr. BARKLEY. I tried to explain that a while ago. Perhaps the Senator was not then on the floor.

Mr. TAFT. I was here, but I did not understand it.

Mr. BARKLEY. First let me read the subsection:

(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation

Up to that point the language substantially follows the language of the original subsection (c).

Mr. TAFT. There could be no objection to it.

Mr. BARKLEY. It leaves the Administrator discretion in determining the reasonable methods of calculation which he shall fix by regulation. Of course, that is a discretion left to him.

Mr. TAFT. That is in order to determine costs. There are all sorts of ways to determine average costs, and under that provision he may choose the one he likes.

Mr. BARKLEY. The subsection then concludes with the following words: "including reasonable adjustments for conditions resulting from abnormal volume of production."

That language is intended to cover a situation where, by reason of the premeditation or deliberate determination on the part of some producer, in order to increase the cost per unit he would decrease his volume and thereby increase the cost per unit. This provision gives the Administrator the right to take that matter into consideration, if any such case exists, in determining the reasonable methods of calculation which he shall establish by regulation.

I do not know that we may assume that any concern would deliberately reduce production in order to increase its unit costs. We do know that some concerns have deliberately withheld their goods from the market in order to obtain higher prices. I imagine that if they would do that while awaiting an increase in prices, it would not be a far stretch of the imagination to assume that some manufacturer or producer might say "I will not produce at my full capacity; I will produce less than I can normally produce; I will bring about an abnormally low production of this commodity because by so doing it will increase unit costs." All this language would do would be to give to the Administrator the right to determine whether that factor should be taken into consideration in regard to reasonable methods of calculation under the rules and regulations to be established.

Mr. TAFT. Would it not work in this way: Take, for example, the automobile industry. The Administrator figures that the industry will produce 2,000,000 cars this year. Without figuring out the increase in costs he says, "But, I think 2,000,000 cars is an abnormally low volume of production. I will price them on the basis of your selling 5,000,000 cars this year, although I know you will not sell that many, and cannot sell that many." It seems to me that the language gives the Administrator the right to say, in effect, "During this period before you reach full production you must sell these products at a loss."

Mr. BARKLEY. It is easy to conjure up some fool thing which any Administrator might do. But let us take the automobile industry which the Senator has used as an illustration If the Administrator found that any automobile producer had produced only a million cars when he could easily have produced 2,000,000—I cannot imagine why a producer would want to produce only a million cars if he could produce 2,000,000—and had deliberately held back his production in order to affect the unit costs, the Administrator would consider that fact in determining the methods in calculating the costs. However, if the Administrator found that labor conditions were such that the manufacturer could produce only a million cars, even though he wished to produce 2,000,000 cars, or if there were a strike which prevented the operation of the plant, or there were other abnormal conditions which the manufacturer could not avoid, certainly the Administrator would not apply the same standards under those conditions that he would apply to a concern which had deliberately withheld its production in order to increase unit costs.

Mr. TAFT. Mr. President, this has nothing to do with an individual concern.

Mr. BARKLEY. I think it would be rather difficult to prove that an industry had deliberately withheld production.

Mr. TAFT. There is nothing in the amendment which says that they must be found at fault.

Mr. BARKLEY. Oh, no.

Mr. TAFT. I do not conjure up what I am saying. If I remember correctly, in the committee Mr. Paul Porter testified that he objected to giving any industry credit for an increase in cost if he thought that next year it would produce more and thereby at a lower cost. He wanted to give the industry next year's cost figured right now.

Mr. BARKLEY. No; we are talking about current costs, not next year's costs. We cannot anticipate how much any concern will produce next year. This language applies to the rules and regulations which are to be established by the Administrator for the purpose of determining either current costs, or costs during the base period. They are not the costs a year hence.

Mr. TAFT. The effect is to permit the Administrator to substitute next year's costs for this year's costs.

Mr. BARKLEY. I cannot understand how the Senator can predict that kind of a situation a year hence. The language refers only to current costs. That means the costs at the present time. It does not mean costs in 1947 or 1948. It means now.

Mr. TAFT. I wish to thank the Senator for his very courteous discussion of this matter, and I hope to deal with it further when I take the floor. I appreciate very much his answering the questions and allowing me to speak on the subject.

Mr. BARKLEY. I thank the Senator for calling my attention to a matter which I had overlooked in my discussion of the subject.

Mr. WHERRY. Mr. President, I call up the amendment which has been proposed by myself and other Senators on page 9 of the joint resolution. I refer to the amendment bearing at the bottom the letter "J." It has to do with eliminating specific controls of livestock, poultry, eggs, and so forth. I should like to have the amendment read and considered at this time.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators will be stated.

The CHIEF CLERK. On page 9, after line 14, it is proposed to insert the following:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

Mr. WHERRY. Mr. President, I wish to digress for a moment from a discussion of the amendment which has been read. I am sorry that the distinguished majority leader was compelled to leave the Chamber in order to take his lunch. I have not yet had my lunch, but I must continue without it regardless of the fact that the majority leader is not present. I wished to ask the Senator some questions with respect to subsection (t) on page 24 of the joint resolution, which provides for percentage mark-ups for wholesalers, distributors, jobbers, and retailers throughout the country.

Mr. President, inasmuch as the Senator from Kentucky explained what the modification would do, I believe that I should invite the attention of Members of the Senate to the fact that this amendment modifies the original Wherry amendment. The term "Wherry amendment" is a misnomer, because it was offered by the Small Business Committee. The record will show that one of the cosponsors was the Senator from Montana [Mr. MURRAY]. The effective date was

set as of January 1, 1946, relative to the relief which the conferees thought they could afford to retailers. By the President vetoing the bill, what I call the conferees' amendment was killed. The new amendment, which is set forth in the form of subsection (t), on page 24 of the joint resolution, provides for relief to the groups which I have mentioned, namely, the distributors, the wholesalers, the jobbers, and the retailers.

But on what basis, Mr. President? I should like to invite the attention of the Members of the Senate to the language beginning in line 15 on page 24, as follows:

The Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

What does that mean? That merely means that if, under the cost absorption plan, a retailer has to absorb a part of an increase, all he may receive is consideration. That is all. There is nothing in the language which would provide any relief for the retailer. He will be given due consideration; due allowance will be made. For what? If the date is fixed at June 29, 1946, and this modified amendment is agreed to, it will freeze every cost absorption that has been imposed upon every retailer, distributor, jobber, or wholesaler, since the imposition of price stabilization, at the June 29, 1946, figure. Do Senators understand that? It will be absolutely frozen. Never can it be taken off their backs.

For example, prior to January 1, 1946, one industry I know of has absorbed, industry-wide, a cost of 12 percent. If we adopt the suggested amendment, subsection (t), on page 24, Congress will legalize the cost absorption which has already been imposed, and there can be no relief from it. That means a business would have to continue to absorb it. The so-called relief brings it down to June 29 That is just one step worse than it was before. There might have been some relief, because cost absorption might not have been imposed on some segments of industry. We will legalize, however, anything that has been imposed between January 1 and June 29. We will say we agree with the policy of the Administrator, and that he can continue cost absorptions, and there is nothing we can do about it.

It goes a step further. If we adopt subsection (t), it means a freezing of the percentage mark-up as of June 29, 1946, and it cannot be increased.

There is nothing left in the amendment affording relief. We should not adopt a subterfuge and tell the retailers we have done something for them, when it is even worse than before. By this amendment Congress legalizes the policy of cost absorption for the first time. We say to the Administrator, "It is perfectly all right for you to require this little retail grocer, this independent dealer who makes the life of the community, to continue under the cost-absorption program."

It is legal if we adopt this amendment. We will sanction it. But that is not all. The businessman will have to price his mark-ups as of the June 29, 1946, level, and he cannot change it. It will be an act of Congress.

Mr. President, that is the panacea to be given the retailer. We will say, "Here is what we did for you," and we will have done nothing. The Senate should not accept this modified amendment.

Let me tell the absolute facts about the amendment. There is no defense for it. It is a subterfuge, because it says the Administrator will give due allowance. If he gives no more due allowance than he has given in hundreds of cases I have presented to the OPA there will be no due allowance. The Senator from Kentucky [Mr. BARKLEY] knows, as all other Senators know, it is a question of the Administrator.

Mr. STANFILL. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. STANFILL. A matter came to my attention this morning for the first time, in this connection, and I should like to have the Senator's reaction to it, and see whether the section applies to this particular problem.

As I understand, shoe manufacturers, or shoe wholesalers, were allowed in January of 1946 a mark-up of 4½ percent to the shoe retailer. The shoe retailer was required to absorb that 4½ percent. Under the subsection which the distinguished Senator is now discussing, that absorption would be frozen, as the retailer would be made to absorb all that 4½ percent. Is that the Senator's interpretation?

Mr. WHERRY. That is absolutely correct. I refer the Senator to line 15, page 24:

The Administrator shall make due allowance——

For what?—

for the current cost of acquisition of any commodity

As of what date? As of June 29, 1946. So that if cost absorption had been applied, he would have had to continue to absorb the 4½ percent until Congress enacted another law. It is not even discretionary.

Mr. STANFILL. Does the Senator know of his own knowledge how many different items have been allowed to be marked up and required to be absorbed by the retailer?

Mr. WHERRY. No; but I shall try to obtain that information. His question is an intelligent one, and we should have the information for the RECORD. I did try to get that information. I called the Office of Price Administration, and the only cost absorptions they said they provide were those imposed since January 1, 1946. They have the figures, but they said they would have to go to the Policy Pricing Board of OPA for the cost absorptions which were imposed prior to January 1, 1946.

There have been hundreds of them. I do not desire to make an excessive statement, but in the Small Business Committee we have had hundreds of complaints because retailers have had to absorb mark-ups. I can think of scores of them. I could tell about the automobile case, concerning which I have been given much credit by Drew Pearson and other columnists. But, speaking as a member of the Small Business Committee, I say that dealers in small automobiles have had to absorb 7½ percent, which was enforced by the Price Administrator. They have had to absorb it. It was passed on from the producer at Detroit.

I ask the distinguished Senator whether the Administrator, who has no legislative authority, can step in and interfere in the right of private contract. If there can be a saving made of 7½ percent, who is entitled to the saving? Is the saving owed to the one particular segment of labor in industry in Detroit to which it certainly went? Is it the white-collar laborer, who is not organized, who should have had just as much of an increase as the producing laborer? Or, in the final analysis, if any saving is made, should it not be passed on to the 140,000,000 consumers of the United States. Is not that sound? I ask the Senator?

Mr. STANFILL. Yes; that is sound. May I ask the Senator another question?

Mr. WHERRY. I am glad to yield.

Mr. STANFILL. Would the Senator undertake, for the benefit of a few of us who have not been able to get the information, again to call on the OPA to furnish that information, and put it in the RECORD?

Mr. WHERRY. I will. I thank the distinguished Senator. I shall make the formal request that each and every cost absorption which has been imposed upon all the segments of industry, manufacturer, processor, and producer, be listed and placed in the RECORD for the information of all Members of the Senate. The Senator will be surprised at the cost absorptions which have been imposed.

I desire now to quote some statistics from the United States Department of Commerce. From the time the war began until the end of 1945, 556,000 businesses went out of existence. I should like to ask the Senator how in the world a veteran can go into business today, how can a veteran get his prices established? How does he know what he can absorb? It is virtually impossible for a new man to start in business today, let alone make a profit, because he is practically controlled under Government formulas.

Mr. HAWKES. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the Senator from New Jersey.

Mr. HAWKES. I merely desire to make a comment on the point the Senator raised about 556,000 businesses going out of existence. I wish to say that many of the businessmen thus affected have told me what they probably have told the Senator, that when they went down to the OPA and told them they were going to be forced to go out of business, the official whom they saw leaned back in his chair and smiled and said, "Well, you know there is a war going on. It is just too bad that you have to go out of business, but there is a war going on."

The point I wish to emphasize to the distinguished Senator is that the war is over, and the great fundamental question before the United States of America is whether we are going to enthrone a

dictator, or czar, in charge of all the economy of the United States, who has the power, or is even willing to assume the power, to decide whether one man or another man shall go out of business. After all, the economic life of every American citizen is very important to him.

I wish to say a word further, if the Senator will permit me.

Mr. WHERRY. I am glad to yield.

Mr. HAWKES. I think we are missing the most important point in connection with the OPA. To me the most important question involved in this whole situation is this: Is there a man in the United States of America, or anywhere in the world, who is wise enough to administer this power in such a way as not to destroy the American system of making a living? My answer is, "No," there is not, and it never should be left to any one man to decide whether 55u,000 businesses go out of existence, businesses established by men and women who saved their money and put it into business. So I say to the Senator, and I want him to remember it as we go along, that the fundamental question is, Have we any right to give this power over the economic life and death of millions of people to any one man? So far as I am concerned, if there is need that we do something, and I do not know that there is, I should like to have established some prompt method of appeal, if possible, from the decision of any one man, so as to assure before it is too late justice and equity for the fellow who has to go out of business.

I thank the Senator for yielding.

Mr. WHERRY. I certainly wish to thank the able Senator from New Jersey for his contribution, and I should like to make a further comment In my opinion one man is not smart enough to administer such power, and I will go further than that and say it is not possible to find a man in the United States, or any two men, who can write a price stabilization act which will do as good a job of absorption of prices as the open competitive market will do, if it is given a chance I assert that such men cannot be found, and in a few moments I shall prove it with respect to meat.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. A parliamentary inquiry first.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The Senator will state it.

Mr. THOMAS of Oklahoma. What is the business before the Senate? Is the pending question the Wherry amendment?

The PRESIDING OFFICER. That is the question before the Senate.

Mr. WHERRY. If the Senator from Oklahoma will permit me, I should like to say that I have discussed for a moment subsection (t) of section 10 on page 24, because the able Senator from Kentucky discussed that subsection in his colloquy with the Senator from Ohio [Mr. TAFT]. If the Chair will bear with me, I will say that the pending question is the so-called decontrol of meat amendment, and I am just about ready to discuss it now.

Mr. THOMAS of Oklahoma. That is what I understood was before the Senate. That is an amendment which eliminates all control over meat and poultry products. Is that correct?

Mr. WHERRY. That is correct.

Mr. THOMAS of Oklahoma. Is it not a fact that the bill which was passed by the House and the Senate recently provided for decontrols of meat in the first instance?

Mr. CARVILLE. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CARVILLE. If I am not mistaken, that amendment has not been offered yet to the pending measure.

The PRESIDING OFFICER. The Chair will state to the Senator from Nevada that the amendment has been offered.

Mr. WHERRY. It has already been offered, has it not?

The PRESIDING OFFICER. The amendment has already been offered.

Mr. THOMAS of Oklahoma. That is my understanding. I wanted to have the record made clear. The record shows that the Senate Committee on Banking and Currency reported an amendment to the House bill removing meat and meat products from under the control of the OPA. Is that correct?

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. Let me make a brief statement. A few days ago the Senator from Nebraska offered an amendment, or at least spoke about an amendment, and asked various Members of the Senate if they cared to join in sponsoring the amendment.

Mr WHERRY. Yes.

Mr. THOMAS of Oklahoma. I was in sympathy with the substance of the amendment, but inasmuch as I had not read it carefully I could not at that time subscribe to the amendment because I did not know exactly what it contained. I notice that the amendment has been printed in the RECORD. When I received the RECORD containing the amendment I gave it consideration, and from my viewpoint the amendment is not as broad as I think it should be. I shall point out the defects in the amendment, as I understand them. The amendment provides only for the decontrol of livestock, poultry, and eggs, or food and feed products processed or manufactured in whole or substantial part from livestock, poultry, and eggs.

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. As I understand the amendment, it does not propose to remove from control anything excepting that portion of livestock and poultry which is edible or that provides food.

Mr. WHERRY. Yes.

Mr. THOMAS of Oklahoma. If that is true it does not provide for decontrolling wool?

Mr. WHERRY. No.

Mr. THOMAS of Oklahoma. It would not provide for decontrolling hides?

Mr. WHERRY. No.

Mr. THOMAS of Oklahoma. Or hair, or horns, or hoofs, or anything else excepting that portion of livestock which is edible?

Mr. WHERRY. Yes, that is correct.

Mr. THOMAS of Oklahoma. It also provides for the decontrol of eggs. Does the Senator agree that eggs are a component part and inseparable from poultry, as much so as wool is an inseparable part of the sheep?

Mr. WHERRY. I believe they are both in about the same category.

Mr. THOMAS of Oklahoma. In order to bring the matter down to an issue, I construe the amendment now pending as preventing anyone from placing controls on livestock or poultry products, save by Executive order, and it does not prevent the President from issuing an Executive order. So in order to simplify the amendment and make it clear, to me at least, I desire to submit a substitute for the amendment. It is in the same language exactly as the Senator's amendment, except it is more comprehensive. I ask that the substitute be read at this time. I offer this amendment as a substitute for the pending amendment and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be read.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following new section:

SEC. —. Notwithstanding any provision of this act or otherwise, or any Executive order, no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock, poultry, or any product processed in whole or in substantial part therefrom.

Mr. WHERRY. Mr. President, I do not object to the distinguished Senator from Oklahoma offering the amendment and making a statement, if the statement is not too long, but I should like to proceed to discuss my own amendment and explain it. However, I want to grant the distinguished Senator whatever time he wants. I should prefer that he not take much time, until I have discussed my own amendment.

Mr. THOMAS of Oklahoma. The Senator from Nebraska has the right to accept the modification, if he cares to.

Mr. WHERRY. Mr. President, at this time I do not want to accept the modification. If the distinguished Senator will bear with me I will say that he knows I am in perfect sympathy with his amendment. In fact, the Senator from Oklahoma, as chairman of the Committee on Agriculture and Forestry, offered this amendment on the floor of the Senate when the previous bill was under consideration, and the Senator, I am sure, will agree with my statement that I voted for it and defended his position. The amendment offered by the distinguished Senator from Oklahoma goes beyond what is attempted to be done in the amendment I have offered. I hesitated a long time to break up or alter the language of any of the amendments which were approved and were contained in the bill which passed the Senate and went to conference. But if the distinguished Senator from Oklahoma will turn to page 20 of the previous measure,

to section 3 (a) and section 3 (b), he will find that they deal separately with the decontrol of meat; that is, with livestock, poultry, and eggs, and food and feed products, and then separately deal with milk and food and feed products processed and manufactured in whole or substantial part therefrom.

I am in total agreement with both provisions, and I am in agreement with the distinguished Senator from Oklahoma with respect to going further and putting in a provision respecting wool, or anything he wants to put in, because, as the Senator knows, I am in favor of decontrol.

But the amendment I have offered is in reality the only amendment which was adopted in the Committee on Banking and Currency of the Senate. It was adopted there as a combination amendment. When it was voted on in principle, as the McFarland amendment—I think I am correct in stating that—it included milk and dairy products. But some of us, and especially the distinguished Senator from Nevada [Mr. CASVILLE] who joined with me in sponsoring the pending amendment, felt that if the question of specific controls was to come before the Senate, it was time that they should be offered as individual amendments, one at a time, and have a vote on them, and give the Senate an opportunity to do, as we say in a slang way, vote the amendments up or down. So we narrowed this amendment to the one thing provided in the previous bill as it was adopted by the Senate Committee on Banking and Currency and was passed by the Senate and went to the House, and then of course went on to the President of the United States, who vetoed it. Since the provision was adopted by the Senate and the conference accepted it I cannot see any reason why we should not again have it in a measure which again will be passed by the Senate.

I hope the distinguished Senator from Oklahoma will understand why I take the position I do. I not only sought out the Senator, but I called his office and asked him to join in sponsoring the amendment, because he is chairman of the Committee on Agriculture and Forestry. If he will check with his secretary he will find that my statement is correct. The amendment was offered in this form because the majority leader said that he would call up the OPA measure last Friday on the floor, and that he wanted immediate consideration of it. So we waited until noon before we presented the amendment. We offered it rather in a hurry. But Senators will recall that I gave the opportunity to every Senator to walk down the aisle to the table in front of the Senate and place his name on the amendment. The distinguished Senator from Kentucky objected to such procedure, because so many Senators evidently wanted to place their names on the amendment as cosponsors. The majority leader objected because he said it would be like conducting a Billy Sunday revival meeting or a Billy Sunday sawdust trail. Apparently he did not want so many Senators to sign the amendment, which would show the public how many Senators really were in favor of it. So he stopped that by raising a parliamentary objection. I even asked the Senator from Kentucky to sign it himself, because I think it is a good amendment, and I think he ought to sign it.

After this amendment is considered and when and if the floor can be obtained we are going to offer the same kind of amendment for the milk and dairy and butter producers of the United States. We are going to give every Senator a chance if we can to cast an up or down vote for that amendment. I hope that the distinguished Senator from Oklahoma will defer offering his amendment until we find whether the pending amendment will be adopted. Then I shall welcome his amendment with open arms. I think every Member of the Senate will welcome it—no, Mr. President, not every Member, but I hope a sufficient number of Senators will welcome it so as to assure the adoption of the amendment.

Mr. President, I believe the colloquy earlier today between the distinguished majority leader and the Senator from Ohio [Mr. TAFT] and other Senators demonstrated that the time has come when, if we are ever to have decontrol, the Congress itself must so specifically provide. That is my theory. I hope I am not wrong about it. The distinguished Senator from Washington asked the distinguished majority leader, perhaps an hour ago, "Is not the machinery set up in the bill whereby those who believe in the decontrol of meat can go down to the Secretary of Agriculture and ask him to decontrol meat?" The majority leader said "Yes," that the machinery was there. My esteemed friend and distinguished colleague from Utah entered into a colloquy with the distinguished Senator from Washington and I think they both agreed, along with the majority leader, that that could be done.

Mr. President, I agree that the machinery has been provided in this measure to do that, if there can be a propef administration of the act. But if we can judge the future by the past we will not get decontrol. Why do I say that? There have been reams of testimony taken about whether cattle are surplus or are in excess of demand, and what is the testimony? I expect to bring it out later in my speech. But just now in my introductory remarks I will say that it is an undisputed fact that today there are 10,000,000 more cattle in the United States than the 10-year prewar average, but because of the price impediments of Mr. Bowles, cattle on the hoof have not been killed, butchered, and distributed to the people of the country. That is evidenced by the fact that until last week one could hardly buy a pound of meat. If he did, he had to get it through a black-market racketeer. His wife had to know someone else's wife. I asked then on the floor of the Senate, and I ask now, what good does it do to have a legal ceiling on anything if it is not on the retail counters? What good does it do to have a ceiling on nylon hose if consumers cannot buy such products? I have taken the position that maximum production is required. If we can get maximum production without OPA, does not that demonstrate that price impediments have caused a scarcity? I submit that with 10,000,000 more cattle in the United States, Chester Bowles' price impediments have resulted in no meat.

In 1 week, beginning a week ago yesterday, meat has flowed to the retail counters of the country without price control, and there has not been a national catastrophe, either. The people are taking it pretty calmly. They are pretty cool and collected. It is a fine thing to pick up advertisements, as we did on Friday and Saturday, showing porterhouse steaks advertised at one of the stores in Washington for 48 cents a pound. We have not seen such a thing for a long time under the Bowles system; and if we go back to the Bowles system we will not see it again for a year. It is not possible to operate and get production of fat cattle from the feed lots under the Bowles program. If we continue that program, we shall continue to have a scarcity of meat.

What do the reports show? I have a report in detail from the American Meat Institute. In the introductory part of my remarks I wish to give a report on the markets as of 11:30 o'clock this morning. I have waited until now to give it to the Senate. Here is it:

More than 100,000 head of cattle are in the 12 principal markets of the United States. That means cattle which are sold through the central markets. It does not include those sold directly to the black-market operators. There are more than 100,000 head of cattle in the 12 principal markets. How does that figure compare with a year ago? A year ago, under the Bowles system, there were 78,000 head. How does it compare with the situation a week ago? The figure was 27,000 head last Monday; and the week before, under the Bowles program, it was 16,000 head. In 1 week more than 100,000 head of cattle have been received in the principal markets.

Where are they going? They are going to the legitimate markets. They are going to the slaughterers who sell them through legal markets. That is why consumers are able to find meat on the meat counters of the United States, at prices which in most cases, I think, are surprisingly normal when we consider the emergency the meat producers were required to face because of the unexpected termination of OPA. If this much has been done in 1 week, why not have another week's test? If as much advance can be made in another week as has been made this week, I think it will demonstrate to the majority leader and to the Senate that without price control production can be obtained, and it is my opinion that if maximum production can be achieved, a reduction of prices will follow.

What about hogs? At the 12 principal markets this morning 63,500 hogs were received, as compared with 41,500 a year ago under the Bowles system. A week ago last Monday 19,000 hogs were received. The week before that, there were hardly any. That shows what can be done without price controls and without Bowles. This country can get along

better without him than with him. That has been proved in less than 8 days in connection with the meat situation.

What about prices? It is said, "Look at the prices." Let us take this morning's price on prime steers. For the benefit of Senators who do not know what a prime steer is, I will say that it is a steer which dresses out better than 61 percent. There are very few of them on the market. The meat from such steers goes to hotels and high-class restaurants.

Yesterday 325,000 people went to Atlantic City; and the Washington Post said, "Look at the increase in prices yesterday at Atlantic City." Three hundred and twenty-five thousand people went to Atlantic City for the week end, and attention was called to an increase in the price of roast beef from $1.50 to $1.75. That compares pretty favorably with the situation in other cities throughout the United States. But the people who go to Atlantic City are not those in the low-income brackets. They are not the people who must have relief. I do not go to Atlantic City, but those who do can afford to buy that kind of meat. It is ridiculous to cite Atlantic City as an example of extreme fluctuations in price. However, that is the Bowles system.

The high price of $22.50 for three loads of prime steers was given as an example, but 90 percent of the cattle selling on today's market in Chicago are selling for $19 a hundred and less. The top ceiling price under the Vinson scale is $18. So today we can say to the public that the bulk of the cattle in the 12 principal markets going to the legitimate packers are selling within a dollar of the ceiling according to the Vinson price range. That represents an increase of only 1 cent a pound; but the important fact is that the meat is available on the retail meat counters.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. I think the Senator brought out a very important point when he spoke of the top price paid for cattle in the cattle market. I think most persons, when they see the figure of $22.50 or $22.10 paid for corn-fed steers, believe that every corn-fed steer that comes on that market brings a price of $22.10, or that it is an average price. There is no such thing as an average price for the total number of cattle, or even the total number of corn-fed steers which arrive at any of the 12 principal markets in the United States.

I have before me the Omaha Daily Journal-Stockman for July 5, 1946. This is a livestock market newspaper published daily in Omaha, Nebr. On that day there were approximately 5,000 head of cattle received in Omaha. That is a pretty large number for a Friday.

On the first page there are set forth approximately 73 sales of corn-fed steers, with a few heifers at various prices. The last item shows the market top. The total number in these two columns is between 1,500 and 1,600. Yet of that number only 44 head brought the top price of $22.10, and those cattle averaged 1,162 pounds. That is the only average in the market—the average weight of the cattle selling at a particular price.

The 73 items enumerated here start with four head selling for $13.75. There were 36 head selling at $17.25; 21 head selling at $18.50; 44 head selling at $19.50; and so forth.

Mr. President, I ask that this list be printed in the RECORD at this point. To save the time of the Senate I shall not read it.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Beef steers—Representative sales

Number	Average	Price
4	640	$13 75
9	729	15 00
23[1]	766	16 00
13[1]	710	16 25
10	839	16 25
8[1]	840	16 75
12[1]	707	16 85
8	696	17 00
7	755	17 00
7	1,035	17 00
6	776	17 00
8	827	17 25
35[1]	742	17 25
18[1]	795	17 25
25	729	17 25
21	826	17 40
61	771	17 50
10[1]	786	17 50
9	698	17 75
26	878	17 75
17[1]	866	17 75
13	971	18 00
12	893	18 00
8	865	18 00
56	855	18 00
17	921	18 00
19	956	18 25
10[1]	780	18 25
30[1]	826	18 25
9[1]	921	18 25
21	980	18 50
21	964	18 50
19	977	18 50
20	881	18 50
22	903	18 75
41	974	19 00
42	1,135	19 00
30	942	19 25
7	991	19 25
10[1]	1,078	19 50
38	1,228	19 50
13	1,013	19 50
41	1,054	19 50
20	988	19 50
26	1,094	19 66
19	1,100	19 75
18	984	20 00
41	1,053	20 00
19	1,128	20 00
26	1,058	20 00
10	992	20 00
20	1,235	20 00
24	1,041	20 26
19	1,093	20 25
22	1,236	20 25
62	1,125	20 50
5	1,178	20 50
24	1,153	20 50
48	1,022	21 00
11	1,205	21 00
13	1,099	21 00
48	1,022	21 00
11	1,101	21 00
58	1,116	21 00
44	1,242	21 00
21	1,382	21 00
30	1,128	21 50
20	1,051	21 50
103	1,110	21 50
22	1,155	21 75
26	1,185	21 75
30	1,184	22 00
44	1,162	22 10

[1] Beef steers and heifers.

Mr. ROBERTSON. I also ask permission of the distinguished Senator from Nebraska to have included in the RECORD at this point an article from the New York Times of yesterday, July 7, entitled "Livestock, Grains Move From Farms." The article is written by Mr. J. H. Carmical. I think it is very appropriate at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIVESTOCK, GRAINS MOVE FROM FARMS—WEIGHT OF "FREE TRADING" BRINGS PRICES RESISTING TO CUT UNDER BLACK MARKET—STABILIZERS ARE BROKEN—ELIMINATION OF GOVERNMENT SUBSIDIES ALSO A FACTOR IN MOVEMENT OF QUOTATIONS

(By J. H. Carmical)

The livestock and grain markets were a bit confused last week in the first "free trading" in more than 4 years, but prices generally followed the trend that had been expected, with sales having been made freely at levels no higher than had existed in the black markets. However, they were above the fictional levels of the Office of Price Administration.

With cattle and hog receipts in the principal centers at this highest level in many years at this season, the importance of the open price factor in moving agricultural products from the farm to the consumer was emphasized. While it will take a week or more before this influx of livestock will be felt in the retail outlets throughout the country, the consumers generally are assured of more supplies and at lower levels than previously existed in the black market.

For the past year, a steadily increasing amount of meat has been distributed through the black market. In June, it is estimated that around 90 percent of the Nation's meat was being marketed through that channel. Since various kinds of subterfuges were invoked in the disposal of this meat, it is difficult to determine exactly how much it was selling above the OPA ceiling. Prices varied in different sections of the country, but it is estimated that the over-all price of dressed beef was from 12 to 15 cents a pound above the ceiling of 29 cents for the choice grade. In many instances the price was up as much as 50 cents a pound.

SUBSIDY PAID BY THE UNITED STATES

Furthermore, it is estimated that of the beef sold in June through the black markets, the Government paid a subsidy on it. This subsidy amounted to 3 cents a pound on the hoof, or about 5¾ cents when dressed. On this, the black market operators thus were receiving that much above the high prices they were obtaining from their customers.

Last week, the top grades of cattle sold in the Chicago market around 22 to 22½ cents a pound compared with their ceiling of 18 cents. On the basis of such prices, it is estimated that the big packers under their efficient operation can sell the finished product to retail outlets at 32 to 33 cents a pound. No subsidy payment from the Government is included in this price, which would compare with around 28 cents a pound, including the subsidy payment the packer received under the old OPA ceiling.

Under the OPA, most hogs were moving above the ceiling level of 14.75 cents a pound and many buyers were paying as much as 20 cents. Although prices rose to the higher figure on the first day of trading after the removal of the ceiling, prices subsequently reacted to around 17 cents. At that price, it is estimated that packers can produce the dressed product for around 25 cents a pound, compared with previous black-market prices of 30 cents and in many instances as high as 40 cents.

The Government also paid a subsidy on a large percentage of the pork sold in the black market. The subsidy on hogs amounted to 1 70 cents a pound on the hoof, or the equivalent of around 2.30 cents when dressed.

In the fiscal year ended on June 30 the Government subsidy payments on meat approximated $750,000,000. Excluding this payment which was made indirectly by consumers, there is no doubt that the cost of

meat to the public in that period was at the highest level in the history of this Nation, with the profits largely going to black marketers, who in most cases paid no income taxes on that phase of their business.

Since any illegal business is more expensive to operate than a legitimate one, the consensus in the meat trade is that, if the OPA controls on meat are not restored, last week probably marked the high price for livestock in the immediate future. In fact, some large meat packers are on record to the effect that, without controls, they will be able to supply meat at lower prices than those previously prevailing in the black market.

GRAIN STALEMATE BROKEN

The lifting of controls also broke the stalemate that had existed for a period in the grain markets. It stopped the holding movement of wheat on the farms. This resulted largely from the order of the Department of Agriculture making it a penal offense for farmers not to sell 50 percent of their wheat within 15 days after placing it in elevators for storage That cereal started to move through regular channels at some 20 cents a bushel above the ceiling level of $1 99½ at Chicago.

Wheat had been in ample supply until a few months ago when a scarcity developed as a result of huge shipments being made abroad for relief purposes. In that period only a comparatively small black market in wheat products had time to develop. However, the price of flour in that market generally was twice that of the ceiling level and growing rapidly.

In view of the uncertainty over the fate of price control, mills last week were quoting flour and cereal products only for "immediate shipment." However, the price here ranged from $5 22 to $5 40 for a hundred pounds, compared with the old ceiling level of $3.75. Without subsidy payments, the old price would have been $4 75 on the basis of the ceiling price for wheat. This subsidy payment amounted to 47 cents a bushel on wheat, or the equivalent of arount $1 a hundred pounds on flour.

FACTOR IN NEW PRICE

The new price for flour took into consideration the higher level for wheat, and the recent rise in freight rates of about 3 cents a bushel. However, it was said to be from $3.50 to $4 a hundred pounds cheaper than that previously prevailing in the black market

Corn, which had been in scarcer supply than wheat in the regular marketing channels, came out in large quantities. On Tuesday, more than a million bushels of that cereal were sold. With no great shortage of corn on the farms, there is little doubt that enough corn will move through the regular marketing channels to supply the demand until the new crop is harvested.

Despite the heavy demand for meat, the ranges and farms probably have more livestock than at the start of the war. This year's production of wheat will approximate 1,075,000,000 bushels, or only slightly below the record crop of last year. On the basis of the present condition of the corn crop, it also may approximate a record. For these reasons, most persons in the trade believe that there is no better time than now to return permanently to a free market in meat and cereals.

Mr. ROBERTSON. I thank the Senator from Nebraska.

Mr. WHERRY. I thank the distinguished Senator from Wyoming for his contribution. He is another man who knows the cattle business from the ground up. I appreciate such a statement from a man who knows cattle.

Mr. CARVILLE. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to the distinguished Senator from Nevada, one of the cosponsors of this amendment.

Mr. CARVILLE. I should like to make the observation that included in the prices to which reference has been made are the subsidies which have been paid for cattle over the period of the past several years.

Mr. WHERRY. That is a good point. I thank the distinguished Senator. That shows what is being done without the payment of subsidies. Considering everything, the markets today are really favorable, and the people of the country ought to take heart from what has been accomplished in the meat industry.

Mr. TAFT. Mr. President, will the Senator yield?

Mr WHERRY. I yield.

Mr. TAFT. More or less in connection with the same point, but dealing with a different product, namely, oranges, I think it would be a good idea to place in the RECORD a report of the auction sales of oranges throughout the United States on July 1. The old ceiling price was $6.20 a crate The average price on that day was $4.72; yet everyone has read in the press about sales of oranges at high prices. When I went back to Cincinnati over the week end I found the same situation. The average sales price of oranges was approximately $4.80, but one crate, or perhaps e few crates of very fancy oranges of large size had sold for $8.50, and the headlines carried accounts of oranges selling at $8.50. What the OPA has done has been to impose a flat ceiling, so that little nubbins sell for the same price as large oranges. Consequently the large oranges have not been produced. There has been no incentive to produce the best grade. I think it would be wise to put this report in the RECORD as an example of what has happened in one other industry

Mr. WHERRY. I thank the distinguished Senator, and it is perfectly agreeable to me to place that example in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CALIFORNIA FRUIT GROWERS EXCHANGE—ORANGES, AUCTION SALES, JULY 1, 1946

The table below shows average prices received at several auction markets for July 1, the first day after termination of price control. A few preferred sizes sold above old ceilings but the averages were substantially below.

Auction sales July 1, 1946

Market	Cars sold	Range		Average price	Old ceiling
		Low	High		
ORANGES					
New York	54	$1 35	$10 75	$4.48	$6 20
Boston	17	1 25	9.65	4 86	6.22
Philadelphia	20			4.91	6.19
Chicago	16	1.70	10.35	5.30	6.15
Detroit	14	1.25	8.20	4.75	6.18
St. Louis	12	1.35	9.10	3.93	6.16
Cleveland	6	2.80	9.55	5.78	6.19
Average				4.72	6.18

The highest sale was $10.75 for 16 boxes of preferred sizes and extra quality in New York. There were a few other sales between $8 and $10 per box. The quantity sold at such prices was negligible. The averages were more than $1 per box below old ceilings.

A car of oranges contains from 462 to 693 boxes.

Mr. WHERRY. I am glad to have that table inserted in the RECORD so as to show the prices throughout the country of another commodity. I could give hundreds and hundreds of examples of the prices at which beef sold throughout the country last Friday, but I do not wish to take the time of the Senate or encumber the RECORD. A man I know very well telephoned me from Omaha. The people there have just as much difficulty getting meat as have the people here in Washington because the beef is not being killed by the packers. The man to whom I have referred is a good friend of mine. I think he is affiliated with the opposite party, if that means anything. He telephoned me about a laundry. His name is Walker. I said to him, "Mr. Walker, what is the reaction out there about lifting price controls, especially the controls on meat?"

He said, "Well, Senator, everybody is pretty happy. We were rather apprehensive about it at first, but as it goes along we feel pretty good. We do not feel that it is out of hand."

I said, "Have you bought any meat?"

He said, "Well, I do not usually buy meat, but my wife went to the market this morning and, for the first time in months, bought a roast." He did not say what kind of a roast it was, but he said, "She paid 47½ cents a pound."

That is what my friend—a man in whom I have a world of confidence—told me. Understand, he was not interested in meat. He is interested in a laundry. We have heard of cases of people having paid $1 or $1.50 a pound, but, if such prices are paid, we must bear in mind that those are the black-market prices, and that for the first time people are paying black-market prices, and are openly doing business on that basis. If that is the price, it is what the black-market price has been. Today there are plenty of cattle, but there is difficulty in getting beef to the tables, simply because of the policies of Chester Bowles.

One amendment which we certainly wish to carry in this bill is the one providing for the decontrol specifically of the livestock industry from Chester Bowles. He has completely demonstrated that he cannot handle it and that control has broken down; and in a week it has been shown what can be done without his administration.

I should like to refer again to the hog situation. It will be recalled that I said that today at the 12 principal markets there are 83,500 hogs, as compared to 41,500 a year ago and 19,000 last Monday, and a week before that the figure was negligible. So it is apparent that hogs are now available. Some people say, "Yes; but look at the price." Very well; what is the price? The top price at Chicago, when I received this report at about 11:30 today, was $16.60 liveweight a hundred pounds. That means that is the top price for hogs. That means that a hog selling at that price had to be a 200-pound hog, in good finish, corn-fed, and what we call a

bacon hog. Consider the price at which the average grade of hogs sold. An examination of the published figures will disclose that the average price was $1 or $1.50 below the very top prices. Seventy-five percent of the hogs which reach our tables, outside the bacon, sold this morning in Chicago for $1 or $1.50 under the top price of $16.60, which means that they sold at practically the ceiling price, which at Chicago is $14.85 a hundred. In 8 days hogs have been available at the ceiling price, without control. But under Chester Bowles' control we got no hogs at the ceiling prices, although actually the prices were the black-market prices, and even under those prices the number of hogs obtained was negligible. The testimony is that 80 percent of the meat sold in this country has been sold on the black market. Not one Senator has challenged that percentage figure. It is an admitted fact that the meat has been black-market meat. Is it any wonder that I join with my colleague from Nevada and all the other Senators who sponsor this amendment?

Mr. CARVILLE. Mr. President, to show that this matter of the black market was known to the Administrator, let me say that during the course of the testimony which was taken before the Banking and Currency Committee, Secretary Anderson made the following answer in response to a question which was asked by the Senator from Kentucky [Mr. BARKLEY]:

Mr. ANDERSON. Well, Senator, if I may, I would say to you that there have been many times when I have debated with myself very seriously as to whether or not the removal of many of these controls on meat might not be a good thing in view of the surplus population of our ranches. I would say that about as far as I have been able to persuade myself to go is to regard this present period when we are trying to reestablish slaughter controls as about the last effort to see if it will work. If with slaughter controls and with the increased force that OPA is now putting on this we are not able to direct these cattle back into decent channels, if we are not able to persuade people that they have got to back into decent channels, if we are not able to get food for the American people at decent prices, then we surely ought to try something else; and the only other "something else" is an abandonment of these controls.

That was back in April of this year, and then they were going to try the control system again. At that time Mr. Anderson stated to the committee that if the control system did not work, he thought controls ought to be removed inside of 90 days. That 90-day period is now about up.

I simply wish to make that reference in order to show that the black market situation was known to Secretary Anderson, at least, and I think it was known to Mr. Bowles and to Mr. Porter at the time.

Mr. WHERRY. Mr. President, I thank my colleague from Nevada who, as I have said before, is a coauthor of this amendment. He has referred to testimony which I should like to restate, because I wish to have everyone understand it. The distinguished Senator called attention to one of the most important things relative to decontrol, namely, the testimony of Secretary Clinton Anderson. I was expecting to refer to his testimony in the course of my remarks, but it might just as well be stressed now. Mr. Anderson was speaking about whether we could get more meat. He was saying that we were not getting meat. His statement was made during the last week in April, as I recall, and he was testifying before the committee. He was asked, "What are we going to do about it? We are not getting the meat now. What do you say?"

Secretary Anderson replied, "The only thing I know to do to force the meat back into the legitimate markets is again to impose what we call the quotas."

The quotas provide that a man who buys a drove of cattle has to buy so many head of fat cattle which he will slaughter, and so many head of another class of cattle, and so many head of another class of cattle, all the way down to even vealers and canners. Under the quota system, the Government thus assures the public generally that the buyer cannot buy only AA cattle or A cattle or B cattle, but must buy all grades of cattle, and must buy enough of the different grades to average up on all the different quotas and classes if he wishes to receive the subsidies. The Secretary thought that on the basis of such a kill, it would be possible to obtain better distribution. When he was asked, "What can you do?" he said, "The only thing that is left is to go back to quotas and see whether they will work."

Then he was asked, "Well, what is to be done if that does not work?"

He said, "Then we must do something else."

I think the "something else" was decontrol; at least, that was the inference, and he is credited with taking that position and advocating that that be done if the quota system did not work.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. WHERRY. I yield.

Mr. BUCK. Let me say that the Senator from Nebraska is entirely correct about that matter. Secretary Anderson said at that time or on a later occasion that if the black market in meat could not be controlled, and he was very doubtful whether it could be, then meat should be decontrolled.

Mr. WHERRY. I thank the Senator, who is one of the very able members of the Banking and Currency Committee. He attended the meetings of the committee very faithfully, and of course he is acquainted at first hand with the testimony adduced by the witnesses.

Mr. CARVILLE. Mr. President, will the Senator further yield to me?

Mr. WHERRY. I yield.

Mr. CARVILLE. I wish to refer to a little more of the testimony.

Mr. WHERRY. I shall be glad to have the Senator do so.

Mr. CARVILLE. After the statement which Secretary Anderson made about trying it for 90 days and then abandoning it if it did not work, the following occurred:

Senator BARKLEY. Ninety, did you say?

Mr. ANDERSON. Ninety days, or abandon it; yes. I say to you if you cannot stop the black market that exists, if you cannot stop the situation that the large packers upon whom we have to depend for a good deal of the meat that we ship in export—and that is my principal interest just now—if they cannot handle something like a normal volume of it, if it all goes out where it is wasted, then something is wrong.

Mr. WHERRY. I thank the distinguished Senator. That is the testimony of Clinton P. Anderson, the Secretary of Agriculture. It is my opinion that if Secretary Anderson had his way about the matter, meat would have been decontrolled away back in the latter part of 1945. That is my opinion. I have a wholesome respect for Secretary Anderson.

Had decontrol existed then, when the runs of cattle occurred last fall we never would have missed price control on meat. Of course, now the situation is different. We are in what is called the in-between season. We shall not get the big runs of cattle until a little later, although they are starting now. They are just beginning to come from Oklahoma, from the Osage district, and perhaps in a week they will be well started. If we do get them we shall have an abundant supply. The cattle from that section of the country and also from the blue-grass section, from Texas and from Idaho, as the Senator from Idaho [Mr. GOSSETT] knows, the cattle are fat and ready for the killers.

Mr. President, it will be recalled that the Senate Committee on Banking and Currency adopted the so-called McFarland amendment to the bill that had been passed by the House, and by the terms of that amendment the livestock and meat industry was relieved of controls, with such relief to be effective immediately after June 30, 1946. I make that statement because the very thing we are now asking was voted in the Committee on Banking and Currency. It was passed by the Senate, and went to the President of the United States, who vetoed it. The amendment was approved in the Senate by a vote of more than 2 to 1.

Mr. President, it will also be recalled that this amendment was approved by the Senate when it passed House bill 6042 containing the specific decontrol of livestock and meat, and that the vote on the final passage of the bill was 47 to 23. That was a vote of more than 2 to 1. The vote was a clear indication of the sentiment of the Senate with reference to decontrol of livestock and meat.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BUCK. I think the able Senator made a statement which was incorrect by saying that the bill which went to the President contained those decontrols. My recollection is that they were eliminated in the conference committee, and that the bill went to the President without them.

Mr. WHERRY. I wish to correct the record, Mr. President. What the Senator from Delaware has stated is true. I meant to refer to the decontrols as they were contained in the bill when it passed the Senate and went to the conferees.

Mr. BUCK. The Senator is correct.

Mr. WHERRY. I thank the Senator. It is hard to trace clearly the votes, the amendments, and the various bills which come before the Senate. However, the amendment to which I refer was voted on and adopted by the committee. It was passed by the Senate and went to the conferees where it was deleted before the bill went to the President of the United States.

Mr. President, there are many reasons why I feel there is no other course for me than to join in the submission of this amendment. I am convinced that if the Members of the Senate will recall everything that has been said on this floor concerning the present subject, and even a fractional part of what has been testified to by various witnesses before separate committees of the Senate, especially before the Committee on Banking and Currency, the amendment for which I now ask consideration will be overwhelmingly adopted.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. The Senator, if I followed him carefully, gave considerable emphasis to the statement which was made by the Secretary of Agriculture, Mr. Anderson.

Mr. WHERRY. Yes.

Mr. MURDOCK. If I recall correctly the statement, it was to the effect that if the black-market situation on meat could not be remedied within a period of 90 days he would recommend that meat be decontrolled. I think the Senator has stated that the big run of grass-fat cattle will begin perhaps within a month from now.

Mr. WHERRY. Mr. President, I made the statement that the run had already started, and that within a week cattle would be coming from the Osage parts of the country. Actually, the run is about to begin.

Mr. MURDOCK. The run will not be at its height, if I know anything about the situation, until at least 3 weeks from now.

Mr. WHERRY. Mr. President, that will depend entirely on whether the price ceilings are left off or put back on. If they remain off I think there will be the greatest run of cattle into distribution channels we have ever seen.

Mr. MURDOCK. I think the run will take place more in accordance with the season than the price.

Mr. WHERRY. Yes.

Mr. MURDOCK. We now come to the Secretary of Agriculture in whom is vested, under the pending measure, absolute and unqualified authority. If the Senator gives any weight whatever to the advice and statement of the Secretary of Agriculture, he knows what the Secretary will do. Mr. Anderson told us that if, at the expiration of 90 days, the situation has not cleared up, he will then be willing to decontrol. I wonder if the Secretary of Agriculture did not have in mind the very thing which the Senator has in mind, namely, that at about the time of the expiration of the 90-day period there will occur the big run of grass-fat cattle, and that then will be the most expedient and appropriate time to take controls off beef.

Mr. WHERRY. Mr. President, answering the distinguished Senator's question, I think that what the Secretary of Agriculture had in mind was the fact that we could not obtain any meat in legitimate markets, and because of that fact he wanted to reestablish the quotas. The Senator comes also from a cattle-producing State. I admit that if controls could be taken off when a run of cattle takes place into the market, there would be no acute situation in connection with the supply of meat. Whether the Secretary of Agriculture had in mind that he wanted to wait until the run starts, I do not know. The program was initiated by the Secretary to help divert what cattle were coming into the market into the legitimate channels by slaughtering quotas.

Mr. MURDOCK. Mr. President, I know the Senator wishes to be fair.

Mr. WHERRY. Yes.

Mr. MURDOCK. He is a very able and a very reasonable Senator.

Mr. WHERRY. I thank the Senator.

Mr. MURDOCK. It seems to me that when an expert, such as the Secretary of Agriculture, is speaking upon a certain subject and, in his wisdom, he tells us that if within 90 days the situation has not cleared up he will be willing to advocate decontrolling the prices of cattle, it is our duty to analyze his statement and ascertain just what he had in mind. If the Secretary of Agriculture had fixed a specific date, the natural thing, of course, for the cattle grower to do would be to hold back for that date to arrive before putting his cattle on the market. When the Secretary told us that if at the end of 90 days the program which he had in mind did not work out he would recommend decontrolling, and when the Senator agrees that about the time when the 90-day period will expire there will be a big flow into the market of grass-fat cattle, I think it is a situation that we should take into consideration. In my opinion, the Secretary of Agriculture had that situation in mind when making the statement which he made. It seems to me that the Senate of the United States could very appropriately and wisely go along with the Secretary of Agriculture, with the full knowledge that at the most appropriate time, which will be when the grass-fat cattle start to come into the market, the situation will be taken care of quite properly.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. WHERRY. I wish eventually to answer the Senator from Utah, but I am glad to yield to the Senator from Oklahoma.

Mr. MOORE. I wish to suggest what my understanding was of what the Secretary of Agriculture had in mind when he made the statement that if quotas imposed on slaughterers did not bring the results expected, and did not reduce the black-market operations in meat, he would recommend decontrol. I do not believe that he had in mind the lack of supplies on the market, or the supplies which would be stimulated by grass-fat cattle coming into the market. I think he was discussing the black market which might be reduced by the program which he suggested.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. First, Mr. President, I wish to thank the Senator from Oklahoma. I now wish to answer the Senator from Utah, and after doing so I shall be glad to yield to him further.

I am satisfied that the one thing which the Secretary of Agriculture had in mind when he imposed slaughtering quotas was to get cattle into the markets. Whether the Secretary thought that at some time in August or the latter part of July he would take off controls, I do not know. However, the Senator from Utah knows that the quotas were imposed during, I believe, the last week of April. They continued for 1 week in April, all of May, all of June, and the first week of July. Until the ceilings were taken off conditions were going from bad to worse. I ask why wait another few days specifically to decontrol meat?

Mr. MURDOCK. Mr. President, the Senator knows that notwithstanding the fact that the Senate adopted the amendment, it was stricken out in the conference.

Mr. WHERRY. Yes.

Mr. MURDOCK. If the Senator will be reasonable enough to admit that the Secretary of Agriculture had in mind that the best time to control meat would be when the grass-fat cattle began to run, certainly he will agree that the best way to remedy the situation is to follow the Secretary's advice, because if the Senate puts the amendment back in the pending measure, unless the House has changed its mind—and we have no reason to believe it has—the provision will again be knocked out of the bill in conference, and it will take additional time, whereas if we are willing to leave it to Secretary Anderson, in whom the Senator says he has confidence, we will get the job done that much quicker.

Mr. WHERRY. I do have much confidence in Secretary Anderson, and I hope the Senator from Utah will always feel I am reasonable—I certainly want to be—but whether we will get this job done administratively under Secretary Anderson, or will not get it done, is the question we have to decide. My experience has been that one in higher authority than the Secretary of Agriculture is the one who says what shall be done. That is my experience.

Mr. MURDOCK. Who is there, under the bill, who is higher than Secretary Anderson?

Mr. WHERRY. The President of the United States.

Mr. MURDOCK. The Senator has not any confidence in the President of the United States—

Mr. WHERRY. Just a moment. The Senator asked me who had more authority than Secretary Anderson. I say, the President of the United States.

Mr. MURDOCK. Of course, but his authority in price control is an indirect

authority and the Secretary of Agriculture, however, has said in most emphatic language what he intended doing.

Mr. WHERRY. If the Senator will permit me, the President of the United States has not said he wanted to decontrol meat.

Mr. MURDOCK. I did not say he did. I am telling the Senator what is in the pending measure.

Mr. WHERRY. I understand.

Mr. MURDOCK. In the joint resolution it provides that whenever the Secretary of Agriculture finds that an agricultural product is not in short supply, or, even if it is in short supply, if the selling prices are impeding to any extent the production of the commodity, he shall have the right, the exclusive right, the mandatory right——

Mr. WHERRY. Oh, no.

Mr. MURDOCK. To recommend adjustments in ceiling prices, and such recommendations are mandatory.

Mr. WHERRY. Everything but the "mandatory" is probably in the bill, but it is not mandatory. If the Secretary certifies that there is a short supply, very well, he can do so.

Mr. MURDOCK. The point I make is that under the bill there is no authority higher than the Secretary of Agriculture as to agricultural products, unless of course the Senator wants to jump over the Secretary and go to the President of the United States

Mr. WHERRY. Mr. President, I do not want to jump over the Secretary, but that is what we are going to have to do, because the Price Stabilizer will be told by the President how he feels about what is in short supply. The distinguished Senator from Georgia hit the nail right on the head this morning when he asked the Senator from Kentucky, "What is supply? When is there going to be a short supply? What do you mean by supply?" And the distinguished Senator from Kentucky answered the question, in his very fine style, saying, "It means when meat in the butcher shops, in the slaughtering houses, and on the ranges is sufficient to supply the demand." Then someone said "What demand?" He replied, "The demand of the American people," if I understood correctly.

Mr. BARKLEY. That is correct.

Mr. WHERRY. Every bit of evidence I have heard from Secretary Anderson has concerned a demand based, not upon the domestic supply, but upon the world supply.

Mr. BARKLEY. Mr. President——

Mr. WHERRY. I have the floor.

Mr. BARKLEY. I am not disputing that.

Mr. WHERRY. I shall be glad to yield if the Senator wants to make an observation. I said that so far as Mr. Anderson is concerned, the demand is a demand that is based upon the world supply of meat. I am glad to yield to the Senator.

Mr. BARKLEY. The Senator stated that the Senator from Georgia hit the nail on the head when he asked me his question. What I wanted to ask was whether the Senator did not believe I hit the nail on the head when I answered,

Mr. WHERRY. That is the point to which I referred. The Senator not only failed to hit the nail on the head, but if he had proceeded to express himself about what the demand would be—and I know he heard the testimony before the Committee on Banking and Currency—he would say the demand would never catch up with the supply, because the demand of numerous agencies which buy this character of food and which have priority would not continue. So we do not know what the demand is at this time, and never will know.

Mr. BARKLEY. Will the Senator yield further?

Mr. WHERRY. I wish to finish this statement. Furthermore, in answer to the Senator from Utah I made the statement that I did not believe the Secretary of Agriculture would have his way about decontrol, and I mean that. I refer to the Barkley-Bates amendment once again. He did not have his way in that matter. I refer to the Bankhead amendment. He did not have his way in that matter. We can write any kind of an act we desire and say we have it fixed, but in the final analysis it will be just as good as what the President wants the Secretary to interpret it to mean, and that is all we will get.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. During our discussion of the meat situation in the Committee on Banking and Currency I talked over the telephone to one of the largest packers in my State at least a half a dozen times. In each conversation we had on the subject I asked him this question, "When is the best time to decontrol meat?" He very emphatically said, "The best time to decontrol meat is when grass-fat cattle begin their run." That is what Secretary Anderson tells us, and that is what the Senator from Nebraska agrees to.

Mr. WHERRY. Mr. President, just a minute. I know the distinguished Senator from Utah does not want to be unreasonable or unfair. Does he now ask me when is the best time to decontrol meat? Is that what the Senator wants to ask me?

Mr. MURDOCK. Let me ask it in my own way. I thought I was fair with the Senator, and I asked him about what time the grass-fat cattle would start to come in, and he told me. Then I thought he agreed with me that when grass-fat cattle start to come in, is the best time to decontrol meat. It may not be, in the Senator's opinion, but in mine, and in the opinion of one of the big packers of Utah, that is the best time.

Mr. WHERRY. Mr. President, I wish to thank the distinguished Senator for his observation, and if he still sticks to the story that the best time to do it is when the packer told him, that is all right with me. I have not been consulting a packer in Utah, and I do not know how he feels about it, but if I am asked the question, my reply is right now, we are already decontrolling, and why should we go back to controls, in the face of the great success we have had with meat, and the way the people of the United States have accepted the present circumstances?

If the Senator does not agree this is the right time I say to him if we can continue to do what we have already done since OPA ceased to exist, without the runs which will come later, we have demonstrated beyond any shadow of doubt that now is the time to decontrol. We have already gotten the burden off the backs of the people. We have to make price adjustments, and if we can do it now, we do not have to worry about the remainder of July, August, or September, or any other month.

Mr. MURDOCK. Mr. President, will the Senator yield again?

Mr. WHERRY. I yield.

Mr. MURDOCK. The Senator asks me if I do not think now is the best time——

Mr. WHERRY. I did not say that.

Mr. MURDOCK. My answer is that we now have an expert on that subject, a man competent enough to be appointed Secretary of Agriculture, who told us on the 1st of May that about 90 days from that time would be the best time to decontrol cattle.

Mr. WHERRY. Mr. President, I do not know what happened in the conversation the distinguished Senator had with the Secretary, but my guess is—and I am merely making a guess—that if a straight, out-and-out question had been asked Secretary Anderson last April about what he thought of decontrol, he would have said, "I would like to decontrol meat right now."

Mr. GEORGE. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. GEORGE. I think we should not lose sight of the fact that the Congress should be able to judge something about the supply of hogs and cows in the country. The distinguished Senator from Utah has suggested that we have an expert. I am happy to say that I have a great deal of confidence in the expert, Mr. Anderson, but he was gotten out of the Congress of the United States. He was in the other House. Is it reasonable that the judgment of one man would be better than the judgment of 96 in this body and 435 in the other body? Why cannot Congress decide some things? What is the necessity of referring everything to an administrative agency?

Mr. WHERRY. I thank the distinguished Senator from Georgia.

Mr. GEORGE. While I am on my feet, will the Senator permit me to mention another matter?

Mr. WHERRY. I yield.

Mr. GEORGE. My concern is that we will not have any meat at all if the present program continues. If I may illustrate, we will have no salt pork or pork products in my State. We have none now. We have not been able to get them for 6 or 8 weeks, and we have none of the other products which are made from pork, such as lard. Why feed a hog, under the program which is now in force? A hog which does not weigh to exceed 135 pounds is not sold under a ceiling price in the local markets in my State today, and I am reliably informed

by men in whom I have complete confidence that trucks all the way from Virginia, North Carolina, and perhaps Pennsylvania, are going to the Florida line and buying feeder hogs for prices up to 32 cents a pound, while a No. 1 hog that had been brought up by the farmer to the point where he weighed 200 pounds and above, must sell on the market, under the ceiling price, for 14½ cents a pound. Whether we in Congress have sense enough to know when an article is in supply and whether Congress has sense enough to make up its own judgment about anything, without appointing an administrative agency to determine the question, the farmer in Georgia at least is not a fool, and he will sell a pig at $30 before he will keep him until he weighs 200 pounds and above, and receive only $28.50. Therefore we are getting little meat. Consequently, within 6 months there will absolutely be no supply of meat if the present program is continued. That is just as plain as is the nose on anybody's face. I am anxious to see meat brought back into supply.

Moreover, Mr. President, if the Senator will indulge me further——

Mr. WHERRY. Certainly.

Mr. GEORGE. More meat and more of the necessities of life are to be found in the large industrial centers because they are the special concern of agencies such as the OPA, as it has been operated, than are to be found in the small town and small city markets in the States, even in the very midst of the regions where food and meat supplies are being grown. For 6 months nobody in those villages and towns and small cities has paid any attention to price ceilings. Yet we think that by passing a law we can restore the enforcement of the law and the willingness of the people voluntarily to comply with a law governing the prices of meat, which has resulted in almost complete depletion of the meat supply, to say nothing in the world about prices, whether legitimate ceiling or black market prices. Meat cannot possibly be gotten in sufficient supply, under OPA, so long as the farmer can get $32 or $30 for a 110-pound pig, when at the same time he cannot get that much for a 200-pound corn fed hog that has reached the No. 1 grade.

Mr. WHERRY. Mr. President, I want to thank the distinguished Senator from Georgia for his very timely remarks relative to the decontrol policy.

I should like to say that what he says is not only true with respect to the feeder-pig situation, but the distinguished Senator from Oklahoma knows that last year 14,000,000 veal calves were slaughtered, although the average slaughtering of calves runs about 7,000,000 a year. The preceding year 9,000,000 calves were slaughtered. It has been somewhat a policy of the administration not to encourage the feeding of livestock but to encourage the sale of the animals when they are young, to get rid of them, to get rid of the surplus in some way. So instead of feeding the calves until they grow to sufficient size to provide a plentiful supply of meat, under the present Government policy they are gotten rid of, they are slaughtered.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for an observation?

Mr. WHERRY. I yield.

Mr. THOMAS of Oklahoma. The OPA law was passed as a wartime measure. The war in Europe ended more than a year ago. The war in Japan ended almost a year ago. The record shows that there is no price control today. The price-control law, as passed during the war, has ceased to exist. The situation now is exactly the reverse of what it was, say 2 weeks ago. Then it was proposed to extend the existing law in substance. Now that law has terminated. It has ended. There are no controls today legally on any commodity in the United States. So Congress is faced with the proposition to reimpose controls, to pass a new peacetime control measure. Now the question is: To what extent does the Congress wish to do that? A number of commodities are known to be in surplus supply today. Take oats for example. Today there is the largest carry-over of oats the Nation has ever had. The country is faced with a greater supply than was available last year. So when this year's crop is harvested there will be a surplus of oats. Yet there was no movement made to decontrol oats.

Take the meat situation, which the Senator from Nebraska has been discussing. It is known that we have at least 10,000,000 more livestock today than we had formerly. Then let us take oil. Oil is now decontrolled. It is proposed, if the pending measure is carried, to reimpose controls on oil. We have more oil now than we have ever had before. We have a surplus supply of oil. There is plenty of oil that can be taken from the ground. Above ground there is a large supply of oil and oil products. Yet, the OPA apparently wants to reimpose controls on oil. If the OPA, knowing all these facts, want to reimpose control on oil, on meat, and on oats and like commodities, which are known to be in a surplus supply, it seems to me that after they have reimposed them they will want to keep them there forever, and I am not in agreement with that kind of a program.

Mr. WHERRY. I want to thank the distinguished Senator from Oklahoma.

The extension of price control is now again before us for consideration, and the Banking and Currency Committee have brought in House Joint Resolution 371 and has submitted the same to us for consideration.

I am compelled to join in offering the amendment providing that, in the revival of the Price Control Act, livestock and meat shall be specifically exempt from any further control so that any such revival that this body might enact would not affect the livestock and meat industry.

There are many reasons why I feel that no other course is open to me other than to join in the introduction of this amendment. These reasons I shall state in detail to the Senate, and, Mr. President, I am convinced that if the Members of this body will recall all that has been said on this floor concerning this subject and even a fractional part of what has been testified to by various witnesses before many different committees of this Senate, this amendment will be overwhelmingly adopted.

This amendment is in line with the declaration of policy of decontrol.

In the first place, I specifically call attention to that part of the proposed legislation brought in by the Senate Banking and Currency Committee which appears on page 4 of the proposed resolution and begins at line 4 thereon and which reads as follows:

(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished

The committee's "Declaration of Decontrol Policy" is very broad and general yet, at the same time, it has some specific and particular statements that deserve thoughtful consideration. It is very clear that the committee recognized the fact—a fact generally known to all of us—that the principle of price control was strictly a policy developed by the emergency of war conditions; it is obviously clear that our committee was perfectly conscious of the fact that the best thing that could happen to this country would be for conditions to so develop that there would be no necessity, that is, no emergency, bringing about a necessity for prolongation of the program of price controls.

The committee obviously realized that the sooner the program of price controls and subsidies could be abandoned and the economy of this country restored to the basis of free trade and individual enterprise the better off the country would be.

This is made perfectly clear by the language of the just-quoted "Declaration of Decontrol Policy." But, to me, the most significant feature of that declaration is that sentence which shows the intent of the committee to bind the Office of Price Administration and all other Government agencies to use their price subsidy and other powers to promote the earliest practicable balance between production and the demand.

This statement of policy by the committee is but a reiteration of the often-declared policy of the Government throughout the emergency period. Every Member of this Senate has, on innumerable occasions, heard Mr. Chester Bowles and his predecessors as Administrators of the Office of Price Administration make profound, pious, and fatuous declaration of the same policy and yet every Member of this Senate knows from personal experience with the administration of the Price Control Act that there has never been a time during the history of that act when any of those who gave official and frequent expression to this policy did so with the slightest degree of sincerity.

Each of us knows, from our own personal and individual experience, that the attention of the price control administration has been frequently directed to the fact that the production of many different commodities has frequently met or even exceeded the demand yet, until just recently, that is until this question of extension of the act became acute, no one ever heard of the Price Administrator voluntarily releasing the controls of any such commodity regardless of the abundance of the production.

The czar of the price-control program has been Mr. Chester Bowles. From recent developments, it has been obvious that Mr. Bowles has been able to override the expressed will of this Congress and that the influence of Mr. Bowles with the Government exceeds the power of the Congress.

This specific decontrol should be acceptable to the President because it comes with the declaration of policy in the bill and in his veto message.

There is no place in his veto message that I can find where he specifically asks not to decontrol meat.

This specific decontrol should be acceptable to the Secretary of Agriculture.

If anyone has any doubt about the cause of the scandalous situation that exists I invite attention to the testimony of Secretary Anderson given before our Banking and Currency Committee on the 1st day of May of this year. While all of the testimony given on that occasion by Secretary Anderson is most interesting and illuminating, I wish to particularly call attention to this statement:

Mr ANDERSON I think that it is absolutely true that the large, well-integrated packers have not been able to go into the market and buy cattle. I realize that there has been a belief that they are on a buyers' strike, but we have tried to check, in the times that we were running the plants, and we found it impossible for those firms to go into the market and buy cattle within the compliance range. The difficulty is that they are large.

The Secretary left the clear inference that, because these packers were large that they were watched more carefully by the agencies and that therefore they had to live by and under the regulations, even if that course put them out of business—as it has done. The Secretary also answers the charge that packers are on a sit-down strike and shows that the course they followed was the only course open to them. He also shows that even the Government of the United States could not compete with the black market operators when the Government was running the packing plants.

And we all know that this situation has gotten steadily worse. It will continue to get worse as long as there is an apparent effort to keep controls on the industry. Again may I quote from Secretary Anderson's testimony given before the House Committee on Agriculture:

Secretary ANDERSON. As long as there is this great flow of money in the country, where people can walk into stores and take out all the meats that are there on the counter for an average family, you just cannot control the situation.

Nothing has happened to remedy or alleviate the situation that existed in April when the Secretary was testifying. In fact, the situation is, from all the information I can get, much worse. And there is just nothing that can be done about it except to leave this industry free of controls.

The records show that, if free and unhampered by artificial and unrealistic controls, this industry, like every other American industry, will right itself. Secretary Anderson did, on May 1, 1946, tell the Committee on Banking and Currency that "he would like to see the effect of the slaughter control order tried out for 90 days and that if that did not cure the situation then controls should be abandoned."

That statement was made some 65 days ago, and no one will say that the situation has gotten better. We know it is worse. So the slaughter-quota order has done no good. There is now, Mr. President, only one thing left to do, and that is to decontrol this industry, and that is the effect of the proposed amendment.

Now, speaking specifically with reference to the cattle and beef industry, I believe it is appropriate that we should pay great attention and give great weight to any statement on this subject made by the highest officials in our Government having official responsibility relating to the industry. I believe that the Honorable Clinton P. Anderson is a well-informed and an honest Government official. Mr. President, I can think of no one whom I could quote more effectively on this point than the present Secretary of Agriculture, and when I seek to determine what the position of the Secretary of Agriculture is on this vital question I go directly to his testimony, and my attention has been directed to that testimony given by Mr. Anderson on April 4 of this year before the Committee on Agriculture, House of Representatives, and I find that on that occasion the following transpired: The chairman of the committee [Mr. FLANNAGAN], in referring to the cattle population of this country, asked the Secretary the following question and received the answer as given:

The CHAIRMAN It looks as though we have sufficient supply?

Secretary ANDERSON Very ample supply, which we ought to reduce

Mr COOLEY Mr Chairman, I would like to ask the Secretary a question: Is there any scarcity of meat in the country at the present time, in view of the large cattle population which we have?

Secretary ANDERSON. Well, there need not be a scarcity of meat. There is sufficient cattle to produce all the meat we need.

Mr COOLEY We never know what the demand is, do we?

Secretary ANDERSON. We have been able to calculate it pretty well here before. But what I am saying is that there is a sufficient supply to be able to take care of any demand which the American people may have, and it would be a good thing if that demand could be supplied, because we have too many cattle on the range now, and I would like to see them slaughtered.

Mr. President, it is the Secretary of Agriculture to whom we must look for correct official information concerning any agricultural product. That is his peculiar function, duty, and responsibility. And I, for one, am glad to state that Clinton P. Anderson has shown himself to be a capable, serious, and entirely honest public official. Therefore, I accept his statements, made under the solemnity of testimony before a committee of this Congress of which he once was a Member, and I believe his statements and think that this Senate and the entire Congress and the people of the country are likewise justified in believing Secretary Anderson. I take it as fully and incontrovertably established that we not only have an ample supply of cattle in this country, but we even have too many, and the Secretary of Agriculture, in discharge of his duty to the farmers and ranchmen of the Nation, has recommended a sharp reduction in the numbers of cattle on the ranges.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. JOHNSON of Colorado. Does the record anywhere show that Secretary Anderson came to the committee and asked the committee, and asked Congress, to give him the authority in question? Did he say that he wanted to exercise the authority, or was he simply advising the Congress that in his opinion in 90 days, unless the situation with respect to the black market cleared up, and unless the market returned to normal, the controls ought to be removed? He did not say that he wanted to take them off, did he? As I understand his testimony, he was suggesting that the Congress take them off.

Mr. WHERRY. Yes, that is correct. I thank the Senator from Colorado for that statement. I was coming to that point in my remarks. Secretary Anderson asked Congress to decontrol. That was the main reason for the submission of the amendment. Congress has already declared the policy. Congress made its declaration of policy by the adoption of the McFarland amendment. But the Secretary wants authority to decontrol meat. I think that can be proved by not only his statement but also by the statement of the advisory committee.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. I hoped the distinguished Senator from Georgia would not leave the Chamber until I had opportunity to comment on what he said. His argument, as I recall it, was that wisdom resided in numbers, and that, while the President saw fit to select from the House of Representatives, Mr. Anderson to be Secretary of Agriculture, the Congress probably was more expert on questions of this kind than Mr. Anderson would be, now that he is Secretary of Agriculture. If that be the logic we should be governed by, then I call the Senator's attention to the fact that the House, which is much more numerous than we are, being composed of 435 Members as against 96 Members of the Senate, has consistently refused, as I recall, to agree with the Senate's position on the specific decontrol of livestock and meats. When the Senator takes the position that Secretary Anderson was suggesting, as the Senator from Colorado just stated also, that Congress should do the job, certainly there is nothing in his evidence to indicate that. His whole evidence

tended to recommend to the Congress that the situation be left as it was for 90 days, and then if at the end of that time it had not been straightened out, he himself, as Secretary of Agriculture, would recommend to those having in charge control of prices, the OPA, that the ceilings be removed. But I do not believe that anyone can go through his entire testimony and find the slightest intimation that he intended to come and ask Congress to do that thing.

Mr. WHERRY. Mr. President, it will not be necessary for me to answer any question that is asked of the Senator from Georgia. He can well care for himself. But to the distinguished Senator from Utah, may I finally say that it is my opinion that even under the machinery provided by this measure we cannot expect that Secretary Anderson administratively will ask to decontrol meat. If I understand the President's statement correctly, and if I understand the position of those who will support the Administration, they do not want specific decontrol of anything. The idea of saying that there might be a few more cattle here in 6 weeks or in 4 weeks or in 5 weeks, which would be the time to decontrol, would not make the slightest difference to the distinguished Senator from Utah, because he is going to vote against decontrolling meat no matter when it is proposed to decontrol it.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MURDOCK. I have not indicated how I was going to vote on the question. I was simply trying to contribute something to the discussion. I emphasized what the Secretary of Agriculture called to our attention, and I was prompted to do that by the very complimentary statements the Senator has made about Secretary Anderson and the great confidence he reposes in him.

Mr. WHERRY. Mr. President, I still have high respect for the Secretary. But I am making the statment again, and as I said, it is a final statement, that this act will not be administered as it is written. If we pass this joint resolution—and I make the prediction that the distinguished Senator from Utah will vote for it—we shall not get specific decontrols by the Secretary of Agriculture or the President of the United States during the year of the extension of the law.

Mr. MURDOCK. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I am glad to yield for a question, but I would rather not yield for observations. If the Senator wishes to make a speech, it is all right with me that he do so in his own time.

Mr. MURDOCK. I will limit myself to a question.

The Senator says that we are hiding behind things in order to stay away from decontrols.

Mr. WHERRY. That is correct.

Mr. MURDOCK. It seems to me that if I had as little faith in the administration of any OPA act which might be passed as the Senator has, as he has indicated in the past, I would be for absolute repeal.

Mr. WHERRY. I have already taken that position on this act. I am against the OPA as it has been administered, and every bit of it.

Mr. MURDOCK. Has the Senator offered an amendment to repeal it?

Mr. WHERRY. I do not need to offer an amendment. I voted against the bill which passed the last time; and whether this amendment is adopted or not, I expect to vote against the joint resolution this time, because I believe the time has come to end totalitarian controls in the United States. I think it is time to get back to the American way. I think if this is the best we can offer, the time has come when the people themselves should be freed from this prison and given an opportunity to work out their own problems, without being ruled by a czar like Chester Bowles, who can tell 140,000,000 people what they must do, when they must do it, what they may eat, what they may wear, what they may earn.

The time has come for Congress to assert itself. We should get back to decontrol. I am offering this amendment to decontrol meat in good faith, to make the joint resolution as good an act as possible. But I do not wish to have the Senator labor under any misapprehension. I am against OPA as it is being administered today I am not going to vote to continue black markets in meat, lumber, or any other industry. I will not give them my sanction. I am against the system. I do not want needlesly to go back to black markets in meat, now that we have it decontrolled.

Mr. MURDOCK. Am I to understand that the Senator takes the position today that he is emphatically opposed to any type of OPA law at all?

Mr. WHERRY. Mr. President, I have said on the floor of the Senate more than once that unless we could have a price-control act to control all factors which enter into price stabilization, including wages and costs—and we cannot get that kind of a law, because the Senator and some of his colleagues will not give it to us, and neither will the President—we are better off without any price-control act. The pending measure is a subterfuge offered to the American people. It is not a price-control measure at all.

Mr. MURDOCK. As I understand the Senator, he still refuses to say that he is unqualifiedly against any OPA law.

Mr. WHERRY. I do not know how anyone could say with more certainty what I have already said. I will say it once again. I am against the pending measure, and I would rather have no law at all than to have the subterfuge which is offered to the people as a so-called price-control act. It would not control all the factors, and the Senator knows it. He is a smart man, and a very able Senator. He is one of the best we have, and I love him. But the Senator has gone wrong in connection with this measure. He knows that the only thing to do is to decontrol meat. He knows that there is nothing to return to. I shall discuss that question a little later. The Senator does not wish to inflict upon the people of this country a condition in which 80 percent of the meat is sold in the black market. We have tried it for 4 years.

Bowles has promised this, that, and the other thing. Paul Porter has promised many things. All they have done is promise. What has happened? The meat situation has got completely out of control. Yet the Senator is asking me to vote for a measure which would fasten upon the American people a law under which 80 percent of the meat would be sold in the black market. It would result in wholesale disrespect for law. Today if one wants to obtain a piece of lumber, a piece of meat, a loaf of bread, or anything else, he must whisper to someone, "Where do you get it? From whom do you get it? I would like some meat; I would like a pair of nylon hose." One cannot get anything unless he knows some black-market operator. And yet we talk about price control.

I admit the existence of high prices. But this is the first time in 4 years that we have shown Mr. Bowles what the black-market price is, and what the people are paying. The Senator asks me to vote to reenact a law under which only 20 percent of the meat goes through legal markets, and to say that I am in favor of that kind of a law. Absolutely not. If there is any question in the Senator's mind, let me say that I intend to vote against the pending measure, because it is not a price-control measure, and it should not be enacted.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr MURDOCK. I wish to express my gratitude for all the kind things the Senator has said about me, and to say to him that so long as he will continue to say such things about me I shall not ask him to do anything that he does not want to do.

Mr. WHERRY. I thank the Senator very much. We now understand each other.

Mr President, I did not quote the Secretary of Agriculture in connection with the number of surplus cattle which he stated we had. I wish to bring that question to the attention of the Senate. The Secretary of Agriculture stated that we have 10,000,000 more cattle than we need; and yet, because of the Bowles plan, we cannot get meat. Mr. Bowles gives us a long list of price impediments, and the feeder cannot feed. Cattle cannot be fed today on the basis of the margins allowed by the Bowles-Vinson price range. If they are fed, it is necessary to pay the black-market price for corn, which is $1.85 a bushel. But the legitimate feeder can pay only $1.33, and he cannot get any corn. That is why we have no meat.

We are told that the feeders are holding back. I live in a small town, and I am proud of it. We are only 7 miles from the Kansas line. In that territory there are 27 cattle feeders. Not one has a fat steer in the feed lot today. He cannot feed and make ends meet. That is all there is to it. It cannot be done under the Bowles price-fixing program. What is true in my locality is true in Utah and in every other cattle-feeding State. The feeder cannot feed a steer and pay the

black-market price for corn, which he must do, and sell the steer at a profit unless it is sold on the black market. I ask the Senator from Wyoming [Mr. ROBERTSON] if that is not true.

Mr. ROBERTSON. That is true.

Mr. WHERRY. And yet I am asked to support that kind of a measure. Not Senator WHERRY from Nebraska!

The Secretary of Agriculture stated that he felt that we had surplus cattle. In addition to the official action and the testimony of the Secretary of Agriculture, we have the official action of the Cattle and Beef Industry Advisory Committee to which I have referred. That committee was appointed by the then Administrator of the Office of Price Control, Chester Bowles. Its duties and functions were clearly outlined in the memorandum quoted from in the early part of these remarks, but one of its functions was certainly to make recommendations concerning the removal or retention of price controls over the industry in which they were the advisory committee. This advisory committee of the cattle and beef industry unanimously recommended the removal of controls, yet OPA would not be guided by that recommendation. In fact, the representative of Mr. Bowles who had called the committee together and who was presiding at the meeting and was Mr. Bowles' agent and representative would not even receive or file the recommendation. Think of that. And yet we are told that a new law can be properly administered.

In my humble judgment, the facts are clear, and may be summarized as follows:

First, there is not only an ample supply of beef cattle in the country—I am speaking of beef cattle on the hoof—but there is a surplus of between 8,000,000 and 10,000,000 head. They should be slaughtered and placed on the tables of the consumers.

Secondly, the Office of Price Administration will never voluntarily relieve the cattle and beef industry of controls. That is my opinion, and I judge the future by the past. This opinion is fortified by the refusal of the OPA to be guided by the recommendations of the advisory committee, and by its unalterable, vigorous, and unyielding opposition to legislative decontrol.

There is no dispute concerning these facts. The cattle industry has met every test set by the directors of OPA; and by every criterion that has ever been announced the industry is entitled to be decontrolled. But we know that the agency will never order such decontrol. It has not done so in the face of recognized facts, and, in my opinion, it will not do so. The only way to fulfill the pledge and the obligation of the Government is for Congress to carry out the intent of the law and the promises which have been made. Legislatively we can make good the word of the Government. I fear that it will never be done administratively.

Certainly the majority leader should not object to a decontrol program. At this point I should like to place in the RECORD the colloquy engaged in between the distinguished Senator from Iowa [Mr. WILSON] and the distinguished Senator from Kentucky, the majority leader [Mr. BARKLEY] when the Senator from Iowa asked the majority leader, in connection with the formula in the previous bill, if the facts and statistics showed a surplus, whether he would recommend the decontrol of livestock. I should like to place this colloquy in the RECORD at this point, because the majority leader distinctly stated that if the figures which had been quoted were correct, there could be no other course than to decontrol. So certainly the distinguished Senator from Kentucky would have no other course than to favor decontrol of the livestock industry, as provided by my amendment.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr WILSON Mr President, if the distinguished majority leader will indulge me, for the purpose of clarifying the conference report in my own mind, I should like to ask him a few questions.

Official Government reports show that the total meat production in the United States in 1945 was 17 percent in excess of 1941 production, more than 20 percent in excess of the 1940 production, and 20 percent in excess of the meat production average for the years 1934–44, and that meat production in 1946 will be close to the high of 1945.

Does the majority leader think, under these circumstances, that the Secretary could, under the conference bill, certify that meat is in short supply and thereby permit the OPA to continue ceilings and other controls on meat after August 1, 1946?

Mr BARKLEY. Under the terms of the conference report the Secretary of Agriculture is charged with the duty of making monthly certifications to the Price Administrator of agricultural commodities which are in short supply; and all those which are not so certified are to be taken from under controls, and ceilings are to be lifted. Taking the over-all production of cattle in the United States into consideration with consumption, it is my opinion that the Secretary of Agriculture would not be justified in certifying to the Price Administrator that meat or cattle are in short supply.

Mr WILSON. I thank the able majority leader.

Government estimates for 1946 show a meat supply this year of approximately 150 pounds per capita, the largest amount available to consumers since 1911 and over 20 percent more than the 1935–39 average.

Is supply in balance with demand as a matter of law under the conference bill, and does the bill prohibit the Secretary of Agriculture from certifying that meat is in short supply under these circumstances?

Mr. BARKLEY. Is the Senator asking me another question?

Mr. WILSON. Yes

Mr. BARKLEY. Will the Senator please repeat it?

Mr. WILSON. Government estimates for 1946 show a meat supply this year of approximately 150 pounds per capita, the largest amount available to consumers since 1911, and over 20 percent more than the 1935–39 average. My question is, Is the supply in balance with the demand as a matter of law under the conference bill, and does the bill prohibit the Secretary of Agriculture from certifying that meat is in short supply under these circumstances?

Mr. BARKLEY. My answer is the same as before, with this variation: Of course, the Secretary of Agriculture is to be the judge as to whether there is a balance between supply and demand. The Secretary's testimony before the Committee on Banking and Currency of the Senate was that he thought that the imposition of the new quota system would improve the meat situation. When he was asked how long he thought it would take to determine that, he said 90 days. He was asked, if the problem were not solved in 90 days, what would be the remedy? His answer was, decontrol. So with the supply of meat, whether slaughtered or unslaughtered, and with the increased consumption of meat, which is due in part to the fact that people have more money with which to buy meat than they have had heretofore, and also in view of the fact that restaurants and hotels are getting a larger proportion of meat than they have had heretofore, my answer would still be that the Secretary of Agriculture would not be in a position, under those conditions, to certify that cattle or meat are in short supply.

Mr WILSON I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILSON. I have two more questions

Mr. TAFT. In connection with the statement of the Senator, I think it would be well to have in the RECORD Mr. Anderson's exact statement on this subject.

Mr. WILSON. I have some further questions. The Senator may insert the statement following these questions.

Mr. TAFT. It is related to this question.

Mr. WILSON. Another question is, if the majority leader will indulge me:

On January 1, 1946, according to Department of Agriculture estimates, the number of all classes of meat animals was well above the 1935–44 average. Beef animals numbered approximately 41,000,000 head, 10,000,000 head more than 1940, and 6,000,000 head more than the 1935–44 average. Approximately 30,000,000 head of dairy cattle is 3,000,000 head more than 1940, and 2,000,000 head more than the 1935–44 average.

Would the majority leader be willing to say that under the conference bill supply of beef cattle is in balance with demand, and that the Secretary would be prohibited from certifying that beef cattle are in short supply, and that, therefore, all ceilings on live cattle will be removed August 1, 1946?

Mr. BARKLEY. My answer to that question is no different from my answer to the others. It is the same question in a different form.

Mr. WILSON. That is correct.

Mr. BARKLEY. There is nothing in the conference report which would prohibit the Secretary of Agriculture from making a certification that anything is in short supply. But the Secretary of Agriculture is an honest man. He is an intelligent man. He is a faithful public servant, and I do not for a moment suggest that he would deliberately misconstrue the law so as to be arbitrary with respect to the certification of anything that is in short supply or not in short supply.

While I do not wish to impose my own opinion or judgment on that of the Secretary of Agriculture, I think he would be justified, under this formula and under the conditions which the Senator has stated, in omitting beef and cattle from a certification of those things which are in short supply.

Mr WILSON. Mr. President, I agree with all the fine statements which the majority leader has made with regard to Secretary Anderson. But the conference committee has brought in a bill, and I am asking the Senator for his interpretation of its provisions, not Secretary Anderson's interpretation.

Mr. BARKLEY. If the figures which have been given to us, and the figures which Mr. Anderson himself gave in his testimony before the committee, are accurate—and I am sure they are—my own opinion is that beef cattle are in full supply; that there is a balance between the cattle now in existence and the demand for meat. Whether those cattle will be slaughtered or kept in pasture is another question. But they are in existence,

and in my judgment that existence creates the supply, regardless of any delay which may be brought about in their slaughter, and regardless of who may slaughter them.

Mr. WILSON. I thank the majority leader. I should like to ask one further question, if he will indulge me:

On January 1, 1946, there were more than 62,000,000 hogs on farms, which is more than 1,000,000 head in excess of the figure for 1940, and 7,000,000 more than the 1935–44 average.

Under these facts, does the conference bill automatically decontrol live hogs on August 1, 1946?

Mr. BARKLEY. Does the Senator ask me if the conference bill would automatically decontrol?

Mr. WILSON. Through the certification of the Secretary of Agriculture.

Mr. BARKLEY. I believe that the production of hogs has not been increased as rapidly as that of cattle. I believe that the supply of cattle, in proportion to previous demand, or even present demand, is greater than that of hogs. My information is that for one reason or another there has been a decline in the production of hogs for the past several months. But in spite of that, if the figures given by the Senator are accurate, my answer would be the same as in the case of cattle, that there would be a sufficient supply of hogs to supply the demand for pork.

Mr. WILSON. I thank the majority leader very much

Mr. WHERRY. I asked the distinguished Senator from Ohio [Mr. TAFT] the same questions which were asked the majority leader by the Senator from Iowa; and the Senator from Ohio stated that he too would be in favor of decontrol under the circumstances set forth in the questions. I ask unanimous consent that the colloquy between the Senator from Ohio and myself in reference to the other bill be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. TAFT. I yield.

Mr. WHERRY. I should like to ask the distinguished Senator from Ohio a question. All the arguments which have been advanced in favor of the conference report certainly could have been advanced prior to the conference itself. I do not wish to ask a personal question; but as I understand the situation, the distinguished Senator from Ohio did not sign the conference report.

Mr. TAFT. That is correct.

Mr. WHERRY. I now understand that the Senator from Ohio is going to support the conference report.

Mr. TAFT. That is correct.

Mr. WHERRY. I wonder what has happened between the two points in time. Has anything happened which fundamentally has changed the Senator's mind in regard to the matter?

Mr. TAFT. In the first place, as a conferee I felt that I was representing the Senate's viewpoint, and I intended to insist upon it to the last moment. Therefore, because of my position in that regard, and also in view of the fact that I felt that a majority of my colleagues on this side of the aisle felt the same way, and because I felt that I was there in a representative capacity, I voted against the report. But I told the conferees on the part of the House that if they would take the question of decontrol to the House and have the House vote upon it, and the House turned it down, I would yield.

Mr. WHERRY. That was with respect to the decontrol of beef, was it?

Mr. TAFT. Yes.

But now I think I should vote for the conference report to continue price control for a reasonable period of time on what I think are perfectly logical and reasonable terms. I admit that maladministration may occur. But Congress cannot possibly administer any of the laws it passes. That is a chance which Congress has to take. The administration of the laws is the responsibility of the administration—in this case, of the present administration. If it falls down in the work of administration, that is its fault. It is our job to adopt what we think is the proper policy, assuming that there will be some kind of reasonable administration of the policy.

Mr. WHERRY Mr President, I wonder whether the Senator from Ohio has been assured in any way by the Department of Agriculture that there might be an early decontrol of meat.

Mr. TAFT. No, I simply read what the Secretary of Agriculture said. He himself said that if the slaughtering-quota policy did not work in 90 days, there would be only one thing to do, and that would be decontrol. That was his opinion.

Now we give him the power to decontrol. Under the circumstances, I think he must follow the well-known position he has taken, if we give him the power to carry it out.

Mr. WHERRY I am asking these questions because I wish to obtain the interpretation which the Senator from Ohio makes. I can readily understand why the Senator remained in complete accord with the record made in the Senate, and why he refused to sign the conference report.

Now, because it is the Senator's personal right to vote as he pleases, according to his opinion, I am asking whether he feels in his own mind that meat should be decontrolled.

Mr. TAFT. I think beef should be decontrolled. I have always been doubtful about the decontrol of pork. The decontrol of pork will decontrol corn. The two cannot be separated. The decontrol of pork will decontrol lard, and the decontrol of lard will mean the decontrol of all edible oils, of which a great shortage exists. That will force a tremendous increase in the price of fats at the present time. I have always been doubtful about that. As a matter of policy, I tried to see whether we could separate the decontrol of beef from the decontrol of pork and the decontrol of dairy products I think it could be done, just as a technical matter.

But I received no support upon that suggested compromise from either the conferees on the part of the Senate or the conferees on the part of the House or from other Members of the Senate. So I decided that all of it had to get together, and that we either had to decontrol beef and pork and dairy products all at once, or not decontrol any of them. I was doubtful whether the decontrol of all of them would be wise.

As to the decontrol of beef, I have no question about that, because beef has reached a point where it cannot be controlled. It has reached a point where we are bound to have a continued black market in beef if we continue to attempt to have control over beef.

Mr. WHERRY. Mr. President, will the Senator further yield to me?

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. TAFT. I yield.

Mr. WHERRY. In the light of the statement the Senator from Ohio has just made, namely, that beef and pork and grain should all go together——

Mr. TAFT. I do not agree to that. But I said that I could not obtain any support for my view that they could be separated.

Mr. WHERRY. In view of the statement the Senator from Ohio has made relative to the short supply of pork—and I believe the Senator made such a statement—does he believe there is any chance of decontrolling any of those products during the life of this measure?

Mr. TAFT. Yes; I think beef can be decontrolled very easily.

Mr. WHERRY. Does the Senator from Ohio believe that anything in addition to beef can be decontrolled during the life of this act?

Mr. TAFT. I think probably dairy products can be decontrolled after a reasonable time.

Mr. WHERRY. Within the life of the act?

Mr. TAFT. Yes.

Mr. WHERRY. Does the Senator from Ohio believe that can be done under this act?

Mr. TAFT. Yes, of course; if there is a sufficiently large corn crop, perhaps pork can be decontrolled.

Mr. WHERRY. Is it the interpretation of the Senator from Ohio that that could happen? Does the Senator from Ohio believe it can be done?

Mr. TAFT. I think it can be done. Of course, we require the administration to decontrol all unimportant commodities by the 1st of January, before the Congress will return. Certainly we indicate our belief that the administration should decontrol the other things just as quickly as possible, and we require the Secretary of Agriculture, if he is to continue to control, to certify that they are in short supply. In other words, if the controls are to be continued, the Secretary of Agriculture must certify that the goods so controlled are in short supply. He does not need to say they are plentiful. He does not need to step in and say, "Decontrol." All he must say is that, "I cannot any longer certify that these things are in short supply." Then they must be decontrolled

So the formula is all right, if it is administered in good faith, in compliance with the intent of Congress

Mr. WHERRY Mr. President, will the Senator yield to me again?

Mr. TAFT I yield

Mr. WHERRY. Earlier today the Senator from Iowa [Mr. WILSON] told the Senate that official Government reports show that the total meat production in the United States in 1945 was 17 percent in excess of 1941 production, more than 30 percent in excess of the 1940 production, and 20 percent in excess of the meat-production average for the years 1934–44, and that meat production in 1946 will be close to the high of 1945

Under those circumstances, does the Senator from Ohio believe that the Secretary of Agriculture could, under the conference report, certify that meat is in short supply, and thereby permit the OPA to continue price ceilings and other controls on meat after August 1, 1946?

Mr. TAFT. Yes; I think he can so certify, but I do not think he would do so. I do not know; I have not studied those figures. But the general impression from all the evidence we have would bear that out.

Mr. Anderson himself said there is no solution except decontrol if the present system fails—and it has practically failed since he testified 2 months ago. That seems to me to show that he will wish to decontrol if he possibly can. The evidence seems to show that he can, so far as I am able to analyze it.

Mr. WHERRY. I should like to ask one other question. Would the Senator from Ohio agree with the answer given by the majority leader to the question propounded by the Senator from Iowa [Mr. WILSON] relative to the decontrol of meat?

Mr. TAFT. I agreed with his statements. I did not hear the last answer, the one with regard to pork. I agreed with the statements with regard so beef.

Mr. WHERRY. If pork were in a favorable position, as the figures which the distinguished Senator from Iowa gave for the year 1946 would show, would the Senator from Ohio agree with the position taken by the majority leader?

Mr. TAFT. In the first place, let me say that I do not know what his position was. I happened to be out of the Chamber at the time.

Mr. WHERRY. He took the same position on it as he did regarding beef, provided that the figures cited by the Senator from Iowa were correct.

Mr. TAFT. Mr. President, I am not sure about pork, because I think the figures were that there were a million head more than there were at a previous time. On the other hand, the demand for fats may have increased. I am not prepared to answer as to pork.

Mr. WHERRY. Mr. President, we must decontrol sometime. Everyone who wishes to restore this Government to the people under the American system admits that to be so. I ask, Why not do it now?

When will controls be lifted? I think it appropriate that we quote some of the things that Mr. Bowles has said on this subject. In October of 1944, Mr. Bowles made the following statement in a memorandum to all members of the OPA advisory committees:

> When will controls be lifted? We have always looked upon price control as a stopgap, a stabilizing wartime control to be dropped as soon as production brings supply and demand reasonably in balance * * * to maintain controls needlessly even for a few extra months would be mistaken. The wartime lack of balance between supply and demand made price control necessary. When supply and demand come back into balance, price controls will not be needed. As soon as there is no further danger of price increases in a particular commodity field there will be no reason for price ceilings in that field and we will drop them. The exact time will vary widely from item to item But, working with industry advisory committees, we will watch each field closely We will rely heavily on their recommendations as to when controls can be safely removed

Before proceeding with further statements of Mr. Bowles, I believe, Mr. President, that it is appropriate to now point out that on April 15, 1946, the Joint Cattle, Hog, Beef, and Pork Industry Advisory Committee appointed by Mr. Chester Bowles, that being one of the advisory committees referred to by Mr. Bowles in the above-quoted statement, met in Chicago at the instance of OPA, and that this advisory committee, in faithful discharge of their official duties, considered the question of decontrolling the livestock and meat industry and acting on their intimate and practical knowledge, unanimously voted in favor of the immediate decontrol of the industry. But, in spite of Mr. Bowles' declaration that "We will rely heavily on their recommendations," the Price Administrator—the same Chester Bowles—not only refused to pay any attention to the recommendation of this industry advisory committee, but his agent who was meeting with the committee even refused to accept the written recommendation. I leave you to pass judgment on the question of whether or not Mr. Bowles was sincere when he made the statement just quoted.

On June 16, 1945, Mr. Chester Bowles stated in a letter addressed to the distinguished majority leader, the Senator from Kentucky:

> Price controls were developed solely to meet wartime conditions. We are pledged to remove these controls just as soon as the production of civilian goods and services eliminates the inflationary dangers and permits our return to a free market.

And on December 4, 1945, Mr. Bowles, in a letter addressed to the Senate Small Business Committee, said:

> Save in a period of emergency, price ceilings have no place in a free economy.

On January 3, 1945, Mr. Bowles stated in a speech before American Management Association in New York City:

> But there will come a time when supplies again approximate demand. At that time, price control will be eliminated first from one field and then another.

Mr. President, I could easily fill many pages of the RECORD with additional quotations from statements heretofore made by Mr. Bowles. And it would be equally easy to furnish many statements made by the present Secretary of the Treasury, Mr. John W. Snyder, when he was Director of Economic Stabilization and also when he was Director of Manpower and Reconversion. These quotations could be abundantly supplemented by statements from declarations made by Mr. John D. Small, Administrator of the Civilian Production Administration, and from earnestly given statements issued by the present Chief Justice of the Supreme Court, Hon. Fred M. Vinson, at times when he variously occupied either the position of Director of Economic Stabilization, Director of War Manpower and Reconversion, or Secretary of the Treasury. Books could be written containing nothing but quotations on this subject from many of the administrative officials from the various Government agencies.

Mr. President, I believe that the statement made by the Banking and Currency Committee is, as I have already pointed out, merely a reiteration of the previously declared policy of the Government but that this policy has never been put into practice by any of the responsible administrative officials.

Mr. President, we have made a start. Why not continue. If we must learn to walk all over again, since we have taken a few steps during the past 8 days, now let us really learn to walk, and let us do it by decontrolling livestock as is provided in the amendment. Certainly we are entitled to start with something. Certainly Congress is entitled to decontrol something. That is why I appeal to the distinguished Senator from Oklahoma not to broaden the language of the amendment. Let us confine it to one thing. If the Congress wishes to take the position that it can decontrol one thing, namely, livestock, let us try that and see how it comes out. Is not that fair and reasonable, and does it not come within the province of the Congress? I think it does.

Mr. President, I wish to remind the Senate of the words of the Senator from Michigan [Mr. VANDENBERG], which he spoke just before he went to Paris. He was addressing the Senator from Kentucky [Mr. BARKLEY]. I now read from his remarks as contained in the CONGRESSIONAL RECORD for June 11, 1946, at page 6627:

> Mr. VANDENBERG. I should like to submit this thought to the Senator for his comment: I think he is quite correct when he says that nobody can say that he knows the answer to this problem. Obviously we have got to proceed by trial and error, and I have thought heretofore in some instances we were proceeding solely by error instead of by trial. But since that is a fact and since some day we have got to take a chance on restoring free competition and full production, I wonder if it would not be worth while to make a deliberate and conscious experiment with a key industry by way of complete decontrol with the perfectly conscious understanding that none of us can say what the result will be

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER [Mr. HUFFMAN in the chair] Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. WHERRY. I yield.

Mr. ROBERTSON. The last statement is particularly interesting, in view of the expressed desire of Secretary Anderson, about a year ago. I refer to a statement he made 5 days before he took office as Secretary of Agriculture. At that time he took part in a meeting called by the Economic Stabilizer, who then was Mr. Vinson. A hearing was held with a lamb committee. That committee consisted of approximately 40 men who came from various parts of the country. They were men who were interested in the production of lambs. Two propositions were put before the meeting. The first was the complete decontrol of lamb or the removal of all restrictions whatsoever from lamb. Secretary Anderson said, "That is what I should like to see done. When I become Secretary of Agriculture, I should like to use lamb as a guinea pig, and decontrol it; and, if successful, we could extend the decontrol to other items."

That point works in exactly with what the Senator from Nebraska has just been saying.

Mr. WHERRY. Yes. I thank the distinguished Senator for his contribution. It is most timely.

Mr. President, I am glad the Senator has called to our attention something about the decontrol of lamb and the lamb situation, which certainly is just as important, if not more so, possibly, than any other branch or segment of the entire meat industry. I am glad the Senator has called attention to that statement by the Secretary of Agriculture.

In view of the evidence adduced, in view of the Secretary's position, and in view of the position the Senate has taken, I cannot see any reason or justification for not writing into this measure a provision for the specific decontrol of meat.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. BARKLEY. Since the time when the Secretary of Agriculture made the statement which has been referred to by the Senator from Wyoming, the Secretary of Agriculture has never had the power or authority to do what he then said he would like to do. We are giving him such authority under this measure.

Mr. WHERRY. I agree with the Senator from Kentucky.

Mr. ROBERTSON. Mr. President, I should like to point out that two propositions were placed before the Economic Stabilizer at that time. One was the complete removal of all restrictions regarding lamb. The other was a subsidy on lamb. The subsidy was placed ing a specific decontrol provision for Agriculture took office.

Mr. BARKLEY That is true; but the Secretary of Agriculture has no power to decontrol or to certify to the Administrator, such as we give him authority or power to do under this measure. I have no doubt that in any situation similar to that described a year ago, if he had the authority he would exercise it, as in this case.

Mr. ROBERTSON. Mr. President, I received the impression that the Economic Stabilizer overrode Secretary Anderson and selected the subsidy as the method of handling the lamb situation.

Mr. BARKLEY. No. The Secretary of Agriculture had no choice as between subsidies and decontrol. We did place in the law a provision that as regards the ceiling on agricultural products, the Secretary of Agriculture should have a voice or the right to make a recommendation, or that it should not be done without his consent. But the Secretary of Agriculture has never had the power to recommend the decontrol of any product. I am assuming that with the law as we are now attempting to write it, if the Secretary of Agriculture felt, with regard to mutton or pork or beef or anything else, as he expressed himself at that time, he would exercise the authority in that way. I would not be one of those who would say that the Secretary of Agriculture would deliberately violate his word or act contrary to the facts, if he knew what the facts were, by refusing to certify to the Administrator any situation regarding a shortage or ample supply of meat or any other agricultural product.

Mr. ROBERTSON. Mr. President, I am not saying that the Secretary of Agriculture would do so.

Mr. BARKLEY. No; but the Senator from Wyoming referred to a statement which the Secretary of Agriculture made 5 days before he took office. My point is that he never has had the power to decide whether agricultural products, including meats of all kinds, shall be decontrolled or shall be kept under controls.

Mr. ROBERTSON. I simply mentioned that to show what was in his mind, because unquestionably at that meeting he felt that when he became Secretary of Agriculture he or the Economic Stabilizer could order that all the ceilings or controls over lamb should be taken off.

Mr. BARKLEY. I was not at that meeting, and I have not read his whole statement. But I am sure he did not assume that he would have any authority over the matter after he became Secretary of Agriculture. All he could do would be to advise. He had no authority to direct what proceedings should be taken.

Mr WHERRY. Mr. President, the testimony is undisputed that there is a surplus of 10,000,000 cattle in this country. If we are ever going to have a surplus, we have it now; and if we are ever going to have a demand, we have it now. So there is no justification for not writing a specific decontrol provision for meat into this law.

The majority leader has a perfect right to state that the machinery is provided and that the Secretary of Agriculture will keep the faith. That is all very well; but I have only to point out to the Members of the Senate that on more than one occasion in the past year the Secretary of Agriculture has not had his way in the administration of his office. I am not casting any reflection upon him or upon anyone else in regard to that matter; but I tell the Members of the Senate that if they wish to have livestock decontrolled, specifically, and also to have poultry decontrolled, here is their opportunity to have that done; and it is my opinion that if we do not write such a provision into the measure, those commodities will not be decontrolled, regardless of how Secretary Anderson feels about the surplus.

Mr. BARKLEY. Mr. President, will the Senator yield at this point?

Mr. WHERRY. Yes; I am glad to yield.

Mr. BARKLEY. We have specifically provided in this measure that no one else in the United States shall have control over the Secretary of Agriculture.

Mr. WHERRY. No one except the President.

Mr. BARKLEY. Yes; and, of course, we could not write into the law a provision that the President should be inferior to one of his Cabinet Members. That would be a stupid thing to attempt to do.

Mr. WHERRY. I am not criticizing the machinery. I say it is there. But I say that the machinery of the measure will not be used to carry out specific decontrols in regard to livestock. I say that on the basis of past experience; and, Mr. President, I believe I have heard just as much testimony, especially the testimony in regard to meat, as any other Member of the Senate has I sat alongside the distinguished Senator from Oklahoma on the special committee, and we heard a vast amount of testimony. I am convinced that the only way to proceed is to have Congress assert its authority, to have the Congress say what shall be decontrolled. What is the use of bickering about it? What is the use of setting up machinery and then having any doubt about it? Let the Congress of the United States say, "Here is one thing we are going to decontrol. We are going to make this one start. We are going to see whether the people of America will cooperate."

If we are absolutely sincere and acting in good faith when we say we wish to decontrol, why do not we give that one opportunity? Out of all these controls, why do not we say, "Well, for those who feel this way, we shall give this chance"? Mr. President, why cannot we adhere to the view of the Senator from Michigan [Mr. VANDENBERG], who, before he left for Paris, stated in the Senate what I read a few minutes ago, and also stated the following:

> But if it be thus done, say, with meat and dairy products for the purpose of a clinical demonstration to determine who is right and who is wrong in this perpetual argument as to what would happen under total decontrol, would it not be wise for us deliberately to make a conscious experiment with one key industry of that nature, and see if we cannot learn something by it.

Mr. President, that is good philosophy. No one will be hurt. In 1 week we have already demonstrated that we have the cattle receipts. We have already demonstrated that we can operate without Chester Bowles and without the Price Control Act. That has been demonstrated by the receipts which have been obtained thus far.

A moment ago I said that I should like to refer to the receipts in detail. I shall offer for the RECORD a statement of the receipts, as I obtained them in detail from the American Meat Institute, of Chicago. The figures of the American Meat Institute, together with the figures I gave to the Senate a little while ago, show that today, at the 12 important livestock markets all over the country, receipts of cattle amounted to 100,300 head, and the receipts of hogs at the same markets today were 83,500 head, which is unusually large for the present season of the year. The figures also compare those receipts with the receipts a year ago, which in the case of cattle were 47,000 head, and a week ago this Monday the receipts were only 27,000 head. In the case of hogs, whereas the receipts today are 83,500 head, a year ago under the Bowles plan the receipts were only 51,583 head, a week ago today the receipts were only 19,290 head, and the week before that the receipts were only a negligible amount.

So, Mr. President, I submit these statements and figures for the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> KANSAS CITY, MO., *July 8, 1946.*
>
> Hon. KENNETH WHERRY,
> *Senate Office Building:*
>
> Cattle receipts at all markets three times larger than last Monday will sell considerably lower. Large receipts of hogs at all markets.
>
> JOE NODAN,
> *Livestock Exchange.*

An early review of the livestock and meat situation this morning demonstrates that the proof of the pudding is in the eating. As we begin the second week following the expiration of price controls, we find the livestock markets of the country this morning yarding more livestock than at any time for many months, and there can and will be a more generous and orderly market supply of livestock if artificial price controls and other restrictions are kept off permanently.

Receipts of cattle at 12 important livestock markets all over the country today amounted

to 109,300 head, as compared with only 27,491 head last Monday—almost four times the number at those same markets a week ago. Receipts of calves this morning at the 12 markets are estimated at 15,000 head, as compared with 7,748 head last Monday.

Receipts of hogs at the 12 markets this morning also were unusually large for this season of the year, amounting to 83,500 head, as compared with 19,290 head a week ago today and 41,583 head a year ago—more than four times a week ago and more than twice as large as a year ago. The early hog market at Chicago this morning opened with prices ranging from $16.50 to $16.75 per hundredweight alive, which was slightly higher than last Friday but still about $2 per hundredweight lower than prices prevailing at that market a week ago today, the first market day following this removal of price control. The average cost of barrows and gilts at Chicago last Friday, according to the Department of Agriculture, was $15.72 per hundredweight alive, as compared with $14.85 per hundredweight, the former OPA ceiling on hogs at Chicago, an increase of only 6 percent.

The early cattle market at Chicago this morning was reported steady to weak as compared with the prices last Friday. The top today for only four loads was $22.50, which is the same as the top for a few loads last week. The cattle market last week advanced somewhat, but the advances were small, except for the "upper crust" of cattle, which constituted only a small portion of the total market supply, and this increase was influenced some by the improved quality of steers on the market last week. For example, the average cost of all steers for last week, as reported by the Department of Agriculture, was 14 percent above the average cost of the preceding week. The price of good grade steers during that period showed only an increase of 11 percent, the price of medium grade steers only 6 percent, and the price of common grade steers advanced only 2 percent.

The substantial increase in the market supply of livestock means that there will be more meat on the table by the end of the current week. It should be understood, of course, that it takes time, after the livestock supplies are marketed in generous numbers, to process the meat and distribute the meat throughout the country.

Meat prices generally have made only moderate advances recently and have increased for the most part only by the amount of the subsidy which people have been paying in the form of taxes and which amounts to an average of at least 5 cents per pound at the retail level. In addition, many housewives have been paying high overcharges to the black market. Reliable surveys in cities throughout the United States showed that 88 percent of meat sales were over ceiling prices on meat and have varied from city to city and in some cities have exceeded the ceiling price by as much as 262 percent.

The United States Department of Agriculture in its published report New York Weekly Review of Meat Trade Conditions last week had the following to say about prices of locally dressed meats:

"Major slaughterers failed to change prices regardless of the termination of OPA ceilings. Independent slaughterers, and wholesalers handling production originating in independent slaughter houses, also operated about in line with the past several weeks."

Mr. WHERRY Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, certain data and tables with respect to hogs and cattle, according to information supplied by the Department of Agriculture.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HOGS

Top: You will note that the ceiling price on June 29 was $14.85. On July 1, the first day of decontrol, this jumped to $18.50, but it immediately started settling down, so that on July 5, the price was $16.25.

Good and choice are now only 90 cents above former ceilings.

Sows: Now $15.12 as against $14.10 former ceiling.

Of course, the former ceiling was a fiction as all hogs were actually selling above the ceilings.

CATTLE—CHICAGO

Top cattle: Only a few loads; are still selling at $22.50, as against former ceiling of $18, but these are very few in numbers.

Good cattle, 900 to 1,100: Former price June 29, was $17.12, these cattle went to $19.50 on July 1, but by July 5 had come down to $18.50.

Medium: June 29 price was $15.12, July 5 price was $15.75.

Common: June 29 price was $13.68, July 5 price was $14.

Heifers: Choice have gone from $17.40 to $19.50, but medium have gone from $14.62 to $15.88, and common have gone from $12.48 to $13.

Steers: Choice, 500 to 800, have gone from $17.15 to $17.50, good, 500 to 800, have gone from $16.12 to $16.50; medium, 500 to 1,000, have gone from $14.85 to $15.25; common, 500 to 900, have gone from $13.55 to $14.

The cattle situation is this: Top fed cattle, of which there are very few, have advanced about $4.50, but other cattle have advanced less than $1, and the average on grass cattle reported by Department of Agriculture is only about 60 cents.

Chicago Hogs—Quotations for week ending June 15–29 and daily quotations from July 1 to date

[Dollars per 100 pounds]

Classification	Week ending—			Daily quotations (center of range)				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, 1946[1]	July 5, 1946
Top	14 85	14 85	14 85	18 50	16 50	17. 25	.....	16 25
Barrows and gilts								
Good and Choice								
180 to 190 pounds	14 85	14 85	14 85	17 38	15 92	16 50	.....	15 75
190 to 200 pounds	14 85	14 85	14 85	17. 68	16 12	17. 00	.....	16. 00
200 to 220 pounds	14 85	14 85	14 85	17 68	16. 38	17 12	.....	16. 00
220 to 240 pounds	14 85	14 85	14 85	17 68	16. 25	16 88	.....	15 88
240 to 270 pounds	14 85	14. 85	14. 85	17 68	16 12	16. 75	.....	15 75
270 to 300 pounds	14 85	14 85	14 85	17 68	16 05	16. 75	.....	15. 75
Sows								
[illegible]	14 10	14 10	14 10	16 88	15 42	15 92	.....	15. 12
[illegible]	14 10	14 10	14. 10	16 75	15. 12	15. 62	.....	14. 88
[illegible]	14. 10	14 10	14 10	16 68	15 12	15 50	.....	14 62
[illegible]	.....	.....	.....	.....	.....	.....	.....	.....

Chicago: Weekly cattle quotations June 15–29, daily quotations July 1 to date

[Dollars per 100 pounds]

Classification	Week ending			Daily quotations (center of range)				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, 1946[1]	July 5, 1946[2]
SLAUGHTER CATTLE								
Steers (top)	18. 00	18 00	18. 00	22 00	22. 50	22. 50	.....	.....
Choice								
900 to 1,100 pounds	17 70	17. 85	17. 80	21 00	20. 75	20 50	.....	.....
1,100 to 1,300 pounds	17 75	17. 88	17. 80	21. 50	21 75	21. 75	.....	.....
Good:								
900 to 1,100 pounds	17 00	17. 32	17. 12	19. 50	19. 00	18. 50	.....	.....
1,100 to 1,300 pounds	17. 24	17. 38	17. 12	20. 00	19 75	19 50	.....	.....
Medium, 700 to 1,100 pounds	15. 35	15. 70	15. 12	16 25	16 25	15 75	.....	.....
Common, 700 to 1,100 pounds	13. 38	14. 32	13. 88	14. 00	14. 00	14 00	.....	.....
Heifers:								
Choice, 600 to 900 pounds	17. 35	17. 65	17. 40	19 75	19 75	19. 50	.....	.....
Good, 600 to 900 pounds	15. 80	15. 90	16. 50	18. 25	18. 00	17. 50	.....	.....
Medium, 500 to 900 pounds	14. 85	15. 15	14. 62	15. 62	15. 62	15. 88	.....	.....
Common, 500 to 900 pounds	12. 45	13. 00	12. 48	12. 75	13. 00	13. 00	.....	.....
Cows, all weights:								
Good	15. 00	15. 08	14. 73	15 12	15. 25	15 50	.....	.....
Medium	13. 70	13. 80	13. 48	14. 12	14. 12	14. 25	.....	.....
Cut and Common	10. 45	10. 48	10. 20	11. 00	11. 12	11. 26	.....	.....
Canner	7. 52	7. 56	7. 50	8. 00	8. 26	8. 36	.....	.....

Chicago: Weekly cattle quotations June 15–29, daily quotations July 1 to date—Continued

Classification	Week ending			Daily quotations (center of range)				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4,[1] 1946	July 5, 1946
FEEDER AND STOCKER CATTLE AND CALVES								
Steers:								
Choice, 800 to 900 pounds	16 95	17 15	17 15	17 50	17 50	17 50		
Good, 800 to 900 pounds	15 95	16 15	16 12	16 50	16 50	16 50		
Medium, 800 to 1,000 pounds	14 70	14 90	14 85	15 25	15 25	15 25		
Common, 800 to 900 pounds	13 22	13 35	13 35	14 00	14 00	14 00		
Heifers:								
Choice, 500 to 700 pounds	15 40	15 80	15 62	16 00	16 00	16 00		
Medium and Good, 600 to 750 pounds	13 90	14 22	14 08	14 50	14 50	14 50		
Cows, all weights Medium and Good	10 75	11 05	11 25	11 50	11 50	11 50		
Calves:								
Steer, Good and Choice, 600 pounds down	16 35	16 85	17 00	17 00	17 00	17 00		
Heifer, Good and Choice, 500 pounds down	15 25	15 45	15 50	15 50	15 00	15 00		

Kansas City: Cattle—Weekly quotations June 15–29, daily quotations July 1 to date

[Dollars per 100 pounds]

Classification	Week ending—			Daily quotations				
	June 15, 1946	June 22, 1946	June 29, 1946	July 1, 1946	July 2, 1946	July 3, 1946	July 4, 1946[1]	July 5, 1946
SLAUGHTER CATTLE								
Steers (Top)	17 65	17. 65	17 65	22 00	22 00	22. 50		23. 00
Choice.								
900 to 1,100 pounds	17 20	17 42	17 42	19 88	19 88	20 50		20. 88
1,100 to 1,300 pounds	17 32	17 52	17 50	20. 25	20. 25	21 00		21. 50
Good								
900 to 1,100 pounds	16. 38	16. 70	16. 78	17 50	17 50	18 25		18 62
1,100 to 1,300 pounds	16. 50	16. 90	16 83	17 62	17 62	18. 38		18. 75
Medium, 700 to 1,100 pounds	14 38	14 62	14. 48	14 75	15. 00	15. 50		15. 50
Common, 700 to 1,100 pounds	12 38	12. 75	12 48	12. 75	13. 12	13. 25		13. 25
Heifers								
Choice, 600 to 800 pounds	17 00	17. 25	17 26	18 88	19. 00	19 50		20. 00
Good, 600 to 800 pounds	15. 96	16 25	16 22	16 62	16. 88	17. 25		17. 25
Medium, 500 to 900 pounds	13 38	13 62	13 66	14 25	14 25	14 25		14. 25
Common, 500 to 900 pounds	11. 50	11. 50	11. 50	12 00	12 00	12 00		12. 00
Cows, all weights.								
Good	13. 12	13 62	13. 75	14 38	14 50	14. 88		14 88
Medium	11 50	11 62	11 88	12. 38	12. 50	12. 75		12. 75
Cut and Common	9. 50	9 55	9. 50	10 00	10 00	10 12		10 12
Canner	7 50	7 15	7. 00	7 50	7 50	7. 50		7 50
FEEDER AND STOCKER CATTLE AND CALVES								
Steers								
Choice, 500 to 800 pounds	16 66	17 00	17 12	17. 12	17. 12	17 12		(2)
Good, 500 to 800 pounds	15 75	15 98	16. 00	16 12	16 12	16 12		(2)
Medium, 500 to 1,000 pounds	13 88	14 08	14 12	14 38	14 38	14 38		(2)
Common, 500 to 900 pounds	12 12	12. 10	12. 12	12 25	12 25	12. 25		(2)
Heifers.								
Choice, 500 to 750 pounds	15 62	15 75	15 75	16 12	16 12	16 12		(2)
Medium and Good, 500 to 750 pounds	13 50	13 62	13 62	13. 75	13 75	13 75		(2)
Cows, Medium and Good	11 12	11 12	11. 00	11 12	11 12	11 12		(2)
Calves:								
Steers, Good and Choice, 500 pounds down	16 50	16. 50	16. 50	16. 50	16. 50	16 50		(2)
Heifers, Good and Choice, 500 pounds down	15 38	15 38	15 50	15 50	15 50	15 50		(2)

[1] Holiday.

[2] No change

Mr. WHERRY. The reports as shown by the Department of Agriculture are really more encouraging than are the reports according to the American Meat Institute. I feel that it is unnecessary to give the reports in greater detail, because we understand what they are. They show, however, that the Department of Agriculture concurs in the quotations at which the livestock has been sold in the open market.

Mr. President, I would like to present at this time, for the information of the Senate, a factual report on the basic supplies of livestock on farms, meat supplies, and estimated crop and feed prospects.

CATTLE AND BEEF SUPPLIES

First. Basic supplies of cattle on farms and ranches are at near record levels. On January 1 of this year the United States Department of Agriculture reported that there were ten and a half million more beef cattle on farms and ranches than in 1939. Mr. President, this is an increase of 35 percent.

Second. There are reported to be record numbers of grass cattle on feed in the important grass feeding areas this year. It is further reported that these cattle are in excellent condition. All indications point to the fact that these cattle will be moving to market a week earlier than normally with a possibility that 100 to 150 cars will be moving to market as early as this week.

Third. While the supplies of beef cattle on farms and ranches are excellent, the often impractical and harmful OPA regulations have discouraged proper fattening of these cattle as shown by the fact that on April 1, 1945, the USDA reported 17 percent less cattle on feed.

I am confident that the current advance in prices of from 10 to 15 percent will encourage proper feeding which will mean more beef for consumers within the next several months, and probably more important will mean adequate meat supplies next spring. Without a well-rounded program of cattle feeding, meat supplies next year will be extremely, if not dangerously, short.

PORK SUPPLIES

Fourth. The spring pig crop this year of 52,300,000 head is about 2,000,000 head larger than the average of 1939 to 1941. Pigs from this crop will start to market in the very near future. The adoption of this amendment to decontrol livestock will be an encouragement to move these pigs early, as a result of the reestablishment of the appropriate price spreads between heavy and lightweight hogs. It is common knowledge that tremendous quantities of feed have been wasted in recent years by the feeding of hogs to abnormally heavy weights, as a result of OPA's price policies.

Fifth. The following pig crop based on intentions of farmers, as reported by the United States Department of Agriculture around June 1, 1946, will only be 29,200,000 head. This figure is 4,000,000 head less than the 1939–41 average and is 18,600,000 less than the fall pig crop of 1943. The prompt adoption of this amendment to decontrol livestock will encourage the farmers to increase the production of their fall litters and in

view of the most favorable feed prospects will be a tremendous addition to our pork supplies next spring.

FEED PROSPECTS

First. Competent reports indicate a corn crop of over 3,000,000,000 bushels and there is a strong possibility of a record crop of 3,500,000,000 bushels. There is every indication that the production of wheat, corn, oats, and barley will again this year be near record levels with a total production of at least 6,000,000,000 bushels. Last year the total production of the four crops was about 5,900,000,000 bushels, which included much corn of poor feeding value. Since exports are expected to be less in 1946–47, and since feed requirements will be smaller, trade sources are predicting that a crop of more than 6,000,000,000 bushels will be enough to make market price action independent of price ceilings.

Second. The United States Department of Agriculture Weather Bureau release on June 3, indicated that the condition of the corn crop is as follows:

The corn crop is in mostly good condition and ranges from some knee high in the northern border States to much in the roasting-ear stage in the South and in Oklahoma. Most fields are clean except where cultivation was delayed by wet soil, as in the upper Ohio Valley Nearly half of the corn has been laid by in Kansas In Iowa it is reported as being the best in years, with fields clean and considerable laid by

As a further indication of the crop situation in the Middle West, I quote from reports on growing crops in Illinois, received by James E. Bennett & Co.:

GALESBURG —Trip north and west of Galesburg; corn from knee high to fence-top high Excellent color Oats fine Will be cutting in 10 days Soybeans could not be better.

STREATOR —Corn and oats prospects all over this territory excellent Talked to party who has driven 1,300 miles through Illinois, Iowa, Wisconsin, and Dakotas, says he never saw corn so uniform Good all the way

QUINCY.—All corn laid by Early is 5 feet high. Majority of fields 3 feet high and replanted fields 2 feet high Excellent Two-thirds of oats has been shocked, other is awaiting combines. Yields vary, but generally very good.

KEWANEE —Corn crop prospect is about best ever seen. Most corn has been laid by. Fields are clean Farmers very optimistic Cool weather past week has just about made oat crop perfect.

FORT DODGE —Crop prospects in this territory were never better. Most corn fields have been cultivated three times and some fields are laid by Oats are turning fast, and with favorable weather, harvest should start latter part of this week.

STORM LAKE —A week ago we thought crop progress of oats and corn was excellent; now we must say it is super, if such can. Oats are turning, with heads well filled. Cornfields generally clean. Ample moisture.

Turning for a moment to meat supplies, it is realized generally that OPA controls on livestock and meat have been a complete failure. If OPA is allowed to continue its reckless and impractical direction of the destinies of the great livestock and meat industries, we can look forward only to these results:

Many legitimate businesses, long established in this industry will be ruined. Specifically, I can cite these facts to the Senate. A number of meat-packing companies have been furnishing information on their cattle slaughter, by weeks, to the American Meat Institute.

These companies that normally handled 75 percent of the total cattle slaughtered under Federal inspection, only slaughtering 17 percent of the federally inspected slaughter in the last 2 weeks of June. Further, although their quota as established by the slaughter control order, was 85 percent of the 1944 base, the companies reported were only able to purchase and slaughter cattle in compliance with OPA regulation sufficient to handle 10 percent of their base period. It is indicative of the chaotic condition in the meat industry that the number of slaughterers have increased from 15,000 in 1939 to over 27,000 in 1944. Some indication of the size of the black market can be gained by realizing the fact that only 12,500 of the reported 27,000 slaughterers even bothered to apply for their subsidy payments.

Senators have heard repeatedly that the black market was causing closing down of the legitimate operators in the meat business. However, as evidence of this, I would like to quote from the May 1946 letter of the National City Bank of New York:

Within the past few months a number of the smaller packing companies have completely suspended their operations and many others have had to curtail sharply, either because of inability to obtain livestock in competition with unlicensed slaughter houses buying and selling in the black market.

Since the first of July, in comparison with other industries, the livestock and meat industry has been free of Government price control. The results so far have been beneficial both to the consumers, to the retailers, to the processors, and to the producers. The economy has not suffered from the freedom. It is my contention that this country will not suffer if meat and livestock continues to be decontrolled. I have reported every day since July 1 on the livestock-market situation in the 12 principal markets to the Senate Today I have again reported on the situation in the 12 principal livestock markets and I quote from a telegram I have received from the American Meat Institute, which is a recognized spokesman for the meat industry.

The complete chaos in the meat industry brought about by unenforceable OPA regulations which have bred the black market in meats has resulted in a most serious condition in the supply of pharmaceuticals, essential to the health, yes, to the very life of thousands of our citizens. The forced curtailment of slaughter by well-established meat packers have cut down the source of supply of many pharmaceuticals derived from livestock. I am not expert in drugs and medicines, but I am willing to take the word of competent pharmaceutical houses.

Parke-Davis & Co., of Detroit; Wilson Laboratories, Chicago; Eli Lilly & Co., Indianapolis; G. D. Searles, Chicago; and other important drug houses reported in letters and telegrams appearing in testimony before the Senate Committee on Agriculture in April of this year, indicates that the continued drop in slaughter by established packers would result in a most desperate situation in the supply of essential drugs and pharmaceuticals.

I am informed that the USDA is now being importuned by pharmaceutical houses and hospitals to take immediate action to safeguard the only main source of supply for essential pharmaceuticals, such as insulin, adrenalin, liver extract, and other essential medicines. Black-market operators neither have the facilities or the desire to take steps to save these essential pharmaceuticals. The responsibility for the health and the life of thousands of our citizens depends on the immediate channeling of livestock into legal channels. This can only be done through this amendment

This situation is described better than I possibly can describe it by Secretary of Agriculture Clinton P Anderson, in his testimony before the Senate Banking and Currency Committee on Wednesday, May 1, 1946, and I quote:

But every time you allow a carcass to fail to go into an integrated plant or a well-organized plant where they save the ordinary byproducts, you cause trouble all the way down the line

For example, you lose the tankage. Tankage is very important to us right now from the standpoint of feed for livestock and as it now stands we lose all that when 500 head go to a firm that normally handles 7,000. And we lose lard, and we lose a great many other things that we ought to have. The whole butchering operation is carefully done.

And every day we hear of something else that we are losing because of it. I happen to be a diabetic and take insulin every morning and I find myself in a situation where insulin is rather scrace because firms do not handle the things as they should handle them and as the regular packers are accustomed to handling them

Mr. President, there are many, many other reasons why livestock and meat should be decontrolled. I do not wish to consume too much of the time of the Senate and I will not develop many of these reasons which justify and require the amendment under consideration. But there is one further reason that I wish to present to you in some detail, and this reason is, without doubt, not only a complete justification for the amendment but it should be a firm prohibition against further efforts to administratively control the livestock and meat industry.

The Government's effort to control the livestock and meat industry lasted for over 4 years. During that period of time I am sure that anyone who is familiar at all with the situation would unhesitatingly state that the meat program attempted by the Office of Price Administration was probably the worst effort that ever was attempted in any industry. To use the words of the distinguished majority leader, "The meat situation is a national scandal." It is not my purpose to go into the perfectly obvious reasons why this program has been such a disgraceful failure. I shall merely discuss the facts without making an effort to show why they are facts.

In the first place, if 4 years of intense effort on the part of OPA to evolve a practical and workable program resulted in nothing better than a national scandal, then I for one will accept the conclusion that no workable program of artificial controls can be evolved for this industry. No one can accuse the people working on these programs for OPA of failing to try. The record is clear on that. Every conceivable plan has been initiated and tried out. Yet not one of them has worked. I do not know how many people have been employed in this particular section by OPA, but I do know that the number runs into thousands. And it is a matter of record that at least 113 general orders have been issued affecting the livestock and meat industry, and some of these orders are hundreds of pages long. Now these are general orders and regulations. And these general orders and regulations have been amended 1,114 times, some of the amendments likewise being hundreds of pages long. We can certainly say that OPA's attack on this front has been "en masse," although we cannot say that it has been the least bit effective.

And I would challenge the wisest lawyer in the land to read these refutations that have been issued by OPA and then tell me what they mean. The complexity of the industry is recognized, but even if adequate allowance is made for such complexities, it is difficult for me to see how such a mass of orders and regulations could have been produced with such uniform adherence to the pattern of lack of clarity. I have read many—but not all—of these orders and regulations, and I have tried to learn what they meant. Today I am almost as completely unaware of the meaning of these regulations as I was before I read them. I sometimes think that it would be better never to read them. At least the mind would not be so confused.

The confusion that pervaded the industry as a result of these academic and impractical plans, programs, and edicts coming out of OPA cannot be overestimated. Four years ago when the Government started the program of price controls I know that the attitude of the entire livestock and meat industry was one of complete cooperation. I have talked with people from every segment of the industry and I know that, in the beginning, everyone wanted to see the program a success and full cooperation was assured. We were in a war and the sons of the older men in the livestock and meat business were helping the sons of the other American parents fight that war. It was a very personal thing to all of America, and the American farmer, the American ranchman, and the American packers and processors have nothing to be ashamed of when their respective war efforts are weighed in the scale of patriotism. But these people engaged in this industry were quickly told by the first group of people running the OPA show that cooperation was not as necessary as submission. They were told that the edicts of the price-controlling agency would be the supreme law of the land and that blind submission to these edicts, without criticism or objection, was the order of the day. Such practices never suited the American people. The very concepts that they believed the war was being waged to save were so ravished by some of the silly and impractical things coming out of OPA that the feeling of cooperative support gradually degenerated into one of self-protection. People whose patriotism cannot be questioned became highly critical of the inept and inane efforts of administrative agents who so consistently followed the pattern of confused futility. And when complaints were so nonchalantly filed away into the limbo of oblivion and constructive suggestions were contemptuously brushed aside with the terse statements that the "agency would run the show," then the attitude of the American people changed. And I say, without the slightest hesitation, that not one single program or plan affecting the livestock and meat industry that OPA has attempted has been even partially successful.

And then the war ended. Instead of a relaxation in the program of impractical controls, there seemed to be a redoubling of efforts to control the entire industry. OPA began issuing more and more regulations and more and more orders, all following the same pattern of impracticability. The situation became so acute and so disastrous to those people in the industry who wanted to live within the law, even though that law was disastrously impractical, that a searching and detailed study was made and the results were and are most startling.

From this study it was learned that, although we had the tremendous cattle population that has been mentioned above, and although we were laboring under the administrative guidance of 113 general orders and over 1,100 amendments to those orders, the meat industry was completely out of control. The detailed, complex, and confused and confusing regulations served only one purpose. They kept the legitimate handlers of meat out of business and they built up vast fortunes for those who ignored the so-called law. It was found that over 80 percent of all retail meat stores in the country were selling meat at black-market prices, and that over two-thirds of all meat sold was being sold at over-ceiling prices. It was shown that the well established, legitimate, federally inspected plants were operating only at from 10 to 20 percent of their capacities. And the cause of all this was and is the impracticability of the program attempted by OPA. And, Mr. President, you will recall that all of this took place while we had not only an abundant supply of cattle but even a surplus and while the demand for meat was higher than it had ever been in this country, which demand was supported by the biggest purchasing power ever held by the consuming public. The situation is ridiculous, illogical, and again quoting the distinguished majority leader, it was and is a "national scandal." It is positive proof to me that this is an industry that, because of its very nature, is not susceptible of the artificial controls attempted to be imposed by OPA.

Mr. President, I recently read a statement issued by Mr. Chester Bowles, spokesman for the Government in such matters, and was astonished to learn that Mr. Bowles rather boastfully stated that he had been in communication with leaders of the labor organizations in an effort to obtain from them a promise of a no-strike agreement for 1 year provided rigid price controls were kept on agricultural products. The effect of this statement on me was exactly the opposite to that desired by Mr. Bowles. Mr. President, I believe that this is still America, a country that was born in freedom and nurtured on personal liberty. It is shocking to me that a high Government official should officially attempt to enslave one segment of the country and one branch of our economy just in order to appease another branch, and then brag about his efforts. His conduct was shocking and shameful to me. I do not believe that here in America we must use the freedom of one branch of our economy as the pawn for the appeasement of another branch. And I know that agricultural people all over this country resent the false position of the appeasement medium that has been thrust upon them. We should adhere to the principles and policies that have so often been declared to be the Government's purpose and not attempt to hold controls where controls are unwarranted, and especially where they are directly and disastrously harmful.

Mr. President, I can and I do see great good coming from the adoption of this resolution. I see the meat industry taken out of the clutches of the vultures who have grown so strong through black-market operations; I see the system of distribution returned to its normal function; I see cattle being brought into the market after a reasonable fattening in the feed lots; I see the tables of the consumers adequately supplied with meat bought legitimately at prices not exceeding the present illegal prices that are being so freely paid. And above all, I see the great moral benefit that will come from the destruction of the immoral black market, and I see a free and a happy people performing their function of producing food for their brothers to eat, and from which strength and fortitude of mind and body can and will develop to enable us to fight and conquer the problems that will arise.

Mr. President, I sincerely hope that the Senate will approve and adopt this amendment.

Mr. President, I conclude with an appeal. I ask that controls be removed. I assert that if we do not write decontrols into the proposed act there will be no decontrolling of prices of any kind in connection with commodities and articles which the public must have. That statement may be proved by an examination of 4 years of the administration of Chester Bowles. If we do not decontrol, to what will we revert? We will revert to black-market operations. There are some in existence at the present time. Take, for example, the lumber situation. It is black-marketed from one end of the country to the other. Take almost any other leading industry;

it is black-marketed from one end of the country to the other. Meat is no exception. Do we want to fasten permanently that kind of a situation on the American people? Do we want to continue to violate the law of this country? Do we want to make a bootlegger out of every housewife and black-market racketeers out of many other persons? If so, let us enact the joint resolution without any provision in it for decontrolling. I believe that it would be a sad commentary upon this great body if, for one moment, it hesitated to agree to an amendment decontrolling meat. Mr. President, the situation which now exists will not result in our obtaining more meat. We cannot feed cattle on black-market corn unless we sell them at black-market prices. As the Senator from Georgia has said, there will be a scarcity, the like of which we have never dreamed of in this country, unless we eliminate controls. If I ever prayed in my life—believe me, Mr. President, I pray about these matters—it has been that we decontrol meat and preserve respect for law and order. I appeal to Members of the Senate to vote for the decontrolling of meat and see what will happen. If we can bring back respect for law and order in the meat business, perhaps we can continue to decontrol other American industries and return them to operations under the American system. We owe it to our 23,000,000 young people. I hope and pray that we may put into the hearts and minds of American boys and girls respect for law, and prove to them that there is still an opportunity for young men and women to succeed in the American way and not be compelled to submit to regimented control by one man who, like a czar, attempts to write the entire economy of the United States of America.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MOORE. I wish to make one observation. The Senator from Nebraska has been discussing what would be the effect on the price of meat if we decontrolled meat and meat products. I wish to point out that we have had 1 week of the production of meat on what might be called a free market. What has happened during that time, and what appears to be the disposition of the businessmen toward the avoidance of inflation?

Mr. President, I hope the time will not be long before we shall come to the final conclusion of what should be done with reference to extending price controls. I am of the opinion that the businessmen of America are well aware of the dangers of runaway prices and the dangers of inflation. I believe that the businessmen of America have more at stake than do the controllers or the bureaucrats with reference to what happens or does not happen in this country.

In that connection, Mr. President, I invite attention of the Members of the Senate to statements which have been made by various business organizations.

I wish to read an article which appears in today's issue of the Wall Street Journal. It states as follows:

NAM MEMBERS PLEDGE NO INCREASE IN PRICES AS OPA CONTROLS LAPSE—INDUSTRIES ANTICIPATE RISE IN PRODUCTION UNDER FREE MARKET CONDITIONS

The National Association of Manufacturers announced it had received hundreds of telegraphed assurances from manufacturers throughout the Nation pledging themselves not to take advantage of the lapse of the Office of Price Administration.

The NAM declared that the abolition of price control is a "challenge to industrial statesmanship." Members had been asked to cooperate in holding prices to the present line.

An automotive parts manufacturing president said that the company's policy is "to hold prices as low as possibly we can, and it is our opinion that no law can long endure that is not based on the principle of supply and demand."

A flour-manufacturing company reiterated its policy of helping to prevent inflation, and said it is "not advancing prices above OPA ceilings."

Another large corporation said, "No price changes are contemplated on any of our products and we expect all our distributors and dealers to adhere rigidly to present schedules."

An Ohio roller-bearing firm reported, "Our company contemplates no immediate increase in prices even though our costs show an increase should be made now to put our company on a profit-earning basis."

A Pennsylvania pipe foundry and machine company asserted, "Our policy is to retain present price levels generally and perhaps without exception which is assurance that no short-sighted advantage will be taken of the current situation."

An Indianapolis manufacturer said, "We contemplate no immediate revision of existing prices. We will continue our policy of many years to produce the best quality of products at the lowest possible cost."

A glassworks in New York State declared: "We shall not increase prices because of the absence of Government regulations. Our objective during the 95 years of our existence has been to make more and improved products selling at lower and lower prices, which has resulted in the employment of more and more people, and this policy continues."

An Alabama textile manufacturer said, "We will continue to conduct our business (as though) under OPA controls."

A Connecticut manufacturer wrote, "We have made no increases in prices and hope none will be necessary. In fact, certain price increases previously authorized by OPA and in process of printing for distribution to the trade have now been suspended pending developments in a free market."

A Virginia industrialist asserted, "Our prices remain unchanged and expect to follow this policy."

From upper New York came this response: "No price changes are contemplated on any of our products. We shall expect all our distributors and dealers to rigidly adhere to present schedules and to immediately advertise this fact to the public. Our neighbors are our customers and we will treat them fairly."

An Ohio stove manufacturer briefly stated, "We are making no price changes whatsoever at the present time."

From a Wisconsin automotive-parts manufacturer: "Proceeding as if OPA is still in effect."

An Ohio coal company wired: "Neither our companies or coal industry in general have any intention to take advantage of removal of price controls and we have so notified our customers."

Mr. President, if the Senator from Nebraska will indulge me a moment longer, I should like to say that I was never more convinced of anything in my life than that if the economic and business interests of the United States could be free from price controls production would increase, prices would level off, and our economy would go along with increased production. Once again, freedom of enterprise would be restored. If newspapers, radio commentators, and propagandists throughout the country would cease their activities for a time and give businessmen an opportunity to show just what is developing since the OPA was abandoned and we were given a week of freedom, they would certainly meet with a great challenge on the part of the American businessmen. If today the American businessmen cannot rise to the challenge, we are doomed eternally to price controls. My candid opinion is that the extension of price controls for another year will continue to stifle the determination of American business to carry on its program, as it has always carried it on to the great credit of the American people and the American way of life. If we allow price controls to continue for another 12 months we will then confront a similar situation, and in the meantime there will have been failures and bankruptcies throughout the country.

I think the way American businessmen have recognized the responsibility which rests upon them is a very encouraging sign, and very inspiring. No one has as much concern as the businessman has in seeing that he can run his business, and run business as a whole, without destroying the very things which made this country great. I thank the Senator for yielding.

Mr. WHERRY. I thank the distinguished Senator from Oklahoma. I now yield the floor.

Mr. BARKLEY. Mr. President, the Senator from Oklahoma asked the Senator from Nebraska what had happened in regard to prices since the lapse of the law. I have here two tables, one of them taken from the Bureau of Labor Statistics, the other taken from the New York Journal of Commerce. These are very interesting figures, which I hope Senators will bear in mind when they decide, or think they have decided, that there has been no change in the cost of living during the past week.

The Bureau of Labor Statistics figures show that, on an index of 100 in August 1939, 28 basic commodities have increased from 199.4 to 216.8 in the week of June 28 to July 5. The index of these 28 basic commodities on June 28 was 199.4, and on July 5 the same index for these 28 basic commodities was 216.8 percent.

Twelve foodstuffs taken from the list of these 28 basic commodities on June 28 bore an index of 229.6, as compared with 100 in August 1939. On July 5 the index was 268.8, or an increase of 17.1 percent in a week.

Sixteen raw industrial commodities bore a relationship of 179.1 on June 28

and 184.4 on July 5, or an increase of 3 percent.

The New York Journal of Commerce figures, based upon an index of 100 on August 31, 1939, show the increase in the prices of 30 sensitive commodities, the figures being, as of June 28, 202.1, on the 5th of July 224.7, an increase of 11.2 percent during that week.

Grain went from 297.3 to 353.7, or an increase of 18 8 percent.

Food on June 28 occupied an index of 171.1, on July 5 an index of 211 5, or an increase of 23 5 percent.

The price of textiles in the week did not increase.

The price of metals went up from 141.9 to 148.2, an increase of 4.4 percent.

Miscellaneous items taken from 30 sensitive commodities went from 189 3 to 199.2, an increase of 5.2 percent.

Mr. President, I ask unanimous consent that the tables from which I have been reading be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Daily indexes of commodity prices, from June 28, 1946

	June 28	July 1	July 2	July 3	July 5	Percentage increase June 28 to July 5
BUREAU OF LABOR STATISTICS (August 1939=100)						
General index (28 basic commodities)	199 4	206 5	208 0	216 4	216 8	8.7
[illegible]	229 6	245 3	246 4	267 6	268 8	17 1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3 0
NEW YORK JOURNAL OF COMMERCE (Aug 31, 1939=100)						
Daily index (30 sensitive commodity prices)	202 1	215 9	220 2	227 8	224.7	11 2
Grains	297 3	330 2	354 0	362 0	353 7	18 8
Food	171 1	172 7	188 0	208 2	211 5	23. 5
Textiles	210 9	212 5	211 0	210 8	210 9	0
[illegible]	141 9	141 5	147 2	148 [illegible]	148 2	4 4
[illegible]	189 3	192 [illegible]	192 [illegible]	199 [illegible]	199 2	5.2

Office of Price Administration, Division of Research, July 8, 1946

Mr. BARKLEY. Mr. President, I have here also newspaper reports in which it is claimed that wholesale food prices hit a 26-year high last week.

I ask unanimous consent to have printed in the RECORD at this point an article by Mr. Jerry Bakst with reference to the increase in wholesale food prices.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHOLESALE FOOD PRICES HIT 26-YEAR HIGH—RAW MATERIALS ON THE WAY UP, SO WATCH OUT!

(By Jerry Bakst)

Wholesalers and retailers today continued pledging themselves to "hold the price line," but, strategic raw materials used in the manufacture of finished goods were on the way up.

Raw material and manufacturer prices are the important ones to watch now. Macy's or Hearn's or a Ford dealer, for example, just won't be able to hold the line on the goods they sell if the materials used in manufacturing those goods go up

Thus higher lumber prices mean more expensive homes; a rise in steel will jack up the price of automobiles, pots, pans, washing machines and a thousand other things; in lead, higher prices for piping and paint; and copper, increases in cooking utensils, pipes, and alloys.

And they're going up:

Pig iron: At Birmingham, Ala., Associated Press reported the Sloss-Sheffield Steel & Iron Co., increased the price of pig iron $3 a ton. The Woodward Iron Co. billed its current shipments as "subject to reinvoice." Sloss-Sheffield's new price would bring the cost of No. 2 foundry iron—the principal merchant grade iron—to $25 88, f. o. b. Birmingham.

Steel: Officials of leading steel companies were not hopeful of achieving capacity production because scrap and pig iron, used in making steel, are in short supply. Steel officials were watching the tight pig and scrap situation anxiously, knowing that any rapid increase in prices would start at that level So the $3 a ton pig boost in Birmingham, if it sets the trend, would indicate steel price boosts later. Iron Age, national metal-working trade paper, said that steel prices would remain unchanged in the immediate future. However, it predicted: "Over the long pull, taking in probably the next 6 to 12 months, steel prices are expected to advance on most items."

Lead: St Joseph Lead Co., largest single producer of lead in the country, yesterday announced a 15-percent boost to 9½ cents a pound, 1¼ cents above the OPA ceiling that expired Sunday midnight. This action was taken to offset the cut in Government subsidy that went out with OPA. Other companies are expected to follow suit.

Zinc: American Smelting & Refining, and American Zinc, Lead & Smelting fixed 9½ cents a pound as the price for western slab zinc on an f. o. b. East St. Louis basis, which brought zinc above the former ceiling price, too.

Copper: For 2 days following termination of OPA ceilings and subsidies on nonferrous metals, no domestic producer made any quotation for copper. Nor were copper company officials making any statements, pledges, or promises.

Lumber: Prices of lumber, already 90 percent above the former OPA ceiling prices, continued to rise yesterday, United Press reported from St Louis. Pine sold for $80 per 1,000 feet, $5 above the black market top. It was reported that a southern pine mill had offered lumber in unlimited quantities for $10 above the former OPA ceiling. Lumbermen, meanwhile, predicted a 5–10 percent boost on various types of flooring, a 14 percent increase in softwood. Softwood manufacturers had applied to OPA for a 20-percent hike, and were allowed 6 percent. Now, with no controls, they will take the other 14 percent. Northeastern hardwood producers had applied for 10 percent, were allowed 7, and have now announced they will take the remaining 3 percent.

Coal: Mine operators are discussing higher prices.

Oil: The trade is predicting a 25 percent jump per barrel.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Did I understand the Senator to say that the basic index on food prices had gone up 129 points already under price control?

Mr. BARKLEY. No; I said nothing that even sounded like that.

Mr. TAFT. I understood the Senator to say that the base was 100, and that on June 29 it was 229.

Mr. BARKLEY. I said that taking August 1939 as representing 100, 12 foodstuffs, according to the Bureau of Labor Statistics figures, on June 28 occupied a relative figure of 229.6, compared with 100 in 1939, and that that had gone up from 229.6 to 268.8, an increase of 17.1 percent.

Mr. TAFT. What astonishes me is to have someone officially admit that foodstuffs have gone up 129 percent since 1939. They practically did not go up at all for 2 years. Now is appears that all this price control has resulted in an increase of 129 percent in the price of foodstuffs. In the World War, which is pointed out as the great example, foodstuffs actually increased only about 75 percent. The total increase was 162 percent in the cost of living, and the food figure was considerably less than that.

Mr. BARKLEY. I think the Senator is confusing the increase in the price of food with the general increase in the cost of living. These are the figures from the Bureau of Labor Statistics, comparing August 1939 with June 28, 1946. Also the other set of figures are taken from the New York Journal of Commerce on a little different basis, but the percentage of increase, according to that table, from the 28th of June to the 5th of July, was higher than that taken from the Bureau of Labor Statistics.

Mr. TAFT. Does it state what part of that increase was due to the removal of subsidies?

Mr. BARKLEY. No; there is no analysis; it is merely a straight set of figures showing the increase in the costs.

Mr. TAFT. But the removal of subsidies in the cost of milk, for instance, means an increase of 25 percent by itself, in that one case. In the case of meat, it must be very close to 25 percent. So the increase that is referred to—which, incidentally, is an increase over supposed prices, not black-market prices, over which there may be no increase—in those cases at least is no more than that caused by the removal of the subsidy.

Mr. BARKLEY. Whatever the cause, the figures show in one table that 12 foodstuffs have gone up 17.1 percent, and under the other table it appears they have gone up 23.5 percent. Part of it may have been accounted for by the removal of the subsidies, but whatever the cause, the housewife who has been required to buy these foods has been compelled in 1 week to pay this increase in cost.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Is not the Senator again confusing the cost of living with the wholesale price? I understand these are wholesale price indexes.

Mr. BARKLEY. These are wholesale prices.

Mr. TAFT. Not what the housewife paid.

Mr. BARKLEY. Everyone knows that by the time a wholesale price is passed on by the distributor and the retailer, and

the increased percentage has been pyramided, the price will be more.

Mr. TAFT. The general rule is that the wholesale index has increased very considerably more than the retail index.

Mr. BARKLEY. We know that whatever increase takes place in the wholesale price of any commodity is passed through the various hands of distribution, and when it gets to the retailer there is as a rule a larger percentage of increase than in the mark-ups of wholesale prices.

Mr. TAFT. With due respect to the Senator, if the price of wheat doubles, the price of bread does not double, it goes up only about 25 percent.

Mr. BARKLEY. The price of bread may not, but the price of all sorts of things made from flour doubles

Mr. President, I have here also an editorial from the New York Times of last Friday entitled "The Price Holiday," which I ask to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRICE HOLIDAY

Mr. Truman's veto of the price control extension bill was the logical outcome of the all-or-nothing policy followed by OPA officials and the administration The bill would have kept rent control intact Under it no increases in any commodity prices would have been required for 30 days No increases under the Taft amendment would have been required for at least 60 days. The President could have signed the bill, even if his objections had been warranted, but told Congress that he regarded it as at best a stop-gap measure, and called for the prompt passage of a better one. Instead, Mr Truman, at the same time as he spoke of "the great calamity which will befall this country if price and rent control end at midnight Sunday," announced the veto which brought this "calamity" about In the attempt to force Congress into giving him everything the President has got, so far, nothing.

The need of the moment is to end the present uncertainty without delay As Congress almost unanimously favors the resumption of rent control, the quickest way to end the most important uncertainty is to pass immediately a simple separate resolution extending rent control for a year, and then to deal with the much more controversial and difficult problems of general price control. But the President's lieutenants in Congress, faithful to the administration's previous strategy, refuse to do this This refusal is based on the fear that if they permitted Congress to restore rent control separately they might not be able to get from it all the price control they want. Once again they are gambling with an all-or-nothing policy, or something very close to it. And once again the gamble may be lost.

Meanwhile neither these leaders nor the administration seem to recognize how profoundly the situation has been changed—psychologically, legally, and economically—by the lapse that has been allowed to occur in price control. What we have today is not a free market but a bewildered one. No one knows whether or when controls will be reimposed, nor at what level, nor under what conditions. Legitimate industrial and trade buying is being paralyzed by fear of a later price roll-back. No processor, manufacturer, wholesaler, or retailer knows whether, if he pays higher prices, now legal, in order to continue employment and production, he will be allowed to pass on the increase later, or whether he will be penalized by being forced to take a loss under restoration of old ceilings. No one knows whether price contracts entered into now will in a few days or weeks be recognized as legal. Businessmen may be assured that a retroactive price law would be unconstitutional, but they may not know how this will be interpreted in their particular case, and it may be little satisfaction to them to know that they will be entitled to expensive and long drawn out litigation.

The lapse of price control alters the situation in many other ways. It has meant a stop in subsidies. It has carried consumers and buyers over the first psychologic shock of paying some higher prices. In a few lines a flood of supplies, in spite of uncertainties regarding price-control resumption, has started at the producers' end of the pipe line. The most important function that might have been achieved by the price-control extension bill vetoed by the President was to taper off price controls in an orderly manner. But it may come to seem foolish to reimpose price controls in order to taper them off This would be equivalent to throwing the consuming public into the water, then fishing it out and telling it to wade in cautiously. If price control is reimposed now, as it nears the termination point again, supplies will once more dwindle as producers and sellers await the time when they will be removed Will the country want to go through this inevitable transition trickle all over again?

Last night the Senate Banking Committee approved a new 1-year price control bill, for which Senator BARKLEY predicted Presidential approval. Delays and amendments are probable, however. Meantime Congress and the administration might do well to consider whether the time for over-all price control has not passed, and whether the time for selective price control has not arrived. This would imply that there should be no wholesale reimposition of ceilings under the old blanket formula. Instead of ceilings being removed only by specific exemption, they could be reimposed only on selected commodities which would have to be specifically and separately named. These could include only major items in the cost of living and only items that were in severely short supply The power would be retained to ration these In fact, the question might be raised whether it was desirable to put price ceilings on items that did not have to be rationed

Meanwhile, regardless of what program is considered, there could well be considerably less hysteria regarding the price rises that are already alleged to have taken place. Some of these price rises represent no more than the removal of subsidies. Others merely translate former black-market prices into legally recognized prices. There is good reason to think, for example, in spite of the rise in official price indexes (which systematically refused to recognize anything but OPA ceilings) that in important lines like meat real average prices paid may have declined.

Mr. BARKLEY. Mr. President, I also ask to have printed in the RECORD at this point an editorial from the Baltimore Sun of July 5, entitled "Prices in the Economic Twilight Since OPA Lapsed."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRICES IN THE ECONOMIC TWILIGHT SINCE OPA LAPSED

Yesterday Senate leaders thought they might get an OPA extender bill onto the floor today. The bill, backed by Senator BARKLEY and administration forces, though opposed by Senator TAFT and his Republican friends, is a pared-down version of the bill which the President vetoed.

Some of the technically difficult phases of the so-called Taft amendment of the original bill are dropped in the new proposal. It retains, however, the gist of the earlier idea that OPA ceilings should be made more sensitive than in the past to upward shifts in costs.

A major change is the dropping of 1941 as a base year for figuring profits and the substitution of 1940. The significance of this shift is suggested by a recent compilation which showed return on net worth of leading manufacturing firms to have been 12.4 percent in 1941, but only 10.8 in 1940.

In the meantime, what of price trends in the curious economic half light which has prevailed in the interim between the lapse of OPA Sunday at midnight and the prospective enactment of another extender bill? So far the most sensitive prices have been in foods, and, in foods, meats and dairy products have advanced most.

This is hardly out of line with the expectations. Both dairy and meat prices have been held down hitherto by subsidies. With the end of OPA came the end of the subsidies. Milk prices and meat prices went up almost at once, milk prices by about the extent of the subsidy, meat prices by a margin somewhat wider than the subsidy. In Baltimore, for instance, a variety of subsidies in effect and scheduled to go into effect shortly, totaled up to 3 cents on the quart of milk. Dairies are now announcing price advances of 4 cents, with a 1-cent refund provided for the return of bottles. Meat subsidies in the local area evened out at about 5 cents a pound Local meat prices have advanced from 5 cents up, an average perhaps being around 10 cents. As for the general and national situation, the Dun & Bradstreet wholesale price index for 31 food commodities was up to $4.54 on Tuesday, as against $4.35 a week earlier.

But, measuring the tendencies, certain precautions have to be kept in mind. To begin with, wholesale prices in all lines have long been on the rise. OPA granted many substantial increases in the 6 months prior to its demise. The substantial round of wage increases allowed since VJ-day has had an inevitable and a permeative effect. Nonfarm increases have in turn translated themselves to farm prices by way of the parity formula

The result is indicated by Government figures. With 1926 prices taken as 100, wholesale prices in all commodities went from 105.9 to 112 7 in OPA's last year The rise in farm commodities was better than 10 points, from 180.1 to 140.3. In other words, it was never true that OPA kept prices rigidly level. The end at which everyone aimed, including the congressional backers of the vetoed bill, was not static prices, but orderly adjustment to the economic realties.

That is still the problem, though differences still exist as to how it is to be achieved. The price trends since the OPA lapse indicate that the rise is continuing and that orderly management thereof is just as urgent as ever. Wholesale price increases mean rising pressure on retailers and, though retailers in many lines have showed a commendable desire to maintain price stability, they cannot in the long run ignore inflation in their own business costs.

Insofar as orderly management of these forces can be secured by statute, such a statute is plainly as necessary as ever and congressional enactment of a law acceptable to the other branches of government is thus still high on the must list.

Mr. BARKLEY. Mr. President, in the Baltimore Sun of Saturday, July 6, there is an article entitled "Meat Prices Range to 50 Percent Above Ceiling." I ask that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEAT PRICES RANGE TO 50 PERCENT ABOVE CEILING—SUPPLY SHORT; MOST STAPLE FOOD ITEMS STEADY

With meat supplies short throughout the city, retail prices yesterday ranged from prior OPA ceilings—adhered to by virtually all chain stores and most independent retail outlets—to 10 to 50 percent above ceiling prices charged by market stall operators.

Prices on most staple items of food are steady Wholesale prices on corn products such as starch and sirup are being increased as the result of higher quotations by manufacturers Some price increases, authorized by OPA last month, to be effective on July 1, have been instituted by food products manufacturers.

PACKERS HOLD PEA PACK

With the subsidy removed from peas, packers are holding their 1946 pack until the situation clarifies If, however, subsidies are not restored the price of peas may be advanced substantially, spokesmen for the industry said.

One cleaning-fluid maker, who had been granted a price increase by OPA, effective July 1, yesterday wired local distributors he had rescinded the projected price hike.

Wholesale grocers yesterday told retailers that the increase in the price of raw milk would be reflected in higher prices for evaporated milk and similar items.

RESTAURANT BOOST EXPECTED

The 3-cent hike in the price of milk from 15 to 18 cents per quart is expected to result in a boost in the price of milk at fountains and restaurants of 1 cent per half pint. However, only a few outlets raised the price to consumers yesterday.

Fountain managers expressed the belief they would absorb the increased cost of milk in an effort to hold prices of milk drinks to prior OPA ceilings

In the case of milk it was pointed out by a spokesman for fountain operators: "We have, during the war, absorbed two prior increases in the price of milk. We can't be expected to absorb a third, and most of us see no way out except to add 1 or 2 cents to the price of milk served our patrons"

FOOD BILL INCREASED

The increase in the price of milk, announced July 4, and recent increases in the price of bread will boost the food bill for nine institutions maintained by the Catholic Charities of the Diocese of Baltimore $18,320 annually, the Very Rev. Msgr. John Daly, director of charities declared.

"The increased cost of bread and milk is going to seriously upset the budgets for these institutions," Monsignor Daly explained. He expressed the belief no special appeal for funds would be made, but predicted that if the increases are permanently retained this will create an operating deficit this year, and that would have to be made up when we appeal for funds next year.

INSTITUTIONS INVOLVED

The institutions involved are: St. Vincent's Infant Home, St. Vincent's Male Orphanage, St. Mary's Villa, Dolan Aid Children's Orphan Asylum, St Patrick's Boys Orphanage, St. Leo's Italian Orphan Asylum, St. Francis Home, St. Elizabeth's Home, and St. Peter Claver's Home.

T. J. S. Waxter, head of the department of welfare for the city, declared "that the increase in the cost of bread and milk and other items makes it virtually impossible for relief clients to make ends meet."

He explained that food allowances to those on relief are predicated on costs as of May 1943, and that there has been no upward revision of our allowances either for food, rent, or clothing since that date.

FIFTY-PERCENT INCREASE CITED

A 50-percent increase in the price of meat purchased for State-maintained institutions, announced yesterday by the office of the department of budget and procurement, gives an accurate picture of the situation that faces housewives here.

Last week commercial-grade beef carcasses were bought for $18.80 per hundredweight. The most recent purchase was made at $28 per hundredweight, an increase of $9.20 or just slightly under 50 percent above the prior OPA ceiling.

Though the anticipated rise in receipts of livestock at the Union Stockyards failed to materialize prices held firm and failed to reach levels set last Tuesday.

OUTSIDE ORDER BUYERS

Baltimoreans will get but little of the limited quantity of meat sold here on the hoof yesterday. The buying was predominantly by outside order buyers who had the market virtually to themselves since leading packers, eyeing the prospect of extended OPA price controls, remain unwilling to risk buying at overceiling prices

A load of 39 top grade, grass-fed steers yesterday went for $20 per hundredweight, compared with an OPA ceiling of $18.60 last week. But young and medium grade cows sold for $14 50 and $15 and heavy sausage bulls for $16 to $16 25 per hundredweight

Only 75 calves received here yesterday, brought $18 to $19 or slightly above ceilings. Barrows and gilts brought 25 cents per hundredweight less than Wednesday's closing figures, with sows down 75 cents per 100 pounds. Prices for the most wanted hogs ranged from $15.25 to $16 75, compared with prior ceilings $14 50 per 100 pounds.

SHEEP BRING $18 TO $19

Seventy-five sheep brought $18 to $19 per hundredweight, with only a few lambs offered The price remained similar to Wednesday's figures.

A shopping tour of local markets showed a wide disparity in prices, with many stall operators adhering to OPA prices—except for having added sufficient sums to cover subsidy payments which went out when OPA died.

But these stalls had much less meat, it was observed, to offer than stalls which asked 10 to 50 percent more for their meat than prior OPA ceilings.

A North Avenue market stallkeeper sold sliced bacon, grade A, for 48 cents per pound; a retail store near Lexington market charged 42 cents a pound, a Broadway market stall, 46 cents, and a neighborhood store, 55 cents. The last OPA ceiling was 43 cents per pound.

PORK ROASTS 44 CENTS

Whole pork roasts were offered at one Lexington market stall 44 cents per pound. (*OPA ceiling, 36 cents*)

Stalls in Lexington Market sold smoked ham, butts at 48 cents per pound, with stores nearby asking 45 cents In Broadway Market the same meat went for 42 cents a pound. (OPA ceiling, 34 cents)

Ground beef could be had in several stalls at Lexington Market for 40 cents, and in a nearby store at 35 cents, while in North Avenue Market it was priced at 45 cents. (OPA ceiling, 30 cents.)

Sirloin steaks were available in Lexington and North Avenue markets at 55 and 70 cents per pound, respectively. (OPA ceiling, 44 to 46 cents.)

PRICES VARY IN AREA

Round steak, bone in, sold for 45 cents a pound and 53 cents a pound at stalls 100 feet apart at Lexington Market. (OPA ceiling, 45 cents.)

Round steak, boneless, was sold for 48 cents by a Lexington Market stallkeeper, while a nearby competitor got 60 cents. (OPA ceiling, 48 cents.)

Loin lamb chops brought 52 cents and 59 cents a pound at different stalls in Lexington Market, while across the street a store sold such chops for 61 cents a pound. In North Avenue Market one stall set a price of 62 cents, another 90 cents a pound, with others asking 65 cents, 72 cents, and 75 cents. (OPA ceiling, 61 cents.)

RIB ROAST OF BEEF

Rib roasts of beef could be had in Lexington Market for 39 cents a pound, and in North Avenue Market at 45 cents and 48 cents. A West Baltimore store asked 38 cents a pound (OPA ceiling, 36 cents.)

Pork chops, loin, sold in Lexington Market for 70 cents a pound. (OPA ceiling, 36 cents)

Cooked Smithfield hams were quoted at $1 25 per pound by one of the leading retail distributors here, who hastened to declare he hadn't had such a ham to offer in more than 2 months, and a like price was quoted by another retailer who said he received his "last quota of Smithfields 6 weeks ago." (OPA ceiling, 95 cents per pound.)

Smithfield ham—unavailable—was quoted at 70 cents per pound. (OPA ceiling, 55 cents.)

Egg prices held firm yesterday in both wholesale and retail markets.

Butter was quoted in markets at 10 to 11 cents per pound above prior ceilings, but grocers had difficulty replenishing depleted stocks because distributors—believing that Congress will restore subsidies—are unwilling to pay the above-ceiling prices asked by producers.

Mr BARKLEY. Mr. President, in the New York Herald Tribune of Saturday, July 6, there appeared an editorial entitled "A Prompt Remedy or None," referring to the hiatus with reference to price control, which I ask to have printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A PROMPT REMEDY OR NONE

The difficulty of reimposing Federal price and rent control after its lapse of a week is becoming increasingly apparent. It will become more apparent as the days drag by while the Senate engages in bitter debate over Senator BARKLEY's substitute for the Taft-Wherry amendments to the original bill extending the Office of Price Administration, the amendments principally responsible for its veto

The situation, deliberately precipitated by the President is, without exaggeration, desperate His objections to the extension bill, and especially to the Taft and Wherry amendments, may or may not have been justified (the operation of the measure could alone have supplied the proof one way or the other). But he should have signed it and then, and if and when its faults became manifest, called for its modification.

But enough of recrimination. The thing to be done now, it seems to us, is for Congress to pass and for the President to sign, with the least possible delay, a statute restoring price and rent control for the time being. A very temporary restoration of the old law, as voted promptly and overwhelmingly in the House, could have been the immediate solution had the Senate shown any inclination to follow suit. But with that apparently out of the question let's either have a new law in a hurry to provide business with a guide to its future commitments or an equally prompt decision to abolish OPA forever.

We would sincerely prefer that it be continued, but without the rigid controls whose abuse so hampered production and with a guaranty of its gradual liquidation and a

return of the country to a free economy. The OPA, as it was administered by Mr. Chester Bowles, was stupidly prolific of black markets and shortages, and of very natural resentments which flowered into a strong suspicion that the object of its very large personnel, from Director down, was not so much to combat inflation as a perpetuate itself in power. Regardless of Mr. Bowles' sudden resignation, or because of it; and the President's equally dramatic veto of the extension bill less than a day later, causing the present unstable and intolerable conditions, that suspicion is still widespread It should be dispelled with an unequivocal promise to the people of the country that whatever new price harness Congress may devise will not only fit more comfortably but will be removed with alacrity when it has served its purpose.

Mr. SMITH. Mr. President, I approach this subject from a little different angle than do some of the previous speakers. I was a supporter of the bill recommended by the Banking and Currency Committee. After that bill was passed by the Senate and went to conference I supported the conference report, and I hope very much, Mr. President, to be able to support the bill which has now come to us from the Banking and Currency Committee. But I should like to make a few observations before I state definitely what my position is, because it seems to me that some matters which have not been touched on should be included in the situation. In the first place, I feel that we have been led astray by a good deal of noisy propaganda throughout the country with respect to the terrible things that will occur if this happens or if this does not happen. I think the propaganda has been vastly overdone. I raise my voice in protest against the prediction of dire things which no one knows will happens or will not happen. I will admit being in doubt as to whether we can continue controls successfully or whether we can safely decontrol. I admit that with my background I feel that if we can remove controls we will soon get back to a normal condition.

But I was interested in reading yesterday, Mr. President, in some of the Sunday newspapers the observations of some well-known economists. I forget now their names, but the names are unimportant. What they point out is that whether we have continuance of control or whether we take off controls entirely, the result is not going to be very much different. If controls are continued we are going to have a rise, through black markets or otherwise, of somewhere between 20 and 25 percent in all costs. The figures read by the distinguished Senator from Kentucky indicate that that is the natural movement that comes from the situation now present. If we remove controls there will be a rise. These economists suggest that the differences are not going to be great, and their line of thinking does not proceed in the same direction. They say that we are overlooking in the heavy argument as to whether we should or should not retain controls, some other factors which have to do with inflation, and which have been entirely forgotten in this whole discussion.

I rise simply to state that I agree with the suggestion made by the distinguished Senator from Nebraska that it is proper at this time for us, in light of our differenee of opinion, at least to make a test case. The distinguished Senator from Michigan [Mr. VANDENBERG], as he was quoted here, and I heard him make the statement, and I was in a small group with him and Mr. Bowles when the suggestion was made, said: "Why not decontrol one commodity and see what would happen?" Why should we not take meat? Why should we not take livestock, which has gotten completely out of hand, which has gone through the black market, and which has given us more trouble than anything else? It is admitted by everyone that we have failed in handling the livestock situation. Let us take meat, decontrol it, and see what happens. It certainly could not be worse than the present situation.

Mr. MOORE Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MOORE. The same thing that applies to livestock, which has gotten out of control in the livestock market, applies to the grain and feed situation, does it not?

Mr. SMITH. I think it is logical to assume it has, but I was simply suggesting the principle. Let us take one commodity and use it as a guinea pig—the expression was—to see who are right; those who claim that decontrolling at this time will bring into effect the law of supply and demand, which will take care of the situation after a few days, perhaps 30 or 60 days, of rising prices, and that then there will be a settling back because of the law of supply and demand; or whether they are right who contend we have to keep these controls, which tighten up the whole picture from the standpoint of the producer. What we are all interested in is production. Production is the only thing which will ultimately answer the problem of inflation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I recall the colloquy which took place between the Senator from Michigan [Mr. VANDENBERG] and myself in connection with making guinea pigs out of some one commodity. I recall that I suggested also that if we could make a guinea pig out of some one commodity without making guinea pigs out of all the American people, it might be worth the experience, but that in the process of making a guinea pig out of a cow, out of cattle, out of meat of any kind, if we made guinea pigs out of the whole American people the experiment might not be so successful. That is the difficulty about picking out one commodity and making a guinea pig of it. When one of the most important articles of American food, of the American table is picked out and made a guinea pig of, to use the common expression, we run what seems to me to be an unnecessary risk of converting the whole American economy and the whole American food table into a guinea pig. I think there is the difficulty also that we cannot make one guinea pig without making another or half a dozen others. If it is desired by some to make a test case out of one commodity, there are many others who would wish to make test cases out of other commodities. That was shown in the Senate when we brought in the previous bill. The Committee on Banking and Currency decontrolled poultry, dairy, and livestock products. On the floor petroleum was taken out and tobacco was taken out. Instead of having one guinea pig we will have a dozen guinea pigs, and all we will have finally is guinea pigs and no law.

Mr. SMITH. The distinguished Senator will recall that he suggested that tobacco be taken out because he thought there was no reason for controlling it.

Mr. BARKLEY. I said that I did not believe there should be control over tobacco. My State is a tobacco-producing State, and we have felt that there ought to be no ceiling prices on tobacco. I had that feeling, not because tobacco was produced in my State, but because I felt there was no need for control over it. It is a question whether control over tobacco has had any influence on prices. But, be that as it may, inasmuch as these three commodities and their derivatives were decontrolled, and then petroleum was decontrolled, and inasmuch as a motion was made to decontrol tobacco I felt that if the other commodities were going to be controlled I would certainly not vote against decontrolling tobacco. But that is the very evil of congressional control. It spreads out. It grows on what it feeds, until we have a bill to decontrol instead of a general piece of legislation.

Mr. SMITH. I think the Senator will concede, however, that we never had a worse situation than the meat situation was before we came to the end of price control. And the Senator will concede that since we came to the end of price control, cattle have moved to Chicago and Omaha and other markets. That is something very significant. I can see no possible danger in our decontrolling meat and then waiting to see what will happen. If we get into a terrible jam we can always act in an emergency. I can see no reason why we cannot follow the suggestion of the Senator from Nebraska and attempt the decontrol of meat and livestock.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I understand that men honestly entertain different views and honestly differ about the question. With all due respect to the argumentative ability of any of us, I doubt whether anything any of us say will have very much influence on the vote of any of the rest of us.

Mr. SMITH. I agree with the distinguished Senator about that. I was merely suggesting my own approach.

Mr. MOORE. Mr. President, will the Senator yield for a question?

Mr. SMITH. I yield.

Mr. MOORE. The majority leader just now said that no matter what any of us may say it would not have much influence on how others of us would vote. In that connection I want to observe that in the 1 week's time we have now had to hear from the country, great

encouragement has come to all of us, I know, as we have read our mail and as we have read observations that have been made in newspapers, if we have read with an open mind. I do not believe there is a Senator who has not felt that if we had a little more time we could meet and answer the wild predictions which have been made by the radicals, I might say, with respect to inflation. I tried to read into the RECORD certain articles, and to make my own statement in the RECORD respecting the desirability of the Congress taking some time for consideration of the matter. We have now had a week to consider the effect of decontrol I think what has happened in that week's time has been encouraging to all of us who are concerned about this matter, and that we have ground for belief that we will get along all right without any price control.

In that connection, if the Senator will bear with me, I want to read into the RECORD a very short statement made in a contribution to a Washington newspaper which I think is apropos of what we are talking about today. I have just read into the RECORD statements made by business interests widely scattered throughout the country.

Mr. SMITH. Mr. President, could I yield the floor to the Senator in a moment when I finish my few remarks?

Mr. MOORE. Yes.

Mr. SMITH. I should like very much to conclude my remarks. I said a moment ago that in this discussion we have gotten into a good deal of heat and argument about the actual question of continuing price control or discontinuing it. As I said, I supported the bill heretofore presented. I supported the conference report, and I hope to support the bill now before the Senate. But we are overlooking some important matters in connection with inflation that have not entered into this price-control discussion at all. I shall read now briefly from an editorial which appeared in the New York Herald Tribune of Tuesday, June 25, a page editorial by a friend and constituent of mine, Mr. James H. McGraw, Jr. I shall not read the entire article, but will ask that it may be placed in the RECORD at the conclusion of my remarks. I read the points in his article which I wish to emphasize. He says:

THE BASIC TASK NOW

The danger that prices and wages will get to chasing each other around a ruinous spiral arises, of course, from the accumulation during the war of an enormous sum of money that could not be spent because about 40 percent of the Nation's production was being devoted to war. Men were paid wages and profits for making artillery shells. The shells were exploded. The money remains. It has piled up until the people's backlog of cash spending power, in one form or another, exceeds $225,000,000,000—three times the total in 1939.

More than that, banks hold $115,000,000,000 of Government securities—a sixfold increase since 1939

These securities can serve as the basis for an expansion of bank credit of many times their volume.

The first and basic task of preventing runaway prices is: Get this huge accumulation of purchasing power, actual and potential, under some kind of effective control.

He makes six points as to basic remedies along this line. I am placing them in the RECORD because they apply in the discussion of inflation, and I hope that the administration is giving serious consideration to these points.

Mr. McGraw continues:

Here is a rough outline of the key elements of a basic program.

1. Cut public expenditures to the bone and let tax revenues accumulate as business volume increases—perhaps broadening the tax base at the same time.

2 Tighten the terms on which installment credit is available for the purchase of houses, automobiles, and other consumers' goods

In that connection he points out that if the people can go to the banks and borow money on easy terms, they have that much more cash, which they would otherwise be spending, to increase the inflationary trend.

3 Restore to the Federal Reserve System its lost control over the supply of credit by limiting the opportunities for credit expansion now afforded by huge bank holdings of Government securities.

That is a suggestion to the Federal Reserve System to do something in this connection.

4 Revise a vigorous campaign to sell Government Savings bonds and other Government securities to the public.

Sale of Government Savings bonds cuts down current consumer spending. It also allows the Treasury, if Government spending is held down, to retire Government bonds which the banks hold.

5. Prevent a speculative inventory boom of the sort which preceded the post-World War I business collapse in 1920 and 1921.

6. Maintain controls on exports in order to keep within reasonable limits the impact on our market of huge foreign demand.

He points out that these points should be given attention, and that reasonable controls should be continued, although he feels that the more we can let the controls down so as to let production find its place the sooner we shall get rid of the situation we are facing.

I ask unanimous consent that the entire editorial by James H. McGraw, Jr., president of the McGraw-Hill Publishing Co., which appeared in the New York Herald Tribune of Tuesday, June 25, 1946, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OPA IS DYING—WHAT NEXT?

It is now clear that direct price control of the OPA type is on the way out, if not by legislative limitation then by administrative collapse.

It is equally clear that we are by no means past the danger of a swirling upsurge of prices.

Then does it follow that the passing of OPA need be tantamount to a decision to let 'em rip?

It does not.

While the OPA machinery is grinding to a stop, we can bring into play more fundamental measures to keep prices within safe limits—and to allow private management a wider area of freedom. What this article proposes is a framework of control within which private business judgment can operate. Therefore, this preamble speaks directly to our friends in the business community.

Now is a time for unrelenting self-restraint by business management. As price control disintegrates, business must scrupulously hold to prices which, after covering costs, yield normal profit margins. Business has everything to lose and nothing to gain if its price policies emulate the excessive wage demands made by some unions

True leaders of business sense the danger. They do not want to price themselves out of their markets. They do not want the tag of price hogs. They do not want a buyers' strike. All management must practice the self-restraint which characterizes the wisest leaders among us.

WHAT WASN'T DONE

Virtually all responsible economic analysts agree that if direct price control is eliminated and nothing else is done, prices will move upward. The only serious disagreements are. How far? And for how long?

Some careful and competent forecasters believe that, if all price control is lifted, the official cost-of-living index will shoot up at least 25 percent within a year Some of them think that wage rates will chase right after prices, forcing new price increases until the whole operation ends in a dizzy crash

Others agree that prices will go up all right, but they think that increased production, made possible by disentanglement from OPA red tape, will bring them down again fairly soon.

Recent developments seem to support those forecasters who think that wage increases would chase right after price increases and thus keep "the inflationary spiral" spinning toward a ghastly fall. Unions already agitate for a new round of wage increases to offset price increases which have occurred in the few months since the last round of wage increases

Therefore, the prudent course would have been to clean up the OPA price-control system, to keep it in place for a limited period as a stopgap, and, meanwhile, to arrange to replace it with more fundamental controls, provided the Federal Government itself stopped promoting excessive wage increases. The greatest single contribution to the wrecking of the OPA has been the holes driven in price ceilings by Government-promoted wage increases.

But now the stopgap is being eliminated, and the undamental controls are not in place. Their erection becomes urgent.

THE BASIC TASK NOW

The danger that prices and wages will get to chasing each other around a ruinous spiral arises, of course, from the accumulation during the war of an enormous sum of money that could not be spent because about 40 percent of the Nation's production was being devoted to war. Men were paid wages and profits for making artillery shells. The shells were exploded The money remains. It has piled up until the people's backlog of cash spending power, in one form or another, exceeds $225,000,000,000—three times the total in 1939.

More than that, banks hold $115,000,000,000 of Government securities—a sixfold increase since 1939. These securities can serve as the basis for an expansion of bank credit of many times their volume. A dollar of bank credit will, of course, buy as much as a dollar of cash.

The first and basic task of preventing runaway prices is: Get this huge accumulation of purchasing power, actual and potential, under some kind of effective control.

A second task is to see that no unnecessary additions are made to the flood of purchasing power overhanging the market. A third task is to get the productive machinery of the country running at top speed so that it can take up the accumulation in an orderly way, not in a boom-bust sequence. We shall talk here only about the first two of these tasks.

Are there ways of getting at the root cause of a disastrous wage-price spiral which are being neglected? There are many of them. Attention has been distracted from them by building up the battle over OPA as the Armageddon of price stabilization. It is important. But it is not Armageddon. If everything that Mr. Bowles and his associates want done by way of price-control legislation were done, the problem of price stabilization would still remain unsolved in the continued absence of a program to deal effectively with root causes.

BASIC REMEDIES

Here is a rough outline of the key elements of a basic program.

1. Cut public expenditures to the bone and let tax revenues accumulate as business volume increases—perhaps broadening the tax base at the same time.

Now, if ever, is the time to run a surplus and to use it to retire debt Immediate upward pressure on prices would thus be removed and the burden of carrying debt when the going gets tougher later on would be relieved A $10,000,000,000 surplus of Federal, State, and local revenues during the next year might not be too much

An increase in social-security taxes, as the House Ways and Means Committee proposes, offers one of a number of good ways to increase revenues. Deferring public works not immediately needed affords one of numerous ways by which substantial cuts in expenditures can be made.

2. Tighten the terms on which installment credit is available for the purchase of houses, automobiles, and other consumers' goods

Left to run a free course, expansion of credit to buy houses and durable consumers' goods might easily add $15,000,000,000 to consumer purchasing power next year No such injection of credit is needed now The more a man buys on time the more cash he keeps to spend on something else. For most products the cash market alone is more than big enough to keep producers busy and customers healthy.

3. Restore to the Federal Reserve System its lost control over the supply of credit by limiting the opportunities for credit expansion now afforded by huge bank holdings of Government securities.

The specific measures needed are highly technical, but are agreed upon by banking experts as both feasible and fair The important thing for the public at large to do is to recognize that we are, in effect, sitting on a powder keg with lighted match in hand until the measures are taken

4. Revive a vigorous campaign to sell Government savings bonds and other Government securities to the public.

Sale of Government savings bonds cuts down current consumer spending. It also allows the Treasury, if Government spending is held down, to retire Government bonds which the banks hold. Thus, it simplifies the problem of keeping bank credit within safe bounds.

5. Prevent a speculative inventory boom of the sort which preceded the post-World War I business collapse in 1920-21

This involves a continuation of the loose controls of inventories now exercised by the Government. In more important degree it involves well-informed cooperation by bankers and businessmen to keep inventories from being expanded unnecessarily.

6. Maintain controls on exports in order to keep within reasonable limits the impact on our market of huge foreign demand

Emergency foreign relief requirements must be met. But foreign demand which is enormous apart from relief requirements must be kept under control until the danger of having it send prices of export products soaring is past.

BREATHING SPACE FOR BUSINESS

This program would deal with causes, not symptoms. Hence, if promptly and efficiently installed, it would do a far better job of keeping the general level of prices and wages within tolerable limits than the OPA type of price control ever could have done—even if OPA had not been so often and so badly mismanaged. The program would also do this without tying up American business in a myriad of irritating and discouraging individual regulations. It would establish broad bounds within which business enterprise would be free to be itself, not a branch of bureaucratic enterprise.

The program proposed here also has the major virtue of flexibility If prices start to reverse their present upward course within another year, the major parts of the program can be adjusted or removed quickly.

It would be gratifying to suggest junking at once all arrangements designed to place limits on price movements, even broad limits of the sort here suggested. But to do nothing while OPA falls apart, would be to run the grave risk of a runaway of prices and wages which, in the inevitable collapse, would do irretrievable damage to the business community and to the whole Nation.

The risk is not worth taking

JAMES H McGRAW, JR.,
President, McGraw-Hill Publishing Co., Inc.

Mr. MOORE. Mr. President, I wish to take a brief time to express my views as to what ought to be done with reference to price control. I think it is well understood that I believe that the best thing to do would be not to revive price control at all. I believe that if time were given us, if we had 10 days' additional time for the people to catch their breath after the termination of price control, proof would be offered to us that we would be better off, and that the business interests of this country would be able to take care of themselves without any controls.

I recognize that every day and every hour of the day radicals or zealots are predicting dire things which will happen if we do not reimpose price controls. In that connection, I wish to invite attention to a letter which expresses my views pretty well as to what is happening to stir up the fears of the people. It is a contribution to the Washington Post. I read it verbatim, because without specifically making any appraisal of the Washington Post, it applies to other means of communication as well as the Washington Post. The writer says:

Ordinarily I am pleased with the Post's editing and reporting, but feel that your treatment of price control has been sadly deficient The Post of July 2 seems particularly faulty. When a nation is in need, there should be no doubt that a greater service can be rendered by leaders of thought in presenting the calm reassurance of fact rather than by crying "wolf, wolf" Accordingly, the appearance of the first page and numerous inside articles is both surprising and disappointing.

Specifically, your first-page headings: "Rising prices seen starting inflation riot" (the slanted opinion of administration economists) and "Butter, poultry prices soar with end of OPA"—

These are the scare headlines which are appearing in the newspapers—

and subheading "Some Maryland and Virginia landlords hike rents $90 and $15," all seem designed to create hysteria rather than allay it. Your editorial and pictures add to that impression. You are, of course, entitled to an editorial position on any subject, but one would hardly expect this to be expressed on the first page of a reputable paper with such statements as "Rent-hike jitters swept the Capital's fringes" and "Prices of butter and poultry zoom upward * * * threats of addition price increased appeared on the horizon."

I am quoting from headlines from the Washington Post and other newspapers throughout the country.

The instances of rent increases may be accurate reporting but honest service to the public should require a statement of what is the general experience and what are the facts behind the exceptions. Herein I feel you do grave injustice to numerous business concerns, particularly those of Washington who have advertised through your paper their intention to do their utmost to maintain retail prices as established by OPA regulations or to resist increases insofar as possible. Double injustice is done because an atmosphere of hysteria destroys any appeal to reason Business, in attempting to create public confidence and price stability, should not have to offset the effects of the press.

Not only has your handling of price control overlooked the self-evident attitude of reputable businessmen but if omits telling the story of those who would be responsible for setting prices in the first instance if OPA is discontinued, if you will, the story of those who persuaded Congress that relaxation of OPA controls was necessary. An inquiry to the local office of the National Association of Manufacturers discloses the fact that they are following plans laid sometime ago to recommend that its members exert every effort to maintain price stability if OPA controls go. Another inquiry to the Chamber of Commerce of the United States discloses the issuance of a letter, under date of July 1, to all member organizations urging "unrelenting restraint * * * upon their members, both buyers and sellers * * * preventing unwarranted price increases" The chamber, of course, represents all shades of opinion concerning OPA

Why aren't these calmer developments given at least equal attention with the spectacular exceptions? Also, since price control should be justified only as a protection where supply is seriously less than demand, why hasn't some reportorial effort been spent on telling those facts? If one relaxes from the hysteria over price control to think of the remarkable job the United States did in so short a time toward girding itself and our allies for a successful war on a world-wide basis, common sense would require the conclusion that in almost 11 months since VJ-day we must surely have restored a balance of supply and demand in most fields. Why hasn't your staff, so adept in explaining complex economics as international finance, described the simpler economics of supply and demand?

Why create the false impression that all price increases are due to the present attitude toward OPA? Why not explain that the Administration wage policy has long since made numerous price increases inevitable, furthermore, that it provides that wage increases approved by the National Wage Stabilization Board be a basis for OPA price increases? Why not report that OPA price adjustments (increases, decontrols, etc) have jumped from 47 in the month of September 1945, the month after VJ-day, to 138 in April and over 280 in May, many resulting from wage increases? Why not explain that the transfer from tax-supported, subsidized prices on farm and other scarce products to competitive prices requires higher costs to the consumer, but that he stands to save in taxes? Why not explain that the artificial shortage of foods created by our participation in famine relief means a temporary unbalance of supply and demand and prices of such items? Doesn't an impartial and complete news service to the public demand these full facts, rather than creating the

impression that all price increases are due to the present attitude of Congress toward OPA?

FRANCIS E. SIMMONS.

WASHINGTON.

Mr. BARKLEY. Mr. President, it is obvious that we cannot obtain a vote today on the pending amendment. I have no desire to try to force it to a vote today. However, I hope that we can obtain a vote tomorrow at as early an hour as possible on the pending amendment.

I do not contemplate asking the Senate to sit this evening, but beginning with tomorrow evening, I hope Senators will make arrangements to remain here during the evening, until we conclude consideration of this legislation. I shall move that the Senate take a recess until 12 o'clock noon tomorrow, because I am compelled to be at a committee meeting from 10 to 12. Therefore I shall not ask the Senate to meet at 11

I believe there is no Executive Calendar

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. Do I correctly understand that it is the Senator's purpose to hold the Senate in session during the evening after tonight?

Mr. BARKLEY. Yes. After tonight it is very desirable that we make speed in connection with the pending legislation; and beginning with tomorrow night I hope the Senate will be willing to remain in session during the evening.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr MCCARRAN, from the Committee on the Judiciary:

Thomas P O'Donovan, of Illinois, to be United States marshal for the northern district of Illinois, vice William H McDonnell, resigned.

Eugene J Smith, of New York, to be United States marshal for the eastern district of New York, vice Spencer C. Young, resigned;

William T. Mahoney to be United States marshal for division No 1, District of Alaska; and

Stanley J Nichols, of Alaska, to be United States marshal for division No. 4, district of Alaska, vice Joseph A McDonald, whose term expired July 7, 1946.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 37 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, July 9, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 8 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

George H Butler, of Illinois, now a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

GOVERNOR, TERRITORY OF HAWAII

Ingram M Stainback, of Hawaii, to be Governor of the Territory of Hawaii. (Reappointment)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidate for promotion in the Regular Corps of the United States Public Health Service:

Assistant Surgeon Jacob C Wagner to be senior assistant surgeon, effective July 1, 1946.

SELECTIVE SERVICE SYSTEM

Oliver Harold Folk for appointment as administrative officer, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of administrative officer, national headquarters, Selective Service System, will be at the rate of $7,102.20 per annum.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Denzil G Dorrill, Banks, Ala., in place of H E. Sellers, resigned

Kathryn M Hodges, Mount Olive, Ala. Office became Presidential July 1, 1946.

ARKANSAS

James F Wright, Trumann, Ark., in place of L F Strickland, resigned.

CALIFORNIA

Edith C McCright, Highgrove, Calif., in place of R F Jackson, resigned.

Geraldine R Ferry, Milpitas, Calif., in place of J. C. Rose, resigned

Laura B. Huglin, Pescadero, Calif., in place of F M C Enos, retired

Elijah A Russell, Yolo, Calif., in place of E. A Hadley, retired

CONNECTICUT

Marian E Ryan, Plymouth, Conn., in place of J E Bradley, resigned

ILLINOIS

James E Pollard, Cerro Gordo, Ill., in place of E E Dallas, deceased

Frances E. O'Connor, Wataga, Ill., in place of F C Pierson, resigned

INDIANA

James A Shrack, Dunkirk, Ind., in place of T L Hart, resigned

KENTUCKY

Thelma C Nixon, Luretha, Ky., in place of L. A Kelly, resigned.

Harry Greene, Milburn, Ky. Office became Presidential July 1, 1946.

MASSACHUSETTS

William P. Twohig, East Longmeadow, Mass., in place of S E Malone, removed.

MICHIGAN

Edith E Osborn, Mecosta, Mich., in place of C. E. Osborn, resigned.

Peter J. Trierweiler, Portland, Mich., in place of S. A. Horning, resigned.

Clair S. Carvell, Vicksburg, Mich., in place of M. A. Hill, transferred.

MISSOURI

Eugene Edgar Plemmons, Brumley, Mo., in place of V. M. Smith, resigned.

William E. Sisk, Henrietta, Mo., in place of J. G. Rider, resigned.

James F. Dent, Salem, Mo., in place of E. A. Seay, retired.

NEVADA

Anna E Larson, Rio Tinto, Nev., in place of P. G. Clary, resigned.

NEW HAMPSHIRE

Lewis C. Darling, Hampstead, N. H., in place of J R Frost, retired.

NEW YORK

Abram Rifenburgh, Livingston, N. Y. Office became Presidential July 1, 1944

George F. McNamara, Waterville, N Y., in place of C. G. Brainard, deceased.

NORTH CAROLINA

Lucy M Shore, Cycle, N C., in place of A R. Sale, transferred.

OHIO

John F. Shell, Basil, Ohio, in place of F. G. Orr, resigned

Esther Swerlein, Dola, Ohio, in place of W. G Kahler, deceased.

Ethel B Knight, Ostrander, Ohio, in place of F. L Decker, transferred.

PENNSYLVANIA

Henry K Bauman, Allentown, Pa., in place of E S. Diehl, retired.

Isobel Piamoncini, Atlas, Pa., in place of Elsie Halkowicz, deceased.

Ebon B. Bower, Bellefonte, Pa., in place of G R Meek, resigned.

Susan B. Ozegovich, Chestnut Ridge, Pa. Office became Presidential July 1, 1945

Thomas C. Ferron, Cochranville, Pa., in place of W W. McGinnis, deceased.

Frank Coletti, Hibbs, Pa., in place of L. J. Kordella, resigned

William B Lewis, Irwin, Pa., in place of M. G. Cummings, deceased.

Lois K. Solomon, Melcroft, Pa. Office became Presidential July 1, 1945.

John Petts, Ronco, Pa. Office became Presidential July 1, 1944.

Mary K. Wagner, South Connellsville, Pa., in place of M C. Duke, resigned.

RHODE ISLAND

Clifford T Barber, Potter Hill, R I Office became Presidential July 1, 1945.

VIRGINIA

Katherine B. Munt, Prince George, Va., in place of R B. Bailey, deceased.

WISCONSIN

Gordon W Amundson, Emerald, Wis. Office became Presidential July 1, 1945

Henry J. Pieruf, Morrisonville, Wis. Office became Presidential July 1, 1945.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 8, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, at this noonday hour, we are again entering the sacred retreat of prayer, beseeching Thee to make our hearts the shrines of Thy grace and the sanctuaries of Thy presence.

We rejoice that Thou art always drawing nigh us with overtures of love and friendship and revealing Thy divine will in which we may find our own high duty and destiny, our joy and strength.

We pray that we may understand more clearly that the great moral and spiritual

values and laws are not mere caprice and convention but that they are written in the very constitution of that life which Thou hast ordained for all mankind.

Grant that these Thy servants, who have been entrusted with the high vocation of making these values and laws regnant in the life of our Republic, may daily pursue their task with undaunted faith and the courage of undefeated convictions.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of Friday, July 5, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H R 5258. An act granting a renewal of Patent No. 113,244, dated February 7, 1939, relating to the flag of the Church of God, and

H. R. 6285. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S 619. An act to amend the act of June 8, 1936, relating to vocational education, so as to provide for the further development of vocational education in the several States and Territories.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles.

H. R. 3424. An act to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes, and

H. R. 4080. An act to amend section 476, Revised Statutes (U. S. C., title 35, sec 2), providing for officers and employees of the Patent Office, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6407. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. BILBO, Mr. RADCLIFFE, Mr. PEPPER, Mr. MEAD, Mr. BROOKS, Mr. WILEY, Mr. ROBERTSON, and Mr. HART to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6597. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. BILBO, Mr. RADCLIFFE, Mr. PEPPER, Mr. MEAD, Mr. BROOKS, Mr. WILEY, Mr. ROBERTSON, and Mr. HART to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S 660. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I shall make on the British loan bill and include therein a letter from the President of the United States and a cablegram from Secretary Byrnes, which I ask that the Clerk of the House may read.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I further ask unanimous consent to incorporate in my remarks the report of the committee, some editorials from the Washington Post and the New York Times, a statement of Orin Root in behalf of the American Veterans' Association, and a letter and editorial from Rabbi Wise on the subject of the British loan.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I shall make on the British loan during general debate in the Committee of the Whole by inserting therein certain statements, articles, and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles in each.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include the platform of the American Veterans' Committee, adopted at their recent convention.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include an editorial on the British loan from the Stamford Advocate.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a copy of a report made by the Comptroller General of the United States on the subject of the 1944 audit report of the United States Maritime Commission, and to include also several letters of Admiral Smith, Chairman of the Maritime Commission. I am advised by the Public Printer that the manuscript to be inserted is estimated to make 4½ pages, at a cost of $270. But notwithstanding the cost, the matter is of such public interest generally that I ask that the extension be made.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

RIVERS AND HARBORS AUTHORIZATION BILL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The Chair will appoint the conferees a little later.

THE WAGNER-ELLENDER-TAFT BILL

Mr BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUFFETT. Mr. Speaker, on Friday last the gentleman from Chicago [Mr. SABATH] told the House that the Republicans on the House Committee on Banking and Currency have been conducting a delaying filibuster for 2 months on the Wagner-Ellender-Taft bill. I know the Members are used to having the gentleman from Chicago in his outbursts wander from factual accuracy, but in this case he is 7 weeks, or 700 percent wrong.

The hearings started 1 week earlier than last Friday. I insisted last Friday that we have a quorum because only 3 out of 27 Members were present. I am sure that even in Chicago when they hold a trial, the jury listens to the evidence. I think a quorum of the House Committee on Banking and Currency should listen to the evidence on this complex and long-range measure.

The SPEAKER. The time of the gentleman has expired.

PRICE CONTROL

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HILL. Mr. Speaker, so much publicity has been given to the opposite side of price control that I am happy this morning to read to the Members this

little item entitled "Denver Merchants To Hold Price Line":

Businessmen, representing 90 percent of the retail business in Denver, yesterday pledged themselves to "hold the line" on prices to consumers as far as it is possible to do it.

Here are the three things that they promise:

1 We will make merchandise of honest quality available to the public as rapidly and in as large volume as the circumstances will permit

2 We will prohibit within our own establishment any and all disposition to exploit current conditions by increasing prices beyond our cost-plus or normal necessary mark-ups

3 So long as scarcity of any line of merchandise may continue, we will endeavor to distribute goods equitably among our customers

RIVERS AND HARBORS AUTHORIZATION BILL—APPOINTMENT OF CONFEREES

The SPEAKER. The Chair appoints the following conferees on the rivers and harbors authorization bill: Messrs. PETERSON of Georgia, RANKIN, JACKSON, DONDERO, PITTENGER, FISHER, PETERSON of Florida, ROGERS of Pennsylvania, and ANGELL.

EXTENSION OF REMARKS

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include two newspaper articles.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr SIMPSON of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include a summary of the livestock situation of the week ending July 6, as reported by the St. Louis Livestock Exchange and the National Stockyards of Illinois.

ORDER OF BUSINESS AND 1-MINUTE SPEECHES

The SPEAKER. The Chair desires to announce that Members who desire to address the House for 1 minute during the remainder of the week would be wise to do so today as the House has a very busy schedule for the remainder of the week with 16 hours to be devoted to one bill.

WHY SHIP MUCH-NEEDED FARM TRACTORS TO FOREIGN COUNTRIES?

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered

There was no objection.

Mr. REES of Kansas. Mr. Speaker, a Chicago farm implement manufacturer has reported that because of a limitation order of the Civilian Production Administrator, approximately 14,500 hard-to-get American built farm tractors are being sent to Europe before the end of the year. They are being paid for by the United Nations Relief and Rehabilitation Administration. Most of these tractors are being shipped to Poland, Czechoslovakia, Yugoslavia, and other eastern countries under Soviet influence. It appears very few of these tractors go to western European countries.

This order reduces substantially, the number of tractors available for American farmers who need machines and parts very badly. Furthermore, the shipment of this machinery is ill-advised and wasteful because of the backwardness of these people. The people in those countries are not accustomed to this kind of equipment. It is likely the tractors will end up in scrap piles rather early. They have no service facilities or operator training. Hardly any machinery was sold to these countries before the war, so the farmers will not get the best use of them.

There has been an acute need for tractors and all kinds of farm machinery in my State of Kansas and other farm sections of this country for a long time. Our farmers have got along with old equipment during the war period, because the plants were needed for turning out weapons.

Of course, we want to help in the rehabilitation of war torn countries as far as it is reasonable to do so, but it seems to me that the shipment of 1,400 tractors to a country that is not accustomed to the use of them, and being paid for out of rehabilitation funds, is carrying things a little far. If we have the funds to spare, let it be used to help feed the starving people and to buy equipment to which these people are accustomed and give our own farmers a break by letting them have some tractors so they can produce greater amounts of food, so much needed to help feed the people at home, as well as people in need in other parts of the world.

EXTENSION OF REMARKS

Mr CURTIS asked and was given permission to extend his remarks in the RECORD in two instances and in each to include a newspaper article.

Mr. WADSWORTH asked and was given permission to extend his remarks in the RECORD and include certain editorials relating to the reorganization of the Congress.

Mr. CLEVENGER asked and was given permission to extend his remarks in the RECORD and include an article from the Times-Herald.

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include a certain telegram.

Mr. JONKMAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include a table of figures showing our part of the British loan which the people of the Seventh District of Iowa must pay if the loan is passed.

PERMISSION TO ADDRESS THE HOUSE

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. LANDIS addressed the House. His remarks appear in the Appendix.]

OPA'S BLACK MARKET HAS FORCED BARTER

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, here it is black on white. A circular dated June 28 last, which has been sent out to lumber dealers, by a lumber wholesaling concern in the Middle West. It was sent to me by an auditor of a lumber concern in my district who, as most legitimate lumber dealers, find it almost impossible to buy any lumber today mainly because OPA's created black marketers are getting theirs first. We have been hearing about this bartering, but few expected to see it on paper, I am sure.

Mr Speaker, this is all brought about by the OPA's refusal to properly adjust prices on many lumber items so desperately needed at this time, which held down production, thus creating a black market.

When Hitler put Germany's trade with other nations on the barter system we all felt he was taking unfair advantage of us. Now the new deal OPA has virtually forced our own American farmers and businessmen on to the barter system among ourselves in order to keep our American economy functioning. Yet some people want to revive OPA.

JUNE 28, 1946

"TRADER HORN" IS HERE

GENTLEMEN: Need lumber? What have you got or what can you get to trade?

We have mill connections who can ship dry yellow pine dimension and boards, drop siding, flooring, timbers, etc, but they all demand something they require in return.

We can get you some lumber, but items our mill connections are needing and which you must supply are mainly the following: carloads of shelled corn (some requirements are for sacked corn); carloads of chicken feed, new 1946 passenger cars and trucks.

These constitute some of our shippers' main requirements, but if you think of any other scarce items which might interest them, let us know what you can supply.

We have several deals lined up right now to exchange lumber for corn. The set-up is as follows:

Code Arthur

For each 2 carloads of shelled corn of medium grade or better grade, such as No. 2 or No. 3, you supply at ceiling price, we will furnish one 25,000-board-foot carload of 1-inch R/L short leaf boards S4S or drop siding pattern and/or 2 x 4-inch and wider R/L No. 2 Commercial and up short-leaf dimension S4S at wholesale clearing prices delivered.

Code: Bert.

Some of our shippers require sacked corn and we would have to work up a basis of exchange for this.

Code: Carl.

A couple of our shippers are inquiring about white corn for exchange.

Code: Donald.

One shipper is inquiring about a carload of brown corn meal. This, of course, would have to be sacked.

Code: Eric.

We have several trades working to supply dry short leaf lumber for carloads of chicken feed. We would want to know full details as to type of chicken feed. Need some "laying mash," "growing mash," "scratch grain"

(mixed, such as cracked corn, etc.). This must be sacked.
Code: Frank.
Can supply ratio of 100,000 board feet of dry short leaf dimension and/or boards 545 at wholesale ceilings delivered for a new 1946 passenger automobile, either two- or four-door. Have two or three similar deals in same ratio for new 1946 truck. We especially need two one-half-ton pick-up trucks.

The SPEAKER. The time of the gentleman from Iowa has expired.

OUR FISCAL CONDITION

Mr. RICH. Mr Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, we have just closed the financial year, June 30, and if the Members have not looked at the statement they should do so. We have gone in the red about $21,000,000,000. That is a terrible lot of money—$21,000,000,000 in the red last year. You will remember the other day when we said we were going to reduce the national-debt limit from $300,000,000,000 to $275,000,000,000, and we were praising the work of the administration greatly on that account. But that does not mean anything. It is how far in the red we are going. That is what is going to count. That is what counts. You spent over $21,000,000,000 more than our receipts for the year, and our receipts include sale of surplus property of the Army and Navy. Our receipts were twenty-one billion less than what we took into the Treasury. If it keeps up, look out for a bust. It has been going on since 1932. Stop it. Stop it now. Now we are going to consider the British loan

On the present public debt each one of you owes $2,000.

Pennsylvania owes over $19,800,000,000 of our national debt. My district owes too much of that debt, and it was not my voting that caused most of it.

The British gift—do not call it a loan—will mean Pennsylvania's share is about $300,000,000, each district about $9,000,000. I am not voting any gifts to anybody without my taxpayers' consent. I am not voting to tax my people for any foreign country without their consent. It is not constitutional. Let us vote down these foreign agreements, or we are broke financially. What good is a nation in bankruptcy?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include four telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GRAHAM addressed the House. His remarks appear in the Appendix.]

GRAIN SITUATION IN NEW HAMPSHIRE EASIER SINCE DEATH OF OPA

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, I recently asked Andrew L. Felker, New Hampshire commissioner of agriculture, to inform me whether or not it has been easier to purchase grain since the death of OPA a week ago. I received the following telegram this morning:

CONCORD, N. H., *July 6, 1946.*

Hon CHESTER MERROW,
House Office Building,
Washington, D. C:

Checking this morning various grain companies in New Hampshire. All report opportunity of buying feed more readily than prior to death of OPA. This includes corn and wheat, some oats. Some companies reporting increase in price from $3 to $5. One reported $6 to $7. Two companies reporting no increase in retail price on feeds as yet. Mills starting up on much increased work schedule. One reporting full time. All evidencing more feed at no great increased prices yet. We feel if OPA remains dead supply and demand will level off prices within reasonable time. Still much confusion over what Congress may do.

ANDREW L. FELKER,
Commissioner of Agriculture.

THERE SHOULD BE NO FURTHER EXTENSION OF OPA

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, after 1 week of freedom it has become increasingly apparent to thinking people that we should have no further extension of the so-called Price Control Act. It is time we put an end to their operations of throttling production and destroying the initiative and opportunities of our people. It is time an end was put to the kind of operations that raise prices continuously and injure the consumer, the producer, and everybody else.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. WOODRUFF asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole on the British loan and to include therein excerpts from British editorials and from the debate in the House of Lords and Parliament; also to extend his own remarks and to include therein an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include editorials.

Mr. GILLIE asked and was given permission to revise and extend his remarks and include therein a short article by Clifford Ward, of the Fort Wayne News-Sentinel.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

Mr. BOREN (at the request of Mr. MONRONEY) asked and was given permission to extend his remarks in the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. VURSELL addressed the House. His remarks appear in the Appendix.]

FLOOD CONTROL

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WHITTINGTON, ALLEN of Louisiana, ELLIOTT, CLASON, and WILSON.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include therein a column by Leo Wolman, and an editorial from the Arkansas Democrat.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. SAVAGE addressed the House. His remarks appear in the Appendix.]

HOME CONSTRUCTION

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I have received hundreds of requests from people all over the United States urging my support of the Wagner bill, which I favor, since I am and have long been vitally interested in home construction. I have called upon the Banking and Currency Committee urging early action.

The gentleman from Nebraska [Mr. BUFFETT] states that in my statement I charged that the committee has had the bill under consideration for 2 or 3 months. As a matter of fact, that committee has had that bill for nearly 9 months. A few weeks ago that committee started hearings and points of order were made on the part of certain gentleman whereby the Banking and Currency Committee was precluded from proceeding with the consideration of that bill.

In view of that fact, Mr. Speaker, I made the observation on the floor of the House and still believe my statement is

correct as to the time taken by the committee. I feel something should be done by the Banking and Currency Committee to bring that bill out on the floor of the House for consideration.

THE BRITISH LOAN

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, we in the House, can recall during the war when the British Empire swung over to the blood, sweat, toil, and tears of that great British leader, Winston Churchill, and regained the path to national unity. It was then and not until then that the British Empire was on the way to total victory.

However, when victory was achieved the British Socialists booted Winston Churchill out, took over completely—repudiated the greatest leader they ever had—and adopted a national socialistic program—under which they are now operating—and hope to continue to operate with American taxpayers' money.

Today there will be presented to this House legislation requesting approximately $4,400,000,000 of the American taxpayers' money to subsidize the socialistic program of the British Empire. A program of the political and economic planners of grandiose schemes of extravagance which are blinding the British people to financial realities.

Their plans call for rebuilding British houses—4,500,000 of them. They plan a cradle-to-the-grave program to pay the doctors' bills of all British citizens, rich, and poor alike; all financial hardships are to be insured against. The profit of free enterprise is to be liquidated by nationalization of banking and basic industries, which is perfectly alright, and none of our business. However, when they are asking the American people to put some $4,000,000,000 into their hands to carry out this program—so it now becomes our business. And after this is exhausted, I suppose they will ask for four or five billion dollars more to carry on. Now if the Members of this Congress want to approve a loan of this nature to subsidize the socialistic program of the British Empire that is their business—but I do not want any part of it. This proposed British loan arrangement is not a loan but an outright gift. A gift that will be a burden on the backs of the American taxpayers for many years to come and if this loan passes the Congress of the United States it will breed trouble for us over the years that lie ahead.

EXTENSION OF REMARKS

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an article appearing in the New York Times Magazine last Sunday by Albin H. Hansen.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include some correspondence.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. STEFAN addressed the House. His remarks appear in the Appendix.]

THE WHEAT SITUATION

Mr. HOLMES of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOLMES of Massachusetts. Mr. Speaker, I imagine many of the Members saw the picture in the Star of last Saturday night showing millions of bushels of wheat stacked in the fields in Colorado. The New England delegation in the House has been fighting for months to get a few carloads of grain to feed poultry and dairy cattle. I want to read what it says on the bottom of this picture:

BIG GRAIN LOSS FEARED

BRANDON, COLO.—This mammoth pile of wheat was dumped on the ground here because no storage space was available in elevators or boxcars for the bumper crop. A conveyor is shown scooping up truckloads and filling in between rows. Farmers, fearful of loss of the crop if rain comes, said the pile was expected to be a block long, half a block wide and 25 feet high when the last load was dumped. Similar scenes occurred in western Kansas.

I wonder how the Department of Agriculture can explain this away. No wheat for bread, poultry feed, or dairy feed, still we find grain elevators so full that they have no room to store the new crop.

WHITE FLOUR IN JAPAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Friday I entered the store of a business firm. One of the clerks said to me that his wife was horrified because she saw in the paper a picture of a Japanese learning how to use white flour. He told me that his wife and hundreds of other women were shocked beyond words that white flour is going to Japan; one of our enemies in World War II, and our own children cannot get white bread. In fact any kind of bread is very difficult for housewives to secure.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. HOFFMAN of Michigan addressed the House. His remarks appear in the Appendix.]

CALL OF THE HOUSE

Mr. SIKES. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 202]

Adams	Gardner	Marcantonio
Almond	Gary	Miller, Calif.
Anderson, Calif	Geelan	Morrison
Andrews, N. Y.	Gerlach	Murphy
Bailey	Gibson	Neely
Baldwin, Md	Gillespie	Norton
Baldwin, N. Y.	Goodwin	O'Toole
Barden	Gorski	Patrick
Barrett, Pa.	Gossett	Peterson, Ga.
Barry	Granahan	Pfeifer
Bates, Ky.	Granger	Phillips
Bates, Mass.	Grant, Ala.	Ploeser
Beckworth	Green	Plumley
Beli	Gwinn, N. Y.	Poage
Bender	Hagen	Powell
Bennet, N. Y.	Hall,	Price, Fla.
Biemiller	Leonard W.	Priest
Blackney	Halleck	Quinn, N. Y.
Bolton	Harless, Ariz	Rabaut
Boren	Harris	Rabin
Boykin	Hart	Rayfiel
Bradley, Mich.	Hébert	Reece, Tenn.
Bradley, Pa.	Heffernan	Richards
Brehm	Hendricks	Rivers
Brumbaugh	Holifield	Risley
Buckley	Hook	Robinson, Utah
Butler	Horan	Roe, Md
Byrne, N. Y.	Isac	Roe, N. Y.
Byrnes, Wis.	Jennings	Rogers, Fla
Camp	Johnson, Calif.	Rogers, N. Y.
Cannon, Fla	Johnson, Lyndon, B.	Rooney
Case, S. Dak.	Johnson, Okla.	Schwabe, Mo.
Celler	Jones	Scrivner
Chapman	Judd	Shafer
Clements	Kearney	Sheridan
Cochran	Kefauver	Slaughter
Coffee	Kelley, Pa.	Smith, Maine
Colmer	Keogh	Somers, N. Y
Corbett	Kilburn	Sparkman
Courtney	Kilday	Stewart
Cox	King	Stigler
Cravens	Kirwan	Sullivan
Crawford	Klein	Sumner, Ill
Curley	Lane	Sumners, Tex
Daughton, Va.	Larcade	Sundstrom
Dawson	Latham	Tarver
De Lacy	Lea	Taylor
Delaney, James J.	LeCompte	Thom
Delaney, John J.	Lesinski	Tolan
Dingell	Luce	Torrens
Domengeaux	Ludlow	Towe
Douglas, Calif.	Lynch	Vinson
Douglas, Ill.	McConnell	Worsell
Drewry	McCowen	Welch
Earthman	McGehee	West
Eberharter	McGlinchey	Wickersham
Elsaesser	McGregor	Winstead
Engel, Mich.	McMillen, Ill.	Wolcott
Fallon	Mahon	Wolfenden, Pa.
Fogarty	Mankin	Worley
Fuller	Mansfield, Mont	
Gamble	Mansfield, Tex.	

The SPEAKER. On this roll call, 245 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORTS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the managers on the part of the House in

all committees of conference on appropriation bills now in disagreement between the two Houses may have until midnight tonight to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERSONAL PRIVILEGE

Mr. MAY. Mr. Speaker, I rise to a point of personal privilege under the rules of the House on certain documents and papers that I send to the Speaker's desk.

The SPEAKER. The Chair has looked over these papers and headlines, as well as the body of the articles. One headline states "Documents show MAY had financial stake in Garsson's empire."

The article further states:

Documentary evidence that Representative MAY, Democrat, of Kentucky, chairman of the House Military Committee, had a financial interest in the Illinois munitions empire he is said to have promoted at the War Department and his vehement denial featured explosive development yesterday before the Senate War Investigation Committee.

The Chair thinks that these entitle the gentleman to the question of personal privilege in his Representative capacity, therefore, it recognizes the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, exercising for the first time in 16 years' service here the privileges of this body under House Rules, I propose to make full answer to certain charges and insinuations being broadcast over the radio by a certain individual, as well as certain statements emanating from the Mead Senate Investigating Committee.

Most Members of this House will remember in the early stages of the war program how utterly unprepared we were to go to war, and how lacking we were in supplies and materials, as well as trained fighting forces. All of you remember the days of "letters of intent" when the War Department was moving heaven and earth to get our program of preparation under way They were without any sort of plans and had to follow a device of letting contracts for billions of dollars in work based on "letters of intent," which merely said in substance that we intend to do thus and so—build this and that. During that early period thousands of prospective war contractors, large and small, were being invited to bid on all types of construction from trivial to astronomical amounts. Washington, from then on, was crowded to capacity with representatives of all classes and sizes of business concerns from the smallest to the largest, from the East to the West, and from the North to the South. The Army, as they should have done, proceeded to set up a board of three members to receive bids, and that board was known as the Blossom board, because its chairman was a man named Blossom. Complaints of discrimination in the awarding of contracts by this board became Nation-wide, and the complaints were principally from small businessmen and firms which charged they were being shut out from consideration in favor of huge corporations, and when these complaints became no longer tolerable, my office was besieged with visitors and crowded with complaints of discrimination coming by telephone and mail, so that I decided to start, and did start, hearings on February 12, 1941, which continued until April 15, 1941.

These hearings were before the whole committee. They brought forth the resignation of Mr. Blossom, and that, of course, led to Nation-wide publicity that sent swarms of small businessmen to Washington where all the country's business, both large and small, was being conducted with the Government. Conditions got so serious and critical for small business that this House not only directed by resolution that the House Military Affairs Committee continue to investigate the progress of the war effort, but to set up what is known as the Small Businessmen's Committee, headed by the distinguished gentleman from Texas [Mr. PATMAN].

(See page 27, part I, House hearings—discuss testimony.)

A certain newspaper columnist, no doubt on misinformation leaking out from supposedly secret proceedings of an investigating committee, charges me with having received a travel-expense check from one of the concerns now under investigation by the Mead committee, namely, the Cumberland Lumber Co. I propose now to give the general public and you, my colleagues, the facts which will disclose that I never received any such check for any such purpose, and I never used 1 penny of anybody's money except my own as travel expense or otherwise.

The first time I ever saw Joe Freeman was at an embassy reception here in Washington when he was introduced to me by former Senator McAdoo, of California, a Senator well remembered by all of you, and I did not again see Mr. Freeman for a year or two, that I recall, until one day my secretary informed me a Mr. Freeman was in the front office and wanted to see me. I saw him for a few minutes and allowed him to tell his story, which was that he was the gentleman Senator McAdoo had introduced to me previously at the embassy reception as a representative of the Los Angeles Chamber of Commerce. This, I think, was during the early part of the war-expansion program. I do not think I saw him again for months, until the occasion when he called my office and made an engagement to see me. That was the time when he said he represented a manufacturer of farm machinery in Illinois then engaged in making some kind of wood materials for production of farm equipment and machinery, and wanted to buy a considerable quantity of lumber. He said he had been referred to me by someone who told him there was a lot of lumber in Kentucky and that I might be able to advise or assist him. We talked a few minutes and I suggested to him the name of William Ritter Lumber Co., of Columbus, Ohio, which has large band mills and lumber plants in both Kentucky and West Virginia.

I also told him that I had a constituent who had for sale a rather large boundary of rough mountain land, well timbered, for which the owner had asked me several times to help him find a buyer. Purely as a matter of friendship, I agreed, of course, not being adverse to helping a reputable and influential constituent. Mr. Freeman said he would talk to his company and let me know whether they were interested in the land deal. At that time lumber was one of the most critical materials needed, and the Army and its war contractors were using 90 percent of the entire country's supply. Furthermore, the Army was controlling the entire lumber production. Lumber in storage had gone down from about 17,000,000,000 board feet to about 5,000,000,000 feet and the demand was so unprecedented that most businesses were using green lumber. At a later date Mr. Freeman telephoned and said he wanted to see me further about the land purchase, so he came to my office and asked me to get an option on the land. He thought the company might be interested in acquiring the property as a backlog for peacetime farm-machinery production and, if possible, they might get some lumber for present uses. I got the option, and later assigned it without compensation to me of any sum of money whatever.

When the title was examined and found good by the attorney for the land company, a survey made and the acreage ascertained, the land was bought and paid for, and the title conveyed direct to the Cumberland Lumber Co. The new owner was anxious to get started into production of lumber and asked me to recommend some person to carry on logging operations, which I did, and I was again helping one of my constituents to have a job with the prospect of years of work. That was at a time when manpower shortage was at its worst. The lumber company started operations with 6 men, 2 of whom were on salaries, when 40 to 50 men were needed. The land was entirely mountain land; most of the timber stood on the upper land and the mountaintop which was nearly 5,000 feet high, and had to be brought down steep rocky ravines. The manager made the grave mistake of trying to build a tramway down one of these ravines on which some several thousands of dollars were spent. The structure was a total loss and unusable. The job then shut down because they could not get machinery, such as tractors, trucks, skidders, and so forth, and remained idle for months while overhead expense continued. They then changed managers and started to produce. Later they found that most of the lumber was being sold without their knowledge on the commercial market, and the proceeds were being deposited in the bank—not to the credit of the Cumberland Lumber Co., but to the manager's own credit. I then advised Mr. Garsson to bring suit for possession of the property and for an accounting by the operator, which he did, and as a result of the lawsuit, the property was sold for $40,000 in cash and remitted by their lawyer to the Cumberland Lumber Co., which left a total loss of about $8,000 on the entire Cumberland Lumber Co. transaction.

I neither asked for nor received compensation or fee for anything I did. All accounts, bank statements, checks, and correspondence were delivered voluntarily to the Mead committee through

its assistant counsel, Mr. Flanagan, just prior to the time I testified before the committee. At the time I did testify that all these documents were in the hands of the committee and, as the counsel knows and has stated, they fully explain all the transactions showing no irregularities of any kind and a full accounting by me of all the funds I received. For this reason, I am at complete loss to understand why the Mead committee failed in their hearings Saturday morning to explain either through the chairman or counsel that the testimony given them on June 4 was in their files as were all the documents, checks, statements, and bank records. Not 1 cent was either paid to or received by me for compensation of any kind.

Congress was so concerned over the fate of small business that we passed a law authorizing the War Department to finance small business concerns, paper empires if you please, to which war contracts were awarded, to the extent of making advances of a large part of the amount of the contract. In this way the whole Congress was trying to promote and encourage the production of war materials by small business concerns. Was it an impropriety on my part to call some high-ranking officer in the War Department and urge speed in getting munitions of war to our battle fronts? Was it wrong for me to ask that fair and equal treatment be accorded small business concerns that had no cost-plus or cost-plus-a-fixed-fee contracts? Was it wrong for me, who had been as much responsible as any Member of this Congress for sending the flower of our young manhood to foreign lands to fight and die, to try to see to it that they were furnished the necessary munitions and weapons to carry on the battle and protect their lives?

Shall I, who have given the best years of my life to the preservation of my country in time of peril, be now the victim of a conspiracy of falsehood and malice? No; let the truth be told.

I had been informed and had reason to believe it to be true that certain of the officers in the Procurement Division in Chicago had opposed the processing of contracts to the two companies in question; that after they had obtained contracts these officers used their efforts to curtail or cancel them and had given as their reasons that they did not want to deal with "damn Jews and Kikes" who owned them. It seemed to me, and I have not changed my viewpoint, that at a time when the Nation was in peril, when munitions such as were being manufactured by these two companies—among which were incendiary bombs for bombing Japan and 8-inch shells so badly needed—all of which I was told by War Department officials they were producing efficiently, it was no time for exercising prejudice and discrimination because of race, creed, or color. I therefore took it upon myself to make several calls over a period of time, urging that these men be treated with fairness, and if you who are listening will read the evidence produced before the Mead committee in these public hearings, you will see that I specified in my conversation, which was recorded without my knowledge on May 1, 1943, that I said—and I quote:

I am not asking any favor for them, I just want them to get an equal chance.

I ask you gentlemen whether you see anything objectionable, vicious, or criminal in such action, and further, how many among you have done the same thing? If so, you too may find your conversations recorded.

Perhaps I may have been somewhat importunate in urging General Campbell and General Potter to rush the production of war materials in order to get the bloody war to an early end; but I did not then feel, nor do I now, that I did any wrong, nor do I have any pangs of conscience about it. If the war was still on and any delay in production anywhere was called to my attention, I would do the same thing again. I did not secure, nor have anything to do with procuring, war contracts for anyone. All I did was to try to expedite the business after contracts had been awarded. That was what I was trying to do in all instances, and the same thing I had done in scores of instances when complaints were made to me. Business concerns throughout the country assumed that I had the duty to serve everyone regardless of the section from which he came.

Many Members of this House have requested my assistance in matters pertaining to business with the War Department for their constituents, and I do not now recall a single instance where I failed or refused to try to be of assistance. That includes requests by several Senators. Even now tens of thousands of contracts are under renegotiation by the War Department, and is it possible that every Senator and Representative in Congress must deny the requests of their friends and constituents for help in such cases or go ahead and help them at the risk of having their conversations, innocent though they may be, recorded and hauled out later by some prejudiced publicity-seeking individual, and used to supplement the vicious and wanton attacks of some designing persons?

Mr. Speaker, let me sound a solemn and stern warning that we are rapidly approaching the day of death for free government unless there is some protection for men in public office against the gestapo tactics of evil men who connive to destroy the character and reputation of every man in public office who does not bow the knee and follow directions.

I have been informed that General Hammond, chief of the Chicago ordnance district, has testified that the 8-inch-shell contract let to Batavia Metal Products Co. was let only because no other concern in that district could be found that would undertake the job, and Garsson was urged by the general to take it; and Hammond testified that they did an excellent job.

Mr. Speaker and my colleagues, when I talked to General Campbell, as reported in his testimony before the Mead committee, it was just a short time after I had visited the Batavia and Elgin plants, where I was invited, not by the corporations but by the War Department—and, incidentally, at my own expense. I received an invitation from the War Department to attend the exercises conferring the Army-Navy E award for excellent performance upon one of those two companies, and I never heard of or knew of any other company of the group so frequently referred to as a "paper empire" in the proceedings of the Mead committee until those hearings started.

I have had no business connection with, or any part in, the management or control of any of the numerous business concerns mentioned in the hearings of the Mead committee other than what I have stated as to my connection with the Cumberland Lumber Co., which was simply a land-owning and lumber company and had no war contracts. I am not now and never have been interested financially in any of them, nor have I ever received any compensation or expense whatever. I took a train for the trip to Chicago, paid my own expenses going and coming; and when I arrived there I was met by an Army car and driven to the two plants where I was met by an Army officer called an "expediter" who escorted me along the production lines through the plant, explaining the various processes of production which to me were very novel and interesting, something I had never seen before.

Those were the days when the need for shells with which to conquer our enemies was most urgent as evidenced by the fact that thousands of Army officers were on duty in plants throughout the country, expediting production in plants large and small.

Why, Mr. Speaker, those were the days when groups of the House Military Affairs Committee were assigned by me and taken by the War Department to visit and inspect war-production plants throughout the country. As a result of this investigation work and first-hand information obtained, your Military Affairs Committee was much better prepared to do the work of investigation we were directed by resolution of this House to do. We did it so well that Secretary of War Patterson, testifying before the Rules Committee of this House, told that committee we had been so helpful and cooperative that we had been directly responsible for saving hundreds of millions of dollars for the taxpayers.

Mr. Speaker, for the entire period of this war I have borne the heavy, unprecedented burden of leading the fight for necessary war legislation to save my country and its people from military conquest and slavery. I spent sleepless nights and long burdensome days to do my duty as best I could. I have also had charge of military investigation of the progress of our war effort which has been constant and aggressive, and at no time have I or any member of my committee sought to besmirch the good name or character of any man in or out of this House. President Truman, then a United States Senator, sat with us at the very beginning of our investigation. I sat with his committee as often as I could, and was invited to and did participate occasionally in the examination of witnesses. I saw no malice or rancor on his part, and no evidence of political motives. I have never sought, and never will, to magnify molehills into moun-

tains in order to destroy an enemy, much less a friend. You have, in recent days, heard much about the old adage, "let the chips fall where they may." But for the rules of comity between the two Houses of Congress, and the fact that I desire to exercise proper restraint and remain a gentleman, the chips certainly would fall here this afternoon.

So many characterizations of one newspaper and radio commentator have been frequently and adequately made by the President of the United States, Cabinet officers, and Members of Congress, that it is beyond my ability to improve upon them. I might add to this that one of them has again allowed himself to be made use of as a newspaper and radio medium by people unknown to me, who have given him false information which he has neither asked me whether or not it is true nor apparently verified from their so-called sources, which is, I am informed, the habitual procedure followed in syndicating half-truths and untruths in his column now that Robert Allen is no longer his newspaper partner. I remember that when Mr. Allen shared the responsibility for producing this column that he habitually checked voluntary information to make certain that it was truthful prior to the release of the column to American newspapers.

I shall not impose upon the time of the Members here to categorically deny all the statements which have been disseminated to the public through columnists and commentators, beyond declaring that not one of them is true For example: the statement was made that I had secured the transfer or retention in service and promotion of 50 Army officers. The fact is that the only time I made any suggestion with regard to any officer was in the case of Gen. William N. Porter, when he was to be retired at the end of 4 years, whose testimony has been interpreted as being against me. I asked General Somervell to retain him as Chief of the Chemical Warfare Service beyond his 4-year term I did this because of the efficiency he had displayed.

If, in my zeal to promote the war effort, I have in some thoughtless moment gone beyond the rules of propriety by merely speaking to a general over the telephone and asking fair treatment for a business concern, I hope I did not corrupt the general, and that he is not that kind of a weakling. Major generals ought to be braver and stronger than that.

Congress appropriated a large fund for Army Intelligence. Just what this intelligence service accomplished in checking the personal standing and financial responsibility of the men engaged on the Chicago front in producing war materials is not evident. At no time did the War Department or any officer inform me that their investigations had developed lack of responsibility or integrity on the part of the individuals concerned. Where was the War Department's intelligence service? If they had been as active and interested in investigating and reporting as they have been in recording telephone conversations of Members of Congress, it is conceivable that these questions would never have arisen.

I cannot help but believe that there is something sinister in these attacks on me, and I cite as one of my reasons for that belief that one Flanagan, investigator for the Mead committee, appeared at the offices of the Erie Basin Co. with a subpena duces tecum, which specified all papers, transactions, checks, books, correspondence, and so forth, concerning, among others, myself, A. J. MAY. This subpena was dated May 6, 1946. This investigator arrived at a very convenient time when there was only a young woman receptionist present in the office. He asked her name and, having obtained it, filled in her name in the subpena, which calls only for the appearance of a person with the papers described. Instead of that, this investigator used this subpena as a search warrant. This is an unpardonable breach of the search and seizure clause of the Constitution, and violates one of our dearest rights. In fact, it is one of the very things we fought for in this war. And so I say, I cannot help but believe there is some sinister motive in connection with all these attacks on me. What about the constitutional rights of the humblest citizen?

The newspapers have carried photographs of an endorsement on a certain check of one of these companies purporting to bear my name signed as president of the Cumberland Lumber Co. I have not and never have been president of the Cumberland Lumber Co. and certainly would not have signed my name as such. I do not know who did it but I did not. I did not endorse that check "A. J. MAY, President." The payee of the check was the Cumberland Lumber Co and it was placed to their credit. I advanced funds for the Cumberland Lumber Co. on several occasions and the check for $3,156.47 was reimbursement to me for such advances for which I have deposit slips. A complete audit of all my dealings with the Cumberland Lumber Co. is being made and will be submitted to the press.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SABATH. Mr. Speaker, I call up House Resolution 685, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, and all points of order against said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 16 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

THE BRITISH LOAN

Mr. SABATH. Mr. Speaker, this rule makes in order consideration of Senate Joint Resolution 138 which provides for the British loan. It is an open rule. It provides for 16 hours of general debate, after which the joint resolution will be considered for amendment under the 5-minute rule. It waives points of order and consequently gives to each and every Member the right and privilege that I have always believed should be his.

Mr. Speaker, I am for the rule because it has long been my policy and belief that whenever any legislative committee reports a bill the House should have the privilege of passing upon it. That is the reason I am bringing in the rule.

However, Mr. Speaker, I greatly regret that up to now I have been unable to come to the conclusion that I can support the joint resolution for the British loan.

REMEMBERS BROKEN BRITISH PROMISES

This is the first time in these many years, Mr. Speaker, that I have been unable to bring myself to support a so-called administration measure; but I have had a great deal of experience and knowledge of past dealings with Great Britain before and during the First World War and during this World War, too. I might say right here that during the war just concluded I have never said one word which might be construed as reflecting on Great Britain or any of our gallant allies; but as a member of the Committee on Foreign Affairs before and during the First World War I observed the actions of Great Britain.

LORD BALFOUR'S PROMISES

Time will not permit me to go into all the instances.

I will only call attention to the fact that when Lord Balfour and his commission arrived here in the First World War, pleading in my presence for our aid and assistance, they declared they were fighting with their backs to the wall.

I recollect what pledges and promises and assurances they gave us then; but while they were pleading for aid the British were ransacking our mail sacks, copying our cables, and giving to the English Board of Trade invaluable information, all to the cost and detriment of our own trade.

Though the United States made loans and advances and credits to Great Britain for the aid of the smaller nations of Europe, evidence in the State Department will show how they failed to keep promises and profited on their own allies.

FORCED RUMANIA TO BUY THROUGH GREAT BRITAIN

The British said they needed eighty million or eight hundred million dollars, I forget which, to persuade Rumania to come into the war on the side of the Allies, for loans and for armaments, since Rumania had neither money nor arms.

Yet after inducing Rumania to come in they failed to furnish the promised

money, and forced the Rumanian Government to buy war matériel through the British at a profit of from 25 to 50 percent.

I took the matter up at the time with President Wilson and with Secretary of the Treasury McAdoo so that our country would make the loans direct and the small nations could buy their supplies from us directly without paying an exorbitant toll to Great Britain.

I recall all the promises the Balfour commission made, including those about Palestine; but England, as you know, has never seen fit to keep those pledges.

AGAINST OUR BEST INTERESTS

I simply wish to say that during all the years of history Great Britain, to my knowledge, has never done anything for our Nation. We saved her twice at great sacrifice; and I cooperated to the utmost. I regret that today I cannot advocate making this loan; in my heart I feel it is against our best interests. I know that Great Britain today is circularizing the entire world, pointing out that she can extend longer credits and can supply the needs of those countries to better advantage than we can.

I feel that the loan it is proposed to make to her will be used not only to compete with our commerce, as she has done heretofore, but will be used in a manner that is bound to be to the disadvantage of our Nation, and to strengthen not only British commerce but British control over the vast colonial empire, to maintain the British nobility and the haughty lords in splendor; and worst of all, to support new Fascist governments, reactionary governments in exile, with their floods of propaganda against existing governments, after we have expended billions upon billions of dollars, 300,000 American lives, and nearly a million casualties to bring about the defeat of Hitler and those who were wedded to the Fascist form of government. It has been charged that the British Government has used our lend-lease advances and equipment for the support of the so-called governments in exile, mere puppets of British imperialism, in defiance of the will of the people.

Consequently, I feel our efforts and our sacrifices would be nullified and even wasted if we should aid Great Britain to continue in her policy of strengthening Fascist countries and Fascist leaders everywhere.

UPHOLDS TOTALITARIAN GOVERNMENTS

British politics intrigues and schemes and plots everywhere.

We all know of the tacit support given Hitler's Germany and Mussolini's Italy by the Chamberlain Tory government.

In Spain, Argentina, Greece, the Middle East, Indonesia, China, Palestine, Turkey, Egypt, Portugal, everywhere British business has an interest, the British Empire has interfered. Franco could not long remain in power without British support.

Their plotting did not stop a single day during the war, and it is going on now.

BRITAIN SEEKS AMERICAN ALLIANCE

Unfortunately, our foreign policy seems to be tied to Great Britain's all over the world.

All this British plotting has the aim of bringing about the Anglo-American military alliance against the whole world advocated by Mr. Churchill and his Tories.

This is obviously in violation of the advice given us by George Washington.

Unfortunately, for political reasons, we did not enter the League of Nations; but almost before the ink was dry on the treaties England was aiding Germany against France, and over sharp French and Russian protests permitted the Germans to enter the Saar and Ruhr Basins.

GREAT BRITAIN ENCOURAGED GERMANY AGAINST RUSSIA

It was Great Britain that encouraged the German military and later Hitler to war against Russia. Germany was fully aware of English intrigues, and aware that Russia also knew it. Hitler believed he could play one nation against another, as in France he pitted party against party to divide France and strengthen the Fascist sympathizers. He expected to overrun Europe and Russia with British support and then defeat England.

I FORETOLD HITLER PLANS MARCH 18, 1938

Realizing the deadly danger of Hitler to all democracies, with intuitive knowledge of his future plans, on March 18, 1938, I delivered a speech on this floor setting forth his aims. History shows how accurate my prophecy was. I insert a few paragraphs from my speech of that day:

[Excerpts from speech in House of Representatives March 18, 1938]

EXPRESSED BELIEF IN SECRET CONSPIRACY 3 YEARS AGO

Three years ago I voiced belief that a secret or tacit agreement existed between Hitler, Mussolini, and Japan, but my warning went unheeded. The strategy practiced by those countries conformed exactly to that predicted by Professor Masaryk, who was intimately aware of Germany's ambitions.

In the Orient Japan pursued a course toward domination of the yellow races, apparently with preassurance that Italy and Germany would so engage the attention of the European democracies that interference in China would be impossible.

In Ethiopia Mussolini's war machine grinded to its conquest while Hitler's silence gave approval

Internal dissent in Spain, nourished by the dictator countries, finally flamed into civil war, and the legions of Italian and German soldiers took stand in battle against the established government.

Hitler demanding the return of Germany's lost colonies only cloaked his purpose of European aggression, and it was long ago clear that he would one day climax the years of planned propaganda in Austria by an invasion of that country. His seizure of Austria is but a prelude of more ambitious plans. Peace- and liberty-loving Czechoslovakia, Rumania, Hungary, and the other small independent nations now see his shadow across their lands—Memel, Danzig, and the Polish Corridor, Alsace-Lorraine, and the much-desired Ukraine.

For the time being, engaged in consolidating his gains, he may utter reassuring words to Poland and Yugoslavia. But they have only to recall his utter disregard of treaties, and his oft-repeated statements as to his ultimate aims, to realise how necessary it is that they prepare to resist invasion, for invasion is bound to come.

AMERICA MUST TAKE NOTE OF WHAT IS GOING ON IN THE WORLD

One may properly ask, How does all this affect America? Who knows? In this fateful hour, with all the civilized world well-nigh breathless, I do not feel that we should follow the vacillating policy of Great Britain, who, in the opinion of many well-qualified students of international affairs, may be the next prey of the remorseless triumvirate. Many ripe scholars feel that the suppression of Great Britain will mean the consummation of a plan to form three great powers outside of North and South America. I doubt very much that France, which is fighting domestic problems with her back to the wall, and Russia, despised by the capitalistic groups of the world, could, after the disappearance of the other countries I have named, long withstand being dismembered also. There is not the slightest doubt in my mind but that Hitler, Mussolini, and the raving-mad Japanese war lords are in a conspiracy to divide the entire world among themselves, or at least as much of it as they can manage to grab.

POLISH LEADERS SHOULD NOT FORGET TREATMENT ACCORDED POLES IN PRUSSIA

Great Britain, rather late, is commencing to realize its danger. Does Poland realize her danger?

The leaders in Poland might well harken back to other days, and consider the former treatment of Poles in Prussia.

* * * * *

Recalling this, and viewing the present prejudice which governs in Germany, Poland should properly estimate the future insofar as her relations with that country are concerned.

AMERICA MAY NOT BE AS SAFE AS SHE FEELS

Up to about 12 years ago we confidently believed ourselves properly protected against possible attack from any and all quarters; but in view of the increased and ever-increasing knowledge of aviation and mammoth airplane carriers, are we really free from military danger?

If this nefarious triumvirate should effect the dismemberment of the great British Empire, what would become of Canada? Could we still feel free and at ease without present-day Canada?

Only a little while ago I read in the public press about concessions that had been or were contemplated to be granted by Mexico to Japan in Lower California. That recalled to my mind the tentative offer by Germany in 1917, in the Zimmerman note, to give Mexico a part of the United States if Mexico would join Germany, and the offer to Japan of the Philippine Islands in return for military aid. When those audacious offers were first brought to light it was thought they were sheer allied propaganda, but we were convinced of the authenticity of these reports by documentary evidence that came into possession of our Government.

* * * * *

BELIEVE AMERICA'S MEMBERSHIP OF THE LEAGUE WOULD HAVE BEEN BENEFICIAL

I am confident today, beyond all doubt, that had the United States joined the League of Nations it would have strengthened and preserved the League in full vigor and effectiveness and we would not have present-day conditions, with all democracies of Europe either destroyed or on the verge of destruction. I still believe that under the terms of the League Covenant we could have precluded the mad rearmament race by close adhesion to and renewal of the provisions of the Washington Arms Conference after the 10-year limit, to the lasting benefit of all civilization. At the conclusion of the Washington Arms Conference the United States felt fairly easy; and it was only our absence from membership in the League that led first Germany, then Italy, and, shortly thereafter, Japan to withdraw from membership in the League. Then trouble began. The plot thickened. Now we have the fruit.

Moreover, I feel that if Great Britain and France had taken a firm stand against the

initial rearmament of Hitler, Mussolini, and Japan, and had not been lulled to sleep by undependable peace assurances, they would have been in position 2 years ago to stop Mussolini and Hitler in their mad rush toward a menacing world conquest. Should we, then, follow the vacillating and always unloading policy of Great Britain or should we be ready to properly defend ourselves and our possessions against any and all?

I LIKE TO FEEL THAT I CAN CHANGE MY VIEWPOINTS IN ACCORDANCE WITH CHANGED CONDITIONS

And so, in conclusion, let me say that in view of the alarming world conditions to which I have alluded, I shall vote and work for the passage of the pending bill. I was just as conscientious when I opposed large Army and Navy appropriations in past years as I am conscientious today in supporting this bill I have changed my views because and only because world conditions have changed When I get so old or so benumbed of brain and character that I cannot change my view in accordance with changing conditions and a changing world, it is time for me to be carried out feet first, and I want to be.

I have criticized conditions and things at times, and I shall do so again whenever I see anything that I think merits criticism. But I love this country. I will vote any amount of money necessary to protect it from enemies either within or without. Today, perhaps more than at any other time in its history, the United States of America stands out against the dark and stormy seas of racial persecution, intrigue, conspiracy, and jealousy as the one and only enduring beacon light of hope

Let us strive to preserve and promote this priceless heritage for ourselves and posterity I do not expect to be here forever, but I do want the Stars and Stripes and a democratic form of government to endure here forever.

SUBMITTED GERMAN PLANS TO PRESIDENT ROOSEVELT

Having received accurate information from reliable private sources in Europe, I was able to submit to President Roosevelt detailed plans of that murderous gang, the German military clique, not only to build up a fifth column and spread disruption and suspicion and distrust throughout North and South America, and to discredit every step taken by the administration to prepare for the coming conflict, but even a military plan for invasion of our country by military forces from the north and from the south.

URGED PRESIDENT TO INVESTIGATE

I then urged President Roosevelt to appoint a committee, or to designate men whom he could trust, to make a thorough investigation to protect our country, and perhaps to be able to persuade Russia that, despite the obvious unfriendliness of Great Britain's aims toward her, it would be to her own benefit not to join Hitler and Mussolini and the vicious Japs in their dastardly world-wide plot to destroy the democracies everywhere so they could divide the world among themselves and rule unopposed.

Those are my underlying reasons, Mr. Speaker. Let me say that I have read the report of the minority and cannot, of course, subscribe to some of the statements they set forth.

NOT PREJUDICED BY BRITISH BETRAYALS

Some of my friends may feel I have been prejudiced against Great Britain because of Chamberlain's heartless sacrifice of Czechoslovakia to Hitler, or because of Foreign Minister Bevin's shameful and untrue statements about the Jews.

Others will think I have been turned against Great Britain because that Government has willfully and deliberately violated its solemn pledges and the treaties under which England was given the mandate over Palestine; or because of recent charges that English monarchists supported Sir Oswald Mosley's Union of British Fascists.

CAN RISE ABOVE PERSONAL FEELINGS

I should be less than human, Mr. Speaker, if these breaches of international good faith and political morality had had no effect on me; but I trust that I can always rise above personal feelings in matters of national interest, and let me say right now those betrayals, bitter as they are, could not by themselves have prevailed upon me not to go along with my party in this crucial issue.

ENGLAND IN BETTER FINANCIAL POSITION

I believe Great Britain is in better financial position, Mr. Speaker, than we are. All she owes is about $80,000,000,000. We owe directly about $272,000,000,000, which is the figure it stands at after the effort of the gentleman from North Carolina before me, the chairman of the Committee on Ways and Means, Mr. DOUGHTON, reduced it from $300,000,000,000. But we owe a great deal more than that. England has never repaid the loan made after the First World War, and when we asked for only 1 percent interest payments we were unmercifully abused and called a nation of Shylocks and otherwise criticized.

Now on this loan we are going to charge only 2 percent interest; but there are no interest charges during the first 6 years, which brings the actual interest down to 1 62 percent. Yet the United States will pay a higher rate of interest and at the same time extend our debt. I prophesy that when the interest payments become due they will pay us, not with drafts, but with abuse.

We are not four times richer than England, nor do we possess the fabulous wealth held by the British Empire. She, of course, comes to us as usual with crocodile tears, pleading that she must be saved for our sake, when in fact she owns enough securities in our country and throughout the world that she can easily raise this money by disposing of one-tenth of her holdings.

The Empire has vast stores, in every quarter of the globe, of raw materials and resources such as we neither possess nor control—tremendous unmined gold reserves, diamonds, rubber, tin, aluminum, critical and strategic resources worth many billions. In addition, she has obtained plants, machinery, and tools worth hundreds of millions of dollars she now plans to use in competition with us.

CAN SELL OWN BONDS

Mr. Speaker, as the situation now exists I feel that the Constitution of Great Britain does not preclude her from issuing bonds and selling those bonds to her own people as we would be obliged to sell the bonds to our people. I am of the opinion, Mr. Speaker, that we have not only performed our duty toward Great Britain but more.

On the other hand, let us look at what Great Britain did for us during the 200 or 300 years that she owned and controlled the North American colonies; nor can I find anything she has done in the interest of the people of the United States and our possessions since we secured our freedom and our independence from her.

If there is any gentleman here who can tell me what she has done to assist and aid us I would like to know it.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from North Carolina.

Mr. COOLEY. For about 12 long months she stood on the firing line alone, protecting the interests of freedom while we were preparing to join her in the latter days of the war.

Mr. SABATH. And we came to her rescue.

Mr. COOLEY. Yes.

Mr. SABATH. Now she is preparing, as I view it, for another war instead of devoting her time to bringing about peace in the world. All her acts are such that they tend to make me feel and believe that she desires to continue to strengthen her control over the 500,000,000 colonial people that she has held in thrall these many, many years, and who have tried and are trying and pleading for their independence, for their liberty, and their right to self-determination.

As one who believes in democracy, I have at all times urged and pleaded that it should be the policy of our country to aid the just aspirations of these aspiring peoples, held in thrall by the British Empire against their will and exploited by the British monarchs and their commercial representatives.

My efforts in behalf of a free Ireland, a free Czechoslovakia, a free Poland, have been followed by my aid to the freedom and liberty of other nations and other peoples.

I have at all times urged aid to those people who aspired to freedom from their oppressors and the monarch's yoke.

I cannot now support a loan which will make that yoke tighter and more galling.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I gather that the gentleman is against the loan. Now, is that because Great Britain refuses to carry on her program to open Palestine or because the gentleman thinks she does not need the money or because she will not repay it?

Mr. SABATH. I have stated my principal objections.

Mr. HOFFMAN of Michigan. Which one of the four?

Mr. SABATH. I have stated my principal objections.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. SABATH. The fact that Great Britain sold out and betrayed Czechoslovakia; that she has not kept the word

pledged by Balfour in 1917 as to Palestine; her refusal to carry out the recommendations of the Anglo-American Committee of Inquiry to permit a hundred thousand unfortunate people driven from their homes, the few that are left, go to Palestine—those are not my reasons. They do show that Great Britain has never kept her promises or pledges and history in years to come will bear me out.

My reasons are, as I have stated, that she is in as good position to raise the money as we are; in fact, better. She can dispose of her holdings in the United States.

Furthermore, the so-called loan will not help our commerce; it will consist principally of a line of credit and will be used to compete with our own business, which means that she will produce goods with the machinery, the plans, the tools, and the material which we furnish her, thus enabling her to beat us to the punch, as she is trying to do in Mexico, South America; yes, the world over.

Those are my reasons; the loan is against the best interest of our country.

Examination of the charges and rentals and debits piled up against us to reduce the lend-lease credits from $30,000,000,000 and equalize our advances under so-called "reverse lend-lease" would prove her unfairness.

I wish Members could interrogate some of the officers and men who were stationed in the British zones, sent there to defend the Empire, as to the charges made against our armed forces.

REGRETS NOT ADVOCATING LOAN

Mr. HOFFMAN of Michigan. I just want to say that I agree with the gentleman on those reasons, and I am wondering if he is not becoming dangerously near what we call an isolationist insofar as Great Britain is concerned.

Mr. SABATH. No; I am not. If I thought this was to be so understood, I should not be here. I have my own convictions, and I cannot help myself, sir. Those are my views. I have seen so much that I cannot help but feel that Great Britain again is taking advantage of us. I have seen her fail to keep her word in the past. Personally, I again say that I regret profoundly that I cannot bring myself to advocate this loan as urged by the administration.

Furthermore, I fear that our administration is, unfortunately, being misled and imposed upon by a Republican lawyer of Wall Street having nothing in common with the administration, John Foster Dulles, who, outstanding though he is as an international lawyer in international finance and investment, naturally makes recommendations and gives advice to our State Department which, I feel, are in the direction of his speaking and experience and contrary to my own. Has he not done business with Hitler? Has he not represented IG-Farben and other cartels which served Hitler? Was he not a leader in America First and violently opposed to our leader, Franklin Delano Roosevelt, and his policies? His views are not my views, and I am not here to aid any group of bankers or capitalists against the American people who, after all, will have to foot the bill and pay these loans.

DUTY TO PERFORM

I actually deplore and regret that for the first time I cannot, as I have during the last 13 years, support the recommendations and policies of the administration.

However, I have a duty to perform. Some of my friends say, "Oh, you know, you should not oppose the administration." I am not opposing the administration. I am trying to aid the administration, because I believe they are being advised by unfriendly interests, by people having no real feeling for the welfare of the administration or our country, because some of those advisers have represented interests that have been and are opposed to our own.

What I am saying is for the RECORD, and for the future, that posterity may pass upon my remarks, as with my prophecies on March 18, 1938

The SPEAKER. The gentleman from Illinois has consumed 24 minutes.

Mr SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Will the gentleman reserve enough of his time to give some of us in favor of this orphan child an opportunity to speak?

Mr. SABATH Yes I did not know I used that much time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as the chairman of the Committee on Rules has stated, this rule makes in order the consideration of House Joint Resolution 138, which authorizes the Secretary of the Treasury to fulfill the agreement entered into between the United Kingdom and the United States Government on December 6, 1945, under which we are to loan or give credit up to at least $3,750,000,000.

I, like the chairman of the Committee on Rules, am opposed to this loan. I do not believe it is desirable, I do not believe it is feasible, and I am not convinced that we can justify our position in making this loan for many reasons.

At this time I will yield briefly to any member of the Committee on Banking and Currency to explain how we can be justified in charging the veterans of this past war over twice as much interest on the money they borrow as we would charge Great Britain on this loan, especially in view of the fact that Great Britain loans money to its veterans at much lower interest rates than we charge our veterans. I will yield briefly to the gentleman from Texas to answer.

Mr. PATMAN. That is not the question involved here at all. You could not justify this as a straight commercial loan. It is not intended as a commercial loan. The interest rate is more than the going interest rate paid by the Government of the United States on Government bonds and securities. This is something that we will get a benefit from and the veterans will get benefit from. We cannot continue to pay for their benefits, allowances, and compensation, and give them other rights, unless we have world trade. We cannot have world trade if we have blocked currencies. We will have blocked currencies if we do not pass this bill.

Mr. ALLEN of Illinois. Does the gentleman suggest, then, that we should classify loans to our own veterans, disabled veterans, as commercial loans, but should not classify loans to foreign countries as commercial loans?

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. To answer that question: yes

Mr. WALTER. The gentleman is not seriously contending that we are considering a loan, is he?

Mr. ALLEN of Illinois. I thank the gentleman for that expression, too.

Mr. KNUTSON. If the gentleman will yield, may I ask the gentleman from Pennsylvania what his conception is of this extraordinary transaction?

Mr. WALTER. It is a credit merely, not a loan in the usual sense of the word.

Mr. ALLEN of Illinois. Or a gift, perhaps.

I should also like to have some member of the Committee on Banking and Currency explain to me, in view of the history of the last war, when all foreign countries failed to pay back their loans from us, and many not even paying the interest, why he has reason to believe they will pay back a loan this time. I yield to the gentleman from Texas on that question, too.

Mr. PATMAN. I am not discussing the loans in the past I do say that this is more than just a loan. You could not justify this as just a loan at all.

Mr. ALLEN of Illinois. About the repayment, I mean.

Mr. PATMAN. It is a financial agreement. We get a big benefit out of it. We will open up world trade. This country cannot live long satisfactorily without world trade.

Mr. ALLEN of Illinois. May I ask the gentleman from Texas another question? I remember when we had the Bretton Woods bill before us, involving the establishment of an international bank, many members of the Committee on Banking and Currency stated that we were contributing six or eight billion dollars in connection with the Bretton Woods agreement and the international bank to stabilize trade for world cooperation. I voted for that bill, not believing that within a few months you would be back in Congress again wanting some more billions of dollars to do the same thing that you told us the international bank would do, namely, stabilize our trade throughout the world. We are putting up 75 percent of all the assets of the Import-Export Bank. What is the reason, may I ask the gentleman? Does he intend to come in every few months asking for more money to bring about this so-called world cooperation?

Mr. PATMAN. There is a good and sufficient reason, I may say to the gentleman. When the international bank makes a loan it is a loan made in dollars and the country getting the loan can deal with us. This has a greater purpose—an international world purpose—

to convert sterling into dollars so that any nation doing business with Great Britain can do business with the United States as well. It is for an entirely different purpose than our international bank loan.

Mr. ALLEN of Illinois. I personally think it would be diplomatically unwise to pick out one nation and say, "We will give you a loan or a grant." Inasmuch as we have given tens of billions of dollars to foreign countries in the form of lend-lease and UNRRA and everything else, why does the gentleman believe that unless we continue to give them more they are going to turn their economic strangulation against us? Must we for all time continue to give them billions of dollars for fear that they will snuff us out by their world trade preferences?

Mr. PATMAN. Mr. Speaker, will the gentleman yield for me to answer that question?

Mr. ALLEN of Illinois. Certainly.

Mr PATMAN. The reason is obvious as to why we are dealing with England. England and the United States normally do 75 percent of the world trade. If we do not deal with England and if we do not ratify this agreement, we will have a sterling bloc in the world and England will have a sterling bloc which will encourage trade between England and the other countries of the world to the detriment and harm of the United States and stop trade with the United States. This is for the purpose of opening up world trade.

Mr. ALLEN of Illinois. You seem to be so sorry as some people seem to be so sorry for foreign countries.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. KNUTSON. The gentleman from Texas evidently does not know there is a sterling bloc.

Mr. PATMAN. Certainly there is a sterling bloc.

Mr. KNUTSON. There are many nations that belong to the sterling bloc and it is impossible to buy anything unless a nation is in the bloc

Mr. PATMAN. That is right. We want to dissolve that sterling bloc.

Mr. KNUTSON. A while ago Egypt wanted to buy 18 large commercial planes from the United States and had placed the order. London said, "Nothing doing; you must buy within the bloc."

Mr. PATMAN. This resolution will stop that sort of thing.

Mr. KNUTSON. No; it will not.

Mr. PATMAN. The gentleman should vote for this bill. The gentleman has given a good reason why he should vote for this bill

Mr KNUTSON. If the gentleman is so simple as to believe that, he should go and have himself psychoanalyzed.

Mr. ALLEN of Illinois. Every person must know that the United States owes $275,000,000,000. The Empire of Great Britain owes only $133,000,000,000. Great Britain obtains direct and indirect taxes from over 600,000,000 people over a land area of one-fifth of the world. But still some people insist that although we have the highest per capita debt we ought to give and keep on giving. I know that Great Britain has its problems, but so has the United States. Perhaps we here in the United States have the problem of building our mills and our factories and our mines. Perhaps we want to build homes and equip them. Maybe we want to build airports and flood-control projects and build roads. We also have problems in this country which require all our energy and honest effort on the part of each one of us. We need all of our resources.

Mr. LANDIS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. LANDIS. According to the testimony given before the Committee on Banking and Currency on the Bretton Woods proposal, Dean Acheson, the Assistant Secretary of State, said there was no additional loan contemplated outside of the Bretton Woods proposal.

Mr. ALLEN of Illinois. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Along that same line, I would like to quote one of the high-ranking members of the House Committee on Banking and Currency during the debate on the Bretton Woods proposal: He had this to say:

> Let us take this thought home and think about it: If we participate in this fund, if we participate in the International Bank, if we increase the capital of the Export-Import Bank of Washington to $2,220,000,000, there will be no justification for the Treasury directly loaning to any foreign country one single dollar.

Mr. ALLEN of Illinois. I am happy the gentleman made that statement. They said that would be all we would need to commit ourselves. Now they are asking more, and they will be back next year and the year after for more.

Mr. COLE of Missouri. That very statement influenced my vote in favor of Bretton Woods.

Mr. ALLEN of Illinois. And mine also.

Mr. COLE of Missouri. I am sure it also influenced many other Members of this House to vote for it.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. GAVIN. A question arose a minute ago with reference to the debts arising out of World War I. I simply want to call attention to the fact that the principal obligations originally were $10,350,479,074 70. The total payment that we received amounted to $2,751,406,272.55. In other words, out of World War I they only paid back 26.6 percent. They are of the opinion that Uncle Sam is a rich uncle and his pockets are inexhaustible, and that we can continue contributing indefinitely. This spending must stop. It is about time we started taking consideration of the American taxpayer. This British loan means a tax of approximately $30 on every man, woman, and child in America. It is time we looked after some of our own people.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. EATON. I observe the gentleman made the statement that England taxes 600,000,000 people.

Mr. ALLEN of Illinois. Yes.

Mr. EATON. Does that include Canada and Australia?

Mr. ALLEN of Illinois. Directly and indirectly, through their trade preferences and things of that nature.

Mr. EATON. Does the gentleman think that Canada pays taxes to England?

Mr. ALLEN of Illinois. Yes, through trade practices.

Mr. EATON. If the gentleman said that in Canada they would shoot him.

Mr. ALLEN of Illinois. I would not want that to happen.

Mr. Speaker, in conclusion I hope that during the 16 hours general debate the members of the Committee on Banking and Currency will tell us why we should charge our own veterans over twice as much interest as we are charging foreign governments. That is No. 1. Especially, when Great Britain is loaning to their own soldiers for less than we are loaning.

Second. How they can justify the fact that a few months ago they came in under the Bretton Woods, Import-Export Bank, and said that they needed so much money for world trade cooperation. We gave them nearly all the money for the Export-Import Bank. Why are they coming back again? That is the second thing I would like to have them answer.

Third, why they feel, as to the history of the loans made in the last war, where we loaned foreign nations billions of dollars and did not receive hardly any return, why they think that foreign nations will repay this loan. I hope that this bill will be voted down.

Mr. LANDIS. And you might ask them again where are we going to get the money.

Mr. ALLEN of Illinois. Yes. I thank the gentleman.

Mr. SAVAGE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. Yes; I yield.

Mr. SAVAGE. On the two important points which the gentleman raised, the gentleman is correct, that the veterans are paying more, but the veterans are borrowing from private banks. We are not going to ask the veterans to accept loans direct from the Government. That is point No. 1. I think that is important. We want to do that by private interests. On the repayment of the loan I think it is also important to point out that Britain made her payments up to date until 1931, until the United States got into the depression and could not purchase goods from England.

Mr. ALLEN of Illinois. If this loan is so good, why do we not have private enterprise make the loans? Why do we borrow the money from our own people and then loan it to Great Britain and probably other nations? If we loan it to Great Britain and Russia it would be diplomatically unwise not to loan to all nations.

Mr. SAVAGE. It is impossible for them to pay 4 percent on such a large loan.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. ROBSION of Kentucky. I notice that throughout this debate the talk centers around the $3,750,000,000 loan to Great Britain and on the question of

interest. The terms of loan specify that interest cannot be collected for any year unless the foreign trade of Great Britain is 60 percent in volume of what it was before the war.

The second proposition is that we turned over to Britain $6,021,000,000 worth of war surplus articles under lend-lease for a little over 10 cents on the dollar and this 10 cents on the dollar is payable in 55 years. The credit for cash and goods is $4,400,000,000 payable in 55 years.

Third, giving Great Britain credit for what we received from her by way of return lend-lease they still owed us $25,000,000,000 on lend-lease. We canceled this huge debt and we do not get a dime.

Fourth, there are all the Army, Navy, and air bases that we constructed in Britain at enormous cost. We turned all these over to Great Britain without a cent of compensation; and yet we are asked here to give them $3,750,000,000 in cash additional and let them have $6,021,000,000 of war goods at about 10 cents on the dollar payable in 55 years, and turn over our rich markets to Britain and her colonies.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. HARNESS of Indiana. I gather from the gentleman's statement that he feels that this is an outright grant or gift, and not a loan.

Mr. ALLEN of Illinois. I would say from our experience in the last war that our foreign debts are gifts, and this is going to be a gift I do not believe our Nation can be considered a Shylock, for through lend-lease we have given tens of billions of dollars to foreign nations, and they should be grateful to us forever.

Our own people are now clamoring for economy in Government, and demanding that the Congress keep the expenses of Government within its income. They are asking us for lower taxes, yet all the time great groups of our people are making tremendous demands. They ask us to continue lend-lease, they want UNRRA, they want the biggest air force, they want the biggest Army, they want the biggest Navy; and yet they say the Government must live within its income. We just cannot do both.

Mr. HARNESS of Indiana. Does the gentleman know of any legal authority for this Congress to tax the American people under pain of punishment for failure to pay the tax and then give it to a foreign country?

Mr. ALLEN of Illinois. I do not. We all know, of course, that a certain group of bureaucrats on last December 6 wrote this agreement and told us the conditions of the whole proposition. Congress has had nothing to do with the writing of this agreement.

The SPEAKER. The gentleman has consumed 20 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, my remarks today are in the form of interrogations. There are 123 questions. In 16 hours of the debate on the British loan the proponents of this loan should have plenty of time to answer them. The questions follow:

FINANCIAL AGREEMENT (BRITISH LOAN)

AN INTERROGATORY

(a) Determination of amount

1. How was the sum of $3,750,000,000 arrived at as being the necessary and required amount?

2. What is the gross amount of the British national debt?

3 What is the per capita figure of the British national debt?

4. How does this compare with the United States gross national debt?

5. How does this compare with the United States per capita debt?

6 What amount, in each case, was incurred in national defense and in the prosecution of the war?

7. What is the amount of British assets in the United States?

(b) Collateral, amortization, and interest

8 Is the loan secured by collateral, by earmarked tax revenues of the British Government, or by earmarked income or profits from the loan itself?

9. What rate of interest will our Government have to pay to obtain necessary funds for the loan?

10. What rate of interest is provided in the agreement?

11. What percentage of the total interest would be payable in the first year in which interest is payable? In the second year? Third year? Fifteenth year? Last year?

12. What rate of interest does our Government charge veterans of World War II for loans for housing, business, etc?

13 What rate of interest does our Government charge American citizens and institutions in (a) Loans to banks; (b) loans to States and municipalities, (c) loans to private and nonprofit corporations; (d) loans to public-school districts, (e) loans to small business concerns; (f) loans to farmers; and (g) loans to home owners?

(c) Waiver of interest payments

14 What annual volume of exports must the British maintain in order to meet the requirements for paying interest?

15 How does this volume compare with their average annual export business for the decade 1924–34? 1934–44?

16 What percentage of such exports went to the so-called sterling bloc countries?

17. What was the United States' volume of exports to sterling bloc countries during the two decades 1924–34 and 1934–44?

18. Is any interest which may be waived under section 5 of the agreement to be added to the principal of the debt for the purpose of computing subsequent interest payments?

19. Would interest on the United States loan be waived under the provisions of section 5 of the agreement if principal and interest on obligations of the British Government owed to other governments than the United States are not reduced or waived?

(d) Relation of this loan to loans of other countries

20. What is the amount of British indebtedness to the dominions of the British Empire?

21. What sums are presently owing to the United States from all foreign countries?

22. How do the terms and conditions of the proposed loan compare with our loans to other nations?

23. What security, collateral, or trade agreements have been received in each of these loans?

24. Were such loans made in the same manner as that proposed in the British loan?

25. What sums are presently owed by the United Kingdom to third countries, and what are the terms of such loans?

26 Can the United Kingdom successfully meet other accruing obligations, and at the same time meet the terms and conditions of the proposed loan?

27. What amounts, if any, have been loaned by the British Government to other governments since cessation of hostilities?

28. How do the terms and conditions of any loans made by the British Government to other countries compare with the terms of the proposed loan by the United States to Britain?

29. If after 1951 the United Kingdom should negotiate a loan or loans on terms less favorable to itself than this proposed loan, would such conditions tend to cause the British Government to retire such other loan or loans in advance of the one proposed by this agreement?

(e) Sterling area exchange arrangements

30. What changes may be necessary in our foreign-trade policy to accommodate ourselves to any new world trade policy resulting from discontinuance of the sterling bloc?

31 In what fields of industry and employment is it anticipated America will benefit by reason of participation in the trade in the so-called sterling area?

32 What was our average annual import-export trade in the so-called sterling area in the decade from 1924–34? In the decade from 1934–44?

33 Considering the Russian sphere of influence, does abandonment of the sterling bloc actually guarantee free world trade?

(f) Accumulated sterling balances

34. What is the estimated amount of the balances listed under (a), (b), and (c) of section 10 of the agreement?

35. How will the settlements contemplated in section 10 of the agreement affect our trade within such areas?

(g) Consultation on agreement

36 Is it intended that full consultation may include modification beyond that provided for in the proposed agreement?

37. Is any reconsideration of this agreement to be subject to ratification by Parliament and the Congress?

II DISCUSSION OF POLICIES

(a) Fiscal policy

38. Are the conditions of the loan such that Britain will be economically able to carry them out?

39 Is Great Britain to furnish collateral for the loan from her investments in this country?

40 Does the financial condition of the United States warrant a multibillion dollar foreign loan?

41. Would private capital consider such a loan good investment from the standpoint of (a) possibility of default; (b) change in our foreign trade policy; (c) American standards of living and American markets?

42. What does the British Government intend to do with the money if it gets it?

43. Should we have a definite understanding as to how the money and credits are to be used?

44. Could the loan be used to maintain armies, to subsidize social experiments, or to pay for propaganda inimical to our form of government, economy, and society?

45 Should the United States assume any obligation to lower tariffs to admit products of foreign low-cost production?

46. Would any reduction of tariffs involved in this proposed loan to Great Britain have to be generalized under our foreign trade policy to accord with the most-favored-nations treatment?

47. What would the effect of lowering tariffs, either particularized to Great Britain and the Dominions or generalized to cover all nations coming within our most-favored nations policy, be on American labor, American business, and American living standards?

48. Would such reductions of tariff tend to make the United States a battlefield of competitive low-cost foreign production striving for the American markets to the detriment of American labor, American industry, and American agriculture?

49 Should we make such a long-term loan to Britain at a lower interest rate than our own country could borrow in the domestic market for similar maturity and general provisions?

50 How does the rate of interest provided in this proposed agreement compare with interest rates on loans of comparable risk both private and governmental?

51 What has Great Britain to offer us in exchange that we may wish to buy in quantities sufficient to liquidate this loan?

52. Have there been criticisms of the terms of this loan by British officials?

53. What are some of them?

54 What bearing if any would such criticism have as an indication that this proposed loan, if made, would (a) win the friendship of the British; (b) improve American-British trade relations, (c) assist Britain in postwar economic recovery, (d) build up a closer unity between the two nations throughout the years?

55 Was the deficit-spending policy of the United States from 1933 on in accordance with the Keynes-Laski economic theories?

56 Have either Lord Keynes or Prof Harold Laski been in the United States to advise the administration officials on the policy of deficit spending?

57. Was the theory concerning our national debt that "we owe it to ourselves" in accordance with the economic theories of Lord Keynes and Professor Laski?

58 Has either Lord Keynes or Professor Laski proposed the deficit-spending policy for Great Britain?

59. Did Britain originally seek an outright gift instead of a loan?

60. Was the agreement proposed here devised as a subterfuge to conceal a gift?

61 Would the so-called loan under the conditions of the agreement be in whole or in part a gift? If so, to what extent?

62 Are we fostering the general assumption that we must not expect to get back any money our Government lends overseas?

63 Is there any limit on the capacity of the American people through their Government to lend money to other nations?

64 If there is such a limit, what is it?

65. What is the probable aggiegate of loans which may be requested from this Nation by other nations?

66 Is there any reason why we should prorate such loans as we have the capacity to make between all nations requesting loans from us, or should we accord favored treatment to one nation as against another?

67. If this proposed loan is made, may we be expected by other nations to make loans on similar terms under the policy that we now make trade agreements—the "most favored nations" policy?

68. What steps, if any, are we requiring other nations to take in behalf of their own economies as prerequisite to loans to them by the United States?

69. In what various ways are we now participating in world-wide relief, reconstruction, currency stabilization, and so forth?

70. Is there a limit to America's capacity to feed, finance, and reconstruct other peoples and nations?

71. Is it probable that we may later be asked to help feed, clothe, rebuild, and reconstruct the peoples and the nations who were our Axis enemies?

72. What is the understanding, if any, with Great Britain as to how she will draw this loan if it is authorized?

73. Is any safeguard provided in this proposed agreement against sudden demands by Great Britain for withdrawal of the whole or a large part of the sum involved without due and adequate notice?

(b) Foreign policy

74 Are the trade and financial relationships of Great Britain normally and naturally concerned with the constituent parts of her empire, and with such food and raw material-producing countries as the Argentine?

75 Does the proposed agreement require Great Britain to reduce her Empire preferences in accordance with the stated goal of freer trade?

76. Can Great Britain enter into an agreement to reduce Empire preferences without the consent of the other dominions of the Empire?

77 Will it produce a weakening effect on Great Britain and a correspondingly disturbing effect on world affairs if Great Britain is required to reduce her Empire preferences?

78 Should such considerations as commercial rights and military and naval bases be attached to the loan in order to benefit the United States?

79 Should we require as one of the considerations of the loan that Britain should supply the United States with strategic materials which we lack but which Britain might have in ample quantity?

80 Should the United States as one consideration of this loan be given priority of service on strategic materials which we may lack and which Britain may possess in ample quantity?

81 Should there be some price ceiling established on strategic materials which we lack and which Britain may have in ample quantity on which we were granted such priority?

82 Are we insisting that the debtor nations cease trade practices which discriminate against us; quotas, cartels, dumping of goods, discriminatory tariffs, etc?

83. Are we insisting that foreign countries whose economic structure we help sustain discontinue any propaganda against free enterprise?

84 Could this loan be used to subsidize the recently elected Socialist Government of Great Britain in support of policies contrary to American ideals and our American economy?

85 Could the arguments and considerations advanced to support this proposed loan be advanced to support a loan to Russia, and, if so, would such action be probable?

86. Should we grant loans to neutrals?

87 Should we put our foreign trade into the hands of an international council?

88 Do the loan and its terms, together with the white paper of understandings and agreements, amount to setting up a super world economic government or constitute an attempt at state socialism on a broad international plan?

89. Would the granting of the loan be an attempt to achieve free world trade in the years just ahead?

90. Would our rejection of the British loan force Britain to turn to the idea of a trading bloc, closed to the United States, and be the signal for a world-wide trade war between the two countries?

91 If Britain's financial condition is such that she cannot repay a loan, does the United States nevertheless want to preserve her as a first-rank power in the postwar world?

92. Are the British Isles still a necessary outpost of our own defense?

93 Did Britain refuse to join us, back in the early 1930's, in stopping the aggressions of Japan on the continent of Asia?

94. Does Britain have a world-wide monopoly on world communications?

95. Does Britain have preferential rates throughout the British Empire on messages; as for instance, a charge for a message from Canada to Australia, 80 cents a word, a charge for a message from the United States to Australia, 80 cents a word?

96. Has Britain used such a monopoly as a censorship method on news from Empire zones?

97. Is Britain willing to discontinue controls which hamper trade between the United States and India, and which prevent India from buying goods from this country?

III. POSSIBLE EFFECTS OF PROPOSED LOAN

(a) Effects on United States

98. Will many other countries, as a result of the precedent created, come to the United States for similar loans?

99. What effect would this proposed loan have on our efforts to reduce our own national debt and cut governmental expenditures, so as to balance our budget?

100. What effect will such a loan have on our reciprocal trade policy and tariff laws?

101 Would the import provisions of the agreement, in effect, remove all tariff restrictions between the United States and the United Kingdom?

102. What could be the effect on American labor of sudden elimination of tariffs necessary to maintain American standards of living?

103 Would such a loan tend to protect American markets and American labor in the world market?

104 What are the commodities which Britain will buy from the United States with the dollar loan?

105. What is the estimated amount of annual purchases of each of these commodities?

106. Will the long-run effect of the loan be to provide the United States with advantageous export outlets?

107 Will British buying in this country add to shortages and inflationary pressures in the United States?

108. Do foreign loans constitute a pump-priming plan designed artificially to boost industrial activity in the United States for a few years?

109. Would state socialism in foreign trade lead to governmental regulations of our private economy in order for us successfully to compete?

110. Would this agreement, if carried out, aid, hinder, or impair the competitive enterprise system in the United States?

111. Is this loan another big step toward inflation in the United States and throughout the civilized world?

(b) Effects on Great Britain

112 What additional per capita debt would such a loan impose on the British taxpayer?

113. Is it feasible to add such a debt to their present burden?

114 Has Great Britain normally been running behind in her trade balances, and losing her position as a leader in the world's export trade?

115. Can we expect the lending of more money to cure that situation, if true?

116. Will the loan insure Britain's recovery and permanent rebuilding of her economic structure in the postwar world?

117. Without this loan what will be Britain's financial situation?

IV. ALTERNATIVES

118. Is private capital in this country able and willing to make a part or all of the proposed British loan?

119. Would it be better for the United States financial welfare if foreign loans were made by private investors rather than by the United States Government?

120. Could Great Britain accommodate herself by loans from the International Monetary Fund and the Reconstruction Bank with combined resources of approximately $18,000,000,000, and from the Export-Import Bank, with a lending power of $3,500,000,000, plus emergencies from UNRRA, to which we have already voted about $2,700,000,000?

121. Could credit extended to Great Britain under the Bretton Woods agreement or by the Export-Import Bank or any other governmental lending agency be used by Great Britain to liquidate this loan?

122. Have we already helped to create for international use between $20,000,000,000 and

$25,000,000,000 of credits, a large portion of which could be used by England?

128. Could any provision be made to exchange or give to borrowing countries actual surplus materials in place of dollar loans?

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Indiana.

Mr. SPRINGER. The gentleman is making a very informative speech and I would like to ask one question. What authority does the Congress have to levy taxes upon the people of this country for the purpose of taking that money and making a loan to foreign countries?

Mr. GAVIN. No doubt that will be widely discussed during the coming debate.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I had not intended to speak on the British loan, but it seems to me that somebody ought to say a kind word this morning for this orphan that appears to have been laid on our doorstep. As I listened to this debate it sounded to me more like a meeting of the board of directors of a crossroads bank determining whether they were going to lend John Skinflint $50. I think we have overlooked the real point in this respect, and it is a much larger subject than the question of how much interest is going to be paid, and whether we are charging them as much interest as we are somebody else. This is a tremendously important international question. We have not reached that high plane in this debate up to this moment, and I hope you will during the consideration of this highly important bill.

So far as our own personal views are concerned, I have always had sufficient humility to feel that when it came to international affairs, to the foreign policy of this Nation, that I must, and should properly defer, whatever my own misgivings might be, to the wiser and more experienced counsel of those who are running our foreign policy. Gentlemen, this is a matter of foreign policy pure and simple. It is not a question of whether somebody is going to secure properly a loan such as you would make in a bank. Do not forget this, that when this loan was negotiated it was negotiated by our own former colleague, now Chief Justice Fred Vinson. Fred Vinson never did any of this business of selling the United States down the river. You can just bank on it that if Fred Vinson made that bargain, he drove the best bargain that could be driven for the United States of America and for the ultimate welfare of the whole of the American people. He was not acting for Great Britain and he was not acting for any foreign country. He was acting for your own people right here at home, and your own taxpayers. He was driving a bargain that would pay dividends to the United States. Why? You all know that they have in England what is known as the sterling bloc. That means a little circle of countries who are going to do all their trading among themselves, and have done so in the past to the detriment of American trade. If we are going to keep up our foreign trade and are going to do ourselves any good, we have to break that sterling bloc, and that is what Fred Vinson did when he made this contract.

Mr. LANDIS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I am sorry, I do not have time to yield. There will be 16 hours of debate, and the rest of you who are against this matter will have ample time to talk about it. But talk about this when you get to talking about it. Do not talk about this parsimonious matter of how many dollars you are going to get back and how much interest you are going to get, but do talk about the broad aspects of this matter as a vital foreign policy of this Nation, which involves all the intricacies—which I do not understand, and you probably do not—of foreign currencies and foreign trade agreements and so forth. And just remember that this is a dollar loan. When you say "dollar loan" that means that when you put those dollars across the ocean every one of them has to come back here to its place of anchorage in the United States. They circle right on back here, and when they get back here they buy things, they buy things that your farmers raise, they buy things that your manufacturers manufacture. All of those questions are the real questions that are behind this bargain that Fred Vinson drove in behalf of the American people. Do not forget that when you go to deal with this subject.

I do hope that as this debate progresses it will progress on a high plane, not of somebody's prejudice about what England did, or this, that, or the other, or whether she paid her former debt. Base it upon the plane of our foreign policy and the vital necessity that it is to us at this hour.

I do not want to enter into any discussion about Great Britain, but do not forget this: If Winston Churchill had not been standing there in those dark days, American casualties would have been much larger than they are today. Do not try to measure this thing in dollars, measure it in blood, measure it in future peace, measure it in friendly relations with these foreign nations that from now on we must live with in peace and harmony, if we are to live at all.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. WILSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 181, nays 67, not voting 184, as follows:

[Roll No. 203]

YEAS—181

Abernethy	Geelan	Norrell
Allen, La.	Gifford	O'Brien, Ill
Andrews, Ala.	Gillette	O'Brien, Mich.
Angell	Gordon	O'Neal
Arends	Graham	Outland
Auchincloss	Gregory	Pace
Bailey	Hale	Patman
Baldwin, Md.	Hall,	Patterson
Bates, Mass.	Edwin Arthur	Peterson, Fla
Beall	Hancock	Peterson, Ga.
Bland	Hand	Phillips
Bloom	Hare	Pickett
Bonner	Hartley	Pratt
Brooks	Havenner	Price, Ill.
Brown, Ga	Hays	Rains
Bryson	Healy	Ramey
Buchanan	Hedrick	Randolph
Buck	Herter	Rees, Kans
Buffett	Hesselton	Rees,
Bulwinkle	Hess	Riley
Bunker	Hinshaw	Robertson, Va.
Canfield	Hobbs	Rodgers, Pa.
Carnahan	Hoch	Rogers, Fla
Case, N J.	Hoffman, Pa	Rogers Mass
Chelf	Holmes, Mass	Rowan
Chenoweth	Holmes, Wash.	Russell
Church	Hope	Ryter
Clason	Huber	Sabath
Cole, Kans.	Jackson	Sadowski
Cole, N Y	Jarman	Sasscer
Combs	Johnson, Calif	Savage
Cooley	Johnson,	Sharp
Cooper	Luther A	Sheppard
Courtney	Joukman	Sikes
Crosser	Kee	Simpson, Pa.
D'Alesandro	Keefe	Smith, Va
D'Ewart	Kerr	Spence
Dingell	King	Starkey
Dirksen	Kopplemann	Stigler
Dondero	Kunkel	Summers, Tex
Doughton, N. C.	LaFollette	Taber
Drewry	Lanham	Talbot
Eaton	Lea	Thomas, N. J
Elliott	LeFevre	Thomason
Ellsworth	Lemke	Tibbott
Elston	Link	Towe
Engle, Calif.	Lyle	Traynor
Ervin	McCormack	Trimble
Feighan	McDonough	Voorhis Calif
Fellows	McMillan, S. C.	Vorys, Ohio
Fenton	Madden	Wadsworth
Fernandez	Manasco	Walter
Fisher	Martin, Mass.	Wasielewski
Flannagan	Michener	Weaver
Flood	Mills	Welchel
Folger	Monroney	Whittington
Forand	Morgan	Wigglesworth
Fulton	Mundt	Wolcott
Gallagher	Murdock	Wolverton, N J.
Gathings	Murray, Tenn.	Woodhouse
Gearhart	Norblad	Zimmerman

NAYS—67

Allen, Ill.	Henry	Robertson,
Andersen,	Hill	N Dak
H. Carl	Hoffman, Mich.	Robsion, Ky.
Arnold	Howell	Rockwell
Barrett, Wyo.	Hull	Schwabe, Mo.
Bennett, Mo.	Jenkins	Schwabe, Okla.
Bishop	Jones	Short
Brown, Ohio	Kelly, Ill.	Simpson, Ill.
Campbell	Kinzer	Smith, Ohio
Carlson	Knutson	Smith, Wis.
Chiperfield	Landis	Springer
Clevenger	Lewis	Stefan
Cole, Mo.	Martin, Iowa	Stevenson
Curtis	Mason	Stockman
Dworshak	Mathews	Sumner, Ill.
Ellis	Merrow	Tolle
Gavin	Miller, Nebr.	Thomas, Tex.
Gillie	Murray, Wis.	Vursell
Grant, Ind.	O'Hara	White
Griffiths	O'Konski	Wilson
Gross	Pittenger	Winter
Gwynne, Iowa	Rankin	Wood
Harness, Ind.	Reed, N. Y.	Woodruff

NOT VOTING—184

Adams	Barrett, Pa.	Blackney
Almond	Barry	Bolton
Anderson, Calif.	Bates, Ky.	Boren
Andresen,	Beckworth	Boykin
August H.	Bell	Bradley, Mich.
Andrews, N. Y.	Bender	Bradley, Pa.
Baldwin, N. Y.	Bennet, N. Y.	Brahm
Barden	Bicmiller	Brumbaugh

Buckley	Green	May
Butler	Gwinn, N. Y.	Miller, Calif.
Byrne, N. Y.	Hagen	Morrison
Byrnes, Wis.	Hall	Murphy
Camp	Leonard W.	Neely
Cannon, Mo	Halleck	Norton
Care, S. Dak	Harless, Ariz	O'Toole
Celler	Harris	Patrick
Chapman	Hart	Pfeifer
Clark	Hébert	Philbin
Clements	Heffernan	Ploeser
Clippinger	Hendricks	Plumley
Cochran	Hoeven	Posge
Coffee	Holifield	Powell
Colmer	Hook	Price, Fla.
Corbett	Horan	Priest
Cox	Izac	Quinn, N. Y.
Cravens	Jennings	Rabaut
Crawford	Jensen	Rabin
Cunningham	Johnson, Ill	Rayfiel
Curley	Johnson, Ind	Reece, Tenn.
Daughton, Va.	Johnson,	Reed, Ill.
Davis	Lyndon B	Rich
Dawson	Johnson, Okla	Richards
De Lacy	Judd	Rivers
Delaney,	Kean	Ridley
James J	Kearney	Robinson, Utah
Delaney,	Kefauver	Roe, Md
John J.	Kelley, Pa	Roe, N. Y
Dolliver	Keogh	Rogers, N. Y.
Domengeaux	Kilburn	Rooney
Douglas, Calif	Kilday	Scrivner
Cannon, Fla	Kirwan	Shafer
Douglas, Ill.	Klein	Sheridan
Doyle	Lane	Slaughter
Durham	Larcade	Smith, Maine
Earthman	Latham	Somers, N. Y.
Eberharter	LeCompte	Sparkman
Elsaesser	Lesinski	Stewart
Engel, Mich	Luce	Sullivan
Fallon	Ludlow	Sundstrom
Fogarty	Lynch	Tarver
Fuller	McConnell	Taylor
Gamble	McCowen	Thom
Gardner	McGehee	Tolan
Gary	McGlinchey	Torrens
Gerlach	McGregor	Vinson
Gibson	McKenzie	Welch
Gillespie	McMillen, Ill	West
Goodwin	Mahon	Whitten
Gore	Maloney	Wickersham
Gorski	Mankin	Winstead
Gossett	Mansfield,	Wolfenden, Pa.
Granahan	Mont.	Worley
Granger	Mansfield, Tex	
Grant, Ala	Marcantonio	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr Sundstrom for, with Mr. Welch against

Mr. Gamble for, with Mr Wolfenden of Pennsylvania against.

General pairs until further notice:

Mr Sparkman with Mr. Taylor.

Mr. Keogh with Mr Ploeser.

Mr. Rayfiel with Mr. Anderson of California.

Mr Vinson with Mr. Plumley

Mr Barrett of Pennsylvania with Mr. Bender

Mr. McGlinchcy with Mr Johnson of Indiana

Mr Doyle with Mr Blackney.

Mr Barry with Mr. Johnson of Illinois.

Mr Lane with Mr. Horan.

Mr. Sheridan with Mr. Jennings

Mr. Beckworth with Mr. Goodwin.

Mr Boykin with Mr. Hoeven.

Mr Klein with Mr. Jensen

Mr Wickersham with Mr. Fuller.

Mr. Eberharter with Mr Halleck.

Mr. Izac with Mr. Elsaesser.

Mr Rabin with Mr. Dolliver

Mr. Pfeifer with Mr. Crawford.

Mr. Kefauver with Mr. Brehm.

Mr. Hart with Mr. Corbett.

Mr. Rabaut with Mr. Bradley of Michigan.

Mr. Powell with Mr. Latham.

Mrs. Douglas of California with Mr. Kilburn.

Mr. Celler with Mr. McGregor.

Mr. Slaughter with Mr. Reed of Illinois.

Mr. James J. Delaney with Mr. Scrivner.

Mr. Colmer with Mr. Rich.

Mr. De Lacy with Mrs. Smith of Maine.

Mr. Holifield with Mr. Reece of Tennessee.

Mr. John J. Delaney with Mr. Risley.

Mr. Somers of New York with Mr. LeCompte.

Mr Sullivan with Mr. Brumbaugh.

Mr. Biemiller with Mr. Case of South Dakota.

Mr. Buckley with Mr Butler.

Mr. Green with Mr Engel of Michigan.

Mr. Byrne of New York with Mr. Gillespie.

Mr. Coffee with Mr. Byrnes of Wisconsin.

Mr. Rivers with Mr. Leonard W. Hall.

Mr Heffernan with Mr. Judd

Mr West with Mr. Kean

Mr Domengeaux with Mr. Bennet of New York

Mrs. Mankin with Mr. Kearney.

Mr Rooney with Mr. August H Andresen.

Mr Priest with Mr. Baldwin of New York.

Mr. Hook with Mr Adams

Mr. O'Toole with Mr. Clippinger.

Mr. Bradley of Pennsylvania with Mr. Gwinn of New York

Mr. Miller of California with Mr. Hagen.

Mr Roe of New York with Mr Gerlach

Mr Lynch with Mr McCowen

Mr Kelley of Pennsylvania with Mr. Shafer.

Mr. Mansfield of Montana with Mr Marcantonio

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON RIVERS AND HARBORS

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 138 with Mr. WHITTINGTON in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I ask that the Clerk read a letter from the President of the United States and a cablegram from Secretary of State Byrnes in regard to the British loan.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, June 29, 1946.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, the House of Representatives, Washington, D C.

MY DEAR MR. CHAIRMAN: I want to express my appreciation to you and to the Committee on Banking and Currency for the fine spirit in which you have considered the British financial agreement which is now before the House.

The British financial agreement is an integral part of the international economic policy of the United States. Without this agreement it will be difficult, if not impossible, to proceed with the United Nations program for international economic cooperation. This program has had the wholehearted approval of Congress. It is the one way we can avoid the danger of a conflict in economic policy between the United States and the United Kingdom. Such a conflict would be disastrous to the economic well-being of both countries and to the peace and security of the entire world.

On such matters of international policy there must be no partisan division between Americans. Your committee has shown the highest degree of statesmanship in its hearings and report on the British financial agreement The splendid example you have set will be an inspiration to all of us.

Very sincerely yours,

HARRY S. TRUMAN.

COPY OF CABLEGRAM SENT BY SECRETARY BYRNES TO THE STATE DEPARTMENT FROM PARIS, DATED JULY 1, 1946

The foundations of peace can never be secure if they rest exclusively on a political base

If nations continue to wage economic warfare through discriminatory trade practices and through formation of economic blocs, international trade will languish, the standard of living will decline, irritations will develop, and there will be no peace.

Here in Paris it is more apparent to me than ever that a prompt return to normal healthy trade between nations is essential if we are to lay the foundations for permanent peace and prosperity.

The British financial agreement should prove a powerful instrument to this end. It will dissolve a whole vast system of trade controls and discriminations arising out of the economic dislocations of the war.

Without the agreement, this system, so destructive of free enterprise and of friendly relations between nations, is almost certain to continue for many years to come.

We cannot solve all our problems at once.

The British loan is the first essential economic step toward peace and security. If we permit ourselves to be sidetracked by other problems, if we attempt to hinge our assistance to Britain on other considerations, there is a good chance that our efforts to secure world trade expansion may fail.

I do hope that the Congress will recognize the stakes that are involved and that it will promptly approve the financial agreement with the United Kingdom.

BYRNES.

IMPLEMENTATION OF THE FINANCIAL AGREEMENT DATED DECEMBER 6, 1945, BETWEEN THE UNITED KINGDOM

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following report:

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 138) to implement further the

purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass

This joint resolution authorizes the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, to carry out the financial agreement dated December 6, 1945, between the United States and the United Kingdom. For the purpose of carrying out the financial agreement, this resolution authorizes the Secretary of the Treasury on behalf of the United States to extend to the United Kingdom a credit not to exceed $3,750,000,000, subject to the terms and conditions of the financial agreement.

The financial agreement with England is a major part of the international economic policy of the United States It will end the wartime currency and trade discriminations in England and in many other countries that prevent the restoration of world trade on a peacetime basis. It will make possible the prompt and effective implementation of the Bretton Woods agreements. It will help in the establishment of the orderly international economic relations which are essential to our prosperity and to world peace.

I. UNITED STATES INTERNATIONAL ECONOMIC POLICY

The basic objective of the United States international economic policy is the promotion of currency and trade practices designed to insure a balanced growth of world trade in which all nations may participate on fair and equal terms Only through an expansion of world trade can our own foreign trade reach the high level necessary for the maintenance of domestic production and employment. Only through a balanced growth of world trade on a nondiscriminatory basis can we hope to build a sound economic foundation for world peace.

The economic policy of the United States can be carried out if production and trade are restored and if countries adopt fair currency and trade practices. The United States has taken the leadership in the establishment of the World Bank and the World Fund for these purposes. The World Bank will help countries to rebuild and develop their industries and communications, so that they can produce and trade. The World Fund will help secure the stable and orderly currency arrangements that are necessary for world trade. It is also expected that when the United Nations Conference on Trade and Employment is held it will make possible the further reduction of trade barriers and the adoption of fair trade practices.

The success of this program for international economic cooperation requires the full participation of the great trading countries. If England and the United States were to adopt these fair currency and trade practices, most other countries would find it both possible and desirable to abide by the same principles. England has stated that she is prepared to adopt these currency and trade standards if she could find the means to finance her essential imports during the next few years while her trade is being restored. The principal purpose of the financial agreement is to make it possible for England to join with us in the United Nations program of international economic cooperation. Under the agreement, England undertakes to remove her wartime currency and trade restrictions within a year. To enable England to accept this commitment, we would extend her a credit of $3,875,000,000 to be repaid with interest

The approval of the financial agreement will mean that the war-born restrictions on currency and trade can be removed not only in England but throughout the sterling area. The adoption of the fair currency and trade practices, which the financial agreement makes possible, will mean that world trade can be restored on a sound basis, with world markets open to the exporters of all countries on fair and equal terms The financial agreement will be helpful to this country, to England, and to the entire world The alternative would be to risk the division of the world into conflicting economic blocs with the ever-present danger of economic warfare

Currency and trade restrictions

We saw in the 1930's the destructive effects of economic warfare. Following the 1929 depression world trade became subject to a rapid growth of currency and trade restrictions of all kinds Tariffs were raised to unprecedented heights as nation after nation sought to bolster its declining domestic demand by shutting out the products of other countries Even more serious was the introduction of restrictions on the purchase and sale of foreign currencies, the competitive depreciation of currencies, and the widespread use of import quotas and other devices for restricting imports The result of these measures and countermeasures was to reduce trade all around and to further intensify the depression in nearly all countries.

It was in this per od of the 1930's that a number of countries, particularly Germany, began the use of bilateral clearing arrangements, multiple currency practices, and direct barter deals Such discriminatory practices tend to reduce the total volume of world trade, generally at the expense of those countries, such as the United States, which do not engage in such practic In fact, many of the currency and trade discriminations were aimed at us The war has given birth to new measures of discrimination in countries like England, that have traditionally opposed these authoritarian devices. The continuation and extension of such practices would be a threat to our trade and to our economy

International trade and the American economy

Foreign trade has always played a significant role in the American economy We are dependent on imports for many vital raw materials and foodstuffs as well as for a number of manufactured goods We are one of the great importing countries of the world Even more significant is our dependence on export markets for the sale of the products of American factories and farms We are the largest exporting country in the world Except for a few years in the 1930's, fully 8 to 10 percent of all movable goods produced in this country were sold abroad One out of every 10 persons employed in agriculture and industry produces goods fo rexport.

In order to appreciate fully the importance of large foreign markets to American industry and agriculture, we must look at our exports of particular commodities. In our fields of industrial specialization, for example, machinery and equipment, from 15 to 20 percent of our production was sold abroad In many industries, the margin of export sales means the difference betweer profitable operation and production t a loss.

Exports of our leading agricultural products were vital to the prosperity of our farmers. Export markets took from 10 to 30 percent of the total production of our major crops. Unstable exchange rates and declining foreign demand may bring about great losses to our farmers through their effects on the domestic prices of farm commodities.

America cannot afford to lose her stake in foreign trade. We know how severely the trade and exchange restrictions which grew up during the 1930's affected our foreign markets. From 1923 to 1934 world exports fell from $33,500,000,000 to $15,500,000,000 but our share of world exports declined from 16 percent in 1929 to less than 12 percent in 1934. This decline in our exports contributed significantly to the depression in industry and to the collapse of our agriculture. The exports of our farm products were especially hard hit. From 1925 to 1928 we sold abroad on the average about $1,350,000,000 worth of wheat, cotton, tobacco, and lard each year. From 1931 to 1934 our average sales of these farm products were only $473,000,000 per year.

The effect of our export trade on the domestic economy goes far beyond the industries engaged in this trade The workers on export goods are consumers of the goods and services of domestic industries. The producers of export goods buy machinery and equipment made in this country When our export trade falls off, consumption and investment throughout the domestic economy are affected

Agricultural and industrial production is at the highest peacetime level in our history The maintenance of this record level of production will depend on finding markets for our output Primary dependence must, of course, be placed on our home demand for goods. But part of the demand will have to come from abroad If our exports of goods and services could reach $10,000,000,000 annually during the postwar decade, it would give direct employment to three or four million men, and indirectly affect the incomes and employment of many more millions of Americans. We can hope to reach such a level of exports only if world trade is expanded and if it is freed from restriction and discrimination.

WORLD PEACE

Our international economic policy is important not only to our program for full production and employment at home, but it is equally important to our policy of securing an enduring peace. The world cannot have a stable, enduring peace while devastation and hunger stalk the earth.

Nations must cooperate in the solution of their common economic problems if we are to have international harmony. Without fair standards for international trade and without machinery for dealing with disagreements on economic matters, the world would soon be divided into rival economic blocs which employ the weapons of economic warfare. Such a state of affairs could only mean an intensification of national hatreds, jealousies, and suspicions. Under these conditions the United Nations' efforts for cooperation in maintaining peace would certainly be doomed to failure

It is for these reasons that the Economic and Social Council of the United Nations and the specialized social and economic organizations associated with the Council have been given such a prominent place in the whole United Nations structure fo peace. We must have international cooperation on political problems. That is important, but it is not enough The economic causes of conflict must be eliminated. The everyday relations between the businessmen of all countries must be carried on in a fair and friendly way, conducive to good will and mutually beneficial trade.

Multilateral versus bilateral trade

An important objective of our policy is to prevent the widespread use of bilateralism in world trade. Unless postwar international trade is conducted on a multilateral basis total trade, and hence world prosperity, are almost sure to be at a low level. Moreover, the foreign trade of the United States will especially suffer if postwar trade is organized on the basis of bilateral arrangements and economic blocs

Bilateralism means the balancing of exports and imports between a country and each of the other countries with which it trades. Under multilateralism, on the other hand, each country's trade may be balanced with the rest of the world, but not necessarily with any particular country. In the long run, under bilateralism or multilateralism a country's trade must be balanced. Bilateralism results in trade being balanced at

a low level, whereas multilateralism greatly expands the opportunities for trade among countries with a consequent balance at a high level.

The United States has a very definite interest in promoting multilateral trade and the free convertibility of currencies on which multilateralism depends. For example, in 1937, although our total exports and imports, including services, almost balanced, our trade with individual countries was far from being balanced. We sold England more than twice as much as we bought from her, but we bought 50 percent more from Cuba than we sold to Cuba. We sold about $2,640,000,000 of exports to 45 countries from whom we bought only $1,560,000,000 of imports; and we bought about $1,500,000,000 of imports from 43 other countries to whom we sold only about $890,000,000 of exports. This is the normal pattern of multilateral trade

Bilateralism would disrupt this pattern and would greatly reduce the volume of our foreign trade If each of the countries with which we experienced an excess of exports in 1937 had conducted its trade with us on the basis of bilateralism, and had bought no more from us than it sold to us, our exports would have been reduced by more than $1,000,000,000 Specifically, we would have lost more than $100,000,000 of our exports to Canada, $90,000,000 of our exports to France, and more than $330,000,000 of our exports to England. Multilateralism was worth a billion dollars a year of exports to this country before the war. It will be far more important to us after the war.

The convertibility of currencies is the foundation on which multilateral trade rests That is how countries use the proceeds of their exports to every country to pay for imports from any country. Because of our dependence on multilateral trade, the United States has a very great interest in securing agreement on the universal convertibility of all currencies. It has a special interest in the convertibility of sterling because a substantial portion of our trade is with countries that must pay for their imports from us out of the money they receive for their exports to England Under the financial agreement, England would make sterling derived from exports and other current transactions convertible into dollars.

The Bretton Woods institutions

During the war trade and exchange restrictions were intensified so that the greater part of world trade was subject to artificial controls. Many of the wartime restrictions were a necessary means of allocating resources to the most urgent needs. But wartime disruption of production and trade, and the creation of vested interests in continuing restrictions, have made it difficult for countries to get rid of these wartime devices. Time alone is not likely to bring about their removal Temporary restrictive currency and trade practices, such as the sterling area exchange control system developed during the war, have a way of becoming permanent.

Beginning as early as 1941, this Government began making plans for international cooperation for restoring currency systems and removing exchange barriers when the war is over These plans eventually became the basis for the world fund and bank agreements prepared by the United Nations Monetary and Financial Conference at Bretton Woods.

The reconstruction of the war-torn areas of Europe and Asia and the restoration of normal trade among nations is of urgent importance for the realization of our international economic objectives. The International Bank will be the principal agency for making long-term loans for reconstruction and development with private capital in those cases in which the funds cannot otherwise be obtained on reasonable terms. The International Bank provides a means by which the risks, as well as the benefits, from international lending will be shared among a large number of countries instead of by the principal lending country alone. The bank, however, will probably not begin operations on a substantial scale until 1947. Pending the full operation of the International Bank, the Export-Import Bank has been making loans to meet the immediate and minimum needs for reconstruction loans.

The 39 countries which have become members of the International Monetary Fund have undertaken to remove their currency restrictions on current international business after the postwar transition period. Although it will be several years before some members will be able to remove exchange controls as prescribed by the fund agreement, the fact that the bulk of the nations of the world have agreed to pursue these policies is a vital step in the direction of universal liberal trading practices. Of great importance also are the prohibition of competitive currency depreciation and the provisions which the fund makes for stability and order in the exchange markets of the world. In effect the fund outlaws the currency devices used in economic warfare.

Trade agreements

Currency restrictions are by no means the only barriers to the flow of international commerce. The policy of the United States includes cooperation with other countries for the reduction of tariffs and tariff preferences, import quotas, and other restrictive and discriminatory interferences with trade. In section 14 of the Bretton Woods Agreements Act it was stated by Congress that "* * * it is hereby declared to be the policy of the United States to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations."

In order further to implement this general policy, the Department of State in December 1945 published Proposals for the Expansion of World Trade and Employment to provide a basis for discussion at a United Nations conference on world trade and employment The proposals suggest the establishment of an International Trade Organization which would serve as a permanent organization for international cooperation for the solution of international trade problems and for establishing fair trade practices. The Secretary of State has informed the committee that any commitments by the Government on the trade proposals will be within the limits of the present authority granted by Congress. He added that "the executive branch of the Government has neither the power nor the desire to exceed the existing limits of its authority, and the approval of Congress will be sought, as it has been in the past, before commitments are made to other countries beyond the scope of present congressional authorizations."

The future of our foreign economic program

The fund and bank, together with the proposed International Trade Organization, provide the basic structure for the implementation of our foreign economic program. The fund agreement recognizes that some countries might not be able at once to remove their wartime currency restrictions and to apply the rule of nondiscrimination. It was provided, therefore, that members whose economies were severely affected by the war may postpone for a period of as long as 5 years application of the provisions on exchange restrictions and discriminations.

The principal country which will find great difficulty in removing wartime currency and trade devices is Great Britain. The British problem is especially serious because of the important position of Britain and of the pound sterling in the world economy. In fact, the successful realization of our objectives is so dependent upon the removal of the present restrictions on the convertibility of the pound sterling that we cannot afford to wait 5 years for the end of the transition period. The credit under the financial agreement will make it possible for Britain to remove within a year her wartime restrictions on the convertibility of sterling derived from current trade, thereby eliminating the most important barrier to the realization of our international economic objectives.

II. THE IMPORTANCE OF BRITAIN TO OUR ECONOMIC PROGRAM

The special financial and economic difficulties with which England is faced at the present time have placed the entire international economic program of the United States in jeopardy England has an important place in the world economy. Her economy is geared to world trade to a degree unequaled by any other nation of comparable size. England is the world's greatest importer, accounting before the war for about one-fifth of the world's imports. But Britain's influence extends far beyond her own trade. The countries having close trade and currency relations with Britain together account for 55 percent of world imports and nearly 50 percent of world exports.

Inconvertibility of sterling

The most important link between these countries, which make up the so-called sterling area, and Britain is the fact that their currencies are tied to sterling. All of the countries of the British Empire, with the exception of Canada, Newfoundland, plus certain of her countries having close economic and political ties with Britain have for many years kept the bulk of their monetary reserves in the form of sterling balances and short-term sterling obligations. Before the war sterling could be used by these countries to buy goods all over the world—in the United States, Canada, or Latin-America. For example, if Australia, which is a member of the sterling area, wanted to buy cotton in the United States, it sold sterling for dollars and used the dollars to pay for American cotton. In other words, sterling was freely convertible into dollars at the will of the holder.

The prewar sterling area was in no way a hindrance to trade. It served a useful function, much as the dollar area does today. But during the war Britain was forced to conserve her limited supply of gold and dollars, so she placed restrictions on the convertibility of sterling into other currencies. This meant that Australia could not use her sterling receipts to buy American cotton; but she could use the sterling to buy cotton in India or Egypt because these countries are also members of the sterling area. Thus, as long as sterling remains inconvertible, trade tends to be channeled within the sterling area and there is discrimination against American trade.

Blocked sterling

During the war Britain financed the bulk of her overseas expenditure in sterling area countries by giving these countries sterling credits in exchange for the Indian rupees, the Australian pounds, the Iraqi dinars, and the other local currencies which Britain needed to buy supplies and pay her troops in these areas. England was unable to permit the countries holding these sterling balances to convert them into dollars except in very limited amounts for their most essential needs. Neither was she able to export goods during the war to enable the holders of sterling balances to use them for making purchases in England.

The funds spent by England accumulated, therefore, as blocked sterling balances, the aggregate amount of which is now over $14,000,000,000. Naturally, the sterling-area

countries and other countries which hold blocked sterling want to use the resources represented by these balances. But if England is not financially able to convert these balances into other currencies, she can only permit the balances to be used for the purchase of British goods as she becomes able to supply them. This would inevitably mean the exclusion of many American products from the whole sterling area.

The sterling area dollar pool

To further conserve foreign exchange, it has been the practice of sterling-area countries to turn over to the Bank of England the surplus of dollars which they receive in their trade with other countries in exchange for sterling These dollar receipts go into the so-called sterling-area dollar pool. The purpose of this arrangement was to mobilize the dollars of the Empire for the prosecution of the war and for meeting the most essential civilian needs. When a country in the sterling area needs dollars, it applies to London and, if the application is granted, it receives dollars in exchange for sterling. But in order to conserve dollars, no funds are allocated to buy goods in the United States if they can be sured in a sterling-area country This inevitably means a channeling of trade within the sterling area and discrimination against American producers

Restoring the convertibility of sterling

If these wartime measures are continued by England, it is evident that the vast bulk of the world's trade cannot be on a multilateral basis. Britain does not want to maintain her wartime currency restrictions, but she is forced to maintain them because she lacks the gold and dollar resources to permit the convertibility of her currency If Britain fails to obtain assistance from the United States and Canada, there remains but one course open to her. She will have to continue and extend the sterling-area economic bloc, paying for her imports with pounds which are good only for purchases in the sterling area. Without the financial agreement, England will undoubtedly seek to draw as much of the world's trade as possible within the network of the sterling bloc. Such a development would not be to Britain's interest as compared with the restoration of multilateral trade. But it would be Britain's only recourse in order to survive.

If Britain is forced to solve her economic problem by means of a British economic bloc, the pattern of world trade for the future becomes clear. The International Monetary Fund would be unable to function and the major trading countries of the world would be divided into competing economic blocs. If, on the other hand, Britain secures the assistance needed to make sterling convertible, she will be able to cooperate with us in the realization of the basic objectives of the Bretton Woods agreements. With the dollar and the pound interconvertible, there is every reason to hope that all countries will join in the United Nations economic program and world trade will not be strangled by the existence of competing economic blocs. The loan to Britain is therefore fundamental to the success of the Bretton Woods institutions and to the realization of our own international economic and political objectives.

United States trade with Britain and the sterling area

The United States has a special interest in having the restrictions on sterling removed. England and the countries closely associated with her are our largest customers. Nearly half of our total exports and imports in the years 1936-38 went to the countries of the sterling area and to the countries with which Britain has bilateral payments agreements. Without this trade our whole program for maintaining high levels of production and employment in the postwar years would be seriously affected.

If England is forced to organize her postwar trade within an extended sterling-area economic bloc, the consequences for American foreign trade will indeed be serious. England will continue to purchase goods with sterling which is expendable only within the sterling economic bloc. After a few years of these expedients we would find a change in the whole pattern of world trade—a change which will be to the disadvantage of American industry and agriculture. We might find a large expansion of acreage devoted to cotton in India and Egypt. British tastes in tobacco may shift from American to Empire types. And American fruits on British tables may be replaced by apples from Australia and oranges from the Middle East. The fact that the United States can produce these commodities to better advantage will matter little when trade is on a barter basis.

The consequences of the formation of a British economic bloc will not be confined to a reduction in our trade with the sterling area Canada, which normally has a deficit in her balance of payments with the United States, settles this by converting into dollars the sterling which she receives in payment for her exports to Britain. With sterling no longer convertible into dollars, Canada will be forced to reduce her purchases from the United States. The same situation is true of the British Dominions and several European countries. If sterling remains inconvertible, these countries will have to look elsewhere for the commodities which they formerly obtained in our markets

Britain's need for financial assistance

A principal consideration which led to the negotiation of the financial agreement was the fact that Britain would not be able to cooperate with our plans for expanded multilateral trade unless she could secure help in the form of free foreign exchange—United States dollars and Canadian dollars.

Before the war the British people were able to earn enough foreign exchange from their exports and services to pay for their imports During the war, it was both impossible and inadvisable to achieve such a balance. It was essential to the war strategy of the United Nations that every available laborer and factory in Britain be diverted to production for war. That this would entail a severe reduction of Britain's exports—and consequently of Britain's ability to earn enough to balance her current international accounts—was considered a secondary matter. The primary concern was to win the war.

The British war needs from abroad were met in part by lend-lease and mutual aid, and in part by substantially reducing both the standard of living and the foreign investments of the British people. In spite of lend-lease and mutual aid, the British people had to get along with about one-quarter less goods during the war than in 1938. In addition, they disposed of a considerable part of their gold reserves, sold about $4,500,000,000 worth of foreign investments, and borrowed more than $12,000,000,000, mainly by paying in sterling, in order to cover foreign expenditures which could not be avoided. Altogether, the international financial position of Britain deteriorated by more than $17,000,000,000 between September 1939 and December 1945.

It was full anticipated that these sacrifices would so disrupt Britain's economy that it would take some years to restore her position after the war had been won. But this, too, had to be considered a matter of secondary concern. The wartime anticipations have now become realities. The most urgent British problem is to expand exports, not only to the prewar volume, but enough beyond that volume to make up for the decline in her other sources of overseas income. British reconversion has been encouragingly rapid, but it will be some time before British exports have been increased enough to pay for her imports. This means that Britain must somehow borrow enough to cover her essential import needs during the transition period.

Britain is faced with the alternative of either borrowing convertible currencies or of making payments in the form of additional blocked sterling balances. The British choice between these alternatives is of vital importance to the United States. If Britain continues the wartime procedure of borrowing in sterling, she must also continue the wartime controls which accompanied the accumulation of $14,000,000,000 in the form of sterling obligations. This form of borrowing cannot provide Britain with the dollars she needs for making purchases in the dollar area. Nor can it solve the problem of the many countries which normally finance their imports from the United States and other dollar-area countries with the proceeds of their exports to Britain.

If Britain is forced to do her borrowing in terms of sterling it will mean that British exchange and trade controls will have to be prolonged and intensified in order to protect the precarious position of sterling Beyond that, the countries which normally finance their imports from the United States by converting into dollars the sterling received for their exports to Britain will have to impose similar trade and exchange controls in order to meet the problem of their own shortage of convertible currencies. Because of the effects of these measures upon the American economy, this Government was determined to secure an agreement with England for the prompt termination of the wartime restrictions on current transactions

The Washington negotiations

Representatives of the United Kingdom and the United States met in Washington soon after the defeat of Japan, and entered into comprehensive discussions to explore the possibility of cooperation in promoting a postwar international economic program which would yield the highest benefits to the two negotiating countries, and to the world as a whole. Among the subjects discussed was the British need for financial assistance from abroad, and the bearing of this problem upon British currency and trade restrictions

In these financial discussions, the United States was represented by the Secretary of the Treasury, the Secretary of Commerce, the Assistant Secretary of State, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank. It appeared to the American representatives that the United States had a vital interest in the course Britain would choose The financial agreement was intended to make it possible for Britain to abolish promptly her wartime currency and trade controls and to participate fully in the United Nations program for international economic cooperation.

The financial agreement provides for a credit which, while not excessive in view of the tremendous problem with which Britain is faced, is nevertheless sufficiently large to establish confidence in the convertibility of sterling. Together with the credit of 1,250,000,000 Canadian dollars which the Canadian Government has offered to extend, the proposed credit of $6,750,000,000 from the United States will be sufficiently to tide Britain over the transition period. The loan is designed to make it possible for Britain to undertake the commitments necessary for her full cooperation in the United Nations program for an expanding international economy.

The commitments made by Britain in connection with the financial agreement may be summarized briefly as follows:

1. Exports of goods and services from the United States to England will be paid for in

dollars, or if they are paid in pounds, the sterling can be converted into dollars. This is particularly important to the American companies which in the past have experienced considerable difficulty in getting their earnings out of England. They will now be able to get dollars. That means, for all practical purposes, American businessmen can be just as sure of payment for their current claims in England as they were before the war.

2 Within a year, unless in exceptional cases the United States agrees to a later date, England will make all sterling arising from current trade convertible. England will thus return to the free use of sterling in international trade that she permitted before the war For example, if Mexico and Egypt export goods to England they will be able to use the money they get to buy goods in any country. That means they could convert the sterling into dollars and buy goods in the United States.

3. Within a year, unless in exceptional cases the United States agrees to a later date, England will dissolve the sterling area dollar pool Each country in the sterling area will again have complete freedom to use its dollars as it wishes For example, the money India gets for its exports to the United States and Latin America could be spent here without getting an allocation of dollars from England That means India could use the dollars she gets to buy American machinery instead of being forced to buy English machinery.

4 The blocked sterling balances will be settled by England and the countries concerned. All payments on these balances now or later will be free for making purchases in any country, including the United States. This large debt will not be used to exclude American products from the sterling area, or to put our exporters at a disadvantage in competition with British exporters England will not force the countries holding $14,000,000,000 in blocked sterling to buy British instead of American goods

5 England's import controls will be administered in a manner which does not discriminate against American products If England finds it necessary to impose a quantitative limitation on her imports this will be applied on an equal basis toward all countries. That means England will not keep out American cotton and tobacco, grains and meats, fruits and nuts, or any of our industrial products, in order to buy these same goods in other countries.

6 Within a year, unless in exceptional cases the United States agrees to a later date, England will impose no restrictions on payments and transfers for ordinary current transactions. In effect, all of the countries that have payments agreements with England will be permitted to use the proceeds of their sales to England to buy goods in other countries They will be allowed to use the sterling they acquire in this way to buy American products on the same basis as they are able to buy British products.

In addition, England has agreed that she will support the American proposal for an international trade organization to reduce trade barriers and eliminate trade discriminations. Thus, England gives wholehearted support to our policy of expanded trade, with all countries having access to world markets on fair and equal terms England's support of our proposal goes a long way to assure the success of the United Nations trade conference to be held later this year, or early next year.

III ANALYSIS OF THE FINANCIAL AGREEMENT AND THE SENATE JOINT RESOLUTION 138

Section 1 provides that the effective date of the agreement shall be the date on which the United States Government notifies the Government of the United Kingdom that the Congress has made available the funds necessary to extend the line of credit provided for in the agreement. The obligation of Britain to relax her wartime trade and exchange controls takes effect at once or within 1 year of the date on which Congress implements the agreement.

Amount and purposes of the credit

Section 2 stipulates the amount and the manner in which financial assistance will be extended It is provided that the Government of the United States will open a line of credit of $3,750,000,000 which may be drawn upon by the Government of the United Kingdom at any time between the effective date of the agreement and December 31, 1951.

The provision for a line of credit, rather than a loan, means that the funds will be advanced only as they are needed. This is the first of three provisions placed in the agreement in order to assure that the interests of the United States would not be prejudiced if British reconversion should proceed at a faster rate than could be anticipated immediately after the termination of hostilities.

Section 3 provides that the credit will be made available to facilitate purchases by the United Kingdom of American goods and services, to assist the United Kingdom to meet transitional postwar deficits in her current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the United Kingdom to give effect to her commitments under the agreement for the reduction of wartime trade and currency controls

Repayment of the credit

Section 4 provides that the principal of the credit shall be repaid .n 50 annual installments beginning on December 31, 1951. Interest shall be paid at 2 percent a year, beginning on December 31, 1951. If the full amount of credit is drawn, the United Kingdom will be required to make annual payments of $119,000,000 in principal and interest.

Section 5 provides that the interest charges—but not payments of principal—can be waived in any year in which the annual average of Britain's receipts from exports and net receipts from services to foreigners over the five preceding years is insufficient to pay for the same volume of imports as the British bought in the years 1936 to 1938 In calculating British receipts and payments, any releases or payments on account of sterling balances in excess of approximately $175,000,000 a year cannot be counted as a deduction from net income from services, and therefore, cannot be used as a basis for requesting a waiver of interest. The interest payment will not be waived, however, unless, in addition to the circumstances described in the following paragraph, it is found that a waiver is necessary in view of the present and prospective conditions of international exchange and the state of Britain's gold and foreign-exchange reserves.

The provision for waiver of interest is intended to prevent severe pressure on the foreign exchanges and new restrictions upon trade if a world depression should occur. This provision will become effective only if there is a depression of such intensity that imports for British consumption are reduced substantially below the prewar level, since after the war Britain will require a much larger volume of imports of raw materials, which will not be directly consumed by the British people. In the opinion of the committee it is wiser, in the event of a depression in world trade, to forego the interest due in such a year and accept payment of the principal. When the trade depression passes, payment of interest would be resumed.

Relation to other obligations and credits

Section 6 provides that the proposed line of credit cannot be used to discharge the present obligations of the United Kingdom. Such sums as are necessary for releasing or repaying sterling balances or loans which other governments extended to the United Kingdom must be found from resources other than the proposed credit. This section provides in addition that the United Kingdom will not borrow from other British Commonwealth governments before the end of 1951 on terms more favorable to the lender than those contained in the financial agreement, and that no waiver of interest on the proposed credit will be requested unless similar waivers or reductions are made with respect to other British Commonwealth obligations.

The provisions of section 6 supplement those of section 2 to insure that the interests of the United States will not be prejudiced in case the British reconversion proceeds at a more rapid rate than was anticipated Since the United Kingdom cannot use the proposed credit for the payment of existing debts, and since no other credit can be more expensive or unfavorable to the British than the American credit, it is probable that, if the amount of money needed to finance the British deficit is smaller than was anticipated, the British will be inclined to reduce their drawings from the American credit rather than from other credits Furthermore, they will not be able to take advantage of any improvement in their position by drawing upon the American credit in order to repay other loans

Dissolution of the sterling area dollar pool

Section 7 provides that unless in exceptional circumstances the United States, after consultation, agrees to a later date, the United Kingdom will dissolve the sterling area dollar pool within 1 year after the effective date of the financial agreement. The result will be that each member of the sterling area will be able to dispose of its current receipts of sterling and other currencies in any manner it wishes.

Convertibility of sterling into dollars

Section 8 provides that the United Kingdom will not at any time after the effective date of the agreement apply exchange controls in such a manner as to restrict either (a) payments or transfers arising out of United States exports to Britain or other current transactions between the two countries, or (b) the use of sterling balances which American residents acquire out of current transactions. It is further provided that within 1 year after the agreement becomes effective neither Government will impose any restriction on current payments.

This section achieves one of the major goals of American postwar economic policy. It advances, probably by a period of several years, the entry into force of those provisions of the International Monetary Fund which provide that currencies are to be convertible for making payments arising out of current transactions. Without this provision of the financial agreement, the United Kingdom would be permitted to limit the convertibility of sterling throughout the entire transitional period This section, by anticipating the full application of the provisions of the International Monetary Fund, will restore at an early date the postwar multilateral trading system under which many countries of the world finance their imports from the United States by selling their products to Britain and converting the sterling into dollars.

Nondiscrimination for American exports

Section 9 reflects the realization that in spite of the assistance which will be rendered by the proposed credit and credits by other governments, the United Kingdom will be forced throughout the transition period to impose some restrictions upon the importation of foreign goods. This section provides, however, that the United Kingdom will not use its quantitative import controls in such a manner as to discriminate against American products.

Settlement of blocked sterling balances

Section 10 provides that if any funds are released or repaid on account of any settlement which the United Kingdom may arrive at with respect to the sterling balances held by any countries of the world, such releases or payments shall be made in freely convertible currency. The two Governments did not arrive at any agreement for the settlement by the United Kingdom of the sterling obligations incurred during the war, since this is a matter for negotiation between the United Kingdom and the several creditor countries involved

The agreement does contain a statement which announces the intention of the United Kingdom to arrive at settlements of the sterling balances. The settlements, which must necessarily vary from country to country, will be on the basis of dividing the accumulated balances into three categories. (a) Balances to be released at once and convertible into any currency for current transactions, (b) balances to be similarly released by installments over a period of years beginning in 1951, and (c) balances to be adjusted as a contribution to the settlement of war and postwar indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement

It is not of great importance to the United States how a final settlement of the blocked sterling balances is made between England and the countries holding such balances What is important to the United States is to have any payments made on the blocked balances free for use in making purchases in the United States. This interest is fully safeguarded in the financial agreement.

No changes to be made without congressional action

Section 11 defines the terms used in the agreement. Section 12 provides that consultation upon the agreement may be undertaken, with the understanding that any proposed change in the provisions will have to be submitted to the Congress of the United States and to the British Parliament, before it can become effective.

Analysis of Senate Joint Resolution 138

The joint resolution authorizes the Secretary of the Treasury to carry out the Anglo-American financial agreement of December 6, 1945, including the extension of a line of credit to the United Kingdom in the amount of $3,750,000,000 and further authorizes the Secretary of the Treasury to use funds for that purpose from the proceeds of securities sold under the provisions of the Second Liberty Bond Act, as amended. Payments to the United Kingdom and repayments to the United States would be treated as public debt transactions.

This method of financing has been commonly used in the past and is particularly appropriate when money is raised for the purpose of investment rather than for expenditure. The Bretton Woods Agreements Act of 1945 and the Export-Import Bank Act of 1945 are instances in which the proposed method of financing has been used in the recent past. The same method has been used in connection with the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, the United States Housing Authority, the Federal Farm Mortgage Corporation, the Federal Deposit Insurance Corporation, the Tennessee Valley Authority, and the Commodity Credit Corporation.

Upon enactment of the joint resolution, the Treasury would establish on its books a record to the effect that it is authorized to engage in a public debt transaction to the extent of $3,750,000,000 and would open a line of credit to the Government of the United Kingdom for this amount. While the entire amount of the line of credit will be authorized for use by the United Kingdom at any time during a 5-year period, the actual funds will be provided only as they are needed.

Although the Second Liberty Bond Act, as amended, now provides that the proceeds from the sale of the securities issued under that act are available to meet expenditures for public purposes authorized by law, in order to avoid any possible misunderstanding, the joint resolution makes specific provision that the purposes for which the proceeds of any securities issued under that act may be used shall be extended to include the carrying out of the financial agreement.

IV. TESTIMONY BEFORE THE COMMITTEE

The committee heard testimony extending over 4 weeks from Government officials, various non-Government groups, and individuals in their own behalf. The witnesses were subjected to close interrogation by members of the committee and much valuable information and opinion was obtained thereby. In addition to oral testimony, numerous written statements were filed with the committee. Testimony both for and against the joint resolution was received.

Government testimony

For the Government, the committee heard testimony from the Honorable Fred M. Vinson, Secretary of the Treasury, the Honorable William L. Clayton, Assistant Secretary of State; the Honorable Henry A. Wallace, Secretary of Commerce, the Honorable Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, and the Honorable William McC. Martin, Chairman of the Board of Directors of the Export-Import Bank. These officials, who as a group constitute the National Advisory Council on International Monetary and Financial Problems, carried on the negotiatitons for the financial agreement on behalf of the United States. Each testified to the soundness of the agreement and assured the committee that the agreement is vital to the interest of the United States and would constitute a valuable contribution to world peace and prosperity through the furtherance of world trade on a fair and equal basis Extensive data were inserted in the record of the hearings to support these contentions.

The Secretary of the Treasury, Mr. Fred M. Vinson, presented in detail this Government's program or international economic cooperation In urging approval of the joint resolution, he said·

"The financial agreement with England is an essential part of our whole program of international economic cooperation. This program of the United Nations is concerned with some of the most important problems of everyday life. How we meet these problems will determine in large part whether the United States and the world will again go through devastating cycles of war and depression or whether at long last we realize the hope for peace and prosperity."

The Assistant Secretary of State, Mr. William L. Clayton, discussed the importance of the financial agreement to American prosperity. He said:

"We believe that it is a policy that is greatly in the interest of the United States and of the world. It is said that peace is indivisible. It may also be said that prosperity is indivisible, and we do not believe that we can very long go, in the world, in the position, you may say, of a kind of island prosperity, surrounded by a sea of devastation and prostration in the world, caused by the war, and that it is in our interest to try to help correct that situation."

Secretary Wallace pointed out that world economic peace and cooperation are dependent on world recovery. He said:

"The financial agreement before this committee is another and important step in promoting world recovery. Great Britain still occupies a key position in world trade. Its recovery from the effects of war is an essential and integral part of world recovery. Unless its recovery can be expedited, world recovery will lag."

Mr. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, analyzed the British need and the United States' ability to extend the credit. In conclusion, he posed the alternative to making the loan:

"As you know, Britain is the largest market in world trade so that her commercial and exchange practices have a very great influence on the rest of the world. Traditionally she has tended to follow liberal trade principles. If we refuse this loan, however, she could hope to maintain her essential imports only by making a desperate bid for domination in world markets She would be forced to intensify the restrictive and belligerent currency and trading practices born during the years of war and depression In order to exploit to the full her advantage as the world's leading importer, she would have to turn increasingly to State trading and barter A large part of the rest of the world would be forced into the same pattern and free enterprise in foreign trade would be strangled Along this road lies further totalitarian development."

NONGOVERNMENT TESTIMONY

The Honorable Charles S. Dewey, vice president of the Chase National Bank, formerly a member of this committee, gave testimony in favor of the joint resolution. He said.

"I do not believe that this country can live alone, a free-enterprise state, in a world of state-controlled economies. I feel sure that no matter what may be the political color of the administration, it would be forced to make foreign treaty arrangements in contradiction to our concept of free competitive enterprise That is my main reason for believing that the British loan agreement transcends most objections It is about our last opportunity to help the bilateral countries out of their dilemma and have them rejoin us in our policy of free enterprise and the unhampered flow of world goods"

Mr. William K Jackson, president of the Chamber of Commerce of the United States, filed a written statement with the committee in support of the joint resolution. Mr. W. L. Hemingway, president of the Mercantile Commerce Bank & Trust Co., of St Louis, Mo., and Mr. Randolph Burgess, vice chairman of the board of directors of the National City Bank of New York, appeared on behalf of the American Bankers' Association and gave oral testimony in favor of the joint resolution.

The committee also heard testimony from Mr. Russell Smith, legislative secretary of the National Farmers Union; Mr Herbert E. Stats, Foreign Trade Foundation, Mr. Justice Owen J. Roberts, and Mr Eugene Meyer

Mr. Eric Johnston, president, Motion Picture Associations of America; Mr. Ralph E. Flanders of the Committee for Economic Development; Mr. Eugene P. Thomas, chairman of the board of directors, National Foreign Trade Council; and Mr Edward A. O'Neal, of the American Farm Bureau Federation, filed statements with the committee in support of the joint resolution.

Statements favoring the joint resolution were also filed on behalf of Mr. Philip Murray, president, Congress of Industrial Organizations, and Mr William Green, president, American Federation of Labor.

The record contains a list of about 70 organizations of businessmen, bankers, farmers, workers, and civic, church, and peace groups which are supporting the financial agreement. In addition, letters, statements, and resolutions favoring the passage of the joint resolution were received from the following organizations: The Banker's Association for Foreign Trade; the St. Louis Chamber of Commerce; the National League of Women Voters; the American Veterans' Committee; the Texas Cotton Association;

Detroit Board of Commerce; Commission on World Peace of the Methodist Church; Americans United for World Government; National Women's Trade Union League of America.

Testimony of the opposition

Mr. Hamilton Fish, of New York; Mr. John B. Trevor, of the American Coalition; Mr. Carl H. Wilken, Raw Materials National Council, Sioux City, Iowa, and Miss Gertrude M. Coogan, Chicago, Ill., appeared in opposition to the joint resolution and gave oral testimony. Mr Jesse Jones, of Texas, filed a written statement opposing the joint resolution.

V. SOME CRITICISMS OF THE LOAN

The committee has examined the principal objections to the financial agreement and believes that these objections are minor in character and are clearly outweighed by the advantages A few of the criticisms are considered below

Will England repay?

One argument which has been made against granting the loan to Britain during the course of the hearings is that Britain will not repay the loan It has been stated that Britain's failure to pay her World War I debt to us is evidence both of her unwillingness and inability to repay a debt of comparable size.

In the opinion of this committee nothing in the long history of our relations with England gives evidence of her lack of good faith in meeting her financial obligations. England made payments on her World War I debt to us until 1931 when President Hoover proposed that payments be suspended on war debts for 1 year Altogether the United States loaned to England $4,277,000,000 between April 1917 and July 1919, and, on this amount, Britain paid us a total of $2,034,848,817 Because of the world-wide depression and the sharp reduction in United States imports and foreign investments, England was unable to resume payment on the debt until after 1931.

The bulk of Britain's World War I debt to us was contracted for the purpose of obtaining munitions and other supplies for the prosecution of the war Only $581,000,000 of our assistance was supplied after the conclusion of the war and can be considered to have been for reconstruction. During World War II, Britain's expenditures for war in this country were handled under lend-lease and the supplies which she used for war purposes were written off in the lend-lease settlement. The loan which is now being proposed is for productive purposes and will be a vital factor in the rapid restoration of England's production for export and, hence, in her ability to make foreign payments.

During the course of the negotiations on the financial agreement careful attention was paid by the technical experts of both countries to England's ability to repay the loan Total annual payments of interest and principal on the $3,750,000,000 loan and the $650,000,000 lend-lease settlement will amount to less than 3 percent of Britain's foreign-exchange receipts after 1951 provided her export goals are realized. If reasonably good conditions prevail in world trade by 1951, when the initial payment becomes due, England's foreign-exchange receipts should be large enough to enable her to make payments of interest and principal without difficulty.

In the last analysis, England's ability to meet the payments on this obligation will depend upon the successful realization of our international economic objectives with which the loan is intimately related The committee believes that the establishment of the world fund and world bank and of the proposed International Trade Organization will help prevent another break-down in world trade. If we succeed in maintaining a high level of world trade, there can be little question as to the ability of England to meet her obligations under the loan.

Can the United States afford to make this loan?

The criticism has been made that the United States can ill-afford to make this loan because we are already burdened with a large deficit and high taxes. It is true that the public debt of the United States is large and taxes are high, but it is not real economy to forego urgent measures that promote economic stability and high levels of income and employment It must be remembered that the burden of tax payments is much less severe when it falls upon an economy of high incomes and full employment. The loan to Britain will add less than 1½ percent to the total debt of the United States, while, at the same time, it will help reestablish normal American markets all over the world. It is the view of the committee that these objectives are worth the amount of the loan even if we never received a dollar in repayment.

Actually, the loan is an investment and not an expenditure. It can add to the burden of the American taxpayer only if interest payments prove to be less than the cost of borrowing by the United States Treasury. Interest payments begin in 1951 and are 2 percent annually. The effective rate of interest, assuming the credit is used in five equal annual installments between now and the end of 1951, and all payments are met, would be 1 83 percent This is reasonably comparable to the cost of borrowing money to our Government. Provided that England is able to maintain her overseas receipts from exports, shipping, and other sources at a reasonable level in the postwar period, she will not find it necessary to ask for a waiver of interest payments.

The value of this investment, however, cannot be measured in terms of exact profit and loss calculations. If the loan succeeds in its primary purpose of making it possible for England to cooperate with us in laying the economic foundations of peace, the real value of the investment will be incalculable The agreement will affect the income of our workers and farmers and the profits of our business enterprises It will manifest itself in the Federal Treasury in the form of larger tax receipts based on more business The committee believes that the United States can afford such an investment in world peace and prosperity.

Island bases

During the hearing, a proposal was made that the United States should require the United Kingdom, as a condition of the loan, to transfer the fee-simple title to the island bases now held by the United States under 99-year lease Other proposals have urged that sovereignty over the islands themselves be transferred to the United States.

Our 99-year leases do not expire until the year 2040. Hence, until that time, the bases are fully available to the United States for the purposes of defense. The Joint Chiefs of Staff have reported to the President and the State Department that so far as can be foreseen, the present tenure held by the United States is sufficient for our needs. Recently, the United Kingdom Government has granted a modification of the lease agreement to permit the use of the bases for civil aircraft.

The financial agreement has no relation to the question concerning the acquisition of bases for military or civil purposes. It is based exclusively on financial considerations. To attempt to insert a settlement concerning the bases into the financial agreement would open such a number of unrelated questions that no agreement could be reached. Like the question of financial relations between the United States and the United Kingdom, the question of bases should be settled separately and an agreement for that purpose should stand on its own feet.

Is the loan inflationary?

There are some who have opposed the loan on the grounds that it will prove to be inflationary. This committee considers the danger of inflation to be one of the most serious problems now confronting this country. Nevertheless, it believes that the problem cannot be significantly affected by the credit to Britain. The additional inflationary pressure which may result from the credit must be weighed against the long-term benefits of the credit and the great loss which will certainly accompany the failure of our broad international economic objectives.

The expenditure of the credit of $3,750,000,000 will be spread over the next 3 to 5 years. Assuming that one-third of the loan is spent during the next 12 months, the additional expenditure will amount to less than 1 percent of the total demand for goods and services in the United States. Moreover, we still maintain control over the export of goods in short supply for the protection of our domestic economy.

The one solution to the inflation problem is to restore production and trade to meet the demand for goods. This credit will help remove the barriers to trade all over the world. It will encourage production in this country and abroad In this way it will be a factor in offsetting inflation.

A loan secured by British assets in the United States

The criticism has been made that the loan to Britain is unbusinesslike because it is held that long-term loans should not be made without adequate security It has been proposed, therefore, that we lend Britain an additional billion dollars on the basis of the same collateral now held by the RFC against its present loan to Britain In addition, it is proposed that the RFC make further loans to the United Kingdom on the security of British investments and operations in this country, up to the earning value of the securities, with all loans being made at 2 percent interest It is also proposed that we supply additional dollars to Britain through the purchase of critical materials for stock piling from the sterling area. Finally, it is suggested that Congress authorize the sale of farm products and manufactured goods to Great Britain on credit terms.

The aggregate credits that would be provided under this suggestion is about $3,750,000,000, the amount in the financial agreement. The real difference is the requirement of some additional collateral, not really large in amount. The total value of British-owned securities and direct investments in the United States is estimated to be about $1,475,000,000, of which $855,000,000 is already pledged as security against the existing RFC loan Under the above proposal, we would have an additional $600,000,000 as security for the loan to Britain.

In considering the merits of this proposal, it is the view of the committee that by putting the loan on a purely commercial basis we would not be able to obtain the same currency and trade arrangements with England which are embodied in the financial agreement. In fact, since a portion of the credit as proposed above would be in the nature of a tied loan, we would be encouraging bilateralism rather than multilateralism in world trade. Britain needs free dollars if she is to make sterling convertible. The primary purpose of the loan is to make sterling convertible and to remove at an early date certain other currency trade restrictions.

Under the financial agreement we do not get the $600,000,000 of additional collateral, but we get something far more important. We get a solemn commitment from the British Government to abandon wartime currency and trade restrictions which discriminate against our trade. We get a commitment from English to support our policy that the export markets of the world must be kept open to the exports of the United

States and other countries on a fair and equal basis.

VI. CONCLUSION

The committee believes that the Anglo-American financial agreement is an essential part of this Government's program of international economic cooperation for high levels of world trade and prosperity. Unless the agreement is approved, much of the work that has already been done to help attain world peace and prosperity would be wasted and the objectives of the Government's international economic program would be delayed, if not completely lost.

The committee recommends, therefore, that the joint resolution to implement the financial agreement of December 6, 1945, between the United States and the United Kingdom be passed

"FINANCIAL AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND THE UNITED KINGDOM

"It is hereby agreed between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland as follows.

"1. Effective date of the Agreement

"The effective date of this Agreement shall be the date on which the Government of the United States notifies the Government of the United Kingdom that the Congress of the United States has made available the funds necessary to extend to the Government of the United Kingdom the line of credit in accordance with the provisions of this Agreement.

"2 Line of credit

"The Government of the United States will extend to the Government of the United Kingdom a line of credit of $3,750,000,000 which may be drawn upon at any time between the effective date of this Agreement and December 31, 1951, inclusive.

"3. Purpose of the line of credit

"The purpose of the line of credit is to facilitate purchases by the United Kingdom of goods and services in the United States, to assist the United Kingdom to meet transitional postwar deficits in its current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the Government of the United Kingdom to assume the obligations of multilateral trade, as defined in this and other agreements

"4. Amortization and interest

"(i) The amount of the line of credit drawn by December 31, 1951, shall be repaid in 50 annual 'nstallments beginning on December 31, 1951, with interest at the rate of 2 percent per annum. Interest for the year 1951 shall be computed on the amount outstanding on December 31, 1951, and for each year thereafter, interest shall be computed on the amount outstanding on January 1 of each such year.

"Forty-nine annual installments of principal repayments and interest shall be equal, calculated at the rate of $31,823,000 for each $1,000,000,000 of the line of credit drawn by December 31, 1951, and the fiftieth annal installment shall be at the rate of $31,840,-736 65 for each such $1,000,000,000. Each installment shall consist of the full amount of the interest due and the remainder of the installment shall be the principal to be repaid in that year. Payments required by this section are subject to the provisions of section 5.

"(ii) The Government of the United Kingdom may accelerate repayment of the amount drawn under this line of credit.

"5. Waiver of interest payments

"In any year in which the Government of the United Kingdom requests the Government of the United States to waive the amount of the interest due in the installment of that year, the Government of the United States will grant the waiver if:

"(a) the Government of the United Kingdom finds that a waiver is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves and

"(b) the International Monetary Fund certifies that the income of the United Kingdom from home-produced exports plus its net income from invisible current transactions in its balance of payments was on the average over the five preceding calendar years less than the average annual amount of United Kingdom imports during 1936-38, fixed at £866 million, as such figure may be adjusted for changes in the price level of these imports. Any amount in excess of £43,750,000 released or paid in any year on account of sterling balances accumulated to the credit of overseas governments, monetary authorities and banks before the effective date of this Agreement shall be regarded as a capital transaction and therefore shall not be included in the above calculation of the net income from invisible current transactions for that year. If waiver is requested for an interest payment prior to that due in 1955, the average income shall be computed for the calendar years from 1950 through the year preceding that in which the request is made.

"6 Relation of this line of credit to other obligations

"(i) It is understood that any amounts required to discharge obligations of the United Kingdom to third countries outstanding on the effective date of this Agreement will be found from resources other than this line of credit

"(ii) The Government of the United Kingdom will not arrange any long-term loans from governments within the British Commonwealth after December 6, 1945, and before the end of 1951 on terms more favorable to the lender than the terms of this line of credit

"(iii) Waiver of interest will not be requested or allowed under section 5 in any year unless the aggregate of the releases or payments in that year of sterling balances accumulated to the credit of overseas governments, monetary authorities, and banks (except in the case of colonial dependencies) after the effective date of this Agreement is reduced proportionately, and unless interest payments due in that year on loans referred to in (ii) above are waived The proportionate reduction of the releases or payments of sterling balances shall be calculated in relation to the aggregate released and paid in the most recent year in which waiver of interest was not requested.

"(iv) The application of the principles set forth in this section shall be the subject of full consultation between the two governments as occasion may arise.

"7. Sterling area exchange arrangements

"The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling area countries (apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to December 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling-area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

"8. Other exchange arrangements

"(i) The Government of the United Kingdom agrees that after the effective date of this Agreement it will not apply exchange controls in such a manner as to restrict (a) payments or transfers in respect of products of the United States permitted to be imported into the United Kingdom or other current transactions between the two countries or (b) the use of sterling balances to the credit of residents of the United States arising out of current transactions. Nothing in this paragraph (i) shall affect the provisions of Article VII of the Articles of Agreement of the International Monetary Fund when those Articles have come into force.

"(ii) The Governments of the United States and the United Kingdom agree that not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, they will impose no restrictions on payments and transfers for current transactions. The obligations of this paragraph (ii) shall not apply:

"(a) to balances of third countries and their nationals accumulated before this paragraph (ii) becomes effective; or

"(b) to restrictions imposed in conformity with the Articles of Agreement of the International Monetary Fund, provided that the Governments of the United Kingdom and the United States will not continue to invoke the provisions of Article XIV, Section 2 of those Articles after this paragraph (ii) becomes effective unless in exceptional cases after consultation they agree otherwise, or

"(c) to restrictions imposed in connection with measures designed to uncover and dispose of assets of Germany and Japan.

"(iii) This section and section 9, which are in anticipation of more comprehensive arrangements by multilateral agreement, shall operate until December 31, 1951.

"9. Import arrangements

"If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not discriminate against imports from the other country in respect of any product; provided that this undertaking shall not apply in cases in which (a) its application would have the effect of preventing the country imposing such restrictions from utilizing, for the purchase of needed imports, inconvertible currencies accumulated up to December 31, 1946, or (b) there may be special necessity for the country imposing such restrictions to assist, by measures not involving a substantial departure from the general rule of nondiscrimination, a country whose economy has been disrupted by war, or (c) either government imposes quantitative restrictions having equivalent effect to any exchange restrictions which that government is authorized to impose in conformity with Article VII of the Articles of Agreement of the International Monetary Fund. The provisions of this section shall become effective as soon as practicable but not later than December 31, 1946.

"10. Accumulated sterling balances

"(i) The Government of the United Kingdom intends to make agreements with the countries concerned, varying according to the circumstances of each case, for an early settlement covering the sterling balances accumulated by sterling-area and other countries prior to such settlement (together with any future receipts arising out of military expenditure by the Government of the United Kingdom to the extent to which they are treated on the same basis by agreement with the countries concerned). The settlements with the sterling-area countries will be on the basis of dividing these accumulated bal-

ances into three categories (a) balances to be released at once and convertible into any currency for current transactions, (b) balances to be similarly released by installments over a period of years beginning in 1951, and (c) balances to be adjusted as a contribution to the settlement of war and postwar indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement. The Government of the United Kingdom will make every endeavor to secure the early completion of these arrangements.

"(ii) In consideration of the fact that an important purpose of the present line of credit is to promote the development of multilateral trade and facilitate its early resumption on a nondiscriminatory basis, the Government of the United Kingdom agrees that any sterling balances released or otherwise available for current payments will, not later than one year after the effective date of this Agreement unless in special cases a later date is agreed upon after consultation, be freely available for current transactions in any currency area without discrimination

"11 Definitions

"For the purposes of this Agreement·

"(i) The term 'current transactions' shall have the meaning prescribed in Article XIX (i) of the Articles of Agreement of the International Monetary Fund

"(ii) The term 'sterling area' means the United Kingdom and the other territories declared by the Defence (Finance) (Definition of Sterling Area) (No 2) Order, 1944, to be included in the sterling area, namely 'the following territories excluding Canada and Newfoundland, that is to say—

"'(*a*) any Dominion.

"'(b) any other part of His Majesty's dominions,

"'(*c*) any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any Dominion,

"'(*d*) any British protectorate or protected State,

"'(*e*) Egypt, the Anglo-Egyptian Sudan and Iraq

"'(*f*) Iceland and the Faroe Islands'

"12. Consultation on Agreement

"Either government shall be entitled to approach the other for a reconsideration of any of the provisions of this Agreement, if in its opinion the prevailing conditions of international exchange justify such reconsideration, with a view to agreeing upon modifications for presentation to their respective legislatures.

"Signed in duplicate at Washington, District of Columbia, this 6th day of December, 1945.

"For the GOVERNMENT OF THE UNITED STATES OF AMERICA.

"FRED M. VINSON,
"Secretary of the Treasury of the United States of America."

"For the GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

"HALIFAX,
"His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington."

Mr. SPENCE. Mr. Chairman, from the speeches this afternoon some gentlemen seem to think that the Anglo-American financial agreement is but a financial investment—an investment in money to be returned to us in money. That is not the purpose at all. The purpose is to give credit to Great Britain. This financial agreement was negotiated by Secretary Byrnes, Under Secretary Acheson, and Assistant Secretary Clayton on behalf of the Department of State, and Secretary Vinson, now Chief Justice, and a corps of able assistants on the part of the Treasury. It was a tentative agreement. It needed the ratification of the Congress of the United States. It has received the ratification of the Senate by a substantial vote. Now, it awaits the ratification of this body. Before the war, as we pursued our course, we came to the crossroads of our national destiny. One road led to preparedness and victory and the other road led to isolation and defeat. The prophet of old said "Where there is no vision, the people perish." If there had been no vision at that time, I feel confident we might have perished. But we took the right road. We granted to Great Britain the destroyers, and in return we received certain bases that we thought might be beneficial to us We embarked upon the lend-lease program. At that time Britain was prostrate. The enemy had invaded Russia and shortly after our munitions of war started to flow across the ocean, Russia drove the invaders from her soil, and Britain rose to her feet and started to fight with renewed confidence and vigor and the tide of battle changed. Is there still in America a spirit of isolation? Whatever a man might have thought at that time, can he still think today that we can hide our heads in the sand like an ostrich and be secure? There is a world economy in a shrinking world and we are dependent upon the welfare of other nations. I do not recommend this as a financial investment Great Britain, because of what she went through in the war, has little credit. Her commerce has shrunk to one-third of what it was. She was our best customer. The sterling area and those who are associated with it purchased one-half of our exports. What man in business if he sees his best customer getting in trouble will not go to his assistance? If we do not lend this assistance, what will be the result? It will be economic warfare. England will be compelled to maintain the sterling bloc. She will be compelled to make bilateral agreements which will be destructive of the commerce of the world and particularly destructive of the commerce of our country. Out of that will grow international dissension and discord. Nothing makes so much for good will amongst individuals and amongst nations as fair trade and honest dealings. No nation will benefit so much by the removal of these restrictions as the United States. During the war when we finally got our immense production machine moving we astonished the world by our production. We can make more and we can sell more than the American people can consume.

World trade means employment for the people at home. It means prosperity for our people. It means that we will be the economic leaders of the world as we must be because of the place we hold—the moral leaders of the world. Certainly there can be no other course pursued but approval of the agreement the experts who represented us, after long consultation and exhaustive study, have made. This is a loan of dollars. We have heard gentlemen on the other side say England is going to socialize her industry with the money we lend her. That she is going to maintain armies with the money we lend her. England does not socialize her industry with dollars. She can socialize her industry with credits on her books given to her people. She will maintain her armies with pounds sterling. There is no place that dollars can be spent except in our country. It means that England will spend the great bulk of this money in America purchasing goods that she needs, goods which we will be anxious to sell after we get into our stride.

Now, who is for this bill? The President of the United States is for it. The State Department is for it. The Treasury Department is for it. The Commerce Department is for it. The farm organizations are for it. The American Farm Bureau Federation is for it. The Farmers Union is for it. The American Federation of Labor is for it. The CIO is for it. All the civic and social organizations of importance are for it. The women's organizations are for it. Nobody appeared against it who represented any considerable organization. Mr. Charles Dewey, who was once an honored member of the Republican side of the House, appeared before the Banking and Currency Committee during our hearings and made a very strong argument in favor of it. Hamilton Fish appeared against it but he did not profess anything but his individual views. There was the representative of one organization, that I knew nothing about and certainly that has no national standing.

I know we are going to hear a lot of arguments that are unworthy of the question we are considering. I think it would be a tragedy to turn down this loan; not a tragedy for England alone, but a tragedy for the interests of America. I do not ask you to consider this loan in the light of friendship for England, but hope you will not consider it in the spirit of prejudice. I only ask you to consider it with reference to the benefits it will bring to your own country, the benefits that these men who devoted these days and weeks and months to the consideration of this question found it was necessary to give to Great Britain, to get her back on her feet as a trading nation, to enable her to do away with restrictive controls, the dollar pool in the sterling area, and the sterling bloc. What is the dollar pool in the sterling area? England has taken from her subjects, wherever they may be, the dollars they have received by reason of sales in the United States. Those dollars would naturally flow back to us, but England has issued sterling to them and has taken the dollars from them and put them in a pool. Suppose, for instance, Egypt had sold to the United States $500,000,000 worth of goods. England gives to the citizens of Egypt $500,000,000 in pounds sterling and takes the dollars and puts them in the dollar pool

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself five additional minutes.

Egypt says to England: "We want to spend $500,000,000 in the United States."

England says: "What do you want to spend it for?"

They say: "We want to buy automobiles, washing machines, rails, locomotives, this, that, or the other."

England then says: "We can make those goods here in England. Although we cannot make them as cheaply and as well as the United States; we will not let you have your dollars to purchase in the United States. We will let you have only a certain percentage of your dollars to use for essential goods that we cannot furnish you. You can spend your pounds here. We want the bulk of your dollars for future use in the United States."

Can you see what that does to the commerce of the United States? When England and those associated with her in the sterling area control one-half of the commerce of the world, when we need the markets of the world in order to keep our people employed at good wages, in order to bring prosperity and happiness to our people, how can anyone say that the aged and the dependent and the veterans are not interested in the granting of this loan. It is said that we ought not to charge Britain a lesser rate of interest than the banks and lending institutions of America are charging our citizens for money. But this loan to Britain is not a financial investment. The other benefits that flow from it are far greater than the return of money with interest. What nation can be more generous than a prosperous nation to those who are dependent on her, and to her veterans? Unless we have a great income how are we going to take care of our veterans? Those who know best say that our income under ordinary circumstances should amount to $150,000,000,000 a year in the next five years. That will aggregate $750,000,000,000. The amount of this credit, $3,750,000,000, is about one-half of 1 percent of that.

But it is not to be considered as so many dollars, you should consider what the result will be. It will come back to us many times. Whether you like England or not should not enter into your consideration. We are a heterogeneous people, we have many prejudices, and I hope that is not going to have any effect upon the Members when they vote on this resolution. You should consider but one thing, and that is the interest of our country.

I have heard several questions propounded here. Not one of them has any merit, because the over-all picture is: What will it do to the commerce of the United States? That is why the President, that is why the Secretary of State, that is why the Secretary of the Treasury, now Chief Justice of the United States, that is why the Secretary of Commerce want this resolution passed. It would be tragic not to pass it now in the light of the consideration that has been given to it, in the light of the agreement that has been entered into. Some gentlemen have said: "Why? We did not participate in the agreement." Of course, we did not. How could we participate in the agreement? Skilled people who have studied deeply these international questions participated in it, and I am perfectly willing to let this case rest on the reputation of those who represented the United States. They have brought back the best agreement that would subserve the purpose.

England first asked for $5,000,000,000. Her credit is destroyed, her commerce is gone. She is our best customer. Is it worth while to put her back on her feet? I hope when you consider this question you consider the over-all picture, that you will consider your country's good, that you will consider what may come from the ratification of this agreement and the granting to England of this $3,750,000,000 credit which will be spent in the United States but which will do more, it will prime the pump and reestablish the relationship between the United States and Great Britain, her best customer, that existed prior to the war and will do away with all of the restrictive controls that have been so detrimental to the welfare of the world and especially to the welfare of the United States of America. I herewith insert pursuant to authority granted me three editorials, a statement by Oren Root, Jr., for the American Veterans Committee, and a letter and editorial by Rabbi Wise:

[From the Washington Post of July 5, 1946]

BRITISH LOAN

Congressmen who have signed the statement opposing the proposed British loan are taking an incredibly short-sighted view Their chief argument seems to be that veterans and old folks should be adequately taken care of before we make any gigantic loans or gifts to foreign countries. The implication is, of course, that if we meet our social obligations at home we must neglect our international obligations We do not see how such an untenable conclusion can lay hold of the mind of any thoughtful person For the chief purpose of the loan is to enhance world prosperity and stability and thus make more secure the welfare of all our people, veterans, and old folks included.

Congress has already indorsed the Bretton Woods agreements. It did so in the belief that our participation in the World Bank and the monetary fund would hasten the stabilization of currencies and pave the way for world trade expansion by removal of discriminatory barriers. If those hopes are to be realized, Great Britain must have financial aid from us to pay for essential imports during the next few years Refusal by the House to approve the pending loan would be an invitation to the British to engage in economic warfare at our expense. They would be compelled to reduce their imports drastically and force out their exports as a means of covering the deficit in their current international balance of payments. And their shortage of dollars would necessitate retention of trade and financial restrictions particularly inimical to us, since Britain and the Empire are our best customers.

We cannot afford to forget that the British are well equipped to wage war at our expense on the economic front. Moreover, a good many Englishmen would prefer to try out the weapons at their disposal in preference to accepting a loan coupled with an undertaking to encourage multilateral trade by elimination of exchange and trade restrictions. Without a loan indeed, warfare would be their only recourse. The world would be divided into rival trading blocs, and the British would, of necessity, try to extend and perpetuate the sterling area by means of exclusive bilateral trade agreements with other countries. Although a sterling bloc of this sort would be essentially a defense mechanism, based on the need to reduce dollar purchases, it would inevitably lead to intense trade rivalry constituting a threat to world political peace, as well as to economic prosperity.

By approving the $3,750,000,000 credit, therefore, the House would be voting for a program that would enable the British to fulfill their provisional promises to work with us to bring about a mutually advantageous world-wide expansion of trade. By withholding the credit we could deprive them of the resources needed to reequip and reconstruct their industries so that they could expand exports and become self-sustaining. But if we should hold back, we, too, would have to pay a heavy price for our shortsightedness And we should not be one step nearer a solution of the troubles in Palestine. On the contrary, if the House were to withhold the British credit as a rebuke to Foreign Minister Bevin and the Labor government, at the instigation of Zionist extremists, the likely result would be a break-down of Anglo-American negotiations concerning Palestine. For a self-respecting nation is bound to resent legislative pressure tactics, and without the loan Britain would be in a much less favorable position to carry out a liberal Palestinian policy.

[From the Washington Post of July 8, 1946]

AMERICA'S FIRST BLOW FOR PEACE

By many Americans the financial agreement with Britain, which is now before the House, is thought of as merely an instrument for lending money to the British It is much more than that. And even as a loan transaction, the agreement provides for nothing outright Credit is to be made available to the British. But the credit is to be extended over a period of years. At this time the United States happens to be the only world source of credit Why this is so is clear from a checkup of war gains and war losses Britain went broke; the United States emerged as the only real victor, the mightiest nation the world has ever seen. We have the credit because we hold the material power—enough of it to put a ravaged world back on its feet.

But if we extend our credit to Britain we shall be extending more than our material power. We shall be extending our confidence In this respect our confidence is even more helpful than our money. This will be apparent on reflection as to what would occur if the agreement were beaten. Such a result would be tantamount to our telling the whole of the trading world that we consider Britain a poor risk. Imagine what would happen to a businessman in any community if a banker said this He would suffer immediately in prestige and position by the deprivation of confidence no less than by the refusal of actual aid. This is what would infallibly be Britain's lot after any congressional vote of "no confidence" in Britain.

Britain's immediate reaction would be to acquire elsewhere some of the economic strength for which she had looked in vain to the United States. The price she would have to pay would be in political concessions. Where, over the whole earth's face, would those concessions have to be made immediately? Clearly in the area where British weakness is most evident, where her power is most challenged, viz, the Middle East, Britain, uncertain as it is now in resisting the pressure of the Arab world, would have to give way all along the line. There would be no disposition in England, let alone strength, to resist that pressure. Indeed, the disposition would be to court it As we say, there would Britain's need, born of our lack of confidence in Britain, seek the friendship of the whole bloc of Arab nations. Add also the spur coming from bitterness toward America. That would be intense. A vote of "no confidence" in any ally which at a critical period in our common fortunes alone held back the Teutonic fury would come as a stunning blow to the British people, whose sacrifices in peace, just extolled by Prime Minister De Valera, are matching their fortitude in war. Such a vote of itself would evoke anti-Americanism.

As a sign of a return to American isolationism, any such vote would likewise make

any effort to accept our point of view superfluous. This is of immediate importance in the Middle East. In the event of a rejection of this credit, the Cabinet committee under Mr. Henry F. Grady, which will take off for London July 15 to discuss the steps necessary to carry out the report of the Anglo-American Commission on Palestine, might as well stay home. By that time the British and the Arabs would be enforced bedfellows.

"Save himself who can"—that would be the British watchword in case the House repudiated the financial pact with Britain Britain could not subscribe to many other American policies besides our Middle East policy. She would have to export or die, and no holds are barred when self-preservation is at stake. We seek common rules and standards for world trade—equal and nondiscriminatory treatment and stable currencies supervised by a world authority. They are enshrined in this agreement. Some of the agencies which would administer these rules have already been set up, as, for instance, the Monetary Stabilization Fund With none of these rules or bodies could the hard-pressed British have any truck In consequence, the world, in its trade and money relations, would return to the catch-as-catch-can of the jungle. It would be as if we at home had no uniform dollar to operate with, no courts to protect dealings in it The House, by its rejection of this agreement, would condemn the world to an endless battle for markets with the gloves off, and the upshot would inexorably be war

In this struggle for markets the United States would be bound to suffer. It would suffer because a ruleless world economy would mean a low volume of trade Our trade would be sure to shrivel because of the predominance in our exports of capital equipment and industrial know-how. Our capital resources are now so immense that our domestic prosperity can be maintained only out of the disposal abroad of our capital surplus. This is the testimony of the array of business witnesses who have given evidence before the Senate and House committees Full-employment estimates provide for $10,000,000,000 yearly in American sales abroad for the postwar decade, and most of the sales would be capital equipment. Such exports require long-term credits, meaning faith in a future of peaceful growth and repayment But in a world given over to commercial war, this kind of business would be at a discount, and immediate needs, instead, would be the world's stock in trade In this respect the British would be at an advantage. For they have already corralled 50 percent of world trade, such as it is, in their sterling bloc—demobilizable only by the acceptance of this agreement. An expansion of this bloc would be their aim on the American rejection of aid. Moreover, the dollar-poor British, the world's greatest importer, would have to switch their purchases from America to countries which will buy British goods pound for pound. This the House committee noted. We might find, the majority report said, a large increase in acreage devoted to cotton in India and Egypt, because these countries are tied to the pound sterling. British tastes in tobacco might shift from American to Empire brands; American fruits on British tables might be replaced by apples from Australia and oranges from the Middle East.

This distortion in the pattern of trade (to American disadvantage) is bound to follow the rejection of the financial agreement with Britain. Acceptance is thus the dictate of commercial realism. But this is the lowliest argument. The prime reason for commending the agreement to the House is the contribution that this agreement will make to peace. This is no mere credit transaction. It is the basic peace treaty, because it provides the underpinning for peace in economic disarmament, and because it would put the world to work again. Our boys left the prostrate world to be repaired by our statesmen. They destroyed in order that we might rebuild. The nourishing application of American credit, the return of civilized rules and practices in trade and money relations between nations—these are the tools. Let us use them. Our boys did not win the war by votes of "no confidence" in our allies, by retreats, by doing nothing. Nor can the peace be won by such tactics. Statesmanship looks to the end, works toward it, and we trust the Nation's statesmen in the House will be governed by this vision when they cast their votes on the financial agreement with Britain.

[From the New York Times of July 7, 1946]

A LOAN THAT AIDS THE LENDER

No peacetime loan the United States Government has ever made can compare in importance with the $3,750,000,000 "line of credit" to the United Kingdom which the Senate has already endorsed and which is expected to come before the House tomorrow. Previous hearings and debates have made clear why this loan is proposed and what it can accomplish Britain used to buy one-fifth of the world's total exports She was our own best customer Because of war losses at home and wartime sacrifices of invested capital abroad she cannot now pay for what she used to buy Her own exports are down to about one-third of their 1939 level She cannot get on her feet again without credit, and we are asked to supply the credit If we agree we will make the $3,750,000,000 available as needed between now and the end of 1951, and repayment, with 2 percent interest, will be made between 1951 and the year 2001. If in any year British imports fall below the prewar average she will not be asked to pay interest In fact, she could not The hope and belief is that we shall build an international economy under which the prewar average will be greatly exceeded.

What does the United States gain by this arrangement? Secretary Byrnes' statement of last February is still true:

"If the loan is approved, we can look ahead with considerable confidence to a general reduction of tariffs and the elimination of preferences, to a minimum of quotas and exchange controls, to an intelligent and restrained resort to Government subsidies; to general acceptance of the rule that international business should be conducted on a business basis and not as a phase of political action."

This is, in short, a plan to promote trade, not merely between Britain and the United States, but between Britain, the United States, and all other countries which wish to sign what might be called a declaration of economic peace. Competition will continue, just as it does among the States and regions of the United States, but if the plan works as it should the dice will not be loaded in the foreign offices. What the United States ought to gain by this investment is more business, more jobs, and more goods.

These are the tangibles. There is also the powerful and precious intangible of better human relationships. This is not merely a matter, as former President Coolidge is supposed to have said, of Britain "hiring" money. It is an attempt to promote the good will that arises when all nations are prosperous. The 75 Representatives who have announced their intention to make tomorrow a field day for old-age pensions and veterans' aid might achieve their purpose by voting for this loan. The benefits at which it aims are for veterans and the elderly, too. This bread upon the waters will come back to us.

TESTIMONY OF CREN BOOT, JR., FOR THE AMERICAN VETERANS COMMITTEE BEFORE SENATE BANKING AND CURRENCY COMMITTEE ON LOAN TO BRITAIN, MARCH 18, 1946

Mr. Chairman, the governing board of the American Veterans Committee is in accord with the financial agreement between the United States and Great Britain which is being considered by your committee and has voted its support of the joint resolution which has been introduced to give effect to such agreement.

Perhaps some members of this committee are wondering why a veterans' organization is concerned with financial and commercial agreements between the United States and Great Britain. The reason is this: The members of AVC consider themselves citizens first and veterans second. We know that our welfare as veterans is bound up in the welfare of the communities in which we live, of the country, and of the world. We know that any measure which contributes to prosperity in the United States and stability in the world contributes to the well-being of the veterans, and conversely that any action, or inaction, which retards such prosperity and such stability is contrary to our interests.

That is why AVC is in accord with the financial and commercial agreements. We are for them because we are satisfied that they are reasonably calculated to promote prosperity in the United States and stability in the world.

Now, after several weeks of hearings before this committee, it would be presumptuous of me to elaborate on the specific provisions of the agreements. Our reasons for supporting them are substantially the same as those of other witnesses who have appeared before you. We believe in widening the free economic area of the world We want Great Britain to remove the discriminations which now operate against American trade in the sterling area. We want Great Britain's participation in the Bretton Woods institutions We want to see lend-lease and United States surplus property in Great Britain become closed issues. We believe in the proposals for the expansion of world trade and employment, and we want Great Britain's active support to bring them into operation To achieve all this, we are willing to advance, and we favor advancing, the proposed $3,750,000,000 line of credit.

Two of the principal objections to advancing the proposed credit appear to be (1) the additional strain which will now be put upon our present unbalanced and inflationary fiscal position, and (2) the risk that loans made will not be repaid, with consequent unpleasant international implications.

I believe in balanced budgets I do not believe in any theory which contemplates an indefinite continuation of deficit spending I believe that this Government should reduce its expenditures and balance its Budget at the earliest possible date I recognize the danger of viewing each new proposed expenditure as an exceptional emergency. Some time, some day, these emergency deficits must come to an end I am aware of the extent to which the proposed credit will contribute to existing inflationary pressures Yet, in spite of all that, I believe we must approve it. Its whole purpose is too intimately connected with the purposes of the war itself for us to be able to refuse it. If we now allow Great Britain to fail economically or, in order to avoid failure, to follow the pattern on which Germany operated in the 1920's and 1930's—that is, bilateralism, trade quotas, exchange controls and managed currency—then the war will in large measure have been fought in vain. The total burden of the proposed credit is less than 15 days of war. Surely we can take that risk to secure so vast a part of the objectives for which so many sacrificed so much.

The other objection, that loans made may not be prepaid, is one which I believe should not be considered. If the loans are not repaid it will be because Great Britain cannot afford to repay them; it will be because she

has been unable to get on her economic feet through the methods set forth in the agreements; in the last analysis, it will be because the world, including and meaning principally the United States, has not maintained a sufficiently high level of prosperity to enable multilateral international trade to survive. If all this comes about, the complications attendant upon Great Britain's failure to pay will be a drop in the bucket of our woes. Let us not, therefore, predicate our action upon any such gloomy suppositions. These matters are largely in our own hands. It is estimated that two-thirds to three-quarters of all world trade will be done in dollars and pounds sterling We have got to make the free system work, and these agreements are the first step

Finally, I want to say that to us in the American Veterans Committee these agreements, and the favor with which they are generally viewed in the country and in the Congress, are one of the great signs of hope in the world today Last week in Fulton, Winston Churchill compared the aftermath of World War II unfavorably with the aftermath of World War I He thinks the situation is worse now than it was then. I do not agree with him Not only do we know more now about methods of international cooperation but we care more Today the overwhelming majority of mankind ardently desires stability and peace and is prepared to go further than ever before in bringing them about These financial and commercial agreements are important milestones on that road—milestones which never until now were even within our vision On behalf of the American Veterans Committee, I beg you gentlemen to do whatever is necessary to make these agreements effective.

AMERICAN JEWISH CONGRESS,
New York, N. Y., June 17, 1946

DR REINHOLD NIEBUHR,
New York, N. Y

DEAR NIEBUHR Your telegram came while I was out of town. I have just seen it I enclose a copy of an editorial which I wrote for the Passover issue of Opinion, urging that there be a British loan. Do you think anything more is necessary than the reprinting thereof? I am willing to do anything else that can be done.

Yours,

WISE

[From Opinion of April 1946]

LOAN TO BRITAIN?

We again fail to know that we are about to deliver ourselves of a judgment which will be most unpopular and unacceptable to many of our readers; but something of the first importance is at stake, and this is a journal of Opinion, intelligent and unafraid

The question has been raised whether Jews should not oppose the granting of a loan running into some billions on the part of our country, to the British Government. That the proverbial anti-Britishers will avail themselves of this opportunity to disclose their never-failing enmity to everything British, is sure. The America Firsters will of course indulge in a perfect orgy of anti-British phobia

But, before we face another problem. Shall American Jews oppose the loan, in view of the British Government's undebatable unfairness to Palistine and the Jewish people. Why should not American Jewry oppose the loan and by its opposition move England to understand that we are not as impotent in the United States as the Colonial Office would have us be in Pallstine. The answer is—"we are American Jews." We are not only Jews, but we are Americans. The real problem is—will this loan be good for the American and the British peoples? If it be good for our country, and if it is to be helpful to Britain, have we the right as Americans to permit our dissatisfaction with the British Government's handling of the Palestine question, to move us to pursue a vindictive course against Great Britain? We must have in mind that failure to ratify the loan may be as hurtful to our own country as it would be to Britain.

If Philip Murray, one of the truly great and wise American labor leaders, holds that the loan would advantage our country, shall we American Jews use the loan or its denial as a stick with which to strike the British Government, the British people, and our own country no less? After the most profound and searching consideration of the problem, Opinion is moved to register the judgment that in a matter which has no direct relation to Palestine and its problems, we have no right to permit our feelings with regard to the British Government's grievous injustice concerning Palestine, to move us to do wrong to the British Commonwealth, and it may be to our country.

It is not difficult to see the other side of the problem It is easy enough to recognize the sometimes heart-breaking provocations under which Jews have rested in relation to the Colonial Office and, indeed, the British Government. One must, however, finally add that a great wrong will not condone another wrong Wrong is wrong, and if the general denial of the loan to Britain is wrong to the British people and to our own country, we as loyal American Jews have no right to insist upon that which, apart from being gravely misunderstood throughout the world, will misrepresent Jews as if we were primarily and eternally an unforgiving and revengeful people. We are not that nor do we wish to seem that.

The CHAIRMAN The time of the gentleman from Kentucky has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 30 minutes to the gentlewoman from Illinois [Miss SUMNER].

SUBSIDIES TO THE BRITISH

Miss SUMNER of Illinois. Mr. Chairman, since antiquity it has been the favorite racket of unscrupulous rulers to increase their fortunes by manufacturing additional money for themselves to spend. The people, not realizing this is a way of robbing and enslaving them, since it secretly levies upon them and prevents their getting as much food and clothing, and so forth, as they would otherwise get for their efforts, go on loving their rulers at least until the rulers get too obviously greedy.

For 30 years the American people have not had a real taste of freedom because the United States Government has been practicing this age-old racket of manufacturing extra money for the politicians in power to spend. For 30 years our Government has even been letting foreign governments in on the racket, by regularly subsidizing them through gift loans. These subsidies to foreign governments have already caused two inflations, two depressions, and two world wars within 30 years. Now Russia, having been given a set of plates by the United States Government, is permitted to manufacture for herself all the American dollars she wants to spend. Last year there was passed by a puzzled Congress the Bretton Woods bill setting up what amounts to an international money factory with power enough to provide England, Russia, and other governments virtually unlimited dollars to spend. But when it came to swallowing this British loan give-away which, as anybody can see, is simply a whitewashed proposal to force the American people to pay tribute to the British King, the spirit of 1776 rose from its grave. If you should vote for this you would probably live to hear the very school children call you Benedict Arnold.

The same American Government officials who conspired with British officials to impose this $4,400,000,000 tribute signed away $25,000,000,000 in lend-lease goods. But all that was trifling compared to the outrageous trade deal they made. That deal proposes to surrender to an international trade organization to be dominated by foreign governments complete and Hitlerish control over American business. The board would have power to prevent American production through quotas and divestitutes, or confiscatory price ceilings. Keen-eyed business research experts have detected that this Hitlerish world-trade deal could and probably would be put over by our own American Government officials under existing laws using dictatorial powers already granted by Congress

Already there are complaints that the American Government is using its powers to give the British the coveted American market, richest in the world which, before the war, did 60 percent of the world's business. Meat industries and textile industries complain that they are being forced out of business by confiscatory price ceilings and regulations so that British competitors may dump their products here. Operators in the new synthetic rubber industry had assured us that in the future it could use up surplus American agricultural products in the manufacture of rubber and oil, thereby creating permanent agricultural prosperity. But now this promising new American industry complains that our own American Government has discouraged it from operating while encouraging British rubber to come in and usurp the American market, at first at attractive low prices but, now that American competition is being eliminated, at jacked up monopoly prices.

Pushing the preoccupied American people into a new world superstate of stagnation seems to be easy, like pushing a lawn mower. Or did until the memorable Saturday a week ago when the jailkeeper dropped the key—OPA—and liberty-loving Americans picked it up and ran away with it. Paradise is not regained yet. Many Americans do not realize even yet that they have lost the paradise they enjoyed under traditional American form of government, but at least they can see that where they are being led is the opposite of paradise.

Since antiquity, unscrupulous rulers seeking to rob and enslave the people through currency manipulations, were able to turn the trick by making the relatively simple subject of money sound so complex and mysterious that no ordinary person could hope to understand it. Bearing that in mind, listen to the official explanation of this British loan give-away:

It will bring prosperity through multilateral trade. It will end economic warfare. The British will abandon their Empire

preferences, bilateral agreements, dollar pools, discriminatory import quotas, blocked balances, inconvertible sterling and foreign exchange controls. Trade equilibrium will be restored unless there should be a fundamental disequilibrium.

But you know their claptrap, or should, you have heard it often enough. These same concessions are what you thought you were buying when you passed the Bretton Woods agreements, the master lend-lease agreements and the reciprocal trade agreements. You never stop paying alimony to the British.

New Dealers chorus in unison, "But the British do not want to resort to these totalitarian trade practices. It is only that they feel forced to. By giving the British dollars we create trade, thereby enabling them to go our way, the American way." Hitler used the same excuse—that he felt forced to—for resorting to the same vicious trade practices.

Government dignitaries drone the same arguments over and over again no matter how often they are proved untrue. Day in and day out this propaganda is planted upon your desks and upon the desks of bewildered editors throughout the country. It issues from the mouths of screeching radio commentators, of union leaders, business, educational, female, religious, and screen leaders. You may think that it was either Hitler or Stalin who invented this propaganda technique. But it must have been known to the British for centuries because John Milton attributed it to Satan, the arch fiend:

To be a lyer in four hundred mouths;
For lying is thy sustenance, thy food.
Yet though pretendst to truth; * * *
All oracles by thee are given, and what confest more true among the nations?
And that hath been thy craft
By mixing somewhat true to vent more lyes.

"Dollar pools," "Blocked sterling," "Inconvertible sterling." These fiscal-sounding phrases dribble like gold nuggets from the mouths of politicians grown pompous in Government departments and Congress. They may sound convincing over a glass of port poured by a haughty British flunkey at a cozy little get-together of Representatives and Senators at Lord somebody or other's—like the one on Kalorama Circle not long ago—into which a patriotic Illinois Congressman accidently stumbled.

But wait until the homefolks with the pitchforks find out that all these billion-dollar catchwords really signify is that the British "welch" on their debts. To the tune of $14,000,000,000—blocked sterling—in debts owed to India, Egypt, and so forth, much of it incurred before the war. And that anything you sell them does not get paid for. And that you, a representative in the United States Congress, might be snubbed by Washington society if you were sensible and American enough to suggest that before asking the American people to sacrifice more for them, the British had better try auctioning off some of their priceless Government-owned jewels, paintings, statutary, libraries, securities, real estate and so forth which makes them a rich nation even though they do not have quite all the American dollars they crave. Who does?

Will the average American swallow the theory that if the British do not pay for what they buy, Americans must? Remember, while you were junketing in Europe learning to "debunk" Bunker Hill, American youngsters in your district were learning not to team up with slippery partners from the experiences of Skeezix and Wilmer in the comic strips.

No British authority even pretends that the British are going to give up their Empire-preference policy. As for dollar pools, the reason that wartime arrangement is not going to last much longer is because the other governments which have been letting the British keep all their dollars are not going to stand for it much longer. Lord Keynes said so.

There are no real strings attached to this donation. All the British need to do to get out of the alleged promise to pay dollars—convert sterling—is simply say they are going to stop paying dollars, and, of course, they will stop paying dollars as soon as they have run through the money. The agreement expressly reserves the right the British reserved in the Bretton Woods agreement to "ration dollars" any time dollars become a "scarce currency" and abroad dollars are always a scarce currency. Or they can excuse payment on the ground it is a war expenditure. Or they can simply ask the United States Government officials for a waiver of the promise. This bill is the officials' authority to waive.

Jesse Jones, who has more loan experience than anybody in the world, calls this "loan" absurd. Says he, if it were a loan, why would the British object to furnishing collateral, they have plenty. He comes right out and warns you that this money fixes it so that the British can and will buy their cotton in India or Egypt or Brazil, because cotton is cheaper there.

The agreement says that the British are not expected to pay principal or interest for the first 6 years. After 1951 they have 50 years in which to pay principal in equal installments plus interest at 2 percent. But anytime they want to get out of paying all they have to do is ask the United States Government for a waiver—the waiver this bill authorizes in advance. Or if they prefer not to bother, all the British have to say is that they feel that it is "unnecessary" to pay on account of "present or prospective" conditions of foreign exchange or gold reserves. Anytime they decide not to pay an installment of interest or principal, it is forgiven and forgotten. They would be quite within their legal rights never to repay a single cent. But the United States Government, of course, will go right on paying interest on this money it has given the British. As Lord Keynes told Parliament: "If the American officials want to make it sound like a better business proposition than it really is, who are we to object?"

If you have been caught in the trappings of empire, remember that a duke outranks a lord. The Duke of Bedford opposes this program. He told Parliament:

We are proposing to hand over the control of our economic life in a very large measure to a gang of representatives of Wall Street finance who are responsible to no one and are above every government.

He called it:

The most impudent attempt history has ever known to establish an economic and financial dictatorship.

Why do you suppose the Wall Street banks are lobbying night and day for this bill? The big banks are stuffed with synthetically created dollars. Enough good loans are hard to find. If it were a good business proposition, they would be trying just as hard to prevent the Government taking it. The reason why a loan to Britain is no longer safe is no secret. Foremost banking experts have written that since the last war the British have been merely cashing in on their respectable reputation for credit worthiness, though they have abandoned the honest policies which earned the good reputation. Now they are going from one financial scrape to another, following the erratic policies of Lord Keynes, evil genius of British finance.

Though social climbers seem to be struck blind by his shiny new title, the late John Maynard Keynes was originally a professor at the socialistic London school of economics. His speeches, like his classic book etching Woodrow Wilson in acid, though subtle as a serpent, are lucid. But his books on monetary economics are hoodwinkers. They are so garbled up with pollysyllabic words, befuddling algebraic equations and economic mesmerism that they bewitch intellectual snobs and infuriate orthodox financial experts who call them "financial black magic." Some of you noticed the infatuated expression on the face of the New Deal professor from the treasury—the one with the little moustache, as he rocked back and forth on his heels, thumbs waggling in the armholes of his vest, trying to explain the Bretton Woods fiscal folly which he said "we experts"—Lord Keynes and he—had concocted together.

Before Keynes, British financial policies were straightforward and traditional, handed down from father to son like an infallible grandfather clock. But after World War I in which the British lost a generation of fittest and finest British manhood, the grandsons took over and soon Keynes had become the pied-piper of British finance. Soon after World War I American bankers were shocked to discover that the British had been using money lent them for stabilization purposes in ruinous speculation on the French franc.

After bankers stopped lending them money, the British kept right on borrowing from gullible American investors. They also secured money from the United States by exacting as reparations the money the United States had lent Germany for rehabilitation. It was loans to Britain and other foreign governments which caused the boom which precipitated the 1921 crash. It was loans to Britain and other foreign governments—thanks to Federal Reserve bank manipulation for the purpose—which caused the boom ending in the 1921 crash. And now since the United States Government is making virtually

unlimited loans to foreign governments—though foreign governments already have around forty billion ready to spend here—what else could you expect but a boom ending in the crash of the century.

Keynes became the guiding spirit, the financial Wizard of Oz of the New Deal. His "deficit spending" idea provided the American Government with billions of dollars to spend. To this day nobody seems to know how much the British Government obtained in subsidies from the United States. The six billions of unrepaid debts still on the book do not tell the tale. That sum does not include the unrepaid loans to private investors, nor the subsidies obtained through the gold-buying program which incidentally made Russia rich overnight. The Keynes Bretton Woods scheme providing Britain and other foreign governments access to virtually unlimited dollars was best exposed by Benjamin Anderson and Gertrude Coogan, both of whom testified in the Senate hearings. Miss Coogan's testimony in the hearings on the British gift-loan bill so clearly explains the suicidal money policy of the United States that it should be read by every American citizen.

What is so wonderful about the British Empire that you would scuttle the one truly magnificent and successful people's government to subsidise it? The British Empire system was not good enough for our ancestors. They left it in disgust. England lacks raw materials, except coal, which nowadays lags in competition with oil and steam. The "tight little island" to which an empire pays tribute must have raw materials shipped to it from thousands of miles away. After processing, these goods are shipped thousands of miles to consumers. Food also must be shipped in. The cost of any product bought or sold in England therefore must include exorbitant costs for shipping, railroad, insurance, and banking services. This means that no one person along the line gets much for his effort It means that everybody along the line is exploited, but particularly the wage earners producing the materials, who are apt to be kept down to an almost slave level. Nobody encourages British subjects to leave the islands the way your ancestors did. That would end the exploitation. No; that might develop the colonies to the point that they, like the American Colonies, would insist upon independence.

At best the British Empire system is so awkward that it was only able to thrive during the nineteenth century because it was buttressed by a ruthless British policy of preventing foreign competition. Foreign competition was tied down and eliminated by British control of strategic areas and also by control of world shipping, world banking, world news systems, and world communications. Some American businessmen have been heard to complain that the British read their cables.

During the nineteenth century now sought to be reconstituted the British thrived in splendid isolation but only because the Empire was buttressed by the divide-and-rule policy which suppressed foreign trade competition. The divide-and-rule policy stirred up wars in Europe. It stirred up war on the American continent between the North and South in the United States. As Abraham Lincoln said:

> The reason the sun never sets upon the British Empire is because the good Lord knows better than to trust the British in the dark.

It was the British effort to repress German trade competition in the precious Mediterranean area, junction of three continents, which precipitated World War I which the British could not have won without the United States.

During the past 30 years the American people have continually subsidized the British. But the experience only goes to prove that keeping the British in the WPA is no way to help the British. It weakens the British. It weakens the United States without which the British under their anachronistic empire system could not win a difficult war. And now that the British Empire system is being made still weaker through communization of private enterprise, subsidizing the British is like pouring money down a rat hole—worse.

It is unfair and treasonable to the American people to force them to pay tribute to the British Government. But it is also unfair to the English people, who are thereby lulled into thinking their system is better than it is. Reliance on the United States encouraged the reckless building up of Hitler by the British Government. Reliance on the United States is what encourages the reckless building up of Stalin.

What a farce, when Churchill, the grandiloquent, who boasted that he did not become the king's first minister to liquidate the British Empire, oratorically carved off upper Europe as if it were the head of John the Baptist and handed it to Stalin, while those of us who warned that the policy would imperil the British Empire and cause war were sneered down by the very same foreign policy experts and anglomaniacs who advocate this gift-loan subsidy which will be used to weaken the British people still more—as well as the United States. These devil's advocates are Stalin's little helpers. Stalin knows it, even if they do not. Every Communist is following the Communist Party line of pushing for the loan while loudly cursing Anglo-American imperialism.

If the British really want to stop Stalin, why encourage the policy of financing Stalin? The reason they encourage the policy of financing Stalin, apparently, is because Russian expansion is the principal excuse for obtaining from Congress more subsidies to the British Government and more trade concessions to the British. During these very negotiations the American Government through UNRRA gave Russia $250,000,000. A few days ago the House voted half a billion to UNRRA, most of which will go directly or indirectly to Stalin. Only last week the American Government gave a gift loan of $50,000,000 to Poland which is the same as giving it to Stalin. The public wrestling with Stalin is a fixed wrestling match. It only fools people who want to be fooled.

Jesse Jones, who during his time in Washington lent some semblance of sanity to the mad hatter's tea party, called this eternal printing of dollars to scatter to the four winds "the road to ruin." It has already buried us up to our neck in ruins. Now, there is only one sure way for Americans to go—it is the constitutional route, as interpreted by Washington and Jefferson, who wrote the Constitution, abandoned 30 years ago. Why did we ever let serpents in human form beguile us away from it?

> This having learned, thou hast attained the summe
> Of Wisdom, hope no higher, though all the Starrs,
> Thou knowest by name, and all th' ethereal Powers,
> All secrets of the deep, all nature's works,
> And all the riches of this world enjoydst,
> And all the rule, one empire, onely add
> Deeds to thy knowledge unanswerable, add faith,
> Add virtue, patience, temperance, add love,
> By name to come call'd charitie, the soul
> Of all the rest: then wilt thou not be loath
> To leave this paradise, but shall possess
> A paradise within thee, happier far.

Mr. REED of New York. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from New York.

Mr. REED of New York. We heard all about removing these trade barriers when they were seeking to lower the tariff under the Trade Agreements Act, and instead of lowering them they have built up more trade barriers ever since.

Miss SUMNER of Illinois. Of course.

Mr. LANDIS. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Indiana.

Mr. LANDIS. I was going to ask, How much does foreign trade mean if you have to give them the money to buy the goods? Would it not be better, if we have that money to give away, to give it away to the people of the United States, either in wages or lower prices or old-age pensions? Would that not be better? In that way we would keep the money and the goods here in the United States.

Miss SUMNER of Illinois. Trade is exchanging goods for goods. When you exchange money for goods it is a sale and not foreign trade.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

AGREEMENT IN INTEREST OF UNITED STATES

Mr. PATMAN. Mr. Chairman, the way I view this Anglo-American agreement is not like the critics are viewing it. If I am compelled to say that I am going to do something for the British that is against the interests of the veterans of the United States I am going to be for the veterans. If I am compelled to say that this agreement, the ratification of which would be against the interests of our country or the aged people, I would say I would be against the financial agreement.

The only reason in the world that I will support this agreement is because I believe it is in the interest of the American people, that we are getting as much out of it as I think we are getting, or I would not support it. I want to give

the reasons why I believe that. If I thought this were against the veterans of the recent war I would be against it. If I thought it were against the aged people of this country I would be against it. But I am for it because I think it is in their interest and I think it is in the interest of the entire country.

As the distinguished chairman of the Committee on Banking and Currency, the Honorable BRENT SPENCE, explained, the people who negotiated this agreement were people that you would never think would sell America short or would sell America down the river. They are the best and highest type of people in the United States, people for whom Members of Congress have great respect and in whom the Congress has great confidence. I personally believe that they negotiated and finally executed the best agreement it was possible for them to obtain in the interest of the United States of America.

This is not a commercial loan. This is not the case of Great Britain signing a promissory note to the United States promising to pay a certain amount at a certain time. If it were in that situation I would probably be against it. I would not want to just make a straight loan to Great Britain. There is no reason for that. It must serve a good purpose or we would all be against it.

What are these purposes? First, what does the agreement contain? Here is what Great Britain will get out of this agreement: Great Britain will get $3,750,000,000, not in money but in credit and it will be over a period of years before this money will be placed to the credit of and for the disposal of Great Britain. That is No. 1 as to what Great Britain will get. All right.

What will we get in return? We will get an agreement from Great Britain that the sterling bloc, which is very injurious to world trade and especially to the export trade of the United States, will be dissolved. It will open up world trade. We will further get an understanding and agreement from Great Britain, which must be carried out as this money in the form of credit is advanced, that bilateral trade between Great Britain and other countries, including her own possessions, will not be permitted in the future, thereby opening up world trade still more.

Let me tell you the importance of that. Suppose that Great Britain should engage in bilateral agreements like Germany did preceding this war, and she will be compelled to if this agreement is not carried out. Great Britain in self-defense will be compelled to carry on bilateral trading with the countries of the world. We might just as well put that down as No. 1.

What is bilateral trade? Hitler engaged in bilateral trading. His money was worth a certain amount if it purchased certain things in Germany. He made a deal with the Argentine. He made a deal with Brazil, he made a deal with Mexico, with Central America, and other countries of the world whereby Germany would deal with that country provided that country dealt only with Germany on certain things. So, that freezes world trade. It retards, stops, and prevents the free flow of international commerce. That is one of the things that led to this war. It provoked many countries and crushed them and left them not in a position to protect their own interests to the extent that it was one of the things that led us into this war.

We do not want those things to happen any more. So, England agrees to give up bilateral trade. England agrees to dissolve the sterling bloc. We agree, as a part of the financial agreement, to let her have $3,750,000,000, and I want to say to you now that if we were to give $3,750,000,000 for those great privileges that we are getting, we would still make money.

VETERANS BENEFITED

Now, about the aid to the veterans. Where do they enter into this? Are they not interested in world trade? Can the aged people of our country continue to get old-age assistance and can the people who are receiving social-security benefits continue to receive those benefits if we do not successfully operate our country and our Government? Is not world trade a vital part of our successful operation of this country and our Government? Why, certainly, it is. So, world trade means business for the United States. It means that wheat will be sold when we have a surplus of wheat and tobacco and cotton and raw products and manufactured products. We will sell them to all countries of the world because we will have no more restrictions like we had preceding this war and which were one of the causes that led to this war. Therefore, it will help the aged people and those receiving security benefits because it will give them greater security. Their country will be in a better position to carry out the contract that our country has with these people who are receiving these benefits.

Now, as to the veterans. Are they not interested in this? There were 15,200,000 men and women in the uniform of our country during World War II. Now, where do they come in? Should we say that by letting Britain have this credit of $3,750,000,000 that this is against their interest? No. That is for their interest. They have greater security and better security so that our country can carry out our contract with them only if we can successfully carry on world trade with the other nations of the world. Therefore it gives our veterans security.

Furthermore, what did some of our veterans fight and die for and what were these veterans fighting for who came back? They want a lasting peace. This is in the direction of a permanent and lasting peace. If we deny to them the adoption of this agreement we will be denying to them the long step in the direction of a lasting peace goal for which they fought in World War II.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Will the gentleman point out the language in the agreement which provides for the abolishment of bilateral agreements?

Mr. PATMAN. I would not like to get into a discussion of that right now, may I say to the gentleman. I will put it in the RECORD. The gentleman, of course, knows that we sat through this thing about a month and the gentleman was on the committee, and I was, too, and I believe that he understands the situation. I believe I understand it, too, and for his information, if it would be of any help, I will put not only the agreement in but I will pick out the points and references, too, and I will also insert the resolution.

The reason I want to insert the resolution is that Bretton Woods passed this House by a tremendous majority, with only 18 votes against it. I make this statement, that I do not believe anyone can consistently vote against this financial agreement with Great Britain who voted for Bretton Woods. I want to repeat that. Nobody can consistently, according to my views—now, I am not criticizing any Member of Congress. That is your prerogative. You do what you want to and I will do what I want to. It is not my province to criticize any person. However, I am just asserting as my view that no one can be consistent as a Member of Congress who voted for Bretton Woods and who votes against this financial agreement, because it is a part of a program in the direction of opening up world trade and in the direction of permanent and lasting peace. They are a part of the same program. If you are for Bretton Woods you are for the financial agreement.

Mr. SMITH of Ohio. The only reason I asked the question is that the gentleman made the categorical statement that this agreement provides for the abolishment of bilateral trade agreements.

Mr. PATMAN. If I said "provides for it," I meant that it will cause the abolishment of bilateral trade agreements. I believe the gentleman will admit that Secretary Vinson testified to that and Mr. Clayton testified to that, and other witnesses made the same statement I made. The result of the adoption of this agreement will be to stop bilateral trade agreements. Does not the gentleman admit that they said that?

Mr. SMITH of Ohio. Yes; but they also said this.

Mr. PATMAN. That will be the result. I am quoting them, and I believe they know what they are talking about.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. The gentleman said that in order to be consistent one who voted for Bretton Woods should vote for this proposed loan.

Mr. PATMAN. Yes.

Mr. COLE of Missouri. May I say to the gentleman that I voted for Bretton Woods. I voted for Bretton Woods because the gentleman and others debating Bretton Woods assured us that if the Bretton Woods agreement was adopted there would never be any necessity for making any loan to any country that

was a party to that Bretton Woods agreement.

Mr. PATMAN. I think the gentleman is mistaken except as to the loans made by the international bank. I hope the gentleman does not get too confused.

Mr. COLE of Missouri. Did not the gentleman say that?

Mr. PATMAN. No; I did not say it would not bring about these agreements, because they were being negotiated at the very time the bill passed the House. Such a statement as that would have been immediately challenged, and successfully challenged.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman has been very consistent in opposition to printing press money issued by the private banking interests of this country. In proposing to make this $3,750,000,000 loan, to implement that loan it will be necessary to print that equivalent in money to buy the materials that the British propose to buy.

Mr. PATMAN. What would be the occasion for that? We are not sending them money, we are giving them credit.

Mr. WHITE. I think the gentleman will admit we are extending them a $3,750,000,000 credit.

Mr. PATMAN. That is right. It will be a bookkeeping transaction.

Mr. WHITE. Most of it is supposed to be expended for purchases in this country. To implement these purchases there must be $3,750,000,000 of printing press money issued.

Mr. PATMAN. No, I do not agree with the gentleman on that.

Mr. WHITE. Is it not a fact they are really making a draft on the product of the muscles and brawn of the people of this country working in our factories, and that will really work out as inflation and be an incentive to strikes and demands for higher wages in the factories that are going to produce the goods?

Mr. PATMAN. I am sorry, but I will have to tell the gentleman, to be honest, I think he is 100-percent wrong.

Mr. WHITE. The gentleman does not agree to that formula?

Mr. PATMAN. I think the gentleman is wrong.

Mr. WHITE. It is just the reverse?

Mr. PATMAN. Yes.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arkansas.

Mr. HAYS. I should like to revert to what the gentleman had to say about the influence of this loan agreement upon the welfare of the veterans. I am sure that whatever the gentleman has to say on that subject is heard with great attention by the Members of the House, because the veterans have no better friend than the gentleman from Texas.

He has been alert to their needs and a vigorous proponent of theirs at all times. Recently I observed the figures with reference to the royalty incomes for American producers of moving pictures from English sources. There is an annual income of $85,000,000, which is $10,000,000 more each year than the interest upon the proposed loan. The veterans employed in the moving-picture industry have a great stake in foreign trade in this one industry. That is correct, is it not?

Mr. PATMAN. Yes.

Mr. HAYS. The farmers in my section who depend upon cotton as well as the farmers from the gentleman's section are not benefited if the markets for the movement of cotton dries up and our trade relations are destroyed. It seems to me, therefore, that it is a false issue considering the realities of the trade situation to suggest that veterans are affected except favorably by efforts to provide better markets for agricultural products and added employment in the factories of our industrial sections of the country.

Mr. PATMAN. The veterans are interested in this for two reasons. No. 1 is that it is part of a planned program in the direction of permanent and lasting peace. That is No. 1 that they want. A vote for this bill is a vote for the program that provides permanent and lasting peace eventually, we hope. No. 2 is that the veterans are interested in world trade just as all other people in the United States are. They will be benefited by world trade.

If this financial agreement is not ratified, world trade will be frozen and the veterans will be harmed just as the rest of us will be. Remember that this credit or this money, if you want to call it that, cannot be used by Great Britain to buy any industries. Great Britain is accused of going toward socialism and I think the accusation is pretty well founded. But she could not use this money to buy up any industry. In fact, she would not need it because she could use pounds sterling. In any event, she could not use it. Great Britain cannot use this money or credit to pay off her debts to any of her possessions or any other country on earth. This money will be used in the United States of America only. As Judge Smith said this morning, it must come right back to our shores. It benefits us. If this agreement is not ratified, when the English possessions want to buy something in the United States or when the people of Great Britain want to buy something in the United States, they will probably be unable to buy it because they cannot get dollars to buy the things that we have to sell. We will not sell our tobacco, our cotton, and our automobiles and trucks and machinery and equipment and supplies for anything except dollars. We will not take pounds sterling. We will not take anything but dollars. If this financial agreement is not ratified and agreed to, they will be unable to get dollars. Therefore, they will be unable to trade with the United States of America. Is that not worth something to us? Why, of course it is. How much is the cost of this—$3,750,000,000—the cost of 2 week's war. That is what it amounts to. Suppose we lost some money? We do not anticipate losing the money. Mr. Vinson said he believed it would be paid because England will be in a good position to pay it. He believes it will be paid. But if we were to lose it all, which would amount to the cost of 2 weeks of war, do you not think we owe that much to the veterans who fought this war so that we should vote for a bill which would make permanent and lasting peace more probable at a cost of 2 weeks of war?

Why, certainly. It would be worthwhile if that money or credit should be lost.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MONRONEY. I heartily agree with the gentleman from Texas on what this means to the veterans and the people on social security. I would like to call attention to the testimony of Secretary Vinson and what happened when our foreign trade in 1928, which was thirty-two and one-half billion, fell to eighteen and one-half billion. He said:

> This decline in our exports contributed to the severe depression in industry and the collapse in agriculture.

He points out that the price of cotton, which was 19.7 cents a pound in 1928, fell to 7.32 cents a pound in 1932. Lard fell from 13.2 cents a pound to 6.25 cents a pound. Tobacco fell from 20 cents a pound to 10.7 cents a pound. Wheat fell from $1.17 to 53 cents.

There is graphic proof that a prosperous condition of this country cannot exist when our export business is nil.

Mr. PATMAN. Absolutely.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. PATMAN. Our country depends in part upon international trade, and we will get more out of this agreement than any country in the world, I believe. The reason England should be dealt with by ourselves is because England means so much in the international picture. Of the total world trade, 75 percent is done by Great Britain and the United States. So the agreements which Great Britain and the United States make will dictate the policies all over the world.

Now, what will be the result if we do not ratify this agreement, if we say we do not want to do business with England? Of course, I think the results will be disastrous. I think they will be devastating to the United States. I think it will be against our interest and against the interest of our people and against every group. I know I could go out in the district of most any Member of Congress and take the other side and put it on the theory that it is just a cold-blooded loan made to Great Britain; that Great Britain did not pay her debts after the last war; tell about what interest rates the veterans pay and how little Great Britain would pay, and get the people greatly excited. They would say, "No. That is against the United States." But when the people of this country understand it and when they understand the truth of it, they will realize it is in their interests, and they will be for it.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield for a question.

Mr. GAVIN. As evidence of good faith, why does not the British Empire balance their budget?

Mr. PATMAN. Balance whose budget?

Mr. GAVIN. Balance their own budget.

Mr. PATMAN. They could ask us why we do not balance our budget.

Mr. GAVIN. They are out of balance about $3,000,000,000.

Mr. PATMAN. Why do we not balance our Budget?

Mr. GAVIN. Why do they not stop deficit spending? If they will try to put their house in order, they might expect some help.

Why are we subsidizing them so that they can socialize and communize their own industries?

Mr. PATMAN. We are not doing anything like that.

Mr. GAVIN. Certainly we are. Their budget is three and one-half billions out of balance now.

Mr. PATMAN. That simply shows the gentleman does not have the proper understanding of the matter. He is smart enough. He has not studied it If he will study it and know what this is about, I venture the gentleman will be for it. But you can make an argument about subsidizing communism and socialism and inflame the minds of the people, but that is not the true situation. The gentleman is talking about something else. I think we have the finest government on earth, a representative democracy. I would not trade it for any form of government of any other country in the world or that any country has ever had. We have our Members elected by the people. There are 435 congressional districts. About 300,000 people in each district. The people go to the polls and elect their Member of the House every 2 years. I would not change that even if I had the power to do so. Some people say it should be 4 years and some say 6 years. With our present means of transportation and communication, 2 years is long enough. If the people want to change their form of government every 2 years, they should have the privilege of doing so. They can do that in the House of Representatives quicker than any other place.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. In just a moment.

Mr. GAVIN. Well, the gentleman said——

Mr. PATMAN. I do not yield now. I hope the gentleman will not insist. Under this Government of ours, when the people get together at the polls every 2 years and elect a Member of Congress, 9 times out of 10 or 99 out of a hundred they select a good person to represent them.

I am not speaking about myself now, I am excluding myself, but they elect a good person to represent them. The reason that they are in position to do that is because the one who offers himself as a candidate has got to go out and meet these 300,000 people. They have got to know something about what he stands for. They are going into his background of experience and his public life as well as his private life and everything else. They know all about that man. Usually he is not only in one primary, he is in two primaries and sometimes fights it out in a general election. So the people they send to Congress are usually able people. I was 4 years in the legislature of Texas. There were 150 members of the house that I served in there. I have been here for 18 years and I have served with several hundred Members, I guess, between a thousand and fifteen hundred

I have seen people who apparently did not take much interest in affairs and some would wonder why he came to Congress when something would come up in which he would demonstrate more ability and knowledge than any other person in the House. The people who come to Congress reflect the views and wishes of their people, and they should do that; it is their duty to do it in a representative government.

But sometimes a Member of Congress can be a watchman for the people and if the people are getting kind of off on a tangent by reason of misinformation and he understands the true situation that Member of Congress can give them the true facts, can go before his people. I venture to say that the gentleman from Pennsylvania——

Mr. GAVIN. Mr. Chairman, will the gentleman yield now?

Mr PATMAN. In just a moment

I venture to say that the gentleman from Pennsylvania could take the financial agreement that we are considering today and lay it before the people in his district of Pennsylvania, telling them all the facts about it, and I feel that they would wholeheartedly endorse and support his stand.

Mr. GAVIN. The people of my district recognize the fact that 2 and 2 make 4, not 9, 10, or 11.

Mr. PATMAN. Just what is the gentleman's question?

Mr. GAVIN. Just permit the observation: Whatever type of government the British Empire may have or desire is their business.

Mr. PATMAN. Sure it is; that is what I say.

Mr. GAVIN. That is none of our business.

Mr. PATMAN. That is right.

Mr GAVIN. But when they ask us to subsidize it, then it becomes our business because my people are paying the interest.

Mr. PATMAN. I hope the gentleman is not inferring that I would be for that. I am definitely against that.

Mr. GAVIN. Your people, too.

Mr. PATMAN. Oh, we are all against it.

Mr. GAVIN. The people all over America.

Mr. PATMAN. Yes.

Mr. GAVIN. This would be subsidizing them to my way of thinking.

Mr. PATMAN. We are not subsidizing anything.

Mr. GAVIN. Why sharpen the razor that may cut our own throats?

Mr. PATMAN. We are not in any degree subsidizing England. That shows that the gentleman is not familiar with the facts. If he will examine into it, if he will look into it with the correctness that the gentleman usually assumes here on the floor, if he will study it I will venture to say that he will be for this loan for it will help the manufacturers in Pennsylvania who sell their goods in foreign countries.

Mr. GAVIN. The gentleman is going to have a difficult time convincing them of it.

Mr. PATMAN. A vote against this is a vote against every manufacturer who exports goods from Pennsylvania.

Mr. GAVIN. All right; we are going to have a difficult enough time as it is competing for world trade and I feel that this loan will only involve us in additional difficulties about world trade.

Mr. PATMAN. If the gentleman wants to build up the manufacturers of Pennsylvania who export goods, he should vote for this.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITE. I want to cooperate with the gentleman 100 percent in maintaining the present good government of this country; but he stated that this was a good-will token, this loan to Britain.

Mr. PATMAN. I did not say that. You see, people are always putting words in the other fellow's mouth. I did not say that.

Mr. WHITE. The gentleman said it was more than a loan. What is it then?

Mr. PATMAN. What is what?

Mr. WHITE. If it is not a loan what is it?

Mr. PATMAN. I have explained all that. It is a financial agreement.

Mr. WHITE. It is an international agreement?

Mr. PATMAN. Yes; you see they are giving up certain things and we are giving up certain things. We are giving them certain advantages and they are giving up bilateral trade and the sterling bloc area. We should think of this thing as a credit. Each side is making concessions.

Mr. WHITE. They are going to make certain concessions to us for making the loan?

Mr. PATMAN. Yes.

Mr. WHITE. If we are going to make this loan to them to obtain this good will the gentleman has mentioned, I am wondering if $29,000,000,000 of lend-lease and the sacrifice of the flower of our manhood on the battlefields when England, Great Britain, and the British Empire have not secured good will, if this additional $3,000,000,000 is going to do that $29,000,000,000 did not?

Mr. PATMAN. The gentleman has asked a question. If he will just sit down, I will answer it.

I suggest in the first that I did not say it was for good will. I am glad, too, the gentleman mentioned lend-lease. Lend-lease paid dividends.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PATMAN. Mr. Chairman, we furnished lend-lease supplies to Russia, to England, to China, and to our allies. You know, the money we spent for lend-lease supplies paid enormous dividends. Every time we furnished food to Russia and a Russian took that food, went out

and killed a German, he helped to save the life of an American soldier. Every time we furnished food or supplies or equipment or armament to China and a Chinaman took what we had furnished him, went out and killed one of our enemies, he protected and saved the lives of American boys. I venture to say that by putting the guns in the hands of our allies, the Chinese, the English, the Russians and the others, although it cost us a lot of money, it did save the lives of between one million and two million American boys.

Mr. GAVIN. But the war is over.

Mr. PATMAN. Yes; it is over. But we have the big question of a lasting peace. What did these boys fight for? They did not fight to get into another war. They fought in the hope that the Congress would be big enough to outline a program in the direction that would probably cause a permanent and lasting peace. That is one of the things they fought for. This is a part of that program that the American soldiers fought for and if we vote against the financial agreement that we are discussing here today we are voting against one of the most important things that the American soldier was offering his life for

Mr. WHITE The only conclusion to be drawn then is that we did not sacrifice enough. We have not sacrificed enough and we have got to come in and sacrifice more

Mr. PATMAN No. This is not entirely for England. This is for the United States. If I did not think the United States got enough to justify it I would not be for it. It is not a subsidy of socialism or communism. That is just a red herring. We are talking about something else.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I am very much surprised at my very good friend and colleague from Pennsylvania, who is always a strong supporter of free enterprise claiming this money would be used for the socialization of industry. I am afraid he has not studied this subject, because unless we do grant this loan and financial agreement to Britain, then we will force them into the foreign-trade field and the socialization of foreign trade, which will make us have to meet a foreign-trade situation that is socialistic. Only by making this loan at the present time will we be able to keep the capitalistic system alive in foreign trade; is that not a fact?

Mr. PATMAN. You see, this is in the direction of helping the private enterprise system. If this were to help England in her fight against socialism, why, I think it would be well worth while. It certainly will help some. At the same time may I say that she does not need money to buy industry. She can buy industry over there with the pound sterling. The only time they need dollars is when they buy something from the United States, that is all. The gentleman's own State of Pennsylvania is one of the greatest manufacturing States of the 48 States, and I venture to say they have more to gain by the adoption of this agreement than the people of any State in the American Union, and they have also more to lose if this is refused or if it is defeated, than the manufacturers of any State in the Union. Knowing that so well, as I believe I do, I hope the gentleman will give the matter further study.

Mr. GAVIN. I will be glad to.

Mr. PATMAN. And not vote against the manufacturers of his great State that need this export business and will need it badly. They need the channels of commerce throughout the world opened.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. McDONOUGH. The sterling bloc is an economic asset to the British Empire, is it not?

Mr. PATMAN. Yes, as it is. It would have to be. They would have to use it that way

Mr. McDONOUGH. I would like to ask this question: The amount of the loan is $3,750,000,000?

Mr. PATMAN. That is right. It is not a loan. It is an advance in the form of credits in return for promises and obligations made by the British Empire. It it a mutual agreement.

Mr. McDONOUGH. Call it what you will.

Mr. PATMAN. It is a mutual agreement.

Mr. McDONOUGH That is, that much they will owe us after they take it from the United States

RESOLUTION BEING CONSIDERED

Mr. PATMAN. I am inserting herewith a copy of the resolution we are considering. It was reported out of the Committee on Banking and Currency by a vote of 20 to 5. The wording of the resolution indicates its importance to Bretton Woods agreements:

Senate Joint Resolution 138

Joint resolution to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes

Whereas in the Bretton Woods Agreements Act the Congress has declared it to be the policy of the United States "to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations"; and

Whereas in further implementation of the purpose of the Bretton Woods Agreements, the Governments of the United States and the United Kingdom have negotiated an agreement dated December 6, 1945, designed to expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress: Therefore be it

Resolved, etc., That the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems is hereby authorized to carry out the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President to the Congress on January 30, 1946

SEC 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

HON. FRED VINSON'S TESTIMONY

I am inserting herewith a copy of the testimony before our committee on this subject by Secretary of the Treasury Fred Vinson, now Chief Justice of the United States:

STATEMENT OF HON FRED M VINSON, SECRETARY OF THE TREASURY

Secretary VINSON. Mr. Chairman, gentlemen of the committee, thank you for everything. I am very glad to appear before this committee, and to explain what, in my judgment, the proposed financial agreement with the United Kingdom means to America and to the world.

With the end of the war we in the administration and you in Congress have a new responsibility to our people. The sacrifices they have borne will have been largely meaningless unless we do all in our power to achieve lasting peace and sound prosperity. This is the one reward of victory that our people and the people of all the United Nations ask—a world in which countries work and live together in peace and prosperity

As you are well aware, world peace and prosperity are interlinked. The world cannot have a stable, enduring peace while devastation and hunger stalk the earth. This country cannot prosper in a world torn by fear and strife. No country, no matter how big or strong, can remain either in political or economic isolation.

Maintaining peace requires constant vigilance by the people of all countries We know, at long last, that enduring peace does not follow automatically the victory of our armed forces. Our people have learned that peace as well as prosperity does not come to those who merely sit and wait.

We must work for peace as we worked to win the war We must all work, and work constantly, to settle the problems that might lead to conflict and war. That is the responsibility of the United Nations—and that means Russia and England, as well as the United States and the other countries. We must do this job.

We must have international cooperation on political problems That is most important, but it is not enough. The economic causes of conflict must be eliminated The everyday relations between the businessmen of all countries must be carried on in a fair and friendly way, conducive to good will and mutually beneficial trade

The financial agreement with England, which you are now considering, is above all for the purpose of establishing a sound and fair basis for world trade and in this way lessening the dangers of political and economic warfare.

This Government has advocated a program of international economic cooperation to restore world trade and to eliminate the

currency and trade discriminations that divide nations into conflicting economic blocs. No one country can by itself deal with international economic problems, because they are not national in character. They are the responsibility of all countries. We have proposed, therefore, that the United Nations provide the means for continuing cooperation through the International Bank, the International Fund, and through an international trade organization.

The success of this program will mean a good deal to the United States. Our economy has always been dependent on foreign trade. It will be more dependent on exports and imports in the years ahead We must buy abroad many of the raw materials for our industries and some important goods for our consumers We must sell abroad a large part of our production, as much as 8 or 10 percent, to keep our agriculture and industry running.

Let us not forget the lesson of the decade before the war when our agriculture and industry suffered severely from trade and currency restrictions. Because of these measures the exports of the United States were harder hit than those of any other country. Our share of world exports, which, in 1928, was 15 8 percent of the world total of 32.5 billion dollars, fell, in 1934, to 11 5 percent of the much smaller total of 18 5 billion dollars This decine in our exports contributed to the severe depression in industry and the collapse in agriculture

Our exports of wheat, cotton, tobacco, and lard were particularly hard hit. From 1925 to 1928 we sold abroad on the average more than $1,250,000,000 of these four crops annually From 1931 to 1934, our average sales were only $473,000,000 a year. The difficulty of finding markets abroad for our agricultural surplus was an important factor in the decline of nearly 60 percent in farm prices from 1928 to 1932 The depreciation in currencies was also an important element in this decline in farm prices. When the pound sterling, for example, depreciated from $4 86 to $3 20, it put pressure on the prices of all American farm products sold in world markets

I shall insert in the record a table showing what happened to the prices of four major farm products between 1928 and 1932.

(The table referred to is as follows.)

Table showing annual average prices in the United States of specified farm products in 1928 and 1932 [1]

Product	1928	1932
Cotton....per pound..	$0.197	$0.0737
Lard.....do....	.144	.0625
Tobacco.....do....	202	.107
Wheat. ..per bushel..	1 17	.53

[1] Based on statistics from Agricultural Statistics, 1937 and 1946; and Yearbook of Agriculture, 1932 and 1933

Secretary VINSON Our trade cannot reach the high levels necessary for American prosperity if the world again resorts to currency and trade restrictions Unless our exporters have access to world markets on fair and equal terms, we will not be able to maintain our production in those fields in which we have long specialized—growing cotton, tobacco, and wheat; making automobiles, machinery, and equipment. In short, we must have a high level of trade between our Nation and other nations to have full production, full employment, and a large national income in America. All sections of our country, all sectors of our economy are directly or indirectly dependent upon foreign trade.

International economic cooperation and the expansion of world trade are definitely in the interest of this country and all countries. When countries exchange their surplus products they all gain because it makes possible increased production of their specialized products. This means more production and a higher level of income in the country which sells, as well as more goods and a better standard of living in the country which buys.

This program for the general welfare can be put into effect if the United Nations, and particularly the United States and England, adopt the same fair currency and trade practices. Together these two countries do about one-third of the trade of the entire world. The countries closely linked in trade with England and the United States account for 75 percent of world trade If these two countries were to adopt the same fair currency and trade practices, the rest of the world would inevitably follow On the other hand, conflict between the United States and England on currency and trade policies would just as inevitably divide the world into economic blocs

Consider what would happen if England should have to maintain the present currency and trade restrictions American goods can be bought by foreign countries only with dollars The only way to buy American cotton and wheat, American automobiles and machinery is to pay in dollars. If, and only if, sterling is convertible into dollars, can the holders of sterling buy our products. As a matter of fact, many countries can get the dollars they need to buy goods in America only with the money England pays them for goods they sell to her. In brief, American export trade is directly dependent upon the convertibility of sterling into dollars

During the war, sterling became an inconvertible currency It could be used to make payments in the sterling area; but it could not be converted into dollars If this wartime restriction is continued, serious limitations would be placed on our exports. Countries like Canada, the British Dominions, and the agricultural countries of Europe, which customarily have a large favorable balance of payments with England, would be unable to use the sterling they receive for their exports to pay for their imports in dollars from the United States. Our trade with these countries would have to be restricted because they would not have the means to pay us.

If sterling cannot be converted into dollars, England and the sterling-area countries must concentrate on their trade with each other, not because their goods are better, but because of monetary impediments. It will mean that Egyptian and Indian cotton will replace American cotton, Rhodesian and near eastern tobacco will replace American tobacco; and British automobiles and machinery will replace American automobiles and machinery. In half the trading area of the world, American products would be at a serious disadvantage in competing with the products of the sterling-area countries. Our trade with Britain and the sterling area would become a mere trickle.

American exporters ask no special advantages in trading with foreign countries. They do ask that no discriminations be directed against them. Our producers are perfectly willing to sell their products in competition with the products of other countries, provided the buyer has a fair chance to select American goods on the basis of quality and price. But American producers will not have their fair chance to sell their products in the sterling area until the dollar pool is terminated.

The dollar pool is the wartime arrangement made by England to mobilize and conserve the dollar resources of all of the countries of the sterling area. Under this arrangement, a country of the sterling area that secures a surplus of dollars from exports to the United States transfers the dollars to England for a sterling deposit in London. The dollars are allocated for essential purchases requiring payment in dollars In practice, dollars are not allocated for buying American machinery or other American goods which can be bought in England or anywhere in the sterling area Some American exporters are, in effect, excluded from a large part of the world's markets. That is why we want the dollar pool brought to an end.

Another danger to American trade is the large amount of blocked sterling During the war, the countries of the sterling area accumulated large sterling balances held as deposits in London banks or invested in British treasury securities. These balances were acquired as a result of their wartime exports to England or military expenditures made by England in India and the Middle East which were paid in sterling. Because these sterling balances could not be converted into dollars or used to buy exports from England, they were called blocked-sterling balances

What is done about the liquidation of these blocked-sterling balances will make a big difference to American trade. If England says that these balances can be used only to buy goods in England, then the countries holding more than $13,000,000,000 of these sterling balances will, in effect, be compelled to concentrate their purchases in England American producers will have little chance to export to the countries holding blocked sterling On the other hand, if the countries holding these balances can get them gradually converted into dollars, our exporters will be in a position to compete on fair and equal terms throughout the sterling area

The continuation of these wartime restrictions will reduce world trade and force it into uneconomic channels. There is only one desirable way to protect world trade from this result, and that is by establishing the currency and trade practices that we have proposed. These practices are based on the principle that the export markets of the world should remain open on fair and equal terms to the exporters of all countries. It is another application of the old American doctrine of fair play and equal opportunity.

There is no doubt that the British Government and the British people favor this program They recognize that such a program is in their interest as well as ours. Although the British want to adopt this program, they are not in a position without help to meet the obligations it entails. They cannot commit themselves to allowing American products into England on the same basis as imports from other countries when they do not have the dollars to pay for such imports. They cannot commit themselves to converting sterling into other currencies when they do not have the reserves necessary to do this.

England is a country that must live by imports Two-thirds of the food consumed by the British people and virtually all of the basic raw materials, except coal, used in British industry must be purchased abroad. As a consequence, England is a great importing country. She is the best customer of the United States and of a score of other countries. What England does to eliminate wartime currency and trade restrictions will affect our trade and the trade of the entire world.

England's international economic position has been seriously distorted by the war. For 5 years, England was the principal target of the Luftwaffe, as well as the principal base of operations of the western Allies against Germany. Her life was at stake, and ours. The punishment which she took—and which she handed out—wrote stirring chapters in the history of free men.

I speak of this not as a reason for the financial agreement, because the agreement looks to the present and the future, not to the past, but I speak of it to emphasize that during the war, England had little time to

think of her export trade. She devoted every resource which she could mobilize to her defense and to the attack on the enemy. British exports fell until, by 1944, they were only 30 percent of their prewar volume. The men released from the export industries were put to work at war production or were inducted into the armed forces.

Lend-lease from the United States and mutual aid from Canada filled part of the gap between her wartime needs—mostly for our common cause—and her current supply of foreign exchange. Nevertheless, she had to draw heavily on her accumulated foreign-exchange resources, and strain her credit abroad in order to secure her essential war imports She sold $4,500,000,000 of her foreign investments, she reduced her gold and dollar reserves by $615,000,000; and she incurred foreign debts which now amount to more than $13,000,000,000, very largely blocked-sterling balances held by foreigners in London. As a result of her war effort, Britain's international financial position deteriorated by about $17,000,000,000 from 1939 to 1945

Meanwhile, Britain's earnings abroad from shipping and other services have also been sharply reduced Because of enemy sinkings, the British merchant marine is one-fourth smaller than before the war, in spite of the large building program The earnings from financial and commercial services have fallen off along with England's trade and shipping. With the recovery of world trade, these services will again expand and become an important part of England's foreign business.

Before the war the British people were able to earn enough from their exports and their services to foreigners to purchase abroad the food and raw materials essential to their economy. In 1938, about one-half of Britain's imports was paid for by the export of British goods About one-fourth was paid for by services of the British merchant marine, insurance companies, and other financial and commercial institutions. An additional one-fourth was paid for out of the net income from British capital investments abroad.

The British people have industriously set about to restore their international economic position They are reconverting their war industries to civilian production. They are making a determined effort to increase their industrial efficiency. They are exporting as much as they can without depriving themselves of the essentials of life. These are problems which the British people must work out for themselves over the next few years. But during this transition period, the feeding of the British people and the supplying of British industry will result in a substantial need for foreign credit.

The British can finance this transitional need in one of two ways. One is the road of economic blocs and economic warfare. It is the road of economic isolation. The other is the road of Bretton Woods It is the road of international economic cooperation.

During the war England imposed comprehensive currency and trade restrictions. These restrictions were one aspect, and a very necessary aspect, of Britain's wartime financing What England did, in effect was to create an economic bloc composed of the British Empire except Canada, and including a number of other countries, principally in the Middle East This bloc is now in operation. If England cannot get help in meeting her import needs over the next few years, she will be forced to continue and even extend her wartime restrictions and discriminations.

The great danger before us is the division of the world into conflicting blocs. In the economic sphere, we are trying to meet this problem through cooperation in the world fund and bank. If England adopts the fair currency and trade practices we have proposed, it may be possible to avoid the formation of a bloc outside the fund and bank under the leadership of a great power. But if England finds it necessary to keep her wartime restrictions, it will result in a British bloc and an American bloc. And it will also act as an encouragement to a Russian bloc. Such a development would be a menace to peace and prosperity everywhere. No country wants this kind of world; no country can afford this kind of world.

The British people have shown clearly their desire to cooperate in building a world in which trade can be carried on fully and fairly. The British people are with us in our effort to secure the widest possible flow of world trade by establishing stable and orderly conditions They know that restrictions and discriminations stifle world trade and lead to conflicts which can have disastrous consequences. But Britain cannot abandon her wartime currency and trade restrictions unless she secures help, primarily from the United States and Canada. With such help, England would be able to put into effect the fair currency and trade standards which we have proposed and which she supports

After friendly discussions over several months, the American and British negotiators agreed that England would need a credit of 3¾ billion dollars from the United States. This credit, together with that from Canada, will enable England to continue her essential imports during the next few years, while removing the wartime currency and trade restrictions and discriminations The financial agreement thus provides two things; a commitment to end discriminatory currency and trade practices and a credit to enable England to carry out the commitment. And I say this because some folks, even today, after months of discussions, and weeks of hearings and debate, say that the agreement relative to currency and trade practices has to be effecuated in a future conference. Any person who makes that statement, in my judgment, could not have read the document, because the documents that were signed provide that which I now refer to.

1. England will not discriminate against American products in any of her import controls. So long as she buys cotton or fruits abroad, she will not discriminate against the import of American cotton or fruits. If it becomes necessary for England to limit her agricultural or industrial imports, this will be done on a basis fair to all countries including the United States.

2. For any goods or services purchased in the United States, England will pay in dollars or, if payment is made, in pounds, American exporters will be able to convert the sterling into dollars That goes for American movies as well as American machinery. And it applies to income from American investments in England. No American firm need hesitate to do business with England for fear that its earnings cannot be transferred. American businessmen will be just as sure of payment in dollars from England as they were before the war.

3. Within a year, unless we agree to a temporary extension, England will remove all of the restrictions on the convertibility of sterling for ordinary current transactions. In practice, this will mean that the money that England pays to Canada, Australia, and India for her imports will be converted by England into dollars and can be used by these countries to pay for goods they purchase in the United States.

4. Within a year, unless we agree to a temporary extension, England will dissolve the sterling area dollar pool. Each country in the sterling area will be completely free to use any dollars it earns to buy goods anywhere. India, for example, could use all the dollars it gets for its exports to the United States and Latin America without turning over any part of them to England.

5. A settlement will be made by England with the countries holding blocked sterling balances. England has agreed that any payment in liquidation of these blocked balances can be used to buy goods in any country, including the United States. Instead of being forced to spend the blocked sterling balances in England, the holders of these balances, like India and Egypt, will be free to buy goods wherever they prefer. American exporters will have a fair chance to export in these markets.

6. In addition, England has agreed to support the American proposal for an international trade organization to reduce trade barriers and eliminate trade discriminations. With England supporting this proposal, the forthcoming United Nations Trade Conference holds forth every prospect of success.

These six commitments are important commitments. They represent a wholehearted adoption of the letter and spirit of the United Nations program for fair currency and trade practices. To carry out these commitments England will need help during the next few years. That help she will get from the credit under the financial agreement with the United States and, it should be added, from the same financial agreement with Canada.

If Congress approves, the United States Government will open a line of credit of $3,750,000,000 in favor of England. This credit can be drawn on by England until December 31, 1951, to purchase goods and services in the United States. It can also be used by England for meeting the transitional postwar deficit in her current balance of payments, and for helping England assume the obligations of multilateral trade.

None of the credit can be used for paying off the blocked sterling balances or any of Britain's wartime debts; these obligations will have to be met from other resources.

Beginning in 1951, England will repay the credit over a 50-year period, with interest at 2 percent. The principal of the credit must be repaid without qualification. Under conditions of severe depression in world trade, the interest due in any given year may be waived under objective standards stated in the agreement. If such an emergency situation develops, it is clearly in the interest of the United States to accept the principal and not to force a default which would have serious consequences to the world economy.

Naturally, the interest rate is less than Britain would have to pay on a strictly commercial loan obtained from bankers. The financial agreement, however, is much more than a loan. It is an agreement on the major aspects of financial and commercial policy. When we take into consideration the commitments we receive from England on her currency and trade policies, it becomes clear that the agreement would amply repay the American people even if no interest were paid And some would say we would have made a good investment if the whole sum were a gift.

As a matter of fact, the interest is substantial. If the credit were used in five equal annual amounts and all interest payments were met, the effective rate of interest under the financial agreement would be 1 83 percent, and over $2,500,000,000 of interest would be paid. The rate of interest is reasonably close to the average cost of money to the Treasury.

This point will bear emphasis: The credit is only a part of the financial agreement. The purpose of the financial agreement is to enable England to participate fully in our international economic program. The full participation of Britain in this program is necessary if it is to become effective. The approval of the financial agreement by Congress will assure the implementation of our whole international economic program.

The credit to Britain cannot be a precedent for a loan to any other country. The National Advisory Council on International Monetary and Financial Problems has issued a statement of our foreign loan policy in which this is made clear. I read from that report:

"The proposed loan to Britain, requiring congressional authorization, is a special case, but one which is an integral part of the foreign economic program of this Government. No other country has the same crucial position in world trade as England. Because of the wide use of the pound sterling in world trade, the large proportion of the world's trade which is carried on by the countries of the British Empire, and the extreme dependence of England upon imports, the financial and commercial practices of Britain are of utmost significance in determining what kind of world economy we shall have. The early realization of the full objectives of the Bretton Woods program, including the elimination of exchange restrictions and other barriers to world trade and investment, requires an immediate solution to Britain's financial problem. The international monetary-fund agreement permits the continued imposition of certain of these restrictions for as much as 5 years; in the financial agreement of December 6, 1945, the British agree to their removal within 1 year from the effective date of that agreement. It is the view of the Council that the British case is unique and will not be a precedent for a loan to any other country."

Other countries will need help This help will be available to them from the institutions that are now in operation. The international fund will provide help needed for currency stabilization. The International Bank will be the principal agency to facilitate foreign loans out of private capital for reconstruction and development In the emergency period, until the International Bank is in full operation, the Export-Import Bank will meet only the most urgent needs for reconstruction aid. It is the policy of this Government to make the agencies established by the United Nations the means for continuing cooperation on currency and investment problems, and to leave to these institutions the task of providing the funds necessary to implement this program.

There are some people who recognize that it is in the interest of the United States to offer England the proposed credit, but they fear that the credit will add to inflationary pressures in this country. I am much concerned about the inflation problem. I know, from first-hand experience, how important the inflation problem is in this country. I believe that the credit to Britain will not materially increase the danger of inflation.

The total amount of credit to England under the financial agreement is less than one-half of 1 percent of the aggregate expenditures in this country in the next 5 years. That is on the basis of expenditure of $150,000,000,000 a year on all goods and services. A considerable part of the credit will be used in later years when the supply problem is less acute. Some of the credit will undoubtedly be used for goods that are in abundant supply. Inevitably, some of the credit will be needed for goods that are in scarce supply. The Commerce Department estimates that about one-fourth of the proceeds of foreign loans will be spent on such products. In those cases allocation and export controls will prevent any undue drain on our domestic supply and assure the minimum essential needs of other countries.

In the end the way to beat the inflation problem is to produce enough goods. The financial agreement will encourage production in this country and abroad by removing the restrictions which hamper trade.

The financial agreement with England is an essential part of our whole program of international economic cooperation. This program of the United Nations is concerned with some of the most important problems of everyday life. How we meet these problems will determine in large part whether the United States and the world will again go through devastating cycles of war and depression or whether at long last we realize the hope for peace and prosperity.

If we do not remove the irritations and alleviate the impediments to trade, we feed the greedy god of war and largely nullify the other efforts we make toward a stable enduring peace. But if we meet our problems in the fields of international exchange and world trade and build a sound economic order in the several United Nations and in the world, we create an atmosphere conducive to peace. And good economic relationships between nations can, in themselves, give us more than a fighting chance for lasting peace.

I want to stress the importance of production and employment right here at home. The United States is the greatest single economic force in the entire world The level of our national income is the determinant of world trade. If we maintain production and employment, world trade will flourish. The greatest contribution the United States can make to the peace and prosperity of the world is to keep America strong and prosperous and the advocate of justice in the council of the nations.

This is a world in which all countries must share the same destiny. It will be peace and prosperity for all, or war and depression for all. We cannot escape from these problems by withdrawing from the world. Political or economic isolation is an anachronism; it is a dangerous policy because it is unreal. There is only one way to assure the security and welfare of this country. That is, to face the world's problems and deal with them in cooperation with other countries.

(The text of the financial agreement with England is as follows.)

TEXT OF THE AGREEMENT

"FINANCIAL AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND THE UNITED KINGDOM

"It is hereby agreed between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland as follows:

"1. Effective date of the Agreement: The effective date of this Agreement shall be the date on which the Government of the United States notifies the Government of the United Kingdom that the Congress of the United States has made available the funds necessary to extend to the Government of the United Kingdom the line of credit in accordance with the provisions of this Agreement.

"2. Line of credit: The Government of the United States will extend to the Government of the United Kingdom a line of credit of $3,750,000,000 which may be drawn upon at any time between the effective date of this Agreement and December 31, 1951, inclusive.

"3. Purpose of the line of credit: The purpose of the line of credit is to facilitate purchases by the United Kingdom of goods and services in the United States, to assist the United Kingdom to meet transitional post-war deficits in its current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the Government of the United Kingdom to assume the obligations of multilateral trade, as defined in this and other agreements.

"4. Amortization and interest: (i) The amount of the line of credit drawn by December 31, 1951, shall be repaid in 50 annual installments beginning on December 31, 1951, with interest at the rate of 2 percent per annum. Interest for the year 1951 shall be computed on the amount outstanding on December 31, 1951, and for each year thereafter, interest shall be computed on the amount outstanding on January 1 of each such year.

"Forty-nine annual installments of principal repayments and interest shall be equal, calculated at the rate of $37,823,000 for each $1,000,000,000 of the line of credit drawn by December 31, 1951, and the fiftieth annual installment shall be at the rate of $31,840,736.55 for each such $1,000,000,000. Each installment shall consist of the full amount of the interest due and the remainder of the installment shall be the principal to be repaid in that year. Payments required by this section are subject to the provisions of section 5.

"(ii) The Government of the United Kingdom may accelerate repayment of the amount drawn under this line of credit.

"5 Waiver of interest payments: In any year in which the Government of the United Kingdom requests the Government of the United States to waive the amount of the interest due in the installment of that year, the Government of the United States will grant the waiver if—

"'(a) the Government of the United Kingdom finds that a waiver is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves and

"'(b) the International Monetary Fund certifies that the income of the United Kingdom from home-produced exports plus its net income from invisible current transactions in its balance of payments was on the average over the five preceding calendar years less than the average annual amount of United Kingdom imports during 1936–38, fixed at £866,000,000, as such figure may be adjusted for changes in the price level of these imports Any amount in excess of £43,750,000 released or paid in any year on account of sterling balances accumulated to the credit of overseas governments, monetary authorities and banks before the effective date of this Agreement shall be regarded as a capital transaction and therefore shall not be included in the above calculation of the net income from invisible current transactions for that year. If waiver is requested for an interest payment prior to that due in 1955, the average income shall be computed for the calendar years from 1950 through the year preceding that in which the request is made'

"6. Relation of this line of credit to other obligations: (i) It is understood that any amounts required to discharge obligations of the United Kingdom to third countries outstanding on the effective date of this Agreement will be found from resources other than this line of credit.

"(ii) The Government of the United Kingdom will not arrange any long-term loans from governments within the British Commonwealth after December 6, 1945, and before the end of 1951 on terms more favorable to the lender than the terms of this line of credit.

"(iii) Waiver of interest will not be requested or allowed under section 5 in any year unless the aggregate of the releases or payments in that year of sterling balances accumulated to the credit of overseas governments, monetary authorities, and banks (except in the case of colonial dependencies) before the effective date of this Agreement is reduced proportionately, and unless interest payments due in that year on loans referred to in (ii) above are waived. The proportionate reduction of the releases or payments of sterling balances shall be calculated in relation to the aggregate released and paid in the most recent year in which waiver of interest was not requested.

"(iv) The application of the principals set forth in this section shall be the subject of full consultation between the two governments as occasion may arise.

"7. *Sterling area exchange arrangements.*—The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling area countries

(apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to December 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for the current transactions anywhere.

"3 *Other exchange arrangements.*—(i) The Government of the United Kingdom agrees that after the effective date of this Agreement it will not apply exchange controls in such a manner as to restrict (a) payments or transfers in respect of products of the United States permitted to be imported into the United Kingdom or other current transactions between the two countries or (b) the use of sterling balances to the credit of residents of the United States arising out of current transactions. Nothing in this paragraph (i) shall affect the provisions of Article VII of the Articles of Agreement of the International Monetary Fund when those Articles have come into force.

"(ii) The Governments of the United States and the United Kingdom agree that not later than one year after the effective date of this Agreement, unless in exceptional cases a later date is agreed upon after consultation, they will impose no restrictions on payments and transfers for current transactions. The obligations of this paragraph (ii) shall not apply—

"(a) to balances of third countries and their nationals accumulated before this paragraph (ii) becomes effective; or

"(b) to restrictions imposed in conformity with the Articles of Agreement of the International Monetary Fund, provided that the Governments of the United Kingdom and the United States will not continue to invoke the provisions of Article XIV, Section 2 of those Articles after this paragraph (ii) becomes effective, unless in exceptional cases after consultation they agree otherwise, or

"(c) to restrictions imposed in connection with measures designed to uncover and dispose of assets of Germany and Japan.

"(iii) This section and section 9, which are in anticipation of more comprehensive arrangements by multilateral agreement, shall operate until December 31, 1951.

"9. Import arrangements.—If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not discriminate against imports from the other country in respect of any product; provided that this undertaking shall not apply in cases in which (a) its application would have the effect of preventing the country imposing such restrictions from utilizing, for the purchase of needed imports, inconvertible currencies accumulated up to December 31, 1946, or (b) there may be special necessity for the country imposing such restrictions to assist, by measures not involving a substantial departure from the general rules of nondiscrimination, a country whose economy has been disrupted by war, or (c) either government imposes quantitative restrictions having equivalent effect to any exchange restrictions which that government is authorized to impose in conformity with Article VII of the Articles of Agreement of the International Monetary Fund. The provisions of this section shall become effective as soon as practicable but not later than December 31, 1946.

"10. Accumulated sterling balances.—(i) The Government of the United Kingdom intends to make agreements with the countries concerned, varying according to the circumstances of each case, for an early settlement covering the sterling balances accumulated by sterling area and other countries prior to such settlement (together with any future receipts arising out of military expenditure by the Government of the United Kingdom to the extent to which they are treated on the same basis by agreement with the countries concerned. The settlements with the sterling area countries will be on the basis of dividing these accumulated balances into three categories: (a) balances to be released at once and convertible into any currency for current transactions, (b) balances to be similarly released by installments over a period of years beginning in 1951, and (c) balances to be adjusted as a contribution to the settlement of war and postwar indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement The Government of the United Kingdom will make every endeavor to secure the early completion of these arrangements.

"(ii) In consideration of the fact that an important purpose of the present line of credit is to promote the development of multilateral trade and facilitate its early resumption on a nondiscriminatory basis, the Government of the United Kingdom agrees that any sterling balances released or otherwise available for current payments will, not later than one year after the effective date of this Agreement unless in special cases a later date is agreed upon after consultation, be freely available for current transactions in any currency area without discrimination

"11 Definitions: For the purposes of this Agreement:

"(i) The term 'current transactions' shall have the meaning prescribed in Article XIX (i) of the Articles of Agreement of the International Monetary Fund

"(ii) The term 'sterling area' means the United Kingdom and the other territories declared by the Defence (Finance) (Definition of Sterling Area) (No 2) Order, 1944, to be included in the sterling area, namely 'the following territories excluding Canada and Newfoundland, that is to say—

"(a) any Dominion,

"(b) any other part of His Majesty's dominions,

"(c) any territory in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty and is being exercised by His Majesty's Government in the United Kingdom or in any Dominion,

"(d) any British protectorate or protected State,

"(e) Egypt, the Anglo-Egyptian Sudan, and Iraq,

"(f) Iceland and the Faroe Islands

"12. Consultation on Agreement: Either government shall be entitled to approach the other for a reconsideration of any of the provisions of this Agreement, if in its opinion the prevailing conditions of international exchange justify such reconsideration, with a view to agreeing upon modifications for presentation to their respective legislatures.

"Signed in duplicate at Washington, District of Columbia, this 6th day of December 1945.

"For the Government of the United States of America:

"FRED M. VINSON,
"Secretary of the Treasury of the United States of America.

"For the Government of the United Kingdom of Great Britain and Northern Ireland:

"HALIFAX,
"His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington."

MECHANICS OF BRITISH CREDIT

The following excerpt from the testimony discloses how the British credit will be handled by the Treasury:

Mr. CRAWFORD. Now, going into those mechanics as briefly as we can, because we will have that full record before us, does that call for, first, the approval of this agreement and the general procedure by the Congress, and, secondly, would Congress, having approved, then the Secretary may make available to England from time to time these millions of dollars, from any funds that the Treasury may have?

Secretary VINSON. I believe it might be well to read this. It is not too long, and I just feel that it is important. [Reading:]

"If Congress approves the financial agreement with England, the Treasury will establish on its books a record to the effect that it is authorized to engage in a public debt transaction to the extent of $3,750,000,000 and to open a line of credit for the Government of the United Kingdom for this amount.

"The books of the Treasury of the United States would show that a credit of $3,750,000,000 is opened for the United Kingdom. This credit can be used for the purposes stated in the financial agreement and for no other purposes.

"As England finds that funds are needed to pay for its imports, it would request the Treasury of the United States to make a transfer of funds to one of its accounts in an American bank. This might be done in amounts of $200,000,000 or $300,000,000 at a time. Each transfer of funds would then be recorded as a withdrawal of funds under the line of credit and as an obligation from the United Kingdom to the United States.

"Withdrawals under this line of credit would be shown on the daily statement of the Treasury of the United States as an expenditure of the United States Government. As the Treasury needs funds to meet the withdrawals under the British credit, or for any other purposes, it would borrow the funds.

"It should be noted that the $3,750,000,000 is not paid over to England in a lump sum—it is a line of credit. The credit will be used from time to time for the purposes stated in the financial agreement. There will be no cost to the Treasury for this credit until transfers are made under authorization of the Secretary of the Treasury.

"Of course, the financing program of the Treasury from taxes and loans cannot be tied to any specific transaction. The Treasury would have the full use of any funds it holds to meet its expenses and to redeem its securities It would raise any funds it needs for the financial agreement and for other purposes, at such times and under such conditions as the Treasury finds in the public interest.

"Under the Bretton Woods Agreements, we pay our subscription in gold and dollars, and then the fund and bank return to us any dollar funds that would otherwise be idle. For these funds, we give them non-interest-bearing notes. When the fund or bank needs the dollars, we redeem the non-interest-bearing notes In this way, none of our money is tied up in the fund and bank which is not used for current business.

"This is equally true with the credit to England. None of the money is turned over to England until it is needed for the purposes of the financial agreement. There are no idle funds out of the credit which England can hold. There is no need, therefore, to provide for substituting non-interest-bearing notes for any part of the credit. That is already fully covered by the terms of the financial agreement."

ORGANIZATIONS SUPPORTING FINANCIAL AGREEMENT WITH GREAT BRITAIN

Secretary VINSON. I have here a list of organizations that are on record supporting this. It is a formidable array. I shall put it in the record.

(The material referred to is as follows:)

ORGANIZATIONS WHICH ARE SUPPORTING THE FINANCIAL AGREEMENT

BUSINESS

American Bankers Association.
Baltimore Association of Commerce.

Bankers Association for Foreign Trade.
Chamber of Commerce of the United States.
Committee for Economic Development.
Committee on International Economic Policy.
Foreign Trade Club of Louisville.
Foreign Traders Association of Philadelphia.
Houston Cotton Exchange and Board of Trade.
Manufacturers Association of Connecticut.
Motor Equipment Manufacturers Association, export credit group.
National Planning Association.
National Council of American Importers.
National Foreign Trade Council
New York Board of Trade, international trade section.
Overseas Automotive Club
Seattle Chamber of Commerce.
United States Associates (American section, International Chamber of Commerce).
United States Chamber of Commerce.

AGRICULTURAL

American Farm Bureau Federation.
Connecticut State Farm Bureau Federation
National Farmers Union.
South Carolina Tobacco Farmers Association.
Texas Cotton Association
Tobacco Association of the United States.
Tobacco committee of North Carolina State Grange.

LABOR

American Federation of Labor.
Congress of Industrial Organizations
Connecticut CIO.
Connecticut Federation of Labor
United Textile Workers (A. F of L.).

WOMEN

American Association of University Women.
Montgomery County League of Women Voters.
National Association of Women Lawyers
National Council of Jewish Women
National Council of Negro Women.
National Council of Women.
National Federation of Business and Professional Women's Clubs
National Federation of Temple Sisterhoods.
National League of Women Voters.
National Woman's Party
National Women's Trade Union League of America.
Wisconsin League of Women Voters
Women's Action Committee for Victory and Lasting Peace.
Women's American Medical Association
Women's International League for Peace and Freedom.
Young Women's Christian Association.
Zonta International.

GENERAL

American Association for the United Nations.
American Federation of Teachers
American Veterans Committee.
Americans United for World Organization, Inc.
Catholic Association for International Peace.
Chicago Council on Foreign Relations.
Church Peace Union.
Committee on Education for Lasting Peace.
Council for Social Action of the Congregational Christian Churches.
Federal Council of Churches of Christ.
Friends Committee on National Legislation.
Union for Democratic Action.
United National Council of Philadelphia.
World Alliance for International Friendship Through the Churches.

A MEMBER WHO VOTED FOR BRETTON WOODS SHOULD VOTE FOR THIS RESOLUTION

Secretary VINSON. • • • As a matter of fact, it is hard for me to figure out how a person who was wholeheartedly in favor of Bretton Woods, can fail to see Bretton Woods in this British financial agreement, because it is a speeding up of the transition period, and making Bretton Woods work earlier, and before wartime and added currency and trade restrictions become solidified into the economies of the world.

Mr. CRAWFORD. I would like to say, along with that, that my greatest regret in this whole procedure is that the administration and the Congress, newspaper reporters, editorial writers, and radio commentators, did not tell our people, at the time Bretton Woods was under consideration, that it was not the end to the proposition, but that, in due course, these other matters would have to follow.

Secretary VINSON Well, in the committee reports on Bretton Woods, it is made very, very clear. In the Senate report, and with your permission I will put in the excerpts from the report—that was before Congress passed upon it—it is very definitely pointed out that this problem should be taken care of. As a matter of fact, section 14 of the Bretton Woods legislation makes it the duty of the Executive to look in this direction, and I would be more than happy to——

Mr. CRAWFORD If you have a brief excerpt on that, would you read it at this time? I think we ought to get it in the record.

Secretary VINSON (reading).

"The advisability of assistance to Britain was clearly foretold by the Senate Banking and Currency Committee in its report on the Bretton Woods bill, Report No. 452.

"The committee stated, page 18, that the establishment of the fund and bank was a necessary prerequisite to determining further steps needed to help with Britain's balance of payments problem.

"The committee outlined three problems which had to be solved in order to stabilize Britain's international payments position. These problems together with the committee's comment on them were outlined as follows.

"Expansion of British trade to make up for wartime losses and diversions: The solution depends partly on the efficiency of the British export industry, partly on the capacity of the world to buy British exports."

The financial agreement follows this recommendation by placing the responsibility of trade expansion on the British themselves but assists them indirectly by encouraging world trade and directly by providing funds needed to buy capital equipment in the United States.

"Financing of the British deficit during the transition period: The restoration of a balance in Britain's current payments may take time. She must find the foreign exchange resources needed to finance the transition."

The agreement provides funds which, together with assistance from other sources will enable Britain to carry through the transition period. Furthermore, it requires and makes it possible for Britain to relax its trade and exchange controls at the beginning instead of the end of that period.

"Making a permanent arrangement on accumulated sterling balances: The British are confident they can deal with this problem over a period of time. They are entitled to every consideration in finding a workable solution. They do not look with favor on liquidating this operation with the proceeds of a dollar loan.

"In conformity with the financial report the committee lays the burden of this problem on the United Kingdom. It stipulates no part of the dollar credit will be used to liquidate sterling balances or other debts already incurred. However, the agreement gives indirect assistance to the solution of this problem, by strengthening the British financial position, and by fostering a prosperous world which will reduce the reliance which Britain's creditors must place on immediate use of parts of their balances.

TRADE BANS TO BE REMOVED BY BRITAIN

Mr. Chairman, I am inserting herewith a very interesting article on the subject that appeared in a recent issue of the World Dispatch:

BRITAIN PREPARES TO REMOVE TRADE BANS IN STERLING AREAS—PLAN AWAITS GRANTING OF UNITED STATES LOAN—GENERAL PROSPERITY FORESEEN AFTER CURRENCY RESTRICTIONS ARE ENDED

Britain's plans to liquidate her wartime dollar pool and open up the sterling area to world trade are now ready for the signal to go.

This signal is to be given by the United States Congress when and if it approves a loan of $3,750,000,000 to Britain. Action by Congress is expected before the summer adjournment. If the loan is approved, British plans call for action on the dollar pool and sterling area that will accomplish promised reforms without, however, severing Britain's political and economic ties with countries in the area Net effect, in any case, will have wide repercussions on world trade and world prosperity.

What the dollar pool and sterling area are, how they operate and why they came into existence are, therefore, questions basic to an understanding of the long debate over the British loan. What is done about the dollar pool and sterling area directly affects more than half of the world's trade, indirectly affects all of it.

The story begins with Britain's going off the gold standard in the depression year of 1931. The British found that, by cutting the pound sterling away from gold, and lowering the price of the pound in terms of goods, exports were stimulated.

Other nations having extensive trade relations with Britain followed suit. But these nations needed a substitute for gold in order to do business internationally. In the absence of gold, or some other international standard, foreign traders would have to engage in barter, such as swapping "x" bales of cotton for "y" pairs of shoes. At that point, the British pound sterling became for these nations the international substitute for gold They tied their currencies to sterling

Soon the whole British Empire, with the exception of Canada and Newfoundland, substituted sterling for gold as an international standard of value. Canada, however, linked her dollar with the United States dollar. Outside the British Empire, Portugal, Egypt, and Iraq immediately pegged their currencies to sterling and were followed within 3 or 4 years by Siam, Sweden, Norway, Finland, Denmark, Estonia, Iran, and Latvia.

The sterling area was thus born in the early 1930's. It turned out to be a loose association of countries that included most of the British Empire, Scandinavia, and the Baltic countries, Portugal in western Europe, three areas in the Middle East, and remote Siam. As a loose association, it had no charter and no formal agreements.

Instead, it was the result of decisions by the individual nations to peg their currencies to the British pound sterling for purposes of international trading and banking Most of the nations involved always had traded heavily with Britain, and most had been in the habit of keeping part of their central bank reserves in the form of sterling, usually in London.

Outbreak of war tranaformed the sterling area, however, from a loose federation to a very compact union.

Membership of countries in the area changed rapidly. Most of the non-British

countries dropped out at once. Some, like Portugal and Sweden, were neutrals. Others, like Norway and Latvia, soon became subjects of other belligerents The wartime sterling area developed about as it now stands, as shown on the accompanying map.

Control by formal agreements in July 1940 replaced individual national decisions. Each country remaining in the sterling area agreed with Britain on controls over foreign exchange and controls over imports in order to conserve scarce foreign exchange for essential imports. Funds could move freely within the area, but not outside except under the terms of agreement. The sterling area now had a fence around it.

Pooling of gold and dollars within the fenced-in area followed. What this meant was that, while a sterling-area country might earn dollars by exporting, it could not freely use these dollars to buy United States exports, pay for United States services, or to increase its dollar account in New York. Instead, the country's dollars were pooled with the dollars of all other countries in the area, and rationed out for the purchase of imports regarded by London as most essential to the war.

Underlying both this rationing of dollars and the exchange controls adopted by the sterling area was the extreme shortage of dollars, in terms of foreign exchange, and an inability to export enough goods to earn the normal amount of dollars. Early in the war, Britain had used much of her own dollar resources in order to buy munitions and foods in the United States. Meanwhile, British exports and British shipping, normally a rich source for earning dollars, had been reduced more than half by the war. Only way out, London saw, was to convert what overseas assets Britain could into dollars, call on the Empire to do the same, and ration the remaining dollars throughout the sterling area for the most essential imports

The dollar pool became the sterling area's mechanism for rationing scarce dollars. Central idea of the pool has been an agreement by the member countries to use import licenses and controls in order to limit their demands for dollars, with which to buy United States exports, to the most essential items In the absence of such agreement, it was felt, pressure of individual importers for luxury goods and nonessentials would divert scarce dollars from the purchase of essentials and, in addition, bid up world prices of both essentials and nonessentials. Result would have been a declining ability to buy the goods needed by the sterling area for prosecution of the war.

Even United States lend-lease, the British found, did not remove the shortage of dollar needs in the sterling area. Lend-lease goods covered much but not all of warring Britain's needs. It was still necessary, throughout the sterling area, to prevent expenditure of dollars for nonessentials and, therefore, to keep the dollar pool in operation.

Misunderstanding of the dollar pool has been common, however, among businessmen outside of the sterling area. Many United States exporters have viewed the dollar pool as a means of discriminating against United States exports and a way of reducing total foreign sales of United States goods.

Facts of the situation, however, point to somewhat different conclusions. Self-interest would not encourage hoarding of dollars over a long period. The sterling area as a whole has spent almost its total available supply of dollars, allowing only for a minimum reserve. Since this reserve is pooled for the entire area, fewer dollars need be kept in reserve than if each individual nation managed its own dollar expenditures and reserves. Thus United States sales to the sterling area as a whole apparently have not declined in consequence of the dollar pool.

What has happened, however, is that import controls of sterling-area countries, presumably operated to favor essential rather than nonessential goods, have benefited exporters of some lines over others.

Abolition of the dollar pool and liberalization of exchange controls throughout the sterling area is agreed to, in any case, once the British loan is approved.

Dollars may then be used by any country within the sterling area to pay for United States goods.

Sterling, held by importers who wish to use it for the purchase of United States goods, may be changed within certain limits into the dollars necessary to pay for American wheat, cotton, and machinery. It is this free convertibility of sterling into dollars that foreign traders look forward to as the chief gain to follow the lowering of the wall around the sterling area. As United States officials see it, removal of the wall around sterling and liquidation of the dollar pool are first steps toward increased world trade and prosperity.

Agreement under the Anglo-American loan is that the pound sterling will become convertible into dollars within a year after the loan goes through. Other sterling area countries are allowed 5 years to make the transition. Use of dollars to finance current transactions, however, is to be permitted early in the transition.

Britain's economic ties with the countries of the sterling area, on the other hand, are not to be severed. Import licenses and tariff preferences, though possibly reduced, are to continue to operate British plans to push her exports throughout the sterling area, as well as to the United States are in effect already. A connection has been noticed in some areas between British exports, British banking facilities and local import licenses favoring British goods The Bank of England, finally, and other British banks expect to continue as depositories for much of the sterling reserves of sterling area countries.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. JOHNSON].

Mr. JOHNSON of Indiana. Mr. Chairman, in a few days the House of Representatives will vote on the proposed British loan. We should seriously consider what the making of this loan to Great Britain means to the American taxpayers.

We must remember that our national debt is about $270,000,000,000, so it is apparent that any sum loaned by our Government must be borrowed and the taxpayers will have to pay interest on this borrowed money, as well as the costs of the borrowing process.

The assessed value of all property in the United States, subject to taxes in 1940, was only $143,281,928,000, which is only slightly more than one-half of our national debt.

Also, we should remember that many other nations are asking for large loans and if the British loan is made, our Nation would be in a most embarrassing position unless the other loans were also made. I understand the present New Deal administration propose to invest a total of about $20,000,000,000 in foreign loans and international financing.

Indiana's share of the national debt is $6,355,592,000, and Indiana's share of the proposed British loan is $95,978,286, excluding the interest and administrative costs.

The following figures show what the impact of this loan may be in the counties and townships in my congressional district and also what the British loan would cost:

	Cost of national debt	Cost of British loan
Boone County		
Center Township	$17,050,000	$238,700
Clinton Township	1,888,000	26,324
Eagle Township	4,575,000	64,094
Harrison Township	1,334,000	18,678
Jackson Township	4,136,000	16,544
Jefferson Township	2,312,000	32,912
Marion Township	2,220,000	40,994
Perry Township	1,254,000	17,556
Sugar Creek Township	3,946,000	55,244
Union Township	1,406,000	19,684
Washington Township	1,834,000	25,676
Worth Township	1,806,000	25,284
Boone County total	44,162,000	618,268
Fountain County:		
[illegible]	2,366,000	33,124
[illegible]	1,140,000	15,960
Fulton Township	1,752,000	24,528
Jackson Township	1,784,000	24,976
Logan Township	8,512,000	119,168
[illegible]	3,084,000	43,176
Richland Township	2,988,000	41,832
[illegible]	1,362,000	19,068
[illegible]	5,752,000	80,528
[illegible]	6,206,000	86,884
Wabash Township	1,898,000	22,792
Fountain County total	36,598,000	512,372
Hamilton County:		
Adams Township	6,898,000	96,572
Clay Township	3,056,000	42,784
Delaware Township	3,102,000	44,268
Fall Creek Township	1,100,000	20,600
[illegible]	8,366,700	117,124
[illegible]	14,900,000	209,800
[illegible]	5,426,000	75,964
[illegible]	2,098,000	26,812
[illegible]	2,830,000	39,620
Hamilton County total	48,968,000	681,632
Hendricks County		
Brown Township	1,140,000	21,560
Center Township	6,746,000	94,444
[illegible]	2,392,000	40,488
[illegible]	2,986,000	40,404
[illegible]	1,672,000	23,408
[illegible]	7,206,000	100,884
[illegible]	4,286,000	59,920
[illegible]	3,850,000	53,900
[illegible]	1,674,000	23,436
[illegible]	2,846,000	39,760
[illegible]	1,638,000	22,212
[illegible]	3,058,000	42,812
Hendricks County total	40,302,000	564,228
Montgomery County:		
[illegible]	3,342,000	47,488
[illegible]	2,856,000	40,112
[illegible]	1,142,000	48,048
[illegible]	1,642,000	42,272
[illegible]	1,676,000	32,732
[illegible]	1,676,000	23,464
[illegible]	2,646,000	22,596
[illegible]	1,784,000	15,776
[illegible]	2,876,000	402,444
[illegible]	2,748,000	39,480
[illegible]	2,681,000	39,676
Montgomery County total	54,462,000	762,468
Parke County:		
Adams Township	7,462,000	104,748
Florida Township	4,462,000	62,468
Green Township	1,516,000	21,224
Howard Township	728,000	10,304
Jackson Township	1,716,000	23,946
Liberty Township	2,446,000	34,244
Penn Township	2,280,000	31,864
Raccoon Township	2,700,000	37,894
Reserve Township	2,726,000	31,836
Sugar Creek Township	993,000	13,902
Union Township	1,620,000	22,680
Wabash Township	2,676,000	37,464
Washington Township	2,462,000	34,468
Parke County total	34,716,000	486,094

	Cost of national debt	Cost of British loan
Putnam County:		
Clinton Township	$1,462,000	120,326
Cloverdale Township	3,300,000	46,200
Floyd Township	1,350,000	18,704
Franklin Township	3,092,000	42,038
Greencastle Township	14,076,000	197,092
Jackson Township	1,794,000	25,116
Jefferson Township	2,012,000	28,168
Madison Township	1,526,000	21,362
Marion Township	2,350,000	32,900
Monroe Township	2,266,000	32,312
Russell Township	2,018,000	28,252
Warren Township	3,710,000	52,024
Washington Township	2,784,000	38,976
Putnam County total	41,678,000	583,422
Vigo County:		
Fayette Township	5,866,000	82,124
Harrison Township	143,710,000	2,011,940
Honey Creek Township	5,672,000	79,408
Linton Township	2,170,000	30,380
Lost Creek Township	5,455,000	76,384
Nevins Township	4,276,000	59,864
Otter Creek Township	6,402,000	89,628
Pierson Township	2,450,000	34,300
Prairie Creek Township	2,426,000	33,992
Prairieton Township	1,256,000	17,584
Riley Township	2,444,000	34,216
Sugar Creek Township	17,336,000	243,012
Vigo County total	196,418,000	2,791,853
[illegible]		
Clinton Township	4,290,000	$45,080
Pigeon Township	4,490,000	62,160
Hell Township	7,764,000	107,576
Highland Township	4,254,000	45,556
Vermillion Township	3,546,000	49,664
Vermillion County total	43,874,000	610,036
W[illegible]		
[illegible]	1,448,000	21,784
[illegible]	2,200,000	10,800
[illegible]	870,000	12,180
[illegible]	2,114,000	29,596
[illegible]	140,000	13,244
[illegible]	704,000	9,716
[illegible]	1,706,000	25,144
[illegible]	1,282,000	17,948
[illegible]	1,484,000	20,776
[illegible]	1,416,000	19,852
[illegible]	1,704,000	23,856
[illegible]	3,046,000	42,644
Warren County total	18,110,000	253,540

The Sixth Congressional District of Indiana's share of the national debt is $561,708,000, and its cost of the British loan is $7,863,912.

Mr. Chairman, the following shows what the national debt and the British loan will cost Sixth District communities:

	Cost of national debt	Cost of British loan
[illegible]	$13,[illegible]	$182,812
[illegible]	[illegible]	36,792
[illegible]	[illegible]	16,324
[illegible]	[illegible]	34,328
[illegible]	[illegible]	105,280
[illegible]	[illegible]	15,372
[illegible]	[illegible]	8,456
[illegible]	[illegible]	58,968
[illegible]	[illegible]	49,308
[illegible]	[illegible]	14,448
[illegible]	[illegible]	68,160
[illegible]	[illegible]	21,588
[illegible]	[illegible]	27,104
[illegible]	[illegible]	13,412
[illegible]	[illegible]	26,404
Westfield, Ind	1,418,000	19,852
Centerville, Ind	784,000	10,556
North Salem, Ind	1,022,000	14,308
Clayton, Ind	1,116,000	15,624
Brownsburg, Ind	2,272,000	31,808
Pittsboro, Ind	1,020,000	14,280
Ladoga, Ind	1,872,000	26,208
Destington, Ind	1,365,000	19,124
Linden, Ind	1,160,000	16,240
New Ross, Ind	710,000	9,940
Waynetown, Ind	1,208,000	16,912
Waveland, Ind	1,060,000	14,840
Rossdale, Ind	1,434,000	19,996
Bloomingdale, Ind	864,000	12,096
Montezuma, Ind	$3,782,000	$38,948
Mecca, Ind	1,300,000	18,200
Roachdale, Ind	1,472,000	20,608
Rainbridge, Ind	838,000	11,732
Russellville, Ind	700,000	10,500
Universal, Ind	1,206,000	16,884
Cayuga, Ind	2,262,000	31,668
Dana, Ind	1,800,000	28,200
St. Bernice, Ind	1,126,000	15,792
Perrysville, Ind	902,000	12,628
Newport, Ind	1,596,000	22,344
Blanford, Ind	1,338,000	18,732
Seelyville, Ind	1,614,000	22,596
Taylorsville, Ind	1,842,000	25,788
Riley, Ind	574,000	8,036
Pine Village, Ind	626,000	8,432
West Lebanon, Ind	1,182,000	16,548
Williamsport, Ind	2,444,000	34,216

Mr. Chairman, I do not think the people of the Sixth District of Indiana would invest their hard-earned dollars in bonds issued by Great Britain, containing the same terms as are proposed for the loan by our Government to Great Britain; therefore, I do not feel that they want their Representative in Congress to vote to make this loan for them. It would be well to remember that our commitment under the Bretton Woods agreement calls for a contribution of $2,750,000,000 and our contribution to the capital of the International Bank is $3,175,000,000; also that we were told that these investments would make any further direct postwar financial assistance to foreign governments unnecessary. Also, it would be well to remember that the State Department's bulk sale settlement with Britain last December for unconsumed lend-lease goods and left-over American property represented a recovery of only 10.7 percent of the original cost. The settlement called for the payment by England of $650,000,000 for goods which cost the United States $6,033,164,850, and in this agreement England was released from all claims of the United States for $16,000,000,000 worth of lend-lease goods which were furnished. Even the $650,000,000 is not to be paid in cash but added to the proposed $3,750,000 000 loan to Britain and the total sum is to be paid in 50 annual installments, subject to certain conditions, under which the loan may never be repaid, but if repaid would run the payments to the year 2001. The Government charges our war veterans 4 percent interest on loans and requires them to repay the loan together with the full amount of interest.

Mr. Chairman, our national debt is now much more than the total value of all taxable property in the United States, and we still have many problems which will require the expenditure of large sums. We have millions of veterans to be taken care of, and there is need for more and better schools and hospitals all over this country. We should not place additional financial burdens on future generations by lending the taxpayers' money without proper security for the repayment of any loan made. The United States should not be made completely bankrupt in attempts to finance the world.

Mr. WOLCOTT. Mr. Chairman, I yield 30 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, I will not take much time on the assertions made by the gentleman from Texas, but I do want to give you a partial answer to one of them. He said that this plan carries out the Bretton Woods agreement. I want to read you three paragraphs from the majority report of the Bretton Woods agreement, and then you can judge for yourselves how this loan directly violates Bretton Woods. The committee Bretton Woods report declared:

On the other hand, if some countries should find it difficult to secure through private investment the minimum capital needed from abroad, they will be tempted to seek this capital in other ways.

Foreign loans may be arranged on a political rather than an economic basis.

Such a policy would be most unfortunate, for it could only mean a resumption of the use of power politics in international economic relations.

That is what the majority report said about Bretton Woods, and power politics is exactly what this loan proposes, so this loan repudiates Bretton Woods, despite misleading claims otherwise.

Mr. Chairman, I will take very little time on the window-dressing arguments for this loan. I do not believe I should waste the time of this House talking about the chamber of commerce line of ballyhoo for this agreement, because I doubt that informed Members believes it, not even those who discuss such trade claims most enthusiastically.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. At the time of Bretton Woods it was not considered inconsistent for a leader to say that there would be no more loans. Certainly, if you are going to say it is inconsistent to be against this, how are they going to act when the British come in for more loans like this when the dollars run out?

Mr. BUFFETT. I will tell you. This agreement and many other New Deal foreign commitments like Yalta, and so forth, remind me of the story about Chief Sitting Bull back in the days of the Indian wars. General Custer sent a message to Sitting Bull and said he would like to have him come in for a conference; that he had some men coming from Washington and he wanted Sitting Bull to talk to those men and work out settlements.

Sitting Bull sent back a message to Custer and said, "Chief Yellow Hair," he said, "I believe you and I would trust you, and I would have conference with but," he said "you have men coming from Washington. All men from Washington," said Sitting Bull, "are liars."

Of course, it has been a long time since the days of Sitting Bull, and there have been a lot of changes, but some times I am curiously reminded of that story by current happenings.

I have condensed my material and I would be glad to discuss specific points at

some length, so I will welcome questions after I get through the body of my discussion.

Mr. Chairman, the British loan agreement should be defeated!

From conversation with Members inclined to vote for it, I find they put little stock in any argument except the claim that it will be helpful to our national defense. Before appraising this claim, I will comment briefly on the more superficial arguments.

The claim of expanding international trade has no supporting evidence, except that the gift is a $3,750,000,000 subsidy to American exporters, levied against all taxpayers. The agreement generally restates the now worthless lend-lease promises, with some new language.

Actually, Britain has not promised even to consider removing the primary restrictions on trade, namely, the exchange control laws requiring every citizen to obtain Government permission to make any purchase from or payment to other countries. American exports will face Empire preference and other barriers Our export controls, plus various shipping and export subsidies, are untouched. Trade is a two-way street or it is not trade.

You will notice they do not talk about the things they are going to bring in under this loan. Why? Because immediately, if they had any plans in that direction, those American businesses that would be harmed by the proposed imports would be down here fighting against it. But they do not really expect any imports to pay the loan, so perhaps it is just as well they do not mention imports.

The claim that this loan is needed to implement Bretton Woods is counterfeit. Ninety percent of Britain's share of the Bretton Woods fund can be paid in paper pounds sterling, which they can print any time. Ninety percent of what they put in is paper pounds sterling. The other 10 percent is gold or dollars, and inside of 30 days they can turn around and draw out almost twice as many dollars as they put in.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Even the gold they do not have to deliver. They keep it in their own vaults.

Mr. BUFFETT. I thank the gentleman for his observation.

Besides, the Banking Committee and this House were specifically assured by the most responsible Bretton Woods advocates that no such loan or type of loans would even be requested, much less considered, if Bretton Woods was passed and the Export-Import Bank expanded.

The claim that the loan is critically needed for dollar exchange will not hold up. According to figures Secretary Vinson furnished us, United Kingdom gold and dollar reserves declined only 3 percent between August 1939 and December 1945. Also, British banking funds in America on January 1, 1946, were $646,000,000. Ten years earlier they were only one-fifth as large.

The claim that the loan will revive free enterprise in Britain has nothing to support it. The loan will be used by the Labor government to strengthen and expand socialism and state ownership. How else would you expect them to use any instruments of power available to them?

The idea that Britain will not socialize with this hand-out reminds me of a story about the old colored brother down South who went to the banker and said, "Mr. Banker, I want to borrow $5 to buy some bacon and beans and flour for my wife and kiddies. They are going to be hungry in a day or two." The banker said, "Rastus, are you sure you don't want this $5 to go to the circus that is coming next week?" Rastus said, "Oh, no, Mr. Banker, I done got that $5 saved up already."

That is the way this loan operates. The Labor government will use this money to buy machinery in this country to advance socialization, and they will use these funds in every way possible to advance state ownership and the elimination of personal liberty.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. If you were against New Dealism, do you think it would prevent New Dealism in the United States to give $5,000,000,000 to a New Deal government in Washington?

Mr BUFFETT. The gentlewoman answers her own question. Five billion dollars in the hands of any government is going to be used to extend and expand and solidify the power of the people in power.

The most enticing argument is the assertion that this gift is for our national defense.

SOVIET MILITARY MIGHT IS A BOGEY

To begin with I want to explode one or two myths.

The notion that our Government must or should try to buy military support of other countries is false. The Russian scare is the same tactic Hitler used to divert attention from regimentation at home.

Does America, which produced more military supplies than the rest of the world combined, need help to defend itself against Soviet Russia? To ask the question is to answer it.

Without the vast quantities of military equipment which we supplied Russia, and without the military aid of Britain and the United States, Russia could not have repelled invasion by a nation scarcely half its size.

On the other hand, if the United States had aided Finland as it helped Britain, Russian armies would have been repelled indefinitely by a tiny nation of three million people. If the Soviet is somewhat stronger today, the present administration has created that strength.

But as a military threat to us, Russian might is largely a bogey which will frighten no one who knows what totalitarianism and bureaucracy do to production in Russia.

DANGER OF COMMUNISM COMES FROM WITHIN

Mr. Chairman, the real danger of Russian communism to us comes from imitating Soviet policies—from governmental inflation that cheats our people, growing bureaucracy, and peacetime regimentation. These dangers are within. They would be enlarged by the British loan.

Like the Maginot Line, the loan might give a temporary feeling of security. But actually the loan would add billions to the domestic supply of dollars for which there would be no goods. That is inflation. Likewise, because of shipments under this loan, our shortages would be worse and regimentation would be prolonged.

Thus, Mr. Chairman, the loan scheme itself is a most insidious threat to our national defense. The fact that most left-wing groups in America are supporting it should warn patriots of what it portends.

ALARMING DRAIN OF AMERICAN RESOURCES CONTINUES

Now let us consider the exhausting drain of present exports.

In the first quarter of 1946 America exported food amounting to $557,000,000. In dollar value wheat shipped was $180,000,000; while meat, fats, and dairy products totaled over $293,000,000. In the second quarter exports were much larger. What happened in America? Bread lines appeared over the land, and meat disappeared from legal channels—that was the first consequence of unlimited exports, plus OPA.

To the end of 1945 the Army alone had supplied other nations with over $1,000,000,000 of relief supplies—mainly food.

For this year the Army, besides its other collossal occupation costs, has a relief-food budget of $450,000,000. This drain on our food supplies is not included in UNRRA or other hand-out totals.

To the end of 1945 UNRRA had made only 20 percent of its planned drain on our resources. UNRRA expects about $2,000,000,000 or more of American goods in 1946. With this loan Britain expects immediately to secure here $425,000,000 of meat and related products from our scanty supplies.

For the 6 months ending April 1, 1946, exports of food were $940,000,000. This total does not include all Army shipments. Almost 50 percent, $445,000,000, was meat and related products.

In reciting these facts, I am not reflecting unfavorably on our desires or responsibility to help hungry and starving people. When Roosevelt made the monstrous decision to prolong this war to the bitter end of unconditional surrender, he burdened us with certain responsibilities.

But our assistance to suffering peoples will collapse if our own producers are paralyzed by burdens and shackles. Let us take a look at what controls have done to lard production. In the year ending in May 1944, lard production was 2,553,000,000. For the same period in 1945–46 it was almost cut in half, at 1,391,000,000 pounds. As a result foreign demands have caused a 65 percent set-aside from one of the Big Four, and 52 percent from another of stocks on June 30.

Lend-lease shipments from V-J day to February 28, 1946, have been officially estimated at $1,500,000,000.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. COLE of Missouri. During the first quarter of this year the United States exported 146,000 tons of sugar to Europe. During the second quarter this country exported 193,000 tons of sugar to Europe, yet our farmers cannot get sugar to can and preserve their crops.

Mr. BUFFETT. I thank the gentleman for his contribution.

RUSSIAN STRENGTH SUPPLIED BY ADMINISTRATION

Mr. Chairman, loan advocates who use fear of the Russian Bear as their alibi should be doing something about the expansion of Soviet power with free American resources.

During the 6 months ended April 1, this year, $133,000,000 of lend-lease goods went directly to Russia. Adding commercial exports, Russia received $228,000,000 of supplies from America. In addition parts of Russia and the Russian-dominated areas of Poland, Yugoslavia, and Czechoslovakia received the largest part of UNRRA supplies totaling over $500,000,000—likewise paid for largely by American taxpayers.

It seems that Russia's attitude steadily becomes tougher as the administration appeases Russia with supplies paid for by American citizens. Who will explain why vast shipments to Russia continue—if this gift is for defense against the Soviet?

DESPITE STRIKES, NEW CARS GO ABROAD

While our producers cannot get cars, over $80,000,000 worth of new automobiles and accessories were shipped abroad, in the strike-bound first quarter of 1946.

Inventories of surplus property costing $1,200,000,000 were held abroad in December.

Presumably, foreign nations will strengthen themselves with these American goods on credit at junk prices. And Britain gets over $5,000,000,000 of unused lend-lease supplies under this agreement—a rather tidy nest egg at about 10 cents on the dollar.

Mr CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. CLEVENGER. Does the gentleman remember that about 10 days or 2 weeks ago the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] placed in the RECORD the story of a 100,000,000 pounds of lean pork for Russia, the only explanation of which I ever saw was that it was in the pipe line. That is an absurd idea. It was in the American hog pens just a few weeks ago.

Mr. BUFFETT. The gentleman is eminently correct.

Exports under modified lend-lease, UNRRA, Export-Import Bank, and Army occupation and relief will total many billions in 1946. To this depletion of American resources must be added private exports financed by foreign-dollar credits. This foreign wealth here is in excess of $20,000,000,000. Commercial exports the first quarter totaled $1,590,000,000, or at an annual rate of almost $6,500,000,000. Total exports, exclusive of the military, amounted to $2,287,000,000. This is at an annual rate of close to $10,000,000,000—probably the highest peacetime drain in our history.

ARE PRESENT EXPORTS THE FORERUNNER OF A CRASH?

Previous record exports were reached in 1920 and 1929. In 1920 exports were $8,228,000,000. In 1929 they amounted to $5,240,000,000. Both years were interrupted by disastrous financial crashes.

Mr. Chairman, are present exports the forerunner of another crash?

The Cleveland Trust Co. Bulletin for June declares:

Probably there is more danger to our own economy in the prospect that we shall export too much, than in the possibility that we shall not export enough. After the First World War we exported too much and stimulated our own inflation of prices by exporting heavily while we were short of goods. We should try to avoid repeating that mistake.

Is the administration bull-headedly determined to repeat 1920 and 1929? A wise Englishman senses that disaster. Speaking before the Labor Party conference in England recently was Herbert Morrison, Lord President of the Council.

First Mr. Morrison referred to "the muddle, the inflation, and then the smash" at the end of World War I, and blamed it on capitalism. He then declared:

If unhappily a depression were to occur in the United States—which Heaven forbid—or if a world depression were to occur, we are preparing to avoid repercussions on the economic life of our own country.

BRITISH ARE LOOKING OUT FOR ENGLAND

Mr. Chairman, the meaning of Mr. Morrison's remarks is plain. First he denounced our free enterprise system of capitalism in the Moscow style. Then he declared that America may have a crash—and indicated that if that crash takes place England, by wise measures beforehand, will steer clear of the wreck.

I hope Members will ponder Mr. Morrison's views before they saddle the British loan on our taxpayers. If his Labor Party can secure an additional generous slice of our diminishing resources, who should blame them?

Moreover, if that drain of stimulating Britain weakens America to the point of depression and collapse, it will be America's hard luck, Morrison suavely indicates

Even moderate Ernest Bevin told the conference he hoped capitalism would not last in America. With this plain speaking, I hope conservatives in the House who favor this gift-loan will put their reasons into the RECORD for posterity to appraise, because this deal will work toward our destruction.

The combination of gigantic exports, reckless hand-outs, and prolonged peacetime regimentation is straining our economy to the edge of break-down. But, if an economic Pearl Harbor occurs, the British Labor Party that gets this loan will shed no tears of sorrow, but tears of joy. They tell us that now.

FARM BELT CAN NO LONGER BE FOOLED

Mr. Chairman, the Farm Belt has discovered the relentlessly inflationary course of the New Deal, and so the farm population has lost faith in this administration. Is this not the great domestic fact confronting us—the rising tide of resistance among the farmers to the deliberate inflation by this administration?

Before OPA expired, nonperishable crops were vanishing from legal channels. The "planned corruption" of OPA and deficit spending was being combated by patriotic resistance at the grass roots.

With a renewal of OPA this resistance will revive and spread.

To pass this highly inflationary hand-out before farm confidence is restored will almost surely result in crop withholding, breadlines, and malnutrition next winter.

BRITISH LOAN TIED TO OPA

Mr. Chairman, the British loan will result in permanent regimentation. This was made clear by the testimony on OPA by Mr. Bernard Baruch and Commander John Small of the CPA. The following interchange during the hearings between Mr. Baruch and myself is in point:

Mr. BARUCH. If they will give them (producers) sufficient profit, I do not think you will have much need of price controls later on, if they use reason in keeping our demands and demands all over the world down.

Mr. BUFFETT. Yes, if we try to supply all those demands at the same time we would be forced to continue price control indefinitely, would we not?

Mr. BARUCH. That is right. (Hearings before House Banking and Currency Committee on 1946 extension of the Emergency Price Control and Stabilization Acts of 1942, as amended, March 25, 1946, p. 1375.)

In other words, if you pass this hand-out on top of the hand-outs already passed the stage is set for a permanent OPA. That may be the reason the Nation, the New Republic, and all the left-wing groups in this country are whooping it up for this loan.

Now consider this paragraph from President Truman's foreign-loan policy:

A part of the foreign demand will fall on products which are at present scarce in American markets. The Department of Commerce estimates that perhaps one-fourth of the proceeds of foreign loans will be spent on such products. In these cases the export demand, although small in relation to current domestic demand, contributes to inflationary pressures in the United States economy, and allocation and export controls must be maintained in order both to prevent any undue drain on domestic supplies and to assure that the minimum essential needs of other countries are met.

Who will order Americans to go without, in order that the minimum essential needs of other countries will be met?

The master mind who will issue these orders is Henry Wallace. Wallace is the same expert whose phoney statistics in the steel wage deal started the inflation spiral. Mr. Wallace is in charge of the Export Control Act. Under the loan program 425,000,000 pounds of animal and meat products for England will have priority over American consumers this year.

Mr. Chairman, we are hearing ugly stories about administration plans to seize farm commodities after Congress goes home. So I offer this challenge to any Member who expects to vote for the British gift—that he secure from the administration a genuine and creditable

pledge that such tyrannical confiscation will not be attempted.

WILL STALIN'S TACTICS ON RUSSIAN KULAKS BE USED HERE?

To seize the property of American farmers, under any pretext or alibi, would prove Hitler's boast that he would win the war. Hitlerism would then be triumphant in America.

And pious scheming to hide such tyranny under the cloak of humanitarianism or commitments abroad would not change the betrayal.

The farmers of America did not make these reckless promises nor do they approve of the British loan. Hence Members who favor the loan, knowing in advance that farmers will not voluntarily supply the products promised, must be accessories to any administration intrigue to seize arbitrarily farm crops.

Mr. Churchill declared he did not become Price Minister in order to liquidate the British Empire. Will Congress liquidate both the freedom and the living standards of the American people? If the British loan is followed by crop seizures, Congress would be guilty of just that.

ARE REPUBLICANS SIDESTEPPING THEIR DUTY?

Mr. Chairman, on December 5, 1945, the Republicans of the House adopted a statement of principles. That statement opened:

Today's major domestic issue is between radicalism, regimentation, all-powerful bureaucracy, class exploitation, deficit spending, and machine politics, as against our belief in American freedom for the individual * * * pay-as-you-go economy in government, and the protection of the American way of life against either Fascist or Communist trends.

Can Republicans vote for the British loan after that December 5 pledge?

The people of America are 75 to 90 percent against this deal. Why has not the Republican Party fulfilled its function of furnishing the vehicle for organized opposition on this highly controversial issue?

HAND-OUT WILL CAUSE ENGLISH TO HATE US

Mr. Chairman, I could not close without regretting the tragic effect this loan will have on traditional Anglo-American friendship. Already the people of England are grumbling toward us. English hostility was the effect of loans after the last war. That is exactly how Uncle Sam became Uncle Shylock in Britain.

The hard feelings it will engender are suggested in a recent loan discussion in the Economist, bellwether of conservative British thinking:

Beggars cannot be choosers. But they can, by long tradition, put a curse on the ambitions of the rich.

Most of us value permanent English-American mutual respect as a bulwark of Western civilization. This loan, made against the wishes of the American people, will deeply injure good will among English-speaking people.

LOAN IS A NATIONAL DESTRUCTION MEASURE

This hand-out is not a national defense measure. It might, however, actually become a national destruction measure. It could prove to be the decisive step toward world communism—for it would, at one stroke, give the British Labor Government the weapons to liquidate free enterprise in England, and at the same time it may both touch off the potential inflation and exhaust and discourage our people to the point of collapse.

World War I established communism. World War II expanded communism over two continents. This loan may both bring on World War III and world triumph for communism.

For our greatest external danger today is that die-hard English imperialism will maneuver us into conflict, economic or military, against Soviet Russia. Why? To save a colonial empire for which there is no place in the modern world.

Mr. Chairman, if Congress reflects the will of the people, this scheme will be defeated.

LET THE PEOPLE DECIDE

For my part, I want the people to again make the vital decisions They do the suffering and pay the bills. Their judgments could not be possibly any worse than those of the experts and the politicians the last few years.

When we entered World War II, many basic liberties of the people were taken away. Until those liberties are reestablished, no wise Congress will accentuate inflation, regimentation, and shortages. To do so is to be duped by the Communist game, which is to destroy from within by undermining the pillars of capitalism, liberty, and free enterprise.

Continuation of wartime shackles now will offset all other efforts to assure our national defense. The way to protect our security is to reestablish freedom. Against that way of life the Soviet system has no defense.

As a trade measure, the gift-loan has no merit. As a national defense measure, the gift-loan instead moves us toward destruction by communism.

The House of Representatives will safeguard America's future only if it decisively defeats this gift-loan.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from California.

Mr. McDONOUGH. If inflation in this country reduces the total value of the loan we will say by 25 or 50 percent, leaving Great Britain to pay the full amount back at a future time, does the gentleman think that Great Britain would realize that and return to the sterling bloc, even after the loan is granted, for their own benefit?

Mr. BUFFETT. Let me see if I get the question. The gentleman asks if our price level rises 25 percent?

Mr. McDONOUGH. Yes. Say the loan is only worth 75 cents on the dollar but they would have to pay 100 cents on the dollar back, would they then return to the sterling bloc, which is an economic asset to them, if they could get the materials they wanted in the sterling bloc countries instead of coming to the United States to buy them?

Mr. BUFFETT. Great Britain is going to do from day to day whatever suits their own purposes best. That can be illustrated best by referring to what happened to the lend-lease promises.

I asked Mr. Vinson when he came before our committee whether or not British barriers to American trade were higher than they were before the war and he said, "Yes, much higher," or words to that effect. In other words, after they made the lend-lease agreement to cut down trade barriers, they not only did not cut down the barriers, they increased them very materially.

Mr. McDONOUGH. If the agreement is entered into in good faith between the United States and Great Britain, and inflation reduces the value of it, regardless of the terms of the agreement, they will return to the sterling bloc if that were more to their advantage?

Mr. BUFFETT. Yes, sir.

Mr. COLE of Missouri. There is nothing in the agreement whereby Great Britain promises to depart from the sterling bloc, is there? She is just going to talk about it

Mr. McDONOUGH. Yes.

Mr. BUFFETT. That points up the misleading nature of this whole proposal. The most it does is to commit Britain to talking about some of the discriminations and the restraints they have on trade, just as they previously were committed under lend-lease. They are making the same promises over again with some changes for variety's sake, but there is no definite promise to give up any specific restriction. They promise to eliminate discriminations, but that does not mean eliminate restrictions. The whole agreement is a collection of fine phrases that can be interpreted to suit the convenience of the borrower.

Mr. McDONOUGH. During the hearings was there any evidence brought out to indicate that there was not a full accord in Great Britain as far as the people of Great Britain are concerned on this loan?

Mr. BUFFETT. I have seen dispatches from Great Britain which indicate that many substantial groups in Great Britain are opposed to the loan. You can imagine how the people over there who believe in free enterprise feel about Uncle Sam giving to a Socialist administration the very weapons with which to destroy free enterprise in Great Britain, and doing that deed in the name of free enterprise.

Mr. McDONOUGH. Was that specifically brought forth in the hearings? Did anybody come out and say so?

Mr. BUFFETT. I asked several witnesses who appeared for the loan if they could point to any move in England that had taken place that was in the direction of free enterprise.

We recalled a number of moves that were in the direction of socialism but no witness could point out any moves by Britain toward restoring free enterprise.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman two additional minutes.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. It is not quite understood that they really get more than the money that is supposed to be given under this gift. They get the dollars, and they buy goods. If they

want, they can use all of those dollars for goods bought in America. Then they can take them, the same way they did with lend-lease goods, and sell them to their own people for money. The people in Britain to whom they sell would pay in British money, and that British money can be used all through the sterling area, so it can be used as a revolving fund. After they have gotten the goods from America and sold them to the British people, the people think it is fine and they are making a fine thing out of their socialistic government, but they also have this extra money, perhaps to the extent of $4,400,000,000, to use as a revolving fund over and over again in the sterling area.

Mr. BUFFETT. The gentlewoman touches on a very important point. If we could give Britain this much currency and just have the currency stay out of the country for awhile, that might not be all to the bad.

But they will take goods that the American people want and need. You can sum up all the problems of this country today in about one sentence: We have a lot of money but we have very little goods. This loan will constitute a large increase in money and create additional demand for goods. That is the inflation that the bureaucrats tell us requires prolonged and indefinite regimentation.

Miss SUMNER of Illinois. So as Jesse Jones has tried to point out, instead of opening up trade this is the way to keep trade going into the sterling area and not have to bother about agreements there.

Mr. BUFFETT Yes, and regiment industry here.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. It has been stated during debate this afternoon that American dollars are to be loaned and therefore could be spent nowhere except in America and therefore could not be used to foster socialism in Britain. I would like to point out to the gentleman that this $3,750,000,000 can be used by Britain for other things, and the budget that she has on hand can be used to socialize Britain.

Mr BUFFETT Certainly. This loan is going to make it possible for the socialistic government to ease its domestic problems and to stay in power. But, if we do not give them this weapon to use on the British people, socialism may fold up because of its own weaknesses in Britain. But we are giving them the very weapon to stay in power and to in turn use to destroy free enterprise in America. The labor conference over there recently made that objective clear.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from California.

Mr. McDONOUGH. A moment ago the gentleman outlined that this loan will take goods out of this country that we need at this time.

Mr. BUFFETT. Most certainly, and Mr. Henry Wallace is the one who by statutory authority will give the priorities to foreign groups. With his leanings, you can guess as well as I can what the prospects are.

Mr. McDONOUGH. That will create a deficiency in goods that we need after the war, goods that we have not been making.

Mr. BUFFETT. Yes, that shortage will be continued indefinitely, if this loan is passed.

Mr. McDONOUGH. Does that mean that the gentleman would favor a loan to Great Britain at a time when we have a surplus of material and that it would be good business to do it on a basis of plenty available?

Mr. BUFFETT. That is a horse of another color. A trade loan on a commercial and exchange basis when our critical domestic needs have been met is an entirely different proposition.

Mr. McDONOUGH. And this is the wrong time?

Mr. BUFFETT. Certainly.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I want to comment briefly in the course of my remarks upon some of the observations of the gentleman from Nebraska and to take issue with him, but I do not intend to be critical. I think I am a pretty good party man myself and I recognize that the minority party has a function to perform, and that in voicing partisan objections he is conforming to the historic practice.

FOREIGN POLICY SHOULD BE BIPARTISAN

I want to point out, however, that we have in the last 2 or 3 years developed a very wholesome trend in the Congress, namely, to work toward a bipartisan foreign policy Consequently, I would like to bring out the fact that in this period the minority is also perfecting legislation and exhibiting a splendid leadership in the positive and constructive aspects of policy making. As typical of that, I want to quote what Charles S. Dewey said to our committee about this proposed loan agreement. He is an outstanding Republican. No one can question his party loyalty or the character of service he has rendered his party.

However, in line with what I suggested about the wholesome character of a bipartisan approach such as we had in Bretton Woods and in the leadership of John Foster Dulles, and with the cooperation of the State Department, we have in Mr. Dewey's activities a very fine example of cooperation between the parties. Mr. Dewey said this to our committee:

> What I wish to do is to present the basic reasons that cause me to believe the British loan agreement has become the keystone to the arch of world-trade stability and future peace and is of major importance to the American way of life today and in the years to come.
>
> In the first place, I wish to emphasize that I am a believer in free enterprise based on competition, both nationally and as it affects international trade.
>
> There are three business ideologies existent in the world today, the Soviet system, our own free-enterprise system, and a third which is neither one nor the other.

Mr. Dewey is getting down to an important point here because the tendency is to oversimplify the problem and say we are either for free enterprise on the American plan or we favor the Soviet ideology. But he points to a third group and he has something to say about its significance for this controversy:

> This third system of bilateral agreements between England and her colonies and dominions and a number of independent states is a defense mechanism due almost entirely to the distressing economic condition they are facing as a result of the war.
>
> Now, let us look at the record of the third group of countries which, under the leadership of England, have been driven to set up the defense mechanism of bilateral trading.
>
> As far back as 1932, England, a great trading nation, commenced feeling the effects of the world depression in her revenue from foreign trade. Our own exports fell from $4,800,000,000 in 1925 to $1,500,000,000 in 1932, while our imports, which meant dollar exchange in world trade, fell from $4,100,000,000 to $1,300,000,000 for the same period.
>
> The purpose of the British loan agreement is to break the log jam and to give an opportunity to the governments of these nations to slacken their controls and to choose as their future course, the road of unobstructed world trade.

In a very eloquent statement to our committee, which was eloquent, as Mr. Dewey generally is eloquent, in its forcefulness and in its simplicity and in his obvious grasp of the intricacies of world trade, he suggested that the very existence of free enterprise in world trade insofar as Great Britain is concerned is dependent on our establishing a credit for that great nation. I quote further from his testimony:

> I do not believe that this country can live alone, a free enterprise state (meaning America) in a world of state-controlled economies. I feel sure that no matter what may be the political color of the administration it would be forced to make foreign treaty arrangements in contradiction to our concept of free competitive enterprise.
>
> That—

Said Mr. Dewey—

> is my main reason for believing that the British loan agreement transcends most objections. This is about our last opportunity to help the bilateral countries out of their dilemma and have them rejoin us in our policy of free enterprise and unhampered flow of world goods.

THE AGREEMENT WILL PROMOTE FREEDOM IN WORLD TRADE

I start with Mr. Dewey's statement because it seems to me here is good authority for the basic proposition that Great Britain needs help in maintaining a system of free enterprise in world trade. Without the help which we are to extend through dollar credit so that trade can become triangular, as it is sometimes described, so that England trades with Egypt and Egypt trades with us—or multilateral, so that any number of nations are participating in it—without this aid England is forced to tell any importer or exporter with whom he may trade, from whom he may buy, and to whom he may sell. Consequently, no matter how much an individual importer in Great Britain might prefer to buy American goods, he must be told under this system of bilateral trading which Mr. Dewey condemned and which will continue without this loan agreement, he must be told under that plan he cannot trade with America. It resembles Hitler's trade

practices, the difference being that Hitler was making use of the controls of trade for war-making purposes and Britain would be forced to limit freedom because of the sheer necessity of securing her food which she must import to survive, as well as the other goods on which she is dependent to maintain her economy. The element of necessity has hardly been emphasized so far in the debate but it is important. For that and other reasons Mr Dewey favors the British loan agreement

Mr VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HAYS I yield.

Mr. VORYS of Ohio. I want to comment on an earlier part of the gentleman's very interesting remarks in which he calls attention to the necessity for a bipartisan approach in matters affecting foreign affairs. I know that he has had the courage of his own convictions and I know that he has been trying to secure action on a resolution to that effect which is now pending in the House. But here is the point I want to ask the gentleman about. In the United Nations, our delegation was bipartisan and Congress was represented. In the Bretton Woods proposal, our delegation was bipartisan and Congress was represented. But in the British loan negotiations, which the gentleman says the President has said is a cornerstone of our foreign policy, there was not only no bipartisan representation during the negotiations but there was no congressional representation. Does the gentleman know why in this matter, apparently considered so important, there was a complete departure from the bipartisan approach and the sharing of responsibility in the negotiations stage with Congress which is characteristic of these other steps?

Mr. HAYS. I think I understand the gentleman's question.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. HAYS. There is this difference between the Bretton Woods proposals and the present agreement. In the first place Bretton Woods was a matter of pioneering. It required questions of policy in long-range planning, and there was obviously considerable logic in having as participants, representatives of the legislative branch of the Government. I think it was praiseworthy on the part of the Administration to see that that was done. Perhaps there should have been congressional participation in these negotiations. I am not sure about that. It is a matter that involved technical questions primarily. The Congress has not undertaken to develop technical skills. The Congress did undertake, through elaborate hearings, both in the Senate and in the House, to ascertain all of the details in connection with the negotiations. But it was primarily an administrative, executive, and technical service. Of course, the committee hearings in the House were shared in by both the majority and minority parties, very actively and very prominently. I think the fact that this is reported by a vote of 20 to 5, with reservations on the part of some, indicates that it did receive strong bipartisan support.

I wish to thank the gentleman for what he said about my position on the question of bipartisan policy. It has been one of my major interests, as he knows.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BUFFETT. I thought I would like to help the gentleman complete his biography of Mr Charles Dewey. He was retired by the voters of his district in their wisdom and is now vice president of the Chase National Bank, an international bank whose profits would probably be enlarged quite substantially if this loan goes through.

Mr. HAYS. Does the gentleman feel that Mr. Dewey's views were colored by personal interest?

Mr. BUFFETT. Well, I do not think he would be stating anything publicly that did not agree with the bank that he represented. Naturally, he would be loyal to his employer.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS I yield.

Mr. MONRONEY. It was my great pleasure to have served with Mr Dewey. I have known him for years, and I would say that he would not say anything publicly that he did not sincerely agree with.

Mr. HAYS. That is certainly my conviction. I appreciate the contribution of the gentleman.

Mr. WOLCOTT. Mr Chairman, will the gentleman yield?

Mr. HAYS I yield.

Mr. WOLCOTT. I might say also that Mr. Dewey, when he appeared before the committee with respect to this loan agreement, was merely carrying out a policy which had been very close to his heart for some years, he having introduced, as I recall, a bill which would have effectuated the purposes of Bretton Woods, even before the negotiations had been completed before the congressional committee in that respect. The statement he made before the Committee on Banking and Currency was in keeping with the policy that Mr. Dewey has adhered to for the past 4 or 5 years.

Mr. HAYS. I appreciate the gentleman's contribution

Mr. BUFFETT Will the gentleman yield further?

Mr. HAYS I yield briefly.

Mr. BUFFETT. My remarks in no way impugn the motives of Mr. Dewey, but it is more than coincidental that these policies he has been so strong for were not endorsed by the voters in his district in the last election.

Mr. HAYS. The gentleman would agree, would he not, that the British loan agreement was not an issue in the election in which Mr. Dewey was defeated?

GREAT BRITAIN'S RECORD IN PREVIOUS LOAN REPAYMENTS

Now, I wish to include some figures that will be of interest in connection with Britain's record in connection with the payment of loans following the First World War. This has not been generally known, but between August 1914 and June 1919, Great Britain contracted for approximately $12,000,000,000 worth of war supplies in the United States. Between 1914 and the end of 1933, Great Britain paid the United States, on account of those goods, approximately $10,000,000,000. But of the twelve billion Britain paid eight billion in cash and borrowed the remaining four billion from the United States Government after the entry of the United States into the war in 1917.

Of that $4,000,000,000 borrowed, $3,500,000,000 was in respect of munitions of war, supplies such as we provided under lend-lease in World War II.

Here is an interesting figure. There is talk of Britain's defaulting on the payment of her war debts. Britain received in goods and supplies furnished after the last war such as we now refer to as "pipeline delivery" only $581,000,000 worth of goods, and repaid before the final collapse of world economic conditions in 1933 $2,034,000,000 or four times as much as she received except for the goods which were supplied to make war against a common enemy That is the record of Great Britain

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS I yield.

Mr MONRONEY. Does the gentleman from Arkansas have the figures also to show the great loss that Great Britain suffered from the default of her allies, which as I understand was greater than what we suffered by the default of Great Britain?

Mr. HAYS They are also very important figures, and here they are. I am glad the gentleman mentioned that. The war debts owing to Britain were $7,800,000,000 The war debts owing to the United States were $10,900,000,000, of which $4,250,000,000 was owed by Great Britain. The amount paid by Britain to the United States, which was the figure I mentioned, was $2,034,000,000. The amount received by Britain from her own debtors in the same period was only $346,000,000 out of a total of $7,800,000,000. When Britain proposed a cancellation of the inter-Allied debt in 1922 Britain stood to lose a considerable sum of money but her Government was seeking stable trade relations.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. SMITH of Ohio. Is not the gentleman overlooking the fact that we lent a little more than $7,000,000 in the form of private lending to Great Britain? Must not that be considered in connection with this problem?

Mr. HAYS. We are not, of course, discussing private loans, the gentleman will agree; we are discussing governmental loans, or governmental credit. It seems to me that the private loans to which the gentleman alludes have no bearing on this particular question. If he wishes to state briefly a point of view on that matter I yield to him for that purpose, but I have one further point I wish to make.

Mr. SMITH of Ohio. I merely think they ought to be taken into consideration. Our citizens lent that money to people in Great Britain and other countries and we lost a great part of it. This factor is of importance. It means we

gave away an amount of goods equal to the default.

Mr. HAYS. It was in that period when private institutions were lending unwisely, I agree, to almost every country in the world, and it is a tragedy that we might have averted if we had been able to see the ultimate use that was made of some of the private loans by nations that later became totalitarian. Great Britain believes in democracy.

Mr. Chairman, I have heard Britain condemned this afternoon in a way that I believe is out of line with the relations with a faithful ally in a war for survival.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes

Mr. HAYS. I base my support of this agreement upon America's interest. I concede that it is also in Britain's interest but it does not follow that because it is to Great Britain's interest it must necessarily be contrary to our own. Of course it is to Great Britain's interest, but does that mean that we should oppose it? Are we opposed to favoring as we favor ourselves the only other great democracy in the world, one who believes in the representative system, the other great bulwark of western civilization who because of her importance in world trade would secure great benefit from the agreement?

Surely we have not forgotten that in 1940, in the grim hours of the first part of the war when France had fallen we looked every morning at the newspapers for heartening news from Britain, that the world might not be exposed to the Nazi terror. Surely America has not forgotten that. We have not forgotten that these people with whom we propose to trade are people of character.

I do not agree with Britain's policy on every point. I cannot defend some of the utterances of their leaders on the Palestine question in recent days. I did not agree with many of the policies of their Tory government in years preceding the war, nor could any of us underwrite the policies of Mr. Churchill on every issue. But Britain believes in democracy. If I did not believe that, I would not support this agreement and if in the face of the peril that democratic government faces today I did not see an advantage to us in the defense of our institutions I would not be subscribing to a plan for the extension of further credit to a nation that is in difficulty.

So, Mr. Chairman, it seems to me that with our right of disagreement with British policy, both their imperial policy and those of the present Labor government with reference to the nationalization of industries, with that right of disagreement openly and vigorously exercised, nevertheless we should not lose sight of the basic fact that democracy is under attack and that we need our ally again in a troubled world economy to make trade free and to make freedom secure in other areas of this world. I say that not to add anything to anti-Soviet feeling at all but to assert something positive about the democratic institutions in which we believe.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Washington.

Mr. SAVAGE. Apropos of what the gentleman has said, is it not also true that Great Britain is now trying to follow out one of our basic principles, the freedom of the individual? They are attempting under their system to maintain the freedom of the individual which is one of the basic principles of our democracy?

Mr. HAYS. It seems to me if we can put any reliance at all in what is told us by those who have negotiated this agreement and from what we know in general about British policy with reference to trade and the desire to secure dollar credit so that individuals can trade with us rather than with nations that they would be forced by a government in extremity to trade with, we must accept in full faith this belief in free enterprise and basic individual liberty.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MONRONEY Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I have been greatly interested in the exceptionally fine work the gentleman has been doing on a nonpartisan foreign policy. I want to commend him for the activities he has always exerted in this behalf and I feel his fight here today to help strengthen America through enlightened self-interest in helping to finance free enterprise and world trade is a great contribution in that regard.

Mr. HAYS. I thank the gentleman.

THE CREDIT WILL BE USED IN THE UNITED STATES

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. It is stated that this proposal is a business proposal for America. I am wondering if the gentleman will tell us if there is any positive written guarantee anywhere that any of this money will be spent in the United States?

Mr. HAYS. In answer to the gentleman's question, may I say that all of this money must ultimately be spent in the United States.

Mr. ALLEN of Louisiana. Is there anything in the bill itself or in the resolution or in the agreement stating that that must be done?

Mr. HAYS. No. It is not in the agreement for the reason that it would not be necessary to state that. If I correctly understand the gentleman's question, may I say it like this: Since it is the dollar credit that we extend, obviously it is American goods that the British want. They would not be interested in this agreement if they were not interested in our machinery, moving pictures, and in the products of our factories and our farms. Since it is American goods they want, obviously those dollars will be spent here.

That does not mean that some country with whom Britain deals for goods that we do not supply and are not interested in selling cannot make certain agreements with them and engage in certain trade. But in the transfer of dollar credit by Britain to some other country, obviously a credit in favor of the other country is set up and that means that America would be supplying some of Britain's customers rather than Britain directly on the basis of this credit. What I am trying to say is just this: It does not make any difference to us, considering our trade interest, whether we sell to England the goods that might be acquired under this credit or sell to one of the dominions the goods that England might enable that country to buy.

Mr. ALLEN of Louisiana. Just one further question. What assurance do we have, if any, that we will get more trade from the British Dominions, Canada, Australia, India, and other possessions?

Mr. HAYS. I may say to the gentleman that the facts are—and it was detailed to our committee—that if we do not extend this credit the chances are our trade with Britain will begin at once to diminish and this will react upon the dominions and other countries. There is no question about that England faces a crisis. They must import to live. England today is exporting automobiles that English people need. But England, in order to get the food that the nation must have to feed her millions of people, and to secure other essential goods has placed her economy under certain rigid controls by the government.

Since the dollar credit is so limited, and since the things that Britain can sell to us are so scarce, Britain, in this present crisis in the transition from war to peace, is calling to us to help her get enough dollars to rehabilitate her economic system. Primarily that is where the credits are going. May I say that some of it may be sold indirectly, that is, transferred to some other nation, but it will come back to us. Primarily it is to rehabilitate Britain's economy and make it possible for them to continue to foster the private enterprise system in world trade, that Mr. Dewey describes; so when the importer says, "I want American machinery, the British Government can make that dollar credit available.

For the next 2 years much of this credit is going to be used for the purchase of goods that are in surplus. Britain is buying as much tobacco, for example, as they can right now. In the first quarter of this year they bought $65,000,000 worth of tobacco. They bought in the same period $10,000,000 worth of cotton, $40,000,000 worth of petroleum, $12,000,000 worth of machinery, and $8,000,000 worth of hides and skins. The experts advise us that a million and a half bales of cotton will move directly into English channels as soon as this credit is established, and the same thing is true with other things that I might mention, things that Britain is eager to have. The items mentioned we are glad to export, but this market cannot continue without this credit aid.

So, we will profit materially by it. The gentleman has raised a question that is in the minds of many people—Where will the money be spent? Unless it can be spent for goods in surplus and not in short supply, I would rather not see it used for a little while; in other words, right now we are fearful of anything that is inflationary. But this is only about 1 percent of our production capacity when you break it up into a 5-year period, and is not inflationary. I am glad the gentleman raised that question.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, it is about time, it seems to me, to explode the myths that are being circulated every day by antisilver propagandists in connection with the price of silver. I am not speaking about the monetary price of $1.29 an ounce which the Government of the United States has maintained for over 150 years. I am speaking merely of the commercial price of silver in the commercial silver markets of the world.

Months ago silver was selling in Mexico, in London, and in South America at 85 cents an ounce. Months ago it was selling in Egypt and in Iraq at around $1.15 an ounce. During most of the war it has been selling in India at above $1 an ounce. Recently it reached $1.50 there. Last Friday it was selling there at $1.30; last Thursday it was selling there at $1.33. And let us not forget, Mr. Chairman, that all these prices have been held down by the 407,000,000 ounces that we lend-leased during the war, of which 88,000,000 ounces to Great Britain and 226,000,000 to India.

Even in our own country black-market operators have paid as high as $1.10 an ounce for months. But the best news of all came to my attention recently when I learned that the du Pont Co. of Delaware has at last seen the light and has taken delivery of a quarter million silver dollars from the Treasury, silver dollars which are to be melted down and used in the manufacture of silver nitrate for photographic films at $1.29 an ounce.

Is it any wonder, Mr. Chairman, in the light of these prices, that the OPA ceilings of 71.11 cents for transactions in silver in this country and for imports of silver—ceilings which were set in 1942—should now have become just another dodo bird? Is it any wonder, with the silver prices that are ruling all round the world, that Mexico, Canada, and Peru and all the other silver-producing countries who are ordinarily glad to sell this metal to us should be refusing to do so now, and for many months past? Is it not about time for Congress to stop being "bamboozled" by these silver manufacturers and for them to take their cue from the $1.29 price which the du Pont Co. has just set? And is it not just about time for the Treasury to stop pampering these silver manufacturers and to resume those purchases of silver which it is directed to make under the law—purchases, by the way which it has failed to make since 1942 in possible violation of the law?

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, had come to no resolution thereon.

COMMITTEE ON LABOR

Mr. RESA. Mr. Chairman, I ask unanimous consent that a subcommittee of the Committee on Labor be permitted to sit tomorrow morning during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. WEICHEL (at the request of Mr. SMITH of Ohio) was given permission to extend his remarks in the RECORD and include a letter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 619. An act to amend the act of June 8, 1936, relating to vocational education, so as to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5258. An act granting a renewal of patent No. 113,244, dated February 7, 1939, relating to the flag of the Church of God;

H. R. 5933. An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations, a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes;

H. R. 5990. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 6265. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; and

H. R. 6477. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 660. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 5258. An act granting a renewal of patent No 113,244, dated February 7, 1939, relating to the flag of the Church of God;

H R 5933 An act to authorize and direct the Board of Public Welfare of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day care of school-age and under-school-age children, and for other purposes.

H R 5990 An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes;

H R. 6265. An act authorizing the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Del.; and

H R. 6477 An act to amend section 32 of the Emergency Farm Mortgage Act of 1933, as amended, and section 3 of the Federal Farm Mortgage Corporation Act, as amended, and for other purposes

ADJOURNMENT

Mr. SPENCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 9, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1442. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to empower the Secretary of the Interior to grant rights-of-way for various purposes across lands of individual Indians or Indian tribes, communities, bands, or nations; to the Committee on Indian Affairs.

1443. A letter from the Chairman, United States Maritime Commission, transmitting the report of the United States Maritime Commission on the activities and transactions of the Commission under the Merchant Ship Sales Act of 1946 from its date of enactment through June 30, 1946, to the Committee on the Merchant Marine and Fisheries.

1444. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLANNAGAN: Committee on Agriculture. H. R. 6992. A bill to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; with amendment (Rept. No. 2456). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 6629. A bill to provide basic authority for the performance of

certain functions and activities of the National Park Service; with amendments (Rept. No. 2459). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 6917. A bill to provide for site acquisition and design of Federal buildings, and for other purposes; with amendments (Rept No. 2460). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEAVER: Committee on the Judiciary. S 141. An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania; with amendments (Rept 2461). Referred to the Committee of the Whole House on the State of the Union.

Mr. LARCADE: Committee on the Territories. H R. 3361. A bill to amend paragraph (1) of section 73 of the Hawaiian Organic Act, as amended; with amendments (Rept. No. 2462). Referred to the Committee of the Whole House on the State of the Union

Mr LARCADE: Committee on the Territories. H. R. 6610. A bill to waive certain restrictions of the Hawaiian Organic Act, relating to land exchanges for the acquisition of certain lands at Hilo, Hawaii, with amendment (Rept. No. 2463) Referred to the Committee of the Whole House on the State of the Union

Mr LARCADE: Committee on the Territories. H. R 6918. A bill to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes, without amendment (Rept No 2464) Referred to the Committee of the Whole House on the State of the Union.

Mr McMILLAN of South Carolina: Committee on the District of Columbia S 1426. An act to provide for the replanning and rebuilding of slum, blighted, and other areas of the District of Columbia and the assembly, by purchase or condemnation, of real property in such areas and the sale or lease thereof for the redevelopment of such area in accordance with said plans; and to provide for the organization of, procedure for, and the financing of such planning acquisition, and sale or lease, and for other purposes, with amendments (Rept No. 2465) Referred to the Committee of the Whole House on the State of the Union

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr KEE:

H R. 6967 A bill to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration, to the Committee or Foreign Affairs.

By Mr LANHAM:

H. R 6968 A bill to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr LANHAM (by request):

H. R. 6969. A bill to amend the act entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital," approved May 29, 1930; to the Committee on Public Buildings and Grounds.

By Mr. O'BRIEN of Michigan:

H. R. 6970. A bill to provide for an air parcel post service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. STIGLER:

H. R 6971. A bill to extend the benefits of vocational rehabilitation to World War II veterans who incur disabilities while receiving education or training under part VIII of Veterans Regulation No. 1 (a), as amended; to the Committee on World War Veterans' Legislation

By Mr. VOORHIS of California:

H. R. 6972. A bill to require interstate pipe lines to operate as common carriers and to divorce their operations from shipper owners; to the Committee on Interstate and Foreign Commerce.

By Mr. O'BRIEN of Michigan:

H. Res. 699. A resolution relative to the Jewish national home in Palestine; to the Committee on Foreign Affairs.

By Mr. WASIELEWSKI:

H. Res. 700. A resolution authorizing the printing as a House document of the proceedings of the one hundred and fifty-fifth anniversary of the independence of Poland, and providing for the printing of additional copies thereof; to the Committee on Printing

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Fourth Revisional Parliament of the Hellenes, memorializing the people of the United States on the one hundred and seventieth anniversary of their independence, to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr BATES of Massachusetts:

H R 6973 A bill for the relief of Anthoula S Maskas, to the Committee on Immigration and Naturalization

H R 6974. A bill for the relief of Manuel DeSousa Grade, to the Committee on Immigration and Naturalization.

By Mr CHELF:

H R 6975 A bill for the relief of the estate of Patrician Ann Moore, deceased; to the Committee on Claims

By Mr. HINSHAW:

H R. 6976 A bill for the relief of Hayato Harris Ozawa, to the Committee on Immigration and Naturalization

By Mr MARCANTONIO:

H R 6977 A bill for the relief of Ernest August Erdmann; to the Committee on Immigration and Naturalization.

By Mr. SHORT:

H R. 6978. A bill for the relief of Daniel B. Meador; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2064. By Mr. LARCADE: Memorial of the senate of the State of Louisiana in re housing for veterans; to the Committee on Banking and Currency.

2065. By Mr. LEWIS: Petition signed by Earl Groves and 50 other citizens of the Eighteenth Ohio District, urging reinstatement of certain rights of citizens; to the Committee on the Judiciary.

2066. By Mr. HIGH: Petition of Clinton County division of the Susquehanna River System Flood Control Association, Lock Haven, Pa., urging the Army engineers to prepare the best possible flood-control plan for the West Branch of the Susquehanna River as authorized in the Rich resolution adopted by the Committee on Flood Control; to the Committee on Flood Control.

2067. By the SPEAKER: Petition of Townsend Club, No. 5, of Akron, Ohio, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230; to the Committee on Ways and Means.

2068. Also, petition of Cathay Post, No. 185, of the American Legion, department of Colorado, petitioning consideration of their resolution with reference to bringing Hawaii into the Union as the Forty-ninth State; to the Committee on the Territories.

2069. Also, petition of Citizens of Council Bluffs, Iowa, petitioning consideration of their resolution with reference to the transference of 100,000 Jews to Palestine; to the Committee on Foreign Affairs.

2070 Also, petition of the board of governors of the Metropolitan Housing Council, petitioning consideration of their resolution with reference to rent control; to the Committee on Banking and Currency.

2071. Also, petition of the Town Council, Town of Bloomfield, N. J., petitioning consideration of their resolution with reference to request for legislation preventing the eviction of tenants in dwellings; to the Committee on Banking and Currency.

2072. Also, petition of the Virginia Bankers Association, petitioning consideration of their resolution with reference to the balancing of the budget; to the Committee on Ways and Means.

2073 Also, petition of James R. Allen, relative to the disposition of certain claims against the United States; to the Committee on the Judiciary.

SENATE

TUESDAY, JULY 9, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. L. Ralph Tabor, pastor, Luther Place Memorial Church, Washington, D. C., offered the following prayer:

Father in Heaven, we thank Thee that Thou hast brought us to this day. We praise Thee that Thou hast been our help in ages past, that Thou art our hope for years to come. We bow in gratitude to Thee, the source of whatever talents and abilities are possessed by men. Use the abilities of Thy servants in this place that Thine own will may be done and Thine own purposes may be served.

Let Thine own light give clarity of vision for the honest performance of daily labors here; let Thy purposes be served by a common will toward what is right and best for the people of this Nation and of the world. Let understanding and sincerity mark the deeds of these hours. Give to Thy servants the desire to accept the guidance of Thy spirit that Thy greater glory may be known through this Nation under Thee.

Let the words which are spoken here this day and the thoughts which are in the hearts of those in places of high responsibility be acceptable in Thy sight. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 8, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes.

The message also announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 27 and 28 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res 69 Concurrent resolution further increasing the limit of expenditures for the investigation of the Pearl Harbor attack, and

S. Con. Res. 70 Concurrent resolution to further extend the time for filing the report, together with the powers and functions, of the Joint Committee To Investigate the Pearl Harbor Attack.

EXECUTIVE COMMUNICATIONS, ETC

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. Doc. No. 236)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to $85,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

RELIEF FOR CERTAIN DISBURSING OFFICERS OF THE NAVY

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, on the cases of relief granted to disbursing officers of the Navy on account of loss or deficiency while in line of duty; to the Committee on Naval Affairs.

MRS. MARTHA P. MATTHEWS

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation for the relief of Mrs. Martha P. Matthews, clerk-typist, Jackson, Tenn., Farm Security Administration, United States Department of Agriculture (with an accompanying paper); to the Committee on Claims.

LIMITATIONS OF EXPENDITURES FOR SPECIAL PROJECTS

A letter from the Acting Director of the Bureau of the Budget, transmitting, pursuant to law, copies of letters addressed to the heads of the State Department and Office of War Mobilization and Reconversion, which establish limitations on the amounts that may be expended for travel from sums set apart in appropriations for special projects (with accompanying papers); to the Committee on Appropriations.

INTEGRATION OF SURPLUS DISPOSAL—REPORT OF WAR ASSETS ADMINISTRATION

A letter from the Administrator of the War Assets Administration, transmitting, pursuant to law, the first quarterly report of that Administration, 1946, relating to the integration of surplus disposal (with an accompanying report); to the Committee on Military Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by Cathay Post, No 185, American Legion, Denver, Colo., favoring statehood for the Territory of Hawaii; to the Committee on Territories and Insular Affairs.

TRANSFER OF JEWS TO PALESTINE

Mr. WILSON. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the Appendix of the RECORD, without the signatures attached, a resolution adopted by the citizens of Council Bluffs, Iowa, with reference to the prompt transference of 100,000 Jews to Palestine.

There being no objection, the resolution was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, without the signatures attached, as follows:

Whereas the Anglo-American committee of inquiry on Palestine has submitted to both of the governments a concerned the urgent recommendation that 100,000 displaced European Jews be allowed to enter Palestine during 1946; and

Whereas recent statements by members of the British Labor Government indicate an intention not to accept such recommendation, and recent acts by this Government will lead only to further consultation and unnecessary delay in the achievement of this objective; and

Whereas further procrastination in the fulfillment of this humanitarian obligation can serve no purpose but to increase the agonies and sufferings of these unfortunate people, for whom no home exists in Europe and who can be rehabilitated in Palestine: Now, therefore, be it

Resolved, That it is the sense of this assembly of citizens of Council Bluffs and the State of Iowa that the President of the United States, the Secretary of State, and the United States Senate and House of Representatives take action to effectuate immediately the unanimous recommendation of the joint committee with respect to the prompt transference of 100,000 Jews to Palestine; be it further

Resolved, That it is the desire and will of the American people that this solemn obligation, to which this Government is a party, be fulfilled, and that these homeless people be given the opportunity to live as free men in this land of their choice; be it further

Resolved, That this resolution and appropriate copies be sent respectively to the President of the United States, the Secretary of State, the President pro tempore of the United States Senate, the Speaker of the House of Representatives of the United States and the Senators and Representatives from the State of Iowa.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr McCARRAN, from the Committee on the Judiciary:

S. 1477. A bill to authorize relief in certain cases where supplies or services have been furnished for the Government during the war; with amendments (Rept. No 1669);

S Con Res 64. Concurrent resolution disapproving Reorganization Plan No. 1, adversely (Rept. No. 1670);

S. Con Res 65. Concurrent resolution disapproving Reorganization Plan No 2; adversely (Rept No. 1671); and

S Con. Res 66. Concurrent resolution disapproving Reorganization Plan No 3, adversely (Rept No. 1672).

By Mr. MURRAY, from the Committee on Education and Labor:

H Con Res 148 Concurrent resolution creating a joint select committee to study and recommend legislation concerning labor relations; with amendments (Rept. No. 1673), and, under the rule, the concurrent resolution was referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

By Mr. DOWNEY, from the Committee on Irrigation and Reclamation:

S. Res. 296. Resolution relating to the utilization and disposition of the water resources of the Central Valley project in California; with an amendment.

BILL INTRODUCED

Mr. O'MAHONEY (for Mr. WHEELER), by unanimous consent, introduced a bill (S. 2420) authorizing the issuance of a patent in fee to Bert Miles, which was read twice by its title and referred to the Committee on Indian Affairs.

INVESTIGATION OF CENTRALIZATION OF HEAVY INDUSTRY

Mr. McCARRAN submitted the following resolution (S. Res. 301), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures of the special committee appointed pursuant to Senate Resolution 180, Seventy-eighth Congress, agreed to December 21, 1943, to investigate the effect upon interstate commerce of the centralization of heavy industry in the United States, hereby is increased by $2,352.70 in addition to the amount of $5,000 originally authorized.

RESTRICTIVE LABOR LEGISLATION: AN ATTACK ON CIVIL LIBERTIES—ADDRESS BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address on

the subject Restrictive Labor Legislation: An Attack on Civil Liberties, delivered by him at the National Lawyers Guild Convention at the Hotel Hollenden, Cleveland, Ohio, July 5, 1946, which appears in the Appendix.]

ROOSEVELT AND THE FUTURE OF LIBERALISM—ADDRESS BY SENATOR PEPPER

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an address on the subject Roosevelt and the Future of Liberalism, delivered by Senator PEPPER at the National Lawyers Guild banquet in Cleveland, Ohio, July 6, 1946, which appears in the Appendix.]

LAND O' LAKES CREAMERIES—ARTICLE BY ARNOLD NICHOLSON

[Mr WILEY asked and obtained leave to have printed in the RECORD an article entitled "They Sell a Billion Pounds of Milk a Year,' by Arnold Nicholson, describing the operation of Land O' Lakes Creameries, published in the magazine Country Gentleman, of June 1946, which appears in the Appendix]

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oklahoma [Mr. THOMAS] in the nature of a substitute for the amendment proposed by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Seantors.

Mr. REED. Mr President, I send to the desk and ask to have printed and lie upon the table two amendments which I intend to propose to House Joint Resolution 371 which is now before the Senate.

The PRESIDENT pro tempore. The amendments will be received and lie on the table.

Mr. WILEY. Mr. President, I am not a member of the Banking and Currency Committee of this great body which has been considering this new measure affecting OPA. Neither have I had the opportunity to read the testimony which may have been taken before the committee. However, I have given considerable thought to this whole subject for a long time, and like all my brethren of the Senate, I have received a number of letters and telegrams from men and women in every walk of life, from those living in my own community and State and from those living outside the State. I am not talking about the countless telegrams which have been the result of siphoned thinking; I am talking about the telegrams which have come from men and women who have attempted to think this problem through.

Mr. President, I should like to submit a few points regarding the matter of price control now under consideration, and my position on it.

The situation has been so confused in recent days as a result of the President's actions and as a result of the propagandizing of OPA bureaucrats that it seems to me some straightening out is in order.

THE PREVIOUS OPA EXTENSION BILL

First. Mr. President, I voted against the previous version of the OPA extension bill, which was later vetoed by the President. I know, of course, how long and how hard and continuously the Members of the Senate and the House had worked on that measure.

One of its principal defects, I felt, was its failure to decontrol dairy and livestock products. I had many times pointed out on the floor of the Senate the terrible and ruinous effects of OPA on the dairy industry, in particular on the production of butter, cheese, evaporated milk, and other necessary dairy items, which are vitally needed in this famine-stricken world of today, but which, thanks to OPA blundering and ineptitude, have not been produced at anywhere near the quantities that they might have been under a free economy.

I stress the words "free economy" because America through the decades of her existence knew nothing else, until the war came upon us, when, with a great emergency facing us and an extraordinary situation developing, our economy became subject to the control of OPA. To all intents and purposes, however, the war is over and yet production, which is so vital in the postwar situation, has not been brought about. I have spoken time and time again of the dairy industry in relation to the angle of production.

In spite of this major draw-back, I believed that the OPA extension bill, as it was sent to the President, represented many valuable improvements over the previous price situation.

THE PRESIDENT'S VETO

Second. I believe that the President's veto of the OPA extension bill was a grave disservice to the American people. When he killed all price controls, all rental controls, as well as the $1,000,000,000 food subsidy program, he gravely gambled with the public welfare simply in order to force Congress to do his exact bidding. The President ignored Congress' long and hard labor on the OPA extension bill.

THE PRESENT SITUATION

Third. Since the President's veto and the death of OPA, the country has had an amazing demonstration of the fundamental soundness of the American system of free enterprise under the natural system of supply and demand. I really think, Mr. President, that this is almost an understatement. We have seen the stockyards of America fill up with cattle, while over the radio we have heard some of the OPA propagandists speak about the tremendous percentage increase. For instance, they say that since the expiration of OPA on June 30 meat has gone up 18 percent. They do not say 18 cents a pound; but they say 18 percent; but now the American people can buy meat, and they will continue to be able to buy it under present conditions. If meat sold for 30 cents a pound, 18 percent would be approximately 5 cents, or a total of 35 cents. If the price were as high as 50 cents the increase in cost would be 9 cents. The question is whether or not that condition is healthy.

What happened to wages? What happened to the ordinary cotton shirt, such as the one I have on? A shirt which used to sell for $1.65 one can get now if he pays $4.50 for it. All this under OPA.

The same observation applies to the milk situation. I have here statistics, which I shall put in the RECORD, showing that throughout the country the average increase to the consumer in the price of milk per quart just about approximates the subsidy which the President kicked out the window, namely, 3 cents.

How many complain about the milk situation? I have heard many who will go to a bar and pay 50 or 65 cents for a shot of whisky, but complain they have to pay 15 or 16 cents for a quart of milk.

Mr. President, I am bringing this matter up because it is a question of our keeping our feet on the ground, and whether or not we are going to have a breathing period to see if the system of free economy can work, or whether we are going to be stampeded by a lot of synthetic thinkers into actions which we may regret.

Just as important, we have had a thrilling demonstration of the fundamental patriotism of American industry, commerce, and agriculture, of American property owners, of American retailers and wholesalers, with but few exceptions.

American industry has said over the radio and in advertisements in the press and in actions that—

(A) It will not start a ruinous price-raising spiral to gouge the public; it will hold the line so far as possible and so far as is consistent with its reasonable American margins of profit.

(B) It will curb small minorities of chiselers and racketeers in its own ranks who will try to use the present situation to take advantage of the public.

(C) If given the chance, it will disprove the fear mongering of OPA's bureaucrats and other parlor pinks and reds to the effect that American business was unpatriotic and would ruin the American consumer.

Yes; American industry in this past week has lived up to these points.

Mr. President, we recall how a week ago Sunday some of the OPA advance guard took to the radio and sought to instill fear into the hearts of American men and women. I would say to some of them, quoting President Roosevelt, "The only thing we have to fear is fear itself." If, because of fear or unpoised thinking we find ourselves in the mood to create restrictive legislation when it is not needed, then we are pursuing the course which the Fascist countries pursued, and one step taken may lead to another, with the result that not simply price control but liberty control may ensue.

PRICE RISES

Fourth. To be sure there have been many raises in prices. These are attributable to a number of factors. They are:

(A) necessary in order to correct the abnormally low ceilings established by OPA which had crippled production.

I have heretofore spoken on that subject on the Senate floor. I have used the illustration of the aluminum skillets. Numerous instances in my own State have been called to my attention, and I have mentioned them in the Senate,

showing that the inadequacy of OPA has resulted in crippling production.

Now I proceed to state the other factors:

(B) necessary in order to re-aline the natural system of prices which has been artificially set for 4 years.

(C) necessary in order to take up the gap left by the removal of the billion dollars in food subsidies.

The American public has shown admirable restraint and selection in its buying. It has once again demonstrated its common sense and shown that it will not allow itself to be gouged by a handful of racketeers. It has demonstrated its willingness to buy at prices that will afford manufacturers, wholesalers and retailers a reasonable profit.

MY PRESENT POSITION ON OPA

First, May I now summarize my present position on OPA?

(A) I believe that in view of the fact that because of the President's action, OPA has been killed. We should allow it to stay dead for a test period, during which the American system of free enterprise should be given a reasonable chance to further demonstrate its integrity without controls. We should not rush pell mell into the restoration of controls before industry has been allowed a real chance to prove or disprove the value of free supply and demand.

(B) In a situation such as rents, which has given many people much concern, the State governments should demonstrate their adequacy by establishing necessary and equitable rent controls wherever necessary. I call attention to the fact that equity is necessary in the case of the landlord as well as in the case of the tenant. Let us not make a scapegoat of the American property owner—millions of humble men and women who are as patriotic as the rest of our population, but who have been terribly squeezed during the past years of rising maintenance charges, depreciation costs and fixed rental ceilings. There are many illustrations of that, showing again the inadequacy of OPA in handling that situation. In community after community rents were frozen while wages and the incomes of individuals rose in many instances 100 percent or more.

Mr. President, I might mention my own little experience, although I have had no time to think much about it. I owned a piece of property in my community. When I came to the Senate in 1939 the depression was on, and I was selling for from 95 cents to $1.25 a hundred pounds milk which cost me from $1.85 to $2 a hundred to produce. In order to keep it occupied, an individual was given possession at $20 a month, of a nice property which could not be reproduced today for $30,000. Ten miles away a war industry started up, and wages, which were previously from $75 to $100 a month, rose to three and four hundred dollars a month. But that rental of $20 was frozen, because it was in the frozen area.

Mr. President, I mention this matter because in all cases when Government takes hold of any activity of its citizens its machinery must be so adjusted that when it acts it must act equitably. Congress had that in contemplation when it passed the OPA law, but the administrators had a different idea, and they administered the law according to their idea, and not according to the idea of the legislative branch.

Mr. President, I use this illustration because that condition has been prevalent throughout the Nation. There is no question that some who are getting equitable rentals are now taking the opportunity to raise rents. Because of the fact that the war is over, that matter, in my opinion, should revert to the States, and the States should take action. In other words, we want to get the Federal Government out of the picture. We have too many bureaucrats. We have too large a Government pay roll. We have too large an overhead. It is our function as legislators, as trustees of the people's property, and the people's values, and the people's liberties, to protect them. One way to do it is to get rid of employees who want to stay continually in the administration of Government when there is no further need for them.

(C) I say that, in any case, dairy and livestock products should not be brought back under controls. In this situation I believe that the American farmer has already demonstrated his capacity to produce the necessary quantities of food if only he will be allowed freedom of action. I call attention to a report which I have just received from Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers Federation, in which he reports that since June 30 and the death of OPA, there has been little appreciable rise in milk prices other than those normally to be expected because of the removal of subsidies. In my own State of Wisconsin there has been little or no change in dairy products prices. In Superior it is expected that a milk price advance of 1½ cents a quart will occur.

I have a telegram from the Governor of my State, from which I quote as follows:

As nearly as I can ascertain the price situation in Wisconsin remains steady on food and essentials

In this connection I ask that there be reprinted as a part of my remarks a letter from the National Cooperative Milk Producers Federation addressed to the Members of the United States Senate.

There being no objection, the letter was ordered to be printed in the RECORD.

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington D. C., July 6, 1946.

To the Members of the United States Senate:

In again urging you to spare the dairy farmers of this Nation from the evils of price controls and subsidies, I now call your attention to certain developments which make it apparent that either Senator WHERRY's or Senator MCCARRAN's amendment to exempt milk and its products from the provisions of the new price control bill (H. J. Res. 371) should be supported.

We opposed the inauguration of wartime subsidies and pointed out that as production needs and farmers' costs increased, subsidies would have to increase. Before congressional committees and otherwise, we have repeatedly called attention to the uncertainty and fear created among dairy farmers by prolongation of the Government's subsidy policy. Fear of sudden termination of subsidies without compensatory price rises at a time when increased production might no longer be needed has been an important psychological factor causing the lessening of milk production this year as compared with 1945.

Subsidy rates in lieu of fair prices have steadily increased until by April 15 it would have been necessary in order to carry out the announced dairy program for the Congress in the current fiscal year to appropriate $1,080,000,000. Caught in his own trap, former Economic Stabilization Administrator Chester Bowles, on May 29, was forced to eliminate a part of this huge fund by ordering a general price increase of 40 cents per hundred pounds of milk or 10 cents per pound of separated cream. This still left a requirement of over $700,000,000 to carry out the Government's commitments.

The higher rates of subsidies and the increased percentage of dairy farmers' income represented by subsidies intensified the fear of producers, handlers, and Government officials of the economic shock which might be produced by their sudden termination.

After VJ-day it became clear that the Government's policy was to eliminate subsidies and price control on dairy products only after purchasing power had begun to decline. This heightened our fear because under such conditions it would be impossible to transfer to the consumer a price increase equivalent to the subsidies presently being borne by the Government.

It also became apparent to all familiar with the dairy industry that any congressional policy providing for gradual removal of subsidies at stated intervals would deter the normal movement into consumption of storable dairy products because of the opportunity of profit gains as a result of withholding. We, therefore, advocated the termination of both subsidies and price controls on June 30, 1946. This date was picked as being the best seasonal period in the interest of the general public.

Sudden termination of subsidies did occur when President Truman vetoed the price-control bill H. R. 6049. This action left all dairy farmers without any assurance of the continuation of their present incomes and threw the entire dairy industry into an expectant turmoil. However, corrective forces immediately got into play.

In at least nine States milk-control authorities renewed their functions which had been almost paralyzed by Federal war-power legislation. Organized producers reassumed their rights of price bargaining. On July 3 the butter markets renewed trading and as this is written prices of milk have advanced over a considerable part of the country. The wholesale butter markets went up almost the exact amount of the butterfat subsidies and in nearly all the great milksheds milk prices rises to producers were also only on a subsidy-compensation basis.

Belatedly, Secretary of Agriculture Clinton P. Anderson, on the evening of July 5, urged dairy farmers not to seek higher prices in the market place until after the Congress acts upon pending legislation. In this statement Secretary Anderson guaranteed retroactive payments of subsidies provided Congress allowed the funds. Such payments if continued could only be for a short while if $869,000,000 provided in the pending bill for subsidies for nonfarm agricultural commodities is equitably divided over the entire list of commodities now subsidized. That, of course, will force the Secretary shortly to order the raising of price ceilings anyway.

Thus the country will be faced with the ridiculous situation where, first, the President removes all price ceilings and subsidies. Then the Congress restores them and makes them retroactive. Then the Secretary, for lack of funds, will have to raise them again. We cannot believe that any good result will

come from these contradictory moves. We cannot believe that consumers will approve having their prices juggled up and down nor that persons who have traded legally on higher price levels should lose vast sums because of a law with a retroactive provision in it

A telegraphic and telephonic survey conducted by us during the past 3 days shows little or no adverse action among urban consumers to the price rises which have occurred. Apparently the vast body of them understand that when the Government stops paying part of their grocery bill they must pay it themselves. In some communities there will be a slight recession in the demand for fluid milk which will release needed quantities to be made into butter and other manufactured dairy products Already there is a noticeable increase in the supplies of butter available and this may be expected to continue under free enterprise.

A return to the controls and price-ceiling basis of June 30 will throw butter back into the black market to the great injury of the dairy industry and the consuming public It will force increasing quantities of cheese into the black market. It will unsettle prices in those States where State milk-control authorities already have raised prices moderately, and in a number of major interstate milk sheds which do not operate under State control

As previously indicated, the organized producers and the manufacturing and distributing elements of the dairy industry are well equipped to handle this situation Our historic policy is, and will continue to be, the pricing of dairy products on a reasonable basis and with full knowledge of what consumer reactions will be Except in a few isolated cases, organized dairy farmers have never sought to take advantage of scarcity They would not be able to do so for any length of time because of the sensitiveness of the product to price

For the above and many other reasons we urge you to give free enterprise a chance in the production and distribution of dairy products, and not force us back into a condition of regimentation which has been so administered as to make it hateful to our people

Sincerely yours,

CHAS. W HOLMAN,
Secretary

(A) A TEST PERIOD FOR THE FREE ECONOMY SYSTEM

Mr. WILEY Mr. President, let me amplify that point: A test period for the free economy system. That is the system we have always lived and worked under It is the system which made America great. It is the system under which we built our cities, our highways, and developed our great plains, and what is more, under it there were built into this race the courage and the adventure that made it virtually the master race in the sense that nothing is impossible for it to undertake and perform So, I repeat, there should be a test period for the free economy system.

(B) STATE GOVERNMENT ACTION WHEN NECESSARY

If the rent situation gets out of hand, in my opinion Washington should not attempt to handle it. Who knows the rent situation better than the people back in their respective States? What is necessary in one State where the population has decreased is not necessary in other States where the population has been multiplied several fold. So different situations are to be met in relation to rents, and in my judgment the rental situation is not in peacetime a matter for the Federal Government to undertake or attempt to solve.

I believe in continued freedom for the dairy and livestock industry. In this critical period, not only of our own Nation, but of the whole world, we must make sure that we do not put any restrictions or road blocks in the way of production. If we achieve full production, there will be some slight inequities, but the important thing is to achieve full production.

That is what we did not achieve when we had restrictions on dairy products. That is what we did not achieve with respect to beef and other products prior to the time OPA went out the window. In the instances where there was full production, it went into the black market. I have cited heretofore this instance, Mr. President, of a friend of mine from the little town of Cameron, Wis., who is a large milk producer. Writing from Florida, where he was wintering, being a man in his eighties, he said:

I notice that in Washington and in Wisconsin you cannot get butter, but down here in Florida we can get lots of it But we have to pay $1 25 a pound

That was in the black market. Doing away with OPA will do away with the black market, one of the great evils with which we are cursed. In this connection I want to call attention to the fact that there are individuals who profit by the black market, individuals who are profiteers; yes, racketeers. We had them in the time when booze was supposedly thrown out the window during prohibition. We then had individuals making millions of dollars by their nefarious trade. Bootleggers they were called. It has been estimated that the black marketeers in meat made millions every week during OPA. Now people are getting meat. Pretty soon the markets and the counters will be filled with meat. Yes, people are paying 5, 6, 7, or 8 cents more, and on the choice cuts perhaps 10 cents more a pound, but they will get the meat. The farmers will get what they are entitled to, and those in between will get what they are entitled to And then, Mr. President, when production gets under way and the law of supply and demand begins to operate, the price of meat will come down. Right now there is a great demand for our food products because of the foreign situation with which everyone is acquainted.

Mr. President, I repeat that in this critical period, not only of our own Nation, but of the whole world, we must make sure that we do not put any restrictions or road-blocks in the way of production. If we achieve full production—and the way to do it is to keep the road-blocks and restrictions off—then the law of supply and demand will start to operate and prices will fall until they reach the appropriate level.

So in conclusion I want to state three particular points regarding this matter:

First. Economic common sense demands that if we want production in any one line, the producer must at least get the cost of production. That is so simple and yet so fundamental that we skip over it in trying to find some mechanistic solution to our problem. The producer of any product must receive at least the cost of production. The fact that the producers were not receiving the cost of production is why butter became scarce. Under OPA the ceiling on butter was such that the milk would not flow to butter. It would go to some other product, particularly ice cream. That resulted in the situation we are now facing.

So, I repeat, economic common sense demands that if we want production in any one line, the producer must at least get the cost of production.

Second. Economic common sense and fair play demand that Government must not play favorites with its citizens when under the guise of an emergency it interferes with the production of its citizens. I need not go into further detail as to that point. It has been demonstrated on the floor of the Senate time and time again that one of the important reasons for the failure of OPA was the inability adequately to meet the situation by assuring all producers of the same article substantially the same price.

Third Economic common sense demands that subsidies are only justifiable in order to get production. When they are not needed for that purpose, there is no justification for the same unless there is some grave emergency factor affecting the whole economy.

I do not know of any products in the dairy or meat line with respect to which it is necessary to have a subsidy in order to obtain production. All that is necessary is to remove the restrictions so that milk will flow freely into the production of cheese, ice cream, and butter, and so that the producers of each product can pay as much as the others for milk. So I repeat that economic common sense demands that subsidies be abandoned if there is no justifiable reason for maintaining them. There are certain products with respect to which subsidies should be paid. Certain minerals are vital to stock piling the America of tomorrow. We must do that to keep some of our zinc and other mines in operation. It is important that in such instances what might be called a subsidy be paid, in order to keep the mines producing and have the product stock piled for what may be necessary in the Nation of tomorrow.

I have before me a statement which substantiates what I have heretofore said in relation to a summary of milk prices throughout the country. This report is dated July 8, and is issued by the National Cooperative Milk Producers' Federation. In Montgomery, Ala., milk went up 2 cents; in Arizona 2 cents; in California, 2 cents; in Colorado 2½ cents; in Wilmington, Del., 3 cents; in Florida, 2 cents; in Massachusetts, 3 cents; in Maryland, 3 cents; in Illinois from 1 cent to 1½ cents; in New Hampshire, 3 cents; in Rhode Island, 3 cents; in South Dakota, 2 cents; in Wisconsin, 1½ cents. The figures for the other States are on a comparable level.

This report clearly indicates that the price of milk has increased to the extent necessary to equalize the price after the subsidy was taken off by President Truman's veto. I wish the people

of the Nation could clearly understand that point. When the President vetoed the OPA bill which the Congress passed, he took the subsidy of approximately $1,000,000,000 away from the farmers and milk producers, and as a consequence, to equalize what was taken away by that veto, the public is paying an additional 1 cent, 2 cents, or 2½ cents, instead of the Treasury paying it. People generally do not understand the question of subsidies. They believe that there is some magic in the term, and that a subsidy is pumped out of a well somewhere. It is pumped out of the pockets of the people. When the people are taxed for it, and it is paid to a group, it is paid through the channel of the Treasury. But when an individual buys milk and pays the producer directly for it, the producer usually gets a little more out of it. That is the issue in relation to subsidies.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. HAWKES. I should like to emphasize the point which the Senator is making with regard to subsidies. I know of no better illustration in the United States than the subway system in New York. The 5-cent fare was used as a political slogan for many years, until the companies operating the subways, which gave a 10-mile ride for 5 cents, were forced out of business. Regardless of all increasing costs, they were held down to a fare of 5 cents. They finally had to sell to the city. I understand that today the city is operating the subways at a loss, and paying the loss out of the pockets of the taxpayers. I think that illustrates what the Senator is talking about.

Mr. WILEY. Exactly.

Mr. HAWKES. I might go further. The city of New York has a sales tax on practically all items sold to the people, and the people are paying the sales tax, which goes into the treasury and part of it is used to pay for the loss incurred in the operation of the subways, and the people think they are getting the same old price.

Mr. WILEY. I thank the Senator.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. MYERS. I heard the Senator read the figures as to the increased price of milk in many States. Does the Senator have any information with respect to Pennsylvania?

Mr. WILEY. Yes. With respect to Pennsylvania, the report contains the following:

> One cent per quart price advance authorized by State milk-control board. Hearing of board scheduled July 10, 11, and 12 on further advance to compensate fully for subsidy removal. Philadelphia producers' price up 94 cents per hundredweight July 8. Retail price up 3 cents

That is the point.

Mr. MYERS. That is the increase which is now asked for. As the Senator says, a hearing is to be held before the State milk control board. A week or so ago the producers were granted an increase of 1 cent. Several weeks ago the OPA granted an increase of 1 cent. So the increase in the Philadelphia area is 5 cents.

I should like to read a short article from today's Philadelphia Inquirer, which states that a spokesman for one of the dairies said that the new price of 19 cents a quart for the most popular grade of milk was the highest he could remember in Pennsylvania.

Mr. WILEY. There is no question in my mind about that.

Again I return to the proposition that we have been getting what we call relatively cheap milk, and milk is the best food known to man. We pay from 15 to 19 cents a quart for milk and complain about the price, although some of the people pay $6 or $7 for a fifth of some Kentucky stuff.

Mr. BARKLEY. Mr. President, I suppose that the Senator would assume that such an expenditure would be all right if it were expended for some Milwaukee stuff. [Laughter.]

Mr. WILEY. Again we have a comparison. I make no odious reference to the product which comes from the Senator's State.

I am simply speaking of how the human mind operates. People will willingly pay 60 cents for a drink of bourbon, but they will quarrel about paying from 15 to 19 cents for a quart of nature's best food, when, Mr. President, as a matter of fact, the price is in part the result of taking away the subsidy by the President's veto. If the Senator from Pennsylvania is correct, the result is an increase of probably 3 cents a quart above what the price of milk was before the OPA went out the window. The Senator from Pennsylvania said the OPA granted an increase. Of course, the price of milk varies in different communities, depending upon the cost elements.

But again I return to the proposition that we must keep our heads. Why should people complain about paying 2 or 3 cents more for a quart of milk for their families, when at least some of them do not hesitate to pay $5 or $6 or $7 for a bottle containing a fifth of Kentucky bourbon. Let me say that the Kentucky stuff does not bother me, but I realize that some of the people purchase it. Somehow or other the OPA officials never say anything about the increased price of booze or the increased price of other things, but they want to scare people into believing they are "being taken for a ride" when they pay a moderate price for milk. Incidentally, I think the price of milk in Washington today is 14 or 15 cents a quart, and it is good milk.

No, Mr. President; the American people are not falling for the propaganda of fear. Already in my remarks I have stressed the point that all over this land a calmness of judgment is being demonstrated. It is only a few folks who are either financially interested or politically interested in upsetting the apple cart that keep on poisoning the minds of our people.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, following my remarks, a statement entitled "Keep Dairy Products Free From Price Controls and Subsidies—Ten Reasons Why," which is furnished by the National Cooperative Milk Producers' Federation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

KEEP DAIRY PRODUCTS FREE FROM PRICE CONTROLS AND SUBSIDIES

TEN REASONS WHY

1. Price controls and subsidies are now removed from dairy products There has been no catastrophic result. There are no run-away markets. Prices have been increased on some 60 major fluid-milk markets to make up for the subsidies and to restore to farmers the subsidy-or-price rate of return that was pledged to them for July. Similar rational price increases are taking place in butter, cheese, and other manufactured dairy products There is little or no consumer complaint.

2. Freed from price controls that stifled production and diverted most of the supply into the black market, butter is reappearing on the shelves of the legitimate retailers. Consumers once again have their choice of dairy products, whether butter, cheese, milk, ice cream, or other forms of milk.

3. Milk-control authorities in at least 10 States have resumed their prewar responsibilities and have authorized nominal price increases These State control authorities and those in other States will adhere to their public responsibility in maintaining fair and equitable price returns to producers and preventing undue price rises to consumers

4. Farmer-owned dairy cooperatives in every part of the Nation have resumed their traditional price-bargaining prerogatives They are fully aware of the fact that while adequate producer returns are necessary to assure full milk production, reasonable and satisfactory consumer prices are also necessary to maintain consumption. Organized producers and the manufacturing and distributing arms of the dairy industry will continue to recognize their responsibility of pricing and distributing dairy products on a fair basis.

5 To reimpose price controls and subsidies would displace a stable and rational status quo with all of the confusion, maladjusted price relationship, and barriers to production that have for more than 3 years demoralized the dairy industry.

6. To reimpose price controls and subsidies would impose severe losses on many conscientious handlers of dairy products who have in good faith made purchases under existing prices

7. To reimpose price controls and subsidies would turn butter and cheese back to the black market; thwart the dairy farmer in his production program, invite the continued dispersal and culling of herds, and encourage the downward trend of milk production.

8. To reimpose price controls and subsidies would force the Government to juggle prices down and then up again. It would mean a rollback in market prices that are now established at reasonable levels. Once the prices were rolled back, the Secretary of Agriculture would soon be obliged, for lack of subsidy funds, to increase them again. Either that or the Congress would have to appropriate more than is now contemplated in the OPA bill for dairy subsidies for the current fiscal year.

9. To reimpose price controls and subsidies on dairy products would add to the public debt the $2,000,000 or more a day now required for dairy subsidies. It would add this much more to inflationary spending power.

10. To reimpose price controls and subsidies on dairy products would be an at-

tempt to restore the myth that subsidies keep prices down when, as a matter of fact, they are merely on-the-cuff payments by the Government to be settled for later by the taxpayers.

APPROPRIATIONS FOR THE MILITARY ESTABLISHMENT

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate a message from the House of Representatives further insisting upon its disagreement to the amendments of the Senate numbered 27 and 28 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate further insist upon its amendments Nos. 27 and 28, request a further conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate to the further conference.

Mr. WHITE. Mr. President, reserving the right to object, I think the matter is of some moment, and therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo	Robertson
Brooks	Johnston, S C.	Russell
Buck	Kilgore	Smith
Burch	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Murdock	Willis
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. Mr. President, I have made a motion that the Senate insist on its amendments numbered 27 and 28 to House bill 6837, ask for a further conference with the House of Representatives thereon, and that the Chair appoint conferees.

Very briefly the situation is this: It has been the custom and practice of the Congress to provide, in connection with many of the appropriation bills, that a department may transfer money from one fund to another. For example, a department may take 10 percent or 5 percent, whatever the law allows, from one fund that may be long, and transfer it to another fund which may be short. The Navy appropriation bill which was passed by the Congress a few days ago contained a provision permitting a 5-percent transfer of funds. The Navy Department may take 5 percent of the money out of any particular fund under its jurisdiction and place it in some other fund in which the money is short.

I wish to read into the RECORD the various appropriation bills which carry such provisions. They are as follows: The State Department, Foreign Service; the Department of the Interior, Bureau of Indian Affairs; the Department of the Interior, Geological Survey——

Mr. WHITE. Mr. President, may I say to the distinguished Senator from Oklahoma that when I asked the question of the Senator, prior to the calling of the roll, I did not understand what was the situation.

Mr. THOMAS of Oklahoma. I want the Senate to have the situation perfectly clear, because the matter may come before it at some subsequent time. All the Senate committee is asking for is to have placed in the War Department bill a provision permitting a reasonable transfer of funds from one fund to another. The Senate committee is of the belief that a provision of this nature would be in the interest of economy. For example, the War Department cannot tell how much money it will need in carrying out the various activities for which the Congress has appropriated. So, as the year goes by, if they run out of money in a particular fund, under the 10 percent transfer provision they could take 10 percent of the money in a fund that is long and transfer it to a fund that is short, and thereby not be required to come back to Congress for a deficiency appropriation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. GURNEY, Mr. BROOKS, and Mr. REED conferees on the part of the Senate at the further conference.

DISTRIBUTION OF WAR TROPHIES AND DEVICES—CORRECTION IN ENROLLMENT OF BILL

Mr. GURNEY. Mr. President, some time ago—I do not recall the exact date—the Senate passed Senate bill 1746, which had to do with the distribution of war trophies and devices to memorials or museums in various sections of the United States. An error was made by the Government Printing Office in printing the bill for transmittal to the President. The words "war devices and trophies suitable for distribution" were left out of the bill. I have been informed that the proper way in which to correct the error is by the Congress agreeing to a concurrent resolution recalling the bill from the White House. Therefore, I send to the desk Senate Concurrent Resolution 71, and ask for its immediate consideration.

The concurrent resolution (S. Con. Res. 71) was read by the Chief Clerk, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 1746) to govern distribution of war trophies and devices, that if and when the said bill is returned by the President, the action of the presiding officers of the two Houses in signing the said bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of said bill, to make the following correction, namely, on page 1, line 8, of the Senate engrossed bill, after the word "all", insert the words "war devices and trophies suitable for distribution", so that, as amended, the section will read:

"That the Secretary of War is authorized and directed to apportion and distribute pro rata among the several States in the ratio that the total number of persons who have served or are serving in the Army of the United States from each State bears to the total number of such persons from all States, all war devices and trophies suitable for distribution, with the exception of such trophies as may be required for experimental purposes or for other use by the United States or any department or agency thereof, and the further exception of such trophies as may be required for display in national museums, at national homes for disabled

members of the armed forces, or for monumental purposes in Arlington National Cemetery and in other national cemeteries, national parks, and national monuments wheresoever situated."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution was considered and agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. TAFT obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. On behalf of myself and the Senator from Michigan [Mr. FERGUSON], I desire to submit an amendment to the pending measure which will provide that where States or political subdivisions have set up rent controls the OPA will lose jurisdiction over such matters.

The PRESIDING OFFICER. The amendment submitted by the Senator from California on behalf of himself and the Senator from Michigan [Mr. FERGUSON] will be received, printed, and lie on the table.

Mr. TAFT. Mr President, I have had called to my attention many complaints with regard to the raising of rents. I have answered all the persons from whom I have received complaints that I felt confident that, regardless of what may happen to the pending price-control measure, the Federal Government will continue to control rents. Certainly, I would urge very strongly that that be done. Whether the pending measure is enacted into law or not, I believe there is almost unanimous approval in the Senate and in the House of Representatives of the continuation of rent control. So, if the pending measure is not enacted into law, I would do everything possible to bring about the passage of the resolution continuing rent control. Such a resolution was submitted by the distinguished Senator from Virginia [Mr. BYRD] on the first day after the President vetoed the price-control bill which was passed by the Congress a few days ago. The resolution is now pending in the Committee on Banking and Currency, and I feel confident that the committee is prepared to report it to the Senate if rents are not dealt with in some other measure. Of course, the pending joint resolution does not in any way change the present method of controlling rents. The present rent-control feature is provided for in the pending joint resolution without change. I believe there is actually little danger of a change in rents because, almost in every State rents are regulated under either a yearly lease or a month-to-month tenancy. Consequently, rents in very few cases can be increased before August 1. If a rent resolution or bill is enacted into law by August 1, most of the increases which are threatened—and most of the increases are only threats—can be prevented by the extension of the rent-control law.

Mr. President, I wish to say a word regarding the rather extraordinary situation in which we find ourselves because of the action of the distinguished Senator from Kentucky [Mr. BARKLEY] in presenting to the Senate a bill which is exactly the same as the bill which was passed by the Congress of the United States and vetoed by the President with the exception of two sections. One section is that which I proposed, providing that manufacturers should be entitled to reflect their increased costs in increased prices, dating from 1941, and the other is that proposed by the distinguished Senator from Nebraska [Mr. WHERRY], originally in the Senate itself, providing that any increases which were made should be passed on by the distributor, and providing, as adopted by the conferees, that the distributor's percentage margins on January 1 should not be changed

Mr. President, what strikes me as remarkable is that all the other amendments, some of them definitely disapproved by the President, some of them providing almost exactly the same as the amendments which are omitted, are all included in the bill of the Senator from Kentucky, and he has chosen to omit only these two particular amendments. Incidentally, the President in his veto message referred only to three Republicans. He referred to no Democrats, although the majority of the amendments submitted to the bill were submitted originally by Democratic Members of the Senate.

Running through the amendments, both those in the original bill and those in the measure which is now before us, in the first place section 1 (A) dealing with the whole question of decontrol was originally submitted by the distinguished Senator from Kentucky [Mr. BARKLEY] and the late distinguished Senator from Alabama, Mr. Bankhead. Senator Bankhead wrote that part, and the committee adopted the Bankhead amendment providing that all agricultural products should be subject both as to increased prices and as to decontrol to the unrestrained power of the Secretary of Agriculture. The President distinctly disapproved that proposal in his veto message, but the Senator from Kentucky has included it in the pending measure. The President did not refer to the fact that it was prepared and submitted by two Democratic Members of the Senate of the United States.

There is included in the amendment a particular provision which was originally proposed by the late Senator from Alabama, and written and supported by the Senator from Arizona [Mr. MCFARLAND], which in effect decontrols cotton. Cotton itself is not subject to control; but some orders had been issued regarding the margins that could be handled on cotton, and the late Senator Bankhead and the Senator from Arizona submitted the amendment which provides that if no controls were in effect on April 1, 1946—and there were none then on cotton—no such controls can hereafter be imposed. This, in effect, is a complete decontrol provision insofar as cotton is concerned, and yet the President does not mention it, and the distinguished majority leader includes it in his redraft of the bill, although the administration says that if this provision for decontrol is inserted in the bill it will be vetoed.

The next amendment after the decontrol amendment, section 5 of the bill, relating to hotels, was proposed, I think, by the distinguished Senator from Colorado [Mr. JOHNSON]. It was a very minor amendment and of no importance.

The subsidy amendment was a compromise between the amendment submitted by the Price Administration and that of the Senator from Kentucky, with the exception of the provision for subsidies of $100,000,000 for copper, lead, and zinc, which was submitted by the distinguished Senator from Arizona [Mr. MCFARLAND].

In the roll-back subsidy provision there is a special provision that the handlers of cottonseed or lard substitutes shall be entitled to a price increase because of the fact that some years ago they had a subsidy and the subsidy was taken away from them without giving them a price increase. This amendment, designed to give a direct price increase to the manufacturers of lard substitutes, was submitted by the distinguished Senator from Arkansas [Mr. FULBRIGHT].

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from Vermont?

Mr. TAFT. I yield.

Mr. AIKEN. Will the Senator tell me whether the bill which the President vetoed carried a provision for the termination of dairy subsidies?

Mr. TAFT. No.

Mr. AIKEN. I understand that it did, but when I read it over I failed to find such a provision.

Mr. TAFT. Roughly speaking, the House provided for a 45-day gradual elimination of the dairy subsidy. That was thought not to be wise, I think, by House Members themselves, because of the incitement to speculation every time the 45-day period was reached. So what we did was to provide, instead of $2,000,000,000 which the administration wanted for all the subsidy purposes, a billion dollars, which would require a rather rapid reduction of subsidies up to the end of the year. If not necessary, the dairy subsidies should have been cut, instead of other subsidies being eliminated.

Mr. AIKEN. What does the measure which is now before the Senate provide in that respect?

Mr. TAFT. The pending joint resolution provides that the total subsidy shall not exceed $1,000,000,000, instead of $2,000,000,000, and shall not exceed $629,000,000 during the last 6 months of the calendar year 1946.

Mr. AIKEN. Then, the limitation is provided for in the appropriation authorization rather than specifically.

Mr. TAFT. No; the limitation is in the joint resolution. One billion dollars is the total amount that can be spent on

subsidies between now and the first of next year.

Mr. AIKEN. It is plainly evident that there will have to be a reduction of the subsidies.

Mr. TAFT. Yes; there would have to be a reduction under both the bill which was passed and the measure which is now pending.

The provision about cottonseed oil, as I have said, was proposed by the Senator from Arkansas [Mr. FULBRIGHT].

The next provision is a rather simple one, which says:

For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea foods—

This is section 7—

shall be deemed to be agricultural commodities.

This rather curious provision was submitted by the distinguished Senator from California [Mr. DOWNEY] and written into the bill. I think I do not need to take the time to explain why that particular provision was inserted in the bill, but roughly speaking, it was to remove fish from control of the OPA and place it in control of the Secretary of Agriculture. That provision was submitted, as I have said, by the Senator from California [Mr. DOWNEY].

The next section, section 8, provides for the insertion in section 2 (j) of the original Price Control Act of the words:

or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer

That was submitted by the distinguished Senator from Kentucky [Mr. BARKLEY], and its purpose was to protect the distributors of nylon hose, because nylon hose was being distributed directly to the consumers, and the wholesalers were being deprived of their usual opportunity to handle hose. That was submitted by the distinguished majority leader himself in the committee.

The next provision is with regard to restaurants I am not certain who submitted the rather minor provision regarding restaurants. I could not remember at the time and I do not now remember.

The provision abolishing MAP was submitted by the Senator from Delaware [Mr BUCK], but it had the support of a number of Democratic members of the committee.

After that comes the Crawford amendment, which was referred to by the President—an amendment dealing with the margins of automobile dealers, and protecting those margins.

The next section, which is a special section written to protect the distributors of farm implements, was submitted by the distinguished Senator from Arkansas [Mr. FULBRIGHT]. The President distinctly disowns the Crawford amendment, regarding automobile dealers, but he does not disown the Fulbright amendment, regarding the distributors of farm implements.

The next provision is the one amendment to which the President referred.

The next is a House provision which was not in the Senate bill, and I am not certain about it.

Then we come to section 11, which is the controversial Taft amendment.

Section 12 is a provision which eliminates the $25 charge for each offense if the retailer is able to show that he was acting in good faith. That was submitted by the distinguished Senator from Maryland [Mr. RADCLIFFE] and was said by the OPA to interfere very seriously with the enforcing of retail prices. But nothing is said about it either by the President or by the majority leader, and the majority leader has incorporated it again in his amendment.

The next subsection is a provision submitted by the Senator from Delaware [Mr. BUCK] It provides that if a man got advice from the Administrator or a regional administrator and acted in good faith on such advice, he should not be subject to action by the United States. To that is attached a provision, paragraph 2, submitted by the distinguished Senator from Arizona [Mr. MCFARLAND], regarding some special cases If a public housing authority took bids, at public auction, but accepted a bid above the price ceiling, there should be no action instituted.

The next provision is the glove amendment, which was submitted, I think, by the Senator from Iowa [Mr. HICKENLOOPER], but had the support of all the committee, including the Senator from Idaho [Mr TAYLOR] and the Senator from Washington [Mr. MITCHELL], who were opposed to nearly all the other amendments

Section 13 is another amendment submitted by the Senator from Maryland [Mr. RADCLIFFE], again requiring actual, deliberate violation of the act before a license can be taken away.

Now I wish to read in particular section 14, because section 14 in effect provides for cotton and wool textiles exactly the same protection which the Taft amendment gives to all other goods. That is an amendment which was submitted originally by the late Senator from Alabama, Mr. Bankhead, and after his death by the Senator from Arkansas [Mr. FULBRIGHT]. The amendment reads:

SEC 14 Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph.

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and—

Senators may have heard the Senator from Kentucky say that his new amendment left out the "weighted" business, but it is not left out in this amendment. The amendment continues:

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

The base period is the average from 1939 to 1941, and with that slight variation the amendment provides almost exactly what the Taft amendment provides for other goods. But this amendment was submitted, as I have said, by the Senator from Arkansas. It was not referred to by the President, the Senator was not referred to by the President, and the majority leader in his redraft of the bill has now accepted that amendment, swallowed it whole, admitted that that was a proper policy as to cotton or cotton yarns or wool or wool yarns, yet he says that is an improper policy applied to any other manufactured product.

Mr. President, it seems to me that the illogical procedure we are now going through, because the President has chosen to pick out one particular feature of the bill and give it peculiar publicity, although he also attacked other features of it, leads to the conclusion that we should now say, "Very well, because he chooses to make an issue of that, we shall pay no attention to what is right, we shall leave in the things he has not referred to, and eliminate the other provisions and send him back in the way of a bill just what he wants, which eliminates one or two of about 20 amendments, 2 of which he seems to want to make a political issue"

Mr. President, I desire now to say a word on the subject of the pending amendment. From the beginning of the consideration of OPA it has seemed to me that meat should be decontrolled. I voted for the decontrol of meat in the committee. We did not have that question before us in the Senate, but I voted for some other decontrols, and that was expressly not voted on in the Senate. I voted for it in the conference, and on the floor here at the last moment, when it seemed to be a choice of no bill or eliminating the meat-decontrol feature because the House would not agree to it, it seemed to me we had better pass the best bill we could get at that time.

Meat is a commodity which it is peculiarly difficult to control. It always has been difficult to control. There is an infinite variation in the cuts, which have to be sold at different prices, and which have to be judged. It is almost impossible for anyone but an expert to judge the character of livestock, or what particular livestock is worth, or how much should be paid for it. I admit it is difficult, and almost the last important control imposed by the Price Administration was the control of livestock, including beef and pork.

From the time that control was put on, it has not worked very well, and gradually, I think partly because of the inherent difficulty of control and partly because of stupid mismanagement by the OPA in their attempt to control it, there has been a complete break-down in the control on meat.

We have heard stories about the black market, and we know that meat went into the black market. We know that today large packers are not buying, yet there is still a black-market demand from people who figure they can buy meat today, take it east, and sell it later for anything they want to charge, whereas the legitimate packers feel that the ceilings may be reimposed, and they may lose if they buy any considerable quantity of meat today. There is still a black market, and will be until it is settled whether or not meat is to be decontrolled.

I think we can rightfully say that meat control is a complete failure, and I believe the only possible solution is to eliminate entirely the control, and permit the forces of natural demand and supply to operate

For the first time there is a very considerable supply of meat. It is available, and, if restored to normal channels, while it will probably rise somewhat in price, yet it will be restored to the channels where it belongs, and in all probability the supply will meet the demand In any event, whether it does or not, anything is better than the present situation, and the Secretary of Agriculture himself so told the committee. Early in May he told the committee that he hoped the slaughtering quota order that was put into effect would work. It had not worked before, but he expressed the hope it would work, and he thought it should have a trial. It had about 60 days' trial, and it did not do any good, and there was no sign that it would do any good. He said, "If that fails, there is only one thing left to do, and that is to decontrol meat." So we have advice from the highest authority in the Administration that the only solution left is to decontrol meat.

The argument is made that we should not decontrol meat because a Decontrol Board is provided for, and there is a provision that the Secretary of Agriculture may decontrol meat. The difficulty with that is that, after all, the final decision on such an important matter, which has been the subject of controversy here and throughout the United States, is not going to rest with the Secretary of Agriculture, and it is not going to rest with the Decontrol Board. It is going to rest with the President of the United States. If the Secretary of Agriculture issues an order to decontrol meat I have no question whatever that the Price Administrator will rush to the President, and the Economic Stabilizer, if there is one, will rush to the President, and they will say to him, just what they tell us, that "if you take off any controls it will destroy all price control," and the Secretary of Agriculture, being in the President's Cabinet, is bound to listen, and, I think, either to abide by the decision of the President or to resign.

So far as the Decontrol Board is concerned, it is true that the President is authorized to appoint three men, and they are to be confirmed by the Senate. But we are going to leave here very promptly, and there is nothing to compel the President to appoint them until after we are gone, and then we will have three different appointments, and the persons appointed may have the same philosophy as Mr. Porter and Mr. Bowles, in which case there will be no decontrols.

Mr. President, when we decontrol meat we might just as well decontrol petroleum and tobacco, because the latter two are products in connection with which the evidence shows clearly that the supply is equal to the demand. We had Mr. Porter before us and tried to question him on that subject. We asked him, "Why do you not decontrol petroleum? The evidence shows the stocks are piling up. More is being produced than can be used." "Well," he said, "there is a coal strike on and there might be a maritime strike" I asked him, "Would you agree to decontrol petroleum within a specified time after the coal strike is settled?" He would not commit himself. The truth is that he will not decontrol petroleum unless he is made to decontrol it, because he believes apparently that the price of gasoline will go up a cent or two. I said 1 cent; I think probably it might go up 2 cents a gallon. Why? Not because the supply is not adequate to meet the demand, but simply because the price has been held artificially low. It has practically not been raised during the entire war, and if it is desired to get it in line with other products, the natural force of supply and demand will raise the price of gasoline I do not think it will raise it much under those conditions, and the tendency again will be to bring it back to where it is. But so long as that condition exists Mr. Porter apparently is unwilling to decontrol petroleum.

Mr. President, I think I see in the President's message an acceptance of the same philosophy, because he said in his message vetoing the OPA bill, that he does not oppose the formulation of standards of decontrol "provided that the standards were modified to make sure that, during the next crucial 6 months, ceilings do not have to be lifted where it is clear that serious price rises would result. The spelling out of detailed standards and the establishment of new and complex administrative machinery, however, do not seem to me to be necessary."

In other words, he wants discretion to say, "We think there will be a serious price rise even though the supply equals the demand." Yet that is the formula which is stated in the bill. The joint resolution provides that if the supply equals the demand a product must be decontrolled. But, of course, that is a situation that must be found to exist by Government authorities, by Government officials. The President apparently says that even though that condition exists he does not think that the product should be decontrolled if there is a serious price rise of if he thinks, or if Mr. Bowles thinks, or if Mr. Porter thinks that a serious price rise is possible. Mr. Porter always thinks a serious price rise is possible, and Mr. Bowles thinks everything is going up 75 percent. So, obviously, so far as there is discretion, they will find that such a price rise threatens and the products will not be decontrolled.

Mr. MURDOCK. Mr. President——

The PRESIDING OFFICER (Mr. SWIFT in the chair). Does the Senator yield to the Senator from Utah?

Mr. TAFT. I yield.

Mr. MURDOCK. The Senator says that gasoline may go up 2 cents a gallon if decontrolled.

Mr. TAFT. I am assured by men connected with the industry that they feel confident that it will not go up more than 1 cent, but it is so out of line with other products in value that personally I have allowed 2 cents.

Mr MURDOCK. I wonder if the Senator, having the 2-cent increase in mind, has computed what the total cost of the 2-cent rise in gasoline would be to the people of the United States annually? The statement that a 2-cent rise may take place means little, but if it were computed on the basis of the entire consumption of gasoline in this country—I have not computed it myself—I imagine that the over-all cost to the American people would be a very substantial figure.

Mr. TAFT. I think it would be. But has the Senator ever thought how much increase in purchasing power was brought about by a general 20-percent increase in the wages and salaries of the people of the United States? That will amount to between $10,000,000,000 and $20,000,000,000 a year. In other words, we are both now talking in large figures.

Mr. MURDOCK. That is correct; but if we are going to wipe out all the wage increases which have been granted by upping the price of gasoline and upping the price of everything else that goes into the cost of living, then we start the vicious circle, or the vicious spiral, that never comes to an end. That, as I see it, is the problem we have before us today. Do we want to start that spiral which cannot come to an end or should we, during the ensuing year, in which production certainly will be stepped up to normal proportions, control prices in order to prevent the chaotic condition which results from the unending spiral of increased prices and wages.

Mr. TAFT. Answering the Senator, I will say that unless we recognize increased costs and increase prices we will have a steady reduction of production, and in no case is that as clear as it is in the case of petroleum. Mr. Bowles looks at the profits of a large company and he sets the price of oil for that large company, and that company can make money on it. But immediately there is a holding back on all the prospectors for oil throughout the United States. I do not claim to be an expert on the subject, but I would judge that if the present price of oil is maintained there will be plenty of production during the next year, but we will see production gradually fading away until there will be practically no oil. In other words, we have to have a price sufficiently large to induce people to go forth and find new oil fields. That is one of the costs of the oil industry. But the same thing is true of every other industry. If the prices are held down so tight that they do not re-

flect the increased costs and increased prices, producers and manufacturers will not produce and manufacture articles they have to sell at cost or at a loss.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. I should like to venture the suggestion that ordinarily in reasonably prosperous times some 2,000 well-drilling outfits are actively engaged in putting down wells and drilling to find oil. Now, because of the unknown future with respect to oil, there are scarcely half that number engaged in drilling to find new oil fields.

Mr. TAFT. I thank the Senator. That is the story I have heard, and I have every reason to think it is entirely accurate in accordance with the facts with which we have to deal.

Mr. President, the point I desire to make is this: In view of the philosophy of the Price Administration, and with the President apparently now willing to follow the philosophy of the Price Administration, judged by his veto message, I do not believe, regardless of the decontrol provisions we may put in this measure, that there will be any important decontrols made unless Congress makes them itself. I have had some hope previously that that would happen; that the President would accept the philosophy of Congress; that the President would in good faith and with sympathetic agreement undertake to provide a gradual decontrol of important items during the next 12 months. It seems to me that a reading of the veto message discloses that that is no longer true, and the decontrol provision when we come finally to the end, rests entirely on the discretion of the President of the United States. So I feel much more strongly now than I did before the veto message was received, that if we want to have decontrol we must decontrol ourselves. Certainly there is nothing where we can start with so clear a case as meat, because control of meat has utterly collapsed and petroleum and tobacco, with respect to which every figure shows that there is more than an adequate supply to take care of the demand.

I now wish to deal with another subject, which I think has a considerable bearing on what Congress should do. We have been flooded with a tremendous propaganda on both sides of the question. In both cases it has a rather peculiar history. At the time of the passage of the original bill, as well as at the time of the President's veto message, there was a tremendous outpouring of telegrams in favor of continuing OPA. Gradually it changed over until toward the end of the public interest and excitement the majority was 2 to 1 against it. As soon as the President vetoed the bill I received a great many telegrams, running approximately 2 to 1 in favor of continuing OPA. By Tuesday they were about half-and-half. On Friday last I received more than a thousand telegrams, and they were 3 to 1 in favor of abolishing OPA, or at least they encouraged opposition to OPA, and I think the majority of them were in favor of ending all OPA control. I believe that the propaganda was partly stimulated on both sides; but certainly on one side it seems to me to have been deliberately stimulated by the Office of Price Administration, by a Government department lobbying, in effect, for the continuation of its own existence and leading the way in propaganda to bring pressure to bear on Congress to continue the OPA exactly as it was.

In that connection I should like to have printed in the RECORD at this point as a part of my remarks an article published in the New York Herald Tribune of last Monday.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WEEK IN FINANCE

(By Edward H Collins)

ON A CLIPPING RESURRECTED FROM THE FILES

One month ago today, on June 8, the Wall Street Journal printed a story on page 1 from George B. Bryant, Jr., of its Washington bureau, which, while it could be accepted at the time only as an interesting though circumstantial piece of gossip, takes on new significance in the light of the events of last week in connection with price-control legislation.

Mr. Bryant, a correspondent who may be said to combine inquisitiveness with reliability, wrote that the administration was then seriously considering an eleventh-hour gamble to win extension of the price-control law exactly as is, without any so-called crippling amendments. The strategy, he said, had originated in the offices of Office of Price Administrator Chief Paul Porter and Economic Stabilizer Bowles It had not, as of that date, been put up to President Truman. "But," wrote Mr. Bryant, "its advocates think they can persuade the President not only that it might work but that it is good politics even if it fails."

The strategy, according to the information obtained by Mr Bryant, was to be this:

(1) The flow of official propaganda will be stepped up, to convince the public that the type of OPA extension Congress is voting means ruinous rising prices.

(2) No effort will be made to compromise the more drastic amendments advocated in Congress. This will insure the most crippling amendments.

(3) Then, when the extension measure reaches the White House, probably a matter of days before the OPA's extension dead line, on June 30, the President will veto it and demand a no-amendment continuation of price controls. The administration will gamble that Congress, anxious to adjourn, will comply rather than risk the end of price control a few months before the congressional elections.

This almost forgotten news story was recalled in listening to Richard Harkness' Washington news broadcast last Wednesday night over Station WEAF. Mr. Harkness' recapitulation of the events leading up to the Presidential veto seemed to lend such corroboration to the Bryant story that the writer decided to dig that story out and at the same time seek the invaluable aid of Radio Reports, Inc., in obtaining a transcript of the Harkness talk.

The sequence of events, particularly those pointed out by Mr. Harkness, would seem to verify almost beyond the semblance of a doubt the factuality of the information on which Mr. Bryant based his June 8 story.

Take the three major phases of the strategy said to have been devised by Messrs. Porter and Bowles.

1. It is a matter of common knowledge that the flow of propaganda has been stepped up in recent weeks. Highlights in this campaign were the rally staged by the OPA at the city hall in this city, in which Mr. Porter predicted skyrocketing prices if Congress persisted in its determination to scuttle price control; repeated warnings by OPA and other officials of price anarchy accompanied by new wage demands, and the spectacle of a minority in the Senate Banking Committee being used as a sounding board for this same thesis.

2. Events have completely justified the prediction that no effort will be made to compromise on the more drastic amendments. On this point Mr. Harkness' observations are particularly interesting. Said he:

Not once in this period from September 1—when the President first asked for an extension of price control—through June 30 was there ever a session of the President and Members of Congress with any Republicans present when this bill was discussed. There was no indication of how far Congress was willing to go with the President or the President with Congress.

"Mr. Truman did call a special meeting last Thursday night. He invited Members of his Cabinet, Chester Bowles, Mr. Paul Porter, others of his economic advisers.

"I can tell you that one group advised Mr. Truman to accept the bill. These men included Tom Clark, the Attorney General; Mr. Snyder, the Secretary of the Treasury, and several others. Among these others, it seems to be known, were Julius Krug, Secretary of the Interior, who did such an excellent job with the War Production Board, and Civilian Production Chief Small. Bowles and Porter argued, of course, for a veto. The point is that President Truman conferred that evening only with members of the executive branch of the Government; spokesmen for Congress, where the issue would have to be settled, were not invited.

"These men went to the White House the next morning. But even then, the only ones called in were the Democratic leaders of the Senate and House and Speaker RAYBURN of the House.

"Senator BARKLEY, the President's spokesman in the Senate, left the President, believing that he would sign the bill. That was his belief when he went back to Capitol Hill on Friday morning, when it was still not too late for a compromise."

3. The last minute veto of the bill is, of course, now recorded history. The only difference between the prediction and the fact is that it came not "within a matter of days," but of hours, of the expiry of the existing law.

The circumstantial evidence, then, is overwhelming that the President's veto action had been planned long in advance, a fact which is further borne out by the unmistakable Bowles-office touch to his veto message and radio address. Now, if this be true, what about Mr. Truman's attempt to place the major responsibility for his veto on the so-called Taft amendment? For that amendment was not even in the bill when Mr. Bryant's apparently well informed story was printed by the Wall Street Journal on June 8. It was not in it when Mr. Porter warned against runaway inflation at the city hall rally on June 6 (his targets were meat decontrol and MAP). And it was not in it when the Senate minority in the Banking Committee denounced the measure as the death sentence of price control.

The plain historical fact is that the Taft amendment didn't find its way into the price-control bill until June 12, after it had reached the Senate floor, and after the measure, although the public was unaware of the fact at the time, was already marked for liquidation.

Mr. TAFT. I wish to read a portion of the article, because it is very interesting. It calls attention to an article written by George B. Bryant, Jr., on June 8, and published in the Wall Street Journal. It points out how accurate Mr. Bryant's prediction seems to have been.

Mr. Bryant wrote on June 8 that the Administration was at that time considering—

An eleventh-hour gamble to win extension of the price-control law exactly "as is," without any so-called crippling amendments. The strategy, he said, had originated in the offices of Office of Price Administrator Chief Paul Porter and Economic Stabilizer Bowles. It had not, as of that date, been put up to President Truman "But," wrote Mr Bryant, "its advocates think they can persuade the President not only that it might work but that it is good politics even if it fails"

The strategy, according to the information obtained by Mr. Bryant, was to be this:

1 The flow of official propaganda will be stepped up, to convince the public that the type of OPA extension Congress is voting means ruinous rising prices

That certainly has been done.

2 No effort will be made to compromise the more drastic amendments advocated in Congress This will insure the most crippling amendments

3 Then, when the extension measure reaches the White House, probably a matter of days before the OPA's extension deadline on June 30, the President will veto it and demand a "no-amendment" continuation of price controls. The administration will gamble that Congress, anxious to adjourn, will comply rather than risk the end of price control a few months before the congressional elections

Skipping some of the article—

Take the three major phases of the "strategy" said to have been devised by Messrs Porter and Bowles

1 It is a matter of common knowledge that "the flow of propaganda" has been stepped up in recent weeks. High lights in this campaign were the rally staged by the OPA at the city hall in this city, in which Mr. Porter predicated "skyrocketing prices" if Congress persisted in its determination to "scuttle price control", repeated warnings by OPA and other officials of "price anarchy" accompanied by new wage demands, and the spectacle of a minority in the Senate Banking Committee being used as a sounding board for this same thesis

2 Events have completely justified the prediction that "no effort will be made to compromise on the more drastic amendments"

I shall not read what he says on that subject, but I wish to say that in the Banking and Currency Committee the OPA would not move 1 inch. It would not promise anything. The OPA officials would not say that they would decontrol anything. They would not say that they would increase any price. The amendment which I offered was submitted to the OPA over and over again, and was rejected on the theory that what we wanted to accomplish was the destruction of the 1936-39 profit base and the elimination of the over-all industry standard. Would they themselves draft something on that line? No; they would not. They came back with amendments which in effect provided, in roundabout language, that they could continue doing what they pleased. In connection with one or two minor matters Mr. Field, counsel for the OPA, who sat with us on most occasions, very agreeably drafted a proposal which a Senator wanted, but he never agreed to it. He never agreed to a single one of the amendments. The strategy here outlined was followed down to the last dot by the OPA. If they had seriously desired to compromise my amendment; if they had seriously desired to accept in good faith the policy of Congress regarding decontrol, I do not think there would have been great difficulty in agreeing upon a bill.

Continuing with the article:

On this point Mr. Harkness' observations are particularly interesting. Said he:

"Not once in this period from September 1 (when the President first asked for an extension of price control) through June 30 was there ever a session of the President and Members of Congress with any Republicans present when this bill was discussed. There was no indication of how far Congress was willing to go with the President or the President with Congress

"Mr Truman did call a special meeting last Thursday night He invited members of his Cabinet, Chester Bowles, Mr Paul Porter, others of his economic advisers

"I can tell you that one group advised Mr. Truman to accept the bill.

* * * * *

"Bowles and Porter argued, of course, for a veto The point is that President Truman conferred that evening only with members of the executive branch of the Government; spokesmen for Congress, where the issue would have to be settled, were not invited

"These men went to the White House the next morning. But even then the only ones called in were the Democratic leaders of the Senate and House and Speaker RAYBURN of the House.

"Senator BARKLEY, the President's spokesman in the Senate, left the President, believing that he would sign the bill That was his belief when he went back to Capitol Hill on Friday morning, when it was still not too late for a compromise"

I do not affirm that to be so. I do not think he did. I think that is an exaggeration. He expressed to me the hope that it would be signed, but no expectation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I had no particular intimation as to what the President would do, and I did not give expression to such sentiment as is described in the article.

Mr. TAFT. After a conversation with the distinguished Senator from Kentucky, when I was asked what I thought I stated my opinion that the chance of the President vetoing it was about 50-50.

Continuing with the article:

3. The last-minute veto of the bill is, of course, now recorded history. The only difference between the prediction and the fact is that it came not "within a matter of days," but of hours, of the expiry of the existing law.

What is important is that on June 8, when this strategy was described by a reporter who evidently knew what he was talking about, the Taft amendment was not even in the bill. The Wolcott amendment was in the bill, but the Taft amendment was inserted on the floor of the Senate about June 12. It was not in the bill at that time.

So far as I am concerned, I am perfectly satisfied that the veto based on that amendment was simply a smoke screen to conceal the general unwillingness to accept the idea of a gradual disintegration and reduction of price control. I feel very strongly that the philosophy behind the propaganda to which I refer is a philosophy for continued and permanent price control. That is one reason why I feel that we should provide for the decontrol of meat, namely, to show that we are not merely using language, but that we actually mean to do something to prove to the people that decontrol is to begin now, and that we are looking forward with complete sincerity to the abolition of price control by the 1st of July 1947.

Mr. President, I wish to refer to the feature of OPA propaganda. The OPA has conducted probably the most extensive propaganda campaign ever conducted by any Government agency on any subject, I think considerably greater than the campaign on Bretton Woods, which campaign was continuous for a year or more. It is a campaign which, so far as we can tell, is for the indefinite continuation of price control. It is a campaign which is based on a general attack on all the business interests of the United States and the general stirring up of the people against the business interests and the stirring up of the people against the retailers and the wholesalers and the manufacturers, and even to some extent against the farmers.

Mr. Bowles' course is carried out by any number of different methods. The cost of the propaganda is somewhat difficult to judge. The OPA itself admits in its estimates for 1946 the sum of $2,579,000 for information expenditures. Apparently, however, a good many other activities are carried on by the OPA indirectly, by all its members and all its employees, as well as by those who are specifically employed for the purpose of information.

I may say at this point that today the total number of Government employees engaged in educational, informational, promotional, and publicity activities is 45,778, and the total admitted and direct appropriations for them for 1946 amounted to $74,829,000. Of course, that sum does not include the appropriations for personnel and does not include the cost of Mr. Bowles' radio speeches, which in general are not paid for. It does not include the cost of printing the ration books. I do not think it includes the cost of the propaganda sent out 1 month with each check which went to the dependents of every soldier of the United States, a year ago in October, lauding the purposes of the OPA to prevent inflation, and urging a continuation of the OPA. That propaganda went out through the War Department. Other departments of the Government have been similarly employed in carrying on such propaganda.

Of course, one method is by direct speeches and direct publicity and by various types of activity on the radio. Listen to what Mr. Bowles said in his

speech on June 4 which is purely a demagogic speech:

The forces of organized greed must seem to you oblivious to the public interest—determined to get theirs while the getting is good. And that isn't a pleasant picture for you to look upon.

He further said;

The forces of self-interest which form the hard core of opposition to the price- and rent-control programs are strong and in a position of great influence.

The rent-control program is frequently referred to, for they know the importance of rent to the people. Mr. Bowles emphasizes rent and the abolition of rent controls. No one ever proposed to abolish rent controls. No one ever seriously tried to amend the rent-control provisions, although many of them are unjust to landlords who are in special situations and who had their rents frozen, beginning 4 years ago, although in some cases they have had greatly increased expenditures, both for fuel and for employment.

In the propaganda, general statements are made about the last war. I may say that some day I hope to analyze the figures in regard to what happened after the last war. But I am perfectly willing to affirm that the total increase in the price level during the recent war and following it is going to be greater, when measured from the prewar level to the postwar level, than the increase in the price level in connection with the First World War. It is true that by having no control at all, except in regard to a limited amount of foods, the price level went up after the First World War, and then later came down to some extent. But as compared to the level-off in 1922, the increase now existing already is as great as that, and I think it is bound to be greater than the increase occurring in connection with the First World War, because all the underlying costs have been increased more than they were at that time. Prices have been higher; but after all, they go down Wages have been higher, and they stay where they are, and prices must conform to the wage costs.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. Does not the Senator from Ohio agree that the economic condition of the United States not only justifies a higher price level, but will make a higher price level mandatory?

Mr. TAFT. I said at the beginning of the recent war that, although I was in favor of price control and voted for the price-control bill and helped to put it through, nevertheless, in view of the tremendous expenditures which we would incur and the difficulty of providing such a tax system as would enable the Government to raise anything like the amount of tax revenue needed, without placing a tremendous burden on one group or another of our people, I did not think it was possible in wartime to prevent an increase in the price level; and at that time it seemed to me rather difficult to keep the increase in the price level below perhaps 10 percent for 2 years and then 5 percent a year thereafter, which would have aggregated perhaps 30 or 40 percent. It seemed to me that under war conditions we were bound to face a 30- or a 40-percent increase.

Now we have all this propaganda about how everything went to pot and prices were high and everyone suffered during the first World War when we had no price control. I think they did. I think the complete absence of control resulted in an upward spiral, and a relaxation brought on a short depression which was unfortunate. I think that during the recent war the control has been more regular. But the total advance this time, in my opinion is going to be greater than the total advance at that time.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator further yield to me?

Mr. TAFT. I yield.

Mr. THOMAS of Oklahoma. After World War I, it took the administration then in power from 1918 to 1926 to arrive at a determination as to where the price level should be so as to enable the people to survive and pay their bills and get by. At that time the national debt was only $26,000,000,000. By 1926 it was less than that. It is true that at that time prices were somewhat high, and in 1920 an attempt was made to obtain a reduction in the high cost of living, and the people voted that fall for a reduction in the high cost of living, and they secured it. But even so, it took 6 years thereafter to come to the point where agreement could be reached as to where the price level should be. In 1926 the price level was fixed at 100 percent. Since 1926, that ideal or goal of a 100 percent price level has been the basis upon which we have proceeded.

At the present time the price level is only about 11 percent higher than it was in 1926. It is my conviction that the price level which we now have is not as high a price level as we must have in order for the people to make the money which they must make if they are to pay the taxes required to keep this country a going concern.

Mr. TAFT. Mr. President, I do not venture to agree entirely with the Senator from Oklahoma; but I think that certainly unless prices go at least sufficiently high to pay the costs of production, we shall not obtain the needed production. I think it is absolutely essential that we get away from the theory that wages can be increased without prices being increased

In his radio speech in June Mr. Bowles also said:

Many groups throughout the country were hungry for profits and still more profits. Obviously, if prices and rents could be increased and then increased again, profits would be multiplied.

That is what Mr. Bowles said in his June 4th radio speech, and that speech is an example of the way he has appealed to the prejudices of the people and the way he has pursued the most demagogic possible propaganda in order to attain his ends.

In his speeches he has referred to a number of other matters which I do not need to mention now. I merely have cited that much of his radio speech as an example of the kind of direct propaganda which has been engaged in by the Office of Price Administration.

When Mr. Bowles writes letters or editorials, they are later reprinted by the Office of Price Administration, at their own expense, and are circulated throughout the United States to all persons who wish to read Mr. Bowles' articles or editorials, even though they have not been able to hear him speak on the radio. For instance, I hold in my hand one of his editorials which was published in the Washington Post, and consequently was reprinted and circulated.

In the second place there is a steady and constant outflow of propaganda to all the employees in the Office of Price Administration. I do not know whether Senators are familiar with all the news letters which are being issued. For example, here is a copy of the Pacific Region News Bulletin, issued from 1355 Market Street, San Francisco. It is full of all kinds of OPA propaganda and OPA stories. Here is a statement which the letter contains:

The ex-serviceman, warned by Linkletter to generalize with the statement "Congress is looking into that" whenever he was taxed with a query he couldn't answer logically, was rushed to the dinner. The questions and answers were piped into the People Are Funny show, and, while gales of laughter echoed and echoed over the air, the message of OPA's present and future job went over with a bang. So did the sailor and the Consumer Committee.

Linkletter closed his show with a plea for continued price controls. The sailor won some fabulous prizes. And Irving Eckhoff, southern California district information director, and Harold Lampel, radio officer, got accolades for one of the finest public information jobs this year.

Mr. President, that is merely a little sidelight on the continuous propaganda which is carried on in every OPA office in every State, and through the various news letters which are gotten out every week or every month, as the case may be, and at Government expense.

The OPA prepares speeches for various persons to make before meetings of various kinds. The speeches tell about the merits of the OPA, and particularly urge consumers to tell about what happened following World War I. Usually they greatly exaggerate what did actually occur at that time. These speeches are furnished to persons who wish to make speeches to veterans, at housing meetings, at consumers' meetings, and so forth. They are all prepared by the OPA Information Division, Empire State Building, New York. Of course, the justification for all this propaganda is that the OPA is concerned with enforcement. The OPA wants to tell all the consumers throughout the country all about what it is doing and trying to do, and to urge them to help it enforce the law. From the beginning the OPA has pursued the policy of the "big stick." It has pursued a policy of getting all the consumers it could get to go after the businessman.

They are told to keep guard against the businessman. They are told such things as this: "He is the fellow who is going to try to gouge you. So you must organize and go out and see that the laws are enforced."

During the war such articles and commodities as those which were controlled, were controlled largely by the industry. Any patriotic industry will work out what should be a proper control. It will be found that 90 percent of the industry will help enforce the law. That is the only way in which the law can be enforced. But, if we stir up sentiments of demagoguery against the businessman and try to enforce unreasonable controls, inevitably the hostility of all businessmen is incurred.

Mr. President, I have before me copies of other news letters. Here is a letter issued for Arkansas, Texas, Louisiana, and Oklahoma. Here is a left-wing cartoon which is published in connection with one of the articles. Whenever any newspaper or publication carries a letter friendly to the OPA it is published in every news letter and circulated to all the employees and, of course, to all their families and friends. Nearly all these news letters contain a message from Paul Porter or Chester Bowles urging the people on to greater exertion.

Mr. President, here is a news letter for the district of Kentucky, Ohio, Indiana, Michigan, and West Virginia. It is a reprint from the Cleveland Press. On one side is a statement relative to rents. On the other side is a statement, "Auto black market, largest in the OPA history, smashed."

If the auto black market was smashed it has been restored, because it seems to be operating at high speed today.

Here is a special cartoon which, I believe, was drawn for this particular news letter.

Here are some copies of Paul Porter's weekly letters to the Board which go out constantly in urging greater propaganda effort.

Here is a copy of the Pacific Region News Letter with a cartoon about uncontrolled prices by Fitzpatrick who draws cartoons of that nature. Of course, Mr. President, the propaganda is all on one side. There is no admission any where that anybody else but the OPA could be right. There is no admission that any other opinion than that of the OPA could be correct. There is no suggestion as to when the propaganda will end or gradually tone down. The whole story is one of indefinite continuation of OPA control.

Here is a letter, together with a chart:

Here is a statement as carried in the news letter:

BOWLES BROADCAST

Although he is no longer Administrator, Mr. Bowles will continue his weekly broadcast, at least for the time being, with Mr. Porter speaking every third week or so during the next few weeks while hearings on the extension of the Price Control Act are being held.

Of course, wide publicity with reference to any radio speech to be delivered by Mr. Porter or Mr. Bowles is given through all the OPA offices.

Here is a letter of February 5, last:

As I see it, the fact that hearings are being held at this time indicates very clearly that the big bulk of the American people want firm and immediate assurance that controls will be maintained until the inflationary danger is over. People want to know that the prices they pay for food, clothing, rent, and other essentials will not mount to inflationary heights in the months ahead

But, as always, these discussions often point up some criticism of our work by a few pressure groups who stand to benefit by higher prices.

Mr. President, no one criticizes the OPA except a few pressure groups who stand to benefit by higher prices.

I continue reading from the letter:

And the full impact of these attacks on price control is always felt most by those of us here in Washington

I am sure all of you are well aware of this. You people, better than anyone else, know how well we have been able to withstand these attacks time after time And I am sure that you believe, just as firmly as I do, that we will be able to continue to withstand them

Yet, in view of the very real issues at stake, conflicting opinions and reports are bound to occur And this means that the next few weeks will be particularly trying on all of us.

But, as I have said so many times before, we are all in this thing together and we are going to finish the job

Mr. President, the general effect of this is shown by a letter I received dated February 14, signed by a large list of OPA employees and employed workers. It is very difficult to say how much of this whole propaganda is stirred up by the OPA employees. There are about 30,000 of them left, I think, or 25,000; I am not sure of the exact number. The number was up to about 40,000, but was reduced when rationing was dropped.

Here is a form of letter which was sent to someone who wrote from New York to Mr. Porter complaining about the OPA. He got in reply a form letter which Mr. Porter issued, reading as follows:

DEAR MR MERRIAM Thank you very much for your recent words of encouragement.

Naturally we are deeply concerned about the recent vote of the House of Representatives on price and rent control.

Why he mentioned rent control I do not know, because the House of Representatives did not say anything about rent control. It is merely to stir up the people on the subject of their rents, because they think that is a particularly easy method of exciting them.

Unless the Price and Rent Control Act is extended by Congress—and extended without weakening change—our authority to keep down rent and prices will have been in vain. But the drastic changes favored by the House of Representatives are not yet law. I fervently hope, for the sake of this country, that they do not become law.

Meanwhile our day-to-day fight to get production rolling and to keep prices and rents in line at the same time must and shall go on. I have deep faith in our collective good sense in seeing that this fight will be won.

It is gratifying to know that you and many others have taken the time and trouble to let us know of your support and confidence.

Of course, they have a perfect right to answer letters. That does not come under the legal prohibition against spending money for propaganda, but if what I have read is not an appeal to the people to get after the Senate and see that they do not approve the House of Representatives bill, I do not know what it is. That is a type of direct propaganda to the people.

Here is an example of OPA spot radio announcement. They are putting spot radio announcements all over the United States. I read this merely to show the kind of thing they do.

Sorry I'll have to give you your change in thousand-dollar bills. I'm all out of the larger denominations. That sounds ridiculous now, doesn't it? But the time could come when that speech would be an everyday occurrence That is the ultimate outcome of a wild inflation Such an inflation is a distinct possibility in this country if the people—and that means every one of us—decide that it can't happen here or that nothing that we could do individually would prevent it happening The truth is that something can be done by all of us—and if we all do not cooperate we face a future of economic chaos Remember, the black market is our enemy—don't patronize it. Report all violations of price ceilings or rationing controls.

That gives them the excuse, but this kind of radio spot announcement is intended without any question to stir up public opinion in favor of continuing the OPA, and to bring down upon us some of the letters we have already received.

The OPA has gone into the schools in order to get the school children to take an active interest Here is a form distributed in the Pacific coast area, I believe, after some protests, it was finally abandoned by the OPA. It comes from the northern California district office, issued to high school principals and teachers by William F. Elliott, district information executive. It reads:

SUBJECT. QUIZ ON PRICE CONTROL

In an attempt to determine the average student's knowledge of price control and its effect, we are asking the cooperation of the principals and teachers in making a survey.

You will find attached a list of six questions with a space provided for the number of children participating, the number who answer "Yes," and the number who answer "No" After the survey has been completed in each classroom, the principal will take a total for the entire school and mail it to Cyndicy C Ewart, OPA northern California district office, room 305, 1355 Market Street, San Francisco 3, Calif

While the survey is being conducted, we feel that it would be advantageous to conduct a discussion in the classroom to clarify each point.

To clarify each point, these are the questions:

1. Was there price control after World War I?

2. Did you know that there were more than 100,000 stores (wholesale and retail) forced out of business by the depression that followed World War I?

I do not think that is true, but I do not know whether they know it or not. Certainly it is what might be called a leading question.

3. Did you know there were more than 11,000,000 men unemployed during the depression after World War I?

I do not know what that has to do with the question. I do not know how many there were unemployed in 1920, but most of the 11,000,000 unemployed were out of work in the thirties. That was the time when most of the unemployment occurred, and had nothing to do with price control. The letter continues:

4. If all price control were discontinued now as it was after World War I, do you believe we could avoid another depression?

5. Do you believe that price control has been helpful to your future?

6 Do you think price control should continue until the manufacturers are able to supply adequate goods to meet demand?

Mr. President, this matter was circulated in the schools. There was such a protest after awhile that I think the OPA decided it would not do.

Mr. TOBEY. Mr. President, it seems to me the framers of the material would be classified as having great faith in the power of suggestion.

Mr. TAFT. It seems to me that is the main purpose of the distribution.

From Warren, Ohio, I received a large number of letters appealing to me to vote to continue price control. That was about 3 months ago, and the letters came from students of the Warren, Ohio, high school. They all seem to be in favor of the continuance of OPA except one, and all follow the same argument. I discovered that on each one was marked "A" or "B" or "C." Apparently a test was being conducted, by a man who I found was not a regular teacher, but had once been connected with OPA, and was a sort of special teacher employed in the school. This test apparently comprised writing me a letter in favor of OPA control. If the students wrote a good letter, they got a high mark, and if they wrote a poor letter they got a low mark. There was quite a bit of excitement there, but finally that was all discontinued.

Mr. President, here is a letter sent out by the administrator distributing throughout the country the sixth report of the Director of War Mobilization and Reconversion, which was very strong on the subject of continued price control.

Here is a shopping list, as printed by the United States Government Printing Office, an anti-inflation shopping list, which was distributed to all the teachers in the schools in Omaha, Nebr.

There has been a special drive aimed at the veteran. The returning veteran has been subjected to all kinds of propaganda, and special pamphlets have been printed for him.

Here is a letter from the Office of Price Administration in New England, Boston, to all veterans' organizations. I might say that the headline says "Veterans," but it comes from the Office of Price Administration, and reads:

Some people would have you believe that the OPA is a "gestapo" organization. Nothing could be further from the truth. The OPA is essentially a community organization, made up of public-spirited citizens giving their time and energy to fighting inflation. On the one hand, you have people shouting, "gestapo" and on the other, the predominant cry, "Why doesn't the OPA stop the black market?"

Because Congress has limited the appropriations with which to administer price control, our enforcement division does not have sufficient manpower to fight the black market alone.

So they appeal to veterans to help them fight those who want to charge higher prices.

Here is a speech released for servicemen's groups. I say it is propaganda because it puts all the arguments on the one side and does not anywhere admit that there could be the slightest imperfection in OPA.

Here is a small pamphlet printed by the Government Printing Office, of the usual type drafted for people with 10-year-old minds, who cannot read, and have to get their information through pictures.

Here is a cartoon which is a picture of a restaurant, with these signs shown on the wall:

Blue plate special, $300.
Golden brown waffles $125.
Best coffee in town, $33.50.

The restaurant keeper is saying to a veteran:

The blue plate's $295 for discharged sojers—that leaves ya $5 fer th' streetcar.

This is the kind of thing the Communists would distribute if they were doing the same job; and they are doing the same job. They have some pamphlets like this. This is the technique of Communist organizations.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Ohio yield to the Senator from California?

Mr. TAFT. I yield.

Mr. KNOWLAND. The Senator has just mentioned the Communist Party. I think at this time it would be appropriate to read a pamphlet which was distributed to tenants in the city and county of Los Angeles, issued by the Thirteenth Congressional District of the Communist Party, County Office, 124 West Sixth Street, Los Angeles 14, room 525. It reads:

IT'S UP TO YOU

Congress has unleashed the tidal wave of inflation. The rent gougers, speculators, and monopolists for years have been trying to destroy the OPA. Now it is done.

The reactionary congressional stooges of the National Association of Manufacturers bear the direct responsibility, whether they are Republican Tafts and Knowlands, or Democratic O'Daniels and Barkleys

The greedy fingers of the profiteers are now free to dip into your pockets unrestrained—to remove what little is left of your war savings and pay envelopes Already landlords are doubling and tripling rents. OPA price lists have been removed from stores, and prices are being marked up 50 to 100 percent

The people have the power to stop this calamity, which unless checked, will plunge this country into a depression greater than 1933. It was the pressure of the people which caused President Truman to veto that monstrosity—the "booby trap" bill.

The people must organize and act now to save price control.

1. Support the organization of consumer-tenant committees. Refuse to pay price and rent increases. Demand a moratorium on evictions.

2. Send wires to Governor Warren, Mayor Bowron, the county supervisors, and the city councilmen. Demand that they freeze rents and prices by invoking the wartime emergency powers.

3. Wire Congressman NEIL R. HEALY (if you live in the Thirteenth Congressional District), backing up his defense of OPA and asking for immediate action to extend the OPA with full price control.

4. Organize delegations of your neighbors and organizations to the mayor.

Action alone can save the situation

Issued by Thirteenth Congressional District of the Communist Party: county office, 124 West Sixth Street, Los Angeles 14, room 525.

Mr. TAFT. Mr. President, I was dealing with the direct propaganda, but there is a tremendous amount of party-line propaganda. Whenever the OPA gets anything out a large number of the commentators on the radio simply accept what OPA hands them and pass it on to the public. A large number of fellow-traveler organizations, such as the Communist Party, put on a campaign which is equal probably to that of the OPA, although it cannot be so well financed, so it is not quite as extensive and the literature is not so elaborate as that which I shall refer to later. But with reference to the Communist Party, here is another Communist appeal from the Communist Party of Tampa:

The OPA is dead. Sentenced to death by a reactionary click of Taft-type Republican-Democrat-National Association of Manufacturers group Our country is now headed for its greatest period of inflation. Rents and food are soaring sky high

* * * * *

Our country needs an effective OPA bill to fight the war-profit-minded attack of big business on our pocketbooks An OPA bill with plenty of teeth in it. Wire and write your Congressmen and Senators and tell them that now is the time for action. There is no time for debate and filibuster, but rather action, action for effective price controls

Here is another one put out by the Communist Party of the Nineteenth Congressional District of Los Angeles:

The President of the United States has just vetoed the emasculated OPA extension bill.

They do not say it was vetoed in spite of the advice of the distinguished majority leader.

This means that starting July 1, there is no control whatever on prices. Big business, with the aid of the United States Senate and House of Representatives, has gained a partial success. * * * Wire or write your Congressman and demand a special session at once to extend the OPA. Wire or write to Senators KNOWLAND and DOWNEY in Washington.

Issued by the Communist Party, Eleventh Congressional District, 2037 Brooklyn Avenue, Los Angeles, Calif.

Here is one from Lynn, Mass.:

Do your part to stop inflation.

The attack by big business through Congress on the living standards of the American people has reached its height with elimination of all price controls.

* * * * * *

What you can do:

1. Write immediately to your Congressmen and Senators demanding quick passage of a strong price-control bill.

* * * * * *

It is becoming increasingly clear that the capitalist system under which we live is old and useless, that it is incapable of serving even the basic needs of all the people; that it will not and cannot solve the problems

of postwar reconversion to peacetime living; that so long as we allow this system to exist it will further reduce our standards of living.

Issued by the Communist Party of Lynn.

Then, of course, the CIO is running in all their newspapers similar appeals. This is an Ohio CIO Council news letter which says:

Through the efforts of Senator TAFT and other Congressmen, the Nation today is gripped in a price panic. * * * Write to your Congressman and Senators TAFT and HUFFMAN.

They do not mention the fact that the President vetoed the bill, and that he really brought OPA to an end.

Here is another one from the Ohio State Youth for Democracy, which is distributed on the campus of Ohio State University:

Wire Representative VORYS and Senator TAFT.

Perhaps one of the most active of these organizations is the American Veterans' Committee. Here is a communication that I think ought to be published in full, and I shall read it. It is from the American Veterans' Committee, 201 Barr Building, Washington, D. C, dated July 1, 1946. They were all ready for the veto, apparently.

AVC TECHNIQUES IN PRICE-CONTROL FIGHT

1 Set up sidewalk telegram booths to send night wires to Congressmen

2 All veterans sign with old serial numbers—Congressmen sensitive to veterans.

3 Sell "Taft apples" or name them after local inflationist Congressmen. In St. Louis "Ploeser apples" sold very well for 75 cents Ties up memories of World War I veterans, the depression, the new vets, and boom-and-bust to come Good publicity getter. Only one man needed to sit at table Economical

4 Call all high prices "Taft prices" or after local inflationist Congressmen.

5 Swamp papers with letters to editor Show you understand trick amendments.

6. Picket Congressmen's places of business (One picketed his home; it was found he did not even live in his own district! Publicity wonderful.)

7. Phone Congressmen at home—

I know that Senators will appreciate this.

Phone Congressmen at home and Washington at home, in office, or call cloakroom—get him off the floor. National 3120. Get hundreds to call incessantly

I have been called up on the phone two or three times. I do not think this practice has been followed in general, but it has been followed to some extent. I have seen every one of these techniques used or heard reports of them. This all comes out of the American Veterans' Committee, 201 Barr Building, Washington, D. C The letter is signed by Alex Efthim, chairman, AVC's Price Control Fight Committee.

8. Have people at every meeting or assembly write and wire Congressmen from there. Have your people tell and phone others, write and take other action.

9. Hit papers with paid ads, releases; try to get "public service" time; get spot announcements on air.

10. Put out leaflet (or in other medium): "Senator Blank has his hand in our pockets." Put it in terms of dollars and cents and items.

11. Hang inflationist Congressmen in effigy. Slow-burn them. Good for vote.

I may say I have been burned in effigy two or three places in Ohio in accordance with this advice. That has happened both in Cincinnati and in Cleveland.

12. Round up disabled vets—parade or display dramatically showing what happens to their benefit pittances when prices rise.

13. Show in same way what happens to cheap-housing program—out the window.

14 Publicly challenge Congressmen—

This is good advice. I think Senators will appreciate this:

14. Publicly challenge Congressmen to come out to a public questioning with radio hook-up and reporters at meeting on issue, "Did you or did you not vote to smash price control?" Challenge him in every media possible I challenge mine regularly; he does not even answer, but he is awfully hot in the papers. We always put it this way: The people are frightened and worried. You owe it to them to come out and explain.

The next sentence is underscored and in parentheses:

Then we will nail him to the wall.

So I think the better practice under this technique is not to go.

15 Follow the President's advice and refuse rent increases Stop evictions. Maximize publicity on this It is a bitter fight and must be focused Rents are the most important focus of all.

16 Pressure all local party leaders in same ways—they react directly on Congressmen

17 Picket price-increasing stores swiftly and dramatically Everything suggested on this page requires maximum publicity and ingenuity.

18 Ask each person in your organization to write at least one letter per day for the next 3 weeks until a decent bill—straight price control for 1 year—is passed. Let each Congressman know his record is known and watched

19 Put signs on your people's autos: "Worth $2,000—Taft price," and so forth. Make life miserable for local Congressmen by this quiet threat of a tag they can never shake. Substitute their names for TAFT, too.

20 Ask governors to establish emergency rent controls, as New York, Massachusetts, etc., has done. Good for publicity, too. Ask mayors to take local actions.

21 Rallies of any kind. Automobile parades, with rough signs

22. Float in parade or other medium: Veteran in barrel "Suit $125."

23 If Congressmen vote against people, let vets, etc, hang them in effigy between high buildings, then slow-burn effigies Public reaction has been extremely favorable where AVC used this.

Written in haste

ALEX EFTHIM,
Chairman, AVC's Price Control Fight Committee.

I may say while speaking of the AVC that in Pittsburgh the American Veterans' Committee passed out cards to be sent to Senators on which appears the following:

DEAR SENATOR: I am a consumer and need OPA. Please do not stop fighting until a bill is passed without crippling amendments. I cannot accept less than a sweeping victory for OPA.

This is a general example, Mr. President, of the type of pressure campaign that has been put on. Of course, the threat is always that the Senator's or Representative's political future will be ruined and he will lose votes in the next election if he does not go along.

Meetings have been held by a number of organizations. I do not think I need to detail them. There have been several public rallies in Cleveland, organized by the Urban League, the Lawyers' Guild, the American Veterans' Committee, the Cleveland Industrial Union Council, and a number of others. I think those meetings are perfectly proper. I have no criticism of the meetings which have been held, but they show where much of the propaganda originates. I believe that in every case the OPA and its employees have played a large part in organizing such meetings.

I have before me another example of CIO propaganda of the usual type, listing Senators who voted for and against the various amendments, those who voted for and against the Taft amendment, and those who voted for the Pepper motion to substitute a straight continuation for 6 months for the bill which was finally passed, and, of course, branding those who voted the other way as enemies of the people and not interested in the welfare of the people.

Here is another one, from the Communist Party of Passaic County, 305 Broadway, Paterson, N. J.:

HERE'S WHAT YOU CAN DO TO SAVE PRICE CONTROL

1. Every individual in every community should write and wire to: Majority Senate Leader BARKLEY; Republican Leader ROBERT A. TAFT, House Majority Leader JOHN W MCCORMACK, House Minority Leader JOSEPH W. MARTIN, also to our own Representative GORDON CANFIELD, and to our own Senators ALBERT W HAWKES and ALEXANDER SMITH

* * * * *

3 Call emergency meetings in all communities Elect committees that will make it their business to uphold price controls, and boycott all who attempt to fleece the people

4 Join the buyers' strike. Refuse to buy anything except the barest necessities, and in addition,

5 Demand that the national and State government requisition supplies in order to supply the people with their needs. * * *

6. Write and wire Governor Edge to call an emergency session of the State legislature.

The Union for Democratic Action seems to have been very active. The Committee of One Thousand to Defend Price and Rent Control held a big dinner in the Hotel McAlpin, in New York, on March 22, to which they invited Mr. Paul Porter. The meeting was presided over by Mr. Franklin D. Roosevelt, Jr. Mr. Porter used that occasion to spread as widely as possible propaganda for the continuation of price control.

Here is another case of propaganda in the schools. In Indianapolis form letters were distributed to the children of school 84, a grade school, so that they might carry them home to their parents. Whenever the parents happened to be retailers there was a very violent reaction, and that has not been found to be a very successful method of trying to propagandize the parents.

Mayor O'Dwyer called a special meeting on Sunday afternoon, May 12, to save OPA.

The National Emergency Committee for Price Control, with offices at 136 Third Street SE., Washington, D. C., issues a paper very much like the one which I read from the American Veterans Com-

mittee. In its news letter of July 4, 1946, it says:

Wire Senator BARKLEY that you want the Price Control Act extended now until long-term legislation can be worked out.

* * * * *

Encourage continuous pressure on Congress to pass an effective price control bill. Suggestions follow:

1. Neighborhood telegraph booths on sidewalks in front of stores.

2. Chain telephone calls urging letter writing to Congressmen.

3. Telegram-a-day campaign by cooperating groups.

4. Local rallies, parades, press statements, letters to editor urging letters and wires to Congressmen.

5. Resolutions by municipal, county, and State officials urging Congress to enact price-control legislation.

These are merely suggestions. The important thing is to get started in your community.

I do not know what the National Emergency Committee for Price Control is, but I think it is a group of the same kind of fellow-traveler organizations to which I have already referred.

This is another news letter from the same organization. It seems to have moved from 1706 G Street NW., Washington, D. C., where it was on July 1, to 130 Third Street SE.

Mr. President, I return to some of the other propaganda. I referred to the simple piece appealing to people of limited mentality. Here is another one, printed in three colors by the Government Printing Office, entitled "Briefing the Veteran," telling him all about price control and what he should do. It says:

You'll probably find some of your neighbors there doing the price-control job, and probably one will be a veteran himself. They'll be glad to help you All the time you've been away more than 250,000 of those men and women have been working in the local boards without a cent of pay to insure that your family and everybody else would have a fair share at a fair price.

This poster has been widely distributed. It says:

Veterans, carry on the spirit of victory. Let OPA help you. Offers price advice Ask OPA before you buy. First see your local price-control board; for further information inquire at OPA Veterans' Relations Adviser

A special adviser has been provided. This poster is distributed by Ernest Adams, District veterans relations adviser, OPA, 1037 South Broadway, Los Angeles, Calif.

A similar poster is distributed through the courtesy of Superman D. C. Publications. I do not know what Superman D. C. Publications is. This is a smaller edition of the same poster to which I referred.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHITE. Can the Senator tell us from what appropriation funds come for all this publicity by the OPA?

Mr. TAFT. There is a fund of $2,500,000 in the OPA appropriation for publicity, but so far as I can judge, everyone in the entire organization is engaged in propaganda work, even though his main duties are supposed to be otherwise.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator is not contending, is he, that these letters, sheets, and publications which he is now reading were authorized by the OPA, or sent out at its instigation?

Mr. TAFT. No. I distinguished between them. I was somewhat confused by the question of the Senator from California [Mr. KNOWLAND]. He dealt with a Communist Party organization, so I covered all the material dealing with what might be called "fellow-traveler" organizations, which I think may be stimulated by the OPA. Then I returned to the direct propaganda. The veterans' propaganda to which I referred is direct OPA, Government-paid propaganda.

Mr. BARKLEY. Paid in what way?

Mr. TAFT. It is printed by the Government Printing Office, and paid for by the OPA, as I understand.

Mr. BARKLEY. I do not understand that the OPA paid the bills of any private organization.

Mr TAFT. Oh, no. This material is distributed through the courtesy of Superman D. C. Publications. I do not know what that is, but, as I understand, the printing is done by the Government Printing Office. It has the OPA stamp on it—"Ernest Adams, district veterans relations adviser, OPA." He is certainly an OPA employee.

Mr. BARKLEY. Where is he located?

Mr. TAFT. 1037 South Broadway, Los Angeles, Calif. I shall be glad to have the Senator look at some of this material

Mr. BARKLEY. I am assuming that Senators are able to make up their own minds about the controversial questions involved in connection with this legislation, regardless of any propaganda on either side. I do not quite see the necessity for consuming all the time which the Senator is taking to read these documents, which evidently have not had much influence on anyone.

Mr. TAFT. I think they bear directly on the question of public opinion. Certainly we want to do what the people want us to do; and if we are faced by organized propaganda, it seems to me that we ought to know all about it. We ought to know where it comes from.

Mr. BARKLEY. We ought to know all about it on both sides.

Mr. TAFT. That is correct.

Mr. BARKLEY. There was a full-page advertisement in my home city paper, taken from the American Lumberman, in which everyone in my home city was urged to write to me on the other side of the question. For months we have had full-page advertisements of the National Association of Manufacturers. It had a perfect right to pay for them, but they were intended to influence Congress. So propaganda is not a one-sided matter. It is not a one-way street.

I was interested in a letter read by the Senator from California [Mr. KNOWLAND], in which I was associated with certain other Members of the Senate. I do not know whether I should take more offense at the authorship of the letter or the company in which I was placed. [Laughter.]

At any rate, that would not influence me. Evidently it has not influenced the Senator from California, and in my judgment would not influence the Senator from Ohio, or any other Senator.

Many of these people are not experts on legislative matters. They do not have the money to buy full-page advertisements in all the newspapers of the United States which have a wide circulation. They may be inexperienced as to how to influence Congress. But whether they are in favor of the pending legislation or against it, and whether they use skillful technique or whether it is crude—as some of these examples evidently are—the objective is the same, namely, to influence Members of Congress.

Mr. TAFT. Of course, these organizations have a complete right to do what they wish. The nature of the propaganda depends somewhat upon the character of the organization. So far as I know, the appeal on the other side has been to logic and reason, more than to prejudice.

Mr. BARKLEY. Interpretations of logic and reason may vary.

Mr. TAFT. That is correct; but I believe that the examples which I have read show what I call the Communist technique in a number of these organizations. I am referring to the material issued by private organizations, and the technique which refuses to admit that anyone on the other side can possibly be right, which says that anyone who is on the other side is an oppressor of the people, and determined to make life hard for everyone, to be greedy, and to grab all the profits in sight.

Mr. BARKLEY. Evidently the Senator from Ohio is reading this for the purpose of creating the impression that only the Communists or some fellow-traveler organizations or some piqued outfit is in favor of the OPA and its continuation. I do not know whether the Senator intends to create that impression; but inasmuch as he is only reading from letters or circulars issued by such organizations, that would seem to be the logical conclusion.

Mr. TAFT. Mr. President, I wish to cover the whole situation, but my main point is that Government money is being used to propagandize Congress, in violation of a law enacted by Congress. That law provides that Government money shall not be used to appeal to Members of Congress, to try to influence them in regard to legislation pending before Congress. Particularly it was intended that the departments and agencies of Government should not use Government money in an attempt to perpetuate themselves in office and to attempt to affect the action of Congress on issues in respect to which such agencies should be doing their jobs, and not be concerned primarily with a fight to continue themselves in existence. That is a violation of the law.

The propaganda which I have read is skillfully done, and it is paid for by the Government. But its real effect is to bring pressure to bear on Congress, in

violation of one of the laws of the United States. If the Department of Justice were on the job, it would indict Mr. Porter and Mr. Bowles for what they are doing in trying to influence the Congress.

Mr. BARKLEY. Oh, Mr. President, of course every time Mr. Porter's name is mentioned, the Senator from Ohio hits the ceiling as if an atomic bomb were under him. [Laughter.]

As for the American Veterans Committee, it is an honorable organization of World War veterans, so far as I know. It came before the congressional committee and made a statement, and it had as much right to organize as had any other group of veterans. It has as much right to appear before the committees of Congress and to make its views known as has any other group of American citizens. In view of all the propaganda which has been disseminated on both sides of the question by all kinds of organizations, it seems to me that it is unfair to pick out one veterans' organization and denounce it because it has sought to make its impression upon the Members of the Congress in regard to a controversial piece of legislation.

Mr. TAFT. Mr. President, does the Senator from Kentucky know who Mr. Alex Efthim is, who signs the letter as chairman of the committee?

Mr. BARKLEY. I do not know who he is. I assume he is an American citizen.

Mr. TAFT. If the Senator from Kentucky desires to defend the type of propaganda that is promulgated by the American Veterans Committee, that is his privilege

Mr BARKLEY. I have no desire to defend any particular organization, but I do say that the American Veterans Committee has a right to present its views to the American people.

Mr. TAFT. I think it should do so respectfully and with a proper appeal to reason, and not by attempting to hang Senators in effigy.

Mr. BARKLEY. Mr. President, when the Senator from Ohio speaks on appeal to reason, I am reminded that that was the title, as I recall, of one of the publications of the Communist Party. Does the Senator from Ohio adopt that as his slogan?

Mr. TAFT. Yes, Mr. President, I am always ready to adopt the slogan "appeal to reason."

Mr. WHITE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Ohio yield to the Senator from Maine?

Mr. TAFT. I yield.

Mr. WHITE. I asked the question whether public money was being used in the effort to propagandize because I think it is not only a right but an obligation of the Senate to make inquiry and to advise itself whether money appropriated by the Congress is being used for the purpose of propagandizing or, to use a better phrase, for the purpose of influencing the Congress of the United States with respect to any matter.

Mr. TAFT. Mr. President, I have dealt with some of the direct Government propaganda.

I hold in my hand a pamphlet appealing to farmers, in behalf of the OPA. It was issued by the Office of Price Administration, and it is marked "Price Control Board, Cleveland, Ohio." It is addressed to Mr. Landphair, 17025 Lorain Avenue, Cleveland, Ohio, under the Government frank. The person who addressed the pamphlet to Mr. Landphair did not even know his first name. The pamphlet was not sent to him in answer to a letter from him. The pamphlet apparently was sent to all farmers, on certain rural routes in the outer sections of Cleveland which are in a farm area. I do not see any justification for the OPA to propagandize farmers on the subject of the OPA, and certainly there is no justification for the OPA to distribute broadcast pamphlets which are mainly for the purpose of advocating the continuation of the OPA in office.

Let me also say that a special OPA pamphlet was addressed to labor. I seem not to have a copy of it on my desk at this time. The heading was "Organized labor has a stake in holding down the cost of living," and the pamphlet was published by the Labor Office of the Price Administrator, Washington. The pamphlet was about 5 inches by 7 inches in size, and apparently it was distributed in large quantities to labor unions. The Meat Cutters Union in Indianapolis, which was conducting a strike, proceeded to print on the back of a number of copies of the pamphlets, but using its own printing, "The following market stands are unfair to Meat Cutters Union 167." Then they listed about 10 market stands, and that statement was printed on the pamphlet over the place where it contained the statement "United States Government Printing Office, 1946." Of course, the union had no right to do that. On the other hand, the pamphlet was passed out to all the picket lines. I do not know why the OPA should provide unions with large quantities of pamphlets printed by the Government in behalf of OPA, so that the pamphlets would be available to the union, with the result that in this case the union has printed its own propaganda on the pamphlet. But that is another type of propaganda which is being used.

I now hold in my hand a pamphlet printed by the Government Printing Office, and bearing the caption "Double trouble. What to do about inflation and deflation." It is another one of the picture-book series.

I also have before me another pamphlet printed by the Government Printing Office. It is entitled "It Is Amazing." It likewise comes from the Office of Price Administration, and is also of the picture-book type.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I suppose the Senator from Ohio is raising the question of the propriety of having a Federal agency spend public money for such a purpose. Is that what the Senator from Ohio has in mind?

Mr. TAFT. My point is that the OPA probably has put on the greatest propaganda campaign that any government agency has ever put on, and that while most of it is directed toward "Help us enforce the law" or "Hold your grocer responsible," or "Check up on your grocer's prices," and all that sort of thing, nevertheless the inevitable effect has been to build up the OPA as something absolutely necessary to prevent inflation, and thereby to propagandize for the continuation of price control. I have cited some cases of propaganda which I think violate the law. But I think the entire effect of all the propaganda is a clear violation of the law, even though the suggestion "Write to your Senator" is not made.

Mr PEPPER. Mr. President, the Senator from Ohio complains about having Government money spent for that purpose, does he?

Mr. TAFT. The law says that public money shall not be used to influence legislation.

Mr. PEPPER. Mr President, I wish to know how the Senator from Ohio distinguishes between having the OPA use Government money to propagandize and having the National Association of Manufacturers run full-page advertisements in many newspapers in the United States. I happen to have one of them before me. It appeared in a newspaper called the Chicago Tribune, and, according to its masthead, the newspaper is published in Chicago. This issue of the newspaper is dated July 7, 1946. The advertisement, which takes up the full page, reads as follows:

THE FUTURE WITH CONFIDENCE

The members of the National Association of Manufacturers have no intention of rocking the inflation boat—now or at any other time.

If OPA is permanently discontinued, the production of goods will mount rapidly and, through free competition, prices will quickly adjust themselves to levels that consumers are willing to pay

The great majority of American manufacturers are determined to produce as much as they can, as fast as they can, to sell at the lowest possible prices.

American manufacturers are also determined that such price increases as may be necessary will be only those fully justified by increases in wage and other production costs.

Then, as production gets rolling again, supply will catch up with demand * * * prices will be fair and reasonable to all * * * quality will be improved * * * black markets will disappear * * * and America will enter the period of prosperity that everyone has been hoping for.

NATIONAL ASSOCIATION OF MANUFACTURERS.

Mr. President, I wish to ask the Senator from Ohio whether he agrees with me that probably if we examine the books of the National Association of Manufacturers or of the enterprises which put up the money to pay for the advertisement I have just read, we shall find that the expense was a deductible business expense which finally came out of the pockets of the taxpayers of the United States as an item which could properly be charged as a deductible business expense for tax purposes.

Mr. MILLIKIN. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I wish to join in the criticism of the distinguished Senator

from Florida against the National Association of Manufacturers, but I wish to approach the matter from a different angle. Just think of the situation, Mr. President. The National Association of Manufacturers represents probably 70 percent of the volume of manufacturing in the United States. Yet that organization, with all of that presumptive power, with all of that presumptive collecting power, spent only a little more than $300,000 in running a few full-page newspaper advertisements. My criticism is that the organization did not spend $3,000,000. I think they have to let the moths out of their pocketbooks. I think that when a business question becomes a political question, these business organizations must get busy and take the rubber bands off of the old pocketbooks and run a propaganda campaign that will equal that of their opponents. Think of that organization paying a little more than $300,000 to conduct a campaign of that kind.

Mr. PEPPER. Yes, and charging it to business expense, deducting it from their income taxes, and making the people pay for it.

Mr. MILLIKIN. That is better than a direct touch on the Treasury, which is against the law. What they did was not against the law.

Mr. PEPPER. Yes, Mr. President, and all over this country business enterprises—the National Manufacturers' Association has been the leader in it—have been running full-page advertisements and deducting the cost of them as a business expense in their income taxes, and nobody ever seems to thing that that is wrong.

Mr. MILLIKIN. Let us assume that they have followed the process which the Senator has mentioned. There is no law against it, and there is a criminal statute against what the OPA has been doing. If the Senator does not like that process, let him introduce a bill making it unlawful. Perhaps he can have it passed.

Mr. PEPPER. Oh, no; not in the Senate.

Mr. MILLIKIN. The ultimate offense of the National Manufacturers Association lies in the parsimonious scope of its advertising and not in its extensiveness.

Mr. PEPPER. Mr. President, in the little more than $300,000 to which the Senator has referred there is not included all the padding of expense accounts for offices, executives, and representatives, nor any other expenditures which were involved in carrying on propaganda, nor the editorials which were carried by newspapers in furthering the interests of the organization.

Mr. MILLIKIN. Mr. President, will the Senator from Ohio yield further to me?

Mr. TAFT. I yield.

Mr. MILLIKIN. I say to the Senator from Florida that the people to whom he refers must live just as must all these side-show barkers in the OPA. [Laughter.]

Mr. TAFT. Mr. President, I think the expenditures of the National Manufacturers Association are on an exact par with the expenditures of the CIO and many other organizations. I have not criticised their spending of money. I do not entirely agree with the Senator from Colorado, but if I wanted a propaganda campaign put on I would rather have the job which is now being done by the CIO and their associate organizations than the job which is being done by the National Manufacturers Association. Both organizations are spending a great deal of money, and I am sorry to say that the technique of propaganda is much better known by the CIO than it is by the National Manufacturers Association.

But, so far as the spending of money is concerned, those organizations are entitled to spend money if they want to spend it. I have not criticised the CIO for spending money. What I have criticised was the expenditure of money by the Government I do not believe the Government should be allowed to spend money for or against legislation. Let the money-spending be left to the proponents and opponents of proposed legislation and not by the Government.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. An ex parte statement by the Senator from Ohio, or any other Senator, would not convict the OPA or any other department of the Government of violating the law. If the Senator from Ohio wishes to be fair to the OPA, I would invite him to include in his speech at this point the statute which he says the OPA has violated, and the publications which they have used in violating the statute. Then we may determine for ourselves, not on the mere word of the Senator from Ohio, who is a great lawyer, I concede, whether there has been a violation of the law.

What the Senator from Ohio has said may also be said with reference to the Department of Agriculture and their farm publications through which they make reports to the American people. It might be said by implication that what they are trying to do is to influence the Congress or public opinion. It might also be said that the Federal Reserve Board, because they issue a bulletin at Government expense, are trying to influence public opinion by making frequent reports to the public in regard to their operations.

Mr. TAFT. Mr. President, that statement is not true because the Federal Reserve Board is not particularly interested in proposed legislation. The Federal Reserve Board has not sent out propaganda of the kind which has been sent out by the OPA. The OPA has been interested in perpetuating itself in office.

Mr. BARKLEY. The Federal Reserve Board is frequently interested in proposed legislation dealing with the banking and currency system of the Government. The Reconstruction Finance Corporation has frequently issued publications of various kinds. It is interested in various forms of legislative measures which come before the committee, and once a year it comes before the committee and asks for legislation. Many other Government departments are in the same category, and they all issue reports which, it might be said, are of a propaganda nature, but they are not. They are reports to the public, and give to the public information with regard to various subjects. If, incidentally, they influence someone's opinion, what of it?

Mr. TAFT. Mr. President, I have sent for the law to which I have referred, which I shall read. I thought I had a copy of it before me, but I have not. However, some of the organizations to which I have referred do not propagandize. I criticised in one other case. The State Department and the Treasury Department put out some propaganda in connection with Bretton Woods which was somewhat comparable in purpose to the propaganda put out by the OPA. I said before, and I repeat, that it violates the law, and I think the OPA is violating the law. They are careful not to say expressly, if they can help it, to the people throughout the country "Write your Representatives and Senators" as some of the private organizations do. However, the general effect of all such propaganda is to influence Congress. That is its purpose, and I do not believe that any Member of the Senate has any doubt about it.

Mr. BARKLEY. The State Department and the Treasury Department were responsible for the organization of the Bretton Woods set-up. They cooperated in organizing the United Nations. They issued pamphlets for the information of the public. It was the duty of the Treasury Department and the State Department to inform the American people what was involved in the Bretton Woods arrangement, the International Bank, the International Fund, and the United Nations Organization, as well as all other public services which were rendered or intended to be rendered in which the State Department or the Treasury Department had any interest. It was not the duty of those departments of the Government of the United States to put a seal on their lips and make their intellect completely dumb so the American people could never obtain any information with reference to what was being done, or the reason for doing it. Incidentally, those activities influenced public opinion. I do not know of any way to have avoided it.

Mr. TAFT. Mr. President, I wholly disagree with the Senator. The rule is that the Government departments shall not use Government funds to propagandize in connection with measures which are pending before the Congress. It is a good rule. Hundreds of millions of dollars used by executive departments for propaganda purposes could produce results in Congress to a far greater extent than could be produced by the spending of money by any private organization. That statement is true even when the pressure advertising or propaganda which the CIO has conducted is taken into consideration. If the executive departments of the Government are allowed to spend millions of dollars to create public opinion for the purpose of causing Congress to do their will, I say that the Government is faced with a serious menace.

Mr. BARKLEY. Mr. President, from its very inception four years ago the OPA has from time to time issued reports and furnished information, not only while legislation was pending but immediately upon the creation of OPA.

Some of the publications complained of by the Senator from Ohio were issued long before any bill extending the OPA was introduced in either House of Congress. Those publications were issued for the information of the American people and long before any resolution was introduced in either House of Congress extending the OPA for another year.

Mr. TAFT. Mr. President, at different times ever since it was organized, legislation has been pending to continue the OPA

There was one measure for that purpose in 1944, one in 1945, and one in 1946.

Mr. BARKLEY. They were not pending all the time. There were several months each year in which they were not pending.

Mr. TAFT. Yes; several months.

Mr. BARKLEY. Each year.

Mr. TAFT. The OPA is much more farsighted than only several months ahead of time.

Mr. BARKLEY. I am glad the Senator admits that they are farsighted.

Mr. MILLIKIN. Mr. President, in his veto message the President mentioned approximately five separate times during the last couple of years when he asked for a continuance of the OPA.

Mr. TAFT. Mr. President, look at the pamphlet which I hold up. It shows the fork in the road. On one side the pamphlet shows that the United States is approaching the fork. It refers to uncontrolled prices leading to disaster. On the other side there is reference to steady income and to steady markets. What is the purpose of all this? It relates to what happened after World War I. Incidentally, the chart on page 4 states that 106,000 firms failed during the period of 1920 to the end of 1921. As a matter of fact, the figure which Mr. Bowles used would indicate that industrial and commercial failures for the years 1922, 1923, 1924, 1925, and 1926 totaled 106,000, but they were charged to the period 1920–1921. As a matter of fact, in 1920 there were 8,800 failures. In 1921 the number was much greater, or about 19,000. In other words, he used a figure much larger than the figure which he should have used. What was the purpose of telling what happened during World War I and during the period following the war?

During World War I controls were not in effect. They were imposed following the war. So we went along. Why do you suppose, Mr. President, Mr. Bowles put out this propaganda? It is to prove that the OPA should be continued now and not abandoned. What can be the purpose of a pamphlet like this except to advocate continuation of the OPA?

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Ohio and I remember what happened after the last war, but there are millions of people in this country who are now adult citizens and voters who have been born since the last war. Their memories cannot go back, as can my memory and the memory of the Senator from Ohio, to the time of the last war. Are they not entitled to information as to what happened after the last war as a result of no controls?

Mr. TAFT. They are not entitled to information at Government expense dealing with a subject before Congress. It is up to the advocates who want the law to produce that information.

Mr. BARKLEY. Legislation is not altogether a one-way street; it is not a private enterprise. Legislation is something in which the American people are involved and concerned about with respect to their Government, and their Government, which is the only spokesman of the American people, has the right to give the people information to which they are entitled in order that they may make up their own minds as to whether legislation already in existence or in prospect is wise or foolish.

Mr. TAFT. Mr. President, I call attention to this pamphlet, and also to another one gotten up in quite an expensive form, which is an answer to the NRDGA exhibit.

Mr. PEPPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I should like to conclude, but I yield to the Senator.

Mr. PEPPER. I wish to ask the Senator from Ohio if the pamphlet he has been identifying told the people that after the last war large corporations did not get the benefit of a carry-forward-carry-back tax plan such as has been offered them after this war, by which they can draw billions of dollars from the Federal Treasury?

Mr. TAFT. I am sorry; I missed the Senator's question. Will he repeat it?

Mr. PEPPER. What I intended to ask was whether the pamphlet telling the people what happened after the last war mentioned that after the last war we did not do what we did after this war in a tax law, that is, enact the carry-forward-carry-back plan, which makes it possible for the large corporations to draw back billions of dollars from the Federal Treasury which they paid in taxes on excess profits during the war period.

Mr. TAFT. That is a perfectly proper subject of information. I never thought much of the carry-back provision, although I think I voted for it. It was proposed, however, by the administration. I thought there should be a special reserve for postwar reconversion, because profits are not real profits if in large part they have to be spent in order to get back into production. I thought there should be a special reserve. But Mr. Randolph Paul, representing the administration, advised this plan of the carry-back provision, and it was advocated by the administration. I do not think I would repeat it.

The law to which I referred is the act of July 11, 1919, and reads as follows:

> No part of the money appropriated by any act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation;

I do not know how we could write a more express law. It seems to be perfectly clear. It continues:

> but this shall not prevent officers and employees of the United States from communicating to Members of Congress on the request of any Member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business.
>
> Any officer or employee of the United States who, after notice and hearing by the superior officer vested with the power of removing him, is found to have violated or attempted to violate this section, shall be removed by such superior officer from office or employment. Any officer or employee of the United States who violates or attempts to violate this section shall also be guilty of a misdemeanor and on conviction thereof shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or both.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Is it not a fact that there is a law prohibiting corporations from participating in political campaigns, trying to influence people in elections?

Mr. TAFT. Yes.

Mr. PEPPER. Would not the same logic the able Senator from Ohio has used against the information which has been disseminated by the Office of Price Administration, calling that unlawful as being designed to influence Members of Congress in their votes, prohibit a corporation which paid for this National Association of Manufacturers' advertisement, from paying for it, on the ground that it was intended to influence a political result?

Mr. TAFT. No; I would not say so, because the statute is rather limited. It relates to political contributions. It has been held, I think, not to apply to primaries, if I am correct; I am not certain about that. Certainly in interpretation it has been limited strictly to political campaigns.

Let me say that it is not very much observed, even so, because I had an experience in the last campaign which demonstrated that. The Senator will recall that that statute was amended by the Smith-Connally Act to provide that no corporation or labor union should make any contribution to a political campaign. In Ohio the CIO published a pamphlet attacking me and supporting my opponent, and I took the matter up with the committee here. They thought that that was a violation of the law. They called on the Attorney General to bring a test suit. He said, "Well, that does not apply, because this says 'contribution.'" That means they could not contribute to my opponent's campaign, but they could use their own labor union funds, according to the Attorney General—although I think he is wrong—to circulate pamphlets in a political campaign, because that was not a contribution, it was a spending of their own money. If that interpretation is applied to corporations also, then any corporation is perfectly free under the law to advertise in any political campaign for any political candidate they favor, if they spend their own money and do not contribute it to the

political campaign. I do not think that is the law. In my opinion, such payments are in violation of the law, but I do think the law relates solely to political campaigns and does not relate to legislation before Congress.

Let me say further that there is a gentleman named Spanel, of the International Latex Corp., who publishes Henry Wallace's sayings, and they appear in a column every few days, presumably partly at Government expense, as the Senator has pointed out, because of the tax saving involved. I wrote to the Department to ascertain whether they regarded that as not legitimate because it was an advertising expense. I received a letter in reply saying that so far as the Latex Corp. was concerned, it was legitimate advertising, and they were not going to undertake anything to prevent the deduction of that item of expense from taxes. That is the present state of the law, apparently.

Mr. PEPPER. So far as I know, the Latex Corp. is the only business concern that ever publishes a liberal advertisement, and the Senator does not mean to imply, does he, that the Department of Justice said it was all right for the expense of that advertisement to be deducted and these others not?

Mr. TAFT. No. They take the position that corporation advertising, if it has the faintest touch of institutional advertising, is deductible. I rather question that. As a matter of fact, what I was interested in was the Bretton Woods matter. They were advertising favoring the passing of the Bretton Woods measure through Congress I was curious to find out about it, because it seemed to me we should in some way prevent the deduction of any corporation expenditure of any kind that is not really advertising for the corporation.

Mr. PEPPER. I am glad to hear the able Senator from Ohio say that, and I wish we could pass legislation that would prevent the vicious practice of colossal sums of money being spent for propaganda by corporations and deducting it as a business expense from their income-tax returns.

I merely wish to ask the Senator one more question. He has pointed out, as an able lawyer, that the National Association of Manufacturers' advertisement, although it might be propaganda, was not in violation of the law. I am sure the Senator with equal clarity and fairness would say that for the OPA to send out information from time to time giving the facts as they see them for public use, is different from a case coming under the statute he read, in which, of course, it is made wrong and illegal for the OPA or any other agency to send out a lot of telegrams and to make a lot of telephone calls, when a bill is pending in Congress, for the purpose of influencing action on it.

Mr. TAFT. It seems to me that the extensive pamphleteering to which I have referred is a violation at least of the spirit of the law. Whether the exact language meets it or not, I do not know; but the Senator will notice the statute is pretty broad. It says:

Directly or indirectly to pay for any personal service * * * intended or designed to influence in any manner a Member of Congress to favor or oppose, by vote or otherwise, any legislation.

Mr. McMAHON. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. McMAHON. I have not heard all the Senators remarks, but I gather from what I have heard that he has been fairly active in this matter, and has written numerous letters of inquiry to the Treasury Department and to other places in order to get information.

Mr. TAFT. I wrote them to ascertain what the law was as to advertising like that of the International Latex Corp., dealing with legislation. I think that is the only letter I have written asking for information.

Mr. McMAHON. I know the Senator is a very eminent lawyer. I was wondering whether he had directed an inquiry to the Comptroller General of the United States to find out what his interpretation of the law was, whether the Senator had put this problem up to him. Of course, the Senator knows that there is a post audit by the Comptroller General—at least I assume there is—over the OPA, just as there is over all other Government agencies. The Comptroller General has to pass on these expenditures. I was wondering if the Senator had taken it up with him.

Mr. TAFT. No; I have not taken it up with the Comptroller General. I have not found that that is a very successful way of preventing anything that is illegal. The proper procedure would be for the Attorney General to file suit.

Mr. McMAHON I have always found the Comptroller General is extremely technical about these matters, and makes very close interpretations of the law, and it would seem to me that he was the natural person with whom to take up such a matter.

Mr. BARKLEY. Mr. President, I do not want to prolong this discussion, but I should like merely to inject a brief statement The law which the Senator has read is a wholesome law. I do not know when it was enacted, but if it was enacted in the last 30 years I probably voted for it.

Mr. TAFT It was enacted in 1919.

Mr BARKLEY. Yes. That was during my tenure here, and in all likelihood I voted for that law. I would vote for it again. It is a wholesome statute, and I would not by indirection advocate its violation by any Federal agency. But I feel that it is the duty of agencies of the Government to keep the people informed about what they are doing. The only way the people have of knowing what is going on in the Government is for the agencies to report to the people. It may be that the report made by the OPA or the RFC or the Commodity Credit Corporation or the Farm Security Agency or any other agency set up by the Government to render a service could be interpreted by some strained construction to have been made for the purpose of influencing public opinion. It seems to me that the evidence would have to be clear that such a publication was intended or designed premeditatively to influence the vote of Members of Congress. A report to the people advising them as to what is transpiring in the agency, how the agency is undertaking to perform its duties is not only not a violation of the law, but is a commendable activity on the part of the agency which seeks to inform the people as to its activities and certainly it ought not to be regarded as a violation of law.

Mr. TAFT. Mr. President, I do not think there is any doubt that a pamphlet such as the one to which I have referred is intended to affect legislation. I do not think that anyone who looks at this procedure from all four sides and weighs it in his mind can have any doubt that the OPA is circulating all over the United States pamphlets and literature designed to bring influence and pressure to bear on Congress to continue OPA. Mr. Bowles and Mr. Porter are urging that in so many words today. They are the big force in the effort today to continue price control.

There is one other thing which is legal. They appear before committees of Congress and give their testimony, which is of course within the law, and they then have their testimony printed in large type so children and simple folks can read it,

Mr. BARKLEY. That is not the reason why the Senator from Ohio came into the possession of a copy, I am sure. [Laughter.]

Mr. TAFT. No. They issued a pamphlet of this sort, which is an expensive kind of thing to publish. The pamphlet is called Extension of price control after June 30, 1946. Office of Price Administration. It is printed by the Government with tables in large type, and has been circulate . to a more limited group. They figure that does not violate the law because the law says they can appear before a congressional committee and advocate the legislation themselves. But when they have done that, they immediately get out a pamphlet and circulate it throughout the United States. It contains various kinds of posters to be placed in windows, such as, "Rent and price control." "Protect tenants," "Do not pay over ceiling rents," "Report overcharges," "There is a ceiling on your rent."

Then I have here a rather interesting radio fact sheet gotten out for all radio commentators. It is distributed by the Advertising Council, and "the material in this fact sheet," it says, "has been secured from, approved by, and distributed at the request of the Office of Price Administration." It provides the arguments which are used by the various radio commentators in urging the continuation of price control. This particular one starts on: "Inflationary preasures are still great." Some headings are: "Stabilisation or inflation?" "Housing and rent." "Clothing." Under that heading it says: "Cotton textile production is still 2,000,000,000 yards short of the 1942 peak."

Mr. President, I should think it always will be short of the 1942 peak, because we were then making more uniforms and more varieties of soldiers' clothing than at any other time in the history of the United States.

Here is a pamphlet called Housing—boom or bust? These are distributed regularly to all radio commentators so

that they can know what the Price Administration is saying and make up their radio speeches.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. Who distributes those radio programs?

Mr. TAFT. This pamphlet is distributed by the Advertising Council, which is a private body. It says the information has been "secured from, approved by, and distributed at the request of the Office of Price Administration."

Mr. REVERCOMB. Are they paid for by Government funds?

Mr. TAFT. Certainly they are prepared by the OPA Public Relations Department. The pamphlet says:

This fact sheet is to be used only in the preparation of a message for the specific program and date mentioned in the assignment letter.

Again another has this heading, "Johnny comes marching home." It deals with veterans' housing. Senators can only take my word for it, but the general effect is to show that OPA is absolutely essential and must be continued.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Indiana.

Mr. WILLIS. Granting that it is the duty of Government agencies to give out information to the public, it would seem to be a further requirement that they should give the argument on the other side also in order that the public might be properly informed. Does the Senator find in all this literature a statement of any of the arguments made against OPA?

Mr. TAFT. No. The argument contained in this literature is entirely one-sided. I stated some of the facts which are completely misrepresented, which would be questioned by anyone on the other side. That is why I say it is propaganda and not information.

Mr. WILLIS. In respect to meat, does the Senator find anywhere in this literature information to the effect that from 75 to 80 percent of the meat which was being sold before OPA ceased to exist was sold on the black market?

Mr. TAFT. No. There is no such suggestion. They urge the consumers not to patronize the black market; that is all.

Mr. WILLIS. So it is wholly a one-sided propaganda?

Mr. TAFT. Yes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Does the Senator know of any instance in which a United States Senator ever made a speech against his own reelection?

Mr. TAFT. The Senator from Kentucky states the case very well. That is exactly the point I have been trying to make. The OPA is engaged in a campaign for its own reelection. It is using Government funds for that purpose. Unfortunately, United States Senators are not able to do so.

Mr. BARKLEY. Of course, Senators know that it is not the duty or the province of any agency of the Government to do otherwise than to explain its attitude, its policies, and its performances to the people. Certainly it is not supposed to engage in an argument with itself, within its own organization, as to whether it is doing a good job or is not doing a good job. Its duty is to inform the American people truthfully as to what it is doing. The Senator from Indiana has indicated that it ought to present the other side to the American people, the side of those who do not want an OPA, those who do not want any control, those who do not like anything that OPA has done. That, it seems to me, is asking more than any human agency should be expected to do.

Mr. TAFT. Mr. President, I think Mr. Bowles and Mr. Porter are justified in telling the people in these speeches—and they should do so fairly—why they think the Office of Price Administration ought to be continued. I think the Price Administration is perfectly justified if a letter is written to them to give the information that is asked. I think that when an organization asks for information OPA should give it. I think they can appear before congressional committees and give the reason why OPA should be continued. But it is not up to the Office of Price Administration to determine the policy of Congress. The Office of Price Administration goes beyond the proprieties and beyond the law when it builds up throughout the United States a vast organization whose primary purpose apparently is to influence public opinion on the basis of completely one-sided arguments in favor of the continuation of this particular department and the job in which they are interested. I feel very strongly that if this kind of thing goes on it, as much as anything I know of, can destroy democratic and representative government in the United States, and certainly it can reduce Congress to such a level that congressional power will no longer exist.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. Is not the distinguished Senator from Ohio of the opinion that the President now takes his legislative advice from OPA rather than from the Congress?

Mr. TAFT. Yes. The President evidently thinks that the public opinion created by OPA is strong enough to justify him to take their advice as against that of the representatives of the people.

Mr. MILLIKIN. That is the ultimate of the evil described in the Senator's argument, and it is already in existence. It is the very thing the Senator has been talking about.

Mr. TAFT. Yes.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURDOCK. The Senator from Ohio very kindly yielded to me earlier today for the purpose of discussing a reference he had made to the gasoline situation. I was very much interested in the statement made by the Senator. He suggested that if oil and gasoline were decontrolled the price of gasoline might increase by 2 cents a gallon. Reference to 2 cents a gallon does not afford much of an idea of what it would cost the people of the United States. I have asked for figures showing what the total cost would be if the price of gasoline were increased 2 cents a gallon. The figures furnished me are these: The over-all consumption of gasoline in the United States daily is 92,400,000 gallons. An increase of 2 cents a gallon would cost the people of the United States $1,848,000 a day, $55,440,000 a month, or $665,280,000 a year.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

APPROPRIATIONS FOR COAST GUARD, TREASURY DEPARTMENT, 1947—CONFERENCE REPORT

Mr McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$74,010,000", and the Senate agree to the same.

KENNETH McKELLAR,
CARL HAYDEN,
THEODORE FRANCIS GREEN,
CLYDE M REED,
CHAN GURNEY,
Managers on the Part of the Senate.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESANDRO, JR.,
HERMAN P. KOPPLEMANN,
JOHN TABER,
FRANK B KEEFE,
Managers on the Part of the House.

The report was agreed to.

STRATEGIC AND CRITICAL MATERIALS FOR NATIONAL DEFENSE—CONFERENCE REPORT

Mr. THOMAS of Utah submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as

follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Act of June 7, 1939 (53 Stat. 811), as amended, is hereby amended to read as follows:

"'That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of the Congress and the purpose and intent of this Act to provide for the acquisition and retention of stocks of these materials and to encourage the conservation and development of sources of these materials within the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency

"'SEC 2. (a) To effectuate the policy set forth in section 1 hereof the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly through the agency of the Army and Navy Munitions Board, are hereby authorized and directed to determine, from time to time, which materials are strategic and critical under the provisions of this Act and to determine, from time to time, the quality and quantities of such materials which shall be stock-piled under the provisions of this Act In determining the materials which are strategic and critical and the quality and quantities of same to be acquired the Secretaries of State, Treasury, Agriculture, and Commerce shall each designate representatives to cooperate with the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior in carrying out the provisions of this Act

"'(b) To the fullest extent practicable the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly, shall appoint industry advisory committees selected from the industries concerned with the materials to be stock-piled. It shall be the general function of the industry advisory committees to advise with the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior and with any agencies through which they may exercise any of their functions under this Act with respect to the purchase, sale, care, and handling of such materials. Members of the industry advisory committees shall receive a per diem allowance of not to exceed $10 for each day spent at conferences held upon the call of the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, plus necessary traveling and other expenses while so engaged.

"'SEC. 3 The Secretary of War and the Secretary of the Navy shall direct the Secretary of the Treasury, through the medium of the Procurement Division of his Department, to—

"'(a) make purchases of strategic and critical materials with due regard to the objectives set forth in section 1 of this Act and pursuant to the determinations as provided in section 2 hereof, which purchases (1) shall be made, so far as is practicable, from supplies of materials in excess of the current industrial demand and (2) shall be made in accordance with title III of the Act of March 3, 1933 (47 Stat. 1520), but may be made without regard to section 3709 of the Revised Statutes. A reasonable time (not to exceed one year) shall be allowed for production and delivery from domestic sources and in the case of any such material available in the United States but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may, if they find that the production of such material is economically feasible, direct the purchase of such material without requiring the vendor to give bond;

"'(b) provide for the storage, security, and maintenance of strategic and critical materials for stock-piling purposes on military and naval reservations or other locations, approved by the Secretary of War and the Secretary of the Navy;

"'(c) provide through normal commercial channels for the refining or processing of any materials acquired or transferred under this Act when the Secretary of War and the Secretary of the Navy deem such action necessary to convert such materials into a form best suitable for stock piling, and such materials may be refined, processed, or otherwise beneficiated either before or after their transfer from the owning agency;

"'(d) provide for the rotation of any strategic and critical materials constituting a part of the stock pile where necessary to prevent deterioration by replacement of acquired stocks with equivalent quantities of substantially the same material with the approval of the Secretary of War and the Secretary of the Navy;

"'(e) dispose of any materials held pursuant to this act which are no longer needed because of any revised determination made pursuant to section 2 of this Act, as hereinafter provided. No such disposition shall be made until six months after publication in the Federal Register and transmission of a notice of the proposed disposition to the Congress and to the Military Affairs Committee of each House thereof. Such notice shall state the reasons for such revised determination, the amounts of the materials proposed to be released, the plan of disposition proposed to be followed, and the date upon which the material is to become available for sale or transfer The plan and date of disposition shall be fixed with due regard to the protection of the United States against avoidable loss on the sale or transfer of the material to be released and the protection of producers, processors, and consumers against avoidable disruption of their usual markets *Provided*, That no material constituting a part of the stock piles may be disposed of without the express approval of the Congress except where the revised determination is by reason of obsolescence of that material for use in time of war. For the purposes of this paragraph a revised determination is by reason of obsolescence if such determination is on account of (1) deterioration, (2) development or discovery of a new or better material or materials, or (3) no further usefulness for use in time of war.

"'SEC 4 The Secretary of War and the Secretary of the Navy shall submit to the Congress, not later than six months after the approval of this Act, and every six months thereafter a written report detailing the activities with respect to stock-piling under this Act, including a statement of foreign and domestic purchases, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

"'SEC. 5. The stock piles shall consist of all such materials heretofore purchased or transferred to be held pursuant to this Act, or hereafter transferred pursuant to section 6 hereof, or hereafter purchased pursuant to section 3 hereof, and not disposed of pursuant to this Act. Except for the rotation to prevent deterioration and except for the disposal of any material pursuant to section 3 of this Act, materials acquired under this Act shall be released for use, sale, or other disposition only (a) on order of the President at any time when in his judgment such release is required for purposes of the common defense, or (b) in time of war or during a national emergency with respect to common defense proclaimed by the President, on order of such agency as may be designated by the President.

"'SEC. 6. (a) Pursuant to regulations issued by the War Assets Administration or its successor, every material determined to be strategic and critical pursuant to section 2 hereof, which is owned or contracted for by the United States or any agency thereof, including any material received from a foreign government under an agreement made pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, or other authority, shall be transferred by the owning agency, when determined by such agency to be surplus to its needs and responsibilities, to the stock piles established pursuant to this Act, so long as the amount of the stock pile for that material does not exceed the quantities determined therefor pursuant to section 2 hereof There shall be exempt from this requirement such amount of any material as is necessary to make up any deficiency of the supply of such material for the current requirements of industry as determined by the Civilian Production Administration or its successor There shall also be exempt from this requirement (1) any material which constitutes contractor inventory if the owning agency shall not have taken possession of such inventory, (2) such amount of any material as the Army and Navy Munitions Board determines (i) are held in lots so small as to make the transfer thereof economically impractical; or (ii) do not meet or cannot economically be converted to meet, stock-pile requirements determined in accordance with section 2 of this Act. The total material transferred to the stock piles established by this Act in accordance with this section during any fiscal year beginning more than twelve months after this Act becomes law shall not exceed in value (as determined by the Secretary of the Treasury on the basis of the fair market value at the time of each transfer) an amount to be fixed by the appriation act or acts relating to the acquisition of materials under this Act.

"'(b) Any transfer made pursuant to this section shall be made without charge against or reimbursement from the funds available under this Act, except that expenses incident to such transfer may be paid or reimbursed from such funds, and except that, upon any such transfer from the Reconstruction Finance Corporation, or any corporation organized by virtue of the authority contained in the Act of January 22, 1932 (47 Stat. 5), the Secretary of the Treasury shall cancel notes of Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the fair market value as determined by the Secretary of the Treasury of the material so transferred

"'(c) Effective whenever the Secretary of the Treasury shall cancel any notes pursuant to subsection (b) of this section, the amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered to have outstanding at any one time under the provisions of existing law shall be deemed to be reduced by the amount of the notes so canceled.

"'(d) Subsection (b) of section 14 of the Act of October 3, 1944 (58 Stat 765), is hereby amended to read as follows:

"'"(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

"'"(1) any property which is damaged or worn beyond economical repair,

"'"(2) any waste, salvage, scrap, or other similar items;

"'"(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency; which does not consist of materials which are to be transferred in accordance with the Strategic and Critical Materials Stock Piling Act, to the stock piles established pursuant to that Act."

"'(e) Section 22 of the Act of October 3, 1944 (58 Stat. 765), is hereby repealed.

"'*Provided*, That any owning agency is defined in that Act having control of materials that, when determined to be surplus, are required to be transferred to the stock piles pursuant to subsection (a) hereof, shall make such determination as soon as such materials in fact become surplus to its needs and responsibilities.

"'SEC. 7. (a) The Secretary of the Interior through the Director of the Bureau of Mines and the Director of Geological Survey, is hereby authorized and directed to make scientific, technologic, and economic investigations concerning the extent and mode of occurrence, the development, mining, preparation, treatment, and utilization of ores and other mineral substances found in the United States or its Territories or insular possessions, which are essential to the common defense or the industrial needs of the United States, and the quantities or grades of which are inadequate from known domestic sources, in order to determine and develop domestic sources of supply, to devise new methods for the treatment and utilization of lower grade reserves, and to develop substitutes for such essential ores and mineral products; on public lands and on privately owned lands, with the consent of the owner, to explore and demonstrate the extent and quality of deposits of such minerals, including core drilling, trenching, testpitting, shaft sinking, drifting, cross-cutting, sampling, and metallurgical investigations and tests as may be necessary to determine the extent and quality of such deposits, the most suitable methods of mining and beneficiating them, and the cost at which the minerals or metals may be produced

"'(b) The Secretary of Agriculture is hereby authorized and directed to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 2 of this Act to be strategic and critical or substitutes therefor.

"'SEC 8. For the procurement, transportation, maintenance, rotation, storage, and refining or processing of the materials to be acquired under this Act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Congress, from time to time, may deem necessary to carry out the provisions of this Act The funds so appropriated, including the funds heretofore appropriated, shall remain available to carry out the purposes for which appropriated until expended, and shall be expended under the joint direction of the Secretary of War and the Secretary of the Navy

"'SEC. 9. Any funds heretofore or hereafter received on account of sales or other dispositions of materials under the provisions of this Act, except funds received on account of the rotation of stocks, shall be covered into the Treasury as miscellaneous receipts.

"'SEC. 10. This Act may be cited as the "Strategic and Critical Materials Stock Piling Act."'"

And the House agree to the same.

ELBERT D. THOMAS,
ED C. JOHNSON,
LISTER HILL,
JOSEPH C. O'MAHONEY,
WARREN R. AUSTIN,
CHAN GURNEY,
Managers on the Part of the Senate.

ANDREW J. MAY,
EWING THOMASON,
OVERTON BROOKS,
DEWEY SHORT,
Managers on the Part of the House.

The report was agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BARKLEY. Mr. President, I am sure we are all anxious to get along with this legislation. We have been in session for nearly 3½ hours, and very little of that time has been devoted to the pending question. It seems to me that we ought to be able to vote this afternoon on the pending amendment, which is an amendment to an amendment.

Therefore, I ask unanimous consent that the Senate proceed, not later than 5 o'clock, to vote on the pending amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the amendment of the Senator from Nebraska [Mr. WHERRY], and that immediately upon the vote on that amendment the Senate proceed without further debate to vote on the Wherry amendment, whether in an amended form or as it has been offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. O'DANIEL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard

Mr. BARKLEY. I make the same request for 6 o'clock p. m.

Mr. O'DANIEL. Mr. President, I object

The PRESIDING OFFICER. Objection is heard.

Mr. MYERS. Mr. President, we have listened to a splendid lecture on the fine distinctions between information and propaganda. I should like to get back to the price rises which have taken place during the past week. Those price rises should alarm every Member of the Senate. The newspapers are full of stories about outrageous rises in the prices of meat, poultry, shoes, restaurant meals, and rents I have many such stories from the newspapers before me. I am glad to say that the newspapers are being very forthright.

We have heard much about meat today. The New York Journal of Commerce reports that retail meat prices are up about 35 percent in the country as a whole. On top of that we have plenty of horror stories—steak, $1.25 a pound; chicken, up from 60 cents to 95 cents a pound; butter, $1 to $1.50 a pound; a second-hand DeSoto selling during the past week for $2,800, without any OPA interference, with private enterprise; hominy grits, from 6 cents to 48 cents a pound in Pensacola; rents increased 50, 75, and even 100 percent. I could go on, but these horror stories are not quite the point.

Without price control prices in general might or might not rise to these extremes and stay there. But we must face the fact that too many people are now paying these prices. These horror stories show that in the case of commodities for which demand is great, prices in general would certainly go very high without price control.

Many persons are saying that these price increases would be temporary. The rank and file of businessmen in this country do not think so. I have done a great deal of careful reading during the past week. I have read dozens of advertisements by retailers who have patriotically responded to the President's appeal to hold the price line until the Congress can enact an effective price-control bill. Almost every one of these advertisements state that the sponsor is trying to keep his prices in line: But almost all of them are carefully qualified. The advertisers say: "We will keep prices in line as long as possible," or "the best we can" or "until our suppliers increase our prices." A great many of them say that they will keep the present prices for the goods they now have on their shelves. I have a number of such advertisements before me, and Senators are welcome to read them.

I have before me a letter from A. C. McCune, president of the Potter-McCune Co., wholesale grocers of McKeesport, Pa., addressed to a Pennsylvania Representative, Hon. FRANK BUCHANAN. This letter is so enlightening that I wish to read it at this point.

MCKEESPORT, PA., *July 3, 1946*

HON. FRANK BUCHANAN,
House Office Building, Washington, D C:

At this early date, the morning of July 3, 1946, I thought you would be interested in what effect the elimination of OPA has had on a few prices

The figures that I shall give you will represent what we paid for the same item either from the 1945 pack or on shipments made from the 1946 pack where the packer had figured his ceiling price on the new pack

On No. 2½ cans of Royal Anne cherries, we paid from the 1945 pack $3.45 per dozen; we have a quotation this morning of $4 95 per dozen. On black sweet cherries, No. 2½'s, from the 1945 pack, we paid $3.76; and this morning, we are asked $4.95 per dozen. On No. 2 tins of all green asparagus, we paid last year $3 44 per dozen; we are asked today $4 50 per dozen. On No. 2½ tomatoes from the 1945 pack, we paid $1.32 per dozen; and we are asked this morning $2 per dozen In this connection, we want to state that we have an invoice for the same grade of asparagus that we asked $4 50 per dozen for this morning. This asparagus was invoiced to us under date of June 27, 1946, and is from the new pack, and the price on this invoice is $3.54 per dozen, illustrating that with the OPA off, the packer is asking an advance of 96 cents per dozen.

On April 20 of this year, we were invoiced with a certain grade of family flour at $6 94 per barrel; today this same mill asks us $11.58 per barrel.

If anyone thinks that the removal of OPA control is to do other than create a skyrocketing price advance, they are only fooling themselves.

With the enormous buying power of our wage earners today and with the quantity of goods that we are exporting, there are very few items in food in which the supply equals the demand.

Unless immediate steps are taken to reinstate some kind of control, in my opinion, we are going to see the most erratic market in food products that our country has ever experienced, and I believe that prices will go very much higher than they did after World War I as the buying power of the country is very much greater.

Our own organization has determined a policy whereby we shall not advance a single item that we own unless we have to buy

at a higher price than our present basic cost, and we are avoiding buying anything at a price over the price at which our present ceilings have been established.

I would recommend very highly that if and when a new OPA is authorized, that their action be made retroactive to include July 1, 1946, and that any buyer who purchases between July 1, 1946, and the time OPA is reinstated, if it is, at a price higher than his past ceiling price, that he be compelled to absorb that difference. If distributors hold the line, high prices shall only result where the producer or the packer has upped his price to the distributor.

We are all interested in what is for the best interest of our country, and steps must necessarily be taken to prevent the profiteer from taking advantage of the present scarcity of foods for personal remuneration.

Very truly yours,

POTTER-McCUNE CO,
A C. McCUNE,
President.

The retailers and wholesalers know that, without price control, the prices they have to pay are almost bound to go up before long. And they know that when that happens they cannot keep retail prices where they are now.

Certainly our experience in the first week after price control shows that their cautions and fears are very well founded. The New York Journal of Commerce carries a wholesale price index for 30 basic commodities. In the week between June 28 and July 5 this commodity index went up 11.2 percent. In that one week wholesale prices rose more than twice as much as in the average year under price control. In that one week grain prices rose 18.8 percent, wholesale food prices rose 23 5 percent. The Bureau of Labor Statistics shows that during that week, corn prices rose 55 percent, wholesale butter prices went up 26.4 percent, wholesale lard prices went up 28 6 percent.

I think the point is very clear. The retailers who issued these advertisements are smart and honest. They know that they cannot possibly keep their prices where they now are very long with basic commodity and wholesale prices going up as they have in the past week.

Let us take an example. Last week feed prices went up 40 percent. How long do Senators think we can keep meat prices where they are now with feed bills almost double? The Journal of Commerce figure for meat price rises will very soon have to be raised from 35 percent to 45 or 50 percent. Such increases in grain prices will add at least 10 percent to the prices of cereal products. They will add about 15 percent to prices of dairy products. That means 10 percent more on bread, 15 percent more on milk, and another 15 percent on butter.

I should like to point out, as I did earlier in the day to the Senator from Wisconsin [Mr. WILEY], that milk prices in my native city of Philadelphia are now up about 5 cents. In other words, we are paying 19 cents for a quart of milk. A story on new price rises, entitled "New Price Rises Loom in Daily Necessities," which appeared in this morning's Philadelphia Inquirer, indicates that a spokesman for one of the large dairies stated that the new price of 19 cents a quart for the most popular grade of milk was the highest he could remember in Pennsylvania.

Retailers know these things. They are not taking chances. They are doing the best they can. But they are not making impossible promises to the public.

The early part of last week gave us a taste of what can happen to the price of basic commodities when price controls are removed prematurely. We also saw what happened when the country realized that the Congress was going back to work in earnest on a real price control bill.

In the early part of last week, livestock producers flooded the markets with tremendous numbers of animals. But as it became clear that, before long, price control would be reinstated, the large responsible packers pulled out of the market and refused to buy livestock at prices that would result in losses if the meat had been sold at ceiling prices a week or 10 days later. But a number of the less scrupulous buyers stayed in the market. Those are the ones who are now selling meat to stores which are willing to retail it at what I call horror prices; those are the ones the responsible packers will have to compete against as they now come into the market, if we do not get ceiling prices back on meat.

Right here is a good place to take a quick and honest look at the facts about the relation between meat prices and supply. We have been hearing a lot of stories about how lifting meat prices will improve supply. We have been hearing that for weeks and weeks. Nothing could be a greater distortion of plain facts.

The facts are, Mr. President, that we have a very limited grain supply. To raise meat prices now would simply mean that it would be still more profitable to feed still more grain to livestock.

But if we feed more of our limited grain supplies to livestock, that will mean less for dairy feed, less for poultry feed, less for flour and bread, and less to prevent starvation abroad. I, for one, will tell our dairy, poultry, and baking industries not to stand for that. I will urge our people to demand a more sensible use of what we have.

We may as well face the situation. We have to get a balanced production of all the things we need from our limited grain supplies. We cannot do that if we raise meat prices and channel still more grain into an industry where profits are already far above prewar levels. No matter how much prices rise, the only way we can get more meat is to have less milk, less butter, fewer eggs, and less bread.

This week's performance on the livestock markets is just an example of what the absence of price control will do. It also shows how price control can cut the fuze on a keg of inflationary dynamite.

But suppose it became clear to the people of this country that there was not going to be any price control. No one can have an honest doubt that there would be a much more serious spurt in basic commodity prices. Then retailers certainly could no longer take it upon themselves to keep prices in line, against such impossible odds.

What about the argument that the price rises that now threaten every housewife are temporary? I have here a copy of a July 2 Associated Press story from Miami, Fla., and I should like to read it, and to have all Senators now in the Chamber to give it their thoughtful attention:

The Greater Miami Apartment House Association and the Miami Beach Apartment House Owners' Association, representing 25,000 apartment units, voted unanimously tonight not to raise rents—yet.

E J. Minges, former president of the Miami organization, in a speech said: "Don't kill the goose that laid the gold egg—yet. We're all tired of collecting low rent, but, for goodness' sake, let's wait until this corpse is buried. Don't do anything until they get the marble slab on tight. Stay down for a few months. The winter is coming, and when that slab is down tight, you can work rents up, and then there won't be any OPA for them to fall back on."

In other words, wait until the weather is cold, and then shove them out on the sidewalks, with their bedding and their furniture.

I read further:

J. F McNammara, past president, declared: "Don't use the whip they've given us too soon"

The Miami Beach organization agreed to maintain current rates, even for "undesirable" tenants, until Congress decides finally the fate of OPA.

Does that look to you as if the rent increases we have seen are going to be temporary?

I also have seen a copy of a letter sent to all of their realtor clients by the Dessau Realty & Insurance Co., of Macon, Ga. Let me quote from it:

At a called meeting of the Macon Board of Realtors, Sunday, June 30, 1946, with all offices represented, together with the board's attorney, after thorough discussion, the following resolution was adopted:

"The policy of the Macon Board of Realtors is to collect OPA ceiling rent for the next few days pending possible legislation.

"That all receipts to be endorsed are 'to apply on, but not in full of, July rent.

"That we believe that this is the best procedure under present conditions.

"That the board is opposed to any unreasonable increases in rent."

It was the consensus of opinion that an effort be made to prevent unfavorable action by Congress in the next few days in the matter of further rent control. President Truman in his speech Saturday night encouraged tenants to wire Congress to reenact the OPA law It was felt that if all tenants were given notice of overnight increases in rent that thousands would wire Congress in protest.

On July 1 many rents automatically reverted to the contract price.

We were advised that if the matter would rock along a few days without too much protest on the part of tenants, Congress would not reenact any rent control.

We will endeavor to see that you are protected in your rights as to all rent due you.

Yours very truly,

DESSAU REALTY & INSURANCE CO.,
WASHINGTON DESSAU.

This does not look to me as if those real estate people intend the rent increases to be temporary. It looks to me as if they are very carefully planning the best way they can to attempt to delude the United States Congress into failing to enact legislation on the subject, so that

the rent increases will become as permanent as possible.

Now let us take a look, Mr. President, at how temporary the increases in basic commodity prices would be without price control. Every Member of the Senate knows that right now there is an unprecedented demand for almost every type of commodity. This demand is a double-headed proposition. First, consumers want to buy a lot more than they bought before the war. Retail sales have been rising steadily ever since VJ-day. Consumers want more meat, more shoes, more shirts, more building materials, more apartments, more automobiles, more refrigerators, and so forth. There is a tremendous demand on the part of the consumer. That is good. It is good for people and good for business. The Senate of the United States is obligated to keep that demand intact.

But coming on the heels of the war, this demand has depleted the inventories of most businesses. Certainly most business inventories are now far below what would normally be stocked to meet this big consumer demand. This means that just the orders needed to get inventories up to what most businesses will consider workable, add still more to the total demand.

In view of these facts, Mr. President, I do not see how anyone can think that the price increases we have seen this week would soon reverse themselves without price control. In fact, all the evidence indicates that without price control, still larger increases would come quickly, and that they would stay with us long enough to set loose a spiral of inflation that would cost the American people their savings and, in the end, cost thousands of businesses their investments.

The details of this are clear. In 1 week, we have seen an 11 percent increase in basic commodity prices. If all the normal manufacturer, jobber, and retailer margins were added to it, the increase alone would result in a 20-percent increase in living costs. If we abandon price control now, the tremendous demand we now have will certainly raise commodity prices much more. Those rises would discourage retailers from even trying to keep prices in line. We would be setting loose a psychology of "the lid is off—I am going to get mine while the getting is good."

It would not be very long before we saw a 30, 40, or even a 50 percent increase in living costs. But I assure you, Mr. President, that before we reach that point the working people of this country will very rightfully be demanding, and getting, another round of wage increases. That would give rise to still another round of price increases, which would set loose, still more demands for another round of wage increases. Experience shows that once this spiral is loose, prices are inevitably forced up faster than buying power. Those rising prices themselves destroy the markets upon which profitable business and steady jobs depend.

As prices rise, buying must slow up. Then retailers sell less. Soon they order less. Then factories cut production. Workers are layed off. Then both labor and business go fishing and talk about overproduction, flooded markets, and poverty. I cannot cast my vote for that.

Mr. President, I appeal to the sound judgment of the Senate. Profits, in general, are far above prewar levels. Farm income is at an all time peak. Our people have jobs. We have more people at work producing civilian goods than ever before. Production is more than 70 percent higher than in our last prewar years, and it is rising. Most of our major strikes are settled. We are on our way to a prosperous future.

With stability, we can now go ahead and develop the great resources of this country. We can have the security and decent living standard which are the right of every worker and every business man.

Let us not now jeopardize this prospect. Let us renew an effective Price Control Act, and let everyone know that he can plan for the future under safe and sane conditions. That is the next major step in reaching our goal of expanding production, steady jobs, steady markets, and security for the American people. That is the protection to which our people are entitled.

Mr. CARVILLE. Mr. President, I have listened with interest to the remarks of the distinguished Senator from Pennsylvania [Mr. MYERS]. I recall during the debate yesterday in connection with this matter reference was made to evidence concerning the subject of meat. The Secretary of Agriculture, Mr. Anderson, gave certain testimony before the Banking and Currency Committee. It referred particularly to cattle. I feel that I know more about cattle and the processing and distribution of meat than of any other commodity. In Secretary Anderson's testimony he stated that in 1939 there were about 67,000,000 head of cattle available in this country. When he testified, in latter part of April of this year, he said there were 81,000,000 cattle available. That represented an increase, taking into consideration the war period, of approximately 14,000,000 head of cattle.

There was no decontrolling of meat or any of its products by the OPA during the period of time they were in authority. They have been out of existence since the 1st of July of this year. I consider that there is sufficient meat in the country to warrant us in decontrolling, so far as meat is concerned, and if that were done no particular upset would occur in continuing the OPA on other products. I think it might be considered as a basis upon which we could work and ascertain whether it would upset the stabilization of the country, as some Senators have stated would happen unless we hold the line without any relaxation of controls.

Mr. President, we remember the statement of our late President to the effect that the worst thing to fear was fear itself. It appears to me that a great deal of propaganda has gone out causing a state of fear, thereby leading the people to fear that if strict controls were not continued under the OPA set-up, certain dire results would come about.

I will admit, so far as rents are concerned, or the price of real estate, controls might well be retained. There are other articles upon which controls might well be maintained, but I am not talking about those. I am talking about meat.

Considering the meat situation as it has been placed before us in the Banking and Currency Committee, and referred to on the floor of the Senate, I believe that we can safely decontrol meat and place it on the free market.

Mr. President, I have some interesting figures which show what happened to the meat situation during the months of May and June of this year as compared to a year ago. For the week ending May 4, 1946, the number of cattle slaughtered was 163,000. For the same week last year the number was 236,000. For the week ending May 11 this year, 168,000 head of cattle were slaughtered. Last year the number was 241,000. For the week ending May 18, 1946, 159,000 head of cattle were slaughtered. During the same week last year 236,000 head were slaughtered. For the week ending May 25, this year, the number was 151,000; last year, 244,000. For the week ending June 1, this year, 112,000 head of cattle were slaughtered; last year, 207,000. For the week ending June 8 of this year, 130,000 head of cattle were slaughtered; last year, 249,000. For the week ending June 15 of this year, 109,000 head of cattle were slaughtered; last year, 249,000. For the week ending June 22 of this year, 86,000 head of cattle were slaughtered; last year, 249,000. For the week ending June 29 of this year, 90,000 head of cattle were slaughtered; last year, 243,000. Mr. President, those figures show a decrease in the number of head of cattle slaughtered in our legitimate slaughtering pens this year as compared with the number slaughtered during corresponding periods of last year.

Mr. President, where have those cattle gone? They, or a part of them, have gone into the black markets. The ceiling price was set by OPA at a point where the cost price would keep crowding up underneath the ceiling price, and those who were selling according to the ceiling price could not afford to buy stock and place the meat on the market. They found that it had gone into the black markets, where it was being sold.

Mr. President, the figures which I now present show the situation today with regard to meat and meat prices in some of the Western States. The Western States in which the Packers' Association, Inc., does business, with its headquarters at San Francisco, telegraphed its members and asked them the following questions:

1. Have supplies of meat appreciably increased in your area to retail outlets?

2 Is the price line being held closely to former OPA ceilings plus subsidies?

3. Are livestock producers demanding greatly increased prices for livestock both direct and on the market?

4. Has there been any drastic public reaction in your area to price increases that have been instituted?

Here are some of the answers received from the various areas concerned. For instance, here is a report from the State of Washington:

1. Meat distribution on increase and black market rapidly disappearing.

2. Packers advances well held to subsidy increase and no rank violations reported from retailers. We do not consider livestock advances too drastic as packers seem to be cooperating in trying to hold livestock prices in line.

3. So far our livestock receipts light. Have had no complaints on prices.

4. People much pleased to be getting more meat.

Here is a report from Utah and Idaho:

Supplies of meat to the retailers have definitely increased. Prices are being held about 20 percent higher than OPA ceilings, including subsidies Retail stores are holding prices down even though losing money. Livestock producers are demanding increased prices for livestock both direct and market. No drastic reaction by public.

Here is California report No. 1, from the San Diego area:

Supplies of meat definitely increased in retail outlets. Prices are in line OPA ceilings plus subsidies. From our source of supply livestock producers very cooperative and not demanding greatly increased prices. No public reaction this area to price increases.

I now read California report No. 2, from the Los Angeles area:

1 Supplies meat increasing to retail outlets and looks as though there will be surplus in retail markets by end of week as result of large receipts of livestock and large slaughter this week.

2 Prices generally holding in line with policy of OPA ceiling plus former subsidies. Retailers' association has published prices in papers telling consumers what they should pay for retail cuts of meat

3 Producers of hogs are asking higher prices but producers of cattle and lambs have not so far.

4 There has been no public reaction to the increased prices.

Here is a report from northern California and Nevada:

1 Supplies retail outlets increasing, many markets San Francisco Bay area had meat unsold end last week Large receipts livestock and slaughter this week will fill retail outlets. Should be ample supplies by end of week.

2 Prices generally holding to line of OPA ceilings plus subsidies.

3 No general demand by livestock producers for increased prices.

4 No reaction from public to increased prices—in fact public seems to have adjusted itself to present prices. Butchers union policing retail market who do not adhere to price line.

I now read the report from Oregon:

1 Commercial grades and canners and cutters are backing up at retail level Supplies more than ample.

2 Prices this area slightly higher than OPA ceilings plus subsidies packers selling at their actual rail cost.

3 Livestock producers are not demanding greatly increased prices.

4. No public reaction to prices but people only buying the amount of meat they need and there is no more hoarding of meat.

This is a report from Montana:

1. Definite increase of meat through legitimate channels both beef and pork.

2. Price line being held close as possible with former ceilings plus subsidies and higher livestock market as reflected July 1.

3. Livestock producers not demanding increased prices with exception of hogs.

4. No public reaction to prices—in fact we believe public expected higher prices than those instituted. Believe cattle prices will work lower this week, which will be reflected in lower costs to retail trade.

The last is the report from Arizona, as follows:

1. Supplies of meat have increased greatly expect to have meat markets filled with meat principal populated areas Arizona by end of week.

2. Prices being held fairly close to former OPA ceilings plus subsidies.

3. Livestock producers not demanding greatly increased prices for livestock

4. There has been no public reaction to price increase. People seem to have accepted increased prices

Naturally there is an increase in price, because the subsidies are reflected in the prices which have been set since the OPA ceilings were taken off, but it can be seen from the reports which come from the different States of the West, which constitute the great cattle area of our country, that the prices are not going out of line. All admit that as to choice beef the prices are probably higher, but taking the range from the low-priced beef to the high-priced beef, there has not been a rise in the price of that commodity to such an extent that it is alarming.

Mr President, as I said a while ago, I feel that people are willing, ready and desirous of complying with price levels which will get us back to normal at the earliest possible date I cannot feel that the rise in prices will be as drastic as it would be made to appear from the propaganda which is being sent out to arouse fear among the people.

I believe that if controls are taken from meat, and that is used as a yardstick by which to proceed, we will find as time goes on that we can decontrol many of the commodities which are now in supply; that there will be a gradual decontrol of the things we use for food and for wearing apparel, and that there will be a restoration of the conditions which prevailed prior to the war under which individualism as we have known it heretofore will be able again to assert itself.

Mr. President, there is one further matter I wish to enter into the record. It is a statement from Mr. E. F. Forbes, president of the Western States Meat Packers Association, in which he says:

The Western States Meat Packers Association polled its membership consisting of the independent meat packers in nine western States and found they were determined to hold the line. They sold their meat products on July 1 at ceiling prices and the price of meat products derived from livestock slaughtered on or after July 1 has only been increased to offset the loss of subsidy to the packer. Livestock producers and retailers pledged their support in this program and the increased price of livestock in the western States this week was close to the old ceiling prices.

Mr. President, that bears out my thought that if we are not propaganized to the point of being kept in fear all the time, knowing as I do that the American people want to be honest and want to carry on for the benefit of the country and their fellow citizens, I am sure that we will emerge from price control and OPA regulations at an earlier date, if Congress will now take a stand and start by decontrolling meat.

Mr. WAGNER. Mr. President, price control legislation has been pending in Congress since February. The American people have a right to expect that we get on with the job, and carry it to an immediate and sound conclusion. The distinguished majority leader, for whom I have the highest regard, took the only proper course when he persuaded the Committee on Banking and Currency to consider the entire problem at one time, instead of reporting a fragmentary extension, of a few weeks duration. The contribution of the majority leader throughout the entire course of the price control legislation has been of enormous benefit to the Nation. His wisdom, fairness, and untiring efforts to reconcile the many and fiercely divergent interests prove that he is indeed a statesman.

The time for extended debate on this subject has long since passed. Notwithstanding the irritations and misunderstandings in the administration of price control—and the occasional mistakes—the American people are overwhelmingly in favor of continuance of OPA. Ample support for this conclusion appears in the summary of public opinion polls which I inserted in the CONGRESSIONAL RECORD on July 5. These polls, taken over the past few months by newspapers and analysts in different parts of the country, show overwhelming public sentiment for continuance of OPA, among people of every party and section, in large cities, towns, and farms.

If any doubt remained on this score, it was laid to rest by the tremendous upsurge of opinion in the period since June 30, when all controls on rents and prices lapsed. This viewpoint in favor of OPA controls was voiced not only by consumers and consumer groups, but by leaders of big business and little business alike. The advertising columns of every daily newspaper carry these sincere declarations for continuance of OPA authority, for stability in prices, and for fair markets and profits for all concerned, in place of the chaotic situation into which the country is now moving.

The great majority of businessmen want to be fair to their competitors, to those from whom they buy and those to whom they sell, regardless of the law. That is the American spirit. But the OPA controls were established to protect this majority against economic forces too great for any one enterprise to meet alone. The OPA controls were established to protect the majority against those who would gouge the public and encourage black markets. The price and rent increases which the country has already experienced in the last week are the forerunner of a tidal wave of increases that will overwhelm businessmen who want to be fair, and send the cost of living soaring far above its present level.

I ask unanimous consent to have printed as part of my remarks an article presenting a survey of the food price increases, published in the New York Times of July 6, showing that food-price rises have been excessive and cannot be accounted for solely by the termination of food subsidies.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD PRICE RISES CALLED EXCESSIVE—ENDING OF SUBSIDIES ACCOUNTS FOR ONLY PART OF INCREASES, FEDERAL OFFICIALS SAY

(By Walter H. Waggoner)

WASHINGTON, July 8—Government officials were inclined to reject today the contentions of members of the food trade that the sudden sharp increases in the prices of foods since July 1 could be traced solely to the absence of Federal subsidy payments to producers and distributors

A poll of official economists and other authorities indicated that prices have risen substantially higher since the demise of the Office of Price Administration on June 30 and the beginning of the period of so-called "free economy" immediately following than the amount necessary to compensate for the loss of the subsidy payments.

In addition, it was pointed out, prices of many commodities, including several food items, have moved up even though no subsidies have been involved

NO LINK TO SUBSIDIES AT ALL

In effect, this argument suggests that part of the price increases for some foods and all of it for others are wholly unrelated to the loss of subsidies contained in the Price Control Act just terminated

Among the foods which have been partially subsidized, at either the producer or distributor level, milk and meat are outstanding. Price increases in both instances, officials say, are in excess of the amount lost when the subsidy was discontinued.

Although there is a wide disparity in the price increases for the same item in several cities, meat prices are believed to have risen considerably higher than the margin which could be attributed to the absence of the subsidy

Predicting the price adjustments which would be necessary on July 1 if subsidies were not continued, Chester Bowles, former Director of Economic Stabilization, told the House Banking and Currency Committee on February 20:

"Meat prices would rise 3 to 5 cents a pound, milk would go up 2 cents a quart; bread would go up a cent or more a loaf; canned fruits and vegetables, a cent or two a can for the so-called big four canned vegetables, beans, peas, corn, and tomatoes, which are 80 percent of all the production of canned vegetables, cheese 7 cents a pound, butter 12 cents a pound."

He added that the food price index would "suddenly shoot up 12 3 points," or a little more than 8 percent

MILK UP 2 CENTS IN CAPITAL

Although New York City and its environs have not yet been affected by the ending of the subsidy to milk producers, other areas were acutely aware of the loss. Milk dealers in this city, for example, advised consumers that the absence of the subsidy payment was the explanation for a 3-cent-a-quart rise in prices In suburban areas outside the District, the rise was as much as 4 cents.

Officials of the Department of Agriculture, however, stated that a subsidy of 28 cents a hundredweight of fluid milk to the "handler" of the milk in the District of Columbia and another of 75 cents to the producer would, combined, amount to about 2.2 cents a quart at the retail level.

They estimated, also, that the rise in retail milk prices in the New York marketing area should amount to about 1.8 cents a quart for the period July through September, when the subsidy, if continued, would have been 75 cents a hundredweight for fluid milk and about 1.9 cents a quart for October through December, when the subsidy, as planned earlier, would have been 90 cents a hundredweight.

Meat prices appeared to be similarly affected by the end of price control. Mr Bowles foresaw increases ranging from 3 to 5 cents a pound for meat if subsidies were discontinued. It was estimated by Government economists today that the producers' and packers' subsidy on beef, pork, and veal would amount, on the average, to about 5 cents a pound, and the producers' subsidy for lamb and mutton to about 6 cents

CHICKEN PRICES RISE SHARPLY

The Bureau of Labor Statistics of the Department of Labor reported that increases have ranged from 10 cents a pound for pork chops and 20 cents a pound for chuck roast in Denver, to 27 cents for round steak in Los Angeles. Washington has had almost no meat for several weeks, but tradesmen predicted substantial imports this week-end, at prices about 20 percent higher than previous ceilings.

Although producers of chicken are not recipients of Federal subsidies, prices have taken a sharp upturn since the end of price controls. They rose an average of 11 4 percent in Washington, 11 percent in Chicago, and 8.2 percent in Cleveland, where shortages appeared to dictate the market price, according to the Bureau.

There was as yet no official recording of price increases for canned and frozen fruits and vegetables and flour, which have been stabilized by subsidy payments Government officials pointed out, however, that any increase in the popular canned vegetables, such as those mentioned by Mr Bowles, which exceeded 2 cents a can, or a rise of more than 1 cent for a loaf of bread or 8 cents for 10 pounds of flour could not be explained by the ending of the subsidy for those items.

Mr. WAGNER. Mr. President, I also ask to have printed, at the close of my remarks, indexes of commodity prices in primary markets published by the Bureau of Labor Statistics and the New York Journal of Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WAGNER. Mr. President, these indexes show the substantial percentage increases since June 28, as compared with the increases prior to the date since the hold-the-line order of May 17, 1943.

Mr. President, there has been a great deal of talk to the effect that after 1 week without price control, prices have leveled off and offer no threat of serious inflation. It seems to me this is a serious misinterpretation of what has happened.

Let me use meat, which provides the leading example of what is under way. Hogs and steers have increased only 10 to 12 percent, according to both Government and private reports.

But that rise of "only" 10 to 12 percent has taken place under the threat that OPA regulations would be restored. It has taken place despite the strongest kind of industry discipline among the big packers. It certainly is no measure of the rise we must expect if price control is definitely and finally removed from the picture.

As a matter of fact, the big packers are reported as really entering the market only yesterday for the first time since the expiration of OPA controls. But meantime a heavy run of livestock to market has developed as farmers have concluded that now is the time to sell, before OPA is restored. On none of these counts is the market free from the influence of prospective control. What has happened so far is only a starter on what lies ahead if we do not restore controls.

But even at today's livestock prices, when the effect of subsidy elimination is added in, the housewives of this country will soon be paying not 10 or 20 percent more, but about 35 percent more for meat at retail. And when present feed prices are translated through to retail, the rise will come close to 50 percent.

Mr. PEPPER. Mr. President, will the Senator yield, or does he prefer not to be interrupted?

Mr. WAGNER. I should rather not be interrupted, but I will yield to the Senator.

Mr. PEPPER. I merely wanted to say, apropos of what the Senator has just said, that yesterday I heard from a reliable source of a case to which I wish to refer. A certain company which owns thousands of head of cattle said that, no matter what prices they were able to secure, if OPA were restored, in protest against OPA they would let their cattle stay in the pastures until they were 8 years old, if necessary, before they would let one go to the market That is the kind of a strike against the tables of the people of the country that we do not hear about ordinarily.

Mr. WAGNER. Yes, Mr. President, I have heard of such statements having been made.

Mr President, what is true of meat is true of milk and butter as well. Rising feed prices must force still higher retail prices. There is scarcely an item in the market basket that will not feel the inflationary pressure that today is dramatically concentrated on meat and grains.

In the declaration of policy in the pending bill, Congress sets forth its objective—to protect the real value of benefits provided by law for veterans and their dependents, to keep faith with purchasers of United States war bonds, and to make possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise

It is obvious that termination of rent and price authority has defeated and will increasingly defeat these objectives, with calamitous consequences for all sections and segments of our population.

The bill reported by the committee is considerably better than the one which the President vetoed. The Taft and Wherry amendments have been modified to correct the defects which the President so convincingly explained in his veto message. The original Taft formula would have afforded spectacular price increases far in excess of what industry needs to earn ample profits and to achieve high levels of production. The price increases granted by the original Taft formula would have been not only drastic but indiscriminate.

The Barkley substitute for the Wherry amendment avoids the inflationary effect of the latter, by making due allowance for increased costs after June 29, 1946. The Barkley substitute for the Taft amendment establishes a really workable rule based on 1940 prices and profit margins. At the same time it is more precise as an instrument for encouraging greater production.

Those who argue that OPA has impeded production simply ignore the basic fact that production has advanced, under OPA, to levels never before attained in peacetime. Last month, civilian employment in America was 12,000,000 above 1939. Last month, under OPA, this Nation in effect attained a level of 56,000,000 jobs, or substantially full employment. This is a level which few hoped to attain in less than a year after VJ-day.

The Taft amendment, by needless and indiscriminate price increases, would have impeded this great upward march of American industrial production The Barkley substitute, on the other hand, looks to still greater production, by providing for price adjustments when a substantial increase in production can be attained by the increase, and not at the expense of other needed products.

We all realize, I believe, that price increases selectively and carefully applied are essential as production aids. I favor price increases which have a production purpose. In his veto message the President stated that this was also his belief. The Barkley amendment merely translates that policy into definite language and standards.

I personally favor a bill even stronger than that reported by the Banking and Currency Committee. I stand by the criticisms I made of various provisions of this bill in the minority report filed with the Senate on July 7. As practical men we must recognize, however, that we are now faced with the choice between no price control, and a bill which substantially corrects the two main defects cited in the President's veto.

With that choice before me, I voted to report the committee bill. With that choice before us, the Senate should vote down the amendments to be offered from the floor, and promptly enact the pending measure With the economic safety of the country at stake, we have no other choice.

EXHIBIT I

OPA daily price summary—prices of July 8—daily indexes of commodity prices in primary (pre-wholesale) markets—movements under "hold the line" and since June 28, 1946

	Percentage increase	
	May 17	June 28
[illegible]		
[illegible]		
modities)	13 1	11 1
[illegible]	14 6	22 7
[illegible]	11 9	3 2
[illegible]		
[illegible]		
[illegible]	15 8	11 1
Grains	39 3	16 1
Food	—1 6	21 6
Textiles	16 3	1 6
Metals	16 2	4 4
Miscellaneous	2 0	9 6

[illegible] Most of the 28 commodities (see list in pt. 11) used in th[illegible] are [illegible] [illegible] markets. [illegible] that [illegible] [illegible] [illegible]

not in any way indicative of the actual cost of meats to consumers.

Supply and demand are the factors that will establish the level at which meat products sell Meat is perishable and must be sold promptly and the American housewife is now once more in a position to say what she is willing and able to pay for meat. Under open market conditions, this is the most important factor that determines the prices of meat as well as livestock

The meat industry from farm producer to retail market has been seriously dislocated by months of black-market operations and because of this, it may take sometime for the industry to recover Eventually, however, meat will flow through legitimate channels for fair distribution to everyone at prices they are willing to pay

Mr President, that is not a propaganda letter. It is a mere statement of fact by the head of one of the great meat-packing companies, which has almost been forced to the wall because of the policies pursued under the direction of OPA, forcing meat into the black market and making criminal operations out of one of the substantial historic industries of the country which affects the lives of all of us.

I have also received a telegram from Mr. H. H. Parke, president of the Producers Livestock Credit Corp of Chicago, Ill. The telegram reads as follows:

CHICAGO, ILL., *July 8, 1946.*

HON C WAYLAND BROOKS,
Senate Office Building,
Washington, D C

Cattle receipts 12 markets today over 100,000 Grass run definitely under way Suggest meat and meat animals be left out of OPA control for the best interests of both consumer and producer as well as national economy

PRODUCERS LIVESTOCK CREDIT CORP,
H H PARKE, *President*

This morning I telephoned to some of the well-known and honorable men in the legitimate poultry industry in Chicago to learn what the picture was so far as today's poultry market was concerned. They informed me that beginning with this morning live poultry had gone down in price from 3 to 5 cents already. It is my belief that there is available the largest supply of meat the Nation has ever had. If meats are decontrolled they will move to market, and we shall be able to sustain legitimate businesses. We shall drive out of existence black markets and corrupt operators, and we shall restore meat to the retail counters, so that everyone may have a fair opportunity to buy it at a fair price.

Mr. THOMAS of Oklahoma. Mr. President, I desire to occupy only a few minutes, but I prefer to make my statement just before the vote is taken.

Mr. HAWKES. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? I believe that Senators should be present to hear what the Senator from Oklahome is about to say.

Mr. THOMAS of Oklahoma. I yield.

Mr. HAWKES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo.	Robertson
Brooks	Johnston, S C	Russell
Buck	Kilgore	Smith
Burch	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Murdock	Willis
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	

The PRESIDING OFFICER Eighty Senators having answered to their names, a quorum is present.

Mr THOMAS of Oklahoma. Mr. President, I understand that the Senate is about to vote on the pending proposal Before the vote is taken I desire to use a very few moments to explain the issue. It is very simple The original bill which the Senate committee reported to the Senate would have decontrolled livestock and poultry. The Senate passed the bill in that form, and the bill was sent to conference. In the conference the conferees eliminated from the bill all provisions relating to the decontrol of specific commodities, and there was left only a formula which the conferees hoped would be followed in decontrolling commodities when the supply reached a reasonable relationship to the demand.

When the pending joint resolution came before the Senate, it provided for no decontrol of specific commodities, but it carried a general formula for the decontrol of commodities in the future at the request and at the will of the Office of Price Administration. Mr. President, if the Congress of the United States, which is supposed to represent the people of the various districts and States and is supposed to know the conditions which exist therein, is unwilling to go on record in favor of any decontrol, then certainly we cannot expect the Office of Price Administration to take up the cudgel and carry it and begin to decontrol things. This measure is to run for a year. Unless the Congress sets an example by providing for the decontrol of certain commodities which now are in surplus supply, then I make the prophesy that the Office of Price Administration will not proceed to decontrol anything for 1 year yet to come.

The Senator from Nebraska [Mr. WHERRY] has offered to the pending joint resolution an amendment proposing to reduce the power of the Office of Price Administration to place controls on livestock and poultry. The Senator from Nevada [Mr. MCCARRAN] has offered a similar amendment. At this point, in order that the situation may be clear, I shall read the amendment of the Senator from Nebraska [Mr. WHERRY], which he has proposed for himself and various other distinguished Senators. The amendment is short:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

That amendment has been offered by the Senator from Nebraska, on behalf of himself and various other Senators.

The Senator from Nevada [Mr. MCCARRAN] has offered a similar amendment. In order that the record may be complete, I ask unanimous consent that th amendment be printed at this point in the RECORD.

There being no objection the amendment intended to be proposed by Mr. MCCARRAN to the joint resolution (H. J. Res. 371), extending the effective date of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, was ordered to be printed in the RECORD, as follows:

On page 9, after line 14, insert the following new paragraph:

"(7) Price controls, with respect to livestock, poultry, and eggs, and food and feed products processed or manufactured in whole or in substantial part from livestock, poultry, or eggs, shall not be effective after June 30, 1946"

Mr. THOMAS of Oklahoma. Mr President, I have objected to those two amendments, in that neither of them goes as far as I think the Congress should go. There are only two points involved, and I shall state them in a sentence. Under the Wherry amendment and under the McCarran amendment, if either becomes a part of the pending measure and if it is signed by the President and becomes the effective law, on the next day after the enactment of the law and its approval by the President, the President might issue an Executive order placing back under controls livestock and poultry. I am not agreeable to such a situation So my amendment, which I have offered as a substitute for the Wherry amendment, reads as follows:

Nothwithstanding any provision of this act or otherwise, or any Executive order—

I think that covers everything. It covers everything under this measure or under any other act or under any Executive order.

Then the amendment continues as follows:

no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock, poultry, or any product processed in whole or substantial part therefrom.

Mr. President, if the amendment is adopted I think we can make the law iron-clad. It will hold water and no one may, under any procedure, under the law, or any existing order hereafter issued, impose controls on livestock or poultry. That is my point No. 1.

My second point is this: Under the Wherry amendment, only the edible parts of livestock or poultry are taken into consideration. In other words, those portions of livestock and those portions of poultry which are not edible are not taken out from under control. The hide of a cow or a steer is a part of livestock. Yet, under the Wherry amendment, it would not be removed from control. Take for example, sheep. They are livestock. Under the Wherry amendment wool would not be taken out from under control. The amendment which I have offered as a substitute to the Wherry amendment would, if carried, result in livestock and all its component parts being removed from the control of the Office of Price Administration.

The same is true with respect to poultry. The Wherry amendment covers poultry and eggs. Eggs amount to nothing, so far as the law is concerned, because poultry is interpreted as including all parts of poultry. In other words, eggs are a part of a hen, a goose, or a duck. My amendment includes all livestock and the component parts of livestock such as hides, tallow, hair, hoofs, horns, and anything else which is a part of livestock. It also covers everything which is a part of poultry.

Mr. President, I have explained the amendment. The question is whether the Senate is willing to provide that restrictions shall be lifted from poultry and livestock.

Mr. BARKLEY. Mr. President, I notice that the Senator's amendment contains the words "livestock, poultry, or any product processed in whole or substantial part therefrom." Does the Senator intend that the language of his amendment shall include leather, leather products, luggage, or anything which is manufactured out of any part of livestock?

Mr. THOMAS of Oklahoma. The Senator will have to make that determination for himself.

Mr. BARKLEY. The Senator has submitted the amendment. It is in his language. I am asking for his interpretation of his own amendment. Would any product processed in whole or in substantial part from livestock be included in the amendment? Would it include leather and shoes? Of course, shoes are made from the hides of livestock. A handbag is made of leather which is processed from livestock. Pocketbooks, handbags, luggage made of leather, or other articles the construction or manufacture of which involves the use of leather, would be processed. Clothing and clothing made from wool would be processed out of livestock. If the Senator's amendment means what it seems to indicate, it would limit authority over anything that is made from any kind of an animal which comes within the category of livestock. I suppose the Senate would like to know what the Senator from Oklahoma has in mind.

Mr. THOMAS of Oklahoma. The original bill which came before the Senate on the recommendation of the Senator from Kentucky had in it language similar to the language to which he has referred. I ask him if he intended the bill to cover all the articles which he has mentioned.

Mr. BARKLEY. The bill which I sponsored before the Senate did not contain language of the kind which I have read.

Mr. THOMAS of Oklahoma. The first bill contained a similar provision.

Mr. BARKLEY. The bill as reported originally by the committee, and which decontrolled livestock, poultry, and dairy products, contained similar language. It was not exactly the same language. I believe it was limited to food and feed with respect to poultry. I have forgotten the exact language, but it did not carry with it any doubt of its meaning. If the bill had been agreed to by the conference committee and had become law, the language would have applied to the articles which it mentioned. I would have to get a copy of the bill as it passed the Senate in order to ascertain the exact language which was adopted. Evidently the Senator knows what he means by the language which he is attempting to use.

Mr. THOMAS of Oklahoma. I meant to embrace in the amendment the same ideas and provisions as those which were carried in the original bill wherein livestock and poultry were decontrolled. Now the situation is reversed

Mr. BARKLEY. Would a pair of shoes be a product processed in whole or in part from livestock, such as a cow, a steer, or any other animal which produced hide?

Mr. THOMAS of Oklahoma. If followed down to the *n*th degree, the answer is "Yes."

Mr. BARKLEY. So a woolen suit of clothes would be in the same category.

Mr. THOMAS of Oklahoma. If followed down to the *n*th degree, the answer would be "Yes."

Mr. BARKLEY. That is what I wanted to get the Senator's interpretation of. I thank the Senator.

Mr. THOMAS of Oklahoma. Mr. President, I do not care to make any further statement I desire to have placed in the bill the same provision which was incorporated in the original bill passed by the Senate and sent to the conference committee

Mr. BARKLEY. The Senator mentioned the word "eggs."

Mr. THOMAS of Oklahoma. Eggs mean nothing in the law. When we say "poultry" we mean all the products which come from poultry.

Mr. BARKLEY. An egg is a product of poultry

Mr. THOMAS of Oklahoma. Yes; just as is butter a product of milk.

Mr. BARKLEY. It is debatable whether the egg is a product of poultry or poultry is the product of an egg. That is a matter which has been debated for centuries and centuries.

Mr. THOMAS of Oklahoma. Mr. President, I am sure that we cannot settle that point on the floor of the Senate.

The substitute for the Wherry amendment has been offered. It provides for restrictions against imposition of any controls on livestock and livestock products, and upon poultry and poultry products. Mr. President, I submit the amendment for the consideration of the Senate.

SEVERAL SENATORS. Vote! Vote!

Mr. O'DANIEL. Mr. President, I do not care to delay the Senate very long, but before any votes are taken on any amendments to the pending joint resolution I wish to make a few remarks concerning the measure itself.

I believe I have already made it clear that I am opposed to the OPA in any way, shape, manner, or form. I think that the Senate at this time is confronted with a momentous question. In my opinion, the question which is involved is far greater than what the price of a dozen eggs shall be, or what the price of a pound of butter shall be. I think we have gone far astray in this great deliberative body when we start discussing the price of a loaf of bread, a pound of butter, or a dozen eggs. I think there is a great fundamental issue involved in the subject which is now before the Senate. I think the fundamental issue involved is whether or not this Nation of ours shall continue as a Republic, or shall be torn further apart and reduced to a communistic state. I think I have just grounds for that belief.

Mr. President, George Washington warned us that we should beware of our Nation being destroyed from the inside instead of the outside. The same thought is being voiced by other public officials in our Nation today. I wish to quote from a statement by the Attorney General of the United States, Mr. Tom Clark, in which he recently said, during the course of a speech:

> No one but a complete crackpot can be deluded by what we see going on today. We know that there is a national and international conspiracy to divide our people, to discredit our institutions, and to bring about disrespect for our Government. Why should we blind ourselves to obvious facts?

Continuing, Attorney General Clark said:

> Here is a deep-seated and vicious plot to destroy our unity—the unity without which there would be no United States • • • In the black bible of their faith [the Communists], seek to capture the important offices in the labor unions, to create strikes and dissensions, and to raise barriers to the efforts of lawful authorities to maintain civil peace • • •
>
> No country on earth, and no government, can long endure this vicious attack • • • They are driving law enforcement in this country to the end of its patience.

Mr. President, in what I have read lies a warning from the Attorney General of the United States concerning the activities of the Communists in an effort to overthrow our American form of Government. I have heard statements made on the floor of the Senate on other days, as well as today, to the effect that the Communist Party and the Communists of this country are to a man supporting the OPA. It has the wholehearted and unqualified support of every Communist, red, and radical in the United States.

In making that statement and condemnation of OPA, Mr. President, I wished to be distinctly understood that I realize there are also some very good,

honest, and patriotic citizens of this Nation who favor the OPA. But I believe that in most of these cases those who favor OPA have been entirely misled by the propaganda which has been broadcast by the OPA and by the Communist Party and by other organizations of similar character.

I have great faith in the rank and file of the common citizens of America. I think they will in ninety-nine cases out of a hundred come to the right conclusion and do the right thing providing they are in possession of all the facts and the truth about the subject which they are studying. I do not believe they have been informed nor do I believe they are now informed as to the ugly truth about the OPA.

I do not think any public officials interested in the administration of OPA have the least concern for the welfare of any of the poor people of this country. I think OPA was deliberately conceived by a gang of Communists or their fellow travelers who sought to have this agency set up for the main objective of overthrowing our American form of Government, and I think they have almost succeeded. I think it is almost miraculous that OPA is now dead. Two weeks ago tomorrow the OPA bill appeared to me to be all geared and set to go through the Senate without any material objection, almost as swiftly as appropriation bills go through. I had the idea at that time that the only way to defeat OPA and let it die was to apply some tactics to slow down the process or to discuss the matter thoroughly in this body. I called for help realizing that no one Senator could expect to talk about OPA from that date on to midnight June 30. I am very glad that some help came from Senators, not sufficient, of course, but we also got some help from the President of the United States in the form of a veto, which caused OPA to die. I do not know what the reasons were for the President's veto, but I appreciate his veto just as much as if I did know, because OPA is now dead, dead as a door nail.

There may be some who do not yet realize that OPA is dead. To those folk I wish to say that they remind me of a great big colored gentleman down in our neck of the woods who got a little "sassy" with a smaller colored gentleman and they got into quite a tussle. Of course, it looked as if the large colored gentleman would get the best of the bargain, but the little colored gentleman pulled out a great big razor and took a slash at the neck of the big colored gentleman. The big boy said, "Ha, ha, brother, you missed me." The little fellow said, "You just wait, brother, till you try to turn your head." [Laughter.]

So I believe that sooner or later those who believe that OPA may not be dead will discover, when it tries to turn its head, that it is disconnected from its body.

Now we are engaged in a great debate here as to whether or not we shall disinter the body, resurrect the body, and breathe into it the breath of legislative life and start it on its nefarious path of destruction again.

Mr. President, I am opposed to that. I do not think that should be done. I am not entirely convinced that it can be accomplished because we face an entirely different proposition when it comes to resurrecting OPA than we faced when we were debating the question of enacting the law setting up the Office of Price Administration. We have not yet come to the discussion of the important part of this subject on the floor of the Senate. I imagine that some Senators will get to that question. It was touched on lightly by the Senator from South Dakota [Mr. GURNEY] and I think it will be enlarged upon. I think as Senators begin to realize the predicament which would be created by the reinstatement of OPA they will come to the conclusion that it is an inadvisable thing to do.

Since OPA died a natural death at midnight June 30 the economic life of America has continued The world did not come to an end as has been prophesied by the prophets of gloom down in OPA. We continued right along, which bears honorable tribute to the great masses of business and professional men and women of this Nation. Their Government let them down, it let OPA expire, and left the whole economic life of our Nation suspended in midair. Were the men and women who are engaged in business, who are engaged in processing and manufacture and distribution and transportation of all the essentials of life to lie down on the job and quit and say, "We cannot do anything"?

Mr. McMAHON. Mr President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Texas yield to the Senator from Connecticut?

Mr. O'DANIEL I am sorry, I cannot yield now.

The men and women of this country did not lie down on the job. They continued under the system of private enterprise which had been in existence in this Nation for over 150 years, before the New Deal was born. They continued to operate private enterprise on the basis that was used in the building of America to be the greatest nation on the face of the earth.

Prices sought their level under the law of supply and demand. Some prices rose and some fell. In all cases where the prices changed it proved the fallacy that any bureaucrat in Washington could have wisdom enough to keep prices where they should be all the time. They had gotten entirely out of proportion, and they were seeking to regain their equilibrium. We have now had 9 days of freedom in America, freedom for commodities and products to seek their level through the will of men and women, those who produce and those who wish to buy, in other words, through the law of supply and demand.

Here is a problem: The articles which have risen above the prices which OPA set prior to June 30 are owned by somebody, and if we are to enact legislation which will roll back the prices to June 30, does this body intend to impose a hardship on the owners of all that vast property, the hardship and the loss which would be incurred from a reduction of the prices which have risen by perfectly lawful means to a level higher than that of June 30? Does the Senate wish to take the position that it will use the force of law to tell every owner in the United States, every honorable citizen of the United States, that although he paid a certain price, and it was a lawful price, for a certain commodity or product on a certain date since June 30, he must now sell that product below the price he paid?

Millions of bushels of grain have changed hands. Legitimate dealers have bought and sold grain. The grain which has been bought at a higher price than was in effect on June 30 is owned by somebody in some form or other. It may be in the form of grain in the hands of a country elevator, it may be in the form of grain in the hands of a flour miller, it may be in the hands of a corn processor who manufactures the 101 articles which are manufactured from corn.

The grain which has been bought at those prices may be in the process of manufacture, a part of it may be in flour, a part of it may be in bread, a part of it may be in sirup, a part of it may be in sugar, a part of it may be in glucose, a part of it may be in 101 different articles. It may be in the hands of the processor, it may be in the hands of the local buyer, it may be in the hands of the transportation company, it may be in the hands of the wholesale dealer, it may be in the hands of the retail grocer.

Retail grocers, especially the smaller ones, carry small stocks and have a complete turn-over about once every week or 10 days. Nine days have now elapsed since OPA went out of existence. Before the proposed law could possibly be enacted practically every article in every little corner grocery in this country will have been purchased by the corner grocer since June 30; and what are we to do? The natural thing for this administration to suggest is that a subsidy be paid. We always try to find the easy way out, by printing some more money, or borrowing some more money, or paying someone for a loss he may sustain.

Even if that method were adopted it would be almost an impossible task to find enough men and women to go into every corner grocery store, every large department store, every manufacturing establishment, every place of business or industry throughout the Nation and take an inventory of all the merchandise and all the commodities which have changed hands since June 30. It would be a colossal task, one that would be almost impossible to accomplish, and one which I do not think the Government would want to undertake. I point that out to show that we have an entirely different subject for discussion now, when we are discussing the resurrection and reenactment of the OPA legislation, after OPA died a natural death 9 days ago, than we had when we were considering the extension legislation last month, or when the legislation was first enacted in 1942. All sorts of proposals will be made. Some may say, "Let us reenact the legislation and set the ceiling prices as of the day the bill becomes law." If that were done, what need would there be for

OPA? Prices will have been adjusted by that time. The law of supply and demand will have taken charge of the situation, and everything will have been straightened out up to that particular day. Then, if we reestablish OPA, all the prices would begin to get out of kelter again.

So I call the attention of the Members of this body to the fact that we have here a very serious matter when we consider the effort that is being made to try to reimpose upon the American people this communistic, un-American, socialistic piece of legislation known as OPA. As I said, there are many who want OPA. Some of the best people of our country want OPA. I have talked to many such people personally. I have talked to some of the poor folk of this country, and some of them have said, "Oh, yes, we want OPA. It helps to hold down the price of our groceries." I said, "Do you believe in socialism?" They replied, "No, we do not believe in socialism."

There are not many people in this country who believe in socialism, Mr. President Not many people would go to the polls and vote the Socialist ticket. But I have said to those people, "If you are in sympathy with OPA and you want OPA fastened on this country by law, you will in effect be voting the Socialist ticket. Socialism simply means using the strong arm of the law to take money or valuable possessions away from some of our citizens and giving them to others of our citizens." When that is explained to the honest folk of this country who thought they wanted OPA, they change their minds Many of them have told me face to face, "We never looked at it in that way before. We did not believe that it was anything like that, but we can see that it is now." They can see that when it is properly explained to them. Let us say there is a poor old farmer who has been working from daylight to dark, he and his whole family, going out early in the morning through the wet grass and driving in the cows, milking them, taking care of the milk and churning the butter. When mama sends the butter to town someone in town might want to give her a dollar a pound for it, but she cannot accept it because the Congress of the United States has enacted legislation which provides that she can receive but 43 cents a pound for it.

I believe, sincerely, that the whole purpose of OPA is to serve as a means to overthrow our American form of government and to discredit and destroy our system of private enterprise. I am opposed to it on that basis.

Mr. President, I have quite a bit more to say about this measure, and as time goes on I may say it. I may read some more telegrams—the voice of the people. Thousands of telegrams are pouring in from every State of the Union, not from those who can afford to pay money in support of a lobbyist in Washington, or pay for a delegation to come to Washington, or who can even afford to buy their own railroad tickets to come to Washington. The great bulk of the telegrams come not from such people, but come from the little folk, the people who make up the rank and file of American citizenship. They telegraph and tell us what damage OPA has done to them, that they want to get out from under OPA, and how very happy they are that they can now breathe the free American air again, since they are out from under the dictation of this domineering power.

I may read some telegrams at a later time in this discussion, but I wanted to make these few remarks before a vote is taken on the pending amendment, so all Senators may have a clear idea of just what might be the picture of the bill, just what it may look like when it finally comes out at the end of the mill, if it ever does come out at the end of the mill. Senators may therefore be able to decide how they want to vote on the various amendments which may come up for vote.

Mr. President, I do not see much chance of changing the trend with respect to the bill, or having much effect in influencing the action taken on the bill, by anything I might say, however logical it might be, because in this body I do not think there is much ever said by any Senator which affects or influences the vote of other Senators. I think Senators have a way of forming their own conclusions without listening to the voices of their brother Senators. That is as it should be. Every Senator has the right to take into consideration everything that becomes his knowledge before he votes on various questions I wish to make it very clear however, that I have from the very beginning, and I intend so long as God gives me breath to delay the final vote on this measure so there will be sufficient time for Senators to give full consideration to every phase of this important subject. In everything I have said about the measure so far, I have not digressed from the subject. I have stuck to the subject of OPA, and I intend to stick right to that subject, because one might talk for a year and never be able during the entire year to say everything bad there is to be said about OPA.

I have heretofore called for assistance from Senators. I have begged Senators for help. Some Senators responded. If a sufficient number respond now we can talk this measure to death. Senators will become tired of it. I have seen that happen in the Senate before. Senators have talked for days and days on a certain subject, and finally everyone got tired and said, "Let us lay the matter on the table. Let us quit discussing it." In that connection, the bill I am reminded of most, which was handled in that way, is the FEPC bill. There, Mr. President, was a dilly. There was a bill on which Senators could talk for days and days and days. Very few Senators listened to those who spoke, but there was always some Senator talking on that bill, and finally those who sponsored the bill gave up, and it was returned to the calendar. The great social gains which the sponsors of FEPC claimed were included in that measure have fallen by the wayside—gone, and perhaps forgotten. We do not hear anything about it any more. The bill just died.

I have been wondering, Mr. President, if I could not secure a little more support in talking about the pending measure, if I were to offer the FEPC bill as an amendment to the pending measure. I am against FEPC. I think FEPC is just as bad as OPA. I think the FEPC bill is purely a communistic measure. They are both in the same category. They are both in the same class. Both are supported by the Communists, the Reds, the Socialists, and radicals. By coincidence, both died at the exact toll of midnight chimes on June 30 of this year. OPA and FEPC are both dead. They are dead issues. They are sleeping peacefully. Of course I would not want to say anything that would indicate that Senators are ghouls, going out at midnight to disinter the remains of those two stinking things. But if it were other than Senators involved, that is what I would say, because it reminds me of just such a thing. It looks to me as though that is what has happened. It is pure discrimination for us to stand here and contend that OPA should be resurrected, and let FEPC sleep in peace. I fought FEPC. I think the FEPC measure is a bad bill, but this is the idea I wish to present. If we have two bad bills, why not put them both in the same bag and discuss them both at the same time. It would not take a bit more breath to do so.

So Mr. President, I am sending to the desk the FEPC bill, which I intend to offer as an amendment to the OPA measure, and I intend to call it up at a later date. It is Senate bill 101. Mr. President, OPA is not a test of whether prices shall rise or fall. It is a test of whether our Republic shall rise or fall. Let me repeat. OPA should not pass, OPA must not pass, OPA shall not pass.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. BARKLEY. Mr. President, I hope we can obtain a vote on the Thomas amendment and then immediately thereafter obtain a vote on the Wherry amendment, and if we should be successful in obtaining a vote on both of them it might shorten the day's session somewhat.

Inasmuch as I have not discussed the pending amendment I wish to offer just a word, as I feel it my duty, before the vote, with reference to both the Thomas and the Wherry amendments, and I shall say what really I have to say about both of them at the same time.

The Senator from Oklahoma [Mr. THOMAS] has asked me to give him the language in the bill as it passed the Senate. I have obtained the language of the bill as it passed the Senate, and I read it:

> Price controls with respect to livestock, poultry, or eggs, and food and feed products processed or manufactured in whole or in substantial part from livestock, poultry, or eggs shall be removed not later than June 30, 1946.

So the language of the Senate bill which was deleted by the conference committee applied only to livestock, poultry, and eggs, and food and feed products processed or manufactured

therefrom. The same language applied with respect to the decontrol of milk. It is limited to food and feed products. The amendment offered by the Senator from Oklahoma applies to everything that is processed or manufactured from livestock, poultry, or any product processed in whole or in substantial part therefrom. Therefore if it should be adopted it would prohibit any price ceiling or any control. If the Thomas substitute should be adopted it would prohibit the issuance of any order or regulation of any kind with respect to prices, or any other sort of control over anything processed or manufactured from livestock, poultry, or any product processed in whole or in substantial part therefrom.

The amendment offered by the Senator from Nebraska is limited to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or in substantial part from livestock, poultry, or eggs.

Therefore I am opposed to the Thomas substitute and hope it will not be adopted. While I am on my feet, I might as well say that I am also opposed to the Wherry amendment. We have established, in a way that has been repeatedly described, machinery for the decontrol of all products, agricultural and nonagricultural. Agricultural products are to be decontrolled under a formula to be administered by the Secretary of Agriculture, whose duty it will be to certify to the Price Administrator within a month after this law becomes effective, and every month thereafter, agricultural commodities which are in short supply. With that duty devolving upon the Secretary of Agriculture he would consider it seriously with a view of carrying out the intention of Congress. I think all of us have sufficient faith in Secretary Anderson to believe that he would not in any way dodge that responsibility. He would not deviate from his duty with respect thereto; and I have no doubt whatever that if this provision is retained in the bill and the bill is enacted into law, almost immediately the process of decontrolling agricultural products will begin, and the Congress will be relieved of the assumption on the part of anyone that we have selected three, or four, or five, or any number of commodities to decontrol ourselves, when we establish the machinery for their orderly decontrol under the jurisdiction of the Secretary of Agriculture.

It seems to me that we ought to be willing to leave the decontrol of agricultural products to the Secretary, who is familiar with the subject and whose duty it would be to have detailed and meticulous information with respect to the supply and demand of agricultural products.

I am willing to trust the Secretary of Agriculture in that regard. In the case of all nonagricultural products we propose to establish a decontrol board. Whenever the Secretary of Agriculture recommends the decontrol of any agricultural products, all the Price Administrator has to do is to execute a ministerial act, namely, to decontrol. He has no discretion in the matter.

Mr. President, yesterday I gave a little information to the Senate with respect to what had happened between June 28 and July 5 with regard to certain prices. The information was taken from the Bureau of Labor Statistics and from the New York Journal of Commerce statistics. I wish to bring the figures up to July 8.

The general price index of 28 basic commodities increased 15 percent from May 17, 1943, to June 28, 1946. In a total of 3 years the index on 28 basic commodities increased 15 percent. From June 28 to July 8, the index on the same commodities increased 11.1 percent, almost as much in 8 days as the increase in price on the same articles in the 3 years from 1943 to 1946.

Mr REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. Does the Senator have the figures with respect to meat alone?

Mr. BARKLEY. No; I have not. I have only the figures for foodstuffs generally. I have figures with respect to 12 foodstuffs, which increased in price 14.6 percent in the 3 years from May 1943 to June 1946. In the past 10 days, from June 28 to July 8, the increase was 22.7 percent. The same articles of food which increased 14.6 percent in 3 years have increased 22.7 percent in 10 days—almost twice as much. Those figures are taken from the Bureau of Labor Statistics and the New York Journal of Commerce.

The index of 30 commodity prices increased 15.8 percent in 3 years prior to June 28. The increase since June 28 has been 11.1 percent.

Mr. KNOWLAND. Mr President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Can the Senator give us any figures as to how much of that increase is represented by the dropping of subsidy payments?

Mr. BARKLEY. No. I am merely reading the figures given by the Bureau of Labor Statistics and the New York Journal of Commerce. They are not broken down with respect to subsidies.

In the 3 years from May 1943, to June 1946, prices of grains increased 39.3 percent; and they have increased 16.1 percent in the past 10 days. According to the New York Journal of Commerce index, prices of food as a whole decreased 1.6 percent in the same 3-year period.

They have increased 21.6 percent in the past 10 days.

Prices of textiles have not increased quite as much. Prices of metals have not increased quite as much; but the miscellaneous increases have been nearly four times as much in the 10 days from June 28 to July 8 as they were in the 3-year period to which I have referred.

So, Mr. President, it seems that if we are to judge by the past 10 days—whether we ought to do so, I am not able to say—if we are to judge by the increases in the cost of living which have taken place in the 10 days since the expiration of the OPA, how long will it be until all the increases in wages which have been granted to American working men are absorbed by increases in the cost of living, so that they will be either back where they were at the beginning of this year, or worse off than they were, and will again start the effort to increase their wages in order that they may have at least an equal opportunity, with respect to income and outgo, with that which they had when they received increases, which have been given to them in the various processes under which they have been working since the first of this year?

I do not say that those things will take place; but if we and they were to be subjected to the controversies and stoppages in work with which we are familiar, most of which have now been settled, and if they were to be compelled to go back to the same conditions which impelled them to make those efforts from January to May or June, how could we guarantee that the same difficulties would not be repeated? If the possibility exists, ought we not take that into consideration in determining whether we shall abolish the OPA altogether, or whether we shall, by congressional enactment and stipulation, say that certain food products which make up a very large part of the cost of living for the average family shall have no further control exercised over them by the Government of the United States?

The Senator from Texas [Mr. O'DANIEL] has denounced the OPA. Other Senators have denounced the membership of the OPA as selfish men who desire to retain their jobs, and who are advocating continuation of the OPA in order that they may retain their jobs I know of no top man in the OPA who could not make more money outside the OPA than in it. I know some of those men. One of them comes from my own State. The Administrator is an outstanding, honorable Kentuckian. That does not make him any better than other people, except in our estimation; but he is an honorable man. He is an able administrator. He certainly is an unselfish man. He did not seek to be appointed Administrator. He never sought any position to which he has been appointed. He has done the best he could, and in the short time he has been in charge he has done a constructive job in the administration of the OPA. I think he will continue to do so if the OPA is continued.

The statement has been made this afternoon that the OPA was conceived by a group of Communists. The OPA was established by an Executive order issued by Franklin D. Roosevelt, President of the United States. Was he a Communist? His reputation and name will live in the history of the American people long after most of us here have been forgotten. I had my disputes and differences with him. They were honest differences. Sometimes those differences were vehemently expressed. But I never lost respect for him, and I do not think he lost respect for me because of the disagreements we had now and then. In my opinion it is a travesty upon legislation and legitimate debate in what we call the greatest deliberative body in the world to charge on the floor of the Senate that he who conceived this agency and brought it into being by an Executive order which was later confirmed by an enactment of the Congress of the United States, by an overwhelming vote in the Senate and in the House of Representa-

tives, and repeatedly extended, was acting as a part of a Communistic effort to destroy the American way of life.

Mr. President, I hope the substitute amendment will be defeated; and I hope that the amendment to which it is offered as a substitute will, in turn, be rejected by the Senate.

Mr. THOMAS of Oklahoma. Mr. President, objection has been raised to my substitute amendment, for fear that it might affect such things as shoes, belts, watch fobs, baseballs, and leather envelopes such as the one I now hold in my hand. I am frank to say that such was not my intention, and therefor I now modify my amendment. I send the modification to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment as modified will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment proposed by Mr. WHERRY (for himself and other Senators), on page 9, after line 14, it is proposed to insert the following:

Notwithstanding any provision of this act or otherwise, or any Executive order, no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock, poultry, or any raw product derived in whole or substantial part therefrom.

Mr. THOMAS of Oklahoma. Mr. President, I have submitted the modification to the substitute amendment so as to avoid the objection which has been raised by the Senator from Kentucky. If my modified amendment is adopted, it will mean that no product which might be termed a product of livestock or poultry or any raw product which might be processed from livestock or poultry can be placed under controls. Then such things as leather belts, shoes, watch fobs, chair seats, and things of that kind will be left to be fought over under the amendment which will be offered by the senior Senator from Ohio [Mr. TAFT], which will follow in due course of time.

Mr. MAGNUSON. Mr. President, I do not wish to detain the Senate in regard to this matter, and therefore I ask unanimous consent to have printed at this point in the RECORD a telegram which I have sent today to several constituents in my State regarding these amendments.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JULY 9, 1946

Appreciate your wire re OPA. Considering all involved factors have decided vote for committee bill. Personally went into bill in detail on Senate floor yesterday regarding meat and dairy products. Received assurances on floor from BARKLEY and other assurances from proper parties that meat and dairy products can be decontrolled any time 30 days after passage under terms of bill upon proper showing to Secretary of Agriculture that supply equals domestic demand. Personally urged committee members when drawing bill this action be mandatory. This gives ample opportunity to make case and if data given me is correct cannot conceive any other action under terms of bill. Have discussed matter with Anderson personally. My general convictions are decontrol should not be legislatively specifically directed to any one item without decontrol other allied products in processing same. Sincerely believe if this were done by legislative edict complete abandonment all price control would result under present conditions. I am against that. Arrived at conclusion when agreed bill would give right for quick mandatory decontrol and additional authority make immediate price adjustments stimulating production by Agriculture Department which better understands problem and must act on facts. Believe this more logical decontrol and better all around for meat and dairy industries and general welfare. Be assured will give every personal aid to problem toward achieving expeditious action. Controls should not be off until all facts are ascertained by independent body. Read BARKLEY's statements, they are logical and state accurately my position

WARREN G. MAGNUSON,
United States Senator.

Mr. BARKLEY. Mr. President, let me trespass on the time of the Senate just long enough to say one word which I forgot to utter when I was on my feet. I am not interested in having any Member of the Senate go on record for or against anything in connection with the pending measure. I am not concerned with the process of putting someone on record here either one way or another in regard to it. I am not interested in placing any political party or the members of any political party, either my own or any other, on record merely for the sake of placing them on record for any future effect which it might have on them or on others, in regard to or in connection with this measure.

I tried as best I could to help write a bill which would meet with the approval of the President. As everyone knows, I urged the President to approve the bill which the Congress enacted.

Now I am trying to do the same thing again. I have every hope that the joint resolution as it is now presented, if it is enacted without substantial mutilation, will meet with the approval of the President. I base that hope upon my general understanding of the attitude of the President, as well as my understanding of the veto message.

If we are to have any legislation at all, the Congress and the President must get together. There must be a meeting of the minds at the two ends of Pennsylvania Avenue, or else we shall have a legislative stalemate.

If this measure is enacted, I shall again urge the President to approve it; and on the theory that lightning never strikes twice in the same place, I would hope that my urging would have more effect in the future than it has had in the past. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Oklahoma [Mr. THOMAS] in the nature of a substitute for the amendment proposed by the Senator from Nebraska [Mr. WHERRY] for himself and other Senators.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BRIDGES (after having voted in the negative). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Indiana [Mr. CAPEHART], and allow my vote to stand.

Mr. PEPPER. The Senator from Idaho [Mr. TAYLOR] has communicated to me that he is unable to reach the Chamber in time to be recorded on this question. He has requested me to announce that if present he would vote "nay" on this amendment.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Idaho [Mr. GOSSETT] and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from North Carolina [Mr. BAILEY] is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting the Senator from North Carolina would vote "nay," and the Senator from Texas would vote "yea."

I also announce that if present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave o the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 25, nays 51, as follows:

YEAS—25

Andrews	Hawkes	Taft
Ball	Langer	Thomas, Okla.
Brooks	McCarran	Wherry
Buck	Millikin	Wiley
Bushfield	Moore	Willis
Cordon	O'Daniel	Wilson
Donnell	Robertson	Young
George	Stewart	
Gurney	Swift	

NAYS—51

Aiken	Hart	Mitchell
Austin	Hayden	Murdock
Barkley	Hill	Murray
Bridges	Hoey	Myers
Briggs	Huffman	O'Mahoney
Burch	Johnson, Colo	Overton
Byrd	Johnston, S. C.	Pepper
Capper	Kilgore	Radcliffe
Carville	Knowland	Reed
Chavez	La Follette	Revercomb
Downey	Lucas	Russell
Eastland	McClellan	Smith
Ferguson	McKellar	Stanfill
Fulbright	McMahon	Tunnell
Gerry	Magnuson	Wagner
Green	Maybank	Walsh
Guffey	Mead	White

NOT VOTING—20

Bailey	Gossett	Taylor
Bilbo	Hatch	Thomas, Utah
Brewster	Hickenlooper	Tobey
Butler	McFarland	Tydings
Capehart	Morse	Vandenberg
Connally	Saltonstall	Wheeler
Ellender	Shipstead	

So the modified amendment of Mr. THOMAS of Oklahoma in the nature of a substitute for the amendment proposed by Mr. WHERRY, for himself and other Senators, was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators, on page 9, after line 14. On this question the yeas and nays having been demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Indiana [Mr. CAPEHART] and will vote. I vote "yea."

The roll call was concluded.

Mr. MAGNUSON. I announce that the Senator from Washington [Mr. MITCHELL] is unavoidably detained from the Chamber. On this question he is paired with the Senator from Montana [Mr. WHEELER]. If present and voting the Senator from Washington would vote "nay" and the Senator from Montana would vote "yea."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senators from Idaho [Mr. GOSSETT and Mr. TAYLOR] and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from North Carolina [Mr. BAILEY] is paired with the Senator from Texas [Mr. CONNALLY. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Texas would vote "yea."

On this question the Senator from Arizona [Mr. MCFARLAND] is paired with the Senator from Idaho [Mr. TAYLOR]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Idaho would vote "nay."

If present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy. If present, he would vote "yea."

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies. The Senator from Nebraska would vote "yea," if present.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Oregon [Mr. MORSE] are necessarily absent. If present, both of those Senators would vote "yea."

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate. If present, he would vote "yea."

The result was announced—yeas 49, nays 26, as follows:

YEAS—49

Aiken	Hart	Robertson
Andrews	Hawkes	Russell
Austin	Johnson, Colo	Smith
Ball	Johnston, S. C.	Stanfill
Bridges	Knowland	Stewart
Brooks	Langer	Swift
Buck	McCarran	Taft
Bushfield	McClellan	Thomas, Okla.
Capper	Maybank	Tobey
Carville	Millikin	Wherry
Cordon	Moore	White
Donnell	O'Daniel	Wiley
Eastland	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Radcliffe	Young
Gerry	Reed	
Gurney	Revercomb	

NAYS—26

Barkley	Hayden	Magnuson
Briggs	Hill	Mead
Burch	Hoey	Murdock
Byrd	Huffman	Myers
Chavez	Kilgore	Pepper
Downey	La Follette	Tunnell
Fulbright	Lucas	Wagner
Green	McKellar	Walsh
Guffey	McMahon	

NOT VOTING—21

Bailey	Gossett	Saltonstall
Bilbo	Hatch	Shipstead
Brewster	Hickenlooper	Taylor
Butler	McFarland	Thomas, Utah
Capehart	Mitchell	Tydings
Connally	Morse	Vandenberg
Ellender	Murray	Wheeler

So the amendment of Mr. WHERRY in behalf of himself and other Senators was agreed to.

Mr. EASTLAND obtained the floor.

Mr. WHERRY. Mr. President——

Mr. REED. Mr. President, I wish to move to reconsider the vote on the amendment just agreed to.

Mr. EASTLAND. Mr. President, I have the floor

Mr. BARKLEY. The Senator from Nebraska need not worry; there is going to be no motion to reconsider.

Mr. WHERRY. Mr. President, do I have the floor?

Mr. EASTLAND. A point of order.

The PRESIDING OFFICER. The Senator from Mississippi has the floor

Mr. EASTLAND. I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Mississippi.

The LEGISLATIVE CLERK On page 9, after line 14, it is proposed to insert the following:

(7) Maximum prices established or maintained for products manufactured or processed in whole or major part from cottonseed shall be sufficient to reflect to the producers of such cottonseed a price increase equal to the average percentage increase in the support prices allowed to other principal competing vegetable-oil seeds by the Commodity Credit Corporation since August 1, 1942, after making allowance for the manufacturing or processing margin fixed by the Commodity Credit Corporation in its 1942 cottonseed program adjusted for increased costs accruing since August 1, 1942

Mr. EASTLAND. Mr. President, as I understand, we are about to recess. I merely wish to make the amendment the pending question.

Mr BARKLEY. Mr. President, I indicated before the vote that if we disposed of the Thomas and Wherry amendments I should be disposed to shorten the session for today. I propose to carry out that suggestion.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I might say that when the suggestion was made that we vote on the Thomas and Wherry amendments, which were the pending matters, I did not include the other Wherry amendment, which pertains to milk. I have no objection, if it is agreeable to the Senator from Mississippi, that we dispose of that, after which he can offer his amendment so that it will be the pending question.

Mr EASTLAND Mr. President, the amendment I have offered will lead to considerable discussion.

Mr. BARKLEY If that is the case, it is an additional argument for letting us vote on the other amendment. I was assuming there would be no argument about the other amendment, which pertains to milk. I do not know whether the Senator from Nebraska desires to discuss the amendment.

Mr. WHERRY. Mr. President, when I presented the amendments I made the statement to several Senators that immediately after the meat, amendment was disposed of we would bring up the milk amendment. I should like very much to keep faith with the statement I made last Friday. I hope the Senator from Mississippi will let us proceed with the milk amendment. I am perfectly agreeable to wait until tomorrow morning to take it up, but we can take it up now However, I should much prefer to take it up tomorrow morning. I hope the distinguished Senator from Mississippi will let us proceed with the milk amendment. It is really a part of the two amendments in which we are all interested I beg of the distinguished Senator to let us take up the milk amendment now and make it the pending question tomorrow, and proceed with it, if he is so inclined

Mr. MURDOCK. Mr. President, will the Senator from Kentucky yield to me?

Mr BARKLEY. I yield

Mr MURDOCK It was my understanding, in talking to the distinguished majority leader, that we were all set for a night session, and that we were going to do everything possible to get as far along with the joint resolution as possible tonight. After having made that announcement, I do not know what his arrangements with others were

Mr. BARKLEY. I made that announcement yesterday in order that we might make progress today.

Mr. MURDOCK. I have governed myself accordingly, and expected we would go on with a night session.

Mr. BARKLEY. It seems utterly impossible for me to make any announcement that satisfies everyone with respect to a night session. I did announce yesterday that we would try to have a night session tonight. Before the vote was taken on the other two amendments I suggested that if we could get a vote and dispose of those amendments I should be disposed to shorten the session and not have a night session. I do not care to inconvenience any Senator, and that applies to any arrangements Senators have made for evening engagements, and applies also to any Senator who canceled any engagement he had because of a prospective night session.

I am perfectly willing to remain here as long as any other Senator will stay, but I felt that, if we got rid of the amendments on which we have voted, we might very well forego a session tonight. But, if that is not satisfactory to the Senate, I am perfectly willing to cancel the cancellation.

Mr. HAWKES. Mr. President, I send to the desk an amendment I intend to propose to the pending joint resolution, and ask that it be printed and lie on the table, to be taken up at the proper time.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

Mr. HOEY. Mr. President, I wish to ask unanimous consent to take up two District of Columbia bills which are uncontroverted and will take only a moment or two.

Mr. WHERRY. Mr. President, may I ask the distinguished majority leader if we are to proceed with the session at this time? If we are, I should like very, very much to take up the milk amendment, and I can assure the Senators there will be very little debate on it.

Mr. BARKLEY. The Senator from Mississippi has offered an amendment which is the pending question, and unless he is willing to withdraw that temporarily, I have no control over the matter.

Mr. WHERRY. Let us vote on it

Mr. BARKLEY. The Senator from Mississippi may wish to discuss it. It is a new proposal, which has not been discussed, and he is entitled to discuss if he wishes to do so.

The PRESIDENT pro tempore. The Senator from North Carolina was recognized.

Mr. HOEY I yielded to the Senator from Kentucky?

Mr LUCAS Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS Who is entitled to the floor?

The PRESIDENT pro tempore. The Senator from Kentucky had the floor, and yielded to the Senator from North Carolina.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senator from Mississippi be permitted to withdraw his amendment temporarily, that the Senator from Nebraska offer his amendment on the subject of milk, and that the Senate proceed to vote on the Wherry milk amendment at not later than 15 minutes from the time it is read at the desk

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. I am glad to comply with that suggestion.

Mr. CHAVEZ. Mr. President, I object. I am interested in the amendment of the Senator from Mississippi, which was read.

Mr. BARKLEY. It is not proposed to vote on that amendment tonight. It will go over until tomorrow, and will be discussed.

Mr. CHAVEZ. I do not see that the amendment of the Senator from Nebraska is any more important than that of the Senator from Mississippi.

Mr. BARKLEY. I am not contending that it is, but it was associated with the meat and poultry situation. They all might have been offered as one amendment, and I never understood why they were not.

Mr. TOBEY. I agree with the Senator.

Mr. BARKLEY. Mr. President, unless we can get some agreement in short order, I intend to move that the Senate take a recess.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TOBEY. Mr. President, I should like to direct my remarks to the Senator from New Mexico [Mr CHAVEZ], to explain to him the situation in which we find ourselves.

It was the wish and desire of many of us who were interested in the matter of milk controls that the amendment affecting milk be embodied in the Wherry amendment covering meat. The Senator from Nebraska thought that was not the wiser policy, and his wishes prevailed. It was understood, in conference with him, by those interested in the question of milk, that immediately upon the adoption of his amendment the milk amendment would be taken up. He was not recognized, because the Senator from Mississippi [Mr. EASTLAND] was on his feet, and offered his amendment, to be taken up tomorrow morning.

Therefore I point out to the Senator from New Mexico that all we are asking now, in view of the fact that the amendment of the Senator from Mississippi will be taken up tomorrow morning, is that we be allowed to vote, with only 15 minutes debate, on the milk amendment, and that after that the majority leader will move that the Senate take a recess until tomorrow morning, at which time, in accordance with the original request of the Senator from Mississippi, we will take up his amendment. So that the rights of no one would be interfered with. We would merely dispose of a matter which has been before us, and on which the Senate will be recorded. So I ask, as a courtesy from the Senator, that he let the milk amendment be brought up now

Mr CHAVEZ. Mr. President, I delay the Senate as little as any Member of this body. I am also interested in the amendment of the Senator from Mississippi, and I cannot see any particular difference whether we vote on the Wherry milk amendment tomorrow morning or tonight. The joint resolution is not going to be passed anyway. I object

The PRESIDENT pro tempore. Objection is heard.

Mr. WHERRY. Mr. President, I should like to ask the majority leader if he will not request the distinguished Senator from Mississippi to withdraw his amendment.

Mr. EASTLAND. Mr President, I will not withdraw the amendment.

Mr BARKLEY. Mr. President, the request which I made, to which objection was interposed, was that the Senator from Mississippi be permitted to withdraw his amendment temporarily with the understanding that he would offer it immediately upon a vote being had on the milk amendment of the Senator from Nebraska. That would not deprive any Senator of his rights. It would merely result in bringing about a vote upon a related matter, a matter which is akin, as many Senators believe, to the amendment upon which a vote has just been taken. It was a question of which Senator rose to his feet first and which Senator was recognized first. If the Senator

from Nebraska had been recognized and had offered the milk amendment, we might have voted on it by now, and the Senator from Mississippi would then have offered his amendment, and we could vote on it tomorrow.

I do not see that any Senator would be prejudiced by the request which I made. I realize that unless the Senator from Mississippi would withdraw his amendment temporarily there would be no chance to bring the other amendment, that is the milk amendment, in ahead of it. I do not want to deprive the Senator from Mississippi of any right. He knows that, I am sure.

Mr. EASTLAND. Of course, I know the distinguished majority leader would not desire to deprive any Senator of any of his rights. I do not withdraw my amendment.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Rear Adm. Harold G Bowen, United States Navy, to be a vice admiral in the Navy, for temporary service; and

Sundry officers for appointment in the United States Marine Corps.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 10, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 9 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Robert Butler, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

J Leighton Stuart, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

FARM CREDIT ADMINISTRATION

LAND BANK COMMISSIONER

James R. Isleib, of Texas, to be Land Bank Commissioner in the Farm Credit Administration.

COLLECTOR OF CUSTOMS

William H. Bartley to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont. (Reappointment)

SELECTIVE SERVICE SYSTEM

John E. Tracey for appointment as Assistant Chief, Appointments and Personnel Division, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of Assistant Chief, Appointments and Personnel Division, national headquarters, Selective Service System, will be at the rate of $6,623.40 per annum.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 9, 1946

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Most merciful and gracious God, who hast called us to be coworkers with Thee in building a better world, we pray that we may confidently and courageously lay hold of those spiritual ideals and principles which Thou hast revealed unto us.

Grant that daily we may have a profounder and more vivid sense of their vitality and validity. Show us how they may be implemented. May nothing divide or distract our loyalty or tempt us to break faith with them.

We pray that Thou will take our groping and faltering spirits and illumine them with Thy spirit and may it become the master light of all our seeing and all our understanding. May we covet more earnestly and eagerly the fellowship of Thy presence and the enduement of Thy power as we strive to learn the secret of a life that is joyous and serene.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con Res 70. Concurrent resolution to further extend the time for filing the report, together with the powers and functions, of the Joint Committee to Investigate the Pearl Harbor Attack

TRADE-MARK REGISTRATION

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 15, after "act", insert ": *And provided further*, That the benefits of this act shall not extend to nationals of any enemy country with which the United States was at war in World War II."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial which appeared in the New York Times this morning.

Mr. FARRINGTON asked and was given permission to extend his remarks in two instances, in one to include a radio broadcast by Dr. Kim, of the Korean Institute, and in the other to include the record of the action taken by the National Education Association on statehood for Hawaii.

MILITARY ESTABLISHMENT APPROPRIATIONS, 1947

Mr. KERR. Mr. Speaker, I call up for consideration Senate amendment No. 27 in disagreement on the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

The Clerk read the title of the bill

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No 27, page 67, after line 3, insert:

"SEC. 21. Not to exceed 10 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 10 percent thereby."

Mr KERR. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate numbered 27.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a question that was passed upon by the House last week, by a very decided voice vote. It is a question as to whether or not we are going to delegate to the War Department the authority to make appropriation of funds. The only argument in favor of it was that there was a similar power given to the Navy Department. That is not the picture, because the Navy Department has its bill drawn in such shape that there is a detailed appropriation for every single item. The War Department bill is drawn in such shape that three major items and one smaller one are allowed to be accounted for as one fund. That is the finance service, including pay of the Army and subsistence, travel of the Army and transportation, and an enormous number of other expenses are all within that category, and transfers within that category are permitted without limit. The item for the Quartermaster's service is in the same shape.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. WALTER. I agree entirely with what the gentleman says, except this: As I understand it, for the past 4 or 5 years at least, this transferability practice has been permitted. Now, without any notice whatever, it is to be discontinued. Does not the gentleman feel that for this year at least, with the definite understanding that it will not be continued, the practice should be permitted.

Mr. TABER. There is not any excuse for it whatever, because of this fact, that they can move their funds around within 8 or 10 items, in each case, amongst their larger appropriations.

For instance, there is $2,500,000,000 in this first item. In the Quartermaster item there is a billion dollars. In the engineer service there is another billion. That means that more than half of the whole Army appropriation is subject to that transferability, without any operation on the part of the Congress at all. They do not need it. We ought not put it where they will use up all the money that they have appropriated instead of where we appropriate the money.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. KERR. Mr. Speaker, I yield myself 1 minute for the purpose of pointing out that this provision was put on the bill during war. If justifiable then, it was only as an emergency feature. It is not necessary now. As was said by the distinguished gentleman from New York, there are other funds which could be used if it is necessary. Thus, it is indefensible and ought to be stricken out

Mr RICH Mr. Speaker, will the gentleman yield?

Mr. KERR I yield.

Mr RICH Does not the gentleman think we have been too free and generous with these great departments of government, the Army and Navy? They require the greatest amount of money that has ever been appropriated by Congress. That may have been necessary during war time but certainly is not necessary during peace time, and unless we do something to hold these men down within limits, I do not know how the taxpayers are ever going to balance the Budget and keep this Government from going in the red. Certainly we ought to tighten up on those fellows. I hope the gentleman will insist on this amendment.

Mr. KERR Mr Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion that the House further insist.

The question was taken; and on a division (demanded by Mr KERR) there were—ayes 44, noes none.

Mr KERR. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 255, nays 0, not voting 177, as follows:

[Roll No. 204]

YEAS—255

Abernethy	Bolton	Chiperfield
Allen, Ill	Bonner	Church
Allen, La.	Brooks	Clason
Andresen, August, H.	Brown, Ga	Clevenger
	Brown, Ohio	Clippinger
Andrews, Ala	Bryson	Cole, Kans.
Angell	Buck	Cole, Mo
Arends	Buffett	Cole, N Y
Arnold	Bulwinkle	Cooper
Auchincloss	Bunker	Corbett
Bailey	Byrnes, Wis.	Courtney
Barrett, Wyo	Campbell	Crosser
Bates, Mass	Canfield	Cunningham
Bennett, Mo.	Cannon, Mo	Curtis
Biemiller	Carlson	D'Alesandro
Bishop	Carnahan	D'Ewart
Blackney	Case N J.	Dirksen
Bland	Chelf	Dolliver
Bloom	Chenoweth	Dondero
Doughton, N. C.	Johnson, Ind.	Ramey
Douglas, Ill	Johnson, Luther A.	Rankin
Doyle	Johnson, Okla.	Reed, N. Y.
Drewry	Jones	Rees, Kans.
Dworshak	Jonkman	Resa
Eaton	Judd	Rich
Elliott	Kelley, Pa	Riley
Ellis	Kelley, Ill.	Rizley
Ellsworth	Kerr	Robertson, N. Dak.
Elston	Kilburn	Robertson, Va.
Engle, Calif.	King	Robsion, Ky.
Ervin	Kirwan	Rockwell
Feighan	Knutson	Rodgers Pa.
Fenton	Kopplemann	Rogers, Fla.
Fernandez	Kunkel	Rogers, Mass.
Fisher	LaFollette	Rowan
Flood	Landis	Russell
Folger	Lanham	Ryter
Forand	Larcade	Sadowski
Fulton	Lea	Savage
Gathings	Lemke	Schwabe, Mo
Gavin	Lewis	Schwabe, Okla.
Geelan	Link	Scrivner
Gifford	Lyle	Sheppard
Gillette	Lynch	Sikes
Gillie	McConnell	Simpson, Ill.
Goodwin	McCormack	Simpson, Pa.
Gordon	McGregor	Smith, Maine
Gore	McKenzie	Smith, Ohio
Gorski	McMillan, S C	Smith, Wis.
Graham	McMillen, Ill.	Spence
Grant, Ind	Madden	Springer
Griffiths	Maloney	Starkey
Gross	Manasco	Stefan
Gwynne, Iowa	Martin, Iowa	Stevenson
Hale	Martin, Mass.	Stockman
Hall, Leonard W	Mason	Sullivan
Hand	Mathews	Sumners, Tex.
Hare	May	Sundstrom
Harness, Ind	Morrow	Taber
Hartley	Michener	Talbot
Havenner	Miller, Nebr.	Talle
Hays	Mills	Thom
Healy	Morgan	Thomas, Tex.
Hedrick	Murdock	Thomason
Henry	Murray, Tenn	Tibbott
Herter	Murray, Wis	Towe
Heselton	Neely	Traynor
Hess	Norbiad	Trimble
Hill	Norrell	Voorhis, Calif.
Hinshaw	O'Brien, Ill	Vorys, Ohio
Hobbs	O'Brien, Mich	Vursell
Hoch	O'Hara	Walter
Hoeven	O'Konski	Wasielewski
Hoffman, Mich.	O'Neal	Welchel
Hoffman, Pa	Outland	White
Holmes, Mass	Patman	Whitten
Holmes, Wash	Patterson	Whittington
Howell	Peterson, Fla	Wigglesworth
Huber	Peterson, Ga	Wilson
Hull	Phillips	Winter
Jackson	Pickett	Wolcott
Jarman	Pittenger	Wolverton, N J.
Jenkins	Pratt	Wood
Jensen	Price Ill	Woodruff
Johnson, Calif	Priest	
Johnson, Ill	Rains	

NOT VOTING—177

Adams	Coffee	Gibson
Almond	Colmer	Gillespie
Andersen, H Carl	Combs	Gossett
	Cooley	Granahan
Anderson, Calif	Cravens	Granger
Andrews, N Y.	Crawford	Grant, Ala.
Baldwin, Md	Curley	Green
Baldwin, N Y	Daughton, Va.	Gregory
Barden	Davis	Gwinn, N Y.
Barrett, Pa.	Dawson	Hagen
Barry	Delaney, James J.	Hall, Edwin Arthur
Bates, Ky.	De Lacy	
Beall	Delaney, John J.	Halleck
Beckworth		Hancock
Bell	Dingell	Harless, Ariz.
Bender	Domengeaux	Harris
Bennet, N Y.	Douglas, Calif.	Hart
Boren	Durham	Hébert
Boykin	Earthman	Hendricks
Bradley, Mich	Eberharter	Herlong
Bradley, Pa.	Elsaesser	Holifield
Brehm	Engel, Mich.	Hook
Brumbaugh	Fallon	Hope
Buchanan	Fellows,	Horan
Buckley	Flannagan	Izac
Butler	Fogarty	Jennings
Byrne, N. Y.	Fuller	Johnson, Lyndon B.
Camp	Gallagher	Kean
Cannon, Fla.	Gamble	Kearney
Case, S. Dak.	Gardner	Kee
Caller	Gary	Keefe
Chapman	Gearhart	Kefauver
Clark	Gerlach	Keogh
Clements	Gerlach	Kilday
Cochran		
Kinzer	Pace	Sharp
Klein	Patrick	Sheridan
Lane	Pfeifer	Short
Latham	Philbin	Slaughter
LeCompte	Ploeser	Smith, Va
LeFevre	Plumley	Somers, N. Y.
Lesinski	Poage	Sparkman
Luce	Powell	Stewart
Ludlow	Price, Fla	Stigler
McCowen	Quinn, N Y.	Sumner, Ill.
McDonough	Rabaut	Tarver
McGehee	Rabin	Taylor
McGlinchey	Randolph	Thomas, N J
Mahon	Rayfiel	Tolan
Mankin	Reece Tenn.	Torrens
Mansfield, Mont.	Reed, Ill.	Vinson
	Richards	Wadsworth
Mansfield, Tex	Rivers	Weaver
Marcantonio	Robinson, Utah	Welch
Miller, Calif.	Roe, Md	West
Monroney	Roe N Y	Wickersham
Morrison	Rogers, N Y.	Winstead
Mundt	Rooney	Wolfenden, Pa.
Murphy	Sabath	Woodhouse
Norton	Sasscer	Worley
O'Toole	Shafer	Zimmerman

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr Sparkman with Mr. Short.
Mr Randolph with Mr. Taylor.
Mr. Pfeifer with Mr Horan
Mr Kefauver with Mr. Jennings.
Mr Buckley with Mr. Kearney.
Mr Rooney with Mr Adams.
Mr Barrett of Pennsylvania with Mr. Keefe.
Mr Hart with Mr. Anderson of California.
Mr. McGlinchey with Mr Bender.
Mr Keogh with Mr. Halleck.
Mr Vinson with Mr. Gillespie
Mr Sheridan with Mr Edwin Arthur Hall.
Mr. Celler with Mr. Gamble.
Mr Izac with Mr Fuller
Mr Camp with Mr. Ploeser.
Mr Boykin with Mr. Crawford.
Mr Quinn of New York with Mr. Plumley.
Mr. Rabaut with Mr Brehm.
Mr Bradley of Pennsylvania with Mr. Latham.
Mr. Klein with Mr. Bradley of Michigan.
Mr. Almond with Mr. LeFevre.
Mr Eberharter with Mr. Mundt.
Mr. Dingell with Mr. Reed of Illinois.
Mr Wickersham with Mr Shafer
Mr Rayfiel with Mr. Thomas of New Jersey.
Mr Cooley with Mr. Wadsworth.
Mr Hébert with Mr. Kean.
Mr. Colmer with Mr. Hope.
Mr Coffee with Mr. Gearhart.
Mr Byrne of New York with Mr. Fellows.
Mr James J Delaney with Mr. Elsaesser.
Mr Somers of New York with Mr. Case of South Dakota.
Mr Hook with Mr Butler.
Mr. Barry with Mr H. Carl Anderson.
Mr. John J. Delaney with Mr. Bennet of New York.
Mr Heffernan with Mr Engel of Michigan.
Mr Lane with Mr. Reece of Tennessee.
Mrs Douglas of California with Mr. Welch.
Mr Mansfield of Montana with Mr. Marcantonio.
Mr. Green with Mr Andrews of New York.
Mrs Woodhouse with Mr. Baldwin of New York.
Mr. Slaughter with Mr. Hagen
Mr. Rabin with Mr. Gwinn of New York.
Mr Holifield with Mr. Gerlach.
Mr. Beckworth with Mr. McCowen.
Mr Fallon with Mr. Sharp.
Mr. Miller of California with Mr. McDonough.
Mr. O'Toole with Miss Sumner of Illinois.
Mr. Powell with Mr Brumbaugh.
Mr. Monroney with Mr Kinzer.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28, page 69, line 1, strike out "20" and insert "22."

The SPEAKER. Without objection, the House further insists on its disagreement to Senate amendment No. 28.

There was no objection.

JOINT COMMITTEE TO INVESTIGATE PEARL HARBOR ATTACK

Mr. COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Concurrent Resolution 69 for immediate consideration.

The Clerk read the Senate resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures authorized by Senate Concurrent Resolution 27, Seventy-ninth Congress, for the investigation of the Pearl Harbor attack, as increased by Senate Concurrent Resolution 56, be, and the same is hereby, further increased by an additional $25,000, one-half of said amount to be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the Joint Committe on the Investigation of the Pearl Harbor Attack.

The SPEAKER Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF TIME FOR FILING REPORT IN PEARL HARBOR INVESTIGATION

Mr COOPER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Concurrent Resolution 70 and its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the time for filing the report of the Joint Committee to Investigate the Pearl Harbor Attack be, and it is hereby, further extended to July 16, 1946, inclusive, and that the powers and functions of the said committee be, and the same are hereby, also extended to said date.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. RICH. Mr Speaker, reserving the right to object, the gentleman is only extending that until the 16th of July, which is 8 days and he is also asking for $25,000 for the committee for 8 days' work. That is all out of proportion. Why does the gentleman have to have $25,000 for any committee to work for 8 days? It does not seem right to me.

Mr. COOPER. The resolution calling for $25,000 has already passed. That was to take care of some expenses that have already been incurred.

Mr. RICH. In other words, the committee spent more money than it had appropriated?

Mr. COOPER These are additional funds that are necessary especially in connection with the preparation of the report of the committee. The pending resolution is to extend for 6 days the time for filing a report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. RICH. Mr. Speaker, reserving the right to object——

The SPEAKER. The Chair calls for the regular order. Is there objection to the request of the gentleman from Tennessee?

Mr. RICH. Mr. Speaker, I would like to ask the gentleman a further question.

Mr. COOPER. This has been unanimously agreed to by the minority members of the committee. I cleared this with the minority leader.

Mr. RICH. Twenty-five thousand dollars for 8 days to close up this report is too much money and the gentleman knows it, everybody else knows it, and we should not have agreed to that.

Mr. COOPER. That resolution has been agreed to

Mr. RICH. Yes; I know it has been. You should have brought this one up first.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

STRATEGIC AND CRITICAL MATERIALS FOR NATIONAL DEFENSE PURPOSES

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (S 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes.

The Clerk read the title of the bill

Mr. MAY. Mr Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what the conferees agreed upon?

Mr. MAY. Mr. Speaker, this is a bill authorizing the acquisition of stocks of strategic materials for the national defense. This bill was passed by the Senate and came to the House. The House Military Affairs Committee considered the matter carefully and amended it in two or three respects. The bill went back to the Senate and we have agreed on a conference report. The only two questions involved or changes made in it that were not in the House bill were, first, we had authorized an appropriation of some $360,000,000 per year over a period of 5 years. We agreed to a change in that, leaving it to the discretion of the Appropriations Committee as to how much money should be appropriated on the contention of the Senate conferees that the spreading of the $360,000,000 per year over a period of years was merely an invitation to those who want to create stock piles to ask for that amount of money.

Mr. MARTIN of Massachusetts. I agree with the gentleman.

Mr. MAY. That was changed. Now the question of a tariff on the products that were bought came up, and the position of the House was that we ought to take care of our own domestic industry in this country by eliminating that tariff requirement so far as sales of it were concerned to business in this country, but left it on as to strategic materials coming from foreign countries. That was eliminated, and the House conferees agreed to it and the Senate agreed to it. There is no controversy about it.

Mr. MARTIN of Massachusetts. As it now stands the materials coming in from abroad will pay the usual tariff?

Mr. MAY. That is right.

Mr. MARTIN of Iowa. Mr. Speaker, reserving the right to object, and I shall not object, this bill authorizing acquisition of stock piles of strategic and critical materials for national defense purposes passed the House without changing existing tariff laws which provide that tariffs should be assessed against any imports of these strategic and critical materials. The Senate had exempted such imports from tariff duties, but the conferees of the House and Senate have adopted the House version on that point. The bill is now in acceptable form to those of us on the House Committee on Military Affairs who were active in developing this legislation. The tariff on these materials is highly important to our national defense, as it will help our Nation develop our domestic sources of strategic and critical materials to the greatest possible extent during the years immediately ahead

As a member of the Military Affairs Committee I gave considerable time and thought to this legislation, although I did not serve on the committee of conference I wish to commend the conferees for their good work and their good judgment in reaching complete agreement on sound principles and I commend them also for expediting consideration of this important and badly needed legislation.

Mr. MURDOCK. Mr. Speaker, further reserving the right to object, do I understand from the statement of the gentleman from Iowa that the House provision has prevailed? I shall be satisfied if such is the case. It will mean much toward national defense.

Mr. MAY. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as

follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Act of June 7, 1939 (53 Stat. 811), as amended, is hereby amended to read as follows

" 'That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of the Congress and the purpose and intent of this Act to provide for the acquisition and retention of stocks of these materials and to encourage the conservation and development of sources of these materials within the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency

" 'SEC. 2 (a) To effectuate the policy set forth in section 1 hereof the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly through the agency of the Army and Navy Munitions Board, are hereby authorized and directed to determine, from time to time, which materials are strategic and critical under the provisions of this Act and to determine, from time to time, the quality and quantities of such materials which shall be stock piled under the provisions of this Act In determining the materials which are strategic and critical and the quality and quantities of same to be acquired the Secretaries of State, Treasury, Agriculture, and Commerce shall each designate representatives to cooperate with the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior in carrying out the provisions of this Act.

" '(b) To the fullest extent practicable the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, acting jointly, shall appoint industry advisory committees selected from the industries concerned with the materials to be stock piled. It shall be the general function of the industry advisory committees to advise with the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior and with any agencies through which they may exercise any of their functions under this Act with respect to the purchase, sale, care, and handling of such materials Members of the industry advisory committees shall receive a per diem allowance of not to exceed $10 for each day spent at conferences held upon the call of the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior, plus necessary traveling and other expenses while so engaged

" 'SEC 3. The Secretary of War and the Secretary of the Navy shall direct the Secretary of the Treasury, through the medium of the Procurement Division of his Department, to—

" '(a) make purchases of strategic and critical materials with due regard to the objectives set forth in section 1 of this Act and pursuant to the determinations as provided in section 2 hereof, which purchases (1) shall be made, so far as is practicable, from supplies of materials in excess of the current industrial demand and (2) shall be made in accordance with title III of the Act of March 3, 1933 (47 Stat 1520), but may be made without regard to section 3709 of the Revised Statutes. A reasonable time (not to exceed one year) shall be allowed for production and delivery from domestic sources and in the case of any such material available in the United States but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may, if they find that the production of such material is economically feasible, direct the purchase of such material without requiring the vendor to give bond;

" '(b) provide for the storage, security, and maintenance of strategic and critical materials for stock-piling purposes on military and naval reservations or other locations, approved by the Secretary of War and the Secretary of the Navy;

" '(c) provide through normal commercial channels for the refining or processing of any materials acquired or transferred under this Act when the Secretary of War and the Secretary of the Navy deem such action necessary to convert such materials into a form best suitable for stock piling, and such materials may be refined, processed, or otherwise beneficiated either before or after their transfer from the owning agency;

" '(d) provide for the rotation of any strategic and critical materials constituting a part of the stock pile where necessary to prevent deterioration by replacement of acquired stocks with equivalent quantities of substantially the same material with the approval of the Secretary of War and the Secretary of the Navy;

" '(e) dispose of any materials held pursuant to this Act which are no longer needed because of any revised determinaton made pursuant to section 2 of this Act, as hereinafter provided. No such disposition shall be made until 6 months after publication in the Federal Register and transmission of a notice of the proposed disposition to the Congress and to the Military Affairs Committee of each House thereof Such notice shall state the reasons for such revised determination, the amounts of materials proposed to be released, the plan of disposition proposed to be followed, and the date upon which the material is to become available for sale or transfer. The plan and date of dispostion shall be fixed with due regard to the protection of the United States against avoidable loss on the sale or transfer of the material to be released and the protection of producers, processors, and consumers against avoidable disruption of their usual markets *Provided*, That no material constituting a part of the stock piles may be disposed of without the express approval of the Congress except where the revised determination is by reason of obsolescence of that material for use in time of war. For the purposes of this paragraph a revised determination is by reason of obsolescence if such determination is on account of (1) deterioration, (2) development or discovery of a new or better material or materials, or (3) no further usefulness for use in time of war

" 'SEC 4 The Secretary of War and the Secretary of the Navy shall submit to the Congress, not later than six months after the approval of this Act, and every six months thereafter a written report detailing the activities with respect to stock piling under this Act, including a statement of foreign and domestic purchases, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

" 'SEC. 5. The stock piles shall consist of all such materials heretofore purchased or transferred to be held pursuant to this Act, or hereafter transferred pursuant to section 6 hereof, or hereafter purchased pursuant to section 3 hereof, and not disposed of pursuant to this Act. Except for the rotation to prevent deterioration and except for the disposal of any material pursuant to section 3 of this Act, materials acquired under this Act shall be released for use, sale, or other disposition only (a) on order of the President at any time when in his judgment such release is required for purposes of the common defense, or (b) in time of war or during a national emergency with respect to common defense proclaimed by the President, on order of such agency as may be designated by the President.

" 'SEC. 6. (a) Pursuant to regulations issued by the War Assets Administration or its successor, every material determined to be strategic and critical pursuant to section 2 hereof, which is owned or contracted for by the United States or any agency thereof, including any material received from a foreign government under an agreement made pursuant to the Act of March 11, 1941 (55 Stat 31), as amended, or other authority, shall be transferred by the owning agency, when determined by such agency to be surplus to its needs and responsibilities, to the stock piles established pursuant to this Act, so long as the amount of the stock pile for that material does not exceed the quantities determined therefor pursuant to section 2 hereof There shall be exempt from this requirement such amount of any material as is necessary to make up any deficiency of the supply of such material for the current requirements of industry as determined by the Civilian Production Administration or its successor. There shall also be exempt from this requirement (1) any material which constitutes contractor inventory if the owning agency shall not have taken possession of such inventory, (2) such amount of any material as the Army and Navy Munitions Board determines (i) are held in lots so small as to make the transfer thereof economically impractical; or (ii) do not meet or cannot economically be converted to meet, stock-pile requirements determined in accordance with section 2 of this Act. The total material transferred to the stock piles established by this Act in accordance with this section during any fiscal year beginning more than twelve months after this Act becomes law shall not exceed in value (as determined by the Secretary of the Treasury on the basis of the fair market value at the time of each transfer) an amount to be fixed by the appropriation act or acts relating to the acquisition of materials under this Act

" '(b) Any transfer made pursuant to this section shall be made without charge against or reimbursement from the funds available under this Act, except that expenses incident to such transfer may be paid or reimbursed from such funds, and except that, upon any such transfer from the Reconstruction Finance Corporation, or any corporation organized by virtue of the authority contained in the Act of January 22, 1932 (47 Stat 5), the Secretary of the Treasury shall cancel notes of Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the fair market value as determined by the Secretary of the Treasury of the material so transferred.

" '(c) Effective whenever the Secretary of the Treasury shall cancel any notes pursuant to subsection (b) of this section, the amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered to have outstanding at any one time under the provisions of existing law shall be deemed to be reduced by the amount of the notes so canceled.

" '(d) Subsection (b) of section 14 of the Act of October 3, 1944 (58 Stat. 765), is hereby amended to read as follows.

" ' '(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

" ' '(1) any property which is damaged or worn beyond economical repair;

" ' '(2) any waste, salvage, scrap, or other similar items,

" ' '(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of materials which are to be transferred in accordance with the

Strategic and Critical Materials Stock Piling Act, to the stock piles established pursuant to that Act."

"'(e) Section 22 of the Act of October 9, 1944 (58 Stat. 765), is hereby repealed

"'*Provided*, That any owning agency is defined in that Act having control of materials that, when determined to be surplus, are required to be transferred to the stock piles pursuant to subsection (a) hereof, shall make such determination as soon as such materials in fact become surplus to its needs and responsibilities.

"'SEC 7 (a) The Secretary of the Interior, through the Director of the Bureau of Mines and the Director of Geological Survey, is hereby authorized and directed to make scientific, technologic, and economic investigations concerning the extent and mode of occurrence, the development, mining, preparation, treatment, and utilization of ores and other mineral substances found in the United States or its Territories or insular possessions, which are essential to the common defense or the industrial needs of the United States, and the quantities or grades of which are inadequate from known domestic sources, in order to determine and develop domestic sources of supply, to devise new methods for the treatment and utilization of lower grade reserves, and to develop substitutes for such essential ores and mineral products, on public lands and on privately owned lands, with the consent of the owner, to explore and demonstrate the extent and quality of deposits of such minerals, including core drilling, trenching, test-pitting, shaft sinking, drifting, crosscutting, sampling and metallurgical investigations and tests as may be necessary to determine the extent and quality of such deposits, the most suitable methods of mining and beneficiating them, and the cost at which the minerals or metals may be produced

"'(b) The Secretary of Agriculture is hereby authorized and directed to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 2 of this Act to be strategic and critical or substitutes therefor

"'SEC 8 For the procurement, transportation, maintenance, rotation, storage, and refining or processing of the materials to be acquired under this Act, there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, such sums as the Congress, from time to time, may deem necessary to carry out the provisions of this Act The funds so appropriated, including the funds heretofore appropriated, shall remain available to carry out the purposes for which appropriated until expended, and shall be expended under the joint direction of the Secretary of War and the Secretary of the Navy.

"'SEC 9 Any funds heretofore or hereafter received on account of sales or other dispositions of materials under the provisions of this Act, except funds received on account of the rotation of stocks, shall be covered into the Treasury as miscellaneous receipts

"'SEC 10 This Act may be cited as the "Strategic and Critical Materials Stock Piling Act".'"

And the House agreed to the same.

ANDREW J MAY,
EWING THOMASON,
OVERTON BROOKS,
DEWEY SHORT,
Managers on the Part of the House.

ELBERT D. THOMAS,
EDWIN C. JOHNSON,
LISTER HILL,
JOSEPH C. O'MAHONEY,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 752) to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same

Except for the differences noted in the following statement, the conference substitute is the same as the House amendment

The House amendment authorized the Secretaries of State, Treasury, and Commerce to designate representatives to cooperate with the Secretaries of War, Navy, and Interior in carrying out the provisions of the act The conference agreement adds the Secretary of Agriculture to those authorized to designate such representatives

The Senate bill provided that purchases of strategic and critical materials for the purposes of the act be made with due regard to the objectives set forth in section 1, and further provided that such purchases might be made without regard to section 3709 of the Revised Statutes, relating to competitive bidding. These provisions were omitted from the House amendment, but are restored under the language of the conference agreement

The House amendment authorized the appropriation of $360,000,000 for the fiscal year ending June 30, 1947, and the same amount for each of the following four fiscal years The conference agreement authorizes the appropriation of such sums as the Congress may deem necessary to carry out the provisions of this act

Section 9 of the Senate bill required that funds received on account of sales of materials be covered into the Treasury as miscellaneous receipts The House amendment provided that such funds should remain available for expenditure under the stockpile program The conference agreement adopts the Senate provision

ANDREW J MAY,
EWING THOMASON,
OVERTON BROOKS,
DEWEY SHORT,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONSTRUCTION AND PRESERVATION OF CERTAIN PUBLIC WORKS

Mr. PETERSON of Georgia. Mr. Speaker, I call up the conference report on the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41

Amendment numbered 18. That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: "restore the language stricken out and omit the language inserted, and on page 8, lines 10 and 11, of the House engrossed bill strike out 'in accordance with the report of the Chief of Engineers dated April 24, 1946,' and insert in lieu thereof 'House Document Numbered 592, Seventy-ninth Congress,'" and the Senate agree to the same

Amendment numbered 20. That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: on page 8, lines 18, 19, and 20 of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers dated April 9, 1946," and insert in lieu thereof "House Document Numbered 693, Seventy-ninth Congress," and the Senate agree to the same

Amendment numbered 22 That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: in line 3 of the amendment after the words "persons engaged on the" insert the words "construction of the"; and the Senate agree to the same

HUGH PETERSON,
J. E RANKIN,
HENRY M. JACKSON,
O C FISHER,
J HARDIN PETERSON,
W A FITZGERALD,
HOMER D ANGELL,
Managers on the Part of the House

JOHN H OVERTON,
THEO G BILBO,
GEORGE L RADCLIFFE,
CLAUDE PEPPER,
JAMES M MEAD,
E V ROBERTSON,
THOS. C. HART,
Managers on the Part of the Senate

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House carried authorizations for the improvement of 87 projects, in the amount of $517,145,070. The Senate by amendment added to the House bill four navigation projects to cost $3,250,000 and increased by $95,000,000 the authorization for the Arkansas River as carried in the House bill, making a grand total of $615,395,070.

As approved by the conference committee the bill (H. R. 6407) adopts a total of 61 projects for improvement of the Nation's

waterways and harbors primarily for navigation at an estimated total cost of $615,895,070; and 116 survey items carried in section 7.

Projects added to the bill by Senate amendments to which the House receded

Amendment No.	Report dated	Project	Estimated cost
2	July 1, 1946	Boston Harbor, Mass...	$1,802,000
9	May 31, 1946	Grand Bayou Pass, La....	900,000
12	.....do.....	Sabine River, Cow Bayou, Tex.....	323,000
19	June 13, 1946	Yaquina Bay and Harbor, Oreg.....	225,000
		Total.....	3,250,000

Item in House bill in which the initial authorization was increased

11	(Sept 20, 1945 (Mar. 19, 1946	(Arkansas River and tributaries, Arkansas and Oklahoma, increase in amount authorized.	$95,000,000

ITEMIZED EXPLANATION OF ALL SENATE AMENDMENTS

Amendment No. 1 (p. 2): Provides that the word "navigation" appearing in paragraph (b) of section 1, of the River and Harbor Act approved March 2, 1945 (Public Law 14, 79th Cong., 1st sess.), shall, in respect to the Arkansas River and tributaries, include the use of water herein referred to for power purposes.

Paragraph (b) referred to above reads as follows:

"(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes." House conferees recede.

Amendment No 2 (p 2). Boston Harbor, Mass Item, recommended by the Chief of Engineers, provides for modification of the existing project by the extension of the President Roads anchorage 700 feet to the north and 500 feet to the west dredged to a depth of 40 feet and the dredging of an area adjacent to the 35-foot channel south of and westerly through Buoy No. 4 to a depth of 35 feet at an estimated first cost of $1,802,000 with additional annual maintenance charges of $2,000 House conferees recede.

Amendments Nos 3, 4, 5, 6, and 7 (pp. 3 and 4): Typographical changes. House conferees recede.

Amendment No. 8 (p. 5): Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla. Item for authorization of in House bill amended so that the dam referred to in the report as Junction Dam shall upon completion be officially known as the Jim Woodruff Dam House conferees recede.

Amendment No 9 (p. 5): Waterway from Empire, La., to the Gulf of Mexico (Grand Bayou Pass). Item provides for a waterway 9 feet deep with a minimum width of 80 feet from the State-owned Dollut Canal at Empire, La., southerly by way of natural channels and limited land cuts through Pelican Island to the Gulf of Mexico, to cost $900,000. House conferees recede.

Amendment No. 10 (p. 6): Typographical change. House conferees recede.

Amendment No. 11 (p. 6): Arkansas River and tributaries, Arkansas and Oklahoma. Item in House bill amended by increasing the initial authorization from $55,000,000 to $150,000,000. Total estimated cost of the comprehensive plan for improvement of the Arkansas River Basin is $435,000,000. House conferees recede.

Amendment No. 12 (p. 6): Sabine River, Cow Bayou, Tex. Item provides for channel in the interest of navigation and flood control 12 feet deep and 100 feet wide in Cow Bayou from Sabine River to Orangefield, Tex., to cost $323,000. House conferees recede.

Amendments Nos. 13, 14, 15, 16, 17, and 18 (pp 7, 8, and 9): Typographical changes. House conferees recede with an amendment to No. 18, inserting a document number.

Amendment No. 19 (p. 9): Yaquina Bay and Harbor, Oreg Item provides for modification of the existing project to provide for a small boat mooring basin, dredged to a depth of 10 feet, and the construction of a protective breakwater. House conferees recede.

Amendments Nos. 20 and 21 (pp. 9 and 10): Typographical changes. House conferees recede, with amendment to No. 20 inserting a document number

Amendment No 22 (p 12): Section 6, Authorizes the Chief of Engineers to provide school facilities, at Federal expense as may be required, to educate dependents of persons engaged in the following projects authorized by the River and Harbor Act of March 2, 1945 (Public Law 14, 79th Cong):

Columbia River at Umatilla, Oreg.
Neches and Angelina Rivers, Tex
Snake River at Lewiston, Idaho.

House conferees recede, with amendment which confines the furnishing of such facilities to the period during which the project is under construction

Amendment No. 23 (p 12): Changes section number House conferees recede

PRELIMINARY EXAMINATION AND SURVEY ITEMS—LOCALITY

Amendment No 24: Gardiners Bay, N. Y.

Amendment No 25: Shoal Harbor and Compton Creek, N. J

Amendment No 26: Chapel Creek, Dorchester County, Md.

Amendment No 27: Intracoastal Waterway, with a view to constructing a boat basin at or near Beaufort, S C.

Amendment No. 28: Hatton Creek, Wicomico River, on western shore of Maryland, in the vicinity of Rock Point, Charles County, Md

Amendment No 29 Miles River, opposite Oak Creek Bridge, to give outlet to Miles River, Talbot County, Md.

Amendment No. 30. Point Lookout Creek, in the vicinity of Point Lookout, St. Marys County, Md.

Amendment No. 31: Charleston Harbor, S C., with a view to extending Shem Creek Channel

Amendment No 32. Intracoastal Waterway, with a view to constructing a boat basin at or near Beaufort, S. C.

Amendment No 33: Little Sarasota Bay and Channel through Casey's Pass, Fla., channel and turning basin in Venice Bay.

Amendment No 34: Intracoastal Waterway, with a view to relocating its route in the vicinity of Brunswick, Ga.

Amendment No 35: Channel from Port Lavaca, Tex., and Palacios, Tex., to the Gulf of Mexico by way of Pass Cavallo, Cotton Bayou, or any other suitable outlet to the Gulf of Mexico.

Amendment No. 36: Arkansas and Canadian Rivers, Okla., and Ark.

Amendment No. 37: Mississippi River at Louisiana, Mo.

Amendment No. 38: Gavins Point, on the Missouri River, S. D. and Nebr.

Amendment No. 39: Mississippi River at Winona, Minn.

Amendment No. 40: Ohio River at Brookport, Ill.

Amendment No. 41: Siuslaw River and Bar, Oreg.

House conferees recede on all survey items.

HUGH PETERSON,
J. E. RANKIN,
HENRY M. JACKSON,
O. C. FISHER,
J. HARDIN PETERSON,
W. A PITTENGER,
HOMER D. ANGELL,
Managers on the Part of the House.

Mr. PETERSON of Georgia. Mr. Speaker, the conference report on H. R. 6407 contains several items that were put in the rivers and harbors bill by the Senate, none of which were in controversy at the time the bill was passed by the House. The Senate agreed to every item that was adopted by the House when the bill was up for action. It did not put in any item that was disapproved by the House.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. I yield to the gentleman from Mississippi.

Mr. RANKIN. The conferees unanimously agreed to every item in this report, with one exception.

Mr. PETERSON of Georgia. That is right.

Mr. RANKIN. There is one item in controversy.

Mr. PETERSON of Georgia. The conferees have agreed on every item but one. There are quite a number of survey resolutions and minor technical matters that were placed in the bill by the Senate. There were four projects totaling $3,250,000, including one project at Boston Harbor, Mass., one in Louisiana, one in Texas, and a project in Oregon. All of these were unanimously approved by the conferees.

The only project that there was any controversy about among the conferees was the Arkansas River project. In the bill as it passed the House we approved the Arkansas River project, which is a multiple purpose plan recommended by the Chief of Engineers, the total of which is around $435,000,000. The House Committee on Rivers and Harbors authorized only $55,000,000 of this project, which would cover the cost of a dam and improvement known as the Eufala improvement. The Senate added a total authorization of $95,000,000 to the $55,000,000, or a total over-all authorization of $150,000,000. I understand that this $95,000,000 was primarily for navigation purposes on the Arkansas River, which would improve the channel up to approximately Little Rock, Ark. There was a division among the members of the committee as to whether or not this $95,000,000 should be added. A majority of the committee voted in favor of increasing the Arkansas River project from $55,000,000 to $150,000,000.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. I yield to the gentleman from Minnesota.

Mr. PITTENGER. This is just an authorization and is not an appropriation of any money?

Mr. PETERSON of Georgia. That is right.

Mr. PITTENGER. All of these items would have to come before the Appropriations Committee before construction would start?

Mr. PETERSON of Georgia. That is right.

Mr. PITTENGER. The big purpose in this is to give the War Department engineers a guide so they can plan their work?

Mr. PETERSON of Georgia. That is right.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. I yield to the gentleman from Mississippi.

Mr. RANKIN. In connection with what the gentleman from Minnesota has said, the Army Engineers need this authority in order that they may coordinate the development of this dam that is already provided for with the navigation program in the lower river.

Mr. PETERSON of Georgia. That is true. It is a question of compromise. The engineers have recommended a $435,000,000 project. The House committee saw fit to go along only on $55,000,000 The Senate committee and the Senate felt that that should be increased to $150,000,000, which, of course, is still far short of the $435,000,000 So it appears to me that the increase of $95,000,000 is after all only a compromise figure between what the engineers have recommended, what the House committee approved, and what the Senate feels as to the entire project.

Mr RICH. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman find it to be the case that practically every time a bill is brought in here for an authorization and it is sent over to the body at the other end of the Capitol they hike it up about thirty, forty, or fifty million dollars?

Mr. PETERSON of Georgia. As I stated, they approved every project the House put in the bill. After all, I feel that perchance the other body might have a right to have some leeway in projects that they felt should be authorized and which the House did not place in the bill. However, they did not place in the bill any project that was disapproved by the engineers or the House.

Mr. RICH. Does the gentleman feel that the other body ever gives any consideration to where they are going to get the money to do this work?

Mr. PETERSON of Georgia. That is a matter of the personal opinion of every Member.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. In connection with the added $95,000,000 that has been placed in the Arkansas Valley project, is it not a fact that the Army Engineers, who the gentleman says recommend an expenditure of $435,000,000 on the channelization project, do not know to this good day where they want to locate the channel on which this money will be spent?

Mr. PETERSON of Georgia. The report speaks for itself.

Mr MONRONEY. The report says they do not know yet.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Georgia. I yield to the gentleman from Arkansas.

Mr. NORRELL. Not only have they reached a conclusion as to where it is going but they have so reported to Congress. If this amendment is agreed to, it will provide for the stabilization of the banks of the Arkansas River below Little Rock. If the amendment is not agreed to, those banks are going to be stabilized, and I cannot see how any money will be saved by the defeat of this amendment.

Mr. PETERSON of Georgia. As I stated, this figure that is agreed on is a compromise of the entire proposition. After all, there are many other very vitally important projects in the rivers and harbors bill. As we all know, it is essential for us to give and take in all legislation if we ever expect to adopt anything of this nature.

Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, this conference report does not come back to the House by unanimous consent by any means. It comes here by the narrowest margin required to decide a case in the Supreme Court of the United States. When the river and harbor bill was before the House it contained something like $512,000,000 in projects. In those projects was one item of $55,000,000 to construct a dam in the Arkansas River Valley. The construction in no way would have had anything to do with or prevented the further improvement of the river. It was separate and distinct. It was a multiple purpose dam for flood control, the conservation of soil, the collection of silt, and so forth. That was agreed to in the Committee on Rivers and Harbors before the bill came to the House. When we came to the House with the bill, the House of Representatives sustained the position of the Committee on Rivers and Harbors in its judgment on that item. It went to another body. That other body saw fit to add another $95,000,000 to this bill for the canalization of the Arkansas River. That increases this bill by 20 percent or nearly so and, as has already been stated, it is not a question of $55,000,000—it is not a question of $95,000,000, but it is a question of $435,000,000, because when we allow another $95,000,000 for the canalization of the river, which has nothing to do primarily with the dam already approved, we are opening the door for $435,000,000 more work. It is generally known, and I so stated to the House on a previous occasion that we have on hand at the present time river and harbor projects totaling more than $500,000,000. If this bill passes and this conference report is adopted in its present form, we are adding another billion dollars because that is what it means—to be exact, $952,000,000. If we continue to appropriate money as we have in the past at the rate of $50,000,000 a year for river and harbor work, we not only have the billion dollars provided by this bill but the $500,000,000 on the shelf, which makes $1,500,000,000—or enough work at $50,000,000 a year for the next 30 years. You might just as well disband the Committee on Rivers and Harbors because there will be nothing for it to do in the next 30 years if that program is carried out. At the appropriate time I shall offer a motion to recommit. What am I asking the House to do? I am asking the House to vote to recommit this conference report to the managers on the part of the House and insist on its disagreement with the Senate on amendment No. 11 to strike out the $95,000,000. All I am asking the House to do is to sustain the judgment of the Committee on Rivers and Harbors as the House did on a previous occasion by a vote on this floor on this bill. If you do not do that, you are doing exactly what I have indicated—you are increasing this bill by 20 percent in its total and so far as money is concerned, actually you are increasing it $435,000,000; in other words, making it a $1,000,000,000 river and harbor authorization bill

Now, it is not enough to say that this is just an authorization bill. There is no Member of this House but who knows that an authorization is the foot in the door, the hand on the door knob; it is but the preliminary step for the appropriation of money, which means the further expenditure of money. I am quite in agreement with an official of a foreign government who came to Washington the other day and went home and said that the United States was on the road to speedy economic disaster. Undoubtedly, he must have caught something of the atmosphere of Washington and our willingness to spend money recklessly when it is neither necessary nor essential. There is a limit, in my judgment, to the credit of the United States. Already, 70 percent of all the bank accounts of this country are represented in Government paper. How far can we go in the United States before the day of reckoning comes? Here is a good place to put on the brakes.

I am asking the House to sustain this motion and send this conference report back to the managers on the part of the House with instructions as indicated.

The SPEAKER. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. PETERSON of Georgia. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Speaker, I do not like to disagree with one of the finest Members of this House, one of the men whom we all respect and in whose judgment we place a great deal of reliance. I very reluctantly must disagree, however, with my colleague the distinguished gentleman from Michigan [Mr. DONDERO] on this matter.

I hope his preferential motion is defeated and that this conference report is adopted.

I listened to his little phrase about the cost and about bank deposits of our Government. I am just as much concerned about those things as is the gentleman from Michigan, but we have got a lot of

crazy financing in this country when we are giving 30 hours' debate to the passage of the British loan, which some say will be passed regardless of this debate, and do not take into account our domestic economy. I am a member of the Committee on Rivers and Harbors. I attend the meetings. I know that these projects that are recommended by the War Department engineers are in the interest of whom? Not the British, not the Russians, but the American people. I do not live on the Arkansas River, but my horizon is broader than the little sectional horizon that prevails too often on the floor of this House I know that the people there need that improvement. I know the War Department engineers felt that way about it when they recommended it.

Now, this does not take any money. This is an authorization, an indication, and a yardstick for the War Department engineers.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. RANKIN. My distinguished friend the gentleman from Michigan [Mr. DONDERO], of whom we are all very fond, and he knows it, indicated a while ago, if he did not say it, that authorizing this $55,000,000 would virtually authorize $435,000,000

Mr PITTENGER Well, what of it?

Mr. RANKIN. It would not do that, any more than would the authorization of $55,000,000 which we have already voted on. It would not have anything to do with the balance of the amount mentioned in the Army Engineers' report.

Mr. PITTENGER. As I said a moment ago, this matter comes before the Appropriations Committee after these authorization bills are passed.

Mr. RICH Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. RICH. I want to congratulate the gentleman on trying to stop the British loan and any other loan to any other foreign country, and for doing the things that should be done in this country, but I want to tell you and every Member of this House that you have got to cut down on a lot of spending in this country. We should keep it until the time comes when we need to give men jobs. We do not need to do that today, because we have got more jobs in this country than we have got people to fill them.

Mr. PITTENGER. Mr. Speaker, in answer to my colleague I wish to say that I heartily applaud him for his idea of not wasting public funds; but let me state that the Committee on Rivers and Harbors of this House just does not bring bills in here for the purpose of wasting the funds of the taxpayer. These bills we bring in are to promote the welfare of the people, incidentally furnish them jobs, and it is not raking leaves from one side of the street to the other, but they are bills that promote the transportation efficiency of this country. They save every consumer in freight rates. This Arkansas Valley project is one of this kind. For every dollar spent over a long-range period of time you get back ten. That is not wasting money.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. PETERSON of Georgia. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to my distinguished friend the gentleman from Pennsylvania [Mr. RICH] that this is not UNRRA, this is INRRA. This is to improve navigation facilities for the American people and to give employment to American workers.

Mr. PITTENGER I thank the gentleman for pointing out the distinction. That is what I was trying to say, but I did not get it over quite well enough.

Mr RANKIN. And this statement of the gentleman who said we were wrecking the Government, he must have had in mind some of these foreign loans they are asking for. Practically every State in the Union is involved in the provisions of this bill; nearly every State has a river or harbor project. So I hope you are not going to send it back to conference and let it be killed

Mr. PITTENGER. Nobody need be worried, nobody need be afraid to adopt this conference report; you are not going to wreck the American economy, you are going to help it

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. HAYS. I wish to ask the gentleman if it is not a fact that the only opposition that was voiced in the committee during its long and exhaustive hearings was the usual railroad opposition?

Mr. PITTENGER. The hearings speak for themselves. I think that is true.

Mr. HAYS. And further that this is a great undeveloped area in the region south of St. Louis.

Mr. PITTENGER. It is a great undeveloped region that needs this development. I was happy to vote for it and I will defend my vote anywhere.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. DONDERO. I rise merely to correct what the gentleman from Mississippi said. This does not destroy or touch any project in this bill, if you vote to recommit this conference report to the managers on the part of the House. Only amendment No. 11 is involved; no other.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. RANKIN. But if this bill were to go back to conference and get stymied behind a filibuster at the other end of the Capitol the whole bill might go dead, and every State in the Union would suffer as a result.

Mr. PITTENGER. I want to say, Mr. Speaker, that I am talking now as a matter of principle in connection with doing things that are for the best interests of this country. The Committee on Rivers and Harbors of this House is your agent. You ought to stand by that committee. After it listens to the testimony of witnesses, to the War Department engineers, to the opposition to these projects, then they come down here and give you the facts, give you a bill on which to vote. I want to say that we have some of the very finest Members of this House on that committee. Some have spoken here this afternoon, the distinguished acting chairman, the gentleman from Georgia [Mr. PETERSON], and others. They are just as much interested as is my distinguished colleague from Pennsylvania [Mr. RICH] in doing the right thing for the American people. Stand by your committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr RICH. Does not the gentleman believe there are some things even in the Rivers and Harbors Committee bill as it now stands that we could eliminate for the time being until we get this country on its feet?

Mr. PITTENGER. No; because you do not spend a dollar of money here.

Mr. PETERSON of Georgia. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. DONDERO. Mr. Speaker, I offer a privileged motion.

The Clerk read as follows:

Mr DONDERO moves to recommit the conference report to the committee on conference with instructions to the managers on the part of the House to insist on its disagreement to the amendment of the Senate numbered 11.

The SPEAKER. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and the Chair being in doubt, the House divided; and there were—ayes 107, noes 67.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and five Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 159, nays 123, not voting 150, as follows:

[Roll No. 205]

YEAS—159

Andersen, H. Carl	Byrnes, Wis.	Cooley
Andresen, August H	Campbell	Corbett
Arends	Canfield	Cunningham
Arnold	Cannon, Mo	Curtis
Auchincloss	Carlson	D'Ewart
Barrett, Wyo.	Case, N. J.	Dirksen
Bates, Mass.	Chenoweth	Dolliver
Bennett, Mo.	Chiperfield	Dondero
Blackney	Church	Doughton, N. C.
Bolton	Clason	Douglas, Ill.
Brown, Ohio	Clevenger	Durham
Buck	Clippinger	Dworshak
Buffett	Cole, Kans.	Eaton
	Cole, Mo	Elliott
	Cole, N. Y.	Elston

Fellows	Jonkman	Rodgers, Pa.
Fenton	Judd	Rogers, Mass.
Forand	Keefe	Sasscer
Fulton	Kilburn	Schwabe, Mo.
Gary	Kinzer	Scrivner
Gavin	Knutson	Sharp
Geelan	Kopplemann	Sheppard
Gifford	Kunkel	Short
Gillette	Landis	Simpson, Ill.
Gillie	LeFevre	Simpson, Pa.
Goodwin	Lewis	Smith, Maine
Graham	Luce	Smith, Ohio
Grant, Ind.	Lynch	Smith, Va.
Griffiths	McConnell	Smith, Wis.
Gross	McGregor	Springer
Gwynne, Iowa	McMillen, Ill.	Stefan
Hale	Martin, Iowa	Stevenson
Hall, Leonard W.	Martin, Mass.	Sundstrom
Hand	Mason	Taber
Harness, Ind.	Mathews	Talbot
Harley	Merrow	Talle
Henry	Michener	Thom
Herter	Miller, Nebr.	Thomas, N. J.
Heselton	Monroney	Thomas, Tex.
Hess	Murray, Wis.	Tibbott
Hill	O'Brien, Ill.	Towe
Hinshaw	O'Hara	Vorys, Ohio
Hoeven	O'Konski	Vursell
Hoffman, Pa.	O'Neal	Wadsworth
Holmes, Mass.	Pickett	Walter
Hope	Ramey	Wasielewski
Howell	Reed, Ill.	Welchel
Huber	Reed, N. Y.	Wigglesworth
Jenkins	Rees, Kans.	Wilson
Jensen	Rich	Winter
Johnson, Ill.	Rizley	Wolcott
Johnson, Ind.	Robertson, Va.	Wolverton, N. J.
Jones	Robsion, Ky.	Woodhouse
	Rockwell	Woodruff

NAYS—123

Abernethy	Hare	O'Brien, Mich.
Allen, La	Havenner	Outland
Andrews, Ala	Hays	Pace
Angell	Healy	Patman
Bailey	Hedrick	Patterson
Bishop	Hobbs	Peterson, Fla
Bland	Hoch	Peterson, Ga.
Bloom	Holmes, Wash.	Pittenger
Bonner	Hook	Pratt
Brooks	Hull	Price, Fla.
Brown, Ga.	Jackson	Price, Ill.
Bryson	Jarman	Priest
Bunker	Johnson, Calif.	Rains
Carnahan	Johnson, Luther A.	Rankin
Chelf	Johnson, Okla.	Rasa
Clark	Kelley, Pa.	Riley
Combs	Kelly, Ill.	Robertson, N Dak
Cooper	Kerr	Rogers, Fla.
Courtney	King	Rooney
Crosser	Kirwan	Rowan
D'Alesandro	LaFollette	Ryter
Doyle	Larcade	Sabath
Drewry	Lea	Sadowski
Elliott	Lemke	Savage
Ellsworth	Link	Schwabe, Okla.
Eisaesser	Lyle	Sikes
Engle, Calif.	McCormack	Spence
Fallon	McDonough	Starkey
Feighan	McKenzie	Stigler
Fernandez	McMillan, S C	Stockman
Fisher	Madden	Sullivan
Flannagan	Maloney	Thomason
Flood	Manasco	Traynor
Folger	May	Trimble
Gathings	Mills	Voorhis, Calif.
Gearhart	Morgan	Weaver
Gordon	Murdock	White
Gore	Murray, Tenn.	Whitten
Gorski	Neely	Whittington
Green	Norblad	Zimmerman
Gregory	Norrell	

NOT VOTING—150

Adams	Bradley, Pa.	Curley
Allen, Ill.	Brehm	Daughton, Va.
Almond	Brumbaugh	Davis
Anderson, Calif.	Buchanan	Dawson
Andrews, N Y	Buckley	De Lacy
Baldwin, Md.	Bulwinkle	De Laney, James J.
Baldwin, N Y.	Butler	
Barden	Byrne, N. Y.	Delaney, John J.
Barrett, Pa.	Camp	
Barry	Cannon, Fla.	Dingell
Bates, Ky.	Case, S Dak.	Domengeaux
Beall	Celler	Douglas, Calif.
Beckworth	Chapman	Earthman
Bell	Clements	Eberharter
Bender	Cochran	Engel, Mich.
Bennet, N. Y.	Coffee	Ervin
Biemiller	Colmer	Fogarty
Boren	Cox	Fuller
Boykin	Cravens	Gallagher
Bradley, Mich.	Crawford	Gamble
Gerlach	Klein	Rabin
Gibson	Lane	Randolph
Gillespie	Lanham	Rayfiel
Gossett	Latham	Reece, Tenn.
Granahan	LeCompte	Richards
Granger	Lesinski	Rivers
Grant, Ala.	Ludlow	Robinson, Utah
Gwinn, N. Y.	McCowen	Roe, Md.
Hagen	McGehee	Roe, N. Y.
Hall, Edwin Arthur	McGlinchey	Rogers, N. Y.
Halleck	Mahon	Russell
Hancock	Mankin	Shafer
Harless, Ariz.	Mansfield, Mont.	Sheridan
Harris	Mansfield, Tex.	Slaughter
Hart	Marcantonio	Somers, N. Y.
Hébert	Miller, Calif.	Sparkman
Heffernan	Morrison	Stewart
Hendricks	Mundt	Sumner, Ill.
Hoffman, Mich	Murphy	Sumners, Tex.
Holifield	Norton	Tarver
Horan	O'Toole	Taylor
Izac	Patrick	Torrens
Jennings	Pfeifer	Vinson
Johnson, Lyndon B.	Philbin	Welch
	Phillips	West
Kean	Ploeser	Wickersham
Kearney	Plumley	Winstead
Kee	Poage	Wolfenden, Pa.
Kefauver	Powell	Wood
Keogh	Quinn, N. Y.	Worley
Kilday	Rabaut	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr Adams for, with Mr Boykin against.

Additional general pairs:

Mr. Spaikman with Mr Crawford.

Mr Dingell with Mr. Butler.

Mr. Rayfiel with Mr Andrews of New York.

Mr James J Delaney with Mr. Baldwin of New York.

Mr. Barrett of Pennsylvania with Mr. Hoffman of Michigan.

Mr Byrne of New York with Mr. Phillips.

Mr. JACKSON, Mr. KELLEY of Pennsylvania, and Mr. FISHER changed their votes from "aye" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

COMMITTEE ON MERCHANT MARINE AND FISHERIES—PERMISSION TO SIT DURING SESSIONS OF THE HOUSE

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit for the remainder of the week during general debate in sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

COAST GUARD APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. O'NEAL. Mr. Speaker, I call up the conference report on the bill (H. R. 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows. In lieu of the sum proposed insert "$74,010,000"; and the Senate agree to the same

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESANDRO, JR.,
HERMAN P KOPPLEMANN,
JOHN TABER,
FRANK B. KEEFE,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
THEODORE FRANCIS GREEN,
CLYDE M. REED,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 6428) making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely

Amendment No 1 Appropriates $74,010,000 for pay and allowances, Coast Guard, instead of $72,000,000 as proposed by the House and $76,020,000 as proposed by the Senate. Of the increase, $2,010,000, above the amount proposed by the House, $1,000,000 is to be used for adequate manning of life-guard stations, including stations on the Great Lakes

Amendment No. 2: Includes "ordnance stores" with "ordnance and aircraft" which the Coast Guard may procure from the Army and Navy without payment therefor.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESANDRO, JR.,
HERMAN P KOPPLEMANN,
JOHN TABER,
FRANK B. KEEFE,
Managers on the Part of the House

Mr. O'NEAL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a conference report on the Coast Guard appropriation bill. There will also be a conference report following on the Treasury-Post Office appropriation bill.

The chairman of these two subcommittees is our beloved colleague the gentleman from Indiana [Mr. LUDLOW]. I know all of you join with me in regretting that he cannot be on the floor at this time and in hoping that Mr. LUDLOW will soon have recovered sufficiently to be back in the House attending to his duties. The gentleman from Indiana [Mr. LUDLOW] has been a most faithful Member of this House, and as chairman of this committee he has worked very arduously and intelligently. It is my duty as the ranking Member on the majority side to take over the handling of this bill. I regret very deeply that the gentleman from Indiana [Mr. LUDLOW] is not present and all of us wish him a very rapid recovery.

Mr. Speaker, this Coast Guard appropriation bill has little or no controversy in it. The Senate increased the amount

by about $4,000,000 and in conference the House increased its figure by $2,000,000 or one-half the amount of the increase of the Senate.

So far as I know, there is no difference of opinion among the House conferees. It is the unanimous report of the conference committee and it is my intention to move the previous question unless the gentleman from New York or some other member of the committee desires to be heard.

Mr. TABER. Mr. Speaker, this is a complete report on the part of the conferees. It is a complete agreement. The only thing we can do is to agree to the conference report.

Mr. O'NEAL Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1947

Mr. O'NEAL. Mr. Speaker, I call up the conference report on the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the full report

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows.

That the Senate recede from its amendments numbered 32 and 33

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 35, and 36, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$432,000"; and the Senate agree to the same

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$89,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$177,050"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$196,200"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$65,800,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$324,900", and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$952,300"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$762,000", and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,161,750", and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows In lieu of the sum proposed insert "$644,900", and the Senate agree to the same.

Amendment numbered 29. That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows In lieu of the sum proposed insert "$158,750"; and the Senate agree to the same

Amendment numbered 30 That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows In lieu of the sum proposed insert "$380,500"; and the Senate agree to the same

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$522,000", and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows In lieu of the sum proposed insert "$6,192,000", and the Senate agree to the same

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$37,110,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,723,750", and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 39, and 40.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESANDRO, Jr.,
HERMAN P. KOPPLEMANN,
JOHN TABER,
FRANK B. KEEFE,
G. CANFIELD,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
THEODORE FRANCIS GREEN,
WALLACE H. WHITE, Jr.,
CHAN GURNEY,
CLYDE M. REED,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

Amendment No. 1: Appropriates $432,000 for salaries, Office of the Secretary, instead of $422,000 as proposed by the House and $442,000 as proposed by the Senate.

Amendment No 2: Appropriates $89,000 for salaries, Office of Tax Legislative Counsel, instead of $87,500 as proposed by the House and $90,500 as proposed by the Senate.

Amendment No. 3: Appropriates $177,050 for salaries, Office of General Counsel, instead of $175,000 as proposed by the House and $179,100 as proposed by the Senate

Amendment No. 4 Appropriates $196,200 for salaries, Division of Personnel, instead of $190,000 as proposed by the House and $206,900 as proposed by the Senate

Amendment No. 5: Appropriates $6,275,000 for salaries and expenses, Division of Disbursement, as proposed by the Senate instead of $7,100,000 as proposed by the House, and strikes out language proposed by the House to make $1,000,000 of the said appropriation available immediately.

Amendment No 6 Appropriates $65,300,000 for Bureau of the Public Debt, instead of $64,700,000 as proposed by the House and $65,600,000 as proposed by the Senate

Amendments Nos. 8 to 23, inclusive: Increase the prices to be paid by the Government for typewriters by 10 percent as proposed by the Senate.

POST OFFICE DEPARTMENT

Amendment No. 24 Appropriates $324,900 for salaries, Office of the Postmaster General, instead of $319,900 as proposed by the House and $329,900 as proposed by the Senate.

Amendment No. 25. Appropriates $952,300 for the Office of the First Assistant Postmaster General, instead of $940,000 as proposed by the House and $964,600 as proposed by the Senate.

Amendment No 26. Appropriates $762,000 for the Office of the Second Assistant Postmaster General, instead of $750,000 as proposed by the House and $774,000 as proposed by the Senate.

Amendment No 27: Appropriates $1,161,750 for the Office of the Third Assistant Postmaster General, instead of $1,148,000 as proposed by the House and $1,175,500 as proposed by the Senate.

Amendment No. 28: Appropriates $644,900 for the Office of the Fourth Assistant Postmaster General, instead of $630,000 as proposed by the House and $659,800 as proposed by the Senate

Amendment No. 29: Appropriates $158,750 for the Office of the Solicitor for the Post Office Department, instead of $147,500 as proposed by the House and $170,000 as proposed by the Senate.

Amendment No. 30: Appropriates $380,500 for the Office of the Chief Inspector, instead of $368,000 as proposed by the House and $393,000 as proposed by the Senate.

Amendment No 31: Appropriates $522,000 for the Bureau of Accounts, instead of $500,000 as proposed by the House and $544,000 as proposed by the Senate.

Amendment No. 32: Appropriates $1,073,500 for clerks, Office of Chief Inspector, as proposed by the House instead of $1,100,000 as proposed by the Senate

Amendment No. 33. Appropriates $11,440,000 for compensation to assistant postmasters, Office of the First Assistant Postmaster

General, as proposed by the House instead of $11,725,500 as proposed by the Senate.

Amendment No. 34: Appropriates $6,192,000 for post office stationery, equipment, and supplies, Office of the Fourth Assistant Postmaster General, instead of $6,000,000 as proposed by the House and $6,384,000 as proposed by the Senate.

Amendment No 35: Appropriates $12,825,000 for rent, light, power, fuel, and water, Office of the Fourth Assistant Postmaster General, as proposed by the Senate instead of $12,525,000 as proposed by the House.

Amendment No. 36: Appropriates $33,381,000 for vehicle service, Office of the Fourth Assistant Postmaster General, as proposed by the Senate instead of $33,650,000 as proposed by the House.

Amendment No 37: Appropriates $37,110,000 for operating force, public buildings, instead of $37,000,000 as proposed by the House and $37,310,000 as proposed by the Senate.

Amendment No 38: Appropriates $6,723,750 for operating supplies, public buildings, instead of $6,650,000 as proposed by the House and $6,797,500 as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

Amendment No 7: Authorizes the sale of Treasury-owned silver, amends the Silver Purchase Act, repeals the transactions tax on sales of silver bullion, and prohibits the establishment of price ceilings on silver and silver products.

Amendment No 39: Requires quarterly reports to the Senate and House Committees on Appropriations of overtime utilized by the Post Office Department. Managers on the part of the House have authorized a motion to concur in the said amendment.

Amendment No. 40: Amends provision prohibiting employment of persons who advocate overthrow of the Government or are members of organizations which advocate overthrow of Government to prohibit also employment of persons who engage in strikes against the Government or are members of organizations which assert the right to strike against the Government. The managers on the part of the House have authorized a motion to concur in the said amendment.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESANDRO, JR.,
HERMAN P KOPPLEMANN,
JOHN TABER,
FRANK B KEEFE,
G CANFIELD,
Managers on the Part of the House.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, it is a matter of regret that our colleague from Indiana [Mr. LUDLOW] who has so ably piloted this bill through all stages of its consideration up to this time, is temporarily confined to the hospital and cannot be here to call up the conference report on final passage. I am glad to say he is rapidly recuperating and will soon be out again as good as new.

In the meantime we turn, as we always do in time of emergencies, to the distinguished gentleman from Kentucky [Mr. O'NEAL] to take over the management of the bill, and the Coast Guard bill which has just been disposed of, and push them through to final enactment.

The Treasury and Post Office appropriation bill is, as has often been said, the premier supply bill of the session. It carriers appropriations of exceptional importance and too frequently involves problems of far-reaching effect. And the present bill is, in that respect, no exception to the rule. Mr. O'NEAL reports to the House in addition to the conference report, amendments still in disagreement involving some of the most difficult problems which have gone to conference this session of Congress.

I want to take advantage of the opportunity to express approval of the admirable way in which he has handled this situation, and the many other troublesome situations which have arisen in disposition of the appropriation bills for the fiscal year 1947. Mr. O'NEAL's work in this Congress has been indispensable. It has been a trying year. And his calm, judicial temperment, his understanding of the law, and especially his comprehensive knowledge of the fiscal affairs of the United States Government make him one of the most useful members who has ever served on the committee. He is the pinch-hitter, the trouble-shooter of the committee. We always call on him when we strike a snag, or when critical difficulties develop unexpectedly, and he is always equal to the occasion—as he is today.

During the course of the war the Committee on Appropriations has dealt with astronomical sums. In no major war effort has there been lack of ample funds for all legitimate operations. Every dollar essential to the winning of the war has been provided. In that vast program Mr. O'NEAL has had a very large part. And with the close of the war, he has instituted economies and salvaged amounts which will be reflected in the decreased demands upon the taxpayers of the country for many years to come. Throughout the war, and in the months of reconversion which have followed, as well as in this bill, he has rendered invaluable service to the committee, to the Congress, and to the country.

Mr. O'NEAL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I would like to thank the gentleman from Missouri for his very kind but undeserved remarks My purpose in taking the floor at this time is to explain to the House the present situation. In the conference report which we have before us there are many amendments, none of them controversial. Ordinarily, the chairman of the committee would move the previous question and dispose of the conference report and then proceed to discuss the amendments in disagreement. However, there is one amendment in the bill which will be brought up which is so full of interest to many Members of the House that it seems desirable to yield time on the conference report so that some may have opportunity to discuss the amendment which will follow.

My purpose in taking the floor is to explain to the House that time will be yielded on the conference report, and the Members will be given time to speak on the amendment which will follow. The only reason for doing that is to have more time for the discussion of the amendment which follows.

I now yield 10 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, I have just had occasion to cash two checks at the window of the Sergeant at Arms in payment of my services here as a Member of Congress. The first check I cashed was for $20, and I received for that check, in payment of my services, a $20 bill. It is a Federal Reserve note. It is new. It has never been in anybody's hand before. It was paid out by the Treasury of the United States. It is a Federal Reserve note from the Bank of Richmond. To get that note in circulation and printed and pay me, it was necessary for the Government to deposit bonds in the Federal Reserve Bank of Richmond in the amount of $20, and we will be paying interest on that $20 bond equivalent to this bank note until the bank note is retired.

I cashed another $20 check at the same time a few minutes ago, and received money in payment of my services, and for that check I got the kind of money that the Sergeant at Arms is paying out, a 5, a 10, and five 1-dollar bills. Each one of these is a brand new silver certificate. They are redeemable in silver dollars. But the difference between this money that is paid to you in the form of silver certificates, redeemable in silver dollars, and this $20 Federal Reserve note, is a saving to the Government of just $10 on the silver certificates, because we know, as former Secretary Morgenthau testified, and as the records of the Treasury show, that the silver in the Treasury against which the silver certificates were issued cost the Treasury on the average 50 cents per ounce, in other words, the Treasury in paying me the silver certificates made $10 on the transaction. On the Federal Reserve note transaction the Government is going to pay interest to the issuing bank until that note is retired. Everybody that receives silver certificates accepts the silver at $1 29 an ounce, whereas if you are paid by the other kind of money, the Federal Reserve note, you are paid money that costs the Government 100 cents on the dollar.

The Government makes a profit in paying Members of Congress and all the Government employees in silver certificates 58 cents. I should like the Members to know that.

In order to ascertain the present price of silver in other countries I took occasion to call up the British Empire unit of the Department of Commerce to find out the present prices of silver in other parts of the world. I hold here a statement based on that information which states that silver at Bombay is now worth $1.41 an ounce in our money, calculated on 176 rupees per 100 tolas. In Alexandria, Egypt, the price of silver was given as 810 piastres per kilo, which equals $1.036 per ounce in United States currency. From the same authority we find that gold in Bombay was worth $84.60 per ounce, in Alexandria $73 93, and Shanghai, China, $180,002 per troy ounce.

We are called upon today, if we vote to sustain the position of the House to sell silver at 71.11, to lose 58 cents on every ounce of silver that we have accumulated in the monetary reserves of the Treasury.

Under the provisions of the domestic Silver Purchase Act we have been acquiring silver, and the Secretary of the Treasury has only gone along with the mandatory provisions of the law and issued silver certificates up to the cost of

the silver. As he bought the silver at a profit, the profit has been laid aside. In May 1946 we had accumulated an excess of over 1,300,000,000 ounces of silver, which would have a monetary value if turned into money as the other silver was turned into money of over $2,000,000,000. At that time the Treasury had an unused silver reserve in the vaults of the Treasury silver equivalent to $2,000,000,000. That was money metal. This monetary reserve of 1,350,000,000 ounces of money metal has been frittered away until we now have in the Treasury, as shown by the Treasury statement of July 2, 1946, an unused silver reserve of 219,088,915 ounces, which has a monetary value of around $300,000,000. It is proposed that we reduce that monetary reserve by selling silver at less than its monetary value, or at a price of 58 cents less per ounce than the monetary value at which you accept silver certificates in your payment. It is proposed that you sell silver to the profiteers, that you open the doors of the Treasury to speculators who will buy this silver up and sell it in other parts of the world where they will pay the monetary price for it.

I want to call your attention to what has happened to the franc of France. Do you know that the franc for hundreds of years has been one of the stable monetary units of France? It was coined of silver and backed by gold. By using paper in place of coinage, the franc is today quoted at eight-tenths of a cent or 119 francs to 1 United States dollar. I hope the House in voting on this bill today will not reduce our monetary reserves and start the system that has reduced the franc to its abject position throughout the world.

Now, as to what the jewelers are doing with this silver, I would like to show you by information that I obtained here in Washington just what the jewelers are doing with this silver and the profit they make when they manufacture it into jewelry. The only silver that is under the ceiling price of the OPA is the so-called flatware—spoons, forks, knives, and tableware. There are three kinds of silver manufactured by jewelers. The first is flatwar; the next is hollowware; and the third is jewelry. I went to one of your most reputable houses here in Washington, Harris Bros., an old reliable house, who have the best reputation for the quality of their silverware, and purchased a number of articles of silver there. I also went to Woodward & Lothrop's big department store to find out just what the price of silver is and what they are doing with it when it is manufactured into so-called sterling. I bought only genuine sterling silver. I also called on the Bureau of Standards to bring in their scales and determine the actual weight of these sterling silver articles.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. O'NEAL. Mr. Speaker, I yield five additional minutes to the gentleman.

Mr. WHITE. I went to Woodward & Lothrop's and purchased a sterling silver spoon. It is of very plain design. The price was $2.63; the tax was 44 cents; and the net price was $2.19. The spoon weighed 0.84 of a troy ounce. That is a little over three-quarters of a troy ounce. In other words, they take 50 cents worth of silver and turn it into $2.63. Claim is made that the art is what they put into the silver. That raises the price. I then went to Murphy's 5-and-10-cent store. I went down to the silverware counter and bought a companion spoon to the sterling spoon which had more art work on it and has the name stamped on it, all for 15 cents. So the manufacturer cannot say it is the cost of manufacturing or the art which goes to make up the difference between 15 cents and $2 63 in that spoon. If you talk about profiteering, if they can get the silver that is in that spoon for 50 cents and with a simple stamp turn 65 cents worth of silver into a $2.65 spoon with no more work than they do in making the 5-and-10-cent stuff, then I think they are profiteering.

I had occasion to go to Harris & Co. and buy a small ornament, a little piece of jewelry. This jewelry is a simple little stamped-out arrangement of a pin. The price of that article was $25. I have a receipt. I had them leave the price tag on it. The price was $20.84 for the silver; tax, $4.16; total cost, $25. It weighed 0 77 of an ounce. In other words, it weighed three-quarters of an ounce for $25, gentlemen. Those are the silver prices we are dealing with today.

That shows something of the nature of the raid that the jewelers want to make on the silver monetary stock of the Treasury of the United States.

I bought a little cigarette holder, a light little thing. It is stamped "Sterling." That cigarette holder is priced at $8.40. The tax is $1.40, and it cost me $8 40. It weighed 1.57 ounces, a little over an ounce and a half. At 71 cents per ounce, that is a little over a dollar, that would be turned into $8 40.

If you want to verify what I am telling you, go down to Harris & Co. or go down to Woodward & Lothrop's and price sterling silverware in these stores. Remember, this is before the OPA went out of existence. There never has been an OPA ceiling on hollow ware or silver jewelery.

I took occasion to purchase another article, to find out what these manufacturers are doing with silver. Here is a compote, a little light affair. The price was $18. The jeweler's price was $15. The tax was $3. It weighs 5.28 ounces. The cost of the silver in this tray was $3.48. At $1.29 the cost would be $3.68 for the pure silver. The profit is the difference between $18 and $3.48, almost $15 profit on one little article.

Now, if that is what we must sell our silver for, 71.11, when it is worth a dollar and $1.72 in India, Alexandria, and all parts of the world, remember you are taking silver at $1.29 every time you accept a $1 bill or a $5 bill or a $10 bill in the form of silver certificates and you are giving $1.29 for silver. Why should we let the jewelers have it at 71.11 per ounce?

The SPEAKER. The time of the gentleman from Idaho has expired.

Mr. O'NEAL. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, by one of those strange accidents of time and vagaries of the calendar, today, July 9, 1946, is the fiftieth anniversary of the day that William Jennings Bryan stood before the national convention in 1896. It was on that occasion, 50 years ago today, that he made that ringing, thunderous speech that ended with that great peroration that every youngster in school committed to memory long ago.

You will remember it so well:

> You shall not press upon the brow of labor this crown of thorns.
>
> You shall not crucify mankind upon a cross of gold.

That was the great silver crusader speaking 50 years ago today, making the speech which won him the nomination.

In the intervening years the silver issue has gone down, only to be revived back in 1934 by what I regard as one of the most fallacious exercises of judgment that Congress ever committed in its whole career, when it undertook to mandate the Treasury Department to buy silver until it should be in the ratio of 3 to 1 in our monetary system; not a permissive act, but a mandatory act, and against the judgment of the Secretary of the Treasury. But that act is still upon the books and under it we have purchased nearly 2,500,000,000 ounces of silver, much of it being a great sterile, useless hoard that is buried in the ground at West Point and up in New York, even as sterile gold is buried in the ground in Kentucky at the present time.

Now comes a proposition to show a revival of the great issue raised by Bryan in 1896, in the form of one of the most astonishing things I have ever seen in all the history of my service in Congress. Another body has used an appropriation bill as the instrumentality for giving to us an almost entirely new monetary policy. Think of it! My friend from Idaho who just preceded me has had very little to say about the bill. What is in the bill is roughly this: A change in the seigniorage ratio from what it used to be, a removal of all ceilings on the silver that we retain to allow modification of the appropriate provisions of the act of 1934, the increase in the price of silver to 90.3 cents per ounce until June 30, 1948, and $1.29 an ounce from June 30, 1948, and thereafter. That word "thereafter" is the important word in the Senate language: $1.29 an ounce from June 30, 1948, and thereafter. So here through the guise of an appropriation bill they are handing to this body a complete reversal of our monetary policy that would be permanent at a time when there is no free market in silver and no free flow of silver as the result of the restrictions that stemmed from the war.

Let me point out some objections to the language that is in this bill. Let me reaffirm first of all what the gentleman from Kentucky [Mr. O'NEAL] said, that there is no objection to the conference report; it should be approved and then the amendment in disagreement should be rolled back by a great and thunderous vote to let all the world know that this

House is not going to let an appropriation bill become the vehicle for a new monetary policy.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Briefly.

Mr. STEFAN. I wanted to ask the gentleman whether or not this formula of Bryan's was not 16 to 1?

Mr. DIRKSEN. It was 16 to 1, definitely so.

Let us look at bimetallism. The statutory price of gold is $20 67 an ounce. We buy gold for $35 an ounce, but that is not the statutory price. That was fixed by Executive order. One-sixteenth of $20.67 is $1.29. That is where they get the value of $1.29 as a permanent value for silver. But let me refresh you and admonish you of the fact that gold is being purchased at $35 an ounce. One-sixteenth of $35 is $2 19.

This may be but the first step in a new silver policy that will ultimately take it from $1 29 to $2.19 an ounce and completely disorganize the silver ratios everywhere in the world. What a piece of stupidity that is. And we ought to make it manifest in the way we vote on this bill that we will not go along with that sort of business.

Secondly, are we now in the guise of an appropriation bill going to establish a permanent monetary policy that involves billions of ounces of silver, which involves the fine integration and balance that develops between the monetary systems of one country and another? If so, then we should approve the Senate language; but if we have some regard for the stability of our own system, then we ought to roll it back with a deep conviction that will make it known to another body that an appropriation bill shall not become the vehicle for this kind of overall policy.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr DIRKSEN. Not at this point; I am sorry. Now a word about the commercial aspect of this matter. The industrial users of silver, the producers of precision devices in which silver is employed, the silver artisans who manufacture clocks, jewelry, spoons, and silverware, are asking to keep the price in the 71-cent price range so that silver will be available and they can meet competition. Is it not an amazing thing that down in Guadalajara in Mexico the artisan can there buy his silver at the world-market price of 35 cents an ounce, but our own artisans in New York, Rhode Island, Massachusetts, and elsewhere will now be compelled to pay 90 cents under this bill and after June 30, 1948, will be compelled to pay $1.29 an ounce? Are we going to put that kind of competitive restriction upon the people with those fine, agile, and precise hands who work out these delicate objects of beauty and ornaments? Are you going to make it so difficult for them in a competitive market? And that is involved in this bill today. So this Senate amendment ought to be rolled back.

You will doubtless hear that this is meant in the interest of the men who with hard and horny hands go deep into the bowels of the earth and bring up the ores out of which we get lead, zinc, and then silver mainly as a byproduct. How often it has been said that this proposal to increase the price of silver is for the benefit of the men in the mines. But is it for them? Well, let us take a little look and see who is going to get the profit.

If this proposal were to go through and you make due allowance for seignorage and brassage, it would mean, insofar as I can ascertain, an increase of 50 cents in the profit on an ounce of silver. Who is going to get that profit? That horny-handed son of toil who labors down in the dungeons of darkness to bring up the ore? I doubt it. In fact, I am reasonably sure that he will not be the beneficiary.

In 1939, which was the last normal base year, there were produced in this country 57,800,000 ounces of silver—fix that in your mind—a little less than 58,000,000 ounces. There were eight companies in the United States that produced half of that silver—eight companies that produced over 28,000,000 ounces—the American Metal Co., Anaconda, Bunker Hill & Sullivan, Federal Mining & Smelting, Kennicott, Phelps-Dodge, Sunshine, and Tintic Standard—eight companies that produced 28,000,000 ounces of silver in the last prewar normal year of 1939. If the language inserted in this bill by the Senate was approved, it would mean a 50-cents-per-ounce profit for those eight companies. That would mean in the case of the largest Company—the Sunshine—$4,700,000 profit. For the men who go down into the bowels of the earth? Certainly not, but for those who have an interest in the company or who have an interest in silver production. Now, certainly, I shall not set myself up in the position of one who is an antagonist to those who own stock in silver mines, but I do believe we must not disrupt the whole monetary system of the country to satisfy a few people and pour 50 cents an ounce, or $14,000,000, into the hands of these eight companies, in the guise of giving it to the workingmen, allowing a better living standard to the men who bring out the ore

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. O'NEAL. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. DIRKSEN. Mr. Speaker, that canard has gone around long enough and it ought to be squelched now—that it is for those impoverished, hard-working people out there. They get so little of it. I think the man who spoke with greatest honor upon that subject—a man who was a mining engineer himself, a man who graced this House years ago, a man of character who rendered a great public service—our beloved Jim Scrugham, who went from this body to the United States Senate and then finally answered the great and eternal roll call. Jim Scrugham used to say in committee on occasions, "The myth has been developed that you have got to keep this price up because some of it is going to drip down to these humble people who go into the bowels of the earth." He said, "It is a myth that started and has been propagandized and kept alive, not by those humble people but by those who have a speculative interest in keeping the price of silver as high as possible." Moreover, the silver people have done a good job. Now, I, for one, do not begrudge them a reasonable price for silver, but what is proposed here is to establish a legislative price for silver which would be generally harmful to the welfare of the Nation as a whole.

So our responsibility today is to say to the Senate, "No; we stand by the original House position fixing the price of silver for the arts at not less than 71 cents per ounce so that these people too can operate in the markets and commerce of the world and can meet competition." The language which the House inserted in the bill originally reposes a measure of control in the Treasury and properly so, and is indeed reasonable. It is not odd that at a time like this when the word "inflation" is being bandied on lips everywhere that there should come a proposition by legislation to double the price of silver and to put money in the coffers of eight great companies and some small ones, adding by fiat legislation so much momentum to increase the inflationary force in the country? What an amazing, what an astonishing proposal it really is.

So, Mr Speaker, we can exercise our responsibility today on this, the fiftieth anniversary of the day when the great commoner stood before a national convention in 1896 and there crusaded with might and main for bimetallism and the free and unlimited coinage of silver at a ratio of 16 to 1. We can properly commemorate this great speech and not press this crown of thorns upon the brow of labor, but roll it back with all its objectionable features that will thoroughly disorganize the delicate precision of our monetary system. Let them not use an appropriation bill as a vehicle for such a broad policy. I have taken liberties with appropriation bills myself on many occasions, but I never had the temerity to stand in the well of this House and ask you to approve something in an appropriation bill of such broad consequence as to change our whole monetary policy.

Mr. McCORMACK Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts

Mr. McCORMACK. The gentleman has very ably argued the case in opposition, but there is one other aspect that I would like to ask the gentleman to make an observation about, because it is a part of the whole picture, and that is the repeal of the Silver Speculation Act. Certainly, if that ever came about it would be a bonanza for some people.

Mr. DIRKSEN. The fact is that if this sort of proposition were approved, then the next step would be to come before this body and carefully go through all these statutes that relate to silver—and oh, how many there are in this compilation—and gradually eliminate every restriction and then, of course, move into the whole field of speculation. We gave the Secretary of the Treasury the authority to license and to control the import and export and transportation of silver. But the gentlemen who prepared the language of this bill that has come over to us, and must go to conference

again, were so careful to find every little item in the law and they did not miss that one either. So, among other things they are proposing here is a repeal of a restriction under which some measure of control was given to the Secretary of the Treasury so that he can no longer license and control transportation, exchange, imports, and exports.

I say to you frankly that this is one of the most astonishing things I have seen in a long, long time. So let us make our conviction deeply manifest today on the record and hold up the hands of the House conferees as they go back to conference and say that the House will not budge because of the principle that is involved.

I am not unmindful of the fact that there are marginal producers of silver who because of worked-out properties or high cost of production would derive some benefit from the pending proposal. But does it become the responsibility of the Federal Government to subsidize the production of silver. There is no emergency. It is not in the interest of the war effort. It serves no useful purpose to subsidize the production of this metal and I for one can sense no obligation to do so.

Figures have been quoted to show high prices for silver in India and Egypt. There is nothing strange about that. It is a case of keeping silver off the market and obviously the price of foreign silver goes up. But once the price is established by this bill, silver will be released and of course, handsome profits will accrue to those who speculate in silver. In a free world economy, when conditions are normal, that price will come back down to the 35-cents-per-ounce range where it has always been.

Let me therefore reaffirm my position that the House stand by its original position and reject the Senate proposal.

Mr. O'NEAL Mr. Speaker, I yield 10 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL Mr. Speaker, I wish I had some of the silver-tongued oratory displayed by the gentleman from Illinois. He has forgotten this amendment in no way changes the value of silver put to monetary use. It makes no change in that regard.

Mr. Speaker, with only a few minutes allotted to me, I am sure that the use of this time will be of great help in conveying to the House the important message that I shall try to give. Sometimes I think it might pay off if our Western States should threaten to secede from the Union. When I take a look at the map and realize that 15 Western States account for half of the area of this country, and I consider the wealth of resources that is contained in those 15 States, and when I consider the part which those resources play in the industrial activity of this country, and when I realize that those 15 Western States, and that half of the country, has only about 40 Representatives in the House out of a total of 435, then, Mr. Speaker, I really sometimes think that we should threaten to secede from the Union and let the rest of the country really begin worrying.

It is a little painful for us to realize that most of the newspapers and magazines with national circulation are published in the East, a little annoying to know that most of the paid advertising which influences editorial policy comes from the East, a little bothersome to know that most of the big broadcasting stations which influence national policy are situated in the East. But, Mr. Speaker, one of the reasons I am not in favor of Western secession—yet—is that I know that once in a while I can use the loud speaker, and I know that if my fellow Representatives of the East can only hear our western views once in a while they will really be fair even though they have outnumbered us in the House about 8 to 1.

The House will shortly be compelled to state its position in respect to the silver rider to the Treasury and Post Office Departments appropriation bill. Since this rider involves matters of considerable national importance, we can all appreciate how unfortunate it was that the House attached the original rider to this appropriation bill last January. You will recall, Mr Speaker, how many of us protested at that time against the original and extraordinary action of the House in appending its rider to that bill. You will recall how we protested the action it received on the floor of the House. The result has been a long delay in the solution of important problems—and the possibility of much further delay.

If we had adhered to our customary procedure at that time, there would have been an opportunity for the proper hearings by the appropriate committee of the House and every Member of this body would today be adequately informed in this delicate and important matter. Every Member of this body would have had an opportunity to study the difficult problems that are at the bottom of the subject, and there would be much less influence from the unfair misrepresentations and gross distortions which have been injected into it Every Member of the House would now be able to realize that the substitute version of the House rider which the Senate has sent back to us is much more considerate of the problems of the American manufacturer than of the problems of the American metal miner.

The other body, however, has approached the subject of this rider in the proper judicial manner It held extensive hearings over a period of weeks. It listened to the lengthy arguments of spokesmen for the silver-using manufacturing industry and for the silver-producing mining industry. That committee, consisting of members from mining States, members from manufacturing States, and members from States with no direct interest in the matter, gave unanimous approval to the substitute rider. The Banking and Currency Committee of that body also approved an identical bill, S. 2206, unanimously. It approved the rider without dissent. And so, Mr. Speaker, this rider now comes to us with the strongest possible endorsement. We must understand the weight of that endorsement.

Let me emphasize as strongly as I can, Mr. Speaker, that the version of this rider which was approved by the other body is really a compromise. It is the very best compromise that could be worked out by the parties at interest. It pertains very little, if at all, to our national monetary policy, or to our national silver policy if you prefer, because there is adequate authority—and adequate direction to the Treasury—in the monetary legislation now on the books to quickly bring these policies into line with today's silver actualities. This legislation was originally requested by silver-using manufacturers. It is primarily the silver-using manufacturers who have promoted it at every step of the way. And it makes an important contribution to the present difficulties of manufacturers in respect to their supplies of silver At the same time it provides for similar correction of some of the problems of our silver-producing miners. Certainly, nothing could be fairer than that.

There is, however, a small but aggressive group which has only a limited interest in the problems of these manufacturers and which has only a colonial interest in the problems of our miners This group is primarily a financial group with headquarters along the Atlantic coast and with its tentacles reaching out to every section of the country. It throws out its strongest poisons in the south and west of our country. It worships gold like a fatted calf without realizing that gold is primarily a product of other hemispheres and that silver is primarily a product of our Western Hemisphere, of Canada, the United States, Mexico, and Peru

I ask the House to be on guard against this group, because this group will have no hesitation in sacrificing the legitimate requirements of our silver-using manufacturers or of our silver-producing miners to its blind hatred of silver as a monetary metal. That is what the record of this group clearly shows. It tried to use the war effort as a pretext to strike down silver from our monetary system Again, in 1943, the Green Act was held in committee for weeks after the Senate had approved it. Its power of befuddling real issues cannot be exaggerated And so I urge the House to refuse to be diverted by the schemes of this group and to focus its attention on the real business problems which are at the heart of this legislation.

In the space of a few minutes, I can only hope to dwell upon the substance of the substitute rider in the briefest manner. First of all, it contains three principal provisions, a mining provision, a commercial provision, and an industrial provision. Two of these provisions are of primary interest to the eastern section of the country. Only one is of primary concern to the western section of the country.

Its first provision enables our western silver-producing mines to obtain 90.3 cents an ounce from the Treasury for its output during the next 2 years and $1.29 an ounce thereafter. The 90.3 cents which our miners will receive during the next 2 years is considerably less than it would receive in an open market without this legislation. During this period eastern manufacturing industry will be receiving distinct benefits from that part of the legislation which pertains to

it. After 2 years manufacturing industry will not need to draw upon the Treasury's stocks. It should then be able to obtain its supplies through its normal channels well below that price.

The 39-cent an ounce increase which our western mines will receive after 2 years corresponds closely with the premiums which the President, by various proclamations since 1933, and the Congress by legislation since 1939, has decided our western miners are entitled to. These proclamations and that legislation have uniformly and continuously—since the collapse of our mining industry in the early 1930's—determined that our silver-producing mines are entitled to a premium of from approximately 25 cents to 36 cents over the open market price. This premium protects our miners against the low standards of the miners in South America and Africa precisely as tariffs protect our manufacturing industry and tariffs and other devices protect our cotton and wheat growers

The second provision of the Senate's substitute rider consists primarily of the repeal of a unique nuisance tax feature which is contained in the Silver Purchase Act of 1934. That tax feature prescribes a tax of 50 percent on profits derived from transactions in silver bullion. That tax was inserted in the act of 1934 solely in order to protect the Treasury at a time when it was about to undertake large-scale purchases of silver in the markets of the world. Today the Treasury is making no such purchases It has made no such purchases of any consequence since 1941 It is unlikely that it will again be able to make any such purchases for some years to come, if at all. And so there is no longer any need for this provision Only a total of $3 300,000 of revenue has been collected from this feature in the past 11 years. Only $25,000 was collected last year, probably less than the cost of administering it Today there is no more excuse for this special tax of 50 percent on commercial transactions in silver bullion than there would be for such a tax on similar transactions in cotton, wheat, rubber, copper, or other staples Normal taxes are high enough here as elsewhere.

The third provision in the substitute silver rider permits private manufacturing industry to draw upon the Treasury's small unmonetized stocks of silver for part of its requirements during the next 2 years at 99.3 cents an ounce. This price is lower than the prices prevailing in most of the commercial silver markets of the world It is a unique peacetime precedent which gives private manufacturing industry extraordinary benefits. Without access to the Treasury's stocks of silver, silver-consuming manufacturing industry would quickly lose much of its present prosperity. That prosperity is due to an increase in the consumption of silver in manufacture amounting to from 200 percent to 350 percent of typical prewar periods. At the same time over 3,000 of our western silver-producing mines have been closed down

All in all, the substitute rider is the only proposal which has received the exhaustive study of congressional committees. It is a proposal which comes to us with the overwhelming approval of the Senate. It constitutes a freely accepted compromise by all parties concerned to a difficult current problem. I trust the House will wholeheartedly approve this compromise.

Mr. O'NEAL. Mr. Speaker, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, I distinctly recall that when the bill was before the House early last February this so-called Green rider was put on the bill in the House. I objected to it then, and I object to it now. I felt then that putting this sale-of-silver provision on an appropriation bill after the House had passed the same measure as separate legislation was an unfair way of forcing it through the other body, or attempting to do so

As it returns to us in this conference report, it is indeed different and greatly expanded in meaning as offered by the other body. As it was written into the bill last February, identical in form as it passed the House the December before, it merely continued for 2 years an act previously passed permitting the sale of silver at 71 11 cents per ounce from the Treasury to the arts and to industry, to which I have little objection, if the price could be set right

I do not believe that we should sell silver which is valued by our Government at $1.29 per ounce for 71.11 cents per ounce as the law previously permitted. For that reason I opposed the proposal when it came up for renewal at the first of this year. Let it be distinctly understood that I am willing for the United States Treasury to come to the aid of the reconversion effort and to the arts and industry needing silver, which is now in scarce supply, just exactly as I favored the use of unobligated Treasury silver in consumptive and nonconsumptive uses during the war to aid the war effort. However, I do maintain that following the war and now in peacetime industry should pay the right price for this silver It has a certain value to the United States Government, and the taxpayers of the country should not suffer loss in order that industry might receive cheap raw material in the form of Treasury silver

Mr O'NEAL Mr. Speaker, I yield such time as he may desire to the gentleman from Nevada [Mr BUNKER]

Mr BUNKER Mr Speaker, I have strong convictions on silver legislation.

Mr. Speaker, I first wish to have it clearly understood that the House of Representatives is entirely to blame for attaching the silver rider to the Treasury-Post Office appropriation bill. The Senate is in no way responsible for this ill-advised procedure.

I voted against the House amendment when the appropriation bill was under consideration in this body, and I also voted against the rule waiving a point of order against the silver rider.

This action strikes the House as a well-deserved boomerang today. The proponents of this amendment realize that the only hope of getting favorable action by the House on such a drastic provision is to, first, deny all parties interested the privilege of offering testimony before any appropriate committee of the House, and, second, to invoke a rule that will prevent fair consideration on the floor of the House.

It is gratifying to know that the United States Senate has proceeded in a fair and impartial manner by inviting testimony on both sides of this question. Representatives of the silver-using industries testified in behalf of the House rider, and representatives of the mining industry presented testimony which showed conclusively that their mines could not produce silver at the price of 71 11 cents an ounce and realize any profit therefrom.

We have today heard many appeals from members whose constituents are in need of silver for manufacturing purposes Unfortunately, many of the statements made cannot be substantiated

It has been indicated on the floor today that the price of silver in foreign countries is around 35 cents an ounce, and that much silver is holded awaiting the passage of legislation that will raise the price of foreign silver to 90 3 cents an ounce

Mr Speaker, silver is nowhere in the world available at even 71 11 cents an ounce, to say nothing of 35 cents an ounce. If this were not so, the manufacturing industry would not wish to buy silver from the United States Treasury "at not less than 71 11 cents per fine ounce."

The facts are that the Bank of Mexico announced on July 1, 1946, that silver may be made available for export "if the price reaches $1 05 an ounce " There is no indication whatever that silver can be bought in Mexico for importation into the United States at less than that figure.

It may also be of interest to my colleagues to know that on May 27, 1946, the market price of silver in Bombay reached $1 54 an ounce Sales of silver in Bombay during the past 2 months have fluctuated from $1 36 to $1 54 an ounce. The Bombay market, highly supervised by British-controlled authorities, approximates more nearly an open market where sales of gold and silver bullion are made than any other place in the world today. Currency inflation in India is no more abnormal than it is in the United States, the exchange rate of the rupee with the dollar still remaining around 30 cents, or approximately 25 percent below parity These Bombay silver prices which I just mentioned in terms of United States money are based upon the current official rate of exchange.

Mr. Speaker, there is a much deeper and more serious objection to establishing statutory authority for the sale of Treasury silver for industrial uses at a price less than the monetary value of $1.29 an ounce, which has remained unchanged on the statute books of our great Government since April 2, 1792—over 154 years ago These industrialists are intent upon establishing a precedent through legislative enactment which will permit them to purchase silver from the Treasury at less than its monetary value. This should not be done. However, I am willing to go along with the Senate in its

deliberate action designed to give relief, temporarily—for a period of 2 years—to these industrialists so that their affairs may be adjusted during this period of reconversion in order to obviate the imposition of any great burden due to a violent rise in the price of silver.

It would be a most serious mistake, Mr. Speaker, if the Treasury were established as a constant source of the supply of silver for the benefit of the silver-using industries. In the first place the Treasury has never acquired any silver for industrial use. The only silver ever held by the Treasury was intended solely for monetary use. Why should the industrialists be subsidized beyond a temporary period? The Treasury should monetize all of its silver holdings for the benefit of all of the people of the United States. On the other hand, there is no objection to the sale of Treasury silver for industrial or any other use at $1.29 an ounce, its monetary value. The Treasury now sells gold for industrial uses at its monetary value of $35 an ounce. Does the House feel that the Treasury should be authorized to sell gold at a discount of 45 percent? The price of 71.11 cents an ounce for silver is 45 percent off its monetary value.

I wish further to point out to the House the probability that our conferees, who have not studied this question as have the Senate conferees, will be faced with the inevitable necessity of accepting the Senate amendment or possibly having to witness the defeat of this legislation. The zealous defenders of the position of the silver-using industrialists of this country will soon find themselves in the indefensible position of either having to accept the Senate amendment against the overwhelming vote of the House, or no legislation at all, and at the same time being largely responsible for the delay in enacting appropriations for the salaries of our efficient and hard-working employees of the Treasury and Post Office Departments

Mr. O'NEAL. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri [Mr SHORT].

Mr SHORT. Mr Speaker, I have neither silver mines nor silversmiths in my district, but this is a matter in which I am sure every Member of the House is interested. Certainly I would not want to see legislation passed that would throw out of employment those who work in our industrial plants in the manufacture of silver, nor would I want legislation passed that would throw out of employment the thousands of miners who work in our great West.

It seems to me the trouble is that there is a substantial disparity between industrial consumption of silver and the mine production of silver, and that disparity goes a long way back. If you will look at the record you will discover that in 1880 we consumed two and one-half million ounces of silver, while in 1945 we consumed 140,000,000 ounces of silver. In the same period of time our production of silver was reduced from 39,000,000 ounces in 1880 to 29,000,000 ounces in 1945 We are caught between a manufacturing boom on the one hand and a mining bust on the other.

The truth of the matter is that many of our silver mines shut down entirely during the war period. The mining industry, as far as silver was concerned, received no premium payments from the Government that went to the complex-ore categories. Out of a total of 4,542 lode mines in 1941 we had only 1,186 in operation in 1944. In other words, 3,356 mining enterprises completely shut down and thousands of men were thrown out of employment.

It should also be noted that domestic silver producers have received no price increase for their product since 1939 although their costs have increased from 60 to 70 percent.

I think it is bad legislative procedure to tack a rider on an appropriation bill, but that was the fault of the House. No hearings were held on this legislation by any committee of this House. It was foolishly and unfairly tacked on as a rider, and after it went to the Senate, hearings were held over there and both the proponents and opponents of the measure were heard. We will never have silver unless our producers receive the cost of production. And the American worker cannot compete with the peons and coolie slave labor of other countries.

The gentleman from Illinois spoke about silver being purchased in the world market at 35 cents an ounce. I do not know of any spot on earth where you can buy silver today for that price. At Bombay, on January 9, 1946, silver sold for $1 10 an ounce

At Bagdad it brought $1 06 an ounce.

At Alexandria it brought $1.16 an ounce

In Iraq, $1 11 an ounce, and as late as March, 1946, it was bringing $1 16 an ounce in Bombay.

So if we accept the Senate figure of 90.3 cents an ounce, that is still under the world price

Mr Speaker, while I do not have silver mines in my district, I do have lead and zinc mines. Many of these mines are now shut down and many of my miners are out of work. They will remain unemployed until we either restore premium payments or increase the price of these ores. About 80 percent of silver produced domestically comes from mines that produce copper, lead, and zinc. Naturally, an increased price for silver would serve to stimulate the production of these other metals. These are important questions, sir, and should receive immediate consideration of the proper legislative committees of the Congress.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. O'NEAL. Mr. Speaker, I yield the balance of the time to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include in my remarks a letter addressed to the chairman of the Committee on Appropriations by the Acting Secretary of the Treasury dated June 24, explaining the Treasury's reasons for its opposition to the Senate amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 8 minutes.

Mr. McCORMACK. Mr. Speaker, the history of the present situation and the amendments being included in the House bill is a very simple one. Some 2 years ago, as I remember, we passed legislation that would enable commercial and industrial enterprises to purchase surplus silver for such purposes from the Treasury at a price of 71.11 cents per ounce which the Treasury paid for that silver. The purpose was to help American industry. The purpose was to let many thousands of small enterprises located in at least 15 States of the Union buy silver at what the Government paid for it, which silver was not needed for monetary purposes, and to use it in the manufacture of the various things that silver is used to manufacture, and to give employment to many thousands of American workmen. I think in Massachusetts alone—none particularly are located in my district—there are anywhere from 20,000 to 30,000 employed in these industries in the southwestern part of the State. They are located in Rhode Island; they are in Connecticut; they are in Maryland; they are in 15 or more States of the Union The purpose of that bill was simply to see that American business was able to buy silver, surplus silver, excess silver at the price that the Government paid for it.

We passed that bill 3 years ago and it expired the latter part of last year, December 31.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. REED of New York. The dental profession is vitally interested, is it not?

Mr. McCORMACK. Absolutely.

Mr. WHITE. Mr. Speaker, will the gentleman yield for a simple question?

Mr McCORMACK I yield.

Mr WHITE. Could not one use the same line of reasoning with reference to selling to the jewelry trade gold we bought at $20 67? Would not the same line of reasoning hold?

Mr. McCORMACK. No.

We passed that law 3 years ago. It expired the latter part of December. The House passed the bill renewing it last December and it was sent to the other body, but it never saw the light of day in the Senate.

In the meanwhile these hundreds if not thousands of American businesses—none of them large—employing from 500 down, but important in the economic life of our Nation and in the life of the communities in which they are located, thousands of plants and places were being stifled in the conduct of their business. There was nothing else we could do. It was a conservative act, a strengthening act. The bill we passed last December, the legislative bill extending the policy for 2 years, was tied up in the other body. We know why and I am not saying it in any criticism, but a small group can tie up a legislative bill there where they cannot very well tie up an appropriation bill. In desperation, as an extreme act of emergency, in order to have American industry continue, in order to allow them

to employ help and to buy the silver which was excess as far as the Treasury was concerned, to carry on their business and give employment we had to tack this on to an appropriation bill.

And what was it? Simply the law that we had passed and the bill that we had passed last December, the legislative bill. That is all we did. I took part in it; yes I did it for American business. I was not interested particularly for my district, but I was interested in American business. I think almost everyone knows that when I was on the Ways and Means Committee I was pretty conservative on tax matters. I certainly led more than one fight. I remember leading the fight against the so-called "third basket" when the House sustained me several years ago. I believe in fostering business. I have lots of respect for the businessman who has his money invested and who has other people's money invested. That man commands my respect because he is giving employment to people, he is sustaining and strengthening the way of life in which we believe, our system of individual initiative, our system of free enterprise

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Rhode Island

Mr. FORAND We must not lose sight of the fact that in addition to the jewelry manufacturers there are other industries interested

Mr. McCORMACK. There are plenty of others.

Mr. FORAND. In addition to the jewelry manufacturers, you have your retail jewelers and your department stores all over the country that employ a large number of people in selling that jewelry?

Mr. McCORMACK. Yes.

Mr CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK I yield to the gentleman from Colorado.

Mr. CHENOWETH Is it not important and highly desirable to have a happy relationship between the producers and the processors of silver and to have that happy relationship reached at an early date? Is that not what we are trying to do by this legislation? I am disappointed a compromise was not reached in the legislation.

Mr. McCORMACK. Why, of course, in answering the question from the broad angle, it is always nice to have a happy relationship exist between all groups.

Mr. CHENOWETH. These processors will not get any silver unless it is produced and we want to give an incentive to those who produce it.

Mr. McCORMACK. I will get to that later.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. MICHENER. This debate seems to be concerned primarily with the manufacture of jewelry. I do not believe there is a manufacturer of jewelry in my district, but we do manufacture parts for automobiles and airplanes. I have received several telegrams taking the same position that the gentleman from Massachusetts is taking, namely, that the conference report should be agreed to.

Mr. McCORMACK. Exactly.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. SPENCE. May I say that the legislative bill was unanimously reported by the Committee on Banking and Currency and went through the House by unanimous consent with the approval of the Treasury

Mr. McCORMACK. Yes.

Mr. HILL rose

Mr. McCORMACK. I know the gentleman from Colorado facetiously talked about seceding. Of course, we know that representation here is based on population and we must not overlook the fact that many States have a much more powerful representation in the other body than they would be entitled to based upon population I am not for changing that and I am not for my State seceding because of the fact that in the Senate each sovereign State has two United States Senators.

Mr. HILL. I am glad the gentleman paid enough attention to know what I was talking about.

Mr. McCORMACK. I knew the gentleman was speaking facetiously.

Mr HILL. I want to ask a real question

Mr. McCORMACK. I cannot conceive of the gentleman asking other than a real question.

Mr. HILL I thank the gentleman. If I get the argument the gentleman is making and if I correctly understand what he said——

Mr. McCORMACK Will the gentleman ask the question?

Mr HILL. I cannot do it without first making a statement

Mr McCORMACK. I only have a few minutes left.

Mr. HILL There is always a way for the leader on the majority side to get a few extra minutes.

Mr. McCORMACK. Not under the present legislative situation.

Mr. HILL. Did the manufacturers of silver jewelry and those using silver buy this silver at 71.11 under the Green bill? Yes or no.

Mr. McCORMACK. My understanding is they did.

Mr. HILL. Does not the gentleman know that during all this war period the price of all products has undoubtedly stiffened or increased?

Mr. McCORMACK. I know that, but certainly the price the Government paid of 71.11 is more than they would pay in a free market.

Mr. Speaker, the letter from the Acting Secretary of the Treasury addressed to the chairman of the Committee on Appropriations of the House is as follows:

JUNE 24, 1946.

HON. CLARENCE CANNON,
Chairman, Committee on Appropriations, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: You have requested the further views of the Treasury Department on the silver provision contained in H. R. 5452, making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, as passed by the Senate on June 21.

The Senate silver amendment authorizes the sale of silver until June 30, 1948, at 90 3 cents and thereafter at $1.29 It would raise the price the Treasury is required to pay for newly mined domestic silver on the same sliding scale In addition, it would repeal certain provisions of the Silver Purchase Act of 1934, including the 50-percent tax on silver transfers, and would remove the OPA ceiling on silver bullion and certain silver products.

The Senate silver amendment constitutes a major revision of the silver provisions of H R. 5452 as passed by the House. The House-approved provisions would authorize the Treasury to sell silver for industrial purposes for 2 years at a price not less than 71 11 cents an ounce The House version would not modify the provisions of the Silver Purchase Act of 1934 nor remove the OPA ceiling, as provided by the Senate version

The Treasury Department has previously gone on record as favoring the principle of the provisions of the House silver amendment, and I desire to reiterate that position.

As you have already been advised, the Department's support of the provisions of the House silver amendment was based primarily on the fact that a shortage of silver for industrial use would interfere with reconversion and the maintenance of high levels of production. If the Congress should decide that Treasury silver is to be made available for industrial use only at a price of approximately 90 3 cents an ounce and that at the same time the price paid by the Treasury for newly mined domestic silver should be increased to approximately 90 3 cents an ounce, the Department would not be disposed to object However, for the reasons which follow, the Treasury would be strongly opposed to any legislation ultimately increasing the price paid by the Treasury for newly mined domestic silver to $1 29 an ounce

1. Informed opinion in silver-using industries is that should the Senate amendment become law, there would be an adequate supply of silver other than newly mined domestic silver to meet the demands of industry without driving the price to $1 29 Accordingly, after July 1, 1948, newly mined domestic silver would all flow to the United States Treasury It may be estimated that the annual value of such silver delivered to the mints would be between $60,000,000 and $100,000,000 a year This Treasury outlay would be financed by the issue of an equal amount of silver certificates The issue of paper money secured by silver at an artificially high value does not differ in principle or in its inflationary effect from the financing of other Government expenditures by the issue of paper money.

2. Additional silver stored in the Treasury performs no public purpose. Silver is not a monetary metal in the same sense as gold. Silver may not be exported to any other country in the settlement of international balances at a price of $1.29 an ounce. No other government or central bank is accepting foreign silver at any fixed price. The Treasury's stock of silver is already more than adequate to meet any monetary requirements of the United States for silver.

3. The promise of a much higher price for newly mined domestic silver after July 1, 1948, will tend to disrupt both the supply and demand for silver in the period before that date. A price of $1.29 per ounce represents an increase of 43 percent over the 90.3 cent Treasury price which would prevail for newly mined domestic silver until July 1948. One of the main purposes of the legislation now under consideration is to furnish silver which industry needs immediately. The amendment would, however, provide a strong incentive to hold back silver production in or-

der to qualify for the higher price. Silver produced in mines in which silver is the primary product and not the byproduct of other metals might be left in the ground until the $1.29 price is obtainable. In such silver mines the period until July 1, 1948, might be used for developmental and other work, which would result in actual production and sale only after that date.

The amount of silver now in the Treasury which might be sold under this amendment is believed to be less than 1 year's requirements of industry at the current rate of consumption There are now 220,000,000 ounces of silver in the general fund of the Treasury, not held as backing for any silver certificates. However, 70,000,000 of this 220,000,000 are on lease to RFC and the War Department, for use in aluminum, magnesium, and atomic energy plants. Furthermore, it is believed desirable to hold 100,000,000 ounces for United States coinage purposes during the next 2 years. Accordingly, there would be only 50,000,000 ounces in the general fund which can be sold to meet industrial requirements until the leased silver is returned. Those requirements have been stated by industrial representatives to be in the neighborhood of 125,000,000 ounces a year This small supply might encourage the speculative withholding of current production in anticipation of a rise in the market price of silver after the stock of silver which the Treasury can sell at 90.3 cents is exhausted.

It is clear from the above that industry must obtain silver from new domestic production and also from imports if production and employment in silver-using industries are not to be gravely impaired. The same speculative factors affecting domestic production and distribution would encourage the withholding of foreign silver which might be imported to meet domestic industrial requirements.

Turning to the potential demand for silver, it seems altogether likely that the prospect of a further increase in the price for silver in the near future will encourage the accumulation of large inventories and accelerated purchasing by consumers Thus, there would be not only an artificially large demand for silver, but there would also be an artificially small supply of silver as a direct result of the provisions of the amendment as passed by the Senate. Large inventories might be accumulated by suppliers, dealers, processors, manufacturers, wholesalers, and retailers. Very few of these concerns could be prevented from taking such action by the requirement of the Senate amendment that the Secretary of the Treasury must be satisfied before he sells Treasury silver that it will be used by the immediate purchaser within 6 months after such sale.

4 A greatly enhanced market price for silver will discourage the use of silver in coinage of other countries. Confidential information available to the Department indicates that several countries which in the past have used large amounts of silver in their coinage are considering drastic changes in their coinage. Unless they can obtain adequate amounts of silver at prices which they consider reasonable, they will inevitably be forced to turn to other metals. If the market price of silver should rise to $1.29 per ounce, the coinage of a number of countries would pass what is known as their "bullion melting point." Before the market price reaches $1.29 it will be profitable to melt the coins of Australia, Brazil, Colombia, Egypt, Iran, and Sweden for their bullion content.

You have already been advised as to the basis for the Treasury's objections to certain other provisions of the Senate silver amendment. One of these provisions would repeal section 1805 of the Internal Revenue Code and section 8 of the Silver Purchase Act of 1934, relating to the tax on the transfer of any interest in silver bullion. I desire to emphasize that this tax does not touch the transfer of silver in the course of normal marketing transactions from the producer to the consumer, but only prevents speculation in silver bullion If the shortage of silver for manufacturing uses has resulted in any degree from the withholding of silver bullion from the market for speculative purposes, the repeal of this tax will result in unjustifiable profits accruing to those who at the same time that they have been speculating on the price of silver have been interfering with reconversion and the maintenance of high levels of production In addition, the repeal of this tax would provide an inducement for future speculation which could seriously interfere with the flow of silver into the industrial market

The other provision in the Senate version of H. R 5452 to which the Treasury is opposed exempts silver bullion and certain silver products from price control It is the view of the Department that legislative exceptions to price control are unwise, particularly in cases such as silver bullion and certain silver products where an adequate supply to meet the demands of consumers is not assured.

In view of your request for expedition I am sending you this letter at once rather than have it wait for Secretary-designate Snyder to take office tomorrow I am authorized, however, to state that I have shown this letter to Mr. Snyder and that he is in complete accord with the views expressed herein.

Sincerely yours,

JOSEPH J O'CONNELL, JR.,
Acting Secretary of the Treasury

Mr. SPEAKER. The time of the gentleman has expired.

Mr. O'NEAL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 25, strike out lines 8 to 21, inclusive, as follows:

"For a period of 2 years following the enactment of this act, the Secretary of the Treasury, is authorized to sell or lease for manufacturing uses, including manufacturing uses incident to reconversion and the building up of employment in industry, upon such terms as the Secretary of the Treasury shall deem advisable, to any person, partnership, association, or corporation, or any department of the Government, any silver held or owned by the United States at not less than 71.11 cents per fine troy ounce: *Provided*, That at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury"

And insert in lieu thereof the following:

"(a) Subsection (b) of section 4 of the act entitled "An act to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised," approved July 6, 1939, is amended to read as follows:

"'(b) (1) Until June 30, 1948, the Director of such mint with the consent of the owner shall deduct and retain of such silver so received 30 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received, that is, 70 percent, shall be coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver. The 30 percent of such silver so deducted shall be retained as bullion by the Treasury or coined into standard silver dollars and held or disposed of in the same manner as other bullion or silver dollars held in or belonging to the Treasury

"'(2) On and after July 1, 1948, there shall be delivered therefor in standard silver dollars or any other coin or coinage of the United States, the full monetary value of the silver so delivered, less such deductions for brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined, not to exceed the actual cost thereof: *Provided*, That such mint is satisfied the silver so delivered has been mined subsequently to June 30, 1946, from natural deposits in the United States or any place subject to the jurisdiction thereof'"

"(b) The following statutes and portions of statutes are hereby repealed:

"(1) Section 1805 of the Internal Revenue Code, as amended,

"(2) Sections 6, 7, and 8, and the second proviso in section 3, of the Silver Purchase Act of 1934, approved June 19 1934 (U S C, title 31, secs 316a, 316b, and 734a)

"(c) Until June 30, 1948, the Secretary of the Treasury is authorized to sell for domestic manufacturing uses, to any person, partnership, association, or corporation, or any department of the Government, any nonmonetized silver held or owned by the United States, at a price of not less than 90 3 cents per fine troy ounce, and thereafter at a price of not less than the legal monetary value (of silver) per fine troy ounce· *Provided*, That until June 30, 1948, no such sale shall be made unless the purchaser has certified in writing, and the Secretary of the Treasury is satisfied, that such silver is to be used in domestic industry or the arts and within a period of 6 months after any such sale: *Provided further*, That at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury *And provided further*, That on the consummation of such sale of silver by the Treasury to any purchaser, the purchaser shall immediately take possession of the silver so sold and by him purchased and remove the same from the Treasury, in accordance with such rules and regulations as the Secretary of the Treasury may prescribe

"(d) Hereafter, notwithstanding the provisions of any other law, maximum prices shall not be established or maintained upon—

"(1) standard commercial bars or other forms of silver bullion, whether foreign, domestic, or Treasury,

"(2) semifabricated silver articles;

"(3) silver scrap, or

"(4) the processing of silver or silver scrap."

Mr. O'NEAL. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. WHITE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr WHITE moves that the House recede and concur in Senate amendment No. 7.

Mr. O'NEAL. Mr. Speaker, I shall later yield 30 minutes to the gentleman from New York. I now yield myself 5 minutes.

Mr. Speaker, the main purpose of my taking the floor at this time is to try to clarify the situation so that every

Member will know what he is voting on. The motion made by the chairman of the subcommittee, acting upon the advice of the majority of the House conferees, was to further insist upon disagreement. We are opposed to the Senate amendment, and the motion that we made will restore the action that the House took on the bill and repudiate the amendment offered by the Senate.

As has been stated, this is rather an intricate situation. This has nothing whatsoever to do with appropriations. The Green bill, dealing with the silver question, was expiring, and it appeared that no action would be had on a pending legislative bill to prolong the life of the provisions in the Green bill; so there was put into the bill as it passed the House the provision dealing with silver, and now this highly controversial matter was further complicated by the amendments which the Senate put into the bill. It is my understanding that those provisions have been discussed by legislative committees for a long time, and probably no action could be agreed upon by legislative committees But in this way, on an appropriation bill, dealing usually with appropriations matters, there is brought back to us a most intricate and a most controversial legislative subject. The position of the majority of the conferees on the House side was that we would stand by the House position and not attempt as an appropriating committee to solve these questions which are so intricate and so far reaching. It is my understanding that a similar bill dealing with this subject, a legislative bill, handled by a legislative committee, has already passed the House of Representatives and that that bill today has been passed out by the Senate committee and is now on the calendar in the Senate awaiting action They have had hearings. They have gone into the matter carefully, and the Senate and the House have the benefit of all the discussions and all the hearings and all of the information that a legislative committee should have. We had no hearings, as far as I know, and the Senate had no hearings on the provisions of the Senate amendment, and yet on this most delicate subject, of such far reaching importance, we are called upon to vote today whether or not we will adopt the Senate amendments, or any part of them. It seemed very wise to the House conferees that we should not do that The only sensible way to act, it seemed to the House conferees, was to await the action of some legislative committee and not attempt to solve a question like that in an appropriation bill. We were sustained further in the position that we are taking by the fact that the Treasury Department sent a letter, which was put in the RECORD a few moments ago by the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], in which it objected to the Senate amendment.

In fairness to all concerned, it may be necessary to have some inducement in order to have silver sufficient to meet our purposes, maybe an increase in price, but your committee is not willing in this matter to take responsibility for it. There are other possibilities. It is highly probable that there may be a great deal of silver being hoarded, being held back in this country and all over the world awaiting an increase in price such as you are asked to provide here. There may be vast hoards of it. Also, when this transaction tax goes off, if the Senate amendments were adopted you would increase the profit by 100 percent.

It seems clear to me that since this is a most difficult subject to handle even by a legislative committee, and so far reaching, as explained by the gentleman from Illinois, it is certainly not logical for this Appropriations Committee to recommend to you that you accept the Senate amendments or alter the position of the House I trust that when the motion to recede and concur offered by the gentleman from Idaho is voted on, the House will vote "no"; and that when the original motion made by the chairman of the subcommittee that we stand by the House position is voted on, it will be supported by an overwhelming majority of the Members of the House.

Mr. TABER. Mr. Speaker, I yield 3 minutes to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Speaker, a lot of facts have not been presented to the House for the consideration of the Members during the debate on this amendment. You probably recall that, when the Treasury appropriation bill was before this body, we had a most peculiar rule, waiving all points of order. I opposed that rule then, and I am opposed to it now The House is facing this situation because you did not listen to those who were opposed to attaching legislation to an appropriation bill.

There is criticism because the other body has attached a rider to this bill. Who set the precedent? Did not this House attach the so-called Green bill to the Treasury appropriation bill? We are getting the logical results of our indiscreet action.

It is said no hearings were held by the House. Of course no hearings were held, because the proper legislative committee of this body should have had supervision over this particular legislation. The other body, in the consideration of this appropriation bill, did hold extensive hearings. Yet I believe the only sane solution would have been to refer this to the proper legislative committee. I want to impress upon the Members that, when we adopted that peculiar rule, waiving all points of order, we asked for exactly the parliamentary situation which faces this body at the present time.

There are three reasons for this current silver shortage: First, an increased demand in foreign countries, particularly in the Orient, because they do not like and do not trust paper money; second, there has been a 200-percent increase in the industrial use of silver; and third, there has been about a 50-percent decline in the domestic production of silver.

We all know that, during the war, we were willing to go along with the so-called Green bill, because it was only logical that we utilize the idle stores of silver owned by the Federal Treasury in order to stimulate the production of munitions and supplies essential to the war effort.

Why is there no silver today? The gentleman from Illinois said that the world price is about 35 cents. The gentleman knows full well that, if foreign silver were procurable at 35 cents the silver processors in the Eastern States would not want to pay 71.11 an ounce. There is no silver available in the world market at under $1 an ounce.

Mr. SHORT Mr. Speaker, will the gentleman yield?

Mr. DWORSHAK. I yield briefly.

Mr. SHORT. The cost of production of silver has increased at least 70 percent during the war; is that not so?

Mr. DWORSHAK. That is true. The argument is made that, because the Treasury bought the silver for 71.11 cents per ounce, it should sell it for the same price. The argument to sell the gold at Fort Knox—now valued at $35 an ounce—for $20.67 an ounce, because the Treasury purchased it at this lower figure, is just as valid. My colleagues, let us be sane about this. As I said, I objected to the intrusion of legislation in considering an appropriation bill. But this body asked for it.

The present price of silver is less than the cost of production. The silver processors are willing to pay not only 71 11 cents, but 90.03 cents. They are now melting silver dollars, and paying $1.29 an ounce for the privilege of using silver for industrial purposes.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Last evening in a restaurant I frequently patronize here in Washington, the owner said to me, "Commencing tomorrow, I will have plenty of steaks and meat for you." I said, "How about the price?" "Oh," he said, "the price is going way up. I will have meat at a higher price." That sums up the situation that prevails in this country now.

It is the same with silver. There is silver in spite of everything that has been said. It is being hoarded, and it is being held up for higher prices. About that, no one can have any doubt. It is true that we are attempting legislation in an appropriation bill. I am not in favor of that at all. It is my hope that just as soon as the preferential motion is voted down, the motion to stand by our action will be voted favorably and the conferees will agree to release the surplus silver that now is held by our Government at West Point. Do you know we have 225,000,000 ounces of silver owned by this country in excess of what it needs to back up the silver certificates? Just as soon as those who control the mining industry of this country discover that they have a bit of competition from the silver now held by the Government, they in turn will let go of some of the silver they have hoarded. They will start the machinery of mining We will get more silver. I think in these days when so much is being said by everyone on both sides throughout the country that inflation is a grave danger to the economy of America, it would be a great mistake on our part to increase the price of any commodity needlessly.

Now, it is my proposal that the question of the price of silver be not handled

by an appropriation committee; that it be referred to the United States Treasury. They have experts; they have career men, who know this question thoroughly. They know world conditions, and they know American conditions. They can bargain with the mine owners and arrive at a fair price to all concerned—the mine owner and the manufacturer. But beyond and above all, they will take into consideration the consumer who is not mentioned in these debates at all—the fellow that we are supposed to represent. I have confidence in the Treasury Department being able to arrive at a price that will produce the silver needed at a satisfactory rate to the manufacturer and a chance for the people to buy silver goods at prices they can afford. This must be our aim.

The SPEAKER. The time of the gentleman from Connecticut [Mr. KOPPLEMANN] has expired.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr MARTIN of Massachusetts. Mr. Speaker, I rise in support of the motion offered by the gentleman from Kentucky [Mr. O'NEAL] and in opposition to the preferential motion offered by the gentlemen from Idaho [Mr. WHITE].

There has been so much said on this subject today that I realize any talk now is more or less repetitious. First of all, I think it might be well to call attention to the fact that the amendment in the appropriation bill does not say we must necessarily sell silver at 71.11 cents per fine troy ounce. It says you shall not sell at less than that figure. This means that if the Treasury, in its judgment, wanted to exact a little more, they could do so In other words, there is a floor but no ceiling. I think that may clear up some of the fog that prevails here. There is no danger of the Government's incurring any loss

There has been some discussion about this legislation coming before us as a rider on an appropriation bill. Frankly, that is the only way there could have been any aid secured. It is the only way by which a large segment of our industrial life could have an opportunity to keep their doors open. It was the only way we could have secured consideration of a critical need

Mr. CELLER Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CELLER. There are several bills pending before the Committee on Coinage, Weights, and Measures to do away with the so-called Silver Purchase Acts. Why can we not get action from that committee?

Mr. MARTIN of Massachusetts. The gentleman can answer that question just as easily as I can I repeat, this is the only way that we could get any consideration of this legislation and hope to have it become a law.

As has been well said by my distinguished friend the gentleman from Massachusetts [Mr. MCCORMACK], the House passed a bill meeting the needs of the situation with a very few dissenting votes. That has been held up in the other body for many months, and frankly the threat of a filibuster has prevented action.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. No, not at this point.

Mr. WHITE. I am sorry.

Mr. MARTIN. The Treasury has a vast amount of idle silver. It has informed congressional committees that it would be glad to sell some to industry. Every department that has supervision of reconversion plans says this silver should be made available. They know the seriousness of any failure on our part to fail to do so. We are asking in this amendment to provide silver for industrial purposes so that thousands of factories throughout the length and breadth of this land may have an opportunity to keep going, to provide jobs, and to earn taxes for the Government. Hundreds of thousands of workmen are vitally interested. They do not want to be forced into the ranks of the unemployed. They want jobs and they want to produce goods which are sorely needed by the consumers.

It has been stated that a few silversmiths in the eastern section of the country are the only ones interested in this legislation. This is not true. Many other industries are vitally concerned. Not only is the jewelry and silverware industry interested, but the auto-parts industry, the photographic-film industry, the moving-picture industry, the scientific-instrument industry, the watch industry, the chemical industry, and scores of other industries, including the new uses for the atom.

Thousands of retail store owners and their employees are deeply interested. They must have goods to sell and cannot get them if the raw material is not available for industrial purposes. We are making an important decision concerning the prosperity of several millions of workers. Let us give industry an honest chance to produce goods for the consumer and jobs for the workers. Let us not permit prosperous concerns to perish, jobs be lost, production of goods badly neeeded retarded while we have mountains of unused silver No sensible government would permit this to come to pass. I say vote down the preferential motion offered by the gentleman from Idaho [Mr. WHITE] and then support the motion of the gentleman from Kentucky [Mr. O'NEAL]. Then the legislation will go to conference, where the conferees can again give it consideration.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I intend to support the motion offered by the gentleman from Idaho because I believe this compromise on the price of silver which has been worked out in the other body is the best possible solution to this problem. It is for the best interests of all concerned that an agreement be reached as quickly as possible. In my opinion the compromise reached in the other body is fair and reasonable, and I had hoped that it would be accepted by our conferees.

Mr. Speaker, I have the greatest sympathy for the processors and industrial users of silver. We want them to have silver and to use more silver in their operations. However, I want to call your attention to the fact that before any processor or manufacturer can obtain the silver he requires, that silver must first be mined. It is therefore necessary to offer sufficient inducements and price incentives to the producers of silver before they will assume the risks and hazards involved in the mining of silver. Many mines are closed today because the price of silver has not kept pace with the increased costs of production. I also feel, Mr. Speaker, that we should produce as much silver as possible in this country. I call attention to the fact that the industrial consumption of silver has increased from 22,000,000 ounces a few years ago, to an average of 116,000,000 ounces during the 1941 to 1945 period. At the same time our domestic production dropped from 50,000,000 ounces annually to 46,000,000 ounces. This trend should be reversed and we should make every possible effort to get our silver mines open again. The production of silver will be stimulated and encouraged if we concur in the Senate amendment.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. ROCKWELL].

Mr. ROCKWELL. Mr. Speaker, I hope the House will vote to recede and concur in the Senate amendment to this Treasury and Post Office appropriation bill. Such a rider as this should never have been permitted on an appropriation measure but you will recall that the Rules Committee passed a special rule making it in order that it be done.

It is necessary that the price of silver be increased if the metal mines of my State continue in operation. The fact is, that since 1941 the number of lode mines of all classes has been reduced from 4,542 to 1,186 due to the prohibitive cost of production. The cost of silver mining has increased 60 to 70 percent. Since 80 percent of the silver produced domestically comes from mines that also produce copper, lead, and zinc, this means that the production of those important commodities is also being reduced. Conversely, an increase in the price of silver would serve to stimulate the production of all these metals.

Silver fabricators and brokers testified before the Senate committee that the level of their needs before the war was from thirty to thirty-five million ounces of silver a year, whereas their estimated needs in 1945 were 140,000,000 ounces. This is due to such uses as photographic supplies, electrical uses, dental and pharmaceutical products, engine bearings, jewelry, and silverware. The United States Mint reports show that the domestic production of silver has steadily decreased from 72,000,000 ounces in 1937 to 29,000,000 ounces in 1945. Basically, silver has been a 75 percent monetary metal and 25 percent industrial metal. This increased demand with the

reduced production, has resulted in a world price on April 30 this year at Bombay of $1.33 an ounce and a dollar or more an ounce almost anywhere outside the United States. For these reasons it seems eminently fair to agree to the Senate compromise of 90.3 cents an ounce for the next 2 years at least.

Mr. O'NEAL. Mr. Speaker, I yield 5 minuts to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, one of the worst follies, to my mind, that we ever committed was to pass the silver purchase acts They have always come back to plague us, and they are coming back to plague us now. It is about time we ceased to worship silver as a sacred cow—16 to 1 was insanity before, it is insanity now; and 16 to 1 is involved in the so-called silver purchase acts

There are about 3,000,000,000 ounces of silver stored away at West Point. Of that amount, 220,000,000 ounces are nonmonetized silver; the balance backs up silver currency Silver is much needed in industry by photoengravers, by the silver-plate manufacturers, and others. They covet and need it; and, worse, as somebody said a few moments ago, they are melting down silver dollars to get the much-needed silver.

At the present time the Government is paying 71 cents per fine ounce for silver. It must purchase all the silver mined in this country under the silver purchase acts. Some people have the termerity to say that we must now pay 90 cents an ounce for silver for 2 years and thereafter the extortionate amount of $1.29 an ounce. Prior to the World War the average world price for silver was less than 35 cents. We were compelled to pay 71 cents an ounce for all the silver mined in this country, thus giving to the silver-mine owners a subsidy. Not being satisfied with that, they want now to increase the subsidy and put a gun at the people of the United States and say, "Stand and deliver. We want 90 cents, and 2 years hence we want more subsidy in the form of $1.29 per ounce." This House is not going to stand for that sort of thievery, because that is what it is.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we permit this to go through as drafted now, it is the biggest racket that has ever been forced upon the American people who are the users of silver.

Mr. CELLER. I agree with the gentleman.

Mr. RICH. It is outright rotten.

Mr. CELLER. May I say that the silverites are trying to popularize the idea of silver as currency throughout the world. But they are hoist by their own petard. See what has happened in India. India, the largest user of silver for currency purposes, has now gone off silver and refuses to use silver in her currency. The high and extortionate price for silver set by American silverites is the cause.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In connection with the increase, the repeal of the Silver Speculations Act would only aggravate the conditions to which the gentleman has referred?

Mr. CELLER. It is the most asinine thing in the world to take the special tax off silver in speculation. That is what was in the bill that came to this House from the other body. That body thereby placed a premium upon speculation. It took us 2 years to persuade the silverites that silver must be uniform, that silver must be used in the war effort. These selfish silverites refused to allow silver to go into uniform to be used in war industry until there was a widespread wave of public opinion against their attitude. Then, and only then, did they finally consent to allow silver to be used for aircraft and other war uses. Then they demanded—think of the nerve—that the silver used in the main must be for nonconsumptive purposes; it could not be melted; it would have to be used as busbars for the conductivity of electricity. It is time to stop this plunder. Silver must remain at 71 cents—even that price in world markets is high—but I am willing to let things remain as they are.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. O'NEAL. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE]

Mr. WHITE. Mr. Speaker, it has been said some men would be great "if they did not know so much that ain't so." The gentleman from Illinois told the House many things that were not so. He enumerated, I think, 18 or 28 silver companies that he said got all the money for silver. He does not seem to know that there are thousands of little miners who produce silver-bearing ore which they send to the smelter. When they get the smelter return they get the current price of silver, which at the present time is 70 and a fraction cents. Most of the big mines handle their production on a leasing basis, the mining companies taking 15 percent and the miners receiving 85 percent of the proceeds from the sale of the ore. The miner gets his assay on zinc, he gets his assay on lead, he gets his assay on silver. The price is set by the smelters, and the returns are made on the basis of the price of silver, which at the present time is $0.7111, and the miner gets for his share 70 cents and a little over

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the regular price of silver before the Government started to fool with it was only 35 cents an ounce, then we paid you silver miners 35 cents subsidy?

Mr. WHITE. Who paid it?

Mr. RICH. The Federal Government is paying a subsidy. Now, you want $1.29, which is highway robbery.

Mr. WHITE. There is no price set on silver. The mints simply take a toll. It is just the same as when you take wheat to the mill and you have it ground into flour. The Government takes 45 percent for its share and hands the miner back 55 percent of his silver bullion coined into dollars. In this bill it is proposed to lower the toll so that the miner will get 70 percent and the Government will take only 30 percent. The great Mormon Church is built on tithes of 10 percent, and here the miner is called upon to pay 30 percent of his silver bullion to the Government. The real buyer of this silver is not the Government. The Treasury is a middleman. The real buyers of this silver are the people who use money, the ones that accept silver certificates and silver money. The Treasury, in purchasing silver, revaluing the metal, and issuing and paying out silver certificates up to the cost of all the silver bought, has accumulated a toll amounting to, if you please, at the highest point of accumulation, 1,275,000,000 ounces of so-called free silver. This silver did not cost the Government a nickel. The citizens who accept silver money at $1 29 an ounce, the people all over the United States and all over the world that use silver money, are the people that pay for that silver, and if the Secretary of the Treasury had done his duty, he would have revalued all the silver the Treasury bought and issued it as money and the Government would have made a profit of over $2,000,000,000.

Let me show you how much profit the Government has made. Every Congressman and every bank in these United States gets a copy of the bulletin of the United States Treasury, which is issued monthly, and on page 86 we find that the Government in the silver-purchase program has made $1,068,900,000. That is a pretty tidy sum even in the State of the gentleman from Pennsylvania. He has stood here on this floor over and over, day after day, and called the only money transaction on which the Treasury has made a profit a racket. If there is any racket, it is the speculators that obtained the Nation's money metal reserve and sold it at a profit. Silver certificates are the only redeemable kind of money in circulation today. If the jewelers and silver fabricators must have some of the Nation's monetary reserve, let them pay the equivalent in good United States dollars, just as you and I accept silver certificates at $1.29 per ounce.

Mr. CANFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, it may be that the loquacious and smooth-speaking gentleman from Illinois referred to by my friend the gentleman from Idaho [Mr. WHITE] may unwittingly cast misinformation upon the waters now and then, but may I refresh my friend with the fact that the figures I used come from the industry's own yearbook, the Metallurgical Institute, for 1944, and that the estimated profit was gotten from a very reliable source, the Treasury of the United States.

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Idaho [Mr. WHITE]. I appeal not for the silversmiths of the East or for the big miners of the West. My appeal is for the small miners, many

of whom in my State have been forced to close down because of the treatment they have had during the war by the Government in the handling of their mines About 80 percent of these small mines in the West have been forced to close. We need these mines in order to produce the silver and the other minerals produced from these mines in combination with silver, that is copper, lead, and zinc.

Mr Speaker, since July 1, 1939, there has been no raise granted in the price of silver. During that time the cost of mining operations has risen 60 to 70 percent. The result has been that 80 percent of the small mines of the West producing silver, lead, copper, and zinc have been forced to cease operations. This in the face of a shortage of silver, lead, copper, and zinc in this country. One of the principal minerals found in the deposits with silver is lead. A short time ago the oil refineries of my State appealed to me for aid in obtaining tetraethyl fluid to make antiknock gasoline On investigation I found that this country was on an import basis as regards lead; something unheard of before the war. I further found the world supply was very short Antiknock gasoline must be limited because of a shortage of lead

I might extend my remarks to other uses of silver, lead, copper, and zinc but this illustration will make my point, which is that we need to encourage these small mining operators and it will be to the advantage of not only the mining in the West but to all the people of the country who are users of these minerals.

Mr. Speaker, I hope the amendment of the gentleman from Idaho prevails It will react to the benefit of the whole country.

Mr. TABER. Mr Speaker, I yield myself 5 minutes.

Mr. Speaker, last winter when the Treasury appropriation bill was up for consideration an amendment was put on it providing that the Secretary of the Treasury might sell silver for commercial uses at not less than 71.11 cents per ounce. Get that, not less than that price. If silver is worth more in the market than 71.11 the Secretary of the Treasury will collect it. The Secretary of the Treasury will not sell any silver for less than the market price. All these stories about the price of silver are just about like the stories we have been getting of $150 a carton being paid for cigarettes over in Germany. In Mexico, in Bombay, and in other places throughout the Middle East silver has on occasion jumped out of sight, but those sales are entirely fictitious and are not reasonable, regular market sales.

This House amendment would make available a total of about 70,000,000 ounces of silver which is not tied up in some program or other right away and it would also make available probably 100,000,000 more ounces in the course of the next 6 or 8 months, silver which is out on loan and will be returned to the Treasury. It is needed for the arts. The big consumer last year was the photographic industry, which absorbed about 40,000,000 ounces. The big consumer this year will probably be the silverware industry, which would use probably 70,000,000 ounces.

What does this Senate amendment do that the gentleman from Idaho proposes we adopt? I think we ought to know that. It freezes all silver for 2 years so that there would be no sales of silver whatever for 2 years. In other words, it fixes the price presently at 90.3 cents per ounce, but provides that 2 years from now the price shall be $1 29 per ounce. No one would sell any silver. In other words, instead of moving, the silver people would take their silver to the bank and keep it there, and they would get 20 percent a year on their money for the 2 years. That is what the amendment would do On top of that it repeals the tax of 50 percent on speculative profits in silver, which was put on in 1934. That repeal is for the benefit of the speculators I am sorry to see the silver people trying to commit suicide and destroy the silver industry and their markets for the silver. That is the way they are operating at the present time.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr McCORMACK. If this proposition went through, nobody would sell silver until 1948, when they would get the price of $1 29, and then afterward there would be the demand, "If the Government is going to buy it at $1 29, why not nationalize the mines?"

Mr. TABER That is just it.

Mr. McCORMACK. One thing follows another.

Mr. TABER. And they would get 20-percent interest on their money for the 2 years.

Mr. McCORMACK. And 50 percent on the repeal of the Silver Speculation Act.

Mr. TABER. That is just it. That is a type of deal to which I cannot be a party. I hope the motion offered by the gentleman from Idaho will be defeated.

Mr. O'NEAL. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. ENGLE].

Mr. ENGLE of California. Mr. Speaker, I am heartily in accord with everything that has been said by the gentleman from Idaho [Mr. DWORSHAK].

The House Committee on Appropriations did not hold hearings on this provision in the appropriation bill and the House Rules Committee reported out a rule waiving points of order against this provision. The provision then passed the House as a part of the appropriation bill without the House having one word of testimony on which to base its conclusions as to the correctness of the provision. Thereafter, the bill was taken up by the Senate Appropriations Committee and voluminous testimony was heard on the subject. The opponents and proponents of this provision are just as vigorous and well informed on the other side as they are here. After struggling with the matter for many weeks they finally came out with the compromise which is now suggested. It seems to me very unwise for this House to insist upon its position without the background of any testimony or hearings whatever or the action of any one of its legislative committees in the face of the compromise proposed by the Senate which has been arrived at after so much deliberation and discussion. Admittedly, this is a highly complicated subject and certainly if the well-informed gentlemen in the other House have finally come to the conclusion that the proposal made by the Senate is the best that can be arrived at, it should be accepted.

Furthermore, in my opinion, unless the silver fabricators are willing to take the compromise proposed in the Senate they are liable to get nothing whatever. The Senate simply will not pass a bill containing the House provision. The failure to pass any legislation whatever would make the situation of the manufacturers and the fabricators who want silver much more difficult. The silver miners will take no legislation whatever rather than the proposal in this bill. I think that it is the better part of judgment for us all to settle on what the Senate has finally agreed on.

In connection with the tax feature of this legislation it is necessary for us to have some understanding of the history of the American commercial market in silver. I am very doubtful if there is even the most elementary understanding of that history. For at least two centuries running right down to the outbreak of World War I, the leading commercial market in the world in silver was in London. For a variety of reasons—principal among them the enhanced prestige which the American dollar acquired as well as the rise of the United States as a major factor in international trade and finance—the end of World War I saw the United States become of increasing importance as a center for commercial transactions in silver. By the late 1920's and early 1930's the American commercial silver market first challenged the supremacy of the London market and then rose to the position of the unquestioned world center for such transactions I am very proud of the contribution which my own State of California made in that achievement. In those days many millions of ounces of silver were shipped from San Francisco and Los Angeles to Shanghai, Bombay, Hong Kong, and elsewhere. Millions of ounces of silver also came into our ports from Canada, Mexico, South America, and elsewhere, and ultimately found their way into the other great commercial silver markets of the world. These shipments of silver and the transactions in silver which attended them provided a valuable source of employment and of economic gain to the many companies which participated in them. The same is true of the commercial transactions in the rest of the country, most of which took place in New York and New Jersey.

But, Mr. Speaker, in addition to an unfortunate lack of understanding of the history of the former American commercial market in silver, there is a lack of understanding of the nature of that commercial market. In terms of volume, the American commercial silver market conducted transactions in silver which amounted to roughly 500,000,000 ounces annually, about twice the annual world production of silver under normal conditions. That volume is about in line with

the transactions which formerly took place in the commercial market in cotton in this country. With world production of cotton running around 25,000,000 bales in the same period, the commercial transactions in cotton ran to about 50,000,000 bales annually.

The commercial market in silver was virtually extinguished overnight with the enactment of the 50 percent tax on profits arising from these commercial transactions This market, which had taken so many years to develop, was literally tossed into the laps of other countries, notably England, Canada, and Mexico. But when it did function normally, namely from about 1915 to 1934, its character was utterly similar to all our other commercial markets It was not one whit different in character from the commercial markets that prevailed then—or that prevail now—in cotton, wool, copper or the other prominent commercial staples. It was a delicate mechanism which permitted the easy flow of silver from the ultimate sources of production—the producers, smelters, and refiners—to the ultimate sources of consumption—India and China as the principal monetary reservoirs, and industry throughout the world in supply of its customary artistic and industrial needs.

But in addition to assisting the flow of the output of producers, smelters and refiners into the channels of monetary and industrial consumption, this market engaged in hundreds of thousands of intermediate transactions annually. At one moment this market was called upon to absorb the silver which resulted from reductions in the monetary stocks of silver of one country or another. At another moment it was called upon to supply large amounts for addition to the monetary stocks of various countries or for use as new coinage. Let me emphasize as strongly as I can, Mr. Speaker, that any overemphasis of the speculative aspect of this commercial market is pure 100-percent hokum. Never was there any more speculative activity in silver in this country than there was in cotton or wheat or real estate or securities. Speculation in silver in the past 5 or 6 years has in fact been virtually nil, in the first place, for the very simple reason that the facilities did not exist and, in the second place, because this metal has been under Government control for most of that period.

The only reason that this 50-percent tax feature ever got into the law was because the Treasury, in 1934, was about to enter upon a program of large-scale purchases of silver in the markets of the world as required by law, and it was felt at that time that this tax feature would provide the most complete freedom of action on the part of the Treasury. Moreover, the Treasury was hopeful of deriving a substantial revenue from this feature. But today, Mr. Speaker, the Treasury is making no large-scale purchases of silver, even though the law still requires those purchases. It has made hardly any purchases since 1941. It is unlikely that it will make any such purchases for a good many years to come. And so the original reason for the application of this tax has disappeared for many years.

A second reason that this feature was inserted in the law, Mr. Speaker, was that the Treasury believed it would produce up to $25,000,000 of revenue. That was the statement of the Secretary of the Treasury in 1934. Actually, it has produced only a total of $3,300,000 of revenue in 11 years. Here are the figures:

1935	$1,149,390
1936	685,188
1937	633,712
1938	142,107
1939	261,773
1940	193,737
1941	51,286
1942	40,402
1943	111,054
1944	46,772
1945	25,037

Will any Member of this House succumb to the bogy of the speculative profits that may be involved by repeal of this tax in the light of this 11-year record?

In fact, this tax is an acknowledged nuisance tax of the worst kind. I am in possession of a typical series of tax reports which were filed under this feature of the law It accounts for transactions totaling over 7,000,000 ounces of silver without one dime of revenue resulting. As far as these particular transactions are concerned, the tax feature is only a nuisance and a waste of manpower. But the big factor with which the repeal of this tax feature is concerned is the destruction of the many millions of commercial transactions which formerly took place in this country before this tax was imposed. Those transactions, a large part of them originating from the other large commercial centers of the world, are now taking place in Canada, in Mexico, and elsewhere. They must be allowed to return to this country, Mr. Speaker, and they will never return as long as this ridiculous tax is on the statute books

Some reference has been made to industrial inventories of silver. Of course, because of the large increase in industrial consumption of silver since the war, industrial inventories of silver are of necessity higher than they were before the war. But so are inventories of textiles and copper and steel and thousands of other staples. That is inevitable. But in the case of silver a large part of these are not taxable anyway under the law, because they represent original mine production or normal inventories or because they are not bullion, to which the law alone applies, but are in the form of wire or strip or sheet or other industrial forms, which are exempt from the applications of this tax. Where any profits may result in this direction they are subject to normal income taxes, corporation taxes, capital-gains taxes, which are high enough anyway. We must not apply one tax schedule to commercial transactions in silver and another to commercial transactions in wheat or copper or steel.

The real reason, Mr. Speaker, why we must repeal this tax is to restore the normal commercial market in silver to this country at this time. We must bring back to this country the hundreds of millions of ounces of silver business which was transacted in this country annually from the end of World War I until 1934. This business produced considerable employment and considerable income to our smelters, refiners, manufacturers, insurance companies, trucking companies, banks and banking institutions, and storage companies. As Senator Pittman said in 1934 when he was speaking in opposition to the insertion of this tax in the law.

I think the taxation of silver will bring some money into the Treasury and will prevent some speculation here or there, but I would rather have a free market in the United States so that we could take the market away from London, which has had control of it for many years, than to have that little advantage which is proposed to be given by the tax.

Mr. O'NEAL. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK I have just heard it said among my colleagues that if the motion of the gentleman from Idaho should prevail, industry would be thwarted or hampered, especially the motion-picture industry. I want to make it perfectly clear that I am supporting the motion made by the gentleman from Idaho I want it made perfectly clear that I am not trying to thwart industry, whether it be the silver arts and trades or the new processes of using silver in airplane construction or delicate instruments of measurement or the motion-picture industry I believe if we permit these people to buy silver, even at a price of 90 cents per ounce or better still at $1 29 per ounce, the United States Treasury is doing the right thing by them and they can go ahead and buy it The gentleman from Idaho stood in the well of the House and showed us the profits made by the jewelers The gentleman from Idaho stood right here and picked up about a dollar's worth of silver and showed how it had been put into a vessel that cost him about $20. The enormous profits that are made by these manufacturers could easily pay the difference between 71.11 cents per ounce and $1.29 per ounce.

Concerning the motion-picture industry, in which I am also greatly interested, I want to tell you that the way we pay at the door going into a theater and considering the salaries that are paid to producers and actors, it would certainly warrant that industry's paying $1.29 for all the silver they use in pictures.

While I recognize this Senate amendment as going beyond the Green rider on the House bill, this looks in the right direction and is in keeping with our monetary policy. I feel that the Senate amendment does make generous and ample provision to aid industry in its search for this important and scarce raw material—silver—which I am anxious to do, to whatever extent consistent with the monetary policy of the country. Although I opposed the Green rider last February, I now favor the Senate proposal, for it seems to me sensible and just in connection with industry and its needs and also in connection with right monetary policy.

Mr. O'NEAL. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, in a very ancient and treasured document there is reference to those who enter not in at the gate but seek to climb over the wall We have that situation here today. There is a gate—a broad and established gate—through which legislation of this character can enter. But those who advocate the pending amendment prefer not to enter the gate but to climb over the wall with the aid of a rider on an appropriation bill.

I think there is no phase of congressional procedure which the press and legislative critics have excoriated so vigorously and so consistently as the attachment of riders to appropriation bills. From any point of view, it is a reprehensible practice and the House Committee on Appropriations has assiduously endeavored to avoid it. And we urge the House to avoid it on this occasion.

It is the height of irony that some of these Members who have heretofore on every occasion vociferously condemned the practice are here today still protesting their objection to riders but insisting that this should be made an exception to the rule. Thou jewel of consistency!

Not only has there been general and widespread condemnation of the practice of legislating on appropriation bills but the Joint Committee on the Organization of Congress, the streamliners, included in their recommendations to the two Houses an absolute inhibition against such amendments, in all of which I fully concur And yet in a few days these same gentleman will be urging the enactment of the streamlining bill and championing the very measure they now decry.

After the legislative committees of both Houses have considered this legislation for months—legislation of unpredictable potentialities—legislation which will in any event disturb profoundly the monetary exchanges of the world, legislation which will set in motion forces which cannot be recalled—it is here proposed to casually incorporate it in an appropriation bill It is unthinkable.

This is neither the time nor the place. But apparently the time is selected with calculating shrewdness Here in the last days of the session when everybody is exhausted and impatient to get away—when the eyes of the watchers on the towers grow dim and the keepers of the gates are less alert—in the dim twilight of the evening of the last session of the Seventy-ninth Congress—it may be that the garrison of the citadel can be taken unaware and this little rider slipped in here on an appropriation bill when there is less attention than there would be in the leisurely and circumspect routine of the legislative committees.

Mr. Speaker, there is to much involved. It is too serious a matter of such hasty consideration and disposition. And there are too many rumors floating around of big money to be made by speculators. The House should vote down the motion and further insist on its disagreement to the amendment—and leave the matter to the less hurried consideration of another Congress.

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON. Mr. Speaker, I concur with the distinguished gentleman from New York [Mr. TABER] in the position which he has taken on the silver issue, and sincerely hope that this motion is voted down. It certainly will cause silver to be withheld from the market and almost double the cost for the consumer. Let us all vote down the motion to recede and concur with the Senate amendment.

Mr. TABER. Mr Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE Mr Speaker, fortunately or unfortunately, I am one of the conferees who is struggling with this problem. I do not pretend to be an expert either in the field of money or in the field of silver. We have so many of those experts among us that I have never sought to achieve that ambition. But there are a few fundamental facts in relation to the situation that confronts the House this afternoon, which I believe a layman or one who is not so extremely versed in the intricacies of monetization of silver and of all the other problems that have been discussed in 1-minute and 5-minute speeches, can understand, which can well direct the course that the House should take with respect to this proposed amendment.

As I understand the situation at the present time, were it not for the control exercised by the Office of Price Administration in fixing the price of silver as pegged by the Treasury at 71 11 cents per ounce, silver would perhaps flow in the free market. I see the distinguished gentleman from Idaho nodding affirmatively to that statement, yet what a paradoxical situation confronts us, when the identical gentleman, among others who talk his language, has taken the floor of the House to denounce the action of the House in attempting to remove any OPA controls on other commodities. They want them all off of silver but not the others. If you take them off of silver, silver will flow in the free market, and there will be no trouble at all. What is sauce for the goose is sauce for the gander, may I say to the distinguished gentleman. There ought to be some consistency in our argument

Now, the situation is just this: Were it not for the OPA regulations and the regulations of the Treasury Department, silver would seek its normal market. I do not know what that would be, and the gentlemen from the States which produce silver have been unable to answer that question. I have asked that question repeatedly in the conference and have not been able to get any satisfactory answer whatsoever. We do not know where that price would go. It has been said it would go to $1.09, $1.29, $1.50, $2, or $2 50 per ounce. Nobody knows just what the situation would be. Under the existing law, if the controls on silver were removed, the price of silver would go to its normal level, and the industrial users of silver would be compelled to pay whatever the normal level for silver would be, and the silver producers would thereby get the price for silver that the market conditions would normally produce.

Now, the Congress embarked upon a program in 1934, when silver was selling at 34 and 35 cents an ounce, when due to the urging of silver producers from the West, they convinced the Congress that the silver business required a subsidy. They said, "We want you to say to the miners in the West that all newly mined silver may be bought by the Treasurer of the United States at 71.11 per ounce," at a time when the world price of silver was 35, 37, and 38 cents an ounce. That law was passed. It said that the Secretary of the Treasury shall buy all the newly mined domestically produced silver that is offered to him at 71 11 cents an ounce.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. TABER. Mr Speaker, I yield five additional minutes to the gentleman from Wisconsin.

Mr. KEEFE. It now develops that 71 11 cents an ounce which is the price fixed by the Silver Purchase Act and by OPA is not enough for these boys to produce silver. They say they must have an increased price. I asked the distinguished Senator from Nevada what the price should be. Well, they thought $1 29 ought to be the price but they could perhaps get along if they got $1 09, but $1.09 would be the minimum price that would enable the operators of these mines to operate successfully.

What we are seeking to do by this amendment that has been offered by the Senate is to raise this offering price by the Treasury from 71 11 cents to 90.3 cents per ounce for 2 years and thus say to the producers of silver in this country that we will buy all the newly mined domestic silver they can produce That we will buy it at the Treasury for 90 3 cents per ounce and then we will also buy at the expiration of 2 years all the newly mined domestic silver they can produce at $1 29 an ounce. That is what this thing amounts to, and nothing more nor less But not being satisfied with that they will go two steps further, they remove all controls from silver and they remove the speculative tax on silver

Mr WHITE. Mr. Speaker, will the gentleman yield?

Mr. KEEFE I do not yield at this moment. The gentleman has had the floor all afternoon. I want just a few minutes to say a few things that I have learned as the result of sitting in this conference. They want to take off that tax. I asked the gentlemen in the conference if the figures disclosed how much silver was held in this country in the shape of bullion outside of the Treasury of the United States.

Mr. WHITE. I will say to the gentleman——

Mr. KEEFE. I have not asked the gentleman

Mr. WHITE. That is available in the hearings.

Mr KEEFE. And I refuse to yield to him.

Mr. WHITE. It is all available in the Senate hearings.

Mr. KEEFE. The gentleman from Idaho knows the rules of the House.

I asked that question repeatedly. I daresay there were people in that conference who had as much information on the subject as the distinguished gentleman from Idaho. I was not able to get an answer. No one was able to tell the conferees how much silver bullion was being held in the vaults of private speculators at the present time, how much silver was in the hands and in the vaults of the great producers of silver who produce silver as a byproduct of copper, lead, and zinc. How much silver do they hold? No answer, no facts, no information; and yet in the light of the lack of that pertinent and vital information we propose to take off the tax, the transfer and speculative tax on silver, amounting to 50 percent of the profit. It is proposed to allow those who are holding this silver who are refusing to put it on the market—which is one of the contributing causes at the present time for the failure of arts and industry to get their supplies of silver—we are going to say to those people: "All right, brother, we will take the tax off any profits you make; we will let you hold your silver for two years more and then we will double the profit by giving you $1 29 an ounce." The Members may vote that if they want to, Mr Speaker, but my conscience as a Representative will not permit me in the face of the limited information that is available on the subject to do such a monstrous thing as that on an appropriation bill.

I hope you will vote down the motion of the gentleman from Idaho and support the conference motion offered by the gentleman from Kentucky.

Mr. O'NEAL. Mr. Speaker, I move the previous question

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Idaho [Mr. WHITE]

The question was taken; and on a division (demanded by Mr. WHITE) there were—ayes 15, noes 136.

Mr. WHITE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present

The SPEAKER. Evidently a quorum is not present

Mr. KEEFE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEEFE. Mr. Speaker, am I correct in the assumption that the vote that is about to be taken is on the motion offered by the gentleman from Idaho [Mr. WHITE].

The SPEAKER. The Chair has stated that that is the motion.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 22, nays 266, not voting 144, as follows:

[Roll No 206]

[YEAS 22]

Barrett, Wyo.	Havenner	Patterson
Bunker	Hill	Peterson, Fla.
Chenoweth	Holmes, Wash.	Rockwell
D'Ewart	Izac	Smith, Wis.
Dworshak	Johnson, Calif	Voorhis, Calif.
Elliott	King	White
Ellsworth	Lemke	
Engle, Calif.	Murdock	

NAYS—266

Abernethy	Graham	Norrell
Allen, La.	Granahan	O'Brien, Ill.
Andersen, H Carl	Grant, Ind.	O'Brien, Mich.
Andresen, August H.	Green	O'Hara
Andrews, Ala.	Gregory	O'Konski
Angell	Griffiths	O'Neal
Arends	Gross	Outland
Arnold	Gwinn, N. Y.	Pace
Auchincloss	Gwynne, Iowa.	Patman
Bailey	Hale	Peterson, Ga
Bates, Mass	Hall, Edwin Arthur	Phillips
Bennett, Mo	Hall, Leonard W	Pickett
Biemiller	Hand	Pittenger
Bishop	Hare	Ploeser
Blackney	Harness, Ind.	Poage
Bland	Hays	Pratt
Bloom	Healy	Price, Fla.
Bolton	Hedrick	Price, Ill.
Bonner	Henry	Priest
Brooks	Herter	Rains
Brown, Ga	Heselton	Ramey
Brown, Ohio	Hess	Rankin
Bryson	Hinshaw	Reed, Ill
Buchanan	Hobbs	Reed, N Y
Buck	Hoch	Rees, Kans.
Buffett	Hoeven	Resa
Bulwinkle	Hoffman, Mich.	Rich
Byrnes, Wis	Hoffman, Pa	Riley
Campbell	Holmes, Mass.	Rivers
Canfield	Hook	Rizley
Cannon, Mo	Hope	Robertson, N. Dak.
Carlson	Howell	Robertson Va
Carnahan	Huber	Robsion, Ky.
Case, N. J	Hull	Rodgers, Pa.
Celler	Jackson	Rogers, Fla
Chelf	Jarman	Rogers, Mass
Chiperfield	Jenkins	Rooney
Church	Jensen	Rowan
Clark	Johnson, Ill	Russell
Clason	Johnson Ind	Ryter
Clevenger	Johnson, Luther A	Sadowski
Clippinger	Johnson, Okla	Sasscer
Cole, Kans	Jones	Savage
Cole, Mo	Jonkman	Schwabe, Mo
Cole N Y	Judd	Schwabe, Okla
Combs	Kee	Scrivner
Cooley	Keefe	Sharp
Cooper	Kelley, Pa	Sheppard
Corbett	Kelly, Ill.	Short
Courtney	Kerr	Simpson, Ill
Crosser	Kilburn	Smith, Maine
Cunningham	Kinzer	Smith, Ohio
Curtis	Kirwan	Smith, Va
D'Alesandro	Klein	Spence
Dingell	Knutson	Springer
Dirksen	Koppelmann	Starkey
Dolliver	Kunkel	Stefan
Dondero	LaFollette	Stevenson
Doughton N C	Landis	Sullivan
Douglas, Ill	Lanham	Sumner, Ill.
Doyle	Larcade	Sundstrom
Drewry	LeFevre	Taber
Eaton	Lewis	Talbot
Ellis	Link	Talle
Elsaesser	Luce	Thom
Elston	Lyle	Thomas, N J
Ervin	Lynch	Thomas, Tex
Fallon	McConnell	Thomason
Feighan	McCormack	Tibbott
Fenton	McDonough	Towe
Fisher	McMillan, S C	Traynor
Flanagan	McMillen, Ill	Trimble
Flood	Madden	Vorys, Ohio
Folger	Maloney	Vursell
Forand	Manasco	Wadsworth
Fulton	Martin, Iowa	Walter
Gallagher	Martin, Mass.	Wasielewski
Gary	Mathews	Weaver
Gathings	Merrow	Weichel
Gavin	Michener	Whitten
Gearhart	Miller, Nebr.	Whittington
Geelan	Mills	Wigglesworth
Gifford	Monroney	Wilson
Gillette	Morgan	Winter
Gillie	Murphy	Wolcott
Goodwin	Murray, Tenn.	Woodhouse
Gore	Murray, Wis.	Woodruff
Gorski	Norblad	Zimmerman

NOT VOTING—144

Adams	Beall	Buckley
Allen, Ill.	Beckworth	Butler
Almond	Bell	Byrne, N. Y.
Anderson, Calif.	Bender	Camp
Andrews, N. Y.	Bennet, N. Y.	Cannon, Fla.
Baldwin, Md.	Boren	Case, S. Dak.
Baldwin, N. Y.	Boykin	Chapman
Barden	Bradley, Mich	Clements
Barrett, Pa.	Bradley, Pa	Cochran
Barry	Brehm	Coffee
Bates, Ky.	Brumbaugh	Colmer
Cox	Hefferman	Plumley
Cravens	Holifield	Powell
Crawford	Horan	Quinn N Y.
Curley	Jennings	Rabaut
Daughton, Va.	Johnson, Lyndon B.	Rabin
Davis	Kean	Randolph
Dawson	Kearney	Rayfiel
De Lacy	Kefauver	Reece, Tenn.
Delaney, James J	Keogh	Richards
Delaney, John J.	Kilday	Robinson, Utah
Domengeaux	Lane	Roe, Md
Douglas, Calif	Latham	Roe, N Y
Durham	LeCompte	Rogers, N Y.
Earthman	Lesinski	Sabath
Eberharter	Ludlow	Shafer
Engel, Mich	McCowen	Sheridan
Fellows	McGehee	Sikes
Fernandez	McGlinchey	Simpson, Pa
Fogarty	McGregor	Slaughter
Fuller	McKenzie	Somers, N Y.
Gamble	Mahon	Sparkman
Gardner	Mankin	Stewart
Gerlach	Mansfield, Mont.	Stigler
Gibson	Mansfield, Tex	Stockman
Gillespie	Marcantonio	Summers, Tex
Gossett	Mason	Tarver
Granger	May	Taylor
Grant, Ala	Miller, Calif	Tolan
Hagen	Morrison	Torrens
Halleck	Mundt	Vinson
Hancock	Neely	Welch
Harless, Ariz	Norton	West
Harris	O'Toole	Wickersham
Hart	Patrick	Winstead
Hartley	Pfeifer	Wolfenden, Pa
Hébert	Philbin	Wood
Hendricks		Worley

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gillespie for, with Mr Baldwin of New York against.

Mr. Horan for, with Mr Kean against

Additional general pairs:

Mr. Vinson with Mr. Taylor

Mr. Coffee with Mr Stockman.

Mr. Keogh with Mr Plumley

Mr. Sheridan with Mr. Shafer

Mr Barrett of Pennsylvania with Mr Mundt

Mr McGlinchey with Mr Latham.

Mr Hart with Mr. Bradley of Michigan

Mr. Rayfiel with Mr Mason

Mr Quinn of New York with Mr Crawford

Mr Lane with Mr Brehm

Mr Bradley of Pennsylvania with Mr Fellows.

Mr Hefferman with Mr Jennings

Mr Sparkman with Mr Fuller.

Mr Mansfield of Montana with Mr Hartley

Mr. O'Toole with Mr. Gamble.

Mr Eberharter with Mr. Halleck

Mr James J Delaney with Mr. Adams.

Mr. Rabin with Mr Beall

Mrs. Douglas of California with Mr Anderson of California.

Mr. Camp with Mr. Kearney.

Mr. Boykin with Mr. Bender.

Mr Pfeifer with Mr. Simpson of Pennsylvania

Mr Barry with Mr. Butler

Mr Powell with Mr. Andrews of New York.

Mr Fogarty with Mr. Allen of Illinois

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the motion to further insist.

The motion was agreed to.

The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 89: On page 49, line 12, insert the following:

"During the fiscal year 1947, the Postmaster General shall make quarterly reports to the Senate and House Committees on Appropriations, showing for each quarter the amount paid from each appropriation for

overtime, the number of employees receiving such overtime, and the number of hours of overtime worked by such employees, together with a statement as to the necessity for such overtime work"

Mr. O'NEAL. Mr. Speaker, I move that the House recede and concur.

The Clerk read as follows:

Mr O'NEAL moves that the House recede from its disagreement to the amendment of the Senate numbered 39 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No 40, Page 50, line 7, strike out all of section 301 and insert the following:

"SEC 301 No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony [illegible] than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law"

Mr O'NEAL. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment No. 40, and concur in the amendment.

The Clerk read as follows:

Mr O'NEAL moves that the House recede from its disagreement to Senate amendment No 40 and concur therein

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

SUBCOMMITTEE ON APPROPRIATIONS

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Appropriations having in charge the Government corporations appropriation bill may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate further insists upon its amendments numbered 27 and 28 to the bill (H. R. 6837) entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes," disagreed to by the House; asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr THOMAS of Oklahoma, Mr HAYDEN, Mr OVERTON, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. GURNEY, Mr. BROOKS, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S Con Res 71 Concurrent resolution authorizing the reenrollment of the bill (S. 1746) to govern distribution of war trophies and devices, for the purpose of making a correction.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SPENCE Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (S. J. Res 138) to implement further the purposes of the Bretton Woods Agreement Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 138, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr EATON].

Mr. EATON. Mr. Chairman, I think in the general excitement of the debate so far it will be good for us at this time to restate the simple facts of the case.

The bill before us implements the loan agreement made by the executive branch of our Government with the Government of Great Britain.

The Senate has approved the loan by a vote of 46 to 34. Our House Banking and Currency Committee by a vote of 20 to 5 brings the loan ratification legislation before the House for final action with a strong recommendation that the bill do pass.

The committee's recommendation that the House authorize the setting up of a $3,750,000,000 credit to Great Britain at this time is based upon our absolutely necessary international economic policy, the main objective of which policy is to insure a balanced development of world trade, in which trade all nations, including our own, can participate on fair and equal terms.

World economic stability and prosperity are a primal condition of an assured peace and security for all nations. The United States of America and Great Britain, with her associated Commonwealths have been, are now, and must continue to be the great world trade leaders.

They can only continue to hold this place of world leadership and responsibility by working together as partners in full cooperation and understanding

In the Congress, as in the country at large, there is an honest difference of opinion on the question of this loan. An impressive array of economic facts and arguments is marshalled by able advocates on both sides, and as is common in human affairs passion and prejudice demand to be heard.

However, it must be self evident that no solution of so momentous a matter can be achieved which is based primarily upon racial or personal aversion to those faults and failures of British character and conduct which at this time seem to offend so deeply our admittedly unsullied national and personal virtue.

The objections to this loan advanced by various pressure groups who are interested only in their own objectives are not important. The economic and political considerations advanced against this proposed loan are important, and they are entitled to the respectful and fair judgment which their importance merits But they are not decisive. There are certain larger considerations which transcend in urgency and importance all secondary issues and which constitute compelling reasons for favorable action by the House on this loan.

These larger considerations inhere in present and future world conditions. They will affect profoundly the destiny not only of our own country but of all mankind. They are no figment of a disordered social imagination. They are massive, practical, and potent as the tides of the sea. They are embedded in the very soul and center of an irresistible world evolution from which there is no escape for any race or nation. I firmly believe that these considerations express the plan and purpose of Almighty God for the entire human race which He has created and whose destiny He controls by changeless law.

What in specific terms are these larger facts, conditions, and considerations, which are of sufficient weight to make necessary for our own national welfare, and for the welfare of mankind, favorable action upon this loan to Britain?

We stand at this moment in the dark dawn of a new age. For the first time in the long and tragic history of man the entire human race faces a task which only the entire human race, working together, can finish.

In common with every other nation and race we have come to a world age. This in essence is that one divine far-off event toward which the whole creation has been moving through the centuries. This is the end implicit in the universalism of Jesus. This is the consummation of the spiritual vision which has lightened the shadowed pathway of mankind in days gone by.

Evidence of this stupendous reality confronts us on every hand.

In one generation we have had two world wars. The second of these world wars has involved in its sacrifices and

resultant ruin every section and every race on the face of the globe.

For the first time in history 44 nations have combined through the organization, of UNRRA, for their own safety and in discharge of their acknowledged moral obligation, to feed the starving, and rehabilitate shattered national institutions, wherever possible in the stricken areas.

A year ago, while still in the throes of world conflict, 51 United Nations sent delegates to San Francisco to write a United Nations Charter for a new world organization to insure future world peace, cooperation, progress, and security.

If all this means anything, it means that from now on the one supreme common task not only of America and Britain, but of every nation and race, is to build by united effort a new world civilization upon world principles and world policies, with organized world objectives, social, economic, and spiritual; with law taking the place of brute force everywhere; with understanding cooperation and mutual helpfulness gradually smothering the fires of class and racial hate, suspicion, and fear.

Each and every nation in this new age is of course under solemn obligation to set its own house in order by establishing just laws, a sound economy, and fair and equal opportunity for all individuals, classes, and interests. And each nation for its own safety and progress is under equally solemn obligation to do all that it can to make and keep the world a decent place in which to live

We begin this inescapable task of creating a new world civilization, which will take centuries to complete, under at least three major handicaps.

First of these is the absence of a common moral standard among the nations by which the right or wrong of all international issues and relations can be decided.

The second of these major handicaps is the immeasurable diversity and inequality in tradition, culture and character among the peoples of the world, who must finally be welded into unity while retaining in full freedom their racial and spiritual identities.

The third of these handicaps, which is currently the most difficult and dangerous of them all, is the existence, side by side, of two great and powerful ideologies; mutually antagonistic; each backed by enormous material, economic and political power; each dominated by what seems to be irreconcilable moral standards, and economic, political, social and spiritual philosphies; and each deeply rooted in a long racial history out of which they have been born.

On one side of this ideological impasse, we have the United States of America, the British Commonwealth of nations, and an impressive group of other peace loving and progressive nations, standing in varying degrees for free self-government and free individualism; economic, social and spiritual.

On the other side we have Russia and her satellite and subordinate group of nations standing for absolute totalitarianism in government, and for the complete aud unquestioning subservience of the individual to the despotic authority and control of the State.

This ideological impasse raises the question for which mankind through long ages of travail must find an answer.

The question is this. Is the new world civilization, which must now be created, to be a civilization of slavery or a civilization of freedom?

Let us not as free Americans deceive ourselves for a single moment. The issue is here as clear cut and tragic as was the issue raised when the mad Japanese shelled Pearl Harbor. We cannot hide from it behind a flimsy wall of personal or national parochialism. We cannot get rid of it by trying to put in its place any secondary racial or religious issue. It will not be affected in the slightest degree by personal resentment against some casual flippant remark by an over-worked and harassed statesman. Nor can it be dissolved by the heat and fervor of a genuine and highly to be commended national patriotism. All this is like trying to take Gibraltar by a bombardment of boiled peas.

Whether the voters decide in November to send the Members of this House back here or not will have no effect whatever upon the solution of this supreme question. Either we or our elected successors and the voters themselves will still have to face the issue.

It would therefore be the part of wisdom not to follow too closely the example of the ostrich in making our decision on this issue. The ostrich is a fine, strong bird He can run fast. He has beautiful feathers in his tail, but when danger threatens, he hides his head in the sand. He does that because he is an ostrich

Here it is in order on behalf of those who are the fortunate possessors of economic wisdom and practical good sense to ask: "What has all this to do with our turning over to England at this time several billions of good American dollars?"

My answer is that under present world conditions of economic, social, and spiritual chaos, if America and England do not hang together, we are bound, sooner or later, to be hanged separately.

The primary objective of this loan is the elimination of barriers to and the encouragement of a world trade which shall absorb our own surplus production at a profit, and stabilize the economy of all trading nations.

The basic economic foundation of a permanent and prosperous world civilization is a sound and steadily increasing multilateral trade based upon sound and stable currency conditions.

If the diversified organs of a new world economy are to be successfully integrated into a healthy body, the very life blood of that body will be an expanding world trade Britain and America together have the largest interest in world trade of any other section of the globe.

Britain, for long, has been the world's best customer. Before the Second World War she topped 31 countries as a buyer and importer of commodities. She took one-fifth of all world exports. Ten years ago she bought 18 percent of our United States exports. In some years Britain alone has absorbed as high as 40 percent of our export sales.

Almost all the nations of the world conduct their foreign trade on the basis of the dollar or the pound sterling. Unless the relation between the dollar and the pound sterling is stabilized, world trade will be forced into the hampering competition of two currency blocs. This will necessitate new restrictions upon world trade.

The only reasonable way to help ourselves in this situation is to help Britain by granting this loan which will give her working capital enough to get her export industries going again and make it possible for her to resume her great and necessary purchases of needed goods upon a dollar basis.

I approached the problem of the wisdom and necessity of our making this loan to Britain with an open mind. My decision to vote for making the loan at this time was finally reached after careful study of every argument I could find on both sides of the question.

Upon the reasons which I have already outlined, I found it comparatively easy to decide on a favorable vote. But because of an inherited hatred of tyranny and slavery in any form, I was disturbed by the recent vote of the British people to establish over themselves a socialistic government.

Were I convinced that present British socialism would end in the enthronement of communism, I would fight to the last ditch against our advancing one dollar of American money to help forward that most devastating of all conceivable national tragedies.

I know of course, that for nations as for individuals, the road to hell is always easy, at least until the final destination is reached Facilis descensus Averno est.

British socialism in its announced objectives and methods is little more than a very highly respectable distant relative of communism; really a sort of great aunt by marriage but not by blood.

I do not believe that the British people will ever surrender themselves to the iron rule of a communistic dictatorship. They, like ourselves, are the inheritors and conservators of that divine and deathless flame of freedom which first illumined the Greek culture.

They have kept and developed as the very essence of their scheme of life the institutions of local self-government which were brought to their island by the Saxon and Angle pioneer tribes, who came after the Roman conquerors left.

It was belief in this natural right of free self-government which British pioneers brought across the sea in the seventeenth century and made the very cornerstone of our American way of life.

No! In spite of the persistent intrusion of the state into the life of the individual, both here and in England, I have faith that so long as we stand with each other, government of the people, by the people, for the people will not perish from the earth.

The British people will not betray or deny their own history, expressed in the Magna Carta of 1215; in the Petition of Right of 1628, set up against the attempted tyrannies of Charles I; in the Habeas Corpus Act of 1679; in the Bill of Rights which was made a part of funda-

mental British law in 1688, and which in principle was made a part of our own Constitution.

On Saturday last, Mr. EDWIN ARTHUR HALL, the able young Representative from New York, propounded a series of questions for which he wanted an answer before deciding how to vote on the proposed loan to Britain. The questions are as follows:

First:

How much is a loan to Britain, or to any other foreign government, going to affect the welfare of the veterans?

I am reliably informed that most, if not all, of this loan will be spent here in the United States in payment for American products needed in the rehabilitation of British industry. Instead of taking American money away from our veterans, this will make it possible for them to get better paid jobs here at home and thus add to their earned incomes.

Second:

What effect will the interest rate of the proposed loan have upon the veterans?

My answer to the gentleman's anxious inquiry is, that I do not believe the rate of interest on this loan will determine in any serious degree the way the veterans will vote in the coming elections. During the war our veterans were soldiers first and citizens second. Now that they have returned to civilian life they will, like true Americans, act and think as citizens first and veterans second.

Third:

How far will this British loan obligate us to make similar loans to all other countries?

My answer is that we are not obligated to make a loan to Britain, nor to any other nation We are making this loan to Britain primarily in our own interest, because it will equip Britain, so severely devastated by the war, to help us develop a sound and profitable world trade as a necessary basis for world peace and security

Fourth:

Can the American people be expected to shoulder additional billions of dollars of debt for outside interests, when here at home we should be thinking of spending vast sums to improve our own country?

My answer to that very pertinent question is, that this loan creates a debt of England to us and not a debt of our Government to England. And when the people in 1948 elect a different administration, I hope that we shall be able to check the spending mania which has afflicted us since 1932 and begin once more to live within our means.

Fifth:

In view of various policies they are pursuing in the Orient, India, and in Palestine, can we depend upon present British leaders to see that the welfare of their people is improved by this loan?

I do not believe this loan will give us the right to dictate the foreign policy of Great Britain. When we are able to evolve a better foreign policy of our own then Britain has, she may voluntarily begin to copy us.

A few days ago I read in one of our newspapers an article to the effect that 74 Republican Members of this House had prepared and subscribed to a joint statement of their reasons for opposing this proposed British loan. To my sincere regret the newspaper did not print the document itself. I am sure that any statement of views on a great public question, agreed upon by 74 Republican statesmen is well worthy of the most respectful consideration.

However, the newspaper did record that this statement of united opinion ended with an original poetic couplet as follows:

There will always be a U S A
Unless we give it all away.

Some friends and constituents of mine, of undoubted poetic gifts handed me what they considered to be an improvement upon the original verse. Their contribution reads as follows:

There will always be a U S A
Unless we give it all away
So cache the money under the bed
We'll lock the door and hide our head
Appease the foe and spurn the friend
This was a great country they'll say at the end

In this time of stress and confusion when every human institution has been shaken to its foundation the first forward step towards rebuilding the economy of the world is the restoration of Great Britain to her old-time place of equality beside the United States as joint leaders in an expanding, sound and profitable multilateral trade, based upon a stable dollar and pound sterling currency. United we can and will become the economic saviors of the world.

In this hour of fateful decision it will be wise for us to ponder the words of John Stuart Mill, one of the greatest economic thinkers of all time:

History shows that great economic and social forces flow like a tide over communities only half conscious of that which is befalling them Wise statesmen foresee what time is thus bringing and try to shape institutions and mold men's thoughts and purposes in accordance with the change that is silently coming on

The unwise are those who bring nothing constructive to the process, and who greatly imperil the future of mankind, by leaving great questions to be fought out between ignorant change on one hand, and ignorant opposition to change, on the other

Mr SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. MILLS].

WHY I FAVOR THE BRITISH LOAN

Mr. MILLS. Mr. Chairman, first: (a) The compelling demands of war revealed how great a supply of goods could be produced for war purposes. We had full employment in the United States during the war. We could have used many more workers to produce additional goods. The United States has emerged from the war with a plant capacity at least 50-percent greater than before the war. This capacity was geared to produce war materials for ourselves and our allies. This expanded capacity exists in agriculture as well as in industry. If we are able to utilize this greatly increased capacity to produce peacetime goods we will be able to maintain a high national income and full employment.

(b) Even before this increased wartime capacity came into existence the economy of the United States was geared to world economy through foreign trade and other economic foreign relations. We now have a greater capacity in many lines to produce a large volume of goods for export over and above our own needs. We can utilize this capacity to advantage only if world trade is reestablished and maintained on a sound basis. In order that we may have a well-balanced economy those industries best able to compete in world markets must be kept in full operation. Our postwar economic foreign policy must be largely based on this proposition. If other countries put obstructions in the way of those efficient American industries, dependent upon export markets, it becomes a matter of international negotiation to get them reduced or removed. Some of the agricultural and other enterprises which have prospered on account of exports, are producers of agricultural machinery, automobiles, electric equipment, industrial machinery, cotton, hog products, tobacco, rice, wheat, and fruits

Second. On the import side of the picture some of our outstanding industries must call upon outside sources for raw materials, such as tin, nickel, tungsten, jute, and hides and skins. In such instances it should not be forgotten that imports create jobs. Without many such materials coming from outside the United States, our factories would have to curtail production or close altogether because these raw materials and semimanufactured products cannot be produced in sufficient quantities in the United States, if at all. Of course, if price were no object, coffee and bananas might be raised in Texas or other States. The war has given us another compelling reason for increasing imports. Several of our natural resources have been so depleted that it becomes the course of wisdom to call upon outside sources for them in order to conserve our limited supplies. Fortunately, there are countries which need to sell surpluses of such products to us in order to obtain dollars with which to exchange for our exportable products. Such trade is thus complementary, mutually profitable, and highly desirable. We can receive payment for our exports and our loans only by importing.

Third. (a) Before the war the United Kingdom was the largest single foreign market for United States exportable products, and Canada was second. Altogether the British Empire took around 40 percent of total United States exports. The United States and the British Empire countries generally accounted for about half of the total pre-war world trade. If proper cooperation can be worked out, this may be expanded to from two-thirds to three-fourths of the world's total.

It seems fairly obvious that we cannot hope to utilize our expanded productive capacity and enlarge our trade very far without a high degree of cooperation and interchange of goods with the British Empire. The British need our materials for their industries and goods for their people. The United Kingdom has

enormous assets in industrial skills, ingenuity, and the enterprise of her people. We have some goods already in surplus such as cotton, tobacco, railroad and communication equipment and synthetic fertilizers, and they have a demand for them. A substantial trade with the British Empire would seem logical, and almost automatic under such conditions.

(b) The importance of the United Kingdom in the prewar agricultural exports of the United States is suggested by the following figures:

Agricultural commodities exported to the United Kingdom with proportion to the United Kingdom and to the world, 1937

Commodity	United Kingdom	World	Percent United Kingdom is to world
Hams and shoulders	$7,095,000	$8,201,000	86
Canned pork	2,008,000	2,457,000	82
Lard	8,790,000	15,987,000	55
Sausage casings	2,495,000	5,600,000	44
Canned beef	5,997,000	6,760,000	84
Veal	1,020,000	5,600,000	18
Pork	7,526,000	11,000,000	69
Apples	4,600,000	11,500,000	40
Pears	2,351,000	4,982,000	47
Grapes	1,200,000	3,250,000	37
Raisins	1,772,000	3,900,000	45
Prunes	2,167,000	9,200,000	24
Canned fruits	1,750,000	4,500,000	39
Fruits, dried	3,625,000	4,250,000	85
Tobacco, unmanufactured	87,416,000	134,620,000	65
Cotton, unmanufactured	92,045,000	368,660,000	25
Canned pears	4,101,000	4,569,000	90

An examination of these figures shows that the United Kingdom took more than 50 percent of the total exports of more than half of the items on this important list. In several instances the percentage exceeded 75 percent, and in one instance the British share was as high as 90 percent.

Fourth. Probably enough has been said to establish the necessity of close economic cooperation with the United Kingdom and the whole British Empire. We must realize that Britain is in a tight spot. Her industrial plant was almost completely converted to war work. She has lost about two-thirds of her prewar exports. She needs materials and foodstuffs and must import to survive. Without some aid she will not be able to purchase the things she needs from the United States. Instead she will have to purchase in the sterling area, and tighten her exchange control so that her limited supply of dollars may be carefully doled out and utilized. Even if she could recover without our aid the United States would be taking a greater risk in not cooperating than in aiding the United Kingdom, say by a loan on reasonable terms. She might well be driven to raise her tariffs and increase her margin of Empire preferences. The United States might thus find herself excluded from what has been the richest foreign market in the world. Retaliation would be the logical, and I am afraid, the inevitable next step. The world would then be on the way toward establishment of contending economic blocs. Shortly we would be faced squarely with the possibility of an economic war. We might win in such a struggle but at best such a victory would be temporary and a sorry one, if at the same time the seeds for a third world conflict were being sown, as they were sown in trade conflict following World War I. Surely we have enough wisdom to avoid repeating that error. The United Nations joined forces in a common wartime effort to preserve their way of life. We must remain united to preserve a common way of peace. If we have learned by experience what, then, is our next step?

Fifth The proposed British loan is a phase of the cooperative effort which the Executive departments have worked out and suggested to the legislative branches. In view of what I have said, it is logical to conclude that the loan is based primarily on the immediate self-interest of the United States—although there are other long-range, compelling, and unselfish reasons for making the loan. This proposed loan to Britain carries along with it a financial agreement designed to lay the basis and create the conditions making possible British cooperation toward international economic security. The loan, as an examination of all the facts will show, fits into the United Nations postwar plans for reconstruction.

Sixth. (a) In the arrangement the United States establishes a line of credit of $3,750,000,000 for Britain, who has also arranged to pay us $650,000,000 as settlement on lend-lease and other items arising out of the war. Of course, this repayment of lend-lease may seem too small for those who claim that the United States has played Santa Claus to the world. That is an untenable position which I do not share. Sometimes I think it was a mistake even to place the dollar sign on lend-lease in either direction—and we did receive several billions in reverse lend-lease. We did not put a monetary value on each soldier who lost his life in the common conflict because it is repulsive to our sense of values. We spent freely to save lives and lend-lease was our means of doing it; it was money well spent. Victory was the main payment we sought in return for spending our resources. We did not propose to balance off lives lost for dollars spent.

(b) Under the loan agreement, Britain would draw, before 1951, as much of the $3,750,000,000 credit as she might need to buy goods and services abroad. She needs, immediately, to purchase raw materials, machinery, foodstuffs, and other commodities in the United States. Such purchases will have to be made before the United Kingdom is able to enter effectively into multilateral world trade. The arrangement provides for the repayment of principal with interest at about 2 percent. The interest itself will equal more than half as much as the face value of the loan. The loan will be paid in 50 annual dollar payments, beginning in December 1951. The interest may be waived if the British trade balance does not furnish enough dollars for payment. This provision was made in the agreements in order to avoid the repetition of the international moratorium conditions of 1931. It has been estimated that if the $3,750,000,000 were an outright gift it would have increased our national debt by about 1 percent, or an amount approximating 2 weeks' expenditure for war before VE-day. This is not too much to risk in a peace venture.

Seventh. The United States Government is the only source able to manage a loan of this size, and the trade commitments which the British have made in the agreement are commitments which can be undertaken only between governments. Those who now suggest that the loan should be underwritten by the people who favor aiding the British are merely making a flank attack. Apparently they are afraid to face the issue in an open, frontal attack. They know that their proposal would be highly impractical; they want to retire into what they think is the security of isolationism. This loan is for the purpose of tiding the United Kingdom over the period of reconstruction when the future of freedom is at stake. Our purpose in making a loan is the same as that of a bank which regularly makes loans to large industrial units for working capital. It is a sort of seed-loan to get Britain back on her feet economically. It is planned to raise this money through the sale of Government securities to American investors through banks and individuals.

Eighth. The question is frequently asked, what commitments, in addition to the loan arrangement, did the British make and what immediate advantages do we get out of it?

The experts in the Government agencies dealing with the British agreement have set forth the following answers:

1. In addition to the $3,750,000,000 in principal we get $2,200,000,000 in interest, if the credit is all drawn and none of the interest is waived.

2. We get participation by Britain in the International Monetary Fund and a consequent commitment that she will not take independent action to put our exporters at a competitive disadvantage by depreciating the pound.

3. We get her agreement, when the loan is made, immediately to remove exchange controls on day-to-day transactions between our two countries, so that Americans who sell to the United Kingdom will then be able to obtain their pay in any currency they choose.

4. We get her promise that within the following year she will remove exchange controls on day-to-day transactions with other countries, making sterling freely convertible into dollars or other currencies, so that foreign businessmen who sell in England will no longer have to buy there but can buy in America if they choose.

5. We get her promise that as she settles her debts within the Empire she will make the pounds she pays convertible into other currencies, so that her creditors can use them, if they wish, to buy American goods.

6. We get her agreement that by the end of 1946 she will so administer her import quotas that they do not discriminate against the United States, thus giving the American exporter, who sells for scarce dollars, an equal opportunity in the British market with exporters who sell for more plentiful currencies.

7. We get Britain's promise to work with us this summer toward the reduction of tariffs and the elimination of preferences. Specifically, it is agreed that every cut in tariffs within the Empire will cut the margin of imperial preference by the same amount This, again, will enable American businessmen to enter Empire markets more nearly on a basis of comparative equality.

8. We get British support for the American trade program. And this is not a socialist or an imperialist program; it is a program of economic liberalism. In short, we have obtained Britain's pledge that her foreign economic policy will henceforth be devoted to

restoring an international order that is favorable to the preservation and expansion of private enterprise.

Ninth. At the same time that the announcement of the proposed British loan was made the United States Government had formulated and offered to other Governments for their consideration, a series of proposals for expansion of world trade and employment. These proposals were designed to deal with the many types of trade restrictions, some of which are wartime hold-overs, but which require international cooperation for their elimination. To this end the United States has invited certain key countries to a preliminary conference which is to be held in October 1946. The trade proposals and the British loan are interrelated from the point of view of both countries, the British could not give their full support to the trade proposals without financial assistance; we were not willing to grant the loan without assurance of such support by the British. The bargain was based on legitimate commercial relations; military and purely political questions were not involved in the arrangement.

Tenth. Our opportunity to realize the fruits of a peaceful world now seem paramount. Our Government has assumed a proper role of leadership toward a permanent peace and lasting security in its international program. International trade on a sound and nondiscriminatory basis among nations is the best preventative of economic warfare, as has so frequently been emphasized by Cordell Hull. In the interval between World Wars I and II the world followed the opposite course—one of destructive trade conflicts, which became an important cause of physical combat in World War II By profiting from that experience we can now build a better world. The Government's over-all plans represent the prerequisites to economic prosperity, full employment, and improved standards of living in all countries.

Mr. SPENCE Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. CELLER].

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Does not the gentleman agree that the ostrich can be somebody who swallows almost anything and that some of these arguments made here are pretty much tin-canned?

Mr. CELLER. I agree with the gentlewoman.

Mr. Chairman, it is all very well to talk about how the United States loan will not only help put England back on her feet, but will do away with irritating trade barriers, benefiting the United States in her trade with the now controlled sterling countries, but it is even better to face the realities.

We know that Britain is in for a tough time, but the $4,500,000,000 loan, including lend-lease settlement, is not the answer. Leading economists here and abroad say that the answer lies in expansion of British production and British exports This is most significantly related to the subject of the British loan. Though the proponents for the British loan argue that trade restrictions by Great Britain will be lifted in return for the loan, the fact remains that British recovery to the largest extent depends upon her production and exports. And only with those very trade barriers can she hope to increase production and exports. We know that the state of British industry is such that her goods cannot compete in a free, unrestricted market with those of the United States in terms of workmanship, in terms of quality and quantity offered by our country, and especially in terms of price because of our mass production. Though Britain has promised to remove the barrier of the sterling area bloc pool, she realizes well that such barriers operating in her favor cannot and will not easily be dissipated.

The British people know the implications of the loan and the promises therein that seem economically undesirable. Most Britishers dislike the loan. Churchill refused to vote for it.

A recent British poll in the Daily Express center of public opinion—an opinion like our Gallup poll—revealed that 81 percent disapproved of discontinuing the British practice of imperial trade preferences. Under imperial preference, goods entering Britain from the Empire countries carry lower import duties than those from other countries, including the United States. It will be remembered that the loan agreement between our country and Great Britain is singularly silent as to the entire question of imperial preferences.

Considering the bulk of antiloan sentiment in this country and in England, I, for one, fail to see how such a loan can promote good will on both sides of the Atlantic. It can only add friction and can act as a destructive rather than a constructive force in cementing good relations.

This loan will breed discontent and irritations. See what howl there will be in Britain every time interest and payment of principal is due.

Some one many years ago said:

> It is better to give than to lend;
> It costs less in the end

Take the stand of the 100 percent Socialists in the British Government. They feel that they cannot have control internally and leave citizens free to trade and to invest externally; they want control over foreign trade and to develop the sterling area as a closed bloc. It is believed that Bevin, Foreign Secretary, was talked out of this position by Lord Keynes. Upon conclusion of Lord Keynes' persuasive talk, Mr. Bevin remarked, "You have convinced me, but I regret you have" How long will he stay convinced in those circumstances? After the loan is granted, and after a short while the sterling area as a closed bloc is revived, together with the continuation of the imperial preferences. What then? What shall we have gained but a bad after taste and a cost to our taxpayers of almost $2,000,000,000 to service this loan. Incidentally, the rate of interest for the British on the loan is 1.62 percent. When a veteran borrows, he pays 4 percent. The interest on well nigh half of the French loan of $1,400,000,000 is to be 3 percent and 2 percent on the balance.

Most of the French loan is at the rate of 3 percent and part 2 percent.

Why does France have to pay more than England when it comes to borrowing money from the United States?

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I would just like to give the gentleman a quotation that reflects the intent of the British. Mr. Bevin said before Parliament on December 13, in answer to Mr. Churchill:

> I will go further tonight and say that if we had been pressed to sacrifice imperial preference rather than be defeated by Hitler, I would have paid that price then in 1941. I know the issue that was at stake. But we did not have to pay the price and, may I remind the House we have not paid it now, and it is not in these proposals.

Mr. CELLER. All this talk about Britain removing imperial preference and other trade restrictions is just so much eyewash and poppycock. The gentleman from Missouri properly refers to Britain's refusal to give up imperial preference. England will not remove imperial preferences under any circumstances Where does that leave us?

Mr. KNUTSON. But the other side cannot point to a single case where they promise to remove any of these trade barriers.

Mr. CELLER. Absolutely.

Actually, a careful reading of the agreement reveals many loopholes that Britain can use to keep the trade restrictions. Quota arrangements are clearly recognized and are thus permissible, if not encouraged. There are provisions for price fixing. The proposals for freeing trade are accepted only as a basis for international discussion. In other words, it is merely a promise to talk about them. This loan proposal, if read casually, seems to breathe the spirit of opening up world trade channels, but, if read carefully, reveals so many exceptions that it ends up by recognizing as respectable the very things that it ostensibly condemns.

Let me point out to you a fake clause, if ever there was a fake clause. I read from clause 6 of the agreement, subdivision 1:

> It is understood that any amounts required to discharge obligations of the United Kingdom to third countries outstanding on the effective date of this agreement will be found from resources other than this line of credit.

That ostensibly implies that this money cannot be used to pay British credits, to India, to which it owes over $5,000,000,000; to Palestine, which it owes half a billion dollars; and to other countries within the Empire system. Ostensiby it says that, but actually what will happen? The money that we give will replace other funds in England which can be used directly to pay off these obligations that England has to these imperial countries, so that talk about this money not being used to pay off the credit of England again is just fiddlesticks, and nobody should be deceived by it.

Furthermore, England cannot get back on her feet, as I said before, unless and until she can export to a greater extent

than she is now exporting, until she can produce to a greater extent than she is now manufacturing. This American loan will have no effect upon her manufacturing, on her exporting. She will use the money to pay off other creditors and to buy some of the goods in this country. But that is not constructive as far as Britain is concerned. That will not increase her production. It will not put her back on her feet. A little later we shall be prevailed upon to make another loan in order to protect this loan; in other words, make a third loan—this is the third loan—in order to protect the second loan. This loan will be like a shot in the arm. Britain will think she has been greatly aided, but the effect will soon die away, and she will yell for another dose from the hypodermic syringe.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from North Carolina.

Mr. COOLEY. How does the gentleman know how the money will be used?

Mr. CELLER. What is England getting the money for? We are told she wants the money to buy bread and food and necessities for her people. Let me tell the gentleman, if he does not know, and he should know, that England has assets today in this country to the extent of over $3,000,000,000. If she needs bread, why does not England use the funds she has here now to buy the bread and necessities for her suffering people?

Mr COOLEY. The gentleman has not answered the question.

Mr. CELLER. I will tell the gentleman. He asked for it and he is going to get it.

Mr. COOLEY. How does the gentleman know what she will use the money for?

Mr. CELLER. We are told that the money is to be used to buy goods in this country. That is apparently the purpose, we are told, at least, for which it is to be used If the money is to be used for that purpose, I would rather suggest that we make an arrangement with England whereby we will buy from her and from her possessions strategic materials of which we have a lack, and stock-pile those materials in this country, like chrome, mercury, antimony, lead, aluminum, and so forth. For those strategic materials we will give England dollars. She can then spend the dollars in this country, if she wishes, or spend it in any other country for what she may need, particularly for food. In this way we would set up dollar credits for Britain, which she needs badly. We would agree to accept payment in the raw materials which we need now and will continue to need in the future. In this way we arrange a buyer-seller deal instead of a lender-borrower arrangement. We then eliminate the possibility of British default.

Let us mention a few minerals which we are short of and which we can afford to buy in almost unlimited quantity for stock-piling, for the next war, or better still to prevent a next war: Antimony, mercury, nickel, and platinum in Canada. Asbestos in Canada and South Africa. Copper in Canada, Rhodesia, and South Africa. Lead in Canada, Australia, and Burma. Tin in Malaya and Nigeria. Bauxite in British Guiana and the Gold Coast. Chromite in India and South Africa. Corundum in South Africa. Manganese in India, South Africa, and the Gold Coast. Mica in India. Tungsten in Burma, Malaya, Rhodesia, and Australia. Vanadium in Rhodesia and South Africa. Zinc in Australia, Canada, Burma, Rhodesia.

We need large amounts of those minerals right now, and we can take delivery of still larger quantities over a period of years. We need other strategic materials besides minerals—such as rubber. And not only things in the strategic category—we need raw materials of all kinds.

A happy aspect of this alternative of buying instead of lending is that whatever deal we make with the British, we can also make with the French and Russians and Chinese and others—without discrimination

Mr. COOLEY. Why has the gentleman evaded the question?

Mr. CELLER. I have not evaded the question.

Mr. COOLEY. I have asked a question and you have made a statement.

Mr. CELLER. I told the gentleman. If the gentleman cannot understand plain English, I am sorry.

Mr. COOLEY. You have not been talking plain English

Mr. CELLER. I have been talking plain English. I told the gentleman we are told much of the money would be used in this country.

Mr. COOLEY. That is right.

Mr CELLER. But I want to direct the manner in which the goods shall be purchased. I want to get for our country much badly needed goods in exchange for goods in America which Britain needs.

Mr. COOLEY. No; you made the statement that it would be spent by Great Britain to pay her debts to other nations and not to rehabilitate herself alone.

Mr. CELLER. Now the gentleman asks that question, but I indicated to you something about the fake clause No. 6 in the agreement.

Mr. COOLEY. What is fake about it?

Mr. CELLER. It is fake in this sense, that although it ostensibly says the money shall not be used to pay off the creditors you know that that money can replace other funds which in turn will be used to pay off the creditors of the Empire. Technically the exact funds advanced by us will not be used to pay bloc sterling debts but it is clear that other assets will be released to pay Britain's debts. We are thus making it possible for Britain to pay her debts to third countries. The money goes into a pool, relieves pressing obligations, and permits other assets to be used to pay the debts.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentlewoman.

Miss SUMNER of Illinois. Mr. Aldrich of the Chase Bank, a leading administration witness, testified before the Senate committee that it would be used to buy goods here to be sold to British citizens and sterling would be obtained from that. Then Britain would use the sterling to pay her debt. He spoke of the internal debt but there is no reason that it could not be used for external debts.

Mr. CELLER. Let us see how the money could be used. Britain recently negotiated a loan with Czechoslovakia to the extent of 25,000,000 gold pounds, which is upwards of $100,000,000 in American money. Where did England get the funds to make that loan to Czechoslovakia, if she is dead broke and comes to us for aid? Where did she get that money? I would like someone in this Chamber to answer that question for me. Furthermore, Great Britain recently negotiated a loan with Greece to the extent of $40,000,000, and Greece is now asking for an additional $40,000,000. She may or may not get the second $40,000,000. But I would like to ask, Where did England get the $40,000,000 in order to make that loan to Greece? Of course, the answer is simple: She has taken those funds temporarily and will use the American money to replace those loans to those two countries. What do we get? England has made favored trade treaties with Czechoslovakia and with Greece, to the exclusion, so far as the treaty with Greece is concerned, of trade with America.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield three more minutes to the gentleman.

Mr CELLER So that, as far as trade with Greece is concerned, in common parlance, we are in the hoosegow.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WOLCOTT. The gentleman asked a question as to where Britain was getting the money which she loaned to Greece. She gets it by the creation of pounds. She does not lend dollars to Greece. She lends pounds to Greece. Pounds are convertible into Greek drachmas, and drachmas are convertible into pounds interchangeably. The drachma is not convertible into dollars and the pounds are not convertible into dollars. This credit is in terms of dollars. She can likewise raise the pounds by the issuance of her own bonds with which to pay any of this debt within the sterling area or the dollar pool where dollars are not convertible into pounds. The gentleman has asked a question, and that is the answer.

Mr. CELLER. I get the gentleman's interpretation, but I do not agree with him. The pounds she loans or issues must be paid eventually with goods or value. She will use our dollars or the goods they buy to make up for the loan of pounds to Greece. I am quite sure that England will use the dollars to replace the pounds which she used to make loans to those two countries. The gentleman has significantly stated that it is rather difficult to convert drachmas into dollars, just as it is very difficult, because of the actions of Great Britain, to convert Indian rupees into dollars. England does not want them to be converted into dollars. She wants to hold on to the drachmas and the rupees so that she can make a profit thereby to the exclusion of the United States.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentlewoman

Miss SUMNER of Illinois. The reason is that if she issued new pounds she would be in a more inflationary position than she already is. But by selling these goods purchased in America to obtain pounds from British citizens, it is not inflationary and she can turn around and pay the Greeks.

Mr. CELLER. We have not only written off $25,000,000,000 of lend-lease to Great Britain, but the RFC made a loan of $390,000,000 in 1941 to Great Britain. We are told, furthermore, by Mr. Jesse Jones, in a letter of his addressed to the distinguished chairman of the Committee on Banking and Currency of the House, that $6,000,000,000 of war supplies were going to Great Britain, much of which was food, vehicles, and goods for peacetime economy.

We sold $6,000,000,000 worth of these goods to Great Britain for 10 percent of its value, $600,000,000. We never hear tell about that. I get the London Daily Times, the London Daily Herald, and New Statesman and Nation from Great Britain I read many other British papers. I have never seen a solitary reference therein or elsewhere to the fact that we made that sacrifice to Great Britain and sold her $6,000,000,000 worth of peacetime materials for $600,000,000.

We hear that Britain will not enter finally the Bretton Woods agreement unless the loan is made Britain promised her subscription at $2,600,000,000 to the World Bank. From where did Britain expect to get these funds? It looks mighty suspicious that she expects to get the money from us to give to Bretton Woods She now says if we do not make the loan she will not be able to participate in the World Bank and Stabilization Fund.

Mr WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the Members of this House are called upon by the administration in power to approve the British loan of approximately $4,000,000,000. A great responsibility rests upon us. We are called upon to lay this additional burden upon our taxpayers to help out England financially during her postwar reconstruction.

Personally, I feel it my duty to try to protect the interest of the nearly 300,000 people I represent in my district.

Mr. Chairman, under our representative form of government I must cast their vote as to whether they are willing to be taxed to pay their part of this gift loan I say gift loan because doubtless it will never be paid. I believe a great majority of the people I represent would prefer that I vote against this loan. I believe it is my duty to carry out their wishes. For that reason some months ago I took my position in opposition to it. During the past 14 years our public debt has reached the staggering amount of $275,000,000,000. During the past 14 years our National Budget has not been balanced. We Members of Congress cannot ignore these danger signals. We cannot afford to add $4,000,000,000 more to the national debt. We must remain sound financially if this Nation is to contribute its full strength toward world peace. For these and numerous other reasons I cannot support the British loan. We gave to Great Britain through lend-lease today $25,000,000,000. Thousands of our boys lost their lives out of the millions of men who fought to defeat the Axis Powers

Mr. Chairman, our national debt today is far greater than the national debt of all of our allies in that struggle.

If we are to remain sound financially, we cannot continue to hand out billions of dollars to our former allies all of whom want and have been receiving billions in help from our Government.

This loan figures $28 in additional taxes to every man, woman, and child in the United States. On the basis of population it would cost the Twenty-third Congressional District which I represent, $6,807,640. The district which I represent, consisting of 10 counties, as its part of the present national debt, on the basis of population owes $486,260,000. The entire national debt is a mortgage of $2,000 hanging over every man, womar, and child in my district and in the United States.

In order to break this down, Mr Chairman, I desire to place a table in the RECORD so that the people in my district may know how much this loan, on the basis of population, will cost every county and how much they now owe on the Federal debt. Taxes based on income, of course, will not be so great, but the amount will be great.

County	1940 census	British loan will cost $28 for every person	National debt computed to $2,000 for every person
Clinton	22,912	$641,536	$45,824,000
[illegible]	21,208	593,824	42,588,000
[illegible]	22,044	617,232	44,088,000
[illegible]	29,150	816,200	58,300,000
[illegible]	14,431	404,068	28,862,000
[illegible]	32,375	906,500	64,750,000
[illegible]	21,075	590,100	42,150,000
Marion	47,980	1,343,440	95,960,000
Richland	17,137	479,836	34,274,000
Wabash	13,724	384,272	27,448,000
Total	243,130	6,807,640	486,260,000

Mr Chairman, it has been suggested that approximately $500,000,000, if this loan is granted, will be spent during the first year largely for manufactured goods, machinery, and so forth. When we are short of manufactured goods, including a great shortage of farm machinery the expenditure of this amount of money, would be extremely inflationary at least during the first year.

It is estimated that it will take 2 years probably to fairly well supply the demand for cars, trucks, electrical appliances, plant and farm machinery.

Mr. Chairman, I think in the negotiation between the British and our Government they have made a bad approach to the consideration of this loan. It is obvious that the British Government does not need $4,000,000,000 at the present moment. It is a known fact that throughout the British Empire, they have raw material including minerals, lumber, rubber, and many articles of commerce this Government could accept as part payment on a loan. In fact, we must buy and stock pile millions of dollars worth of such merchandise from the British Empire.

Soon Government purchasing agents will be fanning out all over the world to buy strategic materials which will be shipped to America and stock piled. Senate and House conferees have agreed on the terms of the bill which will probably go to the President this week providing for such world-wide purchases.

The plan now being considered by the Government estimates that we will expend during the next 10 years $4,000,000,000 in buying strategic metals, oils, rubber, lumber fibers, and so forth. We will buy some of this material from practically every nation constituting the British Empire We must buy and stock pile these materials because we do not produce them in sufficient quantity here in America. Doubtless the British Empire could sell us $500,000,000 worth of such raw materials each year, securing the American dollars they need for their economy at home. If such an approach had been made we could give Britain the support she needs and at the same time secure critical raw materials which our Government feels we must stock pile in the interest of our future security.

They have a vast amount of collateral wealth through their investments in this country today, a part of which they could offer as collateral for a loan. In my judgment, an approach along this line would have enabled our Government to help in the reconstruction of Britain to its utmost and that the Congress would have considered favorably such an approach to this vexing question.

I believe the loan should be defeated in order to give the two Governments an opportunity to try to work out some type of aid to Britain that could be justified by the Members of Congress who must speak for, and act in, the interest of the people of the United States.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr GAVIN. Mr. Chairman, I regret that the distinguished gentleman from New Jersey [Mr. EATON] called attention to the fact that yesterday there were at times only four or five Members in attendance listening to the debate. I note that he left immediately after making his remarks.

Within the past month, spokesmen of the Socialist government in England have had a good deal to say about the United States.

Some of these remarks sound like ominous warnings of impending events. Others raise disturbing questions about the future of our relations with the British Commonwealth in world affairs.

Many of them directly concern the responsibilities of this honorable body, the Members of which are under oath to support the Constitution of the United States, and who are, in fact, the direct representatives of the American people in their Government.

All of the questions raised bear closely on a matter now before the House—namely, the British loan.

With your indulgence, I now wish to read a series of quotations from remarks made by British office holders speaking to the Forty-fifth Annual Conference of the Labor Party at Bournemouth, England. These quotations appear in the New York Times in dispatches dated June 12, 13, and 14

Here is a statement made in the course of a major address by Ernest Bevin, Great Britain's Foreign Secretary:

America may be a capitalistic country, but that does not mean she will always be There are great forces moving in the United States, and when they move, they move very quickly.

Again he spoke as follows:

Russia is socialized. We—

Meaning the British people—

are partly socialized. America can believe in private enterprise. The great task of Great Britain is to weld these forces together.

And further on he said this:

There are minds in America which represent the very flower of liberal and progressive thought, and when it finds its way through the State Department in proposals of this kind—

Referring to the American proposals for the German treaty—

have I to say: "I don't like you"? No! I grasp the hand of every progressive soul in the world in order to try and get peace

Turning now to Herbert S. Morrison, the leader of the Labor Party in the House of Commons had this to say:

If there is a depression in the United States—which Heaven forbid—we are prepared to do what is possible to avoid the repercussions on the economic life of our own country. We are determined We are not going to be caught unawares by blind economic forces.

Mr. Morrison's sentiments were echoed by another Labor Party member of Parliament, Gordon Walker, who said.

Don't underestimate the very great danger of an American slump A free capitalistic country automatically gets into a slump. It may not be so disastrous as in 1929 because the Government will resort to drastic action, but nevertheless it will do us—and the world—very great harm.

If my purpose was merely to show you the bitterness with which the British Labor Party leadership views the American people and their form of government, there are many other passages in which you would be interested. During the conference we were called monopolistic, capitalistic, imperialistic, and various other "sticky" names. But what is in my mind goes much deeper than name calling, and, much more than an emotional reaction of resentment. I seek to direct your cool intellectual judgments to the analytical task of seeking to determine just what these British Socialists were trying to tell their followers, and what, if anything, we Members of Congress should do about it.

Let us first brush aside the negative question of what they did not mean.

Certainly these quotations do not mean that the American people and their Government and economy stand high in the esteem of the British Government which is asking us to lend them money. No discernable sentiments of international friendship, amity, and good will are to be found in these remarks. One may almost detect a certain glee in the evil predictions that political and economic upheavals are impending here.

Too, there is a visible self-complacency—a self-satisfied air that they are much wiser than we: That the troubles we face cannot happen there because they have been, in their minds, so brilliantly inspired as to have surrendered the principles of freedom for those of socialism.

Without bothering to quote them exactly, I might refer to the fact that surveys were presented seeking to prove that labor strife in England has been greatly reduced by the introduction of state socialism, and further, that the only solution the Britons see to the strikes in the United States is for us to follow their example.

Returning to the quotations I read, precisely what do they mean? What was it these spokesmen were seeking to convey to the British people?

Some light can be shed by recalling the circumstances under which these statements were made.

As you are aware, there has been considerable criticism of Secretary Bevin within his own party. The fact is that the Labor Party overthrew the Churchill government and came into power on the strength of two major premises; first, that Churchill was too suspicious of communistic Russia and, second, that he was too cooperative with capitalistic America.

The recent strictures of Secretary Bevin against the expansive operations of Russia, and his occasional collaboration with the United States in policies aimed at curbing these aggressions, caused concern among his followers lest he be imitating what they believed were the mistakes of Churchill.

This resentment came to a focus recently when Mr. Bevin sided with the United States and against Russia on the important question of what sort of disarmament treaty should be worked out for Germany.

The truth is that Secretary Bevin went before his party's conference like a man called on the carpet. He was there to explain his acts and justify his motives. Accounts of the sessions make this extremely clear.

What was it then that he replied to these critics and what inferences did they draw from it that satisfied them and led them in effect to give him a vote of confidence?

For one thing, he reasserted the kinship of the so-called ideology of Russia with that of Britain. This is a matter of great importance to clear thinking in the United States, for there is a constant propaganda under way that somehow socialism of the British brand is a much different and much less dangerous program than Russian communism.

How this misconstruction can be so widely accepted, I fail to understand, for the oath of loyalty taken by Russian political workers binds them to support, not communism, but socialism.

At any rate, Secretary Bevin had no illusions, and did not attempt to mislead his hearers. Said he:

Russia is socialized. We are partly socialized. America can believe in private enterprise.

Do not these words reveal in utter clarity the unhappy fact that this high British official, the man who has the most to say about Britain's foreign policy, and the man through whom our own foreign service must seek to do business with the British people acknowledges a sympathy with the Russian pattern and an antipathy to ours?

Follow this thought through. When elsewhere the secretary speaks of the "progressive souls" and the "very flower of liberal and progressive thought," he says he has discovered in our State Department and elsewhere in America, what can he mean other than that there are individuals more sympathetic to the Russian and British plans of government than to that defined by the American Constitution?

And when he says, not as a conjecture, but as a catagorical statement, that "there are great forces moving in the United States," coupled with the remark that our present system of economy may soon be changed, what does he mean?

I am not going to attempt to answer such a question. The words speak for themselves. Considered in certain lights, this is the boldest warning America has yet received that some sort of communistic coup d'état may be in the making in this Nation.

But I am not so certain that it was intended as a warning.

There is a recurring emphasis in all these remarks on the use of force The secretary himself, in his choice of a figure of speech to describe Britain's function in world affairs, used the words, "weld together." Welding conveys the idea of force: He did not, for example, use any of the other phrases which would have avoided the connotation of violence: amalgamate, or integrate, or harmonize, or unite—no; the words were "weld together."

There is implication of force in the very statement that "Great forces are moving in the United States" to do something which is wholly repugnant and incompatible with our Constitution—possibly a set-up of national socialism.

Mr. Morrison's words bristle with hints of force. "We are prepared," he said. "We are determined; we are not going to be caught unawares."

Mr. Walker's words convey the thought of force from a different quarter. He states as being a fact, and with the assurance of one who believes he has inside information, that this Government will take "drastic action" if another depression confronts us.

Let us trace these thoughts still further.

Let us assume for the sake of argument that these words really mean what they seem to imply: That leaders of the British Labor Party have a sort of knowledge of some kind of plan in the United States to replace constitutional Government with state socialism.

Are reasons furnished why the British people might be led to believe this to be a direct concern of theirs, and to find motives for considering as a high and patriotic duty the helping of an upset along?

On the assumption that Secretary Bevin knew what he was talking about when he said "great forces" are moving here in that direction, two excuses are outlined for British support to American schemers

One is that assigned by Secretary Bevin as his motive in seeking to weld Great Britain, Russia and the United States together—that of world peace.

The other is the repeated assertion that an impending depression in the United States menaces British economy.

High principles and pocket book appeals are wedded as arguments to condition the British mind to the distasteful prospect of taking sides in a radical movement in the United States.

There is one $64 question which is sure to rise in your minds. What is the source of all this British information about conditions and prospects in the United States?

How does it happen that high officials in distant England can speak with more certainty about what the future holds for this Nation than the membership of this National Congress?

Who are the contacts—the liaison men?

Again I merely raise the question, but make no effort to answer it There has been a swapping of British and American political "brain trusters" going on like an exchange scholarship. During the formative period of the successful Socialist campaign to oust Churchill, a year ago last winter, two notables who visited England were the late Harry Hopkins and the still-active Sidney Hillman. Their exact missions never have been fully described.

It may be a coincidence or again it may not, that the ensuing British Labor Party campaigns contains many features which we here in America have come to recognize as bearing the trade-marks of these political workers in the vineyard of radicalism.

But the opportunity for such contacts since the end of the war are without number.

Certainly it is not hard to believe that there have been abundant chances for the exchange of confidential information and for the making of secret plans—that labor hands have had plenty of moments to deal across the sea: to deal, I may add, on occasion under instead of on the table.

Broad as is the Atlantic, it is not broad enough to prevent left-wing labor politicians scratching each others backs.

Now let us come down to cases.

If we are going to have an upset in the United States, I want to know it. It is the duty of all of us to know it. If there is information in England, either unknown to or withheld by our own American leaders, that great forces are working in this land toward such a goal, we are entitled to have that information.

Furthermore, if we have money to lend, I say, "Let us lend it to our friends."

There is not one semblance of friendship or good will in or between the lines I have read to you. Instead there is bitterness, suspicions, a dash of envy, more than a dash of malice—and a prediction of untoward events of which you and I are ignorant.

With all the earnestness of which I am capable, I urge you not to make a final disposition of this vast sum of money belonging to the American people before the urgent questions I have raised shall have been fully and finally answered.

I beg of you not to invite the risk that the wealth of the American people, generously shared with a race they assume to be well-intentioned but in need, later be turned against them and used for their own enslavement through the means of any bought election, revolution for consent, violent uprising, or whatever else it may have been that the British were hinting about.

Mr. WOLCOTT. Mr Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr HENRY].

Mr. HENRY. Mr. Chairman, this is the greatest country in the world It has been made great by men and women who were willing to work hard to develop its resources, and govern themselves with justice, tolerance, and understanding. It affords opportunity for each individual, through his own initiative, to attain success in the field of his endeavor. It will always be a nation of wealth and power in the world if the people themselves do not destroy it.

Mr. Chairman, I am fearful today in the debate on extending a loan of $3,750,000,000 to a foreign nation that we may be taking a step in the direction of our own destruction.

America, by straining her resources to the very limit, has financed the most gigantic war in the history of the world, and we are faced with a national debt of such great proportions that confidence in our whole monetary system may easily be shaken. I am a banker in private life and this is one of the few cases which has come to my attention where a friend expects to borrow large sums of money from a pal who is himself known to be overburdened with debt.

It should be recognized that it is not sound business to lend large sums of money unsecured to a former creditor who failed to meet a previous obligation. Great Britain has been a splendid ally and I, too, like to feel that she will maintain a powerful position in the world. There are cries that we must hold her friendship. Must we lend or give without assurance that it will be repaid? The proposed loan is absolutely unsecured, and whenever there is a question relative to a borrower's ability to repay, it is always good business to demand security. England has security. Some of it is located at our very doorstep. She should offer collateral security.

I am told that Britain is willing to pay, but lacks the ability, and that the revival and expansion of British trade may be counted upon to stimulate our commerce. Are we thinking about foreign trade more than we are about the American standard of living? What does it mean to make a gift loan of the proposed amount to Great Britain so that she can buy goods from us at a time when there is an acute shortage in this Nation of almost every commodity? I am not in favor of giving the American taxpayers' money to England now so that she can enter our American markets and buy up our scarce merchandise and thereby increase our inflationary troubles.

Just what secret commitments have been made by this administration that will endanger the American taxpayers' future financial security? If this loan is granted there will be other requests. Already the line has formed at the window of the Treasury Department There are reports that Russia can use $6,000,000,000, France $2,000,000,000, China, Turkey, and on down the line. We cannot grant a gift loan of billions of dollars to one nation and disregard the plea of the others without creating ill will The proposed gift loan would seriously damage our own financial strength, and, in all probability, cost us the friendship of Britain as well as that of nations which are denied.

Mr. Chairman, about 7 percent of the people of the world live in the United States Seven percent of the people of the world are not in a position to finance the other 93 percent.

We have become so accustomed to seeing figures mount up into the millions and billions that we have lost sight of just how much money is involved in this proposed gift loan. Three billion seven hundred and fifty million dollars is a lot of money and, reduced to simple terms, my colleague the gentleman from Indiana, Congressman LANDIS, pointed out that it would make a stack of $1,000 bills as high as the Empire State Building; with $1 bills placed end to end, it would encircle the earth 16 times; it would purchase 750,000 $5,000 homes, or place a modern hospital in every county in the United States.

Mr. Chairman, we have some problems of our own in this great country of ours which must be settled in our time. Our veterans are in trouble; our aged and handicapped need help; our hospitals are far below the necessary number to give adequate care; our highways have been neglected; our school teachers are woefully underpaid; and if there ever was a time in the history of our country when $3,750,000,000 could be spent to build institutions for our mentally sick, our delinquents, blind, and maimed—it is now.

What a contrast between the loans at 4 percent we are willing to extend to our GI's and the many escape clauses of the British 2-percent loan agreement. Charity begins at home.

The following table shows the cost to the people of Wisconsin and of my district is the proposed gift loan to Great Britain is granted:

Gross public debt May 31, 1946, $272,582,942,755.82. Share of each citizen in United States approximately $2,000.

Wisconsin's share of public debt, $6,275,174,000.

Wisconsin's share of British loan, $87,852,436.

British loan $3,750,000 000 exclusive of the $650,000,000 to be loaned to Great

Britain to cancel $25,000,000,000 due United States for lend-lease.

What the British loan will cost the Second District of Wisconsin

County	1945 local assessment	Share of national debt	Share of British loan
Columbia	[illegible]	[illegible]	$910,476
Dane	[illegible]	[illegible]	[illegible]
Iowa	[illegible]	[illegible]	[illegible]
Sauk	[illegible]	[illegible]	[illegible]
Wisconsin	[illegible]	[illegible]	[illegible]
Total	545,816,371	638,138,000	8,933,912

What the British loan will cost the cities in the Second District of Wisconsin

City	1945 assessed valuation	Share of national debt	Share of British loan
Beaver Dam	$31,704,805	$39,712,000	$388,000
Columbus	2,843,000	3,560,000	77,000
Fort Atkinson	[illegible]	[illegible]	[illegible]
Fox Lake	[illegible]	[illegible]	[illegible]
Horicon	[illegible]	[illegible]	[illegible]
Jefferson	[illegible]	[illegible]	[illegible]
Juneau	[illegible]	[illegible]	[illegible]
Lake Mills	[illegible]	[illegible]	[illegible]
Lodi	[illegible]	[illegible]	[illegible]
Madison	[illegible]	[illegible]	[illegible]
Marshall	[illegible]	[illegible]	[illegible]
Oconomowoc	[illegible]	[illegible]	[illegible]
Portage	[illegible]	[illegible]	[illegible]
Stoughton	[illegible]	[illegible]	[illegible]
Waterloo	[illegible]	[illegible]	[illegible]
Waukesha	[illegible]	[illegible]	[illegible]
Wisconsin Dells	[illegible]	[illegible]	[illegible]
Total	204,142,973	255,180,000	4,173,000

Mr. Chairman, it has often been said, and I repeat it, "There will always be a U. S. A if we don't give it away."

Mr SPENCE Mr Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. FOLGER], a member of the committee

Mr. FOLGER. Mr. Chairman, I sympathise and did sympathize most sincerely with the gentleman from New Jersey [Mr EATON] who, in my humble opinion, gave to those who were present at the time one of the most profound deliverances it has been our privilege to hear on the floor of this House at any time. He indicated that he had observed on occasions during this debate on this crucial problem, this highly important matter, that should engage the attention of every Member of this body, a small attendance on both sides of the aisle, which sometimes divides us and sometimes does not

I think I realise that in his labors he was conscious, too, that what he had to say would in some possibility not be appreciated If what I may say at this moment may engage the attention of the Members who are here and those who are not here, if they shall read it in the RECORD, I beg every man who listened to the gentleman from New Jersey to read again the speech he made on this resolution, and I especially plead with those who were not fortunate enough to hear him, in order that their burden of responsibility may be somewhat lightened by the information gained from this great speech of the gentleman from New Jersey; that they may read it and read it carefully before they come back to the floor of this House to cast a vote on this important issue.

Mr. SAVAGE. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Washington.

Mr. SAVAGE. I just want to say I concur wholeheartedly with the gentleman's remarks regarding the speech of the gentleman from New Jersey.

Mr. FOLGER. I thank the gentleman.

Mr. Chairman, at this point, following the conclusion of a terrible war in which Great Britain had to take her part long before we were called upon to do so actually, with the sacrifice of the lives of our own people, after the matter has been concluded I cannot imagine a more serious hour than that which we face in the consideration of this resolution. I still maintain that not by armies and navies but by good will and concord will it be possible to have a just and lasting peace, as we thought some years ago. It comes to a realisation anew that no man liveth unto himself and no man dieth unto himself. One of the most vivid memories I have of the things that were projected by Wendell Willkie was his statement that there is one world and we are all citizens of that world. I do not mean to chide or to speak harshly, but I have no patience with isolationism in this Nation. Mr. Chairman, this is not an original bill presented to us to authorise a loan to Great Britain. It is a joint resolution to approve an agreement that has been made by the officials of the United States of America for our country on the one part and officials of the United Kingdom on the other part, made, if I recollect correctly, on December 6, 1945, not after days nor weeks nor months of consideration, but after years of consideration as to what is best for us to do to maintain a just and lasting peace. Perhaps that was under consideration before our boys had laid down their arms and the fighting had ceased. It is referred to as an implementation of the financial agreement dated December 6, 1945, between the United States and the United Kingdom. Surely we have not reached the point where we do not recognise the United Kingdom as our brothers in arms. For a long time they kept from our doors and from our shores without our assistance the hordes determined upon a program of world subjugation and domination. If we could have looked across the seas, we could have seen their boys dying upon the battlefields. Surely we are not so unkind that we will not recognise that that was being done for us as well as for them, because long before, the plan had been laid out, the program made, and provision made for the subjugation of our own country as well as Great Britain. A little later on we did take a step toward aiding them in beating back the damnably disposed people who practiced and taught hate and more hate and more hate towards us as well as toward the people of the United Kingdom. We did take a step, and we adopted lend-lease to provide materials to help Great Britain hold back the threat and the determination which were evident to everyone who was paying any attention to what was going on in the world or who had sense enough to appreciate it. Mr. Chairman, I think this is true, and I want to read it:

> The success of this program for international economic cooperation requires the full participation of the great trading countries. If England and the United States were to adopt these fair currency and trade practices, most other countries would find it both possible and desirable to abide by the same principle

I think I can add that they would find it necessary to adopt and abide by the same principles.

England has stated that she is prepared to adopt these currency and trade standards if she could find a means to finance her central imports during the next few years while her trade is being restored.

Her economy was terribly disturbed. Her own shores were invaded, and her land, her buildings, her appointments for the peaceful and peaceable economy were taken away and for years she suffered these losses which we are able to say we did not have to bear. Nobody came to our shores. Nobody destroyed our cities and our towns. Nobody blew up our bridges and destroyed our railroads. We have Great Britain somewhat to thank for the fact that it was not done, and rather definitely. We knew what it meant. And from a spirit of self-preservation as well, and we might say in a broader spirit, consideration for mankind wherever they may be found, who are set upon by evilly disposed persons or nations with their accumulated armies and methods of warfare which had been prepared over many years that had passed. We took part in preserving them from disasters. The time came when the United Kingdom could no longer indulge the hope that they could beat back the foes of humanity alone, and we in this country saw it and knew it. We prepared our ships and sent our boys over there to complete the job of the subjugation of those hellish institutions, which proposed to subjugate us as well as the rest of the decent world, in order that that might not occur and that the people who were suffering might be delivered from the awful ordeal through which they had had to pass for so many years.

Some little gripe here and there has been manifested on the floor of this House and elsewhere, a drop compared with the ocean, when compared with the importance of that which engages our attention and demands of us the meeting of the highest responsibility we can know. I have no patience with it. I do not believe others will have when they consider what is involved in this resolution, in the approval of this agreement which was made by the servants of the people of this country, in the person of the Secretary of the Treasury, with the office of the Secretary of State and with the President himself, all considering together what is best to do under the circumstances of the hour. That agreement, finally made, was approved by that high body at the other end of the Capitol, and yet we resurrect a little feeling of ill-will over some little something that we are not altogether pleased with to compare with the importance and re-

sponsibility that is ours to try to keep the peace of the world.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from North Carolina.

Mr. FOLGER. Mr. Chairman, it is to be recognized that hunger and want are not conducive to the development of a disposition of peace in the world but are rather contributors to dissatisfaction and impatience; and we must recognize that we are interested in the peace of the world. If we do not implement the Bretton Woods agreement, the United Nations Organization with the approval of this agreement that has been made we may understand that whether Britain would or would not willingly she is driven to a course of bilateral trade. She proposes to agree with us that within the short space of a year she will eliminate that kind of economy and will enter with us into multilateral trade agreements the world over She is not able to carry out that agreement without our aid and assistance for a short time, and it is proposed that as a part of the agreement, and the agreement contains it, we will give them a line of credit, not a loan of money—we will give to them a line of credit of $3,750,000,000 at a stipulated rate of interest according to the agreement had by those men who worked so long at it. What is it for? I would not be unkind or suspicious to wonder whether there were some who proposed to vote on this important question without having read the agreement itself, but it is here in the report made by the Committee on Banking and Currency which heard this matter for a long time:

The Government of the United States will extend to the Government of the United Kingdom a line of credit of $3,750,000,000 which may be drawn upon at any time between the effective date of this agreement and December 31, 1951, inclusive—

Do you know what the purpose of it is? Do those who have manifested an impatience with this program know what the purpose of it is? The purpose of the line of credit is to facilitate purchases by the United Kingdom of goods and services in the United States. To do what? Has anybody taken a position against the approval of this agreement that does not know how to answer that question? Pity the man who ever takes such a responsibility without a full knowledge of what he is doing and a realization of what may be the result of his vote—

to assist the United Kingdom to meet transitional postwar deficits in its current balance of payments, to help the United Kingdom to maintain adequate reserves of gold and dollars, and to assist the Government of the United Kingdom to assume the obligations of multilateral trade, as defined in this and other agreements.

We are trying to do away with that which has heretofore given rise to and resulted in bilateral agreements and trading, a situation that has brought upon the world a degree of ill-will and the opposite of peace and the ability to work together.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FOLGER. Mr. Chairman, let me read you another line:

Our international economic policy is important not only to our program for full production and employment at home—

I stop to suggest to you here that to a very definite and positive degree the difference between depression and good times in the United States is the volume of our foreign trade—

but it is equally important to our policy of securing an enduring peace The world cannot have a stable, enduring peace while devastation and hunger stalk the earth.

Is there anyone who does not give importance to that statement? Is there anyone who does not believe that we are face to face with that today?

Nations must cooperate in the solution of their common economic problems if we are to have international harmony Without fair standards for international trade and without machinery for dealing with disagreements on economic matters, the world would soon be divided into rival economic blocs which employ the weapons of economic warfare

Is there anyone who thinks that is just something which somebody wrote and himself does not realize the great truth embodied in the statement? I shall be unkind enough to say that if there be such person on the floor of this House he ought to learn something about the situation in the world

Mr. BROWN of Georgia Mr. Chairman, will the gentleman yield?

Mr. FOLGER I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This agreement embodies world trade, as I understand the evidence, to the extent of 35 percent of it, 50 percent, as testified by some witnesses, from England and our allies and 25 percent from the United States. Would the gentleman care to enlarge upon that idea that there is involved in this agreement 75 percent of the world trade?

Mr. FOLGER I thank the gentleman for that observation but I do not want to ask for further time.

The United Kingdom embraces a great part of the territory and population of this earth, and we are not driving a hard bargain for ourselves, if we want to look at it from that point, when we enter into this agreement and undertake to aid the United Kingdom, which has been devastated in a very serious manner and to an alarming degree, to carry out the solemn agreement that was entered into between the proper officials of that Kingdom and of our own country.

Mr. Chairman, we adopted the Bretton Woods agreements which provide for the International Bank and the Fund. The two complementing agencies are designed to stabilize the currency of the world, especially as it is related to the United States, Great Britain, France, and other countries. We solemnly agreed to provide and adopt and to set at work a United Nations Organization which has for its purpose the stabilization of the economy of the world and the stabilization of the peace of the world, and we must ratify this agreement, Mr. Chairman, as a necessary part of that program. Are we going to let them down? I hope not.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. GRIFFITHS].

Mr. GRIFFITHS. Mr. Chairman, I intend to vote against authorizing this loan to Great Britain. I cannot for the life of me see that the people of these United States are in a position to stand the tremendous tax burden this loan will incur and instead of helping settle will rather further tangle our domestic problems.

I do not believe this proposed loan would ever be repaid and any payments would have to be in merchandise which would cause unemployment by flooding our markets with goods produced by cheap labor abroad.

Figured on a per capita basis, this proposed loan to Great Britain would cost the counties and cities and towns of the Fifteenth Congressional District of Ohio, which I have the honor to represent, the following amounts:

	Share of British loan
Muskingum County	$1,954,260
Towns and cities.	
Zanesville	1,050,000
South Zanesville	37,464
Roseville	36,960
Dresden	27,800
Duncan Falls	19,292
Philo	24,752
Frazeyaburg	17,920
Guernsey County	1,087,016
Towns and cities	
Cambridge	421,232
Byesville	67,704
Pleasant City	15,764
Washington County	1,219,000
Towns and cities:	
Marietta	407,204
Belpre	48,076
New Matamoras	22,204
Beverly	18,788
Waterford	8,680
Morgan County	398,356
Towns and cities	
McConnelsville	53,060
Malta	26,264
Stockport	11,816
Monroe County	465,948
Towns and cities	
Woodsfield	68 376
Noble County	408,436
Towns and cities. Caldwell	47,740

Do you believe you could get a bill through the Ohio Legislature to appropriate its per capita share of this loan to Britain in the amount of $193,413,136? Of course not. Yet, it is a sinister fact that today there appears to be a willingness to give away, loan, or spend money if it is done by Washington, even though the bill must be paid and will be by each citizen of our great country.

If you really want to help England, then do it in a business-like way. Mr. Jesse Jones, former head of the Reconstruction Finance Corporation, says

there is a sound way to do it and that is for the RFC to make further loans upon British investments and operations in this country and they are ample. This would not only preserve the financial integrity of the United States but it would preserve the moral integrity of Britain because she would not then borrow beyond her capacity to repay.

Is Uncle Sam to be bitten twice? Here we are asked to cancel Britain's First World War debt which now amounts to $6,500,000,000 This means our taxpayers must now pay the outstanding bonds which this debt represents. Well, this is all right with me. It is a bad debt which Britain never expected to pay and which most of us have given up any hope of ever collecting.

Then look at our $650,000,000 lend-lease settlement. We are getting back less than 11 cents on the dollar. Senator FERGUSON, Republican, of Michigan, told the Senate War Investigating Committee that the settlement turned over to Britain at cut prices, stores of goods which the British disposed of at profit. Part of the reason for our settlement of this $6,021,-164,850 lend-lease account for $650,000,-000 was because Great Britain had forbidden direct sales to Britons of surplus goods by us, even though the goods were over there

Here it is proposed to loan this money at an over-all long-term rate of 1⅝ percent and our Government today is paying a little over 2 percent for a long-term loan.

In conclusion, Mr. Chairman, I am against this loan because:

First. It is unsound in construction.

Second Promised benefits are not specifically agreed to.

Third. It will bring chaos in this country resulting in unemployment and high taxes

Fourth. I find no authority under the Constitution for us to levy taxes to get money to be loaned to a foreign country.

Fifth And by loaning beyond the capacity to repay we have made another enemy, because truer words were never uttered than the following by Shakespeare:

Neither a borrower nor lender be,
For a loan oft loses both itself and friend.

Mr WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, it might be well for us to pause for a minute during these deliberations on the British loan, and, in view of remarks regarding her failure to pay the old war debts, to pay tribute to the one and only country that has consistently made debt payments over a period of years. This country is the republic of Finland.

Shortly after the termination of the First World War, Finland because a republic, and at that time loans were made to her for the purpose of purchasing certain needed food and supplies. Loans to Finland totaled about $8,000,000, and they have repaid to us in principal and interest the sum of $7,000,000. Even during the course of World War II, when that republic was being ravaged by the effects of that terrible war, arrangements were made through the Finnish Minister here in Washington to continue these payments. With the exception of the short period when these payments were deferred under an act of Congress, these payments have continued.

Finland is the one and only nation of the large number of our debtor nations throughout the entire world that has paid both principal and interest in accordance with the original arrangements and agreements and has fully and faithfully kept its word with us. We of the United States Congress should recognize this fact and pay our respects and our tribute to this great Nation. The tremendous resources which Great Britain has had over all this long period of years, compared with the relatively minor economic status of Finland, makes these repayments even more worthy of our notice and commendation.

Mr WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr WOODRUFF Mr Chairman, it is a strange phenomenon without parallel in the history of America that a proposal for this Nation to give $4,500,000,000 to another nation, on top of $25,000,000,000 of lend-lease supplies, and on top of defaulted and unliquidated First World War debts amounting to more than $6,500,000,000—a grand total of thirty-six billions—should be surrounded and enshrouded in such a maze of half-truths, distortions, and sheer false pretense, as is the case in the proposed gift to Great Britain

There has not been one single, solitary proponent of this additional gift loan to Britain who has been willing to face the facts squarely. There has not been one proponent of this gift loan to Britain who has been willing to tell the American people the facts and the whole truth about it. The very label "loan" is false pretense within itself, and everybody who has any real knowledge of the terms and conditions knows that label was applied to fool the American people, who are going to have to sweat out and toil out that four and one-half billions of their money which it is proposed to give away.

The very device of interest, reduced as it is to scarcely more than bookkeeping costs, and so arranged that Great Britain may evade the payment of both the interest and principal whenever she chooses, and as often as she chooses, is a device of falsifications put forth to aid in fooling the American people into swallowing this proposition.

The proponents of this proposal say Great Britain will pay back the money. Every British spokesman of any standing in the Empire who has talked about this proposition has said Great Britain cannot pay it back. Some have been honest enough to say she will not pay it back. The proponents of this so-called loan have said that in return for the loan the British will abandon their Empire trade-preference policy.

It is clear Britain has no intention whatever of abandoning Empire preference. Churchill and everybody of authority who has spoken of this in Parliament and out have said that they cannot and will not abandon the Empire preference policy. Mr Bevin, the Secretary of State for Foreign Affairs, in discussing the question in Parliament, stated:

I will go further tonight, and from this box will say that, even if we had been pressed to sacrifice imperial preference rather than be defeated by Hitler, I would have paid that price then in 1941

Mr Chairman, on December 12 of last year the British Government, in the words just quoted, declared its intention to hold to the Empire preference, and would yield it only in the tragic event it would save the Empire from ghastly defeat in war. In the light of this unequivocal statement of Mr. Bevin, is there anyone in the sound of my voice sufficiently naive to believe for 1 minute that Empire preference will be abandoned because we request it?

There is not a line in the agreement covering this proposed gift of $4,500,-000,000 which requires Great Britain to abandon a single solitary Empire preference.

There is not one single thing in the agreement covering this proposed gift which will require Great Britain to abandon her sterling bloc. She agrees only to consider—to consider mind you—these propositions after the agreement before us has been signed, sealed, and delivered That, and nothing else.

The proponents of this measure try to befuddle the American people by saying a large part of this gift will be spent in the American markets. The only conclusion one can arrive at is that those people who make such an assertion must imagine the American public is a mass of morons. There is not one single sentence in the agreement covering this $4,500,000,000 gift which requires Great Britain to spend a dollar of it in the United States. Quite the contrary. Lord Keynes and various other spokesmen have specifically, and in precise terms, advised the British House of Lords and Parliament that Britain is not bound to spend a single dollar of this gift in the United States.

It is an insult to every American citizen to try to justify this gift on those grounds. You know, and I know, that, if we want to guarantee that this money will be spent in America, why not give it to the veterans? They would spend it in the American market. There can be no question about that. Why not give it to our needy old folks in an increase in their pensions, and thus offset the increase of their cost of living resulting from the inflation which has taken place under Mr. Bowles' "hold the line" policy?

The fact of this matter is, we have such a tremendous backlog of purchasing power in this country now, which so far outreaches the goods and services procurable, that the black markets are flourishing everywhere and in almost every line because of this unsatisfied demand, and yet these proponents would have you believe that, if we gave Great Britain the four and one-half billions proposed, Britain would immediately come back into the American market to spend that money for American goods and services.

I think you will agree with me that, if the British Commonwealth is so near to decay the ruination, that $4,500,000,000 withheld from her would complete her ruination, then it must be obvious that the British Commonwealth is so far gone that four and one-half billions would not save her.

You will also agree with me when I say to you that, from Winston Churchill on down, the British spokesman have assailed this loan; have hurled insults at the United States for wanting interest; and have hurled more insults for expecting repayment of the principal. Yet we know the British well enough to realize that their sagacity is such that, if their spokesmen believed failure to negotiate this gift would allow Britain to go to ruination; they would not be hurling at us these insults from across the seas. Theirs would be a vastly different approach.

What the British proponents of this loan wanted was a gift of $4,500,000,000 with no obligation and no restrictions upon their part. They did not intend that the loan would be paid back, and now they are defiant, outraged, and in blind anger because we have labeled it a loan, bearing interest; that, if Britain makes a second default—which her spokesmen say and know she will—that Britain will be placed before the world as a Nation without honor or integrity. Therefore, the British are like the bank robber, who complained that the law made robbing a bank illegal, and to carry on his livelihood he just had to break the law. In other words, the British spokesmen, who came over for this loan, wanted to enact the role of mendicants, while being greeted in the role of saviors.

The British attitude appears to be that we in America should be profoundly grateful to them for accepting this gift at all.

Now, let me propound a question to you which you can answer for yourself without having to depend upon tricky opponents and their tricky explanations. The question is this: If we grant this gift to Great Britain on the ground that it is to our interest to save her from having too hard a time readjusting herself to changed world economic conditions, then why cannot Britain come back to us 2, 3, or 4 years from now saying, "Well, we are broke again and we want $4,500,000,000 more"?

Every argument that applies to giving this first $4,500,000,000 to Great Britain could apply with equal force to giving three or four more such gifts to Great Britain.

We know that every argument that is being used to gloss this gift to Britain with some semblance of American welfare, can be used by every other nation in the world with just as good effect, just as sound logic and just as forceful logic, for us to give them gifts. To do that would mean that we could give away 20, or 30, or 40 billions of dollars. There is no limit to the amount of money these other nations will accept from Uncle Sam if Uncle Sam will just hand it over.

On the basis of partnership in the war, Russia, who is now asking a modest and introductory loan of one billion, could come in and ask for ten billions as a gift—which at one time she had under consideration—with as much logic as has Britain in this instance. Do I need to tell you that, if we make this gift to Britain and then refuse all the other nations which come to us, we will incur their disappointment, their resentment, and their hatred? You know we will, just as I know we will.

Do I need to tell you that, if we give Great Britain four and one-half billions and then refuse Russia a similar sum, that Russia will immediately conclude we are building up a western bloc against her, and that she will immediately begin to arm for a third world war? What else could Russia think under such circumstances? Up to date we have given twenty-five billions to Britain in lend-lease, while we have given Russia only ten billions through the same medium.

If we make this gift to Britain we will be establishing a precedent which will plague us into the dim and distant future. If we make this gift loan to Britain we will either have to "shell out" twenty or thirty billions to other nations and finally bankrupt ourselves, or we will have to lose the friendship of every other nation on earth Do you believe that, if we give Great Britain this four and one-half billions, we are going to win her friendship? After we provided our men, our blood, and more than $25,000,000,000 of munitions of war and civilian goods to Great Britain, as well as providing for her allies, including ten billions in lend-lease to Russia, have we won the friendship of Great Britain? No. One of her chief spokesmen, Harold Laski, hurls across the seas at us the charge that America is the last bulwark of a rotten, decadent capitalism in the world

America has grown great; we have reached our marvelous conditions of living in this country comparably higher than the conditions of living in any other nation on the globe. We have accomplished this through our American system of constitutional government, free economy, and free society.

Now, what are we asked to do when we grant this four-and-one-half-billion-dollar gift to Britain? Why, we are being asked to contribute four and one-half billions of dollars to socialism and the experiments of socialism. We are being asked to finance a socialistic competition with our own free industry, with our own free farms, and with our own free wage earners.

Just the other day the Export-Import Bank granted a billion-dollar loan to France—another billion which will be used for the furtherance of a socialistic competition with our free American constitutional system.

No, this four-and-one-half-billion-dollar gift will not win the friendship of Britain at all. On the contrary, it has been reported authoritatively by half a dozen different newspaper reporters that British bitterness toward the United States for wanting interest, and for calling this a loan, was even greater than it was at the time of the British default on First World War loans.

Now, let me ask you if you have ever thought about where this money is coming from? This is not four and one-half billions of dollars which the Government found somewhere. It is not four and one-half billions which these international politicians earned somewhere. It is four and one-half billions of dollars of our people's money—out of their own pocketbooks—to be paid by by them in taxes and more taxes.

Do not forget that our American people will pay the interest on this sum until the last dollar of our national debt is discharged

The farmers will walk thousands upon thousands of miles of dusty rows under the burning sun to help pay for this gift, which the power politicians want to make to Great Britain; the mechanics will stand many thousands of hours at the swirling lathes; the other wage earners will put in thousands of hours of wearisome labor to help make good this loan to Great Britain. When we have passed to our reward, our children and their grandchildren will still be toiling, sweating, and doing without in order that we may make this gift to the British as the opening wedge into our pocketbooks for every other nation which wants to come forward for a gift at the hands of Uncle Sam.

Of all the blind, stupid, and illogical proposals, this is the worst.

If we are going to make a gift to Great Britain out of the pockets of our people, it would have been only honest and decent to tell them that it is a gift—that the Congress is taking their hard-earned dollars to give away to peoples across the seas.

If we are going to make a gift to Great Britain, it would be better for the sake of friendship, which we all hope can exist between Britain and the United States, that we determine upon a smaller sum and make an outright gift to Britain. But even that would carry with it such complications, such dangers for the future, that such an action could not be justified on the basis of logic and common sense. There just is no logic or common sense in this proposal.

Some British spokesmen—and I as one American resent it—have insisted that America achieved great wealth and great power out of this war. What we really did achieve was 300,000 dead boys, a million wounded boys, thousands of homes wrecked beyond repair, and $275,000,000,000 of national debt. If anyone can make great wealth out of the $40,000,000,000 of lend-lease that we gave to our allies, we will have established a new and unique definition of wealth.

If anyone can believe that we suddenly, by using a great part of our national resources and mortgaging our future to the tune of nearly $300,000,000,000, have acquired wealth, he has a theory of wealth which no sane man can follow. I shall deal with this subject again further along in my remarks.

As for the power we won in this war, it is apparent we do not have power enough—at least our foreign affairs managers are not powerful enough—to keep Russia from doing a single thing she chooses to do, right or wrong.

Every representation brought out to support this gift of four and one-half

billions to Britain is a false representation. Every argument made for this gift is a false argument, based upon false premises Every pretense of what Britain is going to do for this gift is a false pretense.

In my extension of remarks I shall quote verbatim some of the many British spokesmen who say over and over again that they do not intend to repay the loan or any interest, and want American markets opened wide to the inrush of a flood of cheap foreign products; that this was our war which they were fighting; that America was cowardly and selfish and was slow in coming into the war. These British spokesmen, and, I regret to say, some American spokesmen, keep insisting that this was our war, that we were responsible for it; that Britain, Russia, and France would have been better off if they had not fought the war for us.

We were over here following our own affairs when the war across the Atlantic broke. If it had not been for us, Britain today would be a subjugated country, enslaved by the Nazis. This talk about Joseph Stalin's bleeding heart for democracy is just so much bunk. It was Mr Stalin who made the nonaggression pact which encouraged and enabled Hitler to begin this war. Mr. Stalin did not begin to "bleed for democracy" until the Hitler hordes marched into Russia and began to devastate that country, and the Russians had to fight in self-defense. And, I might add, that they did not win a battle until they were given—free—American arms and machines of war with which to do it—$10,000,000,000 worth of supplies of war.

There is nothing to be gained by trying to fool the American people. That cannot promote our respect for Great Britain; that cannot promote our friendship for Great Britain; that cannot promote Great Britain's friendship for us; and it is obvious that it does not promote Great Britain's respect for us.

Of course we want to help Great Britain as we want to help the rest of the world to get back to sanity, peace, and prosperity. If we granted this loan and then denied the avalanche of demands which will rush upon us from other nations we will not have helped Great Britain or the rest of the world toward sanity, peace, and prosperity. We will, instead, be putting the fertilizer of international suspicions and jealousies on the seeds of a terrible Third World War.

Mr Chairman, allow me to suggest to my colleagues on both sides of this House, that if one of the chief purposes of the British loan is the betterment of Anglo-American relations, it will go down in history as one of the most outstanding failures of American diplomacy.

Here is what the London Times had to say in an editorial published in its issue of December 12, 1945:

By any computation the bargain is hard. A Labor amendment asks the House to refuse its consent to a dollar credit which disregards the principle of mutual aid on which the war effort was based, which must deprive this country of effective control over its own currency and trade, and under which the nation will be committed to undertakings impossible of fulfillment.

Sir Hubert Henderson even contends that the conditions attached to the loan are "calculated to ensure default."

I beg my colleagues to take note of this statement further on in the editorial:

The proposed payment of over £35,000,000 a year for half a century is frankly a concession to the business principles of the American Congress—and is no more likely to run its full course unaltered than the elaborate schedules of the Dawes and Young plans

This is clearly an indication of the British intention to treat this loan exactly as they treated the loan we extended to them following the First World War The honorable editor evidently had not forgotten that it was Britain who led the procession of debtor nations who in 1933 repudiated their debts to us. I refer to the debts growing out of the First World War Those debts today remain on our books unhonored and unpaid In round figures they amount to $15,000,000,000 In view of these facts it is amazing anyone should expect this House to approve the agreement.

In the course of the parliamentary debate on December 12, 1945, reported in the London Times of December 13, Sir J. Anderson's remarks were paraphrased as follows:

He could not speak with expert knowledge, but he had always taken the very simple view that we were bound in fact, if not in honor, by the provisions of article 7 of the lend-lease mutual-aid agreement, read in the light of the exchanges between the former Prime Minister and Mr Roosevelt, which came to this. That, while we were prepared to discuss the whole field, we were no more under an obligation to get rid of imperial preferences than the Americans were to get rid of their protective tariffs.

Then Sir J Anderson went on to say, according to the London Times

Another thing that troubled him and which had been under very serious consideration for some time past was the position of agriculture. [Opposition cheers] He had seen a statement to the effect that our position in this respect was fully protected, but it seemed to him that the right of the participating government to impose restrictions for the purpose of protecting home agriculture had been very considerably restricted [Opposition cheers]

Now, Mr. Chairman, this is a fact of vital interest to the farming community of America. Here is a member of the British Parliament whose views are given wide publicity in the London Times who believes there is a possible interpretation in the loan agreement which gravely restricts the power of the participating governments to protect domestic agriculture.

Speaking for the Government in the course of the debate, the London Times quotes Sir Stafford Cripps to this effect:

We did not sell large quantities of particular lines in particular countries; we sold what might be considered comparatively small lines all over the world, and, therefore, it was not enough for us to get as against a preference the reduction of merely one person's tariff; we might want 26 countries to reduce their tariffs before we were prepared to drop a preference.

We had agreed to the initiation of a process of argument which might lead to the elimination of preferences and the reduction of tariffs, but we were absolute masters of whether we would get to those objectives. If it was worth while, we should get there; if it as not, we should not.

In plain English, Sir Stafford Cripps, speaking on behalf of his Government, makes it perfectly clear that it is not enough to obtain a concession from us in order for Britain to grant the United States a breach in the wall of imperial preferences because, as he points out, the British Government may feel that they must have a concession from 26 other countries before it will be worth their while to grant the United States any reduction in the economic barriers they have set up.

Permit me to assure the House that this important statement by Sir Stafford Cripps does not stand by itself. It is fortified by the following exchange of views between Mr. Churchill, the former Prime Minister, and Mr. Bevin, the present Secretary of State for Foreign Affairs, upon the true meaning of the terms of the loan agreement:

MR CHURCHILL The position of imperial preference was absolutely safeguarded by me under article VII and by the insertion of the words in the Atlantic Charter "without prejudice to existing obligations"

MR BEVIN I am talking to the right honorable gentleman about trade agreements I will deal with imperial preference in a moment I am not criticizing him, believe me I say that, at that moment, I would have done what he did I will go further tonight, and, from this box, will say that, even if we had been pressed to sacrifice imperial preference rather than be defeated by Hitler, I would have paid that price then in 1941 I know the issue that was at stake, but we did not have to pay the price, and, may I remind the House, we have not paid it now and it is not in these proposals

This is an amazing confession. May I repeat it in order that we may all appreciate its significance:

I am not criticizing him, believe me I say that, at that moment, I would have done what he did. I will go further tonight, and, from this box, will say that, even if we had been pressed to sacrifice imperial preference rather than be defeated by Hitler, I would have paid that price then in 1941. I know the issue that was at stake, but we did not have to pay the price, and, may I remind the House, we have not paid it now and it is not in these proposals.

It must be clear to all of us that if Mr. Bevin agrees, that the certainty of being beaten by Hitler was the only thing which would cause him to surrender the imperial preferences, that any attempts on our part to soften the minds of our British friends to the point where they will yield any trade advantage they may have in order to arrive at a real reciprocal trade agreement with us, are doomed to failure before we start.

I continue to quote Mr. Bevin:

In his book, The Dawn of Liberation, the right honorable gentleman said "Again, in February 1942, when the United States was our closest ally, I did not agree to article VIII of the Mutual Aid Agreement without having previously obtained from the President the definite assurance that we were no more committed to the abolition of imperial preference than the American Government were committed to the abolition of their high protective tariffs The discussions on how great a volume and more harmonious flow of trade could be created in the postwar years under the agreement leaves us in every

respect, so far as action is concerned, perfectly free."

Mr. CHURCHILL. Is not that so now?

Mr. BEVIN. Exactly. That is the basis of this agreement on imperial preference—not whether the tariff goes down 40 or 50 percent, but on trade for trade on the merits or trade. That is how I understand it. (Parliamentary Debates, House of Commons, official report, Thursday, December 13, 1945, pp. 729–730.)

Here we have two authoritative statements which prove, in my opinion, that the agreement to negotiate for the elimination of the special privileges for Britain, envisioned in the sterling bloc and in the imperial preferences, is not worth the paper they are written on. To us they mean exactly nothing, except that unless we open our markets to her free and unrestricted trade, unless we place all her products on our free list, she, through her imperial preferences and her expanding sterling block, will drive us from the markets of the world.

Before leaving the reports of the English parliamentary debates, let me quote a remark by Mr Bevin, which appears on page 725 of the official record:

I know the task of facing this loan leaves a good many people with a sense of discomfort I do not know anybody who ever came away from a money lender's office and calculated the repayment who ever felt comfortable

So, we have graduated from the characterization of "Uncle Shylock" to that of a "money lender's office," a pawnbroker in effect. There was thrust upon us the term "Uncle Shylock" some years back, as Members of the House will recall, because we sought the repayment of loans advanced to Great Britain. That account alone now aggregates, for principal and interest, a sum of $6,500,000,000 in round figures. That stupendous sum is in default, and there has not been a dollar paid thereon since 1933. There is not the slightest prospect that it will ever be paid In the recent negotiations that painful fact appears to have been treated by all concerned as a subject about which the least said the better.

In the light of these incontestable facts and the evidence afforded by the parliamentary debates, I suggest to my colleagues that there is no reasonable basis for belief that any substantial part of the present proposed loan will ever be repaid. I believe that the evidence which I have submitted demonstrates conclusively that our interpretation of the balance of the agreement, certainly as it is now commonly understood in this country, will never be met.

I now quote from the Parliamentary Debates—Hansard—House of Lords official report, unrevised, volume 138, No. 40 Monday, December 17, 1945:

Lord Altrinchan speaking:

I fear, therefore, that these obligations may be the cause of grave misunderstanding in the future, and that the people of the United States should understand this, which is absolutely fundamental to these agreements They do not understand that the conditions attaching to our acceptance of this line of credit—the only conditions on which we can pay for this credit if we take it up—involves a complete transformation and, indeed, a transfiguration of the American economic system if they are not to compel default. The Foreign Secretary in another place said very truly that what this is going to depend upon is not an argument as to whether or not the customs have been sufficiently reduced. It is going to be answered by the practical, the concrete, unavoidable test of whether our goods are actually going into the United States. The whole thing turns on that. I honestly wish I could feel that the American public understood that (pp. 735–736).

* * * I am convinced that both His Majesty's Government and the Government of the United States will, before long, find reconsideration of these agreements imperative as the situation develops. Fortunately, as the noble lord, Lord Balfour of Burleigh, and others have pointed out, there is full provision for that in clause 12 of the financial agreement which Lord Balfour of Burleigh read out (p 740).

Lord Croft speaking:

What is the heavy lasting grudge of the United States against this old country in spite of the reasons for great, real, and lasting friendship? It is what we, who at least at that time—the War of Independence—were the sovereign power, interfered with the fiscal liberty of British colonists in America. But this today is the Boston Tea Party in reverse, and an interference with the freedom of our country to manage its own affairs, an interference that I regard as unparalleled in the history of the world (p. 754).

Mr. Mallory Browne, of the New York Times staff in London, in a dispatch to his paper—New York Times, December 16, 1945—says:

Not for many years, not since the British defaulted on the last war loan, and perhaps not even then, has there been so much resentment, such widespread bitterness against the United States as one finds expressed in Parliament, in the press, and by the general public in Britain today

Further on Mr. Browne says:

Rightly or wrongly the British believe, as one London paper put it, everything points to Britain being ultimately compelled to repudiate commitments whose fulfillment United States trade policy will make impossible

Mr. Chairman, if that is the situation, and all the evidence I have seen confirms it, I do not see how any Member of the House can bring himself to vote for a measure to implement the British loan.

In the course of his article Mr. Browne quotes a paragraph from the Economist, upon which I wish to comment specifically. The Economist, let me say, is the foremost journal of its kind published in England. It accurately reflects, as indeed Mr. Browne points out, the feeling in British business circles generally. Here is what the Economist says:

It is aggravating to find that our reward for losing a quarter of our national wealth in the common cause is to pay tribute for half a century to those who have been enriched by the war.

At this point I beg my colleagues to note, either the abysmal ignorance or the utter indifference of the editorial staff of this great English economic magazine, to our costs and our losses in saving the British Empire. First, let me deal with the statement that Britain lost a quarter of her national wealth and compare it with our loss.

The National Industrial Conference Board, which is a great and highly respected institution devoted to economic research, estimated the national wealth of the United States in 1938 at $309,430,000,000.

Let me now direct your attention to an article published by the Department of Commerce in its magazine entitled "Survey of Current Business." The article to which I refer is entitled "United States Debt Pattern in War and Peace," by Alvin Slater. Here is what the first paragraph of the article states:

After more than 3½ years of war, outstanding indebtedness in this country surpassed all prior records. Continued public deficit financing engendered by war requirements and, to a lesser extent, expansion of short-term private business liabilities to meet the needs of increased business activity, resulted in raising total public and private indebtedness, as of the middle of 1945, to an estimated $441,000,000,000 in gross amount and $384,000,000,000 after elimination of certain duplicating debts.

It will be observed that Mr. Slater estimates the total of our governmental and private debt, in the middle of last year, at $384,000,000,000. The figure for our total debt at that time was, of course, higher, but Mr. Slater has been at pains to eliminate duplications. Let me say, however, that the figure $384,000,000,000 falls very far short of our total obligations today.

Our National and Federal agency debt on December 29, 1945, was, according to daily statement of the Treasury for that date, $278,681,000,000. I am giving the data in round figures, so that no one may be confused.

For the information of the House, I would like to be permitted to add to that sum the most recent official figures I have been able to obtain for our State and local government debt, and our total private debt which aggregate $176,400,000,000. The grand total produced by a combination of these Federal, State, local, and private debts reaches the stupendous sum of $455,081,000,000.

Now, I ask my colleagues' attention once more to that authoritative estimate of our total national wealth in 1938, which was computed by the National Industrial Conference Board, at $309,430,000,000 In the light of the fact that since 1938, in the war effort we have depleted our mines, stripped our forests, drained our oil fields, burned up the fertility of our soil, and suffered incalculable losses of war material and manpower, it would be a bold man who would dare to assert that our national wealth today exceeds that of 1938. With this assumption in mind, it would appear that now our liabilities exceed our assets by $145,651,000,000.

To this fabulous sum we are now asked by the administration to add a loan or gift, call it what you will, of $3,750,000,000 in cash credits, and $650,000,000 additional to cover American installations and equipment in England.

Again, let me say that I cannot conceive how, in the light of all the facts, any Member of this House can bring his conscience to a state where he can vote for such a proposition.

The London Economist says that we are enriched Why, Mr. Speaker, the effrontery of that statement surpasses all bounds of reason. The United States has been impoverished by this war, and, what is more, we have poured out the priceless lifeblood of our nearest and

dearest to save what is, by and large, an unappreciative British Empire.

Now, Mr. Chairman, let me again carry this inquiry into our alleged enrichment a step further. From December 1941 to October 1945, the gold reserve of the United States declined by $2,701,000,000. That, let me say, is a very strange form of enrichment. It is the antithesis of enrichment. It is part of the story of our national impoverishment.

Permit me, if you will, to turn to a brief examination of British assets in the world of international finance. Please do not misunderstand me. I know the British Empire is insolvent. I know, as I have pointed out, that there is no probability that this so-called loan of $4,400,000,000 will ever be repaid, but at the same time the British Empire has assets, and there are some strange things to which I wish to direct your attention in connection with these assets.

In April of 1941, according to Mr. Dalton, the present Chancelor of the Exchequer, Great Britain's reserve of gold and dollars had fallen to only £3,000,000 in round figures; in American money, $12,000,000.

On October 31, 1945, Britain's net gold and dollar reserves had risen to £450,000,000 net, or, let us say, in American money, Britain's gold and dollar reserves reached the respectable total of $1,800,000,000. From our standpoint, of course, this was a wholly unexpected result of the lend-lease agreement. Inasmuch as that lend-lease agreement, so far as Great Britain is concerned, has cost us over $25,000,000,000, it certainly seems to me that we have an equitable claim on the difference between $12,000,000 and $1,800,000,000, or, let us say, a claim of $1,788,000,000.

I suppose some of the proponents of this loan will say that it is inconceivable that we should strip our former ally of such a sum; that it would be ungenerous to leave her only the balance of gold and dollar assets which she claimed to have had in April 1941. That, however, would not appear to be the situation I base this statement on a table embodied in an article by Donald F. Heatherington, which appears in the November 11, 1944, issue of Foreign Commerce Weekly, published by the Department of Commerce, page 8. This table sets forth an estimate of British external investments at the end of the war, as follows:

Estimated British investments at the end of the war

[In millions of pounds sterling]

Country or area	Amount or value
Australia	475
New Zealand	145
India	250
Canada	250
Union of South Africa	100
Other British Africa	225
Other British areas	40
Total, British Commonwealth	1,485
Latin America	700
United States	[1] 210
Total	910
Grand total	2,395

[1] Excluding the investments pledged against the RFC loan which are not available in the same sense as others.

The grand total it will be observed reaches the very respectable figure of 2,395,000,000 pounds sterling, or, let us say, in round figures, a grand total of $9,580,000,000 in American money.

These British foreign assets run, as you will observe, to a total somewhat larger than twice the amount of money the British Government now seeks as a gift, or, as a loan. I use the word "gift" advisedly because the British came to this country asking for a gift of $5,000,000,000, or, as they euphoneously call it, a grant in aid.

Perhaps, I should point out further, that in this table which sets forth British assets in the United States, it specifically excludes investments pledged against the RFC loan, which are not available in the same sense as the others.

It seems to me, Mr. Chairman, that I have here set forth additional information taken from authoritative sources, which suggests that we should stop, look, and listen, before anyone casts a vote to lend the British $4,400,000,000.

Mr. Chairman, in the Wall Street Journal of January 3, 1946, a very important article was published under the heading "Outlook for 1946: Foreign loans, trade agreements to spur our exports this year—sharp import rise likely in 1947—crisis seen by 1951 as United States credits dwindle—strategy could be tripped up." As the article is long, I submit a digest of its general tenor.

The article suggests that in 1946, when domestic goods are in urgent demand at home, the granting of a large credit to Britain will stimulate a demand that they be shipped abroad. In other words, as I see it, the granting of the loan which the State Department has negotiated with Britain, will promote the very spiral of inflation which the President recognized, in his speech to the Nation of a short time ago, as of such danger that he feels it necessary to call upon us to reimpose wartime controls. In 1947 and after, the article contemplates a general easing of the demand for domestic goods in the American market, because, by then, our domestic products will face cutthroat foreign competition. I will quote two paragraphs from the article specifically in regard to 1951 and later:

Then is likely to come a new crisis When foreign folk run out of American loans to buy American goods, will American world trade collapse?

The experts think it will, with disastrous consequences to our domestic economy, unless one or both of two possibilities occurs. First, imports might be bolstered still further by a change in United States buying habits. Second, lending abroad might be followed by investing abroad It's suggested that the reconstruction type of loan be succeeded indefinitely by private or governmental investment in productive foreign enterprises, especially in economically backward lands.

I lay emphasis on this paragraph which I have just read from the article in the Wall Street Journal, because it makes so evident the fact that making a loan now to Great Britain of $4,400,000,000 paves the way for a reembarkation on the very policies which brought about the disastrous economic crash of 1929.

Some of us recall that with wisdom gained after the event, the late President Roosevelt capitalized upon the errors of this period in his campaign for the Presidency in 1932. Referring to the sale of foreign bonds in the American market, he said, and I quote him:

This is an unsavory chapter in American finance. These bonds in large part are directly the fruits of a disastrous policy pursued by the present administration in Washington—none other, if you please—than the policy of lending to backward and crippled nations.

Now, we may have made a mistake once insofar as we permitted the sale of securities of bankrupt nations in the American market to individuals who at least had freedom of choice. To be sure, they were misled by shameful misrepresentations of fact by a group of international bankers as to the soundness of the securities they were offering. That was bad, and I do not condone that policy in the least, but, so far as the Federal Government was concerned, it was a sin of omission and not of commission It was a thoroughly unsound policy. We learned our lesson, and Mr. Roosevelt profited by it; but now the present administration comes forward with a proposition that the American taxpayer, without any choice whatsoever, is to be mulcted of $4,400,000,000 in a loan which you and I know very well will never be repaid.

Franklin D Roosevelt himself warned this Nation back in 1936 against foolish war and postwar loans—a warning which he himself grossly violated. That, however, is no excuse for us to compound the violations of his own advice At Chautauqua, N. Y., on August 14, 1936, he said:

If war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans, who, seeking immediate riches—fools' gold—would attempt to break down or evade our neutrality.

They would tell you—and unfortunately their views would get widespread publicity—that if they could produce and ship this and that and the other article to belligerent nations, the unemployed of America would all find work. They would tell you that, if they could extend credit to warring nations, that credit would be used in the United States to build homes and factories and to pay our debts They would tell you that America once more would capture the trade of the world

It would be hard to resist that clamor; it would be hard for many Americans, I fear, to look beyond—to realize the inevitable penalties, the inevitable day of reckoning, that comes from a false prosperity.

Every Member of this House knows that any man may make a mistake once without his intelligence being challenged, but if a man makes the same mistake twice, with fair warning given, he brands himself as anything but intelligent. There is an old saying, and a true one, that a fool and his money are soon parted. For myself, I do not propose, so far as lies within my power, to allow the intelligence of the American people be so challenged. I do not propose that, as a Nation, we should play the fool and be parted from more of our money.

Why, Mr. Chairman, to lend a bankrupt nation money which we in our hearts know will never be repaid is not trade. It is the granting of a gift, a subsidy, or, if you will in this instance, reparations for damages uncollectible from our common enemy. It is true that some of this money may be spent in the pur-

chase of American goods, but what that amounts to is that we give the foreigner the money, and we give him the goods also. Perhaps, worse than that, we arouse in the minds of our domestic manufacturers, and in the minds of the labor they employ, an idea that we will sell in a real market; whereas, in fact, if we pursue this policy, our people stand to lose anything up to 100 cents on the dollar. To assert that transactions of this sort will promote multilateral trade is not to state a fact; it is merely to propound a theory. So far as the United States is concerned, all it may actually do, as I have pointed out on a previous occasion, is to promote possibly the purchase of American securities in the course of speculations in the American market. Even now, without this loan, there is going on a large transfer of British capital to South Africa.

We must concede that on this occasion while the British did not obtain all they wanted, they have been well served by their negotiators. We have not been so fortunate. For some reason, which I wholly fail to understand, we do not seem to find in our international representatives that iron will to protect the American public purse, which has been so recently demonstrated by agents of our Government dealing with unfortunate veterans of this war, seeking loans to start in business, or to reestablish a business ruined by their absence from home while in the service of their country

Permit me to digress a moment from the British loan and call the attention of my colleagues to the fact that out of 75,000 veterans in California asking for loans only 194 got credit, the others got advice. Just think of the contrast, Mr Chairman, 194 American soldiers, who faced death or mutilation in a war they did not seek, out of 75,000, get some paltry loans, while here we have laid in our laps by the administration a proposal to strike $25,000,000,000 of debts off the record and loan an additional $4,400,000,000 to the British Nation. That, I venture to say, Mr. Chairman, when the American people understand this simple fact, no explanations will suffice as an alibi for the proponents of this loan.

I will not need an alibi. I am going to vote against this dangerous and preposterous loan to Great Britain, and I want the whole world to know it.

In conclusion, Mr. Chairman, there is one matter in connection with this loan which remains to be discussed. I refer to the fact running through all the discussions which have taken place in England, whether in Parliament or out of it, there is the theme that England alone stood in the breach for a long period while the United States refrained from engaging in battle for the common cause. Anyone would think from reading or hearing the criticisms leveled at our country for its behavior, that this war was of our making and that we are as much responsible as Great Britain for its occurrence.

That is wholly untrue, and I believe now is the time to scotch this slander once and for all time. The Nuremberg trials have brought out in evidence information for all the world to read, that the genesis of this war dates from 1919, when the ink was barely dry upon the Treaty of Versailles. That fact was not news to any person who has made a study of international political developments throughout the past 26 or 27 years. The Treaty of Versailles, as everyone who has read it knows, embodied provisions for the disarmament and economic destruction of Germany. These provisions were systematically and consistently breached by the Germans, and here is a point, Mr. Chairman, which I wish to emphasize. Every effort made by the French Government to secure the collaboration of the British Government in the enforcement of those provisions for the disarmament of Germany was treated with cold indifference or actually thwarted. When a British general, serving as adjutant general of the Inter-Allied Control Commission, exposed the flagrant violations of the treaty of which Germany was guilty, Mr. Lloyd George, the then British Prime Minister, sought to have him cashiered

The policy of Great Britain throughout the critical years following the signing of the Treaty of Versailles and its ratification by the British Government was to promote a definite reconstruction of Germany as a powerful counterweight to what it characterized as a militaristic France—a France, be it said, Mr. Chairman, which bore the brunt of the hardest years of the struggle between 1914 and 1918, a France so depleted by extraordinary sacrifices that when once more the German avalanche was turned loose, her people, undermined in part by the persistent betrayals of her former ally and demoralized by the infiltration of Communist propaganda, was unable to put up more than a mere nominal resistance.

Hitler, Mr. Chairman, was a mere incident, an important incident, if you will, but an incident, nevertheless, in the conspiracy conceived by the German General Staff to reopen the war at the first favorable opportunity.

I regret to say it, Mr. Chairman, but a careful study of the persistent breaches of most solemn engagements entered into by the British Government throughout this period, and our own experience to which I have already alluded, deprive me of any faith that the signature placed upon the agreement entered into by our Government with that of Great Britain for a loan of $4,400,000,000 will ever be honored.

I warn this House that the patience of the American people, while almost infinite, is not all-enduring. We will not forever ignore charges of moral laxity and insinuations of cowardliness. We were not responsible for this war, but we had to fight it, and in fighting it we saved the British Empire the second time. For me and, I believe, for the American people, the blood already shed by our heroes, and the hundreds of billions we have poured out to win this war should constitute the limit of our sacrifice for Britain.

Mr. Chairman, some days ago I introduced House Resolution 696, a resolution similar to one previously offered in the Senate, which seeks much information from the executive department dealing directly and indirectly with the question now before us. As a matter of fact, the question of whether or not the proposed British loan can be properly and intelligently resolved without the information asked for in the resolution, will be perfectly apparent if the members of the House will read its provisions. I am, therefore, inserting the resolution in the RECORD at this point, hoping that before the question is voted on every member will carefully consider its provisions. It is most unfortunate that the bill before us has been taken up for consideration without all information connected therewith is made available to the Congress.

House Resolution 696

Whereas the United States Government is already committed to large-scale financial and economic aid to certain foreign countries and to international organizations to a total of billions of dollars; and

Whereas in the course of World War II, the United States at its own expense made vast installations in many foreign countries and now owns great quantities of goods and property abroad, the nature and extent of which is not adequately known to Congress; and

Whereas the United States is now engaged in settling certain of its accounts with other countries such as lend-lease, surplus property, and American installations abroad, including the extension of credit; and

Whereas additional commitments and requests for assistance are constantly rumored, and

Whereas Congress is lacking information as to the current and probable future total of such requests and commitments; and

Whereas the outside world is already a large debtor to this country on account of past investments and loans made by the American Government and by American citizens, and

Whereas information is lacking as to the capacity of the outside world to repay to this country past, current, and contemplated loans, investments, and other obligations, and

Whereas available reports of American loans and economic aid to foreign countries, such as lend-lease, have been lacking in adequate accounting detail, and

Whereas reports from responsible official departments of the Government call attention to the rapid depletion of the Nation's resources, and

Whereas the question has been raised as to the ability of the United States to meet all the demands arising from existing international commitments and from future requests from abroad for financial and economic assistance; and

Whereas a coordinated policy as to loans and other economic aid to foreign countries is highly desirable, and

Whereas any policy of loans and economic aid by the United States to other nations is of the highest importance to the American people, requiring detailed information and most careful consideration: Now, therefore, be it

Resolved, That the President be, and is hereby, respectfully requested to direct the Bureau of the Budget, within 45 days of the adoption of this resolution, to report in detail:

1. The grand total of indebtedness on loans, investments, commitments, or other obligations outstanding as of December 31, 1945, of all foreign governments, their agencies, and their private citizens to the United States Government, its agencies, and its private citizens; and the same shown separately for public indebtedness and for private indebtedness

2. The total loans made by the United States Government to foreign governments

and agencies thereof from 1914 to 1932, inclusive, and from 1933 to the date hereof; itemized for each country, with the repayment history of each.

3 Existing commitments of the United States Government or representatives thereof, including alleged moral commitments, to extend American financial and economic aid to foreign countries and international organizations.

4. The amounts of American portfolio and direct investments abroad, by country, as of the end of 1914, 1933, 1939, and 1945

5 The amount of foreign portfolio and direct investments in the United States, by country at the end of 1914, 1933, 1939, and 1945

6. Gold reserves, dollar balances, and other hard-money assets of countries whose governments are now in debt to the United States Government or with whom loan and investment discussions have been held by any American official since 1939.

7 The full status of lend-lease obligations; showing with proper accounting detail shipments of goods, loading and unloading charges, transportation, storage, maintenance and other charges, including services, in the case of each country obligated to the United States on lend-lease; with the corresponding accounting detail on reverse lend-lease.

8 The legal and actual status of American direct investments under the laws and current practices of the respective foreign countries in which such investments have been made

9 The value, classification, and location of United States Government-owned property in foreign countries to December 31, 1945, including installations and surplus property

10 So far as possible, the total value of American goods exported and services performed for foreigners, excluding reexports and financial and security transfers, annually from 1914 to 1945; together with the corresponding items supplied by foreigners to the United States in the same period

11 The effects of the war on the public debt of the United States

12. The per capita tax burden of the people of the United States classified as (1) Federal, (2) State and local, and (3) total; and the total per capita tax burden of the people of each of the countries now in debt to the United States or with whom loan and investment discussions have been held by any American official since 1939.

13 The total per capita debt burden for each of the countries mentioned in item 12.

14. The latest reasonably reliable report on the national income, reduced to a per-capita basis, for each of the countries mentioned in item 12

15 The average interest rates for Government borrowing, according to the latest reasonably reliable report, in each of the countries mentioned in item 12.

16. An estimate year by year of the probable expenditures of foreign countries for American goods and services as a result of the loans and credits contracted with this country publicly or privately since VE-day and including transactions under 8 (c) of lend-lease, the Bretton Woods program, Export-Import Bank program, and all other extensions of credit to foreign countries.

17. Assuming the ultimate necessity of gold settlements under estimated total economic transactions (exclusive of extensions of American loans and credits) between foreign countries and the United States within the next 5 years, what gold is available for such settlements and how is it distributed so that nations likely to be liable for gold settlements to the United States will have the gold to make them?

18. What changes are necessary in this country's import tariffs to make possible the repayment of the loans and investment already made and contemplated by the United States and by private American interests; and be it further

Resolved, That immediately upon the receipt of the foregoing data and information from the Bureau of the Budget, the Clerk of the House of Representatives shall cause the same to be printed and published as a House document in the number of 2,500 copies for the use of the Congress and the public

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DINGELL].

Mr DINGELL. Mr. Chairman, the question of the British loan before us is, as I view it, not a mere financial transaction or a matter of commercial promotion. It is all of that and more. It is a premium payment on insurance against the encroachment of communism.

If we Americans value our safety and freedom, and I believe I know the sentiment of our people as well as anyone, we will make this loan to Britain, primarily, as a matter of survival insurance, secondarily, as a friendly gesture, and in the final analysis, as a good business move. I sharply disagree with England on many issues and because of her varied and selfish colonial policy, I could well take this opportunity to slap her wrists, but this would not do the neosocialist government of Britain nearly as much harm as it would the good people of England who have sacrificed so much in this war, and to ourselves by the bitter disappointment aroused in the hearts of the English.

I think it is grossly unfair, in fact, it is downright demagogic to argue here on this floor that such money as might be loaned to Britain ought to be used for other and domestic purposes There is a lot of cheap political claptrap expressed in this forum which is not on the level of sound debate It is frequently used to cover up certain hatreds either of our own administration or of the English Government which is in power, the attitude of the latter in certain world matters, or for reasons which are unconnected or unjustified in the consideration of this question.

I am not very happy about voting for a loan of this size to any nation unless there is no other way out of it Britain must be strengthened. British-American friendship must be bolstered. The English are our natural allies and to reinforce their weakened financial position makes for both peace and prosperity.

Various of the other western countries of Europe will rally to America and to England. The British Isles are our defense frontier against militant anti-Christian communism.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Chairman, last week I made a statement which was heralded throughout the country with reference to my attitude toward the British loan. At that time, Mr. Chairman, I stated that the British loan should be considered on its merits, that it had no connection with the Palestine question, and that the remarks made by Mr. Bevin were just stupid remarks, for which I understand Mr. Bevin later apologized. I have been criticized very severely, Mr. Chairman, for my stand with reference to this loan. I stated at that time that I was going to vote for this loan as a Member of Congress and as an American. I am not going to vote for this loan with hatred in my soul or with any feeling that I would be avenging the Jewish people of the world by voting against it, because I consider this loan of as much benefit, having studied it from the beginning, of as much benefit to my country as to England.

I have been asked by several Members of this body, Mr. Chairman, how I could explain my position because I seem to be the only one of my people up to this time who has spoken in favor of it or suggested voting in favor of it. So today I feel very happy indeed that I have a statement here which was just released by Rabbi Stephen S. Wise, whom we all recognize as the leader of the Jews not only in this country but of the world on the Palestine question. I feel very happy indeed that Rabbi Wise has taken my views with reference to the attitude of the Jewish people toward this loan.

I ask unanimous consent that the Clerk read the statement of Rabbi Stephen S. Wise.

The CHAIRMAN Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

DR WISE SPEAKS FOR THE BRITISH LOAN

Some months ago, when the British loan was first mooted, I made a statement in Opinion, of which I am editor, urging that the loan be made by our country. I recognized then, as I do now, that the loan was not designed to be a matter of favor to the British Government, but that its primary purpose was to bring about a financially stable world and that its chief beneficiaries were to be the peoples of the British commonwealth and the United States of America.

The British Government has made it very difficult for me, as an American Jew and Zionist, to continue in support of the loan. Its conduct in Palestine has been marked by the most lamentable acts of aggression against the Jewish people. The white paper, which was a tragic act of appeasement by the Chamberlain Government toward Hitler and the Mufti, has not been repealed. The Anglo American Committee of Inquiry took it for granted that its unanimous recommendation with respect to the transfer of 100,000 displaced Jews to Palestine would be accepted—a proposal first made by President Truman. That recommendation has not been carried out, and as yet is not being carried out, and apparently the policy of delay and evasion has been substituted for that of immediate implementation. No one, who is a friend of Britain, can fail to recognize that, in fact and even in utterances of the Minister for Foreign Affairs, the British Government has pursued a course utterly unworthy of and irreconcilable with its best traditions of justice to oppressed peoples Recently it has wrought grievous injury to the Jewish population of Palestine, and entrusted to its care under the mandate.

Whatever be the wrongdoing of the British Government in Palestine cannot alter my conviction that the British loan is imperatively needed. I shall not permit my abundantly justified indignation against the Palestine Government and its lawless practices to change the fact of my support, as an American, of the British loan. The issue should be decided solely on its own merits.

To defeat the loan would be to adopt a punitive attitude toward all the peoples of the British commonwealth, and be deeply hurtful to the American people as well as damaging to, if not destructive of, financial stability the world over.

I condemn the conduct of the Palestine Government and the colonial office of Britain Nonetheless, I urge the granting of the British loan.

Mr. BLOOM. Mr. Chairman, that statement as well as the answer I gave last week proves conclusively that the Palestine situation with reference to the Jews, which is deplored by not only the Jews but the non-Jews of this country and the world, should not be controlling in this situation The statement of Rabbi Stephen S. Wise supports my views with reference to the vote I shall cast on this loan

I am very glad to have had the opportunity of giving to those Members of the House who want to answer the statements and the requests made by their constituents that this is not a Jewish question. It has nothing to do with the Jews. It has nothing to do with the treatment of the Jews in Palestine by England, which is deplored by everyone. It is simply an issue whether we should vote on this loan as Americans and what is for the best interests of our country.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Ohio.

Mr. THOM. Is it not a fact that Rabbi Stephen Wise has made his statement in favor of the loan even though the British Government has refused him admission into Palestine?

Mr. BLOOM. Well, that shows how stupid the British Government is at times. Yesterday it refused Rabbi Wise, who is one of the four delegates to the World Conference of Jews in Palestine, a visa to go into Palestine. They also refused a visa to Mr. Lipsky. That is about as stupid as Mr. Bevin's speech or the other acts with reference to Palestine regarding the Jews. But still I say, Rabbi Wise says also, this issue should be voted on on its merits.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Michigan.

Mr. DINGELL Does not the attitude and action of Rabbi Stephen S. Wise indicate his manganimity and his stature in this instance? Nothing else counts but what is right.

Mr. BLOOM. That is what I have been saying right along. I have been criticized in the House by certain Members, and I have been criticized throughout the country for my statement, but I repeat, I am voting as an American, not as a Jew, and that is how I intend to vote when I vote for the bill.

Mr WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Chairman, I vigorously oppose this outright gift of $4,000,000,000 to Great Britain, proposed under the guise of a loan, and I hope the House will reject this authorizing resolution.

In the first place, no one in Britain or America, with the exception of our own ardent internationalists, seems to approve the proposal. I am sure that if the American people could express their views, they would overwhelmingly reject it. Among the American experts who have spoken on the subject, even the most ardent supporters do not attempt to justify this loan as a straight commercial transaction In fact, to do so is simply to waste time and to insult the average intelligence.

If such a loan were commercially feasible, Britain's loan application ought to be acceptable at the new World Bank established under the Bretton Woods agreement, or at our own Export-Import Bank, or even at the many private American banking institutions which are prepared to lend money upon adequate collateral. Just before the war Britain made a substantial loan from RFC and pledged as collateral security, British owned stocks and securities in American industries, that now have a market value of more than a billion dollars. These securities and others certainly could be used to refinance a loan from the World Bank or the Export-Import Bank on a strictly commercial basis, if a loan were intended. The refusal of the British to offer this, and the failure of our American representatives to demand it, is further convincing proof that this proposal is not intended as a loan but as an outright grant of the American people's money through trickery, fraud, and deception

It is significant that the resolution which we are here considering contains no provision for covering principal payments back into the Federal Treasury. It refers only to interest payments.

The British people have themselves plainly indicated their distaste for a loan. Lord John Maynard Keynes, head of the British mission to this country to seek aid, made it perfectly clear last fall that Britain did not intend to negotiate any type of commercial loan, no matter how attractive we might make it. British business and financial leaders all along have unmistakably expressed the same viewpoint. Finally, the debates in the House of Commons left no doubt whatever that Britain wanted no loan. She wanted an outright grant, and she could see no possible advantage in negotiating a loan if she could obtain the money by gift.

Why, then, is Britain now ready to accept the so-called loan on the terms of this agreement? I think the only reason is that the British are simply more practical and forthright than we are about it. They accept the simple fact that the American people would not tolerate an outright grant of this tremendous sum, even if there were any legal and constitutional manner in which the administration could make it.

They can readily understand, therefore, that the administration must set up and maintain, at least for a while, the thin fiction that this is actually a commercial loan, rather than a direct gift after the pattern of the lend-lease aid we extended them before and during the war. I think they are willing to take our money in this instance with the tacit understanding that our Government expects to wink at the exact provisions of the agreement, or to abandon them entirely when an excuse can be found some time in the future for doing so.

In short, I believe the British, as well as our own administration, expect this credit to be extended actually as a gift. The whole transaction seems to be taking place in an atmosphere of fraud and deception.

There is simply no legal or legitimate way under Federal statutes or the Constitution that our Government can make direct grants to other nations. Our basic law does not contemplate that American citizens shall be compelled under pain of fine and imprisonment to pay taxes for the direct benefit of other nations. The late President Roosevelt and his appointed officials went to great pains to designate our wartime aid to the Allies as loans or leases which were to be repaid or returned in kind, for this was the only legal way such aid could be given. Then, when the purpose of lend-lease had been accomplished, the late President frankly admitted that it had never been the intention of his administration to treat our tremendous outlays as loans, and that the billions advanced under lend-lease would be written off the books and canceled. Of course, only the most gullible of our people ever thought otherwise, for I and many others pointed out when the program was first proposed that we would be giving, not lending.

Now we are again being asked to accept the same elaborate pretense The administration is being no more honest and forthright than it was when we set up the lend-lease program. They are simply deluding the American people again, and in so doing are heading for future trouble. If this Congress approves the plan, it is taking part in the deception.

If we extend this credit on the pretense that it is a commercial loan, what are we going to say to other nations when they ask for similar financial help, probably with credit records and security at least as good as Britain's? This New Deal administration may deceive our people in this matter, but it certainly will not fool such realists as the Russians, the French, or the Chinese. And this will place us neatly on a spot, through this precedent, where we can hardly refuse others equally worthy from a credit standpoint.

There obviously is no direct financial benefit for us in an agreement under which our Government would ostensibly lend money at 1.62 percent which it in turn must borrow from our people at 2 percent or more. Even if we recovered every cent of principal and interest provided by the terms of this agreement, it would still throw an extra heavy burden upon the poor taxpayer to meet this differential in interest.

What, then, can we expect as benefits from this transaction? Would this so-called loan actually stimulate world trade by knocking down existing trade barriers, as its proponents claim?

If the heavy contributions we have already made to this end have made no

noticeable headway against these trade barriers, do you think this further contribution, huge though it would be, would turn the trick? We have provided tremendous aid to international trade through our Export-Import Bank Now, also, we have underwritten the new World Bank, in the operation of which the American taxpayers will certainly carry the biggest part of the load And all through these recent years we have offered to every decent nation the extraordinary advantages of the reciprocal trade agreements policy, which the administration has assured us over and over again is widening and clearing the channels of international trade.

I might observe, incidentally, that it is ironic that our internationalists are today promising that this so-called loan will clear away the obstacles which they promised us 10 years ago they were going to remove with the reciprocal trade policy.

Well, just where is this milking of the taxpayer for the benefit of other nations going to end? And just when can we finally expect to reap some dividends from this open-handed generosity of our Government with the American people's wealth and resources? Just how much more of a load can you expect to pile upon the backs of the American taxpayers? Remember, there is, after all, an absolute physical limit to our ability to carry the burdens of the rest of the world.

If anyone in this world deserves a helping hand from our Government, I think that person is the American taxpayer. We keep adding to our mountain of national debt because the administration, despite all the noble talk about balancing the Budget, still will not get the costs of domestic government trimmed down to fit our revenues. This proposal will simply add billions more to our existing staggering national debt.

Under the circumstances, we cannot afford to make this gift to Britain, even if it actually could be justified.

I sincerely hope, therefore, that the House will reject this proposal.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I am glad to yield to the gentleman.

Mr. THOM. I understood you to say there is no provision in the loan agreement by which England is compelled to repay the money borrowed.

Mr. HARNESS of Indiana. No; I did not say that

Mr. THOM. What did you say?

Mr. HARNESS of Indiana. I said, read the resolution we are considering here today and you will find there is no provision in the resolution to cover back into the Federal Treasury the principal of this loan. It refers only to interest.

Mr. THOM. Now; I will read to you the financial agreement between the governments of the United States and the United Kingdom

Mr. HARNESS of Indiana. I was not talking about the financial agreement. I was talking about the resolution we have before us.

Mr. THOM. I know, but the resolution says we will carry out the agreement and, therefore, England must pay the principal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, Mr. William L. Clayton, Assistant Secretary of State, was a very fine witness in support of the British loan. I ask unanimous consent to insert his testimony in the record at this point, having obtained permission in the House of Representatives yesterday for that purpose.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The statement is as follows.

ANGLO-AMERICAN FINANCIAL AGREEMENT

STATEMENT OF HON. WILLIAM L. CLAYTON, ASSISTANT SECRETARY OF STATE

Mr. CLAYTON Mr. Chairman, members of the committee, I have no written statement, but I would like to make a short statement to the committee preliminary to questioning

I would like to say that I think it would be very difficult for me to exaggerate the importance we attach to the ratification of the British financial agreement in relation to our foreign economic policy. That policy, briefly, is that we intend to use the influence and leadership and economic power that circumstances have placed in our hands to try to get the nations of the world to lower the barriers and eliminate the discriminations which were built up so extensively following World War I, and which have hampered the interchange of goods between the countries of the world

We want to do that for several reasons We want to see the world economy greatly expanded, so that production and consumption of goods in the world is greatly increased, so that there will be a great expansion in the interchange of goods between the nations of the world, in order that there may be an increased standard of living for people everywhere

Now, Mr Chairman and gentlemen, there is nothing whatsoever of a philanthropic character in this policy. We believe that it is a policy that is greatly in the interest of the United States and of the world. It is said that peace is indivisible. It may also be said that prosperity is indivisible, and we do not believe that we can very long go in the world in any position, you may say, of a kind of island of prosperity, surrounded by a sea of devastation and prostration in the world, caused by the war, and that it is in our interest to try to help correct that situation

This is a policy which has been from time to time brought to the Congress and supported by the Congress, as is evidenced by the extension and expansion of the trade-agreements program, by the adoption of the Bretton Woods program, and by the greatly increased lending authority to the Export-Import Bank, and by other measures which the Congress has taken.

Now, we do not believe that it is possible for us to make a success of this policy of breaking down or lowering the barriers that have been raised since the First World War against the trade of the world, and of eliminating the discriminations that have been set up by nations in international trade; we do not believe that we can go forward with that policy and program successfully without the help of Great Britain and the British Empire, because, Mr. Chairman, Great Britain and the British Empire, and the countries closely allied with Britain in international trade, do about 50 percent of the international trade of the world, and in our opinion no program to expand production and consumption and the interchange of goods, and to raise the standard of living in the world, can be successful unless the British Empire can go along with it

With that as my basis, I would like to try to present to you, in a very few minutes, my reasons for believing that it will not be possible for Great Britain to go along with that policy unless this financial agreement is approved by the Congress.

We should bear in mind, first of all, that Great Britain mobilized for this war both human and material resources to a much greater degree than we in the United States, and that in doing so she sacrificed materially substantially all of her export trade At the end of the war Great Britain had only 30 percent by volume of her export trade left

Hitler said that Germany had to export or die Well, that is just as true, if not more true, of Great Britain than it is of Germany, because, as we all know, Great Britain lives largely by imports, perhaps more so than any other major nation in the world, and obviously she would not long be able to import unless she could export.

Now, in this development of sacrificing exports in order to concentrate everything on war production, I would like to make it clear, Mr Chairman, that we in the United States greatly encouraged her to do that very thing We said to her that during that war we in the United States and Canada would take care of her imports, substantially, so that she could devote her entire manpower and plant facilities to the production of war material, and that she did not need to worry about her imports, that we would supply them during the war under lend-lease, so that she could sacrifice safely her export trade without fear of not being able to provide her imports

That went very well during the war, but with the close of the war, lend-lease from our country, and mutual aid from Canada, were discontinued, so that Britain was forced immediately to rely upon her own efforts and her own resources to pay for these essential imports

Now, to give you some idea of the size of that job, I would like to submit this figure: If Great Britain should import, postwar, annually the same volume of goods that she imported prewar, it would cost her $7,000,000,000 a year, so that if she contemplates importing the same volume postwar as prewar, that is the sum which she has to find in some way in order to pay for those imports.

Great Britain is not, as a matter of fact, importing at any such rate, because they are holding their people down to as austere a standard of living today as existed at the height of the war To some extent, in some respects, it is an even more austere standard of living, so that their imports are running considerably less than that But since Britain's exports at the end of the war were running at the rate of only $1,400,000,000, you can see what a terrific gap there is between the imports and the exports

Now, this credit, which we have negotiated with her subject to approval by the Congress, is for $3,750,000,000, which, added to the credit which Canada has negotiated with Britain, and which has been ratified, I believe, by the Canadian Parliament, of $1,250,000,000, makes a total of $5,000,000,000 which is the sum that Britain has estimated she will require to meet her balance-of-payments deficit for the next 3 years, during which time she will reconvert her industries from war to peacetime production, get her boys back home from all over the world, and get her industries going and restore her export trade.

I would like to make it clear at this point, Mr. Chairman, that this $3,750,000,000 is not a straight loan. We do not hand the money over to Britain at once to do with as she pleases. The purposes of the loan are very precisely stated in the document. It is a line of credit which we propose to extend to her, to be used for these precise purposes over a

period of the next 5 years, and if she does not require the entire amount for the purposes stated, the entire amount will not be used

Now, I think I have made it clear—or I have tried to make it clear—why Britain will need this sum of money over the next few years, and for what purpose she will use it. Just to put it in elementary terms, she needs it in order that she may continue to eat and work over the next 3 years, during which time she will restore her export trade, reconvert her industries to peacetime production, and get her men back home and to work

Now, I would like to discuss very briefly one other aspect of the British financial agreement, and that is a question which so many people ask, and very properly. Assuming that Britain does need this money, assuming that the position is as I have stated it, why should the United States make this loan, and what benefit or advantage do we obtain in so doing?

Well, that is a very proper question, and it is entitled to a considered and proper reply I think that I would like to say, first, that the United States does obtain, from this agreement, very valuable considerations I think the value of those considerations can be perhaps best understood if I discuss for a moment what Britain's alternative would be if she did not receive this loan—if the Congress failed to approve it.

Britain has an alternative There is something else she can do That alternative was very vigorously stated and championed by a powerful but vocal minority group in Britain, which opposed the ratification of this agreement by the British Parliament That alternative is this: By reason of the war, Great Britain has been driven to a type of trade with the world which she recognizes is not a desirable type, and is not only against the interests of the rest of the world, but is against her own interests as well But she was driven to it by force of circumstances, and because of her economic weakness growing out of the war

And that type of trade is simply this First of all, she has the arrangement of the sterling-dollar pool, which I think all of you understand It was adopted at the beginning of the war It is a very simple arrangement by which every country which adheres to the pool agrees to turn into the pool at London all the dollars which it may earn by reason of sales of goods to the United States, or the performance of services to be paid for in dollars, or for any other similar reason. Those dollars are turned into the pool in London, and then, when any country in the pool wishes to have the use of dollars to make purchases in the United States, or provide for services in the United States, it makes application to the pool for those dollars. Those applications are very critically examined from the point of view of trying to conserve all the dollars that may be in the pool for absolutely essential purchases in the United States, which cannot be obtained anywhere else.

In other words, if the applicant for dollars is able to purchase the goods or the services in any part of the Empire for pounds sterling, the application is denied, and they are required to make their purchases in pounds sterling, almost without regard to price, quality, service, or what have you. In other words, the usual considerations when one goes to buy goods—wanting to get the lowest price and the best quality and the most efficient service—are not given very much attention, and the applicant, if he can get the commodity that he wants in the British Empire for sterling, or something that is its equivalent, is required to do so.

Then Britain is obtaining a great part of her requirements of food and raw materials around the world by agreements with the supplying countries that they will take payment in pounds sterling, or credit in London in pounds, which will remain there, frozen, until Britain is in position to furnish goods to liquidate that obligation. Out of this has arisen what is generally known as the frozen sterling balances.

Britain, in addition to that arrangement, which applies largely to Empire countries, but not altogether to Empire countries, has been making, in addition, during the war and following the war, what we call bilateral agreements with different countries around the world They have made such agreements with Sweden, with Belgium, with Holland, with Norway, Denmark, with different Latin-American countries, and recently, a few weeks ago, an agreement was announced between Great Britain and Switzerland

Those agreements are similar to the other Empire arrangements, although there are different techniques by which they are administered, and usually they provide for the country which makes the agreement with Britain agreeing that, to the extent of, say, 10,000,000 pounds sterling, when they ship goods to Britain, they will take credit for that amount in sterling in Britain and that they will leave it there until Britain is in position to furnish goods to liquidate the amount

All of these different arrangements, and there are others which employ different techniques, add up to what we commonly refer to as the sterling economic bloc, and it is generally agreed that if Britain should continue her international trade relations under that system of trading, under the bilateral system of trading, that she could provide for her most essential imports and in time, perhaps, liquidate those amounts with her exports of manufactured goods

Now, I think it will be quite apparent to all of us how much against the interests of the United States, if we look at it first of all from our own point of view, which is the natural way too look at it, how much against the interests of the United States an arrangement of that kind is

Traditionally, we have sold a good many more goods to Britain than we have purchased from her, as you all know. The annual figures ran, before the war, in the order of about $500,000,000 of exports of the United States to Britain, to about $200,000,000 of imports from Britain to the United States.

Our imports consisted, about half of food, manufactured products, and half of mining and manufactured goods, and so on Now, we obviously are not in position to make one of these bilateral agreements with Britain like other countries have made and are making and are no doubt still willing to make, by which we would say, "We will take all of our payment for all of our exports to you in your manufactured goods." We are not in position to make such an agreement as that Even if we were, it would be against our interests to do it, because I think it will be quite apparent to all of you that these bilateral agreements have the effect of greatly reducing the interchange of goods in the world, and therefore cut down production and consumption, and affect disadvantageously the standard of living around the world. I think that we can perhaps understand that argument a little better if we bring the bilateral agreement home to the United States and see how it would work between two States in the Union.

In Texas, for example, we sell a lot of cotton, and Massachusetts cotton mills manufacture this cotton into yarn and into cloth. Massachusetts makes shoes So far as I know Texas buys most of her shoes in St. Louis. Now, suppose Massachusetts were to say to Texas: "Look here, we are buying $25,000,000 worth of cotton from you a year, and we are perfectly willing to go on doing that, but we notice you buy all your shoes in St Louis. We make shoes in Massachusetts. That is what we have with which to pay for the cotton we need. So we will continue to buy cotton from you in Texas on condition that you will make an agreement with us to buy your shoes in Massachusetts."

Then suppose the State of Washington said to Michigan, "We will buy your automobiles if you will buy our lumber" and so on, and we had all over the United States, criss-crossed between States of the Union, these bilateral agreements.

Well, I don't have to go any further, I think, to make it clear to you that that would be just silly; it would be chaos It would not only greatly reduce the total volume of production and consumption of goods in the United States and greatly reduce our standard of living, but it would make everybody mad besides. Because St. Louis, which now sells its shoes to Texas, will say, "Massachusetts has taken away our shoe business by an unfair kind of an arrangement and therefore we will retalitate against Massachusetts in some way."

So I think we only have to bring that situation home to realize what an undesirable factor this bilateral arrangement of trading around the world really is from the economic point of view and from the political point of view

It is a kind of economic warfare, because these agreements are political agreements They are agreements made between governments. They channel trade in the way in which governments say it shall be channeled. No longer can you buy in the cheapest market and sell in the dearest You do what the Government tells you to do.

We saw it operate I personally saw it operate between the two World Wars in many ways, but one that I remember very well because it touched me individually, and you always remember things that touch you personally better than other things.

We saw Hitler make a deal with some South American countries, with Brazil and other countries. In these bilateral agreements, in the case of Brazil, for example, he agreed to take a very large tonnage of raw cotton if Brazil would take from Germany chemicals, electrical goods, and whatever they had for export.

Formerly, the United States had been selling a lot of cotton in Germany. Cotton mills there, many of them, had never used any other kind of cotton but United States cotton After these agreements were made, these mills would go to Berlin to try to get permission to use so many dollars to buy cotton in the United States The answer was, "No, you don't get any more United States cotton at present You use cotton from Brazil, Peru, or some other country where we have this agreement You will use it and you will like it."

And they did use it Whether they liked it or not, I don't know; but, at any rate, it changed their whole system of trading

The point is that in that way you reduce international trade to political bargaining, which is certainly wrong from the point of view of expansion of trade and rising standards of living, and it is wrong politically because it sets up irritations and difficulties between countries, and is not the right climate the preservation of peace in the world

Now, with respect to the sterling economic bloc, we have an agreement with the British, in this British financial agreement, to the effect that immediately after the agreement is approved by the Congress, all purchases of goods or services from the United States will be paid for in dollars, and that there will be no question of frozen sterling balances so far as any business with the United States is concerned.

And, furthermore, that within 1 year after the approval, that any sterling, that is earned in Britain, by any country in the world, for the sale of goods and services, will be immediately convertible into dollars, francs, pesos, or any other currency that the owning country may want to convert it into, so that that country will be in position to make its purchases anywhere in the world

We think, Mr. Chairman, that that provision is of inestimable value to the United

States. It is a dissolution of the sterling economic bloc. It means that the markets of that part of the world, importing 75 percent of the goods of the world, 75 percent of the export markets in the world, will be open to the goods of the United States, and that our markets will be open to their goods to the extent that tariffs and so on will permit So we feel that this arrangement is of enormous value to the United States from two points of view: From the economic point of view first I am in the Economic Department of the State Department and that is what I think about most obviously and what I talk about most in connection with this agreement But it not only has the economic aspect which I have discussed with you but as I have also said, it has, we think a very important political aspect in that it will help to create, around the world, a right, a proper climate for the preservation of peace in the world

We do not claim for a moment that it will be the means of preserving peace. We only say that it is difficult for us to conceive that the principal nations of the world, say, Russia, Great Britain, the United States, France, China, and so on, can long work together harmoniously, for the preservation of peace, if at the same time they are carrying on the bitterest kind of economic warfare in the world, and these bilateral agreements and arrangements for economic blocs, which I have discussed with you, are certainly the basis for economic warfare

For that reason, Mr Chairman, and many others—I have just touched on the broad aspects of the matter and have not gone into detail as to terms and conditions of the agreement, and so on, which I will be glad to discuss if any member of the committee has any questions in that respect—but for those reasons, we feel that this British financial agreement is really the keystone in the arch which supports our whole foreign policy, and it is very difficult to separate the economic from the political in the world today

* * * * *

The CHAIRMAN Mr PATMAN

Mr PATMAN Mr Clayton, I judge from your testimony that you do not consider this a British loan, necessarily, and the name British loan as often applied to it, is not the correct name

Mr CLAYTON That is true, because ordinarily when you talk about a loan you just think of loaning a certain amount of money to a country, whoever happens to borrow, and take their note, and that is all there is to it That is not true at all in this case. There is a great deal more to it than that.

Mr PATMAN The name would be more correct as stated in the British bill?

Mr CLAYTON British financial agreement, we call it

Mr PATMAN British financial agreement?

Mr CLAYTON Yes, sir.

Mr PATMAN The money will not actually be sent to Great Britain, but will remain here in the form of credits?

Mr. CLAYTON That is generally correct

Mr PATMAN And although the money can be used elsewhere, you consider that a major part of it will be used to buy from people here in the United States?

Mr CLAYTON Well, eventually it will all be spent here, and we think that it is very desirable that a part of it only would be spent here directly by Britain, and the remainder would be spent in other countries, who in turn would spend it here.

For example, Britain, as we all know, needs to import mostly food and raw materials of different kinds Now, she buys, say, 40 percent of this amount in the United States directly, and the other 60 percent would be bought in other countries that produce the raw materials and the food she requires.

Mr PATMAN. That would be possibly an agreement which would permit an open market throughout the world?

Mr CLAYTON. That is right.

Mr. PATMAN. If bilateral agreements were used, that would not be possible?

Mr CLAYTON If world trade were done on the basis of bilateral agreements, Britain would have to buy in the countries she had agreements with.

Mr PATMAN And those countries could not trade with us

Mr CLAYTON They would not unless they had to

Mr PATMAN Well, at least the trade would be restricted We would be discriminated against?

Mr CLAYTON That is right

Mr. PATMAN And this agreement is to remove that restriction and discrimination against us?

Mr. CLAYTON That is right.

Mr PATMAN The gentleman from Nebraska a while ago asked you about the resources of the Nation I agree with you that you cannot easily determine the resources of the Nation as a whole, but there is a difference between the resources of the Nation as such, and the resources of the Government, is there not, Mr Clayton?

Mr CLAYTON. That is right

Mr PATMAN And you do not necessarily determine your ability to pay, or your ability to contract by the resources of the Nation—that is, the Government does not The Government determines that upon the resources of the Government?

Mr CLAYTON That is correct, although in the final analysis it, of course, has access to the resources of the Nation

Mr PATMAN And it should in some way reflect the value of the resources of the Nation?

Mr CLAYTON That is right

Mr PATMAN But fundamentally and basically the resources of the Nation are represented by the ability to tax and the ability to collect money to pay debts

Mr CLAYTON Yes.

Mr PATMAN That is our principal resource, taxation?

Mr CLAYTON Yes

Mr PATMAN And as evidence of the fact that our country is not suffering, as large as our national debt is, although we all regret exceedingly that it is so large, is the fact that it has not affected the credit of our Nation so far?

Mr CLAYTON No, sir, I am not aware that it has

Mr PATMAN That is reflected in the fact that our Government bonds bear a lower rate of interest than ever before in history?

Mr CLAYTON That is right, they sell on a basis which gives the buyer the lowest rate of interest that he has had

Mr PATMAN And the Government rate today is less than 2 percent, whereas after the last war it was more than 4 percent. That is correct, is it not?

Mr CLAYTON That is correct

Mr PATMAN And that would indicate that our credit has not been strained with the $275,000,000,000 debt?

Mr CLAYTON That is correct

Mr PATMAN And the confidence of the people is certainly not lacking?

Mr. CLAYTON. That is right

Mr PATMAN Which raw materials will be affected most favorably by the adoption of this agreement, Mr. Clayton?

Mr CLAYTON Perhaps, Mr. PATMAN, we could answer that a little better by saying which ones would be affected most adversely if the agreement is not adopted.

Mr. PATMAN. I will reword the question to read that way.

Mr. CLAYTON. I think it could perhaps be answered a little better. The ones right in the forefront of it would be cotton and tobacco

Mr PATMAN. They would be adversely affected, more than any other two commodities?

Mr CLAYTON. I think they would. Because Britain has always been by far our largest customer abroad of those two commodities, and she has always been a big buyer of lard and things of that kind.

As I say, half our exports to Britain have been of food and agricultural commodities.

Mr PATMAN Which of the industrial commodities, the manufactured commodities, would be affected adversely most in the event the agreement did not pass?

Mr. CLAYTON I am sorry, I am just not—of course, she does not buy a great deal of manufactured products from us A good many semimanufactured things, of course, and some minerals or things of that kind.

Mr. PATMAN We would be affected in this way, would we not: If the agreement were not adopted, then these bilateral agreements would be put into effect in these different countries, and that would cause these different countries that are now our good customers not to trade with us for these manufactured products?

Mr CLAYTON Yes; of course, the bilateral agreements that these different countries would have with Britain would work in two ways against us: Britain would give preference to these countries in the purchase of raw materials, cotton, tobacco, and things of that kind—not only give preference, but buy them there if she possibly could, and those countries in turn, in order to get payment for those things, would channel their purchases of manufactured goods to Britain so as to get paid for the raw materials they had sold to Britain. So that we would in effect be at a disadvantage from both points of view, that is in our trade with Britain and in our trade with the countries that were at the other end of the agreement with Britain

Mr. PATMAN Is it not a fact that in the event this agreement is adopted and the markets of the world open up, that that would make it less likely that we would get into a war by reason of international trade?

Mr CLAYTON I think that if we can get the world on a multilateral trading basis, where you trade on the basis of economic considerations, price, quality, and service and all that sort of thing, as we did before the First World War, if we can trade on that basis instead of trading on political grounds, where governments are pulling and hauling against each other, in order to get greater trade territory and in order to crowd out other countries, that you have a much more favorable climate for preservation of peace than if you are conducting these things on political grounds

Mr. PATMAN Is it true that before World War II, Germany, engaging in the bilateral agreements you have discussed here, would sell machinery to people in Mexico and Latin-American countries, at a much lower price than we could afford to sell it and that thereby they built up a market for Germany, and the parts that were used in the replacement of that machinery, and in that way deprived the American manufacturer of similar machinery, of a market?

Mr. CLAYTON That happened right along. In the same way, she would buy, at times, cotton from other countries, and pay a good deal more for it than she could get it for from the United States.

Mr PATMAN That is more in goods.

Mr CLAYTON More in goods, because she would pay for it in German manufactures for which she was trying to establish markets around the world.

Mr. PATMAN. Is that where blocked currency enters into the transaction?

Mr. CLAYTON. That is right

Mr. PATMAN. The currency was blocked for that particular transaction?

Mr. CLAYTON. That is right.

Mr. PATMAN. In view of the fact that the countries of the world were engaged in war in Europe for more than 6 years, or approximately 6 years, and the people who were engaged in the import and export business were practically all put out of business, and now as you say the states or political subdivisions are necessarily required to do that business, in order to have the business done, is it not a fact that if this agreement is adopted it will have a tendency to restore the private free enterprise system in those countries, rather than discourage it?

Mr. CLAYTON That is right; not only restore it in those countries, but restore it in the United States, because if we are going to have to go on a bilateral basis you are going to see, I think, that it is inevitable in the United States that we would so greatly regiment our foreign trade in this country that we would substantially destroy free enterprise in our international economic relations in the United States and if you do that, I think it is going to be very difficult to maintain any enterprise in our domestic affairs, if we are going to have the state conduct our foreign economic affairs

Lincoln said that this Nation cannot exist half free and half slave I think that applies to other things besides human beings I don't think you can conduct your foreign trade on a closed economy, and your domestic trade on a free economy. One or the other is going to have to change, and they will both have to be the same.

Mr BARRY. Will you yield?

Mr PATMAN I yield

Mr BARRY Just one question, Mr Clayton One of your answers to Mr PATMAN'S inquiries confuses me Is there, in this agreement, a specific provision, which in the event this bill is passed, making the loan, which compels Britain to abrogate a single bilateral treaty, either within or without the British Empire?

Mr CLAYTON Not in so many words, but in effect, yes, sir Very definitely

Mr. BARRY But there is none that can break a treaty now existing with Russia, Spain, Italy, or any other country?

Mr CLAYTON Not in so many words, but in effect absolutely, yes, sir Because all of those bilateral agreements, Mr. BARRY, which I mentioned provide that the sterling which these countries earn in Britain for the sale of their goods, will be blocked—inconvertible, and that those countries will have to take their pay in British goods.

This agreement provides definitely that within 1 year after it becomes effective, those conditions no longer apply, and that all sterling, which from that date on is earned in Britain, will be made convertible So obviously, if a country has sterling in Britain and does not have to take British goods, if it suits her she will get the sterling converted to dollars and buy in the United States, so that we have an opportunity to sell those goods, which we did not have before

Mr. BARRY. Where will those countries get the dollars?

Mr. CLAYTON. Britain will give them the dollars. She agrees that she will give these countries dollars for their sterling, or any other currency they might want.

Mr. BARRY. You mean she would pay all of these countries out of the amount of money we lend her after she takes care of Bretton Woods?

Mr. CLAYTON. No. I am glad you asked the question in that way, because I hope that very particular attention will be paid to this explanation: For most of the 3-year period of transition, the answer is "yes," that she can use the dollars she gets from the United States for the purpose of converting sterling earned 1 year after the agreement becomes effective.

At the end of 3 years, Britain expects in that time to have so greatly recovered her export trade that she will be self-sufficient. She will have enough exports to pay for the imports, and that earning dollars with her exports and other currencies with her exports she will then be in a position to maintain a free exchange market in London so that every country that has earned sterling there can get dollars or any other currency

It is only for this critical 3-year period that Britain cannot do that, and she can do it for most of that period if we will give her the assistance to do it with.

At the end of 3 years, she expects to be, and we expect her to be in position to carry on on her own, by her sale of goods and services around the world, by the sale of shipping services, by the collection of interests and dividends from foreign investments By the sale of goods, she expects to acquire sufficient foreign exchange to give any country that sells her goods whatever currency they want

Mr BARRY Do you know what the total amount of blocked sterling is that England is obligated to pay?

Mr CLAYTON The total amount of blocked sterling at the present time?

Mr BARRY Yes.

Mr. CLAYTON About 3½ billion pounds, which is about $14,000,000,000.

Mr. BARRY That is her blocked sterling debt?

Mr CLAYTON Yes, sir.

Mr BARRY That is all.

Mr PATMAN That is all.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I doubt that there has been an issue presented to the Congress in many years where the opportunity for plausible and vote-catching oratory was so heavily weighted on one side of the issue as is the case with regard to the measure before us.

It is possible for opponents of this agreement to fight the Revolutionary War all over again. It is possible to talk about the British Empire and about its sins of omission and commission—and they are many. It is possible to talk about the debts after the First World War. Opponents can and do use all these appeals and many more, each one of which can form the subject of a whole speech. They have done so already many times in the course of the debate.

As a matter of fact, if I had been deciding what was going to be done about this matter—which I was not—my proposition would have been a somewhat simpler one than that which we have before us. It would have been that the United States grant to Great Britain for a period of 5 years a line of credit to purchase goods in the United States up to a certain limited amount each year of, say, $1,000,000,000, with the understanding that the United States Government would underwrite the credit and pay our suppliers during that time. The second half of the agreement would have been that thereafter over a longer period of time the United States should receive payment from Great Britain in goods or tangible properties of equivalent value. I think that could have worked. I think it would have been subject to less criticism than the present proposal. But the essential thing about it is this: That under those conditions we would have agreed ahead of time that Great Britain could repay the loan in goods which she could produce. After all is said and done, the real reason that the First World War debts were not paid was because we did not want them paid and the reason we did not want them paid was that those interested in export trade knew it was not possible for the United States to accept that money and at the same time maintain the size of export market that was desired. If foreign countries paid on the debt they couldn't pay for our goods, too, and we preferred to sell them goods. That was the reason for the Hoover moratorium. Had we been willing to increase the buying power of our own people enough to form a market for our own production plus some imports, Britain would in my opinion have repaid the loan. She would have paid it by shipping us goods.

Under the present agreement with Great Britain the chance of our receiving back the principal and interest of this loan will be a good chance to the extent that we ourselves are ready to freely trade with other nations in goods that are needed by our economy on the one hand and theirs on the other. This in turn will depend on our maintaining a high level of buying power among our own people and then refraining from raising barriers against reasonable imports whereby Britain can obtain the dollar exchange to repay the loan.

There have been many issues raised in connection with this matter which I believe are quite false. For example, it is said we ought to make loans to our own veterans at at least as low a rate of interest as we make them to Great Britain I agree heartily with that but in so saying I do not criticize the rate of interest charged on this loan. I only point out that when the GI bill was before the House some of us attempted to get a provision in there for direct Government loans to veterans, which could have been made at a low rate of interest, say 1½ or 2 percent or even less The opponents of that proposal were against it because they knew if the loans were to be privately made they had to carry a higher rate of interest, nor would they for the same reason vote for a lower rate of interest for veterans today in my opinion If we want at any time to make those loans to veterans at 2 percent, which I think we should do, we know they will have to be direct Government loans That is the real issue about loans to veterans It has nothing to do with the rate on the British loan.

Mr. WHITE. Mr Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. WHITE. Does the gentleman favor making a loan to Great Britain at a lower rate of interest than we have to pay to raise the money to loan that money to Great Britain?

Mr. VOORHIS of California. I will answer that by saying that I believe the rate of interest to Great Britain is as high as it ought to be. My reason for saying that is that in the case of an international loan you are thinking about the trade that that is going to make possible in the next few years while that money is being spent in purchasing your goods. But you must also remember that when the loan is to be repaid the borrowing country is going to have to sell goods in order to get the money to repay you. The higher the rate of interest, the greater the balance of trade in favor of that borrowing country is going to have to be in the future Therefore, if we made this loan at 6 percent interest, then in the future we would have to accept a much higher percentage of British goods in proportion to what we ship to her than will be the case in the loan as at present constituted.

Miss SUMNER of Illinois Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Miss SUMNER of Illinois I think the gentleman wants to be fair. I do not think we should try to undertake to say why certain people voted against this bill in the past or what those people would do in the future. Above all, if we are going to scatter money all over the globe, nobody can vote for benefits to veterans

Mr VOORHIS of California. Well, I do not think we are spending all the money for foreigners. I do think we are going to do the fair thing by the veterans of the United States. I only said I believed it was altogether possible for us to make those loans at a 2-percent rate to veterans, if we wanted to, but if we did, they would have to be Government loans. I recall that in the course of the debate there was a great deal of opposition to that. We had better recognize the fact that the reason the rate charged veterans is higher is because they are to be private loans. They are not direct Government loans. I think that disposes of that argument.

Now, Mr Chairman, the real purpose of foreign trade is to raise the standards of living of the different countries of the world. We are going to have employment in the United States to the extent that within the United States we maintain the buying power of our own people at a level which is proportionate to their power to produce. We can do that any time we want to. That is one reason I have had a good deal to say about such questions as our monetary system, old-age pensions, minimum-wage laws, and things like that. We are not dependent upon a loan to Great Britain for the purpose of keeping our people employed. We can do it, provided we have the vision to do it.

But we are dependent upon the volume of foreign trade if the greatest amount of efficiency in production and distribution is to be achieved, because the whole purpose of foreign trade is in order to enable one nation to produce those things which it can produce most efficiently and cheaply, and to exchange them with another nation for the things it can produce most efficiently and cheaply. Such trade raises living standards everywhere. When you have a restriction of both production and trade, as existed between the two world wars, with monopolies and cartels riding roughshod throughout the world, with nations raising tariff barriers far too high, then come deflation, depression, and unemployment. The seeds of the depression of 1929 and the seeds of World War II were sown in just that way.

We are determined that these things shall not happen again.

There is no question about it. This is a matter of long range American policy. And the only sensible long range American policy is to attempt, in these critical years that lie immediately ahead of us, the rehabilitation of the whole world on the basis of decent freedom for the peoples of the world There it is in a sentence, the American policy is a policy of attempting the rehabilitation of the world on the basis of freedom, because nothing less than that is going to be adequate, and we had better face that fact.

Our Secretary of State, in my judgment, is doing a very excellent job in his position The cardinal feature of his policy is the strengthening of the United Nations. The United Nations, in my judgment, is a start along the road to peace. I do not think it is the ultimate answer but I do know that the strengthening of international controls and the insistence that all the nations of the earth submit their individual unilateral desires to that international power for settlement is the essence of peace Success for such a policy depends directly upon the existence of hope and fairly decent economic conditions for the peoples of the various nations of the world.

Why does this question of the British loan tie into that question of American policy today? I think it is rather simple. Great Britain has always been an importing nation. She has to import the simplest things that her people use, food, for example, for she cannot produce enough for her own needs. The rations of her people today are less than they were during the war. You can criticize Great Britain all you want, but none the less Britain was an ally of the United States in the last war and there was a time when the people of the slums of her cities stood alone between the entire world and Nazi domination of that world. The Allies were victorious in the end because these poor people were willing to try to live there and to suffer in the bombing of those cities. I do not think we can forget that.

Now in the present situation the question is: Which direction will Britain have to go? Either she will have to have foreign exchange—not money, Britain can handle her monetary establishment domestically all right, especially under present circumstances—but either she will have to have foreign exchange in the next 4 or 5 years to enable her to buy more than she sells and thus make up to some degree the critical deficiencies in the necessities of life of her people and be able to restore her productive industry or else she will have to severely restrict all types of her trade, and she will have to tag every single import that she takes into her country with an agreement that she will have an opportunity to export an equivalent amount to the country that sells to her. That was the explanation of the sterling bloc. The sterling bloc grew up in the time that I tried to describe, and monopolistic control of trade and high tariffs were responsible for that condition. If Britain is not able to have that foreign exchange which will enable her to meet her national needs in the next few years she will have to revive her bilateral trading arrangements, adopt tariff protection as a national policy, and build again a sterling bloc

Suppose we deny the loan, what will Britain have to do? Maybe she will seek the loan elsewhere—and there is but one other place she could possibly get it—or else she will have to tell her people that their privations have got to go on because America refused the loan Such a situation cannot but weaken Britain at home and consequently seriously weaken her position among the nations of western Europe. There is a great contest going on in the world today

It is a contest between freedom, on the one hand, and dictatorship on the other, between two systems of government, between two philosophies of life. The American system of freedom of the individual, of free institutions of government and above all the unlimited right of opposition, rests upon the possibility of the people of any nation being reasonably hopeful of being able to meet the everyday needs of their lives and those of their families.

There are appeals being made to the peoples of many nations today that they abandon this freedom and go over to some form of dictatorship as a means of answering their problems.

The issue in western Europe at this good hour is quite clear in every country, and everybody in this House knows what it is. If Great Britain appears a weakened nation, if her own people's privations continue, if she cannot carry on the rehabilitation of her productive facilities, then the British alternative becomes correspondingly less attractive to other countries and the alternative of falling within the Russian orbit becomes correspondingly more likely.

This proposal is not the case of a purely altruistic act on the part of the United States, as far as I can see. As I have said, I believe another plan would have been better. But we have but one proposal before us to vote up or down Foreign exchange is the one thing that Britain needs most of all immediately in order to enable her to rehabilitate her own economy and her own position Do we want that or do we not? I think we do. It is perfectly evident that American leadership is the main hope of the world today. What is American leadership going to mean? Is it going to mean that we simply tell people we are a great country and we hope you are going to be like us some day? Unfortunately it seems to me that the economic situation in which the world finds itself today places upon us certain inescapable responsibilities if we really propose to make good on that leadership which we cannot shirk.

The simple proposition is, will Great Britain in the next 5 years be able to purchase approximately a billion dollars worth of goods a year more than she sells or will she not? If she can, she will be able to make the adjustment back to her old peacetime position rather well. She has a chance to continue a strong vital factor in world affairs—above all in the relationships of western Europe.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. VOORHIS of California. Mr. Chairman, if she cannot do this her future is dark. Her position in the eyes of other nations may be harmed and the preponderance of power on the Eurasian continent will fall more and more into the hands of one nation. American policy is to seek peace with all nations in the world. In an atomic age that is the only policy that makes sense to the United States or that can protect her people from death. But ours is a firm, strong policy today. It is a policy that stands up for what America believes in, it is a policy of insisting that other nations join us in establishing a true peace. But that is only half of it. The other half of the policy for a nation that professes to believe in and wants to promote the institutions of freedom throughout the world has got to be a policy of making it economically possible for those institutions of freedom to survive. This British loan is intended from my viewpoint to make it possible for those institutions to continue to flourish. The English are taking such economic measures as may be necessary to meet their needs, but they are clinging as never before to the principles of freedom of government, freedom of the individual, the right of opposition, to constitutional government in which we all believe. And her example of doing this in these difficult times may well be the deciding factor as to whether free institutions survive in many nations or whether they knuckle under to the force as well as the blandishments of a ruthless dictatorial system. These are the real issues, Mr. Chairman. Let those who would disregard them think well what they do.

The CHAIRMAN. The time of the gentleman from California has expired.

Miss SUMNER of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Chairman, before we loan this vast amount of money to Britain, which many people claim will be a gift, we should know more about what England now owes this country and we should take into consideration her past record as a debtor nation. At the end of World War I England owed this country a huge sum of money which has never been repaid, not even the interest. That debt now totals approximately $3,000 for each voter in the United States.

During World War II we supplied lend-lease aid to Britain which cost us $29,000,000,000. Reverse lend-lease amounted to only $5,295,000,000, leaving $23,705,000,000, which we have written off the books.

Now, it is proposed that we loan the British $3,750,000,000. The terms of this loan are such that it will mature in the year 2001. The rate of interest to be paid shall be 2 percent, after 1951. In other words, no interest shall be paid during the first 5 years, and then only 2 percent if England agrees she is in a position to pay.

It can be said that the proposed loan of $3,750,000,000 to Britain is not all that is involved here. England recently purchased from the United States for approximately 10 cents on the dollar surplus war materials and certain installations, for which she agrees to pay $650,000,000, on the same terms as the proposed loan. This actually brings the amount of money involved under this proposed contract up to $4,400,000,000. All this without any security whatsoever.

Now England could give security for she controls about one-half of the world and boasts that the sun never sets on her empire, and recently loaned $100,000,000 to the Netherlands, at the same time making loans to other foreign countries, while her exports are increasing far more rapidly than our own.

The only way we can get the money to make this loan to Britain is through the sale of Government security on which we now pay an average rate of 2 percent. This is most unbusinesslike. Furthermore, we have no guaranty that this money will not be spent in competition with this country in world markets.

England now has in this country assets worth more than $3,000,000,000 which she could sell, or at least give as security. In other countries she has liquid assets worth more than $8,000,000,000, plus another $8,000,000,000 in diamond reserves, and several billions in cash.

Our national debt is $277,673,982,693; England's national debt is $96,880,000,000. The Britisher owes less government debt than the average American. Per capita local and national indebtedness in England is $2,037 50, while the total Federal, State, and local per capita indebtedness of the United States citizen is $2,155.

Pennsylvania's share of our national debt is now $19,800,360,000. Under the proposal to grant Britain a loan of $3,750,000,000, Pennsylvania's share will be $277,205,040. On the basis of these figures I find that the share of the Twenty-first Congressional District of Pennsylvania, which I represent, in the national debt is $598,531,855 while its share in the proposed loan would be $8,064,987.

The cost of the British loan to the three counties which I represent will be: York County, $5,117,926; Adams County, $1,116,078, and Franklin County, $1,830,983.

What the British loan will cost Twenty-first District of Pennsylvania

	Cost of national debt	Cost of British loan
York County	$367,133,205	$5,117,926
Adams County	81,980,000	1,116,078
Franklin County	149,808,990	1,830,983
Total	598,531,855	8,064,987

What the British loan will cost Twenty-first District of Pennsylvania communities

	Share of national debt	Share of British loan
York City	$122,214,360	$1,707,036
Greater York [1]	172,400,000	2,408,000
Hanover	28,178,780	393,587
Red Lion	10,540,105	147,229
Wrightsville	4,185,285	58,812
Gettysburg	12,748,980	178,071
Littlestown	9,207,765	74,136
Chambersburg	32,001,750	446,985
Waynesboro	22,047,805	307,954

[1] York and adjacent communities

A $3,750,000,000 loan to Britain is a lot of money. It has been estimated that this amount would make a stack of one thousand dollar bills as high as the Empire State Building; it would build 750,000 $5,000 homes; or place a good hospital in every county in the United States.

Granting this loan or gift to Britain will no doubt cause other nations to make similar demands. Someone has said, "We will always have an America if we don't give it away." I am afraid the granting of these loans or financing the world is selling our children into economic slavery. If the commissioners of the respective counties which I represent would place this issue on the ballot this fall I doubt if they would get more than 100 favorable votes.

With these facts in mind I am compelled to oppose the British loan unless adequate security is given and unless a fair interest rate is paid from the date the loan is issued.

Mr. SPENCE. Mr Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I wish to insert in the RECORD, and will later ask permission in the House to include them in my remarks, the statements of some outstanding American leaders in support of the British loan agreement. I refer, for example, to the statement of the distinguished former Associate Justice of the Supreme Court, Hon. Owen J. Roberts, who said of the proposed loan:

> I firmly believe that the extension of a line of credit of this amount to Great Britain at this time not only will be a most important step toward freeing and increasing world trade, but that it is also a vital step toward world order and world peace.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. It is not customary, is it, to put all the statements of all the witnesses in the hearings in the CONGRESSIONAL RECORD?

Mr. HAYS. I think the gentlewoman will recall a number of instances in which that has been done. I am not going to encumber the RECORD, I may say.

Miss SUMNER of Illinois. If it is usual, that is one thing, but the gentleman from Texas put in Mr. Clayton's statement and the gentleman now puts in several other statements. After all, why not put in the whole hearing, if that is what we are going to do.

Mr. HAYS. I think that would unduly encumber the RECORD.

Miss SUMNER of Illinois. If you do that, then what is going to happen? I am going to come in and ask to put in Gertrude Coogan's statement, Mr. Trevor's statement, Jesse Jones' statement, and others.

Mr. HAYS. I shall not object if the gentlewoman wants to do that.

Miss SUMNER of Illinois. Does not the gentleman think we might just as well have an armistice and tell people to read the hearings?

Mr. HAYS. It occurs to me that the statement of Mr. Justice Roberts is pertinent. I have read the important part of his statement, and I certainly do not want to extend the remarks unduly. I did not anticipate there would be any objection.

Miss SUMNER of Illinois. After all, if it is a close vote you might win it, and you might give $5,000,000,000 to Britain, but why have all these carrying charges in the testimony? That is rather expensive, it seems to me.

Mr. HAYS I am sorry the gentlewoman objects to that procedure.

Miss SUMNER of Illinois Does the gentleman mind waiting until tomorrow, and let us find out if it is usual?

Mr. HAYS I have no time to yield further, Mr Chairman. I will read the statement, for example, of Mr. Edward O'Neal, who says:

The American Farm Bureau believes it is good business not only for the American farmer but for the entire Nation to make this loan to Britain

Then it is of significance that all across the United States, and not in just one section of the country, there has been editorial support from leading daily newspapers, the Asheville Citizen, the San Antonio Express, the Richmond Times-Dispatch, the Newark News, the Portland (Maine) Press-Herald, the Buffalo Courier-Express, the Watertown Times, the New York Times, the Bangor Daily News, the Seattle Times, the Portland Oregonian, the Minneapolis Tribune, the Cleveland Plain Dealer, the Des Moines Register, the Detroit Free Press, the Chicago News, and the Kansas City Star. These are indicative of opinion in important cities throughout the United States and not just in one section.

I was impressed with the statement of the gentleman from New York [Mr. BLOOM] today, in quoting Rabbi Wise. It is significant that the British loan agreement has interfaith support and cuts across denominational lines.

The Catholic Association for International Peace in a public statement said:

The bill authorizing a $3,750,000,000 credit loan to Great Britain, now before Congress, should be passed on its own merits. Furthermore, it is an integral part of a general policy of international economic collaboration which is necessary to reconstruct the world after the devastation of the war. To refuse the loan to Great Britain might put off for years our adoption of a policy of international economic collaboration. If we fail in this, the failure might become world-wide.

The Federal Council of Churches of Christ in America, representing many important denominations of Protestant faith, said:

We recognize that the proposal for an extension of credit to Great Britain, now before the Congress of the United States, represents the kind of practical assistance which is imperative for world order.

I shall not ask the House for permission to extend these comments, in view of the statement of the gentlewoman from Illinois, but may I point out that in addition to the editorials to which I have referred, the British loan agreement has support from such outstanding magazines as Business Week, which says:

Congress will chart the future of United States trade when it decides the fate of the British loan.

There will also be found editorial endorsements in the Saturday Evening Post and the United States News.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. MATHEWS].

Mr. MATHEWS Mr. Chairman, the guesses about any benefits to our people from the payment to Great Britain of $3,750,000,000 have been and will be discussed by those who claim to understand the intricacies of world trade and global money juggling better than I.

I make two points against Senate Joint Resolution 138, apart from the nebulous possibilities of any such benefits. That is as far as I go One need not eat all of an egg to find out it is bad.

The Constitution of the United States provides in article II, section 2, that the President "shall have power, by and with the advice and consent of the Senate, to make treaties provided two-thirds of the Senators present concur"

Senate Joint Resolution 138 purports to authorize the Secretary of the Treasury to carry out what is referred to as "the agreement dated December 6, 1945, between the United States and the United Kingdom" This alleged agreement is a document signed "For the Government of the United States of America" by Fred M Vinson, then Secretary of the Treasury.

The only way such an agreement can be effectually made by this Government with any foreign government is through a treaty completed in the method provided by the Constitution. Assuming this agreement to have been negotiated by the President, to make it valid two-thirds of the Senators present must concur.

I have examined the CONGRESSIONAL RECORD of May 10, 1946, and find that the vote on this resolution in the other body shows as yeas, 46; nays, 34; not voting, 16. The total of the yeas and nays is 80, and two-thirds of that number is more than 46.

Mr. Chairman, in spite of the grand, broad, general policy enunciated in the Bretton Woods agreement, there is one thing it clearly did not do and another it certainly could not do Being an agreement among many nations, it did not authorize in advance any and all subsequent treaties between any two of its signatories without the consent of and regardless of the effect upon the others. And it could not amend our Constitution to permit any such subsequent treaty to which the United States might be a party to be made in a manner other than that provided in that Constitution.

Therefore it is quite plain that the "agreement" of December 6, 1945, was simply the negotiation by the President of an entirely new and separate treaty with a foreign power. It can be effectively consummated only by ratification of the Senate, two-thirds of the Senators present concurring. And that has not happened.

The second point I make, Mr. Chairman, is that to carry out the provisions of Senate Joint Resolution 138 there must be raised, directly or indirectly, now or later or partly now and partly later, revenue to pay that $3,750,000,000 and probably interest on it.

Article I, section 7, of the Constitution says:

All bills for raising revenue shall originate in the House of Representatives but the Senate may propose or concur with amendments as on other bills

The gentleman from Minnesota [Mr. KNUTSON] raised the point that this was such a bill and did not originate in this House by his resolution at the time Senate Joint Resolution 138 was before the Speaker for reference, but, as I recall, the question was not disposed of by reason of the fact that the gentleman's resolution was referred to the Judiciary Committee, and still remains there.

At the time of the argument on that matter the distinguished majority leader read into the record a number of precedents to the effect that, when a bill is primarily for one purpose and the raising of revenue merely incidental to that purpose, such bill might properly originate in the other body. Admitting that principle, I must emphatically deny its application to the present resolution.

The dictionary at the foot of the Speaker's dais defines "incidental" as "happening as a chance or undesigned feature of something else; casual; hence, not of prime concern; collateral"

Can this $3,750,000,000 to be raised, paid, lent, spent, or given be considered as just happening as a chance? Is it an undesigned feature of something else? Is it casual or not of prime concern or collateral? Most emphatically "No"

Why, Mr Chairman, it is the essence, the very life of the agreement It is the one definite, clear, and completely certain feature of the whole document. It is about as incidental to that agreement as the engine is to an automobile; as the heart is to the human body. Without it there is no agreement, there is nothing. It is the quid pro quo for every other item in the agreement. Shall this House sacrifice its prestige and relinquish its responsibility because of trick forms, deceptive arrangements or alluring language? Shall we abandon substance and clutch at shadows?

Mr. Chairman, I am impelled to the following conclusions.

First. That the agreement of December 6, 1945, cannot possibly be carried out in any respect without the raising of revenue, and therefore this resolution is in all essentials a bill for raising revenue.

Second. The raising of that revenue is not incidental to the other purposes of the resolution but the essence of it.

Third. The treaty-making clause of the Constitution can no more be invoked to nullify other provisions of it than can other provisions be invoked to abrogate the treaty-making power. All provisions restrict, modify, and supplement each other.

Fourth. The so-called agreement of December 6, 1945, is merely the first step toward a new treaty—negotiation by the President. The second step—advice and consent of the Senate, two-thirds of the Senators present concurring—has never been taken

Fifth. There exists no treaty which requires this legislation or upon which it can be validly predicated.

Mr. Chairman, in this maze of documents myriad of clairvoyant predictions, and litter of words I see just another attempt to further jeopardize our own financial stability through circumvention of the Constitution in confusion The United States is not merely trying to keep up with the Joneses; it is trying to keep the Joneses.

We Members of the House of Representatives have only authority derived from a Constitution of delegated powers by which our office is created. We do not hold a general power of attorney from the people to do with them, their property, and their freedom anything and everything we think to be for their good. Each of us took a solemn oath to uphold and defend that Constitution from which alone emanates our authority I, for one, believe that that obligation prevents me from ever consciously usurping power which was never entrusted to me.

I must therefore vote against this resolution

Mr SPENCE Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr THOM].

Mr THOM Mr Chairman, in the remarks of the gentleman from Indiana [Mr. HARNESS], he left the impression that there was no provision for the repayment of this loan by England. I immediately challenged that statement. He thereupon said that there was nothing in the resolution sent to us from the Senate, known as Senate Joint Resolution 138, ratifying the agreement between England and the United States, which provided for repayment of the principal. He is in so obvious error that I think I ought to clear the minds of this body by reading from the documents.

First of all, the financial agreement signed by England and the United States through Mr. Vinson, Secretary of the Treasury, and Lord Halifax reads as follows:

The amount of the line of credit drawn by December 31, 1951, shall be repaid in 50 annual installments beginning on December 31, 1951, with interest at the rate of 2 percent per annum

Now, the gentleman from Indiana [Mr. HARNESS] insisted that there is nothing in the joint resolution to cover the repayment of this loan, and I challenge that statement by reading from the joint resolution itself. It reads as follows:

Resolved, etc., That the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is hereby authorized to carry out the agreement dated December 6, 1945—

Which is the agreement I read from—

between the United States and the United Kingdom which was transmitted by the President to the Congress on January 30, 1946.

It is very obvious that if this resolution provides that the financial agreement shall be carried out, then certainly England has got to repay the money that it borrowed. And, furthermore, in this same resolution, Senate Joint Resolution 138, the following provision is contained in line 16:

Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States

It is entirely erroneous to make the statement that the negotiations between England and the United States do not provide for repayment of this loan.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The gentleman from Michigan is recognized.

Mr WOLCOTT. Mr. Chairman, I have no further requests for time this evening.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration Senate Joint Resolution 138, to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr MURRAY of Wisconsin (at the request of Mr. WOLCOTT) was given permission to revise and extend his remarks and include extraneous matter.

FLOOD-CONTROL BILL CONFEREES GIVEN UNTIL MIDNIGHT TONIGHT TO FILE REPORT

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 6597) the flood-control bill, have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1947—FURTHER CONFERENCE

Mr. KERR. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments, further disagree to Senate amendments Nos. 27 and 28, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. KERR, McGEHEE, NORRELL, HENDRICKS, KIRWAN, O'NEAL, RABAUT, CASE of South Dakota, TIBBOTT, and TABER.

LABOR-FEDERAL SECURITY AGENCY APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. HARE submitted a conference report and statement on the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes.

REENROLLMENT OF S 1746

Mr BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk for immediate consideration Senate Concurrent Resolution 71 authorizing the reenrollment of the bill of the Senate 1746 to govern distribution of war trophies and devices, for the purpose of making a correction.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this resolution is?

Mr. BROOKS It is entirely corrective in nature. Several words—four, I believe—were omitted from the original bill, S 1746. In order to make good sense and make the bill intelligible it is necessary that these words be inserted. It is corrective only.

The SPEAKER. Is there objection to the present consideration of the Senate resolution?

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S 1746) to govern distribution of war trophies and devices, that if and when the said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing the said bill be deemed to be rescinded, and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the following correction, namely, on page 1, line 8, of the Senate engrossed bill, after the word "all" insert the words "war devices and trophies suitable for distribution,", so that as amended the section will read·

That the Secretary of War is authorized and directed to apportion and distribute pro rata among the several States in the ratio that the total number of persons who have served or are serving in the Army of the United States from each State bears to the total number of such persons from all States, all war devices and trophies suitable for distribution, with the exception of such trophies as may be required for experimental purposes or for other use by the United States or any department or agency thereof, and the further exception of such trophies as may be required for display in national museums, at national homes for disabled members of the armed forces, or for monumental purposes in Arlington National Cemetery and in other national cemeteries, national parks, and national monuments wheresoever situated.

The Senate resolution was agreed to.

A motion to reconsider was laid on the table.

ATTENDANCE OF MARINE BAND AT SPANISH WAR VETERANS CONVENTION

Mr DREWRY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5641) to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans, to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 4, after "concerts", insert "at the department convention of The American Legion to be held at Racine, Wis., on August 3, 1946, and."

Page 1, lines 9 and 10, strike out "convention" and insert "conventions."

Page 2, line 1, strike out "$9,408.26" and insert "$9,986.26."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

PROVIDING ASSISTANCE TO CHINA IN AUGMENTING AND MAINTAINING A NAVAL ESTABLISHMENT

Mr. DREWRY. Mr. Speaker, I call up the conference report on the bill (H. R. 5356) to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 5356), to provide assistance to the Republic of China in augmenting and maintaining a Naval Establishment, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows

That the Senate recede from its amendments numbered 4 and 5.

Amendments numbered 1 and 2: That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same with an amendment, as follows: Strike out all of section 1 and insert in lieu thereof the following:

"That notwithstanding the provisions of any other law, the President is authorized, whenever in his discretion the public interests render such a course advisable, or will assist in relieving United States forces of duty in China or putting the Government of the Republic of China in better position to protect or improve the safety of navigation in its waters, to provide to the Republic of China such naval services, training, plans, and technical advice as he may deem proper; and to dispose of naval vessels and craft, not to exceed two hundred and seventy-one vessels and craft under authority of this Act, which are in excess of the naval needs of the United States, floating drydocks of capacity sufficient to accomodate any vessel or craft disposed of under authority of this Act, and material necessary for the operation and maintenance of the vessels and craft disposed of under authority of this Act and for the training of the crews of such vessels and craft, to the Republic of China by sale, exchange, lease, gift, or transfer for cash, credit, or other property, with or without warranty, or upon such other terms and conditions as he may deem proper. *Provided*, That prior to the disposition under the authority of this Act of any battleship, aircraft carrier of any type, cruiser, destroyer (but not destroyer escort), or submarine the President shall first obtain the authority of the Congress in each instance *Provided further*, That no information, plans, advice, material, documents, blueprints, or other papers, bearing a secret or top-secret classification shall be disposed of or transferred under authority of this Act"

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows Strike out all of section 2 and insert in lieu thereof the following.

"The President is authorized, upon application from the Republic of China, and whenever in his discretion the public interests render such a course advisable, to detail not to exceed one hundred officers and two hundred enlisted men of the United States Navy and Marine Corps to assist the Republic of China in naval matters: *Provided*, That United States naval or Marine Corps personnel shall not accompany Chinese troops, aircraft, or ships on other than training maneuvers or cruises *Provided further*, That the Secretary of Navy is authorized to pay to such persons such additional compensation as may be necessary to make appropriate adjustment for increased cost of living occasioned by reason of detail to such duty: *And provided further*, That while so detailed such officers and enlisted men shall receive the pay and allowances thereunto entitled in the United States Navy or Marine Corps and shall be allowed the same credit for longevity, retirement, and for all other purposes that they would receive if they were serving with the forces of the United States "

And the Senate agree to the same.

PATRICK H. DREWRY,
LYNDON B JOHNSON,
W. STERLING COLE,
Managers on the Part of the House.

DAVID I WALSH,
MILLARD E. TYDINGS,
CHARLES W TOBEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 5356), to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos 1 and 2: The first amendment provides, as an additional reason for helping the Republic of China in augmenting and maintaining a naval establishment, that it will assist in relieving United States forces of duty in that area or putting the Government of that Republic in a better position to protect or improve the safety of navigation in its waters. The second amendment forbids the disposal or transfer under the authority of this act of any information, plans, advice, material, documents, blueprints, or other papers bearing a secret or top-secret classification

Included in the amended amendment as agreed to by the conferees are the words "under authority of this Act", which were inserted after the expression "not to exceed two hundred and seventy-one vessels and craft". Without this insertion it is felt that the act may be construed to prevent the transfer of more than 271 vessels and craft to China under any provision of law, including the Surplus Property Disposal Act, while the original intent was that it would apply only to the provisions of this act.

Amendment No 3. Before the first proviso the Senate struck out the words "naval matters" and inserted in lieu thereof the words "training its personnel to operate the ships and equipment herein transferred". The amendment agreed to in conference restores the material stricken out in the Senate and inserts in lieu of the Senate amendment the following "*Provided*, That United States naval or Marine Corps personnel shall not accompany Chinese troops, aircraft, or ships on other than training maneuvers or cruises" The Senate amendment is considered too restrictive, while it is believed that the change agreed to in conference will accomplish the same purpose. In other words, United States naval personnel cannot be used on Chinese ships except for purely training purposes

Amendments Nos 4 and 5: It is felt that amendment No 5 is unnecessary to protect the interests of the Maritime Commission and that its enactment will only involve a much lengthier and involved procedure in administering the act. Only the oilers and repair ships which are intended to be transferred to China under the provisions of this legislation could possibly be suitable for conversion to merchant use and it is felt that even these vessels will not be found suitable for conversion; accordingly, the Senate recedes from its amendment Amendment No 4 strikes out the termination date as passed by the House.

P H DREWRY,
LYNDON B JOHNSON,
W STERLING COLE,
Managers on the Part of the House.

Mr DREWRY. Mr. Speaker, this is a bill to provide assistance to the Republic of China in augmenting and maintaining a naval establishment. China is absolutely helpless at the present time as far as naval vessels are concerned. This bill provides that the Government, in the discretion of the President and when he thinks such course is advisable; shall assist in relieving the United States forces by giving ships of certain classification to China, or selling them, or transferring them, or whatever may be the course to proceed upon. It is limited to not more than 271 vessels which are in excess of the naval needs of the United States. It does not include battleships or any of the larger type ships without the consent of the committee and the Congress.

Mr. MARTIN of Massachusetts. The bill is in practically the same form as it passed the House?

Mr. DREWRY. Very much the same. There were four amendments. In connection with three of them the Senate receded and they concurred in the House amendment.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONSTRUCTION, REPAIR, AND PRESERVATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

Mr. RANKIN submitted the following conference report and statement on the bill (H R 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows

That the Senate recede from its amendment numbered 11

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41

Amendment numbered 18 That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows

Restore the language stricken out and omit the language inserted, and, on page 8, lines 10 and 11, of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers, dated April 24, 1946," and insert in lieu thereof "House Document Numbered 692, Seventy-ninth Congress,", and the Senate agree to the same

Amendment numbered 20. That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows

On page 8, lines 13, 14, and 20, of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers, dated April 9, 1946," and insert in lieu thereof "House Document Numbered 693, Seventy-ninth Congress,", and the Senate agree to the same

Amendment numbered 22. That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In line 3 of the amendment, after the words "persons engaged on the", insert the words "construction of the"; and the Senate agree to the same.

HUGH PETERSON,
J E RANKIN,
O C FISHER,
J HARDIN PETERSON,
GEO A. DONDERO,
W. A PITTENGER,
HOMER D ANGELL,
ROBERT L RODGERS,
HENRY M JACKSON,
Managers on the Part of the House.

JOHN H OVERTON,
THEO G BILBO,
GEO. L. RADCLIFFE,
CLAUDE PEPPER,
JAMES M. MEAD,
ALEXANDER WILEY,
C. WAYLAND BROOKS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, submit the following statement explaining the effect of the action agreed upon:

The river and harbor bill as it passed the House carried authorizations for the improvement of 57 projects, in the amount of $517,145,070. The Senate by amendment added to the House bill four navigation projects to cost $3,250,000 and increased by $95,000,000 the authorization for the Arkansas River as carried in the House bill, making a grand total of $615,395,070

As approved by the conference committee the bill (H. R 6407) adopts a total of 61 projects for improvement of the Nation's waterways and harbors primarily for navigation at an estimated total cost of $615,395,070: and 116 survey items carried in section 7.

Projects added to the bill by Senate amendments to which the House receded

Amendment No.	Report dated	Project	Estimated cost
2	July 1, 1946	Boston Harbor, Mass	$1,802,000
9	May 31, 1946	Grand Bayou Pass, La	900,000
12	....do....	Sabine River, Cow Bayou, Tex	323,000
19	June 14, 1946	Yaquina Bay and Harbor, Oreg	225,000
		Total	3,250,000

ITEM IN HOUSE BILL IN WHICH THE INITIAL AUTHORIZATION WAS INCREASED

11	(Sept 20, 1945 1Mar 19, 1946	Arkansas River and tributaries, Arkansas and Oklahoma increase in amount authorized	$95,000,000

ITEMIZED EXPLANATION OF ALL SENATE AMENDMENTS

Amendment No 1 (p 2) Provides that the word "navigation" appearing in paragraph (b) of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law 14, 79th Cong, 1st sess), shall, in respect to the Arkansas River and tributaries, include the use of water herein referred to for power purposes.

Paragraph (b) referred to above reads as follows

"(b) The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in States lying wholly or partly west of the ninety-eighth meridian shall be only such use as does not conflict with any beneficial consumptive use, present or future, in States lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic, municipal, stock water, irrigation, mining, or industrial purposes "

House conferees recede

Amendment No 2 (p 2) Boston Harbor, Mass. Item, recommended by the Chief of Engineers, provides for modification of the existing project by the extension of the President Roads anchorage 700 feet to the north and 500 feet to the west dredged to a depth of 40 feet and the dredging of an area adjacent to the 35-foot channel south of and westerly through Buoy No 4 to a depth of 35 feet at an estimated first cost of $1,802,000 with additional annual maintenance charges of $2,000. House conferees recede

Amendments Nos. 3, 4, 5, 6, and 7 (pp 3 and 4). Typographical changes House conferees recede

Amendment No. 8 (p 5)· Apalachicola, Chattahoochee, and Flint Rivers, Ga and Fla. Item for authorization of in House bill amended so that the dam referred to in the report as Junction Dam shall upon completion be officially known as the Jim Woodruff Dam. House conferees recede.

Amendment No. 9 (p. 5): Waterway from Empire, La., to the Gulf of Mexico (Grand Bayou Pass). Item provides for a waterway 9 feet deep with a minimum width of 80 feet from the State-owned Dollut Canal at Empire, La , southerly by way of natural channels and limited land cuts through Pelican Island to the Gulf of Mexico, to cost $900,000 House conferees recede

Amendment No 10 (p. 6): Typographical change House conferees recede.

Amendment No. 11 (p 6). Arkansas River and tributaries, Arkansas and Oklahoma Item in House bill amended by increasing the initial authorization from $55,000,000 to $150,000,000. Total estimated cost of the comprehensive plan for improvement of the Arkansas River Basin is $435,000,000. Senate recedes

Amendment No. 12 (p 6)· Sabine River, Cow Bayou, Tex. Item provides for channel in the interest of navigation and flood control 12 feet deep and 100 feet wide in Cow Bayou from Sabine River to Orangefield, Tex , to cost $323,000 House conferees recede.

Amendments Nos. 13, 14, 15, 16, 17, and 18 (pp 7, 8, and 9): Typographical changes. House conferees recede, with an amendment to No 18, inserting a document number.

Amendment No. 19 (p 9): Yaquina Bay and Harbor, Oreg Item provides for modification of the existing project to provide for a small boat mooring basin, dredged to a depth of 10 feet, and the construction of a protective breakwater. House conferees recede

Amendments Nos 20 and 21 (pp 9 and 10): Typographical changes House conferees recede, with amendment to No 20 inserting a document number.

Amendment No 22 (p. 12) Section 6. Authorizes the Chief of Engineers to provide school facilities, at Federal expense as may be required, to educate dependents of persons engaged in the following projects authorized by the River and Harbor Act of March 2, 1945 (Public Law 14, 79th Cong):

Columbia River at Umatilla, Oreg
Neches and Angelina Rivers, Tex.
Snake River at Lewiston, Idaho

House conferees recede, with amendment which confines the furnishing of such facilities to the period during which the project is under construction

Amendment No 23 (p 12) Changes section number House conferees recede

PRELIMINARY EXAMINATION AND SURVEY ITEMS—LOCALITY

Amendment No. 24 Gardiners Bay, N. Y.

Amendment No. 25 Shoal Harbor and Compton Creek, N J

Amendment No 26· Chapel Creek, Dorchester County, Md

Amendment No 27: Intracoastal Waterway, with a view to constructing a boat basin at or near Beaufort, S C.

Amendment No 28: Hatton Creek, Wicomico River, on western shore of Maryland, in the vicinity of Rock Point, Charles County, Md.

Amendment No 29· Miles River, opposite Oak Creek Bridge, to give outlet to Miles River, Talbot County, Md.

Amendment No 30: Point Lookout Creek, in the vicinity of Point Lookout, St. Marys County, Md.

Amendment No. 31: Charleston Harbor, S. C., with a view to extending Shem Creek Channel.

Amendment No. 32: Intracoastal Waterway, with a view to constructing a boat basin at or near Beaufort, S C.

Amendment No. 33: Little Sarasota Bay and Channel through Casey's Pass, Fla , channel and turning basin in Venice Bay.

Amendment No. 34: Intracoastal Waterway, with a view to relocating its route in the vicinity of Brunswick, Ga.

Amendment No. 35· Channel from Port Lavaca, Tex , and Palacios, Tex., to the Gulf of Mexico by way of Pass Cavallo, Cotton Bayou, or any other suitable outlet to the Gulf of Mexico

Amendment No. 36: Arkansas and Canadian Rivers, Okla. and Ark.

Amendment No. 37: Mississippi River at Louisiana, Mo.

Amendment No 38: Gavins Point, on the Missouri River, S Dak. and Nebr

Amendment No 39. Mississippi River at Winona, Minn.

Amendment No. 40: Ohio River at Brookport, Ill.

Amendment No. 41 Siuslaw River and Bar, Oreg.

House conferees recede on all survey items

HUGH PETERSON,
J. E. RANKIN,
O C FISHER,
J HARDIN PETERSON,
GEO A DONDERO,
W A PITTENGER,
HOMER D ANGELL,
ROBERT L. RODGERS,
HENRY M. JACKSON,
Managers on the Part of the House

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

MI DONDERO Mr. Speaker, reserving the right to object, the item in controversy of $95,000,000 has been taken out of the bill The Senate has receded.

Mr. RANKIN And the conferees are unanimous

Mr. DONDERO. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER The question is on the conference report.

The conference report was agreed to

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a newspaper item.

Mr MUNDT (at the request of Mr. CARLSON) was given permission to extend his remarks in the RECORD and include newspaper articles.

Mr. CARLSON asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr HAND asked and was given permission to extend his remarks in the RECORD and include a letter

Mr. LUTHER A. JOHNSON asked and was given permission to extend his remarks in the RECORD and include a brief editorial.

HOUR OF MEETING ON THURSDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet at 10 o'clock on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr RANKIN. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, I would like to see it dispensed with, and I do not want to ask the gentleman to withdraw it, but in view of an understanding that I have I feel that I would have to protect the rights of other persons who have served notice on me, the same as I would protect the gentleman if he had served notice on me, on any matter where unanimous consent was required

Mr RANKIN. It seems to me, Mr. Speaker, if a minority is going to attempt to run the House, they ought to stay here all the time.

Mr. McCORMACK. There may be something to that, and I am not disputing the gentleman on that. But where I am served with notice by anyone relating to Calendar Wednesday business, I feel I have an obligation to protect that individual

Mr. RANKIN Mr Speaker, out of respect for the majority leader I will withdraw my request.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. PHILLIPS] is recognized for 20 minutes

PRICE CONTROL

Mr PHILLIPS. Mr. Speaker, during the discussion in this House on July 1 over the fact that OPA was no longer with us but had moved into a well-deserved eclipse, at least temporarily, the statement was made that prices of certain food commodities had risen materially and very rapidly. I think it was the gentleman from Illinois [Mr. SABATH] who mentioned certain items, including oranges, instead of rising, were $1 under the ceiling, and I said at that time that I would bring in, at the end of the first week, a record of what had actually taken place for that period.

I am inserting in the RECORD at this point a market report showing the number of cars sold, the average price, and the old ceiling, which will indicate, Mr Speaker, that the decline in price for the week was 32 cents a box, or $1.41 a box under the OPA ceiling.

Oranges—Auction sales, week July 1–6, 1946

Market	Cars sold	Average price	Old ceiling
New York	139	$4 66	$6 20
Philadelphia	50	4 75	6 19
Boston	20	5 07	6 22
Baltimore	22	4 83	6 18
Pittsburgh	17	4 31	6 19
Chicago	45	5 09	6 18
Detroit	30	5 16	6 18
Cleveland	33	4 11	6 16
Cincinnati	16	5 23	6 19
[illegible]	3	6 03	6 16
Total	394	4 77	6 18

Average preceding week	$5 09
Decline 1st week without ceilings	.32
Amount under old ceiling	1 41

I would also like to comment today, in talking of this situation, on the fact that many people in the United States do not understand that what may seem to be price rises, particularly in foods, are not actual increases in costs but are only the absorption of the deceptive and dangerous subsidy program, upon which the administration embarked a year or more ago. That is a program which has destroyed nations in the past and could eventually destroy this Nation, if continued. Consequently, it is to the benefit of all of us that we get rid of the subsidy program as quickly as possible.

Mr. LAFOLLETTE. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS I yield to the gentleman from Indiana.

Mr. LAFOLLETTE Apropos of the gentleman's statement about subsidies, is this not true, however, that subsidies are raised by taxation, and being raised by taxation, at least, they have a tendency to fall upon those best able to pay, whereas a rise in price hits the lower income groups as well as the affluent, and to that extent does not the gentleman feel that subsidies are justified?

Mr PHILLIPS. No. Frankly, I do not feel that consumer subsidies are justified under any circumstances. I thank the gentleman for his comment. There are people in the United States in the lowest income brackets who have benefited from the fact that the subsidy is being paid out of tax receipts, rather than directly by them, because they do not pay income taxes. I would rather take care of those low brackets in some other way than to inject into our life the theory of "bread and circuses," which was one of the influences that destroyed Rome.

I also point out to the gentleman from Indiana that with consumer subsidies we have the additional cost of administration of the subsidy in Washington and the cost of the subsidy to the distributors who are to pass it along I am glad the gentleman brought it up, but I would rather meet the problem, which is a real problem, in some other way and not through a subsidy. I do not like to fool the consumers.

Let me illustrate how this works. In Los Angeles the consumer was paying 45 cents a pound for round steak, but there was a subsidy of 9 cents, which made the actual price 54 cents. Until the price rises to 54 cents, there is no increase in the cost of round steak, and this refers only to OPA ceilings; I do not consider black-market prices, nor the fact that many items were unobtainable.

I will list a few other items:

Commodity	Unit	Present price	Subsidy	Total present price
		Cents	*Cents*	*Cents*
[illegible]	1 pound	39	8	47
[illegible]	do	40	6	46
[illegible]	do	51	8 5	59 5
[illegible]	do	46	6 8	52 8
[illegible]	do	71	19	90 0
Evaporated milk	can	11	1 4	12 4
Fresh milk	1 quart	14	1 3	15 3
Bread	1 loaf	10	1	11
Flour	10 pounds	78	9	87
Sugar	do	80	15	95
Cheddar cheese	1 pound	57	12	69
Navy beans	do	20	1	21
Dried prunes	do	23	4	27
Tomatoes	1 can	21	2	23
Peas	do	17	2	19
Corn	do	21	1	22

There is another thing that buyers do not always realize—prices may go down as well as up. A ceiling has a tendency to put all prices at the ceiling level. If choice cuts, or early fruits, or choice

items of any kind, go up, by the same token, less choice cuts and items may go down.

For this statement I have no less an authority than the OPA itself. On May 17, the OPA released a report which appeared in the Washington News under the headline: "Freed goods hold price level fairly well, OPA test finds."

The OPA reported that consumer goods pretty well hold the price line, when controls are removed, to quote the news item, and then the OPA delivered itself of this gem:

Frequently—

Said the OPA—

consumers may be misled when prices on freed items go up just as soon as ceilings are lifted, and may feel justified in complaining that OPA does not immediately reestablish controls In such instances, however, controls were lifted for the purpose of "letting water seek its own level" Had controls remained, OPA would have had to grant equal price hikes.

Then listen to this, Mr. Speaker. I am still quoting the OPA:

Frequently, too, prices shoot up for several days and then fall back

The release then went on to give examples Of course, this is exactly what a lot of us, including the members of the Republican Congressional Food Study Committee, have been saying for months would happen when price ceilings were removed. Mr Bowles denied the theory.

It must be a sore trial to the politically sensitive and ambitious Mr. Bowles to find that, just as soon as he gets off the nest, the fledglings he hatched so carefully begin to chirp a different song than the one he taught them

FEED IS DOWN

With the permission of the gentleman from Texas [Mr. POAGE], I will insert at this point a telegram received today from one of his constituents, which proves the point the OPA itself is making:

JULY 8, 1946

HON BOB POAGE,
Member of Congress, Washington, D C

Milo maize is down 50 cents per hundred in 5 days. We have bought our first car of corn in normal markets in 8 months Oats are today below ceilings of June and are available Merchandise is beginning to move normally without Government restrictions. It is beyond my imagination to believe that our Congress would vote to reinstate OPA restrictions in any form. Your vote and influence against any bill reinstating OPA in any form will be expected and appreciated.

H E. WENDLAND,
Wendland Grain Co.

Mr Speaker, I was not in this House when WPA passed into oblivion I am told that the same dire predictions were made as are now being made about the passing of OPA. I recall that WPA was ended and chaos did not follow.

I was in California when the SRA—the State Relief Administration—ended by action of the legislature. The same prophets of chaos were there, some of them the same individuals who now tell us that the country will go to pot without the OPA Well, the SRA died on June 30, in 1941, just as the OPA died on June 30, in 1946. There were no riots, no chaos, nobody starved, and California remained calm.

Mr. Speaker, it is my intention to ask unanimous consent to secure action upon House Joint Resolution 372, introduced July 1 by the gentleman from Michigan [Mr. WOLCOTT] to carry on, for a time, the control stabilization of rents. This would remove the concern from the people which is being worked up by Mr. Bowles and his professional propagandists. With that removed, it would in all probability be a few weeks only before this country would begin to return to normal. We must face the issue sometime. There will be a period of adjustment when we do face it, now or in the future. The adjustment may be painful. A courageous Congress and a courageous people will face it now.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a telegram regarding the reduced prices of certain grains, and certain figures regarding the subsidy additions to food before we reach an actual present cost.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MCMILLAN of South Carolina, for 10 days, on account of official business,

EXTENSION OF REMARKS

Mrs. LUCE (at the request of Mr. GEARHART) was given permission to revise and extend her remarks in two instances and include certain newspaper articles.

ADJOURNMENT

Mr SAVAGE Mr. Speaker, I move that the House do now adjourn

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m) the House adjourned until tomorrow, Wednesday, July 10, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be an executive meeting of the Post Office and Post Roads Committee on Thursday, July 11, 1946, at 10 a. m., at which time H. R. 5993 and H. R. 6970, both bills relating to the establishment of an air parcel post service, will be considered, and also H R. 2000, the star-route bill.

EXECUTIVE COMMUNICATIONS, ETC.

1445. Under clause 2 of rule XXIV, a letter from the Administrator, War Assets Administration, transmitting a quarterly progress report by the War Assets Administration, first quarter 1946, was taken from the Speaker's table and referred to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr ELLIOTT: Joint Committee on the Disposition of Executive Papers, House Report No. 2470. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed

Mr. O'TOOLE: Committee on the Library. H. R 5144. A bill to establish a national air museum, and for other purposes; with amendments (Rept. No 2473) Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 6935) granting a pension to Mollie Manis, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr BROOKS:

H R 6979 A bill to amend the Mustering-out Payment Act of 1944 so as to remove the time limitation on the filing of applications for benefits by persons who were discharged or released from active duty before the effective date of such act; to the Committee on Military Affairs

By Mrs MANRIN:

H R 6980 A bill to provide for construction of the Buford Dam on the Chattahoochee River, Ga; to the Committee on Rivers and Harbors

By Mr. GEARHART

H. R 6981 A bill to amend section 2801 (e) of the Internal Revenue Code, to the Committee on Ways and Means

H R 6982 A bill to provide tax relief on income earned over a period of years, to the Committee on Ways and Means.

By Mr JACKSON:

H R 6983 A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes, to the Committee on Indian Affairs

By Mr WHITTINGTON:

H. R 6984. A bill to provide for balancing the Federal budget for the fiscal year 1947, to the Committee on Expenditures in the Executive Departments.

By Mr TALBOT

H. J. Res 378. Joint resolution urging that representatives of religious organizations serve as advisers to the American delegation of the United Nations and to the American delegations at all peace conferences; to the Committee on Foreign Affairs

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr AUCHINCLOSS:

H R 6985 A bill for the relief of Pearl Brown; to the Committee on Claims.

By Mr. FISHER

H R 6986 A bill for the relief of Joseph L Clark; to the Committee on Claims

By Mr GEARHART.

H. R 6987 A bill for the relief of Charles E Sweet, to the Committee on Claims.

By Mr REED of New York:
H R 6988 A bill for the relief of Mrs. Martha W. Johnson, to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2074. By Mr HOLMES of Washington: Petition of approximately 1,000 residents of Pullman, Wash., and several other cities, urging Congress to restore OPA with no crippling amendments, to the Committee on Banking and Currency.

2075 By Mr SMITH of Wisconsin. Resolutions adopted by the North Wisconsin Synod of the Evangelical and Reformed Church during session at Shawano, Wis., May 14 and 15, 1946, urging discontinuation of conscription and release of men who were imprisoned solely for the sake of conscientious convictions as well as restoration to full civil rights, to the Committee on Military Affairs

2076. By the SPEAKER Petition of District 50, Hawaii, Lions International, petitioning consideration of their resolution with reference to amendment to the Nationality Act of 1940, to the Committee on Immigration and Naturalization.

SENATE

WEDNESDAY, JULY 10, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Edward Gardiner Latch, D. D., minister, Metropolitan Memorial Methodist Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, who art the source of all our being, the inspirer of our noblest visions, the rock of refuge in our hour of need, we pause in Thy presence to offer unto Thee the gratitude of our hearts and to bring to Thee the different needs of our lives. In Thee alone is our hope, our strength, and our peace.

Grant unto us the insight to discern between good and evil, the courage to choose the good and the virtue of doing it. Teach us to value a clear conscience, a clean mind, and a calm heart before all the prizes that earth affords. Lead us day by day into the ministry of understanding and sympathy, that we, as the leaders of our beloved country, may carry our share of the burden of the world's need. May Thy grace sustain us and our Nation this day. We pray in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 9, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 9, 1946:

S. 1578. An act to clarify the terms "compensation" and "pension" under laws administered by the Veterans' Administration; and

S 1893 An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

On July 10, 1946:

S. 342 An act to amend section 5296 of the Revised Statutes, as amended, relating to the discharge of indigent convicts for nonpayment of fines,

S 344 An act to prescribe and furnish to United States commissioners standard forms and dockets and to furnish United States Code and seal,

S 345 An act concerning the method of payment of the compensation of United States commissioners;

S 1061 An act for the relief of Violet Ludokiewich,

S. 1683 An act for the relief of the estate of Mrs Sufronia Andrus; and

S 2292 An act for the relief of the Miami Herald, the Key West Citizen, and the Miami Daily News

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 39 and 40 to the bill, and concurred therein, and that the House insisted upon its disagreement to the amendment of the Senate numbered 7 to the bill.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 5356) to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The message also announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 27 and 28 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, agreed to a further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KERR, Mr. MAHON, Mr. NORRELL, Mr. HENDRICKS, Mr. KIRWAN, Mr. O'NEAL, Mr. RABAUT, Mr CASE of South Dakota, Mr. TIBBOTT, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 71) authorizing the reenrollment of the bill (S. 1746) to govern distribution of war trophies and devices, for the purpose of making a correction.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S 752 An act to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national-defense purposes, and

H. R. 3424 An act to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes.

NOTICE OF HEARING ON NOMINATION OF FAY L BENTLEY TO BE JUDGE, JUVENILE COURT, DISTRICT OF COLUMBIA

Mr McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Wednesday, July 17, 1946, at 10 30 a. m., in the Senate Judiciary Committee room, upon the nomination of Hon Fay L Bentley, of the District of Columbia, to be judge of the Juvenile Court for the District of Columbia (reappointment). At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr McCARRAN] chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from North Dakota [Mr. LANGER].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 9, 1946, he presented to the President of the United States the enrolled bill (S. 680) to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S Doc. No. 237)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Bureau of Reclamation of the Department of the Interior, amounting to $1,086,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AUDIT REPORT OF VIRGIN ISLANDS COMPANY

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on audit of the Virgin Islands Company, for the fiscal year ended June 30, 1945 (with an accompanying report), to the Committee on Expenditures in the Executive Departments.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of New Jersey, ordered to lie on the table

"Senate Concurrent Resolution 7

"Concurrent resolution memorializing the Senate of the United States concerning the necessity of restoring the Employment Service to the States without further delay

"Whereas the Employment Service Division of the New Jersey Unemployment Compensation Commission was released to the Federal Government, upon request of the President, effective January 1, 1942, as a phase of the mobilization for war, and

"Whereas the New Jersey Legislature in enacting enabling legislation, known as chapter 386, pamphlet laws of 1941, specified that the arrangement would continue in force 'only during the present emergency or until the legislature shall otherwise ordain', and

"Whereas the reasons that brought about the release of the records, facilities, personnel, and equipment of the Employment Service Division of the New Jersey Unemployment Compensation Commission, as well as similar services in the several States of the United States, have spent their force, and

"Whereas the New Jersey Commission on Postwar Economic Welfare submitted a report to this legislature on February 28, 1946, following a public hearing, investigation, and careful study of unemployment compensation benefits in the reconversion period, stating that '* * * The unemployment compensation commission, while normally responsible for administration of the State program in these fields (claims taking and job placement functions of unemployment compensation administration) has been dependent upon the United States Employment Service, a Federal agency, for direct contact with benefit claimants', that 'the result is that there is now no way of definitely fixing responsibility for benefit payment policies and procedures', that 'the situation has been aggravated by divided responsibility between the unemployment compensation commission and United States Employment Service' and that 'this condition can be corrected only through return of the Employment Service to the State * * *', and that 'the commission has been assured, even by advocates of nationalization of the entire system, that truly effective benefit administration is impossible under the present divided administrative responsibility', and

"Whereas the unemployment compensation commission reiterated in its ninth annual report, submitted February 1, 1946, that administrative difficulties will persist until such time as the United States Employment Service is returned to the State, and expressed its ability to accept the return of the employment service and to go forward with its efficient operation; and

"Whereas legislation designated as H. R 4437, as amended, providing for the return of public employment offices to the States not later than June 30, 1946, or such earlier date as the Secretary of Labor may deem feasible, was approved by the House of Representatives on January 29, 1946, and transmitted to the United States Senate on January 30, 1946, and there referred to the Committee on Education and Labor, with which committee H R. 4437, as amended, still remains: Therefore, be it

"Resolved by the Senate of the State of New Jersey (the House of Assembly concurring):

"1. The Senate of the United States is memorialized and respectfully urged to take immediate action to complete enactment of H. R 4437 as approved by the House of Representatives, to assure the return of the public employment offices to the States not later than June 30, 1946, or such earlier date as may be deemed feasible

"2. The secretary of state is directed to transmit properly authenticated copies of this concurrent resolution to the President of the United States, to the Senate of the United States, to the Senators and Representatives of the State of New Jersey in Congress, to the Federal Social Security Administrator, and to the Federal Social Security Board.

"3 This concurrent resolution shall take effect immediately"

Letters and a telegram in the nature of petitions of sundry citizens of Brooklyn, N Y, Sparta, Ill, and Washington, D C, praying for the enactment of House bill 4051, providing terminal leave pay for enlisted men of the armed forces, to the Committee on Military Affairs.

OPA AND RENT CONTROL

Mr CAPPER. Mr. President, among the telegrams I have received asking that OPA and rent control be abandoned is one from the Topeka Real Estate Board, J Bliss McCormick, president. I ask unanimous consent to present for appropriate reference and to have printed in the RECORD this important telegram.

There being no objection, the telegram was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

TOPEKA, KANS, *July 4, 1946*

Hon ARTHUR CAPPER,
Senate Office Building,
Washington, D C

A resolution has been passed by our board that we congratulate our Congress on their action taken in sustaining our President's veto and asking them to see that OPA and rent control be buried forever This will increase production and check inflation Better far to have the free market with whatever turmoil it involves than to surrender our liberties permanently We feel now is the time to work for free enterprise and the American way of life. We pledge to hold rents in coming months, and if any increases only such as are necessary for taxes and deferred maintenance Our board realizes that tenants as well as owners are our customers. We need their good will and their confidence.

TOPEKA REAL ESTATE BOARD,
J BLISS MCCORMICK, *President.*

OWNER OPERATION OF FAMILY-STYLE FARM UNITS

Mr CAPPER. Mr. President, I have received an important letter from Chat Paterson, national legislative representative of the American Veterans' Committee, setting forth the reasons why his organization approves the Senate version of H R. 5991. I ask consent to present for appropriate reference and to have printed in the RECORD Mr. Paterson's letter.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

NATIONAL LEGISLATIVE OFFICE,
THE AMERICAN VETERANS' COMMITTEE, INC.,
Washington, D. C., July 8, 1946.

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D C.

DEAR SENATOR CAPPER: The American Veterans' Committee is deeply interested in the legislation covered by H. R. 5991.

At our first constitutional convention in Des Moines, Iowa, on June 15, we adopted the following statement as part of our domestic-affairs platform: "We favor the improvement and stabilization of tenure arrangements giving special emphasis to programs designed to encourage owner operation of family-style farm unit" In the past, as you probably know, we have gone on record as supporting S 1507.

Inasmuch as the version of H R 5991 passed by the Senate closely resembles S 1507, we ask you to approve the Senate version of H. R 5991. Our reasons for preferring that version follow:

1. The Senate version does not limit, as does the House bill, by restrictive clearance requirements, the obtaining of credit by veterans under the Bankhead-Jones Farm Tenant Act Many veterans need the type of guidance in farm and home management which accompanies present loans made under this act and it is difficult, if not impossible, to obtain this valuable service from other credit sources

2 The House version raises the interest rate on loans for the purchase of land to 4 percent The Senate version maintains the interest rate of 3 percent, specified in the Bankhead-Jones Farm Tenant Act. By raising the interest rate, a hardship will be imposed on veterans The veteran will have to pay a higher interest rate than other borrowers have paid in the past 9 years under the Bankhead-Jones Farm Tenant Act

3 The Senate version contains no provision for graduated credit The House version introduces this undesirable feature

In our opinion, the transfer of the balance of a loan to another agency at a higher rate of interest, after a sizable proportion has been repaid, would penalize the industrious veteran-farmer in favor of the lazier borrower One of the most serious effects of graduated credit would be to interrupt the completion of the farm and home plan and the supervision which aids the veteran in completing his repayment of the loan.

4 The House version does not provide for loans to enable disabled veterans to purchase smaller than family-size farms which, together with their disability pensions, will provide sufficient income to support the disabled veterans' family. The Senate version provides for such highly desirable loans to disabled veterans.

5 The House bill does not make adequate provisions for variable payments. The Senate version leaves the original provisions of the Bankhead-Jones Farm Tenant Act in operation. Variable payments provide the veteran-farmer with insurance against losing his farm because of factors beyond his control, such as crop failures due to drought or insects

6. We would like to state our opposition to the provisions of the House version which prohibit further rehabilitation loans above $5,000, prohibit the extension of such loans beyond 5 years from the date of the original loans, and prohibit the making of further loans to a borrower who has been indebted to the lending agency for 5 consecutive years. A veteran-farmer may be making progress but may not have completely repaid his rehabilitation loans at the end of 5 years. Additional funds may well enable him to complete his rehabilitation and to repay all outstanding rehabilitation loans, but lack of such funds may prevent him from repaying the balance of the rehabilitation loans, force him to quit farming, and consequently force a foreclosure.

We deeply appreciate your sincere efforts in this field, and trust that in drafting the final bill you will take into serious consideration the ideas expressed above.

Very truly yours,

CHAT PATERSON,
National Legislative Representative, American Veterans' Committee (AVC).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN:

From the Committee on the Judiciary:

S. 2326, A bill to incorporate the Amvets, American Veterans of World War II; without amendment (Rept. No. 1674).

From the Committee on Irrigation and Reclamation:

S 2372. A bill to authorize the Secretary of the Interior to construct the Lewiston Orchards project, Idaho, in accordance with the Federal reclamation laws, with an amendment (Rept. No. 1675).

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry

H R. 6097. A bill to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes"; with an amendment (Rept. No. 1698).

By Mr DOWNEY, from the Committee on Civil Service:

S 1835 A bill to provide for the uniform administration of efficiency ratings; with an amendment (Rept. No 1677);

S. 2183 A bill to authorize the heads of executive departments and independent establishments of the United States Government to grant scientific, technical, and professional employees short leaves of absence for advanced research and study; with amendments (Rept. No. 1676),

S 2366 A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with 25 years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947, with an amendment (Rept No 1678).

H R 5831, A bill to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930, without amendment (Rept No. 1679),

H. R 6673. A bill to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended, without amendment (Rept. No 1680); and

H R 6903. A bill to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States; without amendment (Rept No 1681).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims

H R. 3145. A bill for the relief of A C. McMeans, without amendment (Rept No. 1682);

H R 3158. A bill for the relief of Leonard J. Fox and Milford G Fox, a partnership, doing business as Fox Co., without amendment (Rept. No 1683);

H R 5025 A bill for the relief of Mrs Opal Riley and Robert R Riley, with amendments (Rept No. 1685); and

H R 5722. A bill for the relief of Charles L. Cannon; without amendment (Rept No. 1684)

By Mr. O'DANIEL, from the Committee on Claims

H R 4492 A bill for the relief of Charles Marvin Smith; without amendment (Rept. No 1686).

By Mr. HUFFMAN, from the Committee on Claims:

H.R 2319. A bill for the relief of J. B. Shropshire, without amendment (Rept. No. 1687).

By Mr. EASTLAND, from the Committee on Claims:

S 1277. A bill for the relief of William S. Brown; with amendments (Rept. No. 1688); and

H. R. 1345. A bill for the relief of David M. Matteson; without amendment (Rept. No. 1689).

By Mr McMAHON, from the Committee on Claims:

H. R. 4616. A bill for the relief of the Maryland Sanitary Manufacturing Corp. of Baltimore, Md; with an amendment (Rept. No. 1690); and

H R. 4660. A bill for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser, without amendment (Rept No 1691).

By Mr. WILSON, from the Committee on Claims.

S 1731 A bill for the relief of Lester A. Desaez, without amendment (Rept No. 1692),

H R 1957. A bill for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J E Ricketts, without amendment (Rept No 1693);

H R 3043 A bill for the relief of Wilma E Baker; with an amendment (Rept No. 1696);

H R. 3857 A bill for the relief of Warren H Thompson and Madeline Parent, without amendment (Rept No. 1694), and

H R 6213 A bill for the relief of Brevet First Lt Margaret Utinsky, without amendment (Rept No 1695).

By Mr O'MAHONEY, from the Committee on Irrigation and Reclamation:

H R 4701 A bill granting the consent of Congress to the States of Utah, Idaho, and Wyoming to negotiate and enter into a compact for the division of the waters of the Bear River and its tributaries, without amendment (Rept No 1697).

MAY B MURPHY

Mr LUCAS. Mr. President, from the Committee To Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably without amendment Senate Resolution 299, submitted by the Senator from New York [Mr. WAGNER] on July 3, and I request its immediate consideration.

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to May B Murphy, widow of George W Murphy, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the months of April, May, and June, 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.) relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows.

UNITED STATES SENATE,
COMMITTEE ON EDUCATION AND LABOR,
SUBCOMMITTEE ON HEALTH AND EDUCATION,
July 9, 1946

Mr. LESLIE L. BIFFLE,
Secretary of the Senate,
United States Capitol,
Washington, D C

DEAR MR. BIFFLE: I transmit herewith the list of employees of the Subcommittee on Health and Education who are not full-time employees of the Senate. The Subcommittee on Health and Education is reimbursing the Federal Public Housing Authority for the months of April, May, and June for the service of these employees

Always sincerely,

CLAUDE PEPPER,
Chairman.

SUBCOMMITTEE ON HEALTH AND EDUCATION
JULY 9, 1946

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the months of April, May, June, 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Bragman, Charles	Arlington Village Apartments, Arlington, Va.	Federal Public Housing Authority, 1201 Connecticut Ave. NW.	$6,440
Raschella, Dolores[1]	3625 Warren St. NW., Washington, D. C.	do	2,320

[1] Ramspeck, effective June 2, 1946

CLAUDE PEPPER, *Chairman.*

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES — CIVILIAN EMPLOYMENT OF EXECUTIVE BRANCH

Mr. BYRD. Mr. President, according to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, there was a total of Federal employment amounting to 2,848,527 for the month of May. This total shows a decrease of 25,444 when compared to the April total of 2,873,971. However, if War and Navy Departments are excluded from the total and a comparison made there is an increase of 24,813. Thus for every one separated from those two Departments there is almost an equal number appointed in other departments.

Less than half of this increase—11,688—was in Veterans' Administration.

Most of the remainder was made up of increases in Agriculture of 4,641, Interior 1,601, Post Office 2,581, OPA 1,070, and War Assets Administration 2,036.

There was a decrease in industrial—skilled, semiskilled, and unskilled—employment of 21,245. This is the difference between the April total of 1,090,229 and May total of 1,068,984. The decrease is composed of 8,111 in War Department, 11,553 in Navy, and 1,583, in all other departments.

Employment outside the continental United States based on the latest available figures for War and Navy Departments and current figures for other departments increased 8,564. The Navy Department increased 11,321 and all other departments except War increased 1,363, or a total of 12,684. This was offset, however, by a decrease in War Department of 4,120, making the net increase 8,564.

I ask unanimous consent to submit a report and request that it be printed in the RECORD.

There being no objection, the report was received and ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, MAY 1946, AND A COMPARISON WITH APRIL 1946

(All figures compiled from reports signed by the heads of Federal establishments or their authorized representatives)

[illegible] tion of Nonessential Federal Expenditures, Federal personnel within the continental United States during May decreased 34,008 from a total of 2,397,743 in April 1946 to 2,363,735 in May. Excluding the War and Navy Departments, personnel increased 23,490 from the April total of 1,206,380 to the May total of 1,231,780. The War Department inside the United States decreased 31,947 from the April figure of 715,971 to the May figure of 684,024. The Navy Department within the United States decreased 25,511 from the April figure of 473,442 to the May figure of 447,931. (See table I)

Outside the continental United States Federal personnel increased 8,564 from the April total of 476,338 to the May total of 484,792. Exclusive of the War and Navy Departments, there was an increase of 1,363 from the April total of 53,649 to the May total of 55,012. The Navy Department showed an increase of 11,321 making the total increases 12,684. This figure was offset by a decrease of 4,120 in the War Department making a net increase of 8,564. (See table II)

The consolidated table presenting data with respect to personnel inside and outside continental United States shows a total decrease of 25,444 from the April total of 2,873,971 to the May total of 2,848,527. Excluding the War and Navy Departments, there was an increase of 24,813 employees in the executive branch of the Federal Government from the April figure of 1,261,979 to the May figure of 1,286,792. (See table III.)

Industrial employment during the month of May decreased 21,245 from the April total of 1,090,229 to the May total of 1,068,984. The War Department decreased 4,485 employees outside continental United States and decreased 8,946 inside the United States in the industrial group making a total reduction of 8,111. The Navy Department showed a decrease of 11,553 industrial employees. The term "industrial employees" as used by the committee refers to unskilled, semiskilled, skilled, and supervisory employees paid by the Federal Government who are working on construction projects such as airfields and roads, and in munition plants, shipyards, and arsenals. It does not include regular maintenance and custodial employees. (See table IV.)

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during May 1946, and comparison with April*

Department or agency	1946		Increase (+) or decrease (−)
	April	May	
Executive Office of the [illegible]	779	773	−6
Departments:			
Agriculture Department	80,254	80,894	+4,589
Commerce Department	33,512	33,742	+30
[illegible]	41,702	44,883	+1,181
[illegible]	25,500	25,974	+526
[illegible]	34,915	35,244	+329
[illegible] ment	460,803	462,407	+2,604
State Department	8,398	8,366	−4
Treasury Department	108,512	107,856	−786
Emergency war agencies:			
Committee on Fair Employment Practice	26	10	−20
Office of Alien Property	661	694	+33
[illegible]	120	99	−21
[illegible]	381	344	−37
[illegible]	32,944	33,010	+1,066
[illegible] ment	715	639	−76
Office of War Mobilization and Reconversion	192	183	−9
[illegible]	74	70	−4
[illegible] tion	14,800	14,506	−294
War Shipping Administration	3,243	3,181	−62
Postwar agencies:			
Civilian Production [illegible]	2,514	3,322	+478
[illegible]	914	901	+17
[illegible] stabilization	39	45	+6
War Assets Administration	30,491	32,410	+2,019
Independent agencies: [illegible]	2	2	------
[illegible]			
Monuments in Europe	6	6	------
Civil Aeronautics Board	402	399	−3
Civil Service Commission	4,421	4,329	−92
[illegible]	521	517	−4
[illegible]	98	102	+4
Federal Communications	1,390	1,388	−2
[illegible]	1,199	1,170	−29
[illegible] mission	727	739	+12
Federal Security Agency	31,338	31,250	−88
Federal Trade Commission	704	701	−3
[illegible]	22,042	22,501	+459
General Accounting Office	14,377	14,244	−133
Government Printing Office	7,301	7,259	−42
[illegible]			
[illegible]	3,317	3,314	−3
[illegible]	9,527	9,826	+299
[illegible]			
[illegible]	5,427	5,440	+173
[illegible]	339	339	+1
[illegible]	274	268	−6

[1] All employees were furloughed at the end of the last pay period for the month of April because of lack of funds.

[2] Included in the Interior Department report.

TABLE I.—*Federal personnel inside continental United States employed by executive agencies during May 1946, and comparison with April*—Continued

Department or agency	1946		Increase (+) or decrease (−)
	April	May	
[illegible]			
[illegible] mission	15	15	------
National Gallery of Art	288	299	+11
[illegible]	16,461	16,823	+362
[illegible]	973	1,001	+28
[illegible] ment	102	106	+4
Panama Canal	290	300	+10
Railroad Retirement Board	1,951	1,989	+38
[illegible]	11,622	11,678	+46
[illegible]	1,198	1,188	−10
[illegible] ment	427	426	−1
[illegible]	245	247	+2
[illegible]	120	121	+1
Veterans' Administration	11,052	11,087	+35
[illegible]	163,847	165,324	+11,478
[illegible]			+28,856
[illegible]			−2,408
[illegible]			
[illegible]			+26,448
Navy Department	473,442	447,931	−25,511
War Department	715,971	684,024	−31,947
[illegible]			
[illegible]			
[illegible]			−34,008

TABLE II.—*Federal personnel outside continental United States as placed by agencies in reports during May 1946, and comparisons with April*

Department or agency	1946		Increase (+) or decrease (−)
	April	May	
Executive departments (except War and Navy Departments):			
Agriculture Department	1,337	1,409	+72
Commerce Department	2,243	2,318	+75
Interior Department	4,320	4,760	+440
[illegible]	312	314	+2
[illegible]	156	145	−11
[illegible] ment	1,443	1,420	−23
State Department	11,345	11,681	+336
[illegible]	661	699	+38
[illegible]	45	58	+13
[illegible]	220	220	−1
[illegible]	418	422	+4
[illegible] tion	286	278	−8
War Shipping Administration	646	557	−89
Postwar agencies:			
Civilian Production Administration	7	11	+4
War Assets Administration	0	17	+17
Independent agencies:			
American Battle Monuments Commission	37	37	------
Civil Aeronautics Board	10	9	−1
Civil Service Commission	8	8	------
Employees Compensation Commission	45	47	+2

TABLE II—*Federal personnel outside continental United States employed by executive agencies during May 1946, and comparison with April*—Continued

Department or agency	1946 April	1946 May	Increase (+) or decrease (−)
Independent agencies—continued			
Export-Import Bank of Washington	2	2	
Federal Communications Commission	69	69	
Federal Power Commission	2	2	
Federal Security Agency	470	455	−21
Federal Works Agency	208	224	+26
Maritime Commission	18	18	
National Housing Agency	32	34	+2
National Labor Relations Board	4	4	
Panama Canal	29,382	29,487	+105
Reconstruction Finance Corporation	204	198	−96
Smithsonian Institution	7	7	
Veterans' Administration	571	781	+210
Total, excluding War and Navy Departments	35,649	35,812	{+1,895 −232}
Net increase, excluding War and Navy Departments			+1,663
Navy Department	76,412	81,723	+11,321
War Department	[1] 352,187	[2] 348,067	−4,120
Total, including War and Navy Departments	470,228	484,702	{+12,924 −4,450}
Net increase, including War and Navy Departments			+8,464

[1] Figures as of Mar. 31, 1946.
[2] Figures as of Apr. 30, 1946.

TABLE III—*Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during May 1946, and comparison with April*

Department or agency	1946 April	1946 May	Increase (+) or decrease (−)
Executive Office of the President Bureau of the Budget	779	774	−5
Executive departments (except War and Navy Departments)			
Agriculture Department	57,632	62,273	+4,641
Commerce Department	35,735	35,840	+105
Interior Department	48,622	49,623	+1,001
Justice Department	26,042	26,206	+164
Labor Department	28,672	28,889	+217
Navy Department	483,246	484,527	+2,281
State Department	19,615	20,323	+708
Treasury Department	109,332	108,586	−746
Emergency war agencies			
Committee on Fair Employment Practices	25	10	−15
Office of Alien Property	705	742	+37
Office of Censorship	120	99	−21
Office of Price Administration	611	573	−38
Office of Scientific Research and Development	23,392	24,342	+1,070
Office of War Mobilization and Reconversion	715	639	−76
Petroleum Administration for War	192	183	−9
Selective Service System	58	10	−54
War Department	18,176	14,794	−382
Payments to Philippine funds			

[1] Included in the Interior Department report

TABLE III—*Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during May 1946, and comparison with April*—Continued

Department or agency	1946 April	1946 May	Increase (+) or decrease (−)
Emergency war agencies—Continued			
War Shipping Administration	3,850	4,716	−121
Posts or agencies			
Civilian Production Administration	2,881	3,323	+442
National Wage Stabilization Board	944	961	+17
Office of Economic Stabilization	32	40	+8
War Assets Administration	30,391	32,637	+2,236
Independent agencies			
American Battle Monuments Commission	29	29	
American Commission, Protection of Monuments in Europe	6	6	
Civil Aeronautics Board	612	608	−4
Civil Service Commission	4,288	4,296	−92
Employees' Compensation Commission	886	884	−2
Export-Import Bank of Washington	98	102	+4
Federal Communications Commission	1,339	1,337	−2
Federal Deposit Insurance Corporation	1,290	1,172	−28
Federal Power Commission	727	739	+12
Federal Security Agency	31,814	31,735	−79
Federal Trade Commission	294	291	−3
Federal Works Agency	22,340	22,825	+485
General Accounting Office	14,277	14,264	−133
Government Printing Office	7,304	7,289	−63
Interstate Commerce Commission	2,317	2,314	−3
Maritime Commission	9,545	9,914	+369
National Advisory Committee for Aeronautics	5,462	5,640	+177
National Archives	359	360	+1
National Capital Park and Planning Commission	274	268	−6
National Gallery of Art	18	15	−3
National Housing Agency	268	279	+11
National Labor Relations Board	15,493	15,957	+464
National Mediation Board	977	1,005	+28
National Railroad Adjustment Board	100	104	+4
Panama Canal	28,630	28,745	+115
Railroad Retirement Board	1,631	1,969	+38
Reconstruction Finance Corporation	11,930	11,870	−60
Securities and Exchange Commission	1,198	1,188	−10
Selective Service System	434	433	−1
Smithsonian Institution	265	267	+2
Tariff Commission	120	121	+1
Tennessee Valley Authority	11,022	11,057	+35
Veterans' Administration	164,433	165,116	+11,683
Total, excluding War and Navy Departments	[1] 1,351,970	[2] 1,324,783	{+27,313 −3,500}
Net increase, excluding War and Navy Departments			−26,813
Navy Department, inside and outside United States	843,954	829,854	−14,100
War Department, inside continental United States	715,971	684,039	−31,947
War Department, outside continental United States	[illegible]	[illegible]	[illegible]
Total, including War and Navy Departments	[illegible]	[illegible]	[illegible]
Net decrease, including War and Navy Departments			−25,414

[1] Figures as of Mar. 31, 1946.
[2] Figures as of Apr. 30, 1946.

TABLE IV—*Industrial employees*[1] *of Federal Government, inside and outside the continental United States, employed by executive agencies during May 1946, and comparison with April*

Department or agency	1946 April	1946 May	Increase (+) or decrease (−)
Executive departments (except War and Navy Departments)			
Commerce Department	1,107	1,172	+65
Interior Department	4,747	3,392	−1,355
State Department	210	212	+2
Treasury Department	6,223	6,018	−205
Independent agencies			
National Housing Agency	744	747	+4
Panama Canal	2,880	2,880	
Tennessee Valley Authority	4,888	4,846	−13
Total, excluding War and Navy Departments	20,848	19,966	{+61 −1,043}
Net decrease, excluding War and Navy Departments			−1,982
Navy Department, inside and outside United States	202,688	201,088	−11,592
War Department, inside continental United States	239,129	235,484	−3,645
War Department, outside continental United States	[2] 227,914	[3] 223,449	−4,465
Total, including War and Navy Departments	1,050,229	1,039,984	{+61 −21,306}
Net decrease, including War and Navy Departments			−21,245

[1] Industrial employees include unskilled, semiskilled, skilled, and supervisory employees on construction projects. Maintenance and custodial workers are not included.
[2] Figures as of Mar. 31, 1946.
[3] Figures as of Apr. 30, 1946.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr MURDOCK:

S. 2431 A bill to provide for health programs for Government employees; to the Committee on Education and Labor.

By Mr. BUSHFIELD:

S 2432 A bill authorizing and directing the Secretary of the Interior to issue to Mrs. Bessie Two Elk-Four Bear a patent in fee to certain land; and

S 2433 A bill authorizing and directing the Secretary of the Interior to issue to Tom Eagleman a patent in fee to certain land; to the Committee on Indian Affairs.

By Mr. HOEY (for Mr. BAILEY):

S. 2434 A bill to amend the Civil Aeronautics Act of 1938, as amended, to empower the Civil Aeronautics Board to prescribe rates and practices and to suspend rates of air carriers in foreign air transportation, and for other purposes; to the Committee on Commerce

By Mr GOSSETT:

S 2435 A bill for the relief of Yasutaro Iruie; to the Committee on Immigration.

By Mr HAWKES:

S. J Res. 178. Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, with respect to the establishment and maintenance of maximum rents until June 30, 1947; to the Committee on Banking and Currency.

EXTENSION OF PRICE CONTROL—AMENDMENTS

Mr. MOORE submitted an amendment intended to be proposed by him to the

joint resolution (H J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. ROBERTSON submitted an amendment in the nature of a substitute intended to be proposed by him to the joint resolution (H. J Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

DEATH OF SIDNEY HILLMAN

Mr WAGNER. Mr President, I have just sent the following telegram to the bereaved widow of Sidney Hillman:

I was terribly shocked to learn of the death of your dear husband and my beloved friend. His record of public service and humane endeavor was so long, and his application to the public interest was so constant, that the multitude of his friends and admirers almost took it for granted that he would always be there, battling for the right, striving with all his heart and strength to lift up the underprivileged and to expand the liberty, dignity, and security of his fellow men throughout the world But the Almighty has decreed otherwise Sidney Hillman's passing is an irreparable loss, but those near and dear to him have the consolation of knowing that his record of service is imperishable, and that his name will live as long as freedom, tolerance, and justice strike a responsive chord in the hearts of men Please accept my deepest sympathy in your bereavement.

ROBERT F WAGNER.

Mr PEPPER Mr President, I wish to say just a few words about Sidney Hillman, who this morning was the victim of the scythe of death. Mr. Hillman was the president of the Amalgamated Clothing Workers of America. The story of his life is a typical American success story.

Sidney Hillman came to this country as a poor Lithuanian boy when he was 20 years of age, and started in a very humble way a career which carried him into the role of a great and patriotic citizen of this country. I mention just a few of the public positions which he held.

Member of Labor Advisory Board of NIRA, 1933; member of the Academy of Political and Social Science; member, National Recovery Board, 1933; member, National Youth Administration; member, Advisory Board of the United States Employment Service; treasurer, Labor's Nonpartisan League; director, American Labor Party; chairman, Textile Workers' Union of America; vice president, Congress of Industrial Organizations; member, Advisory Committee of the Council of National Defense; chairman of the CIO Political Action Committee; vice president of the World Federation of Trade Unions; member of the Advisory Commission to the Council of National Defense, 1944; 1940, accepted membership on the Commission of American Citizenship of the American Hierarchy of the Roman Catholic Church; 1940, member, National Citizens Committee of the White House Conference on Children in the Democracy; 1940, member of the Mayor's Business Advisory Committee, New York City; 1940, associate director of the Office of Production Management for Defense; 1942, head of the Labor Division, War Production Board; 1941, member of the board of directors, Nonsectarian Anti-Nazi League; 1942, labor adviser to President Franklin D. Roosevelt.

Mr. President, everyone knows that Mr. Hillman was the head of the CIO Political Action Committee. I should like to read from a little pamphlet which I am told was one of Mr Hillman's favorite publications, entitled "This Is Your America," issued by the Political Action Committee, in which the objectives of the Political Action Committee are listed. I read them:

After the war is won, we are for:
A job for everyone who wants to work,
Fair wages for every worker,
The protection of the rights of labor in every possible way,
The protection of the small farmer,
A good home for every family,
Medical care for all who need it;
A chance for everyone to become educated,
All help to the returned soldier until he establishes himself in civilian life,
Enough insurance for the sick, the aged, the unemployed, the crippled, the widowed, and the orphaned, and
Fair play with all the nations of the world

Mr President, that is an American program, I venture to say. That is a declaration of one who wants to help the fellow citizenry of the country which gave him asylum, and made it possible for him to carve out a distinguished career.

Sidney Hillman has not been without his traducers He, like most men who take an active part in public affairs, has been the center of keen and sometimes bitter controversy. But I think those who see the life and career of Sidney Hillman in retrospect against the background of his generation, will see that he served his fellow men, that he served them honorably, ably, and unselfishly.

Mr. President, not only the working men and women of the Amalgamated Clothing Workers, not only the Congress of Industrial Organizations, not only the labor-union movement in this country, but all working men and women—and I venture to add, all business men and women—every citizen of this country, indeed, the people of the world, are poorer today because this Lithuanian boy, who came here homeless and without name or fame, has died.

I wish to be one of those, Mr. President, to express appreciation for the public service he has rendered, and in a heartfelt way to mourn his passing.

INTERNATIONAL CONTROL OF ATOMIC ENERGY—ADDRESS BY SENATOR REVERCOMB

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an address on the subject of the international control of atomic energy, delivered by him at Chautauqua, N Y, on July 4, 1946, which appears in the Appendix]

IT IS YOUR CONGRESS—ADDRESS BY SENATOR MORSE BEFORE NATIONAL FEDERATION OF BUSINESS AND PROFESSIONAL WOMEN'S CLUBS

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address entitled "It Is Your Congress," delivered by him at the biennial convention of the National Federation of Business and Professional Women's Clubs, Inc., at Cleveland, Ohio, on July 9, 1946, which appears in the Appendix]

LOOK TO THE SOURCE—ARTICLE FROM PM

[Mr GUFFEY asked and obtained leave to have printed in the RECORD an article entitled "Look to the Source," written by Max Lerner, and published in PM on July 9, 1946, which appears in the Appendix]

FISCAL POLICY OF THE UNITED STATES—EDITORIAL FROM THE CONCORD DAILY MONITOR AND NEW HAMPSHIRE PATRIOT

[Mr BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Far From Out of the Woods," published in the Concord (N H) Daily Monitor and New Hampshire Patriot of July 9, 1946, which appears in the Appendix.]

ADDRESS BY SENATOR KILGORE TO WEST VIRGINIA RURAL LETTER CARRIERS' ASSOCIATION

[Mr MEAD asked and obtained leave to have printed in the RECORD an address by Senator KILGORE on July 5, 1946, to the West Virginia Rural Letter Carriers' Association, which appears in the Appendix]

THE CONSTRUCTION OF BRIDGES ACROSS POTOMAC RIVER

Mr. HOEY Mr. President, I ask unanimous consent to have considered at this time House bill 541 and Senate bill 2352, which have been unanimously favorably reported from the Committee on the District of Columbia, and about which there is no controversy. The bills relate to the District of Columbia.

Mr. BARKLEY. The Senator makes the request without prejudice to the unfinished business?

Mr. HOEY. Yes; without prejudice to the unfinished business.

I first ask unanimous consent for the consideration of House bill 541, authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges across the Potomac River.

The PRESIDENT pro tempore. Is there objection?

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr REVERCOMB. May I ask the Senator to explain briefly just what the bills are?

Mr. HOEY. This is a matter which has been in controversy for some time, but all the elements have agreed on this bill. It involves the construction of two bridges across the Potomac River for which the District pays half and the Government the other half. As I have said, all elements have agreed on the bill, and the House has unanimously passed it.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, may I say that the Senator from North Carolina spoke to me about these bills yesterday. I canvassed as well as I could the minority members of the committee, and I found no objection to the bills.

Mr. BARKLEY. As I understand, these are District bills?

Mr. HOEY. Yes; they relate only to the District of Columbia.

Mr. BARKLEY. And they are urgent?

Mr. HOEY. Yes; they are urgent.

Mr. BARKLEY. And they have been reported unanimously, and it is important that they be passed without delay.

Mr. HOEY. That is correct. There is no objection to either one of the bills.

Mr. MURDOCK. Mr. President, if I understand the request of the Senator from North Carolina, it is that the unfinished business be temporarily laid aside?

Mr. HOEY. Yes

Mr. MURDOCK. I should like to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MURDOCK. If the request of the Senator from North Carolina is granted, immediately after action is taken on the bills the Senator from North Carolina has in mind, will the Senate resume the consideration of the unfinished business?

The PRESIDENT pro tempore. It will. Is there objection to the request of the Senator from North Carolina?

There being no objection, the bill (H. R. 541) authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN SALARIES OF TEACHERS, ETC., IN THE DISTRICT OF COLUMBIA

Mr. HOEY. I now ask unanimous consent for the immediate consideration of Senate bill 2352

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2352) to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with amendments.

The amendments of the committee were on page 1, after the enacting clause, to strike out:

That title I of the District of Columbia Teachers' Salary Act of 1945, as amended, is hereby further amended by increasing each basic annual salary rate and each maximum annual salary rate in each class and in each class and group as set forth therein, with the exception of class 29, by the sum of $450.

SEC. 2. Each teacher, school officer, or other employee, whose salary is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended, with the exception of the Superintendent of Schools, who is in the service of the Board of Education on July 1, 1946, shall be entitled to receive an increase in his compensation at the rate of $450 per annum in addition to any other increase or increases to which he may be entitled under the provisions of the said act, as amended on July 24, 1945.

And insert:

That for the fiscal year commencing July 1, 1946, all employees of the Board of Education whose salaries are fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended, except the Superintendent of Schools, shall receive, in addition to the compensation already provided for under such act, as amended, additional compensation at the rate of $450 per annum.

On page 2, after line 22, to insert:

SEC. 3. The Board of Education is hereby directed to make a study of the pay scales and classifications of the employees of the said Board whose salaries are fixed and determined by the District of Columbia Teachers' Salary Act of 1945, as amended, for the purpose of determining what salary and classification adjustments, if any, may be necessary or desirable, and to make a report, including its findings and recommendations, to the respective chairmen of the Senate and House District Committees not later than February 1, 1947.

And on page 3, after line 7, to strike out:

SEC. 4. This act shall take effect July 1, 1946

And insert:

SEC. 4. This act shall take effect as of July 1, 1946

So as to make the bill read:

Be it enacted, etc., That for the fiscal year commencing July 1, 1946, all employees of the Board of Education whose salaries are fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended, except the Superintendent of Schools, shall receive, in addition to the compensation already provided for under such act, as amended, additional compensation at the rate of $450 per annum

SEC. 2 There is authorized to be appropriated, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act, and any appropriations for the public schools of the District of Columbia for personal services are hereby made available for the payment of the increased salaries authorized by this act.

SEC 3 The Board of Education is hereby directed to make a study of the pay scales and classifications of the employees of the said Board whose salaries are fixed and determined by the District of Columbia Teachers' Salary Act of 1945, as amended, for the purpose of determining what salary and classification adjustments, if any, may be necessary or desirable, and to make a report, including its findings and recommendations, to the respective chairmen of the Senate and House District Committees not later than February 1, 1947.

SEC. 4. This act shall take effect as of July 1, 1946

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. EASTLAND. Mr. President, I suggest the absence of a quorum.

Mr. STANFILL. Mr. President, will the Senator withhold his suggestion for a moment

Mr. EASTLAND. I am glad to.

Mr. STANFILL. Mr. President, this morning when I picked up the July 8 issue of the Louisville Times, a newspaper published in Louisville, Ky., I noted the headlines, "Rush of meat to market jams downtown traffic—'Beef line' blocks long—Thousands watch livestock parade toward city slaughterhouses—Market street became beef boulevard today."

Without taking the time of the Senate to read the article, I ask unanimous consent that it be inserted in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSH OF MEAT TO MARKET JAMS DOWNTOWN TRAFFIC—BEEF LINE BLOCKS LONG—THOUSANDS WATCH LIVESTOCK PARADE TOWARD CITY SLAUGHTERHOUSES

Market Street became Beef Boulevard today.

One of the worst traffic jams on record started shortly after 8 a. m. as hundreds of farm trucks started moving in, loaded with cattle, sheep, and hogs for the Bourbon Stock Yards.

By noon Market was jammed with livestock trucks from the stockyards all the way to Sixth

At 8 a. m. the trucks were lined up as far back as Campbell; by 9 15 a. m the jam had moved back to Preston on Market At 11 a m the line extended beyond First and at noon it was in the heart of the downtown district

The sight of the long line of trucks loaded with all kinds of livestock attracted the attention of thousands of persons along Market Many of them hung out windows to gawk at the sight of so many potential beefsteaks on parade

There was a holiday spirit along the street as if a circus was staging a parade.

Capt Lloyd Chaudoin, head of the traffic department, took seven patrolmen from regular beats to direct traffic, and placed on duty a special police car and three motorcycle patrolmen.

All traffic other than the stock trucks was being turned at First either onto Jefferson or Main.

Louisville Railway Co. busses on Market were running behind schedule, piled up behind each other in the jam of bellowing cattle, baaing sheep, and grunting hogs.

Assistant Fire Chief Harry Ellington, after observing that there was no lane kept open for fire trucks in case of fire as the traffic increased during the morning hours, immediately took steps to insure a clear passage if needed, especially at the intersections going north and south.

As the traffic increased Captain Chaudoin changed his plan and routed the cattle trucks over both Market and Main as they came in Eighteenth. From Eighteenth to where the line formed, trucks made up a great part of the traffic.

A good number of the farmers, after waiting in the slow moving line for hours to reach the stockyards, turned out and started back home, fearful that their livestock would be harmed because of the heat and being penned in such close quarters.

Mr. WHERRY. Mr. President, will the Senator from Mississippi yield to me?

Mr. EASTLAND. I yield.

Mr. WHERRY. Mr. President, yesterday I neglected to place in the RECORD the report of the 12 central markets of the country relative to the receipts and purchases and sales of livestock for meat. I now ask unanimous consent to point out that this market report reveals that yesterday receipts at the 12 large markets of the country amounted to over 57,000 head of cattle and over 75,000 head of hogs, and that the receipts at the 12 markets for the first 2 days of this week, if we add them together, amounted to over 158,000 head. This number was 7 percent larger than the market supply in the same 2 days last week, and 85 percent larger than the supply in the corresponding 2 days the week before, which should convince the most skeptical that without price control of meat we are getting receipts in the market, and when we get receipts we will finally get the prices to a point where the consumer can buy meat, because the black market is eliminated when the meat comes through legitimate channels.

I should also like to call attention to the hog market. There were 75,000 hogs received on the market. There was about the same percentage as applied to cattle, that is, 85 percent more hogs this week than the same 2 days a week prior to the elimination of price control.

Mr. President, I call attention now to one of the most important parts of the report, which was so ably brought out by the distinguished Senator from Wyoming [Mr. ROBERTSON] The top sales on two loads of cattle showed a price of $22.50, but the public should not be misled by the headlines in the papers to believe that the price of meat from these prime cattle is soaring. There are very few prime cattle being sold in the markets today, and the meat from them goes to the hotels or the restaurants which can afford to pay for it and sell it at a corresponding price. Eighty percent of the cattle are what are called good-to-choice cattle, and the price was 25 cents lower yesterday than at Friday's close. Between 80 and 90 percent of the beef comes from the good-to-choice cattle, and those cattle sold at from $19 down. The public should know that the top selling price ranges around $18; so that in reality 90 percent of the beef sold on the market yesterday sold at a top price of $19, and I am satisfied that if it is averaged out, it did not bring a selling price of above $18

Mr ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr ROBERTSON. I understand from the Senator that there was a total of 57,000 cattle received in the 12 markets yesterday.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. And that the top price of $22.50, out of that 57,000, was paid for 2 loads.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. For the benefit of the Senate, I would say that those two loads would probably amount to not more than between 50 and 60 head.

Mr WHERRY. That is correct. The public should not be misled. The choice cattle bought by the public sold at almost normal prices based upon the old Vinson range, and if cattle receipts continue at the same rate meat prices will fall, because whenever the pipe line is filled up, as the distinguished Senator from Kentucky read in the newspaper article, and we get receipts, the quickest results are obtained in the stopping of high prices and the prevention of inflation.

Mr President, inasmuch as the meat amendment has been voted upon, it is unnecessary to take any further time of the Senate, but I shall ask unanimous consent to put in the RECORD the complete market report, which is in detail as to not only cattle and hogs, but as to sheep. It speaks for itself.

I should like to say, with reference to hogs, so that the public will have the information, that the price of hogs went to only 10 cents higher than at Friday's close, which is another top price for only a few loads of choice hogs, higher than the $16 60 market, but the bulk of the hogs, which are choice, sold at around $15 50. The top selling price under the Vinson range was $14 85, so that the bulk of the hogs sold for only 65 cents a hundred more than the top selling price.

Mr. President, that is not a soaring price, that is almost a normal price, and if the receipts of hogs continue, we will see that prices will not increase on a soaring basis They will have to be adjusted finally on the basis of the subsidies, because if the subsidies are not paid, that matter has to be ironed out That will depend upon receipts, because if receipts continue, prices will be reduced instead of increased

Mr ROBERTSON Mr President, will the Senator yield again?

Mr. WHERRY. I yield.

Mr. ROBERTSON. The Senator has to some extent apologized for putting these prices in the RECORD, because his meat amendment was agreed to yesterday. I am hoping that the Senator will continue to get the prices each day and put them in the RECORD every day.

Mr WHERRY. I wish to thank the Senator——

Mr EASTLAND Mr. President, I thought I was yielding for an insertion in the RECORD

Mr. WHERRY. Very well Will the Senator permit me to finish this statement?

Mr. BARKLEY. I should like to suggest to the Senator from Nebraska, and all other Senators, that the meat amendment has been agreed to, and there are other amendments to be considered.

Mr. WHERRY. The distinguished majority leader will not complain at the speed with which we have handled the amendments?

Mr. BARKLEY. No; but the Senator's amendment was agreed to yesterday.

Mr. WHERRY. I did not get a chance to put this report in yesterday. I shall put the reports in each morning as I get them, not only for the remainder of this week, but for later weeks, and I thank the distinguished Senator from Mississippi for the time he has afforded me.

I renew my request that the report to which I have been referring be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

A report just received from the American Meat Institute in Chicago, on the livestock and meat situation today, shows a continuance of more liberal marketings of livestock, since the expiration of price controls, thereby assuring American housewives increased supplies of meat in retail meat stores within the next few days These increased supplies of meat also will be available to housewives for the most part at fair, reasonable, and competitive prices—not even as high as the black-market prices that have been charged consumers by illegal operators for many months past

Receipts at 12 important livestock markets in the country this morning were estimated by the United States Department of Agriculture at 57,000 cattle and 75,000 hogs—up substantially from late June and also from this same date a year ago For the first 2 days this week, salable receipts of cattle at the 12 markets amounted to 157,000 head. This number is almost double the number received during the same 2 days last week, 20 percent more than that in the same 2 days a year ago, and almost double market receipts in the same 2 days the last week in June—just before price control ended. Receipts of calves the first 2 days this week, which amounted to over 27,000 head, were 63 percent larger than receipts in the same 2 days a week ago, and 35 percent larger than those in the same 2 days a year ago

The Department of Agriculture reported the cattle market in Chicago yesterday as follows: "In a general way, the market for slaughter cattle ruled steady at 25 cents lower compared with last week's close"

The cattle market in Chicago this morning according to this early report, was steady with yesterday's close Prevailing cattle prices this week except for the small portion of extremely well-finished cattle, are somewhat lower than prices prevailing in the early part of last week

Reports indicate that a very liberal market supply of cattle from the important grazing areas of the Southwest, especially the well-known Osage and Blue Stem pasture areas in Oklahoma and Kansas, will be shipped to market very soon Some are beginning to move this week

Receipts of hogs at the 12 markets for the first 2 days this week amounted to over 158,000 head This number was 7 percent larger than the market supply in the same 2 days last week, 85 percent larger than the supply in the corresponding 2 days a week ago, and over five times the receipts for the comparable 2 days in the last week of June—the week in which price controls terminated

Early sales of hogs at Chicago this morning were made at slightly higher than yesterday's close, but still considerably less than the price prevailing at the beginning of last week

The top price early this morning is reported at $17 15 per hundredweight, as compared with $18.50 top in Chicago at the beginning of last week The top yesterday was $16 75 per hundredweight, but the Department of Agriculture states: "That price was paid, however, only for a few lots of lightweight hogs"

With a continued liberal and orderly flow of livestock to market, prices of livestock and of meats may be expected to become reasonably stable at fair and competitive levels and, at the same time, will tend to encourage adequate production of livestock and meats to meet the needs of this country,

in addition to what may be decided necessary for shipment abroad.

A review of the probable supply of meat and price trends for the months ahead, on the assumption that controls on meats and livestock will be kept off, may be of special interest at this time. This is of interest because current markets are being affected obviously by a number of unusual, temporary, and abnormal circumstances. It is the stated view of the Department of Agriculture—and this view is concurred in generally by the trade—that "current forecasts of disposable consumer income and prospective civilian meat supplies for the second half of 1946 indicate that prices of meat at retail for that period would average 15 to 20 percent above present reported levels if price ceilings on meat and live animals were removed."

The removal of subsidies on meat and livestock alone accounts for most of this increase, since these subsidies on the average amounted to from 12 to 15 percent.

The term "reported levels," as used above, reflects largely the OPA ceiling prices prevailing at the time rather than actual selling prices, which, in late February and early March, were found by factual survey to be 20 percent above ceiling prices.

A number of factors, including the following, undoubtedly were considered in reaching the foregoing conclusion:

1 Government reports showing largest per capita civilian meat supply in 35 years.

2 Increasing supply of durable goods will reduce the amount of the housewife's budget available to spend for meat

3 Near record supplies of poultry and eggs

4 Some kinds of meat already below ceilings

5. Elimination of inefficiency and waste of black market and resulting better distribution of meat, and recovery again of livestock byproducts desperately needed for the manufacture of vital medicines, such as insulin.

6 Price consciousness and more careful competitive shopping by housewives

7 High livestock population making large potential supply of meat available

AMERICAN MEAT INSTITUTE

CHICAGO, ILL.

PUBLIC WORKS ON RIVERS AND HARBORS—CONFERENCE REPORT

Mr. OVERTON submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows

That the Senate recede from its amendment numbered 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18 and agree to the same with an amendment as follows Restore the language stricken out and omit the language inserted, and, on page 8, lines 10 and 11, of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers, dated April 24, 1946," and insert in lieu thereof "House Document Numbered 592 Seventy-ninth Congress,"; and the Senate agree to the same

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: On page 8, lines 18, 19, and 20, of the House engrossed bill, strike out "in accordance with the report of the Chief of Engineers dated April 9, 1946;" and insert in lieu thereof "House Document Numbered 693, Seventy-ninth Congress;"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In line 3 of the amendment, after the words "persons engaged on the", insert the words "construction of the", and the Senate agree to the same.

JOHN H OVERTON,
THEO G BILBO,
GEO L. RADCLIFFE,
CLAUDE PEPPER,
JAMES M. MEAD,
ALEXANDER WILEY,
C WAYLAND BROOKS,
E V ROBERTSON,
Managers on the Part of the Senate.

HUGH PETERSON,
J E RANKIN,
O C FISHER,
J HARDIN PETERSON,
GEO A DONDERO,
W. A PITTENGER,
HOMER D ANGELL,
ROBERT L RODGERS,
HENRY M JACKSON,
Managers on the Part of the House.

Mr OVERTON. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr OVERTON Mr President, I wish to make a short statement. All the Senate amendments were agreed to with one exception, and that was with regard to the Arkansas River. We had to recede on that.

Mr. McCLELLAN Mr President, will the Senator yield?

Mr. OVERTON I yield.

Mr McCLELLAN. As I understand, all other provisions of the bill have been agreed to except the one increasing the authorization for work on the Arkansas River, which involved the beginning of construction of navigation facilities That means, of course, that the starting of the work will be delayed, but the construction of the Eufaula Dam under the present authorization can be begun. Is that correct?

Mr. OVERTON. The Senator is correct. The Eufaula Dam construction can be begun as soon as an appropriation is made

Mr. McCLELLAN I merely wish to express my regret that the House did not go along with the action taken by the Senate, which increased the authorization for the Arkansas River Basin. The general, comprehensive plan was adopted Of course, I think this work should be begun as soon as it can be. I regret that this delay is to be encountered. I express the hope that next year the authorization will be made, and the proposed development of one of the important streams of this Nation, and one in which my State is most vitally interested, will be gotten underway. I thank the Senator.

Mr. OVERTON. Mr. President, I move that the conference report be agreed to.

The motion was agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BARKLEY. Mr. President, I wish to make an announcement. I assume the Senate is anxious to dispose of the pending legislation as soon as possible, and I am taking advantage of the opportunity to advise Senators, so they may be ready for a night session tonight if it is necessary to make such speed in the consideration of the joint resolution as will enable us to finish it tomorrow I should like to finish it today or tonight. There are many other things to be done, and if this measure has to be worked out in conference, as it may have to be, depending on what happens here and elsewhere, it is important that it be done as soon as possible. So I hope that Senators who were disappointed because we did not hold a night session last night, will be assuaged in their disappointment tonight if we should decide to hold one.

The PRESIDENT pro tempore. The Chair will say that the Chair was not disappointed.

Mr. EASTLAND. I renew my suggestion of the absence of a quorum

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Andrews	Hawkes	O'Mahoney
Austin	Hayden	Overton
Ball	Hill	Pepper
Barkley	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo	Robertson
Brooks	Johnston, S C	Russell
Buck	Kilgore	Smith
Burch	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Swift
Capehart	Lucas	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla
Chavez	McKellar	Thomas, Utah
Cordon	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Willis
Green	Murdock	Wilson
Guffey	Murray	Young
Gurney	Myers	

Mr. HILL. I announce that the Senator from North Carolina [Mr BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Mary-

land [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The PRESIDENT pro tempore Eighty Senators having answered to their names, a quorum is present

Mr EASTLAND Mr. President, on behalf of the Senator from Georgia [Mr. RUSSELL], the Senator from Ohio [Mr. TAFT], and myself, I send to the desk a substitute for the pending amendment, which I ask to have stated.

The PRESIDENT pro tempore Does the Senator desire to modify the pending amendment?

Mr. EASTLAND. I offer this as a substitute

Mr. TAFT Mr President, will the Senator yield?

Mr. EASTLAND I yield.

Mr. TAFT. I think it would be better if the Senator will modify his pending amendment. He has the right to do that.

Mr. EASTLAND. I will do that.

The PRESIDENT pro tempore. The Senator has the right to do that. The modified amendment will be stated.

The CHIEF CLERK. On page 9, between lines 14 and 15, it is proposed to insert the following:

(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to cottonseed, soybeans, or products processed or manufactured in whole or substantial part from cottonseed or soybeans.

Mr. EASTLAND. Mr. President, it had been my purpose to press for adoption of the amendment that was offered yesterday. That amendment would provide for a moderate increase in cottonseed prices, but because of the action the Senate took yesterday in decontrolling meats, animal fats, and oils, it is necessary that the modified amendment be adopted. Therefore the amendment is modified to provide for decontrol of soybean products and cottonseed products.

There has been no ceiling on cottonseed, but through an imposition of low ceilings on cottonseed products the price of cottonseed has been held down lower during the war and at this time than it was in 1941. That year Mr. Leon Henderson stated that on the basis of cost of production in 1941, $60 a ton was a reasonable price for cottonseed, but the price has been rolled back to the point where the farmer's price today is $53 a ton.

Mr President, the reason for the modified amendment is this: Vegetable oils and fats and animal oils and fats are competitive. They are interchangeable products. The animal oils and fats have been decontrolled, and if we do not decontrol vegetable oils and fats, then havoc will be created in the industry. Vegetable products which have historically gone into the manufacture of other products would no longer be used, as a manufacturer would turn to an animal product and bid the price up in order to get from under decontrol. Livestock has been decontrolled Unless the feed that goes to livestock is decontrolled there will be widespread black-market operations. Unless cottonseed meal and cake are decontrolled we will have a black market the like of which has never before existed.

The modified amendment will not increase the price of cottonseed products or soybean products to an appreciable extent, but if it is adopted it will be possible for livestock feeders in the West to secure an adequate supply of cottonseed meal, which they cannot secure today. They cannot secure it today because the mixed feed mills in the South and other industrial organizations in the South are on a barter basis with the farmers, and the product is held there, so none of it goes to the West. Take the case of cottonseed linters, which is a cottonseed product. That product is used in industry. It is held down by OPA to a price of 7 cents a pound, and yet the world price is 13 cents a pound. Linters are being imported into this country from abroad at 13 cents a pound, while the American producer is held to a price of 7 cents a pound. The amendment would assure an adequate supply of meal and cake for western farmers at reasonable prices, and would increase the overall supply of fats and oils.

Take the case of soybeans. This year the soybean acreage in the United States declined 25 percent because of inadequate price ceilings placed on that product. To correct this situation, and to prevent chaos and havoc in the industry, this amendment should be adopted.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MAYBANK. I should like to ask the Senator from Mississippi his opinion. In January and February the Senator from Mississippi, along with other Senators, opposed Mr. Bowles' threatened ceiling price on cotton.

Mr. EASTLAND. That is true.

Mr. MAYBANK. At that time it was believed by those of us here who knew something about cotton that the price on cotton should have been 30 cents.

Mr. EASTLAND That is true.

Mr. MAYBANK. At the present time it is much higher than 30 cents.

Mr. EASTLAND. Somewhat higher.

Mr. MAYBANK. Is it not the Senator's opinion that if Mr. Bowles had left the cotton market alone, and had not suggested ceilings in January, the acreage in the South, and particularly the Southwest, would have been larger, and more cotton, cottonseed, and cotton products would have been available in the 1946–47 season?

Mr. EASTLAND. There is no doubt that what the Senator says is true, and that Mr. Bowles was responsible for a reduction in acreage, and a shortening of the domestic supply of cotton.

Mr. MAYBANK. Is not that reflected in an increased price, over and above what was suggested at that time?

Mr. EASTLAND. That is true.

Mr. TAFT. Mr. President, I join the Senator from Mississippi in this amendment, adding soybeans to cottonseed. The amendment simply decontrols cottonseed, soybeans, and their products. I regret that the Senator from Mississippi insists on proceeding with this amendment before the dairy amendment is disposed of; but, after all, that is only a question of procedure. The amendments must be voted on separately. However, it seems to me that the three classifications, namely, meat, dairy products, and soybean and cottonseed oils, go together. In the decontrol of meat we completely decontrolled oleomargarine, and we decontrolled lard from hogs. Those are two of the principal edible fat products. In decontrolling dairy products we decontrol butter. It seems to me inevitable that the three should go together, and that the lard substitutes which come from cottonseed oil, and I think in part from soybean oil, should be decontrolled at the same time. Otherwise, in my opinion, there is no possibility of establishing a natural price for oils and fats So it seems to me that the three classifications, namely, meat, dairy products, and butter and lard substitutes, should all be considered in one group. We must vote on them separately, but I believe that the argument for the decontrol of lard substitutes is the same as the argument for the decontrol of dairy products

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). The question is on agreeing to the modified amendment offered by the Senator from Mississippi [Mr EASTLAND] on behalf of himself and other Senators

Mr BARKLEY. Mr. President, I wish to make a brief statement. The amendment offered yesterday by the Senator from Mississippi [Mr. EASTLAND] on behalf of himself and the Senator from Georgia [Mr. RUSSELL], before he recruited the able and outstanding assistance of the Senator from Ohio [Mr. TAFT], whose interest in cottonseed oil is to be commended, provided as follows:

(7) Maximum prices established or maintained for products manufactured or processed in whole or major part from cottonseed

shall be sufficient to reflect to the producers of such cottonseed a price increase equal to the average percentage increase in the support prices allowed to other principle competing vegetable oil seeds by the Commodity Credit Corporation since August 1, 1942, after making allowance for the manufacturing or processing margin fixed by the Commodity Credit Corporation in its 1942 cottonseed program adjusted for increased costs accruing since August 1, 1942

The support prices for these competing agricultural products from which oil is produced were purely incentive prices, to increase production. The competing vegetable oil seeds included soybeans and peanuts. Peanuts are not included in the amendment now offered, although peanut oil competes with soybean oil and other vegetable oils. The support program instituted by the Government for soybeans and peanuts was inaugurated in order to meet a critical shortage in the vegetable oil situation. The program was nothing more nor less than an incentive pricing, and it yielded the producers of these various commodities far more than any of the agricultural standards carried in the act, because the price was a support price, in order to induce greater production.

Cottonseed is a byproduct To measure the return on cottonseed on the basis of an increase in the support prices, as provided for in the amendment offered yesterday, would not result in an increased supply of cottonseed The supply of cottonseed depends on the production of cotton for other purposes, the seed being merely a byproduct.

The Senator has now modified his amendment so as to decontrol altogether cottonseed and soybeans I presume that the inclusion of the Senator from Ohio as one of the authors of this amendment may be attributed to the fact that it is desirable to obtain as many votes as possible for the amendment, and the inclusion of the Senator's name no doubt helps the situation. Whether that strategy is to be extended to other amendments, especially amendments offered by the Senator from Ohio, only the future can reveal.

Mr. President, we might as well be frank. I do not in any way question the right of the Senate, from a legislative standpoint, to place anything in this measure that it sees fit to place in it. But at the rate we are now going, if this amendment and others along the same line are adopted, it seems to me that an amendment may be offered to decontrol grains, because livestock eat grains; therefore there is a relationship between livestock and grains, and hence grains ought to be decontrolled. Logically an amendment might be offered to decontrol anything which has direct or indirect relationship to something else which has been decontrolled. By that process we would decontrol all the food on the tables of American families, and in addition we would load the pending measure down and make it utterly ridiculous.

It seems to me that this amendment is not justified. I appreciate the sincerity of the Senator from Mississippi, the Senator from Georgia, and the Senator from Ohio in looking after cottonseed and soybeans; but I am wondering why peanuts were overlooked, because oil is made from peanuts. I do not know whether peanuts were omitted because the word "peanut" is sometimes used in politics in describing an individual as a "peanut politician." I do not know whether peanuts were omitted because there was no desire to imply that any Member of the State is a peanut politician. Far be it from me to suggest such a thing, even if peanuts had been included with soybeans and cottonseed. But there is just as much logic for decontrolling peanuts as there is for decontrolling soybeans or cottonseed or any other vegetable out of which oils are made. So, Mr. President, why not include all of them and why not include anything else that comes in competition with anything else that is in this measure?

Mr. President, in our effort to pursue local interests and local advantages, we are liable to make a ridiculous measure. I hope that will not be done, and therefore I cannot support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Mississippi [Mr. EASTLAND] on behalf of himself and other Senators

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll

Mr BRIDGES (when his name was called) I have a general pair with the Senator from Utah [Mr. THOMAS] I transfer that pair to the Senator from Nebraska [Mr. BUTLER], and will vote. I vote "yea "

The roll call was concluded

Mr HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Utah [Mr. THOMAS] are unavoidably detained.

The Senator from Nevada [Mr. MCCARRAN], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Louisiana [Mr. OVERTON] are detained at an important committee meeting.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from Mississippi [Mr. BILBO] is paired with the Senator from Maryland [Mr. RADCLIFFE]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Maryland would vote "nay."

If present and voting, the Senator from Texas [Mr. CONNALLY] would vote "yea."

I also announce that if present and voting, the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 42, nays 34, as follows:

YEAS—42

Aiken	George	Robertson
Andrews	Gossett	Russell
Austin	Gurney	Stanfill
Ball	Hart	Stewart
Bridges	Hawkes	Swift
Brooks	Hill	Taft
Buck	Hoey	Thomas, Okla
Bushfield	Johnston, S C	Tobey
Capehart	McClellan	Wherry
Capper	Maybank	White
Cordon	Millikin	Wiley
Eastland	Moore	Willis
Ferguson	O'Daniel	Wilson
Fulbright	Reed	Young

NAYS—34

Barkley	Johnson, Colo	Murray
Briggs	Kilgore	Myers
Burch	Knowland	O'Mahoney
Byrd	La Follette	Pepper
Carville	Langer	Revercomb
Donnell	Lucas	Smith
Downey	McMahon	Taylor
Gerry	Magnuson	Tunnell
Green	Mead	Wagner
Guffey	Mitchell	Walsh
Hayden	Morse	
Huffman	Murdock	

NOT VOTING—20

Bailey	Hatch	Saltonstall
Bilbo	Hickenlooper	Shipstead
Brewster	McCarran	Thomas, Utah
Butler	McFarland	Tydings
Chavez	McKellar	Vandenberg
Connally	Overton	Wheeler
Ellender	Radcliffe	

So the modified amendment offered by the gentleman from Mississippi [Mr. EASTLAND] on behalf of himself and other Senators was adopted.

Mr. EASTLAND. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. RUSSELL. I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion to lay on the table was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

DISTRIBUTION OF WAR TROPHIES AND DEVICES—RETURN OF BILL BY PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate bill No 1746, entitled "An act to govern distribution of war trophies and devices."

HARRY S. TRUMAN

THE WHITE HOUSE, *July 10, 1946.*

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. WHERRY Mr President, I offer the amendment in behalf of myself and other Senators which bears at the bottom of the page the letter "H."

Mr. McKELLAR. Mr. President, before the Senate proceeds to consider the amendment, I wish to state for the RECORD that I have been in attendance at a meeting of the Appropriations Committee and arrived in the Chamber too late to vote on the cottonseed amendment. I wish the RECORD to show that if I had been present I would have certainly voted for the amendment.

Mr. OVERTON. Mr. President, I wish also to have the RECORD show that I have been in attendance at a meeting of the Committee on Appropriations, and if I had been present in the Chamber when the vote was taken on the cottonseed amendment, I would have voted in its favor.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska in behalf of himself and other Senators will be stated.

The LEGISLATIVE CLERK. On page 9, after line 14, it is proposed to insert the following:

(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to milk, or food or feed products processed or manufactured in whole or substantial part from milk.

Mr. WHERRY. Mr. President, last Friday I offered three amendments, one of them being the so-called meat amendment which was acted upon by the Senate yesterday. The second amendment was to decontrol milk, food or feed products processed or manufactured in whole or in substantial part from milk. At that time I stated that I felt that the Senate should vote separately on the three amendments, and that they should not be modified.

With reference to the question of surplus and demand in connection with milk, the same arguments may be used as those which were used in connection with the question of the surplus and demand with relation to meat.

The arguments would be borne out by the figures showing the production and comparative consumption of milk during the past few years. In fact, when the Senate was considering the extension of the OPA last month, it approved overwhelmingly a provision with respect to the decontrol of milk.

Mr. President, there were compelling reasons why the committee and the Senate voted to decontrol milk. The first reason was that the production of milk has been equal to prewar consumption levels. I do not wish to take the time of the Senate to go into the matter more thoroughly, and I therefore ask permission to have printed in the RECORD at this point as part of my remarks a table showing the production and consumption per capita of milk throughout the United States during the years 1935 to 1945 The figures have been supplied by the Department of Agriculture. In 1946 the consumption has been 814 pounds a person, which is more than was consumed in any of the years back as far as 1942 when the consumption hit an all time high of 839 pounds, and in 1939 when the consumption was 824 pounds With the exception of those 2 years the consumption of milk in 1945 and so far in 1946 was greater than any of the years prior thereto.

Mr. President, I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows.

Production and consumption of milk, United States, 1935–45

	Production of milk	Production of milk per capita	Total milk for human consumption (civilian) per capita
	Billion pounds	*Pounds*	*Pounds*
1935	101, 205	795 3	799 0
1936	102, 410	799. 7	791 7
1937	101, 908	791 1	796 5
1938	103, 896	815 0	794 7
1939	106, 792	816 0	824 0
1940	108, 510	829 8	820 5
1941	115, 408	867 1	836 9
1942	119, 240	885 5	849 0
1943	118, 140	865 5	761 2
1944	118, 565	858 6	787 6
1945	122, 240	875 4	799 0
1946	118, 000	836 9	814 0

Source, Agricultural Statistics, 1945, National Food Situation, April 1946

Mr. WHERRY. The civilian consumption of dairy products per capita not only amounted to 814 pounds for 1946, as shown by the table, but it represents 2 percent more than the average consumption during the prewar years of 1935 to 1939, when taken together. The consumption in 1946 will be more than in any one year since 1942.

Another compelling reason for the committee decontrolling milk by the amendment which was reported by the Banking and Currency Committee was that the subsidies accompanying price control made dairy products cheaper in comparison with other foods, and, also, the demand which gave a false impression of scarcity. That, in turn, was because of the unusual volume of purchasing by the public of milk products. Fluid milk and cream this year will be 34 percent above the prewar annual consumption. Ice cream consumption, on the basis of the output figures for the first quarter of 1946, will be from 100 to 150 percent greater than during the years prior to the war.

Mr President, I could continue with the presentation of other facts, but the Senate already knows them. They have been discussed in the Senate Banking and Currency Committee, and they have been referred to time and again on the floor of the Senate.

I make the general statement that, because of the subsidy program, production and consumption were greater during 1946 than in any other year in our history

The controlled prices under the subsidy program caused milk consumption to increase heavily, as shown by the extreme scarcity of butter. Thirty-four percent of the fluid milk was drunk, or used for the manufacture of ice cream For that reason it did not go into the manufacture of butter. The result was a false impression as to the shortage of butter

Another compelling reason is that the price-control program in 1946 steadily forced milk products downward For that reason the volume is dropping below the 1945 levels. The same argument may be used in this connection that was used in connection with the subject of meat, namely, that because of the increased cost, primarily, of feed, to say nothing about labor, the 1946 rate of production has dropped under what it was in 1945, and will continue to drop until the price relationship is adjusted.

Mr. President, another compelling reason is the black market. I do not wish to go into any detail with regard to that subject, and I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a memorandum and other matter covering the points which I would otherwise discuss.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE DAIRY AMENDMENT, HOUSE JOINT RESOLUTION 371

The Senate when considering this subject before passed a bill decontrolling milk, livestock, poultry, and their products. The position which the Senate took at that time was well considered and sound That position is even more sound today after the experience of a week of free marketing Before the old act ended there was some speculation concerning possible effects of cutting off subsidies and price controls, but now we see that the dire consequences that had been anticipated by some of the alarmists of this country have failed to materialize. In the dairy industry many price adjustments have

taken place to compensate for lost subsidies. The decontrol shock has been sustained without disastrous price movements or run-away markets Many milk markets report that not a single complaint has been received by milk distributors or dairy farm organizations.

There were compelling reasons for decontrolling dairy products. Dairy products should have been decontrolled because

1 Production of milk is adequate for normal prewar consumption levels

2 Subsidies accompanying price control have distorted the economic value of dairy products in relation to other foods, causing false impressions of scarcity

3 Prices under subsidized controls caused an unbalanced output of dairy products—inflating milk consumption, violently depressing butter, and upsetting all normal relationships among products

4 Price control was steadily forcing milk production downward in many areas.

5 The black market in butter was taking 60 to 80 percent of the total supply

6 The $700,000,000 program of subsidies on dairy products is an inflationary increase in the public debt

Decontrol occurred on June 30, and there are now the following reasons for refusing to put dairy products back under price control.

1 Price increases approximating the amount of subsidies have occurred country-wide

2 The dreaded shock of going from subsidy to free-market prices has been overcome It would be unjust to subject dairy farmers to double jeopardy by thrusting them again under the torture of uncertain returns

3 Price increases in some cases exceeded, and in others failed to equal, the July subsidy rate This highlights the inequalities which existed under previous ceilings, and reflects the hardship which would be imposed on some producer groups by the reimposition of ceilings

Civilian consumption of dairy products, per capita, this year will be equivalent of 814 pounds of milk—2 percent more than the average of the prewar years 1935-39. Consumption in 1946 will be more than in any single year since 1942, and only 3 percent less than in the all-time record in that year.

Clearly the quantity of dairy products, in terms of the milk required to produce them, now is adequate in relation to any previous experience of peacetime demand.

No doubt, some will be skeptical of this statement because of the scarcity of butter Butter is scarce Civilian consumption of butter this year will be only 60 percent as large as in 1939 The shortage of butter is fantastic—but it is not due to an over-all shortage of milk Butter is the shortest item among a total of 44 foods or groups of foods on which the Department of Agriculture has published estimates of 1946 supplies Butter is the shortest item among 14 whose consumption is currently below the 1935-39 level But, to repeat, butter is not short because of an over-all shortage of milk. Butter is short because price control forced the production of dairy products out of line.

The supply of butter this year will be 40 percent under prewar. But condensed and evaporated milk supplies will be 4 percent above prewar. Total cheese consumption will be 18 percent above prewar Fluid milk and cream will be 34 percent above prewar And ice cream consumption, on the basis of output figures for the first quarter of 1946, will be from 100 to 150 percent greater than prewar. The increased amount of milk being used for ice cream, for fluid milk, evaporated milk and cheese is more than enough to replace the butter that has been lost.

We have enough milk for normal requirements Price control, however, kept dairy products unreasonably low in price. It did so by maladjusted ceilings and by subsidies which even further cheapened dairy products relative to other foods and to consumer purchasing power That has been the principal reason for the disproportionate increases in consumption of all dairy products except butter Butter was the goat, the reservoir of butterfat which was sacrificed to hide the errors of dairy price control.

The butter shortage has been analyzed here so that it may be seen in its proper relation to the over-all milk situation. During the debate on June 27, Senator TAFT explained that the agricultural commodity is milk, and not the products derived from milk. Mr TAFT said, "The question has been asked, whether the language to which I have referred would prohibit the imposition of maximum prices on cream. The dairy interests, for example, were concerned because they wished to have controls continued on cream if they are to be imposed on butter and other products of milk My only purpose in making this statement is that, in our interpretation, the words 'agricultural commodity' apply only to the original commodity which is milk, and do not apply to articles such as cream processed from the original commodity." (CONGRESSIONAL RECORD, June 27, 1946, p. 7627)

From this statement, I would conclude that dairy products would not be considered in short supply when the quantity of milk available for dairy products in total is adequate although some of the products individually may be below an adequate level

We still are producing enough milk to meet the "adequate supply" standard for decontrol But if the June 30 price controls are reinstated on dairy products it will be only a short while until the present dairy production trend will carry us below the adequate level. The testimony of dairy witnesses during all the hearings on price control, and during special hearings of the agriculture committees of both Houses of Congress, has shown the damaging effect of price control on milk production Total United States milk production in 1945, by far the best of the second best pasture season on record, was 122,000,000,000 pounds as compared with 119,000,000,000 pounds 3 years earlier, in 1942, before price control reached extreme rigidity But in 1945 there were 23 States which produced less milk than in previous years[1] Of these 23, there were 17 which produced less than in 1942

Price control policies are responsible for these declines Deficit areas have been hit by a policy which adjusted dairy farm returns on a Nation-wide average basis. As a result, some areas with below average cost back 5 years or more in dairy production, while areas with average cost increases were forced to liquidate their herds In addition to the deficit area problem, milk production has been hard hit where farmers have had to continue their dependence on butter as the market for their product. In most of the "butter belt," milk production in 1945 was the lowest it had been since 1938 to 1941 A dozen States have now been set back five years or more in dairy production. All this is not the way to bring forth maximum supplies of milk for peace-time needs.

The effects of price control on milk production were testified to by dairy farmers appearing before the Senate Committee on Agriculture and Forestry on May 15 and 16 Testimony of these witnesses was splendidly analyzed by the committee report on this investigation, from which I would like to quote

"That dairy production is falling appears incontestable, but the production figures showing such a decline are more optimistic than the situation warrants. For example, April total milk production ran about 2 percent under April 1945, but as of January 1946, cow numbers were 3 percent under a year ago and the rate of slaughter has increased since that time. The fact appears to be that the dairy farmers are culling their herds of the lower-producing cows and that the loss of this production is cancealed by the resulting higher rate of production per cow

* * * * *

"Because the basic difficulties among dairymen are traceable largely to questions of price, the ultimate responsibility for prevailing conditions lies with the Office of Price Administration and the Office of Economic Stabilization These agencies have put price control ahead of production. Repeatedly the committee's attention was directed to instances where local price relief which would have increased production was denied on the simple ground of 'hold the line.' This occurred even in Federal order markets where the stabilization agencies forced the indefinite postponement of action on producer prices under the Marketing Agreement Act

"OPA has taken the position that local production cost increases have nothing to do with local price increases The inevitable effect of such a policy pursued in market after market has been to aggravate the national shortage of milk for all purposes. The policy has been effective despite the readiness of the OPA to raise the ceilings on the grains going into feeds, on the prices of farm machinery, and on other milk production costs, e. g , transportation rates on milk. The stabilization agencies have maintained this policy in the face of permitted increases of almost 20 percent in national wage rates in order to maintain take-home pay As one witness put it, 'Farmers would be glad to receive the same price for 80 pounds of milk as they did for 100 pounds.'

"The OPA policy that production is not important has created distressing anomalies in many dairy areas The testimony showed that in the South anywhere from 25 to 55 percent of the milk in the larger markets was being imported from other regions. The handler pays for the imported milk from 75 cents to $1 75 per hundredweight more than he pays to local producers This milk is commonly of a quality suitable for manufacturing but which does not meet fluid milk health standards. Often it is reconstituted milk made by recombination of water, condensed skim milk, and cream. It is obviously unreasonable to expect local producers of grade A milk or its equivalent to produce for less than the cost of imported inferior milk In these circumstances the health department of Houston, for example, has had to recommend no return to a grade A standard because the production of grade A milk even in the flush season is falling at the rate of 1,000 gallons a day. The effect of the policy, therefore, is to compel the producer of the superior product to accept less than the cost of the inferior product—a policy hardly reconcilable with common sense.

"The evidence showed that prior to the imposition of price control there were steady and substantial increases in milk production, particularly in the South. With the advent of price control the rate of increase dropped sharply or became a decrease Witnesses unanimously attributed these reversals of

[1] As follows Maine, New Hampshire, Massachusetts*, Rhode Island, Minnesota*, Iowa*, North Dakota*, South Dakota*, Nebraska*, Kansas*, South Carolina, Tennessee, Louisiana, Texas*, Montana*, Idaho*, Wyoming*, Colorado*, New Mexico*, Arizona*, Nevada*, Washington, and Oregon*. Asterisks indicate States producing less milk in 1945 than in 1942.

trend to the policy described The committee concurs in this view.

It is to be observed that losses in production consequent on OPA policy are not replaceable in a moment, for it takes 2½ to 3 years merely to bring a cow from calfhood to production and another year to determine whether she is a good enough producer to warrant her keep Therefore the crippling of milk-producing regions will be felt for sometime to come.

* * * * *

"The butter problem is an example of the disruption of the internal price structure of the dairy industry consequent upon price regulation The problem has two aspects First, the imports of milk into deficit areas are largely coming out of areas where butter had been the chief dairy product Similar diversions of milk normally used for butter into more profitable use classifications both in the production area and out were reported by all witnesses from butter producing regions Second, the witnesses agreed that in the regions where butter is normally made from farm-separated cream, the price is too low to support production. The scarcity of butter is too well known to need documenting, but the president of the largest butter cooperative on the west coast testified that the total butter handled by his organization in the first quarter of this year less than one-tenth of the corresponding period last year; and of this less than half was locally produced The president of a large Middle Western cooperative anticipated a make of about 50 percent of last year and pointed out that some of their member creameries who could handle only butter have already closed The reason for the situation is simply that the price of butter is too low to meet the costs of producing cream for butter The farmer must either turn his milk to other uses or quit producing

"OPA has attempted to evade all these price problems by subsidizing the consumer with Government grants to producers Measured by any standard this is no solution to the dairy problem It is not maintaining production, for all the evidence was that production is declining The program has been carried out on a national basis whereas the evidence has shown that market-area costs are crucial problems to be dealt with. In the case of small producers—particularly the producers of farm-separated cream—the subsidy payment is so delayed that the farmer often has not the cash resources to feed his cattle in the meantime It is subject to the changing will of Congress. No dairyman can make the long-range plans essential to his business when a fifth to a third of his income depends upon political and administrative decisions which he cannot anticipate This factor contributes to declining production

* * * * *

"Witnesses unanimously recommended removal of price controls and subsidies on dairy products. The evidence showed that in such event minor price rises of from 2 to 4 cents per quart would occur These raises would run from 14 to 18 percent of the retail price compared with current wage raises running to 18½ percent. Butter would rise to 70 or 80 cents as compared with the $1 to $1.50 per pound which the housewife now pays when, as is very frequent, she churns it herself, or buys it in the black market"

The scarcity of butter has been referred to. A natural outcome of this scarcity was a colossal black market The Banking and Currency Committee was informed that a survey of butter distributors showed only 10 to 20 percent of the prewar volume of butter passing through its former channels. Cheese, also was driven under the counter The black market price of butter was $1 a pound or more, compared with legal retail price ceilings of about 58 cents per pound. Housewives in many instances bought bottled cream from which they churned butter themselves at a cost of $1.50 per pound Here there were no shady characters, no furtive under-the-counter deals, and no illegitimate profits, but it made the legal ceiling price on butter look absurd

Throughout the picture of dairy price controls runs the distorting influence of the subsidy program In the last fiscal year these subsidies cost the Government $515,000,000 The program now contemplated would cost $700,000,000 The program announced by former Stabilization Administrator Chester Bowles on April 15 would have cost $1,080,000,000 in this fiscal year Overexpansion of the Government debt has been a primary cause of whatever inflationary potential exists today Subsidies contributed hugely to that debt increase Continuation of subsidies will wreck or at least seriously hamper the Nation's fight against inflation on the fiscal front

What I have said and what the committee said amplify the reasons for the Senate at once acting to decontrol dairy products. These are the over-all adequacy of milk supply, the distortion of demand at subsidized prices and maladjusted ceilings, the crippling effect on milk production, and the growing black markets

Although the action to decontrol dairy products was rescinded in conference, the ending of price control on June 30 opened the way to free market adjustment of price ceilings After a week of free markets, we have some idea of how little danger there was in decontrol of dairy products. Prices of manufactured dairy products have moved up only enough, or less than enough, to offset the expected July subsidies The individual fluid milk markets have moved up approximately the amount of subsidies.

I should like to have printed in the RECORD at this point a letter which was addressed to the members of the Senate by Mr Charles W. Holman, Secretary of the National Cooperative Milk Producers Federation. Mr Holman calls attention to the great harm done to production by the uncertainty over subsidies, to the success with which prices now have adjusted themselves, and to the great confusion and injury which would result from reimposing price ceilings and subsidies.

The National Cooperative Milk Producers Federation has conducted a telegraphic survey of dairy price movements during the past week I have here a narrative summary of this survey, including a summary for each State, and also a tabular summary giving, by States, a detailed picture of the price changes which have occurred and which are contemplated for the near future I should like to have printed in the RECORD at this point the contents of these summaries

In reviewing the dairy price changes which have occurred since June 30, these movements should be appraised in the light of the price situation which existed prior to that date

Opponents of price decontrol formerly argued that chaotic price increases would follow the removal of ceilings on dairy products. They agreed, however, that increases at least equaling the amount of subsidies would be warranted. On the other hand, a principal argument for decontrol has been that OPA followed the national average standard instead of local conditions in setting price ceilings for individual fluid milk markets In those markets which were unjustly treated by OPA the increase in price had to be greater than the amount of the subsidy OPA partisans will point to price occurrences in such markets as justifying the restoration of controls On the other hand, newspaper stories do not dramatize the instances where no price increases have occurred. By virtue of unequal cost changes in various parts of the country, the areas with above average cost increase are offset by areas with below average cost increases No price changes have occurred in large numbers of Midwestern markets, including Detroit, Toledo, Cincinnati, and numerous smaller places. Increases of only 1 cent per quart have resulted from negotiations in numerous individual markets The price movements that have occurred are merely a leveling out process Rather than justifying a return to price control, they constitute a major indictment of the former price ceilings and of the policies by which those ceilings were fixed

Since June 30, black markets in dairy products have disappeared, to the dismay of the black marketeers. One story which appeared in the New York Times of July 3 is amusing, but has a sober moral. I quote:

"One delicatessen merchant, with a large Broadway shop in the nineties, admitted his bafflement at the psychology of housewives. For weeks he had been selling butter at the black-market price of $1 a pound, and housewives bought eagerly the packages he brought up surreptitiously from under the counter. Yesterday he stacked his display case high with fresh butter, still at $1 a pound, and made hardly a sale

"'Customers who weren't at all touchy about the black market, give me dirty looks now, mutter about "inflation," and won't take it at the same price,' he said"

To sum up. In addition to the original reasons for decontrolling dairy products we now have the facts that decontrol has occurred, that price adjustments which have occurred are largely in line with the subsidies which were terminted, that the shock of moving from subsidy to full price at the market has been weathered, and that confusion and injury would be compounded by reestablishing ceilings on dairy products.

Reports of dairy market conditions, July 3–7, 1946 [1]

State	Market	Price increases already effective		Price increases expected	
		Milk producer, per hundredweight	Milk retail, per quart	Milk producer, per hundredweight	Milk retail, per quart
Alabama	Montgomery		2 cents		
Arizona	Phoenix	(2)	(2)		2 cents.
California	San Francisco	55 cents	2 cents		
Do	Los Angeles	65 cents	do		
Colorado	Denver			Subsidy [3]	2½ cents.
Connecticut	Hartford	93 cents	2 cents		
Delaware	Wilmington	94 cents	3 cents		
District of Columbia	Washington	90 cents	do		
Florida	Miami				2 cents.
Georgia	Atlanta	75 cents	2 cents		
Idaho	Caldwell, Idaho Falls	(2)			

Footnotes at end of table.

Reports of dairy market conditions, July 3-7, 1948 [1]—Continued

State	Market	Price increases already effective		Price increases requested	
		Milk producer, per hundredweight	Milk retail, per quart	Milk producer, per hundredweight	Milk retail, per quart
Tennessee	Memphis	Formula [4]	1 to 1½ cents		
Texas	Abilene		(3)	91 to 93 cents	
	Amarillo		(3)	Rule p/v	
	Austin		(3)	do	
	Beaumont		(3)		
	Corpus Christi		(3)		
	Dallas		(3)		
	El Paso		(3)		
	Fort Worth		(3)		
	Galveston		(3)		
	Houston		(3)		
	Lubbock		(3)		
	Port Arthur		(3)		
	San Antonio		(3)		
	Waco		(3)		
Utah	Ogden	10 cents	1 cent		
	Salt Lake City	10 cents	1 cent		
Vermont	Bennington	84 to 86	4 cents	90 to 91 to 92 to 93	
	Burlington		do		
	Rutland		do		
	St. Albans		do		
Virginia	Bristol		(3)	91 to 94 to 96	
	Lynchburg		(3)		
	Norfolk		(3)		
	Petersburg		(3)		
	Richmond		(3)		
	Roanoke		(3)		
Washington	Aberdeen		(3)	Subsidy	
	Bellingham		(3)		
	Everett		(3)		
	Longview		(3)		
	Olympia		(3)		
	Port Angeles		(3)		
	Seattle		(3)		
	Spokane		(3)		
	Tacoma		(3)		
	Vancouver		(3)		
	Walla Walla		(3)		
	Yakima		(3)		
West Virginia	Bluefield		(3)		
	Charleston		(3)		
	Clarksburg		(3)		
	Huntington		(3)		
	Parkersburg		(3)		
	Wheeling		(3)		
Wisconsin	Appleton		(3)		
	Eau Claire		(3)		
	Fond du Lac		(3)		
	Green Bay		(3)		
	Kenosha		(3)		
	La Crosse		(3)		
	Madison		(3)		
	Manitowoc		(3)		
	Milwaukee		(3)		
	Oshkosh		(3)		
	Racine		(3)		
	Sheboygan		(3)		
	Superior		(3)		
	Wausau		(3)		
Wyoming	Casper		(3)		
	Cheyenne		(3)		
	Rock Springs		(3)		
Do	Fair Milk Products	Four, 10 to 16 cents			

[1] Conference between producers and dealers for purpose of negotiating a new producer price.
[2] "Subsidy" indicates price change to effect subsidies.
[3] Preliminary (but no change has occurred.
[4] Formula: Indicates price based on prices of manufactured dairy products.

National butter markets

Market	Grade	Prices (cents per pound)		
		June 28	July 5	July 6
New York	92 score	83½		
Do	93 score	84½	91-92	91-92½
Do	90 score	82	89-89½	89½-90
Do	89 score		88	89
Do	88 score		87	88
Chicago	92 score	82	90	(1)
Do	93 score	83½		
Do	90 score	81		
Do	89 score		89	
Do	88 score		88	
Do	87 score		86½	

[1] Market closed, but "street" prices reported to be about same as July 3.

Cheese prices, July 3-7, 1948

State	Market	Action
Wisconsin	Plymouth, Wisconsin (Cheese Exchange)	At request of Secretary Anderson the regular Friday meeting was not held.
Do	Cheese Producers Market-ing Association	Buying and other bids up by amounts requested in petition filed with CPA by Pres.
California	Los Angeles	Cheddar cheese prices up 1 cents per pound.
Idaho	Idaho Falls	Cheddar cheese prices up 1 cents per pound.
Oregon	Portland	Cheddar cheese prices up 1 cents per pound.
Do	Tillamook	Cheddar cheese prices up 1 cents per pound.
Washington	Seattle	Cheddar cheese prices up 1 cents per pound.

THE NATIONAL GRANGE
MILK PRODUCERS FEDERATION,
Washington, D. C., July 6, 1948.

To the Members of the United States Senate:

In again urging you to spare the dairy farmers of this Nation from the evils of price controls and subsidies, I now call your attention to certain developments which make it apparent that either Senator Wherry's or Senator McClellan's amendment to exempt milk and its products from the provisions of the new price control bill (H. R. Res 971) should be supported.

We opposed the inauguration of wartime subsidies and pointed out that as production needs and farmers' costs increased, subsidies would have to increase. Before congressional committees and otherwise, we have repeatedly called attention to the uncertainty and fear created among dairy farmers by prolongation of the Government's subsidy policy. Fear of sudden termination of subsidies without compensatory price rises at a time when increased production might no longer be needed has been an important psychological factor causing the lessening of milk production this year as compared with 1945.

Subsidy rates in lieu of fair prices have steadily increased until by April 15 it would have been necessary in order to carry out the

announced dairy program for the Congress in the current fiscal year to appropriate $1,080,000,000. Caught in his own trap, former Economic Stabilization Administrator Chester Bowles on May 29 was forced to eliminate a part of this huge fund by ordering a general price increase of 40 cents per hundred pounds of milk or 10 cents per pound of separated cream This still left a requirement of over $700,000,000 to carry out the Government's commitments

The higher rates of subsidies and the increased percentage of dairy farmers' income represented by subsidies intensified the fear of producers, handlers, and Government officials of the economic shock which might be produced by their sudden termination.

After VJ-day it became clear that the Government's policy was to eliminate subsidies and price controls on dairy products only after purchasing power had begun to decline This heightened our fear because under such conditions it would be impossible to transfer to the consumer a price increase equivalent to the subsidies presently being borne by the Government

It also became apparent to all familiar with the dairy industry that any congressional policy providing for gradual removal of subsidies at stated intervals would deter the normal movement into consumption of storable dairy products because of the opportunity of profit gains as a result of withholding. We, there, advocated the termination of both subsidies and price controls on June 30, 1946 This date was picked as being the best seasonal period in the interest of the general public.

Sudden termination of subsidies did occur when President Truman vetoed the price-control bill (H R 6042). This action left all dairy farmers without any assurance of the continuation of their present incomes and threw the entire dairy industry into an expected turmoil However, corrective forces immediately got into play

In at least nine States milk-control authorities renewed their functions which had been almost paralyzed by Federal war-power legislation Organized producers reassumed their rights of price bargaining On July 3 the butter markets renewed trading and as this is written prices of milk have advanced over a considerable part of the country The wholesale butter markets went up almost the exact amount of the butterfat subsidies and in nearly all of the great milksheds milk price rises to producers were also only on a subsidy-compensation basis.

Belatedly, Secretary of Agriculture Clinton P. Anderson, on the evening of July 5, urged dairy farmers not to seek higher prices in the market place until after the Congress acts upon pending legislation In this statement Secretary Anderson guaranteed retroactive payments of subsidies provided Congress allowed the funds Such payments if continued could only be for a short while if $869,000,000 provided in the pending bill for subsidies for noncrop agricultural commodities is equitably divided over the entire list of commodities now subsidized That, of course, will force the Secretary shortly to order the raising of price ceilings anyway.

Thus the country will be faced with the ridiculous situation where, first, the President removes all price ceilings and subsidies Then the Congress restores them and makes them retroactive Then the Secretary, for lack of funds, will have to raise them again. We cannot believe that any good result will come from these contradictory moves. We cannot believe that consumers will approve having their prices juggled up and down nor that persons who have traded legally on higher price levels should lose vast sums because of a law with a retroactive provision in it.

A telegraphic and telephonic survey conducted by us during the past 3 days shows little or no adverse action among urban consumers to the price rises which have occurred. Apparently the vast body of them understand that when the Government stops paying part of their grocery bill they must pay it themselves. In some communities there will be a slight recession in the demand for fluid milk which will release needed quantities to be made into butter and other manufactured dairy products Already there is a noticeable increase in the supplies of butter available and this may be expected to continue under free enterprise

A return to the controls and price-ceiling basis of June 30 will throw butter back into the black market to the great injury of the dairy industry and the consuming public It will force increasing quantities of cheese into the black market, It will unsettle prices in those States where State milk control authorities already have raised prices moderately, and in a number of major interstate milk sheds which do not operate under State control

As previously indicated, the organized producers and the manufacturing and distributing elements of the dairy industry are well equipped to handle this situation Our historic policy is, and will continue to be, the pricing of dairy products on a reasonable basis and with full knowledge of what consumer reactions will be Except in a few isolated cases, organized dairy farmers have never sought to take advantage of scarcity. They would not be able to do so for any length of time because of the sensitiveness of the product to price.

For the above and many other reasons we urge you to give free enterprise a chance in the production and distribution of dairy products and not force us back into a condition of regimentation which has been so administered as to make it hateful to our people.

Sincerely yours,

CHARLES W HOLMAN,
Secretary.

KEEP DAIRY PRODUCTS FREE FROM PRICE CONTROLS AND SUBSIDIES—10 REASONS WHY

1. Price controls and subsidies are now removed from dairy products There has been no catastrophic result There are no runaway markets. Prices have been increased on some 60 major fluid milk markets to make up for the subsidies and to restore to farmers the subsidy-or-price rate of return that was pledged to them for July Similar rational price increases are taking place in butter, cheese, and other manufactured dairy products There is little or no consumer complaint

2. Freed from price controls that stifled production and diverted most of the supply into the black market, butter is reappearing on the shelves of the legitimate retailers Consumers once again have their choice of dairy products—whether butter, cheese, milk, ice cream, or other forms of milk

3. Milk control authorities in at least 10 States have resumed their prewar responsibilities and have authorized nominal price increases. These State control authorities, and those in other States, will adhere to their public responsibility in maintaining fair and equitable price returns to producers and preventing undue price rises to consumers.

4. Farmer-owned dairy cooperatives in every part of the Nation have resumed their traditional price bargaining prerogatives. They are fully aware of the fact that while adequate producer returns are necessary to assure full milk production, reasonable and satisfactory consumer prices are also necessary to maintain consumption Organized producers and the manufacturing and distributing arms of the dairy industry will continue to recognize their responsibility of pricing and distributing dairy products on a fair basis.

5 To reimpose price controls and subsidies would displace a stable and rational status quo with all of the confusion, maladjusted price relationships, and barriers to production that have for more than 3 years demoralized the dairy industry

6. To reimpose price controls and subsidies would impose severe losses on many conscientious handlers of dairy products who have in good faith made purchases under existing prices

7. To reimpose price controls and subsidies would turn butter and cheese back to the black market; thwart the dairy farmer in his production program; invite the continued dispersal and culling of herds, and encourage the downward trend of milk production

8 To reimpose price controls and subsidies would force the Government to juggle prices down and then up again It would mean a roll-back in market prices that are now established at reasonable levels Once the prices were rolled back the Secretary of Agriculture would soon be obliged, for lack of subsidy funds, to increase them again. Either that or the Congress would have to appropriate more than is now contemplated in the OPA bill for dairy subsidies for the current fiscal year

9. To reimpose price controls and subsidies on dairy products would add to the public debt the $2,000,000 or more a day now required for dairy subsidies It would add this much more to inflationary spending power

10 To reimpose price controls and subsidies on dairy products would be an attempt to restore the myth that subsidies keep prices down when, as a matter of fact, they are merely on-the-cuff payments by the Government to be settled for later by the taxpayers

---

DAIRY PRICES MOVE UP WITHIN SUBSIDY LIMITS

Telegraphic and telephonic reports to the National Cooperative Milk Producers' Federation from 39 States indicate rather general increases in producers' milk and butterfat prices to compensate for loss of subsidies and to restore the price-or-subsidy level of returns previously pledged to them by the administration. There were no run-away markets and little, if any, consumer resistance to the higher prices.

Retail advances in fluid milk were in effect or immediately contemplated in upwards of 60 important milksheds, as well as numerous secondary markets No price increases were reported in 16

Butter moved upward almost the amount of the subsidies In the July 6 trading on the New York Mercantile Exchange, for example, 92-score butter moved in a range of 70 to 71½ cents per pound, or a maximum of 14½ cents over the June 28 price. The July butter subsidy would have been the equivalent of 14 4 cents per pound. Chicago trading was within similar limits.

On the Pacific coast cheese prices went up an average of 5 cents per pound. At the request of the Secretary of Agriculture, the July 5 meeting of the Plymouth Cheese Exchange was suspended. Cheese advanced in many markets, however, between 4 and 5 cents per pound The subsidy equivalent for cheese is about 6 5 cents per pound.

In at least 10 States, State milk-control authorities resumed their prewar responsibilities and took the lead in establishing prices to maintain the promised July returns to farmers In Pennsylvania an increase of 1 cent per quart was authorized and hearings were ordered in respect to a further adjustment In Alabama, Connecticut, California, and New Jersey the increase was 2 cents a quart. In Massachusetts, Maine, New Hampshire, and Rhode Island a 3-cent advance was made effective. In New York State advances of 2 and 3 cents were approved.

In other States local price increases were negotiated by producer organizations on a traditional free-market bargaining basis. Retail price advances in most instances ranged from 1 to 2 cents per quart.

Variations in price raises were largely accounted for by regional differences in the subsidy rates to be offset. Subsidy rates which had been scheduled for July are 20 cents per hundredweight higher than the July subsidies of a year ago, and range from 65 to 95 cents per hundredweight. A subsidy of 65 cents per hundredweight is equivalent to 1 4 cents per quart; 95 cents per hundredweight equals 2 cents a quart.

In addition to subsidies paid to producers, dealer subsidies were in effect in some markets. In some instances, also, current price advances included increases in costs of production where OPA had not made compensatory adjustments for higher-cost areas Increases in commissions to organized plant and route labor is included in some retail advances where the producer increase does not round out the cent or half cent.

Following is a July 8 price situation summary by States

Alabama· Milk up 2 cents in Montgomery and several other cities, with others preparing for similar advance under authority of State milk-control board Board prepared to halt any run-away price tendency.

Arizona Two-cent advance in milk expected week of July 7 in Phoenix and other points Manufactured prices will reflect elimination of subsidies

California. State department of agriculture authority allowed a 2-cents-per-quart increase Los Angeles home delivered milk 17½ cents. Wholesale butter up 12 cents, cheese 5 cents Price increases held to amount of June subsidy in all markets

Connecticut Class I fluid price to producers raised 93 cents per hundredweight throughout State Allowing for milk in other classes, this exactly replaces the July subsidy of 85 cents Consumer price up 2 cents.

Colorado· Negotiations under way with Denver distributors for producer price increase Contemplated advance in retail price 2½ cents per quart July 8

Delaware Wilmington producers' prices up 94 cents per hundredweight. Retail price up 3 cents per quart to 19 cents

Florida Only price increase contemplated is 2-cent milk rise to compensate for subsidy

Georgia· Price to advance July 8 only enough to absorb subsidy loss, from 18 to 20 cents per quart in Atlanta Producer prices from $3 80 to $4 55 per hundredweight

Idaho: Butter up 10 cents and cheese 4 cents per pound to offset subsidies Contemplated fluid price advance will not increase net returns to producers and will only offset subsidy

Illinois. Chicago and suburban producers' prices will follow Federal order flexible price formula. Retail milk up 1 to 1½ cents per quart, butter, 70 cents wholesale Condenseries posting producer prices for July milk from 10 to 20 cents per hundredweight higher than in June.

Indiana· No contemplated price increases except to offset subsidy. Proposed increase for Evansville producers of 65 to 70 cents per hundredweight July 8 Terre Haute in process of raising prices "to offset loss of subsidy payments to producers" Proposed Muncie increase will "equal regular payment plus amount promised through subsidies." No immediate price increases in Indianapolis or Fort Wayne.

Iowa· No immediate price advances. Sioux City producers "plan on raising prices just enough to compensate for losses occasioned by subsidy removal."

Kentucky· Louisville quart prices up 2 cents July 8. Paducah producers' prices up 40 cents per hundredweight and retail price up 1 cent, but with removal of subsidy producer returns are below month ago.

Louisiana: No immediate increase in milk prices

Maine: General 3-cent milk price increase through State milk-control board action.

Maryland· Baltimore producers' price increased $1.10 per hundredweight, 3 cents per quart retail. Producers for Washington, D C. market receiving 90 cents per hundredweight increase. Retail price up 3 cents per quart. Eastern Shore producers price increased 94 cents per hundredweight July 8.

Massachusetts: Three cents per quart increase authorized by State Milk Control Board. Producer price for Boston to be determined July 9, between $1 and $1 20 increase per hundredweight.

Michigan· No immediate price advances. Reports from two sections contemplate 1½ to 3 cents raise to replace canceled subsidies; eventually expect raises to be gradually made to absorb amount of subsidy, but no more

Minnesota: Minneapolis-St Paul retail prices up 1½ cents per quart with prices to producers raised only enough to compensate for loss of subsidies Similar compensating increase being negotiated by Duluth shippers Butter up 14 to 16 cents

Missouri· Absolutely no run-away prices Springfield reports "must announce producers prices immediately with increase only to compensate for dairy production payments" St Joseph producer prices up 37 cents per hundredweight and retail price up 1 cent Producer-distributor conference to be held later on further price adjustment. No immediate price increase in Kansas City.

Nebraska No upward price movement reported

New Hampshire Milk price up 3 cents July 7 over entire State under State Milk Control Board

New Jersey General State-wide 92 cents per hundredweight milk price increase effective July 17 through action of State Milk Control Board Retail advance 2 cents per quart South Jersey producers price up 92 cents per hundredweight July 8 Retail increase 2 cents per quart

New York Retail milk prices in Buffalo and Rochester up 3 cents New York City prices advance 2 cents July 9

North Carolina Greensboro reports 2-cent increase in milk July 8

Ohio. Columbus producers association asking increase to offset subsidies. Toledo producers to confer on increase of 1 cent per quart July 9 Akron producers contemplating 2-cent increase Canton producers' group to confer with buyers July 8 on increase for loss sustained by subsidy removal. No immediate compensating increase in Cleveland or Dayton No increase will be made at Cincinnati until August

Oklahoma No immediate price adjustments

Oregon: Portland milk price expected to move from 15 to 17 cents July 9. Butter up 12 cents and cheese 5 cents to compensate for subsidy

Pennsylvania· One cent per quart price advance authorized by State Milk Control Board Hearing of Board scheduled July 10, 11, and 12 on further advance to compensate fully for subsidy removal Philadelphia producers price up 94 cents per hundredweight July 8. Retail price up 3 cents

Rhode Island. General 3 cent per quart milk price increase under State Milk Control authority

South Carolina Retail prices up 2 cents per quart in Charleston, Columbia, Greenville and Spartanburg Producer price up about 80 cents per hundredweight

South Dakota: Sioux Falls fluid price up 2 cents.

Tennessee· Knoxville milk price advances from 16 to 18 cents per quart July 8 with 65 cents per hundredweight increase to producers Butter up 10 cents to 71 cents wholesale. Price increase for Memphis contemplates recovery of returns lost in subsidies.

Texas: Price changes in South Texas July 4 "just enough to cover July subsidy" and amounting to 75 cents per hundredweight to producers; 2 cents a quart to consumers. Increase in Corpus Christi and Rio Grande Valley 3 cents. Coastal Bend producers price up $1 20 per hundredweight. Increases of 2 to 2½ cents per quart general over other parts of Texas and New Mexico.

Utah· Producers price Ogden up 72 cents per hundredweight; 2 cents a quart, effective July 5

Vermont· Producers in Boston milkshed to receive approximate $1 00 to $1.20 per hundredweight increase

Virginia· Milk in Washington, D C market advanced 3 cents per quart Producers receiving 90 cents per hundredweight increase.

Washington Spokane and Seattle producers price advanced 55 cents per hundredweight. Prospective retail increase 2 cents per quart

Wisconsin· Little or no change in dairy product prices Milk price advance of 1½ cents per quart expected in Superior

Mr. WHERRY. Mr. President, the $1,800,000,000 Bowles' program of subsidies on dairy products has also caused, I think, an inflationary addition to the national budget. Because of that fact there were those who felt that if the subsidy were discontinued and milk met its own water level, it would have a tendency to help forestall inflation.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr TOBEY. What does the Senator mean by milk meeting its own water level. The farmers and dairies are not ones to put water in milk.

Mr. WHERRY. I was not referring to what is done in New England.

Mr. TOBEY. Or in Nebraska.

Mr. WHERRY. Anyway, I appreciate the humor of the distinguished Senator. What I mean is this, that we are not now paying subsidies on milk, and milk prices are adjusting themselves.

Mr. TOBEY. May I add that the price advance in milk is less than the amount of the subsidy by a fraction, disproving the claims of the calamity howlers that milk prices have risen unduly with milk decontrolled.

Mr. WHERRY. That is the point I wanted to make, but the distinguished Senator from New Hampshire has done it in less time and more forcefully than I could.

That is the last of the compelling reasons I want to submit for the consideration of the Senate in behalf of the milk-decontrol amendment which is now pending

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MYERS. I notice in this morning's Philadelphia newspaper the following:

> Indignant over prices of 10 cents a half pint and 14 cents a pint for milk, the Industrial Union of Marine and Shipbuilding Workers (CIO) posted a picket line last night at each of the nine lunch stands at the Cramp shipyard

Does the Senator believe that the price of 10 cents a half pint or 14 cents a pint is merely an increase to take care of subsidies? There is a controversy as to whether the increase in the price of milk is only sufficient to take care of the subsidy.

Mr. WHERRY. The Senator will probably find that those are distributors' prices.

Mr. MYERS. They are prices which were charged at lunch stands in Cramp shipyard in Philadelphia.

Mr. WHERRY. I cannot say whether or not every distributor in the United States has increased his prices. I know the Senator would not expect me to do that.

Mr. MYERS. It is the inevitable result of such an amendment as the Senator is now proposing.

Mr. WHERRY. I think not. If the Senator will consider the fact that while production, as I have just stated, is comparable to that in prewar years, the American people consumed 35 percent more liquid milk last year than ever before and that consumption is 814 pounds per capita—the reason for which is that milk is cheap compared with other foods—I think he will agree that the price of milk under decontrol is getting back to a just basis. I am not saying that in every place in the United States prices have not increased in some respects out of line with the statement I made.

Mr. MYERS Mr. President, will the Senator yield further?

Mr. WHERRY. If the Senator from Pennsylvania will wait for a moment, I will yield. I should like at this point in the RECORD to say that the liquid milk market for producers throughout the United States, including all States of the Union, from July 3 to July 7, and the price at retail for liquid milk and also butter, not only in the States but also in the towns, is not what it was on June 28, or what it was on July 3, what it was on July 5 If the distinguished Senator from Pennsylvania will take into consideration that the subsidy has been absorbed, I think he will realize that there has not been an increase in price but in some places the price is less than it was.

Mr. AIKEN and Mr. MYERS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield and if so, to whom?

Mr. WHERRY. I yield first to my distinguished colleague from Vermont.

Mr. AIKEN. I should like to suggest to the Senator from Pennsylvania that most of the States of the Union, including, I presume, his State, have milk control boards. I agree with the Senator from Pennsylvania that 14 cents a pint for milk is unwarranted under any circumstances. I do not know where the particular milk was purchased, but if I lived in Pennsylvania and I found that milk was being sold for such a price, I think I would ask the milk control board to do something about it. As I have said, 10 cents a half pint is unwarranted, except possibly in certain high-class restaurants or soda fountains.

Mr. WHERRY. I think it has been sold for that price for the last 3 or 4 years. I am sure I have paid 10 cents for a glass of milk here and there.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. MYERS. This morning's Philadelphia newspapers carry the story that milk is being sold at the lunch stands in the Cramp shipyard at 10 cents a half pint, or 14 cents a pint, and milk in a few days will be sold in the Philadelphia area and throughout Pennsylvania at 19 cents a quart or higher.

Mr. WHERRY. Who said so?

Mr. MYERS. The milk distributors.

Mr. WHERRY. Oh, the milk distributors. The Senator reads in a Philadelphia newspaper a story written by a reporter who probably does not know any more about milk than he knows about meat, and it is not an authoritative report. It is akin to the report in the newspapers yesterday that $1.50 was being paid for meat in Atlantic City.

Three hundred and twenty-five thousand people went to Atlantic City the other day when the price of meat was raised to $1.50 a pound there. Perhaps the statement in the newspaper is true. The Senator takes a report from a newspaper reporter as an argument against decontrol, but I have given the statistics from the Department of Agriculture here showing that, taking into consideration the subsidy in every State in the union, the price of milk has not materially increased.

Mr. MYERS. Application has been made for a 3-cent increase in milk in the Philadelphia area, and if that is granted, ther milk will be selling in the Philadelphia area ior the highest prices in history It is now selling in New York at the highest prices in 26 years. I am attempting to place the responsibility upon those who are advocating the decontrol amendment

Mr WHERRY There might be some additional increases, but if there has been one section of the United States where there have been wage increases it has been in that area. The Senator can take the Philadelphia newspapers and the New York newspapers, and stand on the floor of the Senate and try to prove almost anything, but I say the figures I gave are taken from the Department of Agriculture. They run from July 3 to July 5, and are from 48 States of the union, and, considering that the subsidy has been absorbed, the price of milk has not increased.

Mr. AIKEN. Mr. President, if the Senator will permit me I should like to point out that the price of a half a pint of milk in the Senate restaurant just below us is 10 cents—10 cents a glass

Mr. TOBEY. It would be 40 cents a quart, would it not?

Mr. WHERRY. Yes.

Mr. TOBEY. Forty cents a quart in the Senate restaurant.

Mr. WHERRY. That is the price in the restaurant of the Senate, so that is not out of line. I am not sure what the price is in Philadelphia, but we are paying the same in the Senate restaurant, and they have not increased the price since the controls were off. They will go down, and we will get rid of the black-market operators, and the impediments which prevent us from feeding the cows so that we can get the milk.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MYERS. I have here an article from the New York Times—if the Senator will yield to me for a moment——

Mr. WHERRY. I want the distinguished Senator from Pennsylvania to know that I am always glad to yield to him.

Mr. MYERS. This increase may be occasioned by the removal of subsidies—I do not know—but this article, taken from the New York Times——

Mr. WHERRY. Will the Senator please quote his authority?

Mr. MYERS. The New York Times.

Mr. WHERRY. Who wrote the article? Who is the reporter? Who is the authority the Senator is quoting?

Mr. MYERS. The New York Times.

Mr. WHERRY. Very well.

Mr. MYERS. The article reads:

A lesson in contemporary economics was brought home sharply yesterday to the 7- and 9-year-olds at the recreation rooms and settlement, 86 East First Street.

The youngsters, who regularly get pennies at the settlement house to buy candy at a neighborhood shop, came back from the store with their pennies but without candy.

The man said prices were going up, they explained No more penny lollipops They now are three for a dime

Whether the removal of the subsidies had anything to do with the increase in the price of lollipops I do not know

Mr. WHERRY. I think that lollipop story has just as much weight as everything else the distinguished Senator said about the price of milk in Philadelphia and in New York. It is just a lollipop story.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I should like to add that the OPA for weeks before the first of July was in the process of raising milk prices all over the United States, because it had found that milk could not be produced and sold for the price at which it sold when cost of production was much less. Then, when the subsidy was taken off, it became necessary to raise the price to offset the loss of the subsidy, which varies according to the time of year and according to the location, but on an average I would say there has been a subsidy of 2½ cents a quart to the dealer and the producer. Unless we wanted to take that amount of 2 or 3 cents a quart directly out of the producer or the distributor—it would be pretty hard to get it out of the distributor, from my experience—unless we want to take it out of the producer, the price had to be raised to an amount which would equal the amount of the subsidy I am not sure we were wise in taking off the subsidy. In fact, I do not think it should all have been taken off at once. If it had been taken off a little at a time, until the last would come off, say, next spring, when milk would be over the peak price, it might have been better. But as a matter of fact it is off, and in order to obtain production of milk it has been necessary to increase the price enough to cover the subsidy. That is just plain common sense.

Mr. WHERRY. I thank the distinguished Senator for his contribution, because he comes from a dairy State, he operates a dairy herd himself, and he certainly knows something about the practical end of the production of milk.

Mr. AIKEN. I come from a State where a larger percentage of the people

are dependent on the sale of fluid milk for a living than in any other area

Mr TOBEY. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. TOBEY. I have not much to offer in the way of comment on the remarks about milk and the price, but I should like to point out that since I have been a Member of the Congress an amazing thing occurred which shows how far men will go in fantastic suggestions for legislation to cure the ills of the body politic.

It was Thomas Carlyle who said years ago, "The American people is that people which thinks it can avert fate and postpone doomsday by an act of Congress" He said that in sarcasm, but it is pretty nearly true.

While I have been a Member of Congress, a distinguished official of the Government came before the Committee on Agriculture of the House of Representatives, when I was a member of it, and asked for about $3,000,000 of the taxpayers' money, and what do Senators suppose it was to be used for? To sterilize cows on the range so that they could not reproduce the species, with a consequent lack of milk and beef. That is an amazing thing, but it actually happened under the Capitol dome that that economic theory was advanced.

Mr WHERRY Will the distinguished Senator give the authority for his statement?

Mr TOBEY. I shall be fair to all concerned I sealed it over in my memory, and I leave the personalities out.

Mr. MYERS Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield

Mr. MYERS I merely wish to point out that when milk in the Philadelphia area and throughout Pennsylvania can sell at the highest price in history with controls off for only 1 week, I question what it will sell for if the controls are off for 2 or 3 weeks or 2 or 3 months. That is not a lollipop statement, it is a factual statement. Of course, we understand that prices are increased in many instances because of the removal of the subsidy, but the moment subsidies were removed, prices rose to the highest point in history. So I am concerned as to what the price may be 2 or 3 weeks, or 2 or 3 or 4 months from now.

Mr. WHERRY. I appreciate the last remark made by the distinguished Senator, because he is apprehensive that if controls are removed, without the payment of subsidies, milk will be higher to the consumer. Of course, he has a perfect right to that opinion, but if we remove the price impediments we will get production, and when we have production, of course, the price of milk will go down. If we do not get production, we will not have milk, and if we do not have milk, what is the difference what the price is?

Mr. MYERS. We have had milk on our doorsteps every day. True, we have not had meat in some instances, but we have had milk, and our children have had milk.

Mr. WHERRY. If the distinguished Senator will be fair with his statistics, he will have to admit that thus far in 1946 the production has gone below that of 1945; it is continuing to drop, and the reason is we cannot get production under the price ceilings of Chester Bowles.

Mr. MYERS. The Senator will admit that the demand and rate of consumption are greater, and the production has decreased.

Mr. WHERRY. Up until the last month we had a surplus of milk, based upon figures of former consumption, but in the past month and a half or 2 months it has been beginning to slump off. It is my opinion that it is because of OPA, and it is my thought that if the restrictions are removed, production will increase, and it will increase far more without the restrictions than with them The only hope of getting a reduction in price is through increased production, and we cannot get that under the Bowles plan.

Mr MYERS Mr President, will the Senator yield again?

Mr. WHERRY. I yield.

Mr. MYERS. The Senator has argued that controls should be taken off meat products, because we have an excess supply, we have a surplus of livestock.

Mr. WHERRY. That is correct.

Mr. MYERS The Senator has argued that we should decontrol petroleum products——

Mr WHERRY. No, Mr President. The Senator's remarks about what I have proposed as to meat is true, I have done that, but not as to petroleum; but I am going to vote for that

Mr MYERS It is argued that we should decontrol petroleum, because we have an excess supply Now the Senator advances the argument that we should decontrol dairy products, when he admits we are in short supply.

Mr WHERRY. Mr President, I gave the record, that we had a consumption of 814 pounds per capita in 1946, and I said that if we could continue without controls it was my opinion that we would offset the slack production we have had during the latter part of this quarter due to the fact that increased costs in the dairy business have been imposed upon the dairymen because of the price of feed. They cannot continue to produce under the prices established by Mr Bowles, with the increased cost of feed, and if that condition continues, production definitely will decrease, it is going out the window, and we will not have milk.

Mr MYERS. Nevertheless, the Senator's own figures indicate that we are in short supply, and he is arguing that while in short supply, we should decontrol

The Senator says I am apprehensive about future prices Yet the Senator is willing to take a chance that decontrol will cause increased production, However, he is only guessing.

Mr. WHERRY. The argument is just as sound as it can be, and I am not disputing with the Senator on that at all, but it does not have a thing to do with what I am advancing in my amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. The Senator from Nebraska has brought in the cost of feed as one factor in the increased cost of producing milk. I should like to say that last spring, in early March, dairy rations were sold for $62 a ton in my State. They are now $81 per ton, and will increase from $5 to $10 more just as soon as the grain which has been recently bought at the higher prices reaches the feed mixers; in other words, there will be an increase in the cost of feed alone from about $62 a ton to $88 or $90 a ton over a period of 4 months.

In addition to that, we have had the difficulty of being unable to buy new machinery. If we could get good new farm equipment we could offset our inability to get labor, to a certain extent. Incidentally, labor which cost our farmers 40 to 50 cents an hour a couple of years ago, is now paid 75 cents an hour. I have not been home lately, but I think that is about the average pay, 75 cents an hour, or about 50 percent increase We are glad to have farm laborers get that extra pay, because of the increased standard of living which it gives them But on grain alone there will be about 50 percent increase in cost.

When a farmer produces milk the year around, about one-third of the cost of producing it is represented by the cost of grain. I am not going into arithmetic to show how much that would be per quart But even when the price is increased to offset the loss of the subsidy, the net return to the milk producer today is less [illegible] years ago

Mr WHERRY. I ask the distinguished Senator from Vermont if it is not true that because of the acute situation which developed within the past few weeks OPA finally raised the price of butter to help offset the loss in production?

Mr AIKEN. That is true OPA increased the price of milk generally on June 1 one cent a quart on the average over most of the country. The price of butter was also increased The reason was that production was dropping off too rapidly for the national needs In New England in April the production of milk was 16 percent below what it was a year ago in April The reduction was greatest in New England, but there was a drop in all other sections of the country. Even in the Midwest States there was a 2-percent drop in production Production was dropping so rapidly that something had to be done. In other words, it paid much better to do other things than to produce dairy products, so the OPA granted an increase of 1 cent a quart. Other applications for increase have been under consideration since that time, because even the 1 cent a quart increase would not secure sufficient production. Through May and June, the season when milk is produced more largely on pastures and grass, the percentage decrease has not been so great. However, the percentage of decrease is accelerating again now that the peak of the pasturage has passed. And undoubtedly we will get back to the 16-percent decrease over last year, unless the price structure makes it as profitable to produce milk as it does to produce other things. One of our great troubles has been that it has paid much better to produce other things which the people did not have to have, than it paid to produce the necessities of life.

Mr. WHERRY. I thank the Senator from Vermont.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAWKES. I want to emphasize the fact that the dairy herds in my State of New Jersey are being depleted very rapidly. I am 100 percent in favor of the Senator's amendment. I believe it is the only solution to getting milk, and not getting price lists instead of milk. I am told very definitely by the best-informed and finest citizens in my State, farmers and others who are in the dairy business, that unless something is done to decontrol milk the shortage of milk will become greater and greater.

If the Senator will permit me, I should like to go back to the statement made by the Senator from Pennsylvania, who said that the Senator from Nebraska admitted there was a short supply of milk, but, nevertheless, the Senator from Nebraska was advocating decontrol. Suppose it is true, as I believe it to be, that there is a short supply of milk. I ask the Senator, How is that situation going to be cured? A few days ago I read a statement of what happened in France when attempt was made to compel the farmers to produce food products for the people without a profit. The farmers simply would not do so, and the people starved.

The Senator from Nebraska is now seeking to do something that will stimulate production. The Senator is trying to get the country back to the American way of reward as an incentive to accomplishment.

Mr. WHERRY. That is correct.

Mr. HAWKES. I should like to read a telegram from one of the finest dairymen in the State of New Jersey. I have received more than 200 telegrams, all of them endorsing the Senator's amendment and its objective. The telegram reads:

> At an emergency meeting called yesterday by Milk-Control Director Arthur Foran at the request of our New Jersey farmers it was unanimously agreed by the entire industry to increase the price of milk at once 2 cents per quart to replace the expired subsidy For the first time in 3 years the New Jersey consumer will not be misled by the hidden taxes called subsidies when she pays her next milk bill Now that the subsidies are out, they should not be allowed to return. The OPA has kept the dairy industry in a constant chaotic condition for the past 2 years. If yesterday's action was not taken—

Meaning the action by the milk board—

> the results would be drastic to our rapidly dwindling milk supply. Farms have already sent thousands of good milk cattle to slaughter.

That is the very point the Senator from Nebraska raised yesterday in connection with his amendment decontrolling meat. In other words, when the price of milk is kept down to a point where there is no profit in feeding the cow and milking the cow and sending the milk to market, but there is a high price in the black market for beef, it takes a pretty good American not to send the cow to the black market, even though she may be a fine dairy cow.

> Farmers have already sent thousands of good milk cattle to slaughter, with the number increasing daily. It is about time our Government stops interfering with business and, above all, allow the farmer a fair profit in a free competitive market I recommend no subsidy and only control on rents (preferably by the State) This should be done at once, not a year from now, if we want our free democratic system to survive.

As the Senator from Nebraska knows, New Jersey is quite an important garden and dairy State. Dairying is one of the most important industries in the State of New Jersey. I want the Senator to know that I have talked with hundreds of businessmen, farmers, dairymen, and men connected with dairy organizations, and every one of them believes that the way back to a decent price and the way back to procuring milk of the right quality, is through decontrolling the milk and dairy business.

Mr WHERRY I want to thank the distinguished Senator for his contribution, and to state to him that his experience in New Jersey is the same experience that all of us have had who come from dairy States Like the distinguished Senator, we have all received telegrams on the subject. I have received them by the hundreds. If we wanted to introduce them into the RECORD, it would make a RECORD which the Senate would not even want to print because of the great expense involved. The burden of all the telegrams is about as mentioned by the distinguished Senator from New Jersey. I am quite satisfied that the only way out is the way proposed in the amendment, and that is to decontrol and secure maximum production, and when maximum production is secured the price will take care of itself.

Mr. AIKEN Mr President, will the Senator again yield?

Mr. WHERRY. I yield.

Mr. AIKEN. Before this discussion ends I want to make one point clear A few minutes ago I told of the price of dairy rations increasing from $62 a ton in early March to $81 a ton at the present time. I want to point out that the $81-a-ton price which prevails now—and that figure is the price for which Eastern States Farmers Exchange is selling dairy rations—is not the result of the price controls on grain being discontinued July 1, but is an increase from $62 to $81 a ton which had been authorized by the OPA before the 1st of July. When the 1st of July came, as I presume every Member of the Senate knows, New England was in the midst of a grain famine. Our mixers promptly went into the West and found that they could buy all the corn they could use. Where it came from no one seems to know, but it was available at a price of $2.30 a bushel, which was an extremely high price. It meant an increase of from $5 to $10 a ton in the price of dairy feed so long as corn at that price was used. However, I understand that since that time the price of corn has dropped to approximately $1.85 a bushel. I expect that the high price for dairy rations will continue until the new crop of corn comes in. Then, no one knows what it will be. We hope for a corn crop of 3,500,000 bushels. If that hope is realized, prices will probably drop below what they were last year. If anything should happen to the crop between now and October, one man's guess is as good as another's. The point I wish to make is that the increase of $19 a ton, or about 30 percent, was an increase authorized by the OPA before the 1st of July

Mr. WHERRY. Mr. President, in conclusion, I wish to state that inasmuch as we voted for the decontrol of meat, 36 percent of the dairy cattle will finally find their way to the meat market. Perhaps the percentage will be a little higher.

Mr. AIKEN. Approximately a third of meat production comes from dairy cows.

Mr. WHERRY If we are to decontrol meat, and one-third of the meat production comes from dairy cattle, it is only reasonable that we should decontrol dairy products. If we do not, we shall find dairy producers who cannot afford to produce milk sending their cows to market for meat; and, as the Senator from New Jersey [Mr. HAWKES] has said, we will deplete the dairy herds of the country.

I shall not detain the Senate longer. We have discussed this question for days. Senators know all about it, and I believe that they have made up their minds on the question. I ask, when the discussion is finished, for a speedy vote. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. WHERRY. Mr. President, I yield the floor

Mr WILEY obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. Mr. President, I should like to place in the RECORD two brief tables I do not care to trespass on the Senator's time. I have been placing in the RECORD daily tables from the Bureau of Labor Statistics and also the New York Journal of Commerce, showing the percentage increases in the prices of certain commodities over a 3-year period, up to June 28, 1946, and the increases since that date, up to the current date.

I have before me a table taken from the Bureau of Labor Statistics showing a general index of 28 basic commodities. The prices of those commodities increased 13 1 percent in the 3 years prior to June 28, and have increased 14.3 percent in the 11 days since that time

The same table shows that the prices of 12 foodstuffs increased 14.6 percent in 3 years, and 23.3 percent in the 11 days since that time.

The New York Journal of Commerce daily index of 30 sensitive commodity prices shows that the index increased 15.8 percent in 3 years, and 12.3 percent in the 11 days since that period.

The grain index increased 39.3 percent in 3 years, and 18.2 percent in 11 days. The index for 10 selected foods shows a decline in the 3-year period of 1 6 percent, and an increase in 11 days of 22.3 percent.

I ask unanimous consent that this table be printed in the RECORD at this point, together with an accompanying table breaking down in greater detail increases in prices of foods.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

OPA daily price summary—Prices of July 9—Daily indexes of commodity prices in primary (preswholesale) markets—Movements under "Hold the line" and since June 28, 1946

	Percentage increase	
	May 17, 1943, to June 28, 1946	June 28 to July 9, 1946
Bureau of Labor Statistics (general index (28 basic commodities))	13 1	14 3
	14 6	22 3
		6 0
	11 9	8 0
New		
	15 8	12 3
	20 3	18 2
	—1 6	22 3
	18 2	2 4
5 metals	16 2	4 4
5 miscellaneous	2 0	11 1

[illegible] used in many of "futures" [illegible] separate groups

Daily index numbers, spot market prices,[1] and percent change for 28 basic commodities

	Percentage change, June 28 to July 9, 1946
INDEX NUMBERS	
[illegible]	14 3
	22 3
	6 0
	15 4
	13 6

	June 28, 1946	July 9, 1946	Percent change
PRICES			
Wheat: Kansas City, No 2 [illegible] bu	91 977	$2 110	13 5
[illegible]	[illegible]	2 040	7.7
[illegible]	[illegible]	1 720	11 9
Rye	[illegible]	1 860	9 7
[illegible]	[illegible]	2 155	48 8
[illegible]	[illegible]	719	28 4
[illegible]	[illegible]	118	33 7
[illegible]	17 075	18	15.0
[illegible]	18 625	19	9 6
[illegible]	[illegible]	180	28.6
Coffee, Santos No. 4, New York lb	.188	218	36 1
Sugar, New York 1 lb	.042	043	0
Cocoa beans, New York lb	.080	.123	46 7
Shellac, New York lb	.456	700	91.8
[illegible]	.235	235	0
[illegible]	.155	155	0
[illegible]	6 750	6 950	2.8
[illegible] lb	[illegible]	[illegible]	[illegible]
Print cloth, New York 2 yd	.143	178	24.5
Silk, New York lb	.114	114	0
Wool tops, New York lb	3 000	3 000	0
[illegible]	1 230	1 445	11.7
[illegible] yd	.115	115	0
Tin			
[illegible] ton	18 780	18 780	0
[illegible]	18 780	18 780	0
Tin, N. Y. [illegible]	.520	520	0
Cattle hides [illegible] lb	.142	143	0
[illegible]	.082	096	15 9
Zinc, [illegible]	.087	099	13 8
Cattle hides [illegible] lb	.310	323	4.8

[1] Spot (cash) prices in primary markets except where otherwise indicated
[2] Wholesale price
[3] Approximately 75 cents above maximum compliance price
[4] Futures market.

Prices of 30 sensitive commodities and percentage change from June 28, 1946

[New York markets except where noted]

	June 28	July 1	Percentage change
Grains (average of range):			
Wheat, Kansas City	$1.97	$2 125	8 5
Corn, Chicago	1.64	2.1054	40 7
Oats, Chicago	88	1 94	9 3
Rye	1.76	[illegible]	[illegible]
Barley	1 66	1 1.69	5 6
Food			
Flour	3 75	5 35	42 7
Beef	.318	.388	24 0
Pork	.2454	.28	11 2
Lard, Chicago	.1405	.18	28 1
Eggs	.33	.36	3 0-2 1
Butter	.6854	.73	28 6
Cheese	.3240	(2)	[illegible]
Sugar	.04305	.04305	0
Coffee	.1645	.2154	30 2
Cocoa	.0899	.1354	47 4
Textiles			
Cotton, Galveston	.3090	.3242	4.9
Print cloth	1.1870	(2)	[illegible]
Wool	1 05	1 05	0
Silk	14.00	9.00	—35 7
Burlap	.1180	1180	0
Metals			
Copper	.148	(2)	[illegible]
Zinc, East St. Louis	.0854	.0954	15 2
Lead	.0854	.0954	15 2
Tin	.52	(2)	[illegible]
[illegible]	.7054	(2)	[illegible]
[illegible]	.1014	(2)	[illegible]
[illegible]	.2254	.2254	0
[illegible]	.1554	.177	14 2
[illegible]	.943	1.12	18 7
[illegible]	14.75	17.15	16 3

Note on beef and pork prices.—June 28 ceiling by major packers than by others in industry

[1] Futures market
[2] No trading, July price shown
[3] No trading

Source: New York Journal of Commerce

NOTE ON SUBSIDIES

Beef and pork: Subsidy payments on meat, eliminated June 30, had the following price equivalents at the wholesale level: Beef, 94 to 95 per hundredweight (carcass), depending on grade, pork, $2 30 per hundredweight (carcass).

The elimination of the subsidy on beef, therefore, calls for a rise of 21 percent at wholesale To date (July 9) the increase in beef prices has been only slightly more than enough to offset the subsidy loss

While the price of good steers has risen 9 percent (see list of basic commodities), prices on the prime and choice grades (constituting about a third of all beef) have risen nearly 25 percent A weighted average of prices paid for all steers would show an increase of about 17 percent. Measured from compliance levels (see note 2 on list of basic commodities), the rise is about 23 percent.

Complete reflection of both this rise in cattle prices and the loss of subsidy payments would bring wholesale beef prices 48 percent above the June 28 level, with a similar rise at retail to follow.

On pork a price rise of 12 percent at wholesale (pork cuts and lard combined) would offset the subsidy loss Adding full reflection of increased hog prices would bring pork and lard prices 28 percent above June 28 levels.

Dairy products. Subsidy payments on butterfat were the equivalent of 10 cents a pound of butter at wholesale (11 cents at retail).

The other dairy subsidies consisted of dairy production payments (varied between surplus and deficit areas) and a small-scale regional fluid milk payment program (13 urban areas). The price equivalent of the elimination of these payments, taken in combination, ranges from 1 0 to 2 1 cents a quart at wholesale. (In the Washington area, the total is 1.7 cents a quart.)

Mr. WILEY. Mr. President, I have had occasion heretofore to quote the phraseology of our late President Roosevelt when he said, "The only thing we have to fear is fear itself." I remember, as do many other Senators, when he was elected to office. When we heard that saying over the radio it picked us up. Last Sunday I went to church and heard the preacher say, quoting from Paul:

For God hath not given us the spirit of fear, but of power, and of love, and of a sound mind.

As I was coming out with a friend, his little girl asked, "But who did give us this fear?" The father replied, "I do not know, unless it was the OPA, or some of the New Dealers."

We have just listened to some statistics showing that over a period of years, when Government held a stranglehold on the producers, the general increase in prices was from 11 to 14 percent, and that since OPA went out the window the increase has been about 11 percent. What does that mean? Let us get down to brass tacks. An increase of 11 percent or 14 percent does not mean an increase of 11 cents or 14 cents. If an article sold for 25 cents a pound, and the price were increased 10 percent, it would sell for 27½ cents a pound. If one could obtain the article for 27½ cents, but could not get it for 25 cents, he would consider himself lucky.

So I come back to the original proposition, that the only thing we have to fear is fear itself. As I showed yesterday, every indication points to the fact that America is holding the line. There are instances in which OPA has had a stranglehold, and has kept prices down, but we did not get production. We could not get results. When OPA went out production returned.

Recent statistics quoted by my distinguished colleague, the Senator from Pennsylvania [Mr. MYERS] show retail prices of milk in Pennsylvania. They show a price of 19 cents a quart in Phila-

delphia, and 21 cents a quart in New York. The highest price in the District of Columbia is 19 cents a quart, and some of the stores sell two quarts for 31 cents.

Mr. President, my State is the greatest milk-producing State in the Nation. Milk is Nature's food, made by Nature's chemical factory, the milk cow. It contains more vitamins, more fats, and more things that the human system needs than any other single food. Are we going to strangle production?

The prices which have been quoted do not represent what the producer receives. They are retail prices. Yesterday I made a computation which showed that in my own State the producer receives about 7½ cents a quart, and when the milk reaches the ultimate consumer he pays 15 or 16 cents. Are we going to force the producers to stop producing, or are we going to encourage them to produce in quantity?

We are back to the original point. In all seriousness, I say that there are those in this Government who have purposes other than the protection of the consumer. Their purposes are ulterior, and in many instances, if they were consummated, they would result in the ruin of the Republic. They want to create division. Men who labor are told that when they pay from 17 to 19 cents a quart for milk the farmer is racketeering and stealing from them.

Let use analyze the production of milk To produce milk the producer must first invest in the cow. He must have the necessary land, property, and labor He must see that the cow produces. The cow must have feed It has been shown that the cost of feed has increased approximately 30 percent The producer must then milk the cow and in many instances haul the milk to market Then it goes to the distributor and the distributor hires labor. The cost of the labor he hires has gone up 50 percent, or even as much as 100 percent The distributor may be able to get the milk to the store. The store has to hire labor and the cost of that labor has gone up considerably Then we go to the store and buy the milk there. But, as I said yesterday, many people who complain about the price of milk do not hesitate to go to a liquor store and pay from $5 to $7 for a quart of liquor. Some of the folk who want to precipitate class hatred think that the farmer who goes through the process of producing that which makes bone and sinew and health is getting more than his legitimate share of the price which the consumers pay.

Mr. President, heretofore I have outlined my ideas in regard to the new OPA legislation. I have summarized them under three main points, as follows:

First, in view of the fact that the President killed the OPA by his arbitrary veto, we should have a further testing period during which our free economy should be able to demonstrate the ability of Americans to work together for the general welfare without being harnessed to a New Deal, bureaucratic governmental control. I wish to amplify that point for a moment. It is absolutely un-American to have the OPA kind of control. Never before in our history have we permitted it. It was permitted only during the recent great war catastrophe and great war emergency. It was only then that we deviated from our governmental concept that the individual has a right to produce and has a right to sell in a competitive market with his neighbor. But because of the war conflagration, we enacted the OPA and put it into operation, after the President had created it by Executive directive. During the time when the OPA was in operation we saw, in my own State, that under the OPA regulations, cheese practically went out of production. Instead of fixing a price on cheese under which the cheese manufacturer could sell cheese at a profit and could pay a reasonable price for the milk used in making cheese, the OPA made the price such that the milk producer could sell his milk at a far better profit to people who wanted to produce the ingredients of ice cream for the eastern market. We remember that before the war my State of Wisconsin produced 56 percent of all the cheese produced in the United States. Then the Government stepped into the picture Because of the monkey-wrenches which it threw into the machinery, the production of cheese began to stop. Now the OPA has gone out of existence The cheese-maker, the butter-maker, and the ice cream-maker can pay for the milk what it is worth, and the cheese-makers will no longer be placed in a detrimental position

I have said before that all this governmental regulation is un-American It does not belong in America. It only belongs in a state or nation in which the people have lost their concepts of liberty and are ready to be regimented in their thinking, as well as in their living and their business That situation occurred in practically all the European countries prior to the recent war.

So, Mr President, now that we have had about a week and a half of the operation of our free economy in the dairy field and in other fields, I say it would be nothing short of catastrophic to put the Government into the picture again. Let us have at least a breathing spell. Let us put this whole thing out the window Then if we find that our system does not work, let the President call back the Congress into special session. My position is that there should be a breathing spell in regard to all OPA controls.

All of us know that increased production is what we really need to have. A friend of mine is sitting in the gallery at this time. He told me about the tire situation today. In practically all fields of American activity, producers are beginning to breathe freely again. Once more they are beginning to feel that they are Americans. Once more they can operate their businesses without having some nincompoops who represent the Federal Government come around and make them take a slavish attitude which also is un-American.

Mr. President, I know whereof I speak I say to you that if appropriate measures were taken in this country to investigate the OPA maladministration in some of our States we would find things which would smell to high heaven.

So let us go back to American production, unhampered by bureaucrats. I am all the more certain that we should do so when I see businessmen, manufacturers, retailers, and wholesalers in every field of our economy cringe before the OPA sleuths. I do not even need to mention the demoralizing effect which has been had upon a large segment of our people, or the black marketeers who have come into operation, and now wish to have the OPA reinstated. The black-market racketeers will lose their millions, even as the bootlegger operators in the days of prohibition lost theirs when the prohibition law was repealed.

Second, Mr. President, State government action can well be taken if in a particular State conditions are not what they should be By the way, something was said here about the price of milk in certain municipalities Many of the municipalities of the country have municipal ordinances which can be brought into operation in that connection. If the retailers of a commodity such as milk were receiving an undue proportion of the price during a period which could be termed an emergency period, the city council would be at liberty to take appropriate action.

But what right have we in this Nation of 140,000,000 people to attempt to pass general legislation which will affect the economic life of a storekeeper in Podunk and at the same time the economic life of a storekeeper in New York City, who operates under entirely different conditions and is in an entirely different situation? The storekeeper in New York City has a volume of business which is so tremendous that he can afford to employ economists, if necessary, and bookkeepers and experts, to supervise his every act and to see to it that he dots every "i" and crosses every "t." The small storekeeper who serves a rural community, who has been getting delayed OPA directives and delayed misdirectives, and has had some OPA representative come to his store almost every other day and scare the hell out of him, is operating under conditions vastly different from those which apply in New York City. The storekeeper in New York City has power because he has sufficient money; but the little fellows who operates in a rural area found, under the OPA, that every time he made an overcharge of half a cent, he was fined $25 or $50, if he had attempted to keep books. Or he could go into the black market, keep no books, and do as some of his neighbors did, namely become a law violator in a free land, charging a cent more than the Government said he should.

Mr. President, what I am trying to prove is that there is something else in life besides the fear which the OPA and some Communists are trying to engender into the minds of the American people. They are trying to make us believe that we, in America, will not be adequate. They are trying to make us believe that we will not have the vision to play the game fairly. They are saying that the wholesaler, the retailer, the manufacturer, the butter maker, the cheese maker, and all the rest are going to become gougers. Mr. President, why is that being done? Because, only in lands where men are not free, where freedom has gone out the window, can government obtain control of the economic life

and pursuits of its citizens and many of these folks want the American form of government changed.

I repeat that, if necessary, State or municipal government will provide for equitable rent controls. I return only briefly to the subject. Who knows the rent picture in Milwaukee, for example, better than the people in Milwaukee? Is not the rent situation in that city different from what it is in a city hundreds of miles away which, perhaps, has experienced a drop in its population?

Mr President, allow me to state my third point I am contending in connection with the pending amendment that all dairy and livestock products should be permanently removed from the strangulation of the OPA. During the week and a half since the OPA breathed its last, the country has felt a new sense of life, a new realization of the vitality of being free and unhampered by American bureaucrats. A sense of vitality is the American's concept of the natural laws of supply and demand Almost everywhere there are indications that the American people are working together and doing what is right in this trying situation.

By and large, such price increases as those which have occurred have been justified. Mr. President, did you hear any statement by the Senator from Pennsylvania a few minutes ago showing justification of the price of 19 cents a quart for milk? His only statement was that the price was the highest in history. Have we heard anything of late except "the highest price in history"?

The income of America has increased from $70,000,000,000 before the war to $165,000,000,000 or $170,000,000,000 at the present time.

Labor has received increases in compensation, in some communities as much as 150 percent above what it was previously. But, because there has been an increase of 3 cents or 4 cents a quart for milk in Philadelphia or New York, as a result of the President's veto, which destroyed subsidies, we hear statements that the price is "the highest price in history." Mr. President, I am giving the facts.

I have before me some figures which were prepared by the American Butter Institute, showing that in New York City the bid on AA grade butter was 74½ cents, with no sale. On A grade, 50 boxes, the bid was 71½ cents; 50 boxes, 72 cents, 50 boxes, 72½ cents; 50 boxes, 73 cents; and 200 boxes, 73½ cents. How does that compare with the black-market price which I cited yesterday of $1.25 for butter before OPA went out of business?

The figures I have given, Mr. President, refer to legitimate trading. They indicate the law of supply and demand in action. What is more, the law is morally sound. I should like to hear a few arguments on this floor on the subject of morality. When Government's action begets immorality and indecency, it is time that the Government cease such action.

Mr. President, I ask that the report on butter markets, as of Tuesday, July 9, 1946, which has been supplied me by the American Butter Institute, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON BUTTER MARKETS, TUESDAY, JULY 9, 1946

NEW YORK CITY

AA grade: 74½ cents bid, no sale.

A grade: 50 boxes, 71½ cents; 50 boxes, 72 cents; 50 boxes, 72½ cents; 50 boxes, 73 cents, 200 boxes, 73½ cents.

B grade: 71½ cents bid, no sale

C grade 68 cents bid; no sale.

CHICAGO

AA grade· 73½ cents, closing price (73 cents yesterday).

A grade: 71¾ cents, closing price (70¾ cents yesterday)

B grade: 70¼ cents; closing price (70 cents yesterday).

C grade, 69 cents, closing price (68½ cents yesterday).

JULY 10

Chicago market Unchanged

New York market 92-score, down ½ cent, 90-score, up ½ cent

NOTE.—The above prices reflect the OPA ceiling price on June 30 plus the production incentive subsidy paid directly to producers by the Government and financed by the consumer through taxes The above prices are only 1 to 2 cents per pound over the total of the ceiling price plus 14½ cents subsidy and do not in any respect indicate an inflationary trend. The subsidy was eliminated July 1 upon expiration of the OPA Act

Mr WILEY. Mr. President, as I have said, in the case of dairy products, as in the case of livestock products, all OPA regulation should be removed.

By and large, the prices which I have cited as having been increased, have been justified. I invite attention again to the fact that everything which the senior Senator from Kentucky stated in showing an increase in prices over a certain period of time, was injected into the debate for the purpose of creating fear. He did not say the prices were not justified. Another thing which he did not say was that we are getting production.

In correcting the abnormally low-price ceilings which had crippled production, producers are now receiving some degree of adequate compensation and are producing. Production is the answer not only to black markets but to high prices. If Government does that which will strangle production, it goes out of its province.

Mr. President, in order to cover the gap left by the removal of the billions of dollars in food subsidies, it is necessary to obtain production. That statement applies particularly to milk and its products. No appreciable increase in the price of milk, other than that justified by the reasons which I have already stated, has been noted anywhere in this country. We have started to obtain production because the producers are starting to receive their costs of production which the OPA in many instances had denied them. I repeat what I said a few minutes ago. The only way to obtain production is to assure to the producer that he will receive at least the cost of production. When he fails to receive his cost of production he will not produce. We are now starting to get production because the producer is starting to get the cost of production which, as I have already said, the OPA has heretofore denied to him. I could cite example after example, Mr President, of that fact applying to manufactured products in my own State. Time and time again men have come to Washington with fear in their hearts, begging the Government to permit them to charge what it cost them to produce, plus a little more Such a frame of mind as that in which those men have been, does not result in producing men such as those who built this country. The men to whom I have referred came to Washington and asked the Government in a pitiable voice, "May we get a little raise in order to cover the increased cost of labor and materials?" Months and months would elapse before action was taken and then many times, no relief resulted.

Mr. President, I should like to present seven reasons why controls should be permanently removed from milk and such manufactured dairy products as butter, cheese, dry milk, evaporated milk, and ice cream.

This is my first reason Black markets have been fostered by OPA's inept dairy controls.

In recent weeks before the exit of OPA it has been estimated that approximately 80 percent of the total butter production, for example, of the Nation has gone into black markets. As I indicated yesterday, black markets are charging from 80 cents to $1 25 a pound for butter. If dairy controls are permanently removed, the consumer will have to pay, in most instances, far less than he is now being forced to pay through the nose to black market operators.

This is my second reason: The production of vital, nutritious dairy items, so essential to the health and welfare of the Nation and all other nations, has been seriously crippled by OPA controls.

Again I cite the glaring instance of butter, whose production has dropped more than 50 percent in the past 4 years. If anyone wants an example of what Government interference does to this great food which people need, with its natural vitamins, let him take into consideration the fact that the volume of butter has been reduced 50 percent in the last 4 years under Government OPA control.

The judgment of the American consumer has been set aside, and he has been forced to eat the particular dairy products that OPA decides—and encourages by particular price ceilings. According to the slide rule notions of some OPA bureaucrats, milk has been channeled into fluid milk or cream or cheese rather than into butter. The American consumer is tired of having his taste and his personal preferences ignored. He wants to buy dairy items according to his own judgment rather than according to the judgment of Washington, D. C.

Mr. President, I digress for a moment. It is a fine kettle of fish we have when, as a matter of Government regulation, Government directive, a Government agency can tell us what food we are going to eat and can eat, when by their own maladministration their action results in the diminution of the quantity of butter by 50 percent.

Oh, it is not merely the loss of the butter. I hear someone say, "He is just arguing for his own dairy products" Yes, I am, but not only for them. I am arguing for my children and my grandchildren, so that when they come into man's or woman's estate they will not find government at their throats by directives, or legislative or administrative measures They will be free. The history of the last decade is very clear that when Hitler and Mussolini could get rid of the legislative branch when those two Fascist archangels of the devil wanted to get control of their people, they did it by following the very course of regulation. Then finally they started, as we have seen done too often in our own country, a great propaganda move to undermine the legislative branch, to induce the people to think they could do without the legislative branch, and thus gradually the checks and balances which Germany and Italy possessed were done away with, and there was government by one man, and by directives, or mandates The result was that whole peoples deteriorated; they became automatons They let one man or group do the thinking for them religiously, economically, and politically

During the war there was some justification, because we needed quick executive action, but there is no reason now for quick executive action There is reason only for deliberate legislative action to get rid of that which would strangle the economic freedom of our people

To reimpose milk controls, while at the same time removing meat controls, would be to maintain a completely abnormal relationship between these interrelated products. We would simply be complicating the artificial mess between products that OPA has brought about.

To reimpose milk controls and subsidies would mean adding to the public debt around $2,000,000 or more a day now required for dairy subsidies. This would add more inflationary spending power, in addition to complicating our Nation's financial problems. It would perpetuate the "doping up" of the American economic system, making us so addicted to this subsidy dope that we could not give it up.

I spoke on that subject yesterday, and I wish to say that now is the time, OPA having disappeared out the window, for us to refuse to reinstate it.

To reimpose dairy controls in so complicated an industry as the cheese industry, with so wide a variety of items, would be to perpetuate the terrible confusion in which cheese producers have been forced by OPA maladministration. Time and time again OPA has shifted some price ceiling on a particular cheese variety, and with the one stroke it has forced dozens of other cheese prices out of line and has produced chaos in the industry. I cite the instance of aged Cheddar cheese—a wartime casualty—priced off the market by bureaucratic, unworkable controls.

To reimpose price ceilings and subsidies after this period of free markets would involve severe financial losses by many conscientious manufacturers of dairy products. These manufacturers have in good faith made purchases of milk and cream from the farmer at prices reflecting the Government subsidy. They have thus added additional cost to their inventory. Rolling prices back to June 30 levels might well mean bankruptcy for countless small dairy companies, both cooperative and private.

Mr. President, in view of the reasons I have stated I fervently believe that the Senate and the House should take action to remove all milk controls and restore to the American dairy farmer the power and the right to satisfy the needs of American consumers and the consumers of the world by his freedom of action.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY].

Mr BRIDGES Mr President, New England's dairy industry—which is by far its leading source of farm income—has been unanimous in requesting the termination of OPA price controls on dairy products. This has been the position of farmers and their cooperative associations and of all branches of processing and distribution

Their position on this matter has been based on three fundamental beliefs: First, that OPA is neither able nor willing to make the adjustments in relative dairy prices that are necessary to reverse New England's downward trend in milk production and its increasing milk deficit; second, that through the combination of old-fashioned bargaining between producer groups and milk buyers and through the orderly operation of State milk control agencies, which operate in all six New England States, these necessary adjustments can be made quickly and effectively, and third, that consumers will be insured a better and more uniform milk supply at realistic prices, and will be much better off in the long run under a system of free markets than they are under a system of artificial prices supported by subsidies paid directly from tax receipts

The last few days have afforded a rare opportunity to witness the effect of removing dairy controls and to judge the correctness of these basic beliefs. There were no price controls and no producer subsidies effective Monday morning, July 1. Milk prices in Connecticut moved up that same day under the State milk control sponsorship. State agencies in the other States also took immediate steps to announce new milk and cream prices at levels sufficient to offset the loss of subsidy payments by dairy farmers. By July 7 prices had increased in practically all markets in the region.

The amount of the increases announced were almost exactly the amounts necessary to offset subsidy losses, and to correct minor maladjustments which had been before OPA for action for some time. Subsidy rates to farmers on July 1 had been announced previously as 85 cents per 100 pounds in southern New England and 75 cents in northern New England, both rates to apply to all milk sold. The loss of this income to dairy farmers was estimated at $100,000 per day for the six New England States. It was of the utmost importance to New England farmers and to New England's milk supply that this income loss be replaced just as quickly as possible

As of today, retail milk prices have been increased throughout New England in amounts ranging from 2 to 3 cents per quart. Practically all of this is being passed back to producers in the form of higher prices for class I or fluid milk. At this season from 20 to 25 percent of the milk is class II or surplus milk on which the price increase is not yet set. Dairy farmers are assured, therefore, that they will not lose as the result of decontrol, but at the same time the increases have been reasonable and orderly.

These rapid developments since July 1 have shown for New England's milk industry that no catastrophic results came with decontrol. The industry moved in an orderly fashion. Prices did not skyrocket. There was no withholding of products from the market State control agencies immediately resumed their prewar role and helped plan orderly increases. The reason for the rapid increases—protection of farm income—was explained to the public and, as judged by newspapers and consumer reaction, was accepted by the public.

Since the price increases represent about the same amount of money as the direct subsidy payments to milk producers, consumers in the long run will be paying no more for dairy products than they would have had to pay under OPA including their tax bill for subsidy money and their tax bill to pay the cost of administering OPA and the cost of administering subsidies.

Producer leaders and industry leaders assure us also, that the change over to a system of free and natural prices will build steadier dairy markets and help solve New England's acute milk-supply problem by giving real encouragement to dairy farmers. It is too early to tell for sure, of course, on this point, but the facts indicate that this will be true

New England milk production has been going down steadily since September 1945. All through the winter and spring the number of dairy cows, the number of dairy farmers, and the milk production per cow and per dairy have been running below the same figures for the corresponding period a year earlier. The deficit of fresh milk for last November and December was estimated at 20 percent by United States Department of Agriculture authorites in the Boston market. The latest figures for Boston show that current milk production is about 10 percent below the same period last year while fluid milk sales are about 5 percent below the same period last year. If these trends continue, the deficit of fresh milk for the fall of 1946 would easily exceed 30 percent of the demand.

This demand level, it must be remembered, is gauged by the artificial levels at which retail prices are held by OPA while with the other hand the Government is handing out direct payments to farmers. It is not surprising to me that the pleas of OPA and Mr. Bowles for the dairymen to wait another year until supply caught up with demand, fell on deaf ears. In the face of a deficit last fall, demand has been going up and supply

going down as a direct result of the very controls they urge us to continue. Yet we are urged to continue them until supply and demand are in balance. The facts are that there will be no balance—there can be no balance—until the subsidies and the controls are eliminated and we give free markets a full opportunity to create the balance.

One of the most acute milk supply problems in New England which OPA has made much worse has been the seasonal variations in milk production. New England has enough milk in May and June to meet its fluid-milk requirements, but supply is far short of needs in November and December. Before the war November production was 60 to 65 percent of the June level. Last year November production was only 47 percent of the June level. This shift toward wider seasonal variations has been the direct result of OPA controls and subsidies. Not only has the premium for all production declined under OPA, but most of it has been subsidy money. Subsidies for November milk usually reach the producer in February or March—too late to have any influence on his fall production plants This will be corrected under free markets. November milk will be paid for partly in November and the balance early in December. This change alone should greatly help the fall supply problem, and give consumers a more uniform supply all year

All of these problems regarding New England's milk supply have been presented to OPA, to the Office of Economic Stabilization, and to the Department of Agriculture time and time again. Solutions have been outlined and prompt action requested, by Senators and Representatives, by governor's conferences, and by various State officials as well as by producer and industry leaders. The complete failure of the agencies to take corrective action under these conditions can only be interpreted to mean that these agencies have grown into a philosophy of control for control's sake, regardless of the effect on our economy. We in New England want no part of such philosophy. We want as early as possible to rid ourselves of controls of this type.

On dairy products as well as on many other products, New England is basically a deficit area. Even in normal times we get our butter and cheese and evaporated milk and even much of our fluid cream and ice cream from other sections. It is the same with meat and with many other foods With free markets, an equitable distribution is forced by the interplay of regional prices—a delicate balancing mechanism which gives all sections an approximately equal share of the national supply. This delicate balancing mechanism has not been allowed to function for four full years now. Consumer rationing helped to postpone the inevitable result for a while, until black markets and lax enforcement forced its abandonment, but today the inevitable result is in full force and effect. Just before the controls went off at the end of June there was practically no butter to be had in New England—none in the stores and little if any on the milk wagons—and scarcely any meat except in the full and open black market. Incidentally, one of the forces working toward fewer milk-cow numbers has been the attractiveness of the black-market beef prices.

This point illustrates the close economic relationship between price controls for dairy products and controls on livestock prices generally, including poultry and eggs. Close to 20 percent of our dairy herds are culled each year to be replaced by young stock which has been raised. These older dairy cows are sold in the beef market. If meat price controls are lifted, as they must be, then it is absolutely imperative that dairy products controls be lifted at the same time in order to avoid providing a real incentive for large-scale liquidation of dairy herds. Good dairy herds require years of breeding and selection to bring them to the point of efficient quality production, and a more rapid rate of liquidation than we now have would be a disaster of major proportions. In addition, dairy cows, poultry, and other classes of livestock are all competing for our limited supplies of grain and other feeds. The only balanced and reasoned solution for this problem that is fair to all groups and meets the test of national interest is to let the public at large make its choice on this matter through the preferences it signifies in the market place Farmers, in turn, can then decide for themselves on the basis of relative prices, all equally free, what disposition to make of their feed and other production resources.

The experience in the last few days since July 1 have given me and a great many other Americans renewed faith in our country and its people and their leaders in agriculture and in industry. We had almost been led to believe that we could not walk alone; that all of our prewar institutions and ways of doing business were suddenly untrustworthy and no good; that industry could not accept responsibility; that consumers would be gouged beyond the very limits of endurance We had almost forgot that the terms supply and demand are only relative terms and that they have meaning only in relation to the price We had almost forgot how quickly and easily changes in prices, openly and aboveboard, can almost overnight change the flow of commerce in a way that seems practically impossible in the face of legally fixed price obstacles.

There had been built up in the our minds a fear and dread of the day when subsidies would end—so that we hardly dared contemplate the results. That day has come now and gone. Prices went up gradually and orderly by just about the amount of the subsidies. They may go up a little more in some places, at least temporarily or until some regional or area problem are corrected. But, by and larger, the effect has been the opposite of what was predicted by price-control authorities. Producers have more faith and are more certain of the future of their markets. They can and will plan now for larger production to meet honest market demands. Consumers will have more adequate supplies and can choose their own quality and quantity on the basis of honest market prices.

Unless we continue the exemption of dairy products from control we will destroy immediately the gain in producer confidence which probably has been the major step forward during the past few days of free prices. Roll-back prices will also bankrupt many small business firms which have made purchases on the open market in complete good faith and now own higher valued inventories. As regards inflation, the one basic fact we have to go on is that prices have risen only by the amount of the subsidies. Consumers now are permitted to pay their full milk and butter bills currently instead of having the Government borrow money to pay part of such bills through subsidies I submit that Government borrowing is the more inflationary. The advantages, therefore, seem to me to be all on the side of voting to continue the price-control exemption for dairy products I believe that not only milk producers but that consumers and the public at large will be better served in the long run through free market prices and the more ample milk supplies that will result I am sure that this condition, which so aptly applies in New England, is general throughout the Nation

Mr THOMAS of Oklahoma Mr. President, before the vote is taken on the pending amendment I desire to place in the RECORD the results of a hearing held recently before the Senate Committee on Agriculture and Forestry. The committee held hearings on agricultural products, including meat, poultry, milk, tobacco, and other farm products. With respect to milk, a hearing was held at which a number of representatives of the dairy industry appeared before the committee and testified. The request for this hearing was made by Mr. Charles W. Holman, secretary of the National Cooperative Milk Producers Federation, with headquarters in Washington. Mr. Holman placed in the RECORD a list of the companies, associations, and organizations which he represented. The list embraces between 85 and 90 organizations, some of which are very large, scattered throughout the United States. I ask unanimous consent to place in the RECORD at this point as a part of my remarks the list of organizations which Mr. Holman and his associates represented before the committee.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MEMBER ASSOCIATIONS OF THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION, WASHINGTON, D C

Akron Milk Producers, 194 Carroll Street, Akron, Ohio

Arrowhead Cooperative Creamery Association, 227 North Fifty-seventh Avenue West, Duluth, Minn.

Central Grade A Cooperative, Appleton, Wis.

The Central Ohio Cooperative Milk Producers, Inc , 12 North Third Street, Columbus, Ohio.

Challenge Cream and Butter Association, 929 East Second Street, Los Angeles, Calif

Chattanooga Area Milk Producers Association, Chattanooga, Tenn.

Cheese Producers Marketing Association, Monticello, Wis.
Coastal Bend Milk Producers Association, Box 3216, Corpus Christi, Tex.
Connecticut Milk Producers' Association, 990 Wethersfield Avenue, Hartford, Conn.
Consolidated Badger Cooperative, Shawano, Wis.
Cooperative Pure Milk Association of Cincinnati, Plum and Central Parkway, Cincinnati 2, Ohio.
Dairy Cooperative Association, 1313 Southeast Twelfth Avenue, Portland 14, Oreg
Dairy Farmers Cooperative Association, Inc., Kentwood, La
Dairy Farmers Cooperative Association, Arcadia, Tex
Dairy Producers Cooperative, 703–713 South McDonough Street, Montgomery 5, Ala
Dairymen's Cooperative Sales Association, 451 Century Building, Pittsburgh 22, Pa
Dairymen's League Cooperative Association, Inc , 11 West Forty-second Street, New York 18, N. Y.
Denver Milk Producers, Inc , 810 Fourteenth Street, Denver 2, Colo.
Des Moines Cooperative Dairy, 1935 Des Moines Street, Des Moine 16, Iowa
Enid Cooperative Creamery Association, 402 West Walnut Street, Enid, Okla
Evansville Milk Producers' Association, Inc , Evansville 8, Ind
Falls Cities Cooperative Milk Producers Association, 229 Bourbon Stock Yards Building, Louisville 6, Ky
Farmers Equity Union Creamer Co , 169 Grove Avenue, Lima, Ohio
Georgia Milk Producers Confederation, 661 Whitehall Street SW , Atlanta, Ga
Golden Guernsey Dairy Cooperative, 2205 North Thirtieth Street, Milwaukee, Wis
Guilford Dairy Cooperative Association, 1700 West Lee Street, Greensboro, N C.
Indiana Dairy Marketing Association, Muncie, Ind
Indianapolis Dairymen's Cooperative, Inc , 729 Lemcke Building, Indianapolis 4, Ind
Inland Empire Dairy Association, 1803 West Third Avenue, Spokane 2, Wash
Interstate Associated Creameries, 624 Southeast Division Place, Portland 14, Oreg.
Inter-State Milk Producers Cooperative, Inc , 401 North Broad Street, Philadelphia 8, Pa
Keosauqua Cooperative Creamery, Keosauqua, Iowa
Knoxville Milk Producers Association, Knoxville 17, Tenn
Land O' Lakes Creameries, Inc , 2201 Kennedy Street NE , Minneapolis 13, Minn
Lehigh Valley Cooperative Farmers, 1026 North Seventh Street, Allertown, Pa
McDonald Cooperative Dairy Co , 617 Lewis Street, Flint 3, Mich
McLean County Milk Producers Association, 103 North Robinson Street, Bloomington, Ill
Madison Milk Producers Cooperative Association, 29 Coyne Court, Madison 5, Wis.
Manchester Dairy System, Inc , 226 Second Street, Manchester, N. H.
Maryland and Virginia Milk Producers Association, Inc., 1756 K Street NW., Washington 6, D. C.
Maryland Cooperative Milk Producers, Inc., 810 Fidelity Building, Baltimore 1, Md.
Miami Home Milk Producers Association, 2451 Northwest Seventh Avenue, Miami, Fla.
Miami Valley Cooperative Milk Producers Association, Inc , 136–138 West Maple Street, Dayton, Ohio.
Michigan Milk Producers Association, 406 Stephenson Building, Detroit, Mich
Michigan Producers Dairy Co., 1315 East Church Street, Adrian, Mich.
Mid-South Milk Producers Association, 1497 Union Avenue, Memphis, Tenn
Mid-West Producers Creameries, Inc., 224 West Jefferson Street, South Bend, Ind.
Milk Producers Federation of Cleveland, 1012 Webster Avenue, Cleveland, Ohio.
Milwaukee Cooperative Milk Producers, 1633 North Thirteenth Street, Milwaukee, Wis.
Nebraska Cooperative Creameries, Inc , Fifteenth and Webster Streets, Omaha, Nebr
Nebraska-Iowa Non-Stock Cooperative Milk Association, 402 North Twenty-fourth Street, Omaha, Nebr.
New Bedford Milk Producers Association, Inc , 858 Kempton Street, New Bedford, Mass.
New England Dairies, 142 Cambridge Street, Charlestown, Mass
New England Milk Producers Association, 73 Cornhill, Boston, Mass
The Northwestern (Ohio) Cooperative Sales Association, Inc , 222½ Detroit Avenue, Toledo, Ohio
Paducah Graded Milk Producers Association, Inc., Route 1, Paducah, Ky
Peoria Milk Producers, Inc , 216 East State Street, Peoria 2, Ill
Pure Milk Association, 608 South Dearborn Street, Chicago 5, Ill
Pure Milk Producers Association of Greater Kansas City, Inc , 853 Live Stock Exchange Building, Kansas City 15, Mo
Pure Milk Products Cooperative, 20 Forest Avenue, Fond du Lac, Wis
Richmond Cooperative Milk Producers Association, 516 Lyric Building, Richmond 19, Va
St Joseph (Mo) Milk Producers Association, Inc , 1024 South Tenth Street, St Joseph 26, Mo
Sanitary Milk Producers, 511 Locust Street, St Louis 1, Mo
Sioux City Milk Producers Cooperative Association, Inc , 511 Warnock Building, Sioux City 15, Iowa
South Texas Producers Association, Inc , 3600 Center Street, Houston, Tex
The Stark County Milk Producers Association, Inc , 212 Canton Building, Canton 2, Ohio
Tillamook County Creamery Association, Tillamook Oreg
Twin City Milk Producers Association, 2402 University Avenue, St Paul 4, Minn.
Twin Ports Cooperative Dairy Association, 6128 Tower Avenue, Superior, Wis
Rochester Dairy Cooperative, Rochester, Minn
United Dairymen's Association, 635 Elliott Avenue, West, Seattle 99, Wash
United Farmers Cooperative Creamery Association, Inc , 86 Cambridge Street, Charlestown 29, Mass
Valley of Virginia Cooperative Milk Producers Associations, Harrisonburg, Va.
Vigo Cooperative Milk Marketing Co , Inc , 414 Mulberry Street, Terre Haute, Ind
Wayne Cooperative Milk Producers, Inc , 340 East Berry Street, Fort Wayne 2, Ind.
Wisconsin Cheese Producers Cooperative, Plymouth, Wis

Mr THOMAS of Oklahoma Mr. President, I desire to place in the RECORD the names of those who appeared before the committee, because their testimony is now a part of the record in the printed hearings.

The distinguished Senator from Florida [Mr. PEPPER] appeared as a witness I wish to say in his behalf that he did not advocate the removal of controls from dairy products, but he made a very clear statement to the effect that one of two things should happen—either control should be removed from milk or a satisfactory subsidy should be provided by the Government, to the end that the dairy industry might continue to operate throughout the country.

There also appeared at the hearing Mr. B. E. Stallones, manager of the South Texas Producers Association, of Houston, Tex.

There also appeared at the hearing Mr. Glenn W. Cope, of Cope, S. C., representing the Coastal Milk Producers Association, the Edisto Cooperative Milk Producers, Inc , and the South Carolina Dairy Association, Inc

There also appeared Mr. Fred H. Suhre, manager of the Farmers' Marketing Association, and president of the Midwest Producers' Creameries, Inc., of Columbus, Ind.

There also appeared Mr. W Kerr Scott, a dairy farmer of Raleigh, N. C , and Commissioner of Agriculture of the State of North Carolina.

There also appeared Mr. Russell S Waltz, general manager of the United Dairymen's Association, of Seattle, Wash.

There also appeared at the hearing Mr. A. G. Wells, president of the Wells Dairies Cooperatives, Columbus, Ga , and chairman of the legislative committee of the Georgia Dairy Association.

There also appeared Mr. J. H Cone, vice president of the Florida Dairy Association

Except for one witness, the Senator from Florida, each person present urged the committee to recommend that milk and milk products be decontrolled At that time, of course, they were under control. There is now no control on these products. I wish to join the Senator from Nebraska in trying to prevent controls being placed upon milk and milk products So when the question comes to a vote I shall vote to sustain the amendment offered by the Senator from Nebraska

Mr LA FOLLETTE Mr President, in all the years I have served in the Senate I have never seen a more complex or difficult legislative and economic decision confronting the Congress. At best, after a war of the magnitude of that through which this country has passed—a war which required the utilization of the manpower and productive facilities of agriculture, industry, and transportation—the period of reconversion to peacetime activities is indeed difficult.

But, so far as the problem of price control in the reconversion period is concerned, it is my firm conviction that it has been complicated beyond necessity by certain decisions which were made shortly after VJ-day involving the relaxation of certain types of control.

In the situation which confronted us in our efforts to reenact this legislation, I endeavored to utilize my vote as one Member of the Senate in an effort to pass an extension of price control which would give us the best possible measure that could secure a majority in both Houses of Congress. The President saw fit, in the exercise of his constitutional prerogatives, to veto that legislation, and we are now in the process of an effort to enact legislation in the light of that action.

I have not been one of those who believe that the abolition of price control at this time would in the end be in the best interests of the people of the United States and our complicated economy. Yesterday I voted with the minority against the amendment offered by the Senator from Nebraska [Mr. WHERRY] to decontrol livestock and poultry products. Today I voted against the amendment offered by the Senator from Mississippi [Mr. EASTLAND] to decontrol cottonseed and soybeans and their products.

I am sorry that the majority of the Senate has seen fit to take the action which it took in connection with both these amendments because I still believe that there is need for effective price control, and I fear—yea; I know—that the action taken by the Senate will bring in its wake a chain of events which are inevitable, and which may in the end serve to cripple effective price control during the remainder of the reconversion period.

I make this statement fully aware of the administrative shortcomings which the OPA has demonstrated. When this legislation was first under consideration I expressed the opinion that effective controls should be extended. I am sorry that the people of the country do not understand—and it is quite natural that they should not understand—the complex legislative machinery which is essential to the enactment of legislation. I still intend to use my vote, in the complex legislative situation which confronts us, to obtain the best price control bill which can pass both Houses of Congress. I am convinced that the chaos and uncertainty of the present situation must be remedied; and I for one do not believe that we should take the long chance of licking inflation without control.

But the Senate has now acted upon the two amendments to which I have referred, and in all probability this measure will have to go to conference. In the light of that fact, it seems to me essential, so far as the dairy industry is concerned, that the conference committee should be in a position to consider the entire problem of decontrol of various commodities as a whole. In other words, if this amendment is defeated the conference will have one of two alternatives. It will either eliminate the decontrol of livestock and poultry and of soybeans and cottonseed, or it will adopt them in conference; but if this amendment is not agreed to the conferees will not have it within their power to consider the interrelationship which exists between the dairy industry and the livestock industry. Everyone familiar with those two industries must know that the economic balance between them would be completely upset if the livestock industry were to be decontrolled and the dairy industry were to be placed back under price control.

Both of these industries have a common dependency on feed and grain supplies. In many areas there is also a ready interchangeability from one line of livestock production to another. There is also a wide range of food substitution, insofar as consumers are concerned, among dairy products, meats, and poultry. If the final action of the conference should be to remove the meat industry from control, but if dairy products were not removed from control there would be very serious danger that large numbers of dairy cows would be sent to the slaughter houses. If that should eventuate, the dairy industry would have its efficiency and its productive capacity impaired for a number of years, if not for many years to come. A high level of meat prices, as compared with milk prices, could easily produce that result.

Another important factor as to why these two industries must be considered jointly lies in the relation between feed values and livestock prices. The corn and other feeds will be fed to the kind of animals that are highest in price. If meat prices are relatively higher than milk prices, then the feed will go to the hogs and beef cattle, rather than to milk cows. That again would have a serious, long-term effect on the dairy industry and its capacity to produce the essential items of food needed both in this country and abroad.

For these reasons, Mr. President, I feel that I must support the pending amendment, which will give the conferees an opportunity to give equal treatment to both of these interrelated industries. And I urge that the conferees do give the dairy and livestock industries equality of treatment insofar as price control is concerned.

The PRESIDING OFFICER (Mr. MYERS in the chair). The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr WHERRY] in his own behalf and in behalf of a number of other Senators. On this question the yeas and nays have been ordered.

Mr. WHITE. Mr President, if no Senator desires to address the Senate at this moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Myers
Andrews	Hawkes	O'Daniel
Austin	Hayden	O'Mahoney
Ball	Hill	Overton
Barkley	Hoey	Pepper
Bridges	Huffman	Reed
Briggs	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Robertson
Buck	Kilgore	Russell
Bushfield	Knowland	Smith
Byrd	La Follette	Stanfill
Capehart	Langer	Stewart
Capper	Lucas	Swift
Carville	McCarran	Taft
Chavez	McClellan	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Thomas, Utah
Downey	Magnuson	Tobey
Eastland	Maybank	Tunnell
Ferguson	Mead	Wagner
George	Millikin	Wheeler
Gerry	Mitchell	White
Gossett	Moore	Wiley
Green	Morse	Willis
Guffey	Murdock	Wilson
Gurney	Murray	Young

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] on behalf of himself and other Senators.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Virginia [Mr. BURCH] and the Senator from Arkansas [Mr. FULBRIGHT] are unavoidably detained.

The Senator from Massachusetts [Mr. WALSH] is detained on official business at the Navy Department.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from Arkansas [Mr FULBRIGHT] is paired with the Senator from Arizona [Mr MCFARLAND]. If present and voting the Senator from Arkansas would vote "nay," and the Senator from Arizona would vote "yea."

I also announce that on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Massachusetts [Mr WALSH]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Massachusetts would vote "nay."

If present and voting the Senator from Maryland [Mr RADCLIFFE] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 51, nays 27, as follows:

YEAS—51

Aiken	Ball	Buck
Andrews	Bridges	Bushfield
Austin	Brooks	Capehart

Capper	Knowland	Russell
Carville	La Follette	Smith
Cordon	Langer	Stanfill
Donnell	McCarran	Stewart
Eastland	McClellan	Swift
Ferguson	Maybank	Taft
George	Millikin	Thomas, Okla.
Gerry	Moore	Tobey
Gossett	Morse	Wherry
Gurney	Murdock	White
Hart	O'Daniel	Wiley
Hawkes	O'Mahoney	Willis
Hoey	Reed	Wilson
Johnston, S. C.	Robertson	Young

NAYS—27

Barkley	Huffman	Murray
Briggs	Johnson, Colo.	Myers
Byrd	Kilgore	Overton
Chavez	Lucas	Pepper
Downey	McKellar	Revercomb
Green	McMahon	Taylor
Guffey	Magnuson	Thomas, Utah
Hayden	Mead	Tunnell
Hill	Mitchell	Wagner

NOT VOTING—18

Bailey	Ellender	Saltonstall
Bilbo	Fulbright	Shipstead
Brewster	Hatch	Tydings
Burch	Hickenlooper	Vandenberg
Butler	McFarland	Walsh
Connally	Radcliffe	Wheeler

So Mr WHERRY'S amendment, offered on behalf of himself and other Senators, was agreed to

Mr REED and Mr. RUSSELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. REED. Mr. President, I understand that the senior Senator from Tennessee [Mr McKELLAR] desires to present a conference report which can be promptly disposed of. I shall be very glad to yield to him for that purpose if I do not, thereby, surrender the floor.

Mr McKELLAR. Mr. President, I will wait until the Senator has completed what he wishes to say.

Mr RUSSELL. Mr. President I do not suppose that I can do anything about it. I have no way of protecting myself, but I am quite sure that I addressed the Chair before any other Senator addressed the Chair.

Mr REED. Mr. President, I desire to call up the amendment bearing at the bottom of the page the letter "E," and ask to have it considered.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas will be stated.

The LEGISLATIVE CLERK On page 9, after line 14, it is proposed to insert the following:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and products processed or manufactured in whole or substantial part therefrom.

Mr. REED. Mr. President, in the light of the action which was taken by the Senate last evening and today whereby it released meat and dairy products from control, I assume that this amendment will not require very much discussion.

There is nothing now which can be logically done except to follow the previous action of the Senate by letting grain go on a free market so that the deficit areas of the United States may be supplied with their requirements for feed.

Mr. President, there is no commodity which is so widely produced and distributed, and which moves with such fluidity as grain. For use in feeding livestock, New England, the Pacific coast region, Delaware, Pennsylvania, and the Southeast all depend upon grain produced in the Central Western States. There is no other place from which it can come.

The only objection which I have heard from any of my senatorial colleagues to the removal of controls on grain is based on the fear that the prices of grain might get out of hand I invite attention to the fact that a great wheat crop which has been grown in the Southwest is now being marketed in Kansas City, which is the great market for winter wheat. When the controls went off, the price of hard wheat opened at Kansas City at about $2 07 a bushel The price receded until yesterday it was $2 01 a bushel. That is about 11 cents above the ceiling price. Mr. President, the UNRRA organization through the Commodity Credit Corporation was seeking wheat, to supply the famine needs in Europe and other places The present price at which wheat is moving to the free market at Kansas City is 19 cents a bushel below what the UNRRA organization pays for the wheat needed, and bought and delivered to UNRRA for distribution in Europe. I think that illustrates what a free market will do

A group of Senators, including myself, called on the Secretary of Agriculture some weeks ago, I think the latter part of April. At that time the Secretary told us what we already knew, that for an indefinite period there has been no corn on the free market in amounts of any consequence. He was offering a premium of 25 cents a bushel in order to bring corn out from the black market. I think he secured approximately 50,000,000 bushels, and as I recall the program, he was going to turn the first 25,000,000 bushels over to corn processors. That illustrates what has happened in the grain market, as well as in the other markets. I met a great Delaware livestock producer in the halls here a few moments ago, who told me he had just bought a carload of corn on the Chicago market. I asked him when he had bought it, and he said he had bought it since July 1. I asked him when he was able to buy corn on the Chicago market before that, and he said it had been so long ago that he had forgotten when it was. No corn has been available through the regular markets. But since the first of July these grains have moved freely, they have moved at moderate prices, and there is every reason to believe they will continue to move at moderate prices.

I wish to say again that, so far as the grain situation is concerned, the deficit areas like the Southeast, New England, New York, Delaware, the Pacific coast, and including Wisconsin, all of which depend on the grain-surplus-producing States, are much more concerned in a free market for grain than we in the producing areas, so far as the price is concerned.

Mr. President, I make that statement with all the earnestness at my command. Certainly there would be no logic at all in taking controls off meat, which is perhaps at least one of the two or three largest consumers of corn, and taking controls off dairy products—and those two combined are the two great consumers of feed grains—and not giving these deficit areas the privilege of a free market through which their grains might move.

Mr. President, let me forecast a little for the future of this year. The Southwest wheat crop is already made and mostly harvested. The spring wheat is yet to be made. The present indications are that there will be somewhat more than a billion bushels of wheat, which is sufficient for domestic needs and for foreign requirements.

Several times I have discussed with the Department of Agriculture methods of securing wheat for the famine needs, for relief purposes over the world. The corn crop to be harvested this fall is presently estimated at 3,500,000,000 bushels, which, if the estimate is fulfilled, will be the largest corn crop we have ever had. The oats crop is estimate at about a billion and a half bushels So far as anyone can tell at this time, there is going to be an ample supply of grain. There will be no justification for more than a temporary increase in grain prices until the law of supply and demand has had time to operate

Therefore, again I say, the matter of most consequence in the grain situation is that a free market be restored, so that grain may move freely for the benefit of the deficit areas which have been unable to secure feed for the past several years in sufficient quantities.

In recent months, really in recent weeks, New England, which is a great dairy section, got into a desperate situation. There was feed in the country, but under the restrictions imposed on free marketing and the free movement of grain, it simply did not move. The junior Senator from New Hampshire [Mr. TOBEY] wrote a letter to the President, as we all recall, in which he sent out a Macedonian cry and received an answer from the President. But the Senator from New Hampshire did not overstate the case.

The far West has always depended mostly upon the State of Nebraska for corn for feed. The Pacific coast mills have always depended on the "Triangle" in Montana for a certain class of hard wheat. The New England States, and the other feeding and dairy areas of the East, and the feeding areas of the Southeast, have always depended upon the surplus-producing areas for feed to carry on their business.

Mr. President, there is every reason, in the light of what we have done yesterday and today, to look forward, and to establish grains on a free market. I do not apprehend any increase, beyond possibly reasonable margins, in any of the grains, either the food grains or the feed grains, and I hope the amendment will be agreed to.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. YOUNG. Is it not a fact that grain prices are lower now than if labor prices were included in computing the parity price?

Mr. REED. If labor costs were added in the parity formula, the parity price of grain would be above the present price.

TREASURY AND POST OFFICE APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows

That the Senate recede from its amendments numbered 32 and 33

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 35, and 36, and agree to the same

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$432,000"; and the Senate agree to the same

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$89,000", and the Senate agree to the same

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$177,050", and the Senate agree to the same

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$196,200"; and the Senate agree to the same

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$65,300,000"; and the Senate agree to the same

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$324,900", and the Senate agree to the same

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$952,300"; and the Senate agree to the same

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$762,000"; and the Senate agree to the same

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,161,750"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$644,900", and the Senate agree to the same

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$158,750", and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$380,500", and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$522,000"; and the Senate agree to the same

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,192,000", and the Senate agree to the same

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$37,110,000", and the Senate agree to the same

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$6,723,750", and the Senate agree to the same

The committee of conference report in disagreement amendments numbered 7, 39, and 40

KENNETH MCKELLAR,
CARL HAYDEN,
THEODORE FRANCIS GREEN,
WALLACE H WHITE, JR.,
CHAN GURNEY,
CLYDE M REED,
Managers on the Part of the Senate.

EMMET O'NEAL,
CLARENCE CANNON,
THOMAS D'ALESANDRO, JR.
HERMAN P. KOPPLEMANN,
JOHN TABER,
FRANK B. KEEFE,
Managers on the Part of the House

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. Mr. President, every Senator knows that the only matter now involved is the silver question. The House has disagreed to the Senate amendment on that subject. I wish to make a motion. The motion has been prepared by the Parliamentarian, and it is in order, and I think it is the best way to settle this very controversal question. It does not accomplish as much as the Senator from Nevada [Mr. MCCARRAN] asks on the one side, and not as much as the Senator from Rhode Island [Mr. GREEN] asks on the other. As the Senator from Arizona [Mr. HAYDEN] and I have agreed—and I hope other Senators will agree with us—it is a fair, moderate compromise.

The Senator from Arizona has engineered the compromise, and, as we all know, he is not only a good compromiser, but he is a good legislator, and I have the greatest confidence in him.

Mr. BARKLEY. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I hope the fate of this fair, moderate compromise will not be the same as that of some other fair, moderate compromises in legislation to which my attention has been attracted. [Laughter.]

Mr. McKELLAR. I can understand the Senator's views on that subject perfectly, as I believe I participated in one of those compromises with him. It did not work out. I hope this one will work out better.

The motion prepared by our Parliamentarian, and which is the motion I make in regard to this very controversial matter, is as follows:

I move that the conferees on the part of the Senate be instructed to agree to an amendment to Senate amendment No. 7 which will omit the matter proposed to be inserted by said amendment, and restore the matter stricken out by the Senate amendment, and in lieu of the "71.11 cents" specified in the matter so restored, insert "90.3 cents"; and at the end of the matter so restored insert a colon and the following *"Provided further*, That hereafter each United States coinage mint shall continue to receive for coinage silver mined from natural deposits in the United States or any place subject to the jurisdiction thereof, as provided in the act of July 6, 1939 (Public Law 165, 76th Cong.), except that the seigniorage to be deducted shall be 30 percent instead of 45 percent as provided in section 4 (b) of said act."

If that motion is agreed to it will mean simply that the price of silver will be fixed at 90.3 cents instead of 71.11 cents.

I desire to tell the Senate the predicament we are in respecting this bill. Ordinarily Treasury and Post Office appropriation bills are not difficult to have passed and agreed upon in conference, but this amendment has kept us from final action up to the present time. By the 15th of July the employees of these two departments will have to go without their pay unless the measure is finally acted upon before that date, and it looks now like they will go without their pay unless we come to some conclusion. It is not a proper thing for us not to come to a conclusion on this matter. I think we should finally determine the question, and the best way to determine it is along the line that has been suggested. The Senator from Arizona has said that this is the best way to determine the question, and I have great confidence in his judgment, especially respecting anything pertaining to the great West. He is very level-headed respecting such matters and all others. I hope the Senate will agree to the motion.

As I understand, a preferential motion is to be made. I hope the preferential motion will be voted down, and that we can take definite action. I believe that if the present law is continued in force there will not be as much silver produced, and the price will be higher than it will be if we adopt the proposed increase from 71.11 cents to 90.3 cents. I hope very much the motion I have made will be agreed to.

Mr. WHITE. Mr. President, I do not want to interfere with any Senator who may have the floor, but if I secure the floor I wish to suggest the absence of a quorum.

Mr. McKELLAR. I yield the floor.

Mr. GREEN. Mr. President, I desire to make a preferential motion, and before I do so I wish to make a word of explanation as to why I make that

motion. I regret very much to find myself not in entire agreement with the President of the Senate who, as chairman of the conference committee, has presented the report and made a motion.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr GREEN I yield.

Mr McKELLAR. I omitted to ask that the conference report be agreed to. That should be done first, and after that, the preferential motion can be made.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair) The question is on agreeing to the conference report.

Mr. WHITE Mr. President, before there is any agreement——

Mr. McKELLAR. This is not a question of an agreement. The question is on the adoption of the conference report

Mr. WHITE Before the question is put on the adoption of the conference report I should like to make a point of no quorum

Mr McKELLAR. Very well.

Mr WHITE I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Andrews	Hart	O'Daniel
Austin	Hawkes	O Mahoney
Ball	Hayden	Overton
Barkley	Hill	Pepper
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo	Robertson
Buck	Johnston, S C	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Maybank	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Willis
Green	Murdock	Wilson
Guffey	Murray	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. GREEN. Mr. President, I desire briefly to state what the parliamentary situation is. Last October I introduced a bill which, in effect, would have continued the existing law. The law had previously been continued for 2 years, and after that time it had been continued for a year, and the time of the second continuance expired last December 31. Since then there has been no law on the subject. No action was taken on the bill I introduced until recently. Despairing of any action, the House, when it was considering the Treasury and Post Office appropriation bill, inserted that so-called Green bill as a part of the appropriation bill. The appropriation bill came over to the Senate with the so-called Green bill in it. In the Senate committee to which the appropriation bill was referred an amendment was added, and the measure, as it was reported from the committee, was approved by the Senate. Conferees on the part of the Senate were appointed and met with conferees on the part of the House. The House conferees refused to agree to the Senate amendment, and took the matter back to the House. Yesterday for the second time the House affirmed its position by a vote of 266 to 22. The House has consistently conceded almost everything to the Senate in connection with this conference The Senate receded on two items. The House receded on 19 items, and on three there was disagreement. Yesterday the House took up the three matters in disagreement. It conceded two, but remained firm on the third, which is the matter now before us, by the vote which I stated, 266 to 22. Therefore it seems to me that in consideration of the attitude of the House, both in conceding so much to the Senate and in standing firm on this matter, we should recede from our position The proper way for us to recede is to recede from the amendment which the Senate added to the appropriation bill. I therefore move that the Senate recede its amendment

The PRESIDING OFFICER. The question is on agreeing to the conference report The Senator's motion will be in order after the conference report is disposed of.

Mr. McKELLAR. I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5452, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U S.,
July 9, 1946

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 39 and 40 to the bill (H R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, and concur therein, and

That the House insist upon its disagreement to the amendment of the Senate numbered 7 to said bill

Mr. HAYDEN. Mr President, will the Senator from Rhode Island yield to me?

Mr. GREEN. I yield.

Mr HAYDEN. I am sure that the Senator from Rhode Island wishes to state the situation before the Senate exactly as it now exists.

The Senator stated that the House had rejected by a very large vote the proposal which the Senator from Tennessee had offered. The fact is that the House had no choice, because a Member of the House exercised the same privilege which the Senator from Rhode Island is exercising. He made a preferential motion that the House concur in the entire Senate amendment, which included a price of $1.29 an ounce for silver. The House had to vote on the question that way, and no other way. There was no 90-cent proposal anywhere in it; and for that reason, the House being opposed to a price of $1.29, as are a great many Senators, the vote was overwhelmingly opposed to it.

The proposal now is to abandon entirely the price of $1.29 for silver, and to fix the price at 90 3 cents, which was in the original compromise. That is what we are now asking be sent back to conference, with instructions to the conferees.

In other words if the motion of the Senator from Tennessee is agreed to, the Senate will completely abandon any idea of a price of $1.29 for silver. It will merely say that the price, now fixed at 71 11 cents, shall be 90.3 cents. That is an increase of about 26½ percent.

The Treasury Department has expressed approval of that price. I have a letter addressed to the Senator from Tennessee by Secretary Vinson, dated May 2, in which he states

> If the Congress should decide that Treasury silver is to be made available for industrial use only at a price of approximately 90 3 cents an ounce, and at the same time that the price paid by the Treasury for newly mined domestic silver should be increased to approximately 90 3 cents an ounce, the Department would not be disposed to object On the other hand, the Treasury would be strongly opposed to any legislation ultimately increasing the price paid by the Treasury for newly mined silver to $1 29.

We are doing exactly what the Secretary of the Treasury indicated in that letter. We are not asking for $1 29. We are saying that silver shall be sold from the Treasury at 90 3 cents an ounce, and that the American producer of silver shall receive 90.3 cents an ounce. That is all there is to the proposal.

Mr WALSH. Mr. President, will the Senator from Rhode Island yield to me so that I may ask the Senator from Arizona a question?

Mr. GREEN. I should like first to correct the statement made by the Senator from Arizona.

The Senator from Arizona intimated that I made some misstatement. I made no misstatement. Nothing that I said showed that I made any misstatement. I made no reference to any figures as to the price of silver.

What I stated was that the appropriation bill included the measure originally introduced by me, which in substance continued the existing law, which expired last December 31; and furthermore that the House conferees were instructed to insist on that when this question was brought up in conference, and the House conferees did insist. They took the question back to the House, and yesterday the House again instructed them to insist. That was done by a vote of 226 to 22.

I have no doubt that it is true, since my friend and colleague has said so, that the Secretary of the Treasury has written a letter to the effect that he would accept the new figure. However, I invite the attention of the Senate to the fact that at the time the original Green bill was before the Committee on Banking and Currency he also stated that he was in favor of the bill as introduced ,in which the price was 71.11 cents. Furthermore, he has written the corresponding committee in the House to the same effect.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GREEN. I have not yet finished.

Not only the Secretary of the Treasury, but the Administrator of the Civilian Production Administration and the Administrator of the Office of Price Administration also wrote the Senate Committee on Banking and Currency to the same effect. So there is plenty of support for continuing the law which was in effect for 3 years up until last December 31. That is what the House did in its action on the appropriation bill.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr GREEN. I yield.

Mr. McKELLAR. The Senator will remember that our committee received a great deal of testimony about this matter. Jewelers and others appeared before the committee and testified that they had no objection to a price of 90 cents; and from what I heard in the committee, I did not believe that the members of the committee objected to a price of 90 cents. The principal objection was to a price of $1 29.

For months the Senator from Arizona and I have been trying our best to obtain a general agreement to report to the Senate, and now to report in conference, a compromise agreement on a price of 90 and a fraction cents

The Senator will recall that in the committee there was no testimony at all, so far as I am aware—and if I am incorrect I hope to be corrected—in favor of 71-cent silver. All the testimony was to the effect that the prices of everything manufactured from silver had gone up considerably, so that the Government could well afford to fix a medium price of 90 cents instead of 71 cents.

I was very hopeful that the Senator, representing a State in which there are many silverware manufacturers, would agree to a compromise of this kind. I believe that in doing so he would be representing those interests. I hope the Senator will agree to a compromise. It is the only way we shall ever get this bill passed. We are up against it. Unless we pass this bill we shall probably have hundreds of thousands of employees on our necks in a very short time. We are holding up the bill because of a difference as to the price of silver, when silver has already gone beyond the price fixed in the bill.

So it seems to me that there is no merit in the Senator's contention. I plead with the Senate as one very greatly interested in the postal employees and the Treasury employees. For many years I presided over the Committee on Post Offices and Post Roads I have not been a member of the committee having to do with employees of the Treasury Department, but we all know that they render good service to our Government. I think they ought to be provided for. I think this bill ought to pass. The only way we can pass it, as I see it, is by a compromise between the two contending forces. This proposal is a compromise; and I appeal to Senators not to carry on the fight further, not to listen to either side, but to agree to a compromise which is fair and just. It is fair to the trade; it is fair to the consumer; it is fair to the manufacturer; it is fair to the people of the United States, and in my judgment it ought to be agreed to. I hope that it may be.

Mr. GREEN. Mr. President, what the Senator from Tennessee has said is true, that the principal objection was to the price of $1.29. That price would make it absolutely impossible for the users of silver to continue in business. But, just as the principal objection was to the price of $1 29, so the principal argument was in favor of a price of 71.11 cents. The point in between is suggested as a compromise.

The question is whether the Senate wishes to agree to such a compromise when the other proposal has been so definitely rejected by the House on two occasions. I think it would be a mistake to attempt to offer such a compromise. I am sorry for the employees who must wait for their pay. But the Senator from Tennessee should remember that if we adopt the suggestion which I make there will not be a single point of difference left between the Senate and the House, and the employees can get their pay promptly, whereas if we begin all over again and try to argue with the House on the basis of a new figure, there may be further delay. There must be some delay.

Mr MURDOCK. Mr President, will the Senator yield to me?

Mr GREEN I yield.

Mr. MURDOCK I think it should be pointed out to the Senate in respect to the reference of the Senator to the Secretary of the Treasury that the Secretary of the Treasury was called before the Banking and Currency Committee in connection with the Green bill, which provided for the extension of the authority of the Secretary of the Treasury to sell silver at 71.1 cents per ounce. That when I began interrogating him as to the effect of the bill, he himself asked that the matter be delayed and that he be given sufficient time to look into it more carefully and ascertain with more certainty what its effects would be.

Mr. President, it is an easy thing for the Secretary of the Treasury to write a letter to a legislative committee and say that he favors a certain matter. But when the Secretary of the Treasury had called to his attention the fact that he was selling at 71 1 cents an ounce silver that belonged to the people of the United States, and that every ounce of that silver, under the law of the United States, was worth $1.29 an ounce, which is its monetary value, fixed by statute, and when the Secretary of the Treasury was asked whether he thought it was good business for him to sell the people's silver at 71.1 cents an ounce, when its monetary value is $1.29 an ounce, he seemed to qualify his previous approval of the Green bill and asked that he be given more time to look into the question. He said—and I believe the Senator from Rhode Island was there when he said it—that he wanted more time to look into the matter.

The only other word we have had from the Secretary of the Treasury, so far as I know, is contained in the letter which was read by the Senator from Arizona. In that letter the Secretary stated that he had no objection to a price of 90.3 cents an ounce. As has been suggested by the Senator from Tennessee, the price of 90.3 cents is a compromise price.

Mr. President, I point out to the Senate that the silver which is being sold is not the property of the silver-producing States. It belongs to all the people of the United States, to the people of Rhode Island, the people of Texas, the people of Maine, the people of Tennessee, the people of all the States; and under the laws of the United States that silver is worth $1 29 an ounce. When this country is borrowing by the hundreds of millions of dollars every day in the week and is paying interest on that money and the vast national debt, then I ask the Senators here whether, as a strict matter of business, the Secretary of the Treasury should be selling the people's money at 71 1 cents an ounce, when it is worth $1 29, and at the same time be paying interest on borrowed money while the people's statutory silver money lies idle in the Treasury because of a failure to use it.

Mr. President, I have no objection to a fair and reasonable compromise I know that the silver fabricating industry of the United States is important. It should not be stymied or stopped. The people who are engaged in that industry should be allowed to continue in their employment. But on the other hand, Mr. President, the people who prospect for silver, those who go into the deserts and mountains of the West, are entitled to at least the cost of production. All the evidence which was produced before the Appropriations Committee was to the effect that silver cannot be produced at 71 1 cents an ounce. It was pointed out that 80 percent of the silver produced in this country comes as a byproduct in the production of copper, zinc, and lead. It was emphatically called to the attention of the committee that in all the history of this Nation there never was such a shortage of zinc and lead as there is today Mr. President, we simply cannot get silver produced by Western miners at less than the cost of production, and I do not believe the Senate of the United States can expect it

Today we are confronted with the question whether we shall make a commodity market out of the Treasury of the United States for the advantage of the silver fabricators, or whether we shall keep it as the depository of the people's money. The silver in the Treasury is money. It belongs to all the people. It should be used for the best interests of all the people, not for the profit of just a few. I am willing, very reluctantly, to sacrifice a principle for which I have fought on this floor for a long time, namely, that the Treasury of the United States should not be converted into a commodity market. However, when the fabricators of silver tell us, "We cannot continue to exist; we cannot go on. The amount of silver being produced is not enough to keep us going, and the only place where we can find silver or get it today, in order to keep in business, is the Treasury of the United States," then, as I have stated before to the Appropriations Committee, I am willing, to save this industry, to sacrifice a principle for which I have stood,

namely, that we should not sell the people's money at below its monetary value, while we are borrowing money and paying interest on it. I am willing to sacrifice that principle in order to get silver into the hands of the fabricators. By in doing that, Mr. President, I think the compromise suggested by the Senator from Arizona [Mr. HAYDEN], and supported by the Senator from Tennessee [Mr. MCKELLAR], is the irreducible minimum that the producers should be asked to compromise on. That compromise provides for a price of 90 5 cents. The Senator from Rhode Island has stated that the House has consistently turned that down. Mr. President, the House has never had an opportunity to vote on a price of 90.5 cents an ounce. I predict today that if the House does have a chance to ratify the amendment proposed by the Senator from Arizona—namely, for a price of 90.5 cents an ounce—the House will ratify it. If and when that is done, of course silver will be available at the Treasury, and the silver fabricators may continue with their industry and business

The Senator from Rhode Island agreed, as I understood, on the compromise which was placed in the bill as passed by the Senate That compromise provided for a price of 90 5 cents an ounce today and a price of $1 29 an ounce 2 years from now. Senators from the silver-producing States of the West, having in mind the dire situation of silver fabricators, are reluctantly willing, in order to arrive at a compromise, to forego the price of $1.29 But certainly we are entitled to a reasonable compromise We are entitled to an amount sufficient to pay the cost of production; and 90 5 cents an ounce is no more than enough to do that

I hope the Senate will reject the motion of the Senator from Rhode Island, and will adopt the substitute offered by the Senator from Arizona.

Mr MURDOCK subsequently said: Mr President, I ask unanimous consent that as a part of the statement I made when the Senator from Rhode Island [Mr GREEN] was so kind to yield to me, the report submitted by me from the Committee on Banking and Currency to accompany the silver bill, H. R. 4590, be printed in the RECORD. The report contains a considerable amount of statistics and factual data which I think important.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Banking and Currency, to whom was referred the bill (H R 4590) to authorize the use by industry of silver held or owned by the United States, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass

The amendment to the text of the bill is in the nature of a substitute, the language of which is identical with S. 2206 introduced in the Senate on May 16, 1946, and now pending before your committee. S 2206 is in turn identical with a provision which had been approved by the subcommittee of the Senate Appropriations Committee on the Treasury and Post Office Departments appropriation bill (H R 5452), now pending before the full Appropriations Committee. The provision agreed to by the Appropriations Subcommittee was the result of a compromise by the parties concerned on a legislative provision incorporated in the Treasury and Post Office Departments appropriation bill which is the same in substance as H R. 4590 as it passed the House. It would be understood of course that consideration of the bill now reported, embracing a legislative proposal within the jurisdiction of this committee, would result in striking from the Treasury and Post Office Departments appropriation bill the matter dealing with this subject

The House Committee on Appropriations did not hold hearings on the legislative provision in the appropriation bill, and the House Rules Committee reported out a rule waiving points of order against this provision.

The Senate Committee on Appropriations held hearings on the legislative provision, when representatives of silver-using industries appeared in favor of the House provision, and representatives of silver producers appeared in opposition thereto

Former Senator Sinclair Weeks, of Massachusetts, representing Reed & Barton Co., of Taunton, Mass., during the hearings stated that—

"We have here today those representative of various segments of the industry which use silver, and which today are in a very serious situation because silver is rapidly becoming nonexistent, as far as we are concerned" (p 150)

Mr Judson C Travis, representing Handy & Harman, silver semifabricators and brokers, New York, N Y., stated that—

"Before the war the level for the arts and industries was about 30,000,000 to 35,000,000 ounces a year, and it reached a high figure in the last year of the war, in 1945 we estimated about 140,000,000" (p 151)

Mr Travis continued

"For 1946 we estimate that approximately 125,000,000 ounces of silver will be required for use in the arts and industries, divided roughly as follows For jewelry approximately 8 percent, for silverware about 50 percent, for widespread use in general industry, including photographic materials, electrical parts and equipment, engine bearings and brazing alloys, 40 percent—I would like to mention that there has been a very pronounced expansion in the use of silver in new lines of industry That has grown out of research and development work and also from war uses that we are very hopeful will remain as permanent uses, and we are very much concerned with those new uses because they are being cut short We are anxious to see them supplied so they will continue to absorb silver For dental and medicinal uses about 2 percent is used" (pp 152-153).

He also stated,

"Since the end of 1945 when supplies from the United States Treasury were cut off, industry has had to depend upon the relatively meager quantities of silver available from domestic mining and imports from abroad Supplies from these sources amounted to about 30 percent of the industrial needs in January, 15 percent in February, and are now running at a rate well under 10 percent of the average rate of requirements * * *"

"Under prevailing conditions, there is no reason to expect any increase in imports this year over the 50,000,000 ounces imported in 1945—in fact, the probabilities are that the amount will be somewhat less. However, this quantity of 50,000,000 ounces added to an estimated domestic production of 30,000,000 ounces, would total only 80,000,000 ounces as compared to [industrial] requirements of 125,000,000 ounces.

"Under these circumstances we can see no possibility of meeting the needs of industry and we and our customers are faced with a prolonged and serious curtailment of production and employment" (pp. 154-155).

The American National Retail Jewelers Association, New York, N. Y., estimates the industrial requirements of silver for 1946 as follows.

	Ounces
Photographic uses	15,000,000
Electrical uses, including mainly electrical contacts	10,000,000
Brazing alloys	10,500,000
Dental and pharmaceutical products and materials	1,500,000
Engine bearings, mainly aircraft	1,000,000
Miscellaneous industrial	5,000,000
Jewelry and military insignia	12,000,000
Silverware—sterling and plated	70,000,000
Total	125,000,000

The United States Mint reports show the domestic production for the past 5 years as follows:

	Fine ounces
1941	72,336,029
1942	56,090,655
1943	40,820,639
1944	34,374,540
1945	28,989,439
Total	232,611,502

The Office of the Director of the Mint has supplied the following summary of fine ounces of silver used in domestic coinage for the past 5 years which shows, by comparison with the preceding table, that the American production of silver has not been sufficient to meet the coinage needs since 1942

	Fine ounces
1941	55,063,654
1942	78,932,542
1943	98,484,974
1944	75,407,760
1945	67,008,258
Total	374,897,188

The testimony reveals that the Treasury has on hand approximately 225,000,000 ounces of unallocated, nonmonetized silver, which is a part of the seigniorage silver derived by the Treasury resulting from acquisitions of silver at less than the statutory coinage price of $1 2929 per fine ounce. (It was the practice of the Treasury from 1792 to 1873 to deduct from one-half of 1 percent to 2 percent of the silver acquired for coinage purposes, and since 1873 these deductions have ranged up to 72 8 percent on imported silver, and up to 50 percent on domestically mined silver The total amount of seigniorage realized on silver acquired by the Treasury since the inception of the Government is $1,594,024,691 86)

Representatives of domestic silver producers pointed out that miners of siliceous (dry) ores whose silver production prior to World War II was approximately one-fifth of the total domestic production have had no price increase for their product since July 1, 1939, that their costs have increased from 60 to 70 percent; that a large number of their mines were shut down entirely during the war period; that they have received no premiums from the Government as have those in the complex-ore category; and that of a total of 4,542 lode mines of all classes producing silver in 1941, only 1,186 were in operation in 1944, 3,356 such mining enterprises having ceased operations because increased production costs were prohibitive.

They pointed out that 60 percent of silver produced domestically comes from mines that produce copper, lead, and zinc, and that an increased price for silver would serve to stimulate the production of these metals

The substitute amendment is designed also to repeal (1) section 1805 of the Internal Revenue Code, as amended, and (2) sections 6, 7, and 8, and the second proviso in section 3, of the Silver Purchase Act of

1934, approved June 19, 1934 (U. S C., title 31, secs 316a, 316b, and 734a).

Section 6 of the Silver Purchase Act of 1934 authorizes the Secretary of the Treasury to investigate, regulate, or prohibit the acquisition, importation, exportation, or transportation of silver

Section 7 authorizes the President to nationalize "any or all silver by whomsoever owned or possessed "

Section 8 imposes a tax of 50 percent on all profits arising from private transactions in silver, the remaining 50 percent of such profits being subject to all other income and corporation taxes This section contains two provisos for abatement or refund of this special tax of 50 percent, which provisos no longer serve their original purposes

These three sections were inserted in the act in order to vest in the Government of the United States the most complete freedom of action in connection with the substantial purchases of silver which the Government was about to undertake in 1934 at home and abroad.

During the course of these purchases section 6 may have served some useful purpose. It serves none today.

The nationalization of silver which took place on August 9, 1934, accomplished the intent of section 7

It was estimated by a former Secretary of the Treasury that section 8 might possibly produce $25,000,000 of tax revenue, instead of which it has produced a total of only $3,300,000 in 11 years Of this sum $3,000,000 was produced in the first 6 years and only $300,000 in the past 5 years Only $25,000 was produced last year

Section 8 is primarily responsible for the destruction of the American commercial market in silver, which was built up in the two decades following World War I to a point where it transacted a volume of commercial business equal to that of London The destruction of this American market restored to London the commercial supremacy in silver which London previously lost to us

The advantages that will accrue from the repeal of this provision to the many producers, refiners, distributors, bankers, and manufacturers are substantial Of paramount importance, however, is the enhancement that the restoration of this commercial market will lend to our present unchallengeable position in silver, securing not only our rightful monetary and industrial position but our commercial preeminence in silver as well

This substitute amendment attempts to compromise the views of the producers and consumers of silver and protect the rights of the American taxpayers in disposing of a limited amount of Treasury silver at not less than 90 3 cents per fine ounce, and, at the same time, stabilizes the Treasury buying price of silver at its statutory, monetary price of $1.29 per fine ounce beginning on July 1, 1948, which should provide ample time for any adjustment necessary to be made by the silver-using industries

No testimony offered seems to substantiate a world price for silver other than the monetary price of $1 29 an ounce within the United States, according to silver producers However, the chairman of the House Committee on Coinage, Weights, and Measures stated

"We find that the bullion value of silver is considerably above a dollar per ounce as disclosed by the following reports obtained from these Government departments:

"Foreign silver prices

	Per ounce
"As reported by Department of Commerce:	
Bombay, Jan. 9, 1946	$1.10
Baghdad, September 1945	1.06
As reported by Federal Reserve System in Washington:	
Greece	(1)
Argentina	(1)
Chile	(1)
Alexandria, Feb 4, 1946	$1 16
Bombay, Feb. 7, 1946	1 16
Iraq, September 1945 (bwt), $1 03	1 11
As reported by U S Treasury Bombay, March 1946	1 16"

[1] No active market.

NOTE.—No silver quotation reports from other countries.

On April 30, 1946, the price of silver in the Bombay bullion market reached $1 33 an ounce (Financial Times, London, May 1, 1946).

The above information indicates that world trends show a decided price increase in silver, and that this metal is in considerable demand both for monetary and industrial uses

Production costs in the United States have increased so that actual production has fallen from 72,000,000 ounces a year in 1937 to 29,000,000 ounces in 1945 The January 1946 production rate was 15 percent below the monthly average for 1945 and 30 percent below that for 1944 (U S Bureau of Mines release of March 14, 1946)

From 1931 to 1940 the production of domestically mined silver averaged 50,000,000 ounces annually, and during the same period the industrial consumption of silver in the United States averaged 22,000,000 ounces annually From 1941 through 1945 industrial consumption averaged 116,000,000 ounces annually, whereas the domestic production averaged 46,000,000 ounces annually. Obviously a price increase is necessary to encourage greater production of silver from low-grade marginal mines and to provide an incentive for more development of and prospecting for new ore bodies The consumers desire to purchase Treasury silver at the price of 71.11 cents per fine ounce, established on July 1, 1939, and the producers desire to receive $1.29 an ounce for their silver The committee, in an effort to meet the demands of the consumers for Treasury silver and at the same time assist producers to meet increased costs, recommend to the Senate a compromise figure of 90 3 cents per fine ounce as both the Treasury buying and selling price effective from the date of the passage of this act until June 30, 1948, and $1 29 per fine ounce thereafter

The temporary price of 90 3 cents per fine ounce stipulated in this substitute amendment represents a compromise for both producer and consumer This price is approximately 30 percent above the current price of 71 11 cents an ounce and is also 30 percent below $1 29 an ounce, the monetary price If enacted into law this compromise price will provide a seigniorage of 39 percent which will accrue to the Treasury, or approximately 39 cents an ounce, and will enable the consumers to purchase silver from the Treasury at a price substantially less than the average commercial price of silver currently quoted in various parts of the world

Silver users advocate the exclusion of silver material, with the exception of that contained in finished products, from Maximum Price Regulations 198 dated June 1, 1944 They further advocate the use of the same language as that used when it was put under price control.

Subsection (d) of the proposed substitute removes from price control silver of all kinds in the various forms in which it is used preparatory to processing into finished goods This provision will in the opinion of the New England Manufacturing Jewelers' and Silversmiths' Association allow silver in these forms to flow rapidly into the plants using them as soon as this legislation is enacted without the delays that normally would be incident to administrative action by OPA to accomplish the same purpose.

With few exceptions silver goods are subject to the current luxury tax of 20 percent Neither such silver merchandise nor the silver from which it is manufactured have any bearing upon the cost-of-living index Removal of price control from these items will therefore not be reflected in the general cost of living

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island

Mr GREEN. Mr. President, the Senator from Utah and other Senators have argued as though this House language would limit the price of silver to 71.11 cents an ounce. However, the amendment would do nothing of the sort Let me read it:

For a period of 2 years following the enactment of this act, the Secretary of the Treasury is authorized to sell or lease for manufacturing uses, including manufacturing uses incident to reconversion and the building up of employment in industry, upon such terms as the Secretary of the Treasury shall deem advisable, to any person, partnership, association, or corporation, or any department of the Government, any silver held or owned by the United States at not less than 71 11 cents per fine troy ounce *Provided*, That at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury

So the only limitation put upon the discretion of the Secretary of the Treasury in authorizing such sale is that he cannot sell it for less than 71 11 cents an ounce. That is a floor below which he cannot go. However, there is no ceiling. If, as has been intimated, the Secretary of the Treasury wishes to sell silver and approves the sale of silver at 90 cents an ounce, he can do so, under the House language

Then why come to a disagreement with the House on this matter? The Secretary of the Treasury can do that if the existing conditions indicate that such action is desirable He can do that even if he does not find it necessary to be done, because he can dictate the terms and the time when it shall be done

The Senator from Utah has also discussed monetary values and commercial values. If anyone believes that it is dishonest for the United States of America to sell silver for less than its monetary value, then it is also dishonest to sell it at 90 cents an ounce—in fact, almost as dishonest as it was to sell silver at 71.11 cents an ounce, if there can be any discrimination as between various degrees of dishonesty. I believe that, but very few Senators will agree that the monetary value of silver at $1.29 is an arbitrary value. We could put a value of $2.50, $5, or $10, on any piece of metal and say that it represented its monetary value.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GREEN. Mr. President, I do not care to engage in a discussion of the merits. I merely wish to discuss the bill as it came from the other House, and

endeavor to show how little the Senate would concede to the other House if it agreed to this language and waived the language which we put in when the bill was before the Senate for consideration.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. TAFT. As a matter of information, why cannot the silver manufacturers buy silver throughout the world?

Mr. GREEN. I believe the real reason is that, in view of the anticipated possible price of $1.29, everyone who is in possession of silver is hoarding it. Both the Nation and the individuals are hoarding silver. The silver-using industries believe that if the prospect of $1.29 is not left hanging in the air the persons who are hoarding silver will bring it out of hiding. There are already 225,000,000 ounces of silver in the United States.

Mr. TAFT. Does the OPA permit the American silver manufacturers to pay any price for silver which they may wish to pay throughout the world?

Mr. GREEN. That is a separate proposition.

Mr. TAFT. I should like to know as a matter of information.

Mr. HAYDEN. Mr. President, I may answer the question. The OPA has, of course, fixed a ceiling.

Mr. TAFT. The ceiling on foreign silver is about 71 cents, is it not?

Mr. HAYDEN. Yes.

Mr. TAFT. Would the effect of the compromise be to increase the price of silver?

Mr. HAYDEN. Yes; it would have that effect.

Mr. TAFT. So we are back again on the subject of price control, are we not?

Mr. HAYDEN. I hope not.

Mr. BARKLEY. Mr. President, I am surprised that some Senator has not offered an amendment to decontrol silver.

SEVERAL SENATORS. Vote! Vote!

Mr. BARKLEY. Mr. President, before the vote is taken, I wish to detain the Senate for only a short while. It might be well to state that the Green Act pertaining to silver expired last December. A measure was introduced and referred to the Committee on Banking and Currency to extend the Green Act. It was advocated very largely by jewelers and other silver fabricators throughout the United States.

Mr. GREEN. Mr. President, will the Senator permit an interruption?

Mr. BARKLEY. Yes.

Mr. GREEN. I have noticed that some Senators who are opposed to this provision always speak of jewelers as users of silver. The jewelers are unable to use eight per cent of the available silver. Most of it is used by the photoelectric industry, the moving picture industry, silverware manufacturers, and others. I really feel that I should make that statement.

Mr. BARKLEY. I used the word "jewelers" because that word applies to merchants who deal not only in jewelry, strictly speaking, but in silverware of all kinds.

As a member of the Committee on Banking and Currency I received many letters and telegrams, as I am sure did other members of the committee, from manufacturers and retail dealers in silverware all over the country. They urged the extension of the Green Act.

I may be in error, but I believe the bill extending the act was referred to a subcommittee of the Committee on Banking and Currency. If it was not referred to a special subcommittee it was referred to a standing subcommittee. At any rate, it became obvious for many reasons, Mr. President, that it would be difficult to obtain an extension of the Green Act. I believe that that statement explains why this matter got into the appropriation bill. There was no visible sign that an extension would be possible, and the House of Representatives put the matter into an appropriation bill.

Mr. McKELLAR. The Senator is an expert on the subject of decontrol. Is there any way by which we could decontrol the silver question out from under the appropriation bill?

Mr. BARKLEY. I do not believe there is any way at the present time, because it has become enmeshed into the appropriation bill in such a way that it is inextricably tangled up with the appropriations for certain governmental expenses. But the House incorporated the matter in the bill which it sent to the Senate, and it eventually came before the Senate. The Senate amended the House provision by providing 90.3 cents for silver for 2 years, and at the end of 2 years it was to go to $1.29. The matter as it now stands before the Senate has become involved in such a parliamentary situation that it is necessary to obtain a compromise or it will be tangled up indefinitely. Under those circumstances I may say to my good friend, the Senator from Rhode Island, that the question now is whether there shall be a rate of 90.3 cents for 2 years, and $1.29 thereafter, or whether the 90.3 cents rate shall take effect now and the future shall take care of itself. Is that not the situation?

Mr. GREEN. If the Senator is asking me the direct question, the answer is "No."

Mr. BARKLEY. Wherein am I mistaken?

Mr. GREEN. If the Senate will do as I have suggested, there will be no point of difference between the Senate and the other House.

Mr. BARKLEY. Of course, the Senator is correct in that respect. If the Senate should adopt his motion, there would be no difference between the two Houses, as the Senate would recede from its amendment and the House provision would automatically remain in the bill. However, in view of the history of the legislation and the difficulty of obtaining an enactment of silver legislation outside of an appropriation bill, it seems to me that the wisest thing now to do is to accept the suggestion of the Senator from Tennessee and the Senator from Arizona, permit the bill to become enacted and let the future price of silver be dealt with at a later time.

I believe, in view of the increase which has taken place in the prices of manufactured silver and silver articles with which we are all familiar, and for which we have all paid, if we have bought any silver articles lately, that the increase from 71 cents plus to 90 cents plus is not unreasonable.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MURDOCK. I wish to refer to evidence which was submitted by the silver-fabricating industry. Evidence submitted by the witnesses brought before the committee by the Senator from Rhode Island. For example, Mr. Judson C. Travis said that the use of silver in the United States before the war, in the arts and industries, was 30,000,000 ounces a year. We learn from those same witnesses that today the consumption of silver in the arts and industries has jumped from 30,000,000 ounces a year to 125,000,000 ounces. We also learn from the same witnesses which were produced by the Senator from Rhode Island that in January 1946 only 30 percent of the silver needs of the arts and industries was produced and imported into the United States. In February it dropped to 15 percent. Currently, the rate of production and importation of silver into the United States is only 10 percent of the amount used in the arts and industries. So the question is not, Mr. President, one entirely of the price the fabricators should pay to the Treasury. The most important question is, Where are the users of silver going to obtain silver when the Treasury silver is exhausted? How will they obtain silver in sufficient quantities if the price level is maintained so low as to discourage production? Silver fabricators need the silver miners; the miners need the fabricating industry. This is a question of mutual interest, not a question of dog eat dog. It should be settled fairly and equitably. All the miners ask is a price sufficient to pay costs and a reasonable profit. Certainly the compromise figure does no more than this.

Mr. BARKLEY. The situation which has been pointed out by the Senator from Utah has resulted in increasing almost fabulously the price of articles made from silver. If any Senator does not believe that, let him go into any jewelry store or attend an auction sale where silver articles are offered for sale, and he will find that the prices have increased anywhere from 100 percent to 200 percent or 300 percent during the past 4 years.

Mr. McKELLAR. Mr. President, what the Senator has said is entirely true. I may also say that it was stated by one of the witnesses that the increase in price was more than 200 percent. Some time ago I had an experience in the purchase of an article of silver. I wished to send a present to a granddaughter of a lady I knew when I was a young man. I paid $35 for the present.

Mr. BARKLEY. That must have consumed almost the entire silver supply of the Nation. [Laughter.]

Mr. McKELLAR. As I recall $35 was what I paid for the present, and someone told me later that it was so small that if I had seen it I would have been ashamed of it. I have no doubt that what I was told was true.

The price of silver has gone skyward and we are proposing only to increase the price level from approximately 70 cents to approximately 90 cents

Mr. President, I hope the Senate will agree to vote in favor of the compromise.

Mr. McCARRAN. Mr. President, I did not intend to take the floor on this matter and I shall hold the floor but a moment or two.

This subject has been before the Committee on Appropriations for many months, and long hearings were conducted. The facts pertaining to it are so simple that they require only a recitation Yet, few people stop to think of the facts in this case.

When the first mint was created Congress established by law the price and value of silver in American money. That was in 1792. The established value of silver was $1.29. That was established by pegging silver to gold, because in the Constitution of the United States gold and silver were recognized as the only moneys of America.

Today the value of silver is $1.29. For years now those who produced silver have been penalized, because the value per ounce of silver mined by the American miner is $1.29, but when he presents it to the mint he is penalized under the term "seigniorage." At first seigniorage was about 2 cents. Today it is about 45 cents. That is the penalty against those who produce the very metal which is so much in demand the world over.

Mr. President, a compromise is offered today. It is not satisfactory to everyone. It is not satisfactory to those of us who know the valu of silver. But in order that this appropriation bill may go through, in order that the postal clerks and the Treasury clerks may be paid, those of us who contend for the monetary value of silver are content for the time being that 90 cents shall be the price paid to the miner, when, as a matter of fact, his commodity in the money of America is worth, under the law, and has been for 150 years, $1.29.

Although I have contended here for months that $1.29 should be the price in the bill, I am content now to lay that aside for the time being, and only for the time being, because I do not surrender the principle, and I ask that the motion of the Senator from Rhode Island be voted down and that the motion offered by the Senator from Tennessee be sustained, so that we may go back to conference and eventually iron this entire bill out, as we will.

Mr. McKELLAR. Mr. President, I wish to call attention to the fact that the seigniorage to the Government is reduced by the proposed amendment from 45 cents to 30 cents.

Mr. McMAHON As I understood the majority leader, he stated that if the motion of the Senator from Rhode Island were voted down, there would be no silver legislation. Is that the understanding of the Chair, or is it not a fact that if we vote to uphold the Senator from Rhode Island we thereby set the price at 71.11 cents? What is the answer to that question?

Mr McCARRAN. Mr. President, the answer to that is that if the Senate votes down the motion made by the Senator from Rhode Island, then the motion of the Senator from Tennessee will be before the Senate, and our desire is that that be sustained. That will make the price of silver, so far as the Senate is concerned, 90.3 cents. Then we will go back to the conference with the conferees of the House.

Mr. McMAHON. If we vote to uphold the Senator from Rhode Island we are voting for 71-cent silver, and if we vote him down we are voting for 90-cent silver. Is that a correct statement?

Mr. McCARRAN. That is correct.

Mr MILLIKIN. Mr. President, I wish to make one or two remarks, addressed principally to my colleagues on this side of the aisle. I have kept most of my Republican colleagues rather closely informed as to the developments in connection with this silver question.

It is perfectly apparent that some want 71-cent silver, others want $1 29 silver. It is obvious that everyone cannot be satisfied. I merely wish to say to my colleagues on this side of the aisle that in my judgment 90 3 cents is the best adjustment that can be made at the present time, taking into consideration the complexities of the problem, and I join in the recommendation that the motion of the Senator from Rhode Island [Mr. GREEN] be voted down, and that we vote up the motion of the distinguished Senator from Tennessee [Mr. McKELLAR].

Mr. BROOKS. Mr. President, I rise in support of the motion of the Senator from Rhode Island [Mr. GREEN]. I am fully cognizant of the worry we have about the employees of the Treasury Department and the Post Office Department; not receiving their pay unless this bill is promptly passed but for months the pleas of the employees numbering many thousands engaged in industries which needed silver have gone unheeded when we could not get action on the bills which were introduced. Now we have gotten action, the House has taken action twice, and we know exactly what their position is. They have said to us twice they will not accept a figure of more than 71 cents an ounce for silver. If we vote for the motion of the Senator from Rhode Island, we give up our Senate amendment, and we get a price of 71 cents, and the employees of the Treasury Department and the employees of the Post Office Department will get their pay. We will still leave the question of a higher price for the future.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. McMAHON. If we sustain the Senator from Rhode Island, it will mean that the price of silver will be 71 11 cents and the people the Senator from Illinois mentioned can go to work.

Mr. BROOKS. The people in the industries that use silver can go to work, and the manufacturers can then buy necessary supply of silver at 71 cents. When we hear this great cry about borrowing money and paying interest on it, and selling a little silver at less than cost it is nothing compared to the subsidies we are paying every day at the demand of the very same people who would object to this type of subsidy.

This is an accepted practice. This has been done. The only reason why it is not being done is that it has been held up in this body. By adopting the motion of the Senator from Rhode Island the employees of the Post Office Department and of the Treasury Department employees will get their pay, and these other people, for whom some of us have been begging for months that they might have the opportunity to go back to work, will go back on the pay rolls.

Mr. CAPEHART. Mr. President, where will the fabricators and manufacturers who need the silver so badly get it? Will they buy it directly from the Government?

Mr. BROOKS From the Treasury.

Mr. MILLIKIN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MILLIKIN. They will go directly to the Treasury, they will pay 90 3 cents an ounce for it, and they will get the number of ounces which the Treasury Department may see fit to sell, and which it feels it can sell.

Mr. CAPEHART. If we adopt the so-called Green motion, the fabricators and the manufacturers will be able to go directly to the Treasury Department and get all the silver they desire and need at 71 cents. If we adopt the so-called Appropriation Committee motion, fixing the price at 90 cents, they will always be able to go to the Treasury and get all the silver they want at 90 cents. Is not that the situation?

Mr. McCARRAN. May I answer the Senator's question?

Mr. CAPEHART. Just a moment. I am informed that if we adopt the 90-cent rate there will have to be another conference with the House. Let me put my statement this way. If we adopt the Appropriation Committee figure and the House concurs, then the manufacturers or fabricators may go to the Treasury and buy all the silver they need at 90 cents.

Mr. HAYDEN. The Senator says all they need.

Mr. CAPEHART. Just a moment. If we adopt the Green motion, they will be able to buy it at 71 cents. The position the Senator from Utah took a moment ago was that we cannot produce silver and sell it at 71 cents. Is that correct?

Mr. MURDOCK. That is correct. That is demonstrated, without any question, by the witnesses.

Mr. CAPEHART. I wish to ask another question. Why does not OPA permit the Treasury Department to sell silver at 90 cents, because under the present law, under the Green Act, the Treasury Department is permitted to sell at not less than 71 cents. Why does not the Treasury Department sell it at 90 cents now?

Mr. HAYDEN. I can explain that to the Senator. The Treasury Department has no authority to sell silver to anybody unless Congress authorizes it. It authorized it by passing the Green Act, and unless Congress gives permission to the Treasury to make a sale, the sale cannot be made.

Mr. CAPEHART. One further question.

Mr. HAYDEN. What the trade believes is that there is considerable silver in the world, and that as soon as it is known that silver can be obtained from the Treasury of the United States at a price, immediately silver will come from other places at that price.

Mr CAPEHART. At the 90-cent price?

Mr. HAYDEN At the 90-cent price. It is true that there is not enough silver in the Treasury to supply the needs for coinage and for industry for any great period of time. So they have to depend on the outside. But the outside world has had the idea that silver was going up to $1.29. The trade firmly believes, however, that the moment it is known that Congress has fixed a price, silver will come in from other sources.

Mr CAPEHART One other question If sufficient silver were being mined today the fabricators and manufacturers would be able to go to those who mine the silver and buy their entire needs But I understand that sufficient silver is not being mined, because it cannot be mined at a profit at 71 cents an ounce

Mr HAYDEN The record made before our committee is that there is not enough silver mined and that there has not been enough silver mined since 1942 in the United States to provide the minor coins—the dimes, the quarters, and the half dollars.

Mr CAPEHART. Then the problem is partially due to the claptrap of the OPA

Mr HAYDEN. No; OPA does not have anything to do with it.

Mr. CAPEHART They set the price.

Mr HAYDEN No, the OPA did not set the price Congress set the price when it passed the Green Act, and then extended that act The OPA simply adopted the price Congress had fixed. There has been no change in that respect. It was fixed in that way by law

The PRESIDING OFFICER The question is on the motion of the Senator from Rhode Island [Mr. GREEN].

The motion was rejected

Mr McKELLAR. I move that the Senate insist upon its amendment No. 7, and request a further conference with the House thereon

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR I now move that the conferees on the part of the Senate be instructed to agree to an amendment to Senate amendment numbered 7 which will omit the matter proposed to be inserted by said amendment, and restore the matter stricken out by the Senate amendment, and in lieu of the "71.11 cents" specified in the matter so restored, insert "90.3 cents"; and at the end of the matter so restored insert a colon and the following: *"Provided further,* That hereafter each United States coinage mint shall continue to receive for coinage silver mined from natural deposits in the United States or any place subject to the jurisdiction thereof, as provided in the act of July 6, 1939 (Public Law 165, 76th Cong.), except that the seigniorage to be deducted shall be 30 percent instead of 45 percent as provided in section 4 (b) of said act"

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

The PRESIDING OFFICER. Under the motion previously agreed to, the Chair appoints Mr McKELLAR, Mr McCARRAN, Mr HAYDEN, Mr GREEN, Mr. BAILEY, Mr. WHITE, Mr GURNEY, and Mr. REED, conferees on the part of the Senate at the further conference.

Mr. McCARRAN Mr President, I ask that at this point in the RECORD there may be printed the Senate amendment in House bill 5452, relating to silver. The amendment appears beginning on page 25 of the bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

(a) Subsection (b) of section 4 of the act entitled "An act to extend the time within which [illegible] the stabilization [illegible] of the Act of July 6, 1939, is amended to read as follows

"(b) (1) Until June 30, 1948, the Director of such mint with the consent of the owner shall deduct and retain of such silver so received 30 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars The balance of such silver so received, that is, 70 percent, shall be coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver. The 30 percent of such silver so deducted shall be retained as bullion by the Treasury or coined into standard silver dollars and held or disposed of in the same manner as other bullion or silver dollars held in or belonging to the Treasury.

"(2) On and after July 1, 1948 there shall be delivered therefor in standard silver dollars or any other coin or coinage of the United States, the full monetary value of the silver so delivered, less such deductions for brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined, not to exceed the actual cost thereof *Provided,* That such mint is satisfied the silver so delivered has been mined subsequently to June 30, 1946, from natural deposits in the United States or any place subject to the jurisdiction thereof"

(b) The following statutes and portions of statutes are hereby repealed:

(1) Section 1805 of the Internal Revenue Code, as amended;

(2) Sections 6, 7, and 8, and the second proviso in section 3, of the Silver Purchase Act of 1934, approved June 19, 1934 (U. S. C., title 31, secs. 316a, 316b, and 734a).

(c) Until June 30, 1948, the Secretary of the Treasury is authorized to sell for domestic manufacturing uses, to any person, partnership, association, or corporation, or any department of the Government, any nonmonetized silver held or owned by the United States, at a price of not less than 90.3 cents per fine troy ounce, and thereafter at a price of not less than the legal monetary value (of silver) per fine troy ounce: *Provided,* That until June 30, 1948, no such sale shall be made unless the purchaser has certified in writing, and the Secretary of the Treasury is satisfied, that such silver is to be used in domestic industry or the arts and within a period of 6 months after any such sale *Provided further,* That at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury. *And provided further,* That on the consummation of such sale of silver by the Treasury to any purchaser, the purchaser shall immediately take possession of the silver so sold and by him purchased and remove the same from the Treasury, in accordance with such rules and regulations as the Secretary of the Treasury may prescribe

(d) Hereafter, notwithstanding the provisions of any other law, maximum prices shall not be established or maintained upon—

(1) standard commercial bars or other forms of silver bullion, whether foreign, domestic, or Treasury;

(2) semifabricated silver articles,

(3) silver scrap, or

(4) the processing of silver or silver scrap

Mr WALSH subsequently said: Mr. President, I ask to have printed in the RECORD several communications I have received from constituents in Massachusetts relative to the discussion of the motion made by the Senator from Rhode Island [Mr GREEN] when the conference report on the Treasury and Post Office appropriations bill was under consideration

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

DANIEL LOW & CO.,
Salem, Mass., May 31, 1946.

Senator DAVID I WALSH,
Senate Office Building
Washington, D. C.

MY DEAR SENATOR: No doubt you are quite familiar with many of the circumstances in connection with the present silver situation as encompassed in the Martin bill I wonder, however, if you realize that should present silver restrictions continue, production in this particular industry in which we are vitally interested will soon stop Now there seems to be no doubt but what the shortage of silver with the resultant slowing down of production in industry, that has since pioneer days been a traditional source of livelihood for many thousands of persons including myself, can be laid to [illegible] of United States Senators

It seems to me that there is no justification for raising the price of sterling and thereby subsidize silver for the benefit of a few. It is a sad commentary that representatives of the people should on the one hand advocate such a drastic price increase, and on the other hand vote drastic price control though OPA and other means to halt inflation Please write me just how you feel about this.

I could write on from various angles, but briefly I would like to stress the importance to this firm I represent, that the Martin bill which provides 71-cent silver for industry, be passed immediately

I believe that you understand the situation and appreciate the need for releasing Treasury silver so that workmen can continue to be gainfully employed, and a great public need satisfied. I hope that the restraint that has been prevalent in so many lines will soon be relieved in our particular silver industry by the passing of the Martin bill.

Your reply will be most appreciated.

Your very truly,
DANIEL LOW & CO.,
WILLIAM F PATCH,
Manager, Silver Department.

THE STANDARD ELECTRIC TIME CO.,
Springfield, Mass., June 24, 1946.
HON. DAVID I WALSH,
Senate Office Building,
Washington, D C

Subject: Treasury and Post Office appropriations bill.

DEAR SIR: We are informed that there is in the Senate a Treasury and Post Office appropriations bill carrying a rider for the sale of Treasury-held silver to industry for industrial and manufacturing purposes.

We hope you will vote that the bill when passed shall include the rider.

Industrial silver is used in numerous electric items which we purchase or make, for instance, relays, circuit breakers, electronic tube sockets and terminals, nickel silver wire, and silver solder

Very truly yours,
THE STANDARD ELECTRIC TIME CO.,
H W. ANGIER, *Treasurer.*

UNITED STATES POST OFFICE,
Greenfield, Mass , June 15, 1946.
HON DAVID I WALSH,
United States Senator,
Senate Office Building,
Washington, D C

DEAR SENATOR WALSH: The Rogers, Lunt & Bowlen Co., silver products manufacturers, consulted me this morning and are much disturber over the lack of being unable to obtain silver

Without doubt they have already contacted you on this matter, which is associated with House bill 5452 Mr. Lunt, of the Rogers, Lunt & Bowlen Co , talked with me personally and said that their factory will be compelled to close unless they are able to obtain silver immediately.

Without question you know full well the situation and I feel certain that you are doing everything in your power to be helpful to the people of this district. However, we feel there is no harm in reminding you of the great necessity of immediate action.

With kind regards and best wishes, I am,
Sincerely yours,
J B KENNEDY.

COLE-HERSEE *Co ,*
Boston, Mass., June 11, 1946.
Hon. DAVID I WALSH,
Senate Office Building,
Washington, D C

DEAR SIR: As a company whose production involves in a large part the use of industrial silver, we solicit your support of the original Martin amendment to H R. 5452, which provides for the purchase of Treasury silver at 71 cents per ounce.

Reconversion in a large degree depends upon industrial silver for use in extensive production of all electrical products, contrary opinion to the effect that only a few manufacturers of so-called luxury items are affected notwithstanding.

The present controversy, notably the Murdock bill, S. 2206, is not only temporizing but, if passed, authorizing the price of $1.29 per ounce with further increases in the future, is inflationary because of the scope of products in which silver is used.

Very truly yours,
COLE-HERSEE CO.,
L. MAYER,
President.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1746. An act to govern distribution of war trophies and devices;

H. R. 5356. An act to provide assistance to the Republic of China in augumenting and maintaining a naval establishment, and for other purposes; and

H R. 6428. An act making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. MORSE obtained the floor.

Mr. O'DANIEL. Mr. President, will the Senator yield to me?

Mr. MORSE. I am glad to yield to the Senator from Texas.

Mr. O'DANIEL. I desire to read an excellent editorial published in the Washington News of today, dealing with the death of OPA. The Scripps-Howard newspapers, long supporters of OPA, are ready to settle for rent control. They predict that the passing of OPA will be similar to the passing of NRA, when the dire things which were prophesied failed to materialize. The editorial is from the Washington Daily News, a Scripps-Howard newspaper. It is entitled "OPA Is Dying." The editorial reads as follows:

OPA IS DYING

Today, there is some question whether President Truman will get out of Congress another OPA bill as good as or a little worse than the one he vetoed—and whether, when he gets it, he will approve it or veto again.

And, on evidence presently at hand, there is doubt whether it will make much difference

OPA has been a dead cock robin for 10 days, counting today. And so far the economic effect has been less than cataclysmic.

The only sustained and voluminous public uproar is for reinstitution of rent controls. On that question there seems to be few, if any, dissenting voices in Congress. If there is failure to agree on other OPA features, it should be easy to get a meeting of minds on rent control.

That can be explained, perhaps, by the fact that in the war years several million American families were begun, while very few additional homes were being built. And it will take a long time to build enough houses and apartments, a longer time than on most items, for supply to overtake demand Hence the need of controls to keep some landlords from charging all the traffic will bear Even on rents, many tenants seem to be willing to pay reasonable increases to meet the added costs landlords have had to assume in the upkeep of their properties

As important as or more so than a roof overhead, is something in the stomach. So people are worried about food costs. Since OPA's demise, most food costs, that is, costs legally charged, have risen, though some have fallen Part of the rise is explained by the discontinuance of subsidies which had been paid to food producers and processors under the OPA set-up—so to that extent the consumer actually paid the full price in taxes, if not in prices Then there is that difference between what was the legal OPA ceiling price and the black-market price. The principal legal price increases have been in meat and dairy products. In some American communities as much as 80 and 90 percent of available meat and butter was in the black market in the last few months of OPA. So statistics don't mean much.

For instance, in the New York City market, butter has ranged from 70 to 80 cents a pound. That's compared to the old OPA ceiling of 65 cents a pound—but with very little butter being offered at that price—while the black market offered butter aplenty at $1 and $1.25 a pound

The same with meats In the last week there has been the greatest flood of cattle and hogs into the markets in a decade. Prices have bobbed up and down. Roughly those prices have been above the OPA ceiling, yet below the black prices So how can anyone tell whether prices have risen or declined over the prices most people actually paid before the end of OPA?

One thing we do know is that in the last year the Government paid out $1,874,000,000 in money taxed and borrowed, in food subsidies alone Also $70,000,000 in copper, lead, and zinc subsidies and $54,000,000 in subsidies for stripper oil wells That was pretty close to a $2,000,000,000 total And the new OPA bill provided $1,000,000,000 subsidies for the year now starting So if the OPA is not continued, we'll save a lot of money that we otherwise would spend in subsidies

Scripps-Howard newspapers have supported continuance of OPA We have believed in orderly decontrols But the ineffective law which Congress now seems willing to enact is not one which gives us much hope

The exemption of meat and poultry yesterday was the pay-off More exemptions are likely to follow today Maybe we would be better off to accept extension of rent controls and forget about the rest

We recall that we also were among those who were strong for NRA. When the Supreme Court knocked NRA in the head, we were among those who prophesied that there would be hell to pay We were afraid wages would be cut. William Green of the AFL predicted there would be widespread labor unrest and strikes—then even as now We were afraid there would be cutthroat price cutting (Those were the days when everyone was talking about the need of higher prices, not lower.) But when NRA passed out of existence, what happened? Nothing much Both prices and wages remained about the same.

Ours is a tough country We survived NRA with all its fumble-bumble economics And we survived the death of NRA We lived through OPA, despite all its bureaucratic thumbs. And if OPA isn't continued, we'll probably still be doing business at the old stand

Ours is an abundant land. So long as Americans work and produce, we'll probably be able to get what we want for what we can afford to pay. That is, if we work and produce.

Mr. President, I am very glad to read that encouraging editorial, which shows that as strong a supporter of OPA as the Washington Daily News now admits that we might be just as well off if OPA were to remain dead. I certainly hope OPA remains dead and I thank the Senator from Oregon for having yielded to me

Mr. MORSE. Mr. President, I was very happy to yield to the Senator. I infer from the contents of the editorial and the approving way in which the Senator from Texas read it, that the Senator from Texas is at least in favor of rent control.

I want to make a suggestion or two, Mr. President, as to some other things that I think ought to be subjected to control. I am not going to speak at any great length, but I would preface my remarks by pointing out that I have been a stanch defender of the objectives of OPA. I voted not so many days ago with 16 other Members of the Senate for the Pepper substitute which would have extended price control. I still think it

was the best type of legislation that we could have passed. I would still vote for such legislation. I voted against the conference report which involved the bill which was vetoed by the President, and at that time I set forth my reasons for voting against the conference report. I stand by those reasons, and I submit that subsequent events have amply sustained the point of view which I took at that time. In the CONGRESSIONAL RECORD for June 26, 1946, I said the following about the conference report on OPA:

Mr MORSE. Mr President, I shall make only a few remarks at this time on the OPA conference report I simply wish to say that on the basis of my study of the conference report today and on the basis of the debate which I have heard on the floor of the Senate today, my present opinion is that for several major reasons it will be impossible for me to vote for the conference report.

First, I am satisfied that the report in its present form would be more inflationary than no OPA at all, because I think it will result in such confusion and disruption of production as to be a serious impairment to production Thus it will be causative, rather than preventive, of inflation

In the second place, I cannot vote for the conference report in its present form because I think the Taft amendment results in undue benefits to American industry, to which it is not entitled, and amounts to grossly unfair discrimination against the agricultural interests of the United States I do not propose to vote for discriminatory legislation

In the third place, my present intention is to vote against the conference report because, if I correctly understand the ruling which was made earlier today by the Chair, the only hope we have of getting this problem back to conference is by rejecting the conference report Then, from a parliamentary point of view, we shall be in a position to direct our conferees to go back into conference Therefore, from a parliamentary standpoint, I do not think I could justify a vote for the conference report, because I think in toto, in every section thereof, it is an exceedingly unsound and unwise piece of legislation As a liberal Member of this body, I cannot sentence the American people to the great inflationary cruelties which I think will flow from the adoption of this report

However, since the passage of the bill which was supported by the conference report, and which was overruled by the subsequent veto by the President, we have had a new measure brought before us I think we must be pretty cold realists in regard to the OPA legislative situation which now confronts the Senate. I think it is perfectly obvious that the measure which has come from the Committee on Banking and Currency is one which will be considerably modified when it finally passes this body. What I am seeking to do is to follow what I think are some sound economic principles in considering the new OPA bill now before us.

I point out that if we had passed the Pepper substitute calling for a continuation of OPA, for which I voted, with appropriate modifications in the procedure of OPA for which I have fought for the past year without success in the Senate; if we had united upon an improvement in the enforcement policies and central-office procedures of OPA, which I think gave rise to much of the opposition to OPA in this country; if we had required a greater regionalization of OPA, with the vesting of greater finality of administrative decision in the regional boards of OPA so that they could have taken into account regional differences, we would have had a much sounder OPA program than in my judgment will result from the final action of the Senate upon the OPA bill now pending before us.

So as we face these various amendments and make up our minds, on the basis of the debate which takes place here, as to those that we shall support and those that we shall oppose, I think we should not lose sight of a few elementary economic principles which ought to determine, in large measure, the judgment which we make as we proceed to pass what obviously is going to be compromise OPA legislation. I think we ought to be completely intellectually honest and admit that the final OPA bill which we will pass will be a piece of compromise legislation. It is a measure which will be colored in many of its clauses by sectional differences—yes, by sectional trades. I do not approve of that method of passing legislation but that is exactly what is going to happen. But we must not lose sight of a few elementary economic principles in our consideration of this measure.

Let me repeat that should the Senator from Florida [Mr PEPPER] or any other Senator again offer a substitute which would seek to extend OPA and carry out some of the OPA procedural reform objectives for which I have struggled in my remarks on the floor in the way of improving the administrative procedures of OPA, I would again vote for such a substitute bill. But I am too much of a realist to think for a moment that any such legislation has any chance of passage. Perhaps some Senators may think that there is something to be gained by making a record; but I am not much interested in making a record I am interested in enacting legislation which will do the country some good. Defeated legislation, no matter how sound, is not going to help check inflation any Hence I am perfectly willing to face this measure as it has come from the Committee on Banking and Currency in the light of what has happened since the previous bill was considered by this body, and vote for the best compromise we can get through the Senate and at the same time maintain, to the maximum extent possible, the chief objectives of OPA. However, the bill itself is a very weak bill and I doubt if it will be very effective as a price-control bill.

Further I recognize that it is bound to be amended and nothing I can do will stop it. Hence I shall from now on vote for those decontrol amendments which I think can be justified on the facts insofar as supply of the goods involved is in balance with demand. When it can be demonstrated that supply is equal to demand in the case of any product, I am perfectly willing to vote for its decontrol in the bill itself if other factors are not present which will cause an excessive price increase as in the case of oil. I discussed that question at some length the other day, when I pointed out that the original bill which was in the conference report was a bill which, in my judgment, was very discriminatory against the agricultural interests of the country. For example the other day I spoke of the effect of certain OPA rulings and administrative procedures on the dairy industry. I pointed out, and now repeat for the RECORD, that the OPA has followed the principle of national averages when fixing prices of dairy products. It has not taken into account to a sufficient degree the great regional differences in the production of dairy products, with the result that in some sections of the country, including my own, and also in some of the Northeastern States, as well as other sections of the country, the dairy industry has been done a great amount of damage in that large numbers of dairy producers have been forced to produce at a loss.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Oregon yield to the Senator from Colorado?

Mr. MORSE. I yield.

Mr. MILLIKIN. Is it not perfectly evident that no business can be operated on the basis of national averages?

Mr. MORSE. That is the argument which I made the other day, and that is why I favored taking into account regional differences

Mr. MILLIKIN. That statement applies to any business, agricultural or otherwise.

Mr. MORSE. The Senator is correct.

Mr. MILLIKIN. If the Senator has a little factory in Oregon making fishing poles, ice boxes, or anything else, how can he operate the business on the basis of national averages?

Mr. MORSE. It cannot be done without some producers below the average losing money.

Mr. MILLIKIN. The Senator cannot pay his men with a national average. He cannot stick a national average in the pay envelope, can he? He cannot pay the electric-light people with a national average. He cannot pay the people who deliver coal with a national average, can he? Is there any bill which he can meet by handing someone a national average?

Mr. MORSE. All the Senator from Colorado is saying and I appreciate it—is giving support to a position which I have previously taken. I think it is essential that we take into account regional economic problems, and that is why I think greater power should have been vested in our regional OPA boards in administering OPA policies.

Mr FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield to the Senator from Arkansas.

Mr. FULBRIGHT. I wonder what the Senator thinks about the significance of the tax policy and the labor policy, which should be adjusted to the objectives of the OPA. It was my thought that when we repealed the excess profits tax we very substantially weakened the OPA. That was true also when we abolished the War Labor Board. I am very doubtful that a price control law alone, without any reference to a tax policy, can be very effective, even if we adopt some better plan of administration.

Mr MORSE. My judgment, for whatever it may be worth, is similar to that of the Senator from Arkansas in regard to the tax policies of this Government. I think he will recall that at a time when we had some tax issues under discussion in the Senate I took the position that I thought it was a great mistake, with the great surplus purchasing power which we have in this country, to be talking in terms of a reduction in taxes. I did go along with the excess-profits tax reduction, but I am very frank to say that in view of subsequent events, I think my vote was a mistake. I took American industry at its word. By and large, I believe that most American businessmen kept faith with what I understood to be their contentions, but not all of them did.

The argument then—and I think that economically it was a pretty sound argument—was that American business enterprises could not be expected to expand their businesses if between 85 and 95 percent of their profit dollar went into the United States Treasury. They argued logically that if what we wanted to do was to make certain that we were going to write a national economic insurance policy of full employment, we ought to see to it that more of the profit dollar went into the expansion of industry rather than into the United States Treasury. So at that time, as the CONGRESSIONAL RECORD will show, I made the argument that I would go along with the excess profits tax reduction on the basis of industry's contention, which I thought was well taken, that more of the profit money ought to go into an expanding reconverting American industry. I think events have shown that in too many instances the savings in excess-profits taxes were not used for that purpose. That is one reason why I was such an ardent advocate of the Kilgore-Morse resolution in the Committee on Education and Labor, calling for an investigation of union and employer practices and policies, which have given rise to a considerable amount of labor unrest in this country since VJ-day. I believe that if and when that investigation is made we shall find that one of the things that will be brought to our attention will be the tremendous misuse of the savings which accrued to American industry as a result of the elimination of the excess profits tax. I submit to the Senator from Arkansas that we shall find too many instances in which such savings were used for promoting industrial strife. Too many of them were used to discredit American labor in an antilabor drive. But that raises another question which I do not care to go into now. I only wish to say that I believe that our elimination of the excess-profits tax would have been sound if all segments of American industry had kept faith with the United States Senate and the House of Representatives.

But as to the other facet of the tax program—and I have heard the Senator from Arkansas speak on it before—if I correctly understand him, I agree. I believe that in these times we ought to have the political courage to say to the American people, "We cannot reduce taxes and protect the stability of the American dollar." A large reduction in United States taxes at this time will deflate the American dollar. By trying to bribe the American taxpayers to give their political support on the basis of a political platform for reduced taxes, we would take more out of their pockets than we would if we assessed them decent and fair taxes on the basis of their ability to pay.

Mr. President, in the campaigns of 1946 and 1948, I think it should be the position of the liberals of this country, and I hope they have the courage to stand on the facts insofar as taxes are concerned, to tell the American people, "We are not going to buy your votes by urging lower taxes We are going to protect your long-time economic interests by urging the Congress to enact fair and reasonable taxes on the basis of ability to pay, so as to protect the value of the dollar."

Mr. President, I think the Senator from Arkansas, if I have correctly understood his remarks on this point, shares my position in regard to the major premise that if we are to reduce the tremendous national debt by paying fairly high taxes now, instead of passing the buck to our children and grandchildren, we must not reduce taxes at this time.

Mr FULBRIGHT. Mr. President, not only do I agree with the Senator in his remarks about the long-term effect of such action, but it seems to me it would have a substantial and immediate effect upon inflation.

Mr. MORSE. There can be no doubt about it.

Mr. FULBRIGHT. In other words, I think it has these other subsidiary effects, but it also is one of the most powerful weapons against inflation, to combat which the OPA is designed I have been convinced for some months that the OPA program must be coordinated with the labor and tax policies, particularly the tax policies, because they constitute one of the best weapons against inflation.

Mr. MORSE. I absolutely agree with the position of the Senator from Arkansas.

Mr FULBRIGHT. It seems to me that if we are serious about trying to control prices now, we must use all three of these weapons. It seems to me that even a bill like the substitute which the Senator said he favored would not be very effective by itself. If we are serious about the matter, I think we should impose something like the excess profits tax and should constitute a labor board to deal with the situation. Then we would have a program which would be effective.

Mr. MORSE. Mr. President, I believe that this legislation alone will not do the job. I believe we should have an adequate tax program, going along with it. Further as the Senator from Arkansas knows, I have said on the floor of the Senate and I think it was a great mistake to abolish the War Labor Board as quickly as the President abolished it. As Senators also know, I still feel that the greatest inflationary cause since VJ-day was a certain speech made in October 1945, by the President. That speech has been referred to as the wage and price speech. It was interpreted by labor as a "Come and get it, boys" speech. That has been its effect. Its effect has been highly inflationary. I say that when this economic smoke screen clears away, we shall find that the increases in real wages—which, after all, are the only increases that really result in an increase in the standard of living of workers—are not going to be nearly as much as some persons thought they would be when they accepted the President's invitation to "Come and get it."

Mr President, in connection with our consideration of OPA legislation and decontrols, I think we should consider the matter of an equilibrium between supply and demand in regard to any product. The problem is not one of making a simple choice between black or white. There are many shades to the question of determining whether supply equals demand. I do not intend to fool myself as to the difference between the position taken for the record by governmental officials interested in price control and the position they take, off the record, when they talk privately. I simply wish the RECORD to show that it is my understanding, unless they do not mean to speak the truth when they talk to me off the record, that high Government officials are aware of the fact that there are a considerable number of commodities which could be decontrolled at the present time because the supply equals the demand. But they are afraid the public does not favor such decontrols. They have been very frank about the matter, and up to this point I think the fight which they have made was one which should have been made. Up to the time when the conference committee came out with the report—against which I voted, and it subsequently was vetoed by the President—up to that point the strategy of opposing placing any decontrols in the bill was sound, I think. The strategy was, Do not let any breaks in price control occur. Keep the administrative power to decontrol in the hands of the Administrator. Do not put it in the bill itself. I so voted. But we lost that fight.

It seems to me that now we have to exercise an honest judgment in the case of specific products in which the supply does equal the demand and which fact is admitted, off the record, by people who are working in the field of price control. Because of a long-standing engagement, I did not happen to be in the Senate yesterday, but I understand from what I read in the RECORD, that it was tacitly admitted yesterday that in the case of meat, the supply does equal the demand. In fact if the existing supply of meat starts to move into the market it will be in excess of the demand. The statistics are perfectly clear that never before in the history of this country have we had so much livestock on the hoof as we have today.

Mr. LANGER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. MORSE. I am glad to yield.

Mr. LANGER. If the Senator from Oregon had been present yesterday, would he have supported that amendment?

Mr. MORSE. The RECORD shows that if I had been here I would have supported the amendment. Had I been present yesterday, I would have voted for the amendment, and that fact is so recorded in the CONGRESSIONAL RECORD.

Mr. President, in my part of the country the ranges are overrun with cattle. We have thousands of head of cattle that should have been butchered 18 months or 24 months ago. We have had millions of pounds of meat that actually have been wasted because of the effect of having it remain on the hoof until prime beef grew into old beef.

I do not think anyone in the Department of Agriculture or in the OPA will deny that the truth is that because of regional differences, many farmers have found it necessary to hold meat on the range until they could get a better and fairer price for it. Much of it which has been sold has gone into the black market. I think there is going to be some increase in the price of meat for a month or two, until the livestock really starts flowing into the market. But those who own the livestock cannot hold it off the market indefinitely. I think we are going to discover that the supply of meat is going to outrun the demand once the decontrol starts to operate. The question can be put, "What about the foreign market?" We may have an oversupply of meat as to the domestic market, but what about the foreign market? Well, Mr. President, at least up until this date the UNRRA and other shippers of meat into the foreign market have not been able to ship the meat in such quantities as a good many of the producers feel it should be shipped. I have talked to officials of UNRRA. They say that one of the problems has been, of course, the lack of shipping facilities of the cold-storage type and the lack of cold-storage equipment in Europe to which the meat would be shipped. To my great surprise they also said that there was a taste factor; that as far as food was concerned, there was a much greater demand for grain than for meat because the people prefer the grain to meat. If I understand them correctly, UNRRA would much prefer to have the meat consumed in this country and the grain shipped to Europe. There is much more food value in grain than in meat, pound for pound.

Mr. President, I believe that there is need for controls over those commodities of which there is a shortage. I shall support OPA controls over such commodities. I shall vote for giving wide discretion to OPA in determining those commodities of which there is a shortage. But when it can be demonstrated on the floor of the Senate, as it has been demonstrated in the case of meat and poultry, that there is an oversupply, I shall now vote for such decontrols. I shall so vote in order to help produce compromises that are fair and reasonable and can be justified on their economic facts. Although I prefer an OPA bill of the Pepper substitute type, I do not intend to sit here and do nothing about working out a compromise OPA bill, especially when I know that the fight has been lost for the type of OPA bill I would like to see pass the Senate.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HAWKES. I have a high regard for the Senator's reasoning, and ordinarily I agree with many statements which he makes. The Senator just made a statement to the effect that he would not be in favor of making any change with reference to commodities that are short on the market. How would he make those commodities reach the point where they are not in short supply? In other words, is not stimulation through increased prices, or some other incentive of that nature, vital and necessary in order to bring supply into balance with demand?

The Senator has not said definitely that he does not believe in that principle, but inferentially I gained the impression that the Senator would not be in favor of decontrolling or stimulating the price in order to bring about a production of the particular commodity involved. I cannot go along with that reasoning. If there is a shortage in supply of a commodity and it is desired to bring it into production, I think provision should be made to force the Administrator of the OPA to assure the necessary incentive in order to bring about production.

Mr. MORSE. Mr. President, I am not sure that the Senator from New Jersey was present when I began my remarks.

Mr. HAWKES. I was not.

Mr. MORSE. I will repeat a statement or two which I made at the beginning.

I think it is necessary to draw a line of distinction between a reasonable profit and an excessive profit resulting from a shortage of goods.

Mr. HAWKES. Mr. President, I may say that I agree 100 percent with the Senator's statement.

Mr. MORSE. Because of that belief, I have favored a greater regionalization plan to be followed by OPA in order to take into account the regional factors which are involved, instead of applying, as the OPA has done so much, the so-called national-average test. That formula has worked to the great disadvantage of many producers and manufacturers, and it has been conducive to an inhibition of production. If manufacturers cannot produce goods at a reasonable profit, as the Senator from New Jersey has implied, production will not go forward.

Mr. HAWKES. In other words, if we do not stimulate production by proper and fair incentive—then we will get farther and farther away from the balancing of production with demand.

Mr. MORSE. Yes.

Mr. HAWKES. I thank the Senator.

Mr. MORSE. The point I now make is that where we have a shortage of supply and an excess of purchasing power, the danger is that the producer of the goods in shortage will take advantage of the market. That is where I think the OPA controls were and are needed.

Mr. President, why is it that there is very little difference of opinion on the floor of the Senate with reference to rent control? It is because there is a great shortage of housing, and a tremendous opportunity for landlords, if there are no controls whatever, to take advantage of the American public. But there again, there has been a need for a long time past for reasonable adjustments of rents in order to take care of those cases in which the landlord, because of an increase in the cost of material and labor and services, is suffering from unfair discrimination. I know of many cases in which a 10-percent increase in rents would not be exorbitant. There are other cases in which any increase in rent would be unjustified. There again, I believe that what should be determined are the facts which can be demonstrated before men who will exercise reasonable, fair, and honest discretion and judgment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LUCAS. I have been wondering why it is that so many Senators favor decontrolling almost everything with the possible exception of rents. What is there about the rent situation that makes it different from many other situations? If the Senator can explain it to me it might help me in making up my mind about some of these matters.

Mr. MORSE. In the first place, the Senator from Oregon does not agree that there should be a decontrol of everything except rents. He is trying to point out a principle which he believes should at least govern his judgment as to what should be decontrolled, and he just finished saying that he felt that those cases in which facts could be demonstrated that a shortage of supply exists, the public should be protected by controls of some kind.

With reference to the subject of rents, if the Senator from Illinois will reflect for a moment on the history of rent-control movements in this country, going back to World War I and finally culminating in the United States Supreme Court decision declaring the constitutionality of the District of Columbia rent-control law, he will see that the reasons which dictated the enactment of that law were that in the field of rentals it was found that property owners were perhaps more excessive in their tendency to take advantage of their tenants than were most other classes of producers, manufacturers, or property owners. In other words, it was found in the history of rent control of this country that if the poor tenant is not protected from landlords they will, as a group, charge exorbitant rents. That is the history of the rent-control problem in this country, and I cannot deny historical facts.

Mr. LUCAS. Mr. President, will the Senator yield further to me?

Mr. MORSE. I yield.

Mr. LUCAS. The only reason I made the observation which I made, is that the Senator said that undoubtedly in certain cases there were landlords who were entitled to receive at least a 10-percent increase in rents. Certainly, if we take the controls off almost everything, as apparently many Senators believe we should do, there is a very serious question in my mind whether we can leave the landlord out on a limb and pass

a bill that will take care of everybody else.

Mr MORSE. I agree with the Senator's major premise, namely, that justice should be done the landlord. We have no right to enact legislation which would discriminate unfairly against the landlord. But I believe we should see to it that the American renter is not left at the mercy of the landlord, and that whatever legislation is enacted upon the subject should provide for sufficient controls so that the landlord will not be allowed to gouge the American renter

Mr LUCAS I agree with the Senator. What applies to the tenant about whom the Senator is talking applies to many other persons who are consumers and who would be directly affected by the kind of price control bill we are asked to pass. Unless the Congress of the United States finally determines that it does not want controls on anything at all, and that is exactly what we are leading to as a result of the votes which have been recorded—it seems to me that we should give pretty serious consideration to the likelihood of tying up one group of persons and letting all other groups go the way they please

Mr. MORSE. I believe the Senator from Illinois is correct in his major premise

Mr. HAWKES Mr. President, will the Senator yield so that I may make a statement to the distinguished Senator from Illinois?

Mr. MORSE I yield.

Mr. HAWKES I agree most heartily with what the Senator from Illinois has said I feel very strongly that even though we keep controls on what we may determine to be the vital things, still the owner of property, the builder of homes for rent, is entitled to some consideration at the present time. I have an amendment on the desk at the moment which I intend to bring up tomorrow, and which I believe every Senator will agree with me is of vital importance

If the Senator from Oregon will indulge me a moment further, I wish to leave another thought with Senators, and I want all those who are now in the Chamber to think this over Going into the building of homes or apartments to rent is a choice of occupations on the part of an American citizen, and it is open to everyone. Some may choose to go into business, as I did, some may choose to go into the building of homes to rent, and I want Senators to ask themselves this question: If they had chosen to go into the building of homes and apartments for rent, and any of them had died a year or so ago and this country had done what it has done with the property owners, in giving them hardly any consideration of any kind, in view of the increased cost of maintenance and increased wages of the help, a factor that is necessary in connection with buildings for rent, if they could come back to life, would they say they felt that their widows and their orphans and others dependent on them had received a fair deal from what they had accumulated in life? Those who go into the business of building apartment houses for rent are just as much entitled to a proper reward as those in any other business, whether it be an insurance company, or anything else.

Mr. LUCAS. Mr. President, will the Senator from Oregon yield to me for one remark?

Mr. MORSE. I yield.

Mr. LUCAS. I do not wish to be misunderstood in the argument I am making before the Senate today. I am against all amendments in connection with OPA legislation which have been before the Senate, and shall so vote.

The removal of controls from everything is practically what we are leading to, and what a great number of Members of Congress seem to think is the one thing which will bring back prosperity to this country, who seem to believe that if we can just get out from under controls once, everything will be all right. Congress should seriously consider what everyone seems to be thinking of, that is, legislation of some kind which will take care of the landlord and leave the controls over rent.

I probably have received as many letters from people who are tenants, as a result of having no control laws at all, as from any other class of citizens, and they are complaining bitterly because of the eviction notices and the like. But at the same time, if we are to take the controls off everything, then as the spiral of inflation takes its whirl, as in my judgment it will in the next 60 to 90 days, and a serious spiral, it seems to me a little bit harsh to leave the landlord down on the bottom rung, with no relief of any kind whatever

Mr McMAHON Mr President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr McMAHON. I am very much pleased to hear the Senator from Illinois say what he has just stated, because when the bill was before us I made the very point the Senator from Illinois advances, and the senior Senator from Ohio, I think the RECORD will show, stated that we could have rent control and nothing else, and he asserted it with his usual authority and with his usual force, which, as Senators know, is very considerable.

I should like to put the Senator from Ohio in charge of the management of properties of friends of mine, if he thinks he could make them pay, if the only kind of control we are going to have is rent control I do not think one has to be an advanced student of economics to know we cannot take controls off everything else and have them on rents only.

It is urged by those who want to do away with all other controls that we should have controls on rents because, as I have observed before, they do not dare try to take controls off because they know they could not get away with it.

Mr MORSE Mr. President, I wish to associate myself with the remarks just made by the Senator from Connecticut as to the importance of a fair adjustment on rents if controls are taken off everything else.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MYERS. I might point out an instance of what just happened where rent controls have been permitted, and I call this to the attention of the Senator from New Jersey.

I know of properties in Ocean City which increased from $250 a summer season in 1944 to $1,200 a summer season in 1946. I know of properties in Atlantic City, where no rent ceilings are imposed on summer rentals, which have gone up three or four or five hundred percent.

I am sure the Senator from Oregon will agree the very same thing would happen in every residential community in America unless we maintained our present rent ceilings.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I wish to say for the benefit of the majority leader that I rose to make a very short speech, and it is only because of my willingness to yield that the speech is longer than I had originally indicated. I am very happy to yield to the Senator from New Jersey.

Mr. HAWKES. I shall not detain the Senate very long. I wish to ask the Senator from Pennsylvania if he was talking about resort property which is in the class of luxury property, or is he talking about homes in which people live the year around?

Mr. MYERS. Of course they are summer properties. But I do not call property that rents for $250 a summer season, to which a citizen making probably $80 or $70 a week takes his family and his children for the summer, a luxury property A neighbor of mine paid $250 during the summer season in 1944 in Ocean City, and he was charged $500 last year, and was asked $1,200 this year. There is a short supply, there is a tremendous demand, there is money around. People want to take their families away for summer vacations, and I say exactly the same thing would happen throughout New Jersey and throughout Pennsylvania in all residential areas where there is a short supply and a tremendous demand for property.

Mr. HAWKES. The difference between the Senator from Pennsylvania and myself in regard to that subject is that I do not believe such gigantic increases will happen in any year-round residential area. It could not possibly happen in any residential area with which I am familiar. There is only one place where it could happen, and that is at the seashore. The $250 a month which was paid for the place mentioned was probably about one-third of what it should have been in the beginning, because I know the Jersey coast very well, and I know, and the Senator knows, that people were giving houses away down there. I am not talking about renting them; they were just giving them away, because they could not get any sustaining rental for a number of years.

Mr. MYERS. No one gave me one in 1944, and I had to pay a fair rental in that year.

Mr. HAWKES. I am not talking about 1944.

Mr. MYERS. I am talking about the increase from 1944 to 1946. I am not going back to depression days. I am saying that there has been an increase from 1944 to 1946, in many instances, of several hundred percent, and the newspapers show now that many landlords are all ready, with the end of rent control as of July 1, to increase rents.

A young friend of mine who wants to get married, and who has been looking

for an apartment, but has not found one, on Monday, the day after price control ended, received several telephone calls and was offered an apartment for $90 a month. The same thing is happening elsewhere, and I think that so far as residential properties are concerned, it is self-evident that everybody is looking for property. The Senator knows that is true as to the purchase of residential property. I had an experience I might mention I rented a house which was subsequently sold by the owner, and I had to go out and buy a home, and I had to pay twice as much as the property was worth because of the demand.

Mr HAWKES. The Senator from Pennsylvania realizes that we have to go through a period where there will be some injustices, in order to get back to the American way of life, does he not? There is nothing in the world that can take us back from where we have gone in this war to normal pursuits without some injustices

Mr MYERS. I am not talking about injustices I am talking about inflation I do not think inflation is the normal way of life.

Mr HAWKES. I call it an injustice when anyone raises rent 400 percent.

Mr MORSE Mr. President, in order that there may be continuity in my closing remarks I shall decline to yield further until I complete them which will take only 2 or 3 minutes I am sure.

I was saying that as I try to figure out what amendments we should agree to as the result of the piece of compromise legislation which we are now passing, and which I think the parliamentary situation in the Senate requires us to pass—I have been trying to confine myself to what I consider to be some sound guiding principles.

I had pointed out that in those instances in which it could be shown to be factually true that supply is in equilibrium with demand I am perfectly willing to go along and vote for decontrol amendments in most instances. I shall so vote particularly when Government officials tell me off the record that if it were not for the fact that such decontrols might be looked upon as precedents for decontrol of commodities which are short in supply, they themselves would not have any objection to such decontrols. Thus some of them have told me that if the legislation should pass without decontrols in the bill itself they would be inclined themselves at a very early date to recommend decontrol of commodities which are balanced with demand. I understand that that has been the sentiment of some Government officials in regard to meat and dairy products, for example

Then I was pointing out that I thought that controls should be maintained on those products of which it can be demonstrated factually that there is a shortage of supply because in those instances the danger of inflation as to those articles is a very serious one, as I think the statistics will already show since June 28, 1946.

Then I was about to point out that I felt that in those instances in which it can be shown that the industry or the products are still greatly under monopolistic influences, that if we are going to protect the American people from inflation as to those goods we must exercise some controls.

Then lastly I think we ought to recognize that there are some goods in which the producer thereof is not going to benefit, certainly immediately, from any decontrol. There are some goods which may enjoy an increase in prices resulting from decontrol but the real beneficiary is going to be the speculator. I think that is particularly true in the grain market. I think that the decontrols of grain are not going to affect particularly the farmer producer, but I think they are going to bring a bonanza to the grain speculator

I want to submit statistics that were handed to me today, put out by OPA, and dated July 10. I believe they are factually correct, as to the percentage increase in five grains, comparing the period from May 17, 1943, to June 28, 1946, with the period from June 28, 1946, to July 9, 1946. These figures show that the increase in the short period of time since OPA controls have been off has been 18.2 percent in five grains.

I also see from this report that as to wheat, Kansas City No. 2, as of June 28, 1946, the price was $1.87 compared with the price of $2.11 on July 9, 1946, or an increase of 12.8 percent

In Minneapolis, on the same quality wheat, the price was $1.88 on June 28, compared with $2.03 on July 9, or an increase of 7.7 percent.

On flaxseed, Minneapolis, the price was $3.35 on June 28, 1946, as compared with $3.75 on July 9, 1946, or an increase of 11.9 percent

Corn, Chicago, the price was $1.44 as of June 28, 1946, compared with $2.15 on July 9, 1946, or an increase of 48.8 percent

I present another set of figures that I think interesting, Mr. President. The price of wheat on June 28, 1946, was $1.97 compared with the price on July 9, 1946, of $2.13¾ or an 8.5 percent increase.

Corn, $1.44 on June 28, 1946, compared with $2.15½ on July 9, 1946, or an increase of 49.7 percent.

The price of oats at Chicago was 86 cents on June 28, 1946, compared with 94 cents on July 9, 1946, an increase of 9.3 percent.

The price of barley on June 28, 1946, was $1.60 as compared with $1.69 on July 9, 1946, or an increase of 5.6 percent.

Mr. LANGER Mr. President, will the Senator give us the price of oats again?

Mr MORSE. The figures were 86 cents as compared with 94 cents.

With respect to rye, the only figure given on the report is $1.46 on June 28, 1946, with no figures for July 9.

Mr. AIKEN Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. AIKEN. I want to say that while our feed mixers on the first day of July paid 80 cents a bushel more for corn than they were paying on the last day of June, they bought oats on that day for 2 cents less than the ceiling price. That is the first time that oats has been down below the ceiling price, which indicates clearly that oats had been hoarded, and that more had been kept back than had been realized. In all fairness OPA should submit the fact that oats had dropped below the ceiling price for the first time on July 1.

Mr. MORSE. I am submitting the figures as they were compiled by OPA and handed to me I think that the farmer is not going to receive much benefit from grain prices—certainly of grain now held by the speculators. I think that a good deal of the benefit is going to the grain speculator and middlemen who now own even much of the yet to be harvested 1946 crops.

So I say in closing that I think that before we sit here and continue to decontrol a large list of items, we ought to be able to answer this specific question: Do we know as a fact that the supply of these goods or of this product is in equilibrium with the demand? I think we ought to also be able to answer the question whether or not the decontrol, even though there may be an equality of supply and demand, will result in benefits, not to the producers thereof, not to the primary manufacturers thereof, but to the beneficiaries of a monopoly or to speculators, or to people who have control of the market far removed from the original producers thereof. Unless the producers are going to benefit we are going to find that those who control the supply will use that supply for inflationary benefits to themselves Supply can be in balance with demand, but at the same time a large part of that supply can be under control of forces that may be able to use the supply still to hold it off the market and force up profits to an inflationary level.

In closing, Mr. President, I want to reiterate what I said at the beginning, that although I was perfectly willing, and still am, to go along with the continuation of an over-all price-control bill, that once we start to compromise this legislation—and I am enough of a realist I think to know that that is what is going to happen—and if that is the reality of the situation, then I think as a Member of this body I should not sit here and simply vote against every amendment irrespective of the economic facts behind the amendment. I ought to sit here and try to apply at least the economic principles that I have enumerated in these brief remarks.

Mr YOUNG. Mr President——

The PRESIDING OFFICER (Mr. PEPPER in the chair). Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. MORSE. I yield.

Mr YOUNG. I think the Senator from Oregon is a little wrong in assuming that the grain gambler will have the advantage with respect to farm products now. I know of no time of the year when the farmer can take better advantage of the fact that there is decontrol, than right now. The grain is beginning to come in from the Southwest and the Middle States, and soon will come in from the Northern States. This is the opportune time to decontrol. At no other time of the year could a farmer take better advantage of rising prices, and I think we will find that in a short time most grains will be down below parity.

Mr. MORSE I hope the Senator from North Dakota is right. I do not

share his views In view of the domestic demand for grain and the demand for grain in the foreign market it would be a mistake, I believe, at this time, to decontrol, because I do not think it can be said that there is an equality of supply and demand as far as the world grain market is concerned

Mr. YOUNG Mr President, will the Senator further yield?

Mr. MORSE I yield.

Mr. YOUNG It is generally assumed by many that dairymen are making a great deal of money now.

Mr. MORSE. That is a false assumption.

Mr. YOUNG If we go back 5 years we will find that dairymen had laborers who worked 10, 12, or 14 hours a day. The average laborer on a dairy farm or on any other farm has become modernized now, as the city workers are He is getting to the point where he will not work Sundays any more He will not work over 8 hours a day If that trend increases to the point where all farm labor works but 8 hours a day, consumers will not be able to buy butter at 50 to 70 cents a pound, butter then will sell for $1 50 a pound. The consumers of the United States have been able to buy butter and other farm products at low prices largely because the farmers themselves and their wives and members of their family have worked 12 and 14 hours a day We have passed that time in this Nation, however

Mr. MORSE On that point I will say to the Senator that I do not find myself in agreement with the views of those who have said that the dairy farmers have been making a great deal of money. I think that any fair analysis of the economic problems of the American dairy farmer will show that whole segments of the dairy industry have either been just breaking even or have been losing money. That is the reason why in many sections of our country the dairy herds have been liquidated, because the farmers cannot meet the increased cost of production to which the Senator from North Dakota refers, and still meet the OPA standard of a national average so far as the fixing of dairy prices is concerned

Mr YOUNG It is not only the cost of labor that is involved, but the type of work chosen by the average young person is also involved The average young person today will work on a grain farm or some other kind of farm, but there are few young men today who want to go to work on a dairy farm, where they are faced with working in the early morning hours and working late at night.

Mr. MORSE. Which is another way of saying that the dairy farmer's costs of production have gone up, because in order to obtain labor he has to pay better wages which certainly are deserved by the dairy worker; he must invest in expensive farm machinery for the manufacture of his product—and the dairy farmer manufactures the milk after he gets it away from the cow, because of the various processes through which it has to go. The farmer's costs of producing milk have increased a great deal. Of course the regulations with respect to the production of milk are much to be desired from the standpoint of protecting the health of our people, whether it is the pasteurizing process, or the cooling tank, or what not But the point I make is that the dairy farmer has to meet an increased cost of production which would require an increased price of his product with or without OPA unless we want to put him out of business or into the black market.

Mr. SMITH Mr. President, will the Senator yield?

Mr MORSE. I yield

Mr. SMITH The Senator from Oregon, to my mind, has made a very interesting and important analysis and approach to many of the principles involved in the subject of the measure before us. I share in his views, as my votes have indicated in respect to certain cases where it was clearly indicated that supply was on equality with demand, as in the case of meat and dairy products. I should like to ask the Senator this question, following up the logic of his position: In the event the situation should reverse itself after we had decontrolled, would the Senator favor going back to some system of recontrol, or does he believe that, once we have decontrolled, nature should take its course?

Mr MORSE I most certainly would favor going back to controls if the result were to produce inflation in these products as well as in other products If those in control of the supply or these products, which I think are now ready for decontrol, should take advantage of the American people I certainly feel that it would be our obligation to return such products to control.

Mr. SMITH. I share the Senator's view, and that is the reason I raised the question. But I am asking him now whether, in the light of his proposed formula, he thinks Congress should stay in continuous session and watch each of these products, placing them back under controls when necessary, or whether we must give certain discretion to someone to determine those questions.

Mr. MORSE I was about to make another comment, and I shall do so in closing. I certainly feel that a considerable amount of discretion must be given to those that are to be given the job of administering the bill. I think we should see to it that we are as specific as we can possibly be as to the standards to be applied by those who are to exercise decontrol powers. So far as Congress remaining in session is concerned, I will say to the distinguished Senator from New Jersey that when we think of the unfinished business of the Congress of the United States, I do not see how we can justify taking any recess until that business is transacted. I think we ought to stay here until probably the first of October or the first of November, to get our calendar behind us instead of leaving so much unfinished business behind us. I am ready to stay on the job until the job is done.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the daily indexes of commodity prices in primary—prewholesale—markets. The prices are as of July 9, 1946.

Mr. AIKEN. I did not know that the OPA was now issuing statistics.

Mr. MORSE. I understand that they are conducting a wake.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

OPA daily price summary—Prices of July 9—Daily indexes of commodity prices in primary (prewholesale) markets—Movements under "Hold the line" and since June 28, 1946

	Percent increase	
	May 17, 1943, to June 28, 1946	June 28 to July 9, 1946
Bureau of Labor Statistics		
General index (28 basic commodities)[1]	13 1	14 3
12 foodstuffs	11 6	23 3
16 raw industrial commodities	11 9	8 0
New York Journal of Commerce daily price index		
15 commodity prices	15 8	12 3
5 grains	39 4	18 2
10 foods	−1 6	22 3
5 textiles	18 3	2 4
5 metals	16 2	4 4
5 miscellaneous	2 0	11 1

[1] Most of the 28 commodities (see list below) used in the daily index are basic raw materials and many of them are quoted on organized exchanges or "futures" markets. The daily index is therefore much more sensitive to changes in [illegible] than is the Bureau's regular index because the latter includes a large proportion of fabricated and semifabricated goods whose prices usually fluctuate less frequently and within [illegible] separate groups

Daily index numbers, spot market prices,[1] and percent change for 28 basic commodities

	Percent change, June 28 to July 9, 1946
INDEX NUMBERS	
General index	14 3
12 foodstuffs	23 3
16 raw industrial	8 0
11 imported	15 4
17 domestic	13 6

PRICES	June 28, 1946	July 9, 1946	Percent change
Wheat			
Kansas City, No 2 hard winter	bu. $1 871	$2 110	12 8
Minneapolis, No 2 dark northern spring	bu. 1 885	2 030	7 7
Chicago, No 2 red winter	bu. 3 350	3 750	11 9
Portland, Oreg., soft white	bu. 1 440	1 580	9 7
Corn, No 2 yellow, Chicago	bu. 1 448	2 155	48 8
Barley, Chicago	bu. .680	.710	28 4
Oats, Chicago	bu. .086	.115	33 7
Rye, Chicago	bu. 14 850	17 075	15 0
Soybeans, Chicago	bu. 17 00	18 025	9 6
Lard, Chicago[2]	lb.	.180	28 6
Coffee, Santos No 4, New York	lb. .158	.215	36 1
Sugar, New York	lb. .042	.042	0
Cocoa beans, New York	lb. .090	.122	46 7
Shellac, New York	lb. .365	.700	91 8
Rubber, New York	lb. .220	.220	0
Hides, Chicago	lb. .155	.155	0
Tin, Straits, New York	lb. 0 700	0 900	2 8
Cotton, middling, New York	lb. .143	.178	24 5
Print cloth, New York	yd. .114	.114	0
Silk, New York	lb. 3 040	3 040	0
Wool tops, New York	lb. 1 530	1 685	11 7
Burlap, New York	yd. .118	.118	0
Rubber, scrap			
No 1 smoked sheets	lb. 18 750	18 750	0
No 1 latex	lb. 18 750	18 750	0
Tin, New York	lb. .590	.590	0
Copper, New York	lb. .142	.142	0
Lead, New York	lb. .062	.065	15 9
Zinc, New York	lb. .057	.069	13 8
Cotton, average 10 spot markets	lb. .310	.325	4 8

[1] Spot (cash) prices in primary markets except where otherwise indicated.
[2] Approximately 75 cents above maximum compliance price.
[3] Futures market.
[4] Wholesale price.

Prices of 30 sensitive commodities and percentage change from June 28, 1946

[New York markets except where noted]

	June 28	July 9	Percent change
Grains (average of range):			
Wheat, Kansas City	$1 97	$2 13½	8.5
Corn, Chicago	1 44	2 15½	49.7
Oats, Chicago	.90	1 94	9.3
Rye	1 70		
Barley	1 60	1 69	5.6
Food			
Flour	3 75	5 35	42 7
Beef	0 208-.218	0 258-.52	24 0
Pork	.24½-.26	27-.48	11 3
Lard, Chicago	.1405	.18	28 1
Eggs	.33	34-.98	3 0-9 1
Butter	.68½	.73	28 6
Cheese	.3540	(1)	
Sugar	.04205	.04205	0
Coffee	.1645	.21½	30 2
Cocoa	.0899	.1314	47 4
Textiles			
Cotton, Galveston	.3090	.3242	4 9
Print cloth	.11570	(1)	
Wool	1 05	1 1.05	0
Silk	14.00	0 00	−35 7
Burlap	.1180	.1180	0
Metals			
Copper	.14½	(1)	
Zinc, East St. Louis	.08½	.09½	15 2
Lead	.0834	.09½	15 2
Tin	.52	(1)	
[illegible]	.70¾	(1)	
[illegible]			
[illegible]	.15½	(1)	
[illegible]	.22½	.22½	0
[illegible]	.15½	.177	14 2
[illegible]	.94½	1 1¼	18 5
[illegible]	14 75	17 15	16 4

[illegible]

[illegible]

[illegible]

Note on beef and pork prices—June 28 ranges reflect varying grades July 9 ranges reflect lower prices charged by major packers than by others in industry Percentage increase is calculated only for prices at bottom of range.

Source New York Journal of Commerce

NOTE ON SUBSIDIES

Beef and pork: Subsidy payments on meat, eliminated June 30, had the following price equivalents at the wholesale level. Beef, $4 to $5 per hundredweight (carcass), depending on grade; pork, $2.30 per hundredweight (carcass).

The elimination of the subsidy on beef, therefore, calls for a rise of 21 percent at wholesale. To date (July 9) the increase in beef prices has been only slightly more than enough to offset the subsidy loss

While the price of good steers has risen 9 percent (see list of basic commodities), prices on the prime and choice grades (constituting about a third of all beef) have risen nearly 25 percent. A weighted average of prices paid for all steers would show an increase of about 17 percent. Measured from compliance levels (see note 2 on list of basic commodities), the rise is about 22 percent.

Complete reflection of both this rise in cattle prices and the loss of subsidy payments would bring wholesale beef prices 48 percent above the June 28 level, with a similar rise at retail to follow.

On pork a price rise of 12 percent at wholesale (pork cuts and lard combined) would offset the subsidy loss. Adding full reflection of increased hog prices would bring pork and lard prices 26 percent above June 28 levels.

Dairy products: Subsidy payments on butterfat were the equivalent of 10 cents a pound of butter at wholesale (11 cents at retail).

The other dairy subsidies consisted of dairy production payments (varied between surplus and deficit areas) and a small-scale regional fluid milk payment program (13 urban areas). The price equivalent of the elimination of these payments, taken in combination, ranges from 1.0 to 2.1 cents a quart at wholesale. (In the Washington area, the total is 1.7 cents a quart.)

Mr. SMITH. Of course that raises another question.

I should like to ask one further question. I have been very much interested all through this discussion in the section which appears on page 6 of the joint resolution, which is subsection (e), beginning in line 12 on page 6, under the heading "Agricultural Commodities." To sum it up, it provides that every 30 days the Secretary of Agriculture shall indicate the agricultural commodities which are in short supply, and unless he so indicates, no maximum price may be fixed. The last sentennce in that paragraph reads as follows:

No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of the enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

There is the formula. Under the assumption that the figures can be obtained, and that the Secretary of Agriculture can determine the facts and make the certification, the responsibility is on him to say that a certain commodity is in short supply, and that, therefore, for the next 30 days, it should be controlled in some way.

Mr. MORSE. I would have no objection to giving him that discretion if we had been able to pass a much broader control bill than there is any possible chance of our passing. That is why I stated in my remarks that I think it was one thing to sit here and oppose decontrol amendments when the original measure was before us, which I did, as the voting record will show. However, I think now that we have reached the point in the passage of the OPA legislation where we are up against the legislative reality of having to make the best compromise we can to get the best bill we can through the Senate; we should consider the various amendments on the basis of the principles which I have enumerated.

Mr. SMITH. I appreciate the Senator's analysis, and I thank him for his contribution.

LEAVE OF ABSENCE

Mr. MAYBANK. Mr. President, I ask consent of the Senate to be absent for a few days.

The PRESIDING OFFICER. Without objection, consent of the Senate is granted.

RETURN OF GRAND RIVER DAM PROJECT TO THE GRAND RIVER DAM AUTHORITY

Mr. MAYBANK. Mr. President, I now withdraw my amendment to House bill 5508, a measure to authorize the return of the Grand River Dam project to the Grand River Dam Authority. The matter is of interest to the distinguished senior Senator from Oklahoma [Mr. THOMAS].

My reason for making this announcement at this time is that I shall be absent from the Senate for several days, inasmuch as I have received consent to be absent

I withdraw the amendment because my colleague also has an amendment. I hope it can be worked out with the Senator from Oklahoma, and I hope the bill may be passed. I am sorry that I shall not be here to assist the distinguished Senator from Oklahoma in connection with the passage of his bill and the adoption of some reasonable amendment to it.

Mr. THOMAS of Oklahoma. Mr. President, let me say that the last time the calendar was called, this particular bill was reached. It authorizes the Government to turn back to the State of Oklahoma a dam and a hydroelectric plant which were taken over by the Federal Government when the war started. Now the war is over, and the Government has no particular use for the dam, and it is desired to have the dam returned to the State. When the bill was reached during the call of the calendar, the Senator from South Carolina [Mr. MAYBANK] was not present. However, he had offered an amendment to the bill. The majority leader, knowing that, objected to the consideration of the bill at that time.

Now the Senator from South Carolina has withdrawn his amendment. However, another amendment is pending. I merely state that I hope the bill can be considered at an early date.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kansas [Mr. REED].

Mr. AIKEN. Mr. President, regardless of how anyone feels about decontrol of the prices of any commodities at this time, I think it is self-evident that there are certain commodities so closely interrelated that if controls are taken from one of them they must be taken from

others. Otherwise we shall contribute to a greater economic unbalance.

The commodities which are most closely related are livestock, milk and its products, and grains and other feeds. When we decontrol one of them, it seems to me that it is necessary to decontrol the others if we are to avoid getting into trouble. Meats, poultry, eggs, and milk are produced principally from grain and grass. Therefore what becomes of the grain and how it is utilized determines to what degree each of those commodities shall be produced and placed before the consumers of the country.

The great grain belt of the Nation lies between the Alleghenies and the Rocky Mountains. Of course, some grain is produced on the other side of those great mountain ranges, but for the most part the great grain belt of the country is between those two mountain ranges. This area also produces a large percentage of the butter used in this country, and a very large percentage of all the meats produced.

We grow different kinds of grains. Grains such as wheat, rye, and rice are normally destined for human consumption to a great degree. Other grains, such as corn, oats, sorghum, and barley, are known as feed grains. Corn is by far the most important of our grain crops, and upon the size of the corn crop usually depends whether we have a feed shortage or surplus, or just an adequate supply.

Corn is grown on different types of farms. On approximately 100,000 farms in this country corn is raised and sold as a cash crop. It is not fed to livestock. On other farms corn is raised and fed on the farm, the farmer buying perhaps a little. On perhaps the largest number of farms in the great Corn Belt the crop of corn is sufficient to feed the livestock on the farm and afford a surplus for sale. It is from this type of farm that the feeders of the East and far West obtain most of their supply of grain. Every year millions of tons of surplus grain from farms of the Midwest are sold to the dairymen and poultry raisers of New England, New York, New Jersey, and the area extending through the South and up the Pacific coast into California, Oregon, and Washington. I believe that even some of the feeders in Colorado, Wyoming, and other Mountain States buy some of this grain.

We have already voted to decontrol the prices of livestock and meats. I am still not sure whether it is wholly wise to do so at this time. Nevertheless, I voted for it yesterday. After having voted to decontrol meats, we had to vote to decontrol milk. If we now leave the controls on grain, particularly feed grains we shall create an abnormal competitive situation with respect to grain. The farmer in the West naturally will utilize grain in a manner which will yield the greatest return to him. If there is a ceiling on his grain and there is no ceiling on his hogs, the tendency naturally will be to feed the corn to his hogs. From all the information I have been able to gather, I should say that there is an adequate supply, if not a surplus, of beef cattle, but I think it is equally safe to say that the supply of hogs this fall will be short. The supply of pork will be shorter than it was last winter or this summer, for the simple reason that there has been a large slaughter of brood sows throughout the Midwest during the early part of the summer. There is also a shortage of sheep and lambs.

Disregarding cattle for the time being, we have voted to remove the ceiling prices on hogs and sheep. If the ceiling on corn, sorghum, oats, and other feed grains is kept down, there is bound to be a tendency on the part of the Midwest farmer to raise more little pigs and lambs and to feed his corn on the farm, where he can get the most for it, rather than send it to other parts of the country which buy their feeds, and receive a lower price. In the event that there is only a fair crop of corn, the natural result will be that there will be a dwindling flow of corn to the millions of dairy farmers and a rapidly increasing flow of dairy cows to the slaughter houses.

We are not now producing quite as much dairy products as we ought to produce to meet the demand; and if we keep controls on grain and take the controls off livestock, we shall simply be contributing to the shortage of milk and dairy products, and to a possible surplus of meat products. In other words, we shall not have a stable situation as between those commodities. It is entirely possible that the inducement of high prices for hogs, with no ceilings on them, may result in so many being raised that there will be an actual surplus of pork a year from now, and a break in the market as a result.

I know from first-hand knowledge what the result will be in the Northeastern section of the United States. We have just gone through what is probably the most severe grain famine and feed famine we have ever known. The result has been that hundreds of poultry growers who have been building up their flocks for a period of years have had to slaughter their flocks. Millions of laying hens have been killed because there was no feed for them. The replacement flocks are much smaller than they should be, considering the demand for their products. But on July 1, when the OPA went out of existence, our feed mixers began to place orders in the Midwest for grain. I do not know where the grain came from. Probably some of it was held by speculators, and probably some of it came from the farms. But in 2 days' time they had bought all they needed to last through the month of July. Millions of bushels of corn came from somewhere.

Mr. REED. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. REED. Is the Senator from Vermont aware of the fact that on the Chicago cash corn market, which is the great corn market of the country, virtually no corn was available for sale or shipment to regions like New England for probably 6 months previous to July 1?

Mr. AIKEN. Yes; for several months.

Mr. REED. Yes; for several months.

Is the Senator from Vermont aware that from July 1, during the first few days of July, after there was a free market, 11,000,000 bushels of corn from various sources arrived at Chicago? That has had a tendency to make corn available for shipment to areas such as those the Senator from Vermont has described.

Let me say that I think it will take at least 3 months for the feed grain price situation to stabilize. There has been such a desperate shortage of feed grain in areas such as that from which the Senator from Vermont comes, and there has been so little corn or other feed grain moving in the normal channels of grain trade, and there is such a demand for it, that it is my opinion it will take at least 3 months for the feed-grain prices to stabilize. But in that 3-month period feed grain will be available, as the Senator has already described, and it will be available at less than the black-market prices which have been prevailing, but the prices will be above the ceiling price.

Let me suggest—and I am sorry the Senator from Oregon is not present at this time, inasmuch as he was talking about wheat prices at Kansas City—that the ceiling price on No. 1 hard winter wheat at Kansas City was $1.89. The new crop of Southwest hard winter wheat is now coming in, in volume. The first price or the opening price on the free market was about $2 07 or up to $2 10. I would say it was $2 10. That is 21 cents above the ceiling. That price has slid back, until yesterday, in Kansas City, No. 1 hard winter wheat was selling at $2 01 and $2.02 a bushel.

But, Mr. President, when the Department of Agriculture was charged with the responsibility of getting wheat to ship to Europe for famine relief, through UNRRA, the Secretary of Agriculture, through the Commodity Credit Corporation, tried to buy wheat, mainly in the Southwest. But also he tried to buy considerable wheat in North Dakota, as the Senator from North Dakota knows. The Commodity Credit Corporation offered a premium of 30 cents a bushel for the wheat it wanted. That premium offer expired on May 25.

Now wheat in the open market—the free market which has been established July 1 at Kansas City, which is the greatest winter wheat market—is selling at 19 cents a bushel below the price which the Commodity Credit Corporation paid for the wheat it bought for famine relief purposes and shipped through UNRRA to Europe. In other words, the free market on wheat, with a bountiful crop coming in—and at this time wheat has that advantage over corn, because the new corn crop will not be in until October or November—the free market on wheat is such that there is an ample supply of wheat in the United States for our domestic consumption. The domestic supply is ample, insofar as the winter wheat crop which already has been harvested is concerned. The prospect or estimate in regard to the spring wheat crop is that with it the total crop will run a little over a billion bushels. That is enough for our domestic requirements and for 250,000,000 bushels for export, which is the amount figured by the UNRRA as being necessary. So there is an ample supply of wheat. The most striking thing and the most remarkable thing is that with the

establishment of a free market, notwithstanding the demand for wheat, the price has apparently stabilized itself at 19 cents a bushel below what the Commodity Credit Corporation paid for approximately 25,000,000 or 40,000,000 bushels of wheat necessary to be had in order to round out its shipments to Europe.

The trouble is that some of these facts escape attention, even the attention of Senators who discussed the matter.

I thank the Senator from Vermont for yielding to me.

Mr. WHERRY. Mr. President, will the Senator yield to me for a question?

Mr. AIKEN. I yield to permit the Senator to ask a question, provided I do not thereby lose the floor.

Mr. WHERRY. I should like to ask whether the distinguished Senator from Kansas [Mr. REED], who is an authority on grain, called to the attention of the Senate the yield of wheat—1,000,000,000 bushels—as compared with the yield for other years. I have just returned to the floor, and I suppose the Senator did cover that point thoroughly.

Mr. REED. Mr. President, with the permission of the Senator from Vermont, let me say that if the spring-wheat crop comes up to approximately 225,000,000 bushels, as we all hope it will, inasmuch as the winter-wheat crop has already turned out to be about 800,000,000 bushels, with that amount plus the estimated yield from the Northwest spring-wheat area—I am not sure what that estimate is, but let us assume that it will be 225,000,000 bushels, which will be just a good, average crop for the Northwest—we shall have over a billion bushels of wheat, which will be the third year in succession that the United States has produced more than a billion bushels of wheat.

Mr. WHERRY. I thank the Senator.

Mr. AIKEN. I thank the Senator for the information.

Mr. President, as I was saying, when the 1st of July came, after we had had months of partial feed famine and weeks of much nearer complete feed famine in the Northeast, the feed mixers went into the Chicago market and were able to buy all the feed grain that was necessary. Some of them bought enough for 1 month's supply ahead. Others bought for a longer period of time. In my opinion, what made the grain available at that time was, first, the price. They paid about 80 cents a bushel more than the ceiling price for corn. I do not know what the ceiling price happened to be on that day, but the feed mixers paid from $2.30 to $2.35 a bushel. The price has since dropped about 30 cents a bushel, I understand. So there was a price incentive. I do not doubt in the least that the speculators reaped a harvest on the first and second days of July.

The next reason why the grain was made available was that what will eventually amount to millions of hogs and beef cattle started to move to the market on those days. There, again, the price incentive started that movement. Some of them undoubtedly sold for considerably more than they were worth simply because they got to the market early. But all those millions of hogs and cattle had been held back to wait for a price rise, and when they were being held back they were eating grain which normally would have been sold to dairy and poultry producers.

The third reason why corn appeared about the 1st of July had very little to do with either the price or the beginning of the movement of livestock to the market. That reason was that about on the 1st of July everyone seemed to realize that we might be on our way to the largest grain crop this country had ever known. I have heard people say that we might have a three-and-one-half-billion-bushel corn crop this year. I hope we do, because if we do we shall have an adequate supply with which to meet all our export commitments. We shall not have to use 200,000,000 or 300,000,000 bushels of wheat for cattle and chicken feed, as we have done this year. We know that we are going to have about a billion-bushel wheat crop, and probably a billion-and-a-half-bushel oat crop. I am not sure of the figures, but I think they are approximately correct. If we do we shall have a record grain crop.

The farmers who have been holding back their grain to insure themselves against a poor crop season decided about then and there that it was time to be getting rid of their surplus, or perhaps they would be caught with a surplus which would force the market price away down this fall.

Those three reasons—the price incentive, the sale of the livestock which had been held back and had been eating grain, and the prospects of a bumper grain crop this year—in my opinion were the reasons why grain appeared in adequate quantities or was offered in adequate quantities. Of course, we do not have it yet because of transportation shortages.

Mr. HAWKES Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HAWKES. Did I correctly understand the Senator to say that a three-and-one-half-billion-bushel crop is predicted?

Mr. AIKEN. I do not think that a prediction has as yet been made.

Mr. REED. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. REED. I suggest to the Senator from Vermont and to the Senator from New Jersey that the estimate at the present time of the corn yield for 1946 is three and one-half billion bushels. Not only will we have the largest corn crop we have ever harvested, but last year there was an enormous amount of noncommercial corn.

Mr. AIKEN. That is correct.

Mr. REED. It was caused by an early frost which caught the corn before it was hardened and dried out so that it could go into commercial channels. It has been estimated that with favorable conditions existing this year we will not only harvest the largest corn crop we have ever harvested, but there will be 800,000,000 more bushels of corn for commercial channels and marketing purposes than there were last year.

Mr. HAWKES. Does it represent the largest crop we have ever had?

Mr. REED. Yes.

Mr. AIKEN. As I understand, the all-grain crop will be the largest this country has ever known.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. I ask the distinguished Senator from Kansas if it is not also true that the quality of the wheat this year is running higher than it was last year.

Mr. REED. The Senator from Nebraska is correct. The quality of the winter wheat harvested in the Southwest this year is much higher than has been the quality of winter wheat harvested there before. The five States producing the largest crops are Kansas, Nebraska, Oklahoma, Colorado, and the Panhandle of Texas. Those are the five hard winter-wheat States. The yield in those States will be larger this year than was anticipated 6 weeks ago. The quality is much better. The quality of wheat is above the average.

Mr. WHERRY. I have received several messages from grain operators in western Nebraska stating that the wheat is of great volume, and the quality is high. Much of the crop will test as high as 61, which is above the market requirement of 60. That condition results in an addded food value. When we have a crop of wheat of a quality higher than has been attained in years past, which met an average test of 53, it is something to take into consideration.

Mr. REED. The Senator, in referring to a test of 61, was referring to the weight.

Mr. WHERRY. Yes.

Mr. REED. All No. 1 wheat must weigh at least 60 pounds to the bushel. Some wheat is being produced this year which weighs 63 pounds to the bushel. The moisture content may not exceed 13 percent or 16 percent. Some wheat contains a high protein content which makes it of baking quality. The average requirement for No. 1 wheat is 11¾ percent protein. Premiums are paid for wheat with a higher protein content than the average. I have seen wheat sell for a premium of 15 cents a bushel because of the higher protein content.

Mr. AIKEN. Mr. President, I think it is highly advisable for the OPA to continue as it is until it is known what is going to happen. It has been a great problem for most of us to make up our minds in connection with this matter. If I believed that the OPA would continue with a proper application of the terms of the measure as intended by Congress, and with the decontrol provisions in it, I do not believe that I could vote for any amendments whatsoever to it. In fact, I would be willing to let it be enacted in its present form. However, it has become evident during the past 2 weeks that the price-control program has become considerably involved in politics. I think that is putting the situation rather mildly.

Mr. President, I am almost through with my remarks. I wish to give the OPA and Mr. Bowles credit for doing the best they could do. I think Mr. Bowles

has been wrong many times, but I think he has been sincerely wrong. I know that some of my colleagues may disagree with me on that point.

In conclusion, Mr. President, I may say that if the present anticipated corn crop materializes there will be an adequate supply of wheat to meet all foreign commitments, and an adequate supply of other grain for feed. As we all know, there is a very large increase in this year's crop over previous years' crops in north Africa. I understand there is almost 90 percent of full production in France. Next spring the crop from the Argentine and Australia will be coming into the market. We have been told that the Argentine has quite a large surplus of grain which it has held back. It is entirely possible that within a year from now we will be dealing in grain surpluses instead of in grain shortages. We do not know what Russia's crop is, but we hope that it will be a good one.

Mr. REED. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. REED. In connection with the world statistics on grain, two countries have always been excluded because of the impossibility of obtaining reliable information from them, although they produce a considerable quantity of wheat. One of them is Russia and the other is China.

Mr. AIKEN. The crop prospects of the world are more encouraging than they have been for a long time. I believe that we must, above all, do everything that we can possibly do in sending all the wheat which is necessary to keep the famine countries from distress.

Mr. President, I wish to say only one thing more concerning the matter of price controls. I have referred to the date on which the control of grain should be removed. We know that the pending measure has in it a decontrol provision which provides that when the supply appears to be adequate, controls shall be removed. If it appears likely that the supply will be adequate, it is also likely that the OPA will hold prices at a low level until the time comes to remove controls. That would be the natural thing to do.

Some time ago the Committee on Agriculture and Forestry held hearings, and representatives of large grain and milling concerns appeared before the committee and testified. A representative of what I believe is the largest milling concern in the country came before the committee and suggested that controls be removed from wheat on October 31. That suggestion did not register very favorably with many members of the committee because, on October 31 that concern's elevators would be full of grain purchased at a low price, and the concern would naturally take advantage of any rise in price which came afterward. So the suggestion which was made some time ago by the Senator from North Dakota [Mr. YOUNG] that we should not hold down the price until the grain has left the farmer's hands and is in the hands of the elevator operators, was given considerable consideration. I expect that operators have made immense profits within the past few days.

Mr. President, to return to what I said at the beginning; it appears to me that while one may question the wisdom of removing any controls whatever at the present time, after having voted to decontrol livestock, and after having voted to decontrol milk and its products, unless we vote also to decontrol grain we will be upsetting to a very great degree the normal economy of those three products. For that reason I shall vote to decontrol the price of grain. However, 1 month ago it was the last thing that I would have done. But since then grain has come from somewhere onto the market in adequate supply.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The question is on agreeing to the amendment of the Senator from Kansas [Mr. REED].

Mr. BRIDGES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Austin	Hawkes	O'Mahoney
Ball	Hill	Pepper
Barkley	Hoey	Radcliffe
Bridges	Huffman	Reed
Briggs	Johnson, Colo	Revercomb
Brooks	Johnston, S C	Robertson
Buck	Kilgore	Russell
Byrd	Knowland	Smith
Capehart	La Follette	Stewart
Capper	Langer	Swift
Carville	Lucas	Taft
Chavez	McCarran	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Mead	Wagner
Ferguson	Millikin	Walsh
Fulbright	Mitchell	Wherry
George	Moore	White
Gerry	Morse	Wiley
Gossett	Murdock	Willis
Guffey	Murray	Wilson
Gurney	Myers	Young

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy-two Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Kansas [Mr. REED].

Mr. AIKEN On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to say just a word in regard to the amendment. I do not recognize any connection between the decontrol of grains and the decontrol of livestock. If one category of livestock had been decontrolled and others had not, there might be some element of competition between the two for feeds which might cause a diversion of feed from one to another, but since the Senate has seen fit to take all livestock out from under control and put them on the same basis, it seems to me that it does not follow that grain needs to be decontrolled.

Furthermore, it seems to me that from the debate one would gather the impression that grains constitute food for nothing except animals—hogs and cattle. The human element has been completely ignored in determining the situation with reference to grains. There is not a family in the United States on whose table grains do not appear as food. There has been an extraordinary increase in the price of grains in the last 10 or 11 days since controls lapsed.

The hard or winter wheat crop has now been harvested and is on the market. Ordinarily the price of wheat during the threshing season declines because the supply is greater. The new wheat comes on to the market, just as the corn does in the fall. The price goes down then because the supply is greater than at other times. But notwithstanding the fact that the winter wheat crop has been threshed or is in the process of being threshed and is on the market, during the last 10 or 11 days wheat has gone up from $1.87 to $2 05 a bushel in the Kansas market. Corn went from $1.44 to $2.14 in 10 days. So, notwithstanding the fact that a large part of the new crop—the entire winter-wheat crop—has come on to the market during this lack of controls, the price has gone up. When we take all grains into consideration, the total increase in the last 10 days has been 18 percent.

Mr. President, that increase is bound to be reflected in the cost of foodstuffs in the United States to all our people. It seems to me that in voting on this amendment there is no automatic, consequential need for the decontrol of grain growing out of the decontrol of all animals that are fed grains. We should consider the human element involved and add that to all other elements that are possible of entering the picture within the next 60 or 90 days. If we keep on increasing the number of decontrols, there will be nothing left except plastics and metals and a few things that do not constitute food or animal life of any kind, and we will have created, I fear, a situation which will rise up to plague us in the months ahead.

Therefore, Mr President, I cannot support the amendment. While I suppose I would be regarded as an irreconcilible optimist to express the hope that it will be defeated, I shall myself vote against it.

Mr HILL Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL I have a letter which was written to the President of the United States under date of July 3, 1946, by a Mr. A. C. McCune, president of Potter-McCune Co., institutional supplies, wholesale grocers, coffee roasters, of McKeesport, Pa. I do not know Mr. McCune, but I am sure he is a reliable businessman. He makes this statement in his letter:

> On April 20 of this year, we were invoiced with a certain grade of family flour at $6 94 per barrel; today this same mill asks us $11 58 per barrel.

In other words, the cost of flour, by reason of the removal of the OPA ceiling, has gone up nearly 100 percent. In the letter Mr. McCune cites other prices. This is his statement respecting asparagus:

> We want to state that we have an invoice for the same grade of asparagus that we were asked $4 50 per dozen for this morning This asparagus was invoiced to us under date of

June 27, 1946, and is from the new pack and the price on this invoice is $3.54 per dozen illustrating that with OPA off, the packer is asking an advance of 96 cents per dozen.

He cites other things in his letter, and as a businessman he has this to say:

Unless immediate steps are taken to reinstate some kind of control, in my opinion, we are going to see the most erratic market in food products that our country has ever experienced, and I believe that prices will go very much higher than they did after World War I, as the buying power of the country is very much greater.

In other words, this businessman from McKeesport, Pa., substantiates in his letter every word that the Senator from Kentucky has had to say that with the ceilings off grains, off wheat, off flour, all prices are going to skyrocket. They are going higher and higher and higher. What we are doing is removing one ceiling after another, inviting one skyrocket after another, until finally there will be no OPA, and we shall get into the vicious spiral of prices going up and up, with a greater and greater ruinous effect.

If the Senator will permit me, I should like to place this entire letter in the RECORD.

Mr. BARKLEY. I shall be very glad to have the Senator do so, and I thank him for calling attention to it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POTTER-MCCUNE CO,
McKeesport, Pa, July 3, 1946.

President TRUMAN,
The White House, Washington, D C.

MY DEAR MR PRESIDENT: At this early date, the morning of July 3, 1946, I thought you would be interested in what effect the elimination of OPA has had on a few prices

The figures that I shall give you will represent what we paid for the same item either from the 1945 pack or on shipments made from the 1946 pack where the packer had figured his ceiling price on the new pack.

On No 2½ cans of Royal Anne cherries, we paid from the 1945 pack $3.45 per dozen, we have a quotation this morning of $4.95 per dozen. On black sweet cherries No. 2½'s, from the 1945 pack, we paid $3.76, and this morning, we are asked $4.95 per dozen. On No. 2 tins of All Green asparagus, we paid last year $3.44 per dozen; we are asked today $4 50 per dozen On No 2½ tomatoes from the 1945 pack, we paid $1.32 per dozen; and we are asked this morning $2 per dozen. In this connection, we want to state that we have an invoice for the same grade of asparagus that we were asked $4 50 per dozen for this morning. This asparagus was invoiced to us under date of June 27, 1946, and is from the new pack, and the price on this invoice is $3.54 per dozen illustrating that with OPA off, the packer is asking an advance of 96 cents per dozen.

On April 20 of this year, we were invoiced with a certain grade of family flour at $6.94 per barrel; today this same mill asked us $11.58 per barrel.

If anyone thinks that the removal of OPA control is to do other than create a skyrocketing price advance, they are only fooling themselves.

With the enormous buying power of our wage earners today and with the quantity of goods that we are exporting, there are very few items in food in which the supply equals the demand.

Unless, immediate steps are taken to reinstate some kind of control, in my opinion, we are going to see the most erratic market in food products that our country has ever experienced, and I believe that prices will go very much higher than they did after World War I as the buying power of the country is very much greater.

Our own organization has determined a policy whereby we shall not advance a single item that we own unless we have to buy at a higher price than our present basic cost, and we are avoiding buying anything at a price over the price at which our present ceilings have been established.

I would recommend very highly that if and when a new OPA is authorized, that their action be made retroactive to include July 1, 1946, and that any buyer who purchases between July 1, 1946, and the time OPA is reinstated, if it is, at a price higher than his past ceiling price, that he be compelled to absorb that difference. If distributors hold the line, high price shall only result where the producer or the packer has upped his price to the distributor

We are all interested in what is for the best interest of our country, and steps must necessarily be taken to prevent the profiteer from taking advantage of the present scarcity of food for personal remuneration.

Very truly yours,

POTTER-MCCUNE CO,
A. C MCCUNE, *President.*

Mr BARKLEY. What the letter recites is confirmation of the fears which I have expressed during the consideration of the pending measure. We are losing sight of the human element involved. As I see it, we are taking risks. That is why I cannot support the pending amendment, and that is why I have opposed the amendments which have been adopted.

Mr MYERS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MYERS. The adoption of this amendment would take all price controls off bread, would it not?

Mr. BARKLEY. Yes; bread or anything else made of wheat or grain of any kind.

Mr. MCMAHON. Mr President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MCMAHON. As the Senator knows, I have opposed every amendment aimed at price control. I am very much concerned about this amendment, because to my mind we have mistakenly agreed to decontrol meat and livestock. I am very much concerned about the chicken farmers and dairy farmers in Connecticut. I think we have made a mistake in decontrolling meat and milk. What I am afraid of is that the remarks made by the Senator from Vermont [Mr. AIKEN] will prove to be true. The grain farmers between the two mountain ranges will feed the grain to their cattle and their chicken flocks, and we in New England and those in the Pacific Northwest will be unable to get any grain. I wonder if the Senator from Kentucky has any comfort for me in that situation. I should like to support the majority leader. I fear that we may be rapidly writing a bill which the President can do nothing but veto if he adheres to the position which he maintained in his veto message.

Mr. BARKLEY. I appreciate the Senator's expression. Of course, as he knows, and as I know, it is not a question of supporting me. I have advocated what I have tried to advocate here as a matter of principle, and because I think it is a wise policy. I think we are pursuing a shortsighted policy.

Mr. MCMAHON. So do I.

Mr. BARKLEY. There is no guarantee that the flush markets, the full stock pens of cattle, some of which may have been held back in anticipation of higher prices, will continue, even without price ceilings. It is perfectly natural that those who have been holding back their cattle and hogs—if they have been holding them back, as manufactured goods have been held back—should rush them in while the rushing is good. There may be an appearance of oversupply or surplus which may not hold out. Personally I believe that with the crop of wheat which has been harvested and is being marketed, which is the winter wheat, and with the soft wheat which is coming on in the very near future, as well as with the corn which is in supply and will be in supply, there will be ample feed for all the livestock in the United States, including that in New England and on the Pacific coast.

Mr. MCMAHON. But unfortunately the corn farmers in the Middle West do not harvest their crop until October or November

Mr. BARKLEY. That is true.

Mr. MCMAHON. So they have plenty of storage space for what they have on hand. What I am fearful of is that they will hold on to it, and that we in New England will get none of it.

Mr. BARKLEY. The acute feed situation in New England was a development of the past 4 or 5 weeks. It has not been a normal situation during the whole year. It may have been contributed to in part by the fact that there was an anticipation that there would be no ceilings, or that prices would go up. Therefore it is perfectly natural for a human being who has something to sell to hold it until he can get the best price he thinks he can get for it. The situation referred to was not a normal situation, and I think it became acute largely because of the temporary condition which is now being relieved, and which will be constantly relieved, I feel, as more grains become available for feed, not only for cattle and hogs, but also for poultry.

Mr. MCMAHON. I may say to the Senator that I have decided to vote against the amendment because I am relying on the strong right arm of the Senator from Kentucky in the conference to do away with the meat decontrol amendment, and also the poultry decontrol amendment. Therefore I have decided, after considerable thought, to support the Senator's position so far as this amendment is concerned, and shall so vote. I believe that the seed which has been sown by the other side of the aisle will be harvested in November to their intense disappointment.

Mr. BARKLEY. Mr. President, that is all I have to say on the subject.

Mr. REED. Mr. President, I do not want this question to come to a vote until I have had about 10 minutes to correct the astonishing amount of misinformation which has been uttered on the floor of the Senate in the past few minutes.

To begin with, the majority leader, in reply to the Senator from Pennsylvania [Mr. MYERS] stated that this amendment included bread. It does nothing of the kind. Bakers have been bombarding me all day because the amendment does not include bread.

Mr. BARKLEY. Let me read the amendment to the Senator, and ask what it does include. The amendment reads:

(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended—

That includes wheat—

and products processed or manufactured in whole or in substantial part therefrom.

If bread is not a product manufactured in whole or in part from wheat, what is it?

Mr. REED. I hesitate to challenge the distinguished majority leader, who is also a lawyer. I am only a farmer.

Mr. BARKLEY The Senator is a better farmer than I am a lawyer.

Mr. REED. The Senator from Kentucky is not a very good lawyer if he is not a better lawyer than I am a farmer.

Mr. BARKLEY. Inasmuch as we both occupy an equal status in our respective fields, let us proceed. [Laughter]

Mr. REED. I will say to the Senator again that he is mistaken. I do not know where he gets such an idea. That question has been judicially determined Bread is not a product of grain. Bread is a product of flour, and flour is a product of grain. It has been judicially held that bread would not come within this amendment I never intended it to be included, and it is not.

Mr. BARKLEY. What judicial tribunal held that bread made from flour, which is made from wheat, is not a product processed or manufactured in whole or substantial part from grain?

Mr. REED. Bread is not an agricultural product. It has been so held.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. TAFT. Let me suggest that it is impossible to make bread from wheat. Consequently it is not processed from wheat.

Mr. REED. Flour is processed from wheat.

Mr. TAFT. Flour is processed from wheat, but bread is not processed from wheat, and bread cannot be made by processing wheat.

Mr. BARKLEY. The amendment does not state how many processes must be gone through to get from wheat to bread.

Mr. TAFT It is necessary to go through two distinct processes.

Mr. BARKLEY. Both products are processed from grain.

Mr. REED. The Senator from Kentucky is mistaken.

Mr. BARKLEY. That is the most astonishing splitting of hairs over processing that I have ever heard expounded on the floor of the Senate.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. REED. I should like to finish this particular explanation, and then I shall be glad to yield to the Senator from Pennsylvania.

The Senator from Kentucky is mistaken about this amendment covering bread. It does not cover bread any more than an amendment with relation to hides would cover shoes, for example, which are made from hides. Hides are a product of livestock, but shoes are not a product of livestock. That is the law, and it has been so held. I am astonished at the lack of information on the part of the Senator from Kentucky.

Mr. BARKLEY. My fund of information is not increased by listening to the Senator from Kansas.

Mr. REED. Be that as it may, the Senator from Kansas will call attention to other examples of lack of information.

Mr. HILL. If the price of flour doubles, does that affect the price of bread?

Mr. REED. Mr. President, I have not yielded to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. REED. I will reach the question of flour.

The Senator from Kentucky is mistaken with respect to wheat prices at Kansas City. Kansas City is the great winter-wheat market, and the prices are registered there for the whole Southwest winter-wheat crop.

On June 30 the selling price of No. 1 hard winter wheat in Kansas City was $1.89⅝. That includes the mark-ups which are allowed by the OPA for commission men, elevator men, and grain dealers. On July 1 the range of prices for No. 1 wheat was from $2 05 to $2.11. On July 2 it was from $2 06 to $2.11. On July 5 it dropped back from a maximum of $2 11 to a maximum of $2.05. On July 8—that was Monday of this week—No. 1 hard wheat at Kansas City was worth $2 01 a bushel; and on the 9th, which was yesterday, it was worth $2.02 a bushel.

It is true that there is an increase over the ceiling price of about 11 cents; but Mr. President, when the Commodity Credit Corporation went out to buy wheat to be turned over to UNRRA for export to Europe, it allowed a premium of 30 cents a bushel on approximately 35,000,000 or 40,000,000 bushels of wheat. The market price at Kansas City yesterday and the day before, registered on a free, open market, was 19 cents a bushel less than the Commodity Credit Corporation paid for wheat of the same quality and of the same general character, for export. So much for that. Of course, there is an increase, but not such an increase as was indicated by the Senator from Kentucky.

At Chicago there has been a very definite increase over the ceiling prices in the case of corn. But, Mr. President, it is a matter of common knowledge to everyone familiar with the grain trade and the movement of grain that there has been no corn moving on those ceiling prices. I do not need to rely wholly upon my own personal statement. There are 5 Senators present who were members of a group of either 9 or 11 who went to the Department of Agriculture in the latter part of April and there had a conference with the Secretary of Agriculture. He told us frankly and candidly that he was going into the market and was going to pay a premium of 25 cents a bushel for corn, as I remember his statement. Not only was he going to do that, but he did it, and he had that to do. That has created pretty much of a black market by the Government. The Secretary of Agriculture told us that day that there had been no corn moving and there was no corn moving except through the black market, and mainly by the large processors who sent out their trucks to get corn because they could not get it in any other way, and they took along nylon stockings and cases of liquor and this, that, and the other; and there was no corn moving except where it was accompanied by a premium of that kind.

Mr. President, ceilings can be established. They were established. But under the ceilings, no corn moves. In my judgment, and I have had some experience with this matter, it probably will take 3 months before we can stabilize the price of corn. The price of corn at Chicago is about what the bottom of the ceiling price was on June 30, plus the black-market average That is the basis upon which corn moves, and the only basis upon which it moves.

There will be no more corn available until the new crop is harvested. I think corn probably is in short supply at this time. The new corn crop is estimated at 3,500,000,000 bushels, the largest corn crop we have ever produced in this country, if it turns out to be as large as the present estimates indicate.

There is this further fact, Mr. President: In the corn crop of last year, which was a little over 3,000,000,000 bushels, there was a great deal of what we call soft corn, which could not move in commercial channels because it could not pass the grading. That was occasioned by an early frost or freeze in the Corn Belt before the corn ripened and was harvested. This year, with a normal corn-crop maturity, there will be 800,000,000 bushels more corn available through commercial channels than there was from the smaller crop of last year—but not smaller by 800,000,000 bushels. It was somewhere around 3,200,000,000 bushels last year, and this year's crop is estimated to be 3,500,000,000 bushels. But the additional corn available is because of the probable better character of the corn this year, as against last year's crop.

Mr. President, from some knowledge of this matter, and in view of the demand for corn that there has been and is now, I do not think the corn price will stabilize before the new crop is reasonably near us, which will be in October or November. If the Senator from Alabama will let me me have his attention, let me say that he started to speak about flour, and I did not want him to add to the fund of misinformation which had already been given to the Senate.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. REED. I am glad to yield.

Mr. HILL. I wish to ask the Senator a very simple question, which he should have been able to answer after he finished the first grade. If the price of flour doubles, will that affect the price of

the bread or the content of the loaf of bread?

Mr. REED. I should think so, if the price of flour doubled.

Mr. HILL. If the price of flour doubles, that will mean that the price of bread will double; will it not?

Mr. REED. Not necessarily.

Mr. AIKEN. Oh, no.

Mr. REED. But the price of flour has not doubled. I hold in my hand a telegram from the Millers' National Federation, which is the largest millers' organization in the United States, and represents approximately 85 percent of the total milling capacity. This is their statement today:

WASHINGTON, D. C., *July 10, 1946.*

Hon CLYDE M. REED,
United States Senate:

In connection with the consideration of your proposed amendment to remove grain and grain products from any future price control * * *. On the average the price of wheat has gone up only approximately 5 percent over the former ceiling price, and there is ample evidence that wheat prices generally will hold to that level because of supply and demand. With the expiration of OPA, there also expired the subsidy on flour paid by RFC for the purpose of holding the flour price ceiling at a level substantially below the wheat price ceiling This necessitated an immediate upward adjustment in the price of flour equivalent to the subsidy paid by the Government. The last subsidy rate east of the Rocky Mountains was 47 cents per bushel of wheat, which is equivalent to $1 03 per hundred-pound bag of flour On the Pacific coast the subsidy rate was 50½ cents per bushel or $1 11 per hundred pounds of flour Flour millers in many areas increased flour prices by those required amounts only. * * * The Millers' National Federation, the national organization of the wheat-flour milling industry of the United States, representing 85 percent of the industry, endorses the proposed amendment to remove grain and grain products from any future price control. We believe such action will be in the best interest of the wheat producers and the consumers. Reimposition of ceilings on grain, in the light of the removal of meat and poultry from price control, can only result in excessive diversion and maldistribution of wheat for animal feeding and in black-market operations in grain to the detriment of all concerned

MILLERS' NATIONAL FEDERATION,
HERMAN FAKLER, *Vice President.*

Before I conclude, Mr. President—and I did not intend to take the floor again, until the Senator from Kentucky emptied such a large amount of misinformation upon the Senate—I wish to say that there are in this country areas very much more concerned about the grain supply than my area is. In my area grain is produced. For example, wheat is raised all the way from Pennsylvania to Colorado, inclusive. Kansas happens to be the largest wheat-growing State. The great Corn Belt is from Ohio to Iowa. In that area is raised the surplus of grain which must be used in what we call the deficit areas. Because of the ceilings and the disorganized marketing system, grain is not now moved and has not moved to the deficit areas in any volume, and every man from New England, from the South, from Delaware, from New Jersey, from New York knows that to be the case. That is why there is the movement to take controls off of grain, reestablish a free market, and let grain move through those channels from the surplus-producing areas to the deficit areas which must live upon the surplus. Grain has not moved. That is why we have had this Macedonian cry from New England. That is why a Delaware man told me today that he had bought two carloads of corn in Chicago, and it was the first time he had been able to buy it in the open market in Chicago, and he paid $2.30 a bushel, which was away above the ceiling price, but that price represents the average black-market price at which grain has moved.

The senior Senator from Maryland [Mr. TYDINGS], who is not now present, told me a year or so ago about paying $1.75 a bushel for corn in Maryland, when the ceiling price at Chicago was either 97 cents or $1.07—I have forgotten which. Every Senator who comes from a deficit grain area which has to import grain from the surplus grain-producing sections, in order to feed the dairy herds and the chickens, will be told the same thing—"It has been impossible to secure the surplus that you needed. The markets were not functioning." Yet, Mr. President, within 10 days the wheat market has responded to the law of supply and demand. At Kansas City, it went up about 21 cents, on the initial jump, but now it has come back and has steadied down at about 10 or 11 cents over the former ceiling price. That is an increase of 5 percent. Yet, Mr. President, the going market price at Kansas City is 19 cents a bushel less than the Government of the United States, through the Commodity Credit Corporation, paid for quite a number of millions of bushels of grain as late as May 25.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield.

Mr. MYERS. I understood the Senator to say that under the law as it has been interpreted, bread would not be included under his amendment.

Mr. REED That is correct.

Mr. MYERS. What about breakfast cereals?

Mr. REED I am rather sure, although I have not read it lately, that the definition of an agricultural commodity is "an agricultural commodity or a commodity processed out of an agricultural commodity." Flour is processed out of an agricultural commodity. If breakfast cereal is made directly from wheat—I do not know whether it is—it probably would be considered as an agricultural commodity or something processed from an agricultural commodity.

Mr. MYERS. Mr. President, will the Senator further yield?

Mr. REED. Certainly.

Mr. MYERS. Therefore, the Senator is advocating either the removal of all controls on breakfast cereals, and so forth, or he is advocating the decontrol of the raw product, the flour, and all other products from which breakfast cereals are made. Yet the price ceilings are to be maintained on the finished products. I think it is impossible to administer such a law. If flour is decontrolled, but bread is controlled; if cereals are controlled, but the products from which cereals are made are decontrolled, every Senator will be running to the OPA and raising holy horror and blaming everything on the OPA. Yet the Senator advocates an amendment which I think frankly is impossible to administer. If we are going to put a ceiling on bread, but not put a ceiling on flour; if we are not going to put a ceiling on wheat, but are going to put controls on breakfast cereals, it seems to me that such a law will be impossible to administer.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. AIKEN. I may say that about 3 years ago a study was made by the Federal Trade Commission of all the facts concerning a loaf of bread. It was one of the most revealing studies which was ever made. It showed what factors go into the cost of a loaf of bread. The farmer receives only a half a cent for each loaf. The wax paper and the vitamins which are manufactured represent a greater proportion of the cost of a loaf of bread than does what the farmer receives. The cost of a loaf of bread consists of such items as transportation, labor, and mark-ups, which total about 10 cents a loaf. During World War II, when supplies were sold to the Government at cost, the cost of a loaf of bread was about 4 cents. If bakers can learn how to make 40 more loaves out of a barrel of flour than they could make 20 years ago, I suppose it is because of added ingredients, water content, or factors of that kind I do not know. What the farmer receives out of the price of a loaf of bread is so small that it is almost inconceivable. If the price of a loaf of bread were doubled, the farmer would receive not more than 1 cent a loaf.

Mr. HAWKES. Mr. President, will the Senator yield so that I may ask a question of the Senator from Vermont?

Mr. REED. I yield.

Mr HAWKES. I think that what the Senator has stated is a very valuable bit of information. The Senator from Alabama referred to doubling the price of bread. If we were to double the price of wheat would the increase in the cost of a loaf of bread be more than a cent and a half?

Mr. AIKEN. It would be approximately a cent and a half. If I can find the report of the Federal Trade Commission I shall bring it to the Senate tomorrow and have it inserted in the RECORD. It reveals facts which I think every Senator should know. The farmer is accustomed to receiving the blame for the high cost of almost everything when, as a matter of fact, his margin of profit compared to the ultimate selling price is very, very low.

Mr REED. Mr. President, when the Senator started out on a set of facts most of which were not true, I was forcibly reminded of what occurred this morning when we were calling the roll on the decontrolling of cottonseed oil. I was reminded of the lines—

'Tis sweet to hear the watch-dog's honest bark
Bay deep-mouth'd welcome as we draw near home.

Mr. MCCLELLAN. Mr. President, I ask unanimous consent to be absent from the Senate during the next hour. I have

an engagement which I am compelled to keep.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. HILL. Mr. President, the Senator has spoken about facts which he says are not true. I quoted from a letter of a very reliable businessman in Pennsylvania in which he stated that on the 20th of April of this year his concern was invoiced with a certain grade of family flour at $6.94 a barrel. Today the same mill asks $11.58 a barrel for the same kind of flour. What I have stated is a fact which was represented by the businessman to whom I have referred, who is in the business of buying flour. He bought flour in April, and now has to pay nearly twice as much for it because the OPA has been stricken down.

Mr. REED. Mr. President, I do not think that the statement of the Senator from Alabama requires any answer. There may be an isolated case here and there of a storekeeper meeting up with an experience of the kind to which the Senator has referred. I have already asked and received consent to have printed in the RECORD a statement of the Millers' National Federation, which is recognized as having business ethics of as high a quality as the ethics of any organization, and they said that their members were trying to hold the line.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kansas [Mr. REED], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Iowa [Mr. HICKENLOOPER], who, if present and voting, would vote "yea." I am, therefore, at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr SHIPSTEAD] is absent by leave of the Senate

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Kentucky [Mr. STANFILL] are unavoidably detained.

The Senator from South Dakota [Mr. BUSHFIELD] would vote "yea" if present.

The result was announced—yeas 32, nays 40, as follows:

YEAS—32

Aiken	Ferguson	Smith
Austin	George	Taft
Ball	Gurney	Thomas, Okla
Bridges	Hart	Tobey
Brooks	Hawkes	Wherry
Buck	Langer	White
Capehart	Millikin	Wiley
Capper	Moore	Willis
Cordon	O'Daniel	Wilson
Donnell	Reed	Young
Eastland	Robertson	

NAYS—40

Barkley	Johnston, S C	Myers
Briggs	Kilgore	O'Mahoney
Byrd	Knowland	Pepper
Carville	La Follette	Radcliffe
Chavez	Lucas	Revercomb
Downey	McCarran	Russell
Fulbright	McKellar	Stewart
Gerry	McMahon	Swift
Gossett	Magnuson	Taylor
Guffey	Mead	Tunnell
Hill	Mitchell	Wagner
Hoey	Morse	Walsh
Huffman	Murdock	
Johnson, Colo.	Murray	

NOT VOTING—24

Andrews	Ellender	Overton
Bailey	Green	Saltonstall
Bilbo	Hatch	Shipstead
Brewster	Hayden	Stanfill
Burch	Hickenlooper	Thomas, Utah
Bushfield	McClellan	Tydings
Butler	McFarland	Vandenberg
Connally	Maybank	Wheeler

So Mr. REED's amendment was rejected.

Mr. MOORE. Mr. President, I desire to call up the amendment I have at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 6, between lines 11 and 12, it is proposed to insert the following:

(4) Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum and petroleum products processed or manufactured in whole or substantial part from petroleum, unless the Price Decontrol Board established under subsection (h) shall have first determined and certified in writing to the Administrator that the supply of crude petroleum or the particular petroleum product on which price controls are to be imposed or maintained, is insufficient to meet the domestic consumptive demand therefor

Mr. MOORE. Mr. President, this amendment is designed to exclude from the Price Control Act any authority to impose or maintain price controls with respect to petroleum and petroleum products, unless the Decontrol Board shall determine that the supply is insufficient to meet the domestic consumptive demand, and shall certify that fact to the Administrator.

The pending measure has been written on the theory that price controls shall not be continued, imposed, or maintained upon any product when the supply thereof is substantially in balance with the domestic demand. This is in line with what the President has stated should be the policy of the Administrator. It is in exact accord with what the Administrator and the Director of the Office of Economic Stabilization and the Secretary of Agriculture have argued for, publicly and before the House and Senate Committees. It is in accord with the suggestion of numerous high administrative officials, such as former Secretary of the Treasury, Mr Vinson, the present Secretary of the Treasury, Mr. Snyder, Mr. Small of CPA, and others. It is in accord with the unqualified promise that has been made on numerous occasions by Mr Porter with respect to his administration of the proposed law.

However, the record of OPA in its dealings with the petroleum industry is such that every man in the industry knows that unless the Congress excludes petroleum from the joint resolution price controls will nevertheless be maintained upon this industry, which has since VJ-day been in a position to oversupply our domestic demand for crude petroleum or any petroleum product, including all demands of the Army and the Navy.

There is also convincing evidence that unless petroleum is excluded from the joint resolution, it is the intent and purpose of the Administrator to continue these controls on the oil industry notwithstanding what the supply and demand situation may be, and regardless of the unanimous recommendation of the industry and OPA's Industry Advisory Committee.

In this connection I desire to read a copy of a recent communication from the Administrator, Mr. Porter, to the Sen-

ator from Pennsylvania [Mr. GUFFEY], together with the comments thereon by Mr. Walter Hallanan, president of the Plymouth Oil Co., who is as well versed on the supply and demand situation with regard to petroleum as any man I know in the business. Mr. Porter's letter is as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 27, 1946.

The Honorable JOSEPH F GUFFEY,
United States Senate,
Washington, D. C.

DEAR SENATOR GUFFEY. This will acknowledge receipt of your letter of May 28, 1946, enclosing a letter of May 25 from Mr Walter S. Hallanan, president of the Plymouth Oil Co., Pittsburgh, Pa.

We have had under consideration the possible suspension of petroleum price control and have recently held several meetings with different petroleum industry advisory committees to ascertain from them the possible price trends in event of a suspension program. The reports from these committees state that crude oil could advance 25 cents per barrel and product prices approximately 1 cent per gallon.

We note Mr Hallanan takes exception to my assertion that "immediate lifting of price control would cause industrial fuel oil to advance nearly 100 percent over prices of this product in effect for 1941" There is a serious shortage of this petroleum product and it has been necessary for this Office to increase the ceiling prices of residual fuel oil by approximately 25 percent over the base period price in 1941 to bring out the necessary production. This shortage has been caused primarily by the large requirements of the Navy and War Shipping Administration who are currently using approximately 50 percent of total residual fuel oil production. If price controls were lifted, a large increase in the price of residual fuel oil is very possible in face of the present short supply. The Refiners Industry Advisory Committee states there is an economically situated refining capacity in the United States of 4,900,000 barrels per day For the week ending May 25, 1946, refinery runs, according to the American Petroleum Institute report, amounted to 4,857,000 barrels per day, or within 43,000 barrels per day of maximum refining capacity. The large current demand for all types of petroleum and petroleum products has greatly surprised both Government agencies and membeis of the industry One industry advisory committee's report submitted early in May stated the probable daily demand would be between 4,400,000 and 4,500,000 barrels, while the actual demand as shown in the latest American Petroleum Institute report is running around 4,850,000 barrels per day.

It may be true, as Mr. Hallanan states, that transportation facilities are adequate, ample manpower is available and competition may be strong within this industry; however, the present demand is so great it is creating a pressure upon the present ceilings of many petroleum products. Two to three months ago gasoline was in plentiful supply and was selling below ceilings at the wholesale level; however, today in most areas of the country gasoline is selling at present ceilings. Only in the Midwest area is this product being quoted at the wholesale level slightly below ceiling.

We are continuing to study the possibilities of suspending petroleum price control under the provisions of Directive 68 of the Office of Economic Stabilization.

Sincerely yours,

PAUL A. PORTER,
Administrator.

The letter from Mr. Hallanan referring to the letter from the Senator from Pennsylvania [Mr. GUFFEY], addressed to me under date of July 5, 1946, is as follows:

I have received from Senator JOSEPH F. GUFFEY, a copy of a letter sent to him under date of June 27 by Mr. Paul A. Porter, Administrator of the Office of Price Administration. Mr. Porter comments on a letter which I had addressed to Senator GUFFEY along with other members of the Senate, with respect to the necessity and urgency of immediate action in looking to decontrol of the petroleum industry from war-time restrictions. A copy of Mr. Porter's letter is enclosed

You will recall that during the latter part of June, Mr Porter had indicated in other correspondence that there was some hesitancy upon the part of OPA to proceed with decontrol of the petroleum industry on account of the threatened maritime strike. That was the excuse then given by OPA for failure to take affirmative action Since the maritime strike failed to materialize, it is obvious that OPA has found it necessary to resort to other fantastic reasoning in deferring action concerning the petroleum industry.

I send you a copy of the letter addressed to Senator GUFFEY because it indicates that OPA now is concerned with the consumption of gasoline—and fears for the necessity of continuance of control because of the increase in gasoline consumption. May I point out to you that even at the time this letter was written by Mr Porter, gasoline stocks were 92,333,000 barrels on June 29, 1946, as compared with 86,145,000 barrels on June 30, 1945, an increase of 6,188,000 barrels since last year Gasoline stocks may decline to some extent during the coming weeks but we still will have maximum gasoline stocks to meet all possible requirements.

Gasoline stocks exceed 1941 levels and are at the highest point in 6 years. Present gasoline stocks are approximately 10,000,000 barrels above the past 10-year average at this season of the year Measured in days supply, present stocks are in line with normal requirements.

Year	Total stocks of finished gasoline on June 30	Total [illegible] during month	[illegible]
		1,000 barrels daily	
1936	60,519,000	1,583	38
1937	67,849,000	1,743	39
1938	71,725,000	1,672	44
1939	74,395,000	1,751	42
1940	80,276,000	1,703	48
1941	82,411,000	2,113	39
1942	80,080,000	1,865	43
1943	67,345,000	1,828	37
1944	70,246,000	2,087	34
1945	74,089,000	2,351	32
1946	83,595,000	[1] 2,200	38

[1] Estimated.

Principal petroleum products stocks for June 29, 1946, are nearly 22,000,000 barrels above the stocks levels 1 year ago.

Product	June 29, 1946	June 30, 1945	Increase
Gasoline (finished and unfinished)	92,333,000	86,145,000	6,188,000
Kerosene	11,[illegible]	[illegible]	[illegible]
Distillate	[illegible]	[illegible]	[illegible]
Res. fuel	40,[illegible]	[illegible]	[illegible]
Total	190,423,000	168,501,000	21,862,000

While it is true that in some markets, house-brand gasoline has been selling at the ceiling price of 5¾ cents, it is also true that on ethyl gasoline the current market is 6¼ cents, as compared with the OPA ceiling of 6¾ cents per gallon.

It has become more certain that OPA can always find some reason or excuse for refusal to decontrol the petroleum industry and pemit a free economy to be restored. In consideration of any renewal of OPA authority, I think you should know that the petroleum industry would be helpless unless there was specific provision made for its exemption, written explicitly and mandatorily into the law

With assurances of high regard, I am,

Sincerely yours,

WALTER S HALLANAN.

Mr. President, in connection with that letter, I ask to have printed in the RECORD, without reading it, an article appearing in the Chicago Journal of Commerce of July 9, 1946, which bears out these figures.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE REAL OPA PROGRAM

(By Keith Fanshier)

It is sufficiently plain by now that the petroleum industry can expect little or no consideration from the Office of Price Administration on the industry demand for immediate oil price decontrol, when and if a new price control bill is passed, assuming Congress does not specifically exempt petroleum from control.

Paul Porter, who was head of OPA when there was officially an OPA and who talks as if his job still exists (and, indeed, it soon may exist again), came out late last week with another of his numerous blasts at the industry

Mr Porter now appears to be attacking the whole principle of resting oil prices upon private enterprise He says, in effect, that the industry cannot be trusted with the authority to manage its own price structure

This ought to make it clear that all the earlier talk by Washington about prompt petroleum decontrol if OPA authority was renewed was just that—talk.

Mr Porter now puts himself positively on record as saying that it will be a long time before the end of oil price control, if the decision remains in his hands.

The OPA tune about oil now is entirely different from when OPA officials were trying to buy petroleum-industry support for the agency's continuation by holding out promises The OPA now apparently feels that it will get a strong new control act from Congress, and that it doesn't need to bid for oil-industry control—hence, it can afford to talk tough again

There are apparently a good many things Mr. Porter and his OPA people don't know about petroleum economics and the current and prospective petroleum demand and supply situation The recent Porter letter to Senator GUFFEY betrays that fact

Contentions of Mr. Porter and other OPA officials on petroleum prices have been answered repeatedly by the industry. Even his latest one has been fully refuted already.

There is, of course, no point in trying to convince the agency and its leaders. Their arguments run on and on, regardless.

The point simply is that they are putting themselves on record and foreshadowing for the industry their probable future policies, regardless of their promises to step aside

The petroleum industry now knows positively, without any slight doubt, what it can expect.

It can expect continued drastic price control unless it can get legislative action putting the Washington controllers where they belong.

Mr. MOORE. I think it clear from Mr. Porter's letter that he has no thought of releasing controls on the oil industry. It is equally clear from Mr. Hallanan's letter that under the theory of this bill there is no possible reason at this time for not excluding petroleum from the

Price Control Act. If the unexpected should happen and the supply of petroleum should fall below demand, then upon a finding of the Board and a certificate to the Administrator, controls may be imposed.

It has been suggested to me that natural gas should be included in this amendment. It is my opinion, and I think the courts have passed upon the question, that the term "petroleum" includes all hydrocarbons, either in liquid or gaseous form, and for the record I want to make it clear that it is the intent and purpose of this amendment to include all forms of gas as well as oil and oil products.

I desire to have the yeas and nays on this question, Mr. President.

Mr. GUFFEY. Mr. President, I should like to say that while the Senator from Oklahoma has used my name several times in the discussion, and correctly so, that none of the figures he gave were figures from letters which I wrote. Am I correct in that statement?

Mr. MOORE. The Senator is correct about that. I quoted figures which Hallanan cited in his letter to me.

Mr. GUFFEY. I rose to say, Mr. President, that I am going to oppose this amendment. My family has been in the oil business since 1869, and we know something about it. We should know something about the oil business, having been in it for so long a time. After the last war controls were taken off oil, and as a result we had a catastrophe after it was all over. The price of Pennsylvania oil rose from $2.75 to $6.10 per barrel. Refined products rose correspondingly. Midcontinent oil rose from less than $1.50 a barrel to $3 50 a barrel, and the price of refined products rose correspondingly.

I will admit that some prices in some fields now do not pay for production, but in the larger and newer fields the price is ample to those who are producing oil. Therefore I see no reason for increasing the price of crude oil at this time; so I shall vote against the amendment. Another reason for voting against the amendment is that I and my family would benefit from the increased price, and I cannot vote for anything that would have such an effect.

Mr. MOORE. Mr. President, will the Senator yield to me for a question.

Mr. GUFFEY. I yield.

Mr. MOORE. The Senator said that the price of oil during the First World War went to $3.50 a barrel. That is true. After the war was over what did the price go to then?

Mr. GUFFEY. The increase was after the war.

Mr. MOORE. No, no.

Mr. GUFFEY. I think the Senator's remembrance of the history of the price of oil after the last war is faulty.

Mr. MOORE. Mr. President, I will stand upon this assertion. I will say to the Senator that the war was over in November, and on the first day of January the price of oil had gone from $3.50 a barrel to $1 a barrel.

Mr. GUFFEY. I will not say that it did not, but the price of mid-continent oil increased after the war was over to $3.50 a barrel. Pennsylvania oil, in which I deal and some of which I produced, rose from $2.75 to $6.10. That I am positive of.

Mr. MOORE The Senator is wrong.

Mr. GUFFEY. I may be wrong concerning the Midcontinent field. I do not have the accurate figures for that field, but I think my memory otherwise is pretty nearly as accurate as is that of the Senator from Oklahoma.

Mr. MOORE. I will ask the Senator from Pennsylvania one other question. Is the supply of oil now equal and even in excess of the demand for oil?

Mr. GUFFEY. I think it is in excess.

Mr. MOORE. Then what reason is there to keep it under control?

Mr. GUFFEY. Does the Senator want the price lowered?

Mr. MOORE. I am talking about the supply and demand.

Mr. GUFFEY. If there is an excess, does the Senator want the price lowered? The effect of the amendment might be to lower the price of oil. There will be a great increase in the price temporarily, and then it will go down.

Mr. MOORE. I am not asking the Senator to expostulate on that. I am asking him: Is the supply equal to the demand or more than the demand?

Mr. GUFFEY. It is more than the demand.

Mr. MOORE. And that is true of oil products as well?

Mr. GUFFEY. In some lines.

Mr. MOORE. Is it not true in all lines?

Mr. GUFFEY. In fuel oil it is short of the demand, according to the statistics published in the Oil and Gas Journal.

Mr MEAD Mr. President, as it now stands this is a decontrol measure. It is a measure to control the price controllers so that they cannot control prices. It may prove to be a measure to foment industrial disputes and prevent the country from attaining the large scale production which we so very greatly need. There may be many products that can be decontrolled today without affecting living costs; but that is not the objective of the pending measure.

We have heard a great deal in recent months about there being no possibility of controlling prices if we do not control wages. I do not care to get into that controversial subject at this moment. I do want to say, however, that there is little possibility of keeping down wages if we do not keep down the cost of living; that any substantial increase in living costs inevitably will lead to a reopening of the whole wage question and bring about another wave of industrial unrest and production delay. I hope this will be averted.

As the Nation has come through the wage adjustments that inevitably follow as an aftermath of war, and settlement has been reached in one major area after another, the whole Nation has heaved a sigh of relief. One or two adjustments more, people have said, and we may settle down into an era of industrial peace and uninterrupted production that will realize the fondest hopes of industrialists, wage earners, and the consuming public.

There has, unfortunately, been some uncertainty in the situation. After nearly 3 years of stability, cost-of-living prices have been rising at the rate of about 6 percent per year; wholesale prices more than twice as fast. Understandably this has made labor a little less willing to make concessions on the basis of existing living costs. It has led to many settlements with a provision that they might be reopened if conditions changed. The pending measure obviously will, I believe, make labor increasingly unwilling to make stable settlements in the months that lie ahead. It will open up for renegotiation wage settlements containing clauses for reopening. Almost certainly, it will lead also to an opening up of many of the agreements reached which do not include renegotiation clauses. For the measure before us will not increase the cost of living at the rate of only 6 percent per year; it will increase it overnight far more than 6 percent and insure substantial inflation of living costs in the year ahead.

If living costs stay fairly steady, an era of extraordinary production lies before us. Already our industries are producing approximately 60 percent more than they produced in the prewar period. If labor controversies come to an end, and we all hope they do, and the productive facilities of the Nation settle down for a strong pull, there is every reason to believe that we shall turn out double the quantity of goods we produced in prewar years. This can mean greater profits for business, greater earnings for labor, greater markets and greater prosperity for farmers, and for consumers double the prewar volume of goods for distribution. If, however, this measure passes in its present form, these dreams will disappear into a turmoil of labor-management conflict that not only will erect a barrier of extreme bitterness between labor and capital, but will destroy our productive opportunities

During the war, prices were held remarkably well considering the terrific inflationary pressures created by the Government's vast military program. Prices rose less than one-half as much as they rose in World War I, when the pressures of inflation were infinitesimal compared with those of the recent war. After World War I, without any control, prices continued to increase; about one-third of the total rise coming after the armistice. Following a 61-percent increase in living costs during the war, the cost of living rose until May 1920, when it was 108 percent above prewar level. On VJ-day of the present war, living costs were only 30.7 percent above the level of August 1939, when World War II broke out in Europe. On June 15 they were only 32.4 percent above prewar prices; only 1.7 above the VJ-day level. There is every reason to believe that if we pass a price-control bill and not a bill to control price controllers, so that they cannot control prices, we can hold a reasonably steady price line until production gets rolling at unprecedented volume, to wipe out war-accumulated shortages and enable us to get rid of price controls in an orderly fashion without economic shock to the Nation.

The pending measure as it now stands is a fraud upon the millions who bought war bonds during the war on the plea that they would get back at maturity $1

for every 75 cents invested in bonds. It is a fraud upon the many disabled and other veterans pensioned by the Government, whose real incomes will be substantially destroyed if this joint resolution passes. It is a fraud on the owners of life-insurance policies, particularly on those who have purchased annuities for their old age with the expectation that their income would have the same purchasing power it had during the period when they made their premium payments. Not the least of its vices is the fact that just when we are squared away for full production and getting our wage controversies adjusted, it will throw the Nation again into industrial turmoil.

If anyone proposed in the Congress of the United States that we tax objects which are essential to the living of the people 2, 3 or even 5 percent, the roar of protest that would go up in this room would sound from one end of the Nation to the other. Yet, we are proposing a tax of 25 percent or more during the coming year upon the necessities of living of the people of the Nation for the temporary benefit of some favored producers, and apparently a majority of the Members of the Senate seem to think that this is a desirable step.

The saddest part of the whole picture is that this campaign to eliminate price controls, or to so hamper price controllers that they cannot do their job, is based upon gross misrepresentation One would think from hearing the speeches of proponents of this bill that the Nation is on the edge of economic disintegration; that it can be saved only by radical changes in the price control law and the regulations adopted under it by the Office of Price Administration. I will tell the Senate, how nearly we are to the brink of disaster We are producing 69 percent more industrial goods than we produced before the war. And if we have enough sense not to invite a new series of industrial disputes we will, before the present year is out, produce close to double the quantity of goods we produced in prewar years. That is the disaster from which the country is to be saved.

We hear also about widespread business hardship. One would think from listening to the speeches that our manufacturers and wholesalers and retailers are falling like flies by the wayside. The truth is that never has there been so few cases of hardship as during these price control years. In the great boom year of 1929, 22,900 business firms failed in the United States. In the last prewar year, 1939, 14,700 firms failed. Last year, under price control and all the hardships created by the regulations of the Office of Price Administration, just 810 firms failed in the whole United States. Failures this year are running only slightly ahead of last year. If the present rate is maintained, not more than 1,000 firms will fail in the calendar year 1946. Such is the catastrophe from which the Nation is to be saved.

Never in the history of the Nation were profits of business—in manufacturing, in wholesaling, and in retailing—so large as they have been during these price-control years. The earnings of some corporations affected by strikes were less in the first quarter of this year than in the same quarter last year. But the earnings of corporations not affected by strikes are substantially above those of last year. Earnings after taxes are very substantially above last year's earnings, due to the elimination of the excess-profits tax. This prosperity applies not only to big business but to small business. It applies likewise to the food producers of the Nation. Such is the catastrophe from which Senators would save the Nation by wrecking our economic stability and inviting a new wave of industrial unrest.

These steps are to be taken supposedly to save free enterprise in the Nation. Free enterprise never will be destroyed by profit-making businesses, by workers with steady work and good wages. It will be destroyed only by economic disaster. We are in no danger of such economic disaster if we keep our economy on a stable basis while we make the transition from wartime controls back to free market prices. But, if we subject the country to economic shock by the passage of this bill we shall, I feel certain, set in motion a spiral of inflation that will not stop until prices are far above present levels. Upward and upward they will soar until supply and demand come into balance at some new price level.

We may be very certain, however, that that new level will not provide for consumption of the volume of goods now being produced or that can be produced if we hold our economy stable during the coming year. The price level which will bring production and demand into balance will supply markets for far fewer goods than are now being produced. That will mean a shrinkage of factory workers perhaps equal to the 33 percent drop that followed the last war. It will mean a shrinkage in factory pay rolls, perhaps equal to the drop which followed World War I. It will mean also galloping prices and shrinking profits for business that will lead to widespread business failures. These averaged 20,000 a year in the 5 years following the collapse after World War I—20,000 a year, compared with the 810 firms that failed in the United States last year.

Why all this agitation to upset a prosperous Nation and prevent an orderly transition back to free-market pricing? There is no emergency existing today. There are no hardship cases in agriculture or in industry that cannot be remedied under present law. There is no calamity facing the country calling for radical changes. Instead, we are faced with the highest level of peacetime production ever attained and the most prosperous economy. If this bill passes, however, I believe calamity lies ahead for the Nation.

This bill should be defeated by an overwhelming majority. If it is passed in its present form it should be vetoed by the President of the United States. We had better have no price control at all than a bill designed to control the price controllers and not prices.

The pending measure, as it is being amended, unless it can be matched by a stronger and better bill from the House, or unless the conferees are fortunate enough to agree this time on a measure which merits our support, will, in my opinion, prove to be a fraud and a delusion. We shall know this only too well after we have tried out the experiment. I fear that if we do try it we shall be called upon to endure the experiences which followed in the wake of World War I.

Mr. President, I am disappointed at the progress that is being made and the amendments which are being adopted. I fear that we shall do no better than we did in our first attempt.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Hayden	Pepper
Austin	Hill	Radcliffe
Ball	Hoey	Reed
Barkley	Huffman	Revercomb
Bridges	Johnson, Colo	Robertson
Briggs	Johnston, S C	Russell
Brooks	Kilgore	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Capehart	Langer	Swift
Capper	McCarran	Taft
Carville	McClellan	Taylor
Chavez	McMahon	Thomas, Okla
Cordon	Magnuson	Tunnell
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Ferguson	Mitchell	Wherry
Fulbright	Moore	White
George	Morse	Wiley
Gossett	Murdock	Willis
Guffey	Murray	Wilson
Gurney	O'Daniel	Young
Hart	O'Mahoney	
Hawkes	Overton	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I wish to say a brief word in regard to the amendment.

There is no need for the amendment. It provides that no maximum price shall be fixed on petroleum or products processed or manufactured therefrom unless the Price Decontrol Board shall certify certain things with respect to the shortage of petroleum or of the product on which the price is supposed to be set.

Mr. President, we are setting up, as has been explained time and time again, a Decontrol Board and industry committees for 65 or 75 different industries, including the petroleum industry. If the industry committee for petroleum files a petition for decontrol and that goes before the Decontrol Board referred to in the pending amendment, the Decontrol Board, after a hearing, can issue an order to the Administrator to take prices entirely off petroleum or any petroleum product, and then the Administrator will be compelled to obey the order.

So there is no need for the amendment. If we are going to decontrol petroleum by this amendment, unless the Decontrol Board steps in and certifies to the Administrator that there is a shortage of petroleum or some product of petroleum, if the amendment is of any value at all to those who are advocating it, it means an increase in the price of gasoline to every farmer in the United States who runs a tractor or has a gasoline engine of any kind, and to every automobile driver

in the United States, and to every user of gasoline.

If the amendment does not mean that, why is it being advocated? If the situation is such as to justify removing the price controls from petroleum because of a surplus or a full supply of petroleum, the Decontrol Board itself has full power to do that.

Therefore, the amendment is not necessary and ought not to be adopted, in my judgment; and I hope it will not be adopted.

Mr. MOORE. Mr. President, will the Senator yield?

Mr BARKLEY. I yield.

Mr MOORE. I think the Senator will admit, for I have never heard any one deny it, that petroleum products now are equal to the demand and in excess of demand. Am I correct?

Mr. BARKLEY. I think there is a supply of petroleum that is adequate at this time. Under that situation, if it should continue, I think the Decontrol Board in all likelihood would decontrol petroleum as fast or faster than petroleum would be decontrolled under the Senator's amendment. I think the Senator has the situation in reverse.

Mr. MOORE It has been put in reverse under present conditions.

Under the Price Control Act, as it existed until July 1, petroleum and petroleum products were in full supply, and they had been in full supply since VJ-day. The Senator from Kentucky knows that to be so He has heard it over and over again Petroleum and petroleum products have been in full supply and in excess of the demand. However, the Price Administrator never at any time, although he was petitioned time and time again, never would decontrol oil.

I wish to call the Senator's attention to the situation. I do not wish to have something useless added to the joint resolution. I placed in the RECORD today a statement that Paul Porter, who was the Price Administrator when this law went out of existence, has positively stated, in my opinion, that he simply will not decontrol oil, although under the law under which he was operating as of the 27th of June, he had no option about the matter, for the law required that he must decontrol oil. But he did not do it.

Mr. BARKLEY. There are various circumstances which may have contributed to the viewpoint of the OPA Administrator that oil ought not be decontrolled. One of them was a regional situation due to the possibility of a strike

Mr. MOORE Yes.

Mr. BARKLEY. It is entirely conceivable that transportation problems might seriously interfere with the proper distribution of oil, although there might be an over-all supply of oil, throughout the country, which would be sufficient, if properly distributed.

But, regardless of Mr. Porter's attitude heretofore—and I must say I have never considered that he was stubborn or adamant—the situation since he has been Administrator did not seem to justify immediate decontrol. But irrespective of that, under the pending measure the Decontrol Board will control that. A petition can be filed and the Decontrol Board can order the decontrol of petroleum, and then the Administrator will have no discretion in the matter.

Mr. MOORE. On the other hand, if it should develop at any time in the future, if we pass a price-control law, that the Decontrol Board means to put oil back under price control, if it finds that oil is in short supply——

Mr. BARKLEY. Of course, that would be true of any commodity if it is found to be in short supply and if there is a justification for the reimposition of price control.

Mr. MOORE. Then, what harm could result from having the Congress take this stand now and say that petroleum is in full supply. Everyone admits that it is.

Mr. BARKLEY. Of course, as I have said, the harm comes from the fact that it is simply an accumulation or adding up of congressional decontrols which make it more difficult to obtain any legislation on the subject at all.

In this particular situation, the amendment does not aid even in connection with the Senator's own desire to get immediate or prompt decontrol, because, of course, under his amendment no price would be removed unless the Decontrol Board certified certain things. Theoretically it could certify certain things immediately upon the passage of this measure; but I take it that any board appointed by the President and confirmed by the Senate would take its duty seriously and would look into the situation first, and would not issue any certification under any circumstances unless it felt that the certificate was justified by the facts. Therefore, it seems to me, we have provided ample means by which decontrol can be brought about promptly by any industry A petition could be filed the next day after the President signs the joint resolution, if he does sign it, and that petition would put in motion the process by which decontrol would take place.

Therefore, I think that is a sounder and more logical provision than the one which is embodied in the Senator's amendment, I say with all due respect to him.

Mr MOORE. No one knows what the price of oil would be.

Mr. BARKLEY I do not know that either; but I assume the Senator assumes that some benefit would flow from his amendment to the industry.

Mr. MOORE. I merely want a proper amendment adopted

Mr BARKLEY. Everyone wants a proper amendment, but to be free to do as he pleases.

Mr. MOORE. Yes, free to do what he pleases within the confines of decency.

Mr. BARKLEY. Yes, and to set the metes and bounds himself.

Mr. TAFT. Mr. President, the amendment now pending before the Senate proposes to decontrol petroleum. The Senate adopted such an amendment in the bill it passed some days ago. It was adopted then for the same reason that it should be adopted now. The pending joint resolution declares that if the supply of a commodity equals the demand it should be decontrolled. In this case we know that the supply equals the demand. No case was made so clearly before an OPA advisory board as the case for petroleum. The evidence was perfectly clear, and everyone agreed that petroleum was in supply adequate to the demand. Because of the war a great supply of petroleum was built up. Of course peace demands are not equal to war demands. There can be no question about that. If we decontrol nothing, there may be something in the argument of the Senator from Kentucky. But we are to leave it to the Board. Here is a case in which the facts are undisputed. If we are going to decontrol, we should decontrol petroleum just as we decontrolled it in the last bill on this subject which was passed by the Senate. There is no argument which can consistently be made against decontrolling petroleum.

Mr. Porter repeatedly said that the OPA would decontrol petroleum, but it was not decontrolled. If he had intended to decontrol it he could have decontrolled it under the then existing law. He could have decontrolled it at any time during the past 3 months. When he appeared before the committee his only excuse for not decontrolling it was the coal strike I asked him if he would be willing to say that within 30 days after the coal strike had been settled he would then decontrol petroleum. He answered that he would not give any definite assurance. I am personally convinced that he will not decontrol it, so far as he himself is concerned

Mr. President, I do not know what the Decontrol Board will do. I hope that the Board will operate successfully, but, after all, the President appoints the members of the Board and, apparently, he agrees with Mr. Porter's philosophy. Why will not Mr Porter decontrol petroleum? Because it is possible that there may be some slight increase in the price of oil. If we take off all controls, there will be an increase because the demand and the supply of oil will equal each other, and there will be a slightly higher price than the artificially low price which has been held by the Government against oil for the last 2 or 3 or 4 years during the war. The situation will adjust itself sooner or later.

Yet, in his veto message, the President himself questioned and disputed the formula which had been laid down by which decontrol should be put into effect when the supply equalled the demand The President wants Congress to change that formula. We are refusing to change it. So long as the President adheres to such philosophy, the Decontrol Board which is to be appointed by him, and which, to a considerable extent, will be responsible to him, is likely to follow his philosophy. If we no not decontrol petroleum I believe it will be a long time before we will get decontrol of any important products. There may be decontrols of some of the minor products or articles, but I see no evidence to support the belief that any major product will be decontrolled. I feel, therefore, very strongly that Congress should adhere to the logic of its position, and where it finds that a product is in sufficient supply, the control of it should be removed, even though it may result in a small increase in price.

Mr. President, I believe that tobacco is in the same category. When the negotiations were in progress at the last conference it was generally agreed that if any commodities were to be decontrolled they certainly should be petroleum and tobacco. If we only get rid of bureaucratic regulation, it will be a great step forward in reducing the overhead expense of bureaucratic controls, as well as in reducing interference with business, which follows necessarily when Government undertakes every day in the United States to regulate and police thousands upon thousands of transactions. If there is a case in which the supply of a product clearly equals the demand, why do we not decontrol it?

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken, I desire to occupy a moment or two of the Senate's time in order to express my views with reference to this amendment.

I am supporting the amendment. A few days ago the Senate voted unanimously to take controls off petroleum and petroleum products. Now the controls are off. There are no legal controls today on petroleum and petroleum products. So the question is, Shall the Congress authorize, in effect, the reestablishment of controls over oil and oil products?

Mr. President, there is not a single reason, so far as I know, for the reimposition of controls over oil and oil products. Recently an advisory board, under the jurisdiction of OPA, met in Chicago. The board considered the entire oil situation and came to the conclusion, as I understand, that oil should be decontrolled. However, no attention was paid to the recommendation for decontrol which the Board subsequently made. I have been advised that Mr. Porter made the statement that there was no good reason for keeping controls on oil except the threatened maritime strike. That strike did not materialize. So there is no excuse of which I know for maintaining oil and oil products under control.

Mr. President, there is no question about the present supply of oil. My colleague the junior Senator from Oklahoma [Mr. MOORE] has had placed in the RECORD some figures which cannot be disputed. In my remarks I desire to reinforce my statement by reference to those figures.

It has been estimated that on June 30 of this year there was on hand a total stock of 83,595,000 barrels of gasoline. That is more gasoline than existed last year at the same time, or the year before at the same time, or the year before that at the same time. At only one time previously was there more gasoline on hand than there was on June 30 of this year. There is now a surplus in the supply of not only the finished product but the unfinished product as well. There is now an increase over what there was in 1945 by more than 6,000,000 barrels.

With respect to kerosene, at the present time there is an increase of more than 4,000,000 barrels over what there was last year. There has also been an increase in distillate of more than 5,000,000 barrels over what there was a year ago, and of residual, which is a low-type fuel oil, there are 5,000,000 barrels.

So, Mr. President, it must be admitted that there is more gasoline, more kerosene, and more oil at the present time than there was a year ago. A year ago the war was still on in Japan.

Mr. President, if Congress will not decontrol gasoline, oil, and other refined products, or insists upon putting them back under control, it appears evident to me that the intention is to maintain the petroleum industry under control forever.

Mr. President, as a rule, crude oil is not developed by major companies The rule is that crude oil is developed by what are known as wildcat drillers and wildcat operators. A wildcat operator is a man who has some money with which he wishes to speculate, and so he goes into an unproven territory, puts down a well, and hopes for results More money has been lost in drilling for oil than has ever been made. So, as a rule, the new oil wells are discovered and developed by speculators who are called wildcat operators. Such operators, as a rule, do not refine the oil and sell the refined product. They produce the oil and sell it as crude oil.

The present price of oil is so low that the development of new oil wells has been discouraged. There are very few oil drills operating now As a rule, there are approximately 2,000 drills in operation in an attempt to discover oil

I am advised that at the present time scarcely half that number of oil drills are in operation. The reason for the small number of drills in operation at the present time is that the price of crude oil is not sufficient to enable the operators to take a chance on making a profit out of the investment of their money. It is well known that all expenses in connection with the digging of oil wells have increased. The cost of labor has increased, as is well known. The machinery which is used in drilling oil wells has increased in price, as is well known. Pipe has greatly increased in price, as is well known. So, the costs of putting down a well have materially increased. At the same time, the price of crude oil has been held down ever since the beginning of World War II.

At the present time the price of oil is approximately 60 percent of parity. This means 60 percent of the average price of oil in the year which is used as the base, which was 1926.

The average price of crude oil during that year was $1 88 a barrel, and the average price of oil at the present time is approximately from $1.30 to $1.35 a barrel. So the price of oil today is not as high as it was in the base period of 1926, notwithstanding the fact that machinery is more expensive, pipe is more expensive, and labor is more expensive.

Unless something is done to increase the price of oil, to increase the returns to the wildcatter, to the men who venture forth to try to find new fields, the oil industry will become more and more discouraged, and if the situation should remain as it is for a few years, the United States might find itself with a depleted supply of crude oil.

Mr. President, it is my conviction that the controls should not be placed back on oil. If oil should rise somewhat in price, it would not necessarily affect the price of gasoline. A barrel of crude oil contains 42 gallons, and under modern processes the refineries can produce approximately 42 gallons of gasoline and kerosene and other oil products out of a barrel of crude oil.

Suppose oil is selling for $1 40 a barrel. That means that the crude oil necessary to make a gallon of gasoline is worth about 3 cents. Gasoline is selling at the refinery for about 5 cents a gallon. The cost of gasoline to the consumer is not the cost the refinery gets. The refinery sells the refined product to the wholesaler and the trade in wholesale quantities at from 5 to 6 cents a gallon. Whatever the consumer pays in excess of 5 or 6 cents a gallon pays for the labor, transportation, distribution, and taxes. In some States the gasoline tax is 5 cents, in some 6 and some 7 and some 8, and in some even 9 cents a gallon.

Mr. President, if the price of oil should double, it would add only another cent or two to the cost of the refined product. So from my viewpoint there is no excuse from any standpoint for reimposing controls on crude oil and crude oil products.

Mr President, I shall support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. MOORE], which will be stated.

The CHIEF CLERK. It is proposed to insert on page 6, between lines 6 and 7, the following:

(4) Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum and petroleum products processed or manufactured in whole or substantial part from petroleum, unless the Price Decontrol Board established under subsection (b) shall have first determined and certified in writing to the Administrator that the supply of crude petroleum or the particular petroleum product on which price controls are to be imposed or maintained, is insufficient to meet the domestic consumptive demand therefor.

Mr. MOORE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. Not knowing how he would vote if present, I transfer my pair with him to the Senator from Iowa [Mr. HICKENLOOPER], and will vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], the Senators from Virginia [Mr. BURCH and Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GERRY and Mr. GREEN], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Pennsylvania [Mr. MYERS], and

the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies

The Senator from Texas [Mr CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Tennessee [Mr. MCKELLAR]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Tennessee would vote "nay"

If present and voting, the Senators from Rhode Island [Mr. GERRY and Mr. GREEN], the Senator from Pennsylvania [Mr MYERS], and the Senator from Utah [Mr. THOMAS] would vote "nay"

Mr. WHERRY. The Senator from Michigan [Mr VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is unavoidably detained.

The result was announced—yeas 40, nays 30, as follows:

YEAS—40

Ball	Hawkes	Russell
Bridges	Hoey	Smith
Brooks	Johnston, S. C.	Stanfill
Buck	Knowland	Stewart
Bushfield	McCarran	Swift
Capehart	McClellan	Taft
Capper	Millikin	Thomas, Okla.
Cordon	Moore	Wherry
Donnell	O'Daniel	White
Downey	O'Mahoney	Wiley
Fulbright	Overton	Willis
George	Reed	Wilson
Gurney	Revercomb	
Hart	Robertson	

NAYS—30

Aiken	Briggs	Ferguson
Austin	Carville	Gossett
Barkley	Chavez	Guffey
Hayden	McMahon	Pepper
Hill	Magnuson	Radcliffe
Huffman	Mead	Taylor
Johnson, Colo.	Mitchell	Tunnell
Kilgore	Morse	Wagner
La Follette	Murdock	Walsh
Langer	Murray	Young

NOT VOTING—26

Andrews	Ellender	Myers
Bailey	Gerry	Saltonstall
Bilbo	Green	Shipstead
Brewster	Hatch	Thomas, Utah
Burch	Hickenlooper	Tobey
Butler	Lucas	Tydings
Byrd	McFarland	Vandenberg
Connally	McKellar	Wheeler
Eastland	Maybank	

So Mr. MOORE'S amendment was agreed to.

Mr WHERRY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr MOORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr TAFT Mr. President, I send to the desk and now offer an amendment which I ask to have stated

The PRESIDING OFFICER. The clerk will state the amendment.

The Chief Clerk proceeded to state the amendment

Mr TAFT. Mr. President, I should like if possible to withdraw the amendment, because the Senator from New Jersey [Mr. HAWKES] has an amendment which he would like to offer tomorrow on the reconvening of the Senate

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

Mr. TAFT. I withdraw the amendment at the present time.

Mr. KNOWLAND. Mr. President, if there are no other amendments to be offered at this time, I have an amendment which I should like to offer.

Mr. TAFT. Mr. President, I ask that my amendment may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

Mr. BARKLEY. Mr President, was the Senator from Ohio referring to an amendment submitted by the Senator from New Jersey?

Mr. HAWKES. Mr. President, I am not ready to offer my amendment tonight, but I shall be ready to offer it tomorrow noon.

Mr. BARKLEY. Mr. President, I wonder if the Senator from California would abstain from offering his amendment until tomorrow?

Mr. KNOWLAND. Yes, I will do so.

Mr. BARKLEY. I should like to confer with the Senator about it before it is offered, if it is agreeable to him.

In view of the fact, Mr. President, that the Senator from Ohio is not offering his amendment now, and if he had offered it, I would pursue the same course I propose to take now, because the amendment will involve some discussion, and in view of the fact that the Senator from New Jersey is not offering his amendment now, and in view of the further fact that the Senator from California has deferred offering his amendment——

Mr. TAFT. Mr. President, I had forgotten that I told the Senator from New Jersey that I would be glad to withdraw my amendment, so he could offer his amendment first, because his amendment will not take very long to consider. I will then offer my amendment after his amendment is considered

EXECUTIVE SESSION

Mr. BARKLEY In view of all the circumstances, I shall not hold the Senate any longer. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr GEORGE

From the Committee on Finance:

Jacob C. Wagner for promotion in the Regular Corps of the United States Public Health Service

From the Committee on Foreign Relations.

J Leighton Stuart, of New York, to be Ambassador Extraordinary and Plenipotentiary to China,

Robert Butler, of Minnesota, to be Ambassador Extraordinary and Plenipotentiary to Australia,

Harold H Tittmann, Jr., of Missouri, now a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Haiti, and

Joseph F McGurk, of New Jersey, now Ambassador Extraordinary and Plenipotentiary to the Dominican Republic, to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES MARSHALS

The legislative clerk read the nomination of William T. Mahoney to be United States marshal, division No. 1, district of Alaska

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Stanley J. Nichols to be United States marshal, division No. 4, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas P. O'Donovan to be United States marshal for the northern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Eugene J. Smith to be United States marshal for the eastern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Harold G. Bowen to be vice admiral in the Navy, for temporary service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

Without objections, the President will be notified forthwith of all nominations this day confirmed.

That concludes the calendar.

UNANIMOUS-CONSENT REQUEST FOR LIMITATION OF DEBATE ON HOUSE JOINT RESOLUTION 371

Mr. BARKLEY. Mr. President, may I have the attention of the Senate for a moment? As in legislative session, I ask unanimous consent that during the further consideration of the pending legislation, no Senator shall speak more than once or longer than 1 hour on the joint resolution or any amendment thereto.

Mr. O'DANIEL. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

RECESS

Mr BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 8 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 11, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 10 (legislative day of July 5), 1946:

ASSISTANT SOLICITOR GENERAL OF THE UNITED STATES

George Thomas Washington, of the District of Columbia, to be Assistant Solicitor General of the United States, vice Hon Harold William Judson, resigned

JUDGE, JUVENILE COURT FOR THE DISTRICT OF COLUMBIA

Hon Fay L. Bentley, of the District of Columbia, to be judge of the Juvenile Court for the District of Columbia. (Judge Bentley is now serving in this post under an appointment which expires August 12, 1946)

UNITED STATES MARSHALS

Gilbert Mecham, of Utah, to be United States marshal for the district of Utah. (Mr. Mecham is now serving in this office under an appointment which expired March 23, 1946)

Ford S Worthy, of North Carolina, to be United States marshal for the eastern district of North Carolina (Mr. Worthy is now serving in this office under an appointment which expired May 6, 1946.)

Albert A. Sanders, of Wyoming, to be United States marshal for the district of Wyoming. (Mr. Sanders is now serving in this office under an appointment which expired February 28, 1946.)

COLLECTOR OF CUSTOMS

William Jennings Bryan, Jr., to be collector of customs for customs collection district No 27, with headquarters at Los Angeles, Calif. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the United States Public Health Service:

TO BE SENIOR ASSISTANT SCIENTISTS, EFFECTIVE DATE OF OATH OF OFFICE

Clyde M. Berry
Lewis J. Cralley
Dohrman H. Byers

IN THE NAVY

The following-named officers for appointment in the United States Navy in the corps, grades, and ranks hereinafter stated.

The following-named officers to the ranks indicated in the line of the Navy.

(Asterisk (*) indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment)

TO BE LIEUTENANT COMMANDERS

*Thomas F. Cullen
Charles F. Hooper
Paul Jackson
*Berwick B Lanier
*John S Mosher

TO BE LIEUTENANTS

Harold R. Badger
Albert A Campbell
Albert C. Thompson
Henry P Wright, Jr.

TO BE LIEUTENANTS (JUNIOR GRADE)

Charles V. Allen
Robert S. Brookings 2d
Charles M Brower
*Burl H Bush
Matthew V Carson
Louis A Harrison, Jr.
Henry L Haskell
Edward E Havlik
William G Holly
Robert C Joerg 3d
Francis W Larson
Roderick K. MacLean
*George B McManus
Edmond B Pugsley
Alexander L Redon
Nelson D Salmon
James C Skorcz
Bryan H. Smith, Jr.
*Richard H Tenney
James G Thorburn, Jr
Francklyn W C. Zwicker

TO BE ENSIGNS

William H Abram
Peter V Agur
*Willard F Allbright
William "Y" Allen, Jr
Leroy V Altz, Jr
*Frank W Anders
Nello D S Andrews
Herbert S Angell
Woodbury Appleton
Alfred H. Bahnsen, Jr
Keith E Bailey
Walter I Baldwin, Jr.
Bruce M Barackman
Charles L. Bardwell
William H Bargeloh, Jr
Howard F Barrett
Carl F Barron
Stirling W. Bass, Jr.
William C Bates
Arden E Baughman
Kenneth E Bean
Charles E. Beck
Ernest G. Beinhart
Ralph G Belles
Frank P Benson
Floyd J. Bertoglio
Joseph Bigger
Sylvain F Bilts, Jr.
George Birdt
Wilbur C. Bishop
Morton N Black
Emmit W. Blackburn
Alfred F Blair
Reginald A Blakely
Alva L. Blanks
Edward X. Blaschka
Robert O. Bodell
Joseph G. Bogdan
Logan A. Bolon
Joseph Boriotti
*William B. Bowie
Paul A. Boyle
Gordon D. Bradberry
Robert J. Brassell
Merrill J. Brink
Harvey B. Britt
Richard K. Brown
Robert L. Browne
George S Bryan, Jr.
Emmitt "C" Burleson
Edwin "F" C Cain
Thomas R Caldwell
John C Callahan
Moreno J Caparrelli
Grayson R Carey
Carl Carmichael
Charles D Castelli
Joseph L Chandler
Lowell D Chandler
Wilburt J Chiapella
Oren R Christian
Boyers M Clark, Jr
Richard M Clark
Floyd K Clymer
*Hilbert S Cofield
Walter C Cole
William E Collins, Jr
Warren M Cone
*Ralph E Cook
Robert F Cooper
Thomas A Cosgrove
Lynn J Cornia
Alan R Cotariu
Marion L Courtney
Paul G. Cowan
Arthur G Crawford
Joseph W. Crawford, Jr.
Emory H. Creasman
Richard E. Cross
Jack S Crumley
Vernon H Cupp
*Robert I. Curtis
Victor E. Dahn, Jr.
William A. Dallis
Claude W. Dampier
Dan A. Dancy
Allen L. Daniels
Frank H. Dauer
Orel A. Davidson
Bradford J. DeCoux
Francis W. Delly
George K. Demas
George E. Dennis
George A. Dickson, Jr.
*John C. Donahue 2d
George E. Doran
John E. Downin
*Austin R Doyle
James P. Drake
Kenneth H. Drummond
Stephen F. Durbin
Leo W. Early
John E. Echterling
*Jack K. Ellis
Donald D. Engen
Jewel M. Evans
Jewell S. Fahlgren
McClelland T. Fetty
Vernon R Fierce, Jr.
Carl Fiorito
Vasmer L Flint
Edward P Flynn, Jr.
Frank W Ford
Richard B. Forward
Richard A Foxx
John K Freeman
Robert Friedman
Theodore Gabor
Ralph W Gant
Earl E. Garland
Lawrence R Gaston
Irving Gertzog
Ora E Giles
*Raymond W Glascow
Robert R Glenn
George W Glover
Donald E Goerner
Kenneth B Goldfarb
John Golembeske
Thomas P Gordon, Jr.
Walter R Gover
*Inslee E Grainger
*James W Grant
Michael "E" Green
Ernest G Greene
Averill G Griffin
Donald N Griffin
Lyman W Griswold, Jr.
Joseph W Guidry
Bernard E Hackett
Edmund C Haley
William C Hamernick
Richard W Hanson
Louis I Hardman
Theodore R Harker
Walter V Harlin
George D Harrelson
Donald W Harris
Raymond G Hartman
William R Haslett
William W Heath
Wolf Heinberg
Charles Henc
William Henry
Fletcher H Herrald
Louis S Herrink, Jr
*Dermott V Hickey
Charles R Hickman
Charles C Hill
James F Hill
Olin L Hipp
William S Hitchins
Robert R Hobson
Donald W. Hoover
William E Hoppe
Robert H. Hough
Fred W. Howells
Edward L Hubbard
William A. Hudspeth
Robert E Huffman
John W. Hughes
David M Hume
Ray L. Humphries
Francis A. Hunt
Thomas W Hunt
Charles E. Hussey, Jr.
Richard W Hyde
John R. Iler
William F. H. Irwin
*Harry E. Jackaway
Clinton W. Jackson
Clarence L. James, Jr.
Roy B. Jarnagin
*Major J. Jennings.
Ivar A. Johnson
Leon S. Johnson
Cowan E. Jones, Jr.
Joseph M. Jones
William S. Jones
Robert L Junghans
LeRoy S Kalousek
Buryl C. Kay
William E Kedigh
Edward G Kelley
*John W. Kelly
Thomas W Kennedy
*Lucius H Kentfield, Jr
Albert J Kerling
Patrick J. King
Raymond L Klassy
Carl H Klindworth
Roger J. Koch
*Jackson L Koon
Herman W Kreis
Edward L Kurek
Lloyd A Kurs
Charles E Kussell
Bob E Lambert
Waikko S. Lammi
Donald P Lanaghan
Edward A Lane, Jr.
Vincent C. Langan
Thomas B. Larkin, Jr.
James V. Lavelle, Jr.
Malcomb A. Lea
Flora L Lee
Edward F Leonard
David J. Lesher
Clark D. Lewis, Jr,
Leo Y Lewis, Jr.
Richard J. Licko
Percy L. Liles
Allan J Lindstrom
Donald B. Long
Richard H. Loritsch
Earl M. Love
Albert E. Lukasik
Vincent J Lynch
William G Madill, Jr.
Howard A Malstrom
Howard W. Mansfield
Paul D Marr
Frank V Mason
John F Mayer
Daniel C McCarthy
John C McCauley
John L. McCreay
Steiner W McEachern
Richard G McEwen
Walter J McGuire, Jr
Robert W McReynolds
William G Merriott
William R Mershon
Charles G Miller
John W Miller
Frank D Milner
William G Montgomery, Jr
Lewis M Moore
Warren L Moore
William C Morey
Clinton H Mundt
Thomas J Murphy
*Lawrence S Myers
Charles G Nash, Jr.
Walter P. Neel
Herbert W. Ness
Daniel Newman
Donnell G Nicholson
John F Nissen
Harold A Nordeng
William F Oakley, Jr.
William J. O'Brien, Jr.
Earl V. Oglesby
Martin L Olson
William T. Page
Robert W. Paige
Frederick V. Pankow
Wylie K. Parks
*Howard A Patrick
Paul E. Payne
John Perchas
Edward Pessynski
*Richard B. Phillips
Robert S. Plummer
*Morton A. Prager

Robert J. Radcliffe
Charles E. Rash
Donald A Raymond
Earl B Reaves
John W. Reese, Jr.
John T. Revis, Jr.
Charles F. Richelieu
Joseph P. Rizza
Giles H. Roberts
Roy H. Robinson, Jr.
Arthur J. Roloff
Jerome S. Roth
Philip J. Rush
John Sawula
Donald A Schlarbaum
Ray D. Schmorano
Edward R Schnell
Earl R. Schwass
Clyde L. Scott
Kenneth A. Sederquist
Robert L. Self
Walter P Sheppard, Jr
Frank C. Sherrard
James M. Shumway
Edward B. Sigler, Jr
Michael Simmons
James B. Sinquefield
LaVerne D Smith
Edward G Sockerson
Paul C. Stadler
Donald W Starbuck
Mortimer Stevens
William G. Stewart
Donald L Stock
*Arthur O Stone
Harold P. Streeper
John W Sugden
Frank P Swan, Jr
Claude D. Tate
Robert J. Tepper
Clarence E Thomas
Harold T. Thompson
Herschel B. Tporpe
Joel E. Tilley, Jr.
Forrest A Todd
Henry M. Tonkin, Jr.
Thomas L. Tranter
George A. Tredick, Jr.
Robert L Tully
Robert E. Updike
Reginald R. Vancil
Pierre H Vining
Louis E. Voorhees
George R. Wagner
Duncan P Wallace
Robert Q Wallace
Howard C. Ward
Harry S Warren
Emmit N Wheatherly
George J Webb
Harry E. Welch
Warren H Wettlaufer
George P. Wheeler
William G Whisler
Eldred L. Whitlock
Whiting Wicker
Conrad J. Wigge
Charles R Wilhide
James D. Williams
Glenn W Wineman
Hal "M" Winner
Charles H Witten
Clyde P Worman
Albert S Yesensky
Robert D Young
William C Young
John T. Ziegweld
Wayne L. Zimmerman

The following-named officers to the grades and ranks indicated in the Medical Corps of the Navy

TO BE SURGEONS WITH THE RANK OF LIEUTENANT COMMANDER

Harry G Beck
James E Fulghum
David D. Greene
William L. A. Wellbrock

TO BE PASSED ASSISTANT SURGEONS WITH THE RANK OF LIEUTENANT

Fred E Bradford
Richard L Hane
George M Lynch
Theodore F. Reuther

TO BE ASSISTANT SURGEONS WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

James B. Conlon
John Laurens 2d
Charles R. Longnecker
Leonard W. McNamara
Robert W Phares
Stevenson P. Santiago-Stevenson
Robert H. Ward

The following-named officers to the grades and ranks indicated in the Supply Corps of the Navy:

TO BE PAYMASTER WITH THE RANK OF LIEUTENANT COMMANDER

Harney W Stover

TO BE ASSISTANT PAYMASTERS WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Eugene K. Auerbach
Louis J Barta
Henry O. Durham, Jr.
George A. Kelley, Jr.
Francis J Moore
Paxwell R Mowry
Pierce E. F Quinlan, Jr
Gilbert M Rice
Robert E. Silver

TO BE ASSISTANT PAYMASTERS WITH THE RANK OF ENSIGN

Ola K Alexander
Robert C. Beasten
Kenneth M Beyer
Robert L. Binset
Elliott Bloxom
Franklin Buikhead
John V. Cassidy
Stanley Christensen
Harry L. Conner
Jack L Daray, Jr.
William D. Ellis
Darwin R. Ferrin
John H Garrett, Jr.
Rodney N. Gray
Paul W. Haines, Jr.
John H. Hampshire
Bernard C. Harrington
Milton W. Harvey
Paul W. Hebert
Augustus P. Hughes, Jr.
Thomas A Hyland
William B Jones
Richard M Kimball
Albert M MacDonald
Robert J McCormick
John A Mlakar
John C Moore
Cosimo B Musci
Clifford A Nelson
George E. Olson, Jr.
Charles F. Perkins
William A. Phillips
Ernest W Rogers
Winston W Roth
Joe G Schoggen
John C Senter
Irving J Solomon
Howard J. Stewart
Robert E. Strom
Donald R Swing
Horace E. Thurman, Jr
Walter W. Tolson
William G Varney
Harris L. Vowles
Arnold Weiss
John J Wohlschlaeger

The following-named officers to the grades and ranks indicated in the Civil Engineer Corps of the Navy:

TO BE ASSISTANT CIVIL ENGINEERS WITH THE RANK OF LIEUTENANT COMMANDER

Martin W Kehart
William A. Zobel

TO BE ASSISTANT CIVIL ENGINEERS WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

John F. Beaver
Robert R. Campbell
Earl G. Dobbins
Donnell B Doyle
Robert K. Fogg
Walter T Grady
Luther H. Hartung
Custer F Krickenberger, Jr.
Robert B Morris
John W Richardson, Jr
Aldo P Savio
Gerard T Shannon
Joseph J Smisek
Harry Stevens, Jr.
William K. Trimble
William F Tuesting, Jr
Ervin E White
Abe Zimmerman

The following-named officers to the grade and rank indicated in the Dental Corps of the Navy.

TO BE ASSISTANT DENTAL SURGEONS WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Alan Y. Clarke
John L Keener
LaVerne H Larson
Anthony Rubba

The following-named officers to the rank of commissioned warrant officers in the Navy in the grades indicated:

TO BE CHIEF BOATSWAINS

Henry C. Alvord
Ira V. Bailey
Walter H Bickford
James B Birtch
John J Cassidy
Thomas J Dickson
Leo E. Gentile
Kenneth E Gray
Harry W. Gustafson
Charles S. Hamlin
Frank E Heiffenstein
Stefan Jys, Jr
Stuart W Kerr
Howard E Krobatsch
Albert L Leightley
Charles Makalocki
Donald S McLeod
Carroll W Minchew
Kenneth L Moore
Oliver E Olson
Charles Philip
Casmer E. Preble
John L Radford
James T Schenmerhorn
Alpha M Selman
John P Shiveley
Ernest E Simms
Chester J. Spiewak
Lester T Story
Max Wells
Arthur W. Woods

TO BE CHIEF TORPEDOMEN

Phines Causey
Bennie D Freeman
John W. Gay
Huel S. Holloway
Hugh W. Latham
Vincent J Mancuso
Roy L. McDowell
Lyman H. Reeves
Albert R Svahn

TO BE CHIEF RADIO ELECTRICIANS

Carroll C. Andrews
Thomas E Barrett
Randall Bess
Irvin H Bordihn
Otho L Bramlett
Carl F. Carlson
James R. Charleton
Wade H. Cone
Augustine J. Devine
Walter D Dubienny
Homer C. Eckles
"J" "C" Farrar
Joseph A. Grantham, Jr.
Raymond L. Griebel
George W. Gulbranson
Frank K Hamel
Glen A. Herndon
Ernest D. Hoblit
Edwin R. Jenks
Horton C. Kessler
Harry D. Lange
Bud A. Ledbetter
Warren T. March
Joseph P C Martineau
Paul M. McCluskey
Carl E Miller
Kenneth K. Morrison
Louis L. Nicholson, Jr.
Elmer W Oxenberger
Earle B. Perce
Paul B Phillips
Clarence G Rhodes
Russell W Rinker
Robert T Rustad
Linus H Schuh
Horatio Seymour
Karl E. Skadowski
Albert E Smithson
Robert H. Sparks
Elmer B Steier
Francis W. St. Pierre
Alfred H. Thorne
Archie T. Vann
Dalton C. Ward
James A. Weatherbie
Max R. Webb
Irving E. Wetmore

TO BE CHIEF MACHINISTS

Alonzo G. Anderson
Homer J. Baldwin
Lyman C Bloom
Alfred V Boutin
William D Buckbee
Harry Carroll
Francis E. Chamberlain
Frank L Cherry
Allison E Deer
James F Donnelly
John M Dunn
Hiram M Kimble
Harvey W Lawson
Leonard L Lindstrom
Harold T Lyons
James E. McCabe
Aldon V. Minton
Donald D. Moore
Willard F. Oleson
George L Patrick
Robert L Peoples
Howard P Peterson
Fredrick A. Redeye
Frank E. Robb
Clarence B Ross
Raymond R Scheffler
Robert G Sieber

TO BE CHIEF SHIP'S CLERKS

Stanley E. Bryant
Charles W Christian
Arthur L. Daigle
Louis H. Hewger
Lovine B. Luckenbach
David L Miller
Roy E Nelson
William G. Schlich
"D" "L" Webster

TO BE CHIEF AEROGRAPHERS

George W Banes
Richard W Camp
John M Hartman
Rudolph J. Keller
Leo A. Lee
Morton L. Lewis
George R Mills
Ellis B. Rinard
Ned H Walker
Iva I Wilkinson

TO BE CHIEF PHOTOGRAPHERS

James L Andre
Alfred Baran
LeRoy E Bartels
Theodore H. Bradesen
Lloyd "A" "D" Colvin
Parks Donley
George B Dutch
Robert E Graham
Bruce A McLawhorn
Henry F O'Reilly, Jr.
Roy D Punkett
John E. Richter
Charles C Shirley
Jay H Sorey
Will R Sutherland
Arnold M Wheelock

POSTMASTERS

The following-named persons to be postmasters

ALABAMA

William A Parr, Landersville, Ala Office became Presidential July 1, 1946.

ALASKA

Jennie Ferne Hollis, Healy Fork, Alaska. Office became Presidential July 1, 1946.

Frank Shotter, Hoonah, Alaska. Office became Presidential July 1, 1946.

ARIZONA

Jesse P. Hamilton, Morristown, Ariz. Office became Presidential July 1, 1946

Anna M Hall, San Simon, Ariz Office became Presidential July 1, 1946

CALIFORNIA

Marian C Milligan, Hinkley, Calif Office became Presidential July 1, 1946

Arthur Coutillard, Soda Springs, Calif. Office became Presidential July 1, 1946.

FLORIDA

Robert A Swain, Anthony, Fla. Office became Presidential July 1, 1946

Lee Rutledge, Polk City, Fla Office became Presidential July 1, 1946.

Ward S. Estey, Tangerine, Fla. Office became Presidential July 1, 1946.

Norma M. Knotts, Yankeetown, Fla. Office became Presidential July 1, 1946.

GEORGIA

John A. Johnson, Bowersville, Ga Office became Presidential July 1, 1946.

Silas W. Nicholson, Esom Hill, Ga. Office became Presidential July 1, 1946.

KANSAS

Elwood C. Marshall, Minneola, Kans, in place of E L White, resigned.

KENTUCKY

Lina M Miller, Bethany, Ky. Office became Presidential July 1, 1946

Grace S. Garvey, Chaplin, Ky. Office became Presidential July 1, 1946.

MASSACHUSETTS

Stanley E. Chase, Caryville, Mass. Office became Presidential July 1, 1946.

Albert G. Sharrock, East Freetown, Mass. Office became Presidential July 1, 1946.

Otis H. Barton, Eastham, Mass. Office became Presidential July 1, 1946.
Jean R Raymond, East Sandwich, Mass. Office became Presidential July 1, 1946.
Raymond Scrivens, North Eastham, Mass. Office became Presidential July 1, 1946.
Charles G. Starratt, Ocean Bluff, Mass. Office became Presidential July 1, 1946.

NEW HAMPSHIRE

Georgianna L Nichols, Guild, N H. Office became Presidential July 1, 1946.
Bertha A. Trickey, Northwood Narrows, N H. Office became Presidential July 1, 1946.
George E Kelly, Rumney, N H. Office became Presidential July 1, 1946
Asa P Colby, Rumney Depot, N H. Office became Presidential July 1, 1946
Edith D. Ross, South Lyndeboro, N. H. Office became Presidential July 1, 1946

NEW JERSEY

Anna E Meyer, Augusta, N J. Office became Presidential July 1, 1946.

NEW YORK

Chapman A Miller, Cross River, N. Y. Office became Presidential July 1, 1946
Margaret E Owen, Newcomb, N Y. Office became Presidential July 1, 1946
Erma A. King, Portageville, N Y. Office became Presidential July 1, 1946
Alice B McGee, South Bethlehem, N. Y. Office became Presidential July 1, 1946

NORTH CAROLINA

Mildred C Finley, Cedar Grove, N C. Office became Presidential July 1, 1946
Dillon C Peel, Everetts, N C Office became Presidential July 1, 1946
W Raymond Deal, Little Switzerland, N C Office became Presidential July 1, 1946

OHIO

William E Curran, Grand River, Ohio. Office became Presidential July 1, 1945
Worth P Bean, Peninsula, Ohio, in place of S E Sovacool, retired

OKLAHOMA

Bess Douglas, Ketchum, Okla, in place of G A. Douglas, resigned
Carroll C Hughes, Reed, Okla Office became Presidential July 1, 1944.
Bessie Gossett, Savanna, Okla, in place of A L Standridge, resigned
Cornell R Grimmett, Taft, Okla. Office became Presidential July 1, 1944.

PUERTO RICO

Leonor V Santini, Florida, P R. Office became Presidential July 1, 1946.

TEXAS

Eula J Aiken, Chriesman, Tex Office became Presidential July 1, 1946
Robert B Truett, Franklin, Tex, in place of Horace Hamilton, transferred
Edgar A Rummel, Ledbetter, Tex Office became Presidential July 1, 1946
Rufus E. Maze, Rock Island, Tex. Office became Presidential July 1, 1946
Benedicta B Madrid, San Elizario, Tex. Office became Presidential July 1, 1946.

VERMONT

Hazel P Cole, Hancock, Vt, Office became Presidential July 1, 1946.

WEST VIRGINIA

Curtis M. Stewart, Lillybrook, W Va., in place of R D Richmond, deceased
Rheuben H Auldridge, Mill Point, W Va. Office became Presidential July 1, 1946.

WYOMING

Alice E Mariatt, Hawk Springs, Wyo. Office became Presidential July 1, 1946.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 10 (legislative day of July 5), 1946:

UNITED STATES MARSHALS

William T. Mahoney to be United States marshal for division No 1, District of Alaska.
Stanley J. Nichols to be United States marshal for division No. 4, District of Alaska.
Thomas P. O'Donovan to be United States marshal for the northern district of Illinois.
Eugene J. Smith to be United States marshal for the eastern district of New York.

IN THE NAVY

APPOINTMENT FOR TEMPORARY SERVICE

Harold G Bowen to be vice admiral in the Navy, for temporary service.

IN THE MARINE CORPS

OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS

Paul G. Abernathy et al. to be commissioned warrant officers in the United States Marine Corps, and Charles M Nees et al. for appointments in the United States Marine Corps, which were transmitted to the Senate July 3, 1946, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Paul G. Abernathy, appearing on page 8250, and ending with the name of Charles E. Wyrner, Jr, appearing on page 8252.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 10, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou God of might and of mercy, as we invoke Thy blessing, we would penitently and humbly confess that again and again we are haunted by needs and longings which are deeper than we can fathom. Our restless and confused minds and hearts teach us so plainly our need of Thee and that where we cease to pray we thwart our spiritual natures

May we now surrender ourselves in a glad and willing obedience to the persuasions and leading of Thy spirit, for Thou hast placed at our disposal the inexhaustible resources of Thy grace with which to meet the challenging tasks and responsibilities of each new day.

Grant that we may put our hands in Thine and go forth unafraid. May the keynote of our life be that of trust in the Lord, that perfect trust which casts out fear. Give us more of the mind and mood of the Master and fill us with His spirit of good will and good cheer.

To Thy name we ascribe all the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6428) entitled "An act making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 752) entitled "An act to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes."

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3 Department of the Interior.
4. Department of Justice.
5. Department of Labor.
6. Department of the Treasury.
7. Department of War.
8. Post Office Department.
9. Office of Price Administration.
10. Veterans' Administration.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include a letter from Mr. John W. Snyder, Secretary of the Treasury, approving the British loan.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include a telegram from Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, and from the Federated Council of Churches of Christ in America.

Mr TRAYNOR asked and was given permission to extend his remarks in the RECORD and include a radio address delivered over Station WILM.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during the session of the House during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON THE POST OFFICE AND POST ROADS

Mr. O'BRIEN of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Post Roads may sit during the session of the House on tomorrow, during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. FEIGHAN addressed the House. His remarks appear in the Appendix.]

Mr. ERVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on OPA and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

[Mr. ERVIN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

Mr. HEALY asked and was given permission to extend his remarks in the Appendix of the RECORD and include two newspaper articles.

Mr. SABATH asked and was given permission to extend his remarks and include an editorial from the Christian Science Monitor on the OPA.

Mr. HAVENNER asked and was given permission to extend his remarks in the Appendix of the RECORD and include several resolutions.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution passed by the American Legion, Department of New Hampshire.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include the address of the president of the Pennsylvania Bar Association.

ADDITIONAL ASSISTANT SECRETARIES FOR THE DEPARTMENT OF COMMERCE

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H Res. 701) providing for the consideration of S. 1367, an act to provide for the appointment of three additional Assistant Secretaries of Commerce, and for other purposes (Rept. No. 2475), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of an act (S 1367) to provide for the appointment of three additional Assistant Secretaries of Commerce, and for other purposes That after general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerc , the act shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the act for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

THE LATE SIDNEY HILLMAN

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, with the death of Sidney Hillman, American labor has lost a great leader. The loss is not confined only to labor; it is a loss to all Americans.

Sidney Hillman was a great force and inspiration for a better world and a better life. We of the labor movement in New York will miss him, American workers everywhere will miss him, and I am certain that as time goes on his stature will grow greater and greater in the history of our Nation.

PENNSYLVANIA'S AGRICULTURAL PRODUCTION RECORD DURING THE WAR YEARS

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN Mr. Speaker, Pennsylvania, a great State of some 10,000,000 people with over a million men and women in the armed forces during this recent war, a State that produced from some 30 to 35 percent of all war materials, is not alone a great industrial State, but is a great agricultural State as well.

A great many of my colleagues have been trying to take all the glory for agriculture, but according to a letter received from the Bureau of the Census of the Department of Commerce, J. C. Capt, Director, Pennsylvania farmers' output of eggs in 1944 was more than double their 1919 egg production, exceeding 175,000,000 dozens in 1944. Milk output, more than 575,000,000 gallons, in 1944 was the largest recorded for Pennsylvania in any Federal farm census. Cattle increased to nearly 1,700,000 in 1945, a record for my State.

So, along with being a great industrial State, Pennsylvania, the Keystone State, is now recognized as one of the leading and outstanding agricultural States in the Nation.

EXTENSION OF REMARKS

Mr. HERTER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include three editorials, and in the other to include a speech.

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD.

Mr. WINTER asked and was given permission to extend his remarks in the RECORD and include an article by Dr. Koppanyi, of Georgetown University.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a speech she made in Cleveland to the Business and Professional Women.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include newspaper articles.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD in three instances, in one to include two letters, in the other a resolution, and in the third a newspaper article.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Bristol Courier, of Bristol, Pa., of July 9, 1946, entitled "OPA—An Expensive $12."

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD on two subjects and include newspaper articles.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a resolution.

THE OPA

Mr. CLASON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CLASON. Mr. Speaker, I believe that further control of rents and the prices of food by the OPA, by fair regulations, should be continued so long as such control is necessary. But, in view of the action of the Senate yesterday in removing meat, poultry, and eggs from all future price controls, I believe the House should immediately consider means for helping the aged and the sick with small fixed incomes, the white-collar workers, the wage earners, and all Americans to pay the higher prices which will result.

Secretary of the Treasury Snyder has threatened to ask for higher taxes if the public seeks to purchase large quantities of goods which become available at higher prices. I urge the opposite course. A large part of the recent increases in the price of milk and meats has been due to the ending of subsidy payments to farmers on these products. These subsidies have been paid from taxes collected from all Americans. To cite an example, there has been an average increase of 3 cents on a quart of milk to replace the former subsidy Yesterday I was told by an OPA official that the OPA is particularly interested in subsidies which amounted to $1,700,000,000 for the year ending June 30. Other subsidies which may be ended shortly will bring the total about $2,500,000,000 I was also told yesterday by an official of the Bureau of Internal Revenue that withholding taxes—income taxes deducted by employers from the pay checks of their employees every pay day—reached the huge sum of $9,827,116,522 during the 11 months ending May 31, 1946. The June figure is not yet available.

I suggest that Congress cut the amount of income taxes now withheld by employers by at least $2,500,000,000 if subsidies are ended. That will permit our people to pay the increased prices insofar as they represent terminated subsidies. Since the Government collected taxes in order to make subsidy payments, it is only fair that the taxes be cut as soon as the subsidies end. Our people will need the additional income and their money collected to pay subsidies ought to be restored to them at this time.

FAIR LABOR STANDARDS ACT

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the Senate has passed the bill to increase to a fair, decent level the statutory minimum wage of the Fair Labor Standards Act.

It will be nothing short of a tragedy if the House adjourns without passing this legislation. The House bill, already reported by the Labor Committee, would simply raise the minimum wage to 65 cents an hour. That is all it would do.

This legislation is of no great importance to the organized workers of the country, most of whom receive wages now in excess of the minimum that would be established. The reason this minimum-wage legislation is needed is to protect the millions of unorganized workers, the great group of people who have no direct spokesman here in Washington at all.

Passage of the bill will not mean an increase in wages which are already at a good level, but will only mean the bringing up of the lowest paid people in the Nation to some kind of decent level of income. Some measure of the need for the bill can be found in the fact that more than 4,000,000 workers are at present receiving wages of less than 65 cents an hour, and that consequently more than 4,000,000 families would have their living standards raised as a result of the passage of the act.

By and large these are people who cannot depend upon their own organized strength to improve their condition. They must depend upon the voluntary action of the Congress to do justice by them. Those who are concerned about the power of organized labor should see clearly that if we fail to enact this fair and just legislation, it would inevitably drive more and more people to feel that only through organized pressure and the use of organized economic power can they expect an improvement in their condition.

Here is an opportunity for Congress to promote industrial peace and justice by taking fair-sighted action on its own motion and on its own responsibility. From the point of view of our long-range economic problems, the most essential single need of the Nation is the maintenance of a high level of buying power among the people, and the right place to bolster that buying power is among those groups who under present conditions are unable even to afford to buy the quantity and variety of food that is really needed for adequate nourishment for their families.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. HOFFMAN of Michigan addressed the House. His remarks appear in the Appendix.]

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. OUTLAND addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. FOLGER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New York Times entitled "British Credit."

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include certain statements and excerpts.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr MURDOCK. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Irrigation and Reclamation may have permission to sit for 2 hours this afternoon after 3 o'clock.

The SPEAKER Is there objection to the request of the gentleman from Arizona?

There was no objection.

THE LATE SIDNEY L HILLMAN

Mr. CELLER. Mr Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I, too, desire to pay my respects to the memory of a great labor leader and a great American. God has placed his finger upon Sidney L. Hillman, and he sleeps. Despite the flood of criticisms and invectives heaped upon him in his lifetime, he stood as steadfast as the Rock of Gibraltar. He knew that his views, like the truth, would eventually prevail. He ever upheld the democratic principles as enunciated in the Bill of Rights. He wanted everyone to "live in safety under his own vine and fig tree, with none to make him afraid." Labor has lost a great friend in Sidney L. Hillman. This man, like the Prophet Micah, did justice, loved mercy, and walked humbly before his God. Labor shall miss his gentle but firm administration and his excellent advice and wise counsel. Our condolences go forth to his dear ones. He leaves with us the fragrance of a good name.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[Mr. JOHNSON of Oklahoma addressed the House. His remarks appear in the Appendix.]

DEPARTMENT OF LABOR, THE FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL, 1947

Mr. HARE. Mr. Speaker, I ask unanimous consent that it be in order to consider the conference report on the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARCANTONIO. Mr. Speaker, with all due deference to the gentleman from South Carolina, I am constrained to object This is Calendar Wednesday.

TITLE XVIII OF THE UNITED STATES CODE

Mr. KEOGH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 2200 to revise, codify, and enact into positive law, title XVIII of the United States Code, entitled "Crimes and Criminal Procedure."

The Clerk read the title of the bill.

CALL OF THE HOUSE

Mr. MURRAY of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

By unanimous consent, a call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 207]

Adams	Doughton, N. C.	McMillan, S. C.
Allen, Ill.	Douglas, Calif.	Mahon
Almond	Durham	Mankin
Anderson, Calif	Earthman	Mansfield, Mont.
Andrews, N. Y.	Eberharter	Mansfield, Tex.
Baldwin, Md.	Engel, Mich.	Mason
Baldwin, N. Y.	Engle, Calif.	May
Barden	Fernandez	Miller, Calif.
Barrett, Pa	Fogarty	Morrison
Bates, Ky.	Fuller	Norton
Beall	Gallagher	O'Toole
Beckworth	Gerlach	Patrick
Bell	Gibson	Peterson, Ga.
Bennet, N. Y.	Gillespie	Pfeifer
Bloom	Gossett	Philbin
Bonner	Granger	Priestley
Boren	Grant, Ala.	Powell
Boykin	Harless, Ariz.	Quinn, N. Y.
Bradley, Mich.	Harris	Rabaut
Bradley, Pa.	Hart	Reece, Tenn.
Brehm	Hébert	Richards
Brumbaugh	Hefferman	Robinson, Utah
Buckley	Hendricks	Roe, N. Y.
Buffett	Holifield	Sabath
Bunker	Horan	Sheridan
Butler	Howell	Simpson, Ill.
Byrne, N. Y.	Jennings	Smith, Wis.
Camp	Johnson, Lyndon B.	Sparkman
Campbell	Kefauver	Stewart
Cannon, Fla.	Kerr	Sumner, Ill.
Case, S. Dak.	Kilday	Tarver
Chapman	King	Taylor
Cochran	Kirwan	Tibbott
Coffee	Kopplemann	Tolan
Colmer	LaFollette	Torrens
Courtney	Lane	Vinson
Cox	Lea	Welch
Cravens	LeCompte	West
Crawford	Lesinski	Wickersham
Curley	Ludlow	Winstead
Daughton, Va.	McCowen	Winter
Davis	McGehee	Wolfenden, Pa.
Dawson	McGlinchey	Wood
De Lacy	McGregor	Worley
Domengeaux		

The SPEAKER. On this roll call 299 Members have answered to their names, a quorum.

Mr. RANKIN. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 100, noes 0.

Mr. HAYS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 283, nays 3, answered "present" 2, not voting 144, as follows:

[Roll No 208]

YEAS—283

Abernethy	Elston	Jonkman
Allen, La	Ervin	Judd
Andersen, H. Carl	Fallon	Kean
	Feighan	Kearney
Andresen August H	Fellows	Kee
	Fenton	Kelley, Pa.
Andrews, Ala.	Fisher	Kelly, Ill.
Angell	Flannagan	Keogh
Arends	Flood	Kilburn
Arnold	Folger	King
Auchincloss	Forand	Kinzer
Bailey	Fulton	Klein
Barrett, Wyo.	Gallagher	Knutson
Barry	Gamble	Kunkel
Bates, Mass.	Gardner	Landis
Bender	Gary	Lanham
Bennett, Mo	Gavin	Larcade
Biemiller	Gearhart	Latham
B shop	Geelan	Lea
Blackney	Gifford	LeFevre
Bland	Gillette	Lemke
Bloom	Gille	Lewis
Bolton	Goodwin	Link
Brooks	Gordon	Lynch
Brown, Ga	Gore	McConnell
Brown, Ohio	Gorski	McCormack
Bryson	Graham	McMillen, Ill
Buchanan	Granahan	Madden
Buck	Grant, Ind.	Maloney
Bulwinkle	Green	Manasco
Bunker	Gregory	Marcantonio
Byrnes, Wis.	Griffiths	Martin, Iowa
Canfield	Gross	Martin, Mass.
Cannon, Mo.	Gwinn, N Y.	Mathews
Carlson	Gwynne, Iowa	Merrow
Carnahan	Hagen	Michener
Case, N J	Hale	Miller, Nebr.
Celler	Hall, Edwin Arthur	Mills
Chelf		Monroney
Chenoweth	Hall, Leonard W.	Morgan
Chiperfield		Mundt
Church	Halleck	Murdock
Clark	Hancock	Murray, Tenn.
Clason	Hare	Murray, Wis.
Clements	Harness, Ind.	Neely
Clevenger	Hartley	Norblad
Clippinger	Havenner	Norrell
Cole, Kans.	Hays	O'Brien, Ill.
Cole, Mo	Healy	O'Brien, Mich
Cole, N. Y.	Hedrick	O'Hara
Combs	Henry	O'Konski
Cooley	Herter	O'Neal
Cooper	Heselton	Outland
Corbett	Hess	Patterson
Cromer	Hill	Peterson, Fla.
Cunningham	Hinshaw	Phillips
D'Alesandro	Hobbs	Pickett
Delaney, John J.	Hoch	Pittenger
	Hoeven	Ploeser
D'Ewart	Hoffman, Mich.	Pratt
Dingell	Hoffman, Pa	Price, Fla.
Dirksen	Holmes, Mass.	Price, Ill.
Dolliver	Holmes, Wash.	Priest
Dondero	Hope	Ramey
Doughton, N. C	Hull	Randolph
Douglas, Ill.	Izac	Rankin
Doyle	Jackson	Rayfiel
Drewry	Jarman	Reed, Ill.
Dworshak	Jenkins	Reed, N. Y
Eaton	Jensen	Rees, Kans.
Elliott	Johnson, Calif.	Resa
Ellis	Johnson, Ill	Rich
Ellsworth	Johnson, Ind.	Riley
Elsaesser	Jones	Rivers
Robertson, N. Dak.	Sikes	Traynor
	Simpson, Pa.	Trimble
Robertson, Va.	Smith, Maine	Voorhis, Calif.
Robsion, Ky.	Smith, Ohio	Vorys, Ohio
Rockwell	Smith, Va	Vursell
Rodgers, Pa.	Somers, N. Y.	Wadsworth
Roe, Md.	Spence	Walter
Rogers, Fla.	Springer	Wasielewski
Rogers, Mass.	Starkey	Weaver
Rogers, N. Y.	Stefan	Weichel
Rooney	Stevenson	White
Rowan	Stigler	Whitten
Ryter	Stockman	Whittington
Sabath	Sullivan	Wigglesworth
Sadowski	Sumners, Tex.	Wilson
Sasscer	Sundstrom	Winter
Savage	Taber	Wolcott
Schwabe, Mo	Talle	Wolverton, N J.
Schwabe, Okla.	Thom	Woodhouse
Scrivner	Thomas, Tex.	Woodruff
Sharp	Thomason	Zimmerman
Sheppard	Tibbott	
Short	Towe	

NAYS—3

Hook	Poage	Rains

ANSWERED "PRESENT"—2

Keefe	Rabin

NOT VOTING—144

Adams	Engel, Mich	Mansfield, Mont
Allen, Ill.	Engle, Calif.	
Almond	Fernandez	Mansfield, Tex.
Anderson, Calif	Fogarty	Mason
Andrews, N Y.	Fuller	May
Baldwin, Md	Gathings	Miller, Calif.
Baldwin, N Y	Gerlach	Morrison
Barden	Gibson	Murphy
Barrett, Pa	Gillespie	Norton
Bates, Ky.	Gossett	O'Toole
Beall	Granger	Pace
Beckworth	Grant, Ala.	Patman
Bell	Hand	Patrick
Bennet, N Y	Harless, Ariz.	Peterson, Ga.
Bonner	Harris	Pfeifer
Boren	Hart	Philbin
Boykin	Hebert	Plumley
Bradley, Mich	Heffernan	Powell
Bradley, Pa.	Hendricks	Quinn N Y.
Brehm	Holifield	Rabaut
Brumbaugh	Horan	Reece, Tenn.
Buckley	Howell	Richards
Buffett	Huber	Ridley
Butler	Jennings	Robinson, Utah
Byrne, N Y	Johnson, Luther A	Roe, N Y.
Camp		Russell
Campbell	Johnson, Lyndon B	Shafer
Cannon, Fla.		Sheridan
Case, S Dak.	Johnson, Okla	Simpson, Ill.
Chapman	Kefauver	Slaughter
Cochran	Kerr	Smith, Wis
Coffee	Kilday	Sparkman
Colmer	Kirwan	Stewart
Courtney	Kopplemann	Sumner, Ill.
Cox	LaFollette	Talbot
Cravens	Lane	Tarver
Crawford	LeCompte	Taylor
Curley	Lesinski	Thomas, N. J.
Curtis	Luce	Tolan
Daughton Va	Ludlow	Torrens
Davis	Lyle	Vinson
Dawson	McCowen	Welch
De Lacy	McDonough	West
Delaney, James J.	McGehee	Wickersham
	McGlinchey	Winstead
Domengeaux	McGregor	Wolfenden, Pa
Douglas, Calif	McKenzie	Wood
Durham	McMillan, S C	Worley
Earthman	Mahon	
Eberharter	Mankin	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Vinson with Mr. Taylor.

Mr. Sparkman with Mr. Smith of Wisconsin.

Mr. Pfeifer with Mr. Plumley.

Mr. Cox with Mr. Simpson of Illinois.

Mr Hart with Mr Mason.

Mr. Camp with Mr. Brehm.

Mr. Kefauver with Mr. Shafer.

Mr McGehee with Mr. Crawford.

Mr. Morrison with Mr. Fuller.

Mr. O'Toole with Mr. Curtis.

Mr. Eberharter with Mr. Gillespie.

Mr Sheridan with Mr. Horan.

Mr. Boykin with Mr. Jennings.

Mr. Heffernan with Mr. Howell.

Mr Chapman with Mr. Beall.

Mr. Bradley of Pennsylvania with Mr. Anderson of California.

Mr. McGlinchey with Mr. McGregor.

Mrs. Douglas of California with Mr. Reece of Tennessee.

Mr. Wood with Mr. Thomas of New Jersey.

Mr Mansfield of Montana with Mr. Rizley.

Mr. Powell with Mr. Talbot.

Mr. Barrett of Pennsylvania with Mr. Case of South Dakota.

Mr. Lane with Mr. Butler.

Mr Byrne of New York with Mr. Hand.

Mr. De Lacy with Mr. LeCompte

The result of the vote was announced as above recorded.

The doors were opened.

REVISION OF TITLE 18, UNITED STATES CODE

The SPEAKER. The gentleman from New York [Mr. KEOGH] asks unanimous consent for the present consideration of the bill (H. R. 2200) to revise, codify, and enact into positive law title 18 of the United States Code, entitled "Crimes and Criminal Procedure."

Is there objection?

Mr. MARCANTONIO. Mr. Speaker, I am constrained to object.

The SPEAKER. Objection is heard.

MOTION TO DISPENSE WITH CALENDAR WEDNESDAY BUSINESS

Mr. RANKIN. Mr. Speaker, I make a preferential motion. Mr. Speaker, we have several conference reports——

Mr. MARCANTONIO. Mr. Speaker, a point of order, that is not a motion.

The SPEAKER. The gentleman from Mississippi will state his motion.

Mr. RANKIN. Mr. Speaker, I move that proceedings under Calendar Wednesday be dispensed with.

We have conference reports that should be considered.

The SPEAKER. The question is on the motion.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 112, noes 43.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and make the point of order there is no quorum present.

The SPEAKER. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 159, nays 134, not voting 139, as follows:

[Roll No. 209]

YEAS—159

Abernethy	Clark	Fisher
Allen, La.	Clason	Flannagan
Andersen, H. Carl	Clements	Folger
	Clevenger	Gallagher
Andresen, August H	Clippinger	Gary
	Cole, Mo.	Gavin
Andrews, Ala.	Cole, N. Y.	Gearhart
Arends	Cooley	Gifford
Arnold	Cooper	Gillette
Auchincloss	Courtney	Gillie
Bates, Mass.	Curtis	Gore
Bennett, Mo.	D'Ewart	Graham
Bland	Dolliver	Gregory
Bolton	Domengeaux	Griffiths
Brooks	Dondero	Gross
Brown, Ga.	Doughton, N. C.	Gwinn, N Y
Bryson	Drewry	Gwynne, Iowa
Buchanan	Dworshak	Hancock
Buck	Eaton	Hare
Bulwinkle	Elliott	Harness, Ind.
Brynes, Wis	Ellis	Hartley
Chelf	Ervin	Hays
Church	Fenton	Hill

Hoffman, Mich.
Hoffman, Pa.
Holmes, Mass.
Hope
Jarman
Jenkins
Jensen
Johnson, Ill
Johnson Luther A
Johnson, Okla.
Jones
Jonkman
Kilburn
Kinzer
Lanham
Larcade
Lea
LeFevre
Lyle
McConnell
McKenzie
McMillen, Ill.
Maloney
Manasco
Martin, Iowa
May
Merrow
Mills
Monroney
Murray, Tenn
Norrell
O'Hara
O'Konski
O'Neal
Pace
Patman
Peterson, Fla
Phillips
Pickett
Pittenger
Poage
Pratt
Price, Fla
Priest
Rains
Randolph
Rankin
Reed, Ill
Reed, N Y
Rich
Riley
Rivers
Risley
Robertson, N Dak.
Robertson, Va.
Rockwell
Rodgers, Pa.
Roe, Md
Roge's, Fla.
Russell
Schwabe, Mo
Schwabe, Okla.
Scrivner
Shafer
Sharp
Sheppard
Short
Sikes
Simpson, Pa.
Smith, Ohio
Smith Va
Spence
Stevenson
Stigler
Stockman
Sumners, Tex.
Taber
Talle
Thomas, Tex.
Thomason
Towe
Trimble
Voorhis, Calif.
Vursell
Wadsworth
Wasielewski
Weaver
Whitten
Whittington
Winter
Woodruff
Zimmerman

NAYS—134

Allen Ill.
Angell
Bailey
Barrett, Wyo.
Barry
Bender
Biemiller
Bishop
Brown Ohio
Bunker
Canfield
Cannon, Mo
Carlson
Carnahan
Case, N J
Celler
Chenoweth
Chiperfield
Cole, Kans
Corbett
Crosser
Cunningham
D'Alesandro
Delaney, James J
Delaney, John J.
Dingell
Dirksen
Douglas, Ill
Doyle
Elsaesser
Elston
Fallon
Feighan
Flood
Forand
Fulton
Gamble
Geelan
Goodwin
Gordon
Gorski
Granahan
Grant, Ind
Green
Hagen
Hale
Hall, Edwin Arthur
Hall, Leonard W
Halleck
Havenner
Healy
Hedrick
Henry
Herter
Heselton
Hinshaw
Hoch
Hoeven
Holmes, Wash
Hook
Huber
Hull
Izac
Jackson
Johnson, Ind
Judd
Kean
Kearney
Kee
Keefe
Kelley, Pa
Kelly, Ill
Krogh
King
Starkey
Klein
Knutson
Kunkel
Landis
Latham
Lemke
Traynor
Lewis
Link
Luce
Lynch
McCormack
McDonough
Madden
Marcantonio
Martin, Mass
Mathews
Merrow
Miller, Nebr.
Morgan
Mundt
Murray, Wis
Neely
Norblad
O'Brien, Ill.
O'Brien Mich
Outland
Patterson
Price, Ill.
Rabin
Ramey
Rayfiel
Rees, Kans
Resa
Robsion, Ky
Rogers, Mass.
Rogers, N. Y.
Rooney
Rowan
Ryter
Sadowski
Sasscer
Savage
Smith, Maine
Somers, N Y
Springer
Starkey
Stefan
Sullivan
Sundstiom
Talbot
Thom
Traynor
Vorys, Ohio
Walter
Welchel
Wigglesworth
Wilson
Wolcott
Wolverton, N J
Woodhouse

NOT VOTING—139

Adams
Almond
Anderson, Calif
Andrews, N Y.
Ba'dwin Md
Baldwin, N Y.
Barden
Barrett, Pa.
Bates, Ky
Beall
Beckworth
Bell
Bennet, N. Y.
Blackney
Bloom
Bonner
Boren
Boykin
Bradley, Mich.
Bradley, Pa.
Brehm
Brumbaugh
Buckley
Buffett
Butler
Byrne, N Y.
Camp
Campbell
Cannon, Fla
Case, S Dak
Chapman
Cochran
Coffee
Colmer
Combs
Con
Cravens
Crawford
Curley
Daughton, Va.
Davis
Dawson
De Lacy
Douglas, Calif.
Durham
Earthman
Eberharter
Ellsworth
Engel, Mich
Engle, Calif.
Fellows
Fernandes
Fogarty
Fuller
Gardner
Gathings
Gerlach
Gibson
Gillespie
Gossett
Granger
Grant, Ala.
Hand
Harless, Ariz.
Harris
Hart
Hébert
Heffernan
Hendricks
Hess
Hobbs
Hollifield
Horan
Howell
Jennings
Johnson, Calif.
Johnson, Lyndon B.
Kefauver
Kerr
Kilday
Kirwan
Kopplemann
LaFollette
Lane
LeCompte
Lesinski
Ludlow
McCowen
McGehee
McGlinchey
McGregor
McMillan, S C
Mahon
Mankin
Mansfield, Mont.
Mansfield, Tex.
Mason
Miller, Calif.
Morrison
Murdock
Murphy
Norton
O'Toole
Patrick
Peterson, Ga.
Pfeifer
Philbin
Ploeser
Plumley
Powell
Quinn, N. Y
Rabaut
Reece, Tenn
Richards
Robinson, Utah
Roe, N Y
Sabath
Sheridan
Simpson, Ill.
Slaughter
Smith, Wis.
Sparkman
Stewart
Sumner, Ill.
Tarver
Taylor
Thomas, N. J.
Tibbott
Tolan
Torrens
Vinson
Welch
West
White
Wickersham
Winstead
Wolfenden, Pa.
Wood
Worley
Hays
Hill
Hoffman, Pa.
Hope
Howell
Jarman
Johnson, Calif
Johnson, Ill,
Johnson, Luther A.
Kilburn
Lanham
Larcade
Lyle
McKenzie
Maloney
Manasco
May
Mills
Monroney
Murray, Tenn.
Norrell
O'Hara
O'Konski
Pace
Patman
Peterson, Fla.
Pickett
Pittenger
Poage
Pratt
Price, Fla.
Priest
Rains
Rankin
Reed, Ill.
Rich
Riley
Rivers
Risley
Robertson, Va.
Rockwell
Roe, Md
Rogers, Fla.
Russell
Schwabe, Mo.
Scrivner
Shafer
Short
Sikes
Simpson, Pa.
Smith, Va.
Stigler
Stockman
Sumners, Tex.
Thomas, Tex.
Trimble
Weaver
Whitten
Whittington
Winter
Zimmerman

NAYS—199

Andersen, H Carl
Andresen, August H.
Angell
Arends
Arnold
Auchincloss
Bailey
Barrett, Wyo.
Barry
Bates, Mass
Bender
Biemiller
Bishop
Blackney
Bolton
Brown, Ohio
Buchanan
Buck
Bunker
Byrnes, Wis
Canfield
Cannon, Mo
Carlson
Carnahan
Case, N J
Celler
Chenoweth
Chiperfield
Church
C ason
Clevenger
Clippinger
Cole, Kans.
Corbett
Crosser
Cunningham
Curtis
D'Alesandro
Delaney, John J.
D'Ewart
Dingell
Dolliver
Doughton, N C
Douglas, Ill
Doyle
Dworshak
Ellis
Elsaesser
Elston
Fallon
Feighan
Fenton
Flannagan
Flood
Forand
Fulton
Gallagher
Gamble
Gardner
Gavin
Gearhart
Geelan
Gillie
Goodwin
Gordon
Gorski
Graham
Granahan
Grant, Ind.
Green
Gwinn, N. Y.
Gwynne, Iowa
Hagen
Hale
Hall, Edwin Arthur
Hall, Leonard W.
Halleck
Hand
Harness, Ind.
Havenner
Healy
Hedrick
Henry
Herter
Heselton
Hess
Hinshaw
Hoch
Hoeven
Hoffman, Mich.
Holmes, Mass
Holmes, Wash
Hook
Huber
Hull
Izac
Jackson
Jensen
Johnson, Ind
Johnson, Okla
Jones
Jonkman
Judd
Kean
Kearney
Kee
Keefe
Kelley, Pa
Kelly, Ill.
Keogh
King
Kinser
Klein
Knutson
Kunkel
Landis
Latham
LeFevre
Lemke
Lewis
Link
Lodge
Luce
Lynch
McConnell
McDonough
McMillen, Ill.
Madden
Marcantonio
Martin, Iowa
Martin, Mass
Mathews
Merrow
Michener
Miller, Nebr.
Morgan
Mundt
Murray, Wis.
Norblad
O'Brien, Ill.
O'Brien, Mich.
O'Neal
Outland
Patterson
Phillips
Ploeser
Price, Ill.
Rabin
Ramey
Randolph
Rayfiel
Reed, N Y
Rees, Kans.
Resa
Robertson, N Dak
Robsion, Ky.
Rodgers, Pa
Rogers, Mass.
Rogers, N. Y.
Rooney
Rowan
Ryter
Sabath
Sadowski
Sasscer
Savage
Schwabe, Okla.
Sharp
Sheppard
Smith, Maine
Smith, Ohio
Somers, N. Y.
Spence
Springer
Starkey
Stefan
Stevenson
Sullivan
Sundstrom
Taber
Talbot
Talle
Thom
Thomas, N J.
Thomason
Towe
Traynor
Voorhis, Calif.
Vorys, Ohio
Vursell
Wadsworth
Walter
Wasielewski
Weichel
Wigglesworth
Wilson
Wolcott
Wolverton, N. J.
Woodhouse
Woodruff

NOT VOTING—136

Adams
Allen, Ill.
Almond
Anderson, Calif
Andrews, N. Y.
Baldwin, Md
Baldwin, N. Y.
Barden
Barrett, Pa.
Bates, Ky.
Beall
Beckworth
Bell
Bennet, N Y.
Bloom
Bonner
Boren
Boykin
Bradley, Mich
Bradley, Pa.
Brehm
Brumbaugh
Buckley
Buffett
Bulwinkle
Butler
Byrne, N Y.
Camp
Campbell
Cannon, Fla.
Case, S Dak.
Chapman
Cochran
Coffee
Cole, N Y.
Colmer

So two-thirds not having voted in favor thereof, the motion was rejected.

The Clerk announced the following pairs:

Additional general pairs:

Mr Bates of Kentucky with Mr Ploeser
Mr Coffee with Mr. Tibbott
Mr. Miller of California with Mr Hess
Mr. Wickersham with Mr. Johnson of California
Mr Slaughter with Mr. Blackney.
Mr. Rabaut with Mr. Fellows
Mr Beckworth with Mr. Ellsworth.
Mr. Quinn of New York with Mr Adams.
Mr. Mahon with Mr Bennet of New York.
Mr. Colmer with Mr. Andrews of New York.
Mr Fogarty with Mr Engel of Michigan.
Mr. Buckley with Mr Campbell.
Mr Hébert with Mr. Buffet.
Mr Roe of New York with Miss Sumner of Illinois.
Mr Bonner with Mr Bradley of Michigan.
Mr. Davis with Mr. Welch
Mr Hollifield with Mr Baldwin of New York
Mr Engle of California with Mr. Gerlach.
Mr. Almond with Mr Brumbaugh.
Mrs Mankin with Mr Wolfenden of Pennsylvania

Mr GALLAGHER changed his vote from "nay" to "yea."

Mrs. ROGERS of Massachusetts changed her vote from "yea" to "nay."

Mr. FULTON changed his vote from "yea" to "nay."

Mr. WINTER changed his vote from "nay" to "yea."

Mr BISHOP changed his vote from "yea" to "nay."

Mr. LEMKE changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

MOTION TO ADJOURN

Mr SMITH of Virginia. Mr. Speaker, I move that the House do now adjourn.

Mr. MARCANTONIO. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 97, nays 199, not voting 136, as follows:

[Roll No. 210]

YEAS—97

Abernethy
Allen, La.
Andrews, Ala.
Bennett, Mo.
Bland
Brooks
Brown, Ga.
Bryson
Chelf
Clark
Clements
Cole, Mo.
Cooley
Cooper
Courtney
Domengeaux
Dondero
Drewry
Durham
Eaton
Elliott
Engle, Calif.
Ervin
Fisher
Folger
Gary
Gathings
Gifford
Gillette
Gore
Gregory
Griffiths
Gross
Hancock
Hare
Hartley

Combs	Horan	Patrick
Cox	Jenkins	Peterson, Ga.
Cravens	Jennings	Pfeifer
Crawford	Johnson, Lyndon B.	Philbin
Curley	Kefauver	Plumley
Daughton, Va.	Kerr	Powell
Davis	Kilday	Quinn, N. Y.
Dawson	Kirwan	Rabaut
De Lacy	Koppelmann	Reece, Tenn.
Delaney, James J.	LaFollette	Richards
Dirksen	Lane	Robinson, Utah
Douglas, Calif.	Lea	Roe, N. Y.
Earthman	LeCompte	Sheridan
Eberharter	Lesinski	Simpson, Ill.
Ellsworth	Ludlow	Slaughter
Engel, Mich.	McCormack	Smith, Wis.
Fellows	McCowen	Sparkman
Fernandez	McGehee	Stewart
Fogarty	McGlinchey	Sumner, Ill.
Fuller	McGregor	Tarver
Gerlach	McMillan, S. C.	Taylor
Gibson	Mahon	Tibbott
Gillespie	Mankin	Tolan
Gossett	Mansfield, Mont	Torrens
Granger	Mansfield, Tex.	Vinson
Grant, Ala.	Marcantonio	West
Harless, Ariz.	Martin	White
Harris	Miller, Calif.	Wickersham
Hart	Morrison	Winstead
Hébert	Murdock	Wolfenden, Pa.
Heffernan	Murphy	Wood
Hendricks	Neely	Worley
Hobbs	Norton	
Holifield	O'Toole	

So the motion was rejected

The Clerk announced the following pairs:

Additional general pairs:

Mr McCormack with Mr. Jenkins.
Mr Gossett with Mr Cole of New York.
Mr Boren with Mr Dirksen.
Mr Bloom with Mr McCowen.

Mr. AUGUST H. ANDRESEN, Mr. D'EWART, Mr. SHARP, and Mr. RANDOLPH changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

WATER-POLLUTION-CONTROL ACT

Mr. RANKIN (when the Committee on Rivers and Harbors was called). Mr. Speaker, by direction of the Committee on Rivers and Harbors, I call up the bill (H. R. 6024) relating to the prevention and control of water pollution, and for other purposes.

Mr. Speaker, I would like to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. As I understand it, there are 2 hours of debate, 1 hour on each side, to be controlled by the ranking majority and minority members.

The SPEAKER. The gentleman is correct.

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. As I understand the rules, the person who calls up a bill from a committee must be authorized and directed by the committee to call up the bill.

The SPEAKER. That is correct.

Mr. MARCANTONIO. I now propound the parliamentary inquiry as to whether or not the gentleman from Mississippi was actually directed by his committee to call up this bill.

The SPEAKER. The gentleman from Mississippi so stated when he called up the bill.

Mr. RANKIN. Yes; and I have a letter from the chairman to that effect.

The SPEAKER. The bill, being on the Union Calendar, the House automatically resolves itself into the Committee of the Whole.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6024) relating to the prevention and control of water pollution, and for other purposes, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. ABERNETHY Mr. Chairman, I object

The Clerk read as follows:

Be it enacted, etc., That the Surgeon General of the Public Health Service shall, after careful investigation, and in cooperation with other Federal agencies, with State health authorities and interstate agencies, and with the municipalities and industries involved, prepare comprehensive programs for eliminating or reducing the pollution and improving the sanitary condition of the surface and underground waters in or adjacent to any State. In the preparation of such comprehensive programs due regard shall be given to the improvements which are necessary to conserve such waters and promote their use for public water supplies, propagation of fish and aquatic life, recreational purposes, agricultural, industrial, and other legitimate uses For the purposes of this section the Surgeon General is authorized to make joint investigations with any such agencies of the condition of any waters in any State or States, and of the discharges of any sewage, industrial wastes, or substance which may deleteriously affect such waters

SEC 2 The Surgeon General shall encourage cooperative activities by the States for the prevention and abatement of water pollution, encourage the enactment of uniform State laws relating to water pollution; encourage compacts between States for the prevention and abatement of water pollution; collect and disseminate information relating to water pollution; make available to State agencies, municipalities, local governmental agencies, industries, and individuals the results of surveys, studies, investigations, and experiments conducted by the Surgeon General and by cooperating agencies, public and private, relating to water pollution, and furnish such assistance with respect to water pollution to State agencies as may be authorized by law

SEC. 3. The consent of the Congress is hereby given to two or more States to negotiate agreements or compacts, not in conflict with any law of the United States, for (1) cooperative effort and mutual assistance for the prevention and abatement of water pollution and the enforcement of their respective laws relating thereto, and (2) the establishment of such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts

SEC 4. The Public Health Service, upon request of any State health authority or interstate agency, shall, subject to the approval of the Surgeon General, conduct investigations and make surveys of any specific problem of water pollution confronting any State, drainage-basin authority, community, municipality, local governmental agency, or industrial plant, with a view of effecting a solution of such problem, and shall make recommendations for the correction and elimination of the deleterious conditions found to exist.

SEC. 5. The Public Health Service shall prepare and publish, from time to time, reports of such surveys, studies, investigations, and experiments made under the authority of this act as the Surgeon General may consider desirable, together with appropriate recommendations with regard to the control of water pollution.

SEC. 6. The Federal Security Administrator is authorized to extend Federal aid in the form of grants-in-aid, loans, or both, to any State, municipality, or other public body, for the construction of necessary treatment works to prevent the discharge by such State, municipality, or other public body of untreated or inadequately treated sewage or other waste into the surface or underground waters in or adjacent to any State, and for the preparation (either by its engineering staff or by practicing engineers employed for that purpose) of engineering reports, plans, and specifications in connection therewith. Such loans and grants-in-aid shall be made upon such terms and conditions as the President may prescribe, subject to the following limitations (1) Grants-in-aid or loans shall be made only with respect to projects approved by the appropriate State health authority and by the Surgeon General; (2) no grant-in-aid shall be made in respect of any project of s y amount in excess of 33⅓ percent of the reasonable cost, as determined by the Surgeon General, of such project, excluding the cost of the preparation of reports, plans, and specifications in connection therewith, (3) all loans made under this section shall bear interest at the rate prescribed by the Water Pollution Advisory Board.

SEC. 7 The Federal Security Administrator is authorized to extend Federal aid in the form of loans to industrial enterprises for the construction of necessary treatment works and the preparation of engineering reports, plans, and specifications in connection therewith, to prevent the discharge by such enterprises of untreated or inadequately treated sewage or other waste into the surface or underground waters in or adjacent to any State, which in the opinion of the Surgeon General would substantially impair the quality of such waters. Such loans shall be made upon such terms and conditions as the President may prescribe, subject to the following limitations: (1) Loans shall be made only with respect to projects approved by the appropriate State health authority and by the Surgeon General, (2) all loans made under this section shall be fully and adequately secured and shall bear interest at a rate not less than 4 percent per annum prescribed by the Water Pollution Advisory Board, (3) each loan may be made for a period not exceeding 10 years

SEC 8 There is hereby established in the Public Health Service a Water Pollution Advisory Board, hereinafter referred to as the "Board," to be composed of members as follows. The Surgeon General or a sanitary engineer officer designated by him, who shall be chairman of the Board; a representative of the Department of War, a representative of the Department of the Interior, a representative of the Department of Commerce, and a representative of the Department of Agriculture, designated by the Secretary of War, the Secretary of the Interior, the Secretary of Commerce, and the Secretary of Agriculture, respectively. It shall be the duty of the Board to review the policies and programs of the Public Health Service as undertaken under authority of this act and to make recommendations thereon in reports to the Surgeon General. Such clerical and technical assistance as may be necessary to discharge the duties of the Board shall be provided from the personnel of the Public Health Service authorised under section 12.

SEC 8. (a) The Surgeon General shall provide for the review of all reports of examinations, investigations, plans, studies, and surveys made pursuant to the provisions of this act, and all applications for grants-in-aid or loans under section 6 or 7. In considering the desirability of commencing, continuing, or extending projects for treatment

works and of approving grants-in-aid or loans in connection therewith, the Surgeon General shall have in view the benefits to be derived by the construction thereof in accomplishing the purpose of this act, and the relation of the ultimate cost of such works, both as to the cost of construction and maintenance, to the public interests involved, the public necessity for such works and propriety of construction in part at the expense of the United States, and the adequacy of the provisions made or agreed upon by the applicant for the grant-in-aid or loan for assuring proper and efficient operation and maintenance of the works after completion of the construction thereof.

(b) In recommending estimates of appropriations for grants-in-aid and loans under this act for any fiscal year, the Surgeon General shall set forth the order or sequence of priority for individual projects in accordance with their estimated importance or value in the elimination or reduction of water pollution. In the Budget the President shall set forth his estimate of expenditures and appropriations for such projects both in summary and by individual projects.

SEC 10. There are authorized to be appropriated annually such sums, not in excess of $100,000,000 for any fiscal year, as may be necessary for grants-in-aid and loans under the provisions of sections 6 and 7 of this act. Sums so appropriated with respect to any project shall remain available for such project until expended. If the amount appropriated by Congress with respect to any project is in excess of the percentage of the actual cost of the project which is to be covered by Federal aid, such excess shall revert to the Treasury

SEC 11. (a) There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1947, the sum of $1,500,000, to be allotted and paid to the States for expenditure by or under the direction of their respective State health authorities, and to interstate agencies for expenditure by them, in the promotion, investigation, surveys, and studies necessary in the prevention and control of water pollution Sums appropriated pursuant to this subsection shall be allotted, under the supervision of the Surgeon General, in accordance with regulations prescribed by the Federal Security Administrator, and shall be paid prior to audit or settlement by the General Accounting Office. The amount of any allotment to any State or interstate agency for any fiscal year remaining unpaid or unexpended at the end of such fiscal year shall be available for allotment hereunder for the succeeding fiscal year, in addition to the amount appropriated for such year.

(b) There is authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1947, such sum not in excess of $1,500,000 as may be necessary to administer the provisions of this act.

SEC 12. (a) To assist in carrying out the purposes of this act, the appointment of engineer and scientist officers may be made under the provisions of section 208 (b) of the Public Health Service Act, in addition to the appointments authorized by such section 208 (b); but no more than five such additional officers shall hold office at the same time.

(b) The Federal Security Administrator, with the consent of the head of any other agency of the Federal Government may utilize such officers and employees of such agency as may be found necessary to assist in carrying out the purposes of this act.

(c) The Surgeon General shall have authority to utilize an appropriate agency of the United States designated by the President for the purpose of reviewing the title, location, plans, and specifications for the construction of treatment works, and of supervising the awarding and performance of contracts pursuant to plans approved under the provisions of this act.

SEC. 13. (a) The Surgeon General shall classify the navigable waters of the United States into districts to be known as sanitary water districts The Surgeon General shall fix and define the boundaries of each such district and may from time to time alter such boundaries. The areas of such districts shall, insofar as practicable, conform to the areas of watersheds irrespective of State boundary lines

(b) The Surgeon General shall prescribe regulations for each sanitary water district establishing reasonable standards of cleanliness for the navigable waters thereof and reasonable minimum requirements as to the treatment before discharge or deposit, directly or indirectly, into such waters of any waste or other substance which is or may be injurious to human health or to any form of life or which would impair in any manner the utility of such waters for navigation purposes. Such regulations shall specify the wastes or other substances which the Surgeon General has determined (1) to be injurious to human health or to any form of life or (2) would impair in any manner the utility of such waters for navigation purposes

SEC 14 Pursuant to the powers of the United States to regulate interstate commerce and navigation, to extend, change, and amend the admiralty and maritime law; to give due effect to the migratory bird treaties; and to protect the fisheries, Congress hereby declares the discharge or deposit, directly or indirectly, of any waste or other substance (whether in a solid, gaseous, or liquid state) which is or may be injurious to human health or to any form of life, including aquatic life, or to migratory birds as defined in the Migratory Bird Treaties of August 16, 1916, and of March 15, 1937, or impairs in any manner the utility of such waters for navigation purposes, except the normal discharge of sewage from toilets or galley sink drains of boats or of oil from the exhaust pipes of motorboats, into any of the navigable waters of the United States in violation of regulations prescribed by the Surgeon General under section 13 (b), to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance shall be brought in the name of the United States by any United States attorney when requested to do so by the Surgeon General Such action may be brought only upon request of the Surgeon General, shall be brought as an action in equity, and may be brought in any court of the United States having jurisdiction to hear and determine equity cases

SEC. 15 (a) It is the policy of this act that the Public Health Service shall encourage interstate agencies, States, municipalities, and other public bodies to exercise their powers and authority to prevent and abate water pollution

(b) The Surgeon General shall request any United States attorney to bring an action under this act to prevent or abate the discharge or deposit, directly or indirectly, of any waste or other substance into any of the navigable waters of the United States only after interstate, State, and local authorities have been afforded an opportunity to prevent or abate such nuisance and have failed to do so within 6 months after receipt of written notice from the Surgeon General stating that if the nuisance is continued beyond a date specified in the notice an action will be brought in the name of the United States to prevent or abate such nuisance

SEC. 16. No action shall be brought under this act within 2 years after the date of its enactment to prevent or abate the continued discharge or deposit, directly or indirectly, of any waste or other substance into the navigable waters of the United States by any mine, plant, structure, or other facility, or by any municipality or other public body, which discharged or deposited such waste or other substance into such waters prior to the date of the enactment of this act.

SEC. 17. Notwithstanding the provisions of section 14, if, after public hearing, the Board finds that it is impossible or impracticable for any industry or any municipality or other public body to comply with the regulations prescribed under section 13 (b) establishing minimum requirements as to treatment of any waste or substance either because no adequate or practical method of disposal or treatment is known or, in the case of municipalities or other public bodies, because of financial inability (due to statutory restrictions on borrowing power or otherwise) to construct the necessary treatment works or provide other adequate means of disposal, the Surgeon General shall not cause an action to be brought to prevent or abate the discharge or deposit of such waste or other substance into the navigable waters of the United States by such industry or municipality or other public body during such period of time not in excess of 5 years as the Board determines is necessary in order to provide means for the disposal or treatment of such waste or other substance so as to comply with such regulations. Extensions of time beyond such 5-year or shorter period may be granted by the Board, after public hearing, if the industry or municipality or other public body involved shows to the satisfaction of the Board that it has diligently tried to comply with such regulations

SEC 18 If any provision of this act or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 19 When used in this act—

(a) The term "State health authority" means the State health department, State board of health, or any State agency charged with the duties of enforcing State laws pertaining to public health or to the abatement of pollution of waters;

(b) The term "interstate agency" means an agency of two or more States having powers or duties pertaining to the abatement of pollution of waters;

(c) The term "local governmental agency" means a county, or a district, or other political subdivision created by State law, and having jurisdiction within its boundaries over matters pertaining to disposal of sewage, industrial wastes, or other wastes.

(d) The term "treatment works" means the various devices used in the treatment of sewage or industrial waste of a liquid nature, including the necessary intercepting sewers, outfall sewers, pumping and power equipment, and their appurtenances; and

(e) The term "State" includes the District of Columbia and any Territory or possession of the United States.

SEC. 20 This act may be cited as the "Water Pollution Control Act."

Mr. THOMAS of New Jersey. Mr. Chairman, I offer a preferential motion.

Mr. NORRELL. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. THOMAS of New Jersey. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. THOMAS of New Jersey. I understand that the preferential motion, which has not even been read by the Clerk, has precedence over a point of order that a quorum is not present.

The CHAIRMAN. It does not. The question of the presence of a quorum is a constitutional question.

The Chair will count. [After counting.] Sixty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 211]

Adams	Gallagher	May
Allen, Ill.	Gathings	Miller, Calif.
Almond	Gearhart	Morrison
Anderson, Calif.	Gerlach	Murphy
Andrews, N. Y.	Gibson	Norton
Angell	Gifford	O'Hara
Bailey	Gillespie	O'Toole
Baldwin, Md	Gillie	Outland
Baldwin, N. Y.	Gossett	Patrick
Barden	Granger	Peterson, Ga.
Barrett, Pa.	Grant, Ala.	Pfeifer
Bates, Ky.	Grant, Ind.	Philbin
Beall	Hagen	Ploeser
Beckworth	Hall, Edwin Arthur	Plumley
Bell	Harless, Ariz.	Powell
Bennet, N. Y.	Harris	Quinn, N. Y.
Bonner	Hart	Rabaut
Boren	Hébert	Reece, Tenn.
Boykin	Heffernan	Reed, Ill.
Bradley, Mich.	Hendricks	Richards
Bradley, Pa	Hill	Rivers
Brehm	Hobbs	Robertson, N. Dak.
Brumbaugh	Holifield	Robertson, Va
Buffett	Horan	Robinson, Utah
Bulwinkle	Izac	Roe, N. Y.
Bunker	Jennings	Rogers, Fla.
Butler	Johnson, Calif	Shafer
Byrne, N. Y.	Johnson, Lyndon B	Sheridan
Camp	Johnson, Okla.	Short
Campbell	Kee	Simpson, Ill.
Cannon, Fla.	Keefe	Simpson Pa
Case, S Dak.	Kefauver	Smith, Wis.
Celler	Kelley, Pa.	Spurkman
Chapman	Kerr	Stewart
Clark	Kilday	Stigler
Cochran	Kirwan	Sumner, Ill
Coffee	Kopplemann	Sumners, Tex.
Cole, Kans.	LaFollette	Talbot
Cole, N Y.	Lane	Tarver
Colmer	Lea	Taylor
Combs	LeCompte	Thomas, Tex.
Cox	Lesinski	Tibbott
Cravens	Ludlow	Tolan
Crawford	Lyle	Torrens
Curley	Lynch	Trimble
Daughton, Va.	McCowen	Vinson
Davis	McGehee	Voorhis, Calif
Dawson	McGlinchey	Vursell
De Lacy	McGregor	Welch
Dirksen	McKenzie	West
Douglas, Calif.	McMillan, S C.	White
Durham	McMillen, Ill.	Wickersham
Earthman	Mahon	Wilson
Ellsworth	Maloney	Winstead
Engel, Mich.	Mankin	Wolfenden, Pa.
Fellows	Mansfield, Mont	Wood
Fernandez	Mansfield, Tex.	Worley
Fogarty	Mason	
Fuller		

Accordingly the Committee rose; and the Speaking having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 6024, and finding itself without a quorum, he directed the roll to be called, when 256 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6024, with Mr. COOPER in the chair.

Mr. PETERSON of Florida. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the bill we are considering relates to a matter of great importance in many sections of our common country. I sincerely hope the House may consider it until it is submitted for final passage. The question of controlling water pollution is one that affects many great sections of our country.

I live on the Ohio River. The Ohio River is the water supply of most of the people I represent. It has been locked and dammed for the purposes of navigation. To indicate the character of the pollution that now prevails in the Ohio River, especially in the section which bounds the district I represent, into the pool that extends from 3 or 4 miles below Cincinnati to Coney Island, which is about 6 or 7 miles above Cincinnati, flows the domestic sewage of at least 800,000 people and the industrial waste of the varied industries of that section, industries that have grown greatly during the war. The waste has been greatly diversified. Out of that pool comes the water supply of the people of Cincinnati, Covington, Newport, Bellevue, Dayton, Ludlow, and Fort Thomas. Altogether, 800,000 people use that water for domestic and industrial purposes, so you can see why we are so interested in the commencement of the control of stream pollution.

This condition did not grow up in a day or a year. Last year I went home to the sesquicentennial of the founding of the city of Newport. It was founded in 1795. Across the river at that time was Losantiville, the predecessor of the city of Cincinnati. Fort Washington was there From that time to this there has been a constantly increasing pollution of the river. Of course, in the early years it amounted to very little. But for the last 50 years I know that at the masthead of the Cincinnati Enquirer is a platform to control the pollution of the Ohio River. For all these years there has been much talk about it but nothing has been done. Now, at least we have come to the time when some action must be taken in order to clean up these rivers for the result may be disastrous to the health and happiness of our people. I mention this condition in the Ohio Valley because it is typical of the conditions of many sections of the country, conditions that are rapidly growing worse and which are a peril to the health of our people. Water-borne diseases are common. If it were not for the methods of purification and chlorination, such as now exist, the waters of the Ohio River could not be used. In the great cities they spend large amounts of money in the construction of great water systems and purification plants. But in the little towns we do not have the funds to do that. Cincinnati has a great water plant. She purifies and chlorinates her water scientifically. But in many of the little towns that I represent, they dig a well, put the water into an elevated tank, chlorinate it, and use it. They think the subterranean waters that they use are pure. They are misinformed about that because it has been shown that the subterranean waters have also been polluted by reason of the pollution of the river and are a menace to the health of our people.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman.

Mr. MUNDT. I am very much interested in the gentleman's statement about the disease-carrying possibilities of polluted water and the fact that the larger cities of the country are entirely reliant upon the fact that they have more or less modern methods of sewage disposal. I would like to call attention of the House to the fact that in the Appendix of the CONGRESSIONAL RECORD, volume 92, part 12, at page A3965, I inserted a statement entitled "Now Is the Time To Do Something About Stopping Needless Pollution." It includes a statement by Dr. Piszczek, of Fox Lake, Ill., pointing out that tests now available by the medical fraternity indicate that polio is being spread in certain cases by polluted waters.

Mr. SPENCE. That is correct.

Mr. MUNDT. It shows also there is a very definite question as to whether or not chlorination and the other methods now used even by the big cities can immunize the water against polio germs. It is a very serious health menace and I am glad that the gentleman has been discussing the subject.

Mr. THOMAS of New Jersey. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. THOMAS of New Jersey. Mr. Chairman I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-six Members are present; not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 212]

Adams	Engel, Mich	Ludlow
Allen, Ill.	Engle, Calif.	McCormack
Almond	Fellows	McCowen
Anderson, Calif	Fernandez	McGehee
Andrews, N. Y.	Flannagan	McGlinchey
Arnold	Fogarty	McGregor
Baldwin, Md	Fuller	McKenzie
Baldwin, N Y.	Gallagher	McMillan, S C.
Barden	Gearhart	Mahon
Barrett, Pa.	Gerlach	Maloney
Bates, Ky.	Gibson	Manasco
Beall	Gifford	Mankin
Beckworth	Gillespie	Mansfield, Mont
Bell	Gossett	Mansfield, Tex.
Bennet, N. Y.	Granger	Mason
Bolton	Grant, Ala.	May
Boren	Gregory	Miller, Calif.
Boykin	Gwinn, N. Y	Morrison
Bradley, Mich.	Harless, Ariz	Murdock
Bradley, Pa.	Harness, Ind.	Murphy
Brehm	Harris	Norton
Brooks	Hart	O'Neal
Brumbaugh	Hébert	O'Toole
Buffett	Heffernan	Outland
Bulwinkle	Hendricks	Patrick
Bunker	Hobbs	Patterson
Butler	Hoeven	Peterson, Ga.
Byrne, N. Y.	Holifield	Pfeifer
Camp	Holmes, Wash.	Philbin
Campbell	Hook	Phillips
Cannon, Fla.	Hope	Ploeser
Cannon, Mo.	Horan	Plumley
Case, S. Dak.	Jackson	Powell
Celler	Jennings	Quinn, N. Y.
Chapman	Johnson, Calif.	Rabaut
Clark	Johnson, Luther A.	Reece, Tenn.
Cochran	Johnson, Lyndon B.	Reed, Ill.
Coffee	Johnson, Okla.	Richards
Colmer	Kee	Robertson, Va.
Combs	Keefe	Robinson, Utah
Cox	Kefauver	Robsion, Ky.
Cravens	Kelly, Ill.	Roe, Md.
Crawford	Kelly, Pa.	Roe, N. Y.
Curley	Kerr	Rogers, Fla.
Daughton, Va.	Kilday	Sabath
Davis	Kirwan	Sadowski
Dawson	Kopplemann	Shafer
De Lacy	LaFollette	Sheridan
Dingell	Lane	Short
Domengeaux	Lea	Simpson, Ill.
Douglas, Calif.	LeCompte	Simpson, Pa.
Durham	LeFevre	Smith, Va.
Earthman	Lesinski	Smith, Wis.
Eberharter		

Sparkman	Tibbott	Winstead
Stewart	Tolan	Wolfenden, Pa.
Sumner, Ill.	Torrens	Wood
Sumners, Tex.	Vinson	Woodhouse
Talbot	Welch	Woodruff
Tarver	West	Worley
Taylor	White	Zimmerman
Thomas, Tex.	Wickersham	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 6024, and finding itself without a quorum, he had directed the roll to be called, when 249 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6024, with Mr COOPER in the chair.

Mr RIZLEY. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN The gentleman from Kentucky [Mr SPENCE] has the floor. Does the gentleman from Kentucky yield to the gentleman from Oklahoma?

Mr SPENCE. I do not, Mr Chairman.

Mr Chairman, I regret that there are so many Members who do not want to proceed with the business of the Congress, a business that is so essential to so many people in the United States. There is no reason why we should not continue with this bill and there is no reason why debate should not conclude today and the bill pass. I have talked to you about conditions on the Ohio River as they affect the people I represent. They are typical of the conditions on the whole Ohio River. They are typical of conditions that exist everywhere in the United States The condition is constantly growing worse and constantly imperiling to a greater extent the health of the people of the United States. I do think the Congress should consider this bill which will offer at least the commencement of the cleaning up of the rivers and water courses of the United States. Some time ago I introduced a bill at the suggestion of the Army engineers and the Public Health—they largely prepared it—providing for a pollution survey of the Ohio River. I thought it was a great laboratory in which to work out the solution of this problem. The Army engineers furnished to the Public Health Service the steamboat on which was erected a bacteriological, biological, and chemical laboratory. They went up and down the river taking specimens of the water and made a great report It is the pioneer work in that field. So when we start to fight pollution we know what polluting substances have entered into the river and we know now how we must fight it. The rivers and water courses and lakes of our country not only furnish water to our citizens but have a great recreational value Much wildlife that formerly existed in these water courses has all disappeared. Open sewers do not furnish much recreational value nor do they attract wildlife. All of these great assets of the American people have disappeared because the industries and the settlement of increasing numbers of people of America have polluted our waters. I understand there are two points of view with reference to the cleaning up of the rivers of the United States. In the great industrial valley of the Ohio, which is the very heart of the industries of the United States, comparable to the Ruhr Valley in Germany, it is apparent we cannot clean up the rivers in a day, a week, or a month, or a year. It took a century to pollute them and it will take a long time to prevent the pollution from destroying their usefulness.

We cannot clean up the rivers after they once become polluted. The only way by which the matter can be approached is by intercepter sewers and disposal plants; by the industries taking care of their industrial waste. In many cases the municipalities are limited in their tax rates, limited in their debt, limited in their expenditures. Obviously, they cannot build these intercepter sewers and disposal plants without some help.

The gentlewoman from Maine [Mrs. SMITH], the gentleman from South Dakota [Mr. MUNDT], and I all introduced bills to control pollution. They are very similar in their administrative provisions. As I recollect, they all provide for loans and grants to political subdivisions, and for loans to industries in order to provide them with the means to construct works that would prevent the pollution of the rivers. The only difference between the bills is with reference to the enforcement proceedings. I realize that we cannot prevent pollution in such areas as exist in the great centers of population by injunctive process. Certainly, in those areas where the pollution is growing more and more all the time and the health of the people is being jeopardized, there must be crystallized sentiment of the people that something must be done to clean up the rivers My bill does not provide for Federal enforcement, nor does the bill introduce by the gentlewoman from Maine [Mrs. SMITH]. The bill introduced by the gentleman from South Dakota does provide for Federal enforcement. I think the point of view—I know that we are all equally sincere—comes largely from the section from which we come. The gentleman from South Dakota [Mr. MUNDT] comes from a comparatively sparsely settled country, where the streams cannot be polluted to the extent they are polluted in the great centers of population. He has come to the conclusion that if proceedings are not taken immediately to purify the waters, the Federal Government should step in, and, by injunctive proceedings, prevent the continuance of that condition. That would obviously be impracticable and impossible in the great industrial areas such as prevail in the Ohio Valley and many other sections of the country. Certainly, no injunctive proceeding could apply to the sewers of a city, and no reasonable judge would attempt to apply it.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield for a question, but not for a speech.

Mr. HOFFMAN of Michigan. I am not going to make a speech, but you just said no judge would do that. The Supreme Court of the State of Michigan did enjoin some of our cities from dumping their sewage into the rivers and coming down on the rest of us.

Mr. SPENCE. I think any judge would apply a certain rule of reason. No law would be enforced that would provide that by injunctive process a city would be prevented from dumping its sewage into streams where it had been doing it for generations, and I do not believe any sensible judge would attempt to enter such an order, because the result would be far worse than the condition that exists.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. SPENCE. I yield.

Mr HOFFMAN of Michigan. Does not the gentleman think that a Federal judge has the power, if the situation became such because of the dumping of the sewage into a stream that it endangered the health of the people down below? Does not the gentleman think the court would enjoin that?

Mr. SPENCE. That is not the point I am making.

Mr. HOFFMAN of Michigan. I do not understand it, then.

Mr. SPENCE. I think a judge would exercise reason in the enforcement of the law.

Mr. HOFFMAN of Michigan. Would it be any more than reasonable——

Mr. SPENCE. Let me finish my statement. I think if the petition prayed that the judge might enter an order enjoining the city from dumping its sewage into the river, which would necessarily mean the closing up of the sewers and producing a condition far worse as a nuisance to health than previously existed, that the judge would not do it. I think he would exercise some reason and common sense.

Mr. HOFFMAN of Michigan. Will the gentleman be patient with me? Let us come down to a simple case. You live down a little stream and I live above you. You get your drinking water and your washing water down there. Can I, above you on that stream, dump all the filth into that stream and pollute your source of supply?

Mr. SPENCE. No; that would clearly be a nuisance that would be abated by the court. The gentleman comes from the part of Michigan where no such conditions exist. I am talking about congested areas where this kind of a law could not be applied in reason, and I do not believe any court would do it. I think the gentleman from South Dakota and I want to achieve the same objectives exactly. I think we want to see the waters cleaned up.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ELSTON. I agree fully with the gentleman from Kentucky about the

probable unconstitutionality of any act which would give the Federal Government the right to enjoin a city or any political subdivision of a State, but there is something more than that involved. Under the laws of practically every State in the Union, before any city can build a sewage plant it must issue bonds. Those bonds have to be voted upon, in some cases by 65 percent of the voters. I would like to know from the proponents of the bill as reported out by the committee, how it would be possible to obtain a mandatory injunction compelling any city or the inhabitants of any city to issue improvement bonds to construct a sewage plant.

Mr. SPENCE. This bill has no effect upon the condition of which the gentleman speaks. But I do feel that we have an opportunity now to at least take some step that will result in the purification of the polluted waters of our country. This matter has been before the Congress for a long time. Two or three bills have been passed and sent to the other body and nothing has been done. Certainly we ought to make an effort to commence to clean up the rivers of the United States. Now is about the time to do so. I am in favor of the bill I introduced, but if I cannot get that bill, I am in favor of some bill which I think will effectuate the purpose which we are trying to attain.

I sincerely hope that this afternoon some action will be taken by the House that will eventually afford relief to millions of people who need it and which may mean much to the future help of the American people, and the restoration of the recreation and wildlife values of the streams and lakes of America.

I hope you will vote for some bill this afternoon that will give some relief to the people who are so sorely afflicted by the conditions that exist.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. DONDERO. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Chairman, this bill under consideration, H. R. 6024, is a committee bill resulting from the study of bills on the same subject introduced by the gentleman from Kentucky [Mr. SPENCE], the gentlewoman from Maine [Mrs. SMITH], and the gentleman from South Dakota [Mr. MUNDT], and no hearings were held on it. It was an effort on the part of the Committee to condense into one bill the different features of the three bills I have referred to, on which exhaustive hearings were held.

Although I am a member of the Committee on Rivers and Harbors, I am frank to state that the committee bill does not meet with my approval, and I believe it poor legislation.

This bill gives wide powers and authority to the Surgeon General of the United States which in more than one instance would infringe on the rights of the various States, in that it would empower the Surgeon General to classify the navigable waters of the country into districts to be known as sanitary water districts, to prescribe regulations and standards of cleanliness and minimum requirements for the treatment of industrial and sanitary wastes before discharge into such waters, and to enforce compliance with such regulations and standards by injunction proceedings in the Federal courts. This would be unwarranted intrusion into a State activity which would create a new Federal expense which at this time would be unwarranted in view of the general condition of the Federal Treasury.

The control of stream pollution has for a number of years been progressing steadily in the State of New Jersey and in many other States, according to their circumstances. The depression and the war interrupted the construction of sewage and industrial waste treatment plants, but it is now reviving under adequate State laws and is being administered by State and local agencies. For example, the Interstate Sanitation Commission, which is an agency representing the States of New York, Connecticut, and New Jersey, is attacking with considerable success the pollution of New York Harbor and adjacent interstate waters. Likewise, the Interstate Commission on the Delaware River Basin, representing the States of New York, Pennsylvania, New Jersey, and Delaware, is actively engaged in controlling the pollution in the Delaware River.

Mr. HARTLEY. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from New Jersey.

Mr. HARTLEY. The gentlemen is familiar with our system of correcting pollution in the Passaic Valley under the jurisdiction and administration of the Passaic Valley Sewage Administration. Will not the passage of this bill mean a duplication of that job and will it not mean also a great increase in the cost to every municipality that is a participant in New Jersey in the Passaic Valley sewage project?

Mr. AUCHINCLOSS. I do not think there is any doubt about that.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman is familiar with the fact that the bill provides for one-third of the cost on the part of the Federal Government for any project it enters into in any State, so insofar as duplication is concerned if the facility does exist in any State there would be no need for duplication and the State would benefit by expansion of the facility in the State at the time.

Mr. AUCHINCLOSS. That is if the Federal Government does no override the plan of the State.

Mr. McDONOUGH. That is right, and I doubt if that authority exists in the bill.

Mr. AUCHINCLOSS. That is the question.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from New Jersey.

Mr. EATON. In the case of New Jersey the subsidy from the Federal Government would be more than put up by the taxpayers of New Jersey themselves so we would be taking the money out of one pocket and putting it into the other under the New Deal notion that they were getting rich.

Mr. AUCHINCLOSS. Correct.

The responsibility for controlling stream pollution rests upon the localities concerned and the cost of doing it should be borne by them. There is no need for a paternalistic assumption by the Federal Government that the task of abating stream pollution is their function and therefore should be taken away from State responsibility.

One of the principal arguments used for the creation of a Federal agency is with respect to situations where one State sends polluted waters in a stream which flows into a neighboring State. The argument is that one State should not clean up its own situation because another State is polluting the waters.

In answer to this argument, however, there is no reason why a State which abates its own pollution of an interstate stream may not secure restraint by injunction from the United States Supreme Court restraining the pollution of the stream by the neighboring State.

This bill has the definite disapproval of the Department of Health of the State of New Jersey, and I would like to summarize various reasons for this opposition from the surgeon general of the State:

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is it possible for any municipality to obtain permission to dispose of sewage in the Delaware River at this time?

Mr. AUCHINCLOSS. I believe I am correct in saying that you have to have permission from the interstate commission.

Mr. WALTER. In other words, there cannot be any further pollution of the Delaware River?

Mr. AUCHINCLOSS. No; I do not think so.

First. Objection is raised to the provision that programs should be prepared by the Surgeon General of the United States without the assistance and cooperation of the State and interstate authorities which now exercise jurisdiction in the matter. The Federal Public Health Service should be empowered to act only as a coordinating agency if it enters the general field of stream pollution.

Second. Objection is made to provisions in section 4 of the bill for surveys and investigations to be conducted by the Federal Public Health Service upon the request of communities, local governmental agencies, or an industrial plant, with a view of solving their problems and making recommendations to them for correction of any harmful condition that may be found. It is believed that if any such investigations or surveys are made and recommendations submitted, they should be submitted only to the State health authority or interstate agency so the work in the State may be properly coordinated and conducted.

Third. Objection is made to the establishment of the Water Pollution Advisory

Board, provided for in section 8 of the bill, first, because there is no need for such a board as the existing State health authorities and interstate agencies are sufficiently equipped with technical personnel and instruments of law to function; and, second, because it is probable that such an advisory board would eventually absorb the rights and authorities of the existing State health authorities and interstate agencies exercising jurisdiction in pollution control. It should be pointed out that the proposed Water Pollution Advisory Board will not contain on its membership any representative of the State health authorities and interstate agencies or other civic and industrial groups concerned with stream pollution.

Fourth. Objection is raised to granting the Surgeon General authority to set up priority lists of projects in the order of their importance in recommending estimates of appropriations for loans and grants without submitting such priority lists first to the State health authorities and interested interstate agencies before making his recommendations. The State health authorities and interstate agencies are bound to be more intimately conversant with the local needs of any given project.

Fifth. Objection is raised to the provision in section 11 of the bill relating to the appropriation of $1,500,000 to be paid and allocated to the States and to the interstate agencies for the expenditures of surveying, because it does not set forth a specific formula as to how the money is to be allocated among the various State and interstate agencies. Will it be according to need, population, geographical location, political affiliation, or what?

Sixth. Objection is raised to section 13 of the bill which provides for the classification of navigable waters of the United States into districts to be known as sanitary water districts. The first question which presents itself is, What constitutes navigable waters, and obviously the answer to this question will define the limits of Federal jurisdiction as provided in the bill. Generally speaking, navigable waters are considered synonymously as tidal waters, but this is not the interpretation of the Supreme Court of the United States. In a publication by the Council of State Government, Chicago, Ill., February 1945, there appears an article entitled "The Place of States in the Field of Watershed Development," by Ellwood J. Turner, chairman, the Interstate Commission on the Delaware River Basin, which reads, in part, as follows:

To those who have not kept themselves posted as to what has been going on in recent years, it may be difficult to visualize any reason for a controversy between Federal and State Governments in water-control policies. They undoubtedly would ask, "Is there not a clear demarcation as to the authority of the two levels of government in this field? Under the Constitution, didn't the States expressly delegate to the Federal Government authority over navigation for the promotion of foreign and interstate commerce, and reserve the power and duty over all other water development problems to themselves?"

* * * * *

But in 1938 Congress quietly passed an amendment which threw out the window the principle of joint Federal and State participation. As amended, the law relieved the States of the responsibility of paying any part of the cost of projects and, as should have been expected, deprived them at the same time of any further say in flood-control matters. This was the opening wedge in upsetting the balance in relationships which had existed between the two levels of government until then.

But things went from bad to worse The United States Supreme Court decision in the New River case, decided in 1940, followed by the rulings made in the Red River case the following year, completed the cleavage between Federal and State Governments in river-control policies.

The effect of the first decision was to make almost every little creek and watercourse in every State of the Union a navigable stream and therefore subject to complete control and jurisdiction by the Federal Government. All Congress has to do to bring this about is to authorize an improvement making it possible to float a boat in 2 feet of water Regardless of the navigability-in-fact status of the stream, such action, according to the decision of the court, would have the effect of automatically converting a little brook into a navigable waterway.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. AUCHINCLOSS I yield to the gentleman from New York.

Mr. REED of New York. The gentleman said that all that would be necessary would be to have a channel 2 feet deep, enough to float a boat. How long would that channel have to be?

Mr. AUCHINCLOSS. It does not say. I am not prepared to answer that.

Mr REED of New York. I know some streams where they might float a boat for an eighth of a mile or so. I was wondering whether or not that would be considered by the Federal Government to be navigable.

Mr AUCHINCLOSS. I understand it would be, under the Supreme Court decision

Continuing:

In the New River case the Court ruled that flood protection, watershed development, and recovery of the cost of improvements through the utilization of power are all parts of commerce control, regardless of their degree of beneficial effect to navigation It stated: "It is for Congress alone to decide whether a particular project by itself or as part of a more comprehensive scheme, will have a beneficial effect on the arteries of interstate commerce as to warrant it."

Another significant editorial respecting the United States Supreme Court ruling in the New River case is contained in the December 19, 1940 issue of the Engineering News Record:

Court holds that any stream that can be made navigable is under Federal control and that such control includes power development, regulation of floods and watershed development.

Federal control over rivers was broadened to cover any stream that is now or ever could be made navigable in a decision handed down by the United States Supreme Court on December 16 in the 15-year-old New River case. The case centered around the attempt of the Federal Power Commission to require the Appalachian Electric Power Co. to take out a Federal license for its Clayton hydroelectric power project on the New River near Radford, Va., which efforts were resisted in the courts by the power company on the grounds that the river is not navigable and so not within the direct jurisdiction of the Commission which finds its authority over water-power projects in the commerce clause of the Constitution. The Commission held that the river does come within its jurisdiction because it was used for navigation in the past and is capable of being made navigable. This view was sustained by the Supreme Court in a 6-to-2 decision in which Justice Roberts rendered a strong dissenting opinion in which Justice McReynolds concurred

The case is long and involved. Construction of the plant in question was first proposed in 1926 and efforts to determine its status were begun then. In June 1927, the Federal Power Commission made a finding that the New River was not navigable but that operation of power plants on it might adversely affect navigation on the Kanawha. However, in 1932 a new Commission reversed that finding and held that the river is navigable within the meaning of the power act. This finding was based on the fact that some of the less steep parts of the river had been used for navigation by small boats in the past and that it was capable of being made navigable by the construction of locks and dams. Two years later, when the power company started construction and refused to apply for a license, the Commission sought an injunction in the district to stop construction This the court refused, basing its findings on earlier Supreme Court decisions holding that a river is not navigable under the commerce clause unless it is navigable in fact This view was upheld in the court of appeals

Meanwhile the plant was completed and is now in operation

The State of Virginia supported the power company in opposing the extension of Federal control over power plants in nonnavigable streams as an invasion of States' rights. Other States later joined Virginia in its opposition because the theory of the Power Commission, if upheld, would result in the transfer of most, if not all, present State control over all rivers to the Federal Government

In reversing the lower courts, Justice Reed, in the majority opinion said: "In our view, it cannot properly be said that the constitutional power of the United States over its waters is limited to control for navigation. By navigation respondent means no more than operation of boats and improvement of the waterway itself. In truth the authority of the United States is the regulation of commerce on its waters. Navigability, in the sense just stated, is but part of the whole. Flood protection, watershed development, recovery of the cost of improvements through utilization of power are likewise parts of commerce control.

"It is obvious that the uses to which a river may be put vary from carriage of ocean liners to the floating of logs. * * * To appraise the evidence of the navigability on natural conditions only of the waterway is erroneous. Its availability for navigation must also be considered. * * * The power of Congress over commerce is not hampered because of the necessity for reasonable improvements to make an interstate waterway available for traffic."

Manifestly, the United States Supreme Court ruling makes no distinction as to whether the waters are potable or nonpotable, tidal or nontidal, or whether the waters are used for shellfish propagation, recreation, navigation, or just a depository of filth and waste.

By this token the Public Health Service may prescribe regulations establishing standards respecting the treatment of wastes, before the discharge or deposit of same into any waters of the State without any consideration as to the State's statutory requirements or the Department's policies. In fact, such standards may nullify all statutes relating to stream pollution.

Seventh. Objection is raised to sections 14, 15, and 17, which woud provide strong police powers to the Surgeon General, including authority to request any United States attorney to bring action to prevent "the discharge or deposit, directly or indirectly, of any waste or other substance into any of the navigable waters * * *" in cases where local authorities have failed to do so. The granting of such mandatory powers to this Federal agency is objected to because if the Surgeon General elected to take advantage of this authority there would be a tendency for municipalities and State authorities to sit back and wait for Federal aid, Federal advice, and Federal assistance. Under such conditions little attention would be paid to the advice and recommendations of the State health department, interstate agencies, State commissions, and other local authorities of the State. Under existing New Jersey statutes the State health department may, in cases of violation of the Potable Water Act, and in case of the pollution of any other waters of the State, pursuant to the State Sewerage Act, require the cessation of such pollution within 3 months of the service of its notice. Under the provisions of sections 8 13, 14, 15, and 17, the Advisory Board, as proposed in this bill, might void both the Potable Water and the State Sewerage Act of the State of New Jersey.

The following organizations and localities in New Jersey have taken appropriate action in protesting the enactment of this legislation:

Department of health, State of New Jersey.

Passaic Valley Sewerage Commissioners.

The common council, Summit, N. J.

Board of trustees, the village of South Orange.

Mayor and council, borough of North Arlington, N. J.

Middlesex Water Co., Newark, N. J.

Chamber of commerce, Paterson, N. J.

New Jersey Health and Sanitary Association.

Passaic Valley Water Commission, Paterson, N. J.

Mayor and council, borough of Haledon, N. J.

Board of commissioners, borough of Hawthorne, N. J.

Board of commissioners, Nutley, N. J.

Board of commissioners, city of Orange, N. J.

Mayor and council, town of Harrison, N. J.

Board of commissioners, city of Passaic, N. J.

Mayor and council, borough of East Paterson, N. J.

Mayor and council, Glenrock, N. J.

Board of commissioners, town of Belleville, N. J.

City council, Garfield, N. J.

Mayor and council, borough of Wallington, N. J.

Mayor and council, borough of Prospect Park, N. J.

Commissioners, second river joint meeting, Newark, N. J.

Township committee, township of Saddle River, N. J.

Township of Hillside.

Township of Union.

New Jersey State Chamber of Commerce.

Mr. HARTLEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 213]

Adams	Fuller	Murdock
Allen, Ill.	Gallagher	Murphy
Almond	Gardner	Norton
Anderson, Calif	Gearhart	O'Neal
Andrews, N Y.	Gerlach	O'Toole
Baldwin, Md	Gibson	Outland
Baldwin, N Y.	Gillespie	Pace
Barden	Gossett	Patrick
Barrett, Pa.	Granger	Patterson
Bates, Ky.	Grant, Ala	Peterson, Ga.
Beall	Gwinn, N Y	Pfeifer
Beckworth	Harless, Ariz.	Philbin
Bell	Harness, Ind.	Phillips
Bennet, N Y.	Harris	Ploeser
Bonner	Hart	Plumley
Boren	Hébert	Powell
Boykin	Heffernan	Quinn, N Y.
Bradley, Mich.	Hendricks	Rabaut
Bradley, Pa.	Hobbs	Rains
Brehm	Holifield	Reece, Tenn.
Brumbaugh	Hook	Reed, Ill.
Buffett	Horan	Richards
Bunker	Izac	Robinson, Utah
Butler	Jennings	Rockwell
Byrne, N Y.	Johnson, Calif.	Roe, Md.
Camp	Johnson,	Roe, N Y
Campbell	Luther A.	Rogers, Fla.
Cannon, Fla.	Johnson,	Sabath
Cannon, Mo	Lyndon B.	Sadowski
Case, S Dak.	Johnson, Okla	Shafer
Celler	Kee	Sharp
Chapman	Keefe	Sheridan
Clark	Kefauver	Short
Cochran	Kerr	Simpson, Ill.
Coffee	Kilday	Slaughter
Colmer	King	Smith, Wis.
Combs	Kirwan	Sparkman
Cox	Kopplemann	Stewart
Cravens	LaFollette	Sumner, Ill.
Crawford	Lane	Tarver
Curley	LeCompte	Taylor
Daughton, Va.	Lesinski	Thomason
Davis	Ludlow	Tibbott
Dawson	McCowen	Tolan
De Lacy	McGehee	Torrens
Dingell	McGlinchey	Vinson
Dirksen	McGregor	Welch
Domengeaux	McMillan, S C	West
Douglas, Calif.	McMillen, Ill	White
Durham	Mahon	Wickersham
Dworshak	Maloney	Winstead
Earthman	Manlkin	Wolfenden, Pa
Eberharter	Mansfield,	Wood
Engel, Mich	Mont.	Woodhouse
Engle, Calif	Mansfield, Tex	Woodruff
Fernandez	Mason	Worley
Flannagan	Miller, Calif.	
Fogarty	Morrison	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 6024, and finding itself without a quorum, he had directed the roll to be called, when 265 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6024, with Mr. COOPER in the chair.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, it does not require the vision of a seventh son of a seventh daughter to know that we are not going to be able to finish the consideration of this important legislation this afternoon. We seem to be caught between two forces, both of which rely upon tactics of delay rather than tactics of defense in order to oppose differing bills on which they find themselves arrayed in opposition.

Personally, I welcome the fact that a week or so will elapse between the time we have this discussion today on pollution legislation and the next time when we shall have an opportunity to vote upon the legislation presented by the Committee on Rivers and Harbors I hope that my good friends from New Jersey, of whom I am very fond, and who are fighting this pollution control legislation so vigorously by a strategy of despair, I fear, through delaying tactics here this afternoon, will spend part of that week back in their home districts looking at some of the rank instances of pollution which occur there and which I have seen myself within the last 10 days.

I regret that a great State like New Jersey should have what virtually represent open sewers coursing through its fair commonwealth and misnamed streams and rivers. I believe legislation of this type could help to correct that very serious situation, and I believe that if you good New Jersey people during the week which will elapse will go back and stand on the banks of those streams with a clothespin on your nose and dark glasses on your eyes, looking at the disgraceful misuse of the water courses which is permitted in New Jersey, you will come back in a better mood to vote for pollution control legislation a week or two hence.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Everything the gentleman is saying applies to Ohio and some of the other States that can properly be referred to in the same elegant language the gentleman is using about the great State of New Jersey.

Mr. MUNDT. If the gentleman were to specify Cincinnati, Ohio, I think he could be correct, because there seems to be opposition to this legislation from Cincinnati. I would not say it holds for the whole State of Ohio, however.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I will have to go on, because the New Jersey members have already taken so much time this afternoon by roll calls and delaying tactics that I cannot afford to yield any further at this time, if the gentleman will be kind enough to let me go ahead with my remarks.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Ohio.

Mr. BENDER. Since Ohio has been referred to, I am sure there is no objec-

tion to stream pollution legislation in Cincinnati or any other place in Ohio, and that includes Cleveland and every other place in the State.

Mr. MUNDT. I hope when the roll is called a week hence the gentleman will prove to be prophetically correct.

Mr. BENDER. Will the gentleman tell us when the roll will be called?

Mr. MUNDT. As soon as possible, I hope. I hope now we can get on with this discussion. We have had a lot of gun-play but very little shooting here this afternoon insofar as discussing the legislation itself is concerned.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Virginia.

Mr. BLAND. I want to know how we can get this bill up a week hence. A committee can use only one Calendar Wednesday and then it is through. I should like to know how we can consider this bill next week unless you get a rule.

Mr. MUNDT. We have a rule

Mr. BLAND. I beg the gentleman's pardon.

Mr. MUNDT. We have a rule. I am sure as soon as the chairman of the committee, the gentleman from Texas [Mr. MANSFIELD], returns from Texas, if not before, the bill will be brought up under the rule. I am hopeful the majority leader may schedule it next week.

Mr. BLAND. I wanted to clear up that point

Mr. MUNDT. I thank the gentleman.

Mr. EATON. Mr. Chairman, will the gentleman yield? He has yielded to almost everybody else.

Mr. MUNDT. If the gentleman will be brief, if he can be brief, I will be happy to yield.

Mr. EATON. May I ask the gentleman how the fishing is in the streams he is now advocating in the interest of the Walton Club?

Mr MUNDT. New Jersey streams? I imagine pollution makes fishing a nightmare there

Mr. EATON. No; in South Dakota. I should like to have the gentleman specify the shocking conditions he has seen in my State. I have lived there now for about 40 years, and, personally, I have not seen those conditions until I got down below Philadelphia, in the Pennsylvania area

Mr. MUNDT. We are not going to have a debate here between the various States. But I will say this, that if the gentleman's State of New Jersey on the roll call vote will deliver the same percentage of support to this pollution-control legislation as I predict will come from the State of Pennsylvania, I will buy him a trout dinner of unpolluted trout fresh from the pure, cold streams of South Dakota, so there will be some reward for that support.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. GAVIN. I suggest that we might take some of the $4,400,000,000 British loan, or proposed British loan, and spend it in our own back yard cleaning up these streams.

Mr. MUNDT. We do hope that we can get to this problem of cleaning up the pollution in America's streams before Congress adjourns. At most it will cost only a fractional part of the British loan.

I think it would be well to remind the Members of the House today that water pollution is practically the sole problem from the standpoint of the misuse of natural resources which has not yet been approached at the national level. We approach the problem of soil erosion control with national legislation. We approach the problem of forestry with national legislation. Navigable streams, of course, come within the purview of national legislation. We have national legislation dealing with disease and epidemics, but when it comes to the pagan practice of polluting the public waters, always the friends of pollution arise and say, "Here is a situation where States' rights should prevail."

I cannot think of anything more backward than the idea which prevails in some communities and in some industries to the effect that a selfish city or a greedy industry can dump its offal, its refuse, and its poisons into a public stream to contaminate the drinking water of people living downstream. That is the situation which my good friend, the gentleman from Kentucky [Mr. SPENCE] discussed, and while I wish he would be as zealous in his support of pollution control legislation as he is energetic in describing the evils which have resulted from a failure to have such control legislation, I do agree with him that the situation in the Ohio River which he describes is fully as bad as that depicted by him here this afternoon.

Let us analyze this bill a little bit and see exactly what it does. It represents, it seems to me, a good exemplification of congressional action at its best. It grows out of 7 or 8 years of various legislative proposals to meet the pollution problem. Some of the bills have been introduced by the gentleman from Kentucky [Mr. SPENCE], some by his senior Senator of the same State, some I have introduced, and some have been introduced by the junior Senator from Pennsylvania, our former colleague FRANCIS MYERS. The gentlewoman from Maine [Mrs. SMITH] has introduced a bill. The Committee on Rivers and Harbors has held long hearings trying to bring about a meeting of minds. The legislation which we have here today represents that meeting of minds. It is not the legislation which I would have written, if I had written the bill myself. I would have incorporated in it all the urgency for control which I think is involved in the situation. This bill is a more temperate approach. It is a compromise approach. It is a meeting of minds between the suggestion advanced by the gentleman from Kentucky [Mr. SPENCE] and the suggestion which I advanced in the early days of this Congress and also in the Seventy-sixth, Seventy-seventh, and Seventy-eighth Congresses. It represents a meeting of minds between the Public Health Bureau and the various State departments of public health and the conservation organizations of this country spearheaded by the Izaak Walton League, who have been struggling so hard and so valiantly to correct this pollution problem.

Here we have a bill to which I believe all people can agree except those who want to reserve for their community or for some greedy industry of that community the continued right to dump pollution in the river without any type of pollution control.

One thing I find definitely wrong with the legislation which the gentleman from Kentucky [Mr. SPENCE] suggested as a possible substitute for the Mansfield bill is the fact that his legislation does not even outlaw new sources of pollution.

It does not even prevent some new industry from dumping a new source of pollution into a stream which is presently clear. But before we start spending public money, it seems to me in correcting the problem of pollution, we should quarantine the problem where it is, and keep it from getting worse.

The legislation approved by the Rivers and Harbors Committee, which the gentleman from Texas [Mr. MANSFIELD] introduced, as chairman, in its compromise form, and which you have before you for consideration today at least does that. It quarantines the problem. It says that after the passage of this act no new sources of pollution shall be dumped into the navigable waters of the United States.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. MUNDT] has expired.

Mr. DONDERO. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. MUNDT. Thank you, sir. The next thing this bill does is this: It sets up all of the conceivable machinery for bringing about an interstate compact approach to the problem of pollution control. It facilitates interstate action by Government financing, by Government leadership, by Government findings, by Government investigations, and by enabling legislation

It facilitates the States getting together to do the job themselves wherever they have the inclination to act collectively. It facilitates the communities doing the job themselves, but it says that when an interstate area, or when a local community is so recalcitrant or backward or reluctant that it fails or refuses to act, then and then alone, after written notice and due time has been given the community, the Federal Government is empowered to act.

Further it says that even when the Federal Government comes into the picture, if that local community or industry can show one of two things, even then it is not compelled to eliminate its pollution. If a community can show that it is not economically feasible and economically practicable to float bonds to finance a pollution control system, then it can continue to secure 5-year periods of opportunity to continue the present conditions until financially it is able to correct the problem. The bill says from the standpoint of the industry and the community that if there is no feasible, practicable, scientifically adequate and successful method of controlling pollution, then that particular pollutant may continue to be dumped into the streams until such time as there is a scientifically

workable, successful and adequate formula for disposing of that kind of pollution. In short, all this bill does from the standpoint of its enforcement provisions, of which you heard so much, so alarmingly from the gentleman from Kentucky [Mr. SPENCE], all it does is simply to say that no new forms of pollution shall be dumped into the streams after the bill has been passed, and for the pollution which is presently being dumped into the streams, it shall be corrected after a 2-year make-ready period, provided there is an opportunity to do so, from the standpoint of economic feasibility and from the standpoint of scientific practicability. It takes those polluting factors and practices for which there is no legitimate excuse except selfish profit and individual greed and tells them they can no longer contaminate the public water and jeopardize the public health in order to make additional and illegitimate profits for themselves.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. DONDERO. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. CHELF. I wish to say to the gentleman from South Dakota that he and the gentleman from Kentucky [Mr. SPENCE] have sold me a bill of goods and I intend to support the measure.

Mr. MUNDT. I thank the gentleman for his kind words and his support.

I hope between now and the time when we can consider this bill for amendment and consider this bill for the standpoint of final passage that the Members of this House will take the time to read the legislation and study the arguments advanced by its proponents and its opponents, because it seems to me that we should not delay longer setting out on a program which in this postwar era can provide opportunities for construction in public works which in the long run will pay bigger dividends, I believe, to the general public in this country than any other kind of public works. I refer to projects having to do with pollution control.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I am happy to yield to the ranking member of the Rivers and Harbors Committee who has proved himself so long and so effectively a good friend of pollution control.

Mr. DONDERO. I merely want to say to the gentleman that he and the gentleman from Kentucky [Mr. SPENCE], perhaps are two of the most aggressive Members of Congress in regard to this very difficult problem of stream pollution

This question is one of the most difficult problems this country has among its internal problems. It is not easy to find a happy ground that will satisfy everybody to meet this question, yet the time is coming when whether we like it or not it must be faced. We have got to do something about it.

Mr. MUNDT. The gentleman is exactly right. In that connection I wish to congratulate the Committee on Rivers and Harbors for having started us out on the long road toward control. I think we all ought to get together and support this pollution control legislation as the best start we can make at this time in beginning the actual job of cleaning up the public waters of America.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. PETERSON of Florida. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, having had the benefit of sitting throughout the hearings on this important subject as a member of the Committee on Rivers and Harbors I am naturally strongly in support of this legislation.

The clear evidence presented before the committee during the full and adequate public hearings we held on this important subject of the prevention and control of water pollution was so convincingly in favor of some such bill as H. R. 6024, that I feel reasonably sure that if all the Members of this House had sat in the committee with us during these hearings, then the vote in favor of this bill would be unanimous.

It does not violate the field of State's rights nor interfere with their functioning within each and every State's respective jurisdiction of this problem, and section 15 on page 11 of this bill expressly states:

> It is the policy of this act that the Public Health Service shall encourage interstate agencies, States, and municipalities, and other public bodies to exercise their powers and authority to prevent and abate water pollution.

And, Mr. Chairman, this matter of the prevention and control of water pollution has been of national import and significance for so many years, that it no doubt is now generally recognized as a problem which must be dealt with legislatively at the national level in a sound, sensible, cooperative program as provided in this bill, submitted with interstate agencies, States, municipalities, and other groups likewise interested in the preservation of the purity of our stream ways, and their conservation and navigation primarily, and for the protection of public health and of the wildlife found in these essential streams. Yes, I include the element of fish life and of bird life living upon the shores and in the vicinity of these important waterways. These recreational and sportsmanship uses are rapidly increasing in importance. For, a nation is truly what it is when it is at play. As an individual needs adequate opportunity to recreate himself for his day's work, so a nation must likewise have such streams, waterways, and land areas available for like purposes. Besides the economic value of the fish and other wildlife involved in different districts, unless some such bill as this passes, cannot be considered in less than terms of many millions of dollars.

This bill which we are this day debating and for which I earnestly speak, offers constructive, cooperative, financial coordination between public and private agencies and governmental units with the National Government to the end that they shall be materially and sensibly granted the necessary funds on a sound and yet reasonable loan and grant-in-aid basis with which to correct the sometimes reckless and destructive uses now being made. But it also does another sensible thing, for it freezes or stops by legislative declaration the further damaging of our streams and waterways, and by the further introduction into same of materials which pollute, after 2 years from the date of this bill's enactment. It certainly would be ridiculous to pass this bill and yet continue to allow persons reckless of the common welfare in matters of public health to continue to selfishly and greedily use public waterways for their own selfish gain or to the detriment of the public health and conservation of life in the streams, upon them, and along their shores. I, of course, refer to the fish in the streams, to migratory birds resting upon the surface of the streams and along their shores, as well as other animal life dependent upon the pure drinking water from the streams to sustain life. The $1,500,000 a year is relatively insignificant compared to the necessity of and soundness in beginning this program. And, again I call your attention to the fact that the $100,000,000 for loan can only be made upon adequate security and bears interest at 4 percent per annum, and for a period not exceeding 10 years. Likewise, these loans cannot be made until or unless the appropriate State officials approve their need for same.

In closing, I congratulate the Izaak Walton League of America, the Southern Pacific Rod and Gun Club of California, the Foothills Sportsmen's Club of California, the Long Beach Sportsmen's Club of Long Beach, Calif, Associated Sportsmen of California, and other far-seeing clubs in the Nation as well as the thousands of individuals who have made expressions of tangible interest and support for this bill.

Mr. PETERSON of Florida Mr Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, the preservation of our forests, an abundance of fish and game life, and the control of pollution within our streams are closely related subjects. I compliment the committee on preparing a bill, with possible amendments, which we can support, knowing it is in the interest of the America of today but more especially of the America of tomorrow.

Mr. Chairman, in the State of West Virginia, we have a land touched with beauty. We also possess an industrialized population. There is a feeling among our people, and shared by our visitors, that this mountain and valley wonderland can become increasingly a mecca for sportsmen and vacation folk who desire wholesome outdoor recreation and rest from busy city life.

There is no conflict, my colleagues, between industry rights and stream pollution control. Business enterprises must be helped as vital to our economy, but there is no valid reason why sewage and other wastes cannot be eliminated or controlled. Our country's health and

well-being depend on sensible action in the direction of a fair and workable law.

Mr. PETERSON of Florida. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, America can no longer trifle with the health of its citizens by what appears to be a studied disregard on the part of Congress to consider control of stream pollution on a national basis. Nor can our Nation afford to further hamper industrial and recreational development by allowing our once beautiful streams to become cesspools while her lawmakers engage in ceaseless argument over the advisability of invading States rights.

The past quarter century has been a period of sincere and intense activity on the part of a rapidly increasing number of individuals interested in conserving for the general welfare, one of our greatest resources. This same period has been marked by an evasive and do-nothing attitude on the part of local and State governmental units whose legal and enforcement efforts have tended to confuse rather than clarify a matter that is fast becoming a national disgrace.

Briefly, stream pollution problems stem from three major sources; (a) untreated municipal sewage, (b) unrestrained flow of industrial wastes from manufacturing and processing plants, (c) contamination from mining operations.

Since man first learned how to dispose of household and commercial wastes by use of running water the question of adequate disposal of these wastes has been acute.

In the early days the easiest way to get rid of material carried by the sewer systems was to discharge the material into the nearest water course. So long as the quantity of sewage compared with the volume of diluting water was small, and provided no water supply was seriously affected thereby, this method of disposal was reasonably satisfactory. On the other hand, as the concentration of sewage pollution increased to where water supplies were taken from the receiving body, then the need for some form of corrective measures came to the front.

In the case of industrial wastes the same course of action was followed with respect to their disposal as in the case of sewage. On the whole, industrial wastes have been of less significance as regards hazards to public health, but the effect on industrial development and recreational facilities has been an ever-greater menace.

The effect of sewage and of wastes upon the waters into which they are discharged is to cause discolorations, turbidity, depletion of dissolved oxygen, extermination of fish life, putrefaction accompanied by objectionable odors, and in the case of sewage, infection of water supplies and recreational waters.

Certain industrial wastes contain toxic constituents sufficient to destroy fish life, while acid mine waters, phenol wastes from gas plants, saline wastes from salt works and oil wells, and wastes from chemical works render proper purification of wastes for domestic use difficult and in some cases almost impracticable. As a matter of fact, practically all wastes tend to increase the burden placed upon plants for the purification of water for domestic use.

Streams carry tannery wastes which may convey anthrax bacilli to pasture lands, relatively small quantities of glue factory wastes have caused excessive foaming of waters of large rivers, thus interfering with their use for recreation, while waters have been rendered unsatisfactory for irrigation of crops by the wastes from mines and ore refineries, and large quantities of pulp and paper mill wastes have so depleted the oxygen content of streams as to bring about offensive nuisance because of the production of hydrogen sulfide and other obnoxious odors. Gross pollution by either sewage or industrial wastes may bring about a condition of nuisance as a result of obnoxious odors affecting the esthetic sensibilities of those living along the banks of the stream or having occasion to use it for recreation. Pollution may also seriously interfere with the recreational use of the otherwise suitable body of water, particularly as regards boating, bathing, and the establishment of summer cottages along the shores. Aquatic life and normal vegetation may be killed off by excessive pollution from the uncontrolled discharge of sewage or industrial wastes.

Of paramount importance, of course, is the public health aspect of pollution, the most serious of which the infection of public water supplies by disease bacteria. Fortunately most public water supplies in this country today, if they are taken from polluted streams, are sufficiently purified to render their use without serious hazards to health. However, where supplies are taken from polluted streams the production of water of continuously safe quality is a matter of great importance and one which requires the utmost of skill and vigilance.

Industrial wastes may be grouped into three main classes—animal, vegetable, and mineral, according to the nature and origin of their predominating ingredients. This grouping indicates roughly the relative rapidity of putrefaction.

Some of the wastes of animal origin are from dairies, the fertilizing industry, the glue industry, the leatherboard industry, packing houses, soap factories, tanneries, wool scouring plants, and woolen textile mills. Wastes of vegetable origin are derived from the beet sugar industry, the canning industry, the manufacture of corn products, cotton textile mills, distilleries, pulp and paper mills, the rubber industry, sawmills, strawboard plants, and the wood distillation industry. Examples of wastes of mineral origin are those derived from bleacheries, the chemical industry, dyeworks, gas plants, metal-working establishments, mines, ammunition factories, oil refineries, oil wells, and salt works. Industrial wastes are often mixtures of materials of more than one class. For example, tannery wastes may contain animal fleshings, bark extractions, and spent lime.

The treatment of sewage and wastes is required to prevent the contamination of domestic water supplies, damage to commercial fisheries, particularly shellfish areas, offensive odors, pollution of industrial process waters, infection of cattle, and pollution of streams and other bodies of water to a degree which would preclude their use for fishing, boating, camping, and other recreation.

In general, methods for treatment of wastes fall into two broad categories. First, the removal of suspended matters, and second, the oxidation of dissolved organic impurities. Where water supplies are involved, disinfection of the final effluent with chlorine may be required. With certain types of wastes, especial adaptations of common methods must be made or new methods developed.

Sedimentation, with or without secondary treatment, is generally used for preliminary treatment. In the case of industrial wastes plain sedimentation and chemical precipitation are both in use for treating wastes containing large quantities of suspending solids. In recent years sedimentation tanks are generally equipped with mechanical devices for the removal of settled solids or sludge. In the case of the oxidation processes sand filters, trickling filters, and the activated sludge process such as are used for sewage may be adapted for certain wastes.

In the pulp and paper industry, as is known, investigations have been carried on for many years looking toward the recovery and utilization of byproducts from the wastes discharged. Some progress has been made along this line in the way of production of commercial alcohol and in the manufacture of vanillin. However, if all the pulp and paper mills in the country were to proceed to recover such byproducts from their wastes, the market for these products would be so glutted as to render recovery processes economically unsound.

Local and State efforts to control stream pollution have been a dismal failure. The plan to handle this menace by interstate compacts, as in the case of the Ohio and Potomac River Valleys, has resulted only in further delay.

A recent survey made by the Izaak Walton League of America offers some idea of how little has been accomplished.

The tabulation indicates that only 14 States and the District of Columbia believe existing antipollution laws are adequate and can be effective. Only 2 of these 14 States, Indiana and Rhode Island, report that as much as 50 percent of the sewage from their sewered population receives complete treatment; and only 5, Arkansas, Michigan, North Dakota, Texas, and Wisconsin, were able to report that as much as 50 percent of the sewage from their sewered population received even partial treatment. No State could report that the sewage from all its sewered population received complete treatment, and only the District of Columbia could report that all its sewage received at least partial treatment.

The statistics as to percentage of human wastes treated speak eloquently for themselves, ranging as they do for completely treated sewage from zero to a reported 90 percent in the case of Georgia, and for partially treated sewage from 2 percent in the case of Maine to the District's 100 percent. Treatment of industrial wastes likewise is unsatisfactory, taking the Nation as a whole,

It ranges spottily upward from the "none" of Arizona, Colorado, and Utah, through the "practically none" of New Hampshire and the "very little" of Missouri and Nevada.

The legislation now under consideration is a compromise on several proposals before the Rivers and Harbors Committee. It is not all that I would like to see in a measure of this kind but it is a step in the right direction.

As an ardent conservationist I want at this time to urge members of the committee to approve what I consider the first step in the solution of one of the most important problems facing not only the Seventy-ninth Congress but the Nation as a whole.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I am in receipt of a letter today from the Warren Field and Stream Club, of Warren, Pa., concerning the Allegheny River, which is a part of the Ohio System that the gentleman spoke about a few minutes ago, with its headwaters in southwestern New York, flowing through western Pennsylvania, a great natural artery and a great natural waterway.

Here is the newspaper article that was forwarded to me under date of June 2:

ACIDS BLAMED FOR KILLING OF MILLIONS OF FISH IN RIVER

Earlier reports that millions of dead fish are coming down the Allegheny River and that banks are lined with them are authenticated and explained by an investigation being conducted by R. C. Bailey, county fish warden, and McGeer, one of the community's most ardent sportsmen.

Upon investigation I find that millions of fish have been destroyed and that it will take at least 10 years to bring this great natural stream, with which the distinguished gentleman is familiar, back to its former position. It is quite evident that legislation of some nature is necessary to correct these conditions if we are to maintain our fish and wildlife in these waters.

Mr. BAILEY. May I say to the distinguished gentleman from Pennsylvania that the incident he relates is a common occurrence in the State of West Virginia. It is a question whether we can continue our industrial development unless we do something about purification of our streams.

Mr. PETERSON of Florida. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, I am strongly in favor of this antipollution measure and urge its adoption by the House.

The effects of pollution in the Columbia and Willamette Rivers in Oregon have been very noticeable. Particularly is this true along the Willamette River in and near the city of Portland where the pollution is so bad that it is extremely difficult for the fish traversing this part of the river on its way upstream, to survive.

This has resulted from the discharge into the river of both sewage and industrial waste and unless steps are taken to remedy this situation, serious harm will continue to be done on an even greater future scale to our splendid sports and commercial fisheries and to the health of the people living along its banks.

There has been a lot of plans made and suggestions offered to stop this continuing pollution in Oregon but very little, if anything, has been accomplished to date. Affirmative steps along this line should, in my opinion, be undertaken immediately. Our rivers and streams in the State of Oregon have been a source of justifiable pride to us but their beauty and usefulness to the general public decline each year as this condition continues to grow worse.

It is my sincere hope that the house will act favorably on this legislation.

Mr. ELSTON. Mr. Chairman, since it has been suggested that possibly some of the industries and people in the Ohio Valley may not favor legislation to control stream pollution, I would like to point out that most of the legislation of this character instituted over a period of many years has been introduced by members of Congress from this area. The people who reside in this section, and the industries located there, definitely favor some measure which will eliminate pollution. The only difference of opinion seems to be over the question of Federal enforcement. I too feel it is imperative that we enact, without delay, effective legislation, but I feel that if we insist upon the Federal control features embodied in H. R. 6024 we will have no legislation at all.

For a long time Congress has been making an effort to pass water pollution legislation. On three occasions Congress passed a bill but we still have no law on our statute books. The first measure, known as the Barkley-Spence bill, was approved in 1936, but because a Member of the other body moved for reconsideration in the closing hours of Congress, the bill died. A similar bill was approved in 1938 but it was vetoed by the President because of some technical budgetary defect relating to grants in aid. The third bill, considerably amended, was approved by both Houses in 1940, but when the House later adopted an amendment by the gentlemen from South Dakota [Mr. MUNDT] the other body failed to concur and that bill also died.

When the proponents of legislation similar to that contained in H. R. 4070, introduced by the gentleman from Kentucky [Mr. SPENCE] urged the passage of what was known as the Barkley-Hollister-Vinson bill about 10 years ago, they followed the plan set out in H. R. 4070 because all efforts by Congress to enact other forms of stream-pollution control had been unsuccessful. They had met with failure because they provided for a form of Federal enforcement that the States did not want and to which municipalities and individuals were opposed. The bill before us today contains the same Federal enforcement provisions which proved so fatal in the past. Consequently, I hope it may be amended so as to exclude these objectionable features. If it is not amended to this extent and history repeats itself, we will end the session with no legislation at all.

As water pollution has increased to an alarming extent, it would be nothing short of tragic if action is not taken at this time. Adequate enforcement laws, I believe, exist today without Federal control. Some years ago Congress made it possible for the States to enter into interstate compacts to control interstate situations. By virtue of this authority such compacts have been entered into. They, together with State and local enforcement laws, are more than sufficient to bring about desired results.

As an indication of the willingness of the States to cooperate I would call your attention to the fact that the Ohio Valley compact was authorized by Congress in 1936, and, after the form had been agreed upon, it was signed by all of the affected States except Virginia, and I am reliably informed that that State will probably sign before the year is over. Progress has also been made in another direction. For example, there were only two disposal plants in the Ohio Valley Basin in 1900. By the end of 1930 there were 200. During the next 10 years 300 more were added. As to the progress made by the various States in the matter of stream sanitation, the records will show that the State of Illinois is treating or preparing treatment for 93 percent of the pollution discharged by sewers. In other States the percentages vary. In Indiana it is 67 percent. In New York, 61 percent; in Ohio, 65 percent; and in Pennsylvania, 26 percent. The percentage pollution corrected in the Ohio Valley by States is: Illinois, 74 percent; Indiana, 62 percent; Ohio, 47 percent; and Pennsylvania, 17 percent. These are the percentages of sewage that have been treated in whole or in part. In some cases complete treatment is not necessary. In some areas no treatment at all is necessary. In others pollution has reached an alarming state. There is a limit beyond which sewage can be treated, and we have long since passed that limit in many places in the Ohio Valley. Let me cite one instance. Along the 90-mile stretch between Pittsburgh and Wheeling, W. Va., the bacterial count was 125,000 to the pint, and at one place it was as much as 405,000. The limit of safety is 100,000. Below Louisville the coli count has ranged from an average of 320,000 to a maximum of 1,200,000. In the Ohio Valley there are a great many navigation dams which retard the natural current of the river. In the summertime, particularly, the areas between those dams become cesspools, and it is from those cesspools that Cincinnati and other cities in the Ohio Valley have to get their water supply. Take Cincinnati, for example; we have two dams not far from the city, and across the river we have Covington, Newport, Bellevue, Dayton, and Ludlow, Ky., all in the district of the gentleman from Kentucky [Mr. SPENCE]. Cincinnati and these neighborhood cities all receive their water supply from the same cesspool. It has been proven that at times conditions have become so bad that fish

have been unable to live in the river in this area.

I am sure you appreciate the difficulty which would be experienced if we endeavored to rely on the Federal enforcement methods provided for in the committee bill. It is questioned by some that the enforcement provisions of the Mansfield bill are constitutional. In the light of the decision of the Supreme Court of the United States in the New River case, there may be some doubt about it. While I shall not endeavor to argue this phase of the subject, I should like to ask those who so strongly favor Federal control how it would be possible, by mandatory injunction or otherwise, to compel a municipality or any State subdivision, to complete a sewage disposal plant in the light of the fact that under the laws of most States an issue of improvement bonds requires a vote of the people, sometimes by as much as 65 percent of the total vote.

I believe, Mr. Speaker, that the States are willing and able to do their full part, particularly where their powers are augmented by interstate compacts such as the one we have in the Ohio Valley. Water pollution, after all, is a State matter, but the States need the cooperation and financial help of the Federal Government. It is obvious from past experience that if we insist upon the more stringent type of legislation we will continue to be without any legislation at all despite the fact that the advocates of both types of legislation are seeking the same objective. Under the circumstances, Mr. Speaker, I believe it highly advisable that H. R. 4070, introduced by the gentleman from Kentucky [Mr. SPENCE], be accepted as an amendment to the Mansfield bill as reported by the committee.

Mr. PETERSON of Florida. Mr. Chairman, we will not be able to finish this bill this evening as there are certain amendments to be offered.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6024) relating to the prevention and control of water pollution and for other purposes, had come to no resolution thereon.

FLOOD CONTROL

Mr. WHITTINGTON. Mr. Speaker, I call up the conference report on the bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARCANTONIO. Mr. Speaker, this is still Calendar Wednesday, and therefore I object.

EXTENSION OF REMARKS

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include a comparison between the recommendations made by the Postwar Economic Policy and Planning Committee and the provisions of the proposed British loan.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FENTON asked and was given permission to extend his remarks in the RECORD and include an address by General Gavin.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H R 3424 An act to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes;

H R. 5356 An act to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes, and

H R. 6428 An act making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 752. An act to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes; and

S 1746 An act to govern distribution of war trophies and devices

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H R 3424 An act to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes.

ADJOURNMENT

Mr. RANKIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Thursday, July 11, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1446. A letter from the Acting Secretary of the Navy, transmitting a list of certificates of relief issued by the Secretary of the Navy in various cases during the fiscal year 1945; to the Committee on Expenditures in the Executive Departments.

1447. A letter from the Acting Secretary of Agriculture, transmitting a draft of a proposed bill for the relief of Mrs. Martha P. Matthews, clerk-typist Jackson, Tenn., Farm Security Administration, United States Department of Agriculture, to the Committee on Claims

1448. A letter from the Acting Director, Bureau of the Budget, transmitting copies of letters addressed to the heads of various agencies which establish limitations on the amounts which may be expended for travel from sums set apart in appropriations to these agencies for special projects; to the Committee on Appropriations.

1449 A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 31, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of waterway from the Gulf of Mexico to Empire, La., via Grand Bayou Pass, Bayou Scofield, or other streams to Buras and Empire, authorized by the River and Harbor Act approved on March 2, 1945 (H Doc No. 697); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

1450. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 17, 1946, submitting a report, together with accompanying papers and an illustration, on a review of reports on the Illinois River and Illinois waterway, Illinois, with a view to harbor improvements at and in the vicinity of Peoria, Ill., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 16, 1944 (H Doc No. 698); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1451 A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 7, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of, and a review of reports on, the Schuylkill River, Pa., authorized by the River and Harbor Act approved on March 2, 1945 and also requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 8, 1945 (H Doc No 699); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations

1452 A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 29, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Intracoastal Waterway from the Mississippi River at or near New Orleans, La., to Corpus Christi, Tex., with a view to modifying the existing project for the waterway in the vicinity of Aransas Pass, Tex., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives adopted on May 5, 1944, and February 28, 1945 (H. Doc No 700); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations

1453. A letter from the Acting Comptroller General of the United States, transmitting a report on audit of the Virgin Islands Company for the fiscal year ended June 30, 1945 (H. Doc. No. 701); to the Committee on Expenditures in the Executive Departments and ordered to be printed

1454 A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 31, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on, and a preliminary examination and survey of, the Sabine River and tributaries, Texas, with a view to improvement of Cow Bayou, requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on March 20, 1945, and authorized by the River and

Harbor Act approved on March 2, 1945 (H. Doc. No 702); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. SABATH. Committee on Rules House Resolution 701. Resolution providing for the consideration of S. 1367, an act to provide for the appointment of three additional Assistant Secretaries of Commerce, and for other purposes; without amendment (Rept No 2475). Referred to the House Calendar.

Mr BLAND Committee on the Merchant Marine and Fisheries House Joint Resolution 366. Joint resolution authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes; with amendments (Rept No 2476). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Rivers and Harbors. S 1516 An act to amend section 12 of the Bonneville Project Act, as amended; with amendments (Rept No 2477). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs S 1717. An act for the development and control of atomic energy; with amendments (Rept. No. 2478). Referred to the Committee of the Whole House on the State of the Union

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2479 Report on the disposition of certain papers of sundry executive departments. Ordered to be printed

Mr. BLAND: Committee on the Merchant Marine and Fisheries. House Joint Resolution 370. Joint resolution granting certain property to the Commonwealth of Pennsylvania and relinquishing jurisdiction therein; with amendment (Rept. No 2480). Referred to the Committee of the Whole House on the State of the Union

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 6406. A bill authorizing the State of Texas, acting through the State Highway Commission of Texas, or the successors thereof, to acquire, construct, maintain, and operate a free bridge across the Rio Grande at or near Del Rio, Tex., with amendments (Rept. No. 2481). Referred to the House Calendar

Mr. O'HARA: Committee on Interstate and Foreign Commerce. H. R. 6515. A bill to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1928; without amendment (Rept No. 2482). Referred to the House Calendar.

Mr. JACKSON: Committee on Indian Affairs. H. R. 6141. A bill to provide funds for cooperation with the school board of Hunter School district for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis., to be available to both Indian and non-Indian children; without amendment (Rept. No. 2483). Referred to the Committee of the Whole House on the State of the Union.

Mr. JACKSON: Committee on Indian Affairs. H. R. 6165. A bill to provide for the preparation of a membership roll of the Indians of the Yakima Reservation, Wash., and for other purposes; with amendment (Rept No. 2484). Referred to the Committee of the Whole House on the State of the Union.

Mr JACKSON Committee on Indian Affairs H R. 6983. A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes, with amendments (Rept. No. 2485). Referred to the Committee of the Whole House on the State of the Union.

Mr O'HARA Committee on Interstate and Foreign Commerce H R 6889 A bill to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin, and for other purposes; with amendment (Rept No 2486) Referred to the House Calendar

Mr. JACKSON. Committee on Indian Affairs S 115 An act to modify sections 4 and 20 of the Permanent Appropriations Repeal Act, 1934, with reference to certain funds collected in connection with the operation of Indian Service irrigation projects, and for other purposes; with amendment (Rept No 2489). Referred to the Committee of the Whole House on the State of the Union

Mr JACKSON: Committee on Indian Affairs S 1235. An act to authorize the use of the funds of any tribe of Indians for insurance premiums, without amendment (Rept No 2490) Referred to the Committee of the Whole House on the State of the Union

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CASE of New Jersey. Committee on Claims. H. R 2663. A bill for the relief of W. C. Jones; with amendments (Rept. No. 2487) Referred to the Committee of the Whole House.

Mr. CASE of New Jersey. Committee on Claims. H. R. 4608. A bill for the relief of Mrs Mary D. Johnson; with amendments (Rept No. 2488). Referred to the Committee of the Whole House

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUNKER:

H R 6989. A bill to permit premiums paid by World War II veterans for national service life insurance to be deducted from gross income for the purposes of the Federal income tax; to the Committee on Ways and Means.

H R. 6990 A bill to amend section 7 of the Boulder Canyon Project Adjustment Act; to the Committee on Irrigation and Reclamation.

By Mr CORBETT:

H. R. 6991. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll highway bridge over the Allegheny River, between a point in or near the borough of Tarentum, in the county of Allegheny, and a point near the boundary of the city of New Kensington and Lower Burrell Township in Westmoreland County, and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. DREWRY:

H. R. 6992. A bill to amend the act of May 4, 1898 (30 Stat. 369), as amended to authorize the President to appoint 250 acting assistant surgeons for temporary service; to the Committee on Naval Affairs.

H. R. 6993. A bill to further amend the act of January 16, 1936, as amended, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy"; to the Committee on Naval Affairs

H R 6994 A bill to permit the Secretary of the Navy to delegate the authority to compromise and settle claims for damages to property under the jurisdiction of the Navy Department, and for other purposes, to the Committee on Naval Affairs.

By Mr FISHER

H. R 6995 A bill to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad, to the Committee on Immigration and Naturalization

By Mr HEDRICK:

H. R 6996 A bill to amend the Immigration Act of February 5, 1917, as amended; to the Committee on Immigration and Naturalization.

By Mr TOLAN.

H. R 6997 A bill to amend the act entitled "Compensation for injury, death, or detention of employees of contractors with the United States outside the United States," as amended, for the purpose of making the 100 percent earning provisions effective as of January 1, 1942, to the Committee on the Judiciary

By Mrs LUCE:

H J Res 379 Joint resolution to regulate the sale of essays or proofs of postage stamps, to the Committee on the Post Office and Post Roads

By Mr. KELLEY of Pennsylvania:

H Con Res. 160. Concurrent resolution authorizing the printing of the handbook entitled "Laws Relating to the Physically Handicapped" as a House document, and providing for additional copies thereof, to the Committee on Printing

By Mr BULWINKLE:

H. Con. Res 161. Concurrent resolution providing for the compiling, printing, and binding of the address of the Honorable John G. Winant and other proceedings in commemoration of the life, character, and public services of the late President Franklin D. Roosevelt, to the Committee on Printing

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Chamber of Deputies of Argentina, expressing greetings to the people of the United States on the anniversary of the Declaration of Independence of the United States of North America; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Louisiana:

H. R. 6998. A bill for the relief of Odis Carroll; to the Committee on Claims.

By Mr. BLOOM:

H. R. 6999. A bill for the relief of Elizabeth Krebs; to the Committee on Immigration and Naturalization.

By Mr. GATHINGS:

H. R. 7000. A bill for the relief of Edward W. Bigger; to the Committee on Claims.

By Mr KLEIN:

H. R. 7001. A bill for the relief of Ricardo Garcia y Garcia; to the Committee on Immigration and Naturalization.

By Mr. McMILLAN of South Carolina:

H R. 7002 A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policeman Joseph W Musselman and his resultant dismissal, and to reinstate Joseph W. Musselman to his former position as member of the Metropolitan Police Department; to the Committee on the District of Columbia

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2077. By Mr CANNON of Missouri Memorial of Missouri House of Representatives, relative to development of the Osage River Basin, to the Committee on Rivers and Harbors.

2078 By Mr FULTON· Petition of James P. Murphy, secretary, Wabash Building, Pittsburgh, Pa., opposing any prohibition amendment, to the Committee on Agriculture

2079. By Mr RICH: Petition of Lycoming County Boroughs Association, representing eight of the nine boroughs of Lycoming County, Pa , in support of the Susquehanna River System Flood Control Association, and to that which it represents; to the Committee on Flood Control

2080 By the SPEAKER. Petition of the Greater Flint Industrial Union Council, petitioning consideration of their resolution with reference to price control; to the Committee on Banking and Currency.

SENATE

THURSDAY, JULY 11, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess

Rev. Orris Gravenor Robinson, D D., minister, Calvary Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Father, we come to Thee in prayer for these men upon whom rest such heavy burdens. We pray that they may look to Thee for guidance. Our human ingenuity is not great enough for this hour. Give these Thy servants for this Nation's welfare wisdom beyond themselves, powers beyond their own, and courage for the right as Thou dost reveal to them the right, that in these days of grave responsibility and challenging opportunity this Nation may meet its responsibilities and challenges as far as it is in the power of this body to provide the way.

May this day be a satisfactory day to all, that when evening comes there shall be peace of mind and peace of heart.

In the name of Thy Son Jesus, we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, July 10, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 10, 1946:

S. 2015 An act for the relief of William H. Morris; and

S 2107. An act for the relief of certain postal employees.

On July 11, 1946:

S 294 An act to authorize the Administrator of Veterans' Affairs to furnish upon a reimbursement basis certain benefits, services, and supplies to discharged members of the military or naval forces of any nation allied or associated with the United States in World War II in consideration of reciprocal services extended to the United States,

S. 1051. An act for the relief of William J. Simpson and John R. Rogers, Sr ,

S 1489 An act to authorize payment for accumulated and accrued annual leave to female dietitians and physical-therapy aides whose civilian appointments were terminated pursuant to section 4 of the act of December 22, 1942 (56 Stat. 1073),

S. 1773. An act for the relief of Frederick Uhrmann;

S 1852. An act for the relief of the legal guardian of Arlis Earl Teekell;

S 1912 An act for the relief of Brig Gen. Carl H Seals,

S 1965. An act for the relief of the estate of C Benjamin Stapleton, and

S 2234 An act to amend the District of Columbia Unemployment Compensation Act, to provide for unemployment compensation in the District of Columbia, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5641) to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 541 An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes; and

H. R. 5641. An act to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

PROVISION PERTAINING TO GENERAL SUPPLY FUND, PROCUREMENT DIVISION, TREASURY DEPARTMENT (S. Doc. No. 239)

A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the General Supply Fund, Procurement Division, Treasury Department (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, FEDERAL WORKS AGENCY (S Doc No. 238)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency, amounting to $100,000,000, fiscal year 1947 (with an accompanying paper), to the Committee on Appropriations and ordered to be printed.

ADMINISTRATION OF EXPORT CONTROL LAW

A letter from the Secretary of Commerce, relating to the administration of the export control law during the next fiscal year, to the Committee on Appropriations.

REPORT OF GOVERNOR OF PUERTO RICO

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a copy of the Forty-fifth Annual Report of the Governor of Puerto Rico for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Territories and Insular Affairs

ADMINISTRATION OF CERTAIN FOREST SERVICE ACTIVITIES

A letter from the Assistant Secretary of Agriculture, transmitting a draft of proposed legislation to facilitate and simplify the work of the Forest Service, and for other purposes (with accompanying papers), to the Committee on Agriculture and Forestry

REPORT OF DIRECTOR OF WAR MOBILIZATION AND RECONVERSION

A letter from the Director, Office of War Mobilization and Reconversion, transmitting, pursuant to law, his seventh quarterly report (with an accompanying report); to the Committee on Finance.

PETITION AND MEMORIALS

A petition and memorials were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the tenth annual convention of district 50, Lions International, at Lihue, Kauai, T H, favoring an amendment of the Nationality Act of 1940 so as to provide the right to become a naturalized citizen to every person regardless of race; to the Committee on Immigration.

Telegrams in the nature of memorials from the Glasgow Implement Co, of Glasgow, Mont, and Mrs. Essie R. Dale, of Fairbanks, Alaska, remonstrating against the enactment of legislation to continue the Office of Price Administration; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Finance:

S 2256 A bill to amend the Servicemen's Readjustment Act of 1944; without amendment (Rept. No. 1699);

S. 2354 A bill to establish and provide for the maintenance and operation of a Veterans' Canteen Service in the Veterans' Administration, and for other purposes; with amendments (Rept. No 1701); and

H R 5148 A bill to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II, without amendment (Rept No. 1700).

By Mr. STEWART, from the Committee on Interoceanic Canals:

H. R. 3748 A bill to amend an act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, with amendments (Rept. No. 1703)

By Mr McCLELLAN, from the Committee on Commerce,

S 2310 A bill to further extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss, and Helena, Ark.; without amendment (Rept No 1702)

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
SUBCOMMITTEE ON SURPLUS PROPERTY,
July 8, 1946.

Hon KENNETH MCKELLAR,
President, United States Senate,
Washington, D C

DEAR MR PRESIDENT: Pursuant to Senate Resolution 319, Seventy-eighth Congress, I am transmitting herewith a list of employees of the Surplus Property Subcommittee (S. Res 129) of the Senate Military Affairs Committee who are not full-time employees of the Senate. Included with this list is the name and address of each such employee, the name and address of the department or agency paying the salary of such employee, and the annual rate of compensation. In accordance with Senate Resolutions 77, 201, and 210, the department or agency so listed will be reimbursed by the subcommittee in the amount of the salaries paid to such employees.

Respectfully yours,
JOSEPH C. O'MAHONEY,
Chairman, Surplus Property Subcommittee.

Name of individual and address	Name and address of [illegible] and [illegible] paid	Annual rate of compensation
Hilda Hamilton, 705 18th St NW., Washington, D C	Reconstruction Finance Corporation, Washington, D C.	$2,890

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GURNEY:

S. 2426. A bill providing for the conveyance to the city of Canton, S Dak., of the Canton Insane Asylum, located in Lincoln County, S. Dak.; to the Committee on Indian Affairs.

By Mr. BYRD:

S 2427. A bill to authorize the Secretary of War to permit the delivery of water from the Washington Aqueduct pumping station to the Falls Church water supply system; to the Committee on Commerce.

By Mr. O'MAHONEY (for Mr. WHEELER):

S. 2428 A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes; to the Committee on Indian Affairs

By Mr HILL:

S 2429 A bill for the relief of Southeastern Sand & Gravel Co, to the Committee on Claims

By Mr WAGNER:

S 2430 A bill to amend the act entitled "An act to provide books for the adult blind"; to the Committee on the Library.

TEMPORARY CONTINUATION OF PAY TO CLERICAL ASSISTANTS OF SENATOR AUSTIN

Mr. AUSTIN submitted the following resolution (S. Res. 302), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the clerical assistants in the office of Senator WARREN R AUSTIN, appointed by him and carried on the pay roll of the Senate when his resignation from the Senate takes effect, shall be continued on such pay roll at their respective salaries for a period not to exceed 60 days, to be paid from the contingent fund of the Senate.

AIMS AND PURPOSES OF AMVETS—STATEMENT BY J H LEIB

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a statement prepared by J H Leib, setting forth the aims and purposes of Amvets, American Veterans of World War II, which appears in the Appendix]

POSTPONEMENT OF DISPOSAL OF SYNTHETIC-RUBBER PLANTS

Mr. O'MAHONEY. Mr. President, I desire to ask unanimous consent that the Senate proceed to the consideration of a noncontroversial joint resolution, which has been reported from the Committee on Military Affairs, prohibiting the War Assets Administration from disposing of certain synthetic-rubber plants of the United States until 6 months after a national rubber program has been submitted to Congress.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming?

Mr. WHERRY. Mr. President, I should like to ask the Senator to give us an explanation of the joint resolution.

Mr. O'MAHONEY. I was proceeding to do that. It is Calendar No. 1694, Senate Joint Resolution 174.

The PRESIDENT pro tempore. The joint resolution will be read by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 174) prohibiting the War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program has been submitted to Congress.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I am very glad to yield to the Senator from Maine.

Mr. WHITE. Mr. President, this is apparently a matter about which the Senator spoke to me a day or so ago. I have canvassed the minority members of the Military Affairs Committee. I found one who said he was not familiar with the proposed legislation. All the other minority members of the committee indicated approval of it.

Mr. O'MAHONEY. I thank the Senator.

Mr. President, I will say to the Senator from Nebraska that section 19 of the Surplus Property Act provides, with respect to certain categories of plants costing more than $5,000,000, that no disposal may be made until 30 days after a report had been submitted to the Congress. The report on the synthetic-rubber industry was made on the 18th of June. It is perfectly impossible for the Congress, with the time at its disposal, to give it the study it ought to have. We ought to be sure that our synthetic-rubber industry is not hastily disposed of because we may again be dependent upon foreign natural rubber without any chance to protect ourselves

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Wyoming for the explanation. I have no objection to the joint resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 174) was considered, ordered to a third reading, read the third time, and passed, as follows:

Whereas the Director of War Mobilization and Reconversion has not completed and submitted to the Congress a final report and recommendations with respect to the establishment of a national rubber policy; and

Whereas War Assets Administration has submitted to the Congress reports in accordance with section 19 of the Surplus Property Act setting forth a disposal program for Government-owned synthetic-rubber plants and facilities, and

Whereas upon expiration of 30 days after submission by War Assets Administration to Congress of such reports, section 19 of the Surplus Property Act permits War Assets Administration to dispose of Government-owned synthetic-rubber plants and facilities; and

Whereas Congress should be given an opportunity to study the reports submitted by War Assets Administration in the light of the reports and recommendations of the Director of War Mobilization and Reconversion with respect to the establishment of a national rubber program before synthetic-rubber plants and facilities are disposed of by War Assets Administration; and

Whereas the Nation's future synthetic-rubber program will not be prejudiced by the early disposal of selected categories of synthetic-rubber plants the disposal of which should therefore be authorized by the Congress: Now, therefore,

Resolved, etc., That, notwithstanding the provisions of section 19 of the Surplus Property Act of 1944, War Assets Administration shall not dispose of any synthetic-rubber plants and facilities costing the Government in excess of $5,000,000 until 6 months after

the submission to Congress by the Director of War Mobilization and Reconversion of a report and recommendations with respect to the establishment of a national rubber program designed to protect the United States against complete dependence for rubber upon foreign sources: *Provided*, That there shall be exempt from the provisions of this joint resolution, styrene plants, furfural plants, carbon-black plants, not to exceed two alcohol butadiene plants, and copolymer plants to the extent that the aggregate total rated capacity of copolymer plants whose disposal is authorized hereby does not exceed 20 percent of the aggregate total rated capacity of all Government-owned copolymer plants.

The preamble was agreed to.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the report of the Military Affairs Committee upon this matter may be printed at length in the RECORD.

There being no objection, the report (No. 1650) was ordered to be printed in the RECORD, as follows:

Your committee, to whom were referred the first supplementary report and the second supplementary and final report on synthetic-rubber plants and facilities which reports were submitted on June 10 and June 18, 1946, respectively, to the Congress by War Assets Administration in accordance with section 19 of the Surplus Property Act of 1944, recommend the adoption of the following resolution:

"Whereas the Director of War Mobilization and Reconversion has not completed and submitted to the Congress a final report and recommendations with respect to the establishment of a national rubber policy;

"Whereas War Assets Administration has submitted to the Congress reports in accordance with section 19 of the Surplus Property Act setting forth a disposal program for Government-owned synthetic rubber plants and facilities;

"Whereas upon expiration of 30 days after submission by War Assets Administration to Congress of such reports, section 19 of the Surplus Property Act permits War Assets Administration to dispose of Government-owned synthetic-rubber plants and facilities;

"Whereas Congress should be given an opportunity to study the reports submitted by War Assets Administration in the light of the reports and recommendations of the Director of War Mobilization and Reconversion with respect to the establishment of a national rubber program before synthetic-rubber plants and facilities are disposed of by War Assets Administration;

"Whereas the Nation's future synthetic-rubber program will not be prejudiced by the early disposal of selected categories of synthetic-rubber plants, the disposal of which should therefore be authorized by the Congress: Now, therefore, be it

"*Resolved*, That, notwithstanding the provisions of section 19 of the Surplus Property Act of 1944, War Assets Administration shall not dispose of any synthetic-rubber plants and facilities costing the Government in excess of $5,000,000 until 6 months after the submission to Congress by the Director of War Mobilization and Reconversion of a report and recommendations with respect to the establishment of a national rubber program designed to protect the United States against complete dependence for rubber upon foreign sources: *Provided*, That there shall be exempt from the provisions of this resolution styrene plants, furfural plants, carbon-black plants, not to exceed two alcohol butadiene plants, and copolymer plants to the extent that the aggregate total rated capacity of copolymer plants whose disposal is authorized hereby does not exceed 20 percent of the aggregate total rated capacity of all Government-owned copolymer plants."

The purpose of the proposed joint resolution is to enable the Congress, before permitting the War Assets Administrator to dispose of synthetic-rubber plants, to study the disposal plan for such plants and facilities in the light of a report and recommendations with respect to the adoption of a national rubber program, which report and recommendations are now being prepared for submission to Congress by the Director of War Mobilization and Reconversion.

On January 14, 1946, the Surplus Property Administrator submitted to the Congress, in accordance with section 19 of the Surplus Property Act, an interim report on synthetic-rubber plants and facilities. In the introduction to that report the Surplus Property Administrator stated that he was unable to formulate at this time a disposal program for synthetic-rubber plants, as required by section 19, since none of the plants had been declared surplus and since an Interagency Policy Committee on Rubber established in the Office of War Mobilization and Reconversion had not as yet submitted its findings and recommendations to the President and the Congress

On March 8, 1946, the Director of War Mobilization and Reconversion submitted to the Congress a first report of the Interagency Policy Committee on Rubber. The report contained a general statement of the situation with respect to rubber and an analysis of the issues which will have to be determined by the Congress. The report, however, did not contain any specific recommendations with respect to the enactment by Congress of legislation designed to put into effect a national rubber program designed to protect the United States against complete dependence for rubber upon foreign sources. Such recommendations were to be made in a final report to be submitted to Congress at a later date by the Director of War Mobilization and Reconversion.

On June 10, 1946, the War Assets Administrator submitted to the Congress in accordance with section 19 of the Surplus Property Act a first supplementary report. The report sets forth a disposal program for butyl, neoprene, furfural, carbon-black, and styrene plants.

On June 18, 1946, the War Assets Administrator submitted to the Congress a second supplementary and final report on synthetic-rubber plants in accordance with section 19 of the Surplus Property Act. The report sets forth a disposal plan for copolymer and butadiene plants, which were not included in the first supplementary report. As a part of this report, the War Assets Administrator submitted an interim report of the Interagency Policy Committee on Rubber, dated June 17, 1946.

The introduction to the report of the War Assets Administrator states that it had been planned originally not to submit to the Congress a final disposal program for copolymer and butadiene plants until after completion by the Interagency Policy Committee on Rubber of its report and recommendations on a national rubber program. When it appeared, however, that the submission of such report and recommendations would be delayed, the Policy Committee, at the request of War Assets Administration, issued a report confined to the subject of synthetic-rubber plant disposal. This procedure was believed desirable by War Assets Administration in view of the provisions of section 19 of the Surplus Property Act which require that final reports be in the hands of the Congress for a period of 30 days while Congress is in session before synthetic-rubber plants may be disposed of by War Assets Administration. War Assets Administration feared that failure to submit its final report at this time might preclude disposal of synthetic-rubber plants until after the Congress convenes in 1947.

In recommending the enactment of the provisions contained in section 19 of the Surplus Property Act, the Committee on Military Affairs stated as follows:

"Your committee holds that Congress would not be fulfilling its obligations to the people if it permitted disposition to proceed without full knowledge of the plans for such disposition"

The Committee on Expenditures in the Executive Departments, which reported the surplus property bill in the House of Representatives, stated with respect to synthetic-rubber and aluminum plants as follows:

"In both those cases, not only does the Government own an overwhelming preponderance of the total productive capacity of the country but other factors of national and international importance as distinguished from sectional or vocational importance place them in a class where the national interest requires a complete examination by Congress of any disposal plan"

In the case of aluminum and synthetic-rubber plants, the House Committee on Expenditures in the Executive Departments recommended that no disposal of such plants be made until after expiration of a period of 6 months after submission to Congress of a disposal program in order to enable the Congress to make a thorough study of the problems involved in the disposal of these plants. This recommendation was supported in the House of Representatives by the Special Committee on Postwar Economic Policy and Planning

Under section 19 of the Surplus Property Act, Congress would be called upon at this time to permit the disposal of synthetic-rubber plants without having had the benefit of studying the disposal program for such plants submitted by War Assets Administration in the light of the report and the recommendations with respect to a national rubber program which will be submitted to Congress by the Director of War Mobilization and Reconversion and the Interagency Policy Committee on Rubber. In view of the importance of the synthetic-rubber industry for the national economy in times of peace and for the national defense in times of war, Congress would not fulfill its obligations to the people if it permitted the disposal of synthetic-rubber plants without a thorough study of the proposed disposal program within the framework of an over-all national rubber program.

There are additional reasons why Congress at this time should not authorize War Assets Administration to proceed with the disposal of Government-owned synthetic-rubber plants, which are to form the basis for a future privately owned synthetic-rubber industry.

First of all, the disposal program for the copolymer and butadiene plants which constitute the bulk of the investment in Government-owned synthetic-rubber facilities calls for a cut-off date for bids at the earliest by the end of 1946. Thus the proposed program itself indicates that there is no immediate urgency to proceed with the disposal of the basic synthetic-rubber plants.

Secondly, the reports stress the importance for some time to come of uninterrupted operation of the majority of Government-owned synthetic-rubber facilities. Since interruptions cannot well be avoided in case of change of operators, it seems desirable to postpone disposal of the basic plants until a future date when a change-over to other operators can, if desirable, be effected without damage to the national economy and the national security.

Third, the reports indicate that several agreements between the Government and present operators of synthetic-rubber plants contain restrictive provisions with respect to disposal of these plants which are contrary to the objectives set forth in the Surplus

Property Act. Furthermore, the present patent picture is rather complex and will render it difficult for companies other than the present operators to bid on these plants. Time will be required for the study of these situations with a view to negotiating, if possible, agreements with the present operators which will permit other companies who desire to acquire these plants to operate them in fair competition with the present operators.

The fact that Congress desires further to study the disposal of the basic synthetic-rubber plants should not by any means be construed as an indication that Congress is opposed to transfer to private ownership of the synthetic-rubber industry. On the contrary, the Congress desires to encourage the establishment at the earliest possible date compatible with the national security of a privately owned competitive synthetic-rubber industry. Therefore, it views with approval the suggestion made by the Director of War Mobilization and Reconversion that exploratory negotiations promptly be initiated with all parties interested in the acquisition of the basic synthetic-rubber plants.

The Director of War Mobilization and Reconversion has further recommended and your committee agrees that there are certain categories of plants which should be exempted from a prohibition against immediate disposal. There are first some chemical plants which are not exclusively devoted to the production of the ingredients which go into the making of synthetic rubber or synthetic-rubber products. Among these are five Government-owned styrene plants located at Institute, W. Va., Los Angeles, Calif.; Velasco, Tex.; Kobuta, Pa.; and Texas City, Tex.; five carbon-black plants, only one of which cost in excess of $5,000,000 and which is located at Odessa, Tex.; and one furfural plant, located at Memphis, Tenn.

In the second category belong certain alcohol-butadiene plants and copolymer plants which represent butadiene and copolymer capacity in excess of that which is expected to be required in the future for the synthetic-rubber industry. It is estimated that there is no foreseeable long-run demand for the output of two out of the three alcohol-butadiene plants and for at least 20 percent of the total rated capacity of the Government-owned copolymer plants. It is not possible, however, at the present time to name any specific plants which might be considered outside of the scope of the future rubber program because it cannot be foretold which of the plants industry might desire to acquire for the purpose of producing synthetic rubber and which of them it might want to convert to other production.

Therefore, the committee feels that War Assets Administration should be authorized to dispose of styrene plants, furfural plants, carbon-black plants, not to exceed two alcohol-butadiene plants, and copolyme: plants to the extent that their aggregate total rated capacity does not exceed 20 percent of the over-all rated capacity of all Government-owned copolymer plants.

In order to give the Congress and various Government agencies concerned time for further study of the problems involved in the disposal of Government-owned synthetic-rubber plants, it is, therefore, recommended that, notwithstanding the provisions of section 19 of the Surplus Property Act, no synthetic-rubber plants costing the Government in excess of $5,000,000 be disposed of until 6 months after submission to Congress of a report and recommendations by the Director of War Mobilization and Reconversion with respect to the establishment of a comprehensive national rubber program. There should be exempted, however, the following plants: Styrene plants, furfural plants, carbon-black plants, not to exceed two alcohol-butadiene plants, and copolymer plants to the extent that their aggregate total rated capacity does not exceed 20 percent of the over-all total rated capacity of all Government-owned copolymer plants.

PLANS FOR REORGANIZATION OF EXECUTIVE DEPARTMENT

Mr. WILEY. Mr. President, recently the Judiciary Committee of the Senate considered concurrent resolutions upon which the House of Representatives had acted in relation to the organization plans submitted by the President.

The House, by a vote of 180 to 37, adopted House Concurrent Resolution 151, disapproving the President's Plan No. 1 for the Reorganization of Executive Departments. By a vote of 166 to 40, it adopted House Concurrent Resolution 152, disapproving the President's Reorganization Plan No. 2. By a voice vote, it adopte ' House Concurrent Resolution 153, rejecting the President's Reorganization Plan No. 3.

The Senate Judiciary Committee, by a close vote, rejected the three disapproval resolutions which the House adopted. Thus, in effect, the committee sustained the President's reorganization plans.

There are now on the Senate Calendar these three disapproval resolutions. In form, they read "that Congress does not favor the reorganization plan," 1 or 2 or 3, "transmitted to Congress by the President on May 16, 1946."

Section 205 (a) of Public Law 263, the act which provides for the reorganization of public agencies, provides that when the committee has reported with respect to a reorganization plan it shall at any time thereafter be in order to move to proceed to the consideration of such resolution. The statute provides such motion shall be highly privileged and "shall not be debatable."

Mr. President, the time is running out. The Senate should take definite action one way or another. Therefore, I move that the Senate proceed to the consideration of Senate Concurrent Resolutions 64, 65, and 66, which are listed on the calendar as Nos. 1704, 1705, and 1706, respectively.

The PRESIDENT pro tempore. The motion of the Senator from Wisconsin is in order, but the concurrent resolutions will have to be taken up one at a time.

Mr. WILEY. Then, Mr. President, I move that the Senate proceed to the consideration of the first one mentioned, which is Senate Concurrent Resolution 64; and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Hayden
Andrews	Cordon	Hill
Austin	Donnell	Hoey
Ball	Downey	Huffman
Barkley	Eastland	Johnson, Colo.
Bridges	Ferguson	Johnston, S. C.
Briggs	Fulbright	Kilgore
Brooks	George	Knowland
Buck	Gerry	La Follette
Burch	Gossett	Langer
Bushfield	Green	Lucas
Byrd	Gurney	McCarran
Capehart	Hart	McClellan
Capper	Hatch	McKellar
Carville	Hawkes	McMahon
Magnuson	Pepper	Thomas, Okla.
Mead	Radcliffe	Thomas, Utah
Millikin	Reed	Tobey
Mitchell	Revercomb	Tunnell
Moore	Robertson	Wagner
Morse	Russell	Walsh
Murdock	Smith	Wherry
Murray	Stanfill	White
Myers	Stewart	Wiley
O'Daniel	Swift	Willis
O'Mahoney	Taft	Wilson
Overton	Taylor	Young

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr BREWSTER], and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] as absent by leave of the Senate.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Wisconsin [Mr. WILEY] that the Senate proceed to the consideration of Senate Concurrent Resolution 64.

Mr. WILEY. Mr. President——

The PRESIDENT pro tempore. The motion is not debatable.

Mr. WILEY. I do not care to debate it. At the request of the majority leader and the chairman of the Committee on the Judiciary I ask to withdraw my motion, and I give notice that I shall

present it the first thing at tomorrow's session.

The PRESIDENT pro tempore. The motion is withdrawn.

Mr. BARKLEY. Mr. President, I wish to say, in that connection, that I am hoping that we will dispose of the OPA legislation today. I do not want the Senator from Wisconsin to understand, or the Senate to understand, that he is withdrawing the motion at my request with the understanding that it will be taken up tomorrow. There is no such understanding so far as I am concerned. I hope we will dispose of the OPA joint resolution today.

Mr. TOBEY. Amen.

Mr. BARKLEY. In order to do that, I hope the Senate will sit as late tonight as may be necessary, but if we should not dispose of the OPA joint resolution today, we certainly should do it promptly tomorrow. I think it would be most unfortunate if the OPA measure should be set aside, even tomorrow morning, in order to take up one of the three or all three of the concurrent resolutions, each one of which is debatable for 10 hours That would play right into the hands of anyone who was seeking to delay the pending measure.

I know of no reason why we should not conclude the consideration of the OPA joint resolution today, certainly tomorrow. Tomorrow will be Friday, and the time limit under the concurrent resolutions will not expire until the 16th, which will be next Tuesday So I hope that neither the Senator from Wisconsin nor any other Senator will seek to bring up these concurrent resolutions until we have disposed of the pending legislation, unless it should become obvious that we could not dispose of it prior to July 16, which is the day on which the 60-day period will expire

Mr. McCARRAN. May I say that I am informed that the time will expire at midnight on July 15?

Mr BARKLEY. That may be.

Mr WILEY. Mr. President, permit me to say that I did not state that I had an understanding with the majority leader. I stated that I complied with his suggestion and request, and with the suggestion and request of the chairman of the Committee on the Judiciary, and the suggestion of several other Senators. I give notice that, if action on the OPA legislation is not completed today, I shall renew my motion tomorrow.

PUBLIC WORKS ON RIVERS AND HARBORS FOR FLOOD CONTROL—CONFERENCE REPORT

Mr. OVERTON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6597) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 3.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41, and agree to the same

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In line 1, of the amendment, strike out "(1)" and the words "previously unauthorized"; in line 2, before the word "of", insert the words "not authorized,"; in line 4, after the word "project", insert the words "or modification"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows In line 3, of the amendment, before the word "project", insert the words "construction of the", and the Senate agree to the same

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In line 1, strike out the figure "7" and insert in lieu thereof the figure "9"; strike out the figure "18" and insert in lieu thereof the figure "8", and strike out the figure "$12,471,000" and insert in lieu thereof the figure "$17,755,000", and the Senate agree to the same.

JOHN H OVERTON,
THEO. G. BILBO,
GEORGE L RADCLIFFE,
JAMES M MEAD,
CLAUDE PEPPER,
E V. ROBERTSON,
C WAYLAND BROOKS,
Managers on the Part of the Senate.
WILL M WHITTINGTON,
A LEONARD ALLEN,
A J ELLIOTT,
CHARLES R CLASON,
EARL WILSON,
Managers on the Part of the House

Mr. OVERTON. Mr. President, with respect to the conference report, I wish to say that quite a number of amendments were adopted by the Senate, all of which were agreed to in conference except one, which is a comparatively minor amendment. I ask for immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection to the consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the report.

The report was agreed to.

COST OF BEEF—THE FEED SITUATION

Mr. TUNNELL. Mr. President, I wish to call attention to an article appearing on the front page of the Washington Star of last night under the heading "Late news bulletins." The article is entitled "Steers Sell for $23 To Set New Record":

CHICAGO—A load of prime Iowa fed steers established a new top at Chicago's cattle market today at $23. This figure outdistanced the 27-year high of $21 which followed the World War and was not topped until last week with $22 50. The $22 50 top held almost daily since it was set last Tuesday and was yesterday's peak price.

I thought that article would be interesting to the Senate in view of the fact that we have heard a good deal about beef being put on the market in great quantities, and about their being 10,000,000 surplus cattle held back. I venture to suggest they are coming in for a reason.

RECEIPTS AND PRICES OF LIVESTOCK AT PRINCIPAL MARKETS—THE GRAIN SITUATION

Mr. WHERRY. Mr. President, I am glad to report again on the livestock receipts and prices for yesterday at the 12 principal markets of the United States:

Market receipts of livestock today again were substantially larger than receipts for the same day a year ago, making the market supply of live took this week, as well as for the first 10 days of July, the period since OPA price controls terminated, substantially larger than the market supply in any other recent 10-day period, and also considerably larger than that for the same period a year ago

This increased market supply is beginning to fill up the meat-distribution channels and more meat may be expected for consumers generally throughout the country by the end of this week and the early part of next week.

Hog receipts at the 12 markets today amounted to 60,400 head—

Think of that, Mr. President, 60,400 head—

as compared with 28,420 head, the same day last year—

Under the Bowles system.

Total receipts at these markets for the first 4 days this week were 40 percent larger than market receipts for the same period last week and 93 percent larger than receipts in the same period a year earlier

I repeat, a 93-percent increase over the same period a year ago.

The hog market this morning at Chicago was reported by the Department of Agriculture as $17.50 to $17.65 per hundredweight, which is slightly lower than yesterday's market and about $1 per hundredweight lower than the price of hogs the early part of last week

Cattle receipts at 12 markets today amounted to 32,600 head—

We are now getting toward the end of the week, and the receipts always fall off toward the end of the week. Shippers will again begin shipping stock so they will be received the first of the week—

which is 62 percent larger than receipts at those markets for the same day a year ago The total cattle market supply for the first 4 days this week exceeded that for the same period a week ago by 107 percent and that of a year ago by 30 percent

Receipts of calves this week thus far were 98 percent larger than receipts in the same period a week ago and 42 percent above a year ago for that period.

The cattle market in Chicago this morning opened steady to a little higher with yesterday. A top of $23 per hundredweight was reported again today but only a few loads of extremely fancy grade cattle out of total receipts of more than 100 carloads.

Too much emphasis is placed on the price for these few loads of very fancy cattle since the bulk of sales of cattle are made at considerably lower levels. Yesterday's levels, for example, ranged between $18.50 and $22 per hundredweight. This level for the bulk of sales of cattle is not greatly different from that prevailing last week. The demand for all classes and grades of cattle continues strong.

One of the most encouraging and significant factors in the picture ahead is the unusually favorable feed crop prospect this

year. The Department of Agriculture July 1 crop report issued yesterday predicts one of the most optimistic feed crop outlooks in the history of the country. This report predicts a record corn crop and near record crops of wheat, oats, potatoes, and rice. The condition of all crops on July 1 was the best in 7 years, except for 1942

The Department of Agriculture predicted that production of feed grains may be the largest on record, and, on this basis, production of livestock could be maintained near last year's levels through 1947 A corn crop of 3,350,000,000 bushels, exceeding the previous record of 3,200,000,000 bushels harvested in 1944, is forecast

Corn stocks on farms July 1, this year, about which there has been so much talk in recent weeks of reduced feed supplies, was reported by the Government as 515,000,000 bushels, which is only slightly smaller than the 20-year average July 1 corn stocks of 534,000,000 bushels

With this record supply of feed crops in prospect and with price controls and other artificial restrictions off of livestock and meats permanently, increased production of food appears inevitable and increased production is what people want and need and also is the only effective preventive of inflation.

The report is signed by the American Meat Institute at Chicago.

Mr. President, that is the report up to this moment.

I should also like to comment briefly upon the feed situation. This morning I received from the Department of Agriculture the absolute figures as released last night. Our wheat crop for this year is estimated at 1,050,000,000 bushels; 857,163,000 hard wheat and 232,929,000 soft wheat. This estimate of wheat production would make it the largest on record with the exception of the year 1945, when we produced 1,123,143,000 bushels. In 1944 we produced 1,072,177,000 bushels. So this year's crop is estimated to be the second largest wheat crop ever produced in the United States. The corn crop is estimated at 3,341,646 bushels, and the Department of Agriculture advises me that that is the second largest corn crop ever produced in the United States.

Last night just before the Senate voted on the grain amendment the distinguished Senator from Alabama [Mr. HILL], joined by either the Senator from Pennsylvania [Mr. MYERS] or the Senator from Connecticut [Mr. MCMAHON]—I have forgotten which—stated that flour prices had doubled. The distinguished Senator from Alabama had received a letter from a man in Pennsylvania stating that he had to buy flour, and that the price was nearly doubled. I took the question up with the Department of Agriculture this morning, and I am authorized to say that the wheat market in the principal cities yesterday was as high as i has been, and that the only difference between the price of wheat before price control was taken off and the price as of today is approximately 15 cents a bushel That information comes from the Department of Agriculture. I am authorized to say that throughout the principal markets the price of wheat has not risen more than 15 cents a bushel since price control ended.

We have a record wheat crop coming in. We have the second largest corn crop coming in; and without price control the price has risen only 15 cents a bushel on wheat, as of this moment.

I asked the representative of the Department, "What do you think about the future of the wheat market?" He replied, "Of course, we can give only our judgment; but if price controls are taken off, and we force purchasing countries to come to the United States and buy on the competitive open market, which is now 15 cents over the ceiling, we shall put them at a disadvantage." He further said, "Our problem by the 1st of January will be to maintain ceiling prices on wheat, rather than to get the prices we are now getting for it.'

The vote is over, and I am not rehashing the question, but I should like to say, in correcting the impression which was given last night, that there is no such thing as an appreciable increase in the price of wheat. That is the report of the Department of Agriculture. It has increased only 15 cents a bushel within 9 or 10 days after price control was taken off. If we can permit the price to flatten out on the competitive market by placing the countries of the world on the same level on which we place them in purchasing in other markets, our domestic supply will be protected and they will be placed on the world basis. The price will gradually level off until it is under the ceiling, instead of above the ceiling.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. AIKEN. The Senator from Nebraska and other Senators will recall that yesterday it was implied that if the price of wheat were increased a few cents a bushel the cost of bread might be doubled. At that time I mentioned a study made by the Federal Trade Commission a couple of years ago, showing what part of the price of a loaf of bread went to the farmer. I stated that if I could find that report I would place that part of it in the RECORD today.

Mr WHERRY. I distinctly remember the Senator's mentioning that subject, and I would appreciate having the report placed in the RECORD at this point.

Mr. AIKEN. I have found the report of the study made by the Federal Trade Commission a couple of years ago. The report shows the percentage and the cents cost of the various ingredients, such as labor, transportation, and so forth, which enter into the consumer's price of a loaf of bread.

I shall not take the time to read the entire report. However, I wish to point out that in 1922 the farmer received 1.14 cents of the cost of a loaf of bread. That was 13 40 percent. In 1942 the farmer received 1 03 cents, or 11.11 percent of the cost of a loaf of bread.

The report shows the other costs. Country elevators received 0.06 cent; transportation agencies for wheat received 0.13 cent; terminal elevators received 0.08 cent. The total wheat cost to the miller was 1.3 cents for a loaf of bread in 1942. That had dropped from 1.49 cents in 1922.

The millers' production and distribution costs in 1942 were 0.32 cent; the millers' profit 0.11 cent; transportation agencies for flour received 0.13 cent, making a total flour cost to the baker of 1 86 cents. The farmer received a little more than half that amount. Transportation companies and others received the remainder.

Bakers' costs of ingredients other than flour were 1 06 cents in 1942, or more than the farmer received. Bakers' production and distribution costs were 3 81 cents for a loaf of bread, or three and one-half times as much as the farmer received. Bakers' profit was 0.45 cent, almost half a cent on a loaf of bread. The cost of bread to retail dealers was 7.18 cents. The retail dealers' gross margin was 2.09 cents. The average price to consumers in September 1942 was 9.27 cents, of which the farmer received about one-ninth.

The report points out that in 1922 bakers obtained an average of 285 pounds of bread from a 196-pound barrel of flour. In 1942 they had discovered how to get 300 pounds of bread from the same 196 pounds of flour.

There are other interesting data in the report, which I ask to have placed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Proceeds or margins of—	September 1942		1922-24	
	Cents	Per cent	Cents	Per cent
F[illegible]	1 03	11 11	1.14	13 40
C[illegible]	.06	.65	.07	.79
[illegible] for wheat	.13	1.40	.19	2.22
Terminal elevators	.08	.86	.09	1.04
Wheat cost to millers	1.30	14.02	1.49	17 44
[illegible]	32	3.45	.33	3.87
[illegible]	11	1 19	.08	.88
[illegible]	13	1 40	26	3.08
Flour costs to bakers	1 86	20.06	2.16	25.27
Bakers' costs of ingredients	1.06	11.44	.92	10.77
[illegible]	3.81	41 10	3.54	41 38
[illegible]	.45	4 85	.65	7.62
Bread costs to retail dealers	7.18	77 45	7.27	85 04
Retail dealers' gross margins	2.09	22.55	1.28	14 96
Average prices to consumers	9.27	100.00	8.55	100 00

The information contained in the above table for the years 1922-24 was obtained in the Commission's inquiry into Competition and Profits in Bread and Flour, and in recent studies of the bread-baking and flour-milling industries The transportation costs for September 1942 are based upon statistics of the Interstate Commerce Commission

The consumer paid on the average 8 55 cents for a 1-pound loaf of bread in 1922-24, and 9.27 cents in September 1942, an increase of 8 4 percent. The farmer's portion of the consumer's price decreased from 1 14 cents in the earlier period, to 1 03 cents in September 1942, or 9.6 percent. The farmer's proportion of the consumer price was 13 40 percent in 1922-24, and only 11 1 percent in September 1942.

However, during the years 1922-24, the bakers obtained an average of 285 pounds of bread from a barrel of flour, compared with an average of 300 pounds of bread from a

barrel of flour in September 1942, due to the use of additional other ingredients and a higher moisture content. On the basis of the same conversion in the earlier period as in the latter period—namely, 300 pounds of bread from one barrel of flour—the farmer's portion of the consumer's price in 1922–24 would have been 1.09 cents, compared with 1.03 cents in September 1942, a decrease of 5.5 percent. Also, on that basis, the farmer's proportion of the consumer price in the earlier period would have been 12.9 percent instead of 13.4. The result of this change in the number of 1-pound loaves of bread obtained from a barrel of flour, has been to decrease the domestic consumption of wheat. For example, the United States Department of Agriculture reports that the annual average domestic consumption of wheat for food was 529,391,000 bushels for the period 1921–25; and 490,511,000 bushels for 1940, the latest year for which the statistics are available. This is a decrease of 7 percent. Of course, the population increased during this period. On a per capita basis, the decrease in the average per bushel of wheat consumption was 4.73 bushels in 1923, to 3.78 bushels in 1940

The average flour cost to the baker was 2.16 cents for a 1-pound loaf of bread in the earlier period, and 1.86 cents in September 1942; or a decrease of 13.9 percent. In 1922–24, the flour cost was slightly more than one-fourth of the price to the consumer for a 1-pound loaf of bread, but in September 1942, it was only one-fifth of the price.

The baker's cost of ingredients, other than flour, increased from 0.92 cent in 1922–24, to 1.06 cents in September 1942, or 15.2 percent. The increase in the cost of ingredients, other than flour, in September 1942 was the result of changes in bakers' formulas, the proportions of milk, shortening, and sugar being increased, and quite recently to the addition of vitamin enrichment.

The baker's combined production and distribution cost also increased, the change being from 3.54 cents in 1922–24, to 3.81 cents in September 1942, or 7.5 percent. One of the principal causes for this increase was the recent more extensive use of wrapping materials, including the practice of double wrapping. This practice was prohibited as a wartime economy measure in January 1943 in Food Distribution Order No. 1.

The greatest change for the two periods was in the retailer's margin, which was 1.28 cents in 1922–24, and 2.09 cents in September 1942, an increase of 63.3 percent. This widening of the retail dealer's margin was largely the result of the intensive striving for retail dealer outlets.

The profits of flour millers increased from 0.03 cent per 1-pound loaf of bread in 1922–24, to 0.11 cent in September 1942, but there was a decrease in the wholesale baker's average profit from 0.65 cent in 1922–24, to 0.45 cent in September 1942.

Mr. AIKEN. It is sickening to have everyone charge the farmer with profiteering when he receives approximately 10 percent of the total cost. What is true with respect to the part of the cost which goes to the farmer in the case of a loaf of bread is also true of other things which the consumer buys. For example, the very best woolen suit in the world could not yield the farmer, at today's high prices, more than $2.50. There is not more than 3 cents worth of cotton in the best cotton shirt one can buy. Yet, when the price of anything goes up 25 or 50 percent the farmer inevitably is blamed for it.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The Senator will state it.

Mr. BARKLEY. Is there anything pending before the Senate?

The PRESIDING OFFICER. Nothing except the committee amendment as amended.

Mr. BARKLEY. I think that in the interest of some speed in the consideration of this measure, if there are any further amendments to be offered Senators ought to begin offering them.

Mr. HAWKES. Mr. President——

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MAGNUSON. Mr. President, I should like to ask the Senator from Nebraska [Mr. WHERRY] a question.

I did not hear all the Senator's speech regarding meat. The Senate has already voted on the question. The Senator from Nebraska and I voted differently. According to the newspapers this morning, the price of meat is now the highest in all history. I wonder what predictions the Senator from Nebraska has to make regarding the price, he being an authority on the subject.

Mr. WHERRY. If the distinguished Senator from Washington had been in the Chamber and had heard all of my statement, he would have heard the reports from the 12 principal markets this morning. The bulk of the cattle sold between $18 and $21 a hundred. It is true that one of two loads sold for $23. That is about 50 cents higher than any legal price we know of, since the price ceilings were taken off. That price was received for only a few loads of cattle, consisting of the fancy grade of prime beef. Unless the Senator has eaten at a hotel, he has not had such meat for a year and a half. Prices on the bulk of the cattle are no higher than they were yesterday. There were 36,200 head of cattle, or 62 percent more than the receipts for the same day a year ago, and 40 percent more than were received a week ago.

Mr. MAGNUSON. Mr. President, I wish to say to the Senator that I prefaced my remarks by saying that I did not hear all the Senator's statement.

Mr. WHERRY. Yes; I appreciate that. I read the complete detail. One of the reasons I did so was because the Senator from Delaware raised the very question which the Senator from Washing has raised. I expect that each day on the floor of the Senate some Senator will call attention to a black market price or to an isolated case of some chiseler who is going to raise the price away up, and that the fear peddlers will continue to yelp about the high prices of food.

But the fact is that if we examine the figures for the principal markets, we find that meat has not increased in price. It is not any higher than it was a week ago, and we are getting 107 percent more meat than we were getting a week ago.

Mr. MAGNUSON. How much is the price over the ceiling price?

Mr. WHERRY. The ceiling price for prime cattle at Chicago is $18 a hundred, as the Senator well knows. The bulk of the cattle, about 90 percent, was selling at from $18 to $21 a hundred, which is an increase of approximately $2 a hundred, or approximately 2 cents a pound. I grant that. I am not saying that is not so. But there are exceptional cases of some chiseler who pays a high price to help out the black market racketeers who want to have price control continued. Then they say, "Oh, this is the price of meat. Is not that terrible?"

We had a similar situation yesterday in respect to bread and flour. Just before the amendment was voted on, in came a suggestion by the distinguished Senator from Alabama, who referred to some letter from someone in Pennsylvania, not even his own constituent. I do not know who the man was, or whether he ever handled flour. Perhaps he did; we shall give him the benefit of the doubt.

But the Department of Agriculture announced yesterday, and authorized me to say on the floor of the Senate today, that the price of wheat has not gone up more than 15 cents a bushel any day since the price ceilings were removed. Think of that. Wheat is going into the market and feed is going into New England.

I ask the Senator from Vermont whether that is correct.

Mr. AIKEN. That is true.

Mr. MAGNUSON. The price of meat is now above the ceiling price, although I do not have the figures. Does the Senator venture the prediction that it will go up or come down?

Mr. WHERRY. I cannot guess about the markets any more than the Senator from Washington can. There is a great demand because of the inflation. Under this administration more than $200,000,000 has been put up under deficit spending for purchasing power. I suppose that today there are people who are eating meat and drinking milk who never did before to such a great extent. I am glad they are. But because of that fact, there will be a stronger demand for meat and bread and milk. Because of that, we want to bring about increased production. The figures show that as compared with a year ago, in excess of 100 percent more meat is going to the market than under the Bowles' plan.

Mr. HAWKES. Mr. President, I am very heartily in favor of what the distinguished Senator from Nebraska has been saying, but I should like to begin my remarks, inasmuch as I have the floor.

Mr. MAGNUSON. I thought the distinguished Senator from Nebraska had the floor.

Mr. HAWKES. No; I have had the floor. I have had it all along. Perhaps that was not apparent, but I have had the floor.

Mr. MAGNUSON. Perhaps the Senator from New Jersey will make a prediction.

Mr. LUCAS. Mr. President, I call for the regular order.

Mr. HAWKES. Mr. President, I will make this prediction: It takes more than one swallow to make a summer, and it takes more than one day to find out whether the American system can go back into operation. Does the Senator from Nebraska agree to that?

Mr. WHERRY. Yes, sir.

Mr. HAWKES. The Senator and I have never predicted that we would go from where we are to where we want to go in 1 day or 1 week or 1 month, but we

have predicted that this is the time to begin to go back to where we should be.

Mr. WHERRY. Yes, sir. And let me say, too, that if we go back now, we shall fill every meat counter in the country, and the result will be that we shall have more meat than we have now.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. HAWKES. Mr. President, I prefer to continue with the discussion of my amendment.

The PRESIDING OFFICER. The Senator from New Jersey refuses to yield.

Mr. HAWKES. Does the Senator from Connecticut wish to ask a question? If he will not start my friend the Senator from Nebraska upon a long dissertation, I shall yield.

Mr. McMAHON. I thank the Senator. The Senator from New Jersey has observed that it takes more than one swallow to make a summer. I predict that if prices increase as they have been increasing in the last few days, if the American consumer gets more than one swallow, I shall be surprised.

Mr. HAWKES. Of course, the Senator from Connecticut is entitled to make his prediction, and I am entitled to believe what I believe. I still believe in the American system and I still have faith in the business men of this country and the people who are in the meat business, and I believe they will do everything within their power to bring about such a situation that the people will get meat at a fair price, as related to all other prices

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H J Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. HAWKES. Mr. President, I offer my amendment which lies at the desk and has been printed. I desire to modify the amendment, and I send the modification to the desk and ask that it be stated.

The PRESIDING OFFICER The modification of the amendment will be stated.

The LEGISLATIVE CLERK. At the end of the amendment, change the period to a colon and insert the following: "*Provided*, That whenever any State, or political subdivision thereof, has established provisions for the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended and extended, and no regulations, orders, or requirements thereunder (except as to offences committed, or rights or liabilities incurred, prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State or political subdivision, as the case may be."

Mr. HAWKES. Mr. President, that modification of my amendment is made on the basis of the philosophy in which I believe, namely, that the people in a State, the local people, or the people in a municipality know the needs of their people better than any one located in Washington can ever know them. If and when the States or the local municipalities adopt a rent-control law, I think they should take over the matter. For that reason I have made that modification of my amendment.

Mr. President, I have offered this amendment after careful thought. The main part preceding the modification reads as follows:

> The Administrator shall authorize an increase of 5 percent, effective on and after the date of enactment of the Price Control Extension Act of 1946, in the maximum rent in effect on June 30, 1946, in all defense-rental areas On November 30, 1946, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas. On March 31, 1947, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas

There is a difference of opinion among those who are vitally interested in holding down the cost of living regarding this proposal. Some legislators wish to provide for a rent increase of 10 percent now. Some legislators would like to have a 15-percent rental increase. Others think as I do, namely, that a graduated scale of increase to take care of the deferred maintenance, which has been put off from time to time for a long period until, in many cases, hazards are involved, is a better plan The reason for the proposal for a 5 percent increase on November 30, added to the other 5 percent, is that as November approaches, the heating program begins, and the landlords' expenses go up.

No group of people in our American life, so far as I know, have been left tied to the post, as against increasing wages and increasing costs of everything that goes into the maintenance of apartments and dwelling houses, in the way that the landlord owners of dwelling houses rented for living purposes have been. I think all of us must appreciate that the building of homes is just as much a matter of business choice as any other business which exists in the United States. I did not happen to choose to go into the business of building apartment houses for rental purposes, and I am very glad I did not, considering what the status of that business has been during the past few years. The owner of rented property is either beset with 70-percent occupancy, or when he gets 100-percent occupancy he is beset with rent controls and various other costs and expenses which keep him from making the return on the investment which it is necessary to make in order to persuade people to engage in that business. I ask my friends in the Senate, How may we expect to induce private enterprise to go into the business of building homes which are so sorely needed? We talk about obtaining the necessary homes. Even the laws which have been proposed for the purpose of subsidizing the building of homes, definitely state that we are looking to private capital and private enterprise, or free enterprise, whatever it may be called, to build more than a million homes a year

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. MILLIKIN. I should like to say to the distinguished Senator from New Jersey that the testimony before the Banking and Currency Committee with reference to what the increase should be averages just about the same as the percentages which he proposes. I should like to congratulate the Senator for his courage in offering this amendment. It is said that there are more tenants than there are landlords, and, therefore, it is political poison to urge any justice for the landlords. I assert that a government which maintains controls or any kind of benefit for any particular group out of the hides of another group is not an American government but, instead, is a tyrant. I congratulate the Senator on his amendment, and I shall support it.

Mr. HAWKES. I thank the Senator. I should like to say that this subject is a political hot potato. But when a political hot potato has justice tied to it, I am willing to take the political hot potato and try to solve its problem. I do not believe that we will ever solve the problems of the United States by putting all of them on the doorstep of one group.

Mr. MILLIKIN. Mr. President, will the Senator yield further to me?

Mr. HAWKES. I yield.

Mr MILLIKIN I should like to say that, in my opinion, the political poison of this situation has been vastly overrated. I believe that most tenants are fair minded and know that in the last 4 or 5 years the landlord has had to meet increased expenses and, on the whole, has not made any profit out of his property ownership I believe that those who make the political poison argument overestimate the unfairness of the tenant. I think that many tenants will readily acknowledge that a limited increase in rents is fair. I believe, also, that the increases proposed by the Senator are increases of that kind .

Mr. HAWKES. I may say to the distinguished Senator from Colorado before he leaves the Chamber that I thoroughly endorse everything he has said. I believe in the fairness of the American people, and, before I am through, I shall show that many persons with small earning capacities recognize the unfairness which has been done to those who have invested their money in property for rental purposes. I have been told repeatedly by many of them that they are willing to pay a reasonable advance, which will be in keeping with the proposal which I am urging. But they want to be protected against being required to pay a tremendous advance all at once which they will be unable to absorb.

Mr. MILLIKIN. Mr. President, I should like to add one more observation in line with the Senator's suggestion that, after all, this is not a national but a local problem. In the city of Denver, for example, which is a war defense area where living conditions are overcrowded, the local government is taking steps to establish its own rent control and, as I

understand, it will allow an initial 5 percent increase in rents. I have not heard any substantial objection to such increase.

Mr. HAWKES. I thank the Senator from Colorado.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. TOBEY. I merely wish to give the Senator from New Jersey a little encouragement. I may say to him that after 40 years of experience in housekeeping, some of which has been in the kitchen, I have learned that hot potatoes cool off in due time. So I urge him to keep up his good work.

Mr. HAWKES. I thank the Senator for his admonition.

Mr. President, I should like to have the Members of the Senate bear in mind that the enterprise to which I have referred is a business. It is not something separate and apart from our American free-enterprise system, or our American way of making a living. Millions of our best citizens have made property ownership and the rental thereof their legitimate business. As I said before, I did not happen to choose that type of business, but, nevertheless, the people who did choose it are entitled to justice and equity from the Congress just as any other business in the country is entitled to it. In my opinion property owners have not received justice from the Congress, nor have they received fair treatment at the hands of the Office of Price Administration

I should like to invite the attention of the Senate to the fact that life insurance itself, which has 70,000,000 policyholders in our great America, depends on the free-enterprise system to make the returns which are necessary in order to continue in business. Life-insurance companies are tremendously interested in rental properties. They have invested many millions of dollars in them, and in many cases they are not able to make a return which, after paying the expenses, is anything near 3 percent. In many cases they have tremendous deferred expenses still to pay, and to look forward to.

The ablest directors of rental property, outside the life-insurance companies, have in many cases found that it is impossible to make a sufficient return to justify any further investment in that part of our free-enterprise system. The latest figures of the insurance companies show, as I stated a moment ago, that there are 70,000,000 policyholders in the United States, exclusive of national service life insurance which, of course, is conducted by the Government.

Mr. President, do we have any right to destroy the prospects under the American system of making a fair and just return on this great industry which involves an investment of upward of $69,500,000,000? I ask Senators to bear that figure in mind—$69,500,000,000 has been invested in homes and apartments for purposes of rental to our citizens in the United States. That investment is owned by 8,200,000 of our inhabitants. Regardless of any political implications, we must try to do justice to that tremendous group. Congress should agree to keep down living costs as much as it can, in fairness and justice to all. In doing so, our objective should be to mete out justice fairly and equitably to all groups without practicing injustice and discrimination against any.

Mr. President, the problem of rents is a political one. I have talked with many Members of Congress, and they all agree that this problem should be adjusted. I have talked with Members of Congress in both the Democratic Party and the Republican Party. They all agree that a great injustice is being done to this group of 8,200,000 people in our American society, but they do not want to touch it now because an election is approaching in November. I ask, Mr. President, what does an election have to do with justice? I hope that I shall never see the day when I will have to put off justice because I must go to the polls. I know that it is a popular thing to do, but I hope that I shall never see the day when I do it.

Mr. MOORE. Mr. President, will the Senator yield?

Mr HAWKES. I yield

Mr. MOORE. Did the Senator give figures pertaining to the number of persons who had made investments in rental properties throughout the country?

Mr. HAWKES. The figure is 8,200,000

Mr. MOORE. I have received a great deal of mail on the subject, and my experience has taught me that there are great numbers of persons in every community who thought it was proper to make investments in rental properties Many such persons who are now in middle age, and beyond, depend for their livelihood on the rentals from those properties. Many of them are widows and children who inherited the properties with the hope that they could rely on them to produce incomes for their livelihood. I am sure that many of us will agree that there are many towns and cities in which there has been a decline more or less in property values, and rents have been frozen at a point where a great injustice has been done. The subject is one which certainly merits serious consideration.

Mr. HAWKES. I thank the Senator. I am going to bring that very point out later in my remarks on this subject. I am sure that what the Senator from Colorado [Mr. MILLIKIN] said a few moments ago is true; nan ely, that the average American citizen wants to do the decent and fair thing. I know of cases of widows of college professors who have had left them buildings containing two or perhaps four apartments as their only means of living, but they are not making enough money out of the apartments in some instances even to pay taxes and improvements and upkeep—indeed, they are deprived of any income on their properties. Why should we put such a load as that on the shoulders of one group, and continually, day after day and week after week, take the burden off other groups? I cannot find any answer in my own mind.

I could cite a vast array of statistics on this subject, but, as the majority leader has said, statistics can be used by either side to prove what it wishes.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAWKES I yield to the Senator from Oregon.

Mr. CORDON. I am sympathetic with the Senator's presentation of the conditions in which life insurance companies may find themselves in connection with their investments in rental properties. I am sympathetic chiefly because I recognize what some folk sometimes forget, and that is that the money invested in a life-insurance company does not belong to the life insurance companies but belongs to the people who have taken it out of their wages to insure their lives for their own dependents.

What brought me to my feet, however, was not that, but my desire to make an inquiry of the Senator as to what would be the effect of his amendment, if adopted, with respect to rental properties which have been constructed since 1941.

As I understand—and if I am wrong I hope the Senator will correct me—the basis upon which the Office of Price Administration has proceeded in fixing rental ceilings is to take the rent which was charged at what is known as base period, which as I recall was 1941, although I am not certain about that.

Mr. HAWKES. I believe that is correct, but let me say that different dates have been applied by various communities for the imposition of rent controls. Federal rent control, I believe, was inaugurated in 1942, and took a certain period in 1941 as a base; but there are communities that have local rent controls which are based on a date as far back as January 1, 1941.

Mr. CORDON. Of course, as to rents in any area where the base period is identical for all properties, I can fully understand the application of the amendment Rents would simply be raised 5 percent successively in three raises. But what I have in mind is what would happen with reference to the rental values which have been placed on properties constructed, say in 1943, 1944, 1945, whereas I understand a different procedure necessarily has had to be followed in fixing the maximum rent ceilings. In other words, the ceiling in such circumstances has been fixed by taking into consideration the then cost of construction, maintenance, repairs, depreciation, and so forth. It would appear to me that an inequity might result if a 5-percent increase were given to a ceiling based, say, on 1941 prices and the same increase were applied to the ceilings which have been placed recently based upon recent costs.

Mr. HAWKES. I understand what the Senator has in mind, because I have given this subject much consideration. I will say to the Senator that no law which might be passed can do complete and absolute justice to everyone in connection with matters we have been voting on for a number of years. There is always an exception, and if we try to provide for the exception we will never get anywhere. I think the Senator will

find that in most cases of rental property which has been constructed recently in defense areas, the rate of rent fixed by OPA has been sufficiently low so that in view of increased wages and increased costs in practically all other lines, it will be found that the proposed increase in rentals will be necessary. Remember this is an authorization; it is not a direction. There will be found many landlords who will not raise rents at all if it is not necessary. I believe those engaged in the real-estate and rental business, as well as the owners of rental property, are quite as honorable as any other group in the United States There are those among them who are not as interested in the welfare of their fellows as others might be, but, overall, they are a pretty fine group of people.

Let me say to the Senator—and this is very important—that, as I happen to know, the life-insurance companies throughout the United States for a great many years have issued policies on which they have guaranteed from 3- to 3½-percent dividends to their policyholders. If they cannot make that dividend, they become badly off; they cannot keep faith with their policyholders; their policies become less attractive; and their financial stability may ultimately become affected.

Mr. CORDON. Mr. President, as the Senator has said, rental business is but another of the many businesses that make up the life of this country; but there are involved in it certain principles in the nature of computations of costs of properties, repairs, taxes, and so forth. Could the Senator help me by any information as to what percentage of rentals generally is deemed to go for current repairs?

Mr HAWKES I think that would be somewhat difficult to ascertain because the figures vary in different cases. I presume the figures are available, but I do not have them I intend to refer to some general costs and comparisons a little later on I shall be very glad, however, to get the figure for the Senator, if it is available.

Mr CORDON. I ask the question, if the Senator will indulge me further, because it is very apparent that the cost of repairs of buildings, including residences, apartments, and so forth, increases as the cost of construction increases.

Mr. HAWKES. That is true.

Mr CORDON. So if the percentage of the rental base which must be used to keep the building in repair and habitable represents any considerable portion of the rental charge it becomes obvious that if the repairs have increased and the cost of maintenance has increased and the rent does not reflect such increases, then there must be a loss sustained by virtue of the extra money which has to be paid out for that purpose, or else the properties themselves must deteriorate and become far less valuable and attractive to the people who use them.

Mr. HAWKES Before the Senator leaves the chamber—and if he leaves nearly everyone will be gone—I should like to ask him this question, which suggests the best test in the world: If today the Senator had money in the bank and he was looking for an investment, knowing what he does know about rent control and what has been done to the owners of real property for dwelling purposes, would he think of investing it in a housing program?

Mr. CORDON. If the Senator asks that of me as a question I would answer by saying that I do not know enough about the problem to answer it properly. But I will say that I certainly should not invest money in such an enterprise unless I had reasonable assurance that the money I put in would not be lost either by virtue of the fact that there was no return, or by virtue of the fact that there was not sufficient return to keep the property in livable condition.

Mr. HAWKES. Then let me ask the Senator another question. With the private enterprise system, the American system in force, with rent controls as they are today, and knowing whatever the Senator does know about the situation—and he must know something about it—does he think people with capital in the United States will be induced to build 1,250,000 housing units a year?

Mr. CORDON. I rather think, if that kind of a program is going forward under present circumstances, the Government of the United States will have to go further into the granting of subsidies and guarantee returns, or the buildings will not be erected.

Mr. HAWKES. And thereby fool the people; use the money collected from them in taxes, indirectly, and fool them?

Mr. CORDON. That is true in the case of all subsidies. I am sorry I took the Senator's time, but on that one matter I wanted the Senator's opinion.

Mr. HAWKES. I appreciated the Senator's interruption

It is proper to note here that the 18-year period from 1921 to 1938, inclusive, which was a business cycle containing as extreme ups and downs as the American people have experienced since we became a government, would seem to be a justifiable period for computation and comparison of rental values and receipts as compared with all other living costs.

Take the average of this period as 100 for par, and the figures of the situation today show that all other costs of living are at 119 percent, as related to this par of 100 Wages are at 140 percent as related to this par. But I call attention to the fact that rents are at 85.4 percent of this par.

Many people seem to think that landlords are all wealthy barons who are sapping the lifeblood out of the people. The truth of the matter is that out of the 8,200,000 individual landlords, there are hundreds of thousands, probably millions, of small landlords, consisting of widows and orphans and aged people who have the money left to them, or the money earned by themselves, invested in rental property.

Millions of these small people put their money into rental property because it is the type of a business which they felt they could run without knowing too much about economics and business principles.

I call the attention of the Senate to the fact that Theodore Roosevelt told the American people there was no safer investment for a widow or orphan, on which to rely for an income on which to live, than in sound improved real estate.

In our study of this situation, let us not forget that we have been paying attention to the fact that all other citizens who are on fixed income should have consideration with the increased cost of living kept in mind. I cannot think of any other group about whom we have not worried.

I ask, why should we choose to give these rental property owners no consideration and to use the agency of Government to depress even that income which they have? Certainly when costs of maintenance have gone up through heavy increases in wages and heavy increases in the cost of all the materials these landlords must buy to maintain properties, when we, through law, force them to accept as rentals on their properties only what they were receiving before these increases, we are doing an injustice. In my opinion, the American people and the representatives of the people cannot afford to permit this injustice to continue.

I have not found that the individual with small income is adverse to giving fair relief to the landlord. What the tenant is fearful of is an uncontrolled advance in rental. I have talked to many of them. I have talked to many people who have small incomes, and what they are fearful of is uncontrolled advances in rentals. They are not worried about an advance of two or three dollars a month, but about an advance of twenty-five to fifty dollars a month.

As I have said, I have talked with many people in the small-income brackets, and they recognize the injustice to the landlord. I talked to the caddy master at the Montclair Golf Club last Sunday, and he said he thought it was only fair that he should pay an increase in rent of six to seven dollars a month, in view of all the conditions, and he was perfectly willing to do it. He is on a rental basis of about $40 a month now.

The 5 percent that I am suggesting at the date of enactment of this law would raise his rent $2 a month. The 5 percent which would become effective November 30 would raise his rent another $2, and the 5 percent which would become effective March 31, 1947, would raise his rent another $2. This is in keeping with the tenant's own ideas of equity, and if my amendment were enacted it would prevent his landlord from raising the rent in an uncontrolled market $20 or $25 a month at one jump.

There are 17,591,000 rental dwelling units in the United States. This means that the rental dwelling units amount to nearly half of the total of 37,600,000 dwelling units in the United States.

The best estimate is that if this amendment of mine is enacted, and the five, five, and five increase goes into effect, the rent from 84 percent of the total dwelling rental units will be raised an average of $2 a month by each increase, which will mean that on and after March

31, 1947, the average rent on 84 percent of all the rental dwelling units in the United States will be raised less than $7.

I do not wish to go into too many statistics, but in the report from the Bureau of Census of the United States Department of Commerce, issued by Henry A. Wallace, Secretary of Commerce, under date of May 16, 1946, it shows that the average rent in the cities of the United States on so-called urban districts was $30.25 in the year 1945. The average rent in the rural, nonfarm districts was $15.60. These two put together make an average rent of $27.86, according to the Bureau of Census, Department of Commerce.

Certainly these figures are just as applicable now, because there have been no changes in rents since 1945.

The situation existing cannot go on without impeding the housing program, which we all consider so vital for the veterans and others requiring housing units. Out of hundreds of thousands of requests for authorization to increase rents because of hardship cases, which the amendments passed by the Congress in 1944 were presumed to take care of, I am informed that in May 1946 between 5,500 and 6,000 slight increases for relief had been granted on a hardship basis.

OPA claims that relief has been granted in 780,000 cases, but investigation into the facts will show that in all cases beyond the 6,000 referred to, the relief was only given because the landlord furnished additional facilities, such as new refrigeration or other things not contemplated at the time the lease was made. This gave no relief to the landlord. It simply replaced the cost of something additional he was furnishing to the tenant.

Now let us be practical and look facts squarely in the face. Is there a man in the Senate who would take his hard-earned savings and invest them in building dwelling units for rent under the conditions Congress has forced upon the owners of renting properties in the United States? I know I would not, and I am pretty certain that no one here would do it for any other purpose than charity.

I say again, let us be practical. Do we really want to bring decent dwelling units into existence for the veterans and the people who are clamoring for homes? We passed a housing bill and appropriated hundreds of millions of dollars to help this program. What right have we to vote the taxpayers' money out to do this with our right hand while with our left hand we are stymieing and stifling the production of rental units by free enterprise in the United States?

I quote from page 7 of the committee report on S. 1592, the Wagner-Ellender-Taft bill:

> The bill not only talks about stimulating and encouraging private enterprise, but also acts in that direction—

This is what the committee says—

> the bill leaves about nine-tenths of the field, or well over a million and a quarter houses a year, to be built by private enterprise.

Now, Mr. President, I want to ask: What right have we to hope that private enterprise will build nine-tenths of the dwelling units required by the people of America if we make it impossible for those investing their money under the private-enterprise system to get any kind of a return on their investment. It simply does not make sense to me. No free people have ever functioned successfully when their government has destroyed reward as an incentive to accomplishment.

In closing I wish to assure the Senate that the American way of making a living, or the way a free people have chosen to make a living, will not function if the Government administers justice only in spots and is willing to place the hardship for any given emergency situation on the doors of certain factors in that system. We must find a fair balance in equity, and the owner of dwelling units for rent is entitled to the relief I am requesting in my amendment.

Remember that the many widows of professors and educators, some widows of former representatives of the people in government, the widows and orphans of many of our best citizens look to the renting business as their means of livelihood. I request each Member of the Senate to ask himself if he is satisfied to permit the present situation to continue.

I have asked myself this question, and even though I am not the owner of any rental property in the United States, directly or indirectly, and have no stock or interest in any corporation or partnership which is a renter of dwelling property, I for one shall vote to give this relief in justice to a group of 8,200,000 people in the United States who are entitled to justice, the same as all of our other citizens.

Mr. President, I regret that so many Senators have been compelled to leave the Chamber that there seems to be only a handful who are interested in the preservation of the free enterprise system. It seems to me that there is nothing more important in the OPA measure than the subject which I have been discussing. The absence of Senators from the Chamber at this moment is a lesson to me as an American that the way we are functioning is almost futile, and I am saying to you, Mr. President, and to the few Senators who have seen fit to remain in the Chamber to hear about the plight of 8,200,000 persons who are being mistreated by the Government of the United States and by the Congress, that this lack of attendance gives me more cause to worry about the future than anything I have seen in the 3½ years I have been here. It is a great pity that Senators who have in their States many individuals who live on a fixed income, should disregard this very important amendment which is being offered for the purpose of giving just and fair relief to those citizens. I would feel that I was doing less than my duty if I did not say this. I have no regard for what happens to me politically. I have a regard for keeping faith with my conscience, for being decent and fair in the dealings I enter into and the things I do in the Senate to try to serve the people and find a fair balance in equity between all groups, whether or not they have a great mass of votes and put pressure on us, or whether they remain silently suffering while we fail to do our duty.

Mr. President, I urge the adoption of the amendment, and on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MOORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Overton
Andrews	Hoey	Pepper
Austin	Huffman	Radcliffe
Ball	Johnson, Colo.	Reed
Barkley	Johnston, S. C.	Revercomb
Bridges	Kilgore	Robertson
Briggs	Knowland	Russell
Brooks	La Follette	Smith
Buck	Langer	Stanfill
Burch	Lucas	Stewart
Byrd	McClellan	Swift
Capehart	McKellar	Taft
Capper	McMahon	Taylor
Carville	Magnuson	Thomas, Okla.
Donnell	Mead	Thomas, Utah
Downey	Millikin	Tobey
Fulbright	Mitchell	Tunnell
Gerry	Moore	Wagner
Gossett	Morse	Walsh
Green	Murdock	Wherry
Guffey	Murray	White
Gurney	Myers	Willis
Hawkes	O'Daniel	Wilson
Hayden	O'Mahoney	Young

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum is present. The question is on agreeing to the modified amendment offered by the Senator from New Jersey [Mr. HAWKES].

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House further insisted upon its disagreement to the amendment of the Senate numbered 7 to the bill (H. R. 6462) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. WALSH. Mr. President, I should like to ask the Senator from New Jersey a question. Perhaps he has answered it in his presentation. What is meant by the words "defense rental areas"?

Mr. HAWKES. That term is presumed to mean—and I think it does mean—the areas in which rent control has been made effective.

Mr. WALSH. Is the term defined anywhere as a matter of law?

Mr. HAWKES. No; but it is used in the rent-control law, and we have been following that rule.

Mr. WALSH. Is it used in the present OPA law?

Mr. HAWKES. It is.

Mr. BARKLEY. Mr. President, I do not care to take more than a few moments of the time of the Senate. The original Price Control Act contained a

provision with reference to rents in certain areas described in the law. That law has been administered with reasonable satisfaction, I think, during the past 4 years. It was started out well and on a sound basis under the guidance of Mr. Paul Porter, who now is the Administrator, and who at that time was in charge of the rent division of the OPA. I have no doubt that in some instances certain expenses may have increased in the last 4 years with reference to the operation of apartment houses. But there have been no new housing facilities constructed during the last 4 years. In regard to any new housing built since the law was passed, the Administrator is authorized to take into consideration the cost of construction. But, due to the war and to the conditions since the war ended, or since the actual fighting ended, there has been practically no new construction upon which that provision of the law could be operated as a basis. So, for all practical purposes, rental property today is the same property which existed and had been constructed prior to the war and prior to any increases in the cost of construction.

Such increases as have occurred, aside from the possible increases of taxes in some communities—and in some there have been none, because even prior to that they had reached the limit of constitutional authority as to maximum taxes levied for either municipal or State purposes—aside from the possible increases in taxes, which, of course we must all contemplate, and that applies to everyone who is on a fixed salary, it applies to us here, and it applies to all the so-called white-collar employees of the United States whose taxes have increased without any particular increase in their compensation, certainly no increase in compensation which is commensurate with the increases in other fields——

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GURNEY. I wish to call to the Senator's attention the fact that my State has a law which provides that when a house or any other real property of almost any kind, such as a barn or residential property or apartments, is constructed, it shall not be taxed the first year. That law was enacted with the purpose of having it serve as an incentive for the construction of new homes and new buildings of all kinds.

In March 1942 rents were frozen. It happens that one rental property in a defense area in my State was built shortly prior to the freezing of rents. Therefore the owner made a profit during the first year, at the end of which time the rents were frozen. Since then the taxes have gone up from $79 to $4,000 a year on that piece of property. The owner is now operating it at a loss. He cannot pay the maintenance costs at all. It has been impossible for me to assist him in getting the OPA to look into the matter and make an adjustment which would even pay for the increased taxes, to say nothing of increased maintenance costs.

Mr. BARKLEY. It seems to me that that would be a very extreme case, when local taxes in 4 years would go up from $79 to $4,000.

Mr. GURNEY. The tax of $79 was the tax on the land. Then, a year after the building was constructed, the increase occurred.

Mr. BARKLEY. Of course, the taxes went up when the owner improved the land by erecting a building upon it.

Mr. GURNEY. That is correct. But then the rents were frozen.

Mr. BARKLEY. But the first year he had no tax on the improvements. Probably South Dakota is the only State in the Union where there is such a provision of law. So the owner was that much better off than he would have been if he had lived in some other State.

Mr. GURNEY. The matter is a little more complicated than that.

Mr. BARKLEY. I do not know how valuable the property is, or whether it is an apartment house.

Mr GURNEY. It is an apartment house, and he rents the apartments for $35 or $38 a month.

Mr. BARKLEY. I imagine it is true in the Senator's State, as it is in most other States, that property for local taxation purposes is assessed at not more than 60 percent of its real value. So if he is paying $4,000 in taxes, he must have a rather considerable piece of property.

Mr. GURNEY. It contains 100 apartments.

Mr. BARKLEY. That is quite an apartment house.

Mr. HAWKES. Mr. President, I ask the Senator to yield to me for a moment, because I think it is foolish to be talking about what the taxes were. The point the Senator from South Dakota has made is that the owner is running that business venture at a loss. Is not that the point?

Mr. GURNEY. He is renting at a loss; and he has presented his case completely and in detail to the OPA, but the OPA will not consider an increase of any kind.

Mr. BARKLEY. Of course, I think all of us recognize the fact that the Federal Government cannot fix either prices or rents based upon the taxes charged by a local government either upon the property or upon the man's occupation. What is a fair rental and a fair and a just price under the circumstances is the basis of OPA action. If the tax question is taken into consideration, there can be no uniformity at all in rents, either upon the same property or upon similar property. If the whole matter depended upon how much the tax might be, there might be a piece of property of the same kind, with the same number of apartments and the same sized apartments, in one town, and the rent would be a certain amount there on account of the taxes, and in an adjoining city or county the rent on a similar piece of property would be something else, because of a difference in the taxes. I do not see how the question of taxes can be used as a basis for attempting to fix uniform rents or similar rents based upon similar property.

Mr. HAWKES. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. HAWKES. I think the Senator is quite correct, and I am not interested in the question of trying to adjust Federal rent control to local taxes, or anything of that kind. I am speaking about the over-all proposition.

Mr. BARKLEY. I understand that.

Mr. HAWKES. I wish to correct something the Senator said, because I do not agree with him about it at all. He has said that there have been practically no increased costs to the landlord since last year, except possibly in taxes.

Mr. BARKLEY. No; I did not say that.

Mr. HAWKES. That is what the Senator's statement meant to me.

Mr. BARKLEY. The Senator must have misunderstood what I said. I said that aside from the field of taxation, which I did not think we could consider here, there have undoubtedly been increases in the cost of operation of apartment houses. I may not have stated clearly what I intended to state, namely, that in regard to the rental of individual houses there has not been the same amount of increased cost, because there have been very few improvements. It was impossible to obtain lumber with which to repair them or paint with which to paint them. So there was no particular increase in the upkeep of an individual house which was rented. That statement might not apply to an apartment house which had to employ elevator men and other employees, whose pay may have been increased.

Mr. HAWKES. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. HAWKES. I agree with the statement the distinguished majority leader has made, that statistics can be used to prove almost anything; yet I notice that he uses them right along, just as I do, so we are both even on that score. But I wish to say that the records—and I believe the ones I have are correct—show that out of hundreds of thousands of applications to the OPA for relief on rental property, only 6,000 adjustments of rent have been made, except as related to adjustments for increased facilities, such as refrigeration or improved service to the tenant, and such increases do not mean any additional income to the owner of the building. So there have been only 6,000 adjustments out of hundreds of thousands of hardship cases. I am very sorry that the Senator from Kentucky and many other Senators were not here to listen to what I said on the subject of the amendment. I do not know how I can convince anyone who does not hear me.

Mr. BARKLEY. I heard most of the Senator's address.

Mr. HAWKES. No; the Senator from Kentucky missed all of my facts and figures, which are very interesting, I assure him.

Mr. BARKLEY. I have no doubt that they are interesting. The Senator understands why I had to be absent from the Chamber.

Mr. HAWKES. I certainly do understand. I am not criticizing the majority leader for being absent, but I am saying that I know of no way to convince a buyer that I have something to sell him unless he will sit and listen to me.

Mr. BARKLEY. If I were in the market to buy something and were interested in the quality of it or the price of it, I would listen.

Mr. HAWKES. I thought the Senator was in the market to buy the opportunity to serve justice to the American people.

Mr. BARKLEY. I am not in the market to buy the privilege of serving the American people. I am in the market to try to serve them to the best of my ability. That is what I am attempting to do at the present time.

Mr. HAWKES. At the salary which the Senator is paid I think he is buying the privilege.

Mr. BARKLEY. That may be. That may be the fault of the Members of Congress. At any rate I do not wish to go into individual cases of hardship. I think it is bad policy for Congress to instruct the Administrator to increase rents 5 percent, 10 percent, or 15 percent. For Congress to pursue that policy would be just as bad, I think, as it would be to instruct the Interstate Commerce Commission what rates should be charged for hauling a piano from New Jersey to Kentucky or for hauling some other article that distance. I know that Congress has the power to regulate such matters, but it has never attempted to exercise it. I think it is a bad approach for the Congress of the United States, on the basis of limited facts available to it, to rely only on hardship cases which are called to its attention and write into the law an instruction that the Administrator must raise rents all over the United States in progressive stages as much as 15 percent.

Mr. HAWKES. Which policy does the Senator believe is the worst, the policy of instructing the Administrator to do justice or the policy of allowing 8,200,000 persons, who have chosen as their business the investment of their capital in rental property, to suffer financially and be tied economically to a post?

Mr. BARKLEY. I do not agree that 8,200,000 persons have been tied to the post and are all suffering. But even if that were true, I would still maintain that, while it is the duty of Congress to undertake to lay down standards of justice to everybody, the Congress is not in possession of all the facts which are necessary to enable it to tell any administrator exactly what is justice in terms and figures, or percentages of increase, with respect either to rents or prices. That is my position.

Mr. TAFT. Mr. President, I wish only to invite attention to one thing. The administration of rents is different from the administration of prices. What was done in every case was this: The Administrator would go into a town when he found rents there were likely to go up or be affected by war conditions, and establish a base period. I believe that April 1, 1940, was the earliest date permitted, but different periods were used in different towns. The act provides that so far as practicable, the Administrator shall give due consideration to the rents prevailing on a certain date. In other words, those rents were frozen under the act. The act provides that the Administrator shall make adjustments for relevent factors such as he may determine and deem to be of general applicability in respect to the conditions, including increases or decreases in property taxes, and other costs within such defense-rental area.

Perhaps it is a sweeping statement to say that the Administrator has never increased the original base period rents, but I believe that statement is roughly correct. In a great majority of cities he has not increased rents beyond what they were on the date when the rents were first frozen. He has deliberately disregarded the instruction of the Congress to increase the general base rate when it includes increases in other costs. We know that in every city there have been increases in costs of operating properties. So we have a pretty good prima facie case for the presumption that the Administrator has disregarded the law. I believe that fact justifies some action on the part of Congress in declaring that certain general costs have actually occurred.

Mr TUNNELL. Mr. President, I should like to say a few words in opposition to the amendment as I understand it to be in its present form. In the first place, it requires that there shall be a 5-percent increase effective on and after the date of the enactment of the Price Control Extension Act of 1946. In other words, all rents will be increased 5 percent, or the owner will be permitted to increase them by 5 percent, whether an increase should take place or not.

On November 30, 1946, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date.

On March 31, 1947, he shall allow an additional 5 percent, or a total of 15 percent. The Administrator is not only authorized but directed by the Congress, regardless of the merits of any particular case. With all due respect to the amendment and its author, I think it is about as unfair an approach to the problem as I have ever seen. However, Mr. President, the proposal is not alone one to permit a 5 percent, 10 percent, or 15 percent increase in rents regardless of the merits involved, but it is a proposal to turn loose 48 State legislatures to work on the problem. As I understand the amendment, it provides that there may be 48 separate standards and regulations established with respect to rentals, and the Administrator is not allowed to interfere at all with the matter in States which have made arrangements to handle the problem. It would be entirely possible that in one State there would be a 100-percent authorization, in another State a 10-percent authorization, in another State a 50-percent authorization, and so on. In other words, the amendment provides for an entire release of all rental control so far as the Federal Government is concerned. It may be that in some States the provision with respect to landlords will be so inadequate that it will result in unfairness to them.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. HAWKES. Do I understand correctly the Senator to say that he has no more confidence in the governors or legislatures of the various States than to believe that they would raise rents 100 percent?

Mr. TUNNELL. I understood the Senator some time ago, during the course of the discussion, to be very much alarmed over what the governors of some States might do in connection with some matters. I do not want to have any more confidence in them than he has.

Mr. HAWKES. Will the Senator explain to what I had reference?

Mr. TUNNELL. I do not have time to do so.

Mr. HAWKES. I think the Senator will find that if I was ever alarmed over what some governor might do, it was very peculiar.

Mr. TUNNELL. I imagine it was peculiar.

Mr. President, the proposal of the Senator from New Jersey is to remove all control of rents, and take the authority to control them away from the Administrator. The control of prices of meat has been destroyed and the prices are shooting up, notwithstanding what the Senator from Nebraska has told us. Prices of all kinds of commodities are increasing. The situation has now become such that the people of the Nation are alarmed. The pending amendment proposes to release rents from control.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. HAWKES. I am sure the Senator does not want to misrepresent the purpose of the amendment. The amendment is intended to do diametrically the opposite of what the Senator has said.

Mr. TUNNELL. I have no doubt the Senator thinks it is, but I do not believe it is, and I will tell him why. I do not propose that an amendment such as this shall be adopted without a protest.

Mr. HAWKES. That is all right, that is perfectly proper, but I do not want the amendment misrepresented.

Mr. TUNNELL. And I do not want it misrepresented from the Senator's side, either.

Mr. HAWKES. The Senator can read the English language——

Mr. TUNNELL. The English language is not clear to the Senator, apparently, because he was not able to define the language in his own amendment when he was interrogated a few minutes ago

Mr HAWKES. That is just a difference of opinion.

Mr. TUNNELL. Here is a proposal to attack the control of rentals, and, instead of permitting the director to have anything to do with the matter, he is directed in all cases to raise the rentals three times by March 31, 1947. I emphasize the word "directed."

What is the use of having a director? Why did not the amendment provide that the rental shall be raised without bothering with any director? Why should there be any director? The Senator proposes to take all discretion from him, and instead of people being protected in their rentals, they will be in such a position that they will be required, so far as the pending amendment is concerned, to pay rentals of 10 times the amount they are now paying. I do not know what the intention of the author of the amendment was; I am talking about what the effect would be. It is the most dangerous amendment I have heard offered in the wild orgy of amendments

which have been presented to the pending measure.

I thought that practically everyone was agreed that there was a necessity for some kind of control of rentals so that some judgment could be used. This amendment does not permit the slightest judgment to be used. There must be a 5 percent increase three times. It seems to me that in the matter of rentals there must be some opportunity for the exercise of judgment. Certainly that was the intention.

This amendment is to apply in all defense rental areas. I do not know where those areas are in peacetime. I do not know when peace will have been agreed upon; I do not know whether it is the intention that in all the areas of the United States this amendment shall apply, or whether it means that so long as the technical state of war continues this authority shall be compulsory. I do not know what the object is. I do not know what the meaning of the amendment is. I do know that it means a complete disruption of any rental control in the United States so far as the pending joint resolution is concerned.

Mr. MAGNUSON. Mr. President, will the Senator from Delaware yield?

Mr. TUNNELL. I yield.

Mr. MAGNUSON. Is it not true that under the present Price Control Act the regional directors of OPA are allowed to make certain adjustments for costs in the various areas, on proper showing by landlords?

Mr. TUNNELL. Yes. The Senator from New Jersey, as I recall, said there had been seven or eight thousand adjustments, and it was claimed there had been 700,000 adjustments for cause, such as replacing refrigerators, or certain changes in conditions. So seven or eight hundred thousand such adjustments have been made. But the amendment provides that in all cases, whether the refrigerator has been taken out or put in, there shall be this direction to raise rents 5 percent three times by 1947.

Mr. President, I hope the amendment will be rejected.

Mr. HILL. Mr. President, the Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of illness in his family. He has communicated with me concerning the pending amendment, and had hoped to secure a pair against the amendment. Being unable to secure a pair for the Senator from South Carolina, I wish to state, on his behalf, that if present he would vote "nay." The Senator from South Carolina also requested that I make the following statement for him:

Because of illness in my family I am unable to be present to vote against any change in the present rent-control law. I believe rent control has been well handled and has saved many a family from eviction, and has kept down the cost of rent in the interest of the wc king people of the United States.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. HAWKES] which will be stated.

The CHIEF CLERK. On page 16, line 14, after "SEC. 5" it is proposed to insert "(a)."

On page 17, after line 2, insert the following new subsection:

(b) Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows

"The Administrator shall authorize an increase of 5 percent, effective on and after the date of enactment of the Price Control Extension Act of 1946, in the maximum rent in effect on June 30, 1946, in all defense-rental areas. On November 30, 1946, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas On March 31, 1947, the Administrator shall authorize a further increase of 5 percent in the maximum rent in effect on that date in all defense-rental areas: *Provided*, That whenever any State, or political subdivision thereof, has established provisions for the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended and extended, and no regulations, orders, or requirements thereunder (except as to offenses committed, or rights or liabilities incurred, prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State or political subdivision, as the case may be."

Mr HAWKES. Mr. President, the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], and the Senator from Nevada [Mr McCARRAN] are detained on official business at various Government departments.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Wisconsin [Mr. WILEY] are unavoidably detained on official business

The result was announced—yeas 14, nays 58, as follows:

YEAS—14

Ball	Millikin	Smith
Capehart	Moore	Taft
Carville	O'Daniel	Thomas, Okla.
Hawkes	Radcliffe	Wherry
McClellan	Reed	

NAYS—58

Aiken	Hill	Overton
Andrews	Hoey	Pepper
Austin	Huffman	Revercomb
Barkley	Johnson, Colo	Robertson
Bridges	Johnston, S C.	Russell
Briggs	Kilgore	Stanfill
Brooks	Knowland	Stewart
Buck	La Follette	Swift
Burch	Langer	Taylor
Byrd	Lucas	Thomas, Utah
Capper	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Wagner
Fulbright	Mead	Walsh
Gerry	Mitchell	White
Gossett	Morse	Willis
Green	Murdock	Wilson
Guffey	Murray	Young
Gurney	Myers	
Hayden	O'Mahoney	

NOT VOTING—24

Bailey	Eastland	McFarland
Bilbo	Ellender	Maybank
Brewster	Ferguson	Saltonstall
Bushfield	George	Shipstead
Butler	Hart	Tydings
Chavez	Hatch	Vandenberg
Connally	Hickenlooper	Wheeler
Cordon	McCarran	Wiley

So Mr. HAWKES' amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 38 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 10, 11, 12, 13, 14, and 38½ to the bill, and concurred therein, severally with an amendment,

in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate numbered 39 to the bill.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. KNOWLAND. Mr. President, on behalf of the junior Senator from Michigan [Mr. FERGUSON] and myself, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK At the proper place in the joint resolution it is proposed to insert the following new section:

SEC. — (a) Whenever any State, or political subdivision thereof, has established provisions for the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State or political subdivision as the case may be.

(b) The Administrator is authorized and directed to cooperate with any such State or political subdivision to the fullest extent, and, to that end, he shall make available to the proper officials of such State or political subdivision such records and other information in his possession which may be requested by such State or political subdivision to enable it to effectively control and regulate such rents.

Mr. KNOWLAND. Mr. President, this amendment, unlike the previous one which was offered, does not provide for an increase in rentals. I, along with the majority of the Senate, opposed that amendment because it was establishing a new precedent in setting prices on a particular commodity. I wish to call attention though to the fact that if there is any commodity that may be better handled by the States than rentals and housing I do not know what it is. Unlike most other commodities, housing cannot flow in interstate commerce.

I wish to call attention to the fact that conditions in various parts of the country vary considerably In some areas, such as in my own State of California, there is a very serious housing shortage, particularly in the metropolitan and the war industry areas. In other communities, even in the State of California, there is not a critical housing shortage. Conditions vary in the different cities and areas in the United States.

At this point, Mr. President, I wish to read a few telegrams I have received, some from California and some from other States of the Union. The telegrams are as follows:

WHITTIER, CALIF., *July 10, 1946.*

WILLIAM F. KNOWLAND,
United States Senator, Washington, D. C.:

Your amendment depriving OPA jurisdiction over rents where cities or States established own rent ceilings since June 30, is good legislation Hope you can secure adoption. Los Angeles County yesterday adopted rent ceilings. Please include counties in your amendment. Whittier paper reports survey here indicates only few landlords increased rents excessively.

JOSEPH L. PADEN.

SAVANNAH, GA., *July 10, 1946.*

Congratulations on your stand to abolish OPA rent ceilings where cities and States provide control Savannah has already set up a fair rent committee

WILLIAM C GILBERT.

NEW YORK, N. Y., *July 10, 1946.*

Heartily endorse your proposed amendment to permit those States with rent-control laws to manage their own affairs The real-estate industry is a purely local matter requiring local adjustment.

JOHN D COLGAN.

NEW YORK, N Y., *July 10, 1946.*

We heartily endorse Knowland-Ferguson amendment providing for the return of rent control to such States as are willing to assume responsibility. We pledge the support of owners controlling 2,500,000 housing units in New York City We believe your amendment is a proper one since rent control should be a purely local matter. Count on us for all the help possible

JOSEPH F ADDONIZIO,
Vice Chairman, Metropolitan Fair Rent Committee, New York.

BROOKLYN, N Y., *July 10, 1946.*

I urgently appeal to you to exempt the State which have rent-control laws at present from the provisions of any Federal rent laws.

B CHESS.

I wish to say, Mr. President, that a statement was made by one of the speakers in opposition to the previous amendment which I do not think was quite in keeping with the facts. The section which the Senator from New Jersey had included in his amendment and which was somewhat similar to our amendment would not, nor would this amendment decontrol rentals in the same sense that the Senate has decontrolled meat. To the contrary, it provides that controls shall be retained, and they shall be retained under OPA administration on a Federal basis unless and until the State or the political subdivision provides local or a State control over rentals.

Mr President, there have been statements made on the floor of the Senate from time to time which would appear to give the impression that all the virtue and all the wisdom and all the intelligence is in the Nation's Capital at Washington. My own opinion is that this vast country of ours is too complex an economic organization to be controlled from Washington for any extended period of time. During war time it is, of course, necessary that there should be such control, because we take men into the armed services and tell them where they will have to go, where they will have to fight, and what they will have to do. Of necessity, in order to win the war, we had to set up rigid controls in our economy and had to tell people what they should produce and where they should work. The American people fully recognized this fact and were willing to have such rigid controls in order to win the common victory. But, Mr. President, we have now been out of war for a period of about 1 year. I think it is high time, where we can do it with safety, to start turning these vast powers back to the people by whom they were entrusted to the Federal Government.

Mr. President, this country got its start and laid the foundation which enabled it to grow from a small colony of 3,000,000 people on the Atlantic seaboard to become the greatest nation on the face of the earth in the old New England town type of meeting. There the people meeting together, and knowing their local problems, and knowing their neighbors, established a form of government that is second to none anywhere in the whole world. I do not believe that we should take the position that the people, the States, or the localities are incompetent. I do not believe that this body has the right to take the position that those serving in State legislatures, or as State executives, members of boards of supervisors, city councilmen, or mayors, are any less patriotic than are we. I do not believe that we should say that they are incompetent to do this job.

My general observation has been that, by and large, when the Government is brought close to the people, when citizens can go to their city council meetings and make their protests heard, or can go to their boards of supervisors and petition in person, or drive to their State capital in a few hours and appear before their State legislative committees, the people are likely to get just as good government as we give them from Washington, if not better.

From my State of California, the Nation's capital is almost 3,000 miles away. Four or five days' travel are required by train for a citizen to come here and appear in person. It is true that by plane he can get here overnight; but it is an expensive undertaking to make a trip by railroad or airplane; and the cost of living in Washington is high. As a result the average citizen who feels that he has been imposed upon finds it very difficult, except by letter or telegrams, to make contact with his representatives in Washington; but if we return this function to the localities, he will be able, in a few minutes, to go to his local government and present the facts.

For this reason, Mr. President, it seems to me that this is a reasonable, sound, and sensible amendment. I certainly would not stand here and advocate the removal of rent controls. Fifteen million men have served their country in the armed forces, and during the entire war period the building program has not been able to keep pace with normal demands. As a result there is a housing shortage. Consequently, if an unconscionable rent increase is made, the veteran or other tenant is unable to find himself another home, as he can do in normal times. He is evicted, and perhaps cannot find shelter for himself and his family. For that reason neither I nor the Senator from Michigan [Mr. FERGUSON], who is also sponsoring this amendment, would be advocating it if we thought for a moment that it meant the removal of rent control, which will be necessary until our building program

catches up with the normal demand for housing. But this amendment would do no such thing. It would continue control in the OPA until and unless the States and the localities should establish their own controls. For that reason I ask the support of the Senate for this amendment.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. BUCK. I merely wished to make one point clear. If a State does not now have such a law, and its general assembly should see fit to enact a law, would the control of rents automatically pass to the State?

Mr KNOWLAND. I will answer the Senator by saying that I believe the language of the amendment covers that point. It is the intent of the author of the amendment that any State or political subdivision which now has a rent-control law, or may hereafter enact one, shall come under the provisions of the amendment.

Mr BUCK. A State or other political subdivision would automatically take control.

Mr. KNOWLAND. Whenever it notified the OPA Administrator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. BARKLEY. Mr. President, I wish to discuss the amendment very briefly before we vote on it. I think it might be well to submit to the Senate a very brief statement as to the efforts on the part of States and municipalities to deal with the subject of rents.

Up to today only 3 or 4 of the 48 States have taken any steps whatever to institute local rent control. One of them acted under a proclamation of the governor. There is grave doubt as to the constitutionality of his action or his authority to issue a proclamation dealing with rents upon the lapse of the Stabilization Act on June 30. In that State the governor made the effort, by the issuance of a proclamation, to institute local rent control during the interim. As I say, his authority to do so is under very grave doubt. At any rate, he did make the effort, and the effort is commendable. But up to today only 3 or 4 of the 48 States have made any effort to institute any sort of local rent control. Most of the governors of States have stated either that they contemplate no action, or that they are doubful as to their authority to control rents.

Mr. KNOWLAND. Mr President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. As a matter of fact, under the existing controls of OPA it would do no good for a State or locality to establish local controls, because the Federal Government has jurisdiction in its own hands Is not that correct?

Mr. BARKLEY. The Legislature of New York State enacted a rent-control act during the life of the OPA.

Mr. KNOWLAND. But that was done through the foresight of Governor Dewey, who recommended that the State have a rent control act ready in case the Federal rent control law should not be effected.

Mr. BARKLEY. That is true. I suppose the legislature shared some of that foresight, because it enacted the law.

Mr. KNOWLAND. I presume it did. We will give them both some credit.

Mr. BARKLEY. But even in the few States which have attempted rent control the governors have clearly indicated that the State controls are only temporary stop-gaps until Federal controls can be reestablished. So even in the State of New York, which enacted a rent-control act during the life of the OPA, the act was only a stop-gap pending the reestablishment of Federal rent control. I commend whcever was responsible for that action in New York State; but that is only one State out of 48. Since the lapse of rent controls such States as have undertaken, through their Governors or otherwise, to institute rent controls have done so frankly with the idea that the attempt was only a stop-gap awaiting the reestablishment of rent controls by the Federal Government.

There are also a number of technical reasons why the Senate ought to think seriously before adopting an mendment of the nature of that offered by the Senator from California. From 1919 to 1930 a number of rent statutes were enacted by various States. Some purported to regulate only a segment of residential rents. Others dealt primarily with evictions, while at least one, after its passage, was declared unconstitutional by the highest court of the State under the State constitution.

Wou'' the enactment of any State law purporting to regulate rents in some particular make mandatory the decontrol of all areas within the State? The amendment offered does not deal with that subject. Would the enactment of enabling legislation authorizing the municipalities within a State to enact rent ordinances carry a similar mandate? In other words, if the legislature of any State should enact a law authorizing the municipalities to initiate rent control within their boundaries, and the Governor of the State should so certify to the Price Administrator would that be a compliance with this amendment, although t..e municipalities might never enact ordinances dealing with local rents? That is a legal question which I do not answer, but I think it is one which ought to be raised.

If we ..re to deal with this subject so as to step out of the picture when the State legislature or any other State authority which has the constitutional power to do so takes charge, we should be interested in knowing whether the State authority has acted adequately or inadequately. The enactment of a law by a State legislature authorizing municipalities to institute rent control might be regarded by the Governor as a sufficient basis for him to certify to the Administrator that the State had enacted an adequate rent law, although the municipalities might never act within their own jurisdictions.

Under sporadic local controls following World War I rents in the United States jumped about 50 percent. Rent control during the present national housing shortage is really a national problem. We have recognized it as such by the enactment of the law. If we had thought that it was not a national problem we would not have included rent control in the Price Control Act. If Congress had thought that the States could or might deal adequately with the question, looking at it purely as a local problem, Congress still would not have included rent control in the Price Control Act.

The same reasoning applies to the Veterans' Emergency Housing Act. We have recognized that problem as a national problem. In that act we have established certain regulations and controls by reason of which the housing problem and the housing shortage, as applied to veterans and their conditions, are dealt with as a national problem through an act of Congress. I do not know to what extent this amendment would impinge upon that.

But in spite of all these objections, Mr. President, I have suggested to the Senator from California that if he would be willing to modify his amendment so as to eliminate the reference to political subdivisions of the States, and also add the word "adequate —and the word "adequate" would be interpreted by the Governor of the State, not by the Administrator in Washington—I would be willing to take the amendment to conference. I do not think it is adequately drawn. The problem is one which I think should be worked out in deliberations.

I myself have no objection to having the Federal Government step out of the picture in any State where there is adequate local rent control. But I am fearful that in the impulse to get the Federal Government to relinquish rent control in a State and the impulse of some local authority to take charge of rents in the State, we might do something which would be injurious to the housing situation and would create a spotty condition in the matter of housing in the United States.

I am assuming that this measure will go to conference and that it will have to be worked out in conference. Certainly that is the course which I think it should pursue. I am suggesting to the Senator from California that he limit his amendment to the State as a unit. I realize that probably in San Francisco and in Los Angeles rent control legislation has been enacted. But those regulations or measures may be different, and probably not in harmony with each other, depending on the local conditions. I realize that in the city of Cleveland, Ohio, one rent control law might have been passed, and in the city of Cincinnati, Ohio, another one might have been passed, and such provisions might very vitally affect veterans who are a part of our national obligation, as we have recognized.

If the Senator from California is willing to modify his amendment so as to limit it to the State unit, instead of having it apply to local subdivisions as well, and to include the word "adequate," which would be a word to be interpreted and passed upon by the Governor of the State, not by the Administrator here in Washington, I would have no objection

to taking the amendment to conference. I say to the Senator that in the conference, inasmuch as there is nothing on the subject in the House version of the joint resolution, the conferees would be free to act comprehensively on the subject. But I think we should be given an opportunity to look into the feasibility as well as the advisability of including every local community within a State as a separate unit, or dealing with a problem which is a national problem on account of the widespread shortage of houses all over the United States.

Mr. KNOWLAND. Mr. President, my colleague, the Senator from Michigan [Mr FERGUSON] will shortly speak for himself on this situation. We are joint authors of the amendment. But speaking for myself, I went over the suggested modification of the amendment which the able majority leader has presented. I went over it with my colleague, the Senator from Michigan. I do not believe it meets the problem which we feel should be met. I appreciate very much that the able majority leader feels that he will be able or hopes that he may be able to accept the amendment and take it to conference. I may say that if it is taken to conference, I hope the Senate conferees will make a fight to retain it in the joint resolution. For the very reason the able majority leader pointed out is, I think, is one of the best arguments for the amendment as submitted by the Senator from Michigan and myself. California has a coast line 1,000 miles long and embraces an area which perhaps would represent most of the States on the Atlantic seaboard. The great State of Texas covers a large area which perhaps represents 20 or 30 States of normal size in other sections of the country. For that reason, I believe that the judgment of the State legislatures and of the localities should be taken into consideration in connection with meeting what is purely a local problem in peacetime I am quite willing to admit that in wartime, with war industries being moved from one section of the country to another, there is a logical argument for including housing in a national act.

Mr. BARKLEY Mr. President, not only have we included housing in a national act in wartime, but we have passed a housing act since the fighting ceased. Of course, we are not yet technically at peace, although we have been out of the war, from the standpoint of actual conflict, for nearly a year; it will be a year in September. But, notwithstanding that fact, we have recognized the housing situation as a national problem. It cannot be dealt with otherwise. It is a national problem, and it is especially a national problem where it involves our ex-servicemen, in whose behalf we passed the Emergency Veterans' Housing Act only a few months ago.

So this matter should be placed in such a status as to enable the conferees to go into the whole subject and deal with it in their deliberations.

It is for that reason that I have suggested to the Senator from California that the elimination of the words "local subdivisions" will not in any way handicap the conferees in dealing with the matter, because there is nothing on the subject in the House version of the joint resolution, and so the amendment will give them an opportunity to look into the question of the efficacy of municipalities in controlling rents, and whether they have authority under the State constitutions, in cases where the matter has not been passed upon by the courts, to initiate rent controls; or if they do not have such authority, but where the matter had been determined by the courts, if they have an adequate law in the State, whether the assumption of jurisdiction by the State would be possible after the Governor had made a certification, as provided by the amendment, and after the Federal Government had vacated the field.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. It seems to me that in the conference the conferees would be more likely to adopt the amendments if we put them in now, rather than they would be if we now eliminate them. The Senator's suggested provision would amount to saying, "Well, in his discretion he does not have to do it if he does not want to." So it seems to me to be a much more comprehensive amendment if the Senate adopts it in this way. Whether the conferees could make it stronger seems somewhat doubtful.

So if the Senator wishes to take the amendment to conference, why not adopt the original Knowland amendment?

Mr. BARKLEY. Mr. President, I am not suggesting that the Administrator be given additional discretion. All I am suggesting is that the question of local subdivisions be eliminated.

Mr. TAFT I thought the Senator from Kentucky was suggesting that the Administrator be given the power to say, "No; this is not adequate."

Mr. BARKLEY. No; the Senator from Ohio is not interpreting my suggestion as I myself have interpreted it. I said that the question of adequacy would be a matter for the Governor himself to pass upon, not the Administrator here in Washington. The Governor would certify to the Administrator that an adequate law had been passed in the State, and that would be the end of it, insofar as the OPA was concerned; and the Governor, not the Administrator, would pass on the matter.

I am merely making these suggestions in an effort to be helpful, and this is all I wish to say about the matter. If the Senator from California and the Senator from Michigan or other Senators think my suggestions harmful, instead of helpful, the Senate can pass on the question itself.

Mr. FERGUSON. Mr. President, I wish to say a few words on the amendment. The amendment takes for granted that there should be rent control. I think the reason that rent control should continue, although I am against controls, is that there is a shortage in the supply of housing, and the current building will not catch up with the demand very soon. There is evidence that in the case of people who are now living in houses, their rents have been raised in some cases to such an extent that they can no longer remain in them and pay the rent, and they are not in a position, as in the case of other commodities, to go out and buy them in an open market. In other words, they are not in a position to rent houses in an open market. So we take it for granted that rent control should be had at the present time. Naturally, it should be removed at the earliest possible date.

A great many inequities have resulted from trying to control this situation from Washington. I simply wish to call the attention of the Senate to Detroit. Detroit's rents were fixed as of March 1, 1941. Chicago's rents were fixed as of March 1, 1942. The rents in other large cities were fixed as of March 1, 1943. There is no doubt that great inequities and great injustices have been done in the case of Detroit. But, Mr. President, I have not felt and I do not now feel that an over-all absolute rent increase of 15 percent is the proper way to proceed.

In this case, as in all such cases, the difficulty is that we try to centralize the matter in Washington. I wish to say that Paul Porter knew nothing about the rent situation and the building situation in the large city of Detroit and in the other cities; yet I know that in many cases people came to Washington—yes; even widows came here—and pled that they might have the rents for their property increased so that they could even make the expenses and pay the taxes and their other costs. He absolutely ignored them, because he sat in Washington. What I think the Government in Washington should do is to send the matter back to the local community. The time has come when we should do more than give lip service. We should act by trying to return the government to the people from which it stemmed. That is the reason I have put my name upon this amendment.

Mr. President, we talk about whether or not the law will be unconstitutional in a particular State. If it is unconstitutional it is not law, and it will not control rents. We have had some experience in Michigan with municipal control. That is why I could not consent to take the control of rent away from the municipality. In the city of Flint, Mich., 100,000 people have lived under a rent-control ordinance. Paul Porter and the Government at Washington have remained out of the picture, and the local rent-control authorities have administered the matter satisfactorily to the people of the city of Flint, thereby demonstrating that the local government can control the situation.

Mr. President, I should like to see those who have control over the lives of others be compelled to walk down the same street and on the same side of the street with those whom they would control. That is all this amendment would require. It would return to the people of the United States their Government in connection with this very vital question of rent control. I hope that the Senate will, by a large majority, adopt the idea

of returning the Government to the people.

Mr. MAGNUSON. Mr. President, I expect to be very brief. I do not disagree with the Senator from Michigan about returning control to the local governments. I had hoped that the Senator from Michigan and the Senator from California would accept the suggestion of the able majority leader.

Mr. President, the pending amendment might operate successfully in Michigan, but I am sure that nothing but confusion would result if it were to be applied in some States such as, for example, my own State of Washington in which there are four or five great urban centers, the city limits of which are a part of counties.

In some instances the city may be governed by a council. There may be many different types or forms of government. Sometimes it is hard to tell where the city ends and the county begins. The city of Seattle, which is King County, is a desperately congested area, just as was Detroit when the rent controls were established, and, I think, probably at the wrong time. In my State this is what would happen: A board of county commissioners would meet. There are 39 counties in the State, and approximately 300 first-class cities. There would be at least 339 different types of rent control in the State of Washington unless the legislature of that State took appropriate action. Who would do the certifying? Suppose the board of county commissioners in King County should say, "We have rent control here. We are providing for a 20 percent increase." The board of county commissioners so certifies to the OPA regional director. Then the city council meets and passes a new rent control ordinance.

The Senator from Michigan spoke about persons in the same community walking up and down the same side of the street. In Washington there are working families living on one side of a street under one system of control, and other families living on the other side of the street, across the city line in a county, living under an another system of control. Perhaps the ones living in one area pay twice as much as those who live in the other area. It all depends on what type of control has been established by the county commissioners, and the type which has been established by the city council.

Mr. President, I may also point out the fact that it requires some time to determine whether cities have the right to pass rent ordinances. If all congested areas were included within city limits where a separate political subdivision could deal with rent control, the pending amendment would be satisfactory. In various States there are separate and different types of political subdivisions. There are different types of political control in the various subdivisions. There are different types of thought among the people with regard to what should be done.

I am sure that a great deal of confusion would result in many States from the adoption of this amendment. In Los Angeles County there may be greater authority to establish rent control than there is in other localities. However, I know that the amendment would cause a great deal of confusion in various sections of the United States. I know that many of us would support the Senator from Michigan and the Senator from California if they would abide by the suggestion of the majority leader and allow the matter to go to conference where it could there be worked out. But I can see nothing but confusion in my State if the amendment should be made a part of the law. I think that in the State of Washington we would eventually have at least 50 different types of rent control.

Mr. FULBRIGHT. Would the amendment automatically withdraw the OPA? As I understand it, the OPA would go along as it has gone, unless the State decided to act.

Mr. MAGNUSON. Yes; or unless the political subdivision acted. Suppose a board of county commissioners should say, "We will adopt a rent control ordinance and allow rents to increase 100 percent." All that it would be necessary for them to do would be to certify to the regional director that they had adopted a rent control ordinance. If the word "adequate" were incorporated in the language of the amendment, as suggested by the majority leader, the OPA would have some way of ascertaining whether or not the rental was adequate.

Mr. FULBRIGHT. I understood the majority leader to say that the decision as to adequacy would be left to the local authorities.

Mr. MAGNUSON. It would be left to the governor in the event that the State legislature passed a law covering the matter. However, Mr. President, I can see how we would have a great deal of confusion. There would be many types of authority within the county and city governments. There would be a great many persons living on one side of the street under one type of authority when, perhaps persons living on the other side of the street would be under an entirely different type of authority.

I may say that I think the amendment should be adopted because, emasculated as price control now is, I believe that any governor, whether of New York or my State, would have sufficient foresight to convene his State's legislature and protect the people of his State in connection with the matter of controlling rents. I believe, however, that in many States a great deal of confusion would be caused by allowing a political subdivision to say to the regional director, "We have rent control, therefore Federal control does not apply in this area."

I hope the Senators from California and Michigan will accept the suggestion of the majority leader.

Mr. FERGUSON. Mr. President, I appreciate the argument of the able Senator from Washington. I think it shows that we need to allow the various municipalities to control their own rental situations. No one man, no matter what his capacity and wisdom may be, has the right to assume that he can properly control all the rents of all the homes in America. I wish to say that even though an ordinance on one side of the street differs from that on the other side, the ordinance, whatever it may be, is of the people. They adopted it, and we must assume that they have some degree of wisdom and are in better position to control their own lives than is an individual in Washington.

The able Senator from Arkansas [Mr. FULBRIGHT] was exactly correct when he said that the amendment does not apply in communities where no ordinance or State statute covers the matter. The Federal Government would then control.

On the question of adequacy, it is proposed to ask the governor of the State to certify whether, in his opinion, a law which is on the statute books of the State is an adequate law. If the governor wishes to have the law repealed, he will say, "No, it is not adequate." Mr. President, that is not the way to repeal State laws. A governor cannot repeal an ordinance of a city. If the city is acting within its capacity, the governor of the State has no right to say, "I repeal that ordinance by virtue of my decision that it is not adequate, and therefore the Federal Government shall control." Neither has the governor of the State power to repeal a State law by saying, "That law is not adequate." He has the right to veto it, and if the legislature desires to pass it over his veto, it may do so.

Mr. President, we must return to some of the fundamentals of Government. The fundamentals mean that we cannot grant to a Governor the right by a decision that a law is not adequate to set aside the will of the people as expressed in their State laws and their regulations. We cannot and should not pass that kind of law. Let us be realists. Let us return the Government to the people and allow them to pass adequate laws.

Mr. MAGNUSON. Mr. President, may I ask the Senator a question?

Mr. FERGUSON. I yield.

Mr. MAGNUSON. There is no doubt about what the Senator says; that is basic. I am talking about unique political situations in political subdivisions.

In my State a county, King County, of half a million or 600,000 people, is governed, insofar as the amendment would apply, by 3 county commissioners. There is no executive department. The 3 men would determine what would be an adequate rent law. They may disagree. The vote may be 2 to 1. Then within the city there may be another rent law. Who would determine the adequacy in that case? Perhaps the Senator would say it would be by a majority vote. But it would cause a great deal of confusion.

As I have said, in every State of the Union there would be all kinds of rent laws. I agree with the Senators in their effort to break it down, but if we are to start to break it down, let us start with the States, because many States are not like the State of Michigan in this regard.

Mr. BARKLEY. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. BARKLEY. In the amendment as offered, the word "adequate" is not used. It reads:

Whenever any State, or political subdivision thereof, has established provisions for

the control and regulation of the rent of housing accommodations within its boundaries and notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, shall be applicable.

There may be any sort of provision, adequate or inadequate, and in the case cited by the Senator, if all the counties—how many are there?

Mr. MAGNUSON. In the State of Washington 39 counties and about 300 cities.

Mr. BARKLEY. If all of them passed rent-control ordinances, or orders, or whatever they might be termed—if all 339 of them should do that—all they would have to do would be to certify to the Administrator that they had instituted provision for the control of rents. There might be 339 different kinds of control, but, at the same time, the Federal Government would have to step out under a certification of that sort.

I have suggested the word "adequate," leaving it to the governor to determine the adequacy of the law That is not in the amendment as it is offered. Suppose 15 different cities in the State of Kentucky, or in Missouri, or in Indiana, should, through their law-making bodies or through county boards, adopt some sort of rent ordinance. They would all certify that they had adopted rent ordinances or had taken steps to control rents. They might all be different, but that is what they would be required to do in order that the Federal Government should step out and leave the local authority in control.

I agree with the general proposition that as soon as possible, as rapidly as possible, and to the extent possible we should leave these matters to local control, and I shall so rejoice when we are able to do that that I shall make some sort of demonstration that will be heard a long distance, whenever we can get rid of all the things that annoy us and bother us and pester us in Washington. But we cannot avoid our duty. We cannot run out on 15,000,000 American veterans who have returned to this country seeking housing and seeking reasonable rents for housing. We cannot avoid a situation which a great war has created, and that war was a national problem, and the aftermath of the war is also a national problem.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND I should like to ask the Senator from Kentucky a question. Does not the able majority leader think that the people in the communities, the families of the veterans, their neighbors, those who saw the men go off to war, are just as vitally interested and concerned to see that they get a square deal as is the Congress of the United States, or the OPA, sitting in Washington?

Mr. BARKLEY. I would say theoretically, yes, that would be true, but I am not sure these families are going to be in control even in the local communities where they live. I am not sure they can control the governor, for instance, to call an extra session of the legislature in order to deal with the problem, which most of the States will have to do if they deal with it at all.

Mr. KNOWLAND. I can only say to the able majority leader, for whom I have the highest regard and the highest respect, that it is a very unusual situation that the leader of the great Democratic Party is afraid to let the people back home have a voice in this situation.

Mr. BARKLEY. If I did not so highly regard the Senator from California I would say that that was a demagogic statement, because it is not true; but in view of my high regard for him, I think it is a lapsus linguae, and I attribute his statement to that.

Mr MAGNUSON. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. MAGNUSON. I also wish to remark to the Senator from California that that is not the issue here at all. In California perhaps every county can pass a rent-control act and make it effective, perhaps they can in Michigan, but in my State in one county I know of, where there are thousands of veterans, the city of Seattle may adopt a rent-control act that is good, and three county commissioners may sit there and do nothing. It is impossible to tell where the city ends and the county begins. Rents may be increased there 300 percent.

That illustrates the situation the majority leader is talking about and what I am talking about. I am talking about confusion. No one disagrees with the proposition at all in its broad aspect. It is the practical, mechanical effort to put it into operation that is troublesome, and before we adopt an amendment such as this we should be sure it is going to work in every State in the Union, not merely in California and Michigan

Mr. FERGUSON. Mr. President, in reply to the able Senator from Washington, let me say that he seems to have lost sight of the fact that if the city of Seattle adopts an ordinance and the commissioners outside the city, in the county, fail to adopt an ordinance, the people of the county outside the city are adequately protected by the Federal law. The Federal law will still be in existence. All such situations are abundantly taken care of by the amendment. It does not apply to any municipality or subdivision which does not have rent control, and if the people want to control their own rents, they should be able to do so.

The able Senator from Kentucky says that we in Washington should not run out on the people back home so far as their Government is concerned. What I wish to say is that we at least should allow the people back home to come into their Government. It is not a question of us running out; it is a question of allowing the people back home to be in their Government rather than trying to control them from Washington. So the proposed law would not apply unless there were rent control in the State or the municipality or the subdivision.

Mr. MAGNUSON. Mr. President, will the Senator from Michigan yield for a question?

Mr. FERGUSON. I yield.

Mr. MAGNUSON. I think perhaps the Senator misunderstood my point. Of course, what the Senator says is correct under the amendment. My point is that if the county commissioners, or if the city, where there is a unit, adopts a rent-control act, regardless of what they may say is the limit, and shall so certify, in that county perhaps a million veterans may be living under two systems of rent control.

Mr. FERGUSON. Paul Porter has fixed a different rent control for Chicago from what he has fixed for Detroit. What is the difference between the people of Detroit and the people of Chicago, so far as rent controls are concerned, and the people in the county near Seattle and the people in the city of Seattle? The people at least would have the right to say what their law should be. Now the city of Detroit has nothing to say as to what its rent law shall be. So I want this matter sent back to the people, and at least it will be the people's law if there is inequity.

Mr. BRIGGS obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from Missouri yield?

Mr BRIGGS. I yield.

Mr. BARKLEY. The Senator from Michigan referred to the difference between Chicago and Detroit. That is not an analogous situation. Chicago and Detroit are hundreds of miles apart—they are in different States—and that is a different situation from a city which has corporate limits and the people who live in the outskirts of the city, who do not live within the corporate limits, and whose rents have not been regulated by anybody There is certainly a different situation between two widely separated cities and a city and contiguous territory in the county because there happens to be an imaginary line drawn around a city which limits the boundary of the city, although conditions are practically the same.

Mr. BRIGGS. Mr President, I believe that no Member of this body has a greater desire to see the States in complete control of their government than have I, but I call the attention of the Senator from California and the Senator from Michigan to a concrete example of what is going to happen if we adopt the pending amendment, as it relates to the State of Missouri.

There are in St. Louis County, the home of my distinguished colleague [Mr. DONNELL], about 10 very populous centers They are all in St. Louis County. If the city of Webster Groves adopts a rent-control ordinance and certifies it to the Administrator—and St. Louis County, which is equally a political subdivision, adopts another rent-control ordinance and sends it to the Administrator; and Richmond Heights, another city within St. Louis County, adopts a rent-control ordinance and sends it to the Administrator, then certainly there will be confusion.

I think that if we observe State lines we will be safe, but if we break the States down into political subdivisions, so far as the State of Missouri is concerned, I can see nothing whatsoever but confusion.

I wish that the distinguished authors of the amendment would accept the suggestion made by the distinguished majority leader, so that the authority would

go back to the States rather than to political subdivisions, for certainly if it were placed in political subdivisions nothing but confusion could follow.

Mr. FULBRIGHT. Mr. President, will the Senator from Missouri yield?

Mr. BRIGGS. I yield.

Mr. FULBRIGHT. I should like to ask the authors of the amendment how they regard the situation when a State passes a law after a city has? Does the State law prevail, under those conditions? Would the State law automatically wipe out the local rent-control law?

Mr. FERGUSON. I think I can answer that question. Ordinarily the State law is superior to the municipal law. There are a few States that have home rule, and if a given locality is within the jurisdiction of the home-rule statute, then the municipal law overrides the State law.

Mr. FULBRIGHT. Does not the Senator think that the home-rule situation would further complicate the matter? It might be well if we knew that in all cases which became confused the State could straighten out the situation, but if home rule enters into the situation, then there would be no way whereby the confusion could be prevented, such confusion, for example, as was referred to by the Senator from Missouri [Mr BRIGGS].

Mr. FERGUSON. Mr. President, I cannot understand how there would be confusion resulting. The municipalities have distinct lines. Every community knows its own boundaries. The municipality would not be confused. It would have its own administration. It would have its own ordinances. Every municipality collects its own real-estate taxes. The municipalities control their own situation. They know that if they increase taxes they will have to increase rents. So we will have some examples of real control rather than the confusion we now have. In my opinion, it is much better to have control at home than to have control from Washington. Let us consider the District of Columbia. In the District of Columbia there is one control. Across the river in Virginia there is another control. But no confusion results from the two controls.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BARKLEY. The Governor of Virginia has issued a proclamation respecting rentals. I think there is some question as to whether he had the authority to do it, and I am not passing on that question, but when the OPA lapsed all rent control, so far as Federal Government was concerned, lapsed, except in the District of Columbia. We had a control law here. In Maryland they had none, and in Virginia they had none, and the people in those States immediately began to clamor for some sort of a law which would protect them, although they live on the outskirts of Washington. I dare say that in the city of Detroit, the Senator's own city, in every large-sized factory in that city from 25 to 50 percent of the employees who work in the factory will be found to be living outside the city limits. They leave the factory when they have finished their work and drive into the suburbs where they live. Yet under the provisions of this amendment, and under the confusion which would result from it, those who live in Detroit would have their rent controlled, while those who live in the suburbs outside Detroit, although they work in the same plant, would not have any rent control, unless the State of Michigan, or the county government if it had the authority, imposed control, and it might even impose a different control law than that which prevails within the city limits.

Mr. FERGUSON. Mr. President, I am assuming that there is going to be Federal rent control, because we are asking to amend a measure which would provide for Federal rent control, and if the measure is vetoed the amendment would be done away with, as well as the provision of the measure which provides for rent control.

Mr. BARKLEY. If there were a local rent-control law in force in the city limits of Detroit, and a Federal law in force outside the city limits, does not the Senator think that would create confusion?

Mr. FERGUSON. I cannot see how it would create any confusion.

Mr. BARKLEY. The people who live in the same metropolitan territory would have two laws to govern them, and the two laws might be entirely different, and in some respects contradictory

Mr. FERGUSON. The only thing I can say is that I think the people outside the city of Detroit would have sufficient wisdom to pass a law or an ordinance which would take care of their situation.

Mr. BARKLEY. They might not have the authority to do it under the State constitution. It is not every county in the United States that can pass a rent-control law. The county in which I live in Kentucky could not pass a rent-control law. The city of Paducah in which I live might adopt a rent-control ordinance, but the county outside could not pass such a law, because it has no power to do so.

Mr. MAGNUSON. Mr. President, I offer an amendment to the amendment offered by the Senator from California on behalf of himself and the Senator from Michigan [Mr. FERGUSON], on page 1, line 1, after the word "State", to strike out the words "or political subdivision thereof."

Mr. BARKLEY. I think the Senator had better provide in his amendment to strike out those words wherever they appear.

Mr. MAGNUSON. Yes; I propose to strike them out wherever they appear. The Senator from California knows the intent.

Mr. HILL. Does not the Senator think the word "adequate" should be inserted also?

Mr. MAGNUSON. Yes. I include in the amendment further, on page 2, line 2, after the word "State", to strike out "or political subdivision, as the case may be"; on page 2, line 5, after the word "State", to strike out the words "or political subdivision"; in line 7, after the word "State", to strike out the words "or political subdivision"; in line 9, after the word "State", to strike out the words "or political subdivision"; and on page 1, line 2, after the word "established", to insert the word "adequate."

Mr. TAFT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. TAFT. I call attention to the fact that in the original law the local regulation was recognized. The law reads that "if within 60 days," and so forth, "rents within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise."

So, we have always recognized the right of localities to regulate rents if they did so before the OPA Act. Here in the District of Columbia, for instance, the District law was in effect before the Federal law was enacted. The District imposed a regulation, and then the OPA came in and regulated all the Maryland territory in the area outside the District and both worked perfectly well together, so far as I know.

Mr. MAGNUSON. Of course, that is true, but this is meeting the problem in the reverse way. In this case the OPA would be required to accept whatever local regulation was made. In the other case the OPA could or could not recognize it, and in many cases the OPA did recognize it. I think in the city of Flint and in some other places the OPA did recognize the local regulation. But it was discretionary with OPA, and they only recognize the local regulation with respect to rent control where such rent control was somewhat in line with what it was in the surrounding area, or almost the same. Under the pending proposal three county commissioners in a certain county in the State of Washington could establish any kind of rent control they saw fit, and certify that they had done so, and that would be the end of Federal control there.

Mr. FERGUSON. Mr. President, I hope the amendment proposed by the Senator from Washington will not be adopted. My reason for saying that is that if our amendment is adopted it will not become applicable until after the first of the year, when the respective legislatures convene, unless special sessions are called. I think the people in the municipalities, in the subdivisions, should be allowed to pass their own laws in the meantime, because their legislative bodies are in continuous session, and therefore can take care of the rent situation if they desire them to do so. If they do nothing, then this law will apply, but at least we should say to the people back home, "You are permitted to look into this situation and act if you desire. If you do not act, then we as the Federal Government are going to act so that rents may be held at a reasonable figure." In other words, we do not want legalized burglary. We do not want rents raised to such a point as to result in the eviction of people, who would have no place to go. We want reasonable rentals. We want reasonable regulations. We believe that the people back home should act, and in case they do not act, then Washington will act, because we must take care of the American people in this respect.

Mr. KNOWLAND. Mr. President, I merely wish to join with my colleague from Michigan and request that the amendment offered by the Senator from Washington be not adopted. Under the present situation there are already localities in various sections of the country, municipal governments or county governments, as the case may be, that have already established rental control My able colleague, the Senator from Michigan, has pointed out that if the amendment of the Senator from Washington were adopted it would mean, in effect, that the controls which have been set up by the localities would not be recognized until the legislature should be called into special session. Many of the State legislatures, as in my own State, meet biennially Normally, the regular session of the California Legislature would not take place until January of next year.

It is true, as the able Senator from Kentucky has pointed out, that there may be States in which the localities under their constitutions or under their present statutes do not have the power to set up rental controls. In that case it would be still within the power of the local residents to request their Governor to call a special session of the legislature, and it would be still within the power of the Governor to call a special session and either give to the localities the necessary power or take such other measures as he and the legislature might determine upon to meet this problem But until and unless the State legislature or the localities have taken affirmative action to relieve themselves from obligation under the national OPA, the protection given by the national law will still be in effect

Mr. FULBRIGHT. Mr President, will the Senator yield?

Mr. KNOWLAND. I yield

Mr FULBRIGHT. The Senator says that under the existing law there are many localities operating under their own regulations Does the Senator interpret this amendment to mean that it would repeal the present power of the OPA to permit that to be done?

Mr. KNOWLAND. No; I say that now that the law has expired, the State of New York, for example, has an emergency statute which has been on the statute books since July 1. The county supervisors in Los Angeles County and the city councils in a number of California cities have, under their existing authority, passed legislation setting up local controls. We would recognize that situation only in places where such a thing has occurred, or where hereafter such local controls might be established.

Mr SWIFT. Mr. President, will the Senator yield so that I may ask the Senator from Washington [Mr. MAGNUSON] a question?

Mr. KNOWLAND. I yield.

Mr. SWIFT. I should like to ask the Senator from Washington a question with reference to his amendment to the amendment offered by the Senator from California. On page 2, in line 1, he would strike out "or political subdivision thereof", so as to read:

Whenever any State has established provisions for the control and regulation of the rent of housing accommodations—

And so forth. That being in the past tense, would it mean that the State could not have a special session of the legislature to deal with this problem? Or would the amendment apply only to States which now have laws on the subject?

Mr. MAGNUSON. I shall ask the Senator from California to answer that question.

Mr. KNOWLAND. I wonder if the Senator from Washington would be willing to hold up his amendment temporarily so as to allow me, on behalf of the Senator from Michigan and myself, to modify the amendment by inserting the words "or hereafter." While I am satisfied that this point is covered by the amendment, the point has been raised by a number of Senators. In case there should be a later judicial determination of the question, I think the explanation would be sufficient However, it was the intent of the authors of the amendment to provide by the amendment what I have indicated. Nevertheless, I am willing to modify the amendment by adding the words "or hereafter", so that there will be no question I ask unanimous consent to modify the amendment to that extent

The PRESIDING OFFICER The Senator has the right to modify his amendment

Mr SWIFT. Mr President, would the Senator be agreeable to accepting the language "has established or hereafter shall establish"?

Mr. KNOWLAND. That is acceptable. I wish to modify the amendment to that extent.

The PRESIDING OFFICER. At what point does the Senator wish to have those words inserted?

Mr KNOWLAND In line 2, so as to read

Whenever any State has established or may hereafter establish provisions for the control and regulation of the rent of housing accommodations—

And so forth.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. I invite the Senator's attention to the fact that in some States—at least in my own State—there are what are called home-rule cities, which, within certain limitations, have all the powers of the State. It would be very unjust to require those cities to wait until after the 1st of the year to receive word from the State legislature in a field in which they already possess jurisdiction, and in which they are already empowered to take action. For example, the city of Denver is a home-rule city. It is already taking action to enforce rent controls. There are several other home-rule cities in Colorado. It seems to me that the Senate ought not to do anything by way of amendment which would interfere with the rights of those cities, which are independent of what a legislature may do.

Mr. KNOWLAND. Let me say to the distinguished Senator from Colorado that I do not understand that the modification of the amendment which I have made would do that.

Mr. MILLIKIN. Oh, no.

Mr. KNOWLAND. The Senator is speaking of the amendment of the Senator from Washington.

Mr. MILLIKIN. I am speaking of the amendment offered by the Senator from Washington.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr KNOWLAND I yield.

Mr. GUFFEY. I remind the Senator from California and the Senator from Michigan that there are 48 States and 3,008 counties. There is one State, namely, Rhode Island, without a single county. Senators can see the complications to which this amendment is likely to lead

Mr CORDON. Mr. President, I have long been one of those who believe in local government, in placing the power of government in the hands of the people, and as close to the people as possible. I shall support the amendment offered by the Senator from California on behalf of himself and the Senator from Michigan.

I can see no great difference between the suggestion of the majority leader and that made in the amendment itself, so far as it applies generally to the United States However, in some sections—in the State of Colorado and perhaps other States—it may be vitally important that the amendment be adopted as it was prepared

I rose not to discuss that question, but to discuss the amendment offered by the distinguished Senator from Washington [Mr. MAGNUSON] to the amendment of the Senator from California. In my opinion, when it is proposed to amend the pending amendment by the addition of the word "adequate" immediately preceding the word "provisions" we again put the Office of Price Administration in the saddle. The agency then has the authority to determine whether the local provisions for rent control are adequate. In other words, the amendment, if it be amended as suggested, would provide two conditions precedent to the removal of rent control by the Federal Government: First, the establishment by a State of adequate provisions for control and regulation of rents; and, second, notification to the Federal Government of that fact. Those are independent conditions precedent. There is no provision by which the Office of Price Administration is compelled to accept the definition of the legislature of a State as to the adequacy of its rent-control law

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I am happy to yield.

Mr. MAGNUSON. I am not happy with the choice of the word "adequate." I do not know just what to place in the amendment to cover what I mean. My point is that I wish to minimize the possibility of a local government perhaps enacting the wrong kind of rent-control

law. In view of the fact that the joint resolution is going to conference, I will withdraw the word "adequate" from my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Washington is modified accordingly.

Mr. CORDON. I am happy to have the Senator modify his amendment. With that word absent, generally speaking I think that the amendment of the Senator from Washington would not vitiate the amendment as it was printed. However, I recognize that there are areas in which political subdivisions are now controlling the rent situation. There may be other areas in which the same action might be taken. For that reason I shall oppose the amendment offered by the Senator from Washington, although I am quite sure that the modification of his amendment will leave to local determination the question of the adequacy of whatever control provisions are adopted.

Mr. BARKLEY. Mr. President, I wish to invite the attention of the Senate to what has happened to rents in the past 11 days. Rent reports have been received from field offices throughout the United States. All areas reporting continue to cite widespread rent increases of severe magnitude and sharp increases in eviction notices by landlords. In Maine numerous rent increases averaging 50 percent have been reported as having been put into effect or demanded since the 28th of June.

In Vermont tourist-home rates have doubled and even trebled in the past 12 days.

In Rhode Island, in the first 5 days of July more than 300 eviction notices were received, seven times the normal number of receipts for such a period.

In the Midwest, all midwestern-area offices reported widespread rent increases ranging from 10 to 300 percent, with most increases averaging between 25 percent and 50 percent.

In Chicago almost 1,700 eviction notices were reported for the 3-day period from July 1 through July 3.

In the South all areas report a uniform picture of large-scale rent increases and greatly increased eviction pressure. Examples are as follows: Greenville, S. C., rent increases varying from 10 to 200 percent; West Palm Beach, Fla., from 10 to 150 percent; Montgomery, Ala., from 10 to 320 percent.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Let me say at this point that if the President of the United States had followed the able advice of the majority leader and the leader of the House we would not now be without rent controls where these heavy increases are occurring. I merely wish to point out to the majority leader that if this measure is enacted into law we shall have controls. They will be controls either by the Federal Government under the OPA or by the State or local governments. I am satisfied, as I am sure the able majority leader must be, that neither the OPA nor any State or local authority which might be established under the terms of the proposed law would permit such rent increases as the Senator is pointing out. They are possible only because the President of the United States vetoed the bill.

Mr. BARKLEY. The Senator from California can allocate responsibility to whomever he sees fit or wherever his political exigencies may require. The President did veto the bill. He exercised his constitutional right in doing so. I am talking about what has happened in various sections of the country.

In the San Francisco district many rent increases are reported, ranging from 10 to 286 percent. More than half of the increases reported were in excess of 50 percent.

The following is information furnished under an Associated Press date line:

MIAMI, FLA., July 2.—The Greater Miami Apartment House Association and the Miami Beach Apartment House Owners' Association, representing 25,000 apartment units, voted unanimously tonight not to raise rents—yet

E. J Minges, former president of the Miami organization, in a speech said, "Don't kill the goose that laid the golden egg—yet. We're all tired of collecting low rent, but for goodness' sake, let's wait until this corpse is buried Don't do anything until they get the marble slab on tight. Stay down for a few months The winter is coming, and when that slab is down tight you can work rents up, and then there won't be any OPA for them to fall back on."

I mention that only to show what has happened.

Mr FERGUSON. Mr. President, will the Senator give us the source of the information?

Mr. BARKLEY The source of the information, and I suppose the Senator from Michigan will undertake to discredit it, is the reports which have been received by the Office of Price Administration from regional offices all over the United States, except for the Associated Press story from Miami. Does the Senator from Michigan deny or dispute these figures?

Mr. FERGUSON. No; but I wish to say——

Mr. BARKLEY. Very well; then silence gives consent.

Mr FERGUSON The Senator from Michigan merely wanted the RECORD to show the source of the information.

Mr. BARKLEY. I wish the RECORD to show what has happened in the last 10 or 12 days, even in areas which claim to have some kind of rent control.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think it should be said that there is no difference about the desirability of continuing rent control. As I said on the floor of the Senate yesterday, if anything happens to this measure, certainly I do not think there will be any difficulty in passing a rent-control measure. I do not think there can be any question at all about that. In every State, insofar as bona fide homes are concerned, people are occupying them at least on the basis of a month-to-month tenancy, and I doubt very much whether, under any of these efforts or notices or threats, eviction can take place, provided we pass a rent-control law by the 1st of August. Certainly every Senator on this side of the aisle, and, I am sure, every Senator on the other side of the aisle, will cooperate to bring that about. So I do not think the question of rent control is in issue at this time.

Mr. BARKLEY. I say to the Senator that I hope we shall pass a price-control bill which will include rent control, so that it will not be necessary for us later to pass a rent control measure simply because we can not get anything else.

Mr. TAFT. I hope so also, but there may be matters which will interfere with the attainment of that result.

Mr. FERGUSON. Mr. President, I wish to say that the question of rent control is not at issue in connection with this amendment. We recognize rent control in the amendment.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Is the vote about to to be taken to be on the Magnuson amendment, or did the Senator from Washington withdraw it?

Mr. MAGNUSON. No.

Mr WHITE. Mr President, have the yeas and nays been requested?

Mr KNOWLAND. I ask for the yeas and nays on the amendment offered by the Senator from Michigan and myself.

The PRESIDING OFFICER. The first vote will come on the modified amendment of the Senator from Washington to the modified amendment offered by the Senator from Michigan and the Senator from California

Mr. MAGNUSON. Mr. President, I say to the Senator from California that this vote is on my amendment which eliminates the words "political subdivisions" from his amendment.

Mr. BARKLEY. Mr. President, I ask for the yeas and nays on that question.

The yeas and nays were ordered.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Andrews	Hart	Overton
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Barkley	Hill	Revercomb
Bridges	Hoey	Robertson
Briggs	Huffman	Russell
Brooks	Johnson, Colo.	Smith
Buck	Johnston, S. C	Stanfill
Burch	Kilgore	Stewart
Bushfield	Knowland	Swift
Byrd	La Follette	Taft
Capehart	Langer	Taylor
Capper	Lucas	Thomas, Okla
Carville	McClellan	Thomas, Utah
Chavez	McKellar	Tobey
Cordon	McMahon	Tunnell
Donnell	Magnuson	Wagner
Downey	Mead	Walsh
Eastland	Millikin	Wherry
Ferguson	Mitchell	White
Fulbright	Moore	Wiley
George	Morse	Willis
Gerry	Murdock	Wilson
Gossett	Murray	Young
Green	Myers	
Guffey	O'Daniel	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. FERGUSON. Mr. President, let me give a brief explanation of what we are to vote upon. We are about to vote upon the question whether we should

strike the words "political subdivisions" from the amendment proposed by the Senator from California and myself.

The Senator from California and I are of the opinion that if the Senate strikes out those words, the real purpose of the amendment will be defeated. We believe those words should remain in the amendment, because after all the home-rule cities of America should be able to govern themselves. If these words are stricken from the amendment, that will mean that the cities will not be able to control their rents, for in many cases the legislatures of the States cannot meet before at least 6 months or more have passed.

Mr. MAGNUSON. Did not the Senator just make the argument that Federal control is still in existence?

Mr FERGUSON. Yes; Federal control is still in existence.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Washington [Mr. MAGNUSON] to the modified amendment offered by the Senator from California [Mr. KNOWLAND] on behalf of himself and the Senator from Michigan [Mr. FERGUSON]. On this question the yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the Senator from New Mexico [Mr HATCH]. I am therefore at liberty to vote I vote "yea."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Nevada [Mr CARVILLE] and the Senator from New York [Mr. MEAD] are detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

If present and voting, the Senator from New York [Mr. MEAD] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member on the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 44, nays 34, as follows:

YEAS—44

Aiken	Hoey	Myers
Andrews	Huffman	O'Mahoney
Barkley	Johnston, S C	Overton
Briggs	Kilgore	Pepper
Burch	La Follette	Radcliffe
Chavez	Lucas	Robertson
Downey	McCarran	Russell
Eastland	McClellan	Stewart
Fulbright	McKellar	Taylor
George	McMahon	Thomas, Okla
Gerry	Magnuson	Thomas, Utah
Green	Mitchell	Tunnell
Guffey	Morse	Wagner
Hayden	Murdock	Walsh
Hill	Murray	

NAYS—34

Austin	Gossett	Stanfill
Ball	Gurney	Swift
Bridges	Hart	Taft
Brooks	Hawkes	Tobey
Buck	Johnson, Colo.	Wherry
Bushfield	Knowland	White
Byrd	Langer	Wiley
Capehart	Millikin	Willis
Capper	Moore	Wilson
Cordon	O'Daniel	Young
Donnell	Revercomb	
Ferguson	Smith	

NOT VOTING—18

Bailey	Ellender	Reed
Bilbo	Hatch	Saltonstall
Brewster	Hickenlooper	Shipstead
Butler	McFarland	Tydings
Carville	Maybank	Vandenberg
Connally	Mead	Wheeler

So Mr. MAGNUSON'S modified amendment to the amendment offered by Mr. KNOWLAND in behalf of himself and Mr. FERGUSON, was agreed to.

Mr. BARKLEY. Mr. President, in view of the adoption of the amendment which has just been voted upon, I suggest that, on page 1, line 4, of the Knowland amendment, after the word "and", there be inserted the words "the governor of such State." The responsibility would then be on the governor of the State to notify the Administrator. I move to amend accordingly.

Mr. FERGUSON. Mr. President, the proponents of the amendment will accept the modification.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment to the amendment was agreed to.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. Was the amendment of the Senator from Kentucky agreed to?

The PRESIDING OFFICER. Yes.

Mr. PEPPER. But the amendment offered by the Senator from California in behalf of himself and the Senator from Michigan has not been voted upon?

Mr BARKLEY. No; it has not been voted upon.

Mr. PEPPER. I do not see any more reason for leaving rent control to the several States than for leaving other aspects of control to the several States. I wish to ask for a vote on the Knowland amendment

The PRESIDING OFFICER. The yeas and nays have not been requested.

The question now recurs on agreeing to the modified amendmen' of the Senator from California [Mr. KNOWLAND] in behalf of himself and the Senator from Michigan [Mr. FERGUSON], as amended, which will be stated.

The LEGISLATIVE CLERK. On page 34, after line 2C, it is proposed to insert the following:

SEC 19 (a) Whenever any State has established, or may hereafter establish, provision for the control and regulation of the rent of housing accommodations within its boundaries and the Governor of any State notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State

(b) The Administrator is authorized and directed to cooperate with any such State to the fullest extent; and, to that end, he shall make available to the proper officials of such State or political subdivision such records and other information in his possession which may be requested by such State to enable it to effectively control and regulate such rents

Mr. PEPPER. On this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the Senator from New Mexico [Mr. HATCH] I am therefore at liberty to vote. I vote "nay."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business

The Senator from Nevada [Mr. MCCARRAN] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official

business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 59, nays 20, as follows:

YEAS—59

Andrews	George	Murdock
Austin	Gerry	O'Daniel
Ball	Gossett	O'Mahoney
Barkley	Gurney	Radcliffe
Bridges	Hart	Revercomb
Briggs	Hawkes	Robertson
Brooks	Hoey	Russell
Buck	Huffman	Smith
Burch	Johnson, Colo	Stanfill
Bushfield	Johnston, S. C	Stewart
Byrd	Knowland	Swift
Capehart	La Follette	Taft
Capper	Langer	Tobey
Carville	Lucas	Wherry
Chavez	McClellan	White
Cordon	McKellar	Wiley
Donnell	Magnuson	Willis
Eastland	Millikin	Wilson
Ferguson	Moore	Young
Fulbright	Morse	

NAYS—20

Aiken	McMahon	Taylor
Downey	Mead	Thomas, Okla
Green	Mitchell	Thomas, Utah
Guffey	Murray	Tunnell
Hayden	Myers	Wagner
Hill	Overton	Walsh
Kilgore	Pepper	

NOT VOTING—17

Bailey	Hatch	Saltonstall
Bilbo	Hickenlooper	Shipstead
Brewster	McCarran	Tydings
Butler	McFarland	Vandenberg
Connally	Maybank	Wheeler
Ellender	Reed	

So Mr. KNOWLAND'S amendment, as amended, was agreed to.

Mr. KNOWLAND. I move to reconsider the vote by which the amendment was agreed to.

Mr. FERGUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TAFT. Mr. President, I call up an amendment I have at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 25, it is proposed to strike out lines 9 to 25, inclusive, and on page 26, lines 1 to 22, inclusive, and insert:

SEC. —. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation

(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved

(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act

Mr. TAFT. Mr. President, the amendment which I offer is to section 11 of the bill, on pages 25, 26 and 27.

The amendment proposes to strike out lines 9 to 25 on page 25, lines 1 to 22 on page 26, and to insert certain language. But the effect of the amendment is in fact to strike out three parts of the amendment which the distinguished majority leader sponsors in his joint resolution Those three parts appear on page 25, striking out the last four and a half lines, reading, "but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period."

On page 26 I would strike out lines 7 and 8, reading "including reasonable adjustments for conditions resulting from abnormal volume of production", and on page 26 strike out lines 16 to 22, inclusive, as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Those three provisions would be stricken out.

When those provisions are stricken out, the amendment is exactly the same amendment as that presented by the distinguished majority leader to the Committee on Banking and Currency, as revised by him from time to time during the days of July 3 and 4, but before the change proposed by Mr. Paul Porter, the head of the Office of Price Administration. The three provisions which I would strike out were all proposed by Mr. Porter, and were not in the amendment originally presented by the distinguished majority leader.

I shall discuss the provisions somewhat later. The general effect of them, as I see it, was to accept the formula proposed by the distinguished majority leader, but to provide that under varying circumstances and varying discretions of the Administrator he did not have to apply the formula. So that it seems to me those three provisions merely nullify the entire effect of the formula.

Mr. President, as I said earlier in the debate, the distinguished majority leader has chosen to present a joint resolution including every other amendment presented and included in the conference bill which was vetoed except this amendment and the so-called Wherry amendment, subsection (t). All the other amendments were accepted by him regardless of the fact that the President had violently objected to two or three of them, perhaps not at such length and with such vehemence as he objected to section 11 and subsection (t), but certainly with very pronounced feeling. Only these two amendments were proposed to be changed.

Mr. President, I have no particular pride in the form of the amendment I presented before I have a great interest in its purpose. It seems to me that the distinguished majority leader must have sympathy with that point of view, because the amendment which he presented accomplishes two of the main purposes of my amendment While it is not identical, it does adopt the general theory that the Administrator shall be obliged, in the case of manufacturing, processing, and producing, to recognize a base period price before the war, add to it the average increase in cost, and fix a price today representing the sum of that prewar price plus the average increase in cost. That means that if a man were selling at a loss before he would sell at a loss now; if he were selling at a profit before, he would be entitled to sell at the same profit now, that is, the same dollar-and-cents profit, not the margin.

The majority leader met several objections of the President in his amendment, and I am perfectly willing to meet them myself. In the first place, the President objected to the base period of 1941, and said that permitted an unduly wide margin. Taken before taxes, it was somewhat wider than the margin in 1940. That was not my purpose. I adopted that base because that is the base period fixed in the original Price Control Act. The original Price Control Act provided that starting from that base period the Price Administrator should add increased costs, but it left it widely in his discretion. The purpose of this amendment is to tie it down.

The formula presented by the distinguished majority leader varies also in this respect. Whereas I propose that we add the increase in cost on each major product to the average price of the particular manufacturer in 1941, the distinguished majority leader proposes that we add the increase in cost to the average

price in 1940. I think the 1941 provision is a little better, but I do not believe it is a material part of what I was trying to accomplish. In effect, what I was trying to accomplish was to force OPA to recognize the increased cost in the manufacture of articles, because I feel that only in that way can be possibly hope to get the production of a vast line of products which today are not on the shelves, which are not being made, because the OPA has chosen to hold the price below a price which is reasonable enough to induce anyone to produce the particular article. The OPA does that through two formulas to which they have hung on with desperate strength in spite of criticism and in spite of efforts to make them change.

One of them was the so-called over-all industrial standard. That is, OPA said that if a manufacturing company was making four different products, and the company was making profits on the over-all operation, then the OPA could fix the price on one of those products which would require the manufacturer to sell that product at a loss regardless of what the prewar condition was, regardless of whether it was ever sold at a loss under normal peacetime conditions. I may say that but few things were sold at a loss during normal peacetime conditions, because manufacturers would eliminate such things from their line, if they could not build them up in some way to make them profitable items But the over-all industrial standard worked in such a way that a particular product had to be sold at a loss, let us say, by the largest manufacturer, who made the widest line of products. Then there was the small manufacturer who made only one particular product. He had to operate at a loss. So OPA allowed such a little manufacturer to obtain what was called a hardship price. But a small manufacturer cannot long maintain a price above the price of the large manufacturer who has a wide line of products. Consequently the result has been that a good many shortages have resulted not from a general limitation on products, but because the costs entering into the manufacturing of major products are not recognized and allowed to be included in the sales price, and therefore such products, having to be sold at a loss, are not manufactured, and we do not find them on the shelves of the stores. That happened in the case of butter. It happened to standard clothing. It happened to various types of lumber. It has happened to millwork, and hardwood flooring. Hundreds of thousands of houses were started, but almost none of them can be completed because of the shortage of this and the shortage of that. It is largely due to this over-all industry standard.

Then we have another formula. It was proposed that industry should have a price that would give the same return on invested capital as was received in the 1936–39 period. That was done in defiance of the Price Control Act, which said that profits may be taken into consideration back to 1940. Take the pig-iron industry. There is today a great shortage of pig iron. Why? Because it happened that in the 1936 to 1939 period the industry did not make any real profits. It received 2½ percent return on invested capital. OPA, therefore, fixed the pig iron price at a figure which would give the industry 2½ percent return on invested capital, although public utilities throughout the United States are authorized to receive 5 or 6 percent return and in some cases 7 or 8 percent on invested capital.

Now we propose that the prewar price must be recognized, plus increase in cost. The effect of our proposal is to fix such a price as will give a reasonable return on each product. It is not a high price. So far as I can see the effect of it is infinitesimal compared with decontrols which the Senate has voted for some of the commodities. If the increases in question run more than 10 percent in any case I shall be greatly surprised. So far as I have been able to make calculations the increases might run from 2 percent to 10 percent. In many cases manufacturing industries have been taken care of. In some cases they make a profit. I do not think the over-all profit situation of industry in general is bad. But many small companies are in a bad situation, and they are the ones from which we must get production.

I have heard a great deal said about farmers, and the necessity of stimulating the production of farm products. But every county seat in Ohio is supported by some manufacturing industry, which puts people to work. Such industries produce the things which are needed, and build up production and employment in the United States. In a dozen cities in my State hundreds of small concerns do the business of producing. Every town wants such concerns because they are producers. Throughout the eastern area of the United States there are thousands of small business concerns, and it is the small ones that suffer. The big fellows can continue in operation. They find something else on which they can make a profit to balance the loss they suffer. The small fellow is tied down to his particular article of production, and if it happens that the price he is allowed to charge is below cost of production, he, of course, loses money.

Day before yesterday I received a call from a small shovel company in Piqua which have made a reasonable return on their rather small capital during 75 years. They have lost money in the last 3 years because shovels are listed as agricultural instruments. Last year they lost $200,000, the third time they lost money in 75 years, because of that particular situation. Other companies make shovels but also make numerous other products, so they can continue to make money despite their loss on shovels. But because this particular company makes only the one item, namely, shovels, they have lost money. Therefore they are not interested in producing more shovels. The more they make the more they lose. Why should they produce materials which are needed when they lose money by producing them?

The purpose of the amendment is to obtain increased production. No one cares particularly whether these concerns make money. I have no interest in whether they make money. What I want to do is to have a price scale fixed which will result in obtaining a reasonable production of manufactured goods, which will put men to work and keep them working, and fill up the store shelves which are empty today. It is true, Mr. President that they are empty. There are shortages everywhere. Every other thing a customer asks for is not in stock. He cannot buy it in the stores. Butter was priced so low compared with other milk products that it was not made, and there is not a sufficient supply of butter.

The same is true of standard clothing, of woodpulp for paper, and of linseed oil for paint. Half the paint factories of the United States are closed down because OPA will not authorize a price for linseed oil which will enable the manufacturers to buy linseed oil in Argentina at the present world price. The same thing is true of hides. Hides cannot be imported because of the price that is fixed by OPA, and leather tanners are shutting down because they cannot get the leather. The situation with respect to cattle is such that hides are in small supply throughout the United States. Those are only a few examples of the situation.

The general charge is made that the amendment will result in increasing prices. The increases in prices I would say would be mild compared to what may happen when commodities are decontrolled and there is a free market. Then there will be no way of restraining the situation. Manufacturers are not particularly anxious to increase their prices. What they want to do is to increase the volume of their production, if they can, and have their product known as a low-priced product. They can make more money by selling more goods at a low price than by selling fewer goods at a higher price.

Mr. President, as a matter of fact the principle of recognizing increased costs in increased prices is not anything new. It is not an invention of mine. The principle has been stated over and over again in the Price Control Act. It was stated in the Price Control Act in the very beginning, in section 2 where it is provided that the Administrator shall give due consideration to the prices prevailing between October 1 and October 15, 1941, the base period that I took from that act—

> For the commodity or commodities included under such regulation or order.

We intended then that each commodity should have a proper price, but the Price Administration construed that to mean all the commodities that some particular concern happened to make.

> And shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned.

Then some time ago—2 years ago, as I recall—we wrote in another provision almost exactly like the one I have offered. There is nothing new in the proposal we have made or that the majority

leader makes in this measure in principle. That provision is as follows:

Provided, further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase such commodity for war purposes or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1946, the maximum prices so established will not reflect such increased costs.

We wrote it into the act, but the Administrator did not pay any attention to it, or at least he only applied it to agricultural commodities and commodities immediately next to agricultural commodities. The Administrator himself proclaimed this principle. This is Mr. Bowles' statement on "Pricing during reconversion" in a release by him shortly after VJ-day. I am not sure of the date. He said this for reconversion of industries:

In making a survey, we take 1941 costs—

He did not take 1940 costs, which I am perfectly willing to do—

we take 1941 costs and adjust them upward for two factors—first, lawful increases, in materials and parts prices, and, second, lawful increases in basic wage-rate schedules of factory workers. To the 1941 costs so adjusted, we will add the industry average 1936-39 profit margin as being a representative peacetime margin.

As a matter of fact it was not a representative peacetime margin, but in any event the principle is recognized.

These calculations give an "increase factor" for each industry. This is a percentage figure—

He gave them a percentage, and not a dollars-and-cents margin.

by which any manufacturer in the industry may increase his 1941 prices.

This is the basic part of our reconversion program We expect this industry-wide part of our program to provide necessary adjustments for the big volume of reconversion products.

He assumes the principle, but he does not do it. He is not doing it today. But the principle was admitted then, yet it is denounced in the President's message, as if it were something entirely new that we invented in order to allow excessive profits.

Incidentally, the same principle is recognized in the pending joint resolution, because on page 31, in section 14, this very standard is provided, or something so much like it that it is impossible to recognize the difference. The same standard is provided for wool and cotton textiles. On page 31 we find the following language:

On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item—

That abolishes the over-all industry standard—

is fixed and maintained at not less than the sum of the following:

(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill).

That is the material cost.

(2) A weighted average of mill conversion costs.

Those are present costs.

(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive).

So we must determine what the costs were in 1939 and 1941, what the profit then was, and allow the same profit on costs today, instead of costs as they were then. That is exactly the same thing, figured in a slightly different way. That principle is admitted in the case of cotton and wool, without any of the weakening provisions proposed by the Price Administrator. It is admitted to be right. It is not criticized by the President. It is not criticized by the majority leader. With respect to cotton and wool yarn, and all cotton and wool products, exactly the same provision is in the pending measure as was in my original amendment.

The administration also has clearly recognized in many important industries that increased costs must be taken into account in prices. For example, in the oil industry, when the 18-percent increase was granted to the workers the OPA granted a price increase of 10 cents a barrel on crude oil. The increase totaled as much as the wage increase.

When wages in the steel industry were increased it cost the industry $167,000,000 The OPA granted an increase of $5 a ton in steel prices, which meant an increase to the consumer of $275,000,000. There were other costs besides wage costs which were recognized; but increased costs were recognized in that case.

In the case of coal mining, the moment the wage increase was granted, costing $192,000,000 a year, an increase of 40½ cents a ton was granted in the price of coal.

The same thing was true in the electrical-equipment industry and the automobile-manufacturing industry. Whenever a big industry and a big labor union are cooperating, the OPA yields and passes on to the consumer the increased cost. Those interests deal with the President or the Secretary of Labor, and they get results. But the little fellow comes to Washington and sees the little fellow in the OPA. He sits around for months trying to have his increased costs recognized. In many cases increased costs have not been recognized. The capital in the business, which should be used in expanding, is exhausted in paying the losses which occur on the products of the industry.

The difficulty with the amendments which are suggested by the Price Administrator is exactly the difficulty with all the other amendments proposed by him. We went through all this, and we never could get him to concede a thing. He would concede something in principle, but he has never conceded that we should write anything into the law which would take away from him complete discretion to approve or disapprove the principle.

Subsection (f) of section 11 provides as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

That is, if a manufacturer is getting back only his costs, "nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products."

Whether that means that expansion in production would not be practicable because the manufacturer did not have the means, or the public would not buy the product, I do not know. But if the Price Administrator says, "I do not think this formula would increase production," he is not required to follow the formula. That is the effect of that provision. Everyone has an opinion as to whether something will increase production or not. Sometimes it will and sometimes it will not. My theory has been that the Administrator has failed properly to analyze the need for increasing production, and the kinds of things which are necessary to increase production in so many fields, and that we are justified in laying down a standard and saying that as a general rule he must recognize increased costs by increased prices. Could anything be fairer than a proposal to recognize increased costs in increased prices?

The Price Administrator has been told this in mild language over and over again. If we are to have a provision in the law to the effect that if he does not believe that an increase in prices would result in increased production he does not have to apply the formula, we might just as well leave the formula out.

Subsection (c) on page 26 provides that the Administrator shall establish certain methods of accounting under the formula, and how he shall apply the formula by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

What that means is that he figures what the increase in cost is, and then says, as in the case of the automobile industry, "I believe that this year it will produce 1,500,000 cars. If it were to produce 5,000,000 cars this year its costs would be much lower. Therefore I will not recognize the increased cost which the formula shows has occurred, and during the reconversion period I will compel the industry to sell its products at cost or at a loss; and I will apply that principle to the entire industry." The principle is applied to the little fellow as well as the big fellow. One small producer may be doing a good volume of business, while another may

be doing less business. But if we wish to get industry started we cannot say to manufacturers during the reconversion period, "We think that after you get it started you will have a volume two or three times as large. Therefore in the meantime you must sell at a loss." That is not fair. That is not the way to get production. That is not the proper method of conducting peacetime business.

Why on earth should not a manufacturer or processor today be on the same basis on which he was in peacetime before the war? There is no longer any need to freeze things. The Administrator has broken the freeze. He has granted enough increases in various types of industries so that we now know that no freeze principle remains. Why should not a man be entitled to get the same price he got before the war, plus the actual increased costs of labor and material, which have been brought about partly by the war and partly by administration policy? What could be fairer than that?

Mr AUSTIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AUSTIN. What is the difference between the period named in the Senator's amendment and the period ending in 1941?

Mr TAFT. I will answer the Senator in this way: I have the figures. At first I thought that the figures for the two periods were about the same so far as increases in the cost of labor and material are concerned. The increased cost of labor and materials is about the same as the increase in prices between 1940 and 1941; but I find from the statement made by the Senator from California that the 1941 margin is greater I obtained these figures from the National City Bank. While they are not exactly the same as those from the Treasury, or from the Brookings Institution, the relative position is the same. The National City Bank seems to collect the best figures on that question directly from corporations

In 1940, before taxes, all manufacturers had a profit of 7.4 percent on sales. In 1941 they had a profit of 10 7 percent, or 3 3 percent more in 1941 than in 1940. After taxes there was not that difference. After taxes in 1940 they had only 5.1 percent, and in 1941 5 4 percent. So there was practically no increase. The effect of applying the 1941 formula to 1946, giving them 10.7 percent before taxes, would be to give them 6 percent after taxes, because there is now a 38-percent tax Applying the 1940 scale to 1946 would give them 7.4 percent before taxes, or 4 6 percent after taxes. The Senator understands that that is not a return on invested capital. It is the percentage profit on net sales in each case.

Mr. AUSTIN. Can the Senator state the corresponding figures in the case of steel?

Mr. TAFT. No; I am afraid I have not the separate figures for the steel industry. I can obtain them. In general the effect of the change—which I am perfectly willing to accept in the measure of the Senator from Kentucky—is to reduce the profit before taxes from 10.7 to 7.4 percent, and to reduce the profit after taxes from 5.4 to 4.6 percent. That is a concession to the President which I am perfectly willing to make. I had no special feeling about a particular time. What I was interested in was the prewar profit or prewar margin over present costs, instead of over prewar costs.

As I say, there is one other concession. The Senator from Kentucky bases his amendment on adding to the average price in 1940, instead of adding to each individual price in 1940 I think the President said adding to each individual price would create some confusion. Personally, I think it is better, because usually the small fellow charges a little higher price. He has higher costs, so he charges higher prices. Perhaps he is closer to his customers and knows them better and is able to give them special service, and so be able to make up, by means of such special services to his customers, for the difference between his prices and the lower prices which the big fellows are able to charge because of their lower costs. I should like to preserve that differential, but I do not think it is fundamental. So I am perfectly willing to eliminate that complication, as proposed by the Senator from Kentucky

Mr. President, so far as the workability of the amendment is concerned, I cannot see very much difference between the workability of the amendment of the Senator from Kentucky and the workability of the amendment which I originally offered. As a matter of fact, the OPA has done it. It has done it in many cases I have already quoted Mr Bowles himself. There are a number of orders which do it They did it in the case of the canners of vegetables and fruits in 1945 and 1946 They do it in many orders which I have before me. For instance, let me read a few:

MPR 188 * * *:

Broadly stated, the new maximum prices will represent costs experienced during the last period of normal production adjusted for subsequent lawful changes in the level of materials prices and in basic wage rate schedules of factory workers, plus the industry's average peacetime profit margin over cost

They did it there
They did it again in SO 118:

The basic principle for calculating the new maximum prices may be outlined as follows. To the 1941 total cost for the product being repriced an amount is to be added equal to the net dollar increase resulting from legal increases since October 1941 in materials prices and in average straight-time wage rates for factory employees To the 1941 total cost so adjusted, a profit margin is to be added equal to the manufacturer's average percentage operating profit margin over cost for 1936-39.

I have four or five other orders. Here is SO 119:

Using your profit and loss statement for the 1941 accounting period, adjust your total cost figure by increasing the items in the statement for materials used by an amount which reflects the legal increases since October 1941 in the prices of the materials used in the product on which you are applying.

They have done it over and over again. All the talk about it being difficult to apply simply is not in accordance with the facts.

As a matter of fact, Mr. President, the formula proposed by the distinguished majority leader requires exactly the same calculation as the formula I have proposed. The only difference is that the majority leader, by accepting the three proposals of the Office of Price Administration, says in effect that if the Office of Price Administration does not want to apply the formula, it does not have to—in which case, of course, it is easy enough for it to escape the difficulties which might exist in applying the formula.

So, Mr. President, I think it is fair to say that the charge against the workability of the formula which has been in the act and often enforced, but often avoided, in all these years is purely a smoke screen to a general objection to tying the hands of the Price Administrator. We never can get the Price Administrator to do anything. Over and over again he says, "Yes; that is a nice formula. But I myself must have the discretion to decide whether I will apply it or not." That is, in effect, what Mr. Porter's formula in connection with this matter proposes.

Mr. President, all I ask is that the Senate consider this matter on its merits. The Senate did so before, and adopted it by a vote of 44 to 29. The various arguments submitted by the President, it seems to me, are not valid. I think I have answered all the arguments. We have made changes to meet some of his objections Regardless of whether they are reasonable, I am perfectly willing to concede them, and I am perfectly willing to accept the amendment proposed by the distinguished majority leader on July 4 in the Banking and Currency Committee, provided there is eliminated from it the material which was put in subsequently in the afternoon of July 4 on the suggestion of Mr. Paul Porter, the Chief of the Office of Price Administration, who was present in the committee.

Mr. REVERCOMB. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. REVERCOMB. In order that I may clearly understand the amendment offered by the Senator from Ohio, let me inquire about it. It is in fact the proposal which was offered in the committee by the Senator from Kentucky; is that correct?

Mr. TAFT. That is correct. The Senator from Kentucky offered an amendment on July 3 in the committee. I made some suggestions for changes, which he accepted. Then it was given out by him to the press. On July 4 we sat there all morning. At noon the distinguished majority leader made some further corrections of his own—namely, the latter part of this, which really was taken from my original amendment, and which deals with procedure. He added that to his amendment. When we came back from lunch that was the state of his amendment.

Later, when Mr. Porter insisted that he must have discretion, the majority leader accepted these three sections, which I am now trying to strike out. They did not appear in the amendment until after Mr. Porter's suggestion, after

Mr. Porter had appeared before the committee all day on July 4.

Mr. President, it has been suggested that we must change this, that we must not adhere to our original opinion, apart from the merits of the thing, because if we do so the President will veto the measure. If the President of the United States is going to sign the measure with provisions in it for the decontrols, and it now contains those provisions, I think there can be no question that the President will sign it regardless of whether this amendment is in it or whether the amendment is not in it, because the general effect of the amendment on prices is so much less than the rest of the measure will necessarily be. Of course, the increases in prices that have occurred in other commodities up to date are largely due, I may say, to the elimination of subsidies. I should like to refer to that question for a moment.

We have had before us several times the figures appearing in the New York Journal of Commerce, which showed that up to yesterday the prices on grains had increased 18 percent; on food products, 22 percent; on textiles, 2 3 percent; on metals, 4 3 percent; and on miscellaneous, 10 percent. So the total increase in the index from June 28 was from 202 to 227, or 12.3 percent. I may say that of the 12 3 percent, approximately 5 3 percent is represented by the removal of subsidies In the case of grains there was no subsidy. In the case of food nearly all the increase—nearly all the 22 percent—was due to the elimination of subsidies. I assume that 17 percent of the increase was due to the elimination of subsidies. All of the metal increase of 4.3 percent was due to the elimination of subsidies. So without the subsidies the increase during those 10 or 12 days is approximately 7 percent.

So far as I could estimate black-market prices, I assume that of the 7 percent increase, probably 3 or 4 percent was already black market

So I estimate that the net increase in prices, apart from subsidies, which, after all, are paid by the consumer in one way or another, was about 4 percent in those 10 or 12 days.

But inevitably the removal of controls from a product that has a wide market is going to result in some increase in price for a while. The hope is that it will bring in such a supply that it will ultimately result in a lower price. But the general effect of the amendment on prices is so much less, because after all our only purpose here is to prevent speculative increases, to prevent increases brought about by the excessive demand. If we can hold the increases to cost plus a reasonable profit, if we can hold the increases to cost plus increases in cost over prewar costs, then we shall have prevented inflation and we shall have obtained production, which eventually is the only thing that can cure inflation.

So I believe very strongly that this principle must be embodied in the law, and I think it is completely nullified if we undertake to say to the Price Administrator, "Well, here is the formula. You have to apply it. But if you find that the production is so low that they are getting an abnormally low volume, then you do not have to apply it; or if it is so high that you do not think they are going to get any more production, you do not have to apply it." Mr. President, there is hardly any case in which the Administrator could not find either under (c) or under (f) that he does not have to apply the formula and, consequently, the formula is not there.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Missouri.

Mr. DONNELL. Will the Senator be kind enough to state in substance the argument which was presented by Mr. Porter for the inclusion of the language in the last four and one-half lines on page 25, and the answer which the Senator thinks proper to be made?

Mr. TAFT. I do not remember Mr. Porter's argument, but I think it was approximately this: The amendment in the last line on page 25 is an amendment of somewhat less importance than are the other two. Both the majority leader and myself proposed that there be added to the cost of each product in 1940 the increases in the cost of making the product, so the price of the product today would be at the proper level. That means that if the product was being sold at a loss or at a small profit in 1940, today also it would be sold at a loss or a small profit. On the other hand, the other products which the industry sold would be sold at a sufficient profit to make up the loss sustained in connection with the low-profit product. Under this amendment, instead of making the same profit today on the former remunerative products, it could be averaged down to the average price of all products which the industry sold in 1940.

The argument which was made, I believe, was this: It would be somewhat easier for Mr. Porter to calculate if he did not have to ascertain the cost of each product in 1940. He could say to a manufacturer. "You may receive 6 percent on everything, although you sold one article at a loss. Today I will take your 1940 price and allow you a 6-percent profit on everything instead of 1 percent on one article, 10 percent on another, and 7 or 8 percent on another." He says that that method makes his calculations very much easier. I do not think that it makes much difference, but it does result in a considerably lower total margin for the manufacturer who makes four or five separate products.

The entire method returns us to the so-called all-industry standard, where, instead of dealing with each product by itself we average the cost and the profit on all products. It is not quite so bad as averaging the present costs. We average not present costs, but profits. It might be simpler to reduce the amounts considerably.

The entire vice of the system has been that the Administrator has deliberately taken the position that a manufacturer must sell some articles or products at a loss, or at a high cost of production, because on some of the articles which he is making and selling he received a profit. I do not believe there was any very strong argument made in favor of Mr. Porter's position.

Mr. President, I hope very much that the Senate will stand by the general principle involved. I believe the principle is admitted. We have incorporated it in the law. The only purpose of writing anything of this kind into the pending measure is that the Administrator may be compelled to apply it and will not have the right to refuse to apply it. That is the only issue that lies in the amendment. Otherwise, it is a compromise amendment.

I am glad to say that I think the distinguished majority leader was trying sincerely to reach the principle which the Senate has in view, and yet meet some of the objections which the President made to the formula.

I do not insist upon the Senate adopting the original words of my amendment. I am perfectly willing to compromise, but I am not willing to compromise to the extent of saying that if the Administrator wishes to, even though the purpose is to increase production, he may not apply the principles upon which the Congress is insisting.

Mr. HUFFMAN. Mr. President, the action which the Senate is taking on price control is going to have a far-reaching effect on our economy. We are at the crossroads. By legislation we are either going to increase the intensity of the fires of inflation, or we are going to retard them. By amendments, we have already decontrolled the pending measure to death.

The greatest impediment to the enactment of proper legislation on this subject lies in the field of the personal interest of each individual Senator. Too many of the Members of this body, while favoring the general idea of price control, feel that certain products, generally those from their own State, should be exempted from the operation of the law. Log rolling has been fatal to the cause of effective price control.

If we are to exempt meat, as we have already done; if we are to exempt dairy products, as we have already done; if we are going to exempt cottonseed and soybeans, as we have already done, if we are going to exempt petroleum products, as we have already done; and each necessity in turn, we cannot possibly derive anything but an insipid and impotent measure. The joint resolution as reported by the committee was weak enough, but the amended measure is absolutely ineffective.

There are those who profess to believe that the law of supply and demand will take care of things from now on, but price behavior, since the expiration of controls, does not support such a contention. Yesterday cattle prices hit an all-time high on the Chicago market when a record level of $23 a hundred was reached. Milk prices in New York where 21 cents a quart is being charged reached their highest in 26 years. An over-all commodity price rise of 14 percent since July 1 was reported yesterday by the Bureau of Labor Statistics.

Inflation is a creeping paralysis and the gradual upward climb of prices has not been surprising. No reasonable person expected prices to jump out of sight

as soon as controls were removed Price action has been pretty largely as was contemplated by those best informed on the subject of controls. The real danger does not lie in what has taken place within 1 week or 2 weeks after the expiration of a price control act. The pertinent question is, What will be our situation some months from now?

It must be remembered that even these few days during which price controls have been lacking have not been days of freedom to those who are seeking large profits, because the Congress is still in session and there is a threat hanging over the country of a return to controls. Th s has served to sober some plungers, and has been the means of preventing acceleration of the inflationary spiral An altogether different situation would be presented if Congress were not in session, or were to adjourn within the next 2 or 3 weeks without having placed any lids at all on rents and the prices of other necessities. Under such a condition, skyrocketing of a most serious nature would result

It has been suggested that the President may recall Congress whenever the price situation appears to be getting out of hand, and that Congress can then enact the necessary controls That is a most unsound argument because the damage that has been done to our economy cannot be readily or completely repaired.

No wise or prudent citizen cares to set fire to a tinder box in his own house to see how far it will burn, nor does he care to be placed in a position where it is necessary to call the fire department. Economically we are here playing with fire

The enactment of a reasonable price-control bill by the Congress is vital to our economic welfare. As long as we have shortages in necessities we must have control or we shall have chaos

The presently amended House joint resolution is not a measure which will prevent run-away inflation or prevent chaos It is so mutilated that it no longer bears any resemblance to the measure recommended by the Banking and Currency Committee a few days ago. As an inflation curb it is already impotent, and any Senator who is seeking to help build a retaining dam against run-away prices no longer finds within the measure any hope.

The joint resolution as amended strikes the hardest blow against veterans and veteran housing that has been dealt since the end of the war. It is not what they fought for.

There remains only one reason for Members of this body who conscientiously desire proper price controls to vote for this measure as it is, and that is to send it to joint conference with the House in the hope that a reasonable stabilization law may be obtained.

Armed with this measure as a weapon, the task of the conferees appears to be well-nigh hopeless.

The amendment which has just been offered by the senior Senator from Ohio, and upon which we shall doubtless soon vote, is being offered in almost the same form in which the President vetoed it as a part of the previous price-control bill. In my opinion, it is just another proposal that will completely wreck all possibility of price stabilization, or arriving at a measure on which the Congress and the President can be in accord. If it should be adopted, all price control will have definitely reached the end of the road.

Mr. WAGNER. Mr. President, in view of all the talk about meat, which I understand is a sort of hot potato to those who voted for the decontrol of meat, I should like to read an article from the New York Times of this morning along the line discussed by the distinguished Senator from Delaware [Mr. TUNNELL] today. I read:

MEAT PRICES SOAR TO RECORD LEVELS—BEEF ON HOOF HIGHEST IN 81 YEARS—WHOLESALE FOOD INDEX REACHES 26-YEAR TOP

Prices in the Nation's livestock and wholesale food markets, which had broken 25-year records last week, climbed yesterday to new peaks, with prime beef on the hoof bringing the highest figure in the 81 years of the Chicago Union Stockyards' existence The new record, $23 a hundredweight, is 28 percent above the highest livestock ceiling that had been permitted by the Office of Price Administration

Wholesale food prices were listed by Dun & Bradstreet—

Which is a well-known concern—

at the highest point in 26 years The agency's index of 31 food commodities stood at $4 88, the highest since June 10, 1920, when it was $4 89 The highest on record was $5 30 on July 31, 1919, at the time of uncontrolled inflation after World War I

I ask unanimous consent that at the conclusion of my statement there be printed the Daily Indexes of Commodity Prices in Primary (Pre-Wholesale) Markets

There being no objection, the matter was ordered to be printed in the RECORD, as follows.

OPA daily price summary—Prices of July 10—Daily indexes of commodity prices in primary (prewholesale) markets

(Movement under "hold the line" and since June 28, 1946)

	Percentage increase	
	May 17 1943 to June 28 1946	June 28 1946, to July 10, 1946
[illegible]		
[illegible]		
modities)	13 1	16 3
12 foodstuffs	14 6	25 2
16 raw industrial commodities	11 9	10 2
New York [illegible]		
[illegible]	15 8	14 3
[illegible]	30 3	20 1
[illegible]	—1 6	22 3
[illegible]	18 3	3 9
5 metals	16 2	4 4
5 miscellaneous	2 0	17 1

[illegible] Most of the 28 commodities [illegible] are sensitive to price changes, and are [illegible] represent [illegible] markets. The daily [illegible] are [illegible] Bureau's regular price [illegible] a large [illegible] Calculated as [illegible] goods which [illegible] fluctuate less frequently and with narrower margins Of the 28 items included in the daily index, 14 were selected because of their importance, while [illegible] 11 of these are imported in large quantities.

[illegible] This group corresponds roughly to the 15 grains and foods reported by the Journal of Commerce in 2 separate groups.

Daily index numbers, spot market prices,[1] and percentage change for 28 basic commodities since June 28, 1946

	Percentage change, June 28, 1946, to July 10, 1946
INDEX NUMBERS	
General Index	16.3
[illegible]	25.2
[illegible]	10.2
[illegible]	18.9
[illegible]	14.8

PRICES	June 28, 1946	July 10, 1946	Percentage change
Wheat:			
Kansas City, No. 2 h w	bushel	$1 871	$2 130	13 8
Minneapolis, No 2 [illegible]	bushel	1 885	2 205	17 0
[illegible]		3 350	3 750	11 9
[illegible]		1 440	1 625	12 8
[illegible]		1 448	2 500	81 9
[illegible]		.560	.719	28 4
[illegible]		.086	.115	33 7
[illegible]		14 850	17 625	18 7
[illegible]		17 000	18 875	11.0
Lard, Chicago[2]	pound	.140	.180	28 6
Coffee, Santos No 4, N Y	pound	.156	.215	36 1
Sugar, New York[3]	do	.042	.042	0
Cocoa beans, New York	do	.090	.126	33 3
[illegible] New York		.965	1.600	65 5
[illegible]		.225	.220	0
[illegible]		.155	.225	45 2
[illegible]				
	100 pounds	6 760	6 950	42 8
Cottonseed oil New York[4]	pound	.143	.178	24 5
Print cloth, New York[5]	yard	.114	.114	0
Silk New York	pound	2.680	3.080	10
Wool tops, New York[4]	pound	1 330	1 410	6.0
Burlap, New York[3]	yard	.118	1 118	6.0
Steel scrap				
[illegible]		18 750	18 750	0
[illegible]		18 750	18 750	0
[illegible]		.520	.520	0
[illegible]		.142	.142	0
[illegible]		.082	.094	15 9
[illegible]		.087	.099	13 8
[illegible]				
[illegible]		.310	.335	8.1

[1] Spot (cash) prices in primary markets except where otherwise indicated

[2] Wholesale price

[3] Approximately 75 cents above maximum compliance price

[4] [illegible] price

[5] [illegible] price pending resumption of [illegible]

Source Bureau of Labor Statistics, U S Department o Labor

Prices of 30 sensitive commodities and percentage change since June 28, 1946

[New York markets except where noted]

		June 28	July 10	Percentage change
Grains:				
Wheat, Kansas City	bu	$1 97	$2 16	9 6
Corn, Chicago	bu	1 44	2.18	51 4
Oats, Chicago	bu	.86	.96½	12 2
Rye	bu	1.70		
Barley	bu	1 60	1 74	8 8
Food:				
Flour	100 lbs	5 75	5 35	42 7
Beef	lb	.208 – 219	.258–.52	[1] 24.0
Pork	lb	.24½–.28	.27–.48	[1] 11 3
Lard, Chicago	lb	.1495	.18	
Eggs	doz	.33	.34–.36	3.0–9.1
Butter	lb	.5[illegible]	.73	28.6
Cheese	lb	.3649	(2)	
Sugar	lb	.04205	.04205	0

[1] New [illegible] prices

[2] June 28 range [illegible] July 10 [illegible] packers [illegible] other [illegible] are [illegible] calculated only for prices at bottom of range

[3] No trading July [illegible] down

[4] No trading

Prices of 30 sensitive commodities and percentage change since June 28, 1946—Con.

[New York markets except where noted]

	June 28	July 10	Percentage change
Food, Continued:			
[illegible]	$0.1545	$0.21½	39 2
[illegible]	.0899	.14	55 7
Textiles:			
Cotton, Galveston lb	.3090	.3340	8.1
Print cloth, 39½-inch yd	.11370	(4)	0
Wool lb	1 05	1 05	0
Silk lb	14 00	9 00	(4)
Burlap lb	.1180	.1180	0
Metals:			
Copper lb	.143½	(4)	-------
Zinc, East St. Louis lb	.08¼	.09½	15 2
Lead lb	.06¼	.09½	15.2
Tin lb	.52	(4)	-------
Silver, domestic oz	.7046	(4)	-------
Miscellaneous:			
Hides, Chicago lb	.18½	(4)	-------
Rubber lb	.22½	.22½	0
Linseed oil gal	.15½	.177	14 2
Turpentine gal	.94½	1 12	18 5
Hogs, Chicago 100 lbs	14.75	17.75	20.3

[2] No trading, July 8 price shown.
[4] No trading.
[5] Silk is currently included at ceiling price and current quotations are disregarded pending resumption of significant trading volumes.

Source: New York Journal of Commerce.

NOTE ON SUBSIDIES

Beef and pork. Subsidy payments on meat, eliminated June 30, had the following price equivalents at the wholesale level: Beef, 84 to 85 per hundredweight (carcass), depending on grade; pork, $2.30 per hundredweight (carcass).

The elimination of the subsidy on beef, therefore, calls for a rise of 21 percent at wholesale. To date (July 10) the increase in beef prices has been only slightly more than enough to offset the subsidy loss.

While the price of good steers has risen 11 percent (see p 2), prices on the prime and choice grades (constituting about a third of all beef) have risen 26 percent. A weighted average of prices paid for all steers would show an increase of about 19 percent. Measured from compliance levels (see note 2 on p. 2), the rise is about 24 percent.

Complete reflection of both this rise in cattle prices and the loss of subsidy payments would bring wholesale beef prices 50 percent above the June 28 level, with a similar rise at retail to follow.

On pork a price rise of 12 percent at wholesale (pork cuts and lard combined) would offset the subsidy loss. Adding full reflection of increased hog prices would bring pork and lard prices 81 percent above June 28 levels.

Dairy products. Subsidy payments on butterfat were the equivalent of 12 cents a pound of butter at wholesale (14 cents at retail) [1]

The other dairy subsidies consisted of dairy production payments (varied between surplus and deficit areas) and a small-scale regional fluid milk payment program (13 urban areas). The price equivalent of the elimination of these payments, taken in combination, ranges from 1 to 2.1 cents at wholesale. (In the Washington area, the total is 1.7 cents a quart.)

RENT REPORTS RECEIVED FROM FIELD OFFICES, JULY 10, 1946

All areas reporting continued to cite widespread rent increases of severe magnitude and a sharp increase in eviction notices by landlords.

NEW ENGLAND

Maine: Numerous rent increases averaging 50 percent reported.

Vermont: Tourist-home rates doubling and trebling.

Rhode Island: In the first 5 days of July over 900 eviction notices were received, seven times the normal number of receipts for such a period.

MIDWEST

All midwestern area offices reported widespread rent increases ranging from 10 to 900 percent, with most increases averaging between 25 and 50 percent.

In Chicago almost 1,700 eviction notices were reported for the 3-day period July 1 through 3.

SOUTH

All areas report a uniform picture of large-scale rent increases and greatly increased eviction pressure. Examples: Greenville, S C., rent increases varying from 10 to 200 percent, West Palm Beach, Fla., from 10 to 150 percent; Montgomery, Ala., from 10 to 320 percent.

WEST

San Francisco district: Many rent increases reported ranging from 10 to 286 percent. More than half of the increases reported were in excess of 50 percent.

MIAMI, FLA., July 2.—The Greater Miami Apartment House Association and the Miami Beach Apartment House Owners' Association, representing 25,000 of apartment units, voted unanimously tonight not to raise rents—yet.

E. J. Minges, former president of the Miami organization, in a speech said, Don't kill the goose that laid the golden egg—yet. We're all tired of collecting low rent, but for goodness sake, let's wait until this corpse is buried. Don't do anything until they get the marble slab on tight. Stay down for a few months. The winter is coming and when that slab is down tight, you can work rents up and then there won't be any OPA for them to fall back on."

Mr. WHERRY. Mr. President, I should like to ask the Senator from New York a question.

Mr. WAGNER. I yield.

Mr. WHERRY. How do those prices compare with the black-market prices?

Mr. WAGNER. I do not know anything about black-market prices.

AFFIDAVIT OF NONMEMBERSHIP IN ORGANIZATIONS ASSERTING RIGHT TO STRIKE AGAINST THE GOVERNMENT

Mr. TAYLOR. Mr. President, I am in an anomolous position. I have been elected by the people of Idaho and found qualified to sit as a Member of this body, but it seems that I may not be qualified to draw the salary of my office. Recently the financial clerk sent around an affidavit for us to sign. In it we had to swear that we were not members of any organization that asserts the right to strike against the Government, and will not join one during our service with the Senate.

I cannot conceive, no matter how hard I try, of any circumstances in which a United States Senator would want to strike. If any of us wants to stay home, we can do that without striking. The guides are always ready to explain to tourists that the empty seats represent Senators who are at committee meetings or away on other official business. I suppose an absence of a quorum can be interpreted by highly sensational minds as a strike, but that seems very far-fetched. In short, I just cannot understand why we should be expected to strike. Nevertheless, this affidavit has been distributed to us for signature.

Unfortunately, I find myself unable to subscribe to that oath, and for no fault of my own. I have never struck against the Government or against a private employer, but I happen to be affiliated with the Sheet Metal Workers International Association, a union which is affiliated with both the American Federation of Labor and the railroad brotherhoods, and I might say, in passing, that I am proud of that affiliation. It is true that my connection is an inactive one. During the present interruption in the useful toil of sheet-metal work I hold what is known as a "withdrawal card"—I pay no dues, but I still have certain rights and obligations.

I have no more intention of dropping that membership than any of my colleagues have of dropping their membership in the American Bar Association. I think that it makes me a better Senator. The feel of that little card in my back pocket reminds me of where I come from, reminds me that I am one of the 99 percent, and that I am making laws for that 99 percent. It reminds me of the men I have worked with, and whom I want to face with a clear conscience when I walk in the street or ride a trolley, so I am not going to give it up. I would not represent my constituents as well without it.

Accordingly, I took steps to ascertain whether this affiliation would prevent my signing the affidavit. I checked with the union, and was informed that its constitution is silent on the specific point of strikes against the Government.

I next checked with the Legislative Reference Service. They quoted a passage from a book entitled "One Thousand Strikes of Government Employees," which stated that the building trades unions, including the sheet-metal workers, acknowledged that their employees had on several occasions struck against Government agencies with the full support of their national organizations. It stated that "the power to strike had been extremely valuable in dealing with private contractors on public construction, and although it was not necessary in dealing with public agencies, the unions felt that it was a right which had to be preserved."

Let me remind the Senate that in peacetime there are no strikingly apparent differences between the social consequences of a work delay on a new post office or Government housing project on the one hand, and a privately owned telephone building or apartment house on the other. If nonunion labor is brought into any of these jobs, or if the pay or working conditions are substandard, naturally the union men quit. That is the device which they have used for many years to protect their job security, wages, and working conditions, and it is naturally jealously guarded.

In view of these facts, I am certainly not prepared to swear that my union does not assert the right to strike against the Government, nor am I prepared to swear that my present affiliation does not constitute "membership" within the terms of the law, and so I have found it

[1] These figures represent correction of those used in earlier editions of this note.

necessary to eliminate those clauses before signing the affidavit. I cannot take an oath lightly nor do I wish to resolve all of my various doubts in my own favor. In submitting the affidavit to the Senate Disbursing Office, I wrote as follows:

MR. OCO THOMPSON,
Financial Clerk, United States Senate,
Washington, D. C.

DEAR MR THOMPSON: I am returning herewith an executed copy of the personnel affidavit submitted by your office. You will note that I have stricken out clauses (b) and (c) which read "(b) am not a member of any organization that asserts the right to strike against the Government of the United States; (c) will not become, during my service with the Senate, a member of any organization that asserts the right to strike against the Government of the United States" I find that I am unable to subscribe to these clauses with any degree of assurance. I am associated with the Sheet Metal Workers International Association which is affiliated with the American Federation of Labor and the railroad brotherhoods, and after a careful study of the history, constitution, and bylaws of that organization, I am unprepared to swear that it does not "assert a right to strike against the Government." While I have never been called out on strike nor can I conceive of any occasion when my affiliation with this organization would interfere with the diligent performance of my duties, I feel disinclined to take an oath lightly or with reservations I am extremely proud of my association with the sheet metal workers and have no intention of resigning from it. Under the circumstances, therefore, I felt compelled to omit clauses (b) and (c) from the affidavit, and respectfully suggest that, in the absence of this prima facie evidence you conduct whatever investigation is necessary to satisfy yourself of my eligibility to draw my salary. In this connection I shall be happy to supply you with any additional facts which you require and I am sure that the union also will be glad to assist you.

I deeply regret the burden that is placed upon your shoulders and the confusion and uncertainty which is undoubtedly being caused throughout the Government by this law which was enacted as a rider to an appropriation bill.

Sincerely,

GLEN H TAYLOR

Mr. President, the result, as can be seen, is an incongruous one. It seems unfair that I should serve without salary while other Senators should be paid for their services.

This, Mr. President, is the result of legislation by rider. The antistrike provision did not come in on its own feet. It was never referred to the committees that normally consider such subjects and have acquired experience and competence in them. It did not go to the Committee on Education and Labor which has given so much careful study to the problems of labor and of unions. It did not go to the Civil Service Committee, whose members are so conversant with personnel and management relations within the Government. There were no open hearings in which interested parties could point out the consequences of the legislation or make suggestions for changes or improvements. Instead, it was hastily tacked onto a bill containing a completely different subject matter—an appropriations bill. The Appropriations Committee had considered at very great length the budgetary problems of the various Government agencies. But it has never been concerned with this subject of personnel management nor did it inform itself by inviting interested parties to come and testify.

The provision was drafted in white heat in a period of bitter antilabor feeling which was engendered by the newspapers and magazines during the recent wage negotiations, strikes, and lock-outs. I may add, Mr. President, that the radio had its part in inciting this strong feeling toward labor. I heard many inflammatory radio broadcasts at about that period of time It passed as a rider to an extremely important appropriation bill whose immediate passage was absolutely necessary to provide for the continued functioning of the governmental establishment. It is similar, in that respect, to the rider which required the dismissal of Lovett, Dodd, and Watson, which President Roosevelt was forced to sign against his wishes in order to keep the Government in funds, and which the Supreme Court has since found to be unconstitutional. It was tacked on in disregard of our own parliamentary rules which prohibit legislative riders on appropriation bills. This rule was invoked against me when I attempted to attach another rider which would provide for collective bargaining inside the Government, but it was forgotten when the antistrike rider was proposed.

In time of war or other national emergency, labor should refrain from strikes, no matter how great the provocation or how enormous the profits of the corporations. During World War II it performed this duty magnificently. Labor unions in the Government should refrain from striking on jobs of certain type at any time But the Government should not take refuge in this exemption too often. It should be a leader, not a laggard, in employment relations. It should not discourage the organization of its employees, because that sort of organization often serves highly useful functions. When confronted with grievances it should face them fairly and logically, and not wrap itself in the flag and cry patriotism. A ludicrous example of that primitive attitude appeared in the Philadelphia papers on Tuesday night Governor Martin, of Pennsylvania, is the man who raised the cry. He said that the sovereign State of Pennsylvania would not tolerate a strike against the Government, and he spoke as though the very foundations of the Commonwealth were shaking. But I wonder if the threatened strike would seriously have injured the sovereignty or dignity of the State It happened to involve the employees of the State liquor stores.

None of us approves of strikes of Government employees but I doubt that any of us seriously felt that there was any danger of such strikes. Government unions have made valuable contributions. The democratic system of constructive criticism from the bottom up has improved the efficiency of many agencies. The settlement of grievances has improved morale. The various Government unions have frequently appeared before the Civil Service Committee and have given it valuable suggestions. They have helped to enforce good personnel policies of departments when petty supervisors were too lazy to observe them. They have developed labor-management committees. They have opposed unfair discrimination. The present attack upon these unions does not stem from any real fear of a strike. It is merely part of a hatred of unions and labor which still exists in many quarters. It is just one move in a "get labor" drive.

The effect of this rider will be the further harassment of a favorite scapegoat—the hard-working Government employees. I think a great injustice has been done to them and to me, and I hope that this body will soon make amends. Most of them are unable to assert their rights or to question the validity of this rider even though they know it is unconstitutional I feel that I have a duty to raise this question. The people of Idaho have a right to equal representation, and they have a right to know that their Senators are paid at the same rate as the Senators of other States.

In addition to that statement, Mr. President, I will say that I have been informed by one who has recently called the Sergeant-at-Arms of the House of Representatives, that they have not sent this affidavit to the Members of the House of Representatives. There seems to be some confusion there also. Senators are obliged to swear that we are faithful, patriotic citizens, but the Representatives are exempt Mr Oco Thompson, our financial clerk, when this discrepancy was brought to his attention, said that the Sergeant-at-Arms is taking a chance, as the act states that anyone who is paid must first have signed the affidavit.

A rather amusing incident occurred the other day. I was mentioning this subject before a group of Senators and one of them, who has voted every time it has appeared for this rider to require Government employees to sign the affidavit that they are faithful law-abiding citizens, was very much incensed, and he said, "Well, I do not see why they should send the affidavit to Senators," as though Senators were some sort of special individuals. I do not feel that way about the matter, Mr. President. I believe that the feelings of the humblest Government worker, his pride in American citizenship, is just as valuable an asset to him as are my own feelings on the matter. If the affidavits are going to be sent to street sweepers in the Government employ, then the affidavit should be sent to me by all means. I have been sent one, and I have been unable to sign it, and there the matter rests. It is up to Mr. Thompson to make the next move, and we will see whether or not I am eligible to be paid.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. TAYLOR. Mr. President, I should like to make a few remarks on the OPA legislation before us. At various times certain sections of the press have accused me of being a Communist,

or of having communistic sympathies. Indeed, in Idaho they are preparing to fight the fall campaign on that issue—Americanism versus Taylorism. That is a new ism that has sprung up in America—at least in Idaho. When I sponsored the peace conference which was held here in Washington some time ago I was accused of being a Communist, because it was said that there were some individuals affiliated with this new peace conference who were also affiliated with Communist organizations. I do not know. Perhaps there were. But if there are Communists who are in favor of peace, we have at least that much in common, and on that score at least I can call them brothers. If I were to refuse to be a party to any organization which has enjoyed Communist support at times, I would have to withdraw from the Democratic Party, because we have had the support of Communists at various times. I can say also that the Republicans would have to disavow their party, because the Communists have supported the Republicans at times. That statement may seem strange to the Republicans. I suppose the Communists have not supported them as often as they have supported the Democrats, but I will say that the more violent elements of the Communist Party support the Republican Party.

When I was working in a defense plant a welder was working with me. We used to argue politics hot and heavy. He hated Roosevelt with an undying hatred, and I would defend Roosevelt. He was a very agreeable fellow in all other respects. However, we could not agree politically. I look back with a great deal of pleasure on my association with the man, and even the arguments which we had.

Finally the reason for his hatred of Roosevelt came out. He said that Roosevelt had stepped in just when Herbert Hoover had us on the verge of revolution, and that Roosevelt had saved capitalism, and therefore he hated Roosevelt bitterly. He thought Hoover was a great man because he had almost brought us to a revolution, something that the Communists had never been able to do.

That was before the 1944 elections. His first choice for President was Mr. Bricker, of Ohio. He said that Bricker would be his first choice because Bricker would more quickly ruin the country and bring on the revolution. His second choice was the Senator from Ohio [Mr. TAFT.]

So we find the very violent Communists, who want the revolution, supporting the Republicans. When we accuse a man of associating with Communists, it is a question of which foot the shoe is on.

I have before me a clipping which brings that issue into clear relief. First I should like to have printed in the RECORD at this point as a part of my remarks an editorial from the Washington Evening Star of July 4, with relation to inflation in Hungary. The editorial states that at one time the pengo was worth 17 cents in our money, but on July 4 it had reached the low state of one million trillion pengos to the dollar. It was depreciating quite rapidly. The people of Hungary are forced to use gunny sacks and wheelbarrows to carry their money around with them, with which to buy ham sandwiches—if they can find the ham sandwiches.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INFLATION IN HUNGARY

Hungary now is experiencing the ultimate in inflation, probably the worst ever suffered by any country in history, not excepting Germany after the First World War. Money, in effect, has become virtually meaningless there, and the price of the smallest commodity must be calculated in terms of figures that are literally too astronomical for the average mind to comprehend.

In prewar days the pengo, Hungary's basic monetary unit, was worth about 17 cents in our money. But today its value is so infinitesimal that it would have to be multiplied 30,000 trillion times to equal the value of a dollar. In the normal past a Hungarian would have been comfortably fixed if he earned 400 pengoes a week, but to be as well off now he would have to earn something like one million trillion pengoes.

Since this situation grows worse from hour to hour, the wages of Hungarian workers undergo daily adjustments to keep pace with soaring prices, which are some 125 trillion times what they were when the inflation first started. The Budapest government has worked out a program of stabilization, but until that takes hold the people of the country are going to continue to suffer. It is an economic tragedy of the first magnitude, and to visualize it Americans need only think of what would happen to them if our monetary structure suddenly collapsed and things like a loaf of bread cost a couple of billion dollars.

Special factors, of course, account for Hungary's grave plight; yet, even though those factors do not figure in our own picture what has happened over there makes apposite reading for us. We have had little bits and starts of inflation already, and since these have a way of gathering weight and momentum they can become wild and overwhelming unless effectively controlled, as President Truman has said. Relatively speaking, our money is by far the strongest in the world, but it can be hit very hard by a too-hasty decontrol of the economic forces that could crack it. The story of Hungary should give pause to any American who would take all barriers down at once and without further ado.

I have before me a news dispatch from Budapest dated July 8, which reads as follows:

[From the Washington Post of July 9, 1946]

JUST WASTE PAPER—PENGO PLUNGE ADDS TO CRISIS IN HUNGARY

BUDAPEST, July 8.—Hungary's cabinet crisis was sharpened tonight when the nation reached the apex of inflation and value of the pengo plunged to such infinitesimal depths that the currency became useful only as second-hand paper.

Some anti-Russian Hungarian quarters blamed the Communists for bringing on the first recorded case of complete inflation in the annals of modern history.

These embittered financial circles charged the Communists started the wild wave of inflation a year ago by forcing the lifting of all price controls, causing the pengo to plummet from its prewar value of 20 cents to the new ratio of a thousand billion trillions per dollar over the week end.

So, Mr. President, today we have the spectacle of the Republican Party following the Communist line and seeking, by removing all price controls, to bring on in America the kind of inflation which has come to Hungary. At least that is the situation according to financial circles in Hungary. That is their theory. If they are consistent, if we were to tell them what the Republican Party was trying to do in America they would doubtless lump them in with the Hungarian Communists, and say that they were all out to ruin the world and private enterprise generally.

I should like to read a few excerpts from Business Week of July 6, 1946. This is from the colored page in the front of the book, which appears nowadays in many very businesslike publications. This is supposed to be the "hot stuff right of the griddle." It is semisecret. Business Week says:

Efforts of big manufacturers and retailers to hold prices at least temporarily, may affect congressional action importantly.

The article is discussing the OPA.

If price rises the next few days are not sharp, there will be less push for a new law Soon it will be mid-July, time to adjourn in any ordinary year. And this is an election year.

And if initial price rises aren't too sharp, there is a chance that the consumer rush to beat the upward spiral will moderate for a time.

In other words, Business Week is passing out a tip to the boys that if they can only curb their impatience for a few days, until Congress adjourns, and not raise price too much, no price legislation may be enacted, and then they can raise prices to their heart's content.

The article continues:

Production is the only thing that can prevent a destructive inflation now. And output cannot be speeded by controls adopted in desperation.

Perhaps I agree with that. But also, Mr. President, I wish to point out that if price rises continue, all the labor settlements which have been made during the past few months, literally with blood, sweat, and tears, will go by the board. We shall have another round of strikes. Production will lag and prices will increase because we shall not have production. Then whatever settlements we have made with labor will be outmoded. There will be more strikes, further curtailment of production, further price increases; and eventually it is very possible that the American economy will join the pengo and the dodo.

The article further states:

One cynical viewpoint—

I do not know who the cynic is, and the article does not state. At any rate, the viewpoint is credited to some cynic—

One cynical viewpoint on present inflationary conditions is that supply and demand can be brought into balance by letting prices soar.

If milk prices go up several cents a quart, families in low-income brackets will use less.

Mr. President, it may be a sad fact, but it is true, that the low-income families of America are the ones which have the largest families; and naturally they are the ones who need milk. Nevertheless—

If milk prices go up several cents a quart, families in low-income brackets will use less. The surplus would go into other dairy products—butter, cheese, ice cream—eliminating the shortages in these lines.

In other words, the children of the poor could go without, in order that some pot-bellied war profiteer could have some of the rare cheeses manufactured in the State of the distinguished Senator from Wisconsin [Mr. WILEY]; and we could have ice cream regularly in the Senate restaurant so long as our salaries were sufficient to enable us to buy a dish of ice cream. They will not be adequate for very long if we follow the pengo and the dodo.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. WILEY. Does the Senator realize that the veto of the OPA bill by the President resulted in milk prices going up because the President vetoed the milk subsidy, and that all over the land the increase in milk prices is virtually what the subsidy would amount to?

Mr. TAYLOR. The President did not veto the milk subsidy as such. He vetoed it because it was mixed up with something else that smelled to high heaven.

The article continues:

If auto prices go high enough, fewer people will be able to buy cars—even on time payments—and there won't be any more worry about steel.

Actually, however, a lot of items might sell cheaper without ceilings Meat and butter could well move above recent official prices but possibly at considerably less than the familiar black-market figures

* * * *

Behind all the "maybe" of the price situation, economic factors could hardly be more explosive.

After all that is said in this article, it finally gets down to that statement and points out what the explosive factors are.

Consumers' incomes are rising, the annual rate of $157,000,000,000 now comparing with the prewar peak of $160,000,000,000 and with $93,000,000,000 in 1941.

Incidentally, Mr. President, I told the people of Idaho that America could produce $120,000,000,000 worth of goods and services. I was called a Communist and a Bolshevik. Those were the gentlest names I was called. They said I was a fool, in fact. But it was not long until we were producing far more than that, and now we are heading toward something a time and a half as great as that figure.

Mr. President, here are some figures sent me by the New Council of American Business, Inc., which is an organization of liberal businessmen set up as an antidote to the National Association of Manufacturers. Here is what they say about this OPA conflict that is going on:

DEAR SENATOR TAYLOR: We respectfully bring to your attention the attached visual presentation of what has happened to prices during the past week. Illustrated in the accompanying chart is the fact that, since controls ran out, commodity price rises in 8 days' time have exceeded by more than 100 percent the annual rate of rises in the 3 years and 3 months between March 1943 and June 1946.

This disorder in the market can be expected to continue. It is inevitable, for example, that the sharp rises in grain and food prices shown in the chart will be fully reflected over a period of weeks in many other items.

Such spectacular price increases clearly endanger the stability of our economy and put businessmen in an impossible operating position.

Mr. President, remember that this is a letter which a businessmen's organization has written to me. They further state:

Every day the upswing continues, business inequities will be piled up, making restoration of normal marketing processes increasingly difficult; and unfortunately the squeeze will be felt hardest by independent business

As businessmen, therefore, we are extremely anxious for the promptest possible action in Congress on return of full powers to OPA. An American people, disgruntled over runaway living costs and rents and later sent out to find jobs because of price collapse, will not, in our opinion, be good for business. We are looking forward to immediate restoration by Congress of June 30 ceiling prices

Respectfully yours,

HENRY L. MCCARTHY,
Executive Director.

Mr President, I may say that this institution is a bona fide one. I happen to know the president personally. He comes from the State of Utah; and the Senator from Utah [Mr. MURDOCK] can vouch for my statement when I say that Mr George C. Hatch, the president of the New Council of American Business, Inc , is a substantial businessman in the State of Utah, operating a chain of radio stations there.

Mr. MURDOCK. Mr. President, if the Senator will yield to me, I am very happy to corroborate the statement he has made. Mr Hatch is one of our prominent businessmen. He is a young man and a progressive and a liberal, and I think he is looked upon as a very stable and substantial member of the business fraternity

Mr TAYLOR. That shows the caliber of the men who have organized this New Council of American Business. They are simply unselfish businessmen, more interested in the welfare of America than in any immediate gain. They also have the intelligence to realize that while in an inflationary period they might make immediate profits, it will not be best for them as businessmen or as American citizens in the long run.

Mr. President, with the letter there is enclosed a table entitled "Profits before taxes of 2,152 identical industrial corporations producing 65 percent of all goods." I ask unanimous consent that the table may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Profits before taxes of 2,152 identical industrial corporations producing 65 percent of all goods

Year	Percent on sales	Average	Percent on net worth	Average
1936	10 6		11 8	
1937	10 3	9.2	12.3	9.9
1938	6 2		5.9	
1939	8.3		10.0	
1940	11.8		14.3	
1941	13 1		24 4	
1942	12.7		24 5	
1943	11.3		23.3	
1944	10.7		23.0	

Mr. TAYLOR. Mr. President, another table, which is enclosed with the letter, is entitled "One Week of Runaway Prices, Index of 30 Commodity Prices—New York Journal of Commerce." I also wish to have that table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

One week of runaway prices—index of 30 commodity prices—New York Journal of Commerce

	Percent
Rise in 1 week, June 28 to July 5, 1946, without price control	11 1
Average annual rise, March 1943 to June 1946, with price control	4 5

Price rises of 30 commodities—percentage rise, year 1946

	June 28	July 1	July 2	July 3	July 5
30 commodities	Base	6.7	8 9	12.6	11 2
Grains	do	13 1	19 1	21 5	19 0
Foods	do	9	9 9	11 7	13 6
Textiles	do	.5	05	0	0
Metals	do	0	2.2	4 4	4 4
Miscellaneous	do	14 2	7.0	10.8	6.1

Mr. TAYLOR. In other words, Mr. President, in 1 week the cost of living has gone up more than twice as much as it did during any year during which price control was in effect.

Mr. President, I also hold in my hand other letters from the New Council of American Business. I shall not read them, but I also submit them for the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW COUNCIL OF AMERICAN BUSINESS, INC ,
Washington, D C., July 9, 1946.

Hon. GLEN H TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: The manufacturers, wholesalers, and retailers who make up the membership of this organization feel that a great deal of misinformation has been circulated about the effect of price control upon production For that reason we have had charted and reproduced the most reliable information on the subject—the index of industrial production of the Federal Reserve Board. You will find it attached to this letter.

The volume of business of our members, with very few exceptions, exceeds that of prewar years, and we are making more money than we made then. We are, therefore, very much upset over the fact that the Nation's economic system has been upset by the termination of price control. We feel that it is of the utmost importance that Congress restore controls as they were before June 30, with the least possible delay.

Radios, washing machines, vacuum cleaners, refrigerators, and warm-air furnaces are coming from production lines faster than before the war; so are cottons, woolens, rayons, textiles, shoes, and even men's suits. There is every reason to believe, if things are not upset by a runaway inflation, that our industrial output before the end of the year will run as much as 20 percent ahead of output in 1941, the prewar peak year. Should Congress end effective price control on the assumption that we cannot get production under the pricing standards that were in effect before June 30, it will fall victim of a great hoax. The fact is that we have never enjoyed such production as we are getting under price control.

We hope you will find it convenient to study carefully the attached sheet, and that when discussion of production under price control arises, the facts shown by the chart will be of use to you. In the interests of continued high volume production, the independent businessman is anxious to see a fully effective price-control law reinstituted by the Congress at once.

Sincerely yours,

HENRY L. MCCARTHY,
Executive Director.

Volume of industrial production[1]

(Federal Reserve Board index)

Average, 1935–39	[2] 100
1936	[2] 103
1937	[2] 113
1938	[2] 89
1939	[2] 109
1940	[2] 125
1941	[2] 162
1942	[2] 199
1943	[2] 239
1944	[2] 235
1945	[2] 203
January:	
1939	[2] 101
1941	[2] 143
1946	[2] 160
February:	
1939	[2] 101
1941	[2] 147
1946	[2] 152
March:	
1939	[2] 101
1941	[2] 152
1946	[2] 168
April:	
1939	[2] 98
1941	[2] 149
1946	[2] 165
May:	
1939	[2] 99
1941	[2] 160
1946	[3] [4] 160

[1] Measures not dollar value, but units of production

[2] No price control.

[3] Price control

[4] Coal, railroad, and other strikes hampered output. June production probably will exceed that of March.

NEW COUNCIL OF AMERICAN BUSINESS, INC.,
Washington, D. C., July 10, 1946.

Hon. GLEN H. TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: Mr. Robert R. Wason, president of the National Association of Manufacturers, in testifying before the Senate Banking and Currency Committee on April 23, 1946, said:

"We urge you (the committee) to give the manufacturers of America a chance to turn out the goods with which to smother inflation. To stop this inflation NAM asks that OPA controls be terminated on June 30 of this year."

Congress does not have to remove price controls to see the effect of their removal upon industrial production. For after World War I we had no price control. This time we have had price control. Just what happened both times is shown on the attached chart. Perhaps the facts will surprise you; they emphatically deny Mr. Wason's claims. They show that whereas production without price control after World War I increased but 17 percent, production for the first 5 months of 1946 with price control is 61 percent above peacetime 1939.

It should also be recognized that production by little- and medium-sized manufacturers always suffers during a period of rapidly rising prices, for in the scramble to build up inventories in advance of price rises big manufacturers get first call upon materials and parts.

We do not face the OPA-less future with "confidence," as the full-page ads of the NAM assume. We are worried. We are worried about our businesses, and our country. We urge the Congress to continue the Government's price stabilization program for 1 year, without emasculating amendments.

Sincerely yours,

HENRY L. MCCARTHY,
Executive Director.

GAIN IN POSTWAR PRODUCTION WITH AND WITHOUT PRICE CONTROL

After World War I, 1919 (first postwar year) over 1914 (last prewar year), 17 percent. No price control.

After World War II, 1946 (first postwar year) over 1939 (last prewar year, rate of production first 5 months), 61 percent. With price control

Production is excellent, it is not likely to be better, it may be worse if price control ends

Mr. TAYLOR. Mr. President, the letters also present charts showing the volume of industrial production and how it has risen with price control since the last war ended, and how it rose after the First World War, with no price controls. After the First World War it did not rise very much. Production has risen a great deal more after this war, with price controls, than it did after the First World War, with no price controls. That would seem to me to shoot to pieces the argument of those who say that uncontrolled prices will bring production. They did not bring production after the last war. I see no reason why they should bring production now. After World War I, the gain in postwar production in 1919, the first postwar year, was 17 percent over 1914 production, 1914 being the last prewar year. There was no price control then. This time, Mr President, in 1946, the first postwar year, over 1939, the last prewar year, production has increased 61 percent, with price control, as opposed to an increase of 17 percent in the comparable period following World War I, with no price control

Mr. President, in closing I should like to read a paragraph from an article in today's Evening Star. It reads in part as follows:

STEER PRICES EXPECTED TO REACH $30 LEVEL WHEN SUPPLY SLACKENS

CHICAGO, July 11.—Prime beef cattle sold at the highest price yesterday in the 81 years of the Union Stockyards' existence—at $23 a 100 pounds, but traders declared that prices might soon go to $30.

Mr. President, that is interesting, inasmuch as this afternoon we heard the Senator from Nebraska [Mr. WHERRY] read a statement from the Meat Growers Association, or some such association, saying that they thought prices were well in hand, and that we had nothing to worry about. But these traders, who are not interested in whether we have price control or not, I imagine have come right out and have said what they think. They say that prices may go to $30.

The article further states:

"There is nothing in sight to stop it," one said. "These current high receipts will peter out before long. Mostly they're stock which has been held back for the last couple of months in expectation of higher prices."

That is correct, Mr. President. We have had so little meat during the last few weeks simply because the Congress was arguing about price control, and the fate of the OPA was uncertain. There would have been a shortage, but it would not have been so severe if we had enacted price controls promptly and with courage, and had done a good job of it.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from New York.

Mr. WAGNER. Were we not told that if we would decontrol, meat prices would go below what prices are now?

Mr. TAYLOR. Well, some of them sort of hinted at that. They said at least we would pay less than we have paid on the black market. That did not interest me, because I can say very truthfully, Mr. President, that I never bought any meat in the black market. I am like the Senator from New York: I do not know anything about the black market. True, I have not been able to get any fancy steaks for some time now, but I could get some oxtails and hamburger and bologna and chuck roast once in a while at the corner store That store belongs to an Italian couple. I went there and talked to them one day about the black market. They said, "Yes; there is a black market, but we are not having anything to do with it."

They know who I am. I said to them, "In all confidence, I want you to tell me what goes on."

They said, "Well, you can get all these fancy cuts of meat, and all the butter you want, if you will go to the black market, but we won't do that. We have three sons in the service." One son had already returned and was working in the store. They continued, "We are not going into the black market."

So they do not have much meat, and very seldom do they have any butter. But as I have said, they do have a chuck roast occasionally and a soup bone We have gotten along very well. I would very much rather have it that way.

Mr. President, the average working man can get some kind of meat. The ceilings on choice cuts may have been exceeded in the black market, but persons who can afford black market prices do not buy the poor cuts. They are left to the rest of us. I am not one to haggle over prices, but I do not think they are very bad.

The portion of the article which I was reading concludes as follows:

When they're gone—hang onto your hats!

That is what is stated in the newspaper. It is not my language

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the further consideration of the pending amendment no Senator shall speak more than once, nor longer than 30 minutes, on the amendment or the joint resolution.

Mr. O'DANIEL. Mr. President, reserving the right to object, it is my understanding that the restriction would apply only to the pending amendment. Am I correct? When the Taft amendment is acted upon the restriction will no longer be in effect.

Mr. BARKLEY. The Senator is correct. My request applies only to the Taft amendment, which is the amendment now pending.

Mr. WHITE. I am sorry, but I was not present when the Senator made his unanimous-consent request, and I did not hear it.

Mr. BARKLEY. I have requested that, during the further consideration of the pending amendment, which is the Taft amendment, no Senator shall speak more than once, nor longer than 30 minutes, on the joint resolution or the amendment. When the Taft amendment is voted upon and disposed of, the limitation will no longer be in force.

Mr. WHITE. Mr. President, I think the request is a sensible one.

Mr. BARKLEY. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. PEPPER. Mr. President, I send to the desk an amendment in behalf of myself, the Senator from New York [Mr. WAGNER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. MURDOCK], the Senator from Washington [Mr. MITCHELL], the Senator from Idaho [Mr. TAYLOR], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], and the Senator from Illinois [Mr. LUCAS]. The effect of the amendment would be to continue price controls which existed on the 30th of June this year. The sponsors of the amendment do not intend to call it up until the Senate has concluded its consideration of all specific amendments. It is intended by the authors of the amendment then to offer it as a substitute for the joint resolution. If adopted it would have the effect of continuing price controls as they were on June 30 of this year until February 1 of next year.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

RECESS

Mr. BARKLEY. Mr. President, in view of the unanimous consent agreement which the Senate has reached, and in order that Senators may have an opportunity to have dinner, I ask unanimous consent that the Senate stand in recess until 8 o'clock tonight. I express the hope that when the Senate reassembles at 8 o'clock Senators will be in a mood to remain until the Senate concludes consideration of the pending legislation before recessing for the night.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate (at 5 o'clock and 53 minutes p. m.) took a recess until 8 o'clock p. m.

On the expiration of the recess, the Senate reassembled.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Briggs	Capehart
Andrews	Brooks	Capper
Austin	Buck	Carville
Ball	Burch	Chaves
Barkley	Bushfield	Cordon
Bridges	Byrd	Donnell
Downey	Langer	Revercomb
Eastland	Lucas	Robertson
Ferguson	McCarran	Russell
Fulbright	McClellan	Smith
George	McKellar	Stanfill
Gerry	McMahon	Stewart
Gossett	Magnuson	Swift
Green	Mead	Taft
Guffey	Millikin	Taylor
Gurney	Mitchell	Thomas, Utah
Hart	Moore	Tobey
Hawkes	Morse	Tunnell
Hayden	Murdock	Wagner
Hill	Murray	Walsh
Hoey	Myers	Wherry
Huffman	O'Daniel	White
Johnson, Colo.	O'Mahoney	Wiley
Johnston, S. C.	Overton	Willis
Kilgore	Pepper	Wilson
Knowland	Radcliffe	Young
La Follette	Reed	

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6407) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and it was signed by the President pro tempore.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. BARKLEY. Mr. President, in view of the limitation which we have fixed upon ourselves in regard to debate on the pending amendment, I hope I may proceed without interruption for the length of time I may speak on the amendment, and not on the joint resolution.

Mr. President, I wish to inform the Senate with reference to the committee amendment which is now before it, how it happens to be in the form in which it appears, and the difference between the provision in the joint resolution and the amendment offered by the Senator from Ohio. In his veto message the President made some recommendations with reference to the type of legislation which he desired enacted. He said:

First The bill should provide for extension of the stabilization laws for a full year.

That is provided in the joint resolution which is before the Senate.

Second. The bill should authorize the continuance of stabilization subsidies on a scale sufficient to avoid serious increases in food prices during the next 6 months and to permit the orderly termination of subsidies during the first half of 1947. In my judgment, an authorization for the expenditure of a billion and a quarter dollars during the year as a whole is the minimum necessary for these purposes.

The pending joint resolution does not quite comply with that suggestion of the President, because it limits subsidies to $1,000,000,000 instead of the billion and one-quarter dollars which he suggests.

Third. The bill should lay down a congressional policy with respect to the termination of price controls and subsidies I approve the provisions of paragraphs (a), (b), and (c) of the proposed new section 1A of the Price Control Act contained in section 3 of the present bill. These provisions call for the orderly removal of all price controls and subsidies during the course of the coming year, with the exception only of those commodities which, on or before April 1, 1947, the President finds to be still in critically short supply and for which he asks and secures authority for continued control to be administered by some established department or agency of the Government other than the Office of Price Administration.

That suggestion is carried out in the measure by the provisions which call for orderly discontinuance of price control and orderly discontinuance of subsidies. The President goes on to say:

I would not oppose the formulation of standards for the decontrol of particular commodities, as provided in H R 6042—

The bill which he vetoed—

or the establishment of an independent Price Decontrol Board to review these applications—provided that the standards were modified to make sure that, during the next crucial 6 months, ceilings do not have to be lifted where it is clear that serious price rises would result The spelling out of detailed standards and the establishment of new and complex administrative machinery, however, do not seem to me to be necessary. If the Congress lays down the declaration of decontrol policy contained in paragraph (b) of the proposed new section 1A, permitting administrative flexibility in its application, I give my personal pledge that the policy will be carried out to the full in spirit as well as in letter.

That specification in the President's message is substantially complied with in the provisions of the pending joint resolution. The President continues:

I ask the Congress also, if it gives me responsibility for carrying out a measure of the kind I am urging, to permit me to do this through a unified or effectively coordinated administrative organization and not to handicap me by legislating an unsound split of authority.

I have no doubt that the President there is referring to the provisions of the bill which he vetoed placing the responsibility for decontrol or for adjustment of prices on agricultural products with the Secretary of Agriculture, instead of centralizing that authority as heretofore in the Price Administrator. To that extent the pending measure does not comply with the suggestions of the President. But I might say in that connection that it was felt, in view of the overwhelming sentiment as expressed in the committee and in the two Houses of Congress, that the Decontrol Board should be retained in the same language and under the same terms as provided in the bill which was passed by the two Houses and embodied in the conference report; and, in view of the strong sentiment in behalf of providing that the Secretary of Agriculture should have primary responsibility with respect to agricultural products, it did

not seem to me, and undoubtedly did not seem to the committee, that the divided authority provided in the other bill and in this measure should be deleted, and, therefore, in that respect it does not comply with the suggestions of the President.

The President continued:

Fourth. The adjustment of product prices to make possible the maximum total production is, of course, one of the fundamental requisites of good price administration during this final transition period I do not believe that any change in the present law is necessary to assure that such adjustments are made To put the matter beyond doubt, however, I would not object to a provision which expressly requires the adjustment of price ceilings wherever this is necessary and would be effective to increase the total production of needed goods.

I might say that one of the provisions of the amendment which is now before the Senate and is in dispute provides the standard and measurement which the President had in mind in suggesting that price ceilings be tied in with the problem of production, which has been the theme song all along from the beginning of the consideration of this legislation in regard to price ceilings. Prices ought to be raised in order to stimulate production. That was the primary motive which has actuated all those who have urged an increase in price ceilings in order that production might be stimulated, to the end that ultimately ceilings might entirely be removed, on the theory that increased production would bring about a balance between production and demand which would automatically adjust the question of prices.

It was in that spirit, Mr. President, that after the President's veto, and after the House of Representatives passed House Joint Resolution 371 extending for 20 days the price control act then in force, in the hope that during that 20 days we might write a constructive measure for the continuation of price controls for a period of 1 year, I undertook, along with other members of the committee and other members of the Senate, to work out a bill which substantially complied—not in toto, but substantially—in its major objectives with the suggestions made by the President in his veto message.

When House Joint Resolution 371 came to the Senate and was referred to the Committee on Banking and Currency, and the committee met to consider it, the committee decided, instead of passing a stop-gap, 20-day extension, that it would undertake to write a bill. In the committee I moved, as I now recall, to strike out entirely the language of the House joint resolution and to substitute the bill in its place. That motion was agreed to, and I offered the bill just as it had been sent to the President, and just as it had been vetoed by him, with the exception that I omitted entirely any reference to section 11, known as the Taft amendment, which the President in his veto message referred to as the Taft amendment in order to identify it, because it had been known everywhere, here and elsewhere, as the Taft amendment, and also the Wherry amendment, which was referred to and was known as the Wherry amendment. I offered the bill almost verbatim as it had been agreed to by the conference, minus the Taft amendment and any reference to it, and minus the Wherry amendment and any reference to it, with a provision at the end of the bill undertaking to take care of the interim period between the expiration of the law and the date of its reenactment.

When I offered that bill as a substitute in the committee for the House joint resolution, the Senator from Ohio [Mr. TAFT] offered as an amendment to it the original Taft amendment, without change, which was contained in the bill vetoed by the President. Of course, it seemed to me, and I felt that it seemed to a majority of the committee, that to send back to the President identically the bill he had vetoed, would be an act of stupidity on the part of the Senate, if not an act of disrespect to the President of the United States, in that we were sending back to him the very bill he had vetoed, in spite of his serious objections to certain provisions of that bill.

Mr. WHERRY Mr. President, will the Senator yield?

Mr BARKLEY. I asked that I might be permitted to continue uninterrupted; otherwise I should be glad to yield.

The PRESIDENT pro tempore. The Senator from Kentucky declines to yield.

Mr. BARKLEY. The time is limited, and I want to cover the situation so there will be no misapprehension as to how the bill came to the Senate in the form in which it now appears.

When the Senator from Ohio submitted as an amendment the original Taft amendment, as it had been vetoed and criticized by the President, which had been the most objectionable part of the bill which he vetoed, I felt it my duty, if the committee or the Senate were going to adopt anything in lieu of section 11, which the President had criticized in his veto message, to try to work out something that might be regarded as acceptable all around, both to the President, to the committee, to the Senate, and to the Congress I made several efforts to write a substitute. I had a number of drafts which I wrote out, some of them in my own handwriting, some of them on the typewriter, and one or two I dictated.

During the process of trying to arrive at an agreement I conferred with the Senator from Ohio because I felt that in an effort to arrive at a reasonable compromise which might be acceptable all around I owed it to the Senator from Ohio to confer with him, and I was glad to do so. I am always glad to confer with the Senator from Ohio. We are on the Finance Committee together. We are on the Banking and Currency Committee together. We are usually pretty busy members of both committees, and I have always found pleasure in conferring with the Senator from Ohio in attempting to settle matters as to which there is a dispute, so that we may arrive at some point of accommodation and agreement.

We were in session for 2 or 3 days with respect to this matter. We met first in the committee room of the Committee on the District of Columbia, because the Senate was in session and we desired to be close at hand in case we were needed on the floor. We were in session there all of one day. Late in the afternoon members of the committee suggested that it might be a good idea to invite Mr. Porter, the Price Administrator, who would have to administer any law we might enact, to come before the committee the following day to see whether he had any suggestions to offer to the committee, in an effort to arrive at a compromise. The committee agreed to invite Mr. Porter, which was entirely proper. When the Committee on Banking and Currency had before it legislation dealing with the RFC, it always invited Mr. Jones, who was head of that organization; and after he retired from the chairmanship of the Board, it invited former Senator Henderson, the present Chairman of the Board. When it has had before it legislation dealing with the Export-Import Bank it has always invited the head of that organization to come before the committee and consider proposals and make recommendations. Anyone who must administer a law which Congress is to enact would ordinarily be expected to advise the committee and sit with it in connection with any provisions of the legislation which he would have to enforce. The same is true of the Secretary of the Treasury and the Secretary of Agriculture. So there was nothing unusual or out of the way in the committee seeking to have Mr. Porter, the Administrator, come before it the next day to discuss what we had under consideration and to offer any suggestions he might have to offer, for whatever they might be worth in the consideration of the committee

The following day Mr. Porter came. Mr. Field, the general counsel of the OPA, had been sitting with the committee at its own invitation for many weeks He sat with the committee when it held hearings on the bill. He sat with the committee when we were in executive session, trying to frame a measure, and after the Senate passed the bill he sat with the conferees, at their invitation, during the entire conference. He sat with the committee during its sessions in the room just off the Senate Chamber and in the committee room in the Senate Office Building.

So the committee suggested that we invite Mr. Porter to come before the committee the next day to offer any suggestions which he might have to offer to the committee. Mr. Porter appeared the next day, and all that morning we discussed the phraseology and the meaning of the amendment which had been offered by the Senator from Ohio in the form of his original section 11. We also discussed a tentative draft which I had written in a rough way—I think it was my second draft—and which is practically embodied in the amendment now offered by the Senator from Ohio as a substitute for section 11. We discussed that question all morning, from 10 o'clock until 12 or 1 o'clock. We did not agree. We were feeling our way in a perfectly frank manner.

Then I suggested to Mr. Porter that, inasmuch as there was some disagreement with respect to the meaning of the language which was contained in the

tentative draft which I had submitted purely as a tentative draft to see how far we might go toward an agreement, during the noon hour he should offer any constructive suggestions which he might have in mind in order that we might consider them when we assembled at the afternoon session.

We reassembled at 2 o'clock, as I recall, and resumed the discussion of section 11, the controversial subject which has been the crux of the President's objection to the bill. Finally I said to Mr. Porter, "Before we recessed in the morning I asked you whether during the noon recess you would suggest a constructive proposal upon which we might base a proposition which might bring us together in drafting section 11 of the bill. I should like to know whether you have done so." Whereupon he did make some suggestions. We did not accept the suggestions which he made in their entirety. One of the suggestions which he made was considerably modified upon my own motion. I wish to call attention to it, because much has been made of it, and I think it has been exaggerated beyond its importance.

I had written out a new section 11, which was about the same as had been contained in the original section 11, merely stating that the Emergency Price Control Act was amended by adding a new section, section 6, in which it was stated that for the purposes of this section the base period shall be the calendar year 1940, or in case of an industry customarily keeping its accounts on a fiscal-year basis, the industry's fiscal year 1940.

There was no objection to that. The President had objected to the 2 weeks in October 1941 as the base period, notwithstanding the fact that in the original Price Control Act we had used that period of 2 weeks as a basis for certain purposes of the act. But in this new formula for pricing with respect to manufacturers and processors, in the bill which the President vetoed, we had fixed the period of 2 weeks beginning October 1 and ending October 15, 1941. The President objected to that period because, in the first place, it was a period of high prices and high profits. We had gotten well into the war, which had begun in September 1939. We had gone through the remainder of 1939, through 1940 and up to October 1941, more than 2 years after the beginning of the war, during which 2-year period there was a gradual creeping up of prices because of the war, although we ourselves had not become involved in the war. However, the very effect of the war was to increase prices all over the world, and especially in this country.

So in order to meet that objection, I felt that the calendar year 1940—not any single 2-week period, but the entire calendar year 1940, which was a fairly representative year with respect to industry—should be taken as the base period, instead of a 2-week period in October 1941; or if any industry used a fiscal-year basis instead of the calendar year, the fiscal year 1940 should be taken as the base period rather than the calendar year. There was no objection to that.

Then we came to subsection (b), in which we said—and this is the language of my proposed amendment:

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment.

I attempted for the first time in this standard of price fixing for manufacturers, processors, and producers—we had added producers in conference—to tie in prices with production and employment. No one could object to that, because in the employment legislation which was enacted 3 or 4 months ago we provided especially that the keynote of that legislation was to be full production and full employment. So I attempted to tie full production and full employment with price ceilings in the new standard which was to be established for manufacturers, processors, and producers. So—

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period—

That is, during the entire year 1940—

plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period

In other words, under that language the Price Administrator was instructed to accord to industry the average dollar price of the product during the base period, plus the average increase in cost of producing it during the period between 1940 and the date of the enactment of this law, or the date on which the Administrator might pass upon a possible price increase.

Then the following language was written into the bill, not as suggested by Mr. Porter, but to carry out an idea which he had suggested to us. This is part of the language to which the Senator from Ohio objects:

But the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period

That simply means that the industry shall be accorded the average total current costs of its product, whether produced, manufactured, or processed, plus the industry's average over-all profit margin on sales during the base period, which is 1940.

I ask whether there can be any possible or fair objection to that provision, which awards to industry all it is costing to produce, on the average, the commodity on which it asks an increase in price, plus the average over-all profit which the industry was obtaining in the base period of 1940. It seems to me that that proposal is as fair as it could possibly be in order to establish a standard of fairness in the matter of pricing in the future, so long as this law shall remain in force, for articles produced, manufactured, or processed. It will be recalled that the original Taft amendment used only the words "manufacturers and processors," but in conference there were added the word "producers" in order to include farmers, petroleum producers, coal producers, and any other kind of producer who was not a manufacturer or processor, so that the same standard would apply to all producers, no matter what they produced. The same standard which applied to manufacturers and processors would apply to producers.

Subsection (d) reads as follows.

Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

Nobody objects to that. That is not involved in the controversy here. That was put in simply to make sure that we are not undertaking to guarantee to any individual producer or manufacturer or processor that he should always, in all instances, and without regard to his efficiency or anything else, have all that it costs him as an individual to produce a given product.

We also provided that—

(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act

That has been the law all the time. In individual cases the Administrator could make adjustments in prices to deal with individual cases where hardship was shown. That is exactly the law as it has been.

Here is another provision to which the Senator from Ohio objects, and which is left out of his amendment:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products

Mr. President, the entire theory upon which the increase in prices has been advocated and urged has been that it would stimulate production, that it would bring about an increase in production, so that industry might then be entirely released from the restrictions of price control. On the theory that an increase in prices would so increase production as to bring about a balance between production and demand, so that price restrictions might be removed this language was inserted by the committee. I may say in that connection that during the process by which I was attempting——

The PRESIDENT pro tempore. The time of the Senator from Kentucky on the amendment has expired.

Mr. BARKLEY. Mr. President, I shall be compelled to take some time on the bill.

During the entire period when I was attempting to adjust this matter so that the committee might agree upon it without any division, amendments were being suggested. Amendments had been offered by other members of the committee. The Senator from Indiana [Mr.

CAPEHART] suggested an amendment. The Senator from California [Mr. DOWNEY] suggested an amendment.

Mr. TAFT. Mr. President, I had understood the agreement as to time was that 30 minutes should be allowed altogether. Of course, I should be glad to ask unanimous consent——

Mr. BARKLEY. No, Mr. President; the Senator from Ohio misunderstood the situation. I said 30 minutes on the bill or on the amendment.

Mr. TAFT. Mr. President, what was the agreement?

The PRESIDENT pro tempore. The present occupant of the chair was not present when the agreement was made, but he is advised by the Parliamentarian that the agreement was 30 minutes on the amendment and 30 minutes on the bill.

Mr. TAFT. I did not so understand, but I am perfectly willing to have the Senator take further time. I thought we might get through earlier this evening if the rule were 30 minutes altogether.

Mr. BARKLEY. I appreciate that, and I am sorry I have already consumed 30 minutes on the amendment.

Mr. AIKEN. Mr. President, is the agreement that each Senator shall have 30 minutes on this amendment, or 30 minutes on any amendment?

Mr. BARKLEY It is that each Senator shall have 30 minutes on this amendment and 30 minutes on the bill while this amendment is pending

Mr. MOORE. Mr. President, that applies only to this particular amendment; does it not?

Mr BARKLEY. Yes; that is all—only to this particular amendment.

Mr. President, as I said, the Senator from Indiana [Mr. CAPEHART] offered an amendment which was under discussion by the committee. The Senator from California [Mr DOWNEY] offered an amendment, as he will confirm, and it was under discussion by the committee. The amendment offered by the Senator from California contained some suggestions which are almost identical with the suggestions we finally adopted as a part of the amendment which we placed in the joint resolutions

So when the Senator from Ohio indicates that the committee proposal has been poisoned or contaminated or is to be damned because Paul Porter suggested something, I want the Senate to understand that every Senator on the committee made suggestions and at least two other Senators offered amendments which were considered before we arrived at the language which is now a part of the measure to which the Senator from Ohio objects.

Mr. President, I ask Senators in all fairness whether there is any serious ground for objection to tying in a possible increase in production with the increase in price which we are ordering the Administrator to put into effect with respect to articles produced or manufactured or processed. The whole argument here, from the very beginning, has been that price increases would be justified in order to increase production, and we have accepted the theory that price increases would stimulate production and thereby sooner bring about the time when all price restrictions might be removed. In order to carry out that theory and that idea, we wrote into this measure the subsection (f) which provides that—

If the maximum prices of a product on the average equal its average current total costs—

In other words, if the producer or manufacturer or processor is guaranteed all that it cost him to produce the product in any given industry—

nothing herein shall require the adjustment of such maximum prices—

In other words, nothing herein shall be mandatory to require—

for such period—

If there is any such period—

if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products

Mr. President, the theory was that if an increase in price would not produce any more, and therefore would be merely an increase for the sake of an increase in price, so long as the producer, manufacturer, or processor is guaranteed the cost of his production, nothing herein contained shall require that an additional increase shall be granted him, unless there is connected with the increase the possibility of an increase in production.

Is there anything unfair about that? Is there anything unreasonable about that? Is not that really the basis upon which we have advocated from the beginning increases in prices in order to stimulate production?

There is another clause that would be practicable only by reducing the production of at least equally needed products. That would mean that if an electrical manufacturing company was producing two articles which were equally needed, which were equally in demand by the Amrican people, a price increase would not be guaranteed on one of those products unless it would produce a stimulation of the production of that product or, if it did, if it would not take away from the production of some other product being manufactured at the same time which was equally in demand or equally needed by the American people. I ask you, Mr. President, what is there wrong with that? What is there unreasonable about that? That is all there is. That is the sum total of this controversy between the suggestion as contained in section 11 of the bill which I have reported and the amendment offered by the Senator from Ohio.

The Senator from Ohio, I suppose, has sought to embarrass me or to confuse me by offering as a substitute for what the committee reported a rough draft of an amendment which I at one time submitted for the consideration of the committee as a tentative draft. It was never agreed to. Even the Senator from Ohio never agreed to it. None of his colleagues ever agreed to it. But it was submitted to the committee as a basis for discussion, and as a basis for discussion only. At no time did the committee ever agree to it. At no time did the Senator from Ohio ever agree to it or agree to vote for it in the committee. Yet now he is trying to hang it around my neck in contradistinction to the proposal the committee did adopt, which I offered. The amendment he now offers was offered by me merely as a working basis. It was for that purpose that I submitted it for consideration and discussion.

I ask the Senate whether in all good faith it is going to take the new Taft amendment because at one time I suggested it as a means of discussion, merely because I did suggest it, and not because the Senator from Ohio ever was at any time the author of it or ever at any time agreed to vote for it. That is all there is; there is not any more in this whole proposition.

I think what the committee has reported is fair and reasonable. Mr. Porter, in response to questions by many of the members of the committee, was asked whether in the form in which it was reported it could be administered and was workable. He said that it was workable, that it could be administered. He was then asked whether, if it was contained in the bill in the form as proposed in the draft, which I think was about draft No 5, he would recommend a veto because of that section of the bill, and he said emphatically that he would not. The next day the newspapers somewhat garbled his statement by suggesting that he told the committee he would not recommend a veto on account of——

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BARKLEY If the Senator will make his statement very short

Mr. TOBEY. The Senator is directing all his remarks to the other side of the Chamber. There are some righteous Members of the Senate on this side of the Chamber

Mr BARKLEY. I appreciate the suggestion Almost always I address the Republican side of the Chamber because the Members there need enlightenment more than do the Members on the Democratic side [Laughter.] But when I have done that my side of the aisle always complains because I address the Republican side instead of the Democratic side, and this time I thought I would give them a break. [Laughter.]

So, Mr. President, there is the issue. As I was saying, the newspapers unintentionally garbled Mr. Porter's statement and said that the draft would be workable, that it could be administered, and certainly he would not recommend to the President that he veto it on that account.

The newspapers implied that there were some things in the draft, and there are some things now in the pending measure, to which the President objected, but I reintroduced them and urged their passage in an effort to obtain legislation, and bring the other end of the Avenue and this end of the Avenue together in order to get something for the American people. I still reiterate my hope that if this joint resolution is enacted into law in its present form before the Senate, without these amendments, the President will sign it. I entertain that hope, but not because of anything he said to me. However, I feel that if we can get this measure

passed by the Congress and sent to the President substantially in the form as reported by the committee we may end the confusion, the chaos, and the uncertainty which now faces American business, American labor, American agriculture, and the American people generally, and this perennial controversy which has now grown chronic and chaotic may be determined. I hope that we may have a workable law and give to the American people a continuance during the next year of price control in some effective form.

In conclusion, Mr. President, allow me to apologize to the Republican side of the aisle because I have seemingly neglected it. I have not intentionally neglected it. It has been very heavy on my heart, not only tonight but for the past several days.

Mr. TAFT. Mr. President, I wish to pay tribute to the distinguished majority leader. I know that ever since the veto by the President of the first OPA extension bill, the Senator from Kentucky has been anxious to obtain the passage of a satisfactory measure.

I offer this amendment not to put him on the spot, but, because it seemed to me, as we went through the conferences of the committee, that we might arrive at an over-all compromise which, I think the Senator will agree, I indicated I could accept, although I could not promise the support of it on the part of some of my colleagues.

I have never charged the Senator with bad faith, or anything of that sort, and I do not have the faintest idea of such a thing. But he offered the proposal in a spirit of compromise, and I offer my amendment tonight in a spirit of compromise, and not to embarrass the Senator from Kentucky. This is his amendment as well as mine. It is about the fourth draft of the original language. He submitted the amendment to me in his own handwriting I read it. I suggested some changes It was rewritten on Tuesday night. The night before the 4th of July the Senator himself handed it out to the press as his suggestion. We went into the committee on the 4th of July and discussed the matter. During the lunch hour the Senator modified, somewhat, the procedure to be followed, and that was the amendment before the committee.

As I have already said, this was about the fourth draft. The fifth draft was Mr. Porter's draft. He was asked in the afternoon what he would submit, and he pulled out of his pocket several drafts. The committee unfortunately accepted Mr. Porter's draft.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I am sure the Senator's recollection fails him. Mr. Porter suggested some additions to the language which I had drawn. I did not accept them as he submitted them. I changed them somewhat and finally the committee adopted it. There were some suggestions made by Mr. Porter to which the committee agreed. But we finally agreed on the language which was placed in the joint resolution.

Mr. TAFT. My recollection is not the same as that of the Senator. Mr. Porter had the draft prepared and during lunch time he pulled it out of his pocket and passed it around to the members of the committee.

Mr. BARKLEY. The draft which Mr. Porter presented was changed, and we later agreed upon the modified language.

Mr. TAFT. And the additional language is what I am now moving, in effect, to strik out.

Mr. BARKLEY. Yes.

Mr. TAFT. Mr. President, the difficulty is quite apparent. A formula may be written, and then the OPA is told that if it does not wish to apply the formula it does not have to do so. That is what this language amounts to. The language in paragraph (f) is:

If the maximum prices of a product on the average equal its average current total costs—

A man must be given his costs; he does not have to be given additional costs—

nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would be practicable—

All Mr. Porter has to say is: "I find that a substantial expansion in the use of the product will not be practicable," and he will not have to apply the formula. Of course, he will not apply it—

or would be practicable only by reducing the production of at least equally needed products.

Mr. Porter can say, "The people need automobiles, but I think they should have washing machines. If I increase the price of automobiles so that they can be produced in quantity, it might interfere with the production of washing machines; so I will not apply the formula." That is why Mr. Porter wrote that provision. That is why he wanted it in the measure.

It is all very well to say, "Of course, it is all right to do this if you want to increase production," but look at the words Mr. Porter drafted, words which would permit him at any time to set aside the formula. After all the calculations have been made he may say, "Well, that is all right, but I find, in my opinion, that it will not do any good to increase the production; so I will not apply the formula." In effect that nullifies the section.

Mr. President, I also point out the fact that the distinguished Senator from Kentucky accepts the general principle, which is not a new one. It has been written into price-control legislation over and over again. He accepts the principle that the increased costs may be added to the price of 1940. After adding such increased costs a price is arrived at which represents those increased costs. That is a perfectly reasonable principle. If we increase wages and material costs, and we want an article to be produced in quantity, we must increase the price in order to take care of the increased costs. That principle has been accepted by the Senator from Kentucky. But Mr. Porter says, in effect, "After you have figured one formula as provided in the last five lines you must use an entirely different formula"; and under the provision the Price Administrator may apply that formula instead. So, Mr. President, those things which have been written into the measure take all the teeth out of the principle of recognizing increased costs when increasing prices. It is the failure of the Price Administrator to do that which has resulted in shortage after shortage, and that in turn has resulted in interfering with production in the United States. That is the only real interest we have.

The judgment of the Price Administrator has been bad time after time. We have looked to him to correct shortages in butter, we have looked to him to correct shortages in clothing, we have looked to him to correct shortages in millwork, and so forth. The construction of hundreds of thousands of houses for veterans has been started, but none of them can be completed because the builders cannot obtain certain essential articles. I talked today with a group of builders who are trying to get ahead with their construction. They have all taken out permits and have started their work, but they cannot obtain hardwood lumber for floors and simple articles such as nails, because the prices fixed on those articles are such that manufacturers will not produce them.

After all, in my view, the question here is merely whether we want to put this formula into effect or whether we do not. We have written this in before. It is in the Price Control Act, section 2, but in the discretion of the Administrator. I think we should now say to the Administrater, "We want the general rule laid down definitely that increased costs must be reflected in increased prices." That is the only way we can be sure we are going to get production of every article

Mr. President, that is not an inflationary proposition; it does not mean a speculative increase. The mere fact that demand figures in supply is not going to increase it any further. We give effective control. It is an elemental principle of business that if production is desired the producer must be allowed at least a fair price, a price which will cover his present costs. The costs have been increased The cost of labor and the cost of material have been increased by the policies of the Government itself. In wartime it was different. If a man did not make money he was a casualty of the war. But now the question is the production of civilian goods, and the only way to get production is to permit the producer to charge enough to cover his costs, and cover the reasonable profit he received in peacetime, under competitive conditions in the United States of America.

Mr. President, that is the principle, all the principle, that is involved in asking that this amendment be made clear and definite and that the Price Administrator be made to adhere to it. I think the Senator from Kentucky realizes that. He accepted the proposition in principle. He tried to eliminate, and I am perfectly willing to eliminate, the 1941 standard as being too high. I am perfectly willing to agree to some of the other minor

changes, which will make the act a little less difficult to administer. I am willing to waive those things, but I do not think we should compromise on the main principle that increased costs must be recognized in increased prices. We cannot tell the people of the United States that wages must be increased by 20 percent, or 25 percent, and prices be held just where they are; that producers must give the people something for nothing. It cannot be done under any circumstances, and I think that until we stop fooling the people, until we get down to the point where we realize we cannot increase costs without increasing prices, we cannot hope to get the national economy back on a stable basis.

The issue seems to me somewhat larger than that. The Senator says that this move is made in order that the President may sign the bill. If the Senate means what it says in decontrolling, I suppose the President will find something much more objectionable as a cause for veto than this particular amendment. But, as a matter of fact, the Senator has not agreed with the President. He has disagreed with the President in many respects in which the President specifies he wants the bill changed.

The Senator from Kentucky very courageously says, "No, the Senate has said it should be this way, and I think it should remain that way." Why does he not say that as to this equally essential principle?

The Senator says the President's wish is substantially complied with. What did the President say? He said he objected to a continuance of the subsidies in the amount of a billion dollars, ending April 1. He said it must be July 1, and a billion and a quarter dollars should be provided for subsidies. The Senator says we substantially complied with that by making the expiration date April 1 and providing a billion dollars for subsidies, which is what was in the previous bill. If that is a substantial compliance with the President's suggestion, I do not know how it could be less substantially complied with.

The President says, "I do not like the formula you have in the bill for decontrol, that when supply equals demand, the commodity shall be decontrolled." The Senator says we have substantially complied with the President's demand by keeping exactly the same formula we had all the time, that a commodity shall be decontrolled when supply equals the demand. The Senator says that is a substantial compliance with the President's demand. Of course, it is not. He is insisting on the exact terms of the bill, in spite of the opposition of the President.

The Senator says he has substantially complied with the President's objection to the provision regarding the Secretary of Agriculture. The President objected to what was in the bill giving the Secretary of Agriculture power to raise agricultural prices and decontrol agricultural commodities. The Senator says he substantially complies by leaving in the bill exactly what was in the bill before, the very thing to which the President objected.

So the Senator has not complied with the wishes of the President, except in one single respect, and in this respect I am willing to compromise, willing to say the President is right to some extent and that I am wrong to some extent. I am willing to accept the compromise which the Senator from Kentucky was in effect proposing when he laid this proposal before the committee, revised it, and finally gave it to the committee.

Why should we not try to retain the essential principles to which I do not think the President objects, eliminating the unessential things and the various provisions which gave rise to a number of objections he made?

Mr. President, there is one thing which I think is a little more fundamental even than that. It seems to me that regardless of the attitude of the President, the Price Administration itself is looking to permanent control. They have never been willing to give up one iota of control as to any important commodity. They have never been willing to move in any respect toward a formula which will be binding on them and force them to put into effect the rule that will lead to production in manufacturing in the United States. The OPA in effect is saying, "We want this to go on just as it was until July 1." That means that they would be perfectly free next year to come back and ask for more, for a further extension.

So far as I can see, every argument which is made today, all the propaganda which is coming in on us today, all the hanging in effigy, all the demagogic appeals which are resounding throughout the country against those who are supposed to be trying to raise the prices to the poor, could be proceeded with just as well 12 months from now as they can be now. We will sooner or later face the question of making the break, the question of when we are going to stop Government controls, Government price fixing, and Government wage interference that goes along with it, and get back to the operation of the American competitive system.

I believe very strongly that we should begin now to show we are not merely talking words, but are going to begin decontrol somewhat ourselves, and show that we really mean what we say in subsection (b) of the joint resolution, which provides:

> Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

Those are brave words; those are words and principles agreed to by all the Members on both sides of the aisle, but unless we implement those words by an actual, clear declaration of policy, unless we ourselves decontrol something and show we mean what we say, unless when we lay down a principle about increasing prices we lay it down without leaving it to the Price Administration to nullify the principle, then I say that next year Congress will be faced with exactly the battle it faces today. We might just as well settle the matter now and determine once and for all that in America we are returning to a system of free competitive enterprise, on which alone the prosperity and successful future of our country can be based.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

Mr. TAFT and Mr. BARKLEY asked for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	O'Mahoney
Austin	Hawkes	Overton
Ball	Hayden	Pepper
Barkley	Hill	Radcliffe
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo	Robertson
Buck	Johnston, S C	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Wagner
Eastland	Mead	Walsh
Ferguson	Millikin	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Murray	Young
Guffey	Myers	

The PRESIDENT pro tempore Eighty Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Ohio [Mr. TAFT]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and called the name of Mr. AIKEN.

Mr. WHERRY. Mr. President, I should like to ask the majority leader, is there a time limit set on this amendment?

Mr. BARKLEY. There is

Mr. WHERRY. I should like to ask the majority leader if any consideration was given in the committee to the Wherry amendment in connection with the committee amendment which is now in the joint resolution.

Mr. BARKLEY. The Wherry amendment was a different proposition and appears in a different place. The committee did consider it and modified it.

Mr. WHERRY. Would it be in order to offer the Wherry amendment at this time?

Mr. BARKLEY. No. It is an entirely different proposition.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHITE. As I understand, and I ask the Chair if I am correct in my understanding, the question is on the amendment of the Senator from Ohio [Mr. TAFT].

The PRESIDENT pro tempore. That is correct.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Have the yeas and nays been ordered?

The PRESIDENT pro tempore. They have been ordered.

Mr. TOBEY. And the Senator from Vermont responded when his name was called and voted "nay."

The PRESIDENT pro tempore. The Chair did not hear any Senator vote.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. After the yeas and nays have been ordered on an amendment can the amendment be amended, except by unanimous consent?

The PRESIDENT pro tempore. Yes; such an amendment can be amended.

Mr. CAPEHART. Mr. President, I should like to take a few minutes on the amendment, if it is in order. I am a member of the Banking and Currency Committee which considered this proposed legislation, and for the benefit of Members of the Senate I should like to review for a few moments several pertinent facts in respect to it. In the pending measure we have taken care of the automobile dealers, we have taken care of the farm implement dealers, we have taken care of the wholesalers who wanted to sell nylon hosiery and were not permitted to do so By amendments adopted on the floor of the Senate we have provided for decontrolling livestock, livestock products and poultry, and soy beans and cottonseed. In fact, we have taken care of about every class of our citizens with the exception of the manufacturers and processors of America, who through their organizations employ millions upon millions of our wage earners.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr MYERS. The measure, as it has been amended, seems to have taken care of everyone in America except the consumers. [Manifestations of applause in the gallery.]

The PRESIDENT pro tempore. Applause in the galleries is not permitted, and the Chair hopes the occupants of the galleries will not violate the rules of the Senate.

Mr. CAPEHART. I might have gotten around to talking about the consumers, Mr. President, had not the Senator from Pennsylvania beaten me to it. I did not know that he was going to make a part of my speech; otherwise I would not have yielded to him. But this measure takes care of about all classes with the exception of the manufacturers and processors who employ literally millions upon millions of men and women, and employ them at what today, in my opinion, are good wages. They are not as high as I would like to see them, and not as high possibly as other Members of this body would like to see them, but at least our people are employed at wages which in most instances are much higher than they were some years ago.

Mr. President, all in the world the Taft amendment does, if I understand it correctly, is to give every manufacturer and processor an opportunity to make a little profit, or, putting it the other way, at least it gives him an opportunity of pricing his merchandise at a figure which in his opinion will show him a little profit.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. CAPEHART. I am happy to yield.

Mr. REVERCOMB. I should like the Senator to explain to us, and clarify for me subsection (f) on page 26. The Senator is a member of the Committee on Banking and Currency, and I should like to have his views and likewise the views of the majority leader upon subsection (f), on page 26, which is within the purview of this amendment Subsection (f) reads as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products

I wish that subsection might be explained from the Senator's viewpoint, and then I may address the same question to the able Senator from Kentucky.

Mr. CAPEHART. I rather suspect the author of the amendment would be better in explaining it than I am. However, I will make an effort to explain it.

Mr. REVERCOMB. Will the Senator from Indiana yield to me to address the question to the majority leader in my own time?

Mr. BARKLEY. The Senator cannot address me in his own time while the Senator from Indiana has the floor. The Senator from West Virginia has no time of his own now, but if the Senator from Indiana is willing to yield for that purpose in his own time, I am willing to make the explanation requested.

Mr. CAPEHART. I shall be happy to yield a portion of my time for that purpose.

Mr. BARKLEY. The Senator from West Virginia was evidently not in the Chamber when I explained that subsection a short while ago.

Mr. REVERCOMB. I was not. I regret that I was out of the Chamber at the time.

Mr. BARKLEY. My statement in regard to it was that from the very beginning, during the entire discussion with reference to price control, the theme song has been that increased prices would bring about increased production, and that in order to secure increased production it was necessary to raise ceiling prices. In presenting subsection (f) we have accepted the theory that increased prices and increased production are handmaidens that go along together, and we have sought to tie the question of increased prices with the question of increased production so as to provide that—

If the maximum prices of a product on the average equal its average current total costs—

That is, if the prices which are allowed by the Administrator—

equal its average current total costs—

That is of producing or manufacturing or processing the products—

nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products

In other words, so long as a producer, manufacturer or processor obtains the total of his current costs in the production, manufacture or processing of the article, he is not required to be given further increases during any such period, if there is any such period during which such increases in prices would not bring about increase in production, or, if it brought about increased production in one article, it could only be done by reducing the production of some other article that was equally needed or in demand by the American people.

In other words, in the question of increasing production as between equally needed articles the Administrator would not be required to rob Paul to pay Peter in order to produce more of one article, if it meant the reduction in the production of another article of equal need to the American people.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. REVERCOMB. May I ask the able Senator from Kentucky to give us an illustration of a particular industry that will bring the matter home to us.

Mr BARKLEY. I tried to do that Let us take the electrical appliances industry, and let us say that the same concern is manufacturing electric washing machines and refrigerators. Both of them, we will say, are in equal demand among the people. If the manufacturer were entitled to an increase in the price of both, based upon the increased production of each article brought about by the increase in price beyond the actual cost of production, then under this formula the Administrator would be required to grant such an increase. But if no increased production were practicable by reason of an increase in the ceiling price of either article, then he would not be required to grant an increase which would go beyond the cost of producing the article; or if he could increase production of washing machines, we will say, by an increase in the price of washing machines, but could only do so by reducing the production of refrigerators, he would not be permitted to increase the price of washing

machines in order to get more washing machines if by so doing the result would be to get fewer refrigerators, on the theory that the demand for washing machines and refrigerators is an equal demand among the American people.

I think that is as good an illustration as I can give.

Mr. CAPEHART. Mr President, I am certain that that explanation is most clear to all Senators. I certainly cannot understand it myself. I do not know why we do not write in plain language a bill which simply provides that any time a manufacturer can prove by his own figures that he is losing money and not getting his costs out of his manufacture, the OPA shall automatically give him an increase.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr BARKLEY. Can the Senator find any language in this provision in the committee amendment which requires that such a manufacturer as I have been speaking about shall produce at a loss? I said that so long as he gets the total of his current average costs, the question of a further increase in price depends upon the response by reason of increased production; but in no case is the Administrator required or permitted to fix a price below the cost of production.

Mr. CAPEHART. We are arguing the same question which we have been arguing for years with respect to OPA. If a manufacturer is making a profit on a dozen items, and losing money on six, but the profit on the 12 is more than he is losing on the 6, he must continue to make the 6 at a loss, because he is making a profit on the 12. As I understand, the purpose of this clause is to enable the OPA to continue to force manufacturers to make some items at a loss, provided that on other items which they are manufacturing there is sufficient profit to cover the losses on the half-dozen items on which they are losing money. That question has been argued time and again on the floor of the Senate. It has been argued in the Banking and Currency Committee hearings. It has been one of the headaches of every Senator.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. KILGORE. Will the Senator please enlighten me as to how the OPA could force any manufacturer to make any item?

Mr. CAPEHART. It cannot force him to make it. That is just the point.

Mr. KILGORE. I gathered from the Senator's statement that there was a way by which OPA could force the manufacture of an item which was sold at a loss. The OPA cannot force the manufacture of any item. All OPA can do is to fix a price ceiling on any item.

Mr. CAPEHART. The Senator misses the point. The point is that under the OPA policy manufacturers are forced not to make certain items. Therefore we have shortages, and consumers have been unable to buy certain items. Naturally no manufacturer will make something to sell at a loss. Because of OPA's pricing policies in the past, manufacturers have not made certain items. In my opinion OPA would be permitted to follow the same pattern under clause (f) on page 26 of the bill, which would force manufacturers to discontinue the manufacture of certain items in a line on which they were unable to make any money.

Mr. President, I hope that the Senate will adopt the amendment of the able Senator from Ohio. I think it is only fair. It think it is only honest. If we are to legislate for all other classes of people we should enact a law which will permit the manufacturer or processor an opportunity—and nothing in the amendment would guarantee it—to price his merchandise in such a way, in the judgment of the manufacturer or processor, as to show at least a little profit.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. MILLIKIN. Mr. President, I should like to say a few words about the Barkley or Porter amendment. I am not particularly interested in who sired it; I thought I detected the first gleam in the eye of Mr Porter, but that is not important. Other men have played Trilby to Porter's Svengali. The President of the United States has come under the hypnotic influence of Mr. Porter, and has accepted his advice in preference to that of the Congress and of his great leaders in the Congress. So if there has been a slight disintegration of the previous viewpoint of our distinguished majority leader, I am not surprised. I do not think it makes a great deal of difference. I suggest that the amendment is not a good amendment. Its basic defect is that it proceeds on averages.

I respectfully suggest that in the consideration of a problem of this kind, when we are trying as our first objective to achieve production, we must bring our rules down to the individual who is responsible for production.

It is suggested that no manufacturer and no processor can operate his business on the basis of national averages. No one has ever succeeded in doing so. If we want to bring about production we must devise formulas which will encourage the individual manufacturer or processor to achieve production. When Saturday night comes the man who is employing 25, 50, or 150 workers must put something in the pay envelopes of those workers, he cannot stuff them with national averages. He must put coin of the realm in those envelopes. When he pays his coal bill he cannot give anyone a draft on national averages. He must send a check that will be honored at the bank with coin of the realm, and not with national averages. When the power company sends him a power bill he must send money or the equivalent of money, and not national averages. When he pays his rent he must send coin of the realm, not national averages. When he goes to the bank to borrow money on his inventory, present or prospective, the banker does not say to him, "Give me a balance sheet that will show the national averages." He says, "Give me your balance sheet," which includes his money position, not his national average position. That, I respectfully suggest, is the fundamental defect of the Barkley-Porter amendment.

Let us take a look at it:

In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry—

We are not talking about the individual manufacturer or the individual processor. We are talking about the industry—

which do not return on the average—

To whom? To an individual manufacturer? To the man who actually makes the goods? To the man who must have the money to meet the pay roll, to meet the rent, to meet the light bills, and to meet interest at the bank? No—

which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices—

Mark you, not to the individual producer, but—

if such prices on the average are equal to the average current total cost of the product plus the industry's—

Not the individual's—

average over-all profit margin on sales in the base period

I repeat, Mr President, the man who makes an icebox or the man who makes a gadget or the man who makes a stove, or whatever he may make, cannot meet his pay roll on industry averages, and when he sells his product he is not paid for it with industry figures or with graphs or with charts He has to have money, because that is what he needs in his business. This is an academic approach to a problem of production. It is totally unrealistic, because it does not deal in money It deals in graphs and charts and statistics and averages Let me repeat that no man can run any kind of a factory on that kind of basis. I respectfully suggest that it is that very approach to the problem of production that is responsible for the shortages we experience today and that has brought this great tide of wrath against the OPA.

Mr SMITH. Mr. President, will the Senator yield?

Mr MILLIKIN. Gladly.

Mr. SMITH. Is it not obvious when we use the average of which the Senator is speaking, the higher-cost producer is inevitably forced out of business, and to that extent production is decreased?

Mr. MILLIKIN. I thank the Senator for the contribution. I do not think we need go back to school to learn what the average is and that half of the producers are either above or below the average and that half cannot produce on the average.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. BARKLEY. The Senator is supporting the Taft amendment as a substitute for the language of the bill; is he?

Mr. MILLIKIN. Does the Senator refer to the original Taft amendment or to the Barkleyized Taft amendment?

Mr. BARKLEY. To the Taft amendment which has been offered.

Mr. MILLIKIN. I am supporting the original Taft amendment. I will have no truck with mongrel amendments, whether proposed by the Senator from Kentucky or the Senator from Ohio.

Mr. BARKLEY. Was I not correct when I stated that in the committee the Senator never at any time agreed to the amendment now proposed by the Senator from Ohio?

Mr. MILLIKIN. Mr. President, if we are talking about the amendment of the Senator from Ohio that was in the bill that went to conference, the committee did agree to it.

Mr. BARKLEY. No; the conference agreed to it, but the committee did not That amendment was put in the bill on the floor of the Senate.

Mr. MILLIKIN Yes; I accept the correction.

Mr BARKLEY. I understood that the Senator rose to speak in behalf of the present Taft amendment, which is the only one pending, as a substitute for the language of the bill.

Mr. MILLIKIN. The Senator from Colorado rose to speak against the Barkley-Porter amendment.

Mr. BARKLEY. How is the Senator going to vote on the Taft amendment?

Mr. MILLIKIN I shall vote for the Taft amendment if it is the same amendment which on the floor we voted into the bill which was vetoed by the President.

Mr. BARKLEY. Evidently the Senator has not read the Taft amendment.

Mr. MILLIKIN. I said to the Senator that I would not support a mongrelized amendment, either one offered by the Senator from Ohio or one offered by the Senator from Kentucky.

Mr BARKLEY. Regardless of whether it is mongrelized or pure blood, it is the only amendment pending.

Mr. MILLIKIN. The only pureblood amendment is the original Taft amendment.

Mr. BARKLEY. That is not now before the Senate.

Mr. MILLIKIN. Or, if the Senator wishes, the original Porter-Barkley amendment. Those are the pureblood amendments.

Mr. BARKLEY Or the Barkley-Porter amendment?

Mr. MILLIKIN. Whichever way the Senator wishes to put it.

Mr. BARKLEY. So the one now offered by the Senator from Ohio is the mongrel amendment the Senator is talking about.

Mr. MILLIKIN. And those that I have referred to as the Barkley mongrel amendments are the four or five which he reached in process of cerebration.

Mr. BARKLEY. Evidently the Senator is going to talk about mongrels until he gets in the dog house. [Laughter.]

Mr. MILLIKIN. I do not want to get in the dog house.

Mr. BARKLEY. If the Senator will permit, I should like to call his attention to the fact that the amendment offered by the Senator from Ohio, which is now pending as a substitute for what he calls the Barkley-Porter amendment, contains this language:

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

So what he is objecting to because of its average is the language of the amendment which now is pending and has been offered by the Senator from Ohio.

Mr. MILLIKIN Do I understand that the distinguished Senator accepts the Taft amendment?

Mr. BARKLEY. No; I do not.

Mr. MILLIKIN. What is the difference between his amendment and the Taft amendment?

Mr. BARKLEY. The Senator is objecting to averages, and I call attention to the fact that the Taft amendment now pending is an average, and it contains the same language which is in the amendment which he calls the Barkley-Porter amendment, down to a certain point. And following that is the other language to which the Senator from Ohio objects. But so far as the averages are concerned, both are the same.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. MILLIKIN. Yes. I simply wish to say that I am sure the Senator from Ohio will appreciate the support of the Senator from Kentucky. [Laughter.]

Mr. BARKLEY. Probably he will appreciate it if he gets the support of the Senator from Colorado which has not yet been vouchsafed.

Mr. TAFT. Mr. President, I merely wish to say that the Senator from Kentucky, in the original Porter language at the bottom of page 25, adds language which is not in the formula which was formerly proposed. In other words, that proposal provides that as to the profit for each different product which is made by a single manufacturer in 1940, the Administrator is permitted to average those, whereas in the original Barkley formula the profit on each product must be taken, and to it must be added the increase in cost. So there is one more average in the language than there was in the beginning.

Mr. BARKLEY. Mr. President, the Senator is bound to recognize that he is mistaken about that. The language that is in the committee amendment down to the point where we add additional language constantly relates to averages—the average cost of the base period, the average current cost. In both cases it was the average cost of the industry, and not the cost of the individual product.

Mr. TAFT. But the additional language permits the averaging of the profit on each product, instead of saying that the product which was sold at cost must now be sold at cost and the product which was sold at a profit must now be sold at the same profit. The additional language says that all profits shall be added, so that we have to get back to what is called the over-all industry standard, which is an average profit. So one more average is added in the last five lines.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. LUCAS Am I correct in my assumption that this is just an average amendment?

Mr. MILLIKIN. I think this is a battle of the averages. It is a question between accepting three or four averages.

Mr. President, I should like to add that all during the committee hearings it was this question of averages which caused the Office of Price Administration to say that the original Taft amendment was unworkable, that they did not have the staff, that they did not have the time to compute these averages. But then they suggest an amendment which has about four different averages in it.

I also should like to say a few words about subsection (f), reading as follows:

(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

It has been pointed out, and I merely wish to emphasize it, that that gives to the Price Administrator complete control over the economy of this country. Whatever justification for a power of that kind might have existed during the war, I respectfully submit it no longer exists. I believe that what might be called necessary products under one point of view and unnecessary products under the same viewpoint, form inseparable parts of the circulatory system making up the national economy and that we cannot put a tourniquet on any important limb of our economy with the hope that it will help the rest of it. It all has to go together. I believe that this provision gives a very dangerous power which we should not give to anyone at this time.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. REVERCOMB. Does the Senator mean to say that subsection (f) on page 26 vests in the Administrator the power to decide what articles are necessary and what articles are not necessary for the people of the country?

Mr. MILLIKIN. That is exactly what it does. I do not believe there is any brain or combination of brains in the world that is capable of making a sensible decision on that question. I believe there is only one decision and one place where that decision can be made, and that is in the market place. And there is only one person who can make that decision, and that is the person who goes to the market place.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. BARKLEY. Under the language of this measure as proposed, the industry committee representing any industry

which was set up under the law as it existed all along, must make application for these increases. It must present a comprehensive statement of facts with respect to the need for the increases. It is in passing upon the application for increases that the Administrator is authorized under this subsection to determine whether the increases would bring about increased production. He has no authority to determine what a given company shall manufacture. He has nothing whatever to say about that. All he is authorized to do is to determine, upon the application of the industry committee, whether a given price increase would result in increased production of the article. He cannot interfere with that production. He merely decides whether a given increase would result in greater production.

How does that determine what the American people shall use, eat, or wear? Unless the industry applications are made to the Administrator, presumably there will be no application for an increase so that an adjustment may be made in an individual case. In that event, the Administrator would not remotely decide what the American people should use

Mr. MILLIKIN. I cannot understand why, if we give any man the power to say what part of our economy he will accelerate or what part he will keep stagnated, it does not give to him complete power over the economy of the country.

Mr. BARKLEY. There is nothing in this measure which says that he will accelerate one and stagnate the other. He decides only whether an increase in the price of a particular product will increase its production, or whether by granting an increase in its price so as to accelerate production it will automatically increase the production of some other commodity which may be in demand.

Mr. MILLIKIN. Whether automatically or not, the power does exist, and the Senator's remarks confirm the claim.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT], which will be stated.

The CHIEF CLERK. On page 25 it is proposed to strike out lines 9 to 25, inclusive, and on page 26 lines 1 to 22, inclusive, and to insert:

SEC. 6 (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period.

(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation.

(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

The PRESIDENT pro tempore. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies

The Senator from Texas [Mr CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from North Carolina [Mr BAILEY] would vote "nay."

Mr WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr CONNALLY]

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 40, nays 40, as follows:

YEAS—40

Austin	Buck	Cordon
Ball	Bushfield	Donnell
Bridges	Capehart	Eastland
Brooks	Capper	Ferguson
George	Moore	Taft
Gurney	O'Daniel	Tobey
Hart	Overton	Wherry
Hawkes	Reed	White
Hoey	Revercomb	Wiley
Johnston, S. C	Robertson	Willis
Knowland	Smith	Wilson
Langer	Stanfill	Young
McClellan	Stewart	
Millikin	Swift	

NAYS—40

Aiken	Hayden	Murdock
Andrews	Hill	Murray
Barkley	Huffman	Myers
Briggs	Johnson, Colo.	O'Mahoney
Burch	Kilgore	Pepper
Byrd	La Follette	Radcliffe
Carville	Lucas	Russell
Chavez	McCarran	Taylor
Downey	McKellar	Thomas, Utah
Fulbright	McMahon	Tunnell
Gerry	Magnuson	Wagner
Gossett	Mead	Walsh
Green	Mitchell	
Guffey	Morse	

NOT VOTING—16

Bailey	Hatch	Thomas, Okla.
Bilbo	Hickenlooper	Tydings
Brewster	McFarland	Vandenberg
Butler	Maybank	Wheeler
Connally	Saltonstall	
Ellender	Shipstead	

So Mr. TAFT's amendment was rejected.

Mr. TAFT. Mr. President, I have been informed that the vote on the three amendments together was not satisfactory to some Members of the Senate. In order to raise the single question with respect to paragraph (f), which was the most important paragraph, I move, on page 26, to strike out lines 16 to 22, inclusive, leaving the other two provisions as they are. On that question I ask for the yeas and nays.

Mr BARKLEY. Mr. President, before the vote is taken on the amendment I move that the Senate reconsider the vote by which the Taft amendment was rejected.

Mr WAGNER. I move that the motion of the Senator from Kentucky be laid on the table

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

Mr. TAFT. Mr President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHITE. Mr. President, is the question on the motion of the Senator from New York to lay on the table the motion of the Senator from Kentucky?

The PRESIDENT pro tempore. The question is on the motion of the Senator from New York [Mr. WAGNER] to lay on the table the motion of the Senator from Kentucky [Mr. BARKLEY] that the vote by which the so-called Taft amendment was rejected be reconsidered. The yeas and nays have been ordered, and the Clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The result was announced—yeas 46, nays 34, as follows:

YEAS—46

Aiken	Hill	Murdock
Andrews	Hoey	Murray
Barkley	Huffman	Myers
Briggs	Johnson, Colo	O'Mahoney
Burch	Johnston, S. C.	Overton
Byrd	Kilgore	Pepper
Carville	La Follette	Radcliffe
Chavez	Lucas	Russell
Downey	McCarran	Stewart
Fulbright	McClellan	Taylor
George	McKellar	Thomas, Utah
Gerry	McMahon	Tunnell
Gossett	Magnuson	Wagner
Green	Mead	Walsh
Guffey	Mitchell	
Hayden	Morse	

NAYS—34

Austin	Gurney	Stanfill
Ball	Hart	Swift
Bridges	Hawkes	Taft
Brooks	Knowland	Tobey
Buck	Langer	Wherry
Bushfield	Millikin	White
Capehart	Moore	Wiley
Capper	O'Daniel	Willis
Cordon	Reed	Wilson
Donnell	Revercomb	Young
Eastland	Robertson	
Ferguson	Smith	

NOT VOTING—16

Bailey	Hatch	Thomas, Okla.
Bilbo	Hickenlooper	Tydings
Brewster	McFarland	Vandenberg
Butler	Maybank	Wheeler
Connally	Saltonstall	
Ellender	Shipstead	

So the motion to lay on the table was agreed to.

Mr. BARKLEY. Mr. President, there are one or two other amendments which I understand will be offered, and I hope Senators will remain so that we may dispose of them tonight. We have a very good attendance, for which I am grateful, and I am sure the whole Senate is grateful. I hope Senators will remain until we can dispose of the other amendments, which I think will not take an unusual length of time.

The PRESIDENT pro tempore. The pending question is on the amendment offered by the Senator from Ohio [Mr. TAFT] to strike out subsection (f).

Mr. TAFT. Mr. President, I withdraw the amendment.

Mr. McCLELLAN. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the period at the end of line 25, on page 25, insert a colon and the following proviso: *"Provided, however*, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 80 percent of the production of such logs, lumber, or lumber products to recover their current costs of production, and in determining such current costs of production, the current market value, or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber."

Mr. McCLELLAN. Mr. President, the purpose of the amendment is to correct two evils which now exist. During the past 2 years, at least, the production of lumber in the South and Southwest has diminished from 11,000,000,000 feet to about 7,000,000,000 feet. I am sure that the production is now on the increase from that minimum footage. I have the impression that those figures are based on lumber produced and sold in the legitimate market. If that be correct, then a large amount of lumber is not being taken into consideration; but, assuming the figures to be correct, they show that during and under the conditions and restrictions of OPA which have existed in the past the production of lumber, a most vital and indispensable material to the housing program, has greatly decreased. Undoubtedly a great deal of lumber which is being produced is going into the black market. I do not think that anyone who would undertake to defend the policies of OPA would challenge the statement—because, as I recall, OPA authorities have admitted it—that a very large percentage of the lumber produced in the southwest has been going into the black market. The OPA say, "We take 75 percent of the total production as a basis."

Of course a good many lumber firms in the South and in the Southwest have tremendous holdings of standing timber. Much of it was bought at a time when stumpage costs were low. OPA takes the position that if 75 percent of the lumber industry of the South and the Southwest can produce lumber at a profit on the basis of what they bought the timber for many years ago, of course, OPA ought not to establish their prices on the basis of what it costs to replace the timber which they are now converting into lumber. That is the issue with which we are confronted in considering this amendment. The lumber firms take the position: "If we cannot produce the lumber at a profit from the timber we have bought, then we will sell the timber to someone else, who will pay us $25 a thousand stumpage." They bought a great deal of that timber at $1 or $2 a thousand or $2.50 or $3 a thousand. They can sell their standing timber to some independent operator on that basis and make a tremendous profit. They can make much more profit in that way than they can by producing timber themselves; and that is exactly what is occurring.

This is an issue between a black-market price and a legitimate price stabilized by law. We can pass all the laws we want to, but the truth is that under present conditions many producers of lumber are simply paying whatever they have to pay in order to obtain the stumpage. Twenty-five dollars a thousand was an unheard of price to pay for stumpage before the present situation arose. The Government is selling stumpage at that price. If stumpage is bought at that price, what is the result? If the ceiling price is based on conditions which the OPA has taken into consideration, while other factors have not been taken into consideration, the result is that the lumber goes into the black market. I do not propose to speak for other sections of the country. Senators who represent other sections can speak for them. But I think the amendment presents a clear-cut issue whether we will have the lumber we need, particularly in the Southwest, and whether the lumber of the Southwest will be placed on the legitimate market or whether a large percentage of it will go into the black market. I do not make the prediction that a great percentage of the lumber will go into the black market. I am stating a fact that it will go into the black market. That is the condition which now exists

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. CORDON. If I correctly understand the purport of the Senator's amendment it is to provide by statute expressly that the price on lumber must be equal to the cost of producing lumber, to the extent of 90 percent of the total lumber production per annum. Is that correct?

Mr. McCLELLAN. That is correct in this sense, that the OPA today says that if 75 percent of those who engage in the production of lumber can survive they will let the other 25 percent die. We have today the national housing program. What material is more important and essential and indispensable to the national housing program than lumber? The result is that the Federal Government has stepped in and said "We will spend $400,000,000 to subsidize production." That may be one way to accomplish the purpose, but it will be only a partial accomplishment, and the Senator and I know that to be true.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. McCLELLAN. I am glad to yield.

Mr. CORDON. I am familiar with the practice of the OPA in the years past. As I understand, they worked upon the policy that historically 75 percent of the operating mills, measured by volume, were able to remain in business, and that approximately 25 percent of those who attempted to go into the lumber business failed each year, and that therefore OPA was justified in using those historical figures when they changed the whole basis of lumber production. When OPA stepped into the lumber field and took from the operator the opportunity that he had to secure a larger profit, a profit equal to the greater chance he must take—when they took that from him, and gave him instead an assured but much smaller profit, they felt, or said they felt, that he would still continue to take that chance. If the Senator will indulge me, I will say that the experience for 2 years showed that each of those 2 years 25 percent of the mills, by volume, closed down.

Mr. McCLELLAN. That is true.

Mr. CORDON. And it cut down the volume to that extent. The operators could not continue. They did not have the incentive to continue.

If the Senator will further indulge me to make one more point, I will say that this very year there came to Washington from various parts of the United States men engaged in the lumber business who presented the whole problem to OPA. They showed the picture They proved beyond peradventure of a doubt that the program was cutting down and curtailing lumber production And after a most thorough and careful examination of the facts, OPA conceded the correctness of their position, and modified its ruling at that time, and modified the regulations which it claimed were lowering the mortality percentage from 25 to 10 percent, or increasing the profit margin from 75 to 90, as the Senator now proposes to do by law.

The operators claim the modification was not adequate. Whether it was or not is a matter that I am sure neither the Senator from Arkansas nor I could determine. But the main point is that the decision of OPA to do the thing was a decision of an administrative agency, and did not have the command of law, whereas the adoption of the Senator's amendment, as I view it, will put the command of law behind a practice that OPA itself, after its last exhaustive examination, has admitted is the only way by which the maximum lumber production can be approximated in the United States. I want to assure the Senator that I shall support his amendment.

Mr. McCLELLAN. I thank the Senator. The Senator is correct in his statement that lumber interests and producers have been repeatedly before the OPA, and it took repeated efforts even to secure that concession. During the time that the lumber industry in the Southwest, particularly the southern pine industry, was trying to get some consideration from OPA, production of southern pine lumber fell off from 11,000,000,000 feet-plus a year to 7,000,000,000 feet-plus a year, a reduction in production of nearly 4,000,000,000 feet of lumber a year. As I have indicated, I do not know whether the figures 11,000,000,000 plus and 7,000,000,000 plus included lumber which was sold in the black market. Whether it included it or not did not include it, there is that reduction in production of lumber, a commodity which America so greatly needs today.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the junior Senator from Oregon.

Mr MORSE. I want to make certain that I understand what it is the Senator from Arkansas is seeking to accomplish, because I wish to assure him that I share the views of my senior colleague as to the problem with which the lumber industry has been confronted, so far as trying to get a fair return, for example, for its investment in stumpage out of OPA price fixing.

Am I correct in my understanding that one of the things the Senator is seeking to accomplish by his amendment is that if Lumber Company X 20 years ago bought stumpage at $1, and today that stumpage has risen to $3.50 if that Company X could sell that stumpage, without cutting it at all, at $3.50, and the Senator wants to make certain that Company X, in figuring its cost of production, can figure stumpage at $3 50 instead of its original cost of $1.

Mr. McCLELLAN. That is a part of what this amendment would do. I assume that the situation in the Senator's State is similar to that in the Southwest Many lumber producers in that area have what is known as a perpetual production. Those lumber companies under the present conditions are not cutting their own timber, but they are going into the market and buying timber.

Mr. MORSE. They are not cutting their own timber because they bought it at a very cheap price, and they cannot get credit for more than their original book value.

Mr. McCLELLAN. The Senator is correct. What is happening is that a substantial part of the lumber production in the Southwest is coming from stumpage that can be bought from the landowner.

Mr. MORSE. I understand that.

Mr McCLELLAN Not from those who have the great holdings. The result is that a great percentage of that production today is going into the black market. This amendment offers a choice between the continuation of the black market and a stabilization of the situation. There is now no ceiling on the stumpage, so lumber producers buy it at whatever price they can buy it for, in order to remain in business.

Mr. MORSE I understand that.

Mr. McCLELLAN Then they sell the lumber. If they can sell it at a profit on the legitimate market, I assume they do so. But when they cannot, they sell it on the black market Let us have a legitimate market in lumber, a commodity desperately needed in our housing situation. If we do not have a legitimate market, we must have a black market.

Mr. MORSE. Will the Senator permit me to go through the amendment with him? I have a suggestion which I should like to make for the Senator's consideration, involving a part of the amendment which I must say I do not understand. Perhaps the Senator can clear up his amendment.

Mr. McCLELLAN. I shall be very happy to have the suggestion of the Senator.

Mr. MORSE. The amendment reads as follows:

Provided, however, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current cost of production—

So far so good. I follow the amendment up to that point.

Mr. McCLELLAN. Up to that point it does not even provide for a profit. I recognize that.

Mr. MORSE. I follow the amendment up to that point. I see the problem which the Senator is trying to solve, on the basis of the experiences which I know lumber companies have had with OPA. But beyond that point I find myself unable to follow the amendment, because I cannot understand its meaning. Let me go back to the beginning again:

Provided, however, That in the case of logs, lumber, and lumber products the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production, and in determining such current costs of production the current market value or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber.

Beginning with the word "and", I fail to follow the meaning of the amendment I suggest that the Senator place a period after the word "production," and strike out the language—

and in determining such current costs of production the current market value or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber.

Let the amendment go to conference with a period after the word "production," because I submit that unless the Senator can clear it up, the last part of the amendment is very difficult to understand.

Mr. McCLELLAN. This is what the amendment means, or what I intend it to mean: Whatever it costs to buy standing timber in the vicinity ought to be taken into account in determining the cost of production. The situation is substantially the same throughout the Southwest. I speak for the Southwest. The amendment provides that the current market value or ceiling price, whichever is lower, shall govern.

Mr. MORSE. I respectfully submit that if the Senator would put a period after the word "production" and strike the last part of the amendment, he would accomplish what I am satisfied is his objective, as he has explained it. I do not think he would accomplish it by the latter part of the language. If he will place a period after the word "production" and strike out the remainder of the amendment, I shall be glad to vote for the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BARKLEY. The whole subject of logs, timber, and lumber is very technical.

Mr. McCLELLAN. It is.

Mr. BARKLEY. There is now a regulation, put into effect by the OPA, providing that 75 percent of the production shall be priced at such a figure as will enable the producer to make a profit.

Mr. McCLELLAN. No; to recover the cost of production.

Mr. BARKLEY. I beg the Senator's pardon—to recover the cost of production.

Mr. McCLELLAN. That is correct.

Mr BARKLEY There is a differential with respect to grades and types of timber, logs, and lumber. The percentage goes as high as 80 percent in some categories. If I correctly understand the Senator's purpose, it is to increase the percentage from 75 to 80, whichever it may be, to 90.

Mr. McCLELLAN From 75 percent——

Mr. BARKLEY To 90 percent.

Mr McCLELLAN That is correct.

Mr. BARKLEY This suggestion was not submitted to either committee at any time during the consideration of the measure, and it was not considered by the conference If the Senator will follow the suggestion of the Senator from Oregon, which I think would accomplish his purpose, I shall have no objection to taking the amendment to conference. Then we shall have an opportunity to consider it in view of the technicalities of the situation I think the Senator would lose nothing in the effectiveness of his amendment by following that suggestion

Mr. McCLELLAN. Does the Senator mean to strike out everything after the word "production"?

Mr. BARKLEY. Strike out the last 3 lines and insert a period after the word "production"

Mr. McCLELLAN. I am sincere about this amendment, because I think I know something about the situation in my State. All I wish to do is to fix a price which will return to the producer the cost of production The Government is selling timber at $20 and $25 a thousand for stumpage. When a producer has to pay such prices I do not see how the same Government can fail to take that fact into consideration in fixing the price to the consumer. When the Government fixes the price on one basis and sells on another, I do not believe that private enterprise can be preserved, or that respect for Government can be maintained when such a policy is pursued. I may be mistaken, but these facts and figures are not mine. They are the Government's. Two years ago there was a production of 11,000,000,000 feet. Last year the production in that area was 7,000,000,000 feet. I do not know whether those figures took into account the black-market production and sales, but I do know that those are the statistics. The truth is—and the OPA will admit it, or at least not deny it—that 80 percent of the lumber in that area is going into the black market. I was in a conference with OPA where that fact was admitted.

Do we want a legitimate market, or do we wish to encourage black markets in America? There is a responsibility on the part of the Government of the United States to be honest with its citizens; and the only way to be honest is to provide, in such situations, a return which allows the cost of production.

Mr. SWIFT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the Senator from Alabama.

Mr. SWIFT. I am wondering if the confusion which seems to exist in the minds of some Senators, particularly the two Senators from Oregon, arises because of the use of the word "timber" instead of "stumpage." If the word "timber" were changed to "stumpage" would not that clarify the meaning of the amendment?

Mr. McCLELLAN. "Timber" could not mean anything but stumpage, although others may disagree with me.

Mr SWIFT. The Senator from Arkansas and I understand lumber terms, and we know that the term has that meaning; but I am wondering if other Members of the Senate understand that in determining the current cost of production, whether a person is engaged in producing logs to sell to a sawmill or whether he is producing lumber or lumber products such as millwork, the cost of the tree, or stumpage, shall be considered to be the ceiling price or the current market value, whichever is lower. I think the confusion is caused by the use of the word "timber" rather than "stumpage"

Mr. McCLELLAN. Of course, timber is stumpage. I do not see how they can be dissociated.

Mr. SWIFT. I thoroughly agree with the Senator

Mr. McCLELLAN. If any Senator misunderstands, I hope that explanation will clear up the misunderstanding, because when one buys timber he buys stumpage.

Mr. WHITE. Mr President, will the Senator yield for a question?

Mr. McCLELLAN. I am very glad to yield.

Mr. WHITE. I have not seen this amendment, but reference has been made to it by the Senator from Arkansas. It refers to lumber and logs, and the products of lumber and logs. I wonder if the amendment is broad enough to cover pulpwood, and whether it was intended to cover pulpwood.

Mr. McCLELLAN. No. I use the terms in their common acceptation. Logs and pulpwood are two different products. Possibly an amendment will be offered regarding pulpwood. But logs and pulpwood are in entirely different categories. Lumber does not come from pulpwood. Pulpwood is in a category unto itself.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CORDON. I have again scanned the language of the amendment, and I think I understand what the Senator from Arkansas intends to do by the language which is now questioned. If I am correct in my understanding, the purpose of the language is to require the consideration by the price-fixing agency, in determination of current costs, of a figure to cover timber or timber stumpage.

Mr. McCLELLAN. That is correct.

Mr. CORDON. Which is, first, the ceiling price established for the logs or the stumpage; or, second, the current market price of such stumpage, if that be lower than the ceiling.

Mr. McCLELLAN. That is correct.

Mr. CORDON. If that be the case, let me suggest that perhaps the language might be slightly clarified. I now call attention to the language following the comma after the word "production":

> The current market value or ceiling price of timber used, whichever is lower, shall be considered the cost of such timber.

Let us change that to say that the ceiling price of the timber used or the current market price thereof, if that be lower, shall be considered the cost of the timber. The change would perhaps be clarifying to the extent that it would not assume that there could be a market price of timber above the ceiling set by the OPA.

Mr. McCLELLAN. I wish to say to the Senator that of course what we are doing is dealing with the initial costs.

Mr. CORDON That is correct.

Mr. McCLELLAN. I shall appreciate it if the Senator will write out his amendment and let me have it so that I may read it. I have no particular pride in this amendment; but I know, and I speak now from a sectional point of view, that every Senator is aware that we are trying to bring about production of materials and essentials for the housing program. I am not trying to secure something to benefit any corporation in my State which owns timber. I am trying to find a way to provide a legitimate market for a product and also to enable it to be produced in a legitimate way.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BARKLEY. Have the Senator from Arkansas and the two Senators from Oregon reached an understanding about the language?

Mr. MORSE I think we are about to reach an understanding

Mr. McCLELLAN. I hope we may.

Mr. BARKLEY. I think we might concentrate on an effort to do that, because I am perfectly willing to take the amendment to conference if we can understand what it means.

Mr. MORSE. Mr. President, when the amendment is written out by the senior Senator from Oregon, I think we shall be in agreement. I think the RECORD should show the type of factual situation which the Senator from Arkansas is trying to correct. If there are two lumber operators on opposite sides of the same road, and if one bought his lumber 20 years ago at a dollar and can sell it at a profit and the man on the other side of the highway has a tract of timber, and the market value for the stumpage is $3.50, under present OPA policies when he figures out his cost of production he is allowed $3.50. But the man who

bought his timber 20 years ago at a dollar is allowed only that value in figuring his cost of production, although on the open market he can sell the timber for $3 50 because that is the open-market value.

As I said at a hearing on this problem, when the OPA figures it that way it really puts its hand into the man's pocket and confiscates at the rate of $2.50 for every thousand, and in my estimation that is a confiscation without due process.

I understand that the Senator is seeking to correct that method of confiscating the property of the lumber owner.

Mr. McCLELLAN. That is correct.

Mr. MORSE. If the Senator will accept the language suggested by the Senator from Oregon, I shall go along with the amendment.

Mr. McCLELLAN. If the Senator will give me a moment's time, I shall do so. I wish to say that what we wish to do, if we are to have an OPA, is to make sure that the black market will be eliminated. If we do not have an OPA whose regulations can be enforced, then the black market is the alternative, and an alternative of that sort is destructive to every fundamental fiber of America and of democracy.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. CORDON. I believe the amendment is of far greater importance to the United States than would appear from a cursory examination of it. I believe the portion of the work of the Office of Price Control which has met with universal approval, so far as its necessity is concerned, is that dealing with the control of rents. That is true because there is a terrific housing shortage. Other shortages can be met in a short time, as, for instance, 2 months ago we were faced with a terrific shortage of wheat, but today wheat is being piled up by the thousands of bushels in the open weather in the Middle West because there is a surplus. Presently, that will be true of corn and of other necessary commodities which can be produced rapidly.

But houses cannot be produced that way. The production of lumber from the rough lumber which goes into the joists, the studding, the foundation, the siding, the rough subflooring, and so forth, on through to the finest of remanufactured molding and interior finishing must be produced before housing can be provided. As was said on the floor today, and I know the Senator from Arkansas will agree with me in this, there are now literally thousands of houses which would be ready for occupancy if there were available the necessary finishing lumber. That means the framing, in some instances the flooring, in almost all of them the doors, the molding, and the like. That type of lumber has not been available because, in pricing, the necessities of war were deemed to be paramount, and premiums were placed on that type of lumber, and the correction was not made after the war in time to increase the production of the necessary finished lumber.

Mr. President, if this amendment is adopted it will at least be the basis of a guaranty to lumber operators, not that they can make a profit, but that 90 percent of them, based on volume, can operate without a loss. That necessarily means that of the 90 percent, the major portion will make a profit. The last end of them will be working right on the edge of loss. Consequently, I believe the amendment will do more to advance the construction of housing and to take care of the present shortage than anything the Congress can do or that any administrative agency can do.

Mr. McCLELLAN. I simply wish to suggest in regard to the modification the Senator has submitted to me that I would strike out the words "if that be lower." I think that would permit a price to be fixed which would not represent the true situation. So if the Senator will agree to strike out those words, and say that the ceiling price or the current market price shall be considered the cost of such timber—in other words, that the ceiling price shall be used or the current price—I shall be very happy to accept his suggestion.

Mr. CORDON. So far as I am concerned Mr. President, I fully understand that, and I believe anyone familiar with the trade would understand it.

Mr. BARKLEY. Mr. President, may the amendment be sent to the desk and read so that we will understand what it is?

Mr. McCLELLAN. I shall be glad to send it to the desk if the Senator will give me an opportunity.

Mr. President, I send to the desk the same amendment which I originally presented, with a modification. After the word "production" in line 4 of the original amendment, I wish to modify by striking out the remainder of the amendment and inserting in lieu thereof the following: "The ceiling price of timber used or the current market price shall be considered the cost of such timber."

The PRESIDENT pro tempore. The modified amendment of the Senator from Arkansas will be stated.

The LEGISLATIVE CLERK. On page 25, line 25, after the words "base period", it is proposed to strike out the period, insert a colon, and the following proviso: "*Provided, however*, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. The ceiling price of timber used or the current market price shall be considered the cost of such timber."

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment of the Senator from Arkansas.

The amendment as modified was agreed to.

ADDITIONAL REPORT OF A COMMITTEE

Mr. JOHNSON of Colorado, from the Committee on Military Affairs, to which was referred the bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, reported it with amendments, and submitted a report (No. 1704) thereon.

EXTENSION OF PRICE CONTROL—AMENDMENTS

Mr. PEPPER (for himself, Mr. WAGNER, Mr. GUFFEY, Mr. MEAD, Mr. MURRAY, Mr. MURDOCK, Mr. MITCHELL, Mr. TAYLOR, Mr. MYERS, Mr. KILGORE, Mr. LUCAS, Mr. MAGNUSON, Mr. THOMAS of Utah, Mr. HUFFMAN, and Mr. McMAHON) submitted an amendment intended to be proposed by them, jointly, to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which was ordered to lie on the table and to be printed.

Mr. WHERRY (for himself and Mr. WILSON) submitted an amendment intended to be proposed by them, jointly, to House Joint Resolution 371, to extend price control, which was ordered to lie on the table and to be printed.

Mr. JOHNSTON of South Carolina (for himself, Mr. GEORGE, Mr. MILLIKIN, and Mr. HOEY) submitted an amendment intended to be proposed by them, jointly, to the House Joint Resolution 371, to extend price control, which was ordered to lie on the table and to be printed.

Mr. CAPEHART submitted an amendment intended to be proposed by him to House Joint Resolution 371, to extend price control, which was ordered to lie on the table and to be printed.

TRIBUTES TO THE LATE SIDNEY HILLMAN

Mr. MEAD. Mr. President, my distinguished colleague, the distinguished Senator from New York [Mr. WAGNER], yesterday notified the Senate of the untimely death of Mr. Sidney Hillman. I wish to pay tribute to Mr. Hillman's memory. When he died, both the organized and the unorganized workers of America lost a great friend and a sterling advocate.

Sidney Hillman sought always to improve the lot of the one-third of our population who are poorly fed, poorly housed, and poorly clothed. On several occasions it was my privilege to talk to him about matters of legislation in which he was interested during the present session of Congress. He was particularly concerned in the passage of the minimum-wage legislation. That would not have affected the membership of his great organization, and his interest showed his devotion to the wage earners of the country in the lowest brackets, particularly the unorganized workers, who had no one else to speak for them. He was their spokesman and their advocate.

Among those who have paid tribute to Mr. Hillman were the President of the United States, who said:

> In the death of Sidney Hillman, the cause of democracy in this country and the world loses one of its most effective and devoted exponents. Sidney Hillman was more than a distinguished labor leader; he was a great humanitarian and an outstanding statesman in the field of labor-management relations. That he, an immigrant youth, could rise to eminence in the land of his adoption is a tribute at once to his own ability and character, and to the democratic ideals for which he fought.

Mr. Vicente Lombardo Toledano, president of the Federation of Workers of

Latin America, sent a message in which he said:

[Translation]

MEXICO CITY.

MR. PHILIP MURRAY,
President, Congress of Industrial Organizations, Washington, D. C.:

Profoundly moved by the news of the death of our friend and brother, Sidney Hillman, I wish to state to you and to the United States labor movement both in my own name and that of the Confederation of Workers of Latin America our sincere condolence for the loss that will be sustained not only by the workers of the United States but by the workers of the entire world Brother Sidney Hillman was one of the outstanding personalities not only of the international trade-union movement, but also of the cause of democracy and of the struggle for human rights and for the progress of all people. During recent years he performed tremendous work within the CIO and also within the World Federation of Trade Unions. Best wishes for your health.

Fraternally,

VICENTE LOMBARDO TOLEDANO,
President, Federation of Workers of Latin America.

The Congress of Industrial Organizations issued a release on Wednesday, July 10, 1946, which I should like to have printed in the RECORD as a part of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

CIO President Philip Murray issued the following statement today.

"The members of the organizations affiliated with the Congress of Industrial Organizations mourn the passing of a great man His contribution to the welfare of the Nation and humanity were rendered in the spirit of complete self-sacrifice

"The common people of this and other lands have come to regard him as an ever vigilant defender of their cause At home and abroad his services were devoted to the cementing of friendly relations amongst the peoples of the earth, who regarded him as a devoted crusader for their social, economic, and political emancipation.

"Sidney Hillman lived the life and made the sacrifices in the cause of democracy America has suffered a great loss and the common people a great friend

"We of the CIO are shocked over his untimely death But Sidney Hillman has provided us with a great reservoir of inspiration and courage, a holy and noble legacy of his estimable work We will carry on toward the fulfillment of his ideals, forever building in the spirit which permeated his life's work

"In mourning his passing we express our heartfelt sympathy to his beloved wife and family."

Mr. MEAD. Mr. President, on July 10 I sent a telegram to Mr. Hillman's widow in which I expressed my grief at Mr. Hillman's death, and I ask that the telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JULY 10, 1946.

MRS SIDNEY HILLMAN: I am deeply grieved to learn of your beloved husband's passing. His death, following so closely that of our late President, Franklin D Roosevelt—both of whom were my friends—has left a tremendous gap in the ranks of those who have fought the battles of the underprivileged.

Your husband's record of public service, together with his devotion to the freedom, welfare, and tolerance of his fellowmen, has provided a goal toward which we strive, a goal which will ultimately eliminate ignorance, disease, and poverty in America.

It has been my privilege to have known and worked with your husband in the cause of labor, and I am sure his name will long live in the hearts of men and women who understand the meaning of opportunity, justice, and democracy.

You have my deepest sympathy in your great loss The underprivileged, organized labor, and the people generally have lost a strong advocate

JAS M. MEAD,
United States Senator, New York.

Mr. MEAD. Mr. President, Sir Walter Citrine, ex president of the World Federation of Trade Unions, sent the following cablegram:

LONDON, *July 10, 1946.*

PHILIP MURRAY,
Congress of Industrial Organizations, Washington, D. C.:

Greatly shocked to hear death our good friend Sidney Hillman. Will be grateful you will extend your executive and Mrs. Hillman and family our feeling deep sympathy in grievous loss sustained consequent his parting.

WALTER CITRINE.

The Political Action Committee was the recipient of a statement from the Democratic National Committee, and I should like to have that included in the RECORD, with another statement issued by the committee.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

The following statements were issued by the Democratic National Committee:

"POLITICAL ACTION COMMITTEE OF THE CONGRESS OF INDUSTRIAL ORGANIZATIONS,
"New York City, N Y.

"The Democratic National Committee wishes to express its deepest sympathy, with the labor organizations in which the late Sidney Hillman was a valued and outstanding official His death is recognized as a great loss in the realm of American statesmanship

"DEMOCRATIC NATIONAL COMMITTEE"

In the absence from the country of Chairman Robert E Hannegan, Executive Vice Chairman Richard R. Nacy, of the Democratic National Committee, today issued the following statement.

"The life work of Sidney Hillman resulted not only in advancement of the cause of organized labor but also in a major contribution toward better, more democratic government in America His objective was to inform and encourage the working people of the Nation to participate in the election of their Government, and his success in obtaining that objective was outstanding. There was need in our democracy for the broader, more active participation by the Nation's working people. We are a better, healthier democracy as a result of it. We must and will keep alive the good that Sidney Hillman's achievements have added to our American way of life. We must further his statesmanlike efforts, which were aimed at a peaceful world of men inspired by good will toward one another."

Mr. MEAD. Mr. President, a press release was issued by the Amalgamated Clothing Workers of America on July 10, and I ask that that be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following statement was issued by the general executive board of the Amalgamated Clothing Workers of America today upon the death of Sidney Hillman, union president:

"Sidney Hillman has fallen in battle Up to his last breath, he had been fighting the good fight for a larger and more secure life for masses everywhere. He died as he had lived, fighting.

"For 36 years Sidney Hillman had been a standard bearer for American and world progressive forces. He fought and helped destroy the iniquitous sweatshop in his youth, he fought reaction in season and out, and made the largest single contribution to the political awakening of labor in this country

"In war and peace, Sidney Hillman served his country, his people, and his union. No task was too great, none too small for this man who burned his life away for the welfare and happiness of others. He loved America Sidney Hillman was a tenacious, but modest warrior for the common good. His like, on the American scene, will not be seen soon again.

"Though his talents and his genius led him to prominence in the national and international fields, Sidney Hillman always remained close to his beloved Amalgamated Clothing Workers of America and its 350,000 members. He never lost the common touch. He was welcomed with warmth and affection in every corner of the Amalgamated We were proud of him Sidney Hillman was the Amalgamated and the Amalgamated was Sidney Hillman

"In this hour of our great grief it is impossible to give a proper estimate of what Sidney Hillman meant to us, to the Amalgamated family, to labor generally, and progressive forces everywhere. History will accord him his proper place Sidney Hillman will never be forgotten

"His name will inextricably be linked with the abolition of the sweatshop in the clothing industry, the establishment of impartial machinery for the settlement of labor disputes, labor housing, labor banking, holidays, and vacations with pay for industrial workers, and introduction of a comprehensive system of life, health, accident, hospitalization, maternity, and old-age retirement insurance on a Nation-wide scale in an American industry

"His war work, also, will never be forgotten. From the late President Roosevelt down to the lowliest Army procurement officer have come testimonials as to Mr Hillman's contribution to our war and victory efforts His mobilization of labor for war was as magnificent an effort as his peacetime achievements

"The story of Hillman's life is the story of 350,000 men and women, members of the Amalgamated Clothing Workers of America. It is the rise from the industrial jungle into the light of collective bargaining and security for men and women who toil.

"We mourn our loss."

Mr. MEAD. Mr. President, I also ask to have included in the RECORD statements by the Honorable Lewis B. Schwellenbach, Secretary of Labor; David Dubinsky, president of the International Ladies Garment Workers' Union, and Dr. John L. Childs, State chairman of the Liberal Party in New York.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Lewis B. Schwellenbach, Secretary of Labor: "In the field of political activity Mr.

Hillman was so basic in his approach to democratic principles that he shocked some of our more forgetful citizens. He believed that everyone should exercise his right to organize politically and to vote, regardless of his economic status."

David Dubinsky, president, International Ladies' Garment Workers Union (AFL): "The untimely and sudden death of Sidney Hillman removes from the American labor movement an able leader who has contributed greatly to the welfare of the workers in the men's clothing industry whose organization he headed from its inception. The stupendous rise of the needle trades during the past generation is due in no small measure to the ability and leadership of Sidney Hillman."

Dr. John L Childs, State chairman, Liberal Party. "Sidney Hillman was one of the great builders and statesmen of the American labor movement. He demonstrated that a trade union under the right leaders can become a stalwart agency of both economic and cultural democracy."

Mr. MEAD. Mr. President, Mr. Hillman was interested not only in labor organizations and Governmental activities of his city and his country, he was also interested in the politics of our country and in many other activities, and I should like to have a list of those activities printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Member of Labor Advisory Board of NIRA, 1933, member of the Academy of Political and Social Science; member, National Recovery Board, 1933; member, National Youth Administration; member, Advisory Board of the United States Employment Service; treasurer, Labor's Nonpartisan League; director, American Labor Party; chairman, Textile Workers' Union of America; vice president, Congress of Industrial Organizations; member, advisory committee of the Council of National Defense, chairman of the CIO Political Action Committee, vice president of the World Federation of Trade Unions, member of the advisory commission to the Council of National Defense, 1944, 1940, accepted membership on the Commission of American Citizenship of the American Hierarchy of the Roman Catholic Church, 1940, member, National Citizens Committee of the White House Conference on Children in the Democracy, 1940, member of the Mayor's Business Advisory Committee, New York City; 1940, associate director of the Office of Production Management for Defense; 1942, head of the Labor Division, War Production Board; 1941, member of the board of directors, Nonsectarian Anti-Nazi League; 1942, labor adviser to President Franklin D. Roosevelt.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. GEORGE:

From the Committee on Foreign Relations:

George H. Butler, of Illinois, now a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Dominican Republic.

From the Committee on Finance:

Several candidates for appointment as senior assistant scientists in the Regular Corps of the United States Public Health Service

The PRESIDING OFFICER (Mr. MURDOCK in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

Mr. BARKLEY. I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Jacob C. Wagner to be senior assistant surgebn.

The PRESIDING OFFICER Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified immediately of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the Executive Calendar

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow

The motion was agreed to; and (at 10 o'clock and 55 minutes p. m.), the Senate took a recess until tomorrow, Friday, July 12, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 11 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service of the United States of America:

Quentin R Bates of Iowa
John Q Blodgett, of Rhode Island
Thomas S Bloodworth, Jr., of Louisiana.
Jack Bramson, of New York.
Robert A. Brand, of Connecticut.
Clarence T. Breaux, of Louisiana
William S. Caldwell, of Minnesota.
Stanley M. Cleveland, of New York.
Carroll E. Cobb, of Georgia.
John B. Crume, of Kentucky.
Rodger P. Davies, of California.
Richard C. Desmond, of Massachusetts.
Richard H Donald, of Connecticut.
Enoch S. Duncan, of Tennessee.
William R. Laidlaw, of California.
Henry F. McCreery, of California.
Thomas D. McKiernan, of Massachusetts.
Cleveland B. McKnight, of Georgia.
Joseph A. Mendenhall, of Maryland.
Robert W. Moore, of Iowa.
Andrew E. Olson, of Washington.
Arthur L. Paddock, Jr., of New Jersey.
William Walter Phelps, Jr., of New York.
John F. Root, of Pennsylvania.
Rufus Z Smith, of Illinois.
Clyde W. Snider, of California.
De Witt L Stora, of California.
Emory C. Swank, of Maryland.
Thomas T. Turner, of Oregon.
Jackson W. Wilson, of Texas.
Robert L. Yost, of California.

UNITED STATES ATTORNEY

Frank J. Hennessy, of California, to be United States attorney for the northern district of California (Mr. Hennessy is now serving in this office under an appointment which expired November 7, 1945)

CONFIRMATIONS

Executive nominations confirmed by the Senate July 11 (legislative day of July 5), 1946:

FOREIGN SERVICE

Robert Butler to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia

J. Leighton Stuart to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

Joseph F McGurk to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Harold H Tittmann, Jr., to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTION IN THE REGULAR CORPS

Jacob C. Wagner to be senior assistant surgeon, effective July 1, 1946

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 11, 1946

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, who hast revealed Thyself as the guiding intelligence, we pray that Thou wilt be present and favorable unto the Members of this Congress as daily they seek to discharge their duties with pure and steadfast devotion.

We pray that in their deliberations and decisions they may continually turn their minds toward Thee and take counsel with the God of all wisdom. May they hear and heed Thy voice and hold their own wishes and desires in abeyance until Thou dost declare Thy will.

Grant that some special tokens of insight and clearness of vision and understanding may be given to our President, our Speaker, and all who hold positions of leadership in the life of our Republic.

May it be the goal of our aspirations and endeavors to hasten the coming of that blessed day of prediction when peace and prosperity shall be the heritage of all the members of the human family and they shall walk together in the fellowship of the Prince of Peace. Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H R 541. An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S 2352 An act to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6407) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

The message also announced that the Senate further insists upon its amendment numbered 7 to the bill (H. R. 5452) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes," disagreed to by the House, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. McCARRAN, Mr. HAYDEN, Mr GREEN, Mr. BAILEY, Mr. WHITE, Mr GURNEY, and Mr. REED to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr HOEVEN asked and was given permission to extend his remarks in the RECORD and include four editorials

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD.

Mr SPENCE asked and was given permission to extend his remarks in the RECORD and include a telegram from James C. Patton, president of the National Farmers Union, advocating passage of the British loan resolution.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include three short petitions urging Congress to enact price-control legislation.

ATTORNEY GENERAL CLARK AND THE LAWYERS' GUILD

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include excerpts from a speech by the Attorney General of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we learn from the press that the Lawyers' Guild, a Communist-front organization that is working overtime to undermine and destroy American institutions, has passed a resolution demanding the removal from office of the Attorney General of the United States, Hon. Tom Clark, because of a speech he made before the Chicago Bar Association on Friday, June 21, 1946.

When I saw an account of that resolution and noted that this Red outfit had attacked me, as well as the Attorney General, I sent and got a copy of Mr. Clark's speech to see just what it was that he had said that had aroused the ire of this alien-minded subversive group that call themselves the Lawyers' Guild.

I found that it was the latter part of the Attorney General's speech that stirred the wrath of these enemies within our gates.

Instead of taking issue with that part of the Attorney General's address, I believe that every red-blooded, patriotic American will agree with the following quotations from it. The Attorney General said:

One of the greatest dangers, in my opinion, to civil liberties of our fellow citizens, and one which should be taken literally by all the members of our profession, is the method of communism and fascism to shackle democracy by indirection

By this I mean that we must be alert as officers of the court to see the difference between sincere and honest protest of groups of our citizens against injustice, and the effort of these outside ideologists to stir up trouble according to the old plan of divide and rule.

No one but a complete crackpot can be deluded by what we see going on today

We know that there is a national and international conspiracy to divide our people, to discredit our institutions, and to bring about disrespect for our Government

Why should we blind ourselves to obvious facts?

When we see the same statements complete as to their ironical falsehood, appearing upon the same day in revolutionary papers in London and New York, we cannot help but realize that here is a deep-seated and vicious plot to destroy our unity—the unity without which there would be no United States

We know full well what communism and fascism practice—sometimes one taking the cloak of the other.

We know that in the black bible of their faith they seek to capture the important offices in the labor unions, to create strikes and dissensions, and to raise barriers to the efforts of lawful authorities to maintain civil peace.

I am told that in the councils of many labor unions, wherein deliberations are screened from the public, identical tactics, staged with acute parliamentary skill, are used to disconcert and disrupt proceedings in the hope that the Communists or Fascists, or both—for I see no difference in them—may achieve final power

Small groups of radicals, well coached in a prearranged plan, are using party-line methods in identical activity so that they can speak to the people as a whole, not in open avowal of their aims, but with the voice of the honest workingman.

No country on earth, and no government, can long endure this vicious attack.

I say to you that they are driving law enforcement in this country to the end of its patience.

They are driving good Americans to the end of their patience.

I speak these words of solemn warning because you and I know that the patience of the American people is nothing to trifle with.

We are accustomed to look on the better side of things and to give the other fellow the benefit of the doubt

We lean backwards in our protection and in our interpretation of civil liberties, but the world knows there is nothing more devastating than the wrath of freemen aroused.

We shall proceed, through lawful means of course, to protect our dearly won democracy against those who would lock it up in a concentration camp under the guise of world revolution.

We lawyers have an important and responsible part in protecting the whole of our people against the encroachments of those who would delude and then subjugate them.

Our profession stands like twin bridgeheads across the river of the present

On one side we find lawyers like myself intent upon the enforcement of the law and the protection of our people, and on the other side, we find those in private practice whose talents are available to those who would engage them

There are two sides to every question and there are lawyers on both sides

The high responsibility of the practice of law demands that we view the present with open eyes so that we may not be blind in the future

We all know the mockery and travesty of the Nazi courts and how our honored profession under that regime became a bitter jest

We know that in the tribunals of communism the forced confession and idolatry of the tyrants are held forth as the will of the state and all pretense at orderly justice is dropped.

We lawyers are in the majority of the people who make the laws, who enforce the laws, and who defend those unjustly treated by the laws

Our responsibility is boundless

I do not think there is anyone more subject to censure in our profession than the revolutionary who enters our ranks, takes the solemn oath of our calling, and then uses every device in the legal category to further the interests of those who would destroy our Government by force, if necessary

I do not believe in purges because they bespeak the dark and hideous deeds of communism and fascism, but I do believe that our bar associations, with a strong hand, should take those too brilliant brothers of ours to the legal woodshed for a definite and well-deserved admonition.

Instead of criticizing the Attorney General for this statement, patriotic Americans everywhere should rally to his support, help to drive the enemies from our gates, and to wring their loathsome hands from every branch of our Federal, State, county, and municipal governments; in order to protect this Government, preserve our sacred institutions and save America for Americans.

The SPEAKER. The time of the gentleman from Mississippi has expired.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No 214]

Adams	Gathings	Patrick
Almond	Geelan	Patterson
Anderson, Calif	Gibson	Peterson, Ga
Andrews, Ala	Gillespie	Pfeifer
Andrews, N. Y.	Gossett	Philbin
Baldwin, Md	Granger	Phillips
Baldwin, N Y.	Grant, Ala	Plumley
Barry	Hall,	Powell
Bates, Ky.	Edwin Arthur	Priest
Beckworth	Hancock	Quinn, N Y.
Bell	Harless, Ariz.	Rabaut
Bender	Harris	Rains
Bennet, N Y	Hart	Reece, Tenn.
Bloom	Healy	Reed, Ill
Boren	Hébert	Robinson, Utah
Boykin	Hendricks	Roe, Md.
Bradley, Pa.	Hess	Rooney
Brehm	Hinshaw	Sabath
Brumbaugh	Holifield	Sadowski
Bryson	Hook	Sharp
Buffett	Horan	Sheridan
Bulwinkle	Johnson,	Short
Bunker	Lyndon B	Simpson, Ill
Byrne, N Y.	Johnson, Okla.	Simpson, Pa
Camp	Jones	Slaughter
Cannon, Fla.	Kee	Smith, Wis.
Celler	Kefauver	Somers N Y
Chapman	Kelly, Ill	Sparkman
Clark	Keogh	Starkey
Cochran	Kilday	Stewart
Coffee	Kopplemann	Stigler
Cole, Kans	Lea	Stockman
Colmer	LeCompte	Sumner, Ill
Courtney	Lesinski	Tarver
Cox	Luce	Taylor
Cravens	Ludlow	Thomas, N J.
Crawford	McCowen	Tolan
Cunningham	McDonough	Torrens
Curley	McGehee	Vinson
Daughton, Va	McGlinchey	Wadsworth
Davis	McGregor	Weaver
Dawson	McMillan, S C	Welch
DeLacy	Mahon	West
D'Ewart	Mankin	White
Dingell	Mansfield,	Whitten
Douglas, Calif	Mont	Wickersham
Earthman	Mansfield, Tex	Winstead
Eberharter	Mason	Winter
Ellsworth	May	Wolfenden, Pa
Engel, Mich	Miller, Calif.	Wood
Fellows	Monroney	Woodhouse
Fenton	Morrison	Worley
Fernandez	Murphy	Zimmerman
Fogarty	Norton	
Fuller	O'Neal	

The SPEAKER. Two hundred and seventy-two Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr RANKIN. Mr. Speaker, I ask unanimous consent that in my extension of remarks which I received permission to make this morning I may quote from Harold Laski, the English Communist.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AUTHORIZING FLOOD-CONTROL WORKS—CONFERENCE REPORT

Mr. WHITTINGTON. Mr. Speaker, I call up the conference report on the bill (H. R. 6597) authorizing the construction of certain public works and rivers and harbors for flood control, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6597) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows

That the Senate recede from its amendment numbered 3.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41, and agree to the same

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In line 1, of the amendment, strike out "(1)" and the words "previously unauthorized"; in line 2, before the word "of", insert the words "not authorized,", in line 4, after the word "project", insert the words "or modification"; and the Senate agree to the same

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows In line 3, of the amendment, before the word "project", insert the words "construction of the"; and the Senate agree to the same

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In line 1, strike out the figure "7" and insert in lieu thereof the figure "9", strike out the figure "18" and insert in lieu thereof the figure "8"; and strike out the figure "$12,471,000" and insert in lieu thereof the figure "$17,755,000"; and the Senate agree to the same.

WM. M WHITTINGTON,
A LEONARD ALLEN,
A J ELLIOTT,
CHARLES R CLASON,
EARL WILSON,
Managers on the Part of the House

JOHN H. OVERTON,
THEO. G BILBO,
GEORGE L RADCLIFFE,
JAMES M. MEAD,
CLAUDE PEPPER,
E V ROBERTSON,
C. WAYLAND BROOKS,
Managers on the Part of the Senate

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H R 6597) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No 1: This amendment is the preamble clause for amendments 2 and 3

Amendment No 2: This amendment of the Senate adds certain requirements with respect to the authorization of projects and modifications for flood control on rivers and harbors.

Amendment No. 3: This amendment would have required a period of 21 days subsequent to completion of a report by the Chief of Engineers to elapse prior to a congressional hearing.

Amendment No. 4: This amendment of the Senate authorizes the Chief of Engineers to provide school facilities for children of persons engaged on flood-control projects being constructed in outlying districts, the specific projects for which such facilities may be provided are listed.

Amendment No. 5: This amendment of the Senate changes the designation of "section 6" of the bill passed by the House to "section 7"

Amendment No 6 This amendment of the Senate is a clarifying amendment intended to show that this section of the bill does not apply to public domain land temporarily withdrawn for war purposes

Amendment No 7: This amendment of the Senate was requested by the Department of the Interior to facilitate the administrative procedure within that Department

Amendment No. 8: This amendment of the Senate changes the designation of "section 7" of the bill passed by the House to "section 8"

Amendment No 9: This amendment of the Senate is also a clarifying amendment intended to show clearly that the provisions of this section do not apply to lands withdrawn from public domain.

Amendments Nos. 10 and 11: These amendments of the Senate change the numbering of sections of the bill passed by the House

Amendment No. 12: This amendment adds to the House approved project for the Salem Church Reservoir on the Rappahannock River, Va., a proviso that the power pool of that reservoir shall be maintained at an elevation not to exceed 220 feet. During consideration of the bill by the House, Hon William M. Tuck, Governor of Virginia, wrote the committee chairman, recommending that the Salem Church Dam be constructed in conformity with the preliminary design of the Army engineers but that authorization for the project limit the power pool to a maximum elevation of 220 feet In commenting on this letter, the Chief of Engineers expressed his desire to cooperate with local interests and said he did not believe it necessary to definitely fix the power pool elevation by legislation However, he has interposed no engineering objection to that being done and, since it was the understanding of the House committee that the dam would be constructed as recommended in the report of the Chief of Engineers and if desirable the power pool limited to a maximum of 220 feet without specific legislation, the amendment is in accordance with the House intent on this project This report was received subsequent to the hearings before the Flood Control Committee.

Amendments Nos 13, 14, and 15: These amendments of the Senate are clarifying amendments inserting document numbers of a report not available at the time the bill passed the House

Amendment No. 16. This amendment of the Senate adds to the bill the project for construction of four flood-detention reservoirs located at the Wilkesboro, Upper Wilkesboro, Reddies No. 1 and Reddies No. 3 sites in the Yadkin-Pee Dee River Basin, substantially in accordance with plans contained in the report of the Chief of Engineers dated June 19, 1946, with such modifications as in the discretion of the Secretary of War and the Chief of Engineers may be advisable, at an estimated cost of $7,194,000. The discretionary authority for modification of this project was included in the authorization in order that the Secretary of War and the Chief of Engineers could use every practicable means to limit the lands required to be inundated in the flood control reservoirs and to avoid damage and dis-

ruption of the local economy and facilities not absolutely necessary to securing an effective project.

Amendment No. 17: This amendment by the Senate is a clarifying amendment showing the method in which an affected retired officer shall receive his pay while holding membership on the Mississippi River Commission as provided for in the House bill. The method prescribed is the same as now prescribed by law for active officers holding membership on the Commission

Amendment No. 18: This amendment of the Senate authorizes the President of the Mississippi River Commission to acquire an amphibian plane to facilitate inspection, supervision, and conduct of flood control and navigation operations on the extensive project for the lower Mississippi River and tributaries. It provides a type of visual inspection and rapid transit that cannot be secured by any other means, and will be an effective instrument in conducting flood fights. The amendment also places a limit on the expenditure that can be made for this purpose.

Amendment No. 19: This amendment of the Senate is a clarifying amendment which cites the document number of the report referred to which was not available at the time the bill passed the House.

Amendment No. 20: This amendment of the Senate provides for the allocation of 69,000 acre-feet of storage in the Canton Reservoir for irrigation purposes. There is a need for additional irrigation storage in the North Canadian River Basin in Oklahoma which can be made available without detriment to the operation of the Canton Reservoir for its primary function of flood control. The amendment provides for progressive reduction of the irrigation storage at such time as the siltation in the reservoir encroaches upon the useful storage unless compensatory storage is provided for in accordance with the provisions of the amendment.

Amendment No. 21: This amendment of the Senate authorizes construction of a local protection project at Carden's Bottoms drainage district No. 2, Yell County, Ark., at an estimated cost of $1,485,000 The proposed works provide flood protection for a highly developed agricultural area which in its present condition is seriously affected by floods. This report was completed subsequent to hearings by the Flood Control Committee of the House.

Amendment No. 22: This amendment of the Senate authorizes construction of the Heyburn Reservoir on Polecat Creek, at an estimated cost of $1,838,500. The Heyburn Reservoir will control flood peaks on Polecat Creek and thereby reduce flood damages at the city of Sapulpa, Okla., and to an agricultural area along Polecat Creek below the reservoir. This report was received subsequent to the Flood Control Committee hearings in the House

Amendment No. 23: This amendment of the Senate is a clarifying amendment which cites the document number of the report referred to which was not available at the time the bill passed the House.

Amendment No. 24: This amendment of the Senate provides 45,000 acre-feet of storage for irrigation purposes in the Belton Reservoir as the Department of the Interior indicated that irrigation storage is needed in the Leon River Basin.

Amendment No. 25: This amendment of the Senate authorizes construction of the Whitlow Ranch Reservoir on Queen Creek, Ariz., at an estimated cost of $1,645,000. The Whitlow Ranch Reservoir will reduce flood flows in a highly productive agricultural section of the Queen Creek Basin. This report was not received in time for the House hearings.

Amendment No. 26: This is a clarifying amendment which inserts the name of the river basin to show clearly that the Salinas River, Calif., is not in the Los Angeles-San Gabriel and Ballona Creek Basin.

Amendment No 27: This amendment of the Senate authorizes construction of the Lucky Peak Reservoir on Boise River, Idaho, at an estimated cost of $10,684,000, and insures that the dam and reservoir, when constructed, will not substantially damage or materially interfere with the operation of the Arrowrock Dam The Lucky Peak Reservoir will provide additional needed flood protection for the Boise Valley and will remove the threat of serious flood damage to the city of Boise. This report was not received in time for the House hearings

Amendment No. 28: This amendment of the Senate is a clarifying amendment which cites the document number of the report referred to which was not available at the time the bill passed the House.

Amendments Nos 29, 30, 31, and 32: These amendments of the Senate authorize preliminary examinations and surveys of certain streams not in the bill passed by the House

Amendment No. 33: This amendment of the Senate is a clarifying amendment intended to bring out more clearly the desires of local interests as expressed subsequent to passage of the bill by the House

Amendments Nos. 34, 35, 36, 37, 38, 39, and 40: These amendments of the Senate authorize preliminary examinations and surveys of certain streams not in the bill as passed by the House.

Amendment No. 41: When this bill left the House it authorized a total appropriation of $750,000,000, for the construction of projects having an estimated cost of $748,479,744. There have been added by the Senate five projects, totaling an estimated cost of $22,846,500, as shown on page 14 of the report of the Senate Committee on Commerce on this bill. The authority has therefore been increased to $772,000,000 to provide for the additional projects.

WILL M. WHITTINGTON,
A LEONARD ALLEN,
A J ELLIOTT,
CHARLES R. CLASON,
EARL WILSON,
Managers on the Part of the House.

Mr. WHITTINGTON. Mr. Speaker, the principal amendments to the bill as passed by the House consist of five projects included by the Senate. These projects are located in Arizona, Idaho, Oklahoma, Arkansas, and North Carolina. They are all favorably recommended by the Chief of Engineers. The amendments of the Senate increase the authorization, and this is an authorization bill, by $22,000,000. The other amendments in the Senate consist largely of clarifying amendments inserting the number of reports and amendments that provide for preliminary examinations and surveys. We have no requests for time. The report is unanimous. I know of no opposition, and I shall immediately move the previous question.

I extend to say a brief explanation will be of assistance to Members as they read the statement of the managers on the part of the House, which is available.

The material amendments inserted by the Senate are authorizations for projects along the Yadkin-Pee Dee River in North Carolina, $7,194,000; Carden's bottom drainage district No. 2, Yell County, Ark., $1,485,000; Polecat Creek, $1,838,500; Boise River, Idaho, $10,684,000; Queen Creek, Ariz., $1,645,000, at a total estimated cost of $22,846,500. The reports of the Chief of Engineers covering these projects had not been transmitted and were therefore not available for consideration when the House passed the bill. The Senate conducted comprehensive hearings on these projects and all advocating or opposing the projects were heard. These hearings are available. All of these projects were favorably recommended in reports submitted by the Chief of Engineers.

It is only necessary to comment on one of these projects. I refer to the Yadkin-Pee Dee River Basin project to say that the Chief of Engineers submitted a comprehensive report in House Document No. 652, Seventy-eighth Congress. This report has been available to the public. In 1944 the Senate Committee on Commerce included a multiple-purpose reservoir tentatively in the flood-control bill of 1944, but at the request of the senior Senator from North Carolina, Senator BAILEY, the authorization was eliminated and a resolution was adopted by the Senate Committee on Commerce asking for a restudy and for a report for flood protection. The Chief of Engineers submitted a favorable report on June 19, 1946, after the bill had passed the House, and recommended for flood control for detention reservoirs. The House conferees carefully considered both the report and the hearings, as well as all information submitted to them by those advocating and opposing the project.

All interests are protected by the authorization. It authorizes, substantially in accordance with the plans contained in this report of the Chief of Engineers, the construction of four detention reservoirs with such modifications thereof as, in the discretion of the Secretary of War and the Chief of Engineers, may be advisable. As emphasized by the House conferees in the statement on the part of the managers of the House, the discretionary authority for the modification of this project was included in the authorization in order that the Secretary of War and the Chief of Engineers could use every practicable means to limit the lands required to be inundated in the flood-control reservoirs and to avoid damage and disruption of the local economy and facilities not absolutely necessary in securing flood control. According to the report of the Chief of Engineers, and as shown by the hearings, about 7,825 acres of lands are in the reservoir sites and only about 2,920 acres of this land is cultivated.

The Senate approved all of the projects contained in the bill as it was passed by the House with a modification of the Salem Church Reservoir which really effectuates the authorization in the House bill as set forth in the statement on the part of the managers of the House. The Senate amended the project for the Leon River Basin to provide for 45,000 acre-feet of storage for irrigation purposes as recommended by the Department of the Interior, and the Senate also amended the project in the North Canadian River Basin in Oklahoma by the allocation of 69,000 acre-feet of storage in the Canton Reservoir for irrigation purposes.

As in previous flood-control bills, the House utilizes the hearings conducted by the Senate Committee on Commerce on projects on which favorable reports have been submitted by the Chief of Engineers, after the passage of the bill by the House. The Senate utilizes the hearings conducted by the House on all projects on which the Chief of Engineers submitted favorable reports included in the bill passed by the House.

There were some amendments to other provisions of the bill as passed by the House and there were adjustments and yielding by both the Senate and the House. There was no material change made in the substance of the bill as it was passed by the House by any of the amendments adopted by the Senate or the modifications thereof as approved by the conferees.

A great number of the amendments adopted by the Senate consisted of clarification of the sections of the House bill by inserting the numbers of reports that were not available to the House at the time the bill was passed and by including preliminary examinations and surveys in many sections of the United States. All the preliminary examinations and surveys included in Senate amendments are retained in the bill

When the bill left the House, it authorized construction of projects at an estimated cost of $748,479,744 by the Chief of Engineers. As stated, the Senate added five projects at a total estimated cost of $22,846,500. The total authorizations in the bill as passed by the House amounted to $750,000,000. The conference report increased the total authorization to $772,000,000. The conference report, as I have stated, is unanimous and should be promptly and unanimously approved. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1947

Mr. HARE. Mr. Speaker, I call up the conference report on the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. HARE]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 32.

That the House recede from its disagreement to the amendments of the Senate numbered 19, 20, 30½, 22, 33, 24, 25, 26, 31, 33, 36, 40, 41, 42 and 43, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows. In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$953,000", and the Senate agree to the same.

Amendment numbered 3; That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$711,816", and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,154,007"; and the Senate agree to the same

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$653,596", and the Senate agree to the same

Amendment numbered 6. That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,907,793", and the Senate agree to the same

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,081,827", and the Senate agree to the same

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$840,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows In lieu of the sum proposed insert "$477,535", and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows. In lieu of the sum proposed insert "$834,650", and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows. In lieu of the matter stricken out and inserted by said amendment insert "60"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: $3,335,000"; and the Senate agree to the same

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$123,500"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,157,000"; and the Senate agree to the same

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "fifteen"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows. In lieu of the sum proposed by said amendment insert "$1,931,625"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,448,162"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows. In lieu of the sum proposed insert "$2,972,000"; and the Senate agree to the same

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$279,617"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$615,765", and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows In lieu of the sum proposed insert "$850,000", and the Senate agree to the same.

BUTLER B. HARE,
MALCOLM C. TARVER,
M. M NEELY,
FRANK B KEEFE,
H CARL ANDERSEN,
Managers on the Part of the House.

PAT MCCARRAN,
KENNETH MCKELLAR,
RICHARD B RUSSELL,
ABE MURDOCK,
JAS. M MEAD,
JOSEPH H BALL,
WALLACE H. WHITE, Jr,
STYLES BRIDGES,
Managers on the Part of the Senate

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF LABOR

Amendment No. 1: Appropriates $900,000 for salaries, Office of the Secretary, instead of $882,000 as proposed by the House and $937,000 as proposed by the Senate.

Amendment No. 2: Appropriates $953,000 for salaries and expenses, Office of the Solicitor, instead of $925,000 as proposed by the House and $979,645 as proposed by the Senate.

Amendment No. 3: Appropriates $711,316 for contingent expenses, instead of $695,528

as proposed by the House and $727,104 as proposed by the Senate.

Amendment No. 4: Appropriates $3,154,007 for traveling expenses, instead of $3,137,033 as proposed by the House and $3,170,981 as proposed by the Senate

Amendment No 5: Appropriates $653,596 for printing and binding, instead of $652,410 as proposed by the House and $654,782 as proposed by the Senate

Amendment No 6 Appropriates $4,907,793 for salaries and expenses, Bureau of Labor Statistics, instead of $4,772,000 as proposed by the House and $5,043,587 as proposed by the Senate

Amendment No 7: Limits the amount proposed for expenditure for personal services in the District of Columbia from the appropriation for salaries and expenses, Bureau of Labor Statistics, to $3,081,827, instead of $3,050,000 as proposed by the House and $3,113,654 as proposed by the Senate.

Amendment No 8: Directs that $840,000 of the appropriation for salaries and expenses, Bureau of Labor Statistics, shall be used for a cost-of-living study and report, instead of $638,913 as proposed by the House and $857,500 as proposed by the Senate.

Amendment No 9 Appropriates $477,535 for salaries and expenses, maternal and child welfare, Children's Bureau, instead of $438,535 as proposed by the House and $501,664 as proposed by the Senate Included within the total approved in the sum of $5,000 for the employment of a pediatrician specialist in rheumatic fever

Amendments Nos 10, 11, 12, 13, and 14 Reported in disagreement.

FEDERAL SECURITY AGENCY

Amendment No 15. Limits the amount which may be expended from the appropriation for enforcement operations, Food and Drug Administration, for personal services in the District of Columbia to $834,660, instead of $800,000 as proposed by the House and $869,300 as proposed by the Senate

Amendment No 16 Limits the number of automobiles which may be purchased from the appropriation for enforcement operations, Food and Drug Administration, to 60, instead of 35 as proposed by the House and 85 as proposed by the Senate

Amendment No 17 Appropriates $3,335,000 for enforcement operations, Food and Drug Administration, instead of $3,037,181 as proposed by the House and $3,631,000 as proposed by the Senate

Amendment No 18 Appropriates $123,500 for general administration, Food and Drug Administration, instead of $113,202 as proposed by the House and $133,500 as proposed by the Senate

Amendment No 19 Corrects typographical error

Amendment No 20 Corrects typographical error

Amendment No 20½ Deletes three words as proposed by the Senate under the appropriation for salaries and expenses, Office of Education

Amendment No 21. Appropriates $1,157,000 for salaries and expenses, Office of Education, instead of $991,990 as proposed by the House and $1,200,000 as proposed by the Senate. The sum allowed provides $60,000 for additional positions for the elementary and secondary educational programs. It is the intention of the conferees that the sum of $403,500 carried in this paragraph for the Division of Vocational Education as a limitation shall definitely be expended for the work of such Division.

Amendment No 22: Appropriates $15,565,000 for assistance to States, general, Public Health Service, as proposed by the Senate instead of $14,565,000 as proposed by the House.

Amendment No. 23: Corrects typographical error.

Amendment No. 24: Appropriates $1,985,900 for foreign quarantine service, Public Health Service, as proposed by the Senate instead of $1,950,000 as proposed by the House.

Amendment No. 25: Inserts one word as proposed by the Senate under the appropriation for commissioned officers, pay, and so forth, Public Health Service.

Amendment No. 26: Limits the number of automobiles which may be purchased from the appropriation for salaries and miscellaneous expenses, Public Health Service, to 15, instead of 2 as proposed by the House and 20 as proposed by the Senate

Amendment No 27. Appropriates $1,931,625 for salaries and miscellaneous expenses, Public Health Service, instead of $1,500,000 as proposed by the House and $2,061,813 as proposed by the Senate

Amendment No 28: Deletes a provision, as proposed by the Senate, under the appropriation for salaries and expenses, St. Elizabeths Hospital

Amendment No 29. Appropriates $3,448,162 for salaries, consolidated operations, Social Security Board, instead of $3,250,000 as proposed by the House and $3,497,535 as proposed by the Senate

Amendment No 30: Appropriates $3,972,000 for miscellaneous expenses, Social Security Board, instead of $3,900,000 as proposed by the House and $3,028,000 as proposed by the Senate

Amendment No 31: Appropriates $195,659 for salaries, Office of the Administrator, as proposed by the Senate instead of $190,044 as proposed by the House

Amendment No 32 Deletes the paragraph inserted by the Senate pertaining to an appropriation for salaries and miscellaneous expenses, social protection

Amendment No 33. Appropriates $126,000 for salaries, Division of Personnel Management, as proposed by the Senate instead of $109,885 as proposed by the House

Amendment No 34 Appropriates $279,617 for salaries Division of Service Operations, instead of $270,235 as proposed by the House and $289,000 as propose by the Senate

Amendment No 35 Appropriates $615,765 for salaries, Office of the General Counsel, instead of $575,000 as proposed by the House and $649,000 as proposed by the Senate

Amendment No 36 Corrects typographical error

Amendment No 37: Appropriates $950,000 for printing and binding, Federal Security Agency, instead of $900,000 as proposed by the House and $1,000,000 as proposed by the Senate.

Amendment No 38: Reported in disagreement

Amendment No. 38½: Reported in disagreement.

NATIONAL LABOR RELATIONS BOARD

Amendment No. 39. Reported in disagreement

NATIONAL RAILROAD ADJUSTMENT BOARD

Amendment No 40. Eliminates, as proposed by the Senate, language inserted by the House which would have prohibited the use of funds by the National Railroad Adjustment Board for compensation for any referee who is a public official of any Federal, State, or local government for any period of time during which any such referee is receiving compensation for his employment in any such Federal, State, or local government.

GENERAL PROVISIONS

Amendment No. 41: Eliminates, as proposed by the Senate, surplus language inserted by the House.

Amendment No. 42: Corrects clerical error.

Amendment No. 43: Corrects clerical error.

AMENDMENTS IN DISAGREEMENT

Amendment No. 10: Places a limit on expenditures for printing and binding out of the appropriation for employment office facilities and services. The House managers will move to recede and concur with an amendment, fixing the amount limitation at $46,875.

Amendment No. 11: Places a limit on expenditures for travel expenses out of the appropriation for employment office facilities and services. The House managers will move to recede and concur with an amendment, fixing the amount limitation at $671,415

Amendments Nos. 12 and 13: Deal with the total of appropriation for employment office facilities and services, and amendment No 13 makes $11,000,000 of the appropriation available for certain expenses incident to the transfer of employment office facilities and services to State operation The House managers will move to recede and concur with an amendment, agreeing to the $11,000,000 for such incidental expenses and to an appropriation of $36,893,875

Amendment No. 14. Provides for the transfer of the Federal Employment Service to the States on January 1, 1947, with certain limitations and legislation incorporated in the amendment as a means of accomplishing such transfer The House managers will move to recede and concur with an amendment as follows:

"GRANTS TO STATES FOR PUBLIC EMPLOYMENT OFFICES

"For grants to the several States (including Alaska and Hawaii), beginning November 16, 1946, in accordance with the provisions of the Act of June 6, 1933, as amended (29 U S C 49–49l) and for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, including, upon the request of any State, the payment of rental for space made available to such State in lieu of grants for such purpose, $42,823,125, of which $360,625 shall be available to the United States Employment Service for all necessary expenses, including personal services, in connection with the operation of employment office facilities and services in the District of Columbia: *Provided*, That no State shall be required to make any appropriation as provided in section 5 (a) of said Act of June 6, 1933, as amended, prior to July 1, 1948. *Provided further*, That notwithstanding the provisions of section 5 (a) and section 6 of the Act of June 6, 1933, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the Act of June 6, 1933, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its public employment offices

"On November 15, 1946, the Secretary of Labor shall transfer, to the State agency in each State designated under section 4 of the Act of Congress approved June 6, 1933, as amended, as the agency to administer the State-wide system of public employment offices in cooperation with the United States Employment Service under said Act, the operation of State and local public employment office facilities and properties which were transferred by such State to the Federal Government in 1942 to promote the national war effort The Secretary of Labor shall, on request of the State agency, also provide for the transfer and assignment to such State, without reimbursement therefor, of any other public employment office facilities and properties within such State, including records, files, and office equipment: *Provided*, That as a condition to such transfer and assignment of Federal properties, the Secretary may require the recipient State to waive any claim which may then exist or thereafter arise out of the use made by the Federal Government of, or for the loss of or damage to, property and facilities transferred to the Federal Government as hereinabove described.

"The Secretary of Labor may withhold or deny certifications of funds for a State system of public employment offices unless he finds that the State—

"(1) (a) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who (on the effective date of this Act) were employed in State or local employment service functions in such State, in the positions occupied by them under the Federal service or in reasonably comparable positions, except that individuals so transferred may be separated or terminated for good cause as determined in individual cases under the applicable State merit system, or separated or terminated under the applicable State merit system by reason of reductions in force found necessary in the interests of efficient operations, and may be separated (A) if they have failed to acquire eligibility to be certified for appointment superior to that of any war veteran competing for the same appointment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions, after having been given a reasonable opportunity to acquire such eligibility, or (B) if the Secretary has determined that it is impossible for them to be given an opportunity to acquire such eligibility because of State constitutional or statutory provisions in force on the effective date of this Act; and (b) has made provision for the extension to employees of the Federal Government who left employment-service positions in such State in order to perform training and service in the land or naval forces of the United States or service in the merchant marine as defined in Public Law Numbered 87, Seventy-eighth Congress, of the same employment rights and privileges as those provided for Federal employees transferring to State employment in accordance with the provisions of this paragraph; or

"(2) has requested the detail of such employees to the State agency under the following provisions So much of the funds appropriated for State-wide systems of public employment offices as may be necessary shall be available to the Secretary of Labor, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the effective date of this Act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to acquire eligibility for State employment in accordance with clause (1) (a) of this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment offices

"Notwithstanding any other provisions of the Civil Service Retirement Act approved May 29 1930, as amended, any person who was appointed to a position in the Social Security Board under Executive Order 8990 of December 23, 1941, and who shall have returned to employment with the State at any time prior to the end of one year after the return to State operation of the employment offices in such State, shall, if he so elects, be paid a refund of the total amount of his deductions and deposits under said Act, together with interest to the date of termination of his service with the Federal Government, and such person shall not receive any annuity benefits under said Act based on the service covered by the refund unless he is subsequently reinstated, retransferred, or reappointed to a position coming within the purview of said Act and redeposits all moneys, except voluntary contributions, so refunded to him, together with interest at 4 per centum compounded on December 31 of each year, except that interest shall not be required covering any period of separation from the service

"In carrying out the provisions under this heading, the Secretary shall assure that each State agency operates under such methods of administration relating to the establishment and maintenance of personnel standards on a merit basis, as are found by the Secretary to be necessary to carry out the purposes of this heading, and such methods shall not deviate from, and shall be consistent with, the methods required pursuant to section 303 (a) (1) of the Social Security Act, as amended.

"Whenever funds are paid to the same State agency under this heading and title III of the Social Security Act, as amended, (1) such State agency may, if it so elects, submit to the Secretary and the Social Security Board a joint budget covering both the functions for which grants are made under this heading and the functions for which grants are made under such title III, in such a case, the Secretary of Labor shall, if the State agency so elects, certify to the Social Security Board the amounts to be paid to the State under this heading and upon receipt of such certification, the Social Security Board shall certify such amounts to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended Any additional amounts so certified by the Social Security Board shall be paid to the State by the Secretary of the Treasury out of the appropriation herein made available, and (2) the State agency may commingle such funds and account therefor by such accounting, statistical, sampling, or other methods as may be found by the Secretary of Labor and the Social Security Board, respectively, to afford reasonable assurance that the funds paid to the State agency under this heading and the funds paid to the State agency under title III of the Social Security Act, as amended, are expended for the respective purposes of this heading and of such title III"

Amendment No. 38. This amendment provides funds to compensate individuals occupying quasi police or military responsibilities during the war for injuries sustained by them during the course of their duties It is the intention of the House managers to move to recede and concur in this amendment.

Amendment No 38½· This amendment provides funds for the Federal Security Agency to cooperate with the State Department in the repatriation of American citizens and provides funds for the return to their home country of civilians evacuated from the Philippine Islands and Hawaii. It is the intention of the House managers to move to recede and concur in the Senate amendment with an amendment which permits temporary aid to be rendered to the Philippine and Hawaiian evacuees until such time as they can be returned, and which will fix the size of the appropriation at $4,750,000 instead of $5,495,000 as proposed by the Senate.

Amendment No 39 This amendment strikes out language which prevents the use of the funds appropriated to the National Labor Relations Board from being used in connection with investigation, hearings, etc, concerning bargaining units composed in whole or in part of agricultural workers It is the intention of the House managers to move to further insist upon its disagreement to the action of the Senate in deleting this limitation

BUTLER B HARE,
MALCOLM C TARVER,
M M NESLY,
FRANK B KEEFE,
H CARL ANDERSEN,
Managers on the Part of the House.

Mr. HARE. Mr. Speaker, there is no dispute among the conferees about the subjects embraced in this conference report. There are one or two items in disagreement that will be reported to the House for action after we dispose of this conference report.

The report, as it is presented to you, carries a total appropriation of $1,155,000,000 in round figures; although this sum is approximately $20,000,000 in excess of the total contained in the bill as it passed the House, it is nevertheless $2,000,000 under the total as approved by the Senate and is approximately $23,000,000 less than the Budget estimates.

This increase over the House figures is explained in the main by the inclusion of two appropriations not carried in the bill as it passed the House. One item is for $11,000,000, to meet the cost of terminal leave pay to employees of the United States Employment Service when the Employment Service is returned to the States and the Federal employees are separated from their Federal positions. The other item is one of $4,750,000 to enable the Federal Security Agency to render temporary assistance to certain citizens in destitute circumstances who are brought back from foreign countries and for aid to evacuated Filipinos and Hawaiians awaiting return to their countries.

The other items forming a part of this conference report were, in the main, compromised and, inasmuch as there is no dispute as far as I know over the report, and unless the minority conferees have some comment to make, I shall move the previous question on the report

Mr. Speaker, I move the previous question on the conference report.

The conference report was agreed to

The SPEAKER. The Clerk will report the first amendment in disagreement

The Clerk read as follows:

Amendment No 10 Page 13, line 2, strike out "$10,417" and insert "$62,500"

Mr HARE. Mr Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

MR HARE moves to recede and concur in the Senate amendment with an amendment as follows In lieu of the sum inserted by the said Senate amendment, insert "$46,875"

The motion was agreed to.

The SPEAKER The Clerk will report the second amendment in disagreement

The Clerk read as follows:

Amendment No. 11. On page 13, line 3, strike out "$149,200" and insert "$895,220"

Mr. HARE. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

Mr. HARE moves to recede and concur in the Senate amendment with an amendment as follows. In lieu of the sum inserted by said Senate amendment, insert "$671,415"

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. RICH. Are we going to yield to everything that the other body wants, increasing this amount $600,000? Again I ask you, Where are you going to get the money? If you are going to permit the Senate to increase all these appropriations and then agree to it, it is not right and we should not do it.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. KEEFE. In answer to the gentleman from Pennsylvania, if he is at all familiar with this bill he will know that this is not an increase in the appropriation at all. It is merely a reallocation of funds, due to the fact that the return of the USES was put over until November 15, rather than the date originally set by the House, requiring reallocation of funds, but no increase at all.

Mr. RICH. If we reallocate funds that we previously appropriated and we can save that amount of money, it is certainly a saving, if I know anything about finances at all. We ought to save every dollar we can If we do not, we will be wrecked

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No 12: Page 13, line 5, strike out "$17,129,250" and insert in lieu thereof "$34,258,500."

Mr. HARE. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr HARE moves to recede and concur in the Senate amendment with an amendment as follows In lieu of the sum inserted by said Senate amendment insert "$25,693,875 "

The motion was agreed to.

The SPEAKER The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No 13: On page 13, line 5, insert "and, without limitation upon the availability of other funds for the same purposes, $11,000,000 for the liquidation of unrecorded and contingent obligations, including the payment of accrued annual leave, arising in connection with the transfer of employment office facilities and services to State operation, in all, $45,258,500 "

Mr HARE Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows.

Mr. HARE moves that the House recede from its disagreement to the amendment of the Senate No 13, and concur in the same with an amendment as follows In lieu of the figure "$45,258,500" contained in said Senate amendment insert "$36,693,875 "

Mr. RICH. Mr Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. RICH. I can see where you have cut down a little on the Senate amendment, but it is not the amount the House voted, and the conferees on the part of the House should have stuck to those amounts if they are ever going to try to balance the budget. Unless these things are done the budget will not be balanced for years to come. All these items should be held down to the minimum.

Mr. HARE. May I say to the gentleman from Pennsylvania that if he will examine the record he will find that this amendment in the last analysis is identical with what passed the House. This item provides for $11,000,000 if the United States Employment Service is returned to the States, and it is to allow these employees to be paid their terminal or accumulated leave earned while in the Federal service. Otherwise this is the item as it passed the House a few weeks ago.

Mr. RICH. It seems to me you ought to start the shave and cut them all down.

Mr. HARE. I may say to the gentleman further that if he has kept up with the record he will see that for the past several years this appropriation has been reduced annually. It is now reduced some $23,000,000 below the Budget estimate, and the gentleman will find that the total appropriation is reduced something like $70,000,000 as compared with last year.

Mr. RICH. The gentleman talks about reducing items. The Appropriations Committee is the one great organization of this Congress which can practice economy.

For the last fiscal year our deficit was $21,000,000,000, and it is my prediction that you will go in the red $10,000,000,000 this year.

Mr HARE. Now will the gentleman yield to me to make a statement? I can give the gentleman this assurance, that if he is here next year and sees to it that no additional appropriations are requested of the Congress we will see to it that none are made.

Mr. RICH. You are not talking to me, brother, I am not the fellow who increased these items. You ought to talk to the Members on that side of the House.

Mr. HARE. The gentleman is always ready to find fault and criticize someone else, but when it comes to assuming his own responsibility he wants to shift it.

The SPEAKER. The question is on the motion to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement

The Clerk read as follows:

Senate amendment No 14 Page 15, strike out lines 5 to 12 inclusive and insert in lieu thereof the following:

"For grants to States (including Alaska and Hawaii) beginning January 1, 1947, to finance the proper and efficient administration of State-wide systems of public employment offices, to carry out title IV of the Servicemen's Readjustment Act of 1944 and the purposes of the act of Congress approved June 6, 1933, as amended (excluding sec. 5 thereof), and, upon the request of any State, for the payment of rental for space made available to such State in lieu of grants for such purpose, $34,258,500, of which $288,500 shall be available to the United States Employment Service for all necessary expenses, including personal services, in connection with the operation of employment office facilities and services in the District of Columbia.

"On December 31, 1946, the Secretary of Labor shall transfer, to the State agency in each State designated under section 4 of the act of Congress approved June 6, 1933, as amended, as the agency to administer the State-wide system of public employment offices in cooperation with the United States Employment Service under said act, the operation of State and local public employment office facilities and properties which were transferred by such State to the Federal Government in 1942 to promote the national war effort The Secretary of Labor may also provide for the transfer and assignment to such State, without reimbursement therefor, of any other public employment office facilities and properties, including records, files, and office equipment: *Provided*, That as a condition to such transfer and assignment of Federal properties, the Secretary may require the recipient State to waive any claim which may then exist or thereafter arise out of the use made by the Federal Government of, or for the loss of or damage to, property and facilities transferred to the Federal Government as hereinabove described.

"The Secretary of Labor shall withhold or deny certifications of funds for a State system of public employment offices unless he finds that the State—

"(1) (a) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who (on the day preceding the effective date of the transfer of the employment offices to the State under this Act) have been employed in State or local employment service functions in such State, in the positions occupied by them under the Federal service or in reasonably comparable positions, except that individuals so transferred may be separated or terminated for good cause as determined in individual cases under the applicable State merit system, or separated or terminated under the applicable State merit system by reason of reductions in force found necessary in the interests of efficient operations, and may be separated (A) if they have failed to acquire eligibility for continued employment superior to that of any war veteran competing for appointment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions, after having been given a reasonable opportunity to acquire such eligibility, or (B) if the Secretary has determined that it is impracticable for them to be given an opportunity to acquire such eligibility, and (b) has made provision for the extension to employees of the Federal Government who left employment-service positions in such State in order to perform training and service in the land or naval forces of the United States or service in the merchant marine as defined in Public Law Numbered 87, Seventy-eighth Congress, of the same employment rights and privileges as those provided for Federal employees transferring to State employment in accordance with the provisions of this paragraph; or

"(2) has requested the detail of the employees referred to in clause (1) (a) of this paragraph to the State agency under the following provisions: So much of the funds appropriated for State-wide systems of public employment offices as may be necessary shall be available to the Secretary of Labor, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the effective date of the transfer of the employment offices to the State under this Act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to acquire eligibility for State employment in accordance with clause (1) (a) of this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment offices.

"Notwithstanding any other provisions of the Civil Service Retirement Act approved May 29, 1930, as amended, any person who was appointed to a position in the Social Security Board under Executive Order 8990 of December 28, 1941, and who shall have returned to employment with the State at any time prior to the end of 1 year after the return to State operation of the employment offices in such State, shall, if he so

elects, be paid a refund of the total amount of his deductions and deposits under said Act, together with interest to the date of termination of his service with the Federal Government; and such person shall not receive any annuity benefits under said act based on the service covered by the refund unless he is subsequently reinstated, retransferred, or reappointed to a position coming within the purview of said act and redeposits all moneys, except voluntary contributions, so refunded to him, together with interest at 4 percent compounded on December 31 of each year, except that interest shall not be required covering any period of separation from the service.

"In carrying out the provisions under this heading, the Secretary shall assure that each State agency operates under such methods of administration relating to the establishment and maintenance of personnel standards on a merit basis, as are found by the Secretary to be necessary to carry out the purposes of this heading (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods), and has made reasonable provision for facilitating the free movement of workers seeking employment and employers seeking workers, and for the replacement of any funds appropriated by the Congress for State systems of public employment offices which, because of any action or contingency, have been lost or have been expended for purposes other than or in amounts in excess of those found necessary by the Secretary for the proper and efficient administration of the State system of public employment offices

"The Secretary of Labor is authorized to expend in any State, after January 1, 1947, so much of the funds appropriated for State systems of public employment offices as may be necessary to operate a State-wide system of public employment offices under the control of the Secretary if no State system of public employment offices exists in such State or if, and for so long as, the State is not eligible for Federal funds for such purposes Except to the extent that a system of employment offices under the control of the Secretary is operated within a State either (1) pursuant to the specific request of the Governor of such State, or (2) with funds specifically appropriated by the Congress for the operation of such system under the control of the Secretary, the Secretary shall not expend more than $1,000,000 in any fiscal year for the purposes of this paragraph or operate a system of employment offices in any State pursuant to this paragraph for more than 3 months in any fiscal year

"Whenever funds are paid to the same State agency for the purposes of this act and of title III of the Social Security Act, as amended, (1) such State agency may, if it so elects, submit to the Secretary and the Social Security Board a joint budget covering both the functions for which grants are made under this act and the functions for which grants are made under such title III, in such a case, the Secretary of Labor shall, if the State agency so elects, certify to the Social Security Board the amounts to be paid to the State for the purposes of this act and upon receipt of such certification, the Social Security Board shall certify such amounts to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended. Any additional amounts so certified by the Social Security Board shall be paid to the State by the Secretary of the Treasury out of the appropriation herein made available, and (2) the State agency may commingle such funds and account therefor by such accounting, statistical, sampling, or other methods as may be found by the Secretary of Labor and the Social Security Board, respectively, to afford reasonable assurance that the funds paid to the State agency for the purposes of this act and the funds paid to the State agency under title III of the Social Security Act, as amended, are expended for the respective purposes of this act and such title III."

Mr. HARE. Mr. Speaker, I move to recede and concur with an amendment.

The Clerk read as follows:

MR HARE moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur in the same with an amendment as follows: In lieu of the matter stricken out and inserted by said Senate amendment, insert the following:

"GRANTS TO STATES FOR PUBLIC EMPLOYMENT OFFICES

"For grants to the several States (including Alaska and Hawaii), beginning November 16, 1946, in accordance with the provisions of the act of June 6, 1933, as amended (29 U S C. 49–49l), and for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, including, upon the request of any State, the payment of rental for space made available to such State in lieu of grants for such purpose, $42,823,125, of which $360,625 shall be available to the United States Employment Service for all necessary expenses, including personal services, in connection with the operation of employment office facilities and services in the District of Columbia: *Provided*, That no State shall be required to make any appropriation as provided in section 5 (a) of said act of June 6, 1933, as amended, prior to July 1, 1948. *Provided further*, That notwithstanding the provisions of section 5 (a) and section 6 of the act of June 6, 1933, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the act of June 6, 1933, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its public employment offices

"On November 15, 1946, the Secretary of Labor shall transfer, to the State agency in each State designated under section 4 of the act of Congress approved June 6, 1933, as amended, as the agency to administer the State-wide system of public employment offices in cooperation with the United States Employment Service under said act, the operation of State and local public employment office facilities and properties which were transferred by such State to the Federal Government in 1942 to promote the national war effort. The Secretary of Labor shall, on request of the State agency, also provide for the transfer and assignment to such State, without reimbursement therefor, of any other public employment office facilities and properties within such State, including records, files, and office equipment *Provided*, That as a condition to such transfer and assignment of Federal properties, the Secretary may require the recipient State to waive any claim which may then exist or thereafter arise out of the use made by the Federal Government of, or for the loss of or damage to, property and facilities transferred to the Federal Government as hereinabove described.

"The Secretary of Labor may withhold or deny certifications of funds for a State system of public employment offices unless he finds that the State—

"(1) (a) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who (on the effective date of this act) were employed in State or local employment service functions in such State, in the positions occupied by them under the Federal service or in reasonably comparable positions, except that individuals so transferred may be separated or terminated for good cause as determined in individual cases under the applicable State merit system, or separated or terminated under the applicable State merit system by reason of reductions in force found necessary in the interests of efficient operations, and may be separated (A) if they have failed to acquire eligibility to be certified for appointment superior to that of any war veteran competing for the same appointment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions, after having been given a reasonable opportunity to acquire such eligibility, or (B) if the Secretary has determined that it is impossible for them to be given an opportunity to acquire such eligibility because of State constitutional or statutory provisions in force on the effective date of this act; and (b) has made provisions for the extension to employees of the Federal Government who left employment-service positions in such State in order to perform training and service in the land or naval forces of the United States or service in the merchant marine as defined in Public Law No. 87, Seventy-eighth Congress, of the same employment rights and privileges as those provided for Federal employees transferring to State employment in accordance with the provisions of this paragraph, or

"(2) has requested the detail of such employees to the State agency under the following provisions: So much of the funds appropriated for State-wide systems of public employment offices as may be necessary shall be available to the Secretary of Labor, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the effective date of this act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to acquire eligibility for State employment in accordance with clause (1) (a) of this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment offices

"Notwithstanding any other provisions of the Civil Service Retirement Act approved May 29, 1930, as amended, any person who was appointed to a position in the Social Security Board under Executive Order 8990 of December 23, 1941, and who shall have returned to employment with the State at any time prior to the end of 1 year after the return to State operation of the employment offices in such State, shall, if he so elects, be paid a refund of the total amount of his deductions and deposits under said act, together with interest to the date of termination of his service with the Federal Government; and such person shall not receive any annuity benefits under said act based on the service covered by the refund unless he is subsequently reinstated, retransferred, or reappointed to a position coming within the purview of said act and redeposits all moneys, except voluntary contributions, so refunded to him, together with interest at 4 percent compounded on December 31 of each year, except that interest shall not be required covering any period of separation from the service

"In carrying out the provisions under this heading, the Secretary shall assure that each State agency operates under such methods of administration relating to the establishment and maintenance of personnel standards on a merit basis, as are found by the Secretary to be necessary to carry out the purposes of this heading, and such methods shall not deviate from, and shall be consistent with, the methods required pursuant to section 303 (a) (1) of the Social Security Act, as amended.

"Whenever funds are paid to the same State agency under this heading and title III of the Social Security Act, as amended, (1) such State agency may, if it so elects, submit to the Secretary and the Social Security Board a joint budget covering both the functions for which grants are made under this heading and the functions for which grants are made under such title III, in such a case, the Secretary of Labor shall, if the State agency so elects, certify to the Social Security Board the amounts to be paid to the State under this heading and upon receipt of such certification, the Social Security Board shall certify such amounts to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board, under the provisions of section 302 (a) of the Social Security Act, as amended Any additional amounts so certified by the Social Security Board shall be paid to the State by the Secretary of the Treasury out of the appropriation herein made available, and (2) the State agency may commingle such funds and account therefor by such accounting, statistical, sampling, or other methods as may be found by the Secretary of Labor and the Social Security Board, respectively, to afford reasonable assurance that the funds paid to the State agency under this heading and the funds paid to the State agency under title III of the Social Security Act, as amended, are expended for the respective purposes of this heading and of such title III"

Mr. HARE. Mr. Speaker, this is the amendment which provides for the return of the United States Employment Service to the States on November 15, 1946

Without going into any general discussion of the proposal I am authorized by the conferees to make this statement, and I think the statement should be sufficient.

The interpretation of the conferees of the language used in the amendment providing for the transfer of the United States Employment Service to the States is that all persons employed in the Service on the date of the passage of this act will be transferred pending their permanent appointment or release under the provisions of the State merit system, it being understood that preference rights of returning war veterans will be recognized in a manner similar to that accorded by Federal statute

This statement was agreed to and initialed by both the Senate and House conferees. It simply means that all persons on the roll the date this bill becomes a law shall be returned and have equal opportunity to be retained under the State merit system, and I assume they will be if they qualify and are certified. The bill provides that all shall be returned as of November 15, 1946

Mr Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN Mr Speaker, I concur in the conference report and in the clarifying language submitted by the gentleman from South Carolina [Mr. HARE]. The conferees have performed an extraordinary service in piloting this bill through conference and deserve the commendation of the House. I take this time only for the purpose of refreshing a little upon the difficulty of having a function or an agency returned to the States after it has been lodged in the hands of the Federal Government. This conference report represents a most interesting bit of legislative history which deserves to be summarized.

You will remember that on December 19, 1941, President Roosevelt telegraphed the governors of the various States asking them to loan the United States Employment Service to the Federal Government to aid in recruiting manpower for the war effort. This transfer was consummated in the short space of 11 days.

The second episode in the career of this proposal came in the appropriation bill for the Labor-Security Agency which clearly recognized that the transfer of United States Employment Service to the Federal Government was only a loan and that this function should be returned to the States not later than 3 months after the termination of hostilities in the war with Japan as determined by the President or the Congress. However, no action was taken in that direction.

The third episode came in the form of a bill introduced by Representative Ramspeck, of Georgia, on October 18, 1945, to keep the Employment Service in the hands of the Federal Government until June 30, 1947, and to beset it with such restrictions as to make it virtually under continued Federal control.

The fourth episode came in the form of a substitute which I offered and which was passed by the House on January 29, 1946, by a vote of 254 to 125. This substitute was free from the objections to the Ramspeck bill and set the date for returning this service to the States on June 30, 1946

The fifth episode was a quiet one indeed as the bill slumbered peacefully in a Senate pigeonhole. At long last it was reported by a Senate committee and languished for another sustained period before action was taken by the whole Senate.

Episode No. 6 came when the House passed the Labor-Security Agency appropriation bill on June 11, 1946, and so dividing the funds for the operation of the United States Employment Service that it would have automatically reverted to the States on September 30, 1946.

Episode No. 7 came when the Senate passed the original Ramspeck bill and deleted all of the provisions or most of the provisions of the Dirksen substitute. Objection was made to sending that bill to conference and at this very good hour it is contained in the bosom of the Rules Committee.

Episode 8 came when the Senate passed the Labor-Security appropriation bill and wrote into that measure almost all of the provisions of the Ramspeck legislative bill. It was on this bill that innumerable conferences were held and at long last it has come back here for final action. The date of the transfer is now fixed at November 15, 1946.

What a long and tortuous course this has been. The very dates fixed for the transfer—namely, June 30, 1947, June 30, 1946, September 30, 1946, and finally November 15, 1946—speak so eloquently of the art of compromise. The conferees have performed a patient labor and deserve the highest commendation.

By way of epilog one might say that when a public function or an agency falls into the hands of the Federal Government and becomes centralized it is about as difficult to get it back into State hands by means of a legislative transfer as it is to push a spirited bull calf through a barn door.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The RECORD should show that there were several of us who were members of the House Labor Committee and also many other Members of Congress who felt that the legislative proposal for the disposition of USES and the difference in approach between the Senate and House versions should have gone to conference. I want my colleagues to know that we believe that would have been the orderly manner to handle the problem.

The SPEAKER The time of the gentleman from Illinois has expired.

Mr HARE Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr KEEFE. Mr Speaker, I shall not take the 5 minutes, but I want the RECORD to show that this ultimate determination which you now find written in this conference report is the result of a long effort. It has finally resolved itself into a unanimous report of the conferees, and these Employment Services are to go back to the States on November 15, 1946, and thus close a chapter that has agitated the Governors of the 48 States, lo, for a long period of time.

The interpretation that the distinguished gentleman from South Carolina [Mr. HARE] has put into this RECORD, was placed there for a specific purpose. The conferees unanimously agreed that that interpretation of certain language in this amendment should be placed in the RECORD so that there can be no mistake as to the intention of the conferees or the Congress in writing this language. The great difficulty that we had was the question as to the disposition of the employees that are now in the service of the Federal Government, and under the interpretation that the distinguished chairman of the subcommittee put into this RECORD there can be no question in the minds of any persons as to what the plain mandate and intent of the Congress of the United States was.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr KEEFE. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Notwithstanding what the gentleman has said, it is not the function of the Supreme Court to interpret the laws that we pass?

Mr. KEEFE. I do not think we will have any question about the Supreme Court becoming involved in it at all. It is a question of interpretation for the guidance of the Secretary of Labor in the future in his relations with the State governments in the matter of granting or withholding of funds allocated to the States for the administration of the Employment Services.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman thinks, then, that the Labor Department will agree to the language as written by the

gentleman from South Carolina without any trouble?

Mr. KEEFE. There is no question about the Labor Department agreeing to it. The Labor Department does not make the laws. That is what I am seeking to impress upon you—that the Congress makes the laws. The Congress is writing this law, and so that there can be no chance for misinterpretation as to what the Congress intended, we have written that interpretation in this record in language so clear and so plain that neither the Secretary of Labor nor anybody else can be deceived as to what the Congress meant. I might say that the conferees were absolutely in harmony—unanimously—and signed this document which the chairman of the subcommittee, the gentleman from South Carolina [Mr. HARE] has read into the RECORD.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Mr. DIRKSEN. If there ever was any doubt about the language that is carried in the bill, the clarification that was read into the RECORD by the chairman certainly reaffirms the intent of Congress as expressed all along for not only the return of these services but for the return of the employees under the State merit systems

Mr. KEEFE. That is right.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I think I must make a second observation because I know it was only through inadvertence that the gentleman from Illinois [Mr. DIRKSEN] did not make response to my thought on proper procedure in this matter. I am not especially critical—and my words must not be so construed—of what the Committee on Appropriations has done in this matter. You speak about your obligations to make the law very clear. That action is from the standpoint of the conference entered into between the Senate and the House Committees on Appropriations. But there was an equal responsibility on the part of the legislative committees of the Senate and the House who reported this legislation to our respective floors and who handled it. I believe it would have been better and more in keeping with the rules of the House had the legislative committees had an opportunity to go into conference on this bill.

Mr. KEEFE. May I say to the distinguished gentleman that as a general proposition, and as I will state later on in connection with the argument on this report, I am opposed to the Committee on Appropriations legislating on appropriation bills. That was not the work of the House Committee on Appropriations, may I say. This legislation was put into this bill by the other body. We had to go into the conference in order to get the legislation ironed out so as to have the House position reflected in the legislation which the other body placed in this appropriation bill.

Mr. RANDOLPH. I would remind the able gentleman that the request made for this bill to go to conference, that is, legislatively, was denied.

Mr. KEEFE. I do not recall that.

Mr. HARE. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from South Carolina.

Mr. HARE. Of course it is clear from the language used that any rights the present employees might have in the way of protection will not be lost if they go in.

Mr. KEEFE. That is right.

Mr HARE. They lose no rights just because they go in; they have the same rights.

Mr. KEEFE. They have the same rights as the State employees. When they go in they are to be governed by the provisions of the State merit system and be subjected to competitive examination the same as anyone else.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Wisconsin.

Mr. HENRY. They have no preference over other State employees, either?

Mr. KEEFE. Of course it is true they have no such preference.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

The SPEAKER The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No 38: On page 50, line 9, insert·

"Civilian war benefits: For all expenses necessary, including personal services in the District of Columbia and elsewhere and travel, to enable the Federal Security Administrator, in order to continue during the fiscal year 1947 the Civilian War Benefits program heretofore financed from the Emergency Fund for the President, to provide medical and hospital care (including prosthetic appliances and medical examinations) by contract without regard to section 3709, Revised Statutes, and money payments, to (a) civilians within the United States who have been injured as a result of enemy attack or of action to meet such attack or the danger thereof, or who have been injured while in the performance of their official duties as civilian defense workers, (b) civilians disabled as a result of illness, injury, or disease which occurred during detention by the enemy, and (c) the dependents within the United States of individuals injured or killed under circumstances described in clause (a) or (b) or reported as missing as a result of enemy action, $158,000 "

Mr. HARE. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. Speaker, in connection with this amendment I wish to state that it is the considered opinion of the conferees of both the House and Senate that these civilian war benefits should be administered by the Employees Compensation Commission and that this appropriation to the Federal Security Agency for this purpose is only a stopgap until legislation is passed making these payments the responsibility of the Employees Compensation Commission.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38½: On page 51, line 1, insert:

"Civilian war assistance: For all expenses necessary, including personal services in the District of Columbia and elsewhere, to enable the Federal Security Administrator, in order to continue during the fiscal year 1947 the Civilian War Assistance program heretofore financed from the Emergency Fund for the President, to provide (a) temporary aid (including medical care by contract, transportation, and other goods and services without regard to section 3709, Revised Statutes, and money payments) to citizens of the United States or their children under 18 years of age who have been interned or stranded, and returned to the United States, or who have been evacuated from any area under the direction of the civil or military authorities of the United States, and (b) for the return of civilians evacuated from the Philippine Islands or Hawaii to the United States under the direction of the civil or military authorities of the United States during the period from December 7, 1941, to September 15, 1945, $5,495,000, which amount may be expended by advances or grants of funds or otherwise, to such Federal or other agencies as the Administrator may designate "

Mr. HARE. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr HARE moves that the House recede from its disagreement to the amendment of the Senate No. 38½ and concur in the same with an amendment as follows Immediately following the word "for" after "(b)" in said Senate amendment insert the following language "temporary aid to and," and in lieu of the sum "$5,495,000" contained in said Senate amendment, insert the sum "$4,750,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39· Page 56, line 9, strike out the following: *"Provided further*, That no part of the funds appropriated in this title shall be used in connection with investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code "

Mr. HARE. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

Mr. KEEFE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr KEEFE moves that the House recede and concur in Senate amendment No 39

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LANE. Mr. Speaker, the proposed loan of $3,750,000,000 to Great Britain, is a matter of such vital concern to the American people, that I feel the high responsibility of considering all of the

arguments in this debate, before making a final decision.

Because of this, I want to repudiate in no uncertain terms the impression conveyed in a large advertisement appearing in the Boston Globe on July 10 of this year, and in other newspapers throughout the Nation. It represents me as opposed to the British loan on the mere assumption that, because I oppose British policy in Palestine, I must therefore vote against the loan.

The two issues are separate and distinct and must be decided on their individual merits. The Political Action Committee for Palestine has taken advantage of my sympathy for the Jewish homeland to fabricate a statement from me under the false and misleading headline in the Globe's advertisement reading "Kill that loan."

The advance copy, or proof, of this advertisement, reached me on Tuesday, July 9, the day following its appearance in the New York papers. Across the top of it, in the handwriting and above the signature of Rabbi Baruch Korff, executive vice president of the Political Action Committee for Palestine, was the comment:

DEAR MR. LANE: I trust that the composition will meet with your approval, since it is in accordance with your policy as leader of this militant movement for Palestine. This advertisement will appear in the leading newspapers of the Nation We will welcome any change you may suggest.

Kindest regards.

B. KORFF.

This copy used the headline: "Bonds for Britain translated into bonds for Palestine" It quoted from a letter allegedly written by me, asking for assistance for the cause of an independent Jewish Palestine. At no time did I write such a letter. Under no circumstances would I permit my frequently expressed concern for the plight of the Jews in Palestine to be used for the unrelated purpose of defeating the British loan.

Seeing that it was to be so used, I immediately sent a telegram on that same Tuesday, July 9, to Rabbi Baruch Korff. From a copy of that telegram in my possession I quote:

To Rabbi BARUCH KORFF,
Political Action Committee for Palestine, Inc., 104 West Seventieth Street, New York City

In no event print letter allegedly signed by me This letter has never been brought to my attention personally and I hope you will see to it that statement made by someone other than myself is not publicized. Please attend to this matter immediately

Congressman THOMAS J. LANE.
LAWRENCE, MASS.

My instructions were disregarded. On the following day, Wednesday, July 10, 1946, large advertisements appeared in many leading newspapers, making an unwarranted use of my name in the political campaign to defeat the loan. The Political Action Committee for Palestine, as represented by Rabbi Korff, took the extreme liberty of quoting a letter allegedly written by me, in the context of an advertisement calling for defeat of the loan. This was done in spite of my denial of the letter and my emphatic refusal to authorize its use over my name before publication.

As a Congressman of the United States, beholden only to the people whom I represent, I will not have others speak for me. In the present case, an officer of the Political Action Committee for Palestine has overreached himself and has made use of my name in a misleading manner which I did not authorize.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield.

Mr. McCORMACK. I find I am in the same position as the gentleman from Massachusetts. I knew nothing about the advertisement and was not consulted. I find that the letter was addressed to me to change my position, and I am shown as one of those who signed the ad urging myself to change my position. I had no knowledge of it. While I do not want to be too critical, nevertheless the decent thing to do when a person's name is used is to let that person know and ask if his permission is granted for it to be used.

Mr. LANE. I thank the majority leader.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. LANE] has expired.

Mr HARE. Mr. Speaker, I yield the gentleman one additional minute.

Mr. LANE. Such devious tactics leave me but one recourse. I am this day dissociating myself from any affiliation with the Political Action Committee for Palestine. I want my many Jewish friends to know that I will continue to work, as I have in the past, for the great goal of the Jewish homeland. This is an issue which all right-thinking men cannot fail to support. My convictions on this point remain unchanged. But I cannot, in all conscience, lend the dignity of the office which I have the honor to hold to an organization which tries to use it, without my consent, to serve other political ends.

The British loan will be decided on its merits—or demerits—as they affect the American people and as they may affect world-wide economic recovery.

That—and that alone—is the present issue.

The case for the Jewish homeland is worthy enough to win through on its own facts. It will be weakened—and not strengthened—if it allows itself to be drawn into other issues which are foreign to it.

The executive vice president of the Political Action Committee for Palestine, through questionable methods, has tried to force my hand. He has sought to translate my support of one issue—freedom for Palestine—into automatic opposition to the British loan. In this attempt he has done a great disservice to the cause of the Jewish homeland and has forfeited the cooperation which I have hitherto given to his organization.

I welcome this opportunity to set the record straight. I am, as always, a supporter of the American policy to establish a homeland for the Jews in Palestine. But I will not permit the use of my name as a blanket endorsement of any and all means, including the one which is as far from the mark as the misuse of my name in this ad, to serve those ends.

I want to remind all whom it may concern that the representatives of the American people in Congress are here to stand on their own feet and not to be railroaded by any pressure group.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. HARE. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, there seems to be some little misapprehension as to the so-called Elliott amendment which was put into this bill by the House on a roll-call vote when the bill was under consideration in the House.

You will recall that the so-called Elliott amendment, which is found on page 56 of the bill, is the identical amendment that was written into the law a year previous, when offered by the gentleman from California [Mr. LEA]. It was then known as the Lea amendment. That went into the bill and finally received the approval of the Senate and was made a part of the law. It is now in the bill, and was in the bill when it left the House. The other body struck it out. The chairman of the subcommittee has made a motion to insist upon the position of the House that it remain in the bill. I voted against that amendment going into the bill when it was under consideration in the House and I have offered a preferential motion to recede and concur in the Senate amendment, and thus eliminate this rider from the bill.

I opposed this amendment when it was first offered and have never changed my position with reference thereto. If we adopt this amendment, what are we actually doing? I think there are many Members of this House who have emotionally voted on this question, who have not considered the great question involved. The Congress passed the National Labor Relations Act for a specific purpose. The passage of that act involved labor relations and bringing certain industries, individuals, and workers under the provisions of that act. Labor relations was the question involved, along with the question of minimum wages and maximum hours. At the time the National Labor Relations Act was passed there was a fight made to exclude agricultural labor from the provisions of the National Labor Relations Act. So in response to that demand there were exemptions provided in the National Labor Relations Act. In order that there might not be any question as to what those exemptions apply to, the Congress defined the term "agriculture." That definition will be found in section 203 (f) chapter 8, title 29, United States Code. This is what Congress said; this is the definition they wrote into the law when they wrote the National Labor Relations Act:

Agriculture includes farming in all its branches and among other things includes the cultivation and tillage of the soil, the production, cultivation, marketing, and harvesting of any agricultural or horticultural

commodity including commodities defined as agricultural commodities in section 1141 J (g) of title 12 as amended, the raising of livestock, bees, fur-bearing animals or poultry (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

Thus the Congress wrote into the National Labor Relations Act its definition as to what was to be excluded, and I think it is a pretty broad definition in its exclusion. It has been the law for a long time.

The National Labor Relations Board was charged with responsibility of seeing to it that that law was carried out. They attempted to carry it out and immediately some question arose as to whether or not they were not extending their authority under this definition and including people within the jurisdiction of the National Labor Relations Board that ought not to be included. The question arose distinctly out in California where the processing of fruits and vegetables in canning plants became a very serious question and so they wanted to go beyond the definition that Congress itself had placed in the National Labor Relations Act and to extend the exclusion to employees that it never was intended should be excluded when Congress wrote the National Labor Relations Act.

How they seek to achieve that purpose? Instead of attacking the National Labor Relations Act and asking this Congress to amend that act, change the wording, increase the exemptions under the definition as set forth in the National Labor Relations Act, they ask in this Elliott amendment that the Senate has stricken from this bill, they ask the House to write a new definition of agricultural labor into the National Labor Relations Act so as to increase and tremendously extend the exemptions that will be granted under the definition contained in a definition of agriculture as defined in the Social Security Act.

Bear in mind, Mr. Speaker, that when we wrote the Social Security Act we were writing an entirely different law than the National Labor Relations Act. The reason for broadening the exemptions so as to take a greater number of people out from under the provisions of the Social Security Act is perfectly apparent; and so when you wrote the Social Security Act you excluded from its provisions a large group of people that it was never intended to include from coverage under the National Labor Relations Act.

The Elliott amendment takes the definition of agriculture that is found in the Social Security Act and which was put there for an entirely different purpose and in effect writes that definition into the National Labor Relations Act as a definition of agriculture, and thus excludes from the provisions of the National Labor Relations Act a huge number of employees that it never intended should be excluded when the National Labor Relations Act was written.

My position on that matter is simply this: If you want to amend the National Labor Relations Act, let us do so affirmatively. Let us know what we are doing. Let it be known that we are amending the National Labor Relations Act. Let it be known that the Congress is affirmatively determined to take out from under the protection of the National Labor Relations Act this great, broad group of people who are engaged in the packing and canning industries that Congress did not see fit to exclude when it wrote the National Labor Relations Act originally. As one Member of Congress I cannot, as a member of the Appropriations Committee, delegate to myself the right to legislate on this subject. I think it is bad practice, and I have maintained that position consistently. That is the purpose of the legislative committee. If the Congress wants to legislate, and I believe it does, because it adopted the Elliott amendment by an overwhelming majority, why not bring the legislation in here, amend the National Labor Relations Act, and then let the Appropriations Committee appropriate in accord with the provisions of substantive law. But if we carry this practice forward by which we can write these legislative riders on appropriation bills, then we are adopting a practice that will continuously and forever rise to haunt us.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HARE. Mr. Speaker, I yield the gentleman four additional minutes.

Mr. KEEFE. Mr. Speaker, I have not discussed the merits or the demerits of the objectives that my friend from California seeks to achieve. Perhaps they are worthy objectives, but if it is a worthy objective, let us do it in a worthy manner. Let us achieve that objective in a worthy manner. Let us achieve it legislatively and amend the National Labor Relations Act instead of doing it in this sub rosa manner in which we are doing it and constantly writing these limitations on appropriation bills.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr RICH. I quite agree with the statement the gentleman has just made, but when you have a Labor Committee that will not bring in legislation to change the Wagner Act, and that is the only way you can do it in order to aid and assist people in trying to do the right thing, sometimes you have to vote for something you do not like and which may not be the proper way to accomplish the end sought.

Mr. KEEFE. May I say to the distinguished gentleman that there is some justice and perhaps some logic in what he says; but, if we are to pursue that to the end, then you might just as well fold up your legislative committees and not have them at all.

Mr. LAFOLLETTE. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. LAFOLLETTE. I simply want to say to the gentleman from Wisconsin that he is making, as he always makes, an excellent presentation of a very logical position and I compliment him upon it.

Mr. KEEFE. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Is it not a fact that the Appropriations Committee has several times brought in limitations on bills providing that the appropriation shall not be used in the event certain unions followed a certain practice, also the Congress has said that the money shall not be used for certain communistic activities?

Mr. KEEFE. There is no question about that. Under the Holman rule, as I understand it, and as it has been repeatedly interpreted by the Speaker of this House, limitations on appropriation language which are in fact limitations on the expenditure of money are proper and there is no impropriety, perhaps, under the rules in doing that. If it was an impropriety and in violation of the rules, the Chairman would have ruled, no doubt, that the amendment was subject to a point of order; but that does not change the fundamental purpose I have tried to announce.

Mr. Speaker, I did not have time to read this long definition of the term "agricultural labor" as contained in the Social Security Act, and I ask unanimous consent that at this point I may be permitted to revise and extend my remarks and include therein the definition of "agricultural labor" as found in the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. The definition referred to is as follows:

The term "agricultural labor" is defined in the Social Security Act, title II, United States Code, in subsection L of section 409, as follows:

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 1141J (g) title 12, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or in the case of fruits and vegetables, as an incident to the preparation of such fruits and

vegetables for market The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Speaker, the gentleman who preceded me, and for whom I have the very highest regard, said he thought perhaps there was some misapprehension when this amendment was previously adopted by the House. I choose to believe, in respect to the House, that there was no misapprehension at all. This amendment was adopted 2 years ago. It was then introduced by the gentleman from California [Mr. LEA] for whose integrity and for whose judgment this House has high regard The same amendment was introduced and again adopted by an overwhelming vote when it was introduced this year by the gentleman from California [Mr. ELLIOTT].

Mr. H. CARL ANDERSEN Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN The gentleman is entirely correct A year ago this amendment was adopted by the House on a roll call vote of 203 to 103, while last year when this bill was before the House we adopted it by a roll call vote of 202 to 134, and I sincerely hope that the motion offered by the gentleman from Wisconsin is defeated.

Mr. PHILLIPS. I thank the gentleman for his contribution.

I hope that the amendment introduced by the gentleman from Wisconsin will be rejected and the motion offered by the chairman of the committee, the gentleman from South Carolina [Mr. HARE], will be adopted, for these reasons: If the gentleman from Wisconsin wishes, as an academic matter, to discuss whether or not we should adopt a clear definition of "agricultural labor" I will not only agree with him, but I will call his attention to the fact that a bill for that purpose, to decide this question once and for all, was introduced in the Seventy-eighth Congress, and again in the Seventy-ninth Congress, by the gentleman from Kansas [Mr. HOPE], the gentleman from Virginia [Mr. FLANNAGAN], the gentleman from California [Mr. LEA], and myself, and I have no doubt that when the pressure on Congress is somewhat relaxed, it will be possible to get that bill up for discussion. Until that time, it is essential for the preservation of the crops, and the continuity of the food supply that this amendment be protected.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does not the gentleman agree with me that the definition of agriculture found in the Social Security Act was put there for an entirely different purpose than the definition in the National Labor Relations Board Act?

Mr. PHILLIPS. In two different bills, of course; but the point is that, while you speak about a definition, we speak of interpretations of definitions by various agencies. We should define "agriculture" in this House. This is the place to define it. We have had, up to the present time, a War Labor Board and a National Labor Relations Board, acting as agencies for certain labor unions.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to ask the gentleman from California, if the Keefe amendment is adopted and the amendment offered by the chairman is voted down, will it not enable a few labor racketeers to paralyze every processing plant in the agricultural belt?

Mr. PHILLIPS. That is correct——

Mr. RANKIN. Here is another thing——

Mr. PHILLIPS I do not know that they will do it, but that is a possibility.

Mr. RANKIN. I understand, but I am not willing to put the American farmers at the mercy of a gang of labor racketeers that are not interested in the farmer, or in the laboring man himself. I hold in my hand a letter that has been sent to every Congressman by a Communist-front organization, branded as a Communist-front organization time and time again, that calls itself the Independent Citizens Committee of the Arts, Sciences, and Professions, Inc., denouncing the amendment which the gentleman from California is now supporting, and which I am supporting, and demanding that these farmers be left to their mercy whenever it comes to labor in the farmer-owned processing plants of America, processing beans, fruits, vegetables, and other agricultural products.

Mr. PHILLIPS. May I say that this is not in the least an academic matter It is a very necessary interpretation of a confused agricultural situation. I ask for a "no" vote upon the motion offered by the gentleman from Wisconsin [Mr. KEEFE], and I ask for an "aye" vote upon the motion offered by the chairman the gentleman from South Carolina [Mr. HARE]

Mr. HARE. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. H CARL ANDERSEN].

Mr H CARL ANDERSEN. Mr. Speaker, this issue has come before the House several times previously. To me it is simply a question of whether we care to permit labor unions to approach the border line of actual farm operations of this Nation. Personally, I feel that the further I can keep them away from interfering with the first handling of our farm commodities the better it is for the people of America so far as food production is concerned.

I reiterate that just last month this House defeated a similar motion as offered by the gentleman from Wisconsin by a vote of 202 to 134, a vote practically identical with that of the vote of a year previous, when the House originally accepted the Elliott amendment.

I sincerely hope the motion offered by the gentleman from Wisconsin will be defeated. The conferees should be instructed to insist upon the retention of the Elliott amendment in the bill.

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, I have never heard a more clear and complete picture given of just what lies back of this amendment and all the implications contained in it than was given a few moments ago by the gentleman from Wisconsin [Mr. KEEFE]. He outlined the background of the problem, he told what the situation was, and he very clearly pointed out that if we in this House thought it best to rewrite the definition of agricultural labor which should be included in the National Labor Relations Act, we should do it through legislative action and not through a rider on an appropriation bill. As he pointed out, also, the definition of agricultural labor is for one purpose under the Social Security Act and for another purpose under the National Labor Relations Act.

I call to the attention of the House that this amendment as written uses the following language: "composed in whole or in part of agricultural labor as defined in the Social Security Act."

Mr. Speaker, that would mean that if one man happened to fall in this category in a bargaining unit the National Labor Relations Board would have no jurisdiction whatsoever—only one person. I hope the House can imagine just what would happen as far as conditions in the various packing plants and processing sheds are concerned. This House does not touch one farmer directly or one hired man. That is the issue that has not been fully clarified here until the gentleman from Wisconsin clarified it. It is those in the secondary level, those that are packing and processing the goods, that are concerned. I represent a district that has thousands upon thousands of these workers and dozens upon dozens of these processing plants. The owner or the manager of not one packing shed has written me asking me to support this. Not one single manager has requested my backing for this particular bill. The gentleman from Minnesota talked about the need for food supplies. If you want to cut down the food supply of America and bring about chaos in the packing-shed industry where, for the last 4 years, there has not been one strike or one industrial stoppage, the adoption of the motion to insist upon disagreement with the Senate will bring about such a condition. The gentlemen from California who represent that State and who are in favor of this amendment realize that as well as I do. Why is this legislation being asked for at this time? Who wants it? Who has requested it? If we put this amendment into effect, we are going to have strikes and work stoppages that are going to cause all kinds of lessening of our food supplies at this critical time. I think that issue should be very clearly understood.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. MURDOCK. The gentleman has described the condition that exists in my State and I agree with him thoroughly.

Mr. OUTLAND. And the gentleman's State has many thousands of these people coming under this jurisdiction. He knows what he is talking about.

Mr. MURDOCK. Yes.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. VOORHIS of California. May I ask the gentleman whether it is not true furthermore that the issue here is not one of preventing strikes nor even of whether some of these people are going to organize. It is only a question of the circumstances under which such organization will take place because that is going to happen in some instances anyway since in many cases these workers are employed in operations similar to factory operations. The only issue raised by this amendment is whether the organization will take place under the law or under circumstances which are much more likely to cause strikes and conflict.

Mr. OUTLAND. The issue is whether they are going to be organized under the jurisdiction of the National Labor Relations Board under legal peaceful methods or whether we are going to revert to the old-time types of labor organization.

Mr. VOORHIS of California. That is the point I was going to make.

Mr. OUTLAND. Yes.

Mr. VOORHIS of California. Does the gentleman not believe also that the board itself is quite a different proposition from what it was at some periods in the past and that the board has handled this whole question in a much more understanding and careful way in recent months than was the case at certain times in the past

Mr. OUTLAND. I think the gentleman is right

Mr PRICE of Illinois Mr. Speaker, will the gentleman yield?

Mr. OUTLAND I yield.

Mr. PRICE of Illinois. If you go this far, is it not possible that the next step will be the exemption of the meat packing plants?

Mr. OUTLAND. I am quite sure this is only one step in the drive against organized labor all over the country, I will say to the gentleman from Illinois.

Mr. Speaker, if we want to preserve decent and fair relationships in the packing-shed industry and if we want to maintain the maximum food supply, I hope we will vote for the preferential motion offered by the gentleman from Wisconsin [Mr. KEEFE].

Mr. HARE. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, this is the old, old fight that has been here so many, many times. The adoption of the Keefe amendment and the rejection of the motion of the committee chairman means another step in the effort to give a license to labor organizations to force farm workers and ultimately the farmers themselves to pay tribute in order to do business. The collection of tribute from grocers and their employees was the purpose of the teamsters union in its recent drive in Detroit and western Michigan. That is what it means. The chairman's motion has for its purpose the same objective as the amendment offered by the gentleman from Kansas [Mr. HOPE] to protect farmers and their employees when the Case bill was before the House. That amendment was adopted by an overwhelming vote.

Today, in my district, at the crossroads in the country where a canning plant and a manufacturing plant seek to operate and where in one plant the average wage is $1.48 an hour, the CIO is trying to force the farmer workers—every farm man or woman in that plant to join the union Few of them want to go in but the plant has been picketed and some of them have been threatened in the effort to force them to join and pay.

Notwithstanding the fact that the company involved went to this country crossroads and those living in the surrounding area had no opportunity for local industrial employment, built a canning plant and a manufacturing plant; created a market for hundreds of thousands of dollars' worth of farm products; gave steady employment at high wages and in spite of the fact that the employees were as a rule satisfied, the CIO moved in and created dissatisfaction

Let me give you a sample of its tactics I quote:

——— Co does not believe in the law!
Neither did Dillinger or Al Capone or Sam Insull! You know what happened to them
Perhaps ——— Co officials are ignorant of the law That you know is no excuse for crime

The union has filed a complaint charging unfair labor practice on the part of the company but evidently its officials did not know the difference between a violation—if there was a violation—of the NLRA and the commission of a crime. Perhaps before it gets through it will learn. Perhaps it depends upon the biased and unfair activities of some of the NLRB or some subordinate which has a record of maladministration of the Act itself.

The purpose of the motion of the chairman of the committee is to afford to farmers and to farm workers and to workers generally some protection from the vicious actions of some international union officials, some protection against the unfair practices of the NLRB.

The argument of the gentleman from Wisconsin [Mr. KEEFE] is beside the point. It has nothing to do, as he, himself, said with the merits of the proposition. His argument should have no effect on the vote here, for time and again similar amendments have been written into appropriation bills; and if I mistake not, the gentleman from Wisconsin has supported them.

The effect of the Keefe amendment is to give a license to the CIO to compel these farmers and farm workers who work part time on their own products in the canning plant to pay tribute in order to exercise the American right to work. I say the Keefe amendment should be defeated and the motion of the chairman adopted.

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Speaker, I think the trouble here is not in the definition of "agriculture" in the National Labor Relations Act. The National Labor Relations Board has ignored the plain mandate of the Congress. This argument that the definition in the National Labor Relations Act is for an entirely different purpose from that in the Social Security Act has no substantial foundation whatever. The plain purpose of Congress in each case was to exempt agricultural labor. The definition that we offer now is nothing more than to make doubly certain what Congress has already prescribed for these agencies.

Let me illustrate the reason for what is offered here. A farmer up in New Jersey produced milk. The National Labor Relations Act specifically declared milk to be an agricultural product. This particular farmer in New Jersey produced a large quantity of milk. He bottled all his own milk on his farm. He hired union truckers to deliver it to his distributors An attorney in New York representing the National Labor Relations Board, notwithstanding this clear declaration of Congress as to milk, held that the farmer bottling his own milk on his own farm would be subject to the National Labor Relations Act.

Dealing with bureaus of Government that insist on so recklessly administering the law, I think it is up to Congress to avail itself of any opportunity available to force such agencies to comply with the will of Congress.

Members of this House were circularized under date of July 5 with a circular in which appears this statement, referring to the Elliott amendment:

This definition applies to industrial workers employed in the nut, fruit, and vegetable packing industries These individuals are not farm workers They are employed in industrial processes, just as workers in steel mills or automobile plants are employed

That statement is entirely misleading in its inference. Let us look at the definition of "agricultural labor" as it is proposed in the Elliott amendment This amendment proposes simply to write into this appropriation bill a definition of agricultural labor that is already in section 1426 (15) (h) of the Social Security Act. It is a simple, practical definition of modern agricultural labor.

The term "agricultural labor" includes all services performed—

When it defines various classes of agricultural labor and includes:

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

Thus, commercial canning is specifically exempted from the definition.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. LEA. I yield.

Mr. RANKIN. Who was that letter from, condemning this amendment?

Mr. LEA. That circular was signed by Charles S. Bouslog, legislative director, Independent Citizens' Committee of the Arts, Sciences, and Professions, Inc.

Mr. RANKIN. As I pointed out a while ago, that organization is a Communist-front organization, and joins those forces that want to destroy this Government. That has been condemned by every investigator that has investigated it.

Mr. LEA Thank you. Those primarily interested in promoting the perversion of the definition of agricultural labor are those who would like to place the farmer with his perishable crops at the complete mercy of their aggressive demands.

The SPEAKER. The time of the gentleman from California has expired.

Mr. HARE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr ELLIOTT].

Mr. ELLIOTT. Mr Speaker, I want to point out to the membership why I believe we should retain this amendment, to show you that the National Labor Relations Board, time and again in my Congressional District, has not even tried to cooperate with the laboring men or the farmers. On numerous occasions when they were called upon in disputes they would come into the District and help organize to put that concern under certain labor conditions that they desired. They would bring outside workers in and after the outside workers had been there 6 days would permit them to vote. If they won the election it would be 12 months before the packing house people could call another one but if they lost they would permit another election to be called within 10 to 15 days.

Now, Mr. Speaker, this is still America and if we have people in our departments who will permit that kind of business to go on we should get them out. I have been here 9 years trying to do something to correct this. One gets no cooperation. There is a way that it can be done and that is to take their funds away from them. We could do it that way. Now, we, the Congress, are going to run this country part of the time or we might as well fold up and go home. It is time for people who send their representatives here to get some results and I for one am sick and tired of hearing this propaganda put out about sneak amendments put on from the floor. I offered the amendment the first time 2 years ago and the second time a few weeks ago. The gentleman from California [Mr. LEA] introduced it the first time 2 years ago and I introduced it myself recently.

The Elliott amendment was not a sneak amendment. I do not like that characterization. I have never sneaked around to do anything, and I certainly have not seen anybody in Washington I am afraid to meet face to face. That goes for anybody in the departments or any other place who walks on two legs in any capacity. I do not like this kind of expression to be used which has been used against my character time and again in an effort to win their point.

I hope the motion of the gentleman from Wisconsin is defeated.

Mr. HARE. Mr. Speaker, I yield myself the remainder of the time, 2 minutes.

Mr. Speaker, this provision in controversy was not before your committee, that is your House Committee on Appropriations. The provision was placed in the bill as an amendment in the House not only this year but last year and was carried in both instances by a large majority both times on yea and nay votes. When we went to conference, therefore, I felt called upon to insist upon retaining this provision in the bill.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield

Mr. H. CARL ANDERSEN. Is it not a fact also that the gentleman from Wisconsin [Mr. KEEFE] felt called upon as far as the conference report was concerned to bring the question before the House and that he has acted in line with the action of the House last month? I wish to compliment the gentleman from Wisconsin for upholding the dignity of the House in this connection.

Mr HARE I appreciate his cooperation in the matter; and the gentleman from Minnesota has stated the facts correctly.

Mr. KEEFE. Mr. Speaker, I move the previous question on the preferential motion.

The previous question was ordered.

The SPEAKER. The question is on the motion to recede and concur

The question was taken; and the Chair being on doubt, the House divided; and there were—ayes 61, noes 114.

Mr. KEEFE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 107, nays 204, not voting 121, as follows:

[Roll No. 215]

YEAS—107

Angell	Doyle	Kelley, Pa.
Bailey	Ellis	Kelly, Ill.
Barrett, Pa	Fallon	King
Barry	Feighan	Kirwan
Bates, Mass	Flood	Klein
Bender	Forand	Kunkel
Biemiller	Fulton	LaFollette
Bishop	Gallagher	Lane
Buchanan	Gardner	Link
Buckley	Gordon	Lynch
Bunker	Gorski	McCormack
Butler	Granahan	McGlinchey
Canfield	Green	Madden
Carnahan	Hand	Marcantonio
Case, N. J.	Havenner	Monroney
Celler	Hedrick	Morgan
Cluson	Heffernan	Murdock
Clements	Heselton	Murray, Wis.
Clippinger	Hoch	Neely
Corbett	Hook	O'Brien, Ill.
Crosser	Huber	O'Brien, Mich.
D'Alesandro	Hull	O'Toole
Delaney, James J.	Izac	Outland
Delaney, John J.	Jackson	Patterson
Dirksen	Judd	Pittenger
Douglas, Ill.	Kean	Price, Ill.
	Kee	Rabin
	Keefe	Ramey
	Kefauver	Rayfiel
	Kerr	Resa
	Kilburn	Roe, N. Y.
	Kinzer	Rogers, Mass.
	Knutson	Rogers, N. Y.
	Landis	Rowan
	Lanham	Ryter
	Larcade	Sabath
	Lea	Sadowski
	LeFevre	
	Lemke	
	Lewis	
	Lyle	
	McConnell	
	McDonough	
	McKenzie	
	McMillen, Ill.	
	Maloney	
	Manasco	
	Martin, Iowa	
	Mathews	
	Merrow	
	Michener	
	Miller, Nebr.	
	Mills	
	Sasscer	
	Savage	
	Smith, Maine	
	Somers, N. Y.	
	Spence	
	Starkey	
	Sullivan	
	Thom	
	Thomas, Tex.	
	Traynor	
	Voorhis, Calif.	
	Vorys, Ohio	
	Wasielewski	
	Wigglesworth	
	Wolverton, N. J.	
	Woodhouse	

NAYS—204

Abernethy	Gillie	Mundt
Allen, Ill.	Goodwin	Murray, Tenn.
Allen, La.	Gore	Norblad
Andersen, H. Carl	Graham	O'Hara
	Grant, Ind.	O'Konski
Andresen, August H.	Gregory	O'Neal
	Griffiths	Pace
Arends	Gross	Patman
Arnold	Gwinn, N. Y.	Peterson, Fla.
Auchincloss	Gwynne, Iowa	Phillips
Barrett, Wyo.	Hagen	Pickett
Beall	Hale	Poage
Bennett, Mo.	Hall,	Pratt
Blackney	Edwin Arthur	Price, Fla.
Bland	Hall,	Rains
Bolton	Leonard W	Randolph
Bonner	Halleck	Rankin
Bradley, Mich	Hare	Reed, Ill.
Brooks	Hartley	Reed, N. Y.
Brown, Ga	Hays	Rees, Kans.
Brown, Ohio	Henry	Rich
Buck	Herter	Richards
Bulwinkle	Hess	Riley
Byrnes, Wis	Hill	Rivers
Campbell	Hinshaw	Ridley
Cannon, Mo.	Hobbs	Robertson, N Dak
Carlson	Hoeven	
Case, S. Dak	Hoffman, Mich	Robertson, Va.
Chelf	Hoffman, Pa	Robsion, Ky.
Chenoweth	Holmes, Mass	Rockwell
Chiperfield	Hope	Rodgers, Pa.
Church	Howell	Rogers, Fla.
Clark	Jarman	Russell
Clevenger	Jenkins	Schwabe, Mo
Cole, Kans	Jennings	Schwabe, Okla.
Cole, Mo	Jensen	Scrivner
Cole, N Y	Johnson, Calif	Shafer
Cooley	Johnson, Ill	Sharp
Courtney	Johnson, Ind.	Short
Cunningham	Johnson, Luther A	Sikes
Curtis		Simpson, Pa.
Davis	Johnson, Okla	Slaughter
Dolliver	Jones	Smith, Ohio
Domengeaux	Jonkman	Smith, Va.
Dondero	Kearney	Springer
Doughton, N C	Kerr	Stefan
Drewry	Kilburn	Stevenson
Durham	Kinzer	Stockman
Dworshak	Knutson	Sumner, Ill.
Eaton	Landis	Sumners, Tex.
Elliott	Lanham	Sundstrom
Ellsworth	Larcade	Taber
Elsaesser	Lea	Talbot
Elston	LeFevre	Talle
Engle, Calif.	Lemke	Thomas, N J.
Ervin	Lewis	Thomason
Fellows	Lyle	Tibbott
Fenton	McConnell	Towe
Fernandez	McDonough	Trimble
Fisher	McKenzie	Vurnell
Flannagan	McMillen, Ill.	Wadsworth
Folger	Maloney	Weaver
Fuller	Manasco	Weichel
Gamble	Martin, Iowa	Whitten
Gary	Martin, Mass.	Whittington
Gavin	Mathews	Wilson
Gearhart	Merrow	Winter
Gerlach	Michener	Wolcott
Gifford	Miller, Nebr.	Woodruff
Gillette	Mills	Zimmerman

NOT VOTING—121

Adams	Chapman	Gillespie
Almond	Cochran	Gossett
Anderson, Calif	Coffee	Granger
Andrews, Ala	Colmer	Green, Ala.
Andrews, N Y.	Combs	Hancock
Baldwin, Md	Cooper	Harless, Ariz.
Baldwin, N. Y.	Cox	Harness, Ind.
Barden	Cravens	Harris
Bates, Ky.	Crawford	Hart
Beckworth	Curley	Healy
Bell	Daughton, Va.	Hébert
Bennet, N. Y.	Dawson	Hendricks
Bloom	De Lacy	Holifield
Boren	D'Ewart	Holmes, Wash
Boykin	Dingell	Horan
Bradley, Pa.	Douglas, Calif.	Johnson, Lyndon B.
Brehm	Earthman	
Brumbaugh	Eberharter	Kefauver
Bryson	Engel, Mich.	Keogh
Buffett	Fogarty	Kilday
Byrne, N. Y.	Gathings	Kopplemann
Camp	Geelan	Latham
Cannon, Fla.	Gibson	LeCompte

Lesinski	Norton	Smith, Wis.
Luce	Patrick	Sparkman
Ludlow	Peterson, Ga.	Stewart
McCowen	Pfeifer	Stigler
McGehee	Philbin	Tarver
McGregor	Ploeser	Taylor
McMillan, S. C.	Plumley	Tolan
Mahon	Powell	Torrens
Mankin	Priest	Vinson
Mansfield, Mont.	Quinn, N. Y.	Walter
	Rabaut	Welch
Mansfield, Tex	Reece, Tenn.	West
Mason	Robinson, Utah	White
May	Roe, Md.	Wickersham
Miller, Calif.	Rooney	Winstead
Morrison	Sheppard	Wolfenden, Pa.
Murphy	Sheridan	Wood
Norrell	Simpson, Ill.	Worley

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Bennet of New York against.

Mr. Adams for, with Mr. Horan against.

Mr. Sheridan for, with Mr. Camp against.

Mr. Rabaut for, with Mr. Wood against.

Mrs. Douglas of California for, with Mr. Vinson against.

Mr. Engel of Michigan for, with Mr. Anderson of California against.

Mr Sparkman for, with Mr Brehm against.

Mr. Keogh for, with Mr Buffett against

Mr Rooney for, with Mr Gillespie against.

Mr. Dingell for, with Mr. Harness of Indiana against.

Mr Eberharter for, with Mr. Latham against.

Mr. Priest for, with Mr McCowen against.

Mr Quinn of New York for, with Mr. Simpson of Illinois against

Mr. Pfeifer for, with Mr. Smith of Wisconsin against.

Mr Bradley of Pennsylvania for, with Mr. Taylor against.

Mr. De Lacy for, with Mr Beckworth against

Mr. Hart for, with Mr. Boykin against.

General pairs until further notice:

Mr Sheppard with Mr. Mason

Mr Colmer with Mr. Reece of Tennessee.

Mr Hendricks with Mr. Welch.

Mr. Morrison with Mr. Holmes of Washington.

Mr. Roe of Maryland with Mr. Crawford.

Mr Kefauver with Mr. Brumbaugh.

Mr. Holifield with Mr. Andrews of New York.

Mr. Coffee with Mr. D'Ewart

Mr. Miller of California with Mr Baldwin of New York.

Mr Byrne of New York with Mr Hancock.

Mr. Mansfield of Montana with Mr. Plumley

Mr Powell with Mr. Wolfenden of Pennsylvania.

Mr. Wickersham with Mr. LeCompte.

Mr. CHIPERFIELD changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question recurs on the motion to further insist.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

LIQUIDATION OF RURAL REHABILITATION PROJECTS—CONFERENCE REPORT

Mr. FLANNAGAN submitted a conference report and statement on the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes.

TREASURY-POST OFFICE APPROPRIATION BILL—SENATE AMENDMENT NO. 7 IN DISAGREEMENT

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, for the purpose of further considering Senate amendment No. 7.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 25, strike out lines 7 to 20, inclusive, and insert

"(a) Subsection (b) of section 4 of the act entitled 'An act to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised,' approved July 6, 1939, is amended to read as follows.

"'(b) (1) Until June 30, 1948, the Director of such mint with the consent of the owner shall deduct and retain of such silver so received 30 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received, that is, 70 percent, shall be coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver The 30 percent of such silver so deducted shall be retained as bullion by the Treasury or coined into standard silver dollars and held or disposed of in the same manner as other bullion or silver dollars held in or belonging to the Treasury

"'(2) On and after July 1, 1948, there shall be delivered therefor in standard silver dollars or any other coin or coinage of the United States, the full monetary value of the silver so delivered, less such deductions for brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined, not to exceed the actual cost thereof' *Provided*, That such mint is satisfied the silver so delivered has been mined subsequently to June 30, 1948, from natural deposits in the United States or any place subject to the jurisdiction thereof'

"(b) The following statutes and portions of statutes are hereby repealed'

"(1) Section 1805 of the Internal Revenue Code, as amended;

"(2) Sections 6, 7, and 8, and the second proviso in section 3, of the Silver Purchase Act of 1934, approved June 19, 1934 (U. S C., title 31, secs 316a, 316b, and 734a).

"(c) Until June 30, 1948, the Secretary of the Treasury is authorized to sell for domestic manufacturing uses, to any person, partnership, association, or corporation, or any department of the Government, any nonmonetized silver held or owned by the United States, at a price of not less than 90.3 cents per fine troy ounce, and thereafter at a price of not less than the legal monetary value (of silver) per fine troy ounce: *Provided*, That until June 30, 1948, no such sale shall be made unless the purchaser has certified in writing, and the Secretary of the Treasury is satisfied, that such silver is to be used in domestic industry or the arts and within a period of 6 months after any such sale: *Provided further*, That at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury: *And provided further*, That on the consummation of such sale of silver by the Treasury to any purchaser, the purchaser shall immediately take possession of the silver so sold and by him purchased and remove the same from the Treasury, in accordance with such rules and regulations as the Secretary of the Treasury may prescribe.

"(d) Hereafter, notwithstanding the provisions of any other law, maximum prices shall not be established or maintained upon—

"(1) standard commercial bars or other forms of silver bullion, whether foreign, domestic, or Treasury,

"(2) semifabricated silver articles;

"(3) silver scrap; or

"(4) the processing of silver or silver scrap."

Mr. O'NEAL (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. O'NEAL Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate numbered 7.

The Clerk read as follows:

Mr O'NEAL moves that the House further insist on its disagreement to the amendment of the Senate numbered 7

Mr. O'NEAL. Mr. Speaker, I yield myself 5 minutes.

Mr Speaker, the Membership will recall that the Treasury-Post Office appropriation bill came before the House and the conference report was adopted with the exception of Senate amendment No. 7 dealing with the question of silver. The House had included in the bill a paragraph which was really the legislative bill previously passed by the House dealing with the sale of Treasury-owned silver. The Senate made a very far-reaching change in the House language by way of amendment and when the bill was brought back to the House by the conferees, the House by a vote of 266 to 22 stood by the position of the House. I do not think it is necessary to go into the arguments pro and con in this matter any further. When the Senate conferees reported the bill and amendment back to the Senate, the Senate conferees were instructed to recede on everything in the Senate amendment except a provision to fix the price at which the Treasury would both buy and sell silver at 90.3 cents.

Mr. Speaker, I ask unanimous consent to insert at this point the actual wording of the motion which was adopted by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The matter referred to follows:

I move that the conferees on the part of the Senate be instructed to agree to an amendment to Senate amendment No. 7 which will omit the matter proposed to be inserted by said amendment, and restore the matter stricken out by the Senate amendment, and in lieu of the "71.11 cents" specified in the matter so restored, insert "90 3 cents"; and at the end of the matter so restored insert a colon and the following: "*Pro-*

vided further, That hereafter each United States coinage mint shall continue to receive for coinage silver mined from natural deposits in the United States or any place subject to the jurisdiction thereof, as provided in the act of July 6, 1939 (Public Law 165, 76th Cong.), except that the seigniorage to be deducted shall be 30 percent instead of 45 percent as provided in section 4 (b) of said act."

Mr. O'NEAL. Mr. Speaker, the conferees of the House are now bringing this matter back to you so as to make it perfectly clear and definite where the House stands on an attempt to put into an appropriation bill a far-reaching legislative matter which probably has not been heard so fully by the Appropriations Committee of either body as it should be and which is, in my opinion, not properly a matter for an appropriation bill.

We are, therefore, bringing to you this motion and we would like to have you support the position of the House in further insisting upon the House disagreement, thereby standing by the position the House took the other day. I trust that the House will sustain the motion by an overwhelming majority

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from New York.

Mr. TABER. The Senate acted entirely without a roll call and without consideration of the merits of this matter after the House had had a roll call. They asked for a conference without any authority to go to a full and free conference which is something we should not do.

Mr. O'NEAL. The gentleman is correct. There was no recorded vote and the matter came back in the form which will be inserted in the RECORD. I will be glad to read it if anyone wants to hear it. The chief part of it is that it contains an increase in the price from 71 11 cents to 90.3 cents.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Arizona.

Mr. MURDOCK. Do I understand now if the House is sustained the price will be changed from 71 11 to 90.3?

Mr. O'NEAL. If the House is sustained, the price will remain at 71.11. In my opinion, it is desirable that the Treasury keep the price at 71.11. If the House sustains the motion made by the chairman of the subcommittee it will merely be reiterating the position that the House took on a vote when the matter was before the House a few days ago.

Mr. DWORSHAK. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Idaho.

Mr. DWORSHAK. I understood the gentleman to say that the other body had undertaken to attach a rider insofar as authority to dispose of Treasury silver is concerned. Is that correct?

Mr. O'NEAL. No. The gentleman has not made any such statement and is not inferring any bad faith or anything contrary to good practice with reference to what might or what might not have been done by the Senate. The gentleman merely made the statement that the Senate had amended the bill and has now indicated willingness to agree to a change in the original amendment and the primary change is to wipe out everything except the price.

Mr. DWORSHAK. Is it not true this body attached a rider to the appropriation bill when we had it up for consideration?

Mr. O'NEAL. That was thoroughly debated a couple of days ago. I am sure every Member of the House knows that the amendment was put in the House bill and the Senate further amended it.

Mr. DWORSHAK. Would it not be advisable to eliminate the rider entirely?

Mr. O'NEAL. You cannot do that in conference.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I would like to inquire of the distinguished chairman of the subcommittee what his purpose is now in presenting this motion to the House?

Mr. O'NEAL. The purpose of the committee is to further insist on the disagreement to the Senate amendment which means that we shall stand by the provisions of the House bill as originally passed by the House.

Mr. CHENOWETH. As I understand the situation, the Senate yesterday voted to amend its position to agree to a price of 90 3 cents.

Mr. O'NEAL. In effect, that is the major change

Mr. CHENOWETH. Do I understand that the gentleman is opposed to that?

Mr. O'NEAL. The gentleman representing the committee is opposed to that.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider was laid on the table.

FRANKLIN DELANO ROOSEVELT MEMORIAL DAY PROCEEDINGS

Mr. BULWINKLE. Mr Speaker, from the Committee on Printing, I report favorably without amendment the resolution (H Con. Res. 161) providing for the compiling, printing, and binding of the address of the Honorable John G. Winant and other proceedings in commemoration of the life, character, and public service of the late President Franklin D. Roosevelt, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution (H. Con. Res. 161), as follows:

Resolved by the House of Representatives (the Senate concurring), That there be compiled, printed with illustrations, and bound, as may be directed by the Joint Committee on Printing 25,000 copies of the address delivered by the Honorable John G. Winant during exercises held in memory of the late President Franklin Delano Roosevelt on July 1, 1946, including all the proceedings and the program of exercises and such other tributes to the life, character, and public services of the late President Roosevelt as the Committee on Arrangements may deem appropriate, of which 6,000 copies shall be for the use of the Senate and 17,000 copies for the use of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Irrigation and Reclamation have permission to sit today during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 138, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Chairman, I yield to the distinguished Speaker of the House the gentleman from Texas [Mr. RAYBURN] such time as he may desire

Mr. RAYBURN. Mr. Chairman, the Honorable Cordell Hull is, in my opinion, one of the great men that the United States of America has produced during its long and lustrous history. I think it might be said of him that he is one of the greatest, if not the greatest, Secretaries of State that the United States has ever had. He has made many, many important utterances on foreign affairs and domestic affairs as well.

I am in receipt of a letter from him in regard to the pending matter now before the House that I think is one of his greatest utterances, and I ask that that letter may be read from the Clerk's desk.

The Clerk read as follows:

WASHINGTON, D. C., *July 10, 1946*

The Honorable SAM RAYBURN,
Speaker of the House.

DEAR MR SPEAKER: As a private citizen, but one who for 30 years has supported and worked actively for international economic cooperation, I have been following with great interest the debate which has been going on in and out of the Congress on the proposed loan to Great Britain in its relation to the whole international situation As I told you when I telephoned you to inquire as to the present status of the matter, I have been increasingly disturbed lest the broad and compelling features of this whole situation be overlooked

My major interest in international economic problems relates to the development of world trade and commerce, which I regard as one of the pillars of international peace and an indispensable factor in progress toward the achievement of freedom from want

and in the promotion of all phases of the general welfare. Ever since 1916, when as a Member of the House I first proposed concrete measures for placing trade relations among nations on a sound and workable basis, I have continued to urge upon our country the overwhelming need for our country to exercise, in its own best interest, a growing measure of leadership in promoting mutually beneficial international economic relations. I have consistently advocated the view that the prosperity of our country and of all countries inescapably depends upon their ability to produce useful goods and services efficiently, and to exchange their surpluses with each other economically and to their mutual benefit.

Unfortunately for some years after the First World War our country followed the tragically mistaken policy of hampering, by means of trade restrictions and obstructions, the inflow of useful foreign goods and at the same time promoting, by means of huge indiscriminate loans, the sales abroad of our domestic surpluses The inevitable consequences of that policy were forcefully brought home to us by the bitter lessons of the great depression.

Twelve years ago our country entered upon a new course It began to exercise its immense influence in the direction of economic sanity, with a marked promise of success. This course was unhappily interrupted by a new world war

Today, following that war, we are again confronted with a crisis in international economic relations This new crisis is more profound, more difficult, more fraught with danger than any we have as yet had to face

Many parts of the world have been devastated by the war. Unemployment, misery, and even starvation stalk the earth There is always a tendency after a great war or crisis, for the nations caught in the toils of a desperate struggle for economic survival, to seek safety in substituting extreme and arbitrary measures of rigid governmental control for time-honored and proven policies of economic freedom. That tendency is all too manifest in the world today. If it continues and develops, the result will be bitter economic strife among nations from which we cannot escape unscathed

Our own economic system, based on the doctrine of free enterprise, cannot endure in a world of economic conflict, in which other nations increasingly regiment their production and both their domestic and foreign trade, increasingly resort to the destructive practices of totalitarian economics and gradually drag the world down to that level For our own sake, we must now exert all the influence we have toward reversing this fatal trend There will be ruin for us and for the world if we sit still Doing nothing in such a case becomes a positive evil

For economic conflict is but the beginning of political calamity. Within countries it creates poverty and breeds dictators. Among countries it creates constant animosities and breeds aggressors.

The world is today confronted with an inescapable choice as fraught with decisive significance as any that the human race has ever faced Reduced to its most fundamental terms, that choice is between a growing cooperation among nations in the economic, political, and other fields or a growing hermitlike aloofness on the part of nations toward each other which must inevitably lead to increasing international discord and possibly to the final supreme catastrophe of another world war.

While all countries must face this basic choice and must act on it, our country's exceptional size and strength give it a position of special responsibility. It is we more than any other single nation who will determine the direction in which mankind will now go. Our people and our Government have no higher duty to our Nation than to work wholeheartedly for international cooperation as against extreme nationalism for freedom as against regimentation for world peace as against world discord and war. In recent years we have repeatedly assumed and carried forward the heavy responsibilities of world leadership in support of international cooperation and peace by urging other nations capable of doing so to assume similar responsibilities, by urging all nations to work for cooperation and peace and, above all, by our own example.

The British loan is a crucial test for us. The men, women, and children of Britain have borne untold hardships and have made enormous sacrifices in the Second World War. They now need our financial assistance to make it possible for them to rebuild their gravely depleted economy. By thus helping them we can enable Britain once again to become a great influence in helping us to lead the world in the direction which is so vital to us and to all members of the United Nations—in the direction of peace and well-being for all of us.

Denied our aid at this particular juncture, the British people will find themselves compelled more and more to regulate and regiment their economic life in a desperate struggle for survival. In doing this, they will be forced to adopt policies which will render impossible the urgently needed resumption in the world of an adequate and mutually advantageous flow of goods and services among nations. By denying financial help to Britain, so necessary for its economic rehabilitation, we would be promoting economic war instead of economic peace. And we would be undermining the foundations of international cooperation. Not only Britain, but we ourselves and the world would suffer in consequence—needlessly and tragically.

I am well aware that some of our ablest financial experts including a number of my best friends, hold opposing views on many aspects of the financial arrangements represented by the proposed loan to Britain. I will not undertake to pass on all of these points But I do feel that at this time when conditions everywhere are increasingly critical, the central problem before us is not the technical or even other important aspects of this particular method of financing trade. The problem now is whether we shall press ahead before it is too late with the program of developing and strengthening the economic foundations of freedom and peace. The British Government has made clear that once Britain gets a financial breathing spell, which the loan would permit, it will go forward with us wholeheartedly in leading the world to a state of affairs in which trade and production, and enterprise can function again as major factors in bringing about prosperity and peace for all countries This is of inestimable importance Loans like the proposed loan to Britain which make possible a return to economic sanity are a wholly different matter from some of the loans we made in the twenties which were merely a cover for unsound and suicidal trade policies. Our failure to act affirmatively on the British loan will result in far greater injury to us and to the whole broad movement for economic restoration than any specific shortcomings of the proposed financial arrangements.

The loan to Britain is not, of course, a panacea for all of the world's present economic and political ills. There are many other phases of international relations in which our influence and our example will have a determining effect. But our action on the loan is a test—and a very important test—of our intentions and our leadership.

I am sure that our country will want to meet this test with a full sense of our immense responsibility.

Sincerely yours,

CORDELL HULL.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to insert at this point in the RECORD an editorial entitled "Subsidizing the British Empire" by Jesse H. Jones, a former great administration leader.

The CHAIRMAN. The gentleman from Pennsylvania will have to obtain permission for that in the House under the rules of the House as we are now in the Committee of the Whole.

The matter referred to follows:

[From the Houston (Tex.) Chronicle of April 16, 1946]

SUBSIDIZING THE BRITISH EMPIRE

(By Jesse H. Jones)

I do not think the proposed British loan of $3,750,000,000 now before Congress, should be made and do not believe that any good will come to the American people, or, for that matter, to the economy of the world, from making it in its present form.

If we make this loan to Britain and refuse loans on similar terms to other countries, it would be so much in the nature of an alliance with Great Britain as to cause other countries to feel that we are less friendly to them than to Britain

Furthermore, the proposed loan is most unbusinesslike.

1 Five to fifty-five years, or practically two generations, is much too long a time to lend money to a foreign government without security.

2 No loan of any kind should be made until all considerations incident to it are determined in advance of the loan. Nothing should be left for future negotiations. In the present loan agreement Empire tariff preference and the proposal for the expansion of world trade, in which the United States is so vitally concerned, are left for future consideration The time for these agreements is before the loan is made.

3 No money should be loaned to Britain for expenditure in other countries without proper security, particularly since the British have substantial profitable investments and operations in the United States which could be used as collateral for a loan.

Prominent among these is insurance from which they make a very substantial profit out of the American people According to a recent report of the United States Treasury, British-owned assets in this country aggregate more than $3,000,000,000, and include $587,000,000 United States Government securities, more than $40,000,000 in corporate bonds, and 623 controlled branches of corporations having a value of $611,000,000. These and other assets are owned by the British in this country, the profits and income on which are going to them. These assets and the profits of British insurance companies from business written in this country should be used by the British Government as security for any loan of dollars to be spent outside the United States, the British Government accounting to her investors in British money or securities.

II

The British are by no means strapped. It has been estimated that their assets in other countries than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000, and their diamond reserves as much as $8,000,000,000. Britain also has several billion dollars in cash.

In July 1941 the RFC authorized a loan of $425,000,000 to the United Kingdom of Great Britain and Northern Ireland under author-

ity granted it by Congress June 10, 1941, to enable RFC to make loans to governments that had defaulted on their loans from us after World War I, provided such loans were secured by investments in this country. The RFC loan is payable over a period of 15 years, with interest at 3 percent. The loan agreement provides that any sales by the British of the collateral and all income after taxes, from all the security would be applied, first to the interest on the loan, and then on the principal. The security includes the net profits, after taxes, made in this country by 41 British insurance companies operating here, and the capital stock of 40 additional British-owned American insurance companies. The RFC made no requirement that any of the collateral be sold.

Only $390,000,000 of the loan was taken down by the British. Payments from the sale of pledged collateral have been $24,565,000 and from the net income, after taxes, $171,578,000 leaving a balance due as of February 28 of $194,000,000. The current income after taxes from the presently pledged security is about $37,000,000 a year. This is approximately the average over the past 10 or 12 years.

III

In order to be helpful to the British and still protect our own Federal Treasury in substantial part, I suggest that the RFC increase its loan to Britain by an additional $1,000,000,000 on the present security, with no restriction as to where the money is to be spent, and that the interest rate on the balance of the present loan and the $1,000,000,000 additional be 2 percent, with all net earnings to be applied, first, to the interest on the loan and the balance on the principal. If these earnings hold up as they have over the past dozen years, and in all probability they will increase, the loan would be entirely repaid in about 40 years, and the British would still own their profitable investments in this country.

This would give Britain $1,000,000,000 cash immediately, if she wants it, and without any congressional action. A request to the RFC by the Federal Loan Administrator approved by the President, is all that is necessary.

I suggest that the RFC make further loans to the United Kingdom on British investments and operations in this country, up to the earning value of the security, upon the same terms and conditions—that is, 2 percent interest, with all additional earnings applied to the loan, and that the proceeds of such loans be available to Britain with no restrictions as to where the money shall be spent. This can also be done without congressional action.

Britain might, in a pinch, put up a few hundred million dollars of her gold now in this country.

IV

The President has recommended to Congress that we buy critical materials for stock-pile purposes and put them away for future use. This should be done. The British can sell us many of these and pay for them in sterling. We can pay them in dollars. If necessary, we might consider making Britain an advance payment of, say, $500,000,000 to enable her to get the materials out.

RFC employed this method to help China and Russia before lend-lease was applied to those countries. The loans are being paid according to agreement.

V

I further suggest that Congress consider authorizing the sale of cotton, tobacco, fruits and other farm products, durable goods and manufactured articles to the United Kingdom for the next few years on credit, in amounts equal approximately to her normal imports of such items from us.

In this connection I should like to remind the Congress that lending Britain dollars as is proposed in the present loan agreement does not insure that she will spend those dollars with our farmers, manufacturers, and exporters. She will be free to spend them in competition with us in world markets, and will.

Through Sir Stafford Cripps, president of the British Board of Trade, and Lord President of the Council Herbert S. Morrison, the British Government already has announced its intention to discard its 100-year-old free cotton market, and, instead, the Government will buy its cotton wherever it can buy it to its best advantage. The measure was heavily debated in the House of Commons only a few days ago, and carried by a vote of 2 to 1. This means that less and less of Britain's cotton requirements will be purchased in the United States

The sale of farm commodities could be made through Commodity Credit Corporation or some other Government agency, or by our exporters with provision for cashing their drafts at the Treasury. Manufactured products and durable goods could be handled by a Government agency or by our exporters and their drafts cashed in the same manner. This procedure would not interfere with our regular export trade as it is now carried on.

VI

If these suggestions are followed, Britain would get substantially what she needs from us during the next few years, and, in my opinion, on a basis that would be much more acceptable to the American people than the proposed loan now before Congress.

I do not believe that our failure to give Britain $3,750,000,000 on her terms will cause her to impose or continue trade restrictions or other sanctions that will seriously affect our own economy. That is a two-way street.

I have never been much interested in threats, and for the British to say to us that unless we give or lend her X billions of dollars on her terms, they will be forced to impose trade restrictions, dollar blocs, and so forth is not my idea of a fraternal association between the United States and Great Britain so eloquently advocated by Mr Churchill, nor does it square with the kind of friendship that we have shown the British in two world wars, without which friendship the British Empire would have been destroyed.

VII

It has been testified by administration spokesmen that the case of Britain is different from other countries. It certainly is different from other countries that want money from us. Britain is the only country that has asked us to give her money. At least, no other country, to my knowledge, has been brazen enough to ask for a money gift.

It will be recalled that when Lord Keynes and his associates first came over to get the money, they said they were in "no mood" to consider a loan. They were insisting that we give them some $5,000,000,000 or so. True, after long weeks of haggling negotiations they reluctantly agreed to borrow the money on a nebulous promise to pay in 5 to 55 years, at a very low interest rate, and that payable only when Britain's trade balances were favorable.

We seem to have lost sight of the fact that Britain, through Lord Keynes, took a prominent part in promoting the Bretton Woods agreements for a world bank and a world stabilization fund, and agreed that Britain would subscribe $2,600,000,000 to these funds.

The question arises now: Where did Britain expect to get that $2,600,000,000 which she readily agreed to put up? It would look to a suspicious person as if she expected the United States Government to furnish it, since she now states that unless we let her have the money she will not be able to participate in the world bank and stabilization fund.

VIII

Another point worth considering is that our executive departments have already sold Britain the more than $6,000,000,000 of our unused materials now in Britain or on the way there for about 10 cents on the dollar, payable over a period of 5 to 55 years, at an interest rate of a little over 1½ percent, and that payable only where her trade balances justify. The sale of these materials has been severely criticized by the Mead committee (formerly the Truman committee) but nothing can be done about it since it does not require the approval of Congress. These executives have also agreed to cancel for all time any obligation on the part of the British to ever return to us, or in any way compensate us for, any part of the many billions furnished her on lend-lease.

IX

We cannot afford to continue printing and spending money indiscriminately, however admirable the cause. Every time we spend another billion we are reducing the value of our dollars, and if we go on spending and lending and giving and losing, without regard to how we are going to pay back the money that we borrow, it will not be long until the dollar will go as the currency of other countries that overspent.

Britain only owes about $80,000,000,000, while our present debt is approximately $272,000,000,000—or $2,000 for every man, woman, and child in the United States—and figures cited by President Truman in his Budget message revealed that we have already authorized and proposed to invest $17,000,000,000 in foreign loans and international financing In a more recent message he proposed further increasing the lending authority of the Export-Import Bank.

It is time that we stop and think where we are going, that we take stock of our resources, of our earning capacity, of how we are to service our own present heavy debt before we undertake to play Santa Claus to the rest of the world.

X

The United States with 5 8 percent of the world's land area and 6 1 percent of the world's population cannot single-handedly finance and rebuild a war-torn, confused world. The time to recognize this is now.

We should stop issuing Government bonds and pay every dollar we can spare on our debt now and as fast as we can. We have sold our Government bonds to the American people upon the basis and representation that they constituted the soundest investment that anyone can have. They can only be sound if we make them sound by cutting down on our own expenditures and stop lending money to countries that have no reasonable assurance of being able to repay it.

Another very important point that I do not think has been given proper consideration is that it is entirely too early after the war for anyone to get a clear picture of the future. Britain knows that and hurried over here as soon as the shooting stopped "to get hers." She is smart, has always been smart, and, incidentally, very selfish.

XI

To sum up—I have suggested an additional RFC loan to Britain of $1,000,000,000 on the security we already hold; that further RFC loans to Britain be made on British investments and operations in this country, including such gold as she is willing to pledge; that we sell Britain cotton, tobacco, fruit, and other farm commodities and manufactured goods on credit, and that we follow the President's recommendation and buy critical materials for stock-pile purposes.

If the British are unwilling to continue the pledge of the security behind their present loan from the RFC for new money, I would give no further consideration to a loan to them of any kind. We owe it to ourselves, as well as to the rest of the world, to approach this whole matter in a completely realistic manner—which is the only forthright and sound approach.

Approval of the proposed loan now before Congress would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and losing is a sure road to ruin. The Congress should not ignore the dangers that lie ahead.

BRITISH LOAN

Mr. TRAYNOR. Mr. Chairman, it was my privilege and pleasure to have spent six summers in Europe from 1926 to 1933. I visited England, Ireland, France, Spain, Germany, Belgium, Italy, Austria, Switzerland, Czechoslovakia, and Hungary.

Having had 7 years of military training in the armed forces of the United States, I was very much interested in the preparations that were being made for another war. Although England was only a few hours' ride from Germany, and Chancelor Chamberlain was married to a woman who was born in Germany, it was very strange to me that he would be so placid and apparently unconcerned as to what was taking place in Germany. Military parades, especially in Berlin, along Unter den Linden, were a daily exhibition of their love of war, and their Prussian boast of conquest.

I made a study of living conditions in the various countries, and mingled with the people in their homes, stores, and places of amusement.

Now England is trying to obtain another loan on her own terms, which, in my opinion, will be the signal for the other countries to borrow to the amount of $20,000,000,000. In England it is very apparent that there are two distinct classes—the very rich and the very poor, and when I say poor, I mean poor. There are no middle classes. The lower classes have been discouraged and held down, so that they have lost interest in living and are just existing from hand to mouth. They are taxed to keep up the lords, dukes, counts, and no accounts, all a lot of aristocratic ne'er-do-wells who never did a day's work since they were born, but are living off the land grants and rents which they have inherited, which were won by conquest. Why should we loan money for the aristocrats to live in luxury while we work hard in this country to get an education and support our families is a mystery to me, if we are to finance the loan for a war every 25 years? The First World War loan, $2,330,764,782, turned out to be a bad investment. This loan will be the same.

Our debt is $279,000,000,000; the combined debts of our allies is $210,000,000,000. We are charging GI's 4 percent interest on loans. We are loaning England money at 2 percent without interest for the first 5 years.

The majority of fire insurance policies and mortgages on business properties in every part of this country are held by 136 English companies. The big fire in Baltimore, Md., in 1904 proved that the English were financiers. The losses were paid from reserves in England, their reserves in America were not disturbed. In the 1906 Frisco fire 30 foreign companies were involved, 14 chiseled or defaulted, yet American policyholders in English fire insurance companies are paying $1,000,000 every 24 hours. Why do we not insure with more American fire insurance companies?

We went into the First World War to assure J. Pierpont Morgan Co. that they would be paid the money that England owed them; they, the Morgan Co., were paid; we are still holding the bag full of I O U's—not a money bag—do not let them fool us again. As soon as a normal condition prevails in Europe, we will be fighting another war for them. Let them sell their colonial possessions, and pay their just debts. We have to meet our financial obligations, let our allies help us to do it by paying us what they borrowed.

I believe that England in her desire for oil concessions from the Arabs is keeping the Jews out of Palestine—in other words, trading them for oil.

The United States should force England to allow 100,000 Jews to enter Palestine, their homeland.

If we have to fight another war in 10 years, and we have no money to buy the equipment for war, and we have depleted our Treasury, by loaning money to other countries, who would be the first to attack us, when they default on interest on their loans. Let us build up a trade with South America—what has become of our good-neighbor policy, that we talked about before the war—they are still our neighbors and are a good risk with whom to do business. They have plenty of acres to develop the produce, the raw materials so essential for our industries—we need hides, rubber, and sugar in exchange for shoes, steel, automobiles, trucks, locomotives, tugs, steamboats for their coast lines and miles of rivers I am told that there are thousands of farms in this country without farming machinery If we are going to loan money let us start at home and put the farmers in a better condition to raise crops from which the loans will be paid, let us start a "back to the farms movement" at home.

Any loan transaction made with the intent, that there shall be no preventable loss, must necessarily be judged as to the risks involved. Congress in this connection acts even as a credit manager, or loan officer would in private industry There should be little difference in the manner of handling the public's money when used as loan funds, than when private business, or even an individual elects to invest his working capital, or surplus in a loan to another.

In determining the advisability of making or refusing a loan, it is necessary that an examination be made of the evidence, which will prove, or disprove the existence of willingness, and ability on the part of the credit seeker, to make payment at the expiration of the credit period. In the world of credit it is axiomatic, that where there is no likelihood of the applicants, being both able and willing to pay the bill at maturity, no credit should be extended.

In arriving at a conclusion as to the advisability of approval or disapproval, a process of elimination is carried out.

If confidence is reposed in the applicant's willingness, and ability to repay, the risk is accepted If it is disproved, it may be entirely rejected, or, at best, accepted under restricted conditions.

Among professional lenders, or credit grantors, certain factors arising out of experience are used in reaching a judgment. They are the three C's of credit, which signify character, capacity, and capital.

A fourth C is sometimes included to designate collateral as an adjunct for what is normally considered under capital. All of these factors relate to the reliability and resources of the applicant.

Character: By character the credit grantor usually understands honesty. It is the prime indicator of a person's willingness to pay his bills when due, and to discharge his obligations as agreed. If character is evolved by nature and habit, it is obviously not subject to frequent changes. Accordingly the antecedents, standing, habits, and moral principles of the borrower must be examined in order to arrive at an estimate of his character.

Character is the least tangible of the factors, and yet it is normally the most important. Experience shows that capacity and capital mean little when character is absent.

It has been stated in the Congress by the late J. P. Morgan that "Character is of prime importance in the selection of credit risks." He also stated that a "man with character, without anything at all behind it, can get all the credit he wants, and a man with the property but without character cannot get it." Source. Pujo Money Trust Investigation, volume 2, page 1084.

Obviously, the words "government" or "nation" can be substituted for the word "man" Character, however, is not the sole determinant of risk: Even the noblest character on earth must have some capacity to justify the risk.

Capacity: As far as is possible, good credit judgment demands that the credit seeker's ability to redeem his pledge be examined. This entails a thorough investigation and appraisal of his capacity Capacity connotes efficiency. It is the ability of the applicant, native, or acquired, to conduct his affairs profitably It revolves around the technical, or business acumen, and management policies. The past history of the applicant's paying habits and methods are vital to the establishment of capacity.

Capital: The third C determines the actual means of payment at the time the transaction is consummated. Capital for credit purposes is the financial strength of the applicant, expressed in terms of assets and liabilities. Without the financial strength, the granting of credit becomes a moral risk, which signifies that the credit grantor relies chiefly upon the character and capacity of the risk.

Capital alone without character is not sufficient to justify the risk. If the fourth C—collateral—is used as the basis of credit, then such collateral must be scrutinized and evaluated as to its worth up to the maturity of the credit period. It must be of such nature, that depreciation will not exceed amortization.

A good credit manager is duly concerned, therefore, with his client's ability and willingness to pay, as reflected by his present standing and future prospects. He likewise, tempers his judgment, with a knowledge of past performance on the part of his applicant.

Out of experience there have been developed credit equations, which may be applied to any type of credit granting, with due allowance, for time and circumstance. They are as follows:

Character plus capacity plus capital equals safety.

Character plus capital plus insufficient capacity equals fair risk.

Capacity plus capital plus impaired character equals doubtful risk.

Character plus capacity minus capital equals limited success.

Capacity plus capital minus character equals dangerous risk.

Character plus capital minus capacity equals inferior risk.

Capital minus character minus capacity equals poor risk.

Character minus capacity minus capital equals inferior risk.

Capacity minus character minus capital equals fraudulent risk.

In the world of private business, competition may cause alterations or minimization of the equations but such changes are predicated upon competitive policies or changing business cycles. However, no denial is made of their basic truth, or of the need to reckon with the future as well as with the present.

Under character, one may say almost anything for, or against, the British capacity.

Capital: The British are well-heeled, doing a better reconversion job than we are, and sneering at us.

The British have a definite past history of bad pay and insults, with respect to former loans.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, of course, we are always interested in hearing from our old friend and colleague, Hon. Cordell Hull, who served in this House and in the other body for many years with distinction.

As I look back on Mr. Hull's record, I find he has been wrong fully as many times as he has been right. Over the years a halo of superwisdom has grown about Mr. Hull that is not quite warranted. When it comes to a question of finance, when it comes to a question as to whether this loan is warranted and needed, I would much prefer to take the testimony of Jesse Jones, a practical businessman, one of the world's great financiers, rather than to take the word of a man who has spent practically his entire life in the public service and has had no business experience whatsoever.

Mr. DWORSHAK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DWORSHAK. Will the gentleman tell us whether this is the same Cordell Hull who several years ago sold the Congress and the Nation on the policy and program of reciprocal trade agreements, on the basis that they would prevent future wars?

Mr. KNUTSON. He is the same man. Not only that, but he is the same Cordell Hull who said that if Congress would pass the Neutrality Act it would prevent war. Then, he came back a few years later and said that the very thing he had promised would operate to keep us out of war should be repealed because it was dragging us into war.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. No. I do not have time to yield further on Cordell Hull. I do not want to attach too much importance to this particular angle.

Now, Mr. Chairman, there are just two things for us to consider, as I see it. One is, Does Britain actually need the money or credit she is asking for?

Secondly, are we in financial condition to advance $3,750,000,000 to Britain, which would be but the first of a long series of requests from other nations that will probably aggregate fifteen or twenty billion before the final chapter was written?

DOES BRITAIN ACTUALLY NEED THE MONEY?

In testifying before the House Banking and Currency Committee, Mr. Jesse Jones, former president of the Reconstruction Finance Corporation and head of the Federal Security Agency, said:

> The British are by no means bankrupt. It has been estimated that their assets in countries other than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000 and their diamond reserves as much as $8,000,000,000. The British White Paper, published by Great Britain in December 1945 for use in connection with the negotiations for this so-called loan, showed that receipts by the British on their overseas investments in 1945 totaled approximately $685,000,000. This was income, in the form of interest, dividends, and miscellaneous receipts from investments and property, which means the property itself was worth anywhere from $28,000,000,000 to $35,000,000,000, depending upon the rate of interest at which the income is capitalized If $685,000,000 represents only a 2-percent return, the property which produced that income becomes worth $35,000,000,000

So we find Mr. Jones pointing to an estimated $31,000,000,000, and the British White Paper furnishing evidence of an almost equal amount. From our own Treasury Department we learn that British assets in the United States alone exceed $3,000,000,000. The Treasury Department recently completed a thorough census of foreign-owned assets in the United States as of June 14, 1941, in which it accounted for this total and pointed out further that, in addition, premiums received by British companies and paid by American property-owners for fire and casualty insurance in the United States, either to British branches or British companies licensed in America, amount to between $450,000,000 and $500,000,000 every year.

Mr. CELLER. Mr. Chairman, will the gentleman yield briefly?

Mr. KNUTSON. Very briefly.

Mr. CELLER. It might be well to state that those assets in the sum of over $3,000,000,000 consist of gold bullion, bank deposits in the United States, and gilt-edged securities.

Mr. KNUTSON. Oh, I have checked over the securities and bonds that are held by the British in this country, and all yellow chips.

A typical example of how the sprawling giant of British business enterprise reaches into the United States is furnished by Lloyd's of London—the world's largest association of insurance companies. Lloyd's does an annual business of between $150,000,000 and $250,000,000. They pay a 4-percent stamp tax on it to the British Government. They pay no taxes in the United States except in the States of Illinois and Kentucky. Other than this they pay no attention to any State regulations. Lloyd's was not included in the Treasury Department census, so we can add Lloyd's income to the Treasury estimate of income received by British insurance companies in the United States, which gives us an estimated $650,000,000 to $750,000,000 which Americans are paying to British insurance companies alone. That money goes to British stockholders and, according to the United States Treasury Department, has been largely confiscated or taken over or controlled by the British Government. It is inconceivable, therefore, that Britain, today, is tottering on the brink of bankruptcy, or that she is so weakened economically that she cannot somehow "muddle through" her present situation, as she has so masterfully "muddled through" difficult periods in the past. Britain is a strong and powerful nation. But her situation is not one bit worse than our own, and I am fully aware of the physical damage inflicted upon her towns and cities. But let me remind you—the British Government does not bear the entire burden of that loss. The new International Bank for Reconstruction and Rehabilitation was formed for the very purpose of extending loans for the restoration of such properties. All nations contributing to this international credit pool bear that burden, and we are bearing our fair share of it.

Unemployment is not severe in England—at the present time being down to less than 400,000 men and women—whereas her prewar average unemployment ran close to 2,000,000. As late as April 4, 1946, the London Times reported that the increase in unemployment which occurred last fall was beginning to slacken.

Do not forget that Britain can always sell the bonds and stocks that she has in this country to meet her immediate wants or her needs in the near future.

Current British revenues, too, are on the increase and her current expenditures on the decline. According to the current issue of the London Economist, Britain's receipts for the first quarter of

the fiscal year 1946, which began April 1, 1946, had increased approximately £17,000,000—about $65,000,000—over receipts for the same period last year, while expenditures this year are £405,000,000—about $1,620,000,000—less than they were in the first quarter of fiscal year 1945.

It simply cannot be argued, in view of these facts, that Britain is so far down the economic cellar that she must borrow $3,750,000,000 on top of the $1,125,000,000 loan from Canada and the $450,000,000 she has borrowed from the Reconstruction Finance Corporation, which, may I remind you, is an American concern financed by American taxpayers.

This proposal to lend another $3,750,000,000, in addition to the help she has already received, is certainly not a life-and-death matter, as far as Britain is concerned. Britain is a great and powerful nation with far-flung resources. Nothing in her history indicates she will let a mere $3,750,000,000 stand between her and the markets of the world, and there is nothing in the current situation that indicates she will permit herself to go into a tailspin for the lack of ready cash.

Britain can go out into the markets of the United States and get this money at any time she is willing to let go of the securities that she told us she would dispose of early after Pearl Harbor.

Let me read from a book published this year by Brookings Institution entitled "Debtor and Creditor Countries," written by a prominent member of that reliable and independent research organization:

> Despite the heavy loss of foreign investments during the war, Great Britain still is the largest creditor country in the world, and still has some thirteen to fourteen billion dollars of long-term foreign investments. In fact, Britain still has larger foreign holdings than any other nation, including the United States.

That is from Brookings Institution.

Unless we intend to give Britain $3,750,000,000 out of the kindness of our hearts and for no reason except love and devotion, then this proposed credit of $3,750,000,000 should certainly be supported by adequate collateral. We cannot afford to burden our own Treasury without offsetting protective measures, no matter who the borrower is. We cannot in this manner play favorites in our dealings with other countries. We cannot afford to impair our friendly relations with Britain or any other country, and Britain cannot afford to impair her relations with us. As I have pointed out, Britain is a rich nation with enormous assets in the United States—far above the amount required to support this proposed credit.

Well, what about the between three and four billion dollars in gilt-edge securities that she holds in this country? How about her railroad and other holdings in South America, her gold and diamond mines in South Africa, and her other investments all over the world? Yet she says she cannot put up collateral for three and three-quarters billions of dollars. Do you think there is a banker in all the world that would approve a loan of this character? If he did, his board of directors would remove him, and if they did not remove him, Uncle Sam would send him to Atlanta.

She can post collateral. She can make this so-called loan on a business-like basis. It is to our mutual advantage, and in the interest of stable world trade and recovery that the transaction be placed on a solid foundation.

If Britain actually needs the money, and can prove she needs it, and if we can afford to lend it to her, there is no better guaranty of mutual confidence and mutual respect than that the proposed credit be handled as a straightforward, honest business transaction Why must we depart from accepted rules of the game in making this loan? What overpowering reason exists to require that we go off in the woods of international politics on the question of financial aid to Britain? We do not contribute to world peace by ducking behind a fence and slipping Britain $3,000,000,000, then telling her not to mind the interest, or collateral, or even worry too much about repaying the obligation. Since when has the great British Empire lowered itself to these standards of doing business?

You know, this is the third blood transfusion that Britain has asked for in the past 25 years. She has already had about $38,000,000,000 out of us—a sum which would have run this Government for 38 years when I came to Congress, and that is not exactly hay or alfalfa.

Now, let us see whether we are in a condition to make this loan. First of all, let me question the right of Congress to give away the people's money—and that is precisely what this transaction involves. Why do I say that? I charge, if it was necessary for Britain to default on her obligations to us back in 1931 that she certainly cannot carry the additional load that she assumed during the war and since and also pay us. If we are determined to make this loan, the matter should first be submitted to the American people in a referendum, because the money is going to come out of their pockets. It is true that we did have a referendum in Nebraska a few weeks ago and the people voted 2 to 1 against making the loan.

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. OUTLAND. Was there a referendum, perhaps, in Minnesota last week?

Mr. KNUTSON. No; there was not, I will say. Senator SHIPSTEAD repeatedly tried to get Governor Thye to say how he stood on the British loan, but Governor Thye wisely said it was not an issue. I refer the gentleman to the Minnesota newspapers out in the Speaker's lobby. Please do not think I made the statement about the Nebraska referendum to lay a trap for the gentleman to walk into. Nothing was further from my thought.

By referendum in Nebraska it was defeated 2 to 1, and Senator BUTLER, who voted against making the loan, was reelected by a majority of 2 to 1. As for the Minnesota election, let me say that Governor Thye is a most popular gentleman and has given Minnesota a splendid administration.

OUR SITUATION AND NEEDS

All must admit that the proposal before us is most unbusinesslike. The loan should be amply secured and placed on a bankable basis. Britain has tangible and available assets which she should be required to liquidate before being given this additional grant. We can use tin, chrome, rubber, and other things produced within the British Empire. If we must make the loan, let us use a large part of this huge sum in acquiring stock piles of the items I have mentioned.

Mr. Chairman, we are not in condition to make this loan, with our bonded indebtedness at $272,000,000,000, not to mention billions in guaranties and commitments.

Recently a widely read financial journal published figures showing that our gross national debt, public and private, is about four hundred and fifty billions, which does not take into consideration guaranty of bank deposits. That staggering sum, astronomical in its proportions, exceeds by one hundred billions the grand total of all our assets. I beg of you not to forget that this war will cost us another $200,000,000,000 before the last veteran of the war answers final taps

Let us consider our immediate postwar needs:

Our transportation systems will need between four and six billions for new equipment and repairs.

It is estimated that it may require as much as $10,000,000,000 to meet our housing shortage.

Replacement of worn-out equipment in industry will need between three and four billions.

Congress recently voted terminal-leave pay for all veterans and this one item alone may run as high as six billions.

The Veterans' Administration will need hundreds of millions for hospital expansion, and billions for the care of the widows and orphans, the maimed and wounded.

The American farmer is going to need between three and four billion dollars for new machinery, repairs, paint, and other items.

Business in general will require billions in credits to replenish depleted stocks, and so forth.

The grand total of our immediate postwar needs may run as high as forty billions so it can be readily seen that we are not in financial condition to make further grants to foreign countries.

Our job is to keep America solvent and strong so we will not be engulfed.

Let us use this vast sum to save America from bankruptcy.

What availeth if we save the world and destroy ourselves?

Most assuredly the time has come for the Congress of the United States to give just a little more consideration to America, the American people, and our immediate needs than has been given in the past.

There is not a man within the sound of my voice who has the least notion

that this loan will be repaid. Unfortunately for Britain's credit, her reputation for paying her obligations is not of the best. At this point I desire to read a letter received by me last November:

EDISON ELECTRIC INSTITUTE,
New York, November 14, 1945.

HON. HAROLD KNUTSON,
House of Representatives,
Washington, D C.

DEAR SIR: As a member of the House Ways and Means Committee, I am writing to call to your attention a specimen of British chicanery upon an American investor which should be considered in connection with any proposed financial assistance to Great Britain.

In 1935 I purchased in the open market £1,000 of the British war loan of 1919, being the British funding 4 percent of 1960–90. These were at the time freely dealt in on the New York Stock Exchange and constituted a sacred trust of Great Britain similar to our Liberty bonds and the present Victory bonds. Following the passage of the Johnson Act, these bonds were no longer listed on the stock exchange, but the coupons continued to be paid in full by the Bank of England when they become due

This year, however, the coupons on the original bonds were exhausted, and in conformity with the statement printed on the bonds that new bonds would be supplied, I sent them to the Bank of England. They have now informed me that no new bonds will be supplied, but that I have become a registered holder of such securities, permanently deposited in the Bank of England My investment has therefore been impounded by the Bank of England; I cannot sell these bonds without their consent and, if I do, I cannot take the money out of England

Furthermore, the interest on these impounded bonds is now being sent to me with the British income tax—which is 50 cents on the dollar—deducted, so the money which I invested in good faith is now permanently locked up in England and its return has been reduced to one-half.

If this is a sample of the way American funds are to be treated, I hope that you will use your influence to deny any further financial assistance to Great Britain.

Very truly yours,
WM M CARPENTER,
Economist

I dare say Mr. Carpenter's experience has been the experience of many Americans who preferred to pocket their loss rather than admit to the world they had been bilked.

My friends, let us be realistic and, above all, not close our eyes to the picture that presents itself—

First. Britain does not need this loan.

Second. The United States of America is not in condition to longer finance foreign countries.

Third. The loan, if made, will not be repaid; neither will it promote world peace or prevent the spread of communism.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, when the distinguished gentleman from Minnesota was speaking a few moments ago he made reference to the election in Nebraska as having been a referendum. It seems to me extremely inconsistent that he should refer to the election in Nebraska as a referendum, and, when I asked him about the election in Minnesota, say, "Oh, no; that was not an issue." He referred me to the press. I have been reading the press from all over the country for the past few days and, as far as I can make out, the papers have considered it a definite referendum, and interpreted the Minnesota elections as a blow at isolationism. If I am wrong on that point, I would be glad to have the gentleman from Minnesota elaborate further on the so-called trap he was talking about.

Mr. KNUTSON. Senator SHIPSTEAD repeatedly asked Governor Thye how he stood on the British loan, and each time Governor Thye replied that it was not in issue because it would be disposed of before he would have an opportunity to act on it.

Mr. OUTLAND. Would the gentleman say that international cooperation on the one hand and isolationism on the other were an issue?

Mr. KNUTSON. No. I would say we had a very light turn-out Tuesday.

Mr. OUTLAND. I see. I thank the gentleman for his very lucid and lengthy explanation. It is truly enlightening.

I may say this in addition, Mr. Chairman, that the British loan per se may not have been in the Minnesota election, but the issue of international cooperation versus isolationism was an issue, and I think the people of Minnesota said very clearly where they stood. However, I do accept the explanation of the gentleman from Minnesota that there was a very light turn-out; had there been a larger one the people's decision would probably have been even more pronounced.

Mr. Chairman, it is a rather interesting situation we find ourselves in as far as the opposition to this loan is concerned. Before taking up my general remarks I should like to analyze this opposition.

In the first place, and I use this term not with opprobrium but as the most appropriate, we have those who are traditionally opposed to international commitments of any kind. For want of a better word, I shall refer to it as isolationism. I am sure that that is a position honestly and sincerely held, the feeling that the United States can once more attempt to retreat behind the Atlantic and the Pacific Oceans and live unto herself alone, and that we should therefore not get involved with any other nations of the world, financially or otherwise. We can always count upon that particular group to oppose any type of international obligations, and the present loan is no exception.

In the second place, we have those who are opposed to what they term the British "socialistic" form of government. I put the word "socialistic" in quotation marks because, as I have tried to follow the course of the present British Government, I can imagine nothing that in many ways is less socialistic than that same government. But those who oppose Britain's form of government are opposed to the loan for fear we shall be subsidizing socialism.

Joining with these two we have a third group, and this is the incongruous side of the picture. I call the attention of my good friend from New York [Mr. CELLER] especially to this third group. Joining with the isolationists and with those who do not like Britain's domestic government are those who do not like Britain's foreign policy. Because they do not like Britain's foreign policy in India or in Palestine or in the Far East or anyplace else they say, "Therefore, we are going to vote against the British loan."

Mr. Chairman, I can imagine no thinking more shortsighted than this. I can imagine the Chicago Tribune cheering the gentleman from New York after his speech the other day because here he is joining with those who do not want to cooperate with the other countries of the world.

It is sometimes contended that because this loan is to be made to Britain it is directed against Russia. I repudiate this concept. The loan is directed against no nation; it is directed toward the goal of greater economic international cooperation and that eventual goal includes all the countries of the world.

But the issue is clear cut. You have this alliance—I will not say an unholy alliance—between isolationists on the one hand and those who oppose Britain's foreign policy on the other. May I say to the gentleman from New York, [Mr. CELLER] that I too do not approve of Britain's policy in Palestine. I have joined time and time again in public protest against it. I do not approve of everything Britain does in India. But the issue is not whether we approve of that policy. The issue is whether this loan is a good thing for the United States of America and whether it is a good thing for world peace. That is the basis upon which we should analyze it. I hope we will forget our prejudices about certain phases of Britain's foreign or domestic policy and discuss the merits of the loan itself. I now yield to the gentleman from New York [Mr. CELLER].

Mr. CELLER. In addition to my objection to the British foreign policy and particularly to the attitude toward the subject of Jewish homelessness in Palestine, I oppose this loan on economic grounds. If the gentleman would read my speech made on the day before yesterday, he would find ample grounds for objection to this loan in that it is uneconomic for America to make the loan.

Mr. OUTLAND. I thank the gentleman. I read his speech with interest. May I say I probably will not be able to reach that phase in my remarks, but I have here six particular points that the gentleman made, and I shall attempt to answer each one of them in turn later on. I hope he will read the answers to these points when that time comes. May I repeat, Mr. Chairman, that the issues we have in this debate are not issues concerning the British domestic government; are not issues over British foreign policy. The clear-cut issue is: Are we going to back up our promises and our pledges of international cooperation and join with the other nations of the world, even if it means certain financial obligations, or are we going to retreat to isolationism? Whether or not a person's motives when he votes against this loan

are isolationist or not, I have an idea that the people of America are going to so interpret them. For my part, I do not want to be branded as one who thinks we can still retreat behind what once were pretty strong physical barriers. The issue is international cooperation, including economic, or world anarchy.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. JOHNSON of California. Is not the issue in this case whether or not this loan or this transaction looked at over a long period of time is going to be really beneficial to us either in the way of implementing more international trade or in the way of securing a better security system internationally?

Mr. OUTLAND. I think the gentleman is putting it absolutely correctly. I stressed those two points. One was our own best interest, and, second, the question of world peace in general. I thank the gentleman because I think those are the issues, and I am glad to see him reemphasize them. It may be that we disagree honestly as to whether the present loan will accomplish those purposes. I am supporting this loan wholeheartedly, not because I like Britain's foreign policy, not because I think it is our business to butt into Britain's form of domestic government any more than it is their business to butt into ours, but I am supporting his loan because I believe with all my heart that it is a good thing for the United States of America, and, following that, it is going to be a further step in implementing the United Nations organization and implementing Bretton Woods, aiming toward the world of the future where no nation can afford to live unto itself alone. If I thought otherwise, I would oppose this bill. Thinking and feeling as I do, I can do no other than to lend it my wholehearted support.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. KEEFE. Does the gentleman feel that a person who wholeheartedly and honestly supported the United Nations organization and who also wholeheartedly and honestly supported Bretton Woods, because of a similar firm conviction saw fit to vote against the British loan, he would be classed as an isolationist?

Mr. OUTLAND. May I say this to the gentleman. I think every Member of this House has the obligation, first of all, to his own conscience as to how he should vote and sincerely and honestly believing in a certain way should vote that way regardless of anything else, regardless of any pressure whatsoever. If the gentleman therefore voted in favor of the United Nations, if the gentleman voted in favor of Bretton Woods, but does not believe that the present loan would help accomplish the objectives of American security and world peace and consequently votes against it, I would honor him for voting his own conscience. I would think, however, that to reach that conclusion he would have to go through the most tortuous rationalizations. To me, it would be the height of inconsistency.

Mr. KEEFE. May I ask the gentleman this question, Will the gentleman in the course of his remarks explain just how the granting of this British loan and the implementation of the agreement that has been entered into is going to implement Bretton Woods or the International Bank, or is going to implement the United Nations organization? I would not to have the gentleman explain that clearly, if he will, instead of going into generalities, because I am interested in hearing the gentleman's argument.

Mr. OUTLAND. I will attempt to do so. My time is limited. In case I am not able to reach that point in my remarks, I hope to extend my remarks to cover that particular point.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. Yes. I am glad to yield to the gentleman who asked 121 questions.

Mr. GAVIN. I wish the gentleman would elaborate and discuss this program of Britain's Future in the Making, the social program of the new British Government—this program that defeated Churchill, that great British leader. A copy of this booklet is available from the British Information Services, and I certainly appreciate this extensive social program for the British people, but I do not believe we should ask American taxpayers to subsidize that program. Why do they not balance their budget? They are out of balance by about $3,000,000,000. They are carrying on an intensive social program that I would like to see adopted in America. Will the gentleman comment on that?

Mr. OUTLAND. Yes. I intend to talk about several of the points the gentleman mentioned. I do not think I can answer all 121 questions which he put in the RECORD the other day.

Mr. GAVIN. One hundred and twenty-three.

Mr. OUTLAND. One hundred and twenty-three. I beg the gentleman's pardon. If he will read the hearings he will find the answer to about a hundred of them. If he will read the report he will find the answer to perhaps 20 more of them. The ones that still remain he can find in the Encyclopedia Britannica, because they have no relationship to the British loan.

Mr. Chairman, I should now like to make certain general remarks, and also attempt to answer some of the objections that have arisen during the debate, and to try to meet some of the points raised by the gentleman from Pennsylvania, the gentleman from Wisconsin, and the gentleman from New York.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. Yes, I yield.

Mr. KEEFE. I value the gentleman's opinion and his judgment. He is a member of the committee. I would like to get the gentleman back to the question I asked a moment ago. Will the gentleman not dwell a little on those two questions I asked?

Mr. OUTLAND. I am going to dwell on the arguments which I consider to be fundamental and which deserve the major portion of the comment and attention on this floor, and I hope to come to the one the gentleman mentioned. First, however, I should like to make a brief general statement on the relation of this loan to our postwar program.

THE FINANCIAL AGREEMENT AND OUR POSTWAR PROGRAM

Mr. Chairman, before this week is over we shall cast our vote on this grave issue. It might appear at first glance that we are making the simple decision for or against a loan to England. But our decision involves much more than that. The question which we are asked to vote upon is this: Is the United States going to thrown down the gantlet of economic warfare? Are we going to challenge our recent allies to a death struggle for economic dominance? Are we going to revert to economic jungle warfare? Are we going to inform the world that the two great Allies of last year are to become the two great enemies of next year?

Let us not deceive ourselves. That is the real issue we shall vote upon. If we reject the financial agreement we will be declaring economic war as surely as the Japanese declared war when they struck at Pearl Harbor on December 7, 1941.

Mr. Chairman, every country of the world is watching the developments in this House with great interest and—I am afraid—with great anxiety. They look to the United States as a world leader. They are looking to us for the same leadership which we have given on so many issues in the recent past. At this moment they are wondering whether the country which contributed so much to the development of the United Nations organization—the country which contributed so much to developing and strengthening the Bretton Woods organizations—the country which is doing so much to feed the starving peoples of Europe and Asia—they are wondering whether that country is going to turn its back upon the whole program which has earned their respect and their confidence. Every important newspaper in the world is carrying daily accounts of the progress of the debate in this House. Every thinking person in every country of the world is wondering whether we are going to destroy the structure which we ourselves have done so much to raise.

We have rightly earned the respect and confidence of the world. Even while the war was in progress, we led the way in a cooperative program for insuring that the military conflict of the wartime period would not give way to an economic conflict in the postwar years. When the war ended, we continued to lead the way. We have supported the United Nations organization and the Bretton Woods organizations. Last December we took another step when we negotiated a financial agreement with England. That agreement said to the world that we ourselves were rejecting the path of economic warfare, and that we would continue to help other countries to reject that path.

The financial agreement was negotiated by American Cabinet officials and their associates. No one can question the loyalty or the ability of these negotiators. No one can doubt that they studied every aspect of the problem with

great thoroughness. They were guided by the impelling logic of our situation to devise an agreement which will become a landmark in the postwar economic history of the world.

The logic which they pursued cannot be denied. It is not difficult to grasp. It can be made clear by pointing out five simple facts. I should like to take a few minutes to summarize those facts.

The first fact is that the United States has committed itself to a policy of international economic cooperation. We have adopted this policy because we know it is in our own best interests. We have recognized that the welfare of the United States—that the economic and political security of our people—depends upon the security and prosperity of the world. We have been consistent in our pursuit of that policy. We have sought every practical means of fostering the peace and prosperity of the world because we know that such peace and such prosperity is fundamental to our own future.

But the peace and prosperity of the world cannot be guaranteed unless international trade is maintained at a high level and international transactions are conducted in a fair and orderly manner. One important basis of American prosperity lies in a prosperous international trade. That is the first fact.

The second clear fact is that we can never obtain our objectives if world trade is mutilated by the instruments of economic warfare. We have learned by bitter experience what these instruments are. Throughout the 1930's we stifled under the barricade of exchange controls, blocked currency, import restrictions, currency depreciation, and a host of other economic controls. We remember that our tremendous export industries which gained their prosperity through their efficiency, were helpless against the artificial barricades which were raised in foreign countries which devoted themselves to antarchistical methods of economic warfare. We know that we do not want to experience this devastation again. But we know that economic warfare will bring this devastation upon us. That is fact No. 2.

Fact No. 3 is that economic harmony in the world requires the cooperation of Great Britain. Next to the dollar, sterling is the most important currency in the world. Therefore, if economic peace is to prevail the British currency must be strong and it must be convertible. England dominates the British Empire and the sterling area, and these two account for almost half of the international trade of the world. A world-wide growth of prosperous trade cannot develop if this large economic area is isolated and impoverished. The British people must not be forced to resort to the instruments of warfare. They must not be forced to mold the sterling area into a huge armed camp. They must be invited to cooperate with our plans, and they must be in a position where they are able to render that cooperation. That is fact No. 3.

The fourth simple fact is that England is not in a position to take her place in the kind of world we want to create. The most important customer of the world is staggering under the burden of her postwar financial problems. Britain's imports have been cut to the bone. Her external debt is enormous. She faces a very severe economic problem which can only be solved by strenuous efforts over a period of years. That problem has many aspects, but only one of them is important to us now. That is the problem of the unavoidable deficit in Britain's balance of payments during the next few years. Britain must import to feed her people. But because of the devastation of war she cannot pay for those imports until her reconversion has been completed.

Without assistance, her alternative is clear: she will have to meet her problem by her own devices—and those devices are the instruments of economic warfare. England will leave the Bretton Woods organizations. She will have to resort to exchange controls. She may have to devalue the pound. She will be forced to discriminate against American exports. She will continue the dollar pool. She will mold the sterling area into a tremendous instrument for protecting her trade and discriminating against the trade of the United States.

She does not wish to do this. Her own prosperity will grow if world trade is prosperous. It is to England's advantage to join in our plans. But England simply cannot cooperate with us unless her transitional problem is solved. That is fact number four.

Mr. Chairman, I should like to restate these four facts which confronted our negotiators when they entered into the negotiations with the British. First: The United States is trying to create a prosperous and peaceful world. Second: Such a world cannot be created if international trade is beset with exchange controls and blocked currencies and the other instruments of economic warfare. Third: Universal economic harmony demands the full working cooperation of Great Britain and the great trading area she dominates. Fourth: Unless we assist in the solution of her tremendous financial problem, the British people will find it necessary to reject our plans, and to seek to improve their position by any methods available to them. Those methods will have to be the methods of economic warfare.

There is no denying these facts. It is fruitless to close our eyes to them. Together, they add up to a conclusion which is inescapable. That conclusion is that helping England is the logical way to continue our progress toward our postwar goal. That is what the financial agreement does. It is designed to promote our own interests. It is designed to continue our program toward national prosperity and national security.

The financial agreement provides for a loan of $3,750,000,000. The logic of our position has demonstrated that this credit is both wise and appropriate. By lending this money we are declaring that we are not going to turn our backs on the international problems of the postwar world. But it is only half of the agreement. The true significance of the agreement lies in England's agreement to cooperate with our program. We have gained England's commitment to dissolve the dollar pool. She will make sterling convertible within 1 year. She will not use her import quotas to discriminate against American products. She will cooperate with our plans for an International Trade Organization. She will reject every major device for economic discrimination. She will do exactly what the credit is intended to enable her to do: She will reject the alternative of economic warfare, and become a member of the universal trading system which we are trying to create.

The true significance of the agreement is that it overcomes the greatest obstacle now threatening the international economic peace of the world. It is the most important contribution we can make toward the completion of the structure which we have labored so long to build. That, Mr. Chairman, is fact number five. That is the keystone to the chain of logic which led our negotiators to formulate this agreement. That is the central fact which—if its implications are fully appreciated—will cause this House to vote overwhelmingly in favor of approving the financial agreement.

THE FALLACY OF CERTAIN OBJECTIONS TO THE FINANCIAL AGREEMENT

Mr. Chairman, I would now like to take a few minutes to talk about some of the arguments which have been raised against the financial agreement.

It has been said that instead of extending a credit to England, we should enact legislation for the direct benefits of veterans in the United States. Certainly there will be no opposition to any measure designed to express the gratitude of this country for the sacrifices made by our veterans. It seems to me, however, that nothing but confusion can result from attempting to connect such proposed legislation with the resolution which is now before us.

There is nothing in the financial agreement which in any way prevents the Congress from taking any action it may wish for the benefit of our veterans. We are free at any time to entertain proposals for any and all types of assistance which any Congressman may feel would benefit the veterans. To suggest that approval of the present resolution would prevent us from aiding the veterans is simply a false argument.

This argument is sometimes given a more subtle implication which is just as fallacious. We are sometimes led to believe that implementing the financial agreement is somehow harmful to the veteran. Nothing could be further from the truth. The primary purpose of the financial agreement is to contribute to the prosperity and the general welfare of every citizen in the United States. I am convinced that it will achieve this prosperity. I am convinced that every American will be more secure and more prosperous under conditions of Anglo-American cooperation, than if the United States and Britain are engaged in a deadly economic war. Every American—including every veteran—will benefit from this financial agreement. The fighting man of yesterday is the businessman of today. He is working in a

shop or on a farm, or has set up a small business with money borrowed under the GI bill of rights. What he wants today is security in his job and profits for his small enterprise. A prosperous America will insure him of those things.

I should like to go one step further. We have won the war. The veterans have brought us to a glorious triumph over our enemies in the field. Their mission is accomplished. Our part, however, is as yet unfinished. We are the representatives of all the people, including the veterans and their families. We have the continuing obligation of securing the veterans and their families. We can only keep faith with the veterans if we strive relentlessly to provide for them a world in which they will be happy to live. We must provide an environment which will be prosperous, and we must help to create international harmony. These are the things which the financial agreement is designed to promote. One way to help fulfill our solemn obligation to our veterans is to approve the financial agreement.

In my judgment, the granting of this loan is an important step in increasing our prosperity at home and in maintaining peaceful relations abroad. As we do those two things it seems to me we are definitely helping the veterans throughout the United States, as well as helping the rest.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. KEEFE. May I ask the gentleman this question: I have been intrigued the last few days in reading some of the comments of one of the great commentators whose column appears throughout the country——

Mr. OUTLAND. In what paper, may I ask the gentleman?

Mr. KEEFE. In the Washington Star in which he violently, vigorously, and honestly, was supporting the British loan. In his column last night he devoted himself to the so-called terminal-leave pay bill that has been passed by the Congress. He pointed out that that bill will cost $3,500,000,000 and predicted that it would not only unbalance the Budget, but would bring financial chaos to the Nation.

Mr. OUTLAND. Do I understand the gentleman to be against that particular veterans' bill?

Mr. KEEFE. What is that?

Mr. OUTLAND. Do I understand the gentleman is against the provisions of that bill?

Mr. KEEFE. I voted for it; but what I wanted to say with respect to that was that this columnist says that bill which will cost $3,500,000,000, which would add $3,500,000,000 to the national debt, is going to bring financial chaos to the Treasury, but in the same breath he says we can add $3,500,000,000 to that same debt through a loan to Britain and great benefits are going to accrue as a result. I would like to know what the gentleman's answer to that is.

Mr. OUTLAND. No; I say to the gentleman, I cannot judge the mental processes of a particular newspaper writer or a particular radio commentator; I cannot tell the reason for his particular statements. I would say, however, that along with the gentleman from Wisconsin I supported 100 percent the terminal-leave pay bill, because I thought it was right, just, and fair. I am supporting the British loan because I think it will help those same veterans to whom we are granting this terminal pay. It will help to build a more stable world order for them and their children.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. WHITE. The gentleman says he sees nothing in the loan to prevent increasing social security and increasing veterans' benefits. Does the gentleman think there is no limit to the burden the taxpayers of this country can bear?

Mr. OUTLAND. In answer to that question, may I say that the taxpayers of this country will be infinitely worse off if we go into a period of postwar international collapse that would affect every bank and every pay roll, that would cause our industrial machine to break down and put millions of unemployed on the streets. Then this $3,500,000,000 loan to England would seem but a drop in the bucket compared to the relief funds needed to meet the unemployment flowing from a break-down of international trade. Such a break-down would inevitably follow an economic war between ourselves and Great Britain.

Mr. WHITE. The gentleman is familiar with our national income. How can he say the withholding of this loan would have this effect?

Mr. OUTLAND. Probably because the situation changed with reference to silver.

Mr. WHITE. The gentleman wants to bring in the silver issue, all right. I want to tell the gentleman who raises that subject that it was because of manipulations with silver in India by the British Empire, if you please, that broke down the purchasing power of our Asiatic customers and threw us into a tailspin which took us $62,000,000,000 to stop, and that has caused us to readjust our national economy. Do not forget silver when you are making your allusions.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the distinguished chairman of my committee.

Mr. SPENCE. In Saturday's Star, David Lawrence, dealing with the Minnesota elections, stated that it was a heavy indication in favor of the loan. The gentleman says there was not much of a turn-out.

Mr. OUTLAND. You mean the gentleman from Minnesota.

Mr. SPENCE. Yes. It was 140,000 against 215,000, which is a considerable turn-out.

Mr. KNUTSON. Not in Minnesota.

Mr. SPENCE. It is quite a turn-out.

Mr. KNUTSON. Let me say to the gentleman from Kentucky, in order to keep the record clean—of course, I assume some columnist in Washington knows better than the people back in Minnesota and those who write for the papers out there; but the papers every day quoted Senator SHIPSTEAD as asking Governor Thye how he stood on the British loan and each time he replied it was not an issue, and, of course, it was not an issue.

Mr. SPENCE. Mr. Chairman, will the gentleman yield further?

Mr. OUTLAND. I yield.

Mr. SPENCE. I am quite sure the gentleman from Minnesota considered this an issue before the election. Since then it has not been an issue.

Mr. KNUTSON. If it had been made an issue the result would have been far different.

Mr. OUTLAND. It might even be true that some newspaper commentators with no personal bias involved, might have a more accurate viewpoint of the Minnesota elections than certain people in that State.

Mr. SPENCE. I thought it was a very beautiful sign. I know that the Central West has been the center of isolationism in the past, but times change and men change with them. I thought it was really a good sign that they had changed and that they were going to adopt a reasonable policy, that we could not hide behind the ocean, we could not live a hermit's life, that we had to take our place among the nations of the earth.

Mr. OUTLAND. I join with the gentleman, but I am afraid, perhaps, there are some limitations on that hope. Miracles may happen, however.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. It seems to me very clear that men change, because in 1932 the issue that clinched the landslide vote was "Throw out the rascals responsible for giving away to foreign governments." Yet the Democrats over there, or a large number of them, voted against the moratorium.

Mr. OUTLAND. In 1932?

Miss SUMNER of Illinois. Yes.

Mr. OUTLAND. Well, they were thrown out.

Miss SUMNER of Illinois. Now they are all for giving away. They got in power on the platform of not giving away. Now they are all for giving away.

Mr. OUTLAND. May I say to the gentlewoman this issue of the British loan is tied in like United Nations relief, like the United Nations organization, like Bretton Woods, with our whole foreign policy, and I do not like to see anything in the way of partisan politics come in. There should be support from both sides of the House for it, and there should not be even an innuendo of politics in it.

Miss SUMNER of Illinois. What has politics got to do with it? I would be delighted if the Democrats would get in here and defeat this thing. I certainly have been arguing for its defeat as hard as I can. I do not see where politics come in. I am trying to tell them not to vote for this thing.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from New York.

Mr. CELLER. It might be well to point out that the interest on this loan to Great Britain is 1.6 percent. When a veteran has to borrow he must pay 4 percent on the loan.

Mr. OUTLAND. The gentleman from New York knows as well as I do that this is not a straight loan. He knows that the United States gets in return a great many concessions from the British Empire concerning the sterling bloc, concerning the removal of trade restrictions, all of which enters into the whole arrangement; the bringing in of the interest rate on loans to veterans and the interest rate on the loan to Great Britain is simply drawing a red herring across the trail.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from California.

Mr. VOORHIS of California. I want to point out in substantiation of what the gentleman has just said that veterans' loans are not made by the United States Government or an agency thereof. They are made by private agencies. If they were made by an agency of the Government they undoubtedly could be and would be made at a rate of interest no more than the rate of interest on the British loan.

Mr. CELLER. But the interest rate is fixed by the Government.

Mr. VOORHIS of California. Yes; but those who support the veterans can very well support the loan because there is no conflict.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from New York.

Mr. BARRY. Will the gentleman tell me one single concession made under this agreement which was not made under the Bretton Woods agreement?

Mr. OUTLAND. Well, there are several of them. They are all listed.

Mr. BARRY. Tell me one.

Mr. OUTLAND. The British agree to abolish the sterling bloc; then there is the British agreement to do away with certain restrictive trade practices.

Mr. BARRY. That is not in Bretton Woods.

Mr. OUTLAND. Yes, that is right.

Mr. BARRY. The only difference, according to Mr. Clayton, who should know something about it, is that under the Bretton Woods agreement Britain may have 5 years. Under this agreement it is only 1 year. But under this agreement that 1-year clause is an exception. If we do not agree it is an exception, then what can we do about it because they already have the money?

Mr. OUTLAND. Mr. Chairman, I was granted five additional minutes, of which I have only a few left. I want to bring out two points that have been raised and comment on them very briefly. In answer to the gentleman from New York, who is a distinguished member of our Banking and Currency Committee, may I say that he will find most of the answer to his questions on pages 13 and 14 of the Treasury Department's "Questions and Answers or the Anglo-American Financial Agreement." There are here listed some 12 specific gains which accrue to the United States under the terms of this loan.

Mr. Chairman, it has been argued that England is likely to default on this credit because she did not completely repay her World War I debt to the United States. I would like to correct some misunderstandings on this score.

England borrowed a lot of money during the last war. She borrowed $3,500,000,000 which she used in the fighting. She also borrowed about $600,000,000, after the war, which was used for economic reconstruction. Until 1932, the British met their payments regularly. They paid back more than $2,000,000,000, or three and a half times the amount of money which they had available for the same uses to which they are going to put this new credit. This time the full amount of the credit will be used for economic purposes. They will be required to pay us, not three and a half times what we send them, but less than twice what we send them. The situation is entirely different. They should be able to pay us back, and I am confident that they will.

But some people say we ought to consider England's record in connection with all the money borrowed, both for war purposes and for economic purposes. All right, let us do just that.

A tabulation of all the World War I loans made by this Government shows that we loaned out more than $10,000,000,000 to 20 countries, and got back in principal and interest about $2,750,000,000. On the average the countries which borrowed from us during World War I paid back 27 percent of the money we loaned them. We know the reasons why payments stopped when President Hoover declared a moratorium.

But it does not seem to be commonly known that England's record in repayment was much better than that of any other major power. Considering everything that the British borrowed—for war purposes and for reconstruction purposes together—they paid us almost 50 cents on the dollar. The other 19 countries that borrowed from us paid us about 12 cents on the dollar. Only 40 percent of what we paid out went to England, but 80 percent of what we got back came from England.

To my mind that record shows that England did the best that could be done in repaying a debt which was largely incurred in fighting a common enemy. England kept paying until her ability to pay was curtailed by the stop in reparations payments, by failure to collect her own loans to her allies, and by the break-down in world trade. It is not generally known in this country that England had more money owed to her than she owed to us on the day that the Hoover moratorium was declared. The break-down of intergovernmental payments caused a net loss to England, not a net gain.

We cannot conclude from the experience of the 1930's that England will default on this credit. The money will be used for productive purposes, and we will be building a world in which money put to economic uses will create the means of its own repayment.

Mr. Chairman, some opposition to the financial agreement has been based upon the belief that by extending a credit to England we are fostering socialism and communism in that country. Personally I do not think that this country need have any fear of a subversive influence arising out of the Labor Party of Great Britain which, as the duly elected representatives of their people, recently voted 6 to 1 against aligning themselves with communism. But even if there were any basis for such a fear there could be no logic whatever in the contention that this loan will create or foster socialism throughout the world. The simple fact is that the British Government does not need foreign currencies with which to nationalize British industries. They can obtain all of the pounds sterling they need by borrowing from their own people in the London market. I should like to note, in passing, that the British people seem to have much less fear of the impact of socialism in their country than some people in the United States.

British Government securities are now selling at some of the highest rates they have ever known. I do not observe any tendency of the British people to be so fearful of their Government's policies that they are stampeding away from the purchase of British Government securities. If the British Government wants to finance a broad program of socialism they have only to borrow in the domestic market, where the people are showing every confidence in the stability of their Government's finances.

The British do not need dollars in order to finance the Labor Party program. But those in this country who fear the impact of the Labor Party program would do well to consider the alternative which would result if this credit is rejected. It has been repeatedly shown that the result of refusing assistance to the British would be to put their economy in such tightened circumstances that the Government would have to resort to every kind of authoritative control. There can be no doubt that the British people would stand firmly behind them in this, once they had realized that the United States had refused to assist them. Those who fear a continuing expansion of Government control over the British economy—or over any other foreign economy—should stand solidly behind extending this credit to Britain. The only way in which we can create the circumstances which will encourage and promote a relaxation of government controls is to place England and the other countries of the sterling area in such a position that they are not absolutely forced to resort to intensified controls in order to meet their economic problem.

If I were one of those who were fearful of the impact of British socialism on the United States or on the world in general, I would make every effort to insure the passage of this resolution.

Mr. Chairman, one of the strongest arguments against the resolution has

been advanced by those who say that this credit will be used to finance British competition against the United States in the markets of the world. It is difficult for me to understand the logic which lies behind this argument. I can think of no stronger argument for approving this resolution than the realization of the situation which will develop if England does not receive financial assistance from abroad. Without assistance from the United States, England will be forced to use every unfair device at her disposal in order to discriminate against American products and to eliminate us from the markets of the world.

The financial agreement is not going to eliminate competition between the United States and England. British and American exporters have always competed, and they will continue to compete in the markets of the world. We cannot eliminate this competition, and I do not believe that we want to eliminate it. But certainly we have every interest in insuring that that competition shall be conducted under rules of fair play. American exporters do not fear competition from abroad. Our tremendous efficiency has permitted us to penetrate every market of the world and our tremendous prosperity has been built upon a steady expansion of our export trade. But there is one thing against which even our superior productivity is completely helpless. That is the system of authoritative control of international trade. If world trade is not hampered by exchange controls and currency devaluations and import restrictions, we can continue to new high levels of world trade. But if the British are driven by lack of financial assistance to the creation of a tremendous economic bloc which uses every discriminatory device available, the depression which will strike our export industries will react upon every corner of the American economy. The financial agreement is the soundest measure we can take to protect American businessmen who wish to sell their goods in foreign markets. It is a measure which will insure that our inevitable competition with Britain will be a fair competition—and American industry has never feared fair competition.

Mr. Chairman, we are facing the issue of economic peace or economic warfare. If we reject the financial agreement we are challenging the British to enter into cutthroat competition with no holds barred. If we extend this credit to Britain she will be required to live up to the commitments of the financial agreement and those commitments are the safest insurance we can obtain for guaranteeing the prosperity of the American businessman and the American Nation.

And now, Mr. Chairman, I should like to analyze some of the arguments made on this floor several days ago by my good friend the gentleman from New York [Mr. CELLER].

THE ARGUMENT THAT THE UNITED STATES WILL HAVE TO MAKE REPEATED LOANS TO THE UNITED KINGDOM BECAUSE BRITAIN CANNOT EARN HER WAY

The gentleman from New York, Representative CELLER, said during the debate on July 9, 1946, that—

> The state of British industry is such that her goods cannot compete in a free unrestricted market with those of the United States.

He contends that Britain could not increase her exports enough to pay her way unless she maintained trade restrictions. Therefore, he said:

> A little later we shall be prevailed upon to make another loan in order to protect this loan.

The analysis of the gentleman from New York, Representative CELLER, is incorrect on several counts.

In the first place, the facts show that Britain is increasing her exports at a rapid rate. She has not been able to increase them far enough to pay all of her way, but this is only to be expected during the transition—in fact, that is the very reason for the financial agreement. However, economists on both sides of the Atlantic have calculated that if Britain can raise her exports 40 to 75 percent above the prewar level, she can pay her way. Britain is going to do this. She is going to do it by increasing the number of laborers in export industries. At the present time, she has about 25 percent more workers in export industries than she did before the war. The results of this are already clear. In May, exports were already about 15 percent above the 1938 volume, in spite of the fact that during last year they averaged less than half of the 1945 volume. Britain has not yet reached her goal but she shows every ability to do so.

In the second place, it should be remembered that the British and the Americans do not produce and export exactly the same kind of goods. There is room in the world market for both countries. It is true that in general American industry is more efficient than British industry. But this does not show that both countries will find it impossible to sell side by side. This is obvious from the fact that Britain sells many things in the American market and at the same time we sell many things in the British market. Other fields which look competitive at first glance are really not competitive—British automobiles, for example, are smaller in size than American automobiles and appeal to different classes of buyers.

In the third place, and more important perhaps, is the fact that the argument overlooks the possibility of an increasing international trade. International trade is not a fixed quantity, out of which one nation must get a smaller amount if another nation increases its exports. Experience has shown that when world trade prospers, all countries tend to increase their exports at the same time. This is the situation the financial agreement is designed to promote. It is true that the United States will increase its exports, but that does not mean that Britain's exports will be smaller, absolutely, than before the war. Also it should be noted that before the war, when American industry was generally more efficient than British industry, the per capita exports of the British people were two and one-half times of those of the United States. This is convincing evidence that superior productivity on the part of the United States does not mean a lower per capita volume of exports by the British. British and American exports are going upward together.

In the fourth place, it should be noted that Britain's imports will not be entirely for food. If the financial agreement is approved, it is reasonable to expect that the United Kingdom will import capital equipment and machine tools and raw materials for her factories. With British industry and ingenuity these materials will be converted into export products. The financial agreement will assist the United States by providing a market for these capital goods which we can produce in surplus. It will also assist the United Kingdom to expand its exports, and, by raising the level of prosperity in the United Kingdom, it will increase the buying of the British public and therefore benefit the whole world, including the United States.

REPRESENTATIVE CELLER'S ARGUMENT FOR PURCHASING STRATEGIC MATERIALS

The gentleman from New York, Representative CELLER, says that he would prefer to see an arrangement whereby the United States will buy strategic materials from England and her possessions. He suggests that—

> We would set up dollar credits for Britain which she needs badly. We would agree to accept payment in the raw materials which we need now and will continue to need in the future. In this way we arrange a buyer-seller deal instead of a lender-borrower arrangement. We then eliminate the possibility of British default.

There are a number of fallacies in this analysis:

First. In the first place, there is nothing to stop us right now from buying all the strategic materials the Government may wish to buy. If we want to import strategic materials from the United Kingdom they would be only to happy to send them to us. The financial agreement does not in any way prevent us from doing this.

Second. However, if—as the gentleman from New York, Representative CELLER, suggests—we should make our payment now and receive the goods in the future the program would not be in any way different than that which is proposed by the financial agreement. The gentleman from New York, Representative CELLER, recognizes that the British need the credit badly. He proposes that we give them credit to be repaid by future delivery of goods. But in what way is this different from the financial agreement? England has agreed to pay us, roughly, $120,000,000 a year for 50 years. This has all the advantages and none of the disadvantages of being repaid in specific strategic materials.

If we find that we want to buy tin or chromium or antimony or mercury or nickel or manganese or zinc, we can buy them out of money which England will be paying us. We have just as much ability to do that under the financial agreement as under a commodity agreement. And we do not have the disadvantages: We do not know today what our demands for strategic materials will be 5 years from today. We do not know whether we will want more tin and less mercury or

more mercury and less tin. If we had a commodity agreement we would either be receiving goods that we do not want, or we would have to go through the long process of negotiating the agreement all over again. The financial agreement permits us greater liberty than this. We get the dollars. Dollars will go for purchasing any commodities in any part of the world. The financial agreement gives everything that Representative CELLER's plan would give us, and more besides.

Third. In the third place, Representative CELLER's argument is based on faulty economic analysis. He seems to think that a payment in goods is entirely separate from a payment in money. It has been repeatedly pointed out that Britain will get the dollars for repaying us by expanding her exports. She has to expand her exports whether she pays us in dollars or in goods. After the transition the funds which Britain uses to repay the United States credit will be obtained by exports to the sterling area and to all other countries of the world. In one way or another Britain's repayment ultimately comes down to exporting. Therefore we are not adding anything new when we suggest that England should export goods to us instead of repaying dollars to us. Economically, they are the same thing except that if we receive dollars we are at liberty to use those dollars to purchase anything we want.

Fourth. In the fourth place, the gentleman from New York, Representative CELLER, does not seem to understand that the pound sterling is a different currency from the Australian pound or the Canadian dollar or any other currency of the world. He has given a long list of strategic materials. It is significant that not a single one of these materials is obtained in the United Kingdom. He gives a long list of areas in which these materials can be found. But every one of them is a British Dominion or colony. At the present time, it is just as difficult for Britain to buy zinc and asbestos and mercury and nickel in Canada as it is for her to buy products in the United States—or it would be if Canada had not given her a credit. Similarly, if England wants to buy from India or South Africa or Australia, she has to pay in rupees, South African pounds, or Australian pounds. The gentleman from New York, Representative CELLER, seems to think that England is well supplied with these currencies. That is absolutely contrary to the fact. These countries hold substantial amounts of sterling, but England holds very little of their currencies. During the transition period England would have to borrow much more from the countries to which she already owes tremendous sums, in order to obtain those raw materials. This would mean increasing the sterling balances which England already owes to those countries. This is nothing more than increasing the tremendous external debt of Britain which already hangs like a cloud over the future of international commerce.

The simple economic fact is that England is not now in a position to export more than she imports. Therefore—although she could supply some goods—she cannot now supply us with enough to finance her deficit. If she could she would be very happy to do so since it would relieve her of paying interest over 50 years.

On the other hand, when England has weathered the transition, her exports will have risen enough so that she will be able to acquire foreign exchange. She will pay the United States in foreign exchange—in dollars. From our point of view, it is much better to receive dollars than to receive specific commodities, our demands for which cannot be predicted over a long period of 50 years.

REPRESENTATIVE CELLER'S STATEMENT THAT THE UNITED KINGDOM NEEDS $2,600,000,000 FOR THE WORLD FUND AND BANK, AND WILL GET THIS OUT OF THE UNITED STATES CREDIT

The gentleman from New York, Congressman CELLER, said:

> Britain promised her subscription of $2,600,000,000 to the World Bank.

He meant, of course, to the world bank and world fund.

> From where did she expect to get these funds? It looks mighty suspicious that she expects to get the money from us to give to Bretton Woods. She now says that if we do not make the loan she will not be able to participate in the world bank and stabilization fund.

This statement shows a misunderstanding both (a) of the mechanics of paying a contribution to the Bretton Woods institutions, and (b) of Britain's reasons for stating she will withdraw from Bretton Woods if the credit is not made available.

Assistant Secretary Clayton made it very clear in the House testimony that Britain does not need a full $2,600,000,000 in gold and dollars to join Bretton Woods. Britain needs $194,000,000 to join the fund, and $26,000,000 to join the bank. The remainder of her initial quota will be in sterling—which, of course, Britain can readily supply. Therefore it is apparent that only $220,000,000 in gold and dollars is necessary for joining Bretton Woods.

Secretary Vinson disclosed during the hearings that Britain's gold and dollar balances amounted to about $1,800,000,000. Thus only about 12 percent of her holdings at the end of 1945 were necessary to completely satisfy the requirements for joining both Bretton Woods organizations. It is a complete distortion of the facts to say that Britain needs $2,600,000,000 in gold and dollars, or that she could not make her contribution without the dollar credit. England will pay her way into the fund and bank out of her present resources.

However, the dollar credit is necessary if Britain is to fulfill the obligations of membership in Bretton Woods. Bretton Woods requires that currencies be made convertible and that discriminatory practices be reduced or eliminated. That is the real reason why Britain will drop Bretton Woods if she does not get the dollars. The fundamental purpose of our loan is to put England in a position where she can undertake exactly these obligations. The financial agreement is directed at the same kind of fair practices as the Bretton Woods organizations are seeking to achieve. But Britain's financial problem is so great that if she does not get dollars she cannot look forward to eliminating economic controls and discriminations for a long time to come. England is not going to drop the Bretton Woods organizations because she cannot pay her initial subscription; without the dollar loan England would consider leaving Bretton Woods because of the continuing day-to-day obligation which requires a stronger financial position than England can expect to have unless we render her assistance.

REPRESENTATIVE CELLER'S ARGUMENT THAT QUOTA ARRANGEMENTS ARE CLEARLY RECOGNIZED IN THE FINANCIAL ARRANGEMENT

The gentleman from New York, Representative CELLER made a point of the fact that the financial agreement recognizes that the United Kingdom might impose quantitative import restrictions. This is in article 9 of the financial agreement. Two points should be made with respect to this argument. As has been clearly stated many times, the United Kingdom cannot hope to solve all of her problems in a short time. The financial agreement will assist her a great deal, but it will not do the whole job. The British must still tighten their belts. They will not be able to buy what they wish, even if those dollars are available. The British Government will have to tell its people that they must continue to get along without some of the things they want from abroad. The only way they can do this is to maintain control over the volume of imports. The real significance of this section is therefore that it recognizes that even with our assistance the British still have a serious problem and their standard of living will still not be as high as they would like.

More important, however, is the provision of section 9 which the gentleman from New York, Representative CELLER, failed to mention. That is the provision that if the United Kingdom restricts its imports "such restriction shall be administered on a basis which does not discriminate against imports from" the United States. This is a very important provision. It is a supplement to section 8. Section 8 says that United States citizens will be able to convert their sterling freely into dollars. It deals with the financial side of increasing United States exports to Britain. But section 8 could have been ineffective if the British—while permitting the conversion of currency—had nevertheless restricted imports from the United States. The British promised two things. They would not discriminate against our financial transactions, and they would also not discriminate against the commercial transactions which give rise to those financial transactions. Section 9 therefore protects American interests. Sections 8 and 9 together constitute a guaranty that America can trade with Britain on a fair and equitable basis. These sections recognize that the British will not be able to import all they want, but these sections guarantee that the United States will get a fair share of the trade which Britain is able to conduct

and will be able to get dollars for the sterling receipts arising out of that trade.

REPRESENTATIVE CELLER'S ARGUMENT ON IMPERIAL PREFERENCE

The gentleman from New York, Representative CELLER, objects because the United Kingdom has not made a definite commitment doing away with all imperial preferences.

It should be noted however both (a) that there are good reasons why imperial preference cannot be swept aside in a moment, and (b) the United Kingdom's commitments are more definite than he seems to think.

In the first place, it must be realized that the imperial preference system is maintained by a series of treaties between the United Kingdom and the several dominions of the Empire. As with any treaty, a renegotiation cannot be undertaken on a unilateral basis. Unless the British wish to dishonor their written word contained in those treaties, it is impossible to throw aside imperial preference by action from London alone. It was just as impossible for the British to dispense with imperial preference during the negotiations last fall as it would have been for us to have terminated any treaty we want with a foreign country and do it according to the rules which we are trying to lay down for the conduct of international affairs in the postwar world. The elimination or reduction of imperial preference requires consultation among all of the countries concerned. It is for this reason that the United States has proposed an international trade conference which will bring to the conference table all of the countries which are concerned in the treaties and arrangements which at present threaten world trade.

In the second place, it should be noted that the government of the United Kingdom stated last December that it "is in full agreement on all important points" in the American proposals for the expansion of world trade and employment. The United Kingdom promises to use its best endeavors to bring the proposed discussions to a successful conclusion. They agreed with us on the procedure for the international negotiations and implementation of the proposals.

The proposals themselves indicate that imperial preference is one of the systems which will be attacked. Chapter 3, section b, of the proposed International Trade Organization deals with tariffs and preferences. This is one of the important points on which the United Kingdom avowed its agreement with the United States. Section b says:

> Members should enter into arrangements for the substantial reduction of tariffs and for the elimination of tariff preferences. The elimination of tariff preferences, it continues, should be undertaken in connection with measures which will reduce instead of increase barriers to world trade.

The section lays down the general rules for the elimination of tariff preferences. These rules are as follows:

(a) Existing international commitments will not be permitted to stand in the way of action agreed upon with respect to tariff preferences.

(b) All negotiated reductions in most-favored-nation tariffs will operate automatically to reduce or eliminate margins of preference.

(c) Margins of preference on any product will in no case be increased and no new preferences will be introduced.

More important, perhaps, is the consideration of the alternative to the financial agreement. It is true that the British did not—and morally and legally could not—dispense with all imperial preferences at one stroke during the negotiations. But they did agree to consultation upon these matters in the manner which the United States has been trying to promote for the conduct of international affairs. There is reason to hope that substantial gains will be made in the reduction of imperial preferences. But what gains could we hope to make if we do not approve the financial agreement? No one doubts that if the British do not receive the assistance they need they will be forced to intensify every kind of economic control. Can anyone seriously believe that we stand a better chance of reducing imperial preferences without the loan than we do with the loan? It is quite apparent that we have everything to lose and nothing to gain in the matter of imperial preferences by rejecting the financial agreement.

REPRESENTATIVE CELLER'S ARGUMENT AGAINST BRITISH LOANS TO CZECHOSLOVAKIA AND GREECE

The gentleman from New York, Representative CELLER, stated that Britain has loaned money to Czechoslovakia and Greece. He states that these loans will have to be paid with goods and that she will use our dollars to make up for the loan of sterling to Greece.

The following observations should be made on this argument:

First. In the first place, these loans are relatively small. Britain has not gone on a tremendous lending campaign. These loans are in the nature of commercial credits to countries which are in straitened circumstances because of the war. The United States has no reason to object to small loans like this. We have no more reason to object to them than a bank would have if a large merchant who borrowed from the bank extended credit to his customers. Such credits are the normal counterpart of international trade. If we asked that England demand cash payment for all trading transactions merely because she is borrowing from us, this would virtually amount to telling England that she must stop all exports—and the expansion of British exports is as important to us as it is to England. No bank would insist on lending money only to merchants which demanded cash payment from all of the firms which bought goods from the merchants.

Second. The gentleman from New York, Representative CELLER, seems to forget that both loans—our loan to the United Kingdom and the United Kingdom loan to Greece—will be repaid. It is true that the United Kingdom must supply goods to Greece as the real counterpart of the financial loan, but it is just as true that Greece's exports or the United Kingdom's exports will have to be used to repay the loans. The United Kingdom will receive foreign currency by means of her exports and will convert this currency into dollars in order to pay us. We are going to get our dollars back.

Third. Another consideration is that even if the United Kingdom gave actual dollar credits to Greece—which she did not—Greece would have to spend these dollars in the United States directly or indirectly. Dollars can be spent only in the United States. Our export trade will be expanded regardless of whether the dollars are spent by the United Kingdom or Greece or any third country.

Fourth. It is an economic fallacy to think that a debtor country never lends money. The gentleman from New York, Representative CELLER, should remember the history of the United States. In 1913 the United States was one of the largest debtor countries in the world. Nevertheless, at the same time we had investments in Canada and South America and in Europe. We were a borrowing country. We had to borrow abroad to build our industrial and agricultural capacities. We could not have built our tremendous railroad systems or our large industrial plants without foreign borrowing, but at the same time, we had investments abroad. Our citizens held the bonds of foreign governments and our traders extended commercial credit to their customers. England is a debtor at the present time, but it is only natural that she should make some loans to countries which need the money because of the devastation of the war.

My time has expired, Mr. Chairman, and I wish to conclude with this one thought. I sincerely trust that when the House comes to a vote upon this bill it will lay aside the issue of Britain's domestic government, Britain's foreign policy, whether or not we like what Britain did in Palestine or not, whether we like the memory of 1776 or not, and concentrate on the present and on the future interest of America and the future peace of the world which is going to be greatly furthered by this proposed loan. I hope this bill will be adopted by an overwhelming majority.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I do not think the proposed British loan of $3,750,000,000 should be made, as I feel it will not result in any considerable or proportionate benefit to the American people. I am convinced that from a financial and economic point of view it would be a bad bargain and a foolish venture.

Because of the complex issues involved in this measure I cannot in these brief remarks attempt to discuss it in detail, but to me the terms of the loan are most unbusinesslike. To loan money from 5 to 55 years to any foreign government without security is an unsound banking practice. It seems to me the proposed agreement is full of loopholes insofar as

Britain's responsibility is concerned. We make positive commitments but we receive in exchange only evasive and ambiguous promises such as "unless in exceptional cases a later date is agreed upon after consultation." Again, instead of using the words "the United Kingdom agrees" they use such weak language as "it is understood the United Kingdom will."

While the British Government has billions of dollars' worth of assets in other countries, including diamond reserves—to say nothing of cash and several billions of dollars of assets in this country—we are told it is necessary for us to grant this loan so that England can promote trade with us.

ALICE IN WONDERLAND

President Truman in his message to Congress on January 30, 1946, advocating the British loan, gave as one of the reasons for its support "that at the same time it will keep open a market for those surpluses of the United States which are customarily exported to the United Kingdom."

Let us see what President Roosevelt had to say on the same subject. At Columbus, Ohio, on March 20, 1932, he made an attack against encouraging people to invest in foreign securities in order to promote trade. The President at that time used Alice in Wonderland as the basis of attack. He said:

Alice is talking. "What if we produce a surplus?" "Oh, we can sell it to foreign consumers." "How can foreign consumers buy it?" "Why, we can lend them the money." "Oh, I see," said Alice, "they will buy our surplus with our money."

Thus Mr. Truman is asking us to add to our deficit almost $4,000,000,000 so that we may export our surpluses and pay for them with our own money. This he advocates doing at a time when there are no surpluses but scarcities exist. Yes, as Mr. Roosevelt said, it sounds like Alice in Wonderland.

FOREIGN COMPETITION

In considering this loan which covers such a long period of time and which has as one of its objectives the lowering of tariff restrictions and the promotion of free trade, we must keep in mind that while we want to sell our products abroad there will come a time when the effects of this loan will place our own industries and agriculture in competition with those of the British Commonwealth.

We must be farsighted and take no action which will make it possible for cheaply produced goods to be brought into this country to the detriment of our own industries; or because of lower tariff rates to permit agriculture products to be imported in direct competition with our farmers. We must protect our American markets against low-cost foreign production which would be detrimental to American labor, American industry, and agriculture.

VETERANS AND HOUSING

The proposed agreement also contains waivers as to interest, with no interest for 6 years and thereafter only under certain conditions.

I just cannot understand why we should make a loan to Great Britain with interest at less than 2 percent—in reality it amounts to 1.6 percent—when we charge our own veterans up to 4 percent for the same privilege. With their great need for homes we must not lose sight of the fact that this same sum, $3,750,000,000, if spent in this country would purchase hundreds of thousands of homes for our GI's.

Let me illustrate this point by quoting a letter from a veteran in my district which he directed to the President:

To: President Truman.
From: Allie J. Lymenstull, Quincy, Ill.
Date: May 15, 1946.
Subject: Request for immediate loan of $10,000 from United States Government.

1. It is requested that the United States Government grant to me a loan of $10,000 to be repaid starting in 1962 at an interest rate of 2 percent per annum.

2. This loan is for the purpose of financing a solidly and permanently constructed home for myself and family and for the furnishing of said home.

3. My qualifications for the above-requested loan are as follows:

(a) American citizen.

(b) Ex-Navy aviation machinist's mate, first class, honorably discharged.

(c) Three years 8 months 23 days in United States naval service.

(d) Over 27 months' duty overseas in Southwest and West Pacific.

(e) Wife formerly member of WAVES, honorably discharged.

4. The advantages to the United States Government in granting this loan are as listed below:

(a) Multiplied 400,000 times, will supply 400,000 American citizens and veterans with excellent homes.

(b) An investment in America and its citizens will pay great dividends in the future of our country, democracy, and Americanism.

(c) Our Government will be sure of getting its money back.

(d) This loan, multiplied 400,000 times, would supply $4,000,000,000 to American workers, businesses, and industries.

(e) Such loans to similar veterans would greatly alleviate the housing shortage by making it possible for their immediate purchase of homes.

5. If the United States Government can consider loaning $4,000,000,000 to a foreign nation already in debt to us for over 25 years, it could certainly trust one of its own citizens, with no debts.

6. As long as Americans are paying taxes, their money should be invested here at home in our own citizens. Why support a foreign country? Let's take care of our domestic troubles first.

ALLIE J. LYMENSTULL.

OTHER FOREIGN LOANS

There can be no question that if we grant this loan to Great Britain other countries will want similar loans. They are already asking for loans in excess of $20,000,000,000, together with other international financing. Instead of promoting world peace it is most likely such a loan would cause international discord if we refuse to make similar loans to other countries; furthermore it might create dissension if the loan was not repaid.

I am afraid that instead of cementing friendships and creating international good will this loan will create future frictions and misunderstandings including unwarranted and excessive demands upon our already overburdened economy.

I believe it is high time for this country to sit down and take a look at its own balance sheets. We have a national debt of approximately $272,000,000,000 or in round figures $2,000 for every man, woman, and child in the United States.

Illinois' share of this national debt is $15,794,482,000—or the third largest of any State in the United States. Its share of the British loan would be $221,122,748. The British loan would cost the city of Chicago alone $94,644,144.

What the British loan will cost Fifteenth District of Illinois

	1940 population	Share of national debt	Share of British loan
Henry County	43,798	$627,595,000	$1,226,344
Knox County	52,250	104,500,000	1,463,000
Fulton County	44,627	89,254,000	1,249,556
Adams County	65,239	130,478,000	1,826,512
Schuyler County	11,430	22,860,000	320,040
Total		424,608,000	6,113,452

What the British loan will cost various Fifteenth District communities

	1940 population	Share of national debt	Share of British loan
Kewanee	16,901	$33,802,000	$473,228
Galva	2,812	5,624,000	78,736
Geneseo	3,824	7,648,000	107,072
Lewistown	2,385	4,770,000	66,780
Cambridge	1,812	3,624,000	50,736
Galesburg	28,876	57,752,000	808,528
Abingdon	3,218	6,436,000	90,104
Knoxville	2,241	4,482,000	62,748
Yates City	576	1,152,000	16,128
Canton	11,577	23,154,000	324,156
Farmington	2,225	4,450,000	62,300
Cuba	1,620	3,240,000	45,360
Astoria	1,292	2,584,000	36,176
Avon	813	1,626,000	22,764
Vermont	945	1,890,000	26,460
Clayton	1,028	2,056,000	28,784
Quincy	40,499	80,998,000	1,133,972
Camp Point	1,084	2,168,000	29,352
Golden	624	1,248,000	17,472
Browning	402	804,000	11,256
Rushville	2,480	4,960,000	69,440

In addition, at a time when the old people of this country who require old-age assistance are receiving a pitifully inadequate dole upon which they can barely exist, I am unwilling to tax every man, woman, and child in this country for this gift loan to England. In my judgment, it will never be repaid if history repeats itself. Why bankrupt the United States in order to finance Britain, to say nothing of the demands that will continue to come from other countries all over the world? Isn't it about time we think of our own welfare first?

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have listened with a great deal of interest to the speakers in favor of the British loan. As I sat here I wondered whether or not we were standing on the floor of the British Parliament or the House of Representatives of the United States. I have always said that I have but one allegiance, and that is to the United States of America. The one thing

that I respect about the British Government—and I do respect the British Government—is the fact that their statesmen are first, last, and all the time for their own nation. I hope the time will someday come when a sovereign and outraged people of the United States will eliminate from public office those people who give their allegiance to a foreign government rather than to their own.

Mr. Chairman, there has not been brought forward in the history of this Nation any proposition of the character, magnitude, and far-reaching effects which would remotely approach this proposed gift of $3,750,000,000 to Great Britain. Neither has there ever been a proposition surrounded by as much falsity, half-truths, evasions, and distortions as this proposition. At no time, at no point, and in no way, has the presentation of this proposal to the Congress, and the American people, been honest, fair, plain, or helpful. Everything that has been said about it by its proponents has been designed not to reveal, but to conceal, the facts concerning this whole transaction. What we need to do is to despumate this proposition and get a clear look at the essence of it.

The least we can do with the American people, since it is their money we are going to give away, if we accede to this proposition, is to be honest with them. Let us look some facts in the face and, at least be honest with ourselves, and let the people know that this is a gift, and not a loan; that neither the principal nor the interest will ever be repaid to us.

Is this a loan or a gift?

I assert, sir, this is a gift—not a loan.

Britain wanted a gift—not a loan.

British spokesmen have made it plain that neither the principal nor the interest will be repaid.

The terms of the gift-loan agreement leave the question of repayment entirely a matter of British discretion.

Abandonment of the British Empire preference policy is entirely a matter of British discretion.

Churchill declared in the parliamentary debates that he regarded Empire preference policy to be British economic lifeblood not to be abandoned even temporarily.

This gift-loan will be exhausted by Great Britain within 18 months. What then? Will she be back for more?

This gift-loan will set the precedent for demands by other nations for similar gifts on similar terms.

If we refuse other nations gifts on like terms we will receive the full force of their disappointment, hatred, and resentment.

In making this gift to Great Britain we will be obligated to open our American markets to low-wage foreign-products competition with our own laborers, agriculture, and industry.

Again, I assert that it is an outright gift. The British special pleaders came asking for an outright gift. The debates in the Parliament, and the statements by everybody from Churchill down show that the British not only consider it a gift, but that they feel we ought to be stirred by a deep sense of gratitude to them because they are willing to accept this gift.

Do we get anything for this gift of $3,750,000,000 of the people's money?

The answer is, "No; we do not."

The proponents of this gift have tried to persuade us that the British will give up their Empire Trade Preference policy. There is not a line in the agreement providing for this gift that requires the British to do anything of the sort. Quite to the contrary, the official spokesmen, from Churchill down, have been very explicit in their statements that Great Britain does not intend to abandon her Empire Trade Preference policy in return for this gift of money.

How long will this money last Britain? Her own spokesmen say about 18 months.

Now, colleagues, we are asked to take a step here which will establish a precedent that will either cost us 20 or 25 billions in money gifts to other nations, or the friendship of every other nation in the world that wants us to give them a handout of anything from half a billion dollars up.

If Britain is so far gone that she will disintegrate unless she gets this gift from us, then it must be obvious to every clear-thinking person that Britain is so far gone this gift will not save her.

If we make this gift to Britain, every argument which has been presented in support of this proposition can and will be presented, with equal force, by every other nation, including Russia and China, that wants us to make gifts into the billions of dollars.

There is one phase of this whole business that I, as an American, resent. That is the repeated statements of some Britishers that America vastly increased her wealth out of this war. There is not a scintilla of truth in that statement, and every Britisher with a nickel's worth of intelligence must know that—and does know it. Only by the most distorted reasoning, and certainly not by any logic, can anybody arrive at a conclusion that America attained great wealth out of this war. We are forgiving Britain $25,000,000,000 worth of so-called lend-lease, which was a gift. We are writing off other billions of lend-lease to other nations, including Russia, to whom we gave over nine billions. We depleted our own natural resources, and ran our national debt to around 272 or 275 billions of dollars. Our taxes are the highest in our history. How anybody can make great national wealth out of that set of circumstances is beyond the reasoning of a sane man.

There is something else in this business which I intensely resent as an American citizen; that is the broad intimation from both the British and a good many of our own misguided people, that in some way we were responsible for this war; that Britain and France and Russia suffered on our account, and for our sake; and that we were slow and cowardly and selfish in doing our share in the war.

This war was not of our making, any more than the First World War was. We were across an ocean attending our own business when the Atlantic war broke out. I for one have not forgotten that it was Mr. Stalin who made the pact with Hitler that allowed Hitler to touch off this World War. Mr. Stalin's warm and throbbing affection for democracy did not begin to palpitate until Hitler invaded Russia with an army, whereupon the Russians had to fight in self-defense.

It presents no argument, and certainly no persuasion to me, to have the Britishers tell the world that this was America's war, and that it is our duty now to feed the whole of the war-stricken world; to rehabilitate all the war-devastated countries; to lend all socialistic governments on the planet the money to finance their onslaughts against our American system of free constitutional government, free enterprise, and free society.

Europe has been a battleground for a thousand years, and when anybody says that this was our war, and that we have either the financial or moral responsibility for it, he simply does not tell the truth.

Let us look another fact in the face: Are we going to win the friendship of Britain by this gift?

The answer is "No." If our gift of $25,000,000,000 worth of materials, and, far above any consideration of money, if our gift of blood and men did not win Britain's friendship, and they did not—then another $3,750,000,000 is not going to win their friendship.

The best proof of that is the abuse which their leading spokesmen like Keynes and Laski have heaped upon America as the last bulwark, so they say, of a "rotten and decadent capitalistic system."

There has never been a comparable incident in all history for one nation to have the sublime gall to demand that some other nation give it $3,750,000,000, share food and clothing, while at the same time the demands were accompanied by insults as insolent and unveiled as the insults which have been offered America by the leading British spokesmen concerning this gift.

Are we giving this money to Britain in order to strengthen her against her people going communistic?

If that is the case, then we must expect Russia to perceive that fact; to conclude that we are building up a western bloc against her, and to act accordingly. Such a condition would be a prolific breeder of a Third World War.

If we are going to have to buy off with our billions every nation which threatens to go communistic, unless we stand and deliver, then we can expect America to go bankrupt, because that is nothing more nor less than plain international blackmail. It is the kind of extortion that is practiced by the man who threatens to burn down your house and your barn unless you leave a large sum of money in the old hollow tree at the fork of the road.

Nations, like individuals, who have to be bought off from doing something wrong, have no principles to begin with, and will continue to demand that they be bought off, or else they will do that

for which they have been paid to refrain from doing.

I challenge any proponent of this gift loan to show one single, solitary, sound reason which the British spokesmen have agreed to, for the granting of this gift by the United States.

Some of the proponents of this gift-loan point out that Britain is in for a tough time. I desire to point out that America is in for a tough time, too, and that she is in it right now.

One of the assertions with which I have the least patience is that in some strange way this gift will be spent largely in the United States. There is not a line in the agreement that provides that this money, even one dollar of it, shall be spent in the United States. Quite to the contrary, Lord Keynes, in his report to the House of Lords on the details of the agreement, specifically pointed out, at some length, that this gift-loan is not tied in with any condition that the money must be spent in America. He specifically stated to the House of Lords that Britain would be free to spend the money anywhere in the world she chose.

The proponents who talk about this money being spent here must imagine that the American people are a Nation of idiots. The American people know that if we want this money spent in the United States, we could assure all of it being spent here by giving it to the veterans instead of to the British.

Are we going to be so blind as to overlook the fact that we now have more purchasing power in America than we have goods to be purchased, and that the backlog of that great spending power is supporting the black markets in their thriving condition against the best efforts of the legal authorities to end them?

Britain is in for a tough time. Of that there is no question. So are a lot of other nations in for a tough time. Of that there is no question.

Now let's look at Britain's situation and see what it is.

A writer who recently went over to study the British situation—see Hartley Bratton, Harper's Magazine, May 1946—has told in simple language, and exceedingly well, what the situation is, and what Britain's troubles are.

He points out that there are those who feel that Britain has seen her best days, and that she is in for a long decline. There are some, as he points out, who believe that Britain has been in decline since the First World War and will continue to follow a downward trend until she stabilizes at about the level of Sweden. This writer points out that we must go beyond the effects of the war, and the shortage of dollars, which it is proposed this gift will relieve, to find Britain's trouble. The dollar shortage is really a symptom, and not the real trouble. Some Britons believe that the British ills are so fundamental that it would be better for everybody concerned if the problem were met head-on and the job of readjusting to the new conditions of today done right. These people fear that the weakness of Britain will be accentuated if the country coasts along on borrowed money until some new devastating crisis makes the job of readjustment even more difficult.

This writer points out that the trouble in Britain is basically due to the fact that Britain was a pioneer in the industrial revolution. Her antiquated methods of doing things constitute a drag on the national welfare, when carried over into industrial organizations and processes. The difficulties are best exemplified in the old industries like coal and textiles. British industrial productivity per man is too low. The causes for this appear to reach into every phase of British life. They involve not only industry, but education, social values, and the whole complex British way of life.

This writer points out that large areas of British industry today suffer from obsolescence and an acknowledged bankruptcy.

Obsolescence is a drag on production. At the same time avoidance of bankruptcy means the planned preservation of inefficient management and uneconomic plants. The easiest way of escape from these evils has all too frequently been through fixing prices, and allocating production quotas, which merely avoided but did not solve the problems. The evidence is perfectly plain that the British worker has made incredibly little progress in recent years. An outstanding example is in the coal industry. Being tremendously important, its ability to produce efficiently, and at low cost, is vital to steel, steel processing plants, and a host of other British industries. Taking the year 1913 as the base point of 100, the output per man shift in British mines had reached only 113 in 1938. In the Ruhr mines it had advanced to 164. In the Netherlands mines it had reached 201.

In cotton textiles there was little change in the productivity of labor between 1900 and 1937.

The reason for all this is largely because the owners and directors of these vast British concerns have, in too many cases, lacked any special competence for industrial policy making.

The British publication, the Economist, more than a year ago said:

> British business management is still dominated by the amateurs. It is only in this country that the curious profession of the director of companies still exists. There are thousands of men in this country who make a handsome living by sitting on a large number of boards and directing the affairs of companies to no one of which they can give more than a small fraction of their time and attention. * * * That a sprinkling of such men would be an asset to any board is beyond doubt, but that so many boards consist entirely of such men cannot be other than a handicap to wise, energetic, and far-sighted management.

Harold Wilson added another thought in his book, New Deal for Coal. He said of the amateur in the British coal industry that "the greater part of his or her time is given not to companies in other industries, but to varied social and sporting pursuits of the country and town life."

The old landed aristocracy assimilated the sons and daughters of the industrial wealth in Britain and the conditions imposed upon their descendants, to a very considerable degree, operated progressively to unfit them for business careers under modern English conditions. These miseducated men retained not only ownership but also control of industry. Contrary to American practice, they insisted upon dominating both their managers and their technicians. In so doing they prevented those important workers in industry from doing their jobs to the best of their ability.

This shortage of technical skill, and lack of industrial wisdom is not a mere symptom or a theoretical deduction. A Report on Higher Technological Education, prepared by a committee headed by Lord Eustace Percy confirms it. That report finds that the evidence submitted to the committee confirms the fear that the position of Great Britain, as a leading industrial nation, is being endangered by a failure to secure the fullest possible application of science to industries.

The nub of the whole British problem is to increase productivity and get more goods for export at a price which will enable British concerns to meet foreign competition.

There is another phase of the British question which few people have looked at in connection with this proposed gift loan. That is the fact that the British birth rate is falling. It is now down to danger point. The British are now confronted with the threat that their own failure to reproduce themselves adequately brings into the range of calculation that point in the future when the British people will have faded out.

It comes, therefore, with peculiar ill grace from any Britisher to speak of either the United States as a nation or its economic systen as the last bulwark of a rotten, decadent capitalistic system.

Now, colleagues, whatever reasons can be urged now to support this proposed gift loan of $3,750,000,000 could be brought up again 2 years or 4 years from now in support of a repeat gift of four and one-half or five billion dollars. If the object of this gift loan is to save Britain, and if this $3,750,000,000 does not do the trick—and it will not—can we expect otherwise than that Britain will come back in a couple or 3 years or 4 with new demands for money gifts in the billions, based upon exactly and precisely the very arguments and propaganda and reasoning employed now in behalf of this proposed gift loan?

If we set this precedent, have we any right to expect that all the other nations, big and little, who fought on the side of the Allies in the war will not come forward with repeated demands for America's billions? If we refuse to grant these demands to any countries other than Britain, how can we possibly escape getting the bitter enmity of these nations we refuse? Do I need to point out to you the attitude of any group of mendicants and their reaction to one who would give one of them generous alms and refuse all the others?

If America is not strong enough to stand on her own national defenses, then America will not survive, because England is a broken reed.

Unless we are ready to give Russia a sum comparable at least to the amount Britain asks—and Russia could establish a good case for twice as much, based upon the arguments Britain uses—how can we avoid sowing the seeds of a third world war between Russia and her satellites and the countries of the west?

I tell you this whole question goes beyond merely a gesture of friendship and cooperation between two nations speaking the same tongue and establishes a precedent which will either bankrupt us of our money, or rob us of the friendship of all the other nations of the world.

Nobody can question that Britain is moving toward socialism. Nobody can question that socialist Britain is going to be in competition with constitutional America. Nobody can question that this money will be used by the socialist government of Britain to finance its own experiments in the nationalization of British industry. If we want this country to go socialistic, then that proposition ought to be put up to the American people fairly and honestly. It is not American, and it is not honest, to defraud the people of four and one-half billions of their money by falsehoods, and half-truths, and distortions of statement, in order to help finance a socialism in England, which is exactly in contradiction of our own constitutional system of government, economy, and society.

It is the right of the people to change their form of government in the United States to socialism if they choose to do it, but it is their right to do it themselves, instead of having their money used to finance socialistic governments everywhere else in the world, such as Britain and France, which may, by competition, force the United States further into a trend toward increased government control of our economy and our society.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I should like to say a few words on the importance of the financial agreement in shaping the kind of trading world we want to see. We want to see world trade conducted on a broad basis with fairness to everyone. Our farmers and our business men ask no special advantages in selling their products abroad. They ask that no discriminations be placed against them. We have a duty to see that the world's export markets are open to our people on fair and equal terms. That will not be possible if world trade is on a bilateral basis.

BILATERAL TRADING HARMFUL

The people of the United States know the harmful results of bilateral trading. We remember only too well how world trade was strangled in the 1930's by a network of bilateral agreements. As a consequence the international commerce of the United States and the world declined swiftly and drastically. This decline was accompanied by currency depreciation, exchange controls, and unemployment in most of the great countries of the world.

Let me take a few minutes to review exactly what bilateralism is, and what it means to our trade. During the 1930's Germany was the major proponent of the bilateral trading system. Germany wanted to expand her imports. We all know why. Germany wanted raw materials to build up her armaments. Germany was producing for war. She wanted to import more than she was able to pay for. Under normal conditions this would not be possible. But under the regime of Dr. Schacht and Hitler this was possible. It was possible because they perfected the system of bilateral trading and bilateral clearing of foreign exchange. Germany turned weakness into strength. She was a debtor country. This was her weakness. But a debtor country which is a large importer finds that that weakness can be made into strength. More than half of the exports of Bulgaria, Yugoslavia, Hungary, and Turkey went to Germany. Germany therefore had a tremendous bargaining power in dealing with these countries. She used that bargaining power to impose bilateral trade agreements on these countries. She said in effect, "Germany is your best market. You must export to us or your economy will disintegrate. We are willing to accept your goods but we cannot pay you in free currency. We can only pay you in German marks. You cannot use these marks to buy from England, and France, and the United States. These marks will be blocked, but ultimately Germany will try to repay you in German goods."

FORCE ADDED

The eastern European countries had no alternative, because to this economic pressure was added the threat of force. So they signed bilateral agreements with Germany. They sent their exports to Germany, but they did not receive full repayment in German goods. Blocked marks continued to pile up. The small countries were in a dilemma. Germany was obtaining a stranglehold on their economies. Because she was a major importer, Germany was able to force the small countries of Europe to finance her preparations for war. She got her imports and got a lot of them for nothing.

The only way these countries could avoid piling up blocked marks was to cut down on their exports to Germany. Some countries tried this. The result was unemployment and bankruptcy in their export industries. That is what bilateralism means. It means that international trade must be cut down on all sides until a balance is reached. But forcing a balance by cutting down on world trade can never be the way to prosperity or peace.

EXPORT TRADE CRIPPLED BY BILATERAL TRADING

The harmful results of the German system were not limited to the trade of the bilateral-agreement countries. All countries suffered. The total export trade of the world fell from $32,000,000,000 in 1928 to $18,000,000,000 in 1934. Countries like the United States, that would not make bilateral trade agreements, were forced out of markets in large areas of the world. Our trade declined faster than world trade. Our share of world exports fell from 16 percent in 1928 to less than 12 percent in 1934. Bilateralism not only cut down the total amount of world trade, but it excluded this country from a large portion of it.

The Nazi armies have been driven from the field and the Nazi economic system has been destroyed. But the threat of bilateral trade has not disappeared from the world. If bilateralism appears again, it may be because the British are forced to resort to it.

DOLLARS NEEDED BY ENGLAND

Because of the war England is not able to buy freely in the world's markets the imports she needs. She does not have the dollars to pay for such imports. When her export production and trade recover, she will earn enough to pay for her imports. In the meantime, to assure herself of essential imports, England must use the devices of bilateralism.

This is bad for world trade and especially dangerous to our trade. We cannot be indifferent to the growth of bilateralism in England. We cannot isolate ourselves from a reduction of world trade, which causes our best customers to buy less and less of our goods. Unless this trend is halted and reversed, American agriculture and industry will suffer.

UNITED STATES AND CANADA MUST HELP ENGLAND IN OUR OWN INTEREST

The only way in which England can avoid forcing her trade into bilateral segments is through help from the United States and Canada. Without this help England will have to become an exponent of bilateral trading. It will not be a matter of choice on the part of the British people. The fact is the British people have no choice. England's capacity to export has been temporarily reduced as a result of the war. In the next few years the British people have to import more than they can export. They cannot hope to pay their way for the next few years. But during those few years Britain must have the imports which she needs for supplying her factories and feeding her people. Somehow foreign countries must provide those imports on credit. If that credit is not made available by the United States and Canada, it will have to be forced out of other countries through bilateral arrangements.

GERMANY'S BILATERALISM A CAUSE OF WORLD WAR II

Germany's bilateralism was a cause of war; England may be forced into bilateralism as a result of war. Germany found bilateralism useful in building her war machine; because England helped to smash that war machine she may find bilateralism necessary. The Germans wanted bilateralism; the British do not want it. There is a big difference between German and British bilateralism, but the effect on world trade and our trade will be just as bad.

WILL ENGLAND RESORT TO BILATERALISM?

Will England resort to bilateralism? This is the question which we shall decide when we vote on the resolution before us. If we reject this measure we shall be saying to the British: "We do

not choose to help you to obtain your essential imports. We leave you to your own devices. Make whatever arrangements you can to obtain the food and raw materials without which your people cannot survive."

If we let this happen, what could the British people do? They would have no alternative. The British people are not going to starve. The British Government will obtain the necessary imports by some means. And we know that without a credit in dollars the only means available would be bilateralism. The British people would be forced to resort to bilateralism, and they would be able to do it. They can continue their wartime restrictions, and they can extend them. The sterling area is still intact, and the dollar pool is still operating. Furthermore, England has bilateral trading agreements with 18 important South American and European countries outside the sterling area. These bilateral agreements look a lot like the ones Germany used before the war.

MULTILATERAL TRADING NECESSARY

Our vote on this measure will decide whether blocked sterling will stifle world trade in the same way as blocked German marks did before the war. Our vote will decide whether the countries that export to England can use the sterling they receive to buy imports from the United States. When we approve the financial agreement, we are saying to England: "We are willing to offer you the assistance you need. But we will do this only if you will cooperate with us. You must help to establish world trade on a fair and profitable basis. You must remove your restrictions and discriminations. You must help to reestablish multilateral trade. You must make it possible for exporters and importers to find the best markets, and to transact business in those markets on a business basis."

That is what multilateral trade means—trading on a business basis. We believe that every country should be able to sell and buy in the best foreign markets without having its trade cut off by unnatural currency and trade devices. That is the kind of world in which we prosper. But a multilateral world cannot be created by unilateral action. It requires the cooperation of most of the great trading nations.

EXPORTS IMPORTANT TO US

A large part of our export trade is based upon the ability of our foreign customers to export to Britain, to exchange their sterling receipts for dollars, and to use those dollars for purchasing American products. The exports we sell by this method are important to us. They spell the difference between prosperity and depression in the United States. Under bilateralism these exports would be lost. If our foreign customers have to resort to bilateralism, it means that we would be forced to balance our trade accounts evenly with them. This would make a tremendous reduction in our trade. If the United States had been forced to balance its trade accounts evenly with every foreign country, our exports in 1937 would have been about a billion dollars less than they were. The thing which contributed this extra billion dollars to our export markets was the ability of countries to conduct their trading on a multilateral basis. Before the war multilateral trading was worth at least a billion dollars a year in exports to the United States. Its importance will be far greater in the years ahead.

OUR DECISION CAN BE BASED ON SELF-INTEREST

We can make our decision on the basis of self-interest. The choice is clear. We can help England join with us in establishing multilateral trade, or we can refuse to help England, and force her to expand her system of bilateral trading agreements. England is in a good position to do this. She is the world's greatest importer. At least 25 countries of the world normally send a third or more of their exports to the United Kingdom. They are important countries. England's bargaining power with these countries will be very great. If England is forced to resort to bilateralism, these countries will find it very difficult to follow any other course.

STERLING WILL BE MADE CONVERTIBLE

This is what we can avoid by approving the financial agreement. If the financial agreement is approved sterling will again become convertible. England has guaranteed that any country which receives sterling by exporting to England may convert that sterling into dollars. These dollars can be used to buy American products. The financial agreement provides a major step in the direction of reestablishing multilateral trade. It will make a major contribution to the continued prosperity of the United States.

LOSS OF WORLD TRADE DEVASTATING TO OUR NATIONAL INCOME

Let us not underestimate the contribution which foreign trade makes to our prosperity. The decline in our exports in the 5 years from 1930 to 1934 as compared with the 5 years from 1925 to 1929 amounted to more than $14,000,000,000. That is four times the proposed credit to Britain. The loss of national income in these same 5 years exceeded $150,000,000,000, a loss directly traceable to inadequate markets—primarily at home, but also abroad. In the State of Texas alone during these 5 years the income of the people was down almost $4,000,000,000 from what it would have been if we had markets for our products in other States and in foreign countries.

CRITICISM OF FINANCIAL AGREEMENT ANSWERED

And now I want to take note of a criticism of the financial agreement which has been voiced by some members of the opposition. They say they do not mind helping England, but they will not help the British Labor Party. They say the British Government is a socialistic government, and that to lend money to them now will encourage and accelerate socialism in England.

The British Government cannot use this loan to nationalize industries at home. The loan can be used only to make payments abroad. The fact is that the British Government will be forced toward socialization much faster if we refuse the loan than if we make the loan. This is especially true in the field of foreign commerce. England will have to resort more and more to a regimentation of her foreign commerce if she cannot get help from the United States and from Canada.

My opinion in these matters is supported by several eminent authorities.

Mr. Michael A. Heilperin, economic adviser to the Bristol-Myers Co., of New York, recently returned from a trip to Great Britain. In a booklet entitled "Impressions From Europe," Mr. Heilperin reviews the progress of the British Labor Government toward nationalization. After reporting that the conservative industrialists and bankers are inclined to take a rather mellow view of the moderate labor government, he observes that the Attlee government is criticised by the party's more extreme elements who desire a much more rapid pace of socialism in England. He then says:

An interesting question is the future of leadership within the Labor Party itself. Whether the moderate elements will remain in control or will have to give way to the left wing will depend, among other factors, upon the decision of our own Congress concerning the loan to Britain. The Attlee government has staked its reputation upon the success of that loan. Our refusal would very likely increase the prestige of the more extreme Socialists.

In short, Mr. Chairman, those of the opposition who vote against the loan on the ground that it will encourage the growth of socialism in Great Britain are defeating their own purpose. If they succeeded, they would force England to take extreme steps toward socialization of British industry and even British trade.

Mr. Chairman, an advisory committee of the American Bankers Association discussed the possible effects the loan would have in England and concluded it would tend to retard the growth of socialism. Mr. W. L. Hemingway, chairman of the advisory committee and president of the Mercantile Commerce Bank & Trust Co. of St. Louis, said during the hearings before the Banking and Currency Committee:

The final conclusion of our committee was that by making this loan and helping England to stabilize its economy, we might be able to help the Conservatives and those who are opposed to socialism in England, to keep it. In other words, it was our feeling that socialism thrives in an atmosphere of economic disorder and dissatisfaction. If England could again become prosperous, that socialism would gradually slip away.

And Mr. Randolph Burgess, vice chairman of the National City Bank, of New York, said before our committee:

For centuries Great Britain has been in Europe the most powerful exponent of human rights. To strengthen Britain is a most effective means of resisting dictatorship. Even in Britain itself the struggle between statism and democracy goes on. Without economic help Britain will be forced into more regimentation, more extension of the powers of government, and less freedom for the individual human being. This British loan is a safeguard to human liberty.

WELFARE OF BRITISH PEOPLE NOT OUR MAJOR INTEREST

Mr. Chairman, we are not voting here only on the question of the welfare of

the British people. The welfare of the British people is not even our major interest. We are voting on the welfare of the American people. We must decide whether we want the kind of world trading system which has always brought prosperity to the United States. By approving the financial agreement we will be voting for the trading system which is essential to the continuance of individual enterprise throughout the world. We are voting against bilateral trading agreements—against the restrictions which cause us to lose our markets and to suffer unemployment and depression. The financial agreement calls for an investment in the kind of world we want. If we fail to approve the agreement we stand to lose much more than the sum of money we are investing. I am in favor of the protection of the free-enterprise system. I am in favor of the multilateral trading system which has brought us prosperity. Therefore I am in favor of making this investment. That is why I shall vote to approve the financial agreement.

The testimony of Mr. Justice Roberts was very helpful to the committee. The questions and answers appearing in his testimony are also enlightening. His testimony is as follows:

ANGLO-AMERICAN FINANCIAL AGREEMENT

FRIDAY, MAY 31, 1946.

The CHAIRMAN. The committee will be in order.

We have as a witness today Mr. Justice Roberts. He is a great lawyer and he was a very great justice of the Supreme Court of the United States. He is recognized by all Americans as a splendid public spirited citizen.

We are very pleased to have you as a witness today, Mr. Justice. You may proceed in the way you desire.

STATEMENT OF THE HONORABLE OWEN J. ROBERTS

Mr. ROBERTS. I think it is a great privilege to be here, and to speak, first, as just a plain ordinary citizen, gentleman of the committee. Secondly, I am president of the United Nations Council of Philadelphia, a body of about 4,500 citizens who have been studying and working toward world cooperation and world peace.

I am permitted by them to say that they are strongly in favor of the loan.

In the third place, I am chairman of a voluntary committee in Pennsylvania of businessmen and professional men who have endorsed the loan. It is not a large committee, but it is a committee of very high quality.

(The following letter was later received for the record:)

JUNE 10, 1946.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D. C.

MY DEAR MR. SPENCE: When I appeared before your committee I stated that a number of organizations in Pennsylvania had endorsed the act to confirm and ratify the British loan. I should like to give you the names of these organizations which have gone on record in favor of it.

Chamber of Commerce and Board of Trade of Philadelphia.
Philadelphia Club of Advertising Women.
United Nations Council of Philadelphia.
Emergency Aid of Pennsylvania.
Women's Club of the Ethical Society of Philadelphia.
Kiwanis Club of Franklin, Pa.
Women's University Club of Philadelphia.
American Veterans Committee, Philadelphia District.
Overbrook Women's Club.
Philadelphia YWCA.
Kiwanis Club of Phillipsburg, Pa.
Pennsylvania No. 3, United Order of True Sisters.
Philadelphia Salvage and Service Council for Liberated Countries.
Kiwanis Club of Mars, Pa.
Delaware County League of Women Voters.
Philadelphia Motion Picture Preview Group.
Philadelphia Section, National Council of Jewish Women.
Committee on International Relations of Philadelphia, County League of Women Voters.
Women's Organization Service Bureau.

In addition to the above, the voluntary committee, of which I am chairman, has received a great number of letters indicating endorsement of the loan by individual citizens of the Commonwealth.

I suppose you would have no objection to my releasing this list of endorsers to the local press, on behalf of the committee that has been working in favor of the loan in Pennsylvania. If you have any objection to my doing so, please do not hesitate to indicate the fact to me.

With sincere personal regards, I am,
Faithfully yours,

OWEN J. ROBERTS,
Chairman, Pennsylvania Committee in Support of the British Loan.

I have no prepared statement. I have no doubt you gentlemen have heard ad nauseam all of the arguments that can be made for the loan. I just really want to come here and stand up and be counted as for it, and to lay my hand on my heart and say that I think it is a measure that means a tremendous amount, not only for the United States of America, but for the world at large.

As you may know, I am devoting practically all of my time to working for world order and world peace. I do not think we can have world order and world peace, gentlemen, without restoring and freeing international trade, and particularly that part of international trade which the British Empire represents, and I believe that this loan in connection with Bretton Woods, and in connection with the International Bank, and in connection with the United Nations Conference, that is soon to be called to forward a freer world trade, all tie together.

I really do not believe the Bretton Woods plan will work; I doubt if the International Bank will work satisfactorily, unless we give Britain a chance to free the credits, the pound credits, with which she is frozen today.

My main belief in the loan is that it will enable Britain to spend dollars in this country; it is really not a loan of money, if the committee please, but a loan of American goods, a loan of American credit, and will unblock the pound and the dollar blocs that Britain has set up, and which I think she would be very glad to give up, but will not be able to give up unless she gets this credit.

As I say, the arguments for the loan are in print. I have no doubt that they have been gone over before you, over and over again, and I do not want to go over them and repeat them parrot-like before the committee. But, as I say, I do just want to register as a citizen, and a person who has been interested officially in committee work in my own State of Pennsylvania, that I think that the business people in my community share my view, that this is going to be not a mere loan of money, but a loan of credit which will have repercussions not only internationally but in our own trade circles that will be good, and that cannot be had short of some such relief temporarily.

I think that is all I care to say, Mr. Chairman. I imagine the members of the committee are more expert on the technique and the technicalities with respect to the loan than I as a layman am, but for what it is worth, I register my views in assent.

The CHAIRMAN. We thank you very much, and I believe that your views as a citizen ought to have great weight, because I know of the public service you have rendered, and the time and ability you have devoted to it.

Mr. ROBERTS. At least there is this to say: I have no ax to grind. I paid my own carfare to come down to appear before you today, and I am looking a little toward the sunset. I do not know that it will make much difference to me which way it goes, but it will to my country.

The CHAIRMAN. Perhaps the committee may want to interrogate you.

Mr. CRAWFORD. I want to express my appreciation for your having come here and having given us the benefit of your views. You made two or three observations there that interest me greatly.

May I ask you this question: Is a person on sound ground when they line up this proposition in this manner; we had the enunciation of the "four freedoms"; we had the declaration by the United Nations; we had the Atlantic Charter; we had lend-lease, with a mutual-aid agreement under the provisions of that act; we had the International Food Conference, which came along; we created UNRRA; we brought into operation the United Nations Charter, the United Nations organization; we brought into operation Bretton Woods.

We have this proposed line of credit to Britain before us at the moment. We had the International Trade Conference or trade organization, which is referred to in the joint statement by Mr. Truman and Mr. Attlee.

We have these various side issue, which I shall not mention, where conferences have been held, and more or less agreements made, public and secret.

We have other conferences which will undoubtedly be called, all in connection with this general movement.

Mr. ROBERTS. Yes.

Mr. CRAWFORD. Now, I want to ask you if it is a fact that all of those various philosophies and doctrines and agreements and proposals tie in together, and constitute what we would often say is one bundle of sticks.

Mr. ROBERTS. I am definitely of that view, sir. As I said to you, if this, which seems to me to tie in tight with those other things, drops out, I think you have lost a link in the chain, and you may lose the chain. That is what I think.

Mr. CRAWFORD. That has been my general approach to the whole matter, all the way through, and I have tried to get my Eighth Congressional District of Michigan to see this rough plan, which I have just outlined.

Mr. ROBERTS. Yes

Mr. CRAWFORD. But somewhere we, the American people, we, the administration, we, the Congress, and all others who are directing their thought along this line have slipped as I measure the situation at the moment, because the people in my district, generally speaking, outside of special groups, such as you have mentioned, with respect to Philadelphia, are against this proposal at this time.

Mr. ROBERTS. Do you not think, Mr. Congressman, that they are against it because they do not understand it?

Mr. CRAWFORD. Well, I think that is true within 95 percent of the cases where they are now opposed.

Mr. ROBERTS. In the first place, sir, it is always spoken of as a loan of dollars to Britain.

Mr. CRAWFORD. Yes, sir.

Mr. ROBERTS. And people say, Why should we lend money to Britain?

Mr. CRAWFORD. Yes, sir.

Mr. ROBERTS. When the question is put that way, I would answer no, we should not.

Mr. CRAWFORD. That is the way they answer it.

Mr. ROBERTS. Certainly.

Mr. CRAWFORD. I do not know just when a vote will be taken on this proposal, even in this committee or on the floor. I do not know what amendments, if any, will be made. I do not know when the matter will clear back through Congress, if amendments are made. Therefore, I do not know when the final vote will be made.

But in your broad experience with the American people and in your, we will say, new experience in connection with the public service you are now rendering with respect to international collaboration, have you any suggestion you could give to us, as Members of Congress?

Mr. ROBERTS. Yes, I have. We have gotten out a little pamphlet in Philadelphia that the Philadelphia Evening Bulletin has printed, and which we have distributed, which I think is just the kind of a thing that tells the man in the street what this loan is. I would like to leave that pamphlet with you. It is gotten up by one of the members of the committee, Mr. Mallery, and it is just little questions and answers, and the simplest and straightest statement of the loan that I have seen.

That pamphlet alone, Mr. Congressman, has convinced a great many plain people in Pennsylvania who read it, who did not understand what the loan, so-called, was at all until they had read it.

The CHAIRMAN. Have you some more of those?

Mr. ROBERTS. I will send some down to you, Mr. SPENCE. I Just happened to stick that in my brief case.

Mr. CRAWFORD. I was going to say to the Chairman that it is a brief statement, and I am going to ask unanimous consent to introduce it in the CONGRESSIONAL RECORD

Mr. ROBERTS. It is the straightest thinking thing about the subject that I have seen.

Mr. CRAWFORD And if you have no objection, and if you are in position to answer for them, I would like to reproduce this at my own expense, on my own multilith machine.

Mr. ROBERTS. Yes, sir.

Mr. CRAWFORD. If I do that, I can make my people know about it.

Mr. ROBERTS. Mr Congressman, let me go back to Philadelphia and find out how many are available. I may be able to send you a couple thousand of them.

The CHAIRMAN. Without objection we will incorporate it in the records of the hearing in connection with your testimony.

Mr. ROBERTS. Thank you, sir.

(The following pamphlet was submitted for the record·)

"WHAT THE BRITISH LOAN AND TRADE AGREEMENT MEANS TO YOU!

"(By Otto Tod Mallery)

"(Reprinted from the editorial pages of the Evening Bulletin, Philadelphia. Distributed by the Women's Organization Service Bureau)

"Because Mr. Mallery's two articles on the British loan and trade agreement present the main points of a complicated, international question in clear and simple form, the Evening Bulletin was glad to publish them in its columns. This reprint has been made at the request of a number of organizations interested in furthering better international understanding.

"JANUARY 1946.

"HOW THE DOLLAR LOAN TO BRITAIN WOULD WORK

"Question. What is the proposed loan to Britain?

"Answer. It is a two-sided agreement. The United States agrees to help British reconstruction by the loan of the United States goods. In return Britain agrees to support United States policies for releasing trade all over the world.

"Question. What is the object of the loan?

"Answer. To take a first step toward carrying out the promise made by both in the Atlantic Charter 'to further the enjoyment by all states of access on equal terms to the trade and raw materials of the world.' This is recognized as one of the purposes for which we fought the war. Another object is to increase trade and employment everywhere.

"Question. Why is it called a 4½-billion-dollar loan?

"Answer. Dollars are emphasized because these dollars are not useful as pounds would be, in British internal trade.

"Question. Can the British Government use the dollars received from the 4½-billion-dollar loan to buy up British coal mines from their private owners?

"Answer. No. Dollars are no good for that purpose. The British Government can pay for coal mines and the shares of stock of the Bank of England with British Government bonds.

"Question. Can dollars be used to socialize British industry?

"Answer. No. The British Government can do this without American dollars and without American help of any kind. It can carry out any domestic policies British voters approve whether the United States gives Britain a loan or not.

"Question What good does the loan do Britain?

"Answer. British buyers can quickly obtain United States wheat, cotton, and pork products, also United States steel for reconstruction, United States dynamos to replace destroyed electric power plants, United States Army trucks, United States oranges, lemons, and apples, United States milk products, and United States machinery and machinery tools. Otherwise, the British would have to wait a long time to get enough of these products from other sources.

"Question. From what other sources could Britain buy such goods if it does not receive the dollar loan?

"Answer. From countries whose money is not dollars.

"Question. What countries would Britain buy from if it received no dollar credit?

"Answer. First from those countries whose money is the pound sterling, and, second, from those countries whose money is tied closely to the pound sterling, like Argentina, Sweden, and Holland

"Question Could countries other than the United States supply all the goods and food Britain needs?

"Answer Not immediately, but in the long run, yes; although perhaps at higher prices. In the long run Britain will get somewhere its essential needs if the United States does not supply them.

"Question. What would it mean to United States farmers and workers in factories if the British Isles, the Dominions, and the colonies tried to get along with as little goods from the United States as possible?

"Answer. Some unemployment in the United States in 1946 and more and more unemployment as the years go by. If the British Commonwealth of Nations tries to become one big all-British department store for British buyers and sellers only, the result would be serious unemployment and lower standards of living for American industrial workers and farmers in the years ahead.

"Question. What is to prevent this happening anyhow, even if the loan is approved by Congress?

"Answer. One condition of the loan is that the British Government will undertake to negotiate with the Dominions to do away with any such idea as an all-British department store. This all-British tendency is now contained in preference agreements (1932) between the members of the British Commonwealth of Nations. These preference agreements channeled trade within the British Commonwealth of Nations and the British colonies and away from the United States and away from all non-British nations. The United States in its turn agrees to work against prohibitory and discriminatory trade barriers all over the world which keep out British, United States, or anybody else's goods.

"Question. Why were the British preference agreements set at 1932 level?

"Answer. As a reply to the United States Hawley-Smott Tariff Act of 1930, the highest in our history, which closed United States markets to many British goods and tried to set up an exclusively United States department store.

"Question. Did British and United States trade gain by these methods of excluding each other's goods?

"Answer. No; the United States never had as large a share of British trade afterward as before. In the 10 years previous to the enactment of these measures the United States supplied 17 percent of British imports, but only 11 percent afterward.

"Question. Did the Hawley-Smoot Tariff Act increase United States trade with other countries?

"Answer. No. The United States share of world trade fell from 15.6 percent to 11 percent, and never recovered its previous share until World War II began

"Question. What is the relation of this proposed agreement to America's failure to expand its foreign trade and to create full employment at home?

"Answer. It is a firm statement that both the United States and Britain are resolved not to make the same blunders again. It is an agreement to turn over a new leaf, by opening their markets to one another on equal terms. It goes further by pledging one another to work for equal access to the markets of all the other members of the United Nations.

"Question How can this be approached?

"Answer. By setting up an international trade organization to include all the United Nations, the preparatory meeting for which has been called for 1946 as a part of the United Nations organization.

"Question. Will this international trade organization be formed anyhow, loan or no loan?

"Answer. Probably not. Without such a loan the British in self-defense would have to put a fence around their markets and try to gather in a trade bloc of other countries inside that fence. They would begin with Australia, New Zealand, and the British colonies They would try to attach to that trade bloc the same non-British countries that the United States wants to trade with.

"Question. How would this work?

"Answer. The United States might be forced to try the same thing. It might try to form a similar bloc of countries based on the dollar and the Western Hemisphere.

"Question. Would two such trading units, one British and one American, not have as much trade as a larger trading bloc which would include them both?

"Answer. No; for the same reason that if the United States were divided into two parts with different kinds of money and with discriminatory trade barriers, the trade of the two halves added together would be less than the trade of the present undivided United States without discriminatory trade barriers and without different kinds of money. If the United States were divided into 48 States, each with its own money and its own tariff barriers, unemployment in each of the 48 States would be comparable to what it was during the worst years of the great depression. The world was divided between wars into more than 48 such fenced-off states separated by discriminatory trade barriers

and by different currencies, and unemployment was a problem everywhere. In the United States employment was never overcome after 1930 until after World War II began.

"Question. What is the relation of the loan to fuller employment in the United States?

"Answer. It will help.

"Question. Then the United States is not playing Santa Claus in offering this loan?

"Answer. No, the United States comes nearer to playing the part of a doctor—a doctor who has walked into a bank to make a deposit and finds all the bank tellers bound hand and foot after a hold-up. Until the doctor frees them no business can be transacted. The aftermath of war, like the aftermath of a hold-up, has left the arteries of trade of every nation restricted by tight bandages which a trade specialist must remove before goods can circulate once more.

"Question. If Uncle Sam is not a Santa Claus is he acting like a Shylock, demanding a pound of flesh?

"Answer. No; Uncle Sam is not acting like a Shylock. He is acting like an investment banker. The banker's terms are stiffer than British negotiators hoped for. But what borrower ever received a loan on terms so favorable that he wanted to give the banker a box of cigars? It is true that many of the members of the British Parliament who voted to accept the loan with its condition of opening up British markets on equal terms to the United States, did so with reluctance and misgivings. The situation is harder because Britain has been the world's banker for centuries and the change to the opposite side of the counter is naturally irksome.

"Question. Will the United States get back the equivalent of the loan?

"Answer. Yes, if the United States will accept goods in payment, such as rubber for tires, tin for roofs, copper for telephone wires, fibers for clothes and rugs, tea and coffee for the breakfast table, and other basic raw materials from tropical British colonies. The people of the United States will get back more than the equivalent of the loan in added employment and prosperity if trade rises to the high level expected to follow from new liberal and fair trade policies. These policies are conditioned upon the loan and can only be proposed to the other members of the United Nations if the loan is first approved by Congress. Only then can other nations know that the two greatest trading nations have themselves taken the same medicine which they say is good for others.

"Question. What if unforseeable conditions should prevent the repayment of this vast sum of $4,500,000,000?

"Answer. Three weeks of war cost the United States much more. This money is not to be shot away but is to be 'an investment for, and a prerequisite of, peace.'

"Question. Who in the United States opposes this loan?

"Answer. (1) Those who are still fighting their schoolbook battles of Lexington and Yorktown.

"(2) Those who are so strongly opposed to certain British policies, for instance, in India and Java, that they are inclined to oppose entirely different policies involving Britain which they would otherwise recognise as desirable.

"(3) Those who cling to traditional ideas about international relations much longer than they cling to outmoded radios and automobiles.

"(4) People who have not noticed the close interconnection between unfair trade practices, struggles for exclusive markets, unemployment low standards of living, and war.

"(5) Those who have not observed that if goods cannot cross frontiers on missions of peace, soldiers will cross frontiers on missions of war.

"Question. Who in Britain opposes the conditions attached to the loan?

"Answer. (1) Those special interests who want to preserve their present exclusive trade privileges within the Empire because they fear competition on equal terms.

"(2) Those who are afraid that Americans will not know how to keep out of another depression like that of the 1930's. They want to avoid any infection from American slumps because they fear unemployment in the United States would bring a low standard of living to the British people

"Question. What essential interests do Britain and the United States have in common?

"Answer. Both depend on an increase in total world trade for full employment, and both Governments are in agreement upon the way to bring this about. Between them they conduct three-fourths of the whole trade of the world.

"Question. Now that the United States and its allies have won the war, why can't the United States attend to its own business and let other countries attend to theirs?

"Answer. Because peace is everybody's business and depends for its continuance upon rising standards of living in other countries as well as in the United States. Peace is indivisible.

"Question. Why is the loan and trade agreement the first step toward the organisation of a durable peace?

"Answer. Because America has a stake in Britain's survival as a going concern, as a customer, and as an advocate of many of the things for which the United States stands. Britain has a stake in the productive power and political ideals of the United States. Each would be weaker if the other were weaker. Only if Britain and the United States work together in world trade policy can either attain full employment and rising standards of living. Expanding world trade is a condition of lasting peace. A peace to be durable must be endurable."

Mr. CRAWFORD. Even if we did not get this matter before the public in our respective districts, before we vote, at least some Members of Congress will be renominated and will be reelected in the November election, but many of the people of this country are getting so upset on this international approach of ours, I think by not having proper information and full information beforehand.

Mr. ROBERTS. I think so, too, sir.

Mr. CRAWFORD. They are quite bitter against persons who further extend the substance and credit of our people to other countries.

Mr. ROBERTS. I know.

Mr. CRAWFORD. It is a practical problem we have to deal with.

Mr ROBERTS. I realize it, sir, and just like I meet people in the street and they say, "I hate the British," and I meet somebody else and they say, "I hate the Russians," and somebody else says, "I never had any use for the French," well, now, you and I have lived in the same street with people that we did not approve of and did not like. We have lived under the same Government with them, voted at the same polls, and when the back fence gets out of repair, we talk about it with that fellow, about fixing up the fence between us, taking care of things that are our common interests.

There is so much of this short-sighted talk in this country, "I don't like so and so; why lend anything to Britain. I would not lend anything to Russia, to France; I would not help them at all." They do not mean it, really. They are just saying something off the bat, and I have the confidence that when the American people have it put plainly to them, and simply that they will form a right judgment about the thing and I think the judgment about this British loan has been all wrong just as I say on the basis of would you lend $4,000,000,000 to Britain. No, I would not; I am against it. So would I be.

Mr. CRAWFORD. I agree with you on your observation with respect to the good judgment of all American people when they have a chance to react.

Mr. ROBERTS. That is right.

Mr. CRAWFORD. With the proper information. I think you probably recall a statement which Chief Justice Hughes made, I think before the Congress; that was a few years ago, where he said, in substance, that the people generally get just about what they want, and an overwhelming public opinion is responded to, whether it be in the Congress, higher or lower, or intermediate courts, or anywhere else, because we operate that way.

Mr. ROBERTS. I have not any doubt that the putting through of this loan and the results of it will convince the most skeptical of your constituents and the most skeptical of the American people, after a few years, that it was a wise thing to do.

Mr. CRAWFORD. Just one other point I want to interrogate you on. Have you had an opportunity to look into the concept of the international trade organisations, which is really a part of this line of credit extension?

Mr. ROBERTS. Well, I only know about that what a layman would know from reading, Mr. Congressman, because it is in fieri now, but, of course, the purpose of that conference is exactly the purpose of this loan, to get the shackles off of international trade, and get the people trading freely in dollars, pounds, and what have you, over the world.

I think it is essential to the life of the world and to the peace of the world that we should do that. We cannot have closed economies in which our automobiles, to take an example, cannot go to certain countries, and are just shut out. Something else cannot go to another country. We cannot live in this modern world that way, I think

Mr. CRAWFORD. Thank you very much.

The CHAIRMAN Mr. Monroney?

Mr. MONRONEY. With Mr. Crawford and the other members of the committee, I want to express our deep appreciation to you for coming down here as an interested private citizen to render such a patriotic duty on these questions.

Mr. ROBERTS. I count it a privilege.

Mr. MONRONEY. We appreciate it. I wish more would come down There is one question I would like to ask.

Mr. ROBERTS. Yes, sir.

Mr. MONRONEY. I am not so much fearful of the passage of the bill through the House, but I am fearful that some Members in their haste to attempt to modify or improve it might attach amendments to the legislation. I wonder if you would care to give the committee your advice as to the impossibility of such things.

Mr. ROBERTS. Mr. Congressman, it is all a question of judgment, but my judgment is, on reading the agreement and analyzing the agreement, that the American representatives traded pretty well, and I think they have got the thing hung together now, the British commitments as against our commitments, about as well as it can be done. I think it would be unfortunate to upset that scheme; I really do.

Mr. MONRONEY. I quite agree; because this was a mutual contract.

Mr. ROBERTS. And Britain was not very happy about a great many things that we demanded and got.

Mr. MONRONEY. That is true, because the mutuality of the contract, the give and take, the Congress, if it attempts to amend it, will be amending it without Britain being represented in the further negotiations.

Mr. ROBERTS. Yes, sir; and that might turn the thing over, or might delay what I think ought not to be delayed any longer than you gentlemen need to delay it to really fully consider it, because I do think it is a matter of moment that we get going under it.

Mr. MONRONEY. It would be an almost fatal error.

Mr. ROBERTS. It would seem so to me, sir, because here are as competent men as we have in this country, and we all know the British traders and financiers are competent who have traded this thing out, and we have got, I think, the last thing we can get on it.

Mr. MONRONEY. It was worked over for many months.

Mr. ROBERTS. It was, indeed.

Mr. MONRONEY. By the staffs of both countries.

Mr. ROBERTS. Yes.

Mr. MONRONEY. And then it came up through all of the various levels for negotiation and agreement, and then for Congress to attempt, under the 5-minute rule, to write new sections in there, it would seem to me would be very, very bad, and probably destroy it.

Mr. ROBERTS. I think so. Assuming, as I do assume, that the Members of the Congress that vote on this thing are more competent than I am because I am a layman, like most of you are, although you have studied it more deeply than I have, no doubt, I would hate to put my economic and financial judgment up against the men who represented this country in working out this agreement. I would be pretty sure that I would make a mistake if I tried to do it.

Mr. MONRONEY. Thank you very much.

The CHAIRMAN. Dr. Talle.

Mr TALLE. Mr. Justice Roberts, I, too, am very happy to have you here.

Mr. ROBERTS. Thank you, sir.

Mr. TALLE. This proposal is usually referred to as a loan.

Mr. ROBERTS Yes, sir.

Mr. TALLE. But when the discussion proceeds, it is usually said it is not a loan.

Mr ROBERTS. Yes, sir.

Mr. TALLE Will you break it up into component parts?

Mr. ROBERTS. I think, sir, it is an extension of credit. Britain during the war, as I understand it, had to draw on countries hat were in her zone of influence for between thirteen and fourteen billion dollars. She had not pounds to pay with. What she did was to grant these people a credit. India, let us say, Australia, a credit for the number of pounds worth of goods they supplied her.

Now, Australia can never get that money from Britain. She extended it on Britain's credit, on the belief that Britain was a going concern, and would pay ultimately She will never get it, except by goods and services, back from Britain in payment. That is all she can give her, manufacture goods and send them back to liquidate this credit.

As long as that situation stands, Australia will not dare buy a dollar's worth of stuff here, because if she buys here, she will have to settle in dollars. She will have that big credit standing over in London unused.

Well, of course, the thing for her to do is to use her credit; that is the only way she can ever get repaid. The very purpose of this thing is to compel Great Britain to free the market for dollars, so that Australia, if she makes a deal with Britain, can get paid in dollars, and can use the dollars here.

Also, this is a credit because Britain cannot get dollars from us. She can get goods and services from us, up to the extent of $3,700,000,000, and she is going to buy in this country. Britain cannot use these dollars to socialize her mines. She cannot use these dollars to rehabilitate her factories in Great Britain. She will do that with pounds. She cannot use a dollar of these funds domestically. She has got to use them in international trade.

The very purpose of this agreement is that Holland, which is now buying the bulk of her requirements in Britain, because she has credit in London, and had better use that than to buy here, to make it possible for her to buy with dollars in America. This will do it.

Mr. BROWN. Will you yield to me?

Mr. TALLE. Yes.

Mr. BROWN. My understanding is that she does not have to spend all of this money in America. She can get dollars and buy from other nations.

Mr. TALLE. That was the question I was going to raise next.

Mr. ROBERTS. I think that as a matter of fact she is our best customer, and will spend most of the money here, whether she is compelled to do it or not, because she has got to have the goods and services that we can supply her for rehabilitation. She would get them somewhere else, but get them more expensively and get them slower.

Mr. TALLE Is there anything in the agreement that would require her to spend the dollars here?

Mr. ROBERTS. I think not; not as a requirement that she could not spend a nickel of this money anywhere else. But she always has been our largest customer. She needs the things that we can supply best of anywhere in the world, and I should expect that the great bulk of this to be extended in credits, not in dollars.

Mr. TALLE. I have wondered what effect that would have, assuming that she spends it all here, on our existing shortages. Would they not be intensified? Would she want what we have little of?

Mr. ROBERTS I think that is possible. Of course, this has a little inflationary effect, too, not a great one, of about one-half of 1 percent of our present debt. But I think the advantages of the loan overcome all of those questions.

What goods are scarce in this country will probably go into the home markets and not go into foreign markets Foreign markets generally take care of excess production, as you know, sir, and they have always been our safety valve in that respect. The 10 or 15 percent of American goods that have gone abroad, have been exported, have been really the safety valve for the difference between good times and poor times in this country, so the economists tell me.

Mr. TALLE. Assuming that Great Britain——

Mr. CRAWFORD. Before you leave that thought, will you yield to me for a question here?

Mr. TALLE. I am pursuing the same line, but I will be glad to yield.

Assuming that Great Britain does choose to spend her money here, and that she does put in orders for goods that are short, assuming that she does assume to spend it here, would we not be put in a position where we would have to forbid the export in order to care for our own urgent needs?

Mr. ROBERTS. I do not think you will meet that situation, sir; I think that as long as there is a shortage of any commodity which is in demand in the American market you will see that going into the American market and not into export.

Generally our merchants seek export markets for a surplus of production, and it is when goods are in plentiful supply that they go abroad.

Mr. TALLE. I had in mind the effect on international relations in the event we, under our export-license program, denied Great Britain what she wants in goods as a result of this credit.

Mr. ROBERTS Yes; I do not think that it will ever come to that point, but if it did, I do not think that would upset international relations, because they would understand it, in reason that they could not drain our market of something that was scarce here. I really do not fear that.

Mr. TALLE. Before I put my next question, I yield to Mr. Crawford.

Mr. CRAWFORD. I would like to ask the Justice this question, because I know you have had contacts with the basic underlying fundamental that I am going to raise.

Prior to this, and I think without a single exception in periods of prospective booms, with respect to advances in price levels, the deposits in our banks, commercial banks, have been largely created by extension of commercial credits to individual proprietorships and corporations by the banks.

Mr. ROBERTS. That is right.

Mr. CRAWFORD. And against which deposits the banks largely held LOANS.

Mr. ROBERTS. Yes, sir.

Mr. CRAWFORD. Now we have a situation where the individuals, proprietorships, partnerships, and corporations, own the deposits which are in the banks. They own the currency which they have in their hands, and in addition to those reserves against which the commercial banks have practically no claim whatsoever. The people have other reserves constituting in excess of $50,000,000,000, evidenced by Treasury issues they have, which they can cash any time they please, and increase the currency in hand or expand their personal deposits in the banks. There is one factor we have got to face right now.

Secondly, if the Treasury should decide to advance interest rates 1 or 1½ percent, all the way across the board, on all refunding issues, it puts out incidentally to the $270,000,000,000 debt, the individual citizens and corporations who own these deposits and who want to buy something would not give a rap about that increase of 1 or 1½ percent interest rate with respect to holding them down on their attempt to buy.

Mr. ROBERTS. I think that is right.

Mr. CRAWFORD. Now, so we have certain elements here and certain forces at work with respect to this inflation thing which to our people are new forces.

Mr. ROBERTS. Yes.

Mr. CRAWFORD. And which in my opinion we have not yet completely comprehended, and which in my opinion enters into the degree, if any, of inflation that may be caused by extension of the $3,750,000,000 credit.

Mr. ROBERTS. To Great Britain. I think that is right.

Mr. CRAWFORD. I want to get your reaction on that.

Mr. ROBERTS. I think that is right.

Mr. TALLE. I would like to get back to my point.

As I said, this is referred to as a loan, Mr. Justice. You broke it up into two parts. You called it a loan and a line of credit.

Mr. ROBERTS. Yes, sir.

Mr. TALLE. Could it be broken down further than that?

Mr. ROBERTS. Well, if you mean are there other features of it, yes. I think that is the main purpose on the part of the United States in this, to break the pound and the dollar bloc that England has had to set up for her own protection, to keep the trade in her own department store, so to speak, and not let it get out. I think also that England very likely cannot cooperate in the Bretton Woods agreements without this loan, and I think it is very important that she should be in it.

Those are two other elements in it that are not loans.

Then Britain has, and I think we must assume in perfect good faith, agreed that she will within a year strike down the Empire preferences.

Now, the Empire preferences have been undoubtedly a clog on our ability to sell to the British Commonwealth of Nations, to Australia, New Zealand, and she agrees to cooperate with the United States to free trade generally, not only in her own dominions, but generally, of harmful nationalistic discriminations.

I think all of those things are very valuable items in the total transaction. I may have slipped up on one or two. There are those others that must be considered seriously.

Mr. TALLE. Would you characterize a part of this agreement then as a price paid by our country for the privilege of trading in world markets?

Mr. ROBERTS. I do not like to put it that way, but I will say yes; I frankly say yes, for this reason:

As long as Britain has got this terrible pound credit staring her in the face, she is bound to restrict her trade, or she feels so, and I think I should feel so if I were in her place, restrict her trade within her Empire. She says if we can get temporary help to the extent of $3,750,000,000, we can let that go.

Now, I think that is a tremendous advantage to us.

Mr. TALLE. Is there an element of charity in it?

Mr. ROBERTS. I think not. Do not push me too far, because if there were an element of charity in it, I would be for it. The others who support the loan would not say that, but after all, Britain shot away and spent more money per unit of population than we did by a good deal, and she is debilitated, her domestic situation is, away beyond ours, sir, in any view you may take. I think it is good sportsmanship when she is in this desperate international trade situation, with 30 percent of her fleet remaining, with nearly half of her foreign credits called home and blown up in powder, which were a source of income before the war, I think it is a creditable thing for her ally to come forward and say in this juncture we will help

But that is not the basis on which this loan is put to you, sir, or put to the Congress; but it is a basis on which I would put it to you, if I had to. I think it is good neighborliness, and I think it is good morals, and then again I think it is good business. That is the third point, and that is the point on which I think it is put to you, that it is a wise business thing to do, in the interests of international trade and our own.

Mr. TALLE. Most of our people are familiar with borrowing, lending, paying back, and they are accustomed to banking terms.

Mr. ROBERTS. Yes.

Mr. TALLE. We have now broken the agreement into several parts. It is not surprising in a matter of this sort, which is pretty complex, that it disturbs them, especially if we say it is a loan, and then we say it is not a loan.

Mr. ROBERTS. Yes. You know, I think even our more intelligent businessmen have been very parochial-minded about international trade. They never have had the necessity that Britain has had to understand it and work with it for years. If they were a country where they had to import their raw materials and manufacture them, and sell them, and do this international trading to live that would be the case. Our own economy has been so self-sufficient for most of the history of this country that the ordinary businessman does not understand these international monetary transactions, international exchanges, and so forth. I speak to men all of the time who do not know it.

If they do not, then how do you expect the man on the street to understand it? I think this is the kind of a [illegible] where the men who are, and I [illegible] this with the greatest respect, the [illegible] are charged with the responsibility [illegible] this and decide what is [illegible] country, ought not to be influenced [illegible] the opinion of the man in the [illegible] as to whether this is a good loan [illegible] it ought to be made or not. [illegible] that with every respect, of course, [illegible] you men regard what your constituents think, and rightly so.

Mr. TALLE. Would you say that Britain is worse off now than she was at the time she agreed to the Bretton Woods plan?

Mr. ROBERTS. I think she realizes and we realize that she is worse off than she then thought she was; yes. But I have an idea that some such arrangement as this was in the background, even then, although I speak without authority on that. I do not know.

Mr. TALLE. Would it not be possible to break this plan down into more parts and say this part could be a straight commercial loan; this part is a line of credit; this part is for buying the right to trade, and this part is charity, if any?

Mr. ROBERTS. I do not see how you could do it, sir. I mean it has all of those elements in it, but I do not know how you could segregate and say this is this, and so many millions this, and so many millions this; I do not believe you could do that.

Mr. TALLE. Thank you, sir.

The CHAIRMAN. I recognize your fellow Pennsylvanian, Mr. Hoch.

Mr. HOCH. I am proud to say this is the most illuminating information we have had, that it comes from Pennsylvania, the best information we have had.

Mr. ROBERTS. It is a great old Commonwealth, sir, but your only misfortune is that you do not come from Chester County, Pa.

Mr. HOCH. Berks might be better.

Mr. ROBERTS. We have a slogan in Chester County, "United States against the world, Pennsylvania against the Union, Chester County against the Commonwealth."

The CHAIRMAN. Mr. Buffett might desire to interrogate you.

Mr. BUFFETT. Mr. Roberts, I regret that I feel constrained to take which might be considered a discordant note in this lovefest for the British loan.

Mr. ROBERTS. I would like to take you out in the other room and talk the love of God to you. I am sorry.

Mr. BUFFETT. I found myself in the minority last Saturday on a rather momentous occasion in the House. Oftimes there are compensations for those who are in the minority, although usually not at the moment of the minority.

My colleague, Mr. Crawford, has spoken about this loan as a stick in a bundle, and has referred to the four freedoms and the Atlantic Charter, and lease-lend and Bretton Woods, and now this British loan as a part of that whole bundle of sticks.

I would like to go back over that for a moment. Do you think the four freedoms was a realistic promise or a bit of cruel humbug?

Mr. ROBERTS. I do not think there was a bit of cruel humbug at all. If I had been stating the purposes of the allies, I would have not stated them quite that way, sir. I think it was a token intended to peoples of the world that we wanted to see a different kind of life lived by individuals in countries where they had not lived a free life.

Mr. BUFFETT. When those in high places promise things to the masses of people far beyond their ability to deliver, is that not a pretty rough thing at a time when it is desperately important that the masses have confidence in their leadership?

Mr. ROBERTS. Of course it is a dangerous thing to do. When you say beyond the possibility of accomplishment, you strike at the faith that I hold. I hold a faith that whether in my time or later, mankind is going to form one society, and that that one society is going to guarantee individual freedom. That is my faith. I may never live to see it, and the Atlantic Charter was a rough way of saying that, and an inept way of saying that thing. Perhaps people abroad are disappointed now that this great problem has not fruited in Europe, as it has not, and we know it has not. Conditions there are desperate still. Perhaps it was unwise to make so broad a promise, but those are questions of statesmanship and I would be the last to criticize an excessive promise under the conditions then faced.

Mr. BUFFETT. You agree that the Atlantic Charter is one of those bundles of sticks that has been pretty brutally cast aside?

Mr. ROBERTS. It has not been made good, it has not been made good.

Mr. BUFFETT. Further than that, I think Mr. Roosevelt said that it was, there was no such thing, or words to that effect, before he died.

Mr. CRAWFORD. Will you yield there for an observation?

Mr. BUFFETT. Yes.

Mr. CRAWFORD. Paragraph 4 has not been cast aside, and it constitutes one of the basic elements of all of these agreements which we are now carrying on, namely, making available to the various countries of the world raw materials, economic forces in the way of raw materials. In no way has it been cast aside.

Mr. ROBERTS. I would not say that any of it has been cast aside. I would say as it was phrased, you cannot carry it out to the letter now.

Mr. BUFFETT. The point I was making about the phrases in it. I would like to make a speech on what has been done with it. The Atlantic Charter, as such, was repudiated by its author. I do not know whether Churchill repudiated it too, but I know Roosevelt certainly did.

On lend-lease there were some very definite promises made, if I read the phrases of article 7 correctly. It says in the final determination of the benefits to be provided to the United States of America, by the Government of the United Kingdom, in return for aid furnished under the act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden the commerce between the two countries, but to promote mutually advantageous economic relations, between them, and the betterment of world-wide economic relations.

Surely you would not contend that has resulted in any, that that promise has been carried out in any way, up to date.

Mr. ROBERTS. I do not know that I would say that, sir. I think lend-lease has been a beneficial thing for the prosecution of the war, and I think lend-lease has been liquidated in a way to upset world trade, as little as possible.

Mr. BUFFETT. This made a positive promise with reference to trade between the nations.

Mr. ROBERTS. Yes.

Mr. BUFFETT. And according to the Senate committee that studied it, they said the consideration which we received was illusory. I am not sure that I know all of the definitions of illusory, but I think it is fairly clear. Mr. Vinson testified before this committee that the barriers between trade from the United States and the British were greater today than they were when the war started.

Mr. ROBERTS. No doubt about that. Britain has had to bloc and bloc and bloc right along to live.

Mr. BUFFETT. I am not judging Britain for what it has done.

Mr. ROBERTS. No.

Mr. BUFFETT. Self-preservation is the first law of nature. But I do say what they have done is in contravention of the promise of the lend-lease agreement, and there again in lend-lease, I think you will agree with me there was a large element of deception of the American people when they were given the impression very deliberately that lend-lease was a loan and not a gift.

Mr. ROBERTS. Perhaps some of the people thought that. I never thought that, and I never felt that I had been told so.

Mr. BUFFETT. I see.

Mr. ROBERTS. It was perfectly obvious that Britain could not offset by the amount of

goods she would supply what we would have to supply; that was perfectly evident. There was no intent that she should pay a balance, the complete balance. It could not have been done.

Mr. BUFFETT. There is an angle about all of these operations that is extremely disturbing to me, and that is this philosophy which seems so evident in Washington that the end justifies the means. The feeling here was that Britain must be aided, and lend-lease was a name put on an operation that was entirely deceptive of what that operation was actually going to do.

Mr. ROBERTS. I will agree with you this far, sir, but I think the most dreadful doctrine in the world is that the end justifies the means. Nothing can degrade a man or a people so fast as for a good end to adopt bad means. That is clear enough. I did not think that lend-lease was ever a despicable means of accomplishing an end. I thought it was a right means.

Mr. BUFFETT. In its physical operation, it may have been. I believe it was conveyed to the American people en masse, as a loan transaction. It was a deception of a pretty rank order. I come in contact within the rank and file. I am one of them. I think I know fairly well how they think. I know that the feeling of deception is pretty general.

Mr. ROBERTS. That may be so. I do not know. It certainly did not operate as any such deception to me.

Mr BUFFETT. The fourth stick in that bundle apparently was Bretton Woods.

Mr. ROBERTS. Yes.

Mr. BUFFETT. When Bretton Woods was before this committee, the question was raised as to whether a lot of big loans were going to follow Bretton Woods, and I do not remember the exact language, but this committee was given the very definite impression that there would not be a number of loans, that such credits were not tied in with Bretton Woods, and I think the same thing can be said of the "four freedoms" and the Atlantic Charter.

Mr. ROBERTS I do not know about the Bretton Woods thing, I would not know what occurred here.

Mr. BUFFETT Nowhere along that line were the people of the country told that in order to make complete these schemes, there would be other steps. That is bad statesmanship, to be sure, is it not?

Mr. ROBERTS Well, if you are correct about it, it certainly is.

Mr. BUFFETT. I do not think there is any doubt about that.

Mr. ROBERTS. I think that frankness certainly in our system is the first law of good statesmanship.

Mr. BUFFETT I am afraid it has not been done on the earlier steps, and not even on this British loan, because the British loan has political implications that have not even been explained to the American people in language that they would understand.

Do you think that the British loan is regarded as a political alliance between Britain and the United States?

Mr. ROBERTS. Oh, no; I do not think so.

Mr. BUFFETT. From what I read from the discussions in Paris, that impression was rather general, do you not think?

Mr. ROBERTS. No; I do not. I think that the only political implication is that I, as an American, feel we will live in a better world if Britain does not go under and I think this is an essential thing to keep Britain's economy going in this crisis.

Mr. BUFFETT. I respect, of course, those who have convictions, and I know that there are a great many. I do not think it has been made plain to the American people that regimentation here, economic regimentation, will have to continue longer because of this loan, if it is made.

Mr. ROBERTS. Well, I believe it would.

Mr. BUFFETT. Well, to the extent that it takes supplies that are needed domestically, it certainly will, and according to Mr. Small, who testified here from CPA, he said that the danger of inflation, which means the necessity of regimentation, would be much larger if these foreign loans were granted. Mr. Bernard Baruch testified exactly the same thing. If there is continuing regimentation for some length of time, this loan would cause it, and it has not been explained.

Mr. ROBERTS. Yes.

Mr. BUFFETT. On your point about the fact that this money will not interfere or not affect the socialization program in England, is it not true that if that money or a substantial part of it were used to buy machinery in connection with that socialization program——

Mr. ROBERTS Oh, yes; but then the money would be spent here, and not spent over there on labor and work in England. That is what I mean.

Mr. BUFFETT It would strengthen socialists in England to that extent, very definitely.

Mr ROBERTS. Anything that strengthens the British Government would strengthen the kind of government they have, of course.

Mr. BUFFETT. As you know, we have been operating under a planned economy in this country since VJ-day, and thus far that experience has been rather an unhappy one. It is my conviction that a large part of the disturbance that has come about during that period has been the protest of the people, a blind protest to be sure, against the governmental policy which is sending tremendous amounts of American resources to other parts of the world. It expresses itself in the man on the street adopting the philosophy, "I am going to get mine while the getting is good or before it is all gone."

I am a great believer in trying to bring about a better world by persuasion and example, but I do not believe——

Mr. ROBERTS. So am I.

Mr. BUFFETT. You can get it by forcing people and by methods of compulsion. This loan of course in its operation is a compulsory assessment against the American people of a substantial portion of their resources in a difficult period

Mr. ROBERTS Well, I would not put it that way Of course it is raised out of the public funds and paid out of the public funds.

Mr BUFFETT. Are you in favor of union with Great Britain? I know there is quite a movement in that direction.

Mr. ROBERTS. I am in favor of union with any nation who will join us in a federation similar to our own.

Mr BUFFETT Thank you.

Mr. ROBERTS. A parliamentary federation; yes, sir; or congressional federation.

The CHAIRMAN. Mr. RILEY, do you want to interrogate?

Mr. RILEY. I want to add my thanks to you, sir, for coming down and giving us the benefit of what I think is a very fine decision on your part. I think the example of citizenship that you have displayed here is very fine for the whole country, in coming here voluntarily to give us the benefit of your conclusions. I am quite impressed with your opinion as a great jurist, that this contract, you believe to be mutually beneficial to both parties.

Mr. ROBERTS. I do, indeed.

Mr. RILEY. I believe, and would like to know whether you agree with me or not, that any restrictive organizational group, whether it is a forced restriction or not, and whether it is a trade group or not, that denied opportunity to others would tend to breed and build up antagonism.

Mr. ROBERTS. I am sure of it, sir, and that is why I say that all of these moves, I think—Mr. Crawford asked me about them—are essential to world peace, and I think this is one of them.

Unless we can show something in that direction, certainly other people cannot show that inclination to us.

You asked me if I was for union. I am for breaking down nationalism. I am for breaking down national hatreds and jealousies and misunderstandings and everything that goes to break them down; I am for it.

Mr. RILEY. Thank you very much.

Mr. ROBERTS. Would you call me starry-eyed idealist?

Mr. BUFFETT. I want to ask one more question.

The CHAIRMAN. All right.

Mr. BUFFETT. How would you have the vote determined in that federation, by population?

Mr. ROBERTS. I would meet that when I came to it, and I think I would not have it determined by population, but by some agreed measure of proportional representation, depending upon populations, resources, trade, a number of factors, but the people of the United States and the people of the world are not ready for federation yet. When they get ready and recognize the principle, then their representatives can sit down as your representatives and mine did in 1787 and work out the machinery.

The CHAIRMAN. I recognize Mr. Crawford.

Mr. CRAWFORD. I want to ask you one other question. It approaches some of the legal problems involved in this general picture. Irrespective of what may have been said about the Atlantic Charter, the fact is that a document was published; it carried certain provisions. Paragraph 4 has to do with the obligations of the United States and the Kingdom of Great Britain, as then existed, and then goes on and deals with the proposition of making available to the various countries of the earth, to the extent possible, by these two countries, under the agreements then outstanding, the basic raw materials. That document was accepted by the world, we will say, at least momentarily.

Going on into lend-lease, and the mutual-aid agreements consummated under lend-lease, said mutual-aid agreements carrying article 7, which I think you will find in every instance was uniform in all of those agreements, and article 7 referring back to the obligations of paragraph 4 of the Atlantic Charter, and article 7 being contained in these agreements, and then picking up the joint statement by the United States and the United Kingdom, with respect to the settlement for lend-lease and reciprocal aid, surplus war property and claims, we have paragraph 2, which reads in part as follows, and that is referring to the negotiators here on the British line of credit.

"They have also taken full cognizance of the general obligation, assumed by them in article 7 of the mutual-aid agreements of February 23, 1942, and the understandings agreed upon this day with regard to commercial policy, pursuant to this settlement both Governments will continue to discuss arrangements for agreed action, for the attainment of the economic objectives referred to in article 7 of the mutual-aid agreements."

So carrying all the way through these various agreements we have these references back to the clauses.

Mr. ROBERTS. Yes.

Mr. CRAWFORD. Do you get my point?

Mr. ROBERTS. Yes; I do.

Mr. CRAWFORD. From a legal standpoint, how can anything be repudiated unless you repudiate the whole proposition?

Mr. ROBERTS. I do not see, and that is why I said to you, sir, that I assumed, and I thought we were bound to assume, that although Britain is a sovereign and can denounce her agreement tomorrow, and just as we could being a sovereign denounce it tomorrow, we must assume that she is going to carry out these undertakings in good faith.

Mr. CRAWFORD. May I read paragraph 4 of the Atlantic Charter, referring to the Governments of the United States and Great Britain, and the United Kingdom and Northern Ireland, paragraph 4:

"They will endeavor with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access on equal terms to the trade and to the raw materials of the world which are needed for their economic prosperity."

In no way has that language been repudiated, has it?

Mr. ROBERTS No; it has not.

Mr. CRAWFORD. It is the whole concept of the American people as enunciated in our war objectives, and in the program which we pursue today.

Mr. BUFFETT. Do you think the Potsdam agreement——

Mr. CRAWFORD. We are sticking to the Atlantic Charter. We are not going to that. We will stick to the Atlantic Charter and the various tie-in references in these documents; that is the point I am bringing out. It shows how necessary it is for us to discuss these various points so that our people will understand what is going on. These are agreements between Great Britain and ourselves leaving Potsdam out.

Mr. BUFFETT. The Atlantic Charter was not made with Britain alone.

Mr. ROBERTS. It was a pronouncement and not an agreement at all.

The CHAIRMAN. I want to thank you on behalf of the committee for coming here. I understand after the great reputation which you have made as a counselor at law and Justice of the Supreme Court of the United States, that you have now become a farmer, and I hope you will make a comparable record as a farmer.

While I hate for a Democrat to inject politics into this discussion, I think the Republicans might not be far wrong in nominating you for President.

Mr. ROBERTS. You better keep me in farming.

The CHAIRMAN. Thank you very much, Mr. Justice Roberts.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include statements which I already have permission from the House to include.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Miss SUMNER of Illinois. Mr. Chairman, a parliamentary inquiry?

The CHAIRMAN. The gentlewoman will state it.

Miss SUMNER of Illinois. The gentleman from Arkansas [Mr. HAYS] and the gentleman from Texas [Mr. PATMAN] have spoken two or three times on this bill during general debate. Is that permissible under the rules of the House?

The CHAIRMAN. The time is within the control of the chairman and the ranking minority member of the committee.

Miss SUMNER of Illinois. May the same person speak two or three times in general debate on the same bill?

The CHAIRMAN. General debate on this bill has been fixed at 16 hours, the time equally divided between the chairman and the ranking minority member of the committee. They may yield, once, twice, or as many times as they desire to whom they desire.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, I realize that I may not be able to contribute any new thoughts to the discussion of this problem. But I do believe that I owe it to my constituents, the people that sent me here, to state briefly, why I intend to vote for this resolution providing for a loan to Britain.

To me all the superficial arguments; all the short-range aspects of this problem would dictate a negative vote. In fact, I fully concluded many months ago that this loan would be an unwise step. During a speech made by my friend, the gentleman from Oregon [Mr. STOCKMAN], my questions indicated that I would probably vote against the making of such a loan. But more mature reflection has caused me to conclude that this transaction would be a wise move for our Government.

Personally, I wish we could have worked out a plan whereby we would get concessions in the form of bases or other benefits so that the question of repayment might never arise to harass us. We all must all be frank enough to admit that there is some doubt about the repayment of this loan. The granting of concessions to us by the people of the United Kingdom, in my humble opinion, would not have injured them, and the transaction on that basis would have forestalled the embarrassment that may arise if the payments due on this loan are not fully made.

Why, then, with these doubts, do I think this transaction is a wise one, when considered as of today? The answer to that question depends largely on how you interpret the transaction; how you view the position of our country in this sick and troubled world; how you believe it will carry out what I conceive to be the mission of this great Nation; and what the benefits will be to us from the making of this loan.

I cannot look at this transaction as a simple loan, such as we have between individuals or between private business concerns. In such private transactions the main problem is what security does the lender get and what interest on the use of his money. Here the incidental results of the transactions are more important than the interest we may collect or the installments we may be paid. Naturally, I think that we should get the interest specified and that the principal should be fully paid.

But may we expect collateral and corollary benefits which will greatly exceed the interest and even the principal which we would derive from this loan? I believe we will. I also believe that this loan will be repaid with interest. One of our best customers, or prospective customers, is helped to get herself into a position to become a good customer by getting dollar credit with which to buy our products, while she is using her pounds sterling to rehabilitate herself from the devastating effects of the great war. In this war England suffered terrifically. No one who has not visited Britain can really understand how hard she was punished. She lost manpower and physical assets far greater in proportion than we did. She lost her foreign trade, which is the backbone of her commercial life. The country is prostrate and must have an economic injection of credit to get her back on her feet.

We do sell, and have in the past sold, many things to England. We should try to again open the lanes of trade between ourselves and England, but without money and credit she cannot be our customer as she cannot pay for our goods. For instance, a great many of the dried fruits which California produces were sold to England. I have been reliably informed that 75 percent of the dried fruits which we exported before the war were bought by the United Kingdom. We need not explain that a small surplus of 5 percent or more of any product might wreck the whole market of that product. The loan is not merely a dollar transaction—it is a vehicle to open up the avenues of trade and to break down the restrictive trade barriers that England and her colonies had erected in the prewar period.

It seems to me that the correct approach to this question is to ask yourself, what is to be the place of the United States in the world of tomorrow? What is our destiny in this sick and chaotic world, devastated by the most destructive war in the history of mankind? What can we as a Nation do, in the atomic age of tomorrow, to help get the world back on a stable footing and help build the confidence among nations that is the basis for enduring peace?

America no longer is a great Nation in the Western Hemisphere, self-contained and self-sufficient. We have emerged from the war as the great political and productive giant of this century, the leader in the family of nations.

What is our leadership based on? Is it our great material and productive wealth? Our tremendous capacity to make and win wars? Or is it our genius for self-government, in which the individual is still the master of his own soul and the architect of his personal destiny? I see in this hour a chance for our country to lead the nations into the ways of peace. By example and by our record we have proclaimed to the world that nations and governments exist to serve men; to help them; to provide the opportunity for them to live their lives in peace and security. We have established the fact, by a bloody experience, that men are entitled to their freedom; that a great nation can live and survive under a system of self-government.

We no longer can hide our light under a basket and claim that the welfare of the world is no longer any concern of ours. We have the responsibility of leading the world into an era of law and order; of providing peaceful means for men and nations to live together. Only a few days ago we proclaimed the birth of a new nation and gave hope to millions of people around the globe. After a 46-year experience of helpfulness to a subjugated people, we consummated the promise of President McKinley that the Filipinos would, if able to handle self-government, be granted the right to

govern themselves. That act pointed to the doom of imperialism and blueprinted what may happen to other subjugated people tomorrow. It points in the direction of national autonomy and the settlement of disputes by legal machinery.

America could not escape her responsibility if she wanted to. The world has become so small that all nations are neighbors. The last war showed that designing men and unscrupulous rulers would love to conquer us and enslave our people and dissipate our physical resources.

The one great friend we have in this suspicious world is the British Empire. It reminds me of a story I heard David Star Jordan, the great former President of Stanford University and a great peace advocate tell many years ago. An American and a Canadian were talking about the fact that America and Canada had gotten along peacefully during their entire history without any boundary fortifications. The American said, "Is that not remarkable and how do you account for it?" The Canadian answered by saying, "That is because we have spoken to each other with all the brutal frankness of blood relations." We may cuss our English cousins and we may laugh at them but they are the one country with whom we can speak frankly and critically and still understand each other. In this sick and distrustful world Britain is one friend we can count on.

We can no more stop our march into international problems and the leadership of the world in international law and economic problems than we can subdue the relentless tides that pound our seashores. The provincialism that was once ours is gone forever, and, for better or worse, American isolationism as a national policy is also gone and will in the future be merely of academic and historic interest.

This does not mean that the America we knew and loved and that raised and trained us is gone. But by force of circumstances America is the great international colossus that is destined to lead the nations into higher standards of living and we hope and pray into lasting peace. The economic welfare of our greatest friend and ally—the one whom we understand and who understands us—is of interest to us. It does not mean we are to buy her friendship with money, that we are to coddle and humor her, but we certainly should and I think will help her to help herself.

Must we abjectly underwrite all she does and condone the policies she may pursue that do not conform to our standards or ideas? Absolutely not. We have pointed out by our recent acts that imperialism as a policy is at most merely a temporary policy. The peoples of the world, when trained and able to do so, should be allowed to govern themselves and that right should be accorded without resort to war.

We have thrown back the blinders of narrow self-interest in the interest of broader security for ourselves. We have determined that under God we shall aim at higher horizons of international friendship. We have concluded that we must win the friendship of other nations and the confidence of the world in order that we may have the security to which our people are entitled. We have broken the shell of narrow nationalism for the broader life of the leader among the nations of the world.

With the healing of the war's wounds understanding among men and nations will return. Confidence will develop and harmony may become the natural status of nations. Economic security for the people of the world will help bring political security. This step we are taking now will be a big step in that direction. It will point the way to that day for which we have been looking and for which many men in our generation—including many who sit here as our colleagues—have fought.

It is because I believe this resolution will help break down the barriers of trade; will help advance the cause of international understanding; will give the economic lift a most distressed ally needs for her economic rehabilitation; and is a step in developing our own security that I favor this resolution.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, the pending bill is in my judgment one of the most important measures this House has ever considered. It affects the destiny and the welfare not only of England, about which country so many have spoken, but it likewise affects the destiny of the United States and of world peace. That is the large question which underlies this legislation. I regret that some Members who have spoken in opposition have spent so much time decrying the mistakes that England has made and expressing the feeling of unkindness they have toward that country. I listened with interest to the letter which the Speaker of the House had read at the desk from the pen of one of America's great men, who, in my judgment, knows more about the foreign affairs of this country and its effect than anyone else—Cordell Hull. Immediately upon the conclusion of the reading of that letter from former Secretary Hull, approving this loan agreement, the gentleman from Minnesota [Mr. KNUTSON] followed and he opened his remarks by saying that we had surrounded Cordell Hull with a halo that he did not think Mr. Hull was entitled to. I am willing to leave to history that will be written after we are all gone whether or not we have exaggerated the greatness and the wisdom of Cordell Hull.

The gentleman from Minnesota said that the trouble with Cordell Hull was that he has been wrong as many times as he has been right. From my 23 years' service in the House and my observation of the votes and the attitude of the gentleman from Minnesota, I am convinced that he has been wrong 99 percent of the time upon all matters affecting our foreign policy. I have no personal ill will toward the gentleman from Minnesota, because when I came to the House he was my first chairman of the Committee on Pensions and I have a warm personal regard for him; but the gentleman's views I know are in direct conflict with mine on all matters affecting our foreign policy and I think he is just as wrong on this matter today as he has been on many other questions we have had up for consideration in the past.

I want specifically to call attention to the fact that the gentleman from Minnesota was in error when he said that Cordell Hull said, when he was Secretary of State, that if we passed the neutrality legislation, it would keep us out of war. The reverse of that statement is true. Of this I have personal knowledge. As a member of the Foreign Affairs Committee, I talked with Secretary Hull several times when neutrality legislation was being considered, and I know that his personal views were always in opposition to it, but the Congress finally passed the legislation, for which I voted, and in the light of what happened afterward, I now realize that Cordell Hull was right and I was wrong with reference to neutrality legislation.

Mr. Chairman, the pending resolution was best described by President Truman in his message to Congress on January 30, 1946, when he stated that the agreement or so-called British loan will set the course of American and British economic relations for many years to come, and that it will have a decisive influence on the international trade of the whole world, and will provide a solid foundation for the successful conduct of our economic relations with each other and with the world.

I submit that that is the solid foundation upon which this legislation rests, and that it should be considered upon the fundamental reasons which not only authorize but justify ratification by Congress of the loan agreement entered into between our Government and that of the United Kingdom.

There are those who claim that England or the United Kingdom will alone benefit from the agreement, and their prejudice against England is so great that it outweighs their judgment as to the merits of the proposed loan agreement.

This is not a one-sided agreement for the benefit of Britain alone. It was entered into by representatives of our country and by Britain after months of study and serious consideration from all angles. Our Government was represented in the conference from which the agreement emerged by men of ability, judgment, sound experience in business and finance, and the agreement reached is not a one-way street, but our country and our people will receive benefits that make the loan desirable, not only from the standpoint of Britain but from that of the United States as well.

Other countries will likewise be benefited, because the field of trade barriers and discriminations will be removed and world commerce will affect advantageously other countries besides those who enter into the agreement.

Under Secretary of State Acheson has accurately and graphically described the purpose and effect of the loan in these words:

This loan is not a pension for a worthy war partner. It's not a hand-out. It's not a question of relief, of bundles for Britain. This loan looks to the future, not to the past.

It does the things that are necessary to keep the kind of world we want. We're willing to bet $3,750,000,000 that we and the British can make it work. It's a case of opening up the trade of the world, so that money will be good anywhere in trade. The things the British have agreed with us to do will go a long way toward accomplishing that—toward making it possible for our people to go out and do business freely anywhere in the world. It is as essential to the foreign economic policy of the United States as it is to the future economic prosperity of Great Britain. It's a mutual arrangement for mutual benefits, arrived at out of mutual necessity.

The alternative is that we do not get the commercial arrangements which are necessary for the survival of our free industrial system. The alternative is the division of the world into warring economic blocs.

Of course, England will be benefited and will be saved from economic disaster brought on by the war, but England has always been our best customer, and if our best customer cannot do business, we suffer—not only our banking and business interests suffer, but our farmers as well. In normal times we sell more farm products to Britain than to any other country. More than a third of our total agricultural exports products went to Britain in 1938, the year before the war started. Our exports to Britain averaged around a quarter of a billion dollars annually in the years before the war. If we should suffer the loss of this business, it would hurt our American farmers.

Statistics show that in the last year before the war, Britain bought 18 percent of our raw cotton exports; 21 percent of our corn exports; 31 percent of our wheat exports; 62 percent of our lard exports; 72 percent of our tobacco exports; 84 percent of our exports of canned fruits, and 85 percent of our exports of hams and shoulders.

If this loan agreement is approved and the unreasonable restrictions and impediments will thereby be removed, there is every reason to believe that Britain will become an even better customer for our farm products in the future.

Just now the demand for farm products domestically is so great that we do not realize the necessity of a foreign market, but this situation will change, as it did at the end of the last war and we want to profit by the mistakes that we made then and prepare to prevent the great depreciation in price of farm products, which bankrupted the farmers of America.

The value of our agricultural exports fell by nearly 50 percent from 1919 to 1921 and our cash income from the sale of farm products fell by more than 40 percent during that 2-year period. The collapse of the foreign market was unquestionably one of the main causes of the sharp decline in our farm income. This must not happen again, and the British loan is one step taken by our Government to prevent this happening.

Assistant Secretary of State Will Clayton, who, by the way, is one of the ablest businessmen in America, and whose patriotism and loyalty to our country no one can question, in a speech which he made before the National Farm Institute at Des Moines, Iowa, last February, pointed out how our farmers would be affected if the loan was not made, and I quote his language:

> Without the loan, it is perfectly clear what path Britain would take and how our farmers would be affected. The British would have to conserve their dollar resources very carefully and spend them only for essential products which cannot be produced in Britain or bought elsewhere in the world. They would have to subsidize even further the expansion of inefficient British agriculture. They would have to obtain more and more of their agricultural imports from the countries of the sterling area, with whom they have special trading relationships. They would have to resort to primitive barter arrangements, obtaining agricultural products from countries which would be willing to accept an equal value of British goods in return. All of these things would tend to freeze the American farmer out of the British market, to pile up farm surpluses in the United States and to depress the prices of our farm products.

While all classes of our citizens will be benefited by the British loan, including industry and labor, no class of our citizens will receive greater benefit from it than the farmers of America. This fact and the reasons therefor are clearly established by many witnesses whose testimony is recorded in the hearings on this bill, included among them being outstanding farm leaders of farm organizations who have made a study of the bill and its effect, of these being Mr. Russell Smith, legislative secretary of the National Farmers Union, and Edward A. O'Neal, president of the American Farm Bureau Federation. Mr. O'Neal yesterday sent a telegram to the Members of the House, stating that at the last annual meeting of the American Farm Bureau Federation, by voting delegates elected by farmers in 45 States, they declared that in their judgment the loan is vital to the restoration of world trade and establishment of sound economic foundation for an enduring peace, and that the loan would be good business for the American farmer.

I commend to you the reading of the hearings on this bill which are very exhaustive and are embraced in a printed book containing 675 pages. It will be found therein that business groups of all kinds, labor organizations, seven farm organizations, and others all approve the loan, and the number of these organizations was so large that it required one and one-half pages in small type to set forth even the list of organizations which had approved the loan.

In addition to expanding world trade and world commerce, the United States will directly benefit, as has been pointed out by other speakers, in that the credit from this loan will not be spent in England, but largely to buy goods and services from abroad. The major portion of the expenditures will be made in the United States, and when not spent here, it will be used by the countries where it is spent for the purchase of American dollars, and our country will profit, not only by purchases here, but from other countries as well.

But I shall not dwell longer upon the economic aspect of the loan, important as that may be. My concern is with the effect its approval or disapproval will have upon our foreign policy and world peace. It is an integral part of our foreign policy and its approval is vitally necessary, if we are to carry out the program we have formulated to restore world trade and commerce, remove economic barriers, and insure international cooperation to preserve peace. Its defeat by the House, since the Senate has already approved it, would be a staggering blow at our efforts for economic recovery, international commerce, and the groundwork for the preservation of world peace.

If the House should fail to approve the loan, the word would be flashed to Paris where Secretary Byrnes, Senator Tom Connally, and Senator Vandenberg, representing our Government, are now engaged in laying the groundwork for a peace conference, and it is impossible to estimate the adverse effect it would have upon their efforts when it was announced that the Congress of the United States had repudiated their leadership. It would be a chance of wrecking the program for world peace which I am not willing to take and which I do not believe this House will take.

They talk about the size of this loan being gigantic, but it represents a sum equal to only 2 weeks expenditures that we made in carrying on the war towards its close. If we were willing to risk billions of dollars to win a war, should we not be willing to risk three and three-quarter billions to stabilize economic conditions and thereby help win the peace.

I shall close by quoting the last paragraph of a very able editorial which appeared in the Evening Star last night, when it stated that it—referring to the loan—is what Secretary Byrnes has in mind in declaring in Paris that the credit is the "first essential economic step toward peace and security." The House, if it has the interests of the Nation at heart and the interests of a world that could scarcely survive another major war, cannot fail to act favorably on this portentous measure.

Mr. SPENCE. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. ROE].

Mr. ROE of New York. Mr. Chairman, I think that our limiting of the debate to 16 hours on the question of this loan is a waste of valuable time and that if the facts surrounding the loan were to be analyzed by a group of school children for about 16 minutes they would vote unanimously in opposition to same.

I personally feel the proponents of the loan are doing their very best to make it appear as a pretty "if" picture and stating that possibly great benefits may be derived. Still at best it is a huge gamble with the American taxpayers' money with the chance of winning indeed remote.

I feel that in voting in favor of the loan that we would be making the most serious blunder in the whole history of our Nation, and I say this definitely without any malice toward Britain. During the debate it has been said that we are heading straight for World War III within 10 years and that we cannot miss. This is definitely true. Certainly we should never make a move that will lead us to war when as a Nation we

are always recorded as being forever opposed to warfare.

There are 14 nations who are just as entitled to a loan as Britain and some are already negotiating for same. A conservative estimate places the requirements at a figure well over $25,000,000,000. Where are we going to get this money from? Are we going to squeeze the last drop of blood out of the American taxpayers and subsidize our industries and natural resources and be a "sucker" all over again as in World War I?

In the House of Parliament they called us Uncle Shylock and referred to us as "Johnny come latelys" who did little toward winning the war. Well if we had not gotten there when we did they would be saying Uncle Adolf instead of calling us Uncle Shylock. There has been too much American blood spilled in Europe and the Pacific to take this kind of back talk from these British statesmen.

Why all the rush in such a matter of great importance, and what is involved in the supposed secret diplomacy and deals behind this loan? The stimulation of trade theory is pure "bunk." We do not need the loan to stimulate our foreign trade. Why, we cannot come within a mile of satisfying our home trade, which will boom for years to come.

Why has the Senate been high pressured into pushing this legislation through with such break-neck speed when it has side-tracked the soldiers' terminal-leave bill as being too costly. Now they come through with a cash-and-bond substitute. They say the terminal-leave pay bill may cost three or four billions of dollars but they do not give a hoot about $25,000,000,000 to foreign nations.

Are we going to give our servicemen I O U's and give Britain a certified check? Britain charged us $100 in cash on the line for every American GI brought home in her ships even though we furnished the food. Still we offer our fighting men I O U's because our experts say that we cannot economically afford a cash terminal-leave payment. Does Great Britain come before our soldiers and sailors? Certainly this should not be the case, but if you pass this loan you will have made the interests of our fighting men secondary.

String along with Wall Street and the international interests and we will soon be sorry.

Ladies and gentlemen, boiled down to bare facts, the whole problem resolves itself into whether we want to take a huge gamble with the taxpayers' money at a time when we should be reducing our taxes and conserving our resources when the benefits derived are uncertain.

These gifts, not loans, will involve from four to twenty-five billion dollars, and as I see it, will work to the disadvantage of our Nation from every angle and result in another war within 10 years. Let us not be led into war and financial ruin.

I urge you to vote against the loan, and feel that I am expressing the opinion of the majority of our citizens.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, it is with amasement and no little concern that I have listened to and read the many words that have been spoken here in this Chamber against the implementation of the financial agreement dated December 6, 1945, between the United States and the United Kingdom. So many half-truths have been hurled out from this well—so much bitterness and misrepresentation has been loosed—that one cannot but wonder as to the source from which the miasmas have come to becloud our vision.

All too little has been said by those who believe this loan to be an essential factor in the almost impossible task of restoring world order and building peace. This one regrets, for the tide of prejudice and misunderstanding that has been released has need of being controlled by dams of vision and truth.

I suppose I am as critical of England as any of you. I am sure that I am as aware of her weaknesses, her mistakes, her need to mend her ways, as anybody. I am sincerely appreciative of the efforts many of you have made to remind me that according to certain points of view England periodically and deliberately forces us to pull her chestnuts out of the fire at little cost to her. I will grant you that some of it may be true though that acknowledges a weakness in ourselves. I will not grant you that in this last instance it has been done without cost to England.

Were you in England during the war? Do you know what a blitz costs? Do you know what buzzbombs and V–2's are like? Have you gone without all the things that make living a pleasure and eaten only dull and uninteresting food day after day, year after year, just to sustain your productive capacity? Have you seen a long war that threatened your very existence end only to be told you will have no relief, that you must just pull your belts in another notch? Whatever you may think of other wars and other years, if you have seen England as I have, you cannot say she has not put everything she had and was and is into winning this war.

We have had much information poured out upon us relative to the terrible conditions on the continent of Europe. Our hearts have been torn to bits over the horrors that war brought to the men and women and children of Europe—and so they should be. But what of the picture that might have been painted, and never was, of England where one of the greatest dramas of all time was lived for 6 long, tense, horrible years, and still continues. Because little, if anything, has been told us, we have not registered it, we have just taken it for granted that England could and would take it, that there would always be an England. But the drama has been and still is being lived, Mr. Chairman, and the curtain will soon go up on the next act.

There have been times since I joined this august body that I have wished for more detailed knowledge of banking, of trade practices, of the formulas that have been used in national and international interchange of all sorts and kinds. This, however, is not one of these times, Mr. Chairman.

I find myself at this moment deeply grateful that my mind is not cluttered up with these formulas, that my thinking can be free and unshadowed. It is difficult for me to disagree with so many men whose opinions I have learned to respect mightily—but disagree I must. I have complete certainty that they believe with deep sincerity that they are protecting the people of this country—that I must respect. But I believe with equal fervor that they do not see the wood for the trees. I believe with the complete certainty women sometimes know with every atom of their being that the defeat of this resolution would bring catastrophe to us.

In the district that I have had the privilege of representing in this body for something over 6 years there are a very great many people who believe as I do that this extension of credit to the United Kingdom is essential if world economic balance is to be restored. There are also some who have let the clear light of their vision become temporarily clouded. Like the dissenting Members of this House, they, too, fail to see what lies beyond the trees.

This gives me deep concern, not for myself—but for my country!

As I have said, I am not schooled in economics, so my feet are not ensnarled in the chains of old financial formulas that stir up so great a dust that the road ahead is tragically obscured. I see these clouds rising on every hand, stirred up so successfully, so purposefully by those who do not want the restoration of order in the world quite so soon, who play with words, distorting them, intruding similar words to becloud issues by overemphasizing one particular meaning to the exclusion of all others.

On every hand we speak of "the British loan" and in a way that is accurate, but only partly so, for this that is contemplated, this that awaits our sanction, is a credit agreement—it is more an arrangement for working capital—and a small one at that. Why, we spent that much in 2 weeks for war.

A curiously unimpressive argument is that which suggests that because England's economy has held through these 6 months of our dilatory tactics, because she is exporting merchandise to certain countries, she cannot be in so great a need as she represented herself to be when the agreement was entered into. In the first place it is not pounds that are involved—it is dollars. In the second place if you have taken the trouble and had opportunity to find out what the actual situation now is you will get a fresh picture of the grim bulldog capacity the English possess and you will feel rather inclined to tip your hat.

To say that inflation would follow if 1 percent of our production were purchased by England seems to me a very thin argument particularly as this credit we are making possible would be drawn upon in varying amounts over a period of years. For many years England has been our best customer. We are supposed to be good businessmen, yet it is being argued that we do not need this business. What has happened to our business sense? What has become of our vision, of our grasp of the meaning of trade

signs? Is it good business to let your best customer go because for a moment his credit has been exhausted?

It is simply inconceivable that we should fail to see that this involves our position in the world rather than England's. Do we not realize that to let one's ally down just is not done without losing one's own standing—not his.

We have cried aloud that the Allied Nations have a great duty to the world: That of keeping together through the difficult years of building peace. Are we to repudiate this? Are we to shout now from the housetops that we think our great ally, whose children we are, fathered and mothered by the Magna Carta, is too bad a risk to give this credit of 2 weeks' war spending to? Do we understand so little of world economics? Why, even I, who make no pretense of knowing formulas, know that political peace can be had only upon economic peace, and the hope for this would end if we were to fail to express our confidence in Britain. Such action on our part would throw the world into a bitter, cutthroat economic war and wreck all the charters and peace treaties struggling for existence.

A peace conference is being called in Paris. Do we not realize that this is the basic agreement upon which the conference will build? France may be sending out invitations, but if we fail to say to the world that we consider Britain still an ally, that we have confidence in her, that we believe she is a good risk, those invitations are not worth a dime.

Should the impossible, the incredible, occur—and this House vote down this resolution—there would be started a process that would be as steady as the flow of lava down the side of a volcano, which would bury us, not Britain, in its path. It would be failure on our part to realize that this moment when two-thirds of the world needs what America has to give that this is our moment which, if we fail to use it, will come back to haunt us in our empty streets. We can keep only what we truly give!

This is not a matter for sentimental sympathy for like or dislike, it is a question of our own economy, which, whether we like it or not, is bound up with world economy. What we do with this resolution involves our children's children.

Britain faces a very desperate situation and so much of it will be eased by the strange, intangible thing contained in this little bit of paper, Senate Joint Resolution 138. If we, in our blindness withhold this expression of confidence, it would come as a stunning blow to the people of Britain. In the end it is we who would feel the results far more than they. Why? Because there in that tight little island they have learned to live on little, to sacrifice for survival. If we strike out at them now, if we drive them into themselves, they will discover that necessity is always the mother of invention. If we throw them, Mr. Chairman, they will of necessity form a new alignment, a new bloc. They might easily repudiate our gold and set up methods of barter with these other nations. Yes—they will turn to Russia, who will gladly be used, for she wants so much that England has. Make no mistake, England will not fall, she will settle down gracefully into a new place from which she will continue to play a very definite role in the evolution of man upon the earth.

It is inconceivable to me that we, who have shouted so long and so loud about our sportsmanship, of the need for the great powers to hold together, should fail to see even for an instant that this expression of confidence in our wartime ally is a basic necessity to every peace plan we have sponsored. We are not "buying England's friendship" as it was expressed to me—we are taking our responsibility for one of the corner stones of peace. Without mutual confidence, without mutual understanding, peace is impossible. Do you hit a fellow when he's down, or do you give him a hand up and a laugh and say, "Come on, get your wind"?

Contained in this agreement is the key to unlocking the areas now closed to us by the sterling bloc. Every country in the Near East has its eyes on us, waiting for that key to be turned so that there can be American trade. All the countries of the Arabian peninsula will feel we have let them down. I speak of these countries because I know their thinking first-hand. And I know at first-hand that wherever we fail to take our rightful place, Russia moves in.

Mr. Chairman, I am supporting this resolution with the deep conviction that it is an essential factor in America's recovery that without it another 4 or 5 years will see our veterans and our nonveterans without work, for once our own needs are filled where will our markets be? Other peoples will have found ways to fill the world's demands and we will find ourselves behind a high wall of our own making. A Britain without dollars is not a Britain without resources and without needs. She will turn elsewhere. She, who is our best customer, and before we can even whistle we will find ourselves a country without markets.

My vote for this resolution may be considered a selfish vote, for I am quite frankly seeking the world's markets for our children and their children's children. I am quite frankly wanting my country to keep her light shining on the mountain top.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, since the recent action taken by the British Government in Palestine against representatives of the Jewish Agency and Jewish settlers many voices have been raised against approval of the British loan.

I can never forgive this act of terrorism by the British Government, nor will I ask anyone else to do so. The indignity heaped upon Jews everywhere by this raid is so great that the memory of this harsh act will never be erased. Furthermore, the reprehensible action of the British Government in refusing to implement the recommendation of the Anglo-American Inquiry Committee with regard to the immediate admission of 100,000 homeless and displaced Jews into Palestine is indefensible. Coming as it does on the heels of the promise by Foreign Minister Bevin that if the recommendations contained in the report were unanimous they would be immediately carried out, it is a serious breach of faith by those in power in Great Britain.

I have stated before my position that Bevin should be forced to resign and thus the world might know that the labor government now in power in Great Britain will keep promises which it solemnly makes.

If this were a simple and ordinary loan I would be opposed to it because the actions of the British Government both in Palestine and throughout the world would make me fearful that they would not keep their promise about repaying such loan. However, this credit for the British Government was not proposed as a favor to the British Empire. I am for it because this credit of $3,750,000,000 will improve the financial stability of the whole world and will benefit equally the peoples of the British Commonwealth of Nations and the United States of America.

Two acts of political immorality will never make wrong into right. British wrongdoing in Palestine should not be compounded by American vengeance in withholding this credit.

I have received many hundreds of letters and telegrams from people in my district urging me to vote against this loan. I know that these letters are sincere and that they come from people who are shocked and abhorred at the inhuman and sadistic treatment of the innocent Jews in Palestine. However, we, who represent the people, must legislate by reason and not by emotion and prejudice. As much as I would like to vote against the loan to demonstrate my disapproval of the British Government in power, I cannot bring myself to do so, since it would be a disservice to the people of this country. This is a time when we must put the interests of our country above partisan politics or even self-interest. I have received a letter from an orthodox rabbi who resides in my district and whose congregation are also located there. I want the Clerk to read it to you now, as it demonstrates clearly cogent reasons for voting for this loan.

The Clerk read as follows:

JULY 9, 1946.

Representative ARTHUR KLEIN,
House of Representatives,
Washington, D. C.

YOUR HONOR: Some loose talk has been bandied around that Jewish Congressmen will vote against the proposed loan to Britain because of the anti-Zionist stand taken by the British Government. If this were true I think it would be a major tragedy for the cause of democracy in general and that of world Jewry in particular.

It is generally considered by all experts that the loan to Britain is of absolute necessity to assure the orderly carrying out of normal world trade. We will help the courageous English people just as much as we will help our own prosperity by getting through this loan. That the present British Government has done us grievous wrong is unfortunately true. But we must consider the effect a defeat of this loan will have. Not only will it give comfort to our biggest isolationists and America "firsters" but will do irreparable harm to the cause of the world peace and prosperity.

May I therefore strongly urge you to do your utmost to help bring out to a successful conclusion the British loan. I have spoken to the members of my congregation and they join me in addressing this plea to you.

I am sure that you will follow the courageous line taken by President Truman in urging passage of the British loan.

Yours very truly,

Rabbi M. S. FRIEDMAN.

Mr. KLEIN. There is a group in England which is opposed to this loan. They are no better friends to Palestine than the British Colonial Office. We must not hurt ourselves by an act of cheap revenge. Revenge is a most expensive luxury, which we cannot afford at this time.

I condemn the acts of the British Government in Palestine, but I shall vote for the passage of the British loan, because it will be of immeasurable help to us, and to the world, in bringing about financial stability, which alone can lead to peaceful and friendly relations between the nations of the world.

Mr. Chairman, Paul E. Fitzpatrick, the New York Democratic State chairman, issued a statement yesterday endorsing the loan. I quote a very pertinent part of his statement:

We feel that the same spirit which actuates America in desiring to make this loan should spur the British Government to take immediate steps to insure that Palestine will be immediately opened up as a homeland for the suffering Jews of Europe.

Anything less than this humane action by the British people will fail to convince the American people that they ought to make the loan.

In that regard, I should like to refer to a statement made a few minutes ago on the floor by my colleague the gentleman from New York [Mr. BARRY], in which he said, "What can we do if after the money is paid Britain fails to live up to some agreements or promises she has made?" I should like to offer now, if it be possible, a suggestion to the leadership of this House that perhaps we could hold off the vote on this resolution, or, if that cannot be done, perhaps the President would take the full time allowed to him by law before he signs it, so that we can give Great Britain a chance to crystallize her policy in Palestine to see what steps she will take to ease the situation there. I am in favor of granting this loan, but I should like to withhold it until I see some evidence of the British Government's position to cooperate and give something in return.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BENNETT].

Mr. BENNETT of Missouri. Mr. Chairman, there will always be a United States of America if the New Deal does not give it away. The current proposal to lend $3,750,000,000 to Great Britain is just another in the long line of Santa Claus proposals advanced by the present administration and the New Deal party which has had a controlling majority in Congress for 16 years. I am not anti-British but I am pro-American. The so-called British loan, which is in reality just another gift of billions to the foreigners, is a gigantic swindle of our taxpayers and I can think of at least 25 reasons why I shall not vote for the loan. These reasons are as follows and are in reply to the two hypothetical arguments advanced for the loan, namely: That it would promote world trade and would keep England from turning to communism.

WHY GET BURNED TWICE?

First. I am opposed to this vast loan because it would stimulate trade only until it was spent. Then they would request more. England defaulted on loans we made her before, exceeding six and a half billion dollars. She has already defaulted repayment of some $25,000,000,000 in lend-lease—out of a total of about twenty-nine billion—which we are agreeing to forgive her under terms of this legislation. What will it benefit us to loan money to a customer to buy our scarce goods when to judge from past experience, and the terms of this loan itself, we will lose both our money and our goods? If we have the money to give away, would it not be better to give it to our own citizens either in higher wages or lower prices, veterans' bonuses or old-age pensions? In that way we would keep both the money and the goods in the United States.

Second. The sum of money involved in the loan is really $4,400,000,000 because it includes $650,000,000 we are loaning Britain, in addition to the $3,750,000,000. The smaller sum is to be used by them to settle what they owe us on lend-lease. They owe us over $25,000,000,000. We have agreed to settle it for $650,000,000 or about 2½ cents on the dollar. And we are even loaning them the money to settle with. But, even crazier than that, we agree that they will not have to pay back the $650,000,000. It is to be spent by us, in the words of the agreement:

To acquire land or to acquire or construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States * * * and for carrying out educational programs, in accordance with agreements to be concluded between the two Governments.

Shades of the WPA, OCD, and OWI. What a colossal fraud on our taxpayers. If we need any additional facilities in the British Empire why are they not provided under terms of reverse lend-lease as it was promised lend-lease would be settled in full either by repayment in money, goods loaned, or services, trade concessions, and so forth.

Third. Congress was told that if it only would approve, as it did, the Bretton Woods proposals for an international bank and monetary stabilization fund, countries requiring financial assistance could get it from these sources. If these authorities will not now loan England this sum it must not be a safe loan. We have contributed the major share of money to these institutions and have thus done our part. I have supported these legislative efforts toward peace and world reconstruction and prosperity.

To the monetary fund we have subscribed $2,750,000,000 of a total of about $10,000,000,000. In the International Bank for Reconstruction and Development, we have stock amounting to $3,175,000,000. We also have our own Export-Import Bank with lending authority of $3,500,000,000. England has just borrowed $425,000,000 from our Reconstruction Finance Corporation. All of these set-ups, together with lend-lease, were portrayed to us at the time as ample to accomplish the very same purposes for which it is now said this new loan is essential and the final step. So, this tune we have heard before. The gentlewoman from Illinois [Miss SUMNER] put it right the other day when she said: "You can never stop paying alimony to the British." Well, that is true as long as the New Deal is the judge.

Fourth. The money loaned to England would stimulate rather than retard her drift to socialism and communism by providing funds to subsidize her present socialistic experiments. It would also be used to compensate the British Treasury for reductions in taxes already allowed in the United Kingdom. Our per capita tax has risen from $54 in 1920 to $285 today, highest in the world.

Fifth. The loan will hasten complete bankruptcy of this Government of ours and thus lead to eventual socialization of our own country. That is why the CIO–PAC is for it. It is a transfusion of blood from our own private enterprise body into a foreign Socialist body at a time when we would do well to look to the health of our own, suffering from pernicious anemia brought on by too many transfusions for benefit of others.

Sixth. If we make this huge loan we will have to make similar loans to Russia and other nations now having "loan delegations" waiting in Washington, D. C., to observe the outcome of this test case. We could not afford to discriminate against them.

Seventh. England is putting up no security for the loan. She is not turning over to us any island defense bases we need.

Eighth. Our national debt of $277,673,982,693—about $2,000 per United States citizen—is larger than that of the rest of the world put together, leaving out Germany and Japan. England's debt is $96,880,000,000. She should be loaning us money.

Ninth. The same administration leaders, including the President, who favors this loan to Britain to halt communism, favor a loan to Soviet Russia, the net effect of which would be to aid and promote communism. In fact, we have and now are dishing out billions to Russia in various forms of assistance. How inconsistent!

Tenth. Our total war expenditures were $333,646,000,000. The United Kingdom spent by comparison only $112,421,000,000.

BRAKEN BRITISH

Eleventh. Members of Parliament, Lord Keynes, of the British loan delegation, and Hon. Hugh Dalton, Labor Chancelor of the Exchequer, first asked for an outright gift or grant-in-aid. Our State Department described this as politically inexpedient to ask of Congress in an election year. The British replied, "We fought earliest, longest, and hardest and you owe it to us." They have no intention of repaying. On each interest due date you will hear a great howl raised in the United Kingdom about the harsh treatment of an ally and how they should not be expected to repay. They will repay our liberality with the old cry of "Uncle Shylock." The sworn statements of the Government of Great Britain, filed in this country according to law, show that she spends over $8,000,000 per year

in the United States of America to propagandize our taxpayers on such issues as this loan.

Twelfth. England does not definitely agree to reduce tariffs nor to drop her policy of Empire trade preference if she gets the loan and thus it would not stimulate trade except within her Empire. She only agrees to discuss trade sometime in the indefinite future. Foreign Minister Bevin, of Great Britain, recently said he would rather his country had gone down to defeat under Hitler than to be forced to give up Empire trade preference. They have no intention of giving us any trade advantages. But, the American market is the greatest market in the world and if we do not give away all we possess we can absorb it usefully right here at home. Bevin, speaking to the House of Commons December 13, 1945, said that the loan could not be repaid unless the United States reduced her tariffs and bought English instead of American goods so that England could have a favorable trade balance. Mr. Chairman, that would wreck American industry and agriculture and bring us another depression.

Thirteenth. England's claim that she did most of the fighting and thus we have a moral obligation to give her this money does not stand. We won the Pacific war almost alone. In the entire world conflict we furnished 14,000,000 men and the British Empire 12,000,000. Soviet Russia furnished 22,000,000 and China 5,900,000.

Fourteenth. The loan will not promote friendship. You cannot buy friends. As Shakespeare said:

Neither a borrower nor a lender be:
For loan oft loses both itself and friend.
And borrowing dulls the edge of husbandry.

The loan actually will promote ill will between the two countries and will promote future wars which we will be expected to pay for. England expects to spend billions of dollars in the next 2 years in the world's armament race. Instead of financing the next war before we have declared this one officially over, the administration should be calling a disarmament conference of the nations.

Fifteenth. We have already pauperized the British. They no longer try to solve their own financial problems but look to us for hand-outs. The loan would be a bad thing for the British from that standpoint.

Sixteenth. England would use the loan to extend social benefits and security to her own people at our expense and when we have not done an adequate job for our own veterans, old-age pensioners, and others. As St. Paul said in the Good Book:

If any provide not for his own, and especially not for those of his own house, he hath denied the faith and is worse than an infidel

Charity begins at home.

Seventeenth. No financial statement of the British Empire accompanies the loan application. However, the British Government owns $390,000,000 in American securities she seized from her own citizens in 1941. Why does she refuse to put up security for this loan? Her total liquid assets in this country, American securities, and so forth, belonging to the British Government or her nationals, exceed $3,600,000,000. These assets actually increased in value by one and a half billion dollars during the war when we were giving her billions.

Eighteenth. This so-called British loan would not help stop England's trend toward communism. The chairman of the British Labor Party, which is in power now, the Honorable Harold Laski, was recently quoted in the New York Times as follows:

To those who say we have to choose, as I do not believe we have to choose, between the Soviet Union and the United States, with its passion for free enterprise which is not free and is not enterprise, we the Labor Party stand foursquare behind the Soviet Union.

Laski, spokesman for the political party running England today, rants against what he calls our "rotten, decadent, capitalistic system," despite the fact it has twice saved the British Empire from defeat and Laski wants it to continue to bail out his country financially.

Nineteenth. While England is applying for a loan here she is negotiating loans to other nations. Greece, for example, gets forty million in British loans and Britain receives in return valuable commercial and political advantages. She recently loaned France $440,000,000. Why is Britain loaning money if she herself must borrow?

Twentieth. According to the Saturday Evening Post, February 9, 1946:

The net income of every Briton after taxes has exactly doubled. His wartime savings equal $35,000,000,000 plus fourteen billion in bank deposits and twenty billion in postwar credits. That totals sixty-nine billion of British purchasing power through savings.

Why should not the British Government borrow from her own citizens as our Government must for this purpose? Is it because she would have to repay her debts to her own citizens? Our administration leaders would do well to heed the advice in the fifteenth chapter of Luke, twenty-eighth to thirtieth verses, wherein it is asked:

For which of you intending to build a tower sitteth not down first and counteth the cost whether he have sufficient to finish it? Lest haply after he hath laid the foundation and is not able to finish it, all that behold it begin to mock him, saying this man began to build and was not able to finish.

We are coming to the bottom of our financial barrel.

SHADES OF THE BOSTON TEA PARTY

Twenty-first. Those most active in this country for the loan have selfish interests to serve. They include the Wall Street big business firms and banks, the United States Chamber of Commerce, the CIO-PAC, and those with something to sell. They include the friends of the 623 American corporations in which the British own securities. The British own 40 American insurance companies. England has already almost bought up the United States of America with money we have loaned her and in this way is in position to put almost irresistible pressure on Congress. We are again fast becoming a British colony. The British have many assets in addition to the foregoing.

The Honorable Jesse Jones, for many years Secretary of Commerce in the Roosevelt Cabinet, says:

They have $8,000,000,000 in investments in countries other than ours; they have fifteen billion in unmined gold reserves and eight billion in admitted diamond reserves.

Twenty-second. The British loan, which would have to be added to our national debt, is inflationary and threatens the future value of the veterans' benefits and other such programs in this country. It is just a subsidy for our exporters These unsound inflationary foreign loans have already brought the world two depressions, two inflations, and two world wars.

TRADE FRAUD EXPOSED

Twenty-third. The British loan from our taxpayers will be used to pay England's war debts to other countries and compete with us in international trade. She has already contracted for Canada's next wheat crop. This loan would not help our farmers dispose of surpluses. We loand them money before and still had surpluses. But, this agreement does open the door and hold out the prospect of flooding the American market with British goods, as explained in reason 12. Also, they will have this money all spent before we have any surpluses to dispose of.

Twenty-fourth. The interest provided for in this loan is a sham and full of loopholes. It is 2 percent but during the first 5 years no interest is to be paid at all. After that it is to be paid when England is able to pay it and she has a favorable balance of trade. The loan is supposed to be for 50 years. So with forgiveness for 5 years the interest charged is only 1.62 percent while we charge our own veterans 4 percent. We will have to pay 2½ percent on the money our Government borrows to loan to the British at 1.62 percent.

Twenty-fifth. The gentleman from New York, Representative EMANUEL CELLER, frankly admitted to the House—page A556 of the Appendix to the CONGRESSIONAL RECORD—as follows:

The agreement is so full of escape clauses, weasel words, and abracadabra as to permit Great Britain to do anything she pleases after she receives the money. The promises to pay are loaded with ambiguities. The qualifications practically nullify the apparent pledge. The double talk is bound to lead to misunderstandings, charges of bad faith and as they were the last time, Anglo-American relations will be poisoned again.

Abraham Lincoln said:

The reason the sun never sets upon the British Empire is because the good Lord knows better than to trust the British in the dark.

Mr. Chairman, I am not ready for the pawnbroker's emblem—three balls, and all of them eight balls—to become our national emblem. Lending money was not one of the purposes for which our Government was created. But I do not want to be unreasonable. I just want to protect our own interests as well as the British protect theirs. Here are three conditions on which I might be willing to support a loan to the British:

First. The British Government could be permitted to offer British Government bonds to American investors in the amount they seek as a loan.

Second. Great Britain could be required to furnish collateral for the loan

from her foreign investments or with defense bases we need.

Third. United States Government bonds floated to finance the loan could be earmarked for redemption and for interest payment to the extent that Great Britain pays principal and interest.

In absence of any security for this loan, such as I propose, it is unfair and unreasonable to ask the whole American people to foot the bill. However, those Anglophiles who have confidence that the British would not default this obligation as they have the others, should be given opportunity to buy these bonds at their own personal risk.

Under the terms and conditions agreed upon for the British loan as it is presented to us by the administration, the per capita share of its cost for each man, woman, and child in the United States would be approximately $28. The funds for this foreign loan would have to be raised in taxes levied on our people or by Government borrowing which would in any event have to be paid for by taxes. My congressional district, on the basis of the 1940 official census, would have to provide $8,087,772, and Missouri's share would be a total of $105,970,592. By county, the share of the British loan for my congressional district would be as follows:

Sixth Missouri Congressional District

County	Population	Share of British loan
Bates	19,531	$546,868
Barton	14,148	396,144
Cass	19,534	546,952
Cedar	11,697	327,516
Greene	90,541	2,535,148
Henry	22,313	624,764
Johnson	21,617	605,276
Pettis	33,436	936,208
St. Clair	13,146	368,088
Polk	17,400	487,200
Vernon	25,580	716,408
Total	288,849	8,087,772

The share of each community in my district can be computed in the same way. The present estimated population of Springfield, Mo., my home town, is 78,450. Springfield's share of the British loan would therefore be $2,140,600.

The share of the following typical communities in my district, based on the 1940 census figures would be as follows:

Community	Population	Share of British loan
Sedalia	20,428	$571,984
Nevada	8,181	229,068
Clinton	6,041	169,148
Warrensburg	5,958	166,824
Appleton City	1,186	33,184
Osceola	1,190	33,320
Harrisonville	2,322	65,016
Pleasant Hill	2,118	59,304
Holden	1,518	50,904
Green Ridge	350	9,800
Humansville	796	22,008
Bolivar	2,830	79,240
Ash Grove	1,101	30,828
Republic	790	22,120
Windsor	2,573	96,444
Montrose	457	12,796
Butler	2,958	82,824
Adrian	888	24,864
Rich Hill	1,994	55,832
Lamar	2,902	83,778
Stockton	801	22,428
El Dorado	2,342	65,576

Mr. Chairman, I cannot vote to place a mortgage of the foregoing proportions on the people I represent in Congress. They don't have that kind of money. Even if they had it they would not want to loan it on the conditions here proposed and which almost certainly would result in a total loss. My district is in need of hospitals, schools, roads, better old-age pensions, and other things which this gift-loan to the British would provide them if the money was spent here instead of abroad. I shall vote for amendments such as I have suggested. If they are not adopted I shall vote against the British loan. I intend to vote against loans to Russia and other countries which have defaulted and repudiated previous loans. I would support a loan to Finland for she is the only nation in the world which has ever repaid and has honorably lived up to the terms under which she received the money.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, the time has come to call a spade a spade. The time has come for Congress to decide whether we are more interested in the British Empire than the United States—whether foreigners are to be preferred to Americans—to the GI's.

I am talking in behalf of America—not on behalf of any foreign nation or any element with foreign ideologies. I am not talking on behalf of any international manufacturer or banker who would betray his Nation, chasing the almighty dollar in foreign lands.

I am not interested in those that want our 18-year-old sons to give up their homes, to surrender their education and their ambitions in order to have them police the internationalist's ill-gotten goods throughout the world.

Today it is "our country right or wrong. When right to be kept right—when wrong to be put right." This does not mean that we are to become a perpetual Santa Claus to another nation. It does not mean foreigners preferred, Americans forgotten. It does not mean union now. It does not mean the surrender of our sovereignity now or at any other time to any other nation. It simply means our country—United States of America.

Our State Department has been mostly wrong since 1917. It—not the people—developed a foreign complex. It has become more interested in foreign ideals than in American ideals. More interested in kings and smiling queens, than the welfare of our people. Since 1917, it has listened to the unpatriotic and un-American sirens of Union Now. It has become a party to spread false propaganda and false alarm. It has practiced deception upon Congress and upon our people.

Recently there has developed a new and most dangerous evil here in Washington. An evil that is not for the best interest of our people—an evil that is not compatible with our form of government. There is developing a new set of lobbyists—the lobbying of foreign ambassadors and agents. These on occasions entertain Members of Congress and heads of the Government at parties and dinners—with plenty of food and liquor.

Liquor diplomacy with Uncle Sam paying the bill formerly via lend-lease now via anticipated loans. Within the last few years our Government has spent millions of dollars erecting guest houses, and paying for food and liquor—both here and abroad—entertaining royalty, foreign diplomats, lobbyists, and loafers—"give me" Jimmies.

Members are invited to dine with generals and whatnots of another government. The Churchills, the Lady Astors and all the rest of the "give me" Jimmies have come or are coming to town. In addition to these foreign lobbyists, the international manufacturing and banking clique are all busy trying to sell the British loan to the American people.

Here is the agreement that our State Department entered into with Great Britain. We are to loan Great Britain $4,400,000,000 at about one and a half percent interest. She is to make no payment for 5 years. After that she is to pay $50,000,000 a year when and if she feels like it. If she does make a payment, we agree to spend it in Great Britain for buildings, installations and education. Not a cent to come back to the United States.

In addition, we are to cancel the $34,000,000,000 Great Britain already owes us, for $650,000,000. That is less than 2 cents on the dollar. This $650,000,000 is to be deducted from the $4,400,000,000 loan. In other words, we settle the $34,000,000,000 that Great Britain owes us with $650,000,000 of our own taxpayers' money.

If that is not financially highjacking us by our State Department, then I do not know the meaning of that word. It is a fraud and a deception upon America. On top of this we are to make her a gift of about four or five billion dollars' worth of surplus property and installations, that we own and have built in the United Kingdom and that belong to us.

In addition, Senator MEAD's committee has just brought to light the fact that our Government sold to Great Britain $6,000,000,000 of war surplus property for $650,000,000—less than 10 cents on a dollar. The time has arrived that we look after the welfare of our own people.

Of course, our international bankers and manufacturers want us to give Great Britain a credit of $3,750,000,000. This in addition to canceling the $34,000,000,000 that she already owes us with $650,000,000 of our money. Over the radio a short time ago, Senator BROOKS asked multimillionaire Philip D. Reede, chairman of the board of directors of General Electric, if he would loan some of his own and General Electric's millions to Great Britain on the same terms that he was asking Uncle Sam to loan the taxpayers' money.

Mr. Reede first turned pink and then purple, sputtered, and said that that was different. Yes, it would be quite different because then he would lose his millions, in place of getting the taxpayers' millions through his clever scheme—by which he would sell us down the river. He would then not be able to sell General Electric equipment to Great Britain,

and get paid for it with the taxpayers' dollars.

By this method Great Britain will get the things that we need, and that belong to future generations, and Mr. Reede and his other international cronies will get the taxpayers' $3,750,000,000. In the meantime, our Uncle Sam will call upon us to buy more and more bonds to furnish the credit to Great Britain so she can turn it over to the General Electric and other international manufacturers and bankers.

I do not blame Britain. I blame our own stupidity. The British Government and its citizens have billions and billions invested throughout the world. They have billions invested in the United States—billions more in Argentina and other Latin-American Nations. They own and control many of our insurance companies. They made $8,000,000,000 out of lend-lease, by selling products we gave them for war purposes, to civilians, and then forgot to turn over the cash.

Recently the CIO workers' appeal to the Socialist British Government to intervene in the General Motors strike as the owner of a large block of General Motors stock startled official Washington.

These holdings are of vast but unknown extent. In the single case of a loan of $390,000,000 obtained by the British Government from the RFC the collateral furnished consisted of British-owned stocks in 189 American companies now valued at $775,000,000. Why does Britain not sell her bonds in the open market? Why ask us for a gift?

The truth is Britain has become the most arrogant beggar in history. Because we saved her bacon twice, she expects us to maintain her indefinitely. If we are to judge her by the past, she will not pay back one penny. She will again call us Uncle Shylock instead. She may still have some virtues left, but she possesses neither shame, modesty, nor common honesty when she attempts to deal with Uncle Sam.

This gift to Great Britain is just a forerunner. If approved by Congress, it will be a bad precedent. It will be looked upon as a pattern by 50 other nations. They will demand similar gifts, and if refused will consider it as an unfriendly act.

France has already been given a credit of $1,300,000,000, Poland $50,000,000. Russia still, liquidating other nations' people and stealing their property, has just renewed her demand for several billions. When and where will this international WPA, lunacy, end. The statements made by our State and Treasury Departments that Great Britain occupies a peculiar position of its own is false.

It is claimed by these departments that if we do not make this loan, Great Britain and her colonies will refuse to trade with us. Such a threat could only come from such international bankers as the Aldrichs, the Rockefellers, the Harrimans, the Morgans and the Lamonts. It could only emanate from those who are total strangers to the truth. Our only answer is billions for the GI's of World Wars I and II, but not one penny for tribute.

With the proceeds of these loans—with the taxpayers' money—and with what they have made out of lend-lease, these nations will continue to buy the things that the American people want and need. They will continue the international black market—continue to buy American goods above the ceiling price.

Do you know that many foreign nations have purchasing commissions here? These commissions were authorized to purchase whatever they needed during the war. Their needs have grown ever since the war ended. Recently I was told that about half of America's needed goods were on the ocean.

There is no Government official who can tell you or who knows the amount of building material, lumber, farm machinery, and wearing apparel that is being shipped out of this country. All they know is that there is a scarcity of goods—a scarcity of meat, a scarcity of butter, a scarcity of sugar. Some will frankly tell you that they cannot understand this blind policy of wrecking our own Nation in trying to play Santa Claus to all the world.

The foreign propaganda machine, aided and assisted by our State and other executive departments, is turning on the heat. The American people are again being flooded with dishonest propaganda via the radio, the metropolitan press, and the theater. All this in the name of world peace. But in reality bought and paid for by foreign nations, and promoted by our State Department and international bankers and manufacturers.

The time has come to look after our own welfare. Is our State Department inviting disaster? Is it betraying our Nation? There is a feeling here that it represents other nations rather than our own. It is filled with people with foreign idealogies. Worse still it is loaded down with multimillionaires with foreign interests—Bill Clayton with British cotton connections and many lesser lights.

There must be a house cleaning. Americans who put the welfare of their Nation first must again be put in charge of the State Department. We are not going to continue to buy bonds to make gifts to foreign nations—nations that are in a better financial condition than we are. Congress must put its stamp of disapproval upon the State Department's disgraceful attempt to betray the best interest of our Nation.

We did more than our share in World War II. We furnished other nations with $50,000,000,000 lend-lease. We paid $2,700,000,000 to UNRRA to a billion by all the other 43 nations. We gave 72 percent to their 28 percent. This to rehabilitate people that they impoverished with their—not our—war.

Then we plunged our Nation $300,000,000,000 into debt, and assumed future obligations of another $342,000,000,000—a total of $642,000,000,000. This is more than twice the value of all the property in the United States. In addition, we printed $26,050,000,000 inflationary currency. All this for unborn generations to pay. This is only the beginning of the financial price that we paid, and are paying for World War II.

We furnished more than half of the implements of war to win, and we did more than half of the fighting. We lost 309,000 killed in battle—another 250,000 died from sickness—another million disabled physically or mentally for life. We lost at least one-fifth of a generation of people. This is the human sacrifice that we made in World War II, a war that others started and we finished.

In addition, during the war, to save the British Empire, we raised $90,000,000,000 by taxation. Our tax burden is already unbearable. When you compute your taxes ask yourself, Should the United States go deeper in debt to continue to play Santa Claus—to act as a WPA for Great Britain and other nations?

In the face of this sacrifice, let us see what Great Britain, whose Empire we saved twice within a generation, has sacrificed. The war that she started and we finished cost her only $5,750,000,000 and 240,000 killed in action. She and her colonies possess more than 40 percent of the world's resources. While we possess less than 10 percent. We owe more than all the other nations together—we, 140,000,000, owe more than the 2,000,000,000 that possess 90 percent of the world's resources.

I shall briefly review the sacrifices that our Nation has made for Great Britain and Europe in World Wars I and II. I shall discuss the issues that have come before Congress as a result of our participation in European quarrels and intrigues. There was the Atlantic Charter—"four freedoms"—born amidst 8 miles of battleships somewhere in the North Atlantic. A charter so loudly proclaimed by its authors, and so fervently accepted by a war-tired world, and, then so conveniently lost, strayed, or stolen—forgotten.

Russia was left free to take half of Poland, one-third of Finland and all of Latvia, Lithuania, Estonia, and the Balkan Nations without offending the nonexisting Charter. There are no "four freedoms" for these nations, for whose territorial integrity and liberty we entered World War II. Many of the inhabitants of these nations have now been or are being liquidated.

Next came the Bretton Woods conspiracy. From the fiery Patrick Henry down to the brilliant orator, William Jennings Bryan, we were warned against international financial manipulations. Bryan delighted in twisting the lion's tail, but now a small un-American group, by the spending of millions in the spreading of false propaganda, have momentarily triumphed.

World War I cost us $88,000,000,000 to save Great Britain. Three hundred and sixty thousand of our sons gave their lives on the field of battle or died in Europe of injuries. While thousands died since or are suffering from injuries or disease received or contracted in Europe. This to save the house of J. P. Morgan from a four hundred million dollar overdraft by Great Britain.

History repeats itself and falsehood doubles up on itself. In World War I, we had the slogans "Too proud to fight," "Peace without victory," "He kept us out of war," "Make the world safe for de-

mocracy," and then "War to end all wars." After victory, the League of Nations was born and proclaimed the everlasting dove of peace. But, because of internal dissention—because of greed and deception of the Big Three—the League failed in its laudable purpose.

We are now warned that unless we make this gift of $3,750,000,000 to Great Britain, she will renege her Bretton Woods commitments. Surely, she is not so dishonorable or foolish as to repudiate Bretton Woods, which is nothing more or less than a clever scheme born in the fertile brains of Lord Keynes and Morgenthau. A scheme by which America is to be fleeced out of another six or seven billion dollars.

Was this agreement a deception? Was there another secret agreement by Morgenthau by which Great Britain was to put no money into Bretton Woods? Were our taxpayers to make a gift for her share? If it was, then Bretton Woods had better die before it gets started. Fraud still vitiates every agreement into which it enters.

Again, in World War II, we have had the slogans "Raise the arms embargo and save our boys," "Draft the youth and stay out," "Give us lend-lease and we will keep you out," "The Atlantic Charter," and "Never again," and then "Unconditional surrender," "One world," "Dumbarton Oaks," "The San Francisco Conference," and "Bretton Woods." Each and every one of these slogans we were told would give us permanent and lasting peace, but unfortunately they were and are founded upon deception.

We are in no position to make forcign loans. Our debts equal twice our assets. We as a Nation are bankrupt. How many of us realize that, in spite of the fact that we have five times more money than ever before, yet as a Nation, we are poorer than ever before. Money is not wealth. It is simply a yardstick with which we measure wealth.

The mere printing of money does not create wealth. It does not create the things that we eat, drink, use or wear. While we have five times as much money, yardsticks, as we had at the beginning of the Roosevelt era—we have less wealth. The buying power of our dollar has dropped to 50 cents.

When our soldiers return to civilian life, they will find not only a three-hundred-billion-dollar indebtedness—which they will have to help pay—but also a Nation much poorer in natural resources than the one they left. They will find a Nation depleted of some of its natural resources, and greatly reduced in others. They will find that while they were fighting the world's battles, we at home armed and fed half the world, not only at their expense, but at the expense of unborn millions.

They will find a Nation with less food, less wearing apparel, less furniture, less and deteriorated homes. They will find a Nation with worn-out farm and transportation equipment—with few luxuries and less enjoyment. They will find that we have depleted our soil, producing food for other nations at the expense of future generations.

Millions of GI boys have and are returning. Congress has made provisions for the disabled, but aside from a little education and guaranteeing a loan for the lender up to $4,000, with 4 percent interest, it has done nothing for the ablebodied veterans. Yes, foreign loans at 1½ percent, but 4 percent for the GI. Settlement of billions for less than 2 cents on the dollar, but 100 cents for the returning GI.

In place of a bond issue to finance foreign nations, let us have a bond issue for the GI boys. Let us give them a new start in life. Let us compensate them at the same rate that the "stay-at-homers" received. I express the sentiment of every patriotic American when I say "billions to rehabilitate the returning GI boys, but not one penny for sponging nations."

To continue to exhaust our natural resources—our raw material—in manufacturing goods for other nations, and pay for them with our own taxpayers' money, is not only poor economy but verges on treason. We are asked to do this so that a few international gangsters, who are more interested in the almighty dollar than in their own country, can become multimillionaires and multibillionaires.

I have no objection if some deluded Americans think more of Russia than of the United States, but I want them to go and live there, at least until they know what it is like and get enough of it. I have no objection to the intellectuals who prefer Great Britain to our Nation, but I want them to go and live there and to spread their propaganda over there. We do not need them here.

Dean Acheson, one of the Anglophiles in the State Department, said:

> We are willing to bet three and three-quarters billion dollars that we and the British can make the agreement work.

Whose money is this Anglophile betting? Not his or his multimillionaire comrades' in the State Department, but that of the American taxpayer. He says further, if it did work, three-quarters of the world's trade would be conducted in sterling and dollars, compared with one-half of it prior to the war.

Is that what our sons fought and died for all over the world? If this is not laying the foundation for World War III, for world domination by the Anglophiles, then I do not know what it is. It is time to think before we are snared into World War III by our own Anglophiles.

Ninety-four percent of our trade is with ourselves. Our boundary line to this 94 percent is the Atlantic on the east, the Pacific on the west, the Canadian boundary on the north, and the Gulf of Mexico and Mexico on the south. Why not develop our own market—the 94 percent? Why make a gift to Great Britain with our taxpayers' money, so that they can buy bonds and manufactured goods from our international manufacturers and bankers?

Because of the mechanical inventions and chemical discoveries all nations have become more and more self-sufficient. This is especially true of the United States. Foreign trade is no longer essential to our welfare. There are still a few things that we cannot successfully produce, but we can always buy them in the world's open market, as long as we have the cash.

I am not opposed to trading with foreign nations, but rather as a matter of friendship than as a matter of diplomacy. Let us buy the few things we need from other nations in the open markets of the world without trade agreements. Likewise, let other nations buy what they need from us in the open markets. Let them buy what they need on the same terms and conditions that our own people buy. Let them pay with their own money. We ought to be through with financing other nations.

Some of my Democratic friends have searched to find some Anglophiles among the "has beeners" and "never wasers" Democrats and Republicans. But why bother with the Republicans? You still have some great men in your own party. Mr. Baruch tells you that this loan is not necessary and not for our best interests. Jesse Jones tells you that it is not necessary nor our duty to subsidize the British Empire. Joseph Kennedy, former Ambassador to Great Britain, tells you that this is not a loan but a gift. He knows that Great Britain never kept a promise to America or to any other nation. He has not forgotten the so-called loan we made to Great Britain after World War I that is still unpaid.

You have some real leaders on the floor who are not willing to sell our country short. Your venerable chairman of the Rules Committee has had the courage to come out against this loan. He tells you frankly it is the first time in 13 years that he has refused to pull the chestnuts out of the fire for the other end of Pennsylvania Avenue. I congratulate him. Long may he live.

The resolution is unconstitutional. I say deliberately, that not only the executive branch of our Government but we the legislative, as well as the judicial branch, are out of step with public sentiment and public opinion. The people demand that all three branches of their Government once more respect the Constitution. They demand that each of these branches function in its own particular sphere. They resent any encroachments of one branch upon the other. The time has come when official Washington must again respect the Constitution.

Some of my friends say that we must assume leadership—I presume they mean feedership. To assume the responsibility of subsidizing other nations is not leadership—to give away the substance of our Nation is not leadership, but stupidity and disaster.

We will help clear away the wreckage and build the world anew—but charity begins at home. America will not sacrifice its veterans in order to bribe good neighbors. Neighbors you have to bribe with a loan are not neighbors—but enemies. As long as I am a member of Congress, I shall never forget that my first duty is to my own Nation with justice and decency to all other nations. I shall never sell America short. I shall never consent to substitute a mongrel flag for the Stars and Stripes. There is danger ahead. America, watch your step. If that is isolation, then let the

foreign element among us make the most of it.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, the British loan is in my opinion the most grossly misunderstood issue which has come before this session of the Congress. An idea which carries such a potential wallop in determining human relationships in the atomic economy into which civilization is so fast slipping, in my humble judgment should be given cool, sane, and sincere study. Any discussion on this important subject which appeals largely to prejudice will add nothing but confusion to the issue. To play up and encourage prejudice is an easy thing to do. To play up and encourage prejudice does not require too much effort and does not draw very heavily on either ability or understanding; however, to play up and encourage prejudice does have its reward—that temporary reward of prompt and vigorous approval.

The British loan involves much more than just extending to England $3,750,000,000 in credit. It is a major test which will clearly show whether our commitment to free private enterprise is genuine or sham. It is a definite part of our foreign policy and the action we take on this issue will very definitely show the direction which we plan to take. From Holy Writ we get the admonition "Choose ye this day whom ye shall serve." We must make the choice. We can refuse the loan and choose isolation, economic blocs, and bitter national rivalry with the unavoidable results of depression and the basis for World War III, or we can make the loan and choose free world trade, economic abundance, and free international cooperation, and thus lay the basis for enduring peace. And, taking a still longer range view, the choice is whether or not we intend to promote slavery or freedom for the masses of earth in the years ahead.

We have just emerged with military victory from the second world-wide conflict in our generation. Thus, twice in our day, we have literally exhausted our available resources to disarm an enemy of our pattern of life. Not only have the necessary sacrifices been heavy in human lives, human arms, legs, eyes, and twisted human minds, but we have also drawn very heavily on the stock pile of our natural resources. We have used to disarm an enemy resources which, if used for peaceful purposes, would have given the entire population of all the earth an undreamed of abundance for hundreds of years.

It is very difficult for me to understand just why we unite so completely and vigorously in bending every possible effort to disarm an enemy of democracy when that enemy suddenly threatens us with a deadly military weapon, and then, after we have taken his guns away from him, we turn so quickly and vigorously to reveling in conflict and prejudice, giving no attention or concern to those united efforts and world-wide spheres of friendship and cooperation which made military victory possible.

It seems that we are interested in one technique only: That of consolidating and refining the resources of the democratic concept in the technique of disarming an enemy after the enemy reaches the shooting stage. The workshop in which he prepares the weapon for the next attack appears to be of little concern or challenge to us. Just how long will the democratic pattern of life continue to pursue the foolish and dangerous policy of military rescue from obliteration at the last moment? Will we ever take the tumble that it would be much easier and far less expensive and much more pleasant to make a decent effort at preventing the necessity for conflict rather than taking the risk of rescuing democracy every few years by disarming a powerful enemy? In democracy's chance to survive, truly "an ounce of prevention is worth a pound of cure." I am inclined to add that it is "worth a ton of cure."

There have been, for the past many years, two very distinct but opposite and opposing concepts for world social and economic controls. In other words, there have been two distinct but opposite systems of government.

One system is the democratic concept which as we know fosters freedom of the individual and thrives on individual abundance, individual happiness, individual responsibility, individual understanding, and individual tolerance. The only curb on an individual is that his desires and actions must not adversely restrict the common good. In this pattern the individual is supreme and the state is subordinate. The trend is toward an ever-increasing amount of good to an ever-increasing number.

The other system is the totalitarian concept which fosters restriction of the individual and thrives on individual poverty, individual ignorance, individual absence of responsibility, individual prejudice, and individual submission. In this pattern, the state, or ruling clique, is supreme and the individual is subordinate. The trend is toward an ever-increasing amount of power and privileges for a decreasing few.

The conflict between these two exactly opposite concepts of government and world economy did not end with the last shot in 1918 nor did this conflict end with VE-day or VJ-day. In my humble opinion this conflict is a mortal struggle and will end only in a complete knockout blow. The two concepts can never peacefully exist in an atomic world.

The totalitarian pattern seeks to extend and perpetuate itself by force and gains strength as the masses of the people of the world are reduced to lower levels of general knowledge and are kept ignorant of what is going on in other parts of the world. This concept gains strength as division, suspicion, jealousy, and intolerance increase throughout the world. So long as national, racial, religious, or geographical groups can be kept slashing at each other's throats, the ruling cliques of totalitarianism will meet with little opposition to the spread of their ideologies, and thus, their privileged position of domination, extortion, and class distinction will be perpetuated.

The democratic concept must perpetuate itself, not by war, but during periods of peace, through extension of world-wide friendships based on an ever-increasing standard of general knowledge, an ever-increasing standard of individual economic abundance and an ever-increasing amount of world-wide tolerance, friendship, and genuine concern for the general welfare of all men. Does our own basic concept "all men are created equal" apply only to relatively small spots on the globe? No; it means just what it says. It applies to all men over all the earth.

In my opinion the British loan is completely justified as an act taken in good faith for the perpetuation and expansion of those principles on which democracy must depend for growth and endurance. It is a contribution which our Nation alone can make to establish economic order and partial justice in a world economy which at the best faces difficult problems of recovery from the chaos and devastations of war. Yet, aside from any feeling of responsibility which must be ours as the result of military victory, or aside from any feeling of obligation to an ally who contributed so heavily to our mutual survival, the British loan is fully justified on its own merits. This loan looks toward world-wide construction for peace in the future and not to the past.

The British loan is part of the economic policy between the United Kingdom and the United States, which, in reality is the key to future world trade. This economic policy consists of three rather distinct parts. They are broad but related in scope and conform to the American pattern of economic and social world-wide policy.

First. There is the agreement which settles the very difficult problem of the war account or lend-lease. As to materials delivered under lend-lease or reverse lend-lease which were consumed before VJ-day in the prosecution of the war, the slate is wiped clean. Both we and the British have made our own contributions to common victory. Neither nation is attempting to collect from the other for dead horses or smashed tanks. No attempt is being made to place a dollar or pound value on tears, sweat, blood, and death. We are not charging Britain for American bombs which she dropped on Berlin, and Britain is not charging us air mail for their ultimate delivery. This time our relationship with a comrade in arms will not be disturbed through the years by an ever-increasing controversy over a war debt which cannot be paid; however, regarding lend-lease goods still in British hands, American surpluses remaining in the British Isles and numerous individual claims—both ways—a balance has been agreed upon and Britain owes us $650,000,000 which is to be paid with interest over a 50-year period.

Second. There is an agreement on commercial policy in which the United Kingdom agrees to reduce barriers of world trade. Under this agreement Britain agrees to establish freer exchange between British pounds and American dollars, thus breaking up the so-called sterling bloc area. Just as soon as the loan is completed the British agree to end exchange controls on day-to-day business transactions with Americans, this means that an American firm which

sells goods to Great Britain may collect in dollars where previously collection was possible in pounds only. At the end of the first year of the loan Britain agrees to end exchange controls throughout the whole sterling area.

The sterling area is the area where the British pound is almost exclusively used for international transactions. Goods or services sold from these areas to Britain are paid for in pounds or pound credit which cannot be exchanged for other currencies or other credit. Then, obviously, other goods or services bought with the proceeds of such sales must be purchased from British sources only. Dollars, as well as other currencies, are excluded from such transactions, and thus our foreign trade and free world trade is restricted.

The third part of the agreements is the British loan, that part of the over-all plan which has attracted such widespread public attention. Under the terms of this financial agreement this country would extend to the United Kingdom dollar credit to the amount of three and three-quarters billion dollars against which Britain could draw at any time during the next 5 years. The amount borrowed is to be repaid with interest at 2 percent, beginning in 1951. Repayment of the principal is to be made over a period of 50 years.

The loan very naturally raises a number of questions in the minds of the American people. These questions are quite reasonable and deserve accurate and frank answers. Free, open, and honest discussion of this important problem is what the American people want. They will be satisfied with nothing less.

One of the first questions asked is, "Why do the British find themselves in such an unfavorable position as to need the loan?" The answer is obvious. They of necessity converted their entire economy to production for the war effort. They were forced to sell practically all of their foreign investments. They sacrificed their export trade. They gave up their income from selling, shipping, and other services. Being the major point of attack by the common enemy, their very existence required that they throw everything into production for the war while beating off the enemy. They not only sacrified their income for six years to the war effort but in addition they were forced to borrow heavily from abroad. Yes; Britain needs the loan and the United States and the rest of the world needs the stimulation and freedom which this loan will bring to world trade.

Another question, "Why should we loan money to Britain when our debt is greater than theirs?" It is all too real that we have borrowed billions from our own people to carry on the war; yet, we have not contracted any debts to other countries. The condition is quite different with the United Kingdom. At the end of this year the British will have accumulated, above their debt to their own people, $14,000,000,000 in sterling debts to other countries. This foreign British debt is the problem child of world free trade. This British foreign debt was built up largely through British purchases of food and raw materials which went directly into the war effort. These materials added nothing to British economic stability; instead, they added a heavy burden and drain on the future economic stability of that country. If we make any attempt at all toward being fair, these war goods and services can be classed only as a British contribution to mutual victory, but in terms of world trade these debts mean that for the foreseeable future Britain must export goods and services for which she receives no pay. These goods must be exported to pay off the sterling debt. It is hoped that some of the creditors will scale down a part of this debt as a contribution to victory, but even if such reductions are made there will still remain substantial amounts which England must pay off through exports. And all of this means that if positive steps are not taken to encourage and bring about free exchange of currencies, the British must work almost exclusively for their individual creditors, and these creditors, if they are to recover anything from their credits, must accept only British goods and services. Unless we find a workable solution to this problem, world trade will be definitely divided into closed economic blocs. Through the British loan we have perhaps the last chance to restore and strengthen world trade by putting it on a basis which will permit free and stable exchange between world currencies.

Only by such an arrangement will it be possible for someone who sells goods to England to get money which they could spend in Mexico, Brazil, the United States, France, or any other country. Such a free world trade will increase production everywhere. This condition will permit England to repay this loan to us as well as to pay off her other foreign debts.

Another question which seems to bother some people is, "What will they do with the money?" They are not in a position to use it to raise their standard of living. During the immediate future they will be forced to hold home consumption to levels comparable with those existing during the war. They cannot use this money to socialize their industry because if any British industry is socialized the private owners will be paid in pounds. We are loaning them dollars. The agreement prohibits them from using this money to pay off their other creditors. Such obligations must be met in other ways. This money must be used for one purpose only: That of putting British economy back on its feet. It is working capital loaned on interest to a mercantile nation. It is new money which must be spent for food, machinery, and raw materials. Some of it will be spent in this country, but she is free to spend it anywhere. However, since it is dollars we are loaning them, there is, of course, only one place in the world where dollars can eventually be spent, and that is for goods and services produced in the United States. In reality Britain is borrowing from us dollars which she will literally distribute over the entire world. These dollars, regardless of where they go, will eventually be exchanged for American goods and services.

Many ask, "Will the loan really be repaid?" We are extending this dollar credit as a legitimate loan and we reasonably expect that it will be repaid. Britain is among the best risks in the world. She has enormous assets in business reputation, productive power, commercial skills, together with strong economic and political ties, throughout the world. Other countries have confidence in her ability to pay else she could not have accumulated $16,000,000,000 in foreign debts. However, the real question which will determine whether or not this loan and other foreign loans of all countries will be paid is whether or not the world is going to be prosperous and world trade free and large. If employment throughout the world and world trade can be kept at high levels, all loans will be met; but, if we have depression and widespread unemployment produced and encouraged by world economy blocs, we will of course meet much greater losses than the repayment of this loan.

Our people want to know, What are we going to get out of the British loan? First, we will cinch for our farmers and factories $3,750,000,000 in foreign trade. Without the loan this business would be forced elsewhere. Second, we get $2,250,000,000 in interest if the entire credit is used and no interest is refunded. Third, we get British participation in the international monetary fund. Fourth, we get free exchange of currencies between our two nations so that an American who sells to England may receive pay in any currency he chooses.

Fifth. We get during the second year of the loan, and as long thereafter as contracts are respected among nations, a free exchange of currencies in other countries; thus eliminating economy blocs such as exist in the sterling bloc area.

Sixth. We get Britain's pledge to settle her debts within the Empire and with foreign countries by getting them scaled down, refunded, and repaid, and by agreement the pounds she pays on these obligations are convertible into other currencies. This will enable her creditors to trade in America if they so desire. These are all commitments which Britain can make and can keep if she gets the loan. They are commitments she cannot make and could not keep if she does not get the loan. The American people want and need the economic freedom and trade expansion which will result from this loan as badly as the British people want and need such benefits. In fact, we have driven a hard bargain which many of the British people are reluctant to accept. In my humble opinion we are getting plenty from the loan.

Another perplexing question is, "Can we afford it and where will we get the money?" If the loan were an outright gift, it would increase the national debt about 1 percent. At the rate we were spending to carry on the war, if the war had continued for two more weeks, we would have spent a like sum without much thought and yet this relatively small amount is not an expenditure, it is an investment with reasonable promise of adequate returns. The cost to us will not be the three and three-quarters billion dollars, but will be only the difference between the interest we pay our people for the money and the interest we collect on the loan. For the remainder of this

century the cost will not likely exceed one-quarter billion dollars. This amount is nothing more than a small token payment for a nation like ours, with so much at stake, to make toward the strengthening and preservation of free private enterprise.

Certainly to us in America who are so strongly committed to the democratic patern of life, the actual application of that pattern to ever-widening areas should have a strong and sincere appeal. We should never lose any reasonable opportunity to extend the sphere together with appreciation for and devotion to the democratic concept. If democracy is to endure, we the democracies, must unite in peaceful efforts to build a world in which the democratic processes will find nourishment and the other conditions necessary for growth and endurance. We must build a world which responds only to democratic processes. We must build a world in which democracy can live.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. CARNAHAN. I yield.

Mr. FOLGER. I wish to make the observation that I have listened intently and very interestedly to the speech delivered by the gentleman from Missouri. I trust this speech will at least be read before people who undertake to vote on this important subject.

Mr. CARNAHAN. I certainly thank the gentleman.

Mr. SPENCE. I also desire to congratulate the gentleman on the splendid speech he has delivered.

Mr. CARNAHAN. I thank the gentleman from Kentucky.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CARNAHAN] has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, as we are considering Senate Joint Resolution 138, there is one particular item to which I desire to call special attention. That is the last paragraph of the bill on page 3, which reads as follows:

> Payments of interest to the United States under the agreement, shall be covered into the Treasury as miscellaneous receipts.

Heretofore, during the argument and during the debate, the question has been asked, "What is to be done if any principal is ever paid back?" Of course, that one paragraph in this joint resolution indicates strongly and forcibly that there is no intention that there shall ever be any repayment of this $3,750,000,000 which is credited to Great Britain, if it is eventually credited to her.

Mr. Chairman, in speaking, today, upon the matters involved in this resolution, which provides for a public-debt transaction with the United Kingdom, amounting to the staggering sum of $3,750,000,000, we have before us a question which transcends all others at the present. Some people may call this a public-debt transaction, others refer to it as a credit transaction, and many others allude to it as a financial agreement—but by whatever name you may refer to it, we find we are the paymaster, and, in the final analysis it calls for our Government to raise the huge sum of $3,750,000,000, and to place the same to the credit of Great Britain. This money must be raised, of course, by taxing the people of this country. If this measure passes it will add to the debt of every man, woman, and child in our country approximately the sum of $30. One of the serious problems, to my mind, is the fact that we are presumed to extend a credit to Great Britain, in the sum proposed by this resolution, yet there is no safeguard respecting that money after that credit is extended. She can take it and she can use it—there is no restriction or limitation upon that use. This is the poorest business, to my way of thinking, in which any nation could engage.

Mr. Chairman, the history of our past transactions with Great Britain are before us. The huge loans we extended to her, both before and after World War I, are largely unpaid. Our people have worked, and they have paid, for the benefit of Great Britain. That nation is indebted to us from World War I. We cannot forget some of the expressions which have been uttered by the British people against us—and that occurred after World War I was over, and after we had been very generous toward her. During World War II we have extended aid to Great Britain under lend-lease approximating $26,000,000,000. That huge sum is approximately the total cost of our part in World War I. However, we have recouped a sum approximating $3,500,000,000 under lend-lease in reverse. Yet we have turned over to her military installations, air bases, and great constructions—without cost—property which aggregates billions of dollars in value. In this connection reference has been made to Mr. Fred Vinson and the great service he has rendered to our people and to our country—but the service which he rendered was to give to Great Britain practically everything she asked—and he evidently forgot that we have some serious and staggering problems to solve in our own country, and that we have obligations to meet which far exceed those of Great Britain. Yet with all of this great generosity on our part, we are now urged to make another contribution to that nation.

Mr. Chairman, it has been suggested by one speaker that we must remember that Great Britain held the enemy while we prepared to enter the war. But that gentleman has evidently forgotten that Great Britain was fighting for her own preservation. We were preparing to go to her rescue—we were preparing to go across to save Great Britain—and we did go across, and we did aid in saving that nation. While we assumed the role of protector, is it fair to assume that we should pay a huge portion of the cost of her war, together with the gift of bases, military and naval establishments, and surplus property of untold value, together with an added sum which is represented by the provisions of this measure?

There are some matters that I desire to call to the attention of the Members which have not yet been touched upon.

The sum of money proposed as a credit in favor of Great Britain is not for war. It is not for defense. It is intended, as we understand it, to rehabilitate her in time of peace, to put here in competition with us in both trade and commerce. Hon. Jesse Jones, who has had a rich experience in finance, and who has served our Nation so ably and faithfully and well, has expressed his views upon this proposal. He said, in substance, "This proposal would be unsafe and it would undoubtedly hazard our financial structure."

That is what the gentleman from Texas said.

Reference was made during the debate this afternoon to the statements of Mr. Cordell Hull on this subject, but I desire to refer the gentleman from Texas to one of his own Texans, Mr. Jesse Jones, who says the granting of this credit, or gift, or whatever it is, would hazard the financial structure of the United States of America.

Mr. Chairman, let us examine some of the aspects of this proposal. I asked heretofore during the debate, and I want to ask again a simple question: What power or authority does the Congress have to tax the people and raise money, for the purpose of extending credit, giving or loaning money to any foreign country? If such power is vested in Congress under the Constitution or by any law, I would like to have that authority.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. JENNINGS. It is hornbook law that all the powers of the Federal Government under our Constitution are delegated, enumerated, and limited, and that if they are not delegated the Government just does not have them.

Mr. SPRINGER. The gentleman is precisely correct on that subject.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Miss SUMNER of Illinois. I asked Mr. Vinson, then Secretary of the Treasury, now Chief Justice of the United States, I challenged him to point out one single phrase in the Constitution or delegation of powers sanctioning this transaction, and he did not point out one clause.

Mr. SPRINGER. The gentlewoman from Illinois is entirely correct. This power must come by delegation from the people themselves, and that delegation must come through the Constitution.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. GRAHAM. Under the tenth amendment to the Constitution where all powers not granted to the Federal Government are reserved to the States and the people thereof, have we any right to delegate away the power of the States on the question of raising revenue?

Mr. SPRINGER. The gentleman is entirely correct. I now read from the Constitution, article I, section 8:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises—

What for? That is the next question—

> to pay debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises

shall be uniform throughout the United States.

Therefore, Mr. Chairman, the Constitution makes provision for the raising of money, by way of taxation, to do the things which are recited in our Constitution, and these are, to pay our debts; to provide for our common defense; and to provide for the general welfare of the United States.

Under the construction of statutes or of our own Constitution, when any item, or items, are included therein, all other items which are not mentioned are deemed excluded from the terms and provisions thereof. There is no provision granting any power or authority to tax the people to make a loan, or to extend credit, or to make a gift to any other nation, no matter what nation may be under consideration.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. JENKINS. I agree with the gentleman in his position. I have given the matter a great deal of thought, but I wonder in view of the fact that he is a member of the Committee on the Judiciary and a very prominent member, I wonder if his committee or anyone that he knows about has made a study of the other side of this and has come forward with any plausible argument whatsoever?

Mr. SPRINGER. May I say in answer to the distinguished gentleman from Ohio that I have heard no argument on the other side of this issue which establishes any right under our Constitution or under any law to lay and collect taxes for the purposes here considered.

Mr. JENKINS. Let me ask the gentleman this, if he will yield further.

Mr. SPRINGER. I yield to my friend.

Mr. JENKINS. I thought perhaps those who would want this authority back would bottom, as it were, their authority on the fact that we adopted Bretton Woods and such legislation. Now, does the gentleman think that that legislation that we have already adopted would, by any reasonable stretch of the imagination, be a proper basis upon which we could go ahead and do the things provided in this legislation?

Mr. SPRINGER. That agreement would not form a proper basis upon which to base legislation such as this, because there must be the delegated authority to lay and collect taxes as provided by the Constitution for this specific purpose, and that power has never been delegated to the Congress. The fact that an agreement has been made which will make necessary the levying and collecting of taxes does not extend that power and authority to the Congress.

Mr. JENKINS. I was going to say that in some of my studies I thought it might be they would base their power or supposed power at least on the fact that this does provide for what we might call reciprocal trade agreements and from that they would leap over to this proposition of lending money or granting money.

Mr. SPRINGER. That would be wholly inadequate because the only power that can come to the Congress is through the Constitution itself and from the delegation of authority by the people themselves.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Texas.

Mr. PATMAN. Article I, section 1, of the Constitution, provides that the Congress shall have the power to regulate commerce with foreign nations. Does not the gentleman think that we have as much right to enter into this agreement involving commerce as we have to sustain or even subsidize the merchant marine?

Mr. SPRINGER. In answer to the distinguished gentleman from Texas, may I say that this resolution does not provide that it is for the regulation of commerce. If this resolution refers in any respect to commerce, it probably relates to the commerce of Great Britain—and certainly not to the commerce of the United States.

Mr. PATMAN. It is obvious that it is for that purpose.

Mr. SPRINGER. Great Britain can take this money and buy goods, she can resell them, she can take the money received therefrom and put it in her own treasury, she can spend it for any use or purpose she may see fit and it may not be for the purpose of promoting commerce. The Constitution relates to the "regulation of commerce," but it does not recognize the "creation of commerce," as the gentleman proposes in this measure.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. As far as I can see, under this agreement Great Britain could take the money and put $100,000,000 of it into the campaign fund of various Congressmen and she would be entirely within her legal right.

Mr. SPRINGER. The gentlewoman is correct.

I desire to make one further statement. In the case of *United States* v. *Butler* (297 U. S., p. 1), the Court has laid down certain principles and certain policies. I want to recite two of those for the benefit of the membership.

First. The Court said:

> The Government of the United States is a government of delegated power. It has only such powers as are expressly conferred upon it by the Constitution and such as are reasonably implied from those expressly granted.

And, later in the opinion of the Court, this language is used, and to which I now refer:

> In article I, section 8, clause 1, of the Constitution, which provides that Congress shall have the power "to lay and collect taxes, duties, imposts, and excises, to pay debts and provide for the common defense and general welfare of the United States," the phrase "to provide for the general welfare" is not an independent provision empowering Congress generally to provide for the general welfare, but it is a qualification defining and limiting the power "to lay and collect taxes, etc."

In the pending resolution, we have before us the proposal to lay and collect taxes from all of the people, subject to taxation, and for our Government to then take the taxpayers' money and make an extension of credit, or make a gift, to a foreign country.

What benefit would flow to the people of this country by this transaction? Of course, Great Britain would benefit by this transaction. But, in the end, we know we cannot buy friendship—and we must cleave closer to our Constitution. That fundamental law contains the delegation of the power which Congress has and there is no power or authority granted, either under our Constitution or under the law, which permits a transaction such as is here contemplated. It is my hope that this resolution will be defeated.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, before approving this raid on the United States Treasury and granting a multi-billion-dollar hand-out to the British Empire, I think we should soberly consider two very important aspects of the question. As representatives of the American people, who ultimately must foot the bill, I believe we should ask ourselves:

First, is our financial situation such that we can afford to increase our national debt by the sum of $3,750,000,000?

Second, are the taxpayers of America, who are being asked to underwrite this so-called loan, willing to give their consent to the proposition with all its financial, economic, and political implications?

Speaking for the people of my congressional district, who have made known their views to me in no uncertain terms, the answer to both of these questions is a resounding "no!"

From a fiscal standpoint, our Government is in no position to extend financial aid to any foreign country. We have had an unbalanced budget for 16 years, and our national debt has soared above $277,000,000,000. Compared to this, England's national debt is $96,880,000,000. The Britisher owes less Government debt than the average American. His per capita share of local and national indebtedness is $2,037.50 against an indebtedness of $2,155 per capita in the United States.

Jesse Jones, who probably knows as much about fiscal affairs as any living American, had this to say in opposing the British loan:

> We should stop issuing Government bonds and pay every dollar we can spare on our debt, now and as fast as we can. We have sold our Government bonds to the American people upon the basis and representation that they constituted the soundest investment that anyone can have. They can only be sound if we make them sound by cutting down on our own expenditures and stop lending money to countries that have no reasonable assurance of being able to repay it.

Plain common sense demands that we should demonstrate our capacity to carry our present huge burden of debt before indulging in additional outpourings of American wealth.

During World War II we dipped into our Treasury to the extent of $29,000,000,000 in extending lend-lease aid to the British Government. Reverse lend-lease amounted to only $5,295,000,000, leaving the balance to be written off our books.

I think we have financed the British Empire long enough. Our grandchildren and their grandchildren will be footing the bill long after we are dead. I say the time has come to call a halt.

If we must diminish our Treasury to the extent of $3,750,000,000, I think our war veterans and our elder citizens deserve prior consideration. In my opinion, the approval of a loan to Britain before making adequate provision for our many home-front problems is unthinkable.

As one example of how this money could be used to advantage, I proposed some time ago that we make funds available to local communities throughout the Nation for the construction of living war memorials.

I am sure that if we advanced this money to local communities for memorials in the form of stadia, hospitals, public buildings, and the like, under the terms offered to Great Britain, through the years we would be repaid 100 percent. I certainly do not have this same optimistic viewpoint if we make this money available to the British.

These funds would be allocated to communities on a population basis, just as representation in Congress is determined, and just as quotas of men sent to war from these same communities was determined.

The British Empire is not going to fold up if we refuse them this loan. If they are in such dire need of funds, there are legitimate channels of credit available to them. England now has in this country assets worth more than $3,000,000,000 which she could sell, or at least give as security. In other countries she has liquid assets worth more than $8,000,000,000, plus another $8,000,000,000 in diamond reserves, and several billions in cash.

Why not make this loan on a straight commercial basis, or through a bond issue, with proper collateral? The American people could understand such a proposition and would approve it.

Quoting again from the testimony of Jesse Jones:

> If the British are unwilling to continue the pledge of security behind their present loan from the RFC for new money, I would give no further consideration to a loan to them of any kind. We owe it to ourselves, as well as to the rest of the world, to approach this whole matter in a completely realistic manner—which is the only forthright and sound approach.
>
> Approval of the proposed loan now before Congress would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and losing is a sure road to ruin. The Congress should not ignore the dangers that lie ahead.

In conclusion, Mr. Chairman, I would like to present some figures I have prepared showing the cost of the British loan to each county in the Fourth District of Indiana on a population basis.

What the British loan will cost the Fourth District of Indiana

	Share of British loan
Allen County	$4,122,459
Adams County	534,384
De Kalb County	624,024
Lagrange County	358,587
Noble County	588,873
Steuben County	323,433
Wells County	476,577
Whitley County	429,163
Total	7,427,500

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, the aftermath of the war brings new issues and problems which require a far-sighted consideration and a readjustment in our thinking. Some of our prewar convictions and prejudices must be tempered in the light of changed world conditions. International and domestic factors have become so interwoven in the world economy as to make it dangerous in appraising either to ignore the other.

Thus, in facing the question of a credit to the United Kingdom, we cannot safely dismiss the proposal merely because it means a further addition to an already swollen domestic public debt, serious though that is. Nor because other nations may want to borrow on the same basis. Nor because British purchases of scarce goods in this country may aggravate inflationary pressures. Nor because risks are involved which might not justify a commercial loan. Nor because the accompanying relaxation of trade restrictions may be disturbing to some of our domestic industries. Nor because the credit manifestly will be beneficial to a people who have chosen a phase of a governmental system of which we do not approve. Nor, because, having defaulted on her obligations to us in the past, it is presumable that she will not repay this loan.

It may be granted that there are objections to the use of an amount of our funds as large as three and three-quarters billions for any new project, domestic or international. These objections make it imperative to give careful consideration to all aspects of the proposal. The final decision should be reached only after a balancing of advantages against possible adverse effects. The stakes are too great to allow this issue to become tinged with partisanship or factionalism, racial prejudice or historic national bitterness. It should not be settled by appeals to emotions or sentiment. Rather, it should be decided on the basis of the facts in the case and what in the long future is best for America and the world as a whole.

My own conclusion, after weighing the arguments for and against the proposal, is that the advantages far outweigh all the objections which have been advanced and I am persuaded to the irresistible conclusion that the loan should be granted.

Two major considerations have contributed to this decision. First, I am convinced that a solution of Britain's external financial problem is essential to a high level of employment and a steadily advancing standard of living in the United States. Second, I believe that the credit will tend to minimize future threats to our own security and to the peace of the world.

These considerations are such as to justify me in supporting the proposed financial agreement with the United Kingdom, while at the same time desiring that every precaution should be taken to guard against possible dangers and against indiscriminate loans to other nations on equally liberal terms.

Before the war the United Kingdom was holding its traditional position as the world's greatest trader in terms of combined imports and exports, but the United States held first rank as an exporting nation. Our place of supremacy as the greatest exporter was made possible by Britain's role as the greatest importer. One was essential for the other. Inability of the United Kingdom to maintain its prewar position would have serious consequences to the United States.

Almost one-fifth of our exports went to the United Kingdom before the war. As much as two-fifths went to the British Empire. In that period the United Kingdom was the best customer of more than 30 nations and was a substantial purchaser of the products of as many as 10 additional nations.

The records demonstrate beyond doubt that the prosperity of individual nations increases or diminishes with the rise or fall of world trade. Britain in its key position in the network of trade among the nations may enhance the prosperity of other countries or contribute to depression in their home industries and agriculture.

The United Kingdom before the war was dependent upon imports for two-thirds of its food supply as well as for substantial amounts of raw materials for manufacturing industries. The war has created a difficult problem for the United Kingdom in paying for essential imports. The factors paying a part in this situation have included a loss of exports, a shrinkage of income from shipping and from foreign investments, an increase in external indebtedness, and a decline in reserve of gold and dollars. Cessation of lend-lease assistance from the United States has cut off the wartime means of balancing international accounts.

In some manner the United Kingdom must bridge over the period until its export trade can be expanded, its shipping restored, and a solution found for other transition problems.

While Britain is seeking the means with which to buy necessary imports, the United States is confronted with the need for broader markets for its products. Virtually all plans for a high level of employment and a steadily advancing standard of living in the United States are dependent upon an expansion of foreign trade, including greater exports and also greater imports. It will not be sufficient merely to restore foreign trade on the prewar basis.

The importance of foreign trade in our economy is clear. Although only 8 percent of our physical production of agri-

cultural and industrial goods was sold abroad just before the war, the percentage was much greater in some lines, 30 percent of our raw cotton, for example, being exported, 30 percent of our leaf tobacco, 12 percent of our wheat and flour, 15 percent of our farm equipment and machinery, and 54 percent of our refined copper. As an over-all proposition and in more pronounced degree in specific industries, the sales for export have been the factor which spelled prosperity or depression.

As matters now stand, we have no assurance of regaining our foreign trade in the prewar volume, let alone of expanding it to new heights. The network of controls built up of necessity during the war by the United Kingdom offers a bar both to a restoration of our foreign trade on the prewar basis and to its greater expansion. While these controls exist, the United Kingdom is in a position to force countries in the sterling area and the British Empire to buy from each other rather than from the United States.

The alternative for the United Kingdom, if it fails to obtain aid from the United States, is to attempt through bilateral agreements, to develop trade within the sterling area and the British Empire and certain other countries. Such a program would involve a strengthening of controls and a rejection of the plan for multilateral, nondiscriminatory trade which is the objective of the proposed International Conference on Trade and Employment. This course also would involve British withdrawal from the Bretton Woods agreements and inevitable failure of the International Monetary Fund and the International Bank for Reconstruction and Development.

The United States is interested not only in selling its goods and services to the United Kingdom but also in obtaining freer trade with all nations. The credit to the United Kingdom means not only that the dollars will be spent eventually for American goods and services but that Britain will make commitments of very great value to our trade. The result of all this must be more jobs for the American people.

The agreement is by no means one-sided, as some critics would have us believe. Immediately after the agreement becomes effective, British exchange controls will be removed on payments or transfers in connection with permitted American imports into the United Kingdom. It will be possible for Americans to convert sterling balances from current transactions into dollars. Virtually all restrictions on current transactions will be removed within a year. Also within a year the sterling area dollar pool will be eliminated. This means that India, Egypt, South Africa, Austria, and other sterling-area countries which desire to buy from us may use for such purpose any dollars received in payment for their goods, instead of being required to place those dollars at the disposition of the United Kingdom. Furthermore, if Britain after the present year finds it necessary to limit imports, the United States will not be subject to discrimination in connection with any retrenchment program.

The British pledge to arrange for a gradual release of blocked sterling balances, representing mainly wartime external indebtedness, also is of great significance to American trade. To such extent as this is accomplished, the creditor nations will be able to convert their sterling balances into dollars for the purchase of American goods.

A successful outcome of the proposed world trade conference, toward which the United Kingdom is committed, should bring a modification of the present Empire tariff preferences which discriminate against American trade.

Contrary to the opinion of some persons who see in the credit the advancement of the cause of socialism, the various commitments for the removal of governmental restrictions will be a boon to private enterprise. Continuance of existing controls would encourage state trading as against private trading.

In maintaining that the credit will tend to minimize future threats to our own security and to the peace of the world, I have in mind both the strengthening of the United Kingdom as a bastion for our protection on the other side of the Atlantic and the elimination of economic frictions which may lead to war.

Our obligation to Britain for successfully holding the line against German aggression prior to our entrance into the war is immeasurable The British people and those of the United States have a common language and similar institutions besides a racial kinship. The British continue their devotion to democratic principles of government, despite the present trend toward socialization of industry. British socialism has little in common with totalitarian communism. It is far better for us to strengthen a British Government which has socialistic leanings than to allow that country to fall prey to the seeds of communism which have found fertile soil in the areas on the continent of Europe which were devastated by war. Failure to assist Britain at this time might have disastrous consequences from the standpoint of our future security.

Broader implications bearing on world peace may be found in the program for multilateral, nondiscriminatory trade. Departure from such a program would mean an intensification of economic warfare through the use of exchange controls, quotas, preferences, and discriminations. Economic warfare produces frictions which engender bad feeling and provide a basis for war.

Summing up the considerations which have influenced me in my decision to support the financial agreement with the United Kingdom, I am convinced that an expanding world trade is necessary for our peacetime prosperity and employment. I see no hope for such expansion unless it is possible for Britain to be an even better customer for our goods and services than in the past. The credit is imperative as a means to such an end. Furthermore, the credit and the accompanying trade proposals offer some measure of assurance of the development of conditions conducive to our future security and to world peace. These considerations are sufficient to outweigh other factors which under different conditions might be controlling.

Britain occupies a position in world affairs, both economic and political, which justifies our approval of this credit. No other nation holds a similar position. It may be desirable for us to aid others but the British loan should not be a precedent. Each case should be handled on its merits. The amount of the credit is substantial but the cost to our economy might be vastly more if the world became involved in competing economic blocs and if a cutthroat struggle for trade-bred animosities which brought on a third world war. We cannot afford to risk the possible consequences of its rejection.

Mr. Chairman, it was just 6 years ago this summer that Great Britain, faced with military disaster, stood with her back to the wall—alone in a world of wolves. The mighty German war machine had rolled over the lowlands of Europe; France and Norway had fallen, the course of Russia was in the balance, the waters of the Mediterranean were becoming encircled, and Great Britain was the only country which, though beaten to her knees, stood steadfast and dogged between a Nazified Europe and us here in the Western Hemisphere. With a bold stroke, President Roosevelt, realizing that the fate of America was hinged inevitably and inseparably with the fate of Britain, announced the transfer of 50 of our destroyers to England in exchange for a right to us to build military bases at certain British possessions in the Western Atlantic. Although a cry of protest arose throughout the country against the method of this transaction in the face of express statutory prohibitions, few then and even fewer now deny that the exchange was mutually advantageous and that by it Britain was kept alive.

The case today is not entirely dissimilar with the situation that existed then. Then Britain was faced with political extinction; today she is faced with economic ruin. The political forces and philosophy against her then were hostile to our political system of government. The economic forces and practices against her now are equally as foreign and inimical to our concept of trade and friendly international relations. The success of those hostile economic forces would be as harmful upon us as would have been the success of the military foes which then were about to crush England. Why need we, from a narrow, national, selfish and prejudiced viewpoint, now fail to look beyond our noses?

But, indeed, is there any reason why the solution now sought to aid in England's economic salvation should not be tied directly with the transaction which, in a large measure, served to achieve her political salvation? The rights which we acquired under the destroyer deal were of a temporary duration—temporary when measured in terms of the lives of nations. All we obtained was the right

to build military bases and to use them for 99 years. We bought and paid for the lands which we took which were privately owned. The cost of the land and of the development to us was approximately $500,000,000.

The temporary nature of that right will forever plague us and constantly be a thorn in the side of British-American relationships. The sooner it is removed the better it will be for both our countries. Now is the time to do it. This loan should be conditional upon removal of the 99-year provision. To do so would not in any way interfere with the effective operation of the loan. To do so would involve no expense whatsoever to Britain—in fact, it should result in a tremendous saving of national expense to her by removing from her the necessity of maintaining military establishments in those areas.

I am confident that should such a condition be attached to the extension of credit, the objections to it, which are substantial and considerable, would be largely removed and it would receive a more generous support from the Members of the House than it now appears likely to receive.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I thoroughly agree with the thought that the gentleman has expressed on the desirability of having the time limitations removed on these bases. Does the gentleman propose to offer an amendment to attach such a condition to the British loan?

Mr. COLE of New York. I confess to the gentleman from South Dakota that during the past 2 or 3 days I have been casting about in my own mind trying to find some amendment which would be not only appropriate, but which would qualify under the rules of the House, and I would be only too happy to have the benefit of his unusual parliamentary skill and assistance.

Mr. CASE of South Dakota. The thing that I was hoping was that the gentleman had found an appropriate amendment, because I am sure such an amendment would draw a large amount of support and would be a persuasive argument for getting support for the proposition as a whole.

Mr. COLE of New York. I have prepared such an amendment and I will be only too happy to submit it to the gentleman before the time the bill is read for amendment, and hope that we can work out something which will be acceptable under the rules of the House and will accomplish what I strongly feel should be accomplished. As I indicated before, such a condition as this would not in any way interfere with the proper operations of the loan. It would, to my mind, remove one of the irritants which is bound to exist between the two countries for the next 95 years, and the sooner that thorn is plucked out of the side of Anglo-American relationships, the better it will be for both of our countries.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I think it might be a deciding factor in the passage of this loan.

Mr. COLE of New York. By that does the gentlewoman mean that at the moment she is hesitant about supporting the resolution, but would later support it if the amendment were adopted?

Mrs. ROGERS of Massachusetts. Frankly, I can argue both ways in the matter. The only question is whether in the long run it would be the best thing for us to make this loan. There are many, many reasons against it. One of them is, Why is it that we spend 4 days debating giving billions of dollars to England when we spend only a short time on our veterans' legislation?

Mr. COLE of New York. In my discussions with the Members I have found many who are now uncertain of their position, who are inclined to favor it but who are opposed to it because they cannot see anything tangible coming in return to this country. The suggestion I have made is to my mind something tangible, something concrete, that we can put our finger on, something of long-term permanent benefit to this country, which at the same time would not involve any expenditure by the British Government, not interfere with her economic system in any way and, as a matter of fact, as I indicated before, would result in a substantial saving in her national expenditures for military purposes.

Mrs. ROGERS of Massachusetts. I have a good many clippings from English papers. Frankly, I think that England would have a great deal more respect for us if we required something in return for the loan, because it does not seem to me it will be a loan, it will in effect be a gift.

Mr. COLE of New York. I am sure if I were a Britisher as I am an American, I would not hesitate to say, "You can stay in those bases forever," because by doing so I would know that then America, American military force, and American influence would be in territory under my flag ready to protect my interests. So I think it is a short-sighted expression of opinion for the British to oppose such a proposal.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, we are told that the justification of our making the so-called British loan is that it will inure to the benefit of the United States through trade agreements that our own State Department will be able to make with Great Britain and other countries. Before we would be justified in making this loan on this basis it would be well for us to know what trade agreements are likely to be made and what commodities will be dealt with, and in what respects the agreements will benefit us. Also, we would want to know what trade advantages we will be compelled to relinquish in order to receive the promised British concessions.

To be plain about it, we must not lose sight of the fact that under the British-loan program it is expected that we put our money on the line as the first step in the program. What the British will do in return after we have advanced them nearly four thousand million dollars will all be based on a promise. For this tremendous sum they will promise again. This time they put us on notice as to the probability of repayment. Lord Altrincham, in speaking on the general subject of our making loans to Britain, said:

> I fear, therefore, that these obligations may be the cause of grave misunderstanding in the future, and that the people of the United States should understand this, which is absolutely fundamental to these agreements. They do not understand that the conditions attaching to our acceptance of this line of credit—the only conditions on which we can pay for this credit if we take it up—involves a complete transformation, and, indeed, a transfiguration of the American economic system, if they are not to compel default.

You will note that he says that the only condition upon which they can pay is that the United States yield to a "complete transformation and transfiguration of the American economic system."

Shall we do this? It will be a price that free America, if thoroughly advised, will not even consider. It is very probable, however, that Secretary of Commerce Wallace, in line with his internationalism and free-trade beliefs, would readily consent to this transformation. And it is extremely likely that William L. Clayton, representing the State Department, would agree to this transformation. Mr. Clayton, some time ago, in an article published in the New York Herald Tribune, stated, in effect, that if we were to make this loan to Britain with the expectation that we could be paid from the additional world trade that might come to us from Britain by reason of this loan, we would not be justified in making the loan. He maintained that we must initiate a world-wide nondiscriminatory trading system throughout the world, and by reason of this loan we would enable Great Britain to join in full partnership with the United States in promulgating and carrying out this gigantic free-trade program. Therefore, our country would be an international Santa Claus for the whole world. While these men and others might want to agree to this transformation and transfiguration suggested by Lord Altrincham, I am sure that the American people will not agree to make the loan if that is the only benefit that we may expect from making this loan. Mr. Chairman, this would be a very dangerous step. If we follow Mr. Clayton's suggestion, to which I have just referred, we would be entering into an agreement from which we will never be able to extricate ourselves. I would much prefer to advance to Great Britain a billion or so dollars as a donation rather than to enter into an agreement that will transform and transfigure our national economic system.

Especially should we be careful when the two greatest world powers, next to our own country, are now under a political control that espouse doctrines that are directly in opposition to the doctrines and principles that make America great.

Socialism and communism are the antithesis of Americanism.

Less than 3 months ago Winston Churchill, the greatest British statesman of all time and one of the greatest world statesmen of all time had this to say about the financial and economical prospects of his country.

If the normal, active, well-established processes of enterprise and production are bent and burred by the violent impingement of a utopian Socialist scheme, we are on the road, and a direct and short road, to financial bankruptcy and economic collapse, the inexorable effect of which will be an immense decline in our present standard of living and the final and fatal loss of our world position, by which alone we can keep ourselves alive.

Mr. Chairman, this enormous loan cannot be justified if we subject it to the usual tests that are applied by men and nations who make loans that they expect will be repaid. If this is to be a donation, let us call it a donation. If it is to be a loan, let us make it according to the rules that usually apply in the making of loans. Let us require proof of ability to repay. And, let us include in the contract plain terms for repayment that will leave no room for future arguments as to their meaning.

What does this plan to transform and transfigure our economic system imply? Since the American market is the greatest market in the world and since it is planned to transfigure it for the benefit of many other countries the implication is almost irresistible that we are going to dissipate our own assets and our own business and the greatest free market in the world for the benefit of others. Mr. Chairman, it seems that we are about to enter into a system of complete free trade far beyond the fondest hopes that Cordell Hull, America's greatest free trader, ever indulged. We will go beyond the wildest schemes for the division of wealth ever devised by Franklin D. Roosevelt and his New Deal "brain-trusters." We will go far beyond the most fantastic dreams of Henry Wallace. When Mr. Clayton makes a proposal such as he has made it worries me more than the proposals of Hull, or Roosevelt, or Wallace, because Mr. Clayton is a man with a wide experience on matters of business and of foreign trade. If we in a moment of mental abstraction give to him these great and unlimited powers, we cannot later justify our conduct because Mr. Clayton as one of the greatest cotton dealers in the world has already demonstrated that he has in a measure forsaken American economic principles when he transferred his great cotton activities from these United States to Brazil and to other countries.

I cannot stress too emphatically the danger incident to the consummation of these threatening New Deal free-trade programs. We are being lulled into an attitude of acquiescence because some of those in authority who have nothing else to do are constantly flooding the country with propaganda favoring the granting of this loan. The Government should never indulge in propaganda. The Government should never be an open advocate against one group and in favor of another. The Government should be neutral but should see to it that the facts are produced and that the people are fully advised. The amount of money and energy spent by the Government agencies directly or indirectly in propagandizing for the British loan surely must be very large. This has taken so much of their time that they have neglected to look after the best interest of the American people in many ways.

This brings me to the discussion of a situation that I feel should be brought to the attention of Congress and to the attention of the American people. There is little doubt that the State Department has already made up its mind to lead the United States and all of our people into this world free-trade program against which the American people will complain bitterly when they get the facts. Let me give you a few facts as to what is now going on in this respect.

For many months those in charge of making reciprocal trade agreements between the United States and the other countries of the world, and who operate largely under the State Department, have been giving the impression that they were arranging to hold an international trade conference here in Washington. It was first reported that the conference was scheduled to be held last spring. The technical staff of the Department of State have had plans made for the conduct of this conference for several months. The staff has even prepared a list of about 3,000 commodities upon which they would agree that the duty might be reduced materially if necessary. They were prepared to put many of these commodities on the free list if necessary. In other words, they were prepared to admit at a low duty or to admit duty free many commodities of the class and kind that are now manufactured in this country under a protective duty. This plan no doubt would meet with the approval of Mr. Wallace for he has repeatedly in his appearances before the Ways and Means Committee advocated that industries in the United States that could not compete with cheap labor countries should be abandoned as inefficient industries. With our present standard of high wages and high living standards, which we all enjoy and favor, there is scarcely any industry in America that can compete with the cheap labor standards of low-wage countries.

Many industries, such as the pottery industry, which pay tremendously large labor costs as compared with the selling price of the commodity they manufacture, have been very anxious to know what the State Department intends to recommend with reference to duty protection on the commodities which they manufacture. Representatives of many other industries have sought to have the Committee for Reciprocity Information publish the full list of these 3,000 commodities which they understand the State Department is going to use for trading purposes in the coming conference. In spite of all of the many requests that have been made to the Committee for Reciprocity Information, which is under the supervision of the State Department, with reference to this proposed conference, this committee steadfastly refused to give any definite information. The meeting has apparently been continued or deferred to an indefinite time and interested parties can get no definite information.

It would seem that the manufacturers and the importers and exporters of commodities which are constantly in competition with cheaply manufactured commodities of the same kind from low-wage countries, should be entitled to know what the reciprocal trade agreement authorities of the Nation have in mind with reference to the commodities which these manufacturers, importers, and exporters manufacture or sell. These commodities will not only be in competition with the British Empire countries but they will be in competition with the 14 other countries that are invited to this conference. If the manufacturers and dealers in these commodities are to be made economic guinea pigs in this great proposed economic transformation, they should at least be given some warning so they will not continue to spend money in improving their plants and building up their organizations. Failure of the State Department or the Committee for Reciprocity Information to give out any information in this respect is directly in line with the policy which has been employed in many cases with reference to the preparation for making reciprocal trade agreements.

Today I have written a letter to the Committee for Reciprocity Information, requesting immediate publication of the list of these 3,000 commodities, which are proposed to be dealt with, or a statement as to why this list cannot be published. I am glad that I am not one of those who voted to give to any department of the Government the right to make these trade agreements, particularly without any regard to Congress or the people. Those of you who did vote to give away this part of our national sovereignty should also join in demanding that your constituents have a right to know whether they are already marked for liquidation. To engage in competition with people from your own country and in accordance with rules of the game which are well known to all contestants is sometimes very difficult. But to be compelled to compete with the people of many different countries in a game which has no recognized rules and where you are placed under a handicap by your own country is not fair.

The following is a copy of my letter:

MR. LYNN E. EDMINSTER,
Chairman, Committee for Reciprocity Information, Tariff Commission Building, Washington, D. C.

DEAR SIR: I am reliably informed that for several months those agencies of the Government which have the authority to enter into reciprocal trade agreements, have been intending to hold a conference to which representatives of 14 other nations are to be invited.

I have also been advised that the purpose of this conference is to consider tariff rates on about 3,000 commodities manufactured in the United States. The strong intimation is made that the tariff on these 3,000 items will be either eliminated altogether or will be largely reduced.

It is only natural that industries manufacturing these commodities are very much worried about this situation. I understand that they have repeatedly requested that your committee make public this list of commodities to which they refer. In my congressional district and in nearly every congressional district we have industries that are vitally interested in knowing whether their commodities are included in this list.

I am advised that this proposed meeting with representatives of the United States and these other 14 nations has been postponed several times. It is strongly intimated and suggested in the press that these meetings have been postponed because of the effect they may have on the passage of the British loan. The press also strongly suggests that the forthcoming November election has a strong influence on when this meeting will be held and when this list will be published.

In the interest of American manufacturers and the laboring men who manufacture American products, I most respectfully insist that your organization immediately publish this list of commodities to which I have referred.

Sincerely yours,

THOMAS A. JENKINS.

Mr. Chairman, I shall confidently expect a reply to this letter immediately. Let the British loan rise or fall on its own merits. Let the people decide the issue of the election as they always do, but give the American manufacturer and the employees who assist him in carrying on his business a fair chance against the cheap labor of the world.

Mr. Chairman, I have received the following telegram from the president and the secretary of the American Flint Glass Workers of America. This telegram includes resolutions adopted by this great organization in its meeting in Columbus, Ohio, just a day or two ago:

COLUMBUS, OHIO, *July 10, 1946.*

Hon. THOMAS A. JENKINS,
House of Representatives:

On behalf of the convention of the American Flint Glass Workers' Union of North America, I would greatly appreciate your placing before the Congress of the United States the wishes and the position of the American Flint Glass Workers' Union of North America on the question of the proposed loan to Great Britain. The action of our convention is as follows:

"Whereas the proposed loan of three and three-quarters billions of American dollars, now pending before the House of Representatives should be rejected for the reason that such a loan would be highly detrimental to the well-being and continued employment of many thousands of American production workers, the products of which compete in American markets which the products of workers in foreign countries; and

"Whereas the officials of the British Government have officially stated in British Parliament that repayment of this loan will be made only provided that Americans purchase for use in America sufficient British-made goods equivalent in value each year for the yearly payment of the interest and amortization of this proposed loan for the next 55 years; and

"Whereas every Member of the Congress, familiar with American history, knows that the present Congress cannot legally bind the action of any future Congress. Further, every Member of the Congress should know that in the near future the Americans will elect a Congress, which, in response to the demands of the American people, will enact legislation which will require importers of competitive foreign-made articles, whether from Great Britain or elsewhere, to pay tariff duties equal to the difference in the American and foreign cost of production of such articles; and

"Whereas the Congress is not justified in loaning the money of the American people at a lower rate of interest than is paid to holders of United States bonds, and further that no Congress is justified in discriminating against the veterans of our wars, our home owners, our farmers, our businessmen, or other friendly governments by loaning this proposed three and three-quarters billions of dollars, the property of the American people at a lower rate of interest than is charged by the Government in laws enacted by the Congress, to the veterans of our wars, our home owners, our farmers, our businessmen, or other friendly governments; and

"Whereas we believe that such discrimination promotes discord rather than friendliness with other nations, and we know that such discrimination is more promotive of the spread of discord, distrust, unrest, and communism in the United States over almost any other action which Congress can take: Therefore, be it

"*Resolved*, That the American Flint Glass Workers' Union of North America, affiliated with the American Federation of Labor, in convention assembled, for the reasons given, petitions the Members of Congress to reject the pending proposed loan to Great Britain."

HARRY H. COOK,
International President.
CHARLES M. SCHEER,
International Secretary-Treasurer, American Flint Glass Wokers' Union of North America, Deshler Wallick, Hotel Columbus, Ohio.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

CONSTITUTIONALITY

Mr. PATMAN. Mr. Chairman, the question came up about the constitutionality of this loan or this financial agreement with Great Britain. I ask unanimous consent to insert in the RECORD at this point, permission having already been obtained in the House, a letter to the Honorable James F. Byrnes, dated March 9, 1946, signed by Senator FORREST C. DONNELL, and the Secretary's reply, dated March 18, 1946. They are both contained in the CONGRESSIONAL RECORD of May 10, 1946.

The CHAIRMAN. Permission having already been obtained, without objection it is so ordered.

There was no objection.

(The letters referred to are as follows:)

MARCH 9, 1946.

Hon. JAMES F. BYRNES,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: There is pending before the Senate of the United States Senate Joint Resolution 138, which is a joint resolution which by its terms is "to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes." Said resolution undertakes to confer on the Secretary of the Treasury authority to provide and use an amount not to exceed $3,750,000,000 solely for the purpose of carrying out "the agreement between the United States and the United Kingdom." I understand that the agreement so in the course of said resolution mentioned is that which is dated December 6, 1945, between the United States and the United Kingdom and which is earlier mentioned in said resolution.

Please inform me (a) whether, in your opinion, the Constitution of the United States vests in Congress any power which enables Congress to authorize the extension to the Government of the United Kingdom by the Government of the United States of that certain line of credit of $3,750,000,000 which is specified in the above-mentioned agreement between the United States and the United Kingdom and (b) if, in your opinion, the Constitution of the United States does vest in Congress that power, by what specific provision or provisons of the Constitution of the United States is that power vested in Congress.

Inasmuch as this matter is one of great urgency, I shall appreciate your sending me as soon as possible a response to this letter.

Thanking you for giving attention to this communication, I am,

Yours very truly,

FORREST C. DONNELL.

DEPARTMENT OF STATE,
Washington, March 18, 1946.

The Honorable FORREST C. DONNELL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR DONNELL: I have your letter of March 9, 1946, in which you ask me whether, in my opinion, the Constitution vests in Congress the power to authorize the extension to the Government of the United Kingdom of a line of credit of $3,750,000,000. You also inquire what specific provisions of the Constitution can be cited as granting this authority.

So far as I am aware, the power of Congress to provide for loans or grants to foreign governments has not been challenged, and, indeed, has been exercised frequently since the adoption of the Constitution. A very good example of the exercise of this power by the Congress is the Export-Import Bank legislation, which authorizes loans by this Government to foreign governments in time of peace as well as in time of war.

One of the basic principles of constitutional construction is that the authority of Congress is not necessarily to be found in any particular phrase or word but may reside in the aggregate of the powers granted to the Congress by the Constitution.

You will recall that article I, section 8, of the Constitution provides that "the Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." This section also confers upon the Congress the power "to borrow money on the credit of the United States, * * * to regulate Commerce with foreign nations, and among the several States, * * *" and to make all laws which shall be necessary and proper for carrying into execution any of the powers specifically mentioned.

The authority of this Government to negotiate agreements with foreign governments is surely beyond question, and the provision of funds by the Congress to permit such agreements to be carried out is clearly within the aggregate of the provisions of the Constitution to which I have referred.

I am glad to have had this opportunity to assure you that I am confident of the propriety of the action of the executive branch of the Government in negotiating the Anglo-American financial agreement and the authority of the Congress to consider the implementing legislation now before it.

May I also take this occasion to express to you my conviction that the benefits received by the United States from the arrangement are very substantial indeed. The Government of the United Kingdom has agreed to remove within a short period of time the financial restrictions and controls which have prevented the free exchange of British currency for the currencies of other countries, so that the trade of the world may be unshackled and permitted to expand. The

British have also agreed to support the proposals of this Government for expansion of world trade and employment and have concurred in the principles there expressed which are fundamental to the commercial policy of the United States as expressed repeatedly in the declarations and actions of this Government

The credit which would be extended to Great Britain is to be repaid over a period of years with interest. But in addition to the return of the money lent, we have every expectation of receiving a larger portion of a larger total of world trade in the years to come.

I hope that this will satisfactorily answer the questions which you have raised.

Sincerely yours,

JAMES F. BYRNES.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, in acting upon this proposal to loan to Great Britain $3,750,000,000 I must not forget that I am acting as the representative of the people of my district and of the people of this country. I am duty bound to act as I would act if I were an officer of a bank, or a trustee, and as such, the custodian of a trust fund. The money we are asked to lend is not mine. It is not yours. It is the money that will be wrung from the American taxpayers.

There are two theories about this. I have heard one group who advocates this loan say that unless we make it, our country and our prosperity will be imperiled. We must do it, and if we do not do it, then we will have a terrible trade war with Great Britain, and the intimation is that perhaps there may be in the offing a war with Great Britain. Now, it is utterly inconceivable that there should be a war between this country and Great Britain. It is not improbable that we may be called to fight another war for Great Britain. We have twice snatched her as a brand from the burning. There may be competition in trade between us and the British, and there is today. Great Britain already has got the jump on us in world trade. She has reconverted and she has her commercial representatives in every country where trade is to be had, and is outstripping this country in that field.

Then, there are others who say that unless we do this for Great Britain, Great Britain will go down, and that if Great Britain goes down our country will be imperiled. Now, if this transfusion, this strapping of Uncle Sam down on the table and putting a tube into his arteries and draining from his emaciated and pallid body this huge sum of money is necessary to save and resuscitate and strengthen and give life and vitality to the British Empire, then she is too far gone to be saved.

The truth of it is Uncle Sam is already bled white. This Nation spent in this war more than $300,000,000,000, more than all the other combatants combined. You take the average healthy citizen with plenty of blood and he can only spare a quart at a time. You take half a gallon, 3 quarts, or a gallon and it means death to the individual. This country owes a dollar for every dollar's worth of property within its confines. No other nation in all history ever put forth such prodigious efforts and spent such huge sums as we did in the war just won.

This man, Lord Keynes, who came over here and negotiated this loan was just simply too smart for the representatives of the United States to whom he talked. He could in my opinion have put those men in his vest pocket and never have known they were there unless they had gotton astride of his toothpick or a match; he is just that much bigger than they. He came here and he sold Mr. Roosevelt and the New Deal on its threshold the idea of deficit spending and now that is their theme song: "The more you owe the better you are off. You owe it to yourself." Let us examine the scheme that Lord Keynes put over on President Roosevelt and the New Dealers. John Jones takes a thousand dollars of his hard earned money and buys a bond of this country, the promise of Uncle Sam to pay the interest as it accrues and the principle when it becomes due. Now, does John Jones write a check on his bank account to pay himself the interest when it becomes due or a check for a thousand dollars when the bond matures to pay himself? That is of the very essence of the nonsense that is in this proposal to lend this money. No wonder Senator VANDENBERG said he wrestled over this British loan proposal and in effect said that he at length decided to take the risk and gamble on it. As a Member of Congress, I feel that I have no right to gamble with the money of the men and women who sent me to Congress. If I were going to gamble with my own money I would gamble with only what I could afford to lose. This Nation cannot afford to lose $3,750,000,000.

It was said by those who negotiated this loan that Britain's imports during the first year after the war would be tremendous and that her exports would be negligible. But during the first 10 months of the period of reconstruction and reentry into world trade her exports have exceeded those estimates by a billion dollars and her imports are a million dollars less than they were estimated to be.

I am virtually all English, I sympathize with the people of Great Britain and admire the great part they have played in history. My first duty, however, is to my country and to my own people.

The American people and the Congress have been deluged with propaganda in favor of this loan. They tell us that we are not good Americans if we oppose it, and that if we vote against it we will be in danger of going to hell when we die. I hold in my hand a paper that is a warm advocate of the loan which refers to those who oppose it as Zionists, Germans, Irish, fellow travelers, and others of that ilk. I am not a Zionist although I am in sympathy with the aspirations of the great Jewish people to return to the land of their nativity where theirs was the honor and the glory of giving to mankind our revealed religion. There are millions of fine citizens in this country in whose veins there flows the blood of people from the great countries of northern and central and southern Europe. And since when did our Americans with the blood of Ireland in their veins become undesirable citizens? Is the case for the British loan so weak that its advocates must resort to epithet and name calling?

Let us see what is proposed here. In the first place, the United States Government does not have $3,750,000,000. We can get it only by creating fiat money or by selling our bonds to our own people, and if we do we must pay interest on those bonds. Great Britain pays us no interest for 5 years under the terms of this agreement and after 5 years she does not pay interest unless she feels like she is able to pay it. It is all optional with her. For the first time in the history of the world, the debtor is to sit in the driver's seat and hold the whip hand. Up until now I have always heard that "beggars should not be choosers."

Oh, they say, Great Britain is going to trade with us, she is going to break down the Empire preference system and break down and do away with the sterling bloc area. Let us see about that. It is not so provided in the terms of Dumbarton Oaks agreement. It is not so nominated in the bond. It is a principle of law that when men and nations enter into a written contract all the provisions of the contract are deemed to be embodied and set forth in the written contract. Why did they not put those things in this Dumbarton Oaks agreement? I like that word "dumb"; it properly characterizes the whole procedure; and do not let anybody kid you on what is in this contract; there is nothing in the contract binding Great Britain to make any trade concessions to this Nation—she simply agrees to discuss such matters with us. Now is the time, before we give her the money is the time to set out in clear language what we are to get for this $3,750,000,000. It will avail nothing to lock the stable door after the horse is gone. Why not permit those people in this country whose feet are firmly planted in thin air and whose heads are up in the stratosphere and who want to make a British investment with the money of all the people, why not permit them by legislative enactment to buy British bonds on the markets of this country? They then could manifest their interest in Great Britain at their own expense.

I have had letters from a certain league of voters down in my district stating they wanted me to vote for this British loan proposition. I said to them, "We have not got the money and, in my opinion, they will never pay it back. If you are interested in financing Great Britain I will put you in touch with somebody who is selling British securities." They wrote me promptly, "We do not want to buy any British securities."

Let us get our feet on the ground and talk common sense just like we talk to the farmer in our district, the corner groceryman, and the banker. Suppose a Britisher came to me or to you and said, "I am remotely related to you. I am from England. I want $37,500 of your money." You would say, "I have not got that much money." He would say, "Old Top, you must go and get the money." You would say, "How will I do that?" He would reply: "Mortgage your residence, mortgage your farm, mortgage

your law library, mortgage your farm implements, mortgage your farm stock and get the money." "Well," you would say, "I am going to have to pay 6 percent interest on the money I borrow. What are you going to pay me in the way of interest?"

"Well, Old Top, I am not going to pay you any interest for 5 years." Would you not say, "What about after that? Will you ever pay me any interest?" He then says, "Well, now, maybe, if I feel like it, I might pay you some interest, and I will perhaps pay you the loan at the end of 50 years."

Brother, 50 years from now none of us will be here. Suppose you or I fell for that sort of proposition and went out and undertook to mortgage our property to get the money for that Britisher. If our good wives found out about that they would go to the nearest lawyer's office and hire him to institute lunacy proceedings against us, have us declared lunatics and have a guardian appointed to manage our property. That is exactly what would happen, and that is exactly what is proposed here. That is exactly the proposition that we have here.

Think about it. Just stop and think for a minute. It is proposed that we take all these $4,000,000,000 and lend them to the British Government. Many of the wisest British statesmen are opposed to it—Winston Churchill, Lord Beaverbrook, and others. We have the testimony of that greatest of all English literary genius, William Shakespeare, who wrote:

> Neither a borrower nor a lender be. Borrowing dulls the edge of husbandry, and the loan often loses both itself and friend.

There is something else we should consider before we vote this loan without security. You cannot go half way over Niagara. Great Britain has adopted a socialistic form of government. Just one step more lies between her and communism. What has she done? She has nationalized her railroads, her coal mines, her banks, her public utilities and, in fact, is threatening to take over the farms of that country. She has voted herself an advanced new deal and wants us to pay for it. If Great Britain will repudiate some $30,000,000,000 of benefits and credits heretofore extended to her, if she will take the property of her own citizens and nationalize those properties, will she hesitate to take our money and appropriate it to her own use? Will she ever pay us back? I doubt her ability or her intention to do so.

That is worth thinking about. She has set her feet on the road that leads to communism. She is headed toward the totalitarian state—where the government owns and controls all means of production, transportation, all the flow of capital, and controls the lives of her people from the cradle to the grave.

I cannot vote for this loan because unless it is collateralized I would feel I had betrayed the trust imposed in me by my people who elected me to this body and whose Government and whose interests I am sworn to uphold, defend, and protect.

This proposed loan is $3,750,000,000. If every resident of the United States put up his part of this loan, each of our 140,000,000 people would have to put up $34. There are 450,000 people in the Second Congressional District which I represent in this body. If this loan is made to Great Britain it means that the people of my district will have to put up $15,300,000. And the people of each and all the counties of the district would have to put up the following amounts:

Anderson	$1,231,922
Blount	1,509,686
Campbell	1,019,553
Knox	6,617,544
Loudon	740,756
Morgan	447,338
Roane	1,063,414
Scott	504,390
Union	269,382

How can you vote for this $3,750,000,000 gift-loan to Great Britain, and face the citizens of this country, the farmer, the home owner, the veterans who when they borrow money from the Government or with Government aid must give a mortgage on their farms or homes in order to secure the payment of the loan and interest? Before a veteran with a leg off—or two legs off—an arm or two arms gone, or with an eye or both eyes gone—can borrow from the Government-controlled agencies or with their help, that veteran must sign on the dotted line. His wife must sign with him. If he default in the payment of the 4-percent interest or in the payment of the principal, when due, the Government will not wait 5 years or 50 years on him. The mortgage will be foreclosed and out into the street he and his family will go.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 25 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I think it is rather passingly strange that speaker after speaker who has stood in the well of the House in opposition to the British loan condemns the British Government because of its being a liberal Government and charges that it is rapidly approaching communism.

I only wish that my very dear friends on the Republican side of the aisle would put in a little more study and find out just who is opposing the British loan. If they do, they will find themselves with some rather strange bedfellows because it is well known that the Daily Worker, the Communist press, and the Communist Party line throughout the Nation, are vigorously on their side in condemning the British loan.

Mr. JENNINGS. Mr. Chairman, will the gentleman yeild?

Mr. MONRONEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I just want to say to the gentleman that I represent a district that sent 50,000 boys into this war, and my people are 100 percent against this give-away.

Mr. MONRONEY. The gentleman probably has not taken the time to give any deep study to this or to contribute any real leadership to the long-range interest that this loan bears to America's safety and America's future in having a world at peace.

Mr. JENNINGS. If the gentleman will yield further, does he arrogate to himself the peculiar quality of depth of thought and great vision as a Member of this House and deny that to every other Member?

Mr. MONRONEY. I try not to deny that to any other Member, but I will say that over 2½ months of careful study and hearings went into consideration of this matter and pointed the way to the Committee on Banking and Currency who by a vote of almost 5 to 1 reported this legislation favorably to the House and recommended it to the United States on the basis of enlightened self-interest to the United States.

LACK OF UNDERSTANDING

I am fearful that a lack of information and a lack of understanding of what this loan will mean to the United States, what it will mean to the peace and security of the world, what it will mean to a solid foundation under a workable United Nations, under a workable Bretton Woods, under a workable international cooperation, is going to tend to defeat this loan.

Laboriously this body and the body on the other side of Capitol Hill have worked months to try to erect international machinery that will give us a peaceful and a prosperous world.

Most of the advocates of this much needed, necessary international cooperation had felt that the job had been done, little realizing that if we failed to put the keystone into the arch of international cooperation the structure will fall.

If America turns her back at this point and refuses to help cause a sound, workable United Nations organization by refusing to make the necessary loan to Britain, one of the great partners in this undertaking, we will do much to negate and destroy all of the many, many things that the Congress by almost unanimous vote has heretofore provided in the way of international cooperation.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield.

Mr. MONRONEY. I yield to the gentleman from California.

Mr. JOHNSON of California. Is it not true that by working with the other countries we won the war, and if we do not continue the partnership, as far as it is workable in peacetimes, we will have lost the war because we will have lost the peace?

INSURES FRUITS OF VICTORY

Mr. MONRONEY. The gentleman is exactly correct. We have put perhaps over $250,000,000,000 into the effort of winning the war, and now we refuse to do the necessary thing with a $3,750,000,000 loan, not a gift, to our best customer, our friendliest working partner engaged with us at this time in the trojan task of erecting a real and workable United Nations machinery.

Mr. JOHNSON of California. As I interpret the view of the gentleman's committee, which was very much in favor of this thing, the basic cause for their conclusion was the self-interest of America, the security and the prosperity of America, and not some other part of the world.

HELPS PREVENT WORLD WAR III

Mr. MONRONEY. The gentleman is exactly correct. If a loan of $3,750,000,000 will help us prevent World War III, and I certainly think it will do a great deal toward preventing a future war with its total cost in hundreds of billions of dollars of American wealth and no telling how many millions of American lives, then it is a good chance to take to make this loan.

It means keeping alive as our coworker for peace, our best friend, our best customer; a nation whose tradition and love for freedom, for constitutional democratic government, for justice under the law, more nearly resembles our own than any nation on the face of the globe.

HELPS PRESERVE PILLAR OF PEACE

It means keeping that nation going. It means keeping the pillar of strength that Britain can add to a strong United Nations. It means someone else to help us hold up this structure of world peace that we hope to develop. Failure to make this loan would result in a weak, impoverished, bankrupt England. Is a bankrupt England, stripped of her powers and stripped of her ability to carry on free commerce, to our advantage? No.

I think we would be at a definite disadvantage in this world if Britain ceased to be a going concern.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Several people have used the expression that England was our best customer. Does the gentleman believe it would be to his advantage if a customer bought a lot of goods in his store but never paid for it?

Mr. MONRONEY. I will come to that a little later, but since the gentlewoman asked the question I would like to point out that Great Britain at the conclusion of World War I had owing to her by her allies $7,800,000,000.

BRITAIN COLLECTED ONLY 5 PERCENT

She received on this account from her fellow allies in World War I a total of $346,000,000, less than 5 percent repayment on the debt owed to her by allies in World War I. But Britain owed this country $4,250,000,000, altogether for goods, which in this war as lease-lend we recognized were mutual-aid goods and munitions, knowing full well that we contribute not only in men in total war but we also make our contribution in munitions. This time it was wisely carried as lease-lend.

BRITAIN PAID US 50 PERCENT

Yet Britain in World War I paid us $2,034,000,000 on that account, almost 50 percent of the "lease-lend" debt of World War I, while Britain received less than 5 percent from her fellow allies. Then she offered to write off all of the debts that were owed to Britain.

Britain would never have defaulted on her debt to us had not her fellow allies first defaulted on their debt to her. So I think it comes with poor grace to hold out the difficulty that Britain had through failure to collect the debts that were owed to her, as a reason for not making this loan at this time.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Arkansas, to whom I am deeply indebted for the figures I have just used, which were so effectively placed in the RECORD the day before yesterday by him.

Mr. HAYS. I thank the gentleman. I just want to point out in this connection that Britain was the only major debtor of the United States which renewed payment on that debt following the Hoover moratorium and Britain failed to continue payments only because of the complete collapse in 1933 of world trade conditions. Her record is the best of any major country that was indebted to us.

Mr. MONRONEY. I thank the gentleman for that contribution.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. After Roosevelt came in and until World War II started we made what was a real gift, through the gold-buying program, of $15,865,000,000 to various countries, and Russia and England were the principal countries that got those billions. If you will add it all up, you will find that it has been a regular paying-out proposition. We have subsidized them since World War I.

Mr. MONRONEY. I cannot follow the gentlewoman's reasoning on the value of gold, but she is entitled to her opinion.

Miss SUMNER of Illinois. I got that from the Brookings Institution.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I call the gentleman's attention to the fact that the British record is not the best record as to payment of World War I debts, that little nation Finland owed us $8,281,000 and paid $7,263,000, or 87 7 percent, against Britain's 47.3 percent. So let us give little Finland credit for turning in a very fine record and the best record of payments on World War I debts.

Mr. HAYS. I do not object to the gentleman's pointing that out for the sake of accuracy, but he will recall that I said Britain was the only major country. When you analyze the payments, Finland's record is nothing to compare to Britain's heroic efforts to solve this whole problem of inter-Allied debts. There is a lot to be said on this matter, but I do not want to take any further time from the gentleman from Oklahoma.

BRITISH LOAN WAS WAR LOAN

Mr. MONRONEY. May I add that the Finnish loan was a rehabilitation loan which went for improvement of factories and the building up of Finland, whereas the British loan was a loan made on the basis of munitions, with which we supplied Britain to help carry on the fight in which we were jointly engaged.

I would like to give my three reasons for supporting this loan:

First, it will help to insure a workable United Nations, a workable Bretton Woods, and other international cooperation that America so badly needs to have a world at peace.

Second, it will preserve the world system of free enterprise in foreign trade.

Third, it will pay big dividends in helping to make a prosperous United States in foreign commerce and greatly add to our national security.

HELPS BRETTON WOODS

In analyzing this, I first would like to take up the Bretton Woods agreement. Everyone knows that this House passed Bretton Woods, I believe with only 18 votes against it. It provided for a world bank and a stabilization fund in which America, through free enterprise, could carry on with our capitalistic system and enjoy access to all the markets of the world.

Anyone who has studied this knows that Britain cannot enter the Bretton Woods agreement unless this loan is made.

Miss SUMNER of Illinois. Why?

Mr. MONRONEY. Simply because Britain does not have the capital to put up which is necessary for the Bretton Woods agreement to work and simply because she does not have the United States dollars that are necessary in order to rehabilitate her badly devastated economy.

Miss SUMNER of Illinois. I do not see how you come to that conclusion because when I questioned Mr. Vinson on the first day he said it would not be used. I argued that it would be used for capital for the Bretton Woods agreement. He argued it would not be used. Who is right?

Mr. MONRONEY. If the gentlewoman will listen to the remainder of my speech, perhaps some of these questions that are bothering her may be answered. I certainly know and the testimony undoubtedly shows that there is no possibility of Britain joining the Bretton Woods agreement unless we at this time help rehabilitate her battered financial structure.

AMERICA CANNOT DO JOB ALONE

That is clear from the evidence and from the testimony. Without Britain in the Bretton Woods agreement there is no possibility of Bretton Woods succeeding. It simply is impossible for America to float this world bank and float this stabilization fund alone.

It is simply impossible for Britain, the world's largest trader and the world's largest importer and exporter to remain outside of Bretton Woods and have Bretton Woods work. So I say, unless you make this necessary loan at this time, we might as well forget about the establishment of Bretton Woods because it simply cannot possibly succeed.

Further, what do we get in addition to Bretton Woods? We help make it possible for the world's largest trader to take part in this very useful step toward international cooperation and the elimination of economic warfare.

SHORTEN TIME BY 4 YEARS

We also shorten the waiting time required in Bretton Woods, which was 5

years, for the members of the Bretton Woods agreement to get rid of discriminatory trade practices, blocked currencies, and all of the other things that America wants to see eliminated in the world trading picture.

This agreement, this contribution, these concessions that Britain has made bring about within 1 year's time the elimination of these objectionable features in world trade that are discriminatory to the United States and benefit us greatly.

Do you not think that is important in itself in trying to rehabilitate our foreign trade and to increase the foreign trade of the world to accomplish a saving of 4 years at this crucial postwar time to get the world back on an economic foreign-trade basis?

I certainly think if for no other reason, that alone would justify the risk we are taking in making the loan at this time. Within 1 year we get rid of the discriminatory trade practices which it would take 5 years to get rid of if it were not for this financial agreement.

Is this important? Seventy-five percent of all the world trade—foreign trade—is done by the United States and Britain. With one stroke we take care of 75 percent of the world trade by making this loan of $3,750,000,000 at this time.

I yield to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. I realize how sincere the distinguished, able, and hard-working gentleman from Oklahoma is about this question, but can you tell us why the British Government does not effect economies and balance her budget, which is $3,000,000,000 out of balance, if they want to come to us and ask for a loan of $3,750,000,000? Why do they not put their own house in order first before coming to us?

Mr. MONRONEY. May I say to the gentleman in answer to that, he might ask that of the Congress of the United States. We are far more out of balance with respect to the budget than the Government of England.

But in answer to the gentleman, I will say that Britain could perhaps balance her budget by reducing her commitments to occupied Germany, by reducing her expenditures for world-wide bases that are necessary at this time for world security. So, lack of balance in the British budget has nothing to do with this loan that we are making at this time.

Mr. GAVIN. Here is the report of Britain's future in the making, and it states "Britain's new social-insurance plan offers freedom from want for everyone." Even though we have not balanced our budget, we have not adopted such an extensive social program as stated here in a booklet issued by the Office of British Information Service. I would like to see such a program in the United States if we were able to finance it.

Mr. MONRONEY. Would the gentleman like to see that?

Mr. GAVIN. I would like to see such a program in the United States but we are not adopting such a program because we cannot afford it. But the British can afford it with three billion seven hundred and fifty million loan subsidization which will come from the American taxpayers.

Mr. MONRONEY. I am surprised to see the distinguished gentleman from Pennsylvania, one of the leading conservatives on the Republican side, advocate a cradle-to-the-grave program for this country.

Mr. GAVIN. I am not advocating any cradle-to-the-grave program nor have I ever advocated such a program.

Mr. MONRONEY. The gentleman said he would like to see it. Those are his own words.

Mr. GAVIN. I am saying we would like to have it but we cannot afford it so we do not adopt any such extensive social program.

Mr. MONRONEY. The gentleman would like to have it.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. THOM. The gentleman from Pennsylvania has an entirely erroneous idea about the budget of England. The internal budget of England can be balanced through the use of pounds. American dollars are not needed for that purpose. American dollars are needed to balance her trade with other countries.

Mr. MONRONEY. The gentleman is exactly correct. The local domestic situation of Great Britain has nothing to do with it.

Mr. GAVIN. With thirty-one billion of lend-lease they certainly have gotten plenty of American dollars.

Mr. MONRONEY. Did the gentleman vote against lend-lease?

Mr. GAVIN. No.

Mr. MONRONEY. Then, why is the gentleman criticizing it? When he voted for lend-lease he knew he was voting for mutual war aid. I think it is a mighty poor time for any man who has voted to spend money for lend-lease as a military aid to now stand on this floor and say that we gave X million dollars to Britain, which was a "gift" to her.

NO GIFT TO BRITAIN

Of course, the gentleman knows it was not a gift to Britain. It was part of the contribution of all of us to defeat the Axis. We made our contribution in men and money. Every man who voted to do it knew he was helping to contribute our dollars to the fight, and that we were not voting for any benefit or anything like that to Great Britain.

Now, I would like to complete my statement and then I will yield later if I have time.

MUST NOT HAVE CHAOS

I think we might as well get ready for world chaos in foreign trade if we fail to pass this loan. Britain cannot carry on under the capitalistic system of free enterprise trade in foreign markets unless she has this new capital added to her battered financial structure. We have the choice of trying to get all of the world—and together we do get 75 percent of it immediately—on a capitalistic free enterprise system of world trade, by making this loan of $3,750,000,000 at this time.

If we deny this loan, then Britain has only one recourse. Regardless of how much she might hate it, regardless of how much it might interfere with her traditional freedom and all the things she has held dear since the Magna Carta, Britain will have to go to state control of exports and imports.

The gentleman from Pennsylvania and the gentlewoman from Illinois who have risen so often courageously on the floor of this House to speak a good word for free enterprise, are helping to force Great Britain into state control of all foreign commerce. What will that mean? That means that the largest trader in the world, the one which enjoys the greatest commerce of any country in the world, will be on statism in foreign commerce.

WE WOULD STAND ALONE

Here will sit America, isolated, all by ourselves, completely surrounded by a world in which free enterprise is not known in foreign trade. Eventually, within a few years, if we force Britain into this position, we shall find that our exporters will have to deal through some Washington bureau to get permission to sell only so many automobiles to Egypt, for example, because the Government is willing to buy only so many dates from Egypt.

There will be no free trade, none of these things that have made America great. Why? Because we have eliminated the other great advocate, the other great practitioner of free enterprise. How any person who prates that he believes in free enterprise can fail to recognise this is more than I can see.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Miss SUMNER of Illinois. In 1776 this country was as poor as Job's turkey, yet we did not think we had to adopt totalitarianism. In 1861 both the North and the South were desperately poor, yet neither side thought they had to adopt totalitarianism, and no other nation threatened us into paying blackmail or anything else. I think it shows very poor American spirit when we start now at this late hour.

Mr. MONRONEY. I do not know whether the gentlewoman is insinuating that Britain is trying to blackmail us.

Miss SUMNER of Illinois. You will not drive England into free enterprise. If they believe in free enterprise as they should they will not have to be driven. They do not have to adopt totalitarianism. You do not have to be rich to have free enterprise.

BRITAIN MUST IMPORT SUPPLIES

Mr. MONRONEY. The gentlewoman sat through the hearings. She realizes, of course, that, aside from coal alone, more than three-quarters of all the raw materials with which Britain fabricates the things she sells must come from abroad. More than three-quarters of all the food Britain consumes must come from abroad. Britain must have these raw materials, she must have this food, she must buy it either in dollars, in lira, in other forms of currency, or she must buy it in so many tons of exportable goods that she has to sell.

The gentlewoman should know that if we deny this loan to put Britain on a sound capitalistic system that the only way Britain can have foreign trade is to trade on a bilateral system, a system of barter, if you please, a system that means totalitarian control of all her exports regardless of how much she may dislike having this control.

MUST LIVE BY EXPORT

She has no other recourse. In order to live she must manufacture and export, and to manufacture she must have raw materials. If she does not have money to spend for raw materials she must barter the goods that she makes, and America will look awfully sick in a world where the only foreign trade throughout the world is on a barter system. Then we also would have to join the barter system, which is contrary to our system of free enterprise.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. McCORMACK. May I call to the attention of the gentleman the fact that today we are a Nation of 140,000,000 people with tremendous responsibilities. Furthermore the airplane, the radio, more rapid means of travel and communication; all of these, the result of the inventive genius of man, bring about a changed economic system not only here but throughout the world which we have got to recognize and which has its effect not only abroad but here also. The conditions today as compared with 1776 and 1861 from an economic angle are entirely different, and our responsibilities are entirely different.

Mr. MONRONEY. That is exactly right. I thank the gentleman for his contribution.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I will yield to the gentleman but after that I must decline to yield for a few minutes.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee [Mr. JENNINGS] may be permitted to extend the remarks he made in the Committee of the Whole today.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

ENLIGHTENED SELF-INTEREST

Mr. MONRONEY. The third point on which I support this loan is because of enlightened self-interest, both from a business viewpoint and from national security. As a small businessman I know you cannot do business in a desert. I know America is the greatest producer of things that the world has ever seen. She cannot do business in a world that is devastated and leveled by war, that has no purchasing power whatever and no producing power.

Only by helping in this job of rehabilitation will we help develop a world condition where they can consume our products. There will soon be an overproduction of American goods and agricultural products, and England is the best customer for these products.

You talk about sympathy for the old people and larger pension payments; you talk about taking better care of the veterans better by refusing this loan. You are only helping to build up the nearness of the next depression, and the aged and veterans would be the worst and first victims.

Without that 10-percent plus business of foreign trade, America's full production, full employment, our high standard of living, and our high national income simply cannot endure.

ABOUT SECURITY FOR LOAN

Mr. Chairman, I want to address my remaining remarks to the question of collateral for this loan. I have heard many Members say they would like to vote for this loan if we could only get the British to give us collateral for the loan.

That sounds awfully nice because almost any banker is perfectly willing to lend a hundred dollars if he can get a hundred dollars worth of Government bonds, a hundred dollars worth of gold, or a hundred dollars worth of land with which to back up the security for the loan.

I am afraid, however, that the men who demand collateral simply have not studied the hearings and simply do not know what security there is that Britain can give us at this time.

CHARACTER BEHIND LOAN

There is a character to an undefeated people, a people who withstood the fury of everything the Axis could throw at them for 6 long years, from the airplane attacks during the Battle of Britain down to the V-1 and V-2 terror bombs of World War II.

I would rather stake this loan on the character of a people who when Hitler was only 20 miles across the English Channel, they stood alone and unafraid in all this world against the Axis. The Axis armies then unconquered and unbeaten anywhere, but the British said, "We will fight on the beaches, we will fight in the streets, we will never surrender!"

I say that that sort of character is worth taking this risk, far more than any paper collateral that anybody could dig up to try to insure this loan.

What is this collateral? The testimony of Mr. Vinson, who is in a position to know, shows that the total assets of everything that the Government of Britain could find to expropriate in order to get a loan during the Battle of Britain were $1,475,000,000, of which $895,000,000 is already pledged for an RFC loan.

That leaves the only firm collateral security that is available by scraping the bottom of the British barrel in all the assets in this country of $215,000,000 to back up a $3,750,000,000 loan. If you were a banker, would you rather take a character loan or would you rather take a loan based on security that you knew covered only a small fraction of the amount that you were lending?

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I would like to go a little bit further.

Miss SUMNER of Illinois. You do not have character unless you pay your debts.

Mr. MONRONEY. I thought we went over that a while ago.

Miss SUMNER of Illinois. That is the only thing that counts.

Mr. MONRONEY. As I say, if you scrape the bottom of the British barrel on assets you get $215,000,000 worth of securities that you can put behind a $3,750,000,000 loan. Let me tell you, I would rather have a good character loan than rely upon this $215,000,000 worth of securities.

Mr. Chairman, we are making a character loan. We are not running a hock shop. If you take this $215,000,000 as security, many, many people, and it is customary in business practice, feel that if the loan is too hard to meet you surrender the security and let them try to get a deficiency judgment against you.

I would rather not force Britain to put up the $215,000,000 remaining in order to get this loan. Britain can raise perhaps $300,000,000 more by expropriating the savings, trust funds, and accounts which they did not even feel that it was legally or morally right to take even during the battle of Britain.

Now, although many would condemn the socialist practices of Great Britain, many Members on the Republican side of the aisle now demand in effect that Britain be more socialistic. By demanding more security they want Britain to seize more things from their people. They ask the Government to seize more bank accounts, stocks and bonds, if there are any yet remaining, and put those on the table to guarantee this loan.

I do not think that is the way Uncle Sam wants to do business with his friend.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I just want to point out to the gentleman that the character of the British Empire is changing. The time the gentleman speaks of they were under the leadership of Mr. Churchill, that great British leader, whom we greatly admire, but the character of the British Empire now is entirely different, and that is why there is hesitancy on our part to grant the loan.

BRITISH MAY CHOOSE OWN PARTIES

Mr. MONRONEY. I gather, then, that the gentleman from Pennsylvania is opposed to the British loan because he does not like the way the election result turned out in Great Britain. I happen to believe in democracy and the right of people to choose their own government.

If Britain wants a labor government, then, as a person who believes in democracy, I believe they have a right to vote in their labor government. I do not think it very well behooves the United States to tell England what kind of a government she should have any more than Britain telling the United States what kind of a government we should have. We have no right condemning Britain for electing a Tory government or a Conservative government or a Labor

government. That is their business under a democracy.

Mr. GAVIN. I think the gentleman is right; we do not question the kind of government she has. That is not the question before the House. She can have any kind of government she wants as long as she does not ask us to put up $3,750,000,0000 to subsidize her program.

Mr. MONRONEY. The gentleman well knows that Britain does not need one red penny from the United States to carry out any socializing program that she intends to carry out. She can print all the pounds sterling and all the government bonds necessary, just like she did when she took over the Bank of England, and she does not need one penny from us to accomplish this. But if the gentleman wants Britain to have free enterprise in world trade and to survive, then she has to have some real money, because pounds sterling do not work around the world where they do not have the dollars foreign exchange or the gold to back them up.

NO SECURITIES LEFT TO PUT UP

We talk about collateral, about securities, and it has been urged that Great Britain put these up to secure this loan. I think it is plain that she does not have the securities and that she does not have the bank balance to secure this loan, if she wanted to.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman five additional minutes.

ABOUT REAL-ESTATE SECURITY

Mr. MONRONEY. Let us look at the question of real-estate security that has been urged by many, many Members of the House. It has been urged on the Republican side that America should take over these British bases as security for this loan.

Let us see how much sense that makes and see how much security America will really have. Do we want to take over these eight island bases? Do we want to take over the responsibility of the bedraggled, depressed, poor, poverty-stricken economy of these island bases which we are now on, Bermuda excepted, and make those possessions of the United States?

I hardly think so. We have had enough experience with Puerto Rico and the Virgin Islands to know how many tens of millions of dollars the possession of these islands would cost us. We would have to make tariff concessions. We would have to make great grants of administrative expense to run them. We would have to let our labor come in competition with the low-paid labor in these islands. I can see no benefit whatever, even if it were not for the pledged word of the United States to seek no territorial aggrandizement as a result of the war.

We would have uncertainty—a great liability in taking over the ownership of these islands. We would be doing worse than that in taking over several millions of people who have lived under the British flag and the British rule, in most cases since before revolutionary times, and we would take them over without their consent or agreement, like so many cattle.

TAKE LAND FROM ALLIES

I hardly think that America wants to insist on territorial aggrandizement at the expense of her best friend when we are refusing to ask territorial aggrandizement from our enemies.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. The gentlewoman consumed, I believe, almost as much time as I did on the floor. I am sure she can get more time.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. FOLGER. I think the gentleman can answer all those questions if he will refer the Members to the speech of the gentleman from New Jersey [Mr. EATON] and have them read it.

Mr. MONRONEY. I thank the gentleman for that contribution.

DO NOT USE BUT ONE-TENTH OF 1 PERCENT

Even assuming that we are going to take over these islands as security for this loan, how much unwanted and unneeded land would we get in the process? Our eight bases comprise one-tenth of 1 percent of the total area involved, so that in order to get the one-tenth of 1 percent of usable land we would be taking over the duty of administering 99.9 percent of the total area of land.

Is not the present arrangement satisfactory? Would we gain anything by having ownership of these islands? The Joint Chiefs of Staff of the Army and the Navy, on whom we should rely for military advice, say that the 99-year leases we have are eminently satisfactory to them. They do not want any more authority, they do not want any more administrative difficulties, and they do not want any more attendant expense. The British and the island people also are well pleased. It is an ideal situation in which we contribute not one penny to the upkeep or the maintenance of these islands. We do not pay any taxes.

GOT LAND IN REVERSE LEND-LEASE

We got the land on reverse lend-lease and only improved it for our own use. So I think it is futile to say that we should take over all of these eight island bases as additional security for this loan.

ABOUT FEE TITLE TO BASES

But somebody will say, "Ah, but we do not mean to take over these bases, we do not mean to take over these whole islands, we just want to get a fee title instead of a 99-year lease on this land that we use for our bases."

Let us look at that for a minute. The total acreage we are using, which we would be asked to acquire by a fee title is 105,580 acres.

If we follow the McClellan amendment that was defeated in the Senate and we take over fee title to these bases alone, that is, 105,580 acres, just how much security do we put behind the British loan?

Estimating the value in fee of these 105,580 acres at about $5 an acre, and I think that is most liberal except in the case of Bermuda, we would be asking for the great, stupendous security behind a $3,750,000,000 loan of $527,900.

Is it not ridiculous, is it not picayunish to ask that all of this carefully worked-out financial agreement, in which we are given very definite trade advantages measured in millions, in things that we need in world trade, in the elimination of the sterling-area bloc, in the elimination of many, many other trade restrictions and discriminations, be discarded? Should Congress insist we go back and rewrite the whole financial agreement, just what we do get—$527,900 worth of real estate security behind this loan.

I do not believe America does business this way and I do not believe America wants to treat her best friend, her best ally, and the nation that contributed so much to the winning of the war, this way.

Efforts to amend this bill are only for one purpose—to defeat the loan. No amendments can be written into the bill which do not require a long and careful study and consideration of the whole affair. We have only one choice here in the House—to approve the loan as it now is or to reject it.

I think we should vote this loan and help Britain onto her feet to help us have a real United Nations, and to help ourselves have a world in which American products can freely move.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, my distinguished colleague [Mr. MONRONEY] who preceded me, brought to the attention of the committee the fact that the Daily Worker was against the British loan. Well, it is not often in my judgment that the Daily Worker is right, but I will bet a nickel against a gingersnap that the gentleman from Oklahoma is in accord with the preaching and course advocated by the Daily Worker many more times than we who are here today opposing the loan.

Miss SUMNER of Illinois. Mr. Chairman, if the gentleman will yield, the latest issue of the Communist Party magazine, Political Affairs, criticizes the Anglo-American imperialistic bloc but says not a word against this loan. The Communists are for this loan.

Mr. ROBSION of Kentucky. The Daily Worker has a right to make such choice or changes as it desires. I do not follow the political or economic philosophy of the Daily Worker.

Mr. Chairman, I rise in opposition to the Senate Joint Resolution 138 which proposes to have the House and Senate approve the Anglo-American financial and commercial agreements.

The agreements entered into between our Government and that of Great Britain on December 6, 1945, brings to a climax the settlement of a number of matters. Our Government has undertaken to make available, on the ratification of this agreement, first, $3,750,000,000; second, to turn over to Britain $6,021,000,000 of valuable supplies of every kind and character for the sum of $650,000,000—a little over 10 cents on the dollar; third, to cancel $25,000,000,000

lend-lease debt after giving Britain credit for about $5,000,000,000 for reverse lend-lease; fourth, we spent enormous sums in building Army, Navy, and air bases with lands, installations, equipment, and improvements. We make a gift of all of this to Britain; fifth, we join with Britain in removing all trade barriers, to eliminate tariffs and to bring about free trade throughout the world.

I AM OPPOSED

I am opposed, and an overwhelming majority of my constituents, Republicans and Democrats, are opposed. My hearers should not jump to the conclusion that I am unfriendly to Britain. All my ancestors and 98 percent of the people I have the honor to represent are of English descent. If we are partial to any country, it is Britain. I admire British people and statesmen and their loyalty to their own country. They place the welfare of Britain and her people ahead of any nation and people, and that is exactly what I am doing for our country in opposing this agreement.

My objections are these:

(A) We do not have the money to lend. We must borrow the money from our own people. We have a national debt of approximately $275,000,000,000. We must meet tens of billions of contingent liabilities, largely growing out of the war. We have been going in the red for the last 16 years and we had a deficit for the fiscal year ending June 30, 1946, of approximately $21,000,000,000 and there will be a deficit for the present fiscal year ending June 30, 1947, of many billions.

(B) Britain will neither pay the principal nor the interest.

(C) If we make this loan to Britain, we will have insistent demands for loans from other nations, aggregating from $15,000,000,000 to $25,000,000,000. We shall incur their resentment and everlasting ill will if we refuse.

(D) This proposal takes away from Congress its constitutional right and power to fix and collect tariffs, duties, imposts, and taxes. Congress should not abdicate and surrender these powers.

FOUR BILLION FOUR HUNDRED MILLION

Much has been said about the cash loan of $3,750,000,000. We hear very little about our turning over to Britain $6,021,000,000 of staple goods, supplies, and materials for $650,000,000. These include trucks, jeeps, bulldozers, tractors, other machinery, and equipment; ham, bacon, other meat products, and lard, sugar, all kinds of dehydrated and canned vegetables and fruits; men and women's clothing of all kinds, lumber, steel, oil, and everything that we are needing very much now in this country. These were supplies that were sent to Britain at the close and after the war and were not used in the war and we turned all of this over to Britain for $650,000,000—a little over 10 cents on the dollar, and may I say that this is one of the reasons our veterans, farmers, and local governments have been unable to secure these war supplies as provided by acts of Congress.

The two items cash and these war supplies amount to $4,400,000,000. Britain gets the cash and the goods, but what do we get? It is agreed that there should be no payments whatsoever for the cash and goods until December 31, 1951, and the obligation will bear no interest. Britain, without any security, merely agrees she will begin paying on this enormous debt in 5 years, beginning January 1, 1952, at 2 percent interest, provided she will pay no interest for any year that her foreign trade is not 60 percent greater in volume than it was before the war. No one expects Great Britain's foreign trade to be 60 percent greater in volume than it was before the war and, therefore, she will pay no interest, in my opinion, and, in fact, I am thoroughly convinced that she will never pay the debt. She will have the $3,750,000,000 in cash and the $6,021,000,000 of surplus war goods and we will have nothing more than promises. This proposal is unjust, inequitable, and unfair to the American people. This $9,771,000,000 came and will come from the bond and tax money of the American people. The American people will continue to be taxed to pay the interest on these bonds that provide this cash and war supplies and will be taxed to pay the principal when it is not paid by Britain. Britain gets our cash and our supplies. We get her unsecured promises.

NO STRINGS TIED TO THIS LOAN

We have heard much said in this debate and over the radio and seen in the press that this cash will be spent for the products of agriculture and industry and thereby provide employment for our workers and markets for our products. This is a misrepresentation of the facts. Lord Keynes, who conducted these negotiations for Britain, makes this point crystal clear in his speech explaining this proposal to the House of Lords on December 17–18, 1945. In his speech he referred to loans made by us to other nations that contained provisions requiring the money to be spent in this country. Lord Keynes stated:

> The other loans—
>
> Meaning loans made by our Government—
>
> which are being made are tied loans and limited to payment for specific purchases in the United States. Our loan, on the other hand, is free of strings, free to be spent in any part of the world. This is an arrangement entirely consistent with the desires of the United States.

Lord Keynes is very definite that this agreement does not require Britain to spend this money with us and it was our desire that she not do so. Is anyone so naive as to believe that Britain will spend that money for our goods, with high wages, short hours, and high cost of production, or will she spend it for supplies in low-cost producing countries. She is free to do as she pleases.

I might add that our country is struggling desperately with the problem of inflation. This means we have an excess of spending money and a scarcity of consumer goods. If we sold $3,750,000,000 in bonds and issued that sum in money and turned it over to Britain and she used the money to purchase our agricultural and industrial consumer goods, we would be adding to our volume of spending money and intensifying the problem of scarcity and thereby spiraling prices in this country and increasing the threat of inflation.

We do not have the money to lend. We do not have the surplus of consumer goods. Lord Keynes, in the part of his speech that I quoted, says that Britain was not to spend this money in the United States and that it was the wish of the representatives of the United States that it be not spent here. Then, why all this misrepresentation that this money will create jobs and markets here?

Will Britain use it to balance her budget? We quote from an Associated Press dispatch dated London, April 6, 1946:

> Britain's next budget has been written on the assumption that she will get the three billion and seven hundred and fifty million loan from the United States, a Government source said today.

We have also been told that we must enter into this financial arrangement to bolster Britain's foreign commerce. This same dispatch quoted Hon. Hugh Daulton, Chancelor of the Exchequer, as follows:

> Hugh Daulton, Chancelor of the Exchequer, will present the budget for the fiscal year ending March 31, 1947, to the House of Commons Tuesday, April 2, 1946. Under it Britain is expected to balance her overseas accounts by the middle of 1947 due to the unusual success of the drive to increase exports.

If the United States Congress does not ratify the loan, Britain will face the necessity of reducing imports or borrowing sterling from her banks. The spokesman said the loan would cover the 750,000,000 pounds—three billion—deficit this year, with not a great deal to spare. Is this not a most interesting statement, coming from the Chancelor of the Exchequer, comparable to our Secretary of the Treasury? Britain is doing very well in her export trade. Chancelor Daulton says she is expected to balance her overseas account by the middle of 1947 due to the unusual success in the drive to increase the exports.

She will balance her budget; ours will not be. You will observe that Britain is building up her export trade and not imports. She is doing the same thing that we are doing, but we are urged here to finance her, our greatest foreign commerce competitor, with $3,750,000,000 in cash and six billion and twenty-one million in surplus supplies, materials, and consumer goods. She is balancing her budget, but what about our budget? Our budget has been out of balance for 16 years. This three billion and seven hundred and fifty million will increase our deficit. It is agreed that we will have a deficit of billions on June 30, 1947, and the Lord only knows how long after that.

Lord Keynes certainly was right when he, in discussing this financial agreement before the House of Lords, said:

> Has any country ever treated another country like this in time of peace for the purpose of rebuilding the other's strength and restoring its competitive position?

I want to see Britain prosper, but must we increase our debt and deficits to increase her competitive position with our country? Just whom am I representing here in the Congress of the

United States? Whom must I protect, the American people or the British Empire? Certainly no other country ever treated another country like we have and are treating Britain. With these disclosures, how can American farmers, businessmen, and workers, who must make good in the end, the defaults of Britain on her other loan and this, hope to profit by this improvident deal? We furnish the money to balance her budget, to build up her exports, when our own budget is out of balance and we have been going in the red for the last 15 or 16 years and our national debt is now more than three times that of Britain. Britain defaulted $31,500,000,000. We loaned Britain billions, most of it after the close of the other war. She defaulted on this just debt 15 years ago. She still owes, with principal and interest, $6,500,000,000 from World War I. We have been very, very generous indeed to Britain and her dominions and colonies. We furnished more than 75 percent of the men and a greater percentage of the material and equipment for the western drive in World War II. We furnished even a larger percentage of men and equipment in the Pacific and much of this was directed at the saving of Australia and other British possessions. In addition to all of this, during World War II, we furnished Britain more than $30,000,000,000 under lend-lease. President Roosevelt, in his message to Congress, stated that the billions would be repaid to the United States. Britain did agree to pay. She furnished us approximately $5,000,000,000 of reverse lend-lease. Britain set the price and kept the books and the American people know something about the prices that were fixed by her for services and supplies. This included charges for our war equipment going over her roads, although we built miles and miles of good roads, also for the use of her docking facilities at enormous prices.

It was found that Britain owed us approximately $25,000,000,000 on lend-lease. Our representatives agreed with Great Britain to cancel this enormous debt of $25,000,000,000. That represents $25,000,000,000 of the tax and bond money of the American people. No demand has been made and will not be made for her to pay the $6,500,000,000. She still owes her debt of World War I. Britain and the other nations that were the objects of our bounty have all defaulted except little Finland, the poorest of all of them in this war. Britain has more wealth than any of them. With all of that, we are now urged to turn over to Britain $3,750,000,000 in cash, $6,021,000,000 of war materials, goods, and supplies at a little over 10 cents on the dollar and amounting to $4,400,000,000 on a mere promise without any security. No interest is to be charged and no payments are to be made of principal or interest until December 31, 1951, and then for them to have 50 years thereafter to make payments. Of course, no one is so naive as to think that any part of the principal or interest will be paid.

BRITAIN WILL NOT PAY PRINCIPAL OR INTEREST

The British know they will not pay. The London Economist, one of England's leading newspapers recently had this to say:

The odds are billions to one that this new credit will not be paid—it is willing to bet all Lombard Street to a china orange that it will not be paid.

The London News Weekly states:

The chances are that long before America can collect, a new international conflict will throw the loan and kindred superstitions into hog wash.

These and other leading British publications and leaders are realistic, they know that neither the principal nor interest on these obligations will ever be paid. What does this administration mean to call upon the American people to buy bonds and pay taxes and turn the money over, without security, to a creditor who has defaulted more than $30,000,000,000 of advances in World War I and World War II? But this does not represent all the generosity of our country. We spent no telling how much money in buying lands, constructing highways, streets, buildings, and installing equipment in Army, Navy, and air bases all over the British Isles. In these financial agreements we have turned all of that over to Britain, free. The World War I debt of $6,500,000,000; the $25,000,000,000 balance of World War II; the goods and supplies of $6,021,000,000 for the cost of these Army, Navy, and air bases approximate more than $40,000,000,000. This represents that much of the bond and tax money of the American people. As Britain did not pay the principal or interest, the American people have been paying and their children through the years must continue to pay the interest on these obligations, and finally shoulder the principal. The interest at 2 percent is $800,000,000 annually. I am unwilling, by my vote, to add to this burden $3,750,000,000 in cash and $6,021,000,000 of stable materials and supplies.

SECURITY SHOULD BE REQUIRED

This money must be borrowed from our people by our Government. Every dollar of the property now owned or acquired in the future is pledged by our Government for the payment of the bonds. Our national debt and deficit is three times that of Britain. Her Empire contains a population of more than 500,000,000 people, ours approximately 140,000,000. Her Empire embraces 16,500,000 square miles, ours about 3,500,000. She has billions in gold, gilt-edge securities, stocks, and bonds in this country. Hers is an empire of rich natural resources. We require our veterans, our farmers, and small business concerns to give ample security for the loans but we do not let them have the money at 2 percent or less with cancellation clauses, nor 55 years in which to make payment.

Hon. Jesse Jones is a man who has served this country with distinction as Secretary of the Department of Commerce, Reconstruction Finance Corporation, and other financial positions with our Government. There is no better informed man on financial matters and our foreign commerce than Mr. Jones. After analyzing this proposal most carefully Mr. Jones states:

Aside from the absurdity of making this large loan without any collateral we get absolutely nothing definite from the British in return. They make certain vague commitments but they are in the future. They agreed to undertake to amend their imperial preference tariff system but that is indefinite. They do not pledge themselves to abolish existing restrictions and they make no specific binding enforceable pledge.

He also states that the representation as to the amount of money they need is off $2,000,000,000. He states that they do not show a need in excess of one and one-third billions, and that they can easily furnish security for this sum or a larger loan and, therefore, Mr. Jones demanded the British loan be cut and security be required. This is a sensible statement and Mr. Jones feels in fairness and justice to the American people that if we make any loan at all it should not exceed one and one-third billions and should be secured. He contends that Britain has the available collateral to secure this loan, but the British state that they do not desire to borrow money from their own banks or their own people and go through the formality of a real business transaction. Our Government is going in the red and in order to secure this $3,750,000,000 to hand over to Britain our Government must sell bonds and in the way borrow the money from our citizens, banks, and other business institutions. To me this proposal is absurd and unfair.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield briefly to my distinguished friend.

Mr. SMITH of Ohio. The probability is that the Government will not borrow that money at all but will secure it by printing. That is the sad thing about it; in other words, it will obtain that money by confiscating the property of private citizens.

KENTUCKY PUTS UP $90,000,000, NINTH DISTRICT OF KENTUCKY PUTS UP $13,000,000

Mr. ROBSION of Kentucky. This enormous loan represents approximately $30 for every man, woman, and child in this Nation. Kentucky pays more per capita Federal taxes than a majority of the States. We have 3,000,000 people in Kentucky and, therefore, this loan to Britain means that the people of Kentucky put up at least $90,000,000 of this sum and the district that I have the honor to represent must put up approximately $13,000,000. It means more than $1,000,000 for my home county of Knox and nearly $2,000,000 for such counties as Bell, Harlan, Whitley, and Pulaski in my district.

We cannot, by the wave of the hand, dismiss the $25,000,000,000 due on lend-lease. That represents over $175 for every man, woman and child in the Nation.

Kentucky's part of this gift is $531,000,000. My district's is $75,225,000; the part of my home county of Knox is $5,818,000, and other counties in proportion to their population.

We took a discount on the war goods of over $5,000,000,000. That meant a gift from Kentucky of more than $100,000,000 and more than $16,000,000 from the people of my district. Is it not unfair and

unjust to take $3,750,000,000 additional from the American people when we have every reason to believe the money will never be repaid? Is it unfair to ask Great Britain to borrow from her own people and her own banks instead of calling on our country to borrow from her people and banks to turn it over to her?

We must not overlook the fact that according to the very best information, the total wealth of this Nation is approximately $309,400,000,000, and that the American people owe in State, county, city, and individual debts at least $175,000,000,000. This, with our national debt of approximately $275,000,000,000, makes a grand total of debts of the American people amounting to $450,000,000,000, and therefore, the indebtedness of the American people exceeds their total national wealth approximately $140,000,000,000. Our Nation is faced with heavy financial responsibilities in providing suitable benefits for 15,000,000 veterans and their dependents.

Recently, the administration arranged for France, without the approval of Congress. A loan of $750,000,000 in cash and almost a like sum in surplus war supplies, making a total advancement to France of $1,400,000,000. China, Greece, and other countries are dipping into the pockets of the people of the United States. The administration has invited Russia to come in and ask for $1,000,000,000 and she, too, will get a lot of our surplus war supplies of all kinds, including 572 merchant ships. We helped Britain and these other countries through another great war. I wonder how much they would be willing to lend us without security for 55 years.

SHALL CONGRESS SURRENDER CONSTITUTIONAL POWERS

Lord Keynes, in his speech to the House of Lords explaining these financial and commercial agreements indicated clearly, in my mind, to his Lordships that the big and important thing to Britain was the proposal to remove trade barriers. The British have in mind the cutting down or removal of tariffs. They and their colonies are exporters. They believe in removing tariff or other protective policies of other nations. They are anxious to have free access to the rich American markets. Under the reciprocal trade agreements with Britain and some other countries, tariffs for the protection of American workers, farmers, and industries have been greatly reduced.

If this agreement is ratified Britain and some other free trade countries will make a tremendous drive to remove tariff restrictions, so that Britain, all of her dominions, colonies, protectorates, and mandated countries may have free access to the American markets. Lord Keynes pointed out in his speech to his Lordships that they must not forget that wages in the United States were two and a half times greater than the wages paid in Britain and American wages are still much higher in proportion to the wages paid in India, Borneo, and many other colonies and possessions of Britain.

We have the highest wages, the shortest hours, best working conditions and highest standards of living of any country in the world. Now what will happen when these foreign countries, with American tools, machinery, and knowledge of efficient operations, begin to dump their cheaply produced products into this country? Under the Wilson law tariffs and free trade we found after the other war, foreign countries dumping their goods into this country and although it was a Democratic administration there was rushed through an emergency tariff bill and also a law prohibiting the dumping of foreign products in great quantities into our country.

In due course of time that very condition will happen if the provisions of the trade agreement provided in this bill are carried out and Great Britain will have:

First. A richer prize than securing this cash loan, buying our surplus war supplies at 10 cents on the dollar, securing our Army, Navy, and air bases free, and canceling her lend-lease debt. We cannot maintain our high standard of living, high wages, short hours, and working conditions without some protection and compete with the workers, industries, and agriculture of India and the many other dominions and possessions of Britain.

We cannot pull them up to our level, but they will pull us down to their level. I have always believed in restricted immigration and adequate protection for American workers, American farmers, and American industries. We must have protection at least for the difference between the cost of production in this country and in foreign countries.

Being strongly convinced of the correctness of my position I shall vote against this resolution.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, opponents of the British loan assert that it will cause or contribute to inflation in this country. If inflation comes in the United States it will come because of domestic conditions and forces, for notwithstanding the size of the proposed British credit, the American demand for goods will continue to have an overriding influence. The actual situation is that a number of practical factors will operate to prevent the development of any strong inflationary results from the proposed loan.

First. In the first place the British are not going to place immediate orders for three or four billion dollars' worth of those particular kinds of goods which are now in short supply in this country. Spreading the British credit over all of the many items which the British would like to have from us would reduce the effect on the price of individual items, even if the entire credit were used at once.

Second. Although this Government has progressively relaxed export licensing since the end of hostilities, goods which are in short supply in the United States are still subject to export allocation or licensing by the United States. This authority continues to protect domestic consumers in case of an unusual foreign demand for short-supply items.

Third. The loan will not create an instant demand by Britain for billions of dollars' worth of American goods. She is interested in obtaining the things she needs at the lowest possible prices. The credit will be available over a period of 5 years and it will be to her advantage to draw down as little of this credit as possible, because even with the proposed credit her balance-of-payment position will be such that she will have to hold down her imports to austerity levels. Only in isolated emergency cases—if at all—would she bid up the prices of goods, since this would dissipate the purchasing power of the credit and of her other resources.

Fourth. Part of the credit which it is proposed to extend will be used to pay for goods which the British have already received, and this money, therefore, will not be available for creating a demand for new goods.

Fifth. Of a great proportion of the goods which the British need most urgently and most immediately, we now have large supplies or ample producing capacity; such products include cotton, tobacco, machinery, railway and mining equipment, and petroleum.

Sixth. Some complex items which Britain will need for capital replacement, for rebuilding and reequipping factories, may take 1 or 2 years to produce in this country.

Seventh. Greater supplies of goods in proportion to buying power provide an automatic brake on higher prices.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, I am going to read a telegram and a letter which have been received today:

As an American citizen, deeply concerned with this Nation's welfare I want to express to you my supreme endorsement of the loan to Britain. My experience in public life and in business convinces me that if we do not take this essential step to free our international trade from restrictions and to expand commerce around the world we shall have neither peace nor prosperity at home With our allies we have just won a great war. We must continue to work with them for a Christian peace. If we and Britain can conduct our international trade on a free-enterprise basis, I believe other countries in the world will soon join with us. The passage of the loan to Britain has great advantages for America as a whole.

That telegram is dated July 10, addressed to the Honorable SAM RAYBURN, and is signed by James A. Farley.

I have here a letter from Philip Murray, dated July 10, addressed to me:

I express a very natural anxiety over the passage of the British loan. Our people, as you undoubtedly know, endorsed the loan to Great Britain several months ago.

I am merely dropping this note to indicate to you our continued interest in the passage of the bill and to express the hope that Congress, in the interest of our own country, will enact the necessary legislation to provide the loan to Britain.

Sincerely yours,

PHILIP MURRAY.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, I shall oppose the British loan

as it passed the other body which is the exact bill as is presented to the House at the present time. Unless the bill is drastically amended to protect the taxpayers of America, I shall continue to oppose the pending bill. I shall oppose it, not as an enemy of Britain, and certainly not as an isolationist. No one can truthfully charge me with being either. I was not a British hater before the war. I am not one now. As one who was strong for preparedness back in the thirties, as one who voted for twenty-nine billion lend-lease to Britain, as one who supported Bretton Woods and the United Nations, I say I cannot support the British so-called loan unless the bill is amended to give definite assurance the loan will be repaid.

When I came to this House nearly 20 years ago, one of the first bills I was called upon to vote for was another British loan bill. That measure proposed to scale down the British loan to I believe 25 cents on the dollar. We were assured that a gentlemen's agreement had been reached with the British whereby the loan would be paid off on the barrel head if Congress would only scale it down. Telegrams and letters of approval cluttered the CONGRESSIONAL RECORD, as they have today. Many Members of this House voted for that gentleman's agreement to scale down the first British loan in good faith because of that gentleman's agreement. They felt then that it was sufficient assurance that it would be paid. At least they indulged in the hope that it was sufficient. But it is not necessary for me to remind Members of this House that no serious effort was made to make good that gentleman's agreement.

And without appearing too critical of our former allies, it is nevertheless true that a burnt child fears the fire.

There are still some people in America who still remember that despite the fact that we scaled down loans, no one expected it for the most part to be a gift. I am wondering about how long it will be until my good friends here who are so enthusiastically advocating the British loan will be here advocating scaling this down 25 percent or more.

Mr. Chairman, if the people had any reasonable assurance that this loan is a loan in fact as well as in theory, and not a gift, as the gentleman from Kentucky well said, there would be little opposition to the bill. But the die seems to be cast. The word has been passed out that this measure must pass without amendment. To dare offer an amendment would not be showing proper respect to our esteemed neighbors across the sea. Nevertheless, I am going to suggest and present at least four amendments. Here they are:

Amendment No. 1 would require that a credit rather than cash be allowed on goods purchased only in the United States. If our former ally, the British Government, is in good faith, they should enter no objection to this amendment, and to those big-hearted, generous Americans who insist that the main reason for the loan is to help business in the United States there could not be an objection. I have this amendment carefully prepared. It will do the job if accepted. The amendment I shall offer is as follows:

Page 3, after line 3, insert a new section to read as follows:

"SEC. 3. Notwithstanding the provisions of sections 1 and 2 of this joint resolution the Secretary of the Treasury is not authorized to carry out the agreement or to make any payments to the United Kingdom under the agreement unless the agreement is modified so as to provide that all payments made to the United Kingdom under the agreement shall be used for purchases by the United Kingdom of goods in the United States."

Amendment No. 1 will make certain that American taxpayers' money will not be spent by Great Britain to buy Brazilian cotton, Argentine beef, and Canadian wheat in direct competition with the American farmer. Is there anything wrong with that amendment? If there is let some one of the sponsors of the bill stand on his feet now and say what it is.

Amendment No. 2 that I propose reads as follows:

Page 3, after line 3, insert a new section to read as follows:

"SEC. 3. Notwithstanding the provisions of sections 1 and 2 of this joint resolution the Secretary of the Treasury is not authorized to carry out the agreement or to make any payments to the United Kingdom under the agreement unless the agreement is modified so as to provide that interest on each payment to the United Kingdom under the agreement shall begin at the time of the payment."

In this bill they actually propose a 5-year moratorium. I do not like that word "moratorium." I never did. There is no moratorium on the loan that will be made to GI Joe. He pays from the date he borrows the money. So I say that if Britain is sincere, is really expecting a loan and not a gift, there is no reason or excuse to this 5-year moratorium. Most Members to whom I have spoken about amendment No. 2 in the cloak room freely admit that the moratorium ought to be eliminated from the pending measure.

Amendment No. 3 that I propose reads as follows:

Page 3, after line 3, insert a new section to read as follows:

"SEC. 3. Notwithstanding the provisions of sections 1 and 2 of this joint resolution the Secretary of the Treasury is not authorized to carry out the agreement or to make any payments to the United Kingdom under the agreement unless the agreement is modified so as to provide that the rate of interest shall be 4 percent per annum instead of 2 percent."

This amendment provides that the same interest rate that the GI Joe and Jane must pay for their Government-backed loans to purchase homes, farms, or a business. Is there anything wrong about that? Does it make sense that our allies pay the same rate of 4 percent that the GI Joe pays for loans, and that the interest rate start from the date the loan begins? If I had my way, I would make the interest rate to the defenders of our country a whale of a lot less than a loan to Britain or to any other foreign country.

Amendment No. 4 that I propose reads as follows:

Page 3, after line 3, insert a new section to read as follows:

"SEC. 3. Notwithstanding the provisions of sections 1 and 2 of this joint resolution the Secretary of the Treasury is not authorized to carry out the agreement or to make any payments to the United Kingdom under the agreement unless the agreement is modified so as to provide (1) that the United Kingdom, as collateral to secure the repayment of the advances made to it under the agreement, shall transfer to the United States title to such areas in or bordering on the Pacific Ocean as the President determines are suitable for use as military or naval bases, and are adequately fully to protect the interests of the United States; and (2) that the areas so transferred will be from time to time retransferred to the United Kingdom if, as, and to the extent that the advances made to the United Kingdom under the agreement, together with interest, are repaid."

This amendment requires a little collateral on the part of Britain; not the bases that my genial friend from Oklahoma mentioned a few moments ago. Not the 8 British bases, oh, no, but nearly 100 bases in the Pacific Ocean on which the American taxpayers have spent hundreds and hundreds of millions of dollars. Some of those islands are unnamed, with 2-mile concrete runways, and we are going to have to defend them as well as the whole Pacific from the Aleutian Islands to Australia. We are going to have to occupy them. Our British friends were glad for us to improve and fortify those islands. There is no question but what America must defend those bases and must defend the Orient. All of us know that Britain cannot do so. So again I insist that a little collateral will be helpful all around. It will make our people feel better and at the same time make our former allies like us better, and I for one am anxious that they like us better.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. JOHNSON of Oklahoma. Just another word about the collateral as proposed in my fourth amendment. Let me tell you the first time that word "collateral" ever really impressed me. I was a kid in my teens and jeans just out of high school and had secured my first job, a job as a rural mail carrier at $60 per month. I went to my local banker. I wanted $25. I walked up to that window with my knees shaking. I wanted, in fact I felt that I must have, a loan. I needed $25 but somehow my heart failed me. That sounded like a lot of money, so I said to my banker, "Could you lend me $10?" Yes, my heart failed me. He said, "Yes, son, but I must ask you for a little collateral." I said, "What do you mean 'collateral?'" And he replied by asking, "Well, what do you have?" "I have a pair of little mules," I told him. The banker said, "Well, I suppose both mules might be worth $10." So I signed the note and mortgaged my two mules for a $10 bill. It is needless to add that the word "collateral" made a lasting impression on my mind. I paid off that $10

loan at the rate of $1 per month. If Uncle Sam had thought of that word "collateral" after World War I, the first British loan would have been paid.

Again I submit there is no better collateral than the British bases in the Pacific Ocean on which we have already expended hundreds of millions of dollars. The late Franklin D. Roosevelt, God bless his memory, was not a bad horse trader, and when our British friends wanted those 50 American destroyers, when they were desperately in need of them, the late President of the United States suggested they might put up a little collateral, and a suggestion was all that was needed then. England had just experienced Dunkerque. She did not quibble, but put up those eight bases. It was a good deal. It was a good horse trade for Uncle Sam, and it was a better one for Great Britain.

Those 50 destroyers played a major role in helping save Great Britain. No; they did not object then and they would not object now if they did not consider Uncle Sam sort of a sucker and figure that he would make this loan anyhow, which they would forget to pay. Is there anything wrong with putting up collateral? Again I ask any sponsor of this so-called British loan to answer. Again I remind you that the best collateral in the world for us would be those Pacific bases on which we have already expended hundreds of millions of dollars.

With these safeguarding amendments, guaranteeing that this huge loan will be paid, there would be no serious opposition to its passage. But the American taxpayers are entitled to more than another so-called gentleman's agreement.

Mr. HARE. Mr. Chairman, I ask unanimous consent that all Members may have three legislative days in which to extend their remarks in the RECORD on the conference report on the bill H. R. 6739.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I shall vote in favor of this resolution. There is probably no legislation which has been before the present Congress about which there has been more discussion and to which the opposition has been and is more embittered. I believe that one may support this legislation without indulging in any illusions that great credits to foreign nations are in themselves attractive. I support this bill in the same spirit that I supported an appropriation of $4,000,000,000 for the Navy and seven billion for the Army in a period when at least we are not actively engaged in a shooting war. I support it in the same way that I support income taxes on a scale which I find personally to be most irksome and difficult. I consider all these measures the direct, immediate, and inevitable consequences of the war in which we were engaged just as the losses on the loans to France and Britain during and after the last war were the consequences, and in my judgment, the inevitable consequences of that conflict.

Whether or not the loan authorized by this legislation will be repaid, I cannot foresee. The terms of the loan with respect to interest are in many ways so favorable to the borrowers that repayment in full may well be possible. If it is possible, then the objections to the legislation so frequently asserted may be dismissed. The loan is not a conventional financial transaction. It is therefore needless to discuss whether as a conventional financial transaction it could be justified.

The analogy of this loan to a loan made to an individual breaks down, because there is no necessity in the life of an individual analogous to the necessity which faces the British nation today. This necessity is not the necessity for funds as such which the British may borrow at home. The necessity expressed briefly and simply, is the necessity, indispensable to the life of Britain in the contemporary world, of purchasing goods, directly or indirectly in the American market. Without it they cannot get American tobacco, American cotton, American wheat or Hollywood films. In other words, the British must have dollar exchange. The necessity for making the loan could doubtless be dispensed with by changing the unit of our currency from the dollar to the pound sterling. Nobody so far as I know, has seriously suggested such a step and certainly I do not. But we do want the British to purchase in our markets for two excellent reasons: First, that we wish to sell our surplus products and commodities which may well be numerous; and second, that the United States has in my opinion an important political stake in the maintenance of the British Empire or British Commonwealth, whatever it is called. This is because the British nations do have the same general concepts of democracy as we. These concepts of democracy are not so commonly entertained as we could wish or as we should like to believe. In a turbulent world they offer perhaps our best hope of future stability.

Times have changed a good deal since the poet of imperial Britain could write:

For the Kings must come down an' the Emperors frown,
When the widow at Windsor says "stop!"

The widow's great grandson is not quite so potent.

There are many people in this country who dislike and distrust Great Britain. They are entitled to their opinions, which in some instances, but certainly not in all, rest on solid foundations. Yet, if these people will ask themselves honestly whether American interests would be served by weakening Britain and the British people, I think that most would be honest and sensible enough to reply in the negative.

Adolf Hitler came very near to being King of Great Britain and Northern Ireland, Emperor of India, defender of at least his own very repellent faith, not to mention the other traditional titles with which Britain endows her monarchs. Is there anyone in this House who would really have liked this?

It seems to me extremely regrettable that the Palestine controversy cannot be settled so as to permit Jewish immigration on a substantial scale. But the defeat of this resolution is certainly not going to help the Jews. Nothing could be more unfortunate for the Jews than to have the British blame the Jews for their shortages.

I also regret that the British have embarked on the large scale socialization of their economy to which they are now committed. I think, however, that in this connection we should bear in mind that the disapproval of this loan would drive them more deeply into socialistic expedients, because, without the capacity to trade freely in foreign markets, their own enterprise must necessarily be more restricted and their governmental controls tighter. One of the best reasons for granting this credit is that it will do a good deal to give Britain a free rather than a controlled economy. We must bear in mind that to the extent that England borrows dollars from us, she must either buy goods directly in this country, or buy goods from a third person who will buy in this country.

This credit is, in a sense, less a loan than a subsidy to the American exporter.

I dislike and distrust subsidies whether in connection with price control or for any other purpose, but again I say that this subsidy seems to me necessary if we are to have anything like free foreign trade, because the war has so diminished British dollar exchange that she can no longer maintain the living standards necessary for free institutions. If the loan is repaid, then we get our subsidy back. In this way it is different from other subsidies.

I hear it often said that those who negotiated this loan should have driven a better bargain in this, that, or the other particular; that we should have got airfields, or airbases, or even sovereignty over some of the British islands. It may be that in some respects a better bargain could have been driven. But this seems to me beside the point at the present time. The trade was made and all that we can do is to say whether or not the trade should be ratified as made. I think it should.

Again I hear it said that this loan is a dangerous precedent. This does not worry me. The British position is unique. No other sizable nation is so far as Britain from being self-sustaining, and no other country can be so good a customer of ours or so effective a friend.

For those reasons I urge the passage of this legislation.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I am going to vote for the joint resolution implementing the financial agreement between the United States and England. I am going to vote for this resolution because I think it is in the interests of the people of the United States. I am going to vote for this resolution because I believe that the peace and the prosperity

of this country and the entire world depend upon an orderly solution of the international economic problems with which the financial agreement deals. If this agreement should be repudiated by Congress it would undermine, if not destroy, every step we have taken to build a world dedicated to peaceful cooperation among the United Nations.

This agreement is essential to the peace and prosperity of the United States and the entire world. It is a key part of our foreign policy. Without it, we cannot attain our international economic or political objectives.

The economic and political side of our international relations are two sides of the same problem. A world in which each country shares in mutually advantageous trade, on a basis fair to all countries, is a world predisposed to keep the peace. A world in which each country has an opportunity to use its human and natural resources for the well-being of its people, and benefits from economic progress everywhere, is a world which has every reason to keep the peace.

Too often in the past political conflicts between countries have been merely a rationalization of economic conflicts. And economic warfare has been used as a prelude to shooting war. We saw that in the 1930's when Germany adopted policies whose purpose was to conquer Europe economically and to defraud their American and British creditors and competitors. The economic warfare of Germany was part of the German plan to impose their will by armed force on the entire world.

We cannot afford to see a repetition of this same kind of economic warfare. Our Government has proposed an international program to eliminate economic warfare through cooperation among the United Nations. Congress has given its approval to this program. It has done so through approval of the Bretton Woods agreements and the reciprocal-trade agreements. This program is now being put into operation. It will succeed if we prevent a conflict in economic policy between the United States and England. That is the purpose of the financial agreement—to avoid dividing the world into conflicting economic blocs.

I am for the financial agreement because it is essential to the future prosperity of the United States. No businessman can prosper with poor customers. England, Canada, and the rest of the British Commonwealth are enormous users of our goods. They are our best customers. We cannot afford to let them down.

England is in desperate need of financial aid from the United States and Canada in order to secure food and raw materials for the survival of the English people. England needs this help now because she put all of her resources into the war. Her export production was cut by 70 percent to put more men into the armed forces and war production. England lost one-fourth of her merchant fleet in carrying the supplies used to fight the enemy. To pay for her purchases abroad, England sold $4,500,000,000 of the foreign investments accumulated over centuries. And England incurred foreign debts of more than $13,000,000,000 in sterling to meet her war expenditures in the Middle East and in the Far East.

Without aid from the United States and Canada, England will have no alternative but to continue to restrict British trade with the United States. This would not be because England does not want to trade with us. It would be because England does not now have the dollars to pay for purchases in the United States. The credit of $1,250,000,000 from Canada and the credit of $3,750,000,000 under the financial agreement will make it possible for England to open up the markets of the entire British Empire to the products of the western hemisphere without discrimination of any kind.

The financial agreement will make it possible to secure a world working together in peace and prosperity led by the United States and England. These are the countries with the greatest economic progress, the countries with high levels of production and high standards of living. These are the countries that have developed modern agriculture and industry. If they work together they will both prosper and the whole world will share in the economic progress. If they are in conflict, the effect will be world depression.

The people of my district know what it means when England and the United States are divided on economic policy. They know we got 8-cent tobacco and 5-cent cotton when England could not stand up during the world depression and had to let sterling depreciate. We now export two-thirds of our tobacco and one-third of our cotton to the British market. The tobacco and cotton growers of this country need the protection of the British market which the financial agreement gives to them.

This is not a matter of concern only to the people of the South. The wheat and corn farmers in the Middle West and the fruit growers of the Pacific coast and Florida can prosper only if world markets are open to our producers on fair and equal terms. The workers in our automobile, industrial, and business machinery, agricultural implement, and other factories need the jobs that come from exporting one-tenth of their production. The financial agreement will keep our export markets open to American producers.

Under this agreement the two greatest trading countries in the world—the two leaders of the world economy—are agreed to establish and maintain fair currency and trade practices and to keep open the markets of the world to the exporters of all countries on a fair and equal basis. This means that American businessmen can sell their products abroad in fair competition with the exporters of other countries. It means a square deal in world trade. It means stability and order in the world economy.

The financial agreement is much more than a dollar-and-cents proposition. We will get economic benefits from this agreement far in excess of the $3,750,000,000 that will be lent to England. But even more important, the financial agreement is an essential step toward securing an enduring peace.

World peace can be built only by respect by each nation for the rights of all nations. It can be built only on the principle firmly held by all the United Nations that differences among them will be settled by the democratic process of discussion and agreement. The opportunity to build such a world has been given to our generation. The chance of achieving this hope of mankind will be infinitely better if the English-speaking people stand together in building such a world.

This is what the financial agreement does: It declares to the world that the great democratic countries of the English-speaking world are once again willing to take the lead in cooperative action toward world harmony. It is more than an individual step; it is a declaration of policy. It is an announcement of our joint intention to open up international trade to all countries of the world on a fair and equitable basis. It is our invitation to other countries to join with us in promoting a world economy in which every nation can share the fruits of an expanding international commerce. It is a major step toward producing that economic harmony among all nations, which is the essential basis of peace.

I come from a district in which the common heritage of the English-speaking people is bred in our bone. I come from the district in which the first English child, Virginia Dare, was born in America, a symbol of the permanency of the new home of English-speaking people. In this New World the seeds of Magna Carta and the Bill of Rights bore new fruit in the Declaration of Independence and the American Constitution. These great documents of the English-speaking people express the noblest ideals of freedom and democracy. A peaceful world with a decent respect for the opinion of mankind can be built only on the preservation and the extension of these fundamental principles. That is why I am for every measure that offers the hope of unity of the English-speaking people.

So long as the United States and England stand firm on these principles the peace of the world will be secure. No aggressor can hope for world conquest unless he can divide the United States and England. Hitler and the Kaiser would not have gone to war if they had known that they could not divide us and conquer us separately.

Twice we have marched together in time of war, and twice in our joint strength we have found salvation. If a third war should ever come England and America will again march together, but it is my firm conviction, if this agreement for this loan is made, it will be the finest protection that can be provided against the possibilities of a third world war. We have saved our common heritage of personal liberty and political democracy by standing together. We can maintain this heritage only by eternal vigilance.

Let no short-sighted policies imperil that unity which is our best defense. Any threat to that friendship is a threat to peace. We would not have had the Second World War if we had not drifted

apart. The one way in which we can avoid a third world war is to stand together, to let no economic or political issue divide us. That is what the financial agreement does—it provides a sound economic basis for a continuing and profitable friendship between the United States and England in which all the world can share.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Idaho.

Mr. WHITE. It is a sad commentary on our diplomacy and the business of the Department of State and our Government that we have been subjected to all the restrictions that are reported, which we are trying to relieve ourselves from now by paying tribute to England in the form of a loan of $3,750,000,000. Is that not a sad commentary on the conduct of the Nation's business?

Mr. BONNER. I will let the gentleman answer his own question by the statement I have just made.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, much of the debate for and against the loan has revolved around questions such as whether we like the British, whether we believe in international cooperation, whether we understand world politics.

I like the British. I think our destinies are intertwined with theirs in the world-wide, long-time struggle between the free way of life and communism. I think the United States has a duty to aid in world-wide reconstruction and that carrying out that duty will involve loans from the United States to countries that are unable, because of the war, to pay cash, and that carrying out that duty is good business for the United States if we handle it right. I think I understand something of the forces that work in world politics. With this background, I am opposed to the financial agreement negotiated by the Secretary of the Treasury with Lord Halifax, on December 6, 1945, because it is not a good loan on a business basis and it is not a good agreement on a political basis.

Before I discuss the business and political angles of this loan, I want to call attention to an amazing part of the propaganda line that the administration is taking to jam this loan through the House; it amounts to this: failure of the loan means war with the British! Chairman SPENCE, of the House Banking and Currency Committee, opened the House debate for the loan on July 8 by presenting a letter from President Truman which said:

> It is the one way we can avoid the danger of a conflict in economic policy between the United States and the United Kingdom. Such a conflict would be disastrous to the economic well-being of both countries and to the peace and security of the entire world.

He also presented editorials from the Washington Post which explained this threat to peace as follows:

> We cannot afford to forget that the British are well equipped to wage war at our expense on the economic front. * * * Without a loan, indeed, warfare would be their only recourse. * * * Intense trade rivalry constituting a threat to world political peace as well as to economic prosperity. * * * The House, by its rejection of this agreement, would condemn the world to an endless battle for markets with the gloves off, and the upshot would inexorably be war.

Note that the British are not saying that American pro-British loan propagandists are saying that "the upshot would inexorably be war."

I just do not believe that. If I did, it would make me mad instead of scared. Americans do not threaten very well, they do not blackmail easily; our answer to such threats is now, as in 1798, "Millions for defense; not one cent for tribute."

The British agree with us that economic warfare between us is bad. They have agreed with us three times to give it up. In article VII of the Lend-Lease agreement, Britain agreed to "elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers." In signing the Bretton Woods agreement the British agreed to the cessation of economic warfare. In the agreement we are now discussing, signed December 6, 1945, Britain makes agreements that are on their face as good as the two former agreements, but we have learned from experience that all of these agreements are weasel-worded, and that they were deliberately worded that way with the approval of our own representatives. I am not criticizing the British. I am criticizing our own representatives, who have three times represented to the American people that we were securing a cessation of economic warfare for our money, first for our lend-lease money, next for our Bretton Woods money, and now for our British-loan money. We know that we have been fooled twice and if we approve this agreement we will find we have been fooled again, not by the British but by our own officials, when the time comes for more money, more concessions.

I supported the Bretton Woods agreement as a workable plan for an international bank and fund to stabilize currency, to finance world reconstruction and end world economic warfare. I supported an increase in the authority of the Import-Export Bank as America's additional contribution to take care of world reconstruction until the Bretton Woods plan should go into effect. I believed what I was told by Dean Acheson and our other officials about these plans. I did not check their words carefully for double talk. I did not realize that this was necessary. Now when we are told that all of these elaborate plans were preliminary window dressing, and that the British loan is the cornerstone of world recovery, I have learned my lesson. I am double checking the double talk. I am considering the present promises and threats in the light of past promises.

As a business loan, lending money at 1.62 percent, or nothing, to a defaulting borrower for 50 years without security when security is available just is not good business. The British now have collateral security pledged to the RFC, consisting of insurance, utility, and industrial stocks and bonds worth about a billion dollars, on which the income is $37,000,000 a year. The proposed British loan is payable at the rate of a little less than $32,000,000 a year for each billion loaned. Thus we already have security for nearly a third of the proposed loan. Under the agreement we are not to hold the security.

As a business or a political proposition, the needs for the British loan have changed greatly since it was negotiated. The record of the past 6 months shows that Britain does not need this loan to survive or to recover. With magnificent energy and great self-denial, they have made astounding progress in rebuilding their war-torn economy.

The Department of Commerce reports that in the first 3 months of this year their exports averaged $279,800,000, which is over $56,000,000 a month above their 1936–38 monthly average of $223,400,000. In the first 3 months their imports averaged $380,900,000 monthly compared to monthly imports in 1936–38 of $383,100,000. Their exports for May exceeded in volume the 1938 monthly average. Their exports far exceed the estimates made at the time this agreement was negotiated in 1945. They are buying from us and we are buying from them. If they need a business loan to increase the speed of their recovery, we should make it on business terms and with adequate security.

On the other hand, if the need for this loan is for something else than survival and recovery, it will not be enough. Lord Keynes, chief British negotiator for this agreement, wanted $6,000,000,000 in the form of a grant or gift, not a loan, because, as he told me and others, he did not want the unfortunate experience about payment after the last war repeated. Lord Keynes would be the last to say that this trifling $3,750,000,000 loan is enough to see Britain through on the style of living she would prefer. If we make this agreement, we are establishing a precedent of supporting the British standard of living in peace as in war, and without any gratitude on their part.

It is hard for Americans to understand that Britain feels no gratitude whatsoever, let alone an obligation to pay, concerning lend-lease. They remember the administration propaganda of 1941 even if we have forgotten it; we were to aid Britain to fight our battles, to keep us out of war. They feel that the final balance is in their favor. The fine, phony talk of our administration leaders has encouraged this feeling on their part. They accepted about $6,000,000,000 in relief, food, and commodities, not as a gift, but as payment for fighting for us, to be accepted with humiliation, not gratitude. It is most important that we should not start into the postwar period on any such basis.

We want to be friends with the British. We will be glad to lend them money with a fair rate of interest and with security. We will make agreements about postwar trade, when the time comes next fall, at the proposed 14-Power Trade Conference, but we should not be scared or bluffed into approval of this present unbusinesslike agreement.

We ought to rewrite it. We should not be scared off by the propaganda that this

is a commitment of our Government which we are bound to support. It is time that Congress told the Executive what the world already knows, that he cannot bind the United States without congressional action. In the formation of the United Nations our delegation had bipartisan congressional representation. The same principle was followed in the making of the Bretton Woods agreements. On this British loan, however, which is now termed a cornerstone of American foreign policy, there was no bipartisan congressional participation. Our chief negotiators were Fred Vinson, who had been Secretary of the Treasury for a short time, and Will Clayton who had been Assistant Secretary of State for a short time. As diplomats they are both babes in the woods and this agreements shows it. Vinson signed the agreement. Nevertheless, we are now told that this is a sacred governmental obligation, and that for Congress to attempt to change it in any way, or to put any reservations or conditions or amendments in our authorization, would be a world tragedy.

This is a familiar technique of this administration. Last summer Will Clayton, as the American representative on the UNRRA Council, offered a motion, which was adopted, which provided:

That the Council recommend an additional contribution, approximately equivalent to 1 percent of the national income of the contributing countries.

By the time this mere recommendation got back to Washington it had become a moral commitment of the United States which Congress dared not question of $1,350,000,000.

Here is the issue that is involved, and it is an issue that involves our representative government at home rather than our foreign policy abroad. If Government officials can make international agreements which Congress is bound to honor, a way has been found by the Executive to circumvent Congress and paralyze representative government in international affairs. I believe that we must and we shall and we will participate in international organizations and carry out our international obligations, but Congress should not abdicate its duties or delegate its responsibilities. Our diplomats, both amateurs and professionals, have got to learn that effective international cooperation, from now on, is going to require cooperation with Congress as well as with the diplomats of other countries.

If we approve this agreement, we are establishing a precedent. We must either give similar unbusinesslike terms to other nations or admit that we are playing favorites with the British.

I believe we need closer, not looser, ties between the English-speaking peoples of the world. We have many interests and traditions and ideals in common. The present unwritten, unstable, lopsided alliance will not last. No alliance ever did. We have got to get together in formal, definite arrangements which are mutually satisfactory and profitable. For instance, instead of diplomatic or military agreements where the vote is 6 to 1 in favor of the six British commonwealths, we ought to have an organization controlling such matters based upon the voting population or, as one British writer puts it, on taxable capacity. I would like to see the foreign policies, the military commitments, of 210,000,000 English-speaking voters determined by representatives elected on some proportionate basis, rather than by six Prime Ministers and one President. Any such plan would involve long debate and great changes in our customs and tradition. The present paralysis of the United Nations Organization shows the need for something better than diplomatic sparring between sovereigns. A firm, written agreement adopted by free people, setting up an organization to be run by their votes, would be an encouragement to those all over the world who believe in the free way of life. It could not create more suspicion than now exists in the minds of the dictators who are opposed to the free way of life. I do not think we move toward such a goal when we perpetuate into the peace period the uneconomic, unbalanced arrrangements we have been forced to use in war. That is why I believe Congress should not approve the British financial agreement in its present form, but should require changes to make it more sound from both a business and political viewpoint.

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration Senate Joint Resolution 138, to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill under consideration today may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GAVIN asked and was given permission to extend the remarks he made in the Committee of the Whole by including an editorial on subsidizing the British Empire.

Mr. PHILLIPS asked and was given permission to extend his remarks in the RECORD and include a supplementary statement including certain exhibits from the almond, date, and nut growers of California.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include a letter from Mr. Paul Porter giving the number of regulations and amendments thereto issued in connection with meat control.

PERSONAL EXPLANATION

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, the RECORD will show that yesterday—July 10—I was shown as absent on two quorum calls, and again today absent on a quorum call. My absence on all these calls was due to the fact that a Subcommittee of the House Committee on Irrigation and Reclamation has been meeting almost continuously on an important reclamation bill. The meetings, during the sessions, were held under permission secured by the chairman.

RENT CONTROL

Mrs. LUCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. LUCE. Mr. Speaker, Congress today faces a very great responsibility. All price control was scuttled by the President's veto of OPA. With it has gone rent control. It is plain at this moment, that much time will elapse before we can again pass an OPA bill for price control. Meanwhile, the President's veto has placed millions of people at the mercy of their landlords, subject to eviction if they cannot pay higher rents.

Many returned veterans are hunting homes. Thousands of them are in danger of losing the homes they have found. White-collar people, old people with fixed incomes, are threatened with eviction. It is our duty to help them, to help those millions who today may be evicted if the House does not act. I propose that we do act.

Mr. Speaker, I ask unanimous consent to consider immediately the Wolcott bill (H. J. Res. 372) to reinstate rent control, which I send to the desk.

The SPEAKER. Did the gentlewoman consult the Speaker about this and notify him that she was going to make this request?

Mrs. LUCE. I did not, Mr. Speaker.

The SPEAKER. The Chair refuses to recognize the gentlewoman for that purpose.

HOUR OF MEETING TOMOROW AND SATURDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock, and that when the House adjourns tomorrow it adjourn to meet on Saturday next at 10 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. KERR submitted the following conference report and statement on the bill (H. R. 6837) making appropriations

for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6837) "making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes," having met, after full and free conference, have been unable to agree on Senate amendments Nos. 27 and 28.

JOHN H. KERR,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
EMMET O'NEAL,
LOUIS C. RABAUT,
FRANCIS CASE,
HARVE TIBBOTT,
JOHN TABER,
Managers on the Part of the House.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
RICHARD B. RUSSELL,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on amendments of the Senate to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AMENDMENTS IN DISAGREEMENT

Amendment No. 27, relating to transfer of funds between items of appropriation within the over-all appropriation act.

The House managers will move to recede and concur with an amendment.

Amendment No. 28, relating to the number of a section.

The House managers will move to recede and concur with an amendment designating the section as numbered 21

JOHN H. KERR,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
EMMET O'NEAL,
LOUIS C. RABAUT,
FRANCIS CASE,
HARVE TIBBOTT,
JOHN TABER,
Managers on the Part of the House.

Mr. KERR. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 6837.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the conference report.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27, page 67, after line 3, insert:

"SEC. 21. Not to exceed 10 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 10 percent thereby."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement with the amendment of the Senate No 27 and concur in the same with an amendment as follows:

"In lieu of the matter proposed to be inserted by said amendment, insert the following:

"'SEC. 20. Not to exceed 4 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 4 percent thereby: *Provided*, That no such transfers shall be made to the appropriations under the headings "Finance Department," "Quartermaster Corps," and "Corps of Engineers": *Provided further*, That a quarterly statement of any transfers made under the authority of this section shall be transmitted to the chairmen of the Appropriations Committees of the House of Representatives and the Senate: *Provided further*, That no part of any amount by which appropriations or subappropriations may be increased under the authority of this section shall be available for or on account of public works or land acquisition or to replace any funds thus used.'"

Mr. KERR. Mr. Speaker, the conferees of both the House and the Senate have unanimously agreed to this amendment to Senate amendment No. 27, to reduce the transfer authority from 10 percent to 4 percent, with other limitations therein which largely sustain the position of the House.

Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, the chairman has made the motion that the House recede from its disagreement to the amendments of the Senate and concur in the same with an amendment. The substitute amendment proposes to authorize the transfer of not to exceed 4 percent but with certain limitations, particularly one that no transfer shall be made to the appropriations under the headings "Finance Department," "Quartermaster Corps," and "Corps of Engineers." Those are the three large items which are carried in the military appropriations bill, each of which has several subdivisions and within which there already is transferability. Under the proviso cited, those totals may not be increased. The conferees representing the other body were very adamant in their position, wanting to retain the complete 10-percent clause for all funds. So, the amendment constitutes a distinct compromise in favor of the House position. I might say further that it was generally agreed by the conferees that it would be our individual positions that no transfer clauses would be permitted next year. The House yielded to the extent it did only because of the necessity of completing action on the bill and in view of the fact that the transfer clause is in the Navy bill for this year. The motion of the chairman represents a unanimous agreement by the conferees.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: Page 69, line 1, strike out "20" and insert "22."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate numbered 28, and concur in the same with an amendment, as follows:

"To correct the section number, in lieu of the figures 22, insert the following: '21'."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin (at the request of Mr. CANFIELD) was given permission to extend his remarks in the RECORD and include a newspaper article.

RENT CONTROL

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Speaker, I am indeed sorry that action on the Wolcott rent control bill has been prevented. The objection made to its immediate consideration is another manifestation of the administration's rule or ruin policy—give us all we ask or nothing at all—OPA as it was or no OPA at all.

Never has a more arbitrary policy been expressed or demonstrated. The administration would rather see people thrown out of their homes or gouged with excessive rents, at the height of the worst housing shortage in history, than yield a point.

It is time that the people understand clearly one fact. It was the President who killed rent control and the immediate reenactment of rent control is being prevented by the Democrats.

The SPEAKER. So long as the present occupant of the Chair is the presiding officer of the House, the House of Representatives is going to proceed in order.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin (at the request of Mr. WOLCOTT) was granted permission to extend his remarks in the RECORD and include an editorial.

Mrs. DOUGLAS of Illinois (at the request of Mr. DOYLE) was granted permission to extend her remarks in the RECORD and include in one instance an editorial from the Washington Post and in a second instance a resolution from the American Society of International Law.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include an editorial.

COMMEMORATIVE STAMP FOR THE NURSES WHO SERVED IN THE WAR

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and include a letter from the New England Hospital Assembly.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am asking the Post Office Department to issue a stamp in honor of the nurses who served during the war period. I am doing this at the request of the New England Hospital Assembly. They have written as follows:

NEW ENGLAND HOSPITAL ASSEMBLY,
Lowell, Mass., July 2, 1946.

Hon EDITH NOURSE ROGERS,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN ROGERS: In view of the invaluable contribution of nurses in our community hospitals during peace and war, as well as their great sacrifices and work in the armed services, I am writing to enlist your interest and support to the end that the Post Office Department may issue a 3-cent stamp honoring the nursing profession It would seem most appropriate for this commemorative stamp to be issued on our next Hospital Day, which falls on May 12, 1947.

As you know, hospitals have been fighting on two fronts during the war and the battle has been long and heavy on the home front. Surely nurses deserve the tribute to their profession that the armed forces have recently received in their commemorative stamps, and I hope you will personally urge that such an issue be made by the United States Post Office in order that appropriate national recognition may be made by our Government.

Sincerely yours,
PAUL J. SPENCER,
Secretary.

If the Post Office Department does not issue the stamp, I am sure every Member of Congress would vote for legislation to give the nurses a comemorative stamp for their heroic action and untiring service during the World War.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

RENT CONTROL LEGISLATION

Mr. HERTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HERTER. Mr. Speaker, I wish to reiterate what my colleagues have said. In all fairness and justice to the American people, the House should immediately pass a rent-control measure. This is a very grave emergency, indeed, and millions of tenants look to us for protection. They expect us to act. There is every reason for acting, none at all for not. But for some reason, known only to the administration leadership, our way is blocked. There seems to be a theory that because continuation of rent control is generally acceptable to all the members of this body, it must be used as a lever to force approval of the generally inacceptable provisions of OPA continuation legislation. In the past 2 weeks we have had enough experience of the confusing situation brought on by the President's veto. We can remove that confusion at once in the most important field of rent control. Failure to do so rests squarely on the shoulders of the Democratic administration.

RENT CONTROL LEGISLATION

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, it seems to me that a very interesting thing is happening here. I do not feel that the House should get involved in a technicality, considering something that is so important to the American people. On Tuesday afternoon I stated in my remarks that I would ask for consideration of the Wolcott rent control resolution. That is shown at page 8525 of the RECORD. The gentlewoman from Connecticut [Mrs. LUCE] did make that motion this afternoon. It was refused on a technicality. I think the Democratic leadership, whose floor leader is now here, should explain the attitude of the majority party on that point. It is known that the Administration wishes the OPA renewed without any amendments whatever, and without those sound guides which were inserted by the Congress, for an improved administration of OPA to meet changing conditions.

The majority party is evidently willing to gamble the protection of the American people who rent houses, on some hope that it can regain the absolute controls which the OPA was imposing on the country.

That is a gamble, Mr. Speaker, which will not appeal to the people. The Democratic leadership should withdraw its objections, and should permit the immediate consideration of the Wolcott resolution (H. J. Res. 372) which the gentlewoman from Connecticut [Mrs. LUCE] tried to bring up today, and Congress should pass that resolution now.

The SPEAKER. The time of the gentleman from California has expired.

The Chair desires to make a statement. For a long time, ever since 1937 at least, the present occupant of the chair knows that when Members intend to ask unanimous consent to bring up a bill they have always properly consulted with both the majority and minority leaders of the House and with the Speaker. That has been the unfailing custom. The Chair is exercising that right and intends to continue to exercise it as long as he occupies the present position because the Chair wants the House to proceed in an orderly fashion.

Mrs. LUCE. Mr. Speaker, may I now ask unanimous consent to bring up the bill tomorrow?

The SPEAKER. The Chair will meet that question when the time comes.

The Chair would certainly like the courtesy of being consulted in advance.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that I may extend my remarks at this point in the RECORD and include therein communications on the OPA, for and against.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, the policy of Government price control now being considered by Congress is of such vital importance to the people everywhere that I am submitting for the consideration of the Members of the House a number of communications giving the views and recommendations of the people I have the responsibility to represent. In dealing with the program under consideration, we must realize that to have a sound economy it is necessary that the producer receive the cost of production and we must take into consideration that with the high prices after the last war this country only had $6,500,000,000 in circulation and that now there are over $29,000,000,000 in circulation. Surely we are confronted with a serious situation that calls for the exercise of caution—the serious consideration of not only Congress but the people themselves.

The communications follow:

BOISE, IDAHO, *July 8, 1946.*

Representative COMPTON I. WHITE,
House of Representatives,
Washington, D C:

The past week without OPA has brought new life to Americans. Increased supply of meat, butter, and other dairy products is State-wide Prices are reasonable More so than if OPA is activated for another year to further suppress production and then removed. Senator WHERRY's amendment to exclude dairy products from control is excellent legislation. Manpower formerly needed to cope with OPA directives is being thrown into the fight for greater production. The full effort by all citizens will increase supplies in amounts that will quickly control prices under our American system of free enterprise.

GRANT DOUGALL,
UREL SIMMONS,
Idaho Creameries.

IDAHO FALLS, IDAHO, *June 24, 1946.*

Representative COMPTON I. WHITE,
House of Representatives,
Washington, D. C

Even increased prices on butter will not keep boys on the farm. Our volume 13 percent less than a year ago and still going down. OPA's mismanagement largely responsible. Are you going to again support such an obnoxious program?

E. S. TRASK,
Chairman, Idaho Cooperative Dairy Products Council, Composed of Payette, Caldwell, Meridian, Jerome, and Idaho Falls Cooperatives.

CALDWELL, IDAHO, *July 2, 1946.*

Representative COMPTON I. WHITE,
House of Representatives,
Washington, D. C.:

The Caldwell Businessmen's Association have pledged that prices on present merchandise will be held, and they will not exceed normal margins on new goods. It is their belief that the discontinuance of OPA will drive goods out of the black market into legitimate channels and thus stimulate production.

TELPHER E. WRIGHT,
Secretary, Caldwell Businessmen's Association.

IDAHO FALLS, IDAHO, *July 2, 1946.*
Representative COMPTON I. WHITE,
House of Representatives,
Washington, D. C.:

We congratulate you on release of American economy for production and prosperity, and pledge to Congress on behalf of our board that there will be no drastic increases in residential rents. Please see that OPA and rent control stay dead.

IDAHO FALLS REAL ESTATE BOARD.

COEUR D'ALENE, IDAHO, *July 2, 1946.*
Representative COMPTON I. WHITE,
House of Representatives,
Washington, D. C.:

Our congratulations for the death of the OPA controls on rents. We pledge you that any increases will be held to 15 percent or under. Many of our customers have expressed their desire to leave rents where they now are.

A. L. GRIDLEY,
Gridley Investment Co.

SPOKANE, WASH., *July 5, 1946.*
COMPTON I. WHITE, M. C.,
House of Representatives,
Washington, D. C.

Appreciate your efforts. Hold for decontrol dairy products.

R. E. OWEN,
Secretary, Creamery Operators.

CLARKESFORK, IDAHO, *July 6, 1946.*
Hon. COMPTON I. WHITE,
Washington, D. C.:

Lumber prices and other prices have not risen out here. Help keep the OPA hordes off our necks. Supply and demand will work.

ALBERT M. NASH.

CALDWELL, IDAHO, *July 2, 1946.*
Hon. COMPTON I WHITE,
Washington, D. C.:

Expressing sentiment of many others—congratulations your support substitute OPA bill. Urge that business be given ample change to prove OPA unnecessary.

EMERY L. VASSAR.

PARMA, IDAHO, *July 5, 1946.*
Representative COMPTON WHITE:

Emphatically protest reinstatement of OPA. Farmers in our community feel the same way.

MARK PURCELL.

SPOKANE, WASH, *July 6, 1946.*
Congressman COMPTON I. WHITE,
House Office Building,
Washington, D. C.:

In congressional consideration any reenactment of OPA legislation we urge you work and vote for the exclusion of dairy products from OPA control. We feel sure dairy products will not cost consumers any more without price restrictions than under previous subsidy plan. We buy milk from 275 farmers and know they as well as ourselves are greatly relieved that OPA restrictions on production and distribution are ended, and earnestly hope it will remain that way.

BROADVIEW DAIRY COMMISSION,
O. E. STONE, *Manager.*

SPRINGSTON, IDAHO, *July 5, 1946.*
Representative COMPTON WHITE,
Washington, D. C.:

Holding June prices and urge your opposition renewal of OPA.

E. E. PUGH RUSSELL AND PUGH LUMBER CO.

PRIEST RIVER, IDAHO, *July 5, 1946.*
COMPTON I. WHITE,
House of Representatives,
Washington, D. C.:

Advising you we are not charging over ceiling prices on lumber. Urge that you oppose renewal of OPA.

DOOLITTLE BROS. LUMBER PRODUCTS.

BOISE, IDAHO, *July 2, 1946.*
Hon. COMPTON I. WHITE,
House of Representatives,
House Office Building,
Washington, D. C.:

It is our opinion that OPA should not be revived. A revival now would force more and more items into the black market. The administration has demonstrated its inability to make price regulations work. Why hope that OPA can do in the future what they have proved they could not do in the past? It is better that the natural laws of supply and demand govern now rather than postpone the inevitable and further complicate it with Government political management. Please vote against any renewal, revamping, or revising of the OPA.

W. C. ROBINSON,
President, Idaho Frozen Food Locker Association.

IDAHO FALLS, IDAHO, *June 24, 1946.*
Representative COMPTON I. WHITE,
House Office Building,
Washington, D. C.:

You may realize from your experience in dairying that it has been very discouraging and in our opinion will continue to be so unless dairy products are decontrolled from OPA. We urge you to lend your support to freeing dairy products from ceiling prices.

W. F BURTENSHAW,
President, Upper Snake River Valley Dairymen's Association.

KELLOGG, IDAHO, *July 2, 1946*
Representative COMPTON I. WHITE,
House of Representatives Office Building, Washington, D. C.:

Urge that OPA be restored with lead and zinc subsidies retroactive to July 1

SUNSET MINERALS, INC.

MOSCOW, IDAHO, *July 3, 1946.*
COMPTON I. WHITE, Member of Congress,
House Office Building,
Washington, D. C.:

Urge you support full price control following year.

MARY LOUISE PERRINE

BOISE, IDAHO, *July 2, 1946.*
COMPTON I. WHITE,
House of Representatives,
Washington, D. C.:

The Veterans of Foreign Wars of Idaho and all veterans request you do everything in your power to work for new price control which will be fair and equitable to all and which will protect all veterans through this emergency and their rehabilitation period.

JAMES L. INGALLS,
Commander, Department of Idaho, VWF.

MOSCOW, IDAHO, *June 20, 1946.*
Representative COMPTON I. WHITE,
House Office Building,
Washington, D. C.:

Please support OPA for a year without crippling amendments.

DR. J. H. BURGESS.

WALLACE, IDAHO, *June 26, 1946.*
Hon. COMPTON I. WHITE,
Congress Office Building,
Washington, D. C.:

DEAR MR. WHITE: We the members of the Womens Label League Local 545 of Wallace, Idaho, wish you to use your influence to prevent the outlawing of OPA.

Thanking you kindly.

MRS. GEORGE T. CLARKE,
Recording Secretary.

EXTENSION OF REMARKS

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and include a table on the Atlantic bases now being used by this Government and the areas; and I also ask unanimous consent to extend my remarks and include therein newspaper editorials endorsing the plan for the reorganization of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. REED of New York (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a newspaper advertisement.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. GAVIN asked and was given permission to revise and extend his remarks.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include an editorial from today's New York Times on the subject of terminal-leave pay.

RENT CONTROL

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, there is one phase of price control, and only one phase, as to which controversy is almost lacking. That phase is rent control. On the one hand, rent ceilings are essential for the city dweller of moderate means lest his budget and his economy be hopelessly dislocated. On the other hand, the property owner does not suffer under rent ceilings because rents received yield him presumably a fair return on his already fixed investment.

Why, then, should Congress not promptly enact a bill to assure rent controls? Surely the Democratic leadership cannot be in favor of permitting matters upon which we cannot agree to interfere with prompt enactment of a measure as to which general agreement already exists.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2352. An act to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended; to the Committee on the District of Columbia.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 541. An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes;

H. R. 5841. An act to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; and

H. R. 6407. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 541. An act authorizing and directing the Commissioners of the District of Columbia to construct two four-lane bridges to replace the existing Fourteenth Street or Highway Bridge across the Potomac River, and for other purposes;

H. R. 5356. An act to provide assistance to the Republic of China in augmenting and maintaining a Naval Establishment, and for other purposes;

H. R. 5641. An act to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; and

H. R. 6428. An act making appropriations for the Coast Guard, Treasury Department, for the fiscal year ending June 30, 1947, and for other purposes.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; thereupon (at 5 o'clock and 48 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Friday, July 12, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1455. A letter from the Assistant Secretary of Agriculture, transmitting a draft of a proposed bill to facilitate and simplify the work of the Forest Service, and for other purposes, to the Committee on Agriculture.

1456 A letter from the Acting Secretary of the Interior, transmitting a printed copy of the Forty-fifth Annual Report of the Governor of Puerto Rico for the fiscal year ended June 30, 1945, to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JACKSON: Committee on Indian Affairs H R 2893 A bill to amend the act of February 15, 1929; with amendment (Rept. No 2494). Referred to the House Calendar.

Mr. JACKSON: Committee on Indian Affairs. H. R. 2284. A bill to provide a uniform code of descent of trust or restricted Indian estates, and for other purposes; with amendments (Rept. No. 2495). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 6817. A bill to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes; with amendment (Rept. No. 2496). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Irrigation and Reclamation. H. R. 6876. A bill to authorize the Secretary of the Interior to construct the Lewiston Orchards project, Idaho, in accordance with the Federal reclamation laws; with amendment (Rept. No. 2497). Referred to the Committee of the Whole House on the State of the Union.

Mr. McKENZIE: Committee on the Post Office and Post Roads. H R. 6970. A bill to provide for an air parcel post service, and for other purposes; without amendment (Rept. No 2498) Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PITTENGER: Committee on Claims. H. R. 6231. A bill for the relief of Frank A. Gorman; with amendments (Rept No. 2492). Referred to the Committee of the Whole House

Mr. JACKSON Committee on Indian Affairs. H. R 4114. A bill to authorize the Secretary of the Interior to sell certain land of Alice Scott White on the Crow Indian Reservation, Mont.; with amendment (Rept. No. 2493). Referred to the Committee of the Whole House.

Mr. MORRISON: Committee on Claims. H. R 5398 A bill for the relief of Walter J Barnes Electric Co. and Maritime Electric Co., Inc., without amendment (Rept. No. 2499). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H R. 6536 A bill for the relief of Southeastern Sand & Gravel Co.; without amendment (Rept. No 2500) Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr SMITH of Virginia:

H R. 7003. A bill to authorize the Secretary of War to permit the delivery of water from the Washington Aqueduct pumping station to the Falls Church water supply system, to the Committee on Military Affairs.

By Mr CASE of South Dakota:

H. R. 7004. A bill to revise the boundaries of Wind Cave National Park, in the State of South Dakota, and for other purposes; to the Committee on the Public Lands

By Mr. GORSKI:

H. R 7005. A bill to authorize relief in certain cases where work, supplies, or services have been furnished for the Government under contracts during the war; to the Committee on the Judiciary.

By Mr. HERTER:

H R 7006 A bill to provide compensation for excess hours of work by employees of the United States Employment Service, to the Committee on the Civil Service.

By Mr. LANE:

H. R 7007 A bill to authorize relief in certain cases where supplies or services have been furnished for the Government during the war; to the Committee on the Judiciary.

By Mr VOORHIS of California:

H R. 7008. A bill to amend sections 112 and 113 of the Internal Revenue Code; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GWINN of New York:

H. R. 7009. A bill for the relief of Frances Monfort; to the Committee on Immigration and Naturalization.

H. R. 7010. A bill for the relief of Jack Cebamanos Monfort; to the Committee on Immigration and Naturalization.

By Mr. JOHNSON of California:

H. R. 7011. A bill for the relief of Delbert Tucker; to the Committee on Claims.

H. R. 7012. A bill for the relief of Raymond A. Weisner; to the Committee on Claims.

By Mr. MORRISON:

H. R. 7013. A bill for the relief of Mrs. Stella Davis Foster; to the Committee on Pensions.

By Mr. O'TOOLE:

H. R. 7014. A bill for the relief of Abilio Pinto; to the Committee on Immigration and Naturalization.

By Mr. SIKES:

H. R. 7015. A bill for the relief of J. Rutledge Alford; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2081. By Mr. BUCK: Petition of residents of Richmond County, N. Y., opposing the enactment of any and all prohibition legislation, and protesting against amendment 15 to War Food Order 66, curtailing the use of grain by breweries; to the Committee on the Judiciary.

2082. By Mr. HAYS: Petition of Mrs. Richard Nelson, 500 East Ninth Street, Little Rock, Ark., and 86 other citizens of said city, expressing approval of House Joint Resolution 325, by Mr. VOORHIS of California, empowering the President and the Secretary of Agriculture to prohibit the use of grain for nonessential purpose during the present food shortage; to the Committee on Agriculture.

2083 By Mr. LUTHER A JOHNSON: Petition of Mr. R L Bunting, county school superintendent, San Marcos, Tex., favoring House bill 5742, to the Committee on Education.

2084 By Mr. LARCADE: Memorial of the Senate of the State of Louisiana, memorializing the Congress to place at the disposal of the men of science of this country all the funds which may be necessary to study the causes of cancer and to arrive at the methods necessary for the prevention, cure, and control of cancer; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, JULY 12, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hunter M. Lewis, B. D., assistant minister, Church of the Epiphany, Washington, D. C., offered the following prayer:

Almighty God, source of all intellect, fountain of all wisdom, who hast taught us in Thy Holy Word to love Thee with all our heart, and with all our soul, and with all our mind: We, who in this generation have served Thee with our minds, wresting from nature more of Thy wisdom than the world has ever known, beseech Thee to grant us grace to serve Thee likewise with our hearts, by using this wisdom, not for destruction, but for the benefit of all mankind in the arts of peace; and so to consecrate our souls to Thee, that the power which comes from such knowledge and wisdom may become the power of creative love in the rebuilding of our world to Thy honor and glory.

We beseech Thee to bestow upon the people of America clarity of mind to cope

with present problems, in particular asking Thy blessing upon these Thy servants now assembled to take counsel for our Nation, that their deliberations, inspired of Thee, may reach decisions fraught with Thy wisdom. In the midst of many voices, may Thy voice yet be heard; and in the face of many wills, may Thy will yet be done. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, July 11, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On July 11, 1946:

S. 498. An act authorizing the Secretary of the Interior to partition certain lands in Cleveland County, Okla., and for other purposes;

S. 933. An act for the relief of the estate of Sybel Spence;

S. 1079 An act to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev;

S 1988. An act to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, N. Mex; and

S. J. Res. 160. Joint resolution to amend the act of March 22, 1946, for the purpose of correcting the description of the small parcel of land authorized to be conveyed to the State of Wyoming by such act.

On July 12, 1946:

S. 1569. An act for the relief of Gwynn C. Triplett, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had receded from its disagreement to the amendments of the Senate numbered 27 and 28 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, and concurred therein, each with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 161) providing for the compiling, printing, and binding of the address of the Honorable John G. Winant and other proceedings in commemoration of the life, character, and public services of the late President Franklin D. Roosevelt, in which it requested the concurrence of the Senate.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 11, 1946, he presented to the President of the United States the following enrolled bills:

S. 752. An act to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes; and

S. 1746. An act to govern distribution of war trophies and devices.

EXEMPTION OF CERTAIN INTERNS, ETC., OF GOVERNMENT HOSPITALS FROM CLASSIFICATION ACT

The PRESIDENT pro tempore laid before the Senate a letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to exempt certain interns, student nurses, and other student employees of hospitals of the Federal Government from the Classification Act, and other laws relating to compensation and benefits of Federal employees, which, with the accompanying paper, was referred to the Committee on Civil Service.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

Letters and a telegram, in the nature of petitions, from several citizens of the United States, praying for the enactment of House bill 4051, granting to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; ordered to lie on the table.

A telegram in the nature of a petition from Mrs. J. A. Armstead, of Galveston, Tex., relating to rent controls by the Office of Price Administration; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Finance:

H. R. 6371. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended, and for other purposes; with an amendment (Rept. No. 1705).

By Mr. OVERTON, from the Committee on Commerce:

S. 2363. A bill to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin, and for other purposes; without amendment (Rept. No. 1709).

By Mr. FULBRIGHT, from the Committee on Public Buildings and Grounds:

S. 2220. A bill to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia; without amendment (Rept. No 1707).

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 6885 A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes; with amendments (Rept. No. 1703).

By Mr. GREEN, from the Committee on Public Buildings and Grounds:

S. 2405. A bill to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes; with amendments (Rept. No. 1708).

By Mr. BARKLEY, from the Committee on Interstate Commerce:

H. R. 1362. A bill to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes; without amendment (Rept. No. 1710).

H. R. 3420. A bill to provide for refunds to railroad employees in certain cases, so as to place the various States on an equal basis, under the Railroad Unemployment Insurance Act, with respect to contributions of employees; without amendment (Rept. No. 1711).

By Mr. HAYDEN, from the Committee on Territories and Insular Affairs:

H. R. 6486. A bill to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska; without amendment (Rept. No. 1712).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RUSSELL:

S. 2431. A bill to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia; to the Committee on the Judiciary.

By Mr THOMAS of Utah:

S. 2432. A bill to enable the Department of State more effectively to carry out its responsibilities in the foreign field by means of (a) public dissemination abroad of information about the United States, its people and its policies, and (b) promotion of the interchange of persons, knowledge, and skills between the people of the United States and the peoples of other countries; to the Committee on Foreign Relations.

By Mr. WILSON:

S 2433. A bill to amend section 47d of the National Defense Act, as amended, so as to provide for the participation of persons enrolled for training in civilian military training camps in encampments, maneuvers, or other exercises of units of the National Guard; to the Committee on Military Affairs.

By Mr. MCCARRAN:

S J. Res 176. Joint resolution to authorize the President to deposit, in behalf of the United States with the Secretary-General of the United Nations, a declaration pursuant to paragraph 2 of article 36 of the Statute of the International Court of Justice; to the Committee on Foreign Relations.

DECLARATION RELATIVE TO INTERNATIONAL COURT OF JUSTICE

Mr. MCCARRAN submitted the following resolution (S. Res. 303), which was referred to the Committee on Foreign Relations:

Resolved, That the President is authorized to deposit, in behalf of the United States, with the Secretary General of the United Nations a declaration, pursuant to paragraph 2 of article 36 of the Statute of the International Court of Justice, recognizing as compulsory ipso facto as to the United States, and without special agreement, in relation to any other state accepting the same obligations, the jurisdiction of the Court in all legal disputes hereafter arising of an international character concerning the matters enumerated in article 36; such declaration to be valid for a period of 5 years, and thereafter for a period of 6 months after like deposit of a notice of termination thereof.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO THIRD DEFICIENCY APPROPRIATION BILL

Mr. CORDON submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year

ending June 30, 1947, and for other purposes, the following amendment, namely: At the proper place in the bill insert the following:

"Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to purchase surplus potatoes produced during the year 1946 and to process and sell, give or otherwise dispose of such potatoes to any foreign country or to the United Nations Relief and Rehabilitation Administration for the relief of hungry people."

Mr. CORDON submitted an amendment intended to be proposed by him to House bill 3385, the third deficiency appropriation bill, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

EXTENSION OF PRICE CONTROL—MODIFICATION OF AN AMENDMENT

Mr. WHERRY. Mr. President, I desire to modify the amendment which I submitted yesterday on behalf of myself and the Senator from Iowa [Mr. WILSON] by inserting, after the word "margins", in line 4, the words "or mark-ups", so that the amendment will read:

(t) No maximum price shall be established or maintained for any commodity below the level necessary to afford distributors, wholesalers, retailers, and others dealing therein the margins or mark-ups (including discounts) in effect thereon in the calendar year 1940.

The PRESIDENT pro tempore. The Senator has a right to modify the amendment at any time, and, of course, the amendment is modified as requested.

CALL OF THE ROLL

Mr. WILEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Austin	Hawkes	Overton
Ball	Hayden	Pepper
Bankhead	Hill	Radcliffe
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo.	Robertson
Buck	Johnston, S. C.	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Swift
Capper	Lucas	Taft
Carville	McCarran	Taylor
Chavez	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Mead	Wagner
Ferguson	Millikin	Walsh
Fulbright	Mitchell	Wherry
George	Moore	White
Gerry	Morse	Wiley
Gossett	Murdock	Wilson
Green	Murray	Young
Guffey	Myers	
Gurney	O'Daniel	

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The PRESIDING OFFICER (Mr. STEWART in the chair). Seventy-nine Senators having answered to their names, a quorum is present.

THE LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I am informed that the Senator from Wisconsin [Mr. WILEY] intends to move to proceed with the consideration of the reorganization plan, which would set aside the consideration of the pending joint resolution. If made, the motion will not be debatable, and I wish to say just a word about it.

I think the chances are excellent that we will dispose of the pending measure today. There will be a session of the Senate tomorrow, and a session on Monday. I hope that if the motion is made it will be voted down, and that we may finish the consideration of the pending joint resolution before taking up anything else.

Mr. WHITE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHITE. I wish to associate myself with the views expressed by the majority leader. I cannot think at the moment of anything sufficiently important to justify the interruption of the consideration of the price-control joint resolution. I think we should in good conscience come to some conclusion about it, and have that conclusion finally registered by the Senate before any other measures are taken up.

Mr. MOORE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. MOORE. I merely wish to say that the price-control debate can go on, it has no dead-line date, but the reorganization plan has a dead-line date, and there is a possibility that the price-control measure will have to be laid aside.

Mr. BARKLEY. If Senators are willing to cooperate——

Mr. DONNELL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. The motion which is being referred to is not debatable, and I take it that by no prior reference can the motion be debated.

The PRESIDING OFFICER. The motion has not been made.

Mr. BARKLEY. A motion which is not debatable may be discussed before it is made. We can talk about anything before a motion concerning it is made.

Mr. MAGNUSON. Mr President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield for a question

Mr. MAGNUSON. Am I correct in understanding that the dead-line date on the so-called reorganization concurrent resolution is Monday at midnight?

Mr. BARKLEY. That is what I understand.

Mr. MAGNUSON. It would be possible, then, if we finished the OPA measure this week, that those of us who may have something to say about reorganization could take it up on Monday. Is not that correct?

Mr. BARKLEY. It can be taken up at any time before midnight Monday night. I have no disposition to delay consideration of that matter. It is not for the purpose of delaying consideration of it, or taking any advantage of a dead line, but in order that we may proceed in an orderly way on the measure we now have before us, that I have felt at liberty to make this statement before the motion is made.

Mr. MAGNUSON. Is it also correct that on tomorrow or Monday any motion to bring up any one of the reorganization plans, if we should finish consideration of the OPA measure, would be a privileged question?

Mr. BARKLEY. That is correct.

Mr. MAGNUSON. And would be considered immediately?

Mr. BARKLEY. That is also correct.

LABOR-FEDERAL SECURITY APPROPRIATIONS—CONFERENCE REPORT

Mr. McCARRAN submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 32.

That the House recede from its disagreement to the amendments of the Senate

numbered 19, 20, 20½, 22, 23, 24, 25, 26, 31, 32, 36, 40, 41, 42, and 43, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "900,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$958,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$711,816"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,154,007"; and the Senate agree to the same

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$653,590"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,907,793"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,081,827"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$340,000"; and the Senate agree to the same

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$477,535"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows. In lieu of the sum proposed insert "$834,650"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "60", and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,335,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$129,500"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,157,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert "fifteen"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,931,625"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,448,162"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,972,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$279,617"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$615,765"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$950,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 10, 11, 12, 13, 14, 38, 38½, and 39.

PAT MCCARRAN,
KENNETH MCKELLAR,
RICHARD B. RUSSELL,
ABE MURDOCK,
JAS. M. MEAD,
JOSEPH H. BALL,
WALLACE H. WHITE, JR.,
STYLES BRIDGES,
Managers on the Part of the Senate.

BUTLER B. HARE,
MALCOLM C. TARVER,
M. M. NEELY,
FRANK B. KEEFE,
H. CARL ANDERSEN,
Managers on the Part of the House.

Mr. McCARRAN. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. McCARRAN. I move that the conference report be agreed to.

Mr. MURDOCK. Mr. President, is this the conference report containing the amendment of the Senate relative to House action known as the Elliott rider?

Mr. McCARRAN. No. I shall bring that up presently and make a motion about it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6789, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 11, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 39 of the bill (H. R. 6789) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 10, to said bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$46,875."

That the House recede from its disagreement to the amendment of the Senate numbered 11, to said bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$671,415"

That the House recede from its disagreement to the amendment of the Senate numbered 12, to said bill, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$25,893,875."

That the House recede from its disagreement to the amendment of the Senate numbered 13, to said bill, and concur therein with an amendment as follows: In lieu of the figure "$45,256,500" contained in said amendment insert "$36,693,875."

That the House recede from its disagreement to the amendment of the Senate numbered 14 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"GRANTS TO STATES FOR PUBLIC EMPLOYMENT OFFICES

"For grants to the several States (including Alaska and Hawaii), beginning November 16, 1946, in accordance with the provisions of the act of June 6, 1933, as amended (29 U. S. C. 49–49l), and for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, including, upon the request of any State, the payment of rental for space made available to such State in lieu of grants for such purpose, $42,833,125, of which $360,625 shall be available to the United States Employment Service for all necessary expenses, including personal services, in connection with the operation of employment office facilities and services in the District of Columbia: *Provided*, That no State shall be required to make any appropriation as provided in section 5 (a) of said act of June 6, 1933, as amended, prior to July 1, 1948: *Provided further*, That notwithstanding the provisions of section 5 (a) and section 6 of the act of June 6, 1933, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the act of June 6, 1933, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its public employment offices.

"On November 15, 1946, the Secretary of Labor shall transfer, to the State agency in each State designated under section 4 of the act of Congress, approved June 6, 1933, as amended, as the agency to administer the State-wide system of public employment offices in cooperation with the United States Employment Service under said act, the operation of State and local public employment office facilities and properties which were transferred by such State to the Federal Government in 1942 to promote the national war effort. The Secretary of Labor shall, on request of the State agency, also provide for the transfer and assignment to such State, without reimbursement therefor, of any other public employment office facilities and properties within such State, including records, files, and office equipment: *Provided*,

That as a condition to such transfer and assignment of Federal properties, the Secretary may require the recipient State to waive any claim which may then exist or thereafter arise out of the use made by the Federal Government of, or for the loss of or damage to, property and facilities transferred to the Federal Government as hereinabove described.

"The Secretary of Labor may withhold or deny certifications of funds for a State system of public employment offices unless he finds that the State—

"(1) (a) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who (on the effective date of this act) were employed in State or local employment-service functions in such State, in the positions occupied by them under the Federal service or in reasonably comparable positions, except that individuals so transferred may be separated or terminated for good cause as determined in individual cases under the applicable State merit system, or separated or terminated under the applicable State merit system by reason of reductions in force found necessary in the interests of efficient operations, and may be separated (A) if they have failed to acquire eligibility to be certified for appointment superior to that of any war veteran competing for the same appointment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions, after having been given a reasonable opportunity to acquire such eligibility, or (B) if the Secretary has determined that it is impossible for them to be given an opportunity to acquire such eligibility because of State constitutional or statutory provisions in force on the effective date of this act; and (b) has made provision for the extension to employees of the Federal Government who left employment-service positions in such State in order to perform training and service in the land or naval forces of the United States or service in the merchant marine as defined in Public Law No. 37, Seventy-eighth Congress, of the same employment rights and privileges as those provided for Federal employees transferring to State employment in accordance with the provisions of this paragraph; or

"(2) has requested the detail of such employees to the State agency under the following provisions: So much of the funds appropriated for State-wide systems of public employment offices as may be necessary shall be available to the Secretary of Labor, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the effective date of this act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to acquire eligibility for State employment in accordance with clause (1) (a) of this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment offices.

"Notwithstanding any other provisions of the Civil Service Retirement Act, approved May 29, 1930, as amended, any person who was appointed to a position in the Social Security Board under Executive Order 8990 of December 28, 1941, and who shall have returned to employment with the State at any time prior to the end of 1 year after the return to State operation of the employment offices in such State, shall, if he so elects, be paid a refund of the total amount of his deductions and deposits under said act, together with interest to the date of termination of his service with the Federal Government; and such person shall not receive any annuity benefits under said not based on the service covered by the refund unless he is subsequently reinstated, retransferred, or reappointed to a position coming within the purview of said act and redeposits all moneys, except voluntary contributions, so refunded to him, together with interest at 4 percent compounded on December 31 of each year, except that interest shall not be required covering any period of separation from the service.

"In carrying out the provisions under this heading, the Secretary shall assure that each State agency operates under such methods of administration relating to the establishment and maintenance of personnel standards on a merit basis, as are found by the Secretary to be necessary to carry out the purposes of this heading, and such methods shall not deviate from, and shall be consistent with, the methods required pursuant to section 303 (a) (1) of the Social Security Act, as amended.

"Whenever funds are paid to the same State agency under this heading and title III of the Social Security Act, as amended, (1) such State agency may, if it so elects, submit to the Secretary and the Social Security Board a joint budget covering both the functions for which grants are made under this heading and the functions for which grants are made under such title III; in such a case, the Secretary of Labor shall, if the State agency so elects, certify to the Social Security Board the amounts to be paid to the State under this heading and upon receipt of such certification, the Social Security Board shall certify such amounts to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended. Any additional amounts so certified by the Social Security Board shall be paid to the State by the Secretary of the Treasury out of the appropriation herein made available; and (2) the State agency may commingle such funds and account therefor by such accounting, statistical, sampling, or other methods as may be found by the Secretary of Labor and the Social Security Board, respectively, to afford reasonable assurance that the funds paid to the State agency under this heading and the funds paid to the State agency under title III of the Social Security Act, as amended, are expended for the respective purposes of this heading and of such title III."

That the House recede from its disagreement to the amendment of the Senate No. 38½, to said bill, and concur therein with an amendment as follows: Immediately following "(b) for" in the matter inserted by said amendment insert "temporary aid to and"; and in lieu of the sum "$5,495,000" contained in said amendment insert "$4,750,000."

That the House insist upon its disagreement to the amendment of the Senate No. 39 to said bill.

Mr. BALL subsequently said: Mr. President, I was not present in the Chamber when action was taken on the Senate amendment numbered 14, dealing with the United States Employment Service, and I ask that the statement I shall now make may appear in the RECORD preceding the adoption of the motion made by the Senator from Nevada that the Senate concur in the amendment of the House to Senate amendment numbered 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BALL. Mr. President, the House and Senate conferees found a middle ground on the transfer of the employment service back to the States, by which virtually all the Senate provisions in the bill relating directly to the transfer were retained. Where the House provided for the transfer on October 1 and the Senate on January 1, we compromised, providing that the employment services be turned back to the States on November 15, 1946, and divided up the appropriation accordingly.

We adopted the House language providing that under the Wagner-Peyser Act the section requiring State matching of Federal grants would not be applicable. We also adopted language which permits the Secretary to allocate the funds on the basis of what is needed in a given State to operate efficiently a service, rather than on the basis of population, as was required by the Wagner-Peyser Act.

There is a provision permitting the transfer back to the States of property and records which the Federal Government now owns.

The Senate provision authorizing Federal employees in the State services to draw out at once all of their payments into the Federal retirement fund, even though they may have worked for the Federal Government more than 5 years, also was adopted. That was necessary because those employees will be going back to a State system, many of them joining a State retirement system under which they will have to make back contributions, and they need those funds.

We also adopted language requiring the States to operate under the merit system. That was necessary because the merit requirement was in title III of the Social Security Act, and not in the Wagner-Peyser Act; and since we are directing the States to operate under the Wagner-Peyser Act, the addition of that language was necessary.

We also adopted the Senate language permitting the States, if they so desire, to submit to the Social Security Board and the Secretary of Labor a joint budget for unemployment compensation and the employment service, and then to commingle the funds and account for them as one fund. That is in the interest of economy and efficiency.

Most important of all, we adopted largely the Senate language on the transfer of employees who have come into the Service in the various States since it was taken over by the Federal Government on January 1, 1942. Those are largely the provisions which were contained in title III of House bill 4437, which the Senate passed some time ago, and which is designed to give the employees who have joined the Service since January 1, 1942, some degree of protection in the interest of continuity of service.

The conferees agreed on this statement as an interpretation of the language:

The interpretation by the conferees of the language used in the amendment providing for the transfer of the United States Employment Service to the States is that all persons employed in the Service on the date of the passage of this act will be transferred pending their permanent employment or release under the provisions of the State merit system, it being understood that preference rights of returning veterans will be recognized in a manner similar to that accorded by Federal statutes.

That is not, of course, a complete statement of what the provisions do, and

I should like to run over them briefly. They read as follows:

The Secretary of Labor may withhold—

The word originally was "shall." The Senate changed it to "may"—

The Secretary of Labor may withhold or deny certifications of funds for a State system of public employment offices unless he find that the State—

(1) (a) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who (on the effective date of this act)—

That is a change. In the Senate version it was on the day before the transfer. The amendment agreed to provides for giving this protection only to employees who are employed on the effective date of the act—

were employed in State or local employment service functions in such State, in the positions occupied by them under the Federal service or in reasonably comparable positions, except that individuals so transferred may be separated or terminated for good cause as determined in individual cases under the applicable State merit system, or separated or terminated under the applicable State merit system by reason of reductions in force found necessary in the interests of efficient operations, and may be separated (A) if they have failed to acquire eligibility to be certified for appointment superior to that of any war veteran competing for the same appointment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions, after having been given a reasonable opportunity to acquire such eligibility.

The conferees spent considerable time in discussing that particular provision. The only new language inserted in the Senate version is the words "to be certified for appointment," so as to read "acquire eligibility to be certified for appointment." That was done in line with the intent of the Senate in adopting the previous language. Our interpretation of the Senate language was that we were, in effect, requiring, first, that the States transfer temporarily Federal employees and keep them in the same or comparable positions until they had had a reasonable opportunity to acquire status under the State merit system; and, secondly, if in the competitive examination which they would take under the State merit system they passed the examination high enough so that they were among the top three or five certified for appointment, then they must be retained in their jobs unless a war veteran acquired a superior eligibility for appointment. That is the effect of the language in this bill, which I think is very clear.

The provision continues:

Or (B) if the Secretary has determined that it is impossible for them to be given an opportunity to acquire such eligibility because of State constitutional or statutory provisions in force on the effective date of this act,

That is simply to take care of a few States which have a residence requirement which may prevent their giving Federal employees this particular protection.

I ask unanimous consent that the remainder of the provision relating to transfer of employees be printed in the RECORD at this point as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

And (b) has made provision for the extension to employees of the Federal Government who left employment-service positions in such State in order to perform training and service in the land or naval forces of the United States or service in the merchant marine as defined in Public Law No. 87, Seventy-eighth Congress, of the same employment rights and privileges as those provided for Federal employees transferring to State employment in accordance with the provisions of this paragraph; or

(2) has requested the detail of such employees to the State agency under the following provisions: So much of the funds appropriated for State-wide systems of public employment offices as may be necessary shall be available to the Secretary of Labor, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the effective date of this act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to acquire eligibility for State employment in accordance with clause (1) (a) of this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment offices.

Mr. McCARRAN. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 10, 11, 12, 13, 14, and 38½.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. McCARRAN. I now move that the Senate recede from its amendment numbered 39. That is the matter in which the Senator from Utah [Mr. MURDOCK] is interested. Other Senators may also be interested in it. It is the so-called Elliott amendment. Let me say that the Elliott amendment was put in the bill in the House, and when it came to the Senate, the Senate subcommittee, the full Committee on Appropriations and the Senate itself, refused to go along with the House on that amendment. The matter went to conference. The Senate conferees refused to recede. The amendment was taken to the House and by an overwhelming vote the House voted to sustain the position taken by it in the first instance.

The amendment has to do with the application of the Wagner Labor Relations Act to a certain group of employees who work in packing houses, that is crating houses and sheds where agricultural commodities are first packed for shipment; not in processing houses or in processing facilities, but rather where, for instance, lettuce is brought in from the field and is first crated. The employees engaged in that line of work would be excepted under the House language.

By authority from a majority of the conferees on the part of the Senate, I now move that the Senate recede from its amendment numbered 39.

Mr. MURDOCK. Mr. President, by the adoption of the Elliott amendment Congress will again be resorting to the practice which in my opinion is being resorted to all too frequently, of legislating by a legislative rider on an appropriation bill. The House of Representatives, by its rules, condemns the practice and the Senate by its rules forbids the practice of legislating by attaching riders to appropriation bills. We hear a great many statements on the floor of the Senate criticizing this practice.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. WHERRY. Will the Senator explain what the issues are? Some Senators are not yet advised as to what the issues are. We do not understand what the rider is.

Mr. MURDOCK. I shall be glad to explain it before I complete my statement.

Mr. WHERRY. I should like to know what the issues are so we can understand the discussion that is taking place.

Mr. McCARRAN. Mr. President, I have just turned over to the Senator from Michigan [Mr. FERGUSON] a copy of the language, and I ask him now to read it so the Senate may be advised.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. MURDOCK. I have the floor, Mr. President. And should have something to say about the disposition of my time.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. MURDOCK. I am perfectly willing to yield to the Senator from Michigan to read the amendment.

Mr. FERGUSON. Mr. President, the provision which is now being discussed, which was placed in the bill by the House, and with respect to which it has been moved that the Senate recede—and I do not favor that motion—is as follows:

Provided further, That no part of the funds appropriated in this title shall be used in connection with investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code.

Mr. MURDOCK. Mr. President, I was saying that we hear speech after speech on the floor of the Senate condemning this type of legislative procedure. We heard such a speech the other day from one of our most distinguished Members, the distinguished senior Senator from Georgia, who told us that he was opposed to it and that it should be discontinued, and I think as the result of his opposition at that time, certain proposed legislation was defeated which otherwise would have been attached as a rider to an appropriation bill.

I think this language we are considering today was drawn in such technical form that it was not subject to a point of order on the floor of the House. Nevertheless its intent and effect are equally wrong. It is this wrongful and irregular procedure that I am calling to the Senate's attention. The rider provides that certain groups of labor throughout the United States, which now have the protection of the National Labor Relations

Act and the National Labor Relations Board, shall be denied that protection and their legal right of resorting to that act and to that Board to remedy and redress injustice.

The same thing was attempted, Mr. President, either a year ago or 2 years ago by the House with reference to the War Labor Board. The Senate refused to go along with the House in that action, and voted it out, and the House finally agreed with the position taken by the Senate.

Now we find the attempt being made again to deprive this group of over 100,000 laborers of the only remedy they have and to prevent resort by them to the only agency of Government they can go to for the protection of their rights as provided in the National Labor Relations Act. The amendment, if it is adopted, will change the definition of agricultural labor, as it has been defined by the courts of the United States under labor legislation, and will define it according to the Social Security Act.

Mr. President, when the only remedy that group of labor has under the laws of the country is taken away from them, what is the result? They are left with only one alternative, and that is to strike in order to get a hearing or redress of their grievances. I ask Senators if they want to bring about such a condition as that? I ask Senators if they desire to tell that group of laborers that they have no remedy; that they cannot go to the National Labor Relations Board; that they cannot assert their rights under the National Labor Relations Act, and that their only alternative is to strike? I ask Senators if they believe the Congress of the United States should take the position of denying legitimate rights to that group of labor which under the decisions of the United States courts, under law we have enacted, they have been held entitled to? Do we want to take those rights away from them?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. CHAVEZ. Is it not correct to say that the particular group of labor which would be affected by the Elliott amendment is composed of those who most need the help of the National Labor Relations Board?

Mr. MURDOCK. In my opinion the Senator is correct. In court decisions we have had a description of the type of labor that comes under this amendment. The courts point out the fact that in the establishments where these laborers are working, a mechanized system is in operation the same as is to be found in almost every other industrial plant.

Mr. President, the Senator from Oregon [Mr. MORSE] appeared before our committee. I do not think he is present in the Chamber at the moment. The Senator from Florida [Mr. PEPPER] appeared before the committee. The Senator from Pennsylvania [Mr. MYERS] appeared before the committee. They all pointed out in detail the injustice which would ensue if this rider remained in the bill.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. LA FOLLETTE. I desire to associate myself with the remarks made by the Senator from Utah; and I ask him if the record does not show that at the present time most of the employees in so-called packing sheds have collective bargaining agreements with the employers?

Mr. MURDOCK. The Senator's statement is correct.

Mr. LA FOLLETTE. Furthermore, is it not true that if the Senate agrees to the motion of the Senator from Nevada the effect will be to upset what at the moment at least seems to be a peaceful relationship between the employers and employees in this particular phase of industry?

Mr. MURDOCK. The Senator is correct; and we leave them with the single remedy of striking in order to get what they are entitled to. We deny them the orderly procedure of the remedies provided by the National Labor Relations Act.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. LA FOLLETTE. When I was chairman of the so-called Civil Liberties Committee we conducted investigations in California concerning strikes in some of the packing sheds. The record will show that they were among the most bitter and violent cases of that character on which the committee held hearings. I believe that, from the standpoint of production of important foodstuffs and their packing and distribution, if the Senate takes this action it will be moving in the direction of returning to the chaotic and bitter controversies which took place before these employees had the protection of the National Labor Relations Act, and before they arrived at collective bargaining agreements with their employers.

Mr. MURDOCK. The Senator is entirely correct. The Senate is reversing the position which it took so emphatically a year or two ago.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. AIKEN. Is it not true that under this amendment, if a corporation employs a thousand workers and 950 of them are union members, and it also employs 50 bona fide agricultural workers, the entire 1,000 employees are deprived of their right to collective bargaining, which is now guaranteed them under the law?

Mr. MURDOCK. Under the language of the rider, that very thing would take place and the able Senator, who is always keenly alert in the protection of people needing our protection, has pointed out the most vicious aspect of this rider.

Mr. AIKEN. It would be necessary for the employer of 500 or a thousand workers to employ only 5 agricultural workers in the group in order to deprive all the workers of the rights which they now hold.

Mr. MURDOCK. The Senator correctly analyzes the rider.

Mr. AIKEN. The only recourse the employees would have would be to strike immediately.

Mr. MURDOCK. The Senator is correct. We would be telling this group of labor, which, as I understand the figures, numbers more than 100,000, that there is only one remedy left to them, and that is to strike. We enacted the National Labor Relations Act and established the National Labor Relations Board to provide workers with an efficient, peaceable, and lawful procedure to eliminate the need for striking. This rider would deny them that right.

Mr. AIKEN. It seems to me that we have not had anything before us during this session that would be more sure to guarantee a series of strikes in an important industry than the rider which we are asked to pass upon today.

Mr. MURDOCK. The Senator is correct.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield to the Senator from New Mexico.

Mr. CHAVEZ. The viciousness of the Elliott amendment is that it strikes at a group which actually needs the protection of the National Labor Relations Board. If we are to place the Elliott amendment in effect by the action of the Senate, we might as well get back to sweatshops, because in the areas where these plants are located the working conditions are such that that class of workers would have no protection whatsoever. Moreover, as the Senator from Utah has stated, it has been the policy of the Committee on Appropriations not to attach legislative riders to appropriation bills, but to act only on appropriations. Why should the Senate reverse its position now and pick on this poor group of workers who need help?

Mr. MURDOCK. I am in full agreement with the Senator. I say again that if we mean anything by the lip service which we so frequently apply in condemnation of this type of legislative procedure, we owe it to ourselves to stand up in the Senate and be counted against the provision which is found in this appropriation bill, the so-called Elliott rider.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. FERGUSON. Mr. President, I am opposed to the Senate receding from its amendment to strike the so-called Elliott rider. When this question was before the Senate we struck out this provision, and I am of the opinion that it should remain out. We went into this matter not only last year, but this year. The employees who are covered are not ordinary agricultural workers. They work in the packing sheds, just as other laborers work in plants and factories. I am of the opinion that we should not deprive them of their rights under the Wagner Act. We should accord them the same rights as are accorded other laborers. Therefore I believe that in this case the Senate should not recede.

Mr. McCARRAN. Mr. President, will the Senator from Utah kindly yield to me so that I may make a full explanation to the Senate in a very brief form?

Mr. MURDOCK. Mr. President, I think I should finish my statement.

Mr. McCARRAN. I will say to the Senator that it will be of advantage to him to have the Senate know exactly what he is talking about, because it has not been explained, nor has the history of the amendment been explained. I yielded so that the Senator might take the floor. I wish to make a brief explanation, if the Senator will permit me to do so.

Mr. MURDOCK. I am glad to defer to the chairman of the committee.

Mr. McCARRAN. Mr. President, on June 11, 1946, during the consideration of the bill by the Committee of the Whole House on the State of the Union, Mr. ELLIOTT, of California, offered an amendment adding the following proviso to title IV of the bill on the National Labor Relations Board:

Provided further, That no part of the funds appropriated in this title shall be used in connection with the investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code.

Mr. ELLIOTT stated that it was the same amendment that was adopted in 1945 and practically the same amendment that was adopted on the Case bill on February 6, 1946. He also read the definition of "agricultural labor" from the Social Security Act, which Mr. LEA stated was adopted by the Ways and Means Committee of the House several years ago and has since been approved two or three times by the House. (CONGRESSIONAL RECORD, pp. 6689 to 6692.)

After debate covering four pages of the RECORD—and I give this information to the Senate because we looked it up so that the Senate might have the benefit of our search in the matter—when the question was taken on the amendment in the Committee of the Whole there was a division, demanded by Mr. ELLIOTT, resulting in 84 ayes and 64 noes.

Mr. MARCANTONIO demanded tellers and on the second division there were 113 ayes and 67 noes. So the amendment was agreed to, and the Committee rose.

On the passage of the bill by the House, Mr. ROONEY demanded a separate vote on the amendment, the other amendments being agreed to en gros, and when the question was taken there was a division demanded by Mr. ROONEY and Mr. MARCANTONIO, resulting in 104 ayes and 65 noes. Mr. ROONEY objected to the vote and made the point of order that a quorum was not present. A roll-call vote was thereafter taken, resulting in 202 yeas and 134 nays. And the bill was thereupon passed without record vote.

On July 11, 1946, after the conference, and during the consideration of the conference report by the House, all amendments in disagreement were disposed of except number 39, the Elliott amendment, which is now before the Senate.

The gentleman from South Carolina [Mr. HARE] moved that the House insist upon its disagreement. The gentleman from Wisconsin [Mr. KEEFE] offered a preferential motion that the House recede and concur in the Senate amendment, which motion was debated, and when the question was taken the Chair was in doubt and the division resulted in 61 ayes and 114 noes. The gentleman from Wisconsin [Mr. KEEFE] objected to the vote and made the point of order that a quorum was not present. A roll-call vote was thereafter taken, resulting in 106 yeas to 204 nays. So Mr. KEEFE's motion was rejected, and Mr. HARE's motion to further insist was agreed to.

Mr. President, I give this information in detail so that the Senate may know that the House has on two occasions, by a yea-and-nay vote, voted on this question.

Today I called a meeting of the conferees on the part of the Senate on this matter, because I wanted to know how they stood. Not many were present. The Senator from Utah came a little late because of other matters that detained him. But those who were present determined that, no matter how we might personally feel about this matter, if we wanted to pay the employees of the departments affected by the bill on Tuesday next, as they must be paid, there was nothing else for us to do but to recede from our position.

Hence my motion is before the Senate now. I may not agree, but the conferees are of that opinion, and I have made the motion.

I thank the Senator very much.

Mr. MURDOCK. Mr. President, I thank the Senator for his contribution. I wish to say that if the Senate must be overridden at all times because of votes in the House of Representatives, then I ask what is the use of our taking a position? In the last day or two, we have sent over to the House of Representatives a request for a conference on a very important matter. Their answer to us was, "We will not even confer with you on it," and they sent it back to the Senate.

Mr. President, the mere fact that the House of Representatives has made a mistake on this important issue is no argument at all for our following that mistake. One of our circuit courts of appeals has made the following statement on this amendment:

When the product leaves the farmer as such and enters a factory for processing and marketing, it has entered upon the status of industry. In the status of this industry there would seem to be as much need for the remedial provision of the Wagner Act as for any other industrial activity.

Mr. PEPPER. Mr. President, will the Senator yield to me?

Mr. MURDOCK. I yield.

Mr. PEPPER. I wish to confirm the able Senator's statement that the decision which he has read is a decision of one of the circuit courts of appeals. That is correct; is it not?

Mr. MURDOCK. That is correct. It was the decision of the Ninth Circuit Court of Appeals in the North Whittier Heights case.

Mr. PEPPER. And subsequently the United States Supreme Court denied a writ of certiorari in that case; did it not?

Mr. MURDOCK. It did. I am indebted to the able Senator from Florida in this connection, because I am reading from the statement he made before the Appropriations Committee.

Mr. Altmeyer, Chairman of the Social Security Board, in describing some of the plants involved in this rider, made the following statement:

A study of the citrus-fruit industry revealed that employees of the large, extensively equipped packing plants are little more than attendants of the machines they operate. The inside of a typical packing house is a place of conveyor belts and machinery. There is little to distinguish these plants from ordinary factories, except for the product handled, for the work is virtually identical.

Most of the packing houses are operated by large corporations which could very well manufacture a nonagricultural product without changing their basic method of operation. They are also shown to be operated under industrial conditions.

Mr. President, does the Senate, in the name of helping the farmer, want to deny employees who work in that type of plant the right and privilege to go to the National Labor Relations Board and assert their rights under the National Labor Relations Act?

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. MAGNUSON. Of course, the question has nothing to do with the farmer at all. Once the farmer takes his products to those plants or sheds and is paid for his products, from then on the products belong to the distributor or the processor.

Mr. MURDOCK. That is correct.

Mr. MAGNUSON. The question has nothing to do with the farmer.

Mr. MURDOCK. That is correct. The corporations that are trying to strike down the rights of those employees are only using the farmer as a means to accomplish what I think is a vicious end.

Mr. MAGNUSON. Mr. President, will the Senator further yield?

Mr. MURDOCK. I yield.

Mr. MAGNUSON. This situation is the same that has confronted us on frequent occasions during the past 3 or 4 months. We have had labor measures before us in a proper way, and we ran the gantlet of labor measures and proposals in connection with the so-called Case bill. We voted on it and the House voted on it, and we have voted on it again.

Now those who oppose labor take this back-door method of approach, after the proposal has been defeated in the Senate and in the House. Those who favor this amendment have tried to add it to appropriation bills, after it has been defeated both in the Senate and in the House.

Mr. MURDOCK. That is correct.

Mr. MAGNUSON. In my opinion, it is high time that the Senate told those who are attempting this maneuver that appropriation bills are not to be used as a back-door method of striking at labor.

Mr. MURDOCK. And there never was a better time for us to take that stand than now, in connection with this appropriation bill. I sincerely hope that the motion of the able senior Senator from Nevada to recede on the Senate amendment which strikes the Elliott rider from the bill will be defeated by an overwhelming vote.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. MORSE. I wish to support the position taken by the Senator from Washington and the Senator from Utah. I think the Senate has been pushed around quite long enough by tactics of the House in connection with adding substantive legislation to appropriation bills. The House is doing it—let us be frank about it—for the obvious purpose of putting us in exactly the same position the Senator from Nevada has said we are in in connection with this bill, namely, that if we are going to have an appropriation bill at all and if the Government employees affected are to be paid, then we must bend our knees today to the House of Representatives and recede from our position and yield to this type of political pressure.

Mr. President, we must meet this crisis sooner or later. I say this is the time to start. Let us not pass this bill. Let us make perfectly clear to the country whose is the responsibility for not having the bill enacted. Let the responsibility rest squarely on the House of Representatives because it tried to add substantive legislation to an appropriation bill. I am perfectly willing to fight out that issue, and I think we shall have to make clear to the House that we are not constantly going to yield when we find ourselves in the position in which we are today. I should like to see the Senate once, at least, make perfectly clear to the House that we are not constantly going to yield when we are jockeyed into this position.

The Senator from Utah will recall that I appeared before the Appropriations Committee in opposition to the Elliott amendment.

Mr. MURDOCK. Yes; I mentioned the Senator's name in his absence.

Mr. MORSE. If the Senator will permit me to do so, I should like to read excerpts from the testimony I gave before the Senate Appropriations Committee, because I think it is explanatory in connection with this situation.

Mr. MURDOCK. I yield for that purpose.

Mr. MORSE. When I appeared before the Senate Appropriations Committee in connection with the Elliott amendment, I said the following, among other things:

> The rider added by the House to title IV of the Labor and Federal Security appropriation bill established a dangerous precedent. At present, section 2 (3) of the National Labor Relations Act defines the employees who are entitled to the protection of the act and the terms of this section specifically exclude agricultural labor. The Elliott amendment, while purporting to bar the National Labor Relations Board from using its funds in connection with cases involving agricultural labor, deals in actuality with a segment of our economy that involves great corporations engaged in agricultural processing and packing of food products.

Mr. President, great corporations have been successful in propagandizing a large segment of the farmers of the United States into believing that the Elliott amendment is desirable in their interest. But it is going to do a great deal of injustice to the farmers, just as the Lea amendment which was passed during a previous year did considerable injustice to many farmers in my State, as I shall point out in a moment.

I continue reading from the statement which I made before the subcommittee of the Committee on Appropriations.

> Apart from the merits or demerits of the social-security definition of agricultural labor, it may be stated as a simple fact that hundreds of thousands of employees engaged in performing industrial operations are designated as "agricultural laborers" under that definition. Last year, a similar rider was attached to the appropriation for the National War Labor Board. The War Labor Board was a temporary wartime agency, liquidated within a relatively short period after the adoption of the rider, and the effects of the amendment were, fortunately, minimized. * * *
>
> For example I know of several instances in which disputes between employer and employee developed in so-called processing and agricultural packing establishments with the result that when the employer appealed to the National War Labor Board to take jurisdiction over the dispute I discovered that the War Labor Board was estopped in the premise because of the then known Lea rider.
>
> I recall that in my State, for example, a large segment of the pear industry was involved in a labor dispute in the packing sheds. The operators of some of the sheds telephoned me in Washington and said, "We cannot even get a telegraphic reply from the War Labor Board. We want some relief. We want someone to come here and help us settle these disputes." Because it could not use the peaceful procedures of the War Labor Board, the unions involved had no other course but to strike. I point out to Senators that that is what will happen under the Elliott amendment, which, instead of preventing labor disputes, will cause them. It prohibits the use of the peaceful procedures afforded under the National War Labor Board in settling disputes. If anyone thinks for a moment that the workers involved in many of these establishments in various sections of the country, who are working under most unfavorable conditions, will tolerate those conditions merely because the Elliott amendment is passed, they will be sadly mistaken. What we are buying through the Elliott amendment are strikes, rather than peaceful settlements of the disputes which will arise in these processing plants. I pointed that fact out to the subcommittee when I went on to say in my statement:
>
> That rider called the Lea amendment, as the members of the committee will recall, prohibited the use of funds of the National War Labor Board in connection with labor disputes arising among employees classified as agricultural workers by the Social Security definition.
>
> As the Senator from Utah has pointed out, the definition includes thousands and thousands of employees not covered by the definition in other statutes.

I continue reading from my statement before the subcommittee:

> The record is pretty clear that a great many strikes occurred among these employees which never would have occurred had the National War Labor Board been free by use of its funds to send members of its staff into the disputes which arose to the end of settling them under the peaceful procedures of the War Labor Board. Being denied the peaceful procedures of the War Labor Board for use in the settlement of their disputes, the workers had no other course but to strike.
>
> I am convinced that the Elliott rider now before this committee will produce strikes and labor troubles in many agricultural processing and packing plants, rather than prevent them. After all, human nature is the same whether the persons involved in the disputes are workers at agricultural processing plants or an automobile factory. If the workers feel that an injustice has been done them, they are going to organize themselves into united action in an endeavor through employee organizations to correct what they consider to be injustices. It is at that point in the development of a labor dispute that it is highly desirable to have peaceful procedures available to both the employer and the workers for the settlement of their disputes.

Mr. President, I predict that if the Elliott amendment becomes law, many employers will be begging for just such procedure as is now available under the National War Labor Board:

> The Elliott rider seeks to deny the procedures of the National Labor Relations Board to the workers covered by the rider.
>
> In the present instance, we are dealing with an important section of a basic labor-relations law which has been on the statute books for over 10 years. It is now proposed, without hearings before the proper legislative committees and without adequate consideration, to apply the social-security definition to the National Labor Relations Act. This atomization of the issues in labor relations which allows one set of procedures for one group and a complete lack of procedures for another group solves no problems.
>
> Let me emphaize one problem: If this rider is adopted, there will be no procedures available for determination of a collective-bargaining representative among the affected employees. As I have stated before, employers who may be faced with the claims of rival unions will have no lawful means of securing a peaceful determination of the conflicting claims. Employees will be forced to employ strikes as a means of securing union recognition.
>
> Moreover, the rider will cause endless confusion by excluding an entire bargaining unit as long as a single worker in the unit can be regarded as coming within the undesirable and expanded concept of agricultural labor contained in the social-security definition.

Mr. President, we should pause and consider for a moment this tactic, this device. All that a union-hating employer would have to do, all that an employer owning one of these processing establishments would have to do in order to block unionism, even in that segment of his industry which can be considered to be a processing or packing plant, would be to see that only one of his employees was employed in one of his so-called supplemental establishments, and the Elliott amendment would apply. If the Congress wishes to sanction a strategy which will cause a great many labor disputes on the part of union-hating employers who are out to break organized labor, then it should sanction the Elliott amendment. Mr. President, I believe that the dangers to the economic stability of this country are so serious that we can well afford to put into effect the first suggestion which I made, namely, to carry on the fight with the other House against this particular type of strategy which it is proposed to use through the Elliott amendment.

I further pointed out to the subcommittee as follows:

Apart from these evils in its content and substance, the proposed rider typifies the undesirability of seeking to evade the obligations of law by the backhanded device of riders attached to appropriations. Congress has up to this date refused to sanction the efforts which have been made to amend the National Labor Relations Act to exclude these broad groups of workers. The device of appropriations riders is now being brought into play in an attempt to evade the proper procedures of amendments. The law is left on the books but the use of funds for its enforcement is so circumscribed as to make the law a nonentity.

By thus seeking to legislate through appropriation, Congress has been placing the Board in the position of seeking interpretations of these riders from the Comptroller General. The result is that the Comptroller General, and not the Federal circuit court of appeals (as required by statute) is forced to render decisions as to when and where the act may be enforced. The Comptroller General is not a judicial officer and yet the rider device converts him into a superjudge. In the light of the foregoing reasons I respectfully recommend that the so-called Elliott rider be stricken from the bill.

Mr. President, in line with the reasons which I have stated, I submit that I am justified in recommending that the Senate refuse to recede, and that it notify the other House that it intends to stand by its previous action in striking out of the appropriation the substantive section which involves the Elliott amendment.

Mr. TUNNELL. Mr. President——

Mr. McCARRAN. Mr. President, I think this matter is of such importance that we should have a good attendance of the membership of the Senate, and I ask the Senator from Utah to yield to me so that I may suggest the absence of a quorum.

Mr. TUNNELL. I ask the Chair who has the floor.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Delaware desire the floor?

Mr. TUNNELL. Yes.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Millikin
Austin	Green	Mitchell
Ball	Guffey	Moore
Barkley	Gurney	Morse
Bridges	Hart	Murdock
Briggs	Hawkes	Murray
Brooks	Hayden	Myers
Buck	Hill	O'Daniel
Burch	Hoey	O'Mahoney
Bushfield	Huffman	Overton
Byrd	Johnson, Colo.	Pepper
Capehart	Johnston, S.C.	Radcliffe
Capper	Kilgore	Reed
Carville	Knowland	Revercomb
Chavez	La Follette	Robertson
Cordon	Langer	Russell
Donnell	Lucas	Smith
Downey	McCarran	Stanfill
Eastland	McClellan	Stewart
Ferguson	McKellar	Swift
Fulbright	McMahon	Taft
George	Magnuson	Taylor
Gerry	Mead	Thomas, Okla.
Thomas, Utah	Walsh	Wilson
Tobey	Wherry	Young
Tunnell	White	
Wagner	Wiley	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. TUNNELL. Mr. President, I desire to associate myself with those who are protesting against this form of legislation. It is becoming more or less of a custom, apparently, to add to appropriation bills extraneous matters by which it is hoped to compel the legislative body of the Nation to adopt measures which otherwise could not be passed. It is a form of compulsion on Congress to force it to do something it is not willing to do. On the last opportunity to pass a necessary appropriation bill in the proper time there is attached to the bill an antilabor clause or sentence or paragraph.

Those who are American citizens and appreciate that other American citizens have certain rights must realize eventually that such rights will be recognized. I do not think that the Congress of the United States wants or that the Senate of the United States will permit itself to be bludgeoned into doing something it is otherwise unwilling to do.

What is proposed by the provision of the bill under discussion would not have been attempted in regular substantive legislation; Congress would not consider it seriously; but by attaching it to a bill which must be passed, the attempt is being made, as I have said, to compel the Senate to accept a provision which otherwise it would not adopt and to which it is opposed.

The provision in question is aimed particularly at labor. Various amendments which it is sought to attach to different bills have an antilabor purpose. We have no reason to believe that there may not be at some future time other classes of our citizens who would be thus attacked. Such unfair attacks will not long be confined to a particular class of citizens. Those who seek to do an injustice in this instance have no particular dislike, I am sure, for labor. It is toward certain classes of workers, certain classes of citizens, that they have a sort of antagonism. Perhaps it is because of their interests or the interests of their particular attorneys that they are desirous of putting through this kind of legislation.

So, Mr. President, it is a pretty serious matter we are facing. We are facing a species of legislation or a legislative procedure which is not only harmful to the best interests of the country but is actually dangerous. It is a menace and is intended as a menace; there can be no doubt about that. Those who by underhanded means, such as amendments of this kind, attempt to force legislation which the country does not want and which would not be enacted through the regular legislative channels are not doing any service to the American people.

As I have said, the particular objective of the legislative rider is labor. I do not know whether it was inspired by strikes, but certain it is that there may be other strikes engendered by this kind of obnoxious legislation. Whether its proponents want more strikes, more labor unrest, at this particular time, in this particular year, I do not know. Is it proposed with the idea of creating political disturbance before election? Is it proposed because of an innate hatred of those from whom most of the persons who have these ideas sprang? Most of those who entertain this antilabor idea sprang from labor; their ancestors, and in many instances they themselves have been a portion of labor. Now, like many converts, they have gone the whole way, and seek not only to ally themselves with enemies of labor, but to place on the statute books legislation which is in its nature punitive, for the purpose of punishing those from whom they themselves sprang. I do not know that many of them have "sprung" so far, if we come right down to the truth of it.

I am anxious to make this protest on two grounds. In the first place, it is bad legislation, and in the second place, it is aimed at a particular class of our citizens.

I do not know who compose what is known as labor. We are told that there are fifty-four or fifty-five million people now employed. I think it is safe to say that each of those persons represents at least one other, so that there are in the class known as labor more than 100,000,000 people. I think we are taking on a pretty big job when we go up against more than 100,000,000 people and attempt to put through what is in reality punitive legislation.

I understand that this movement perhaps has its incentive in the far West. I notice the employees who would be deprived of their rights have had the protection of the Wagner Act since its enactment. A large proportion of them are organized and have union contracts. For instance, the Imperial Valley and the Salinas Valley in California, and in the Yuma Valley, Ariz., 84.3 percent of the lettuce grown in the United States, 66⅔ percent of the melons, and more than half the carrots, are produced under conditions of stabilized labor relations and union contracts. I do not hear of any difficulties in those places with reference to labor. I do not hear of any demand for the passage of antilabor legislation from those regions.

The industries which would obtain special exemption and unfair competitive advantages include operations such as the Gruiyn Shippers in Edinburg, Tex., employing more than a thousand workers.

Mr. MILLIKIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Colorado?

Mr. TUNNELL. I yield.

Mr. MILLIKIN. It seems to me this is a very important subject to come up in such a glancing way, and, frankly, I should like a little more information about it.

Are the employees who are sought to be excluded from the benefits of the National Labor Relations Act now under the National Labor Relations Act?

Mr. TUNNELL. Absolutely; yes. This is the language of the amendment—the so-called Elliott amendment:

That no part of the funds appropriated in this title shall be used in connection with

investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act.

They are still kept under the act, but the money is not to be used for that purpose.

Mr. McCARRAN. Mr. President, I think perhaps a little light on the question of the Senator from Colorado would assist the Senator from Delaware.

Mr. TUNNELL. I should be glad of any assistance.

Mr. McCARRAN. I read from the hearings before the committee. The Senator from Utah [Mr. MURDOCK], addressing his question to Mr. Reilly, of the National Labor Relations Board, asked:

Did we not have the same thing come over from the House last year?

Mr. REILLY. It came over as a rider to an appropriation for the War Labor Board. The proviso was eliminated in the Senate, but in conference the Senate conferees yielded to the House so the rider did appear in the appropriation for the War Labor Board. Of course, that is academic now, the War Labor Board being out of the picture.

A portion of the answer to the Senator from Colorado should contemplate that language—that it has existed by a process similar to that with which we are now dealing, but in that instance the Senate conferees yielded. In this instance they refused to yield. We struck it out. It is now stricken out, and now we are forced, as my fellow conferees apprise me this morning, to make this motion.

Mr. MILLIKIN. Mr. President, will the Senator from Delaware further yield?

Mr. TUNNELL. I yield.

Mr. MILLIKIN. I am very grateful for this information. Now, if I may, I should like to ask a further question. Whether or not these workers are under the National Labor Relations Act, are they organized?

Mr. TUNNELL. Yes, they are organized; and I have a memorandum here in which it is stated that many of them are unionized.

Mr. MILLIKIN. Being in that status, they could strike if they wanted to strike?

Mr. TUNNELL. Oh, yes.

Mr. MILLIKIN. Does the so-called Elliott amendment deprive them, therefore, of the right to invoke the conciliation services of the Government, and thus, perhaps, deprive them of the opportunity to minimize strikes?

Mr. TUNNELL. No; I think it does not. I do not think it minimizes strikes. As I understand, it deprives them of their connection with the National Labor Relations Act, and therefore leaves them only the right to strike as their only remedy.

Mr. McCARRAN. That is correct.

Mr. MILLIKIN. Let me put it another way. If the Elliott amendment were in effect, they could strike?

Mr. TUNNELL. They could strike.

Mr. MILLIKIN. But they could not have the benefit of the conciliation services which are offered through the National Labor Relations set-up. Is that correct?

Mr. TUNNELL. That is correct.

Mr. MILLIKIN. Therefore, could it be argued fairly that the Elliott amendment is an encouragement to strikes?

Mr. TUNNELL. It certainly is an incentive or inducement to strikes, as their only remedy.

Mr. BALL. Mr. President, will the Senator from Delaware yield?

Mr. TUNNELL. I yield.

Mr. BALL. Did I understand the Senator from Colorado to say that the NLRB had conciliation services?

Mr. MILLIKIN. No; I did not say that. I was asking for information. I was trying to find out exactly what the proposed amendment would do to these workers who, I understand, are organized or have the right to organize.

Mr. BALL. The Conciliation Service of the Department of Labor, a service for conciliating disputes, would still be available to them. The NLRB does no conciliating.

Mr. MILLIKIN. Will the Senator from Delaware further yield?

Mr. TUNNELL. I yield.

Mr. MILLIKIN. What protection would this amendment take away from the men who work in these plants?

Mr. BALL. They would not have the right to petition the NLRB for an election, they could not file an unfair practices complaint.

Mr. TUNNELL. It deprives them of the rights of labor under the National Labor Relations Act.

Mr. MILLIKIN. I have one more question, and then I shall ask one ultimate question. They would still have the right to strike, would they not?

Mr. TUNNELL. They would still have the right to strike.

Mr. MILLIKIN. They would still have the right to organize, would they not?

Mr. TUNNELL. Yes; there is no doubt about that. But in line with the Senator's previous questions, it would take away their other methods of avoiding strikes, and leave striking as their only remedy.

Mr. MORSE. Mr. President, will the Senator from Delaware yield?

Mr. TUNNELL. I yield.

Mr. MORSE. I think that point needs to be stressed. The Senator from Colorado is correct, they would have the right to organize and the right to strike, but they would really have no other course of action in order to obtain decent conditions of labor except by striking.

Mr. TUNNELL. That is correct.

Mr. MORSE. Therefore, the Elliott amendment would be productive of strikes, just as the Lea amendment was.

Mr. TUNNELL. That is correct.

Mr. MILLIKIN. I do not wish to impose on the Senator——

Mr. TUNNELL. The Senator is not imposing. I like his questions; they are illuminating.

Mr. MILLIKIN. Is there any serious claim made that the people who work in agricultural processing plants are not industrial workers? Does any one make that claim?

Mr. TUNNELL. There is the contention that an attempt is made here to call certain classes of workers, agricultural laborers who are not in fact agricultural laborers. I think that is correct.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. McCARRAN. In order to throw as much light on the subject as I can I will say that these laborers occupy a peculiar place in the economic picture. They do not work in the fields, therefore they are not, strictly speaking, agricultural workers. They do not work in processing, therefore they are not on that side, in industry. They are packers in the packing sheds where commodities from the fields are brought in, and in the first instance crated or packed for distribution or shipment. They are in the twilight zone, if I may so term it, between agricultural workers and nonagricultural workers. There is a school of thought that holds them to be nonagricultural workers, and there is another school of thought that holds them to be agricultural workers.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. MILLIKIN. Offhand it seems to me—and, I repeat, one of the vices of this method of legislation is that we have to take these important things offhand—it seems to me, taking a quick squint at it, that a man who packs vegetables in a vegetable packing plant occupies no different position than a man who packs candy in a candy packing plant He is working in a factory. The particular workers we are talking about pack vegetables. Others pack other kinds of things. But in the one case or the other it is packing in a factory with the aid of mechanical devices. Offhand, it seems to me that a sound argument cannot be made that these workers are not industrial workers while they are working at this business.

Mr. TUNNELL. I should like to call the Senator's attention to this particular language:

That no part of the funds appropriated in this paragraph shall be used in connection with investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act.

So the benefits of the Wagner Labor Relations Act are removed from them so long as the units in question are composed in whole or in part of agricultural laborers.

Mr. MILLIKIN. I thank the Senator.

Mr. TUNNELL. Mr. President, I am practically through with what I intended to say.

Mr. McCARRAN. Mr. President, before the Senator takes his seat let me say that I think a certain colloquy which occurred in the committee hearings might be of assistance to Senators in the debate. Mr. Herzog, chairman of the National Labor Relations Board, testified among other things:

Mr. HERZOG. The courts have held that our decisions on that subject are correct interpretations of the agricultural employee exemption in the Wagner Act. The Board has often refused to take jurisdiction over people whose activities are in our opinion agricultural. The courts have agreed with the distinctions we have drawn.

We think, again, that if this rider were adopted—

That is the rider now before the Senate—

the employees would have no recourse but the use of self-help.

That means to strike.

There is nothing in the record or in the history of the Board's interpretation of the agricultural employee exemption in the National Labor Relations Act which would justify attaching this rider to our appropriation bill.

Senator MURDOCK. If a rider is attached, we leave them one remedy, and that is the remedy of strikes, is it not?

Mr. HERZOG. That is right, sir. We might say that the CONGRESSIONAL RECORD indicates some slight misunderstanding in the House as to the effect of the rider. The rider would not affect cannery workers, even if adopted by the Senate. It would only affect packing-shed and processing employees, because the social-security definition, which is what the Elliott rider contemplates, excludes cannery workers from the exemption. The cannery workers, sir, even if the rider were adopted, would still be in our jurisdiction.

Senator MCCARRAN. This would affect lettuce packers and the like?

Mr. HERZOG. That is right, sir. I might say that if by any chance the committee should disagree with us, which we hope they will not do, and apply this rider and also apply another rider which we read about in the newspapers this morning concerning foremen, it would not justify any cut in our appropriations.

Mr. TUNNELL. Mr. President, I want to make the specific statement that my objection is based on grounds in addition to the fact that this amendment is antilabor. It is antilabor; it is intended to be antilabor; but it is also a vicious system of legislation. I do not think anyone will contradict that statement. It is a vicious method of trying to bludgeon Congress, or a branch of Congress, into passing something which may not perhaps be for the best interests of the country, and which in all probability the Senate itself would not pass as a separate measure.

In conclusion, I wish to say that this specific rider has been sought in the past by certain employer groups, particularly from California and certain Southern States. Some of these employers have been the subject of investigation and exposure by the La Follette committee in connection with their antilabor activities. Passage of this rider would throw the industries affected back more than 10 years in their labor relations. Widespread strikes are bound to result if the workers in these industries are robbed of legal protection in their right to bargain collectively. By enacting this rider, the Senate would be permitting itself to be used as an antilabor instrument of those employers who are intent on inciting industrial strife instead of confining its deliberations to financial matters appropriate to the pending legislation.

Mr. BALL. Mr. President, I should like to discuss briefly, if I may, the pending motion of the Senator from Nevada [Mr. MCCARRAN] that the Senate recede from its disagreement with the so-called Elliott rider. In the subcommittee and the full committee I supported the striking out of this rider. I think it is, on the whole, very bad, because it will not contribute to industrial peace. It deprives several hundred thousand employees of the protection of the Wagner Act which they have enjoyed up to this time.

However, I am now supporting the motion of the Senator from Nevada. As he stated, the House has twice by yea-and-nay votes—once by a vote of 202 to 134 and on another occasion by a vote of 204 to 106—insisted on the retention of this limitation in the bill. There is no room for compromise on this particular language. It either stays in or it goes out. So it is a question of either the House or the Senate yielding.

It is my belief, based upon past experience, that after the House has insisted twice by yea-and-nay votes of nearly 2 to 1 retention of this provision, the only effect of the Senate insisting on striking it out would be to delay the passage of the bill for several days, perhaps a week. A good many thousand employees cannot be paid on the middle-of-the-month pay day unless this bill becomes law before then.

Mr. MCCARRAN. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. MCCARRAN. At the beginning of this discussion I made the same statement to the Senate which the Senator from Minnesota has just made. I find that I am somewhat in error, and probably I have led the Senator from Minnesota into the same error. Because of the method of staggering pay days, the next pay day for the employees of these departments will be on the 22d of this month rather than on the 15th. I know that the Senator would wish to have that information.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. MAGNUSON. I wish to ask the Senator whose fault it is that these employees may not be paid if this issue should come to a head.

Mr. BALL. I was not trying to blame anyone.

Mr. MAGNUSON. Of course the Senator knows it is the fault of those Members of the House of Representatives who insist on adding legislation to appropriation bills. There would be no trouble with this appropriation bill if this legislation were not proposed to be added to it.

Mr. BALL. I say to the Senator that I am not very much concerned about who is to blame, but I should like to see this bill become law. For instance, the provision with respect to the Employment Services, which I described a few minutes ago, is tremendously important. We have allowed only approximately 120 days for all arrangements to be made for the transfer of the employment services back to the States. Every day that this act is held up will mean that the Department of Labor and the various States will have that much less time to work out the arrangements.

Mr. MAGNUSON. Then the House should recede on this matter.

Mr. BALL. Personally I wish to see this bill become law reasonably soon. As I said in the beginning, I supported the striking out of this rider, both in the subcommittee and in the full committee. I do not think it is sound. But I believe we are faced with a practical situation in which, if the Senate insists, we shall have a further conference and the House will further insist; and I do not think there is the slightest chance of changing the position of the House of Representatives. I believe that eventually we shall wind up with a bill containing this language, and I do not think there is much point in engaging in that process.

I think there is some tendency to exaggerate the effect of this provision. I do not believe it will result in a strike on the west coast, where the employees are rather well organized. If an employer has a contract with his employees, he is not likely to invite trouble by refusing to negotiate a new contract.

I think the effect of the provision will be bad in the South, where both A. F. of L. and the CIO are beginning organizing drives, and where unquestionably a good many thousand employees will be affected by this limitation. However, it does not deny them the right to organize or to bargain collectively. It does deny the National Labor Relations Board any right to use these funds to hear any kind of appeal for an election by such employees or to process any unfair labor practices complaint. I think it is quite true that those rights are probably still necessary in some areas in order to make really effective the right to organize and bargain collectively. But, as I have said, the number of employees involved is not great. The question of a bargaining unit in whole or in part is not, in my opinion, important, because any union can very easily avoid a complication in that connection, if it has only one or two or half a dozen members who would be affected by this rider. In that event the union can simply eliminate those members from the bargaining unit, and can proceed. But unquestionably the provision will affect the packing shed employees, largely in the South, as I have said, when this organizing drive begins.

In view, however, of the position of the House of Representatives and the record votes which have been taken in the House, I do not think there is any practical possibility of striking out the language and I think we shall save time and obtain necessary legislation sooner if we recede from the Senate's position and adopt the motion of the Senator from Nevada.

Mr. PEPPER. Mr. President, I wish to address myself to the motion. I urge the Senate to disagree to the motion which has been made by the able Senator from Nevada.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WAGNER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Burch	Donnell
Austin	Bushfield	Downey
Ball	Byrd	Eastland
Barkley	Capehart	Ferguson
Bridges	Capper	Fulbright
Briggs	Carville	George
Brooks	Chavez	Gerry
Buck	Cordon	Gossett

Green	McMahon	Smith
Gurney	Magnuson	Stanfill
Hart	Mead	Stewart
Hatch	Millikin	Swift
Hawkes	Mitchell	Taft
Hayden	Moore	Taylor
Hill	Morse	Thomas, Okla.
Hoey	Murdock	Thomas, Utah
Huffman	Murray	Tobey
Johnson, Colo.	Myers	Tunnell
Johnston, S. C.	O'Daniel	Wagner
Kilgore	O'Mahoney	Walsh
Knowland	Overton	Wherry
La Follette	Pepper	White
Langer	Radcliffe	Wiley
Lucas	Reed	Wilson
McCarran	Revercomb	Young
McClellan	Robertson	
McKellar	Russell	

The PRESIDING OFFICER (Mr. SWIFT in the chair). Seventy-nine Senators having answered to their names, a quorum is present.

Mr. PEPPER. Mr. President, I believe that the question now pending before the Senate is of much wider interest than with respect even to the group directly affected. The practice has grown up, in the past few months especially, of the House of Representatives, for all practical purposes, circumventing the rules of the United States Senate. It is a rule of the United States Senate that legislation cannot be tacked onto an appropriation bill. Obviously, experience has shown that the rule is a very salutary one. Appropriation bills should carry out the legislative declarations and purposes of Congress. When proposed legislation is before the Congress, it is debated as proposed legislation. If it is approved and if it provides for an authorized appropriation, in due course the Appropriations Committees consider the making of the appropriation itself. But the House of Representatives has repeatedly sent to the Senate provisos in appropriation bills which are clearly, both by character and intent, legislation. The fact that they come to the Senate as items in appropriation bills, with a predicate already in the bill, deprives the Members of the Senate from making the point of order, as the rules would ordinarily allow, that they are legislative in character. The result is that the House of Representatives is circumventing the rules of the Senate, as well as a salutary principle and practice of legislation, and day by day, almost, is sending to the Senate legislative provisions embodied in appropriation bills.

Mr. President, that is what has happened in this particular case. The House of Representatives has added, as a proviso in the Department of Labor-Federal Security Agency appropriation bill, the following language:

Provided further, That no part of the funds appropriated in this title shall be used in connection with investigation, hearings, directives, or orders concerning bargaining units composed in whole or in part of agricultural laborers as that term is defined in the Social Security Act in section 409, title 42, United States Code.

In the first place, Mr. President, remember that this was not an appropriation having to do with all the functions of the National Labor Relations Board. It merely provides that one part of the funds providing for that Board can be used by the Board in respect to this subject, namely, agricultural labor as defined in the Social Security Act.

Of course, it would be almost impossible to administer the law honestly, because it is difficult to segregate that part of the Board's time and personnel which might be used for that purpose. But those responsible for the provision have forbidden the use of any part of the Board's time and any part of the time of the Board's personnel and any of the personnel's money or the Board's money in having anything to do whatever with the protection of the rights of labor engaged in the packing field, because they want that labor to be excluded from the National Labor Relations Act by this definition.

Mr. President, the definition which they wish to apply to agricultural labor is the definition found in the Social Security Act, and insofar as it is pertinent to this subject, it reads as follows:

The term "agricultural labor" includes all services performed—

In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market.

That definition if adopted would exclude from the jurisdiction of the National Labor Relations Board and from the protection of the National Labor Relations Act, known as the Wagner Act, all laborers engaged in any of those functions, and particularly workers in the packing houses engaged in the preparation for final destination of agricultural commodities.

What would be the effect of that? The effect would be to reverse and set aside by legislative enactment a decision of the Ninth Circuit Court of Appeals, and a decision of the Supreme Court of the United States, holding that packing-house workers, although engaged in the preparation for ultimate destination of agricultural commodities, are industrial laborers and not agricultural laborers, and are entitled and do now enjoy the protection of the National Labor Relations Act and the National Labor Relations Board.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. The Senator refers to a decision of the Supreme Court of the United States. He means that the Supreme Court refused to bring the matter up on certiorari?

Mr. PEPPER. Yes. I thank the Senator. In the opinion the Ninth Circuit Court of Appeals, in the case of North Whittier Heights Citrus Ass'n against National Labor Relations Board, the Circuit Court of Appeals of the Ninth Circuit on the 12th of January 1940 decided this question. The case presented was whether or not there was any redress possible by packing-house workers against unfair labor practices by employers, and the question subsidiary to that main question was whether or not these employees, who were packing-house employees packing citrus fruit, could claim the protection of the National Labor Relations Act and the National Labor Relations Board. In holding that they were entitled to that protection, the Circuit Court of Appeals of the Ninth Circuit, Judge Stephens writing the decision, used the language I shall presently read. The National Labor Relations Act exempts agricultural labor, and I shall read first the section of the National Labor Relations Act, which is pertinent. I quote from page 80 of One Hundred and Ninth Federal Reporter:

In section 2, subdivision (3), of the act it is provided that unless the act explicitly states otherwise, the term "employee" shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice * * * but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse.

So the question was whether these packing-house workers were agricultural laborers so that they could not be protected by the Board under the National Labor Relations Act. The court held they were not agricultural laborers. Here are pertinent excerpts from the court's opinion. I read from page 80 of the One Hundred and Ninth Federal Reporter:

Industrial activity commonly means the treatment or processing of raw products in factories. When the product of the soil leaves the farmer, as such, and enters a factory for processing and marketing it has entered upon the status of "industry." In this status of this industry there would seem to be as much need for the remedial provisions of the Wagner Act, upon principle, as for any other industrial activity.

Again, on page 81 of the same volume, the court said:

The opinion in the case of *Pinnacle Packing Company* v *State Unemployment Commission*, *supra*, a case under a cooperative arrangement for processing and marketing fruit, contains some apt language. We quote:

I now quote the court's quotation:

The fruit growers who are engaged in the care, cultivation, picking, and delivery of the products of the orchard to be processed, graded, packed, and marketed are engaged in agricultural labor and are exempt from the provisions of the statute. As soon as the fruit is delivered by the grower to the plaintiff for processing, grading, packing, and marketing, then the exemption ceases. The plaintiffs engaged in processing, grading, and packing and marketing the fruits are engaged in industry and are, therefore, subject to the provisions of the act and are not exempt as being engaged in agricultural labor.

That is the end of the inner quote. The court conludes in this language, as appears on page 81.

We conclude that the workers in petitioner's packing house are not agricultural laborers and are therefore not exempt from operation of the act.

Mr. President, that decision went to the United States Supreme Court on a petition for certiorari and the petition was denied. So that the United States Supreme Court has confirmed, and wisely so, the definition of agricultural labor which the Ninth Circuit Court of Appeals has laid down. All of us know by

personal experience the distinction between the worker who works in the field, and the worker who works in a packing house on the products of the field. As was pointed out here awhile ago by the able Senator from Colorado, there is no more reason why workers engaged in packing agricultural commodities in a packing house, usually remote from the farm, and having nothing to do with it, under different management from the farm where they were grown and harvested, are not as much entitled to the protection afforded industrial workers under the National Labor Relations Act as workers engaged in the packing of candy or any other commodity which may be packaged by workers.

Mr. SMITH. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from New Jersey.

Mr. SMITH. I agree with the position the Senator is taking, but I have just been reading a provision of the Social Security Act which I think he was discussing a moment ago. In title 42, chapter 7, section 409, subsection 4, it is provided:

> The provisions of this paragraph shall not be deemed to be applicable with respect to services performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after it is delivered to a terminal market for distribution for consumption.

Is that adequate to cover the point?

Mr. PEPPER. No, Mr. President. I thank the Senator for pointing that out, but the able Senator from Nevada [Mr. McCARRAN] pointed out earlier that in the hearings before the committee the counsel for the National Labor Relations Board indicated that this proviso, even if adopted, would not apply to canning workers, because commercial canning workers are not even covered by the Social Security Act definition. But the exemption to which the Senator has just referred does not apply to packing-shed workers, and the House proviso would remove from the National Labor Relations Act and the protection of the National Labor Relations Board all the many hundreds of thousands of packing-shed workers throughout the land, that is, workers engaged in packing, for example, fresh vegetables, and workers engaged in packing citrus fruit and other horticultural commodities.

Mr. SMITH. I thank the Senator for his answer. I agree with his position. I also agree especially with the first point he made. I think it is unfortunate to attach legislative provisions to an appropriation bill. I share the Senator's position as to that. I think we are making a great mistake when we do it.

Mr. PEPPER. I thank the able Senator from New Jersey for his characteristically generous expression.

We find that if this proviso were adopted the House of Representatives would have us not only redefine "agricultural worker," as that term is defined in the National Labor Relations Act, but would have us set aside a decision of the Ninth Circuit Court of Appeals and of the Supreme Court of the United States. And they would not do it in a forthright way, in a straightforward bill or resolution, but they would do it through a rider on an appropriation bill.

Mr. President, I am sure the Senate wishes to face matters of this sort frankly and forthrightly. If Senators disagree with the definition of "agricultural labor" made by the National Labor Relations Board administratively, and affirmed by the Ninth Circuit Court of Appeals and the United States Supreme Court, they would wish to face the matter directly, and introduce appropriate legislation to change the definition, but I am sure that no Senator would wish by the processes of proviso and rider to an appropriation bill indirectly to attempt to achieve that result. On the contrary, Mr. President, from the House of Representatives—and I say it, of course, in no disparagement of our sister body, but as a factual statement—from the House of Representatives has been coming for the last several years just such an attempt as this with respect to what they call agricultural labor. They have tried in session after session to apply this almost all-covering Social Security Board definition of agricultural labor to the National Labor Relations Board so that the National Labor Relations Board could not give the protection of the National Labor Relations Act to workers who were engaged off the farm in packing and in processing agricultural commodities.

The question was raised: Is it important to the packing house workers and the processing workers whether or not the proviso is adopted? Let me read what the rights of employees are under the National Labor Relations Act, and then when Senators contemplate that these rights are taken away from these workers, let them determine whether the rights are important.

I read now from section 7 of the National Labor Relations Act:

> RIGHTS OF EMPLOYEES
>
> SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

That right, Mr. President, accorded other industrial workers would, if this proviso became law, be denied to every packing shed worker, every processing worker in the United States.

But I read also from section 8 as to the rights of employees:

> It shall be an unfair labor practice for an employer—
>
> (1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

Mr. President, the meaning of that is that if this rider were adopted and the worker in a packing shed attempted to form a union or to join a union or to act in concert with a union, or to bargain collectively with his fellow workers, his employer could discharge him for that reason alone, and he would have utterly no redress under the law of the land.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. AIKEN. Does not the Senator feel that the most unfair, the most vicious part of this rider is the language that "bargaining units composed in whole or in part of agricultural laborers" are deprived of their collective-bargaining rights?

Mr. PEPPER. Yes.

Mr. AIKEN. The language of the rider is "in whole or in part of agricultural labor." That means that if two or three agricultural laborers, as agricultural laborers are defined by the law, join with a thousand other industrial employees for the purpose of collective bargaining the entire thousand lose their collective-bargaining rights.

Mr. PEPPER. Yes; that is correct.

Mr. AIKEN. It does not only affect and exclude the few agricultural laborers who may be in the group, but the entire group is excluded from the bargaining rights, if they have just one agricultural worker among their number.

Mr. PEPPER. Yes. There could be an automobile plant near a packing shed, and if the members of the automobile union had one of these packing shed workers as a member of the union, then that union, by this rider, would be entirely denied redress under the law and the protection of the National Labor Relations Act and the National Labor Relations Board.

Mr. AIKEN. That is clearly the joker in this rider, and it is very clearly a part of the program to destroy labor unions by any means whatsoever. Of course, the attaching of a rider to an appropriation bill is becoming altogether too popular a method.

Mr. PEPPER. The Senator is absolutely correct.

Mr. President, I now read paragraph (2) of section 8 as to the rights of employees under the Wagner Act. These things are unfair labor practices:

> (2) To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it.

Mr. President, if this proviso were to become law it would mean that management could forbid the formation of a labor organization among its workers, and discharge all who persisted in such an effort, and, as I said, those workers would have no lawful redress under the laws of this land, as other Senators have already pointed out. What redress would they have left except the strike and perhaps, resort to violence? Certainly they would have no redress except interruption of work in an essential industry.

Mr. President, to adopt the amendment is to throw the adjudication of rights of a civil character back to the law of the jungle and take them out of the processes of judicial tribunals. The amendment denies workers a lawful right to complain and to be heard, and forces them back to self-help. It forces them to adopt the simple plan:

> The simple plan,
> That they should take who have the power,
> And they should keep who can.

I read again as to what constitutes an unfair practice under the Wagner Act:

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.

That means, Mr. President, that employers cannot do that to employees who are covered by the National Labor Relations Act. If they do so, the workers adversely affected can appeal in a lawful way by petition to the National Labor Relations Board. They can be heard, and if their complaint is found to be justified in fact, then the National Labor Relations Act authorizes the Board to apply to a court, and to have one of the courts ordinarily in the regular judicial process order the employer to desist and cease from such an unfair practice. But if this rider became law and a half dozen workers in a packing plant in my State, or in California, or in any other State of the Union, should try to organize a union, as they have a right to do, and try to bargain collectively, as they have a right to do as citizens of this land, the employer could come in the next morning and say "Half of you are discharged; the wages of the other half are cut in half." Not only that, but he could say "I am going to take away all your seniority rights, and I am going to put every one of you to the performance of the most obnoxious job in this plant," if he permitted them to keep any jobs at all. They would have absolutely no redress under the law of the land. Mr. President, that is going backward in civilization instead of forward. That is, however, what some of the Members of Congress would resort to in order to strangle working men and working women.

I read another unfair practice which is forbidden under the Wagner Labor Act:

(4) To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this Act.

The laws of the land, Mr. President, protect witnesses against intimidation, coercion, and punishment if they testify in a lawful proceeding. Yet, that right would be stripped away from packing-shed workers if this rider were to become the law.

I read the fifth unfair labor practice forbidden by the Wagner Act:

(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

Mr. President, that means that the packing-shed workers could decide that they wanted to bargain collectively with the employer, as they have a right to do, and yet, if they went to their employer in the most diffident and deferential way and stated their purpose, he could throw every one of them out of his office, out of his plant, refuse to reemploy them, and they would have no redress under the law of the land. That I say is going backward instead of forward.

We all know what the proponents of the amendment are getting at. The rider was offered by Representative ELLIOTT, of California. There are plenty of people in my State who if they had been in Congress would also have been willing to be authors of the amendment. Some of the large farmers of my State are just as antagonistic toward labor, are just as vindictive toward labor as some of the large farmers of California; so I am not singling out that fair rival of Florida's, the State of California, in what I say, because this is something which applies, of course, with equal force to the entire Nation. The reason I mention the fact that it came from California is because there has been an organization in California called the Associated Farmers. I am not asking Senators to take my word or draw upon their imagination, but to consult the records of the Senate as to what the attitude of the Associated Farmers of California—and again I say they are no worse than many of their counterparts throughout the land—has been toward their working people. I refer to the investigation by the La Follette committee, carried on so ably by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] and the distinguished Senator from Utah [Mr. THOMAS]. Mr. President, the records of those hearings are replete with coercion and intimidation and punishment, and almost every unfair labor practice known to the active imagination of labor haters. They keep on eating away at the National Labor Relations Act. At nearly every session of the Congress they have tried to get such a provision as this into the law in order to impair the authority of the National Labor Relations Board to protect these workers in the exercise of their civil rights. If we accede to the motion made by the able Senator from Nevada we shall finally let them accomplish their purpose.

When I speak of the motion of the able Senator from Nevada I do so in no way as a disparagement of the effort of the Senator from Nevada and other Senators to prevent this purpose from being consumated. It will be recalled that this rider came here from the House of Representatives. There was a hearing upon the rider before a subcommittee of the Senate Committee on Appropriations headed by the able Senator from Nevada [Mr. MCCARRAN]; and I believe the subcommittee unanimously rejected the rider. Then the question came before the full Appropriations Committee of the Senate, one of our very able and powerful committees. There again the rider was rejected. It came to the Senate, and the Senate supported its Appropriations Committee and rejected this insidious and invidious rider. We thought that when the bill went back to the House of Representatives that body would not insist upon violating the rules of the Senate that legislation is not supposed to be added to an appropriation bill, and would not persist in its purpose to emasculate the National Labor Relations Act with respect to the packing-house and processing workers engaged in packing and processing agricultural products.

On the contrary, I regret to say, instead of yielding, as the able Senator from Nevada has pointed out, the House of Representatives has had two votes upon the subject. It is holding up the consumation of the entire appropriation bill affecting the Department of Labor and the Federal Security Agency, so determined is it to strike down the rights of the agricultural workers engaged in these industrial occupations in the packing sheds and in the processing operations, and so determined is it to strike down the legal rights of those workers under the law and under the decisions of the courts.

Those of us who have been in the packing sheds know, as the court said in the Whittier case, that for all practical purposes the operations are industrial operations. They are performed through the use of machinery. The employees go to work at a regular time and depart at a regular time. A chain process is employed, and in every characteristic it is an industrial operation.

Why should those workers be deprived of rights which other industrial workers enjoy merely because they happen to be working upon oranges, apples, grapefruit, or some vegetable that comes out of the field? We might just as well exclude all the packing-house workers in the great meat-packing industry on the ground that meat comes from the ranges. It is just as logical to say that the packing-house workers in Chicago are not industrial workers because meat from all over the land is processed and prepared for market in those plants. It is just as logical to say that they are not industrial workers, and are not entitled to the protection of the National Labor Relations Act, as to say that the packing-shed workers in the many States economically affected by this rider are not industrial workers.

This amendment would change the administrative definition of agricultural workers which has been enunciated by the National Labor Relations Board, and change the interpretation of agricultural labor by the United States Supreme Court.

I cannot believe that Members of the Senate are willing to acquiesce in this policy and practice of our sister body. Senators well know that one of the actuating impulses behind this amendment is the fact that packing-shed workers are beginning to organize in all sections of the country—at least in my State, and in other States of the Union. They have a perfect right to do so. I have stated on the floor of the Senate more than once that I welcome the organization of workers in every part of the land. That is the only way by which they can protect themselves. Their only protection is the principle of strength in unity and union. I do not want them to engage in practices which are not lawful or right. I do not want them to abuse their power any more than I want the employer to abuse his power. But they have just as much right to organize a pool of workers and act in concert as have men and women with money to place their dollars in a pool and act in concert through management. It seems to me that the greatest safeguard of the national welfare and security lies in the balancing of the strength of the one against the other, properly umpired under the laws of the land.

The House is not complaining about the right of investors to organize dollars. It is not complaining about the right

of stockholders to act in concert through their directors. It is not quarreling over the right of directors to act in concert through their executives. Organized dollars and organized management speak through a single executive. Neither am I quarreling with that principle. Management has a perfect right to organize. But, Mr. President, the workers have the same right. To take that right away from one class and leave it to the other is a discrimination which is unfair to the working people of the United States.

When labor organizers go into the South and into other sections of the country and attempt in a peaceful manner to organize the workers, how are they met? In some places they meet violence, I regret to say. In some they see the monstrous head of an iniquitous Ku Klux Klan trying to deter them from the exercise of their civil rights. In other cases vigilantes ferret them out in the night and try to punish them for exercising the right of American citizens. In other cases a hostile and vindictive management meets them at the threshhold of the plant and tells them that if the workers even look sympathetic toward an organization every one of them will lose his job. Moreover, those who do attempt to organize will probably lose their jobs. Those who do not lose their jobs will lose their seniority; and those who do not lose either will probably be put to work at tasks which are so obnoxious that out of self-respect, if nothing else, they will quit. That is the objective which many will strive to achieve.

When we face that kind of a situation, and when we have in the law of the land today a procedure by which such disputes may be peacefully solved, are we willing, at the insistence of the House of Representatives and of the Associated Farmers of California or of other sections of the country, to deprive the working people of a peaceful means of redress in labor disputes?

It seems to me that management should not favor such legislation as this, because obviously it will lead to violence; it will lead to strife; it will lead to strikes. Yet we say that we do not want strikes. We say that we do not want violence. Then why take away from these workers the right of redress in a judicial or administrative tribunal, which right they have under the law at the present time?

We have had no experiences under the present system which makes such an amendment as this necessary. The decision from which I read was rendered in 1940. For more than 6 years we have been governed by the procedure laid down by the Circuit Court of Appeals of the Ninth Circuit and affirmed by the United States Supreme Court. For more than 6 years the National Labor Relations Act has made the definition of agricultural labor inapplicable to the packing-shed worker, as it is inapplicable to the canning worker. We have been living under that system for more than 6 years, including the dangerous period of the war. Why change it, Mr. President?

The reason we have been living under that kind of lawful procedure is that time after time in the past 6 years the Senate has done what we are asking it to do today, namely, refuse to accede to the effort of the House of Representatives to emasculate the National Labor Relations Act, and rob the packing shed and processing workers of their right to lawful redress.

In the first place, this proposal is wrong. It is a discrimination against a group of workers which is unjustified. It is a punitive, vindictive effort to strike down the civil rights of these citizens.

In the second place, it would foment strife and dispute, instead of preserving industrial peace in this great and essential industry.

In the third place, it is intended to reverse and set aside not only an administrative adjudication, but the decision of the highest court of the land on this particular subject.

In the fourth place, it proposes to accomplish that purpose, not in a forthright way by legislation, but through a rider to an appropriation bill, which denies us the opportunity fairly to debate the subject and consider it in committee and determine the question.

In the next place, Mr. President, it is, by circumlocution, giving the House of Representatives the power to violate the rules of the Senate, and encouraging it in that vicious practice. The rules of the Senate do not permit legislation to be added to an appropriation bill, for obvious wise reasons. Yet if we permit this practice to continue, if we do not say "No" and stop it, if the House of Representatives is not told that if it wants appropriations for this Government it must confine bills to appropriation subjects, the abuse will grow greater and greater with each appropriation bill that comes to this body.

It seems to be, therefore, Mr. President, that the only proper course for the Senate today is to disagree to the motion made by the able Senator from Nevada, and to say that we will not adopt the recommendation to recede from the Senate amendment. On the contrary, let us vote "no." If a majority of the Senate votes "no" this matter will go back to conference, and we shall say to the House of Representatives that we, too, have deep-seated convictions upon this subject. Our conferees will be in a position, supported by the authority of the Senate, to insist that this bad practice of attempting to legislate upon appropriation bills be stopped. The settlement of appropriation bills will be confined strictly to appropriations, and this unwise, unjust, and improper rider which is before us will be eliminated.

So, Mr. President, I hope the vote will be "nay" upon the motion of the Senator from Nevada.

If other Senators desire to speak on the question, of course, I do not wish to suggest the absence of a quorum at this time. But I think this matter is of such vital importance that we should have a yea-and-nay vote on it. So if other Senators do not intend to address themselves to the subject, I desire to suggest the absence of a quorum.

Mr. WAGNER. Mr. President, will the Senator withhold the suggestion for a moment?

Mr. PEPPER. I withhold it, at the suggestion of the Senator from New York.

Mr. WAGNER. Mr. President, the distinguished Senator from Florida has made such a splendid address and has covered the subject so well that I do not care to make a long statement; but I wish to assert that I hope the Senate will not vote for the motion of the Senator from Nevada, because the whole question involved is one of collective bargaining, and we should uphold the position of the Senate itself, and should vote "nay" on the motion.

In the past there have been times when legislation to do this very thing was proposed, but it never got anywhere either in the House or in the Senate.

So the effort has been made recently, for the second or third time now, to put a rider on an appropriation bill, with the thought that in that way it might be possible to force the adoption of the provision and to destroy the right of collective bargaining on the part of a certain group of our people, having in mind the group of packing-house workers, who are the lowest paid of any group in our economic society today. Mr. President, this is an effort to deprive them of the right to organize and bargain collectively. I recall the period when the Senate was considering the so-called Wagner bill. At that time industry after industry used all the methods at their command in the effort to deprive the workers of the right of collective bargaining.

The present effort is of the same sort. We should stand firm for these unfortunate people, whom others are attempting to deprive of the right of collective bargaining. They now have that right under the National Labor Relations Act. The Social Security Act, however, contains a very broad definition of the term "agricultural worker." As the distinguished Senator from Vermont [Mr. AIKEN] said a little while ago, in the case of a thousand workers who are employed in a packing plant which is industrialized—and, by the way, it is no longer an agricultural industry; it has become industrialized—perhaps one or two members of the organization are doing agricultural work. In that case, under the definition, a union cannot be organized; or if it is already organized, it will be deprived of any right of collective bargaining under the National Labor Relations Act.

So, Mr. President, on the pending question the issue is clear. Those who vote "yea" will vote to deprive these workers of the right to bargain collectively. Those who vote "nay" will say to the House of Representatives, "We will not permit this method of indirection to be used to try to deprive the workers of a right which under a separate bill could not be denied them either in the Senate or in the House of Representatives."

So, Mr. President, I hope and pray that the Senate will stand firm.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. AIKEN. I am sure the Senator from New York has observed that during this debate not one Senator has risen to defend the so-called Elliott rider. The only reason given why we should vote to accept the rider is that the House has

voted for it by a record vote of almost 2 to 1.

Mr. WAGNER. Yes.

Mr. AIKEN. Does not the Senator from New York think, even though the House by a vote of 400 to 1 might vote to deprive a large segment of our people of the rights guaranteed them under the law, that still would not give any Member of the Senate any particular license to vote to follow that wrong or to put it into effect?

Mr. WAGNER. I agree absolutely with the Senator.

Mr. AIKEN. That is the only reason that has been given us as to why we should vote to accept the Elliott amendment.

Mr. WAGNER. And I think it is an invalid reason.

Mr. PEPPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo.	Robertson
Brooks	Johnston, S. C.	Russell
Buck	Kilgore	Smith
Burch	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Swift
Capehart	McCarran	Taft
Capper	McClellan	Taylor
Carville	McKellar	Thomas, Okla.
Chavez	McMahon	Thomas, Utah
Cordon	Magnuson	Tobey
Donnell	Mead	Tunnell
Downey	Millikin	Wagner
Eastland	Mitchell	Walsh
Ferguson	Moore	Wherry
Fulbright	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	
Hart	O'Mahoney	

The PRESIDING OFFICER. Seventy-six Senators have answered to their names. A quorum is present.

Mr. MEAD. Mr. President, I shall detain the Senate for only a short time. I have been attending a committee meeting, and I understand that the Senate is about to vote on the so-called Elliott rider. I was a member of the subcommittee, and also the full committee, both of which considered the matter. I presume that it has been pointed out that the subcommittee, as well as the full committee, took decided action with regard to this question, which was affirmed by the Senate, but not by a record vote. I understand that the other House took a record vote before the Senate voted, and also one record vote since the Senate voted. I hope that we will have a record vote, and that it will sustain the committee so that the bill, containing the Senate amendment striking out the Elliott amendment may be sent back to the other House. The unfairness which would result by adoption of the Elliott rider has been pointed out, as well as the attitude which has been taken by the circuit court of appeals and by the United States Supreme Court. Mr. President, I hope we will stand by the action which was taken by the subcommittee and the full committee of the Senate, and vote against the Elliott rider.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada [Mr. MCCARRAN] that the Senate recede from its amendment numbered 39.

Mr. BALL. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MCCARRAN. Mr. President, as has been stated on the floor of the Senate, the so-called Elliott rider, which was put into the bill on the floor of the House of Representatives, was stricken by an overwhelming vote in the subcommittee and the full Committee on Appropriations of the Senate. On each occasion I voted to strike out the Elliott rider.

We now have arrived at the place where no longer can the conferees on the part of the Senate act without further instructions from the Senate, and they have directed me to make the motion which I have already made. I have made the motion so that the Senate may vote positively and emphatically whether it wishes to recede from its amendment No. 39 and thus retain the rider in the appropriation bill.

Mr. President, if there is one thing which I dislike above all else in connection with appropriations, it is the writing of legislation in appropriation bills. The rule of the Senate is that when a legislative rider is placed in an appropriation bill, the Senator in charge of the bill on the floor of the Senate shall raise the point of order. The Elliott rider was placed in the bill by the other House.

I wish to say that on this question I shall vote to sustain my own motion, but if I am voted down it will not break my heart.

Mr. MURDOCK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MURDOCK. As I understand, a vote "nay" will be against the Elliott rider. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are detained at an important meeting of the Joint Committee To Investigate the Pearl Harbor Attack.

The Senator from Rhode Island [Mr. GERRY] is unavoidably detained.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Maine [Mr. BREWSTER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business, being members of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The result was announced—yeas 23, nays 53, as follows:

YEAS—23

Ball	Gossett	O'Daniel
Bridges	Gurney	Overton
Buck	Hart	Reed
Burch	Hawkes	Robertson
Bushfield	Hoey	Swift
Byrd	McCarran	Wherry
Capper	McClellan	White
Eastland	Moore	

NAYS—53

Aiken	Johnson, Colo.	Radcliffe
Austin	Johnston, S. C.	Revercomb
Barkley	Kilgore	Russell
Briggs	Knowland	Smith
Brooks	La Follette	Stanfill
Capehart	Langer	Stewart
Carville	McKellar	Taft
Chavez	McMahon	Taylor
Cordon	Magnuson	Thomas, Okla.
Donnell	Mead	Thomas, Utah
Downey	Millikin	Tobey
Ferguson	Mitchell	Tunnell
Fulbright	Morse	Wagner
Green	Murdock	Walsh
Guffey	Murray	Wiley
Hayden	Myers	Wilson
Hill	O'Mahoney	Young
Huffman	Pepper	

NOT VOTING—20

Andrews	George	Saltonstall
Bailey	Gerry	Shipstead
Bilbo	Hatch	Tydings
Brewster	Hickenlooper	Vandenberg
Butler	Lucas	Wheeler
Connally	McFarland	Willis
Ellender	Maybank	

So Mr. MCCARRAN'S motion to recede was rejected.

Mr. MCCARRAN. Mr. President, I move that the Senate further insist on

its amendment, request a further conference with the House thereon, and that the Chair appoint the same conferees at the further conference.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. MEAD, Mr. MURDOCK, Mr. WHITE, Mr. BALL, and Mr. BRIDGES conferees on the part of the Senate at the further conference.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4080) to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BOYKIN, Mr. LANHAM, and Mr. HARTLEY were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2, 3, and 4 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate numbered 1 to the bill.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS, 1947

Mr. GREEN. Mr. President, I move that there be laid before the Senate the action of the House on Senate amendment numbered 7 to House bill 5452.

The motion was agreed to, and the Presiding Officer laid before the Senate a message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 5452, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S., *July 11, 1946.*

Resolved, That the House further insist upon its disagreement to the amendment of the Senate numbered 7 to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes.

Mr. GREEN. Mr. President, I move that the Senate recede from its amendment numbered 7, which is the only point in difference between the Senate and the House.

Mr. McKELLAR. Mr. President, before action is taken on the motion, I think it should be stated what the motion affects.

What is before the Senate is the so-called silver amendment. Several days ago we had a vote on it, and while I do not believe there was a yea-and-nay vote, by a considerable majority a compromise amendment was adopted and sent to the House, but was rejected by the House.

The provision which the Senate had under consideration was put into the Treasury and Post Office appropriation bill by the House, so it was not subject to a point of order in the Senate. If it had been, I would have made the point of order, and disposed of the matter in that way. The provision should not be a part of the Treasury and Post Office appropriation bill. It has tied that bill up for 2 or 3 months, if I remember the dates correctly. Today is the 12th of July, and on the 15th, unless the bill is passed, the employees of the Treasury Department and the Post Office Department will be without pay, as they are paid twice a month, on the 15th and the 1st.

The more closely I have examined the silver situation the worse it has grown, so far as I am able to determine. I have found by actual purchase of silver articles that silver has risen in price three or four times what it used to be, while everything else was held down by price controls or otherwise.

It is proposed that the Government sell silver to the manufacturer of silver commodities at 71 cents an ounce. The provision is "not less than 71 cents an ounce." When we have passed the law, it has always been taken to mean 71 cents an ounce, and the Treasury sells it to the silver manufacturers at 71 cents, a very low price for silver.

Who will make the profit, with the prices of manufactured silver articles as high as they now are, when the manufacturers can get silver from the Government, if the amendment shall be agreed to, at the low price provided? It will be the manufacturers, and of course the manufacturers are very much in favor of it. I do not blame them. Anyone who is getting something out of the Government at a low price, or getting something for nothing, is always, of course, very much in favor of it, and the manufacturers of silver are very much in favor of leaving the law as it is, because they get this subsidy from the Government; that is what it amounts to.

Mr. BARKLEY. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. Is it or not true that the manufacturers who buy silver from the Government at the 71-cent rate are in competition with silver manufacturers who pay the market price for silver outside the Government's supply?

Mr. McKELLAR. If they buy it outside, of course they are.

Mr. BARKLEY. The price of the silver finished product is approximately the same, to those who buy it, whether the manufacturer pays 71 cents, or 90 cents, or whatever the price may be. I think the market price now is about 90 cents. In other words, the manufacturers do not make any reduction in the price of the finished product because they get the silver at 71 cents instead of 90 cents?

Mr. McKELLAR. Oh, no; they do not make any reduction. What they are getting is a subsidy from the Government, if we adopt the provision suggested. I think it would be little short of outrageous for us to agree to such a provision as that for the benefit of a very small portion of our population. I do not think we should do it.

Mr. BARKLEY. If the Senator will permit, I have here a statement issued yesterday by Handy & Harmon, precious metal merchants with offices at 82 Fulton Street, New York, dated July 11, in which it is said:

> The issue over release of Treasury silver is still in the hands of the Senate-House conference committee and no agreement has been reached as yet.
>
> Meanwhile, in the absence of any OPA ceiling, silver has been offered in the market today, and we have established a New York official quotation of 90½ cents.
>
> It has been possible for us to buy silver today, so we will sell to customers as we always have, on the basis of the current day's quotation.

That is 90½ cents.

Mr. McKELLAR. Mr. President, of course it is absolutely unfair and unjust to give a small body of our citizens this gratuity, this subsidy, at the expense of all the people, and no legislative body ought to be guilty of permitting such a thing. I do not have the slightest interest in silver in any way, shape, or form, except as I get a few dimes and quarters and half-dollars occasionally. I am not interested in the slightest degree in silver. I am not interested in the manufacturers of silver. Two or three manufacturing houses in my State that have written me favor the subsidy, but I feel that it is my duty as a legislator to do what is the right thing toward all the people, and the right thing in this case is not to grant the subsidy. Incidentally, I have no doubt I may lose a few votes on account of my position, because when a Member of Congress does not vote for what some of his constituents want they will be against him. I will have to take that chance and I am taking it in this matter. There are no voters on the other side of the question. So the matter of votes does not enter into the equation in my consideration of the question.

With the world price of silver what it is, I do not think this body ought to sell silver to the favored few at 71 cents an ounce and allow them to sell it at the enormous increase in prices at which they are selling it today, amounting to $3 or $4 an ounce, after it is manufactured. For that reason I appeal to the Senate, just as I appealed to the Senate the other day to vote down the motion made by the Senator from Rhode Island.

The Senator from Arizona [Mr. HAYDEN] and I—the Senator from Arizona doing most of the work—arranged this compromise and put it forward. We thought it would be acceptable to everyone. It ought to have been acceptable to everyone. No one should have objected to its terms. The price of silver being what it is today, the compromise would do no one any harm. It would give no one a subsidy. It would not favor a group that ought not to be favored. We ought to be fair and just in this matter, and for that reason, much as I love the Senator from Rhode Island personally, I hope his motion will be voted down. I am very anxious that it be voted down. I ask the Senate to repeat the vote it made the other day, and

uphold the compromise which was then adopted.

Mr. HAYDEN. Mr. President, I have read the RECORD of what occurred in the House with respect to this matter. One of the statements made upon the floor was:

> The Senate acted entirely without a roll call and without consideration of the merits of this matter after the House had a roll call. They asked for a conference without any authority to go to a full and free conference, which is something we should not do.

The House totally misunderstood the attitude of the Senate with respect to a full and free conference. What the Senate did was to say, "We will agree with the House that we will not advocate $1.29 for silver." We offered them a compromise at a lower price, which was 90.3, and we would go to conference and talk with the House conferees about it. Of course it would still be a free conference. Only day before yesterday when a conference was held in the Appropriations Committee room on the Government corporations bill, the House conferees came instructed not to agree to a Senate amendment providing for a fertilizer plant at Mobile, Ala. Because they came instructed we did not decline to meet with them. Under these circumstances my suggestion is that the Senate have a yea-and-nay vote, that it vote down the motion made by the Senator from Rhode Island, and that then the Senate ask for a further conference with the House. I think if we go to conference after such action we can arrive at a compromise. A compromise is asking someone who asks more to ask less, and someone who offers less to offer more. That is what we can do, and we can adjust the matter if we go to a conference of that kind. What the House did was to decline to appoint conferees. We have to ask them for a conference again, and should do so after we have had a yea-and-nay vote. I therefore ask for the yeas and nays on the motion made by the Senator from Rhode Island.

The yeas and nays were ordered.

Mr. BROOKS. Mr. President, I desire to reiterate what I said on a previous occasion when this question was under consideration, and to ask that the Senate action be reversed. We were told that we had to hurry and agree to the compromise in order to provide for paying the employees of the Treasury Department and the Post Office Department. It was said that the proposed compromise had not been voted on by the House. We agreed to the compromise, and then the House voted "no." Now it is proposed that we take one more jab at what the House has three times refused to do.

Mr. HAYDEN. The House has never voted on this proposition. The last vote the House had with respect to the measure was whether it would agree to a dollar and 29 cents an ounce. We knew they would not agree to that. Anyone who was familiar with conditions there, as a great many Senators are, must have known that the House would not agree to that.

Mr. BROOKS. What did the House vote on since the Senate voted last?

Mr. HAYDEN. The House simply declined to have a further conference, because the House apparently did not like the way we went at it and instructed our conferees. But we should not instruct our conferees this time. We can simply vote and go back to a conference without instruction. We can come to an accord in the matter.

Mr. BROOKS. Mr. President, I desire to speak in behalf of the motion made by the Senator from Rhode Island. I am, of course, interested in the situation respecting the employees of the two departments, but I am more interested in the way the legislation concerning silver has been held up in the Senate, thereby forcing out of employment all over the country, hundreds and thousands of employees who are engaged in photographic work, in the manufacture of jewelry and in the manufacture of silver articles. Some of us have been pleading for months to get some action on this subject. Three times the House has said it will not go above 71 cents. I think it will be a futile thing to go back to the House again.

I wish to say once more that constantly I have been opposed to subsidies. It is rather strange to hear, in connection with the silver situation, the cry raised against a subsidy which is small in comparison with the subsidies for which the Senate has voted time after time.

Mr. HAYDEN. The Senator may not be aware that the trade is willing to pay the price represented by the compromise. The fact is that the market price, as it was read into the RECORD today, is 90 cents. The difference between that and 71 cents, on 100,000,000 ounces of silver, which is about what will be purchased, will mean $20,000,000 to the Treasury of the United States. That is what it will mean to the Treasury of the United States if the manufacturers buy silver at the market price of approximately 90 cents, as compared to 71 cents. We should ask the manufacturers to pay the market price.

Mr. BROOKS. My plea is, Mr. President, that we have some action. Three votes have been taken in the House, which show that the House has made up its mind on this question.

Mr. MEAD. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. MEAD. I am in sympathy with the position my colleague from Illinois has taken in this matter. I believe he has stated the House position accurately, with the exception that the House provision will permit the Treasury to pay a sum in excess of 71.1 cents an ounce, if it is the determination of the Treasury to do so. In other words, it puts the floor at 71.1 cents, below which the Treasury will not go, but it can go higher. Therefore it occurs to me that we ought to agree with the House because, as my colleague from Illinois has well said, the House has taken a determined stand on several occasions, and we have only been postponing action by what we have done heretofore. I should like to see a record vote taken, and I should like to see the position of the Senate more in harmony with the position taken by the House.

Mr. BROOKS. I thank the Senator.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BROOKS. I yield.

Mr. REVERCOMB. I should like to address this question to the Senator from Arizona. Was I correct in understanding him to say that if the matter went to conference there was the possibility of a compromise below the 90.3 cents?

Mr. HAYDEN. If we go to a free conference we can come to any particular point we want to. We can go to conference and recede, and agree with the House. We can go to conference and agree to make the price $1, so far as the conferees are concerned. I would not advocate anything of that kind, because the Senate has voted that the price should not be more than 90.3. As a conferee I would feel that we could not ask more than that.

Mr. REVERCOMB. That is the point I want to bring out. If a further conference is had, the price may be raised above 90.3?

Mr. HAYDEN. No; as a conferee representing the Senate I myself would not feel that anything like that would be justified.

Mr. BROOKS. Would the Senator feel that a compromise between 71 cents and 90 cents was within the province of the conferees?

Mr. HAYDEN. Certainly.

Mr. BROOKS. Very well. I hope the motion of the Senator from Rhode Island will prevail.

Mr. TAFT. Mr. President, we have had this silver question before us all of this session. From the very beginning I was appealed to to try to have silver made available here, simply because enough silver to supply the American industry was not available in the rest of the world. It seemed to me that those interested in silver ought to be able to pay the world price for silver, whatever it may be. But silver is so controlled that as a practical matter the Government fixes its price. The Congress fixes the price of silver, and when we come down to the ultimate analysis of what we should do we must determine what is a fair price for silver. I do not see any way that we can avoid that question.

I myself think that 90 cents is a fair price for silver for the next 2 years. I objected very strenuously to going beyond that point and fixing a price of $1.29, but, so far as the present price is concerned so far as we can judge from world price figures—and they are not very reliable because the Government has control of the price—90 cents is a fair price from the point of view of supply and demand. Silver has not been produced during the war, so it is in short supply, and the demand is just as great as it has ever been, or even greater.

That is not a condition peculiar to the situation after this war. After the previous war, silver went to $1.37 an ounce before it came down again. Subsequently, it came down to something like 35 or 40 cents an ounce. But, so far as we are concerned, we must determine what the fair price of silver is. Apart from the world price—the supply-and-demand price—apparently the cost of production has increased in the case of silver as it has increased in the case of all other

articles. It seems to me that the increase in price from 72 cents to 90 cents is a very fair estimate of what the increased cost of producing silver is. If we have the obligation of fixing the price, I think it should be fixed at 90 cents. I believe that the compromise reached between producers and users of silver was very fair and in accord with general conditions which exist throughout the world.

I talked with several House Members this morning, and the objection they made was, "The Senate has never taken a vote on the subject. We think that perhaps only a few Senators favor a price of 90 cents, and that if a vote is taken some other figure will be favored." So I believe that if we take a vote and determine that 90 cents is a fair price—and I believe it is—the House will accept it.

I hope very much that the motion of the Senator from Rhode Island will be rejected.

Mr. WALSH. Mr. President, I should like to make some inquiries of the Senator from Rhode Island.

I understood the Senator from Rhode Island to state on the floor of the Senate the other day that the Treasury Department made no objection to the price of 71.11 cents. Is that correct?

Mr. GREEN. I stated that the Secretary of the Treasury wrote to the Senate Banking and Currency Committee, when the Green bill was before it and hearings were being held, that he favored the bill. The bill calls for a price of 71.11 cents.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WALSH. In a moment.

During the debate 2 days ago the able Senator from Arizona [Mr. HAYDEN] read a letter from the Treasury Department. From the first reading of the letter it would appear that the Treasury Department had taken a different position. As I read the letter—and I ask the Senator if this is true—the position of the Treasury is that if the Congress wishes to increase the price, the Treasury will go along with it; but it has not changed its position as previously presented to the committee.

Mr. GREEN. I have not seen the letter. I heard it read on the floor of the Senate. But as I heard it read, it seemed to me entirely consistent. The Secretary did not say that he had changed his position as to the price of 71.11 cents in the original bill. As I understand, he stated that if the Congress should determine to fix a price of 90 cents, he would go along with it. Of course he would.

Mr. WALSH. I have the letter before me. It reads, in part, as follows:

> If the Congress should decide that Treasury silver is to be made available for industrial use only at a price of approximately 90.3 cents an ounce, and at the same time that the price paid by the Treasury for newly mined domestic silver should be increased to approximately 90.3 cents an ounce, the Department would not be disposed to object. On the other hand, the Treasury would be strongly opposed to any legislation ultimately increasing the price paid by the Treasury for newly mined silver to $1.29.

I interpret that statement to mean that the Treasury said that it was up to the Congress. But when the bill was first presented apparently the Treasury Department was content with the prevailing price, namely, 71.11 cents.

Mr. GREEN. Very true; and so far as I know it has never contradicted that position.

Mr. WALSH. The Senator is now referring not only to what was developed at the hearings, but also the results of various conversations with agents of the Treasury. Is that correct?

Mr. GREEN. The Senator is correct.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WALSH. In a moment. As I understand, the price which the House has agreed upon would last for 2 years.

Mr. GREEN. That was the provision in the original bill.

Mr. WALSH. It is in this amendment.

Mr. GREEN. That was in the language of the House appropriation bill.

Mr WALSH Under the language of the bill as it comes to us from the House, it is permissible for the Treasury Department, in its judgment, to increase the price at any time during the next 2 years.

Mr. GREEN. A floor was put under the price, but there was no ceiling. The Treasury can charge not less than 71.11 cents, and it can go up to 90 cents if it feels that that is justifiable. If it wished to do so it could go up to $1.29.

Mr. WALSH. Who originally fixed the price of 71.11 cents? Was that done by Congress or by the Treasury?

Mr. HAYDEN. I can tell the Senator the answer to that question. That price was originally fixed by an act of Congress passed in 1936. The late Senator Alva Adams, of Colorado, introduced the bill.

Mr. WALSH. But that act has been continued from year to year.

Mr. HAYDEN. No.

Mr. WALSH For how long a time?

Mr. HAYDEN. It is permanent law.

Mr. WALSH. Why is it terminating now?

Mr. HAYDEN. It does not terminate. With respect to the price paid to American miners for producing silver mined within the United States or any of its possessions, the law provides that the seigniorage shall be 45 percent, and the miner shall receive 55 percent of the value. When we translate the 45-percent seigniorage and the 55 percent paid to the miner, it amounts to 71.11 cents.

Mr. WALSH. If no action at all were taken, and this entire amendment were eliminated, what would the price for commercial silver be?

Mr. HAYDEN. The price which the miner would receive for his silver would be approximately 71 cents. The price for commercial silver, according to today's quotation, would be 90 cents.

Mr. WALSH. Why has the price not been changed before?

Mr. HAYDEN. Because there was an OPA ceiling.

Mr. WALSH. What was that?

Mr. HAYDEN. The OPA ceiling was fixed at 71.1 cents.

Mr. WALSH. How long has that been in effect?

Mr. HAYDEN. Ever since the OPA fixed the ceiling. In the absence of a ceiling, the market price is 90⅛ cents.

The Senator referred to conversations with agents of the Treasury. I think it would be proper for me to say that when this compromise was under consideration at the beginning I conferred with Mr. Vinson, Secretary of the Treasury, and asked him what he thought would be a fair thing to do. He stated that Mr. White was his expert in the matter, and asked me to consult with him. I did so. When we talked about the price of 90 cents, Mr. White said, "I think that would be a fair price. It amounts to an increase of 26½ percent over the price fixed 10 years ago. Prices in general have gone up more than that. I think that would be a fair price, and the Treasury should not object to it."

That is why I contend that this letter implies that the Treasury would be entirely satisfied with that price. The same statement is repeated in a letter written by the Acting Secretary of the Treasury to the House of Representatives. The Treasury Department is satisfied at this moment with this price, and will be glad to operate under it.

Mr. WALSH. If the language in the House provision is retained, tomorrow, or after this law becomes effective, the Secretary of the Treasury can increase the price to the market price if he wishes to do so.

Mr. HAYDEN. Undoubtedly he has that privilege, but he has never previously changed the price when Congress has fixed it, and I doubt if he would do so in this case. Congress has fixed the price to the miner at 71 cents. Why should we pay the miner 71 cents and charge someone else 90 cents? It is not logical.

Mr. WALSH. In view of the insistence of the House, I think we ought to agree to the House attitude. As I understand, the House has taken two votes on the subject.

Mr. GREEN. Mr. President, will the Senator from Massachusetts allow me to finish my reply to his question?

Mr. WALSH. Certainly.

Mr. GREEN. The Secretary of the Treasury was not the only one who wrote to the Senate committee approving the bill which included the price of 71.11 cents. There were also letters——

Mr. WALSH. What date was that?

Mr. GREEN. I think that was last November. The Administrator of the Civilian Production Administration also wrote a letter to the same effect. The Administrator of the Office of Price Administration also wrote a letter favoring Senate bill 1508, which contained the same language as that incorporated in the House appropriation bill.

Furthermore, I cannot understand the violent objection on the part of some Senators to my motion based upon the letter of the Secretary of the Treasury. If the Secretary of the Treasury wishes to sell silver at 90 cents, and feels that that is a fair price, he has the authority to sell it at that price.

Mr. McKELLAR. He has never done so under the present law.

Mr. WALSH. The language is "not less than 71.11 cents." He may sell it for any additional amount he may fix.

Mr. GREEN. It is in his discretion. So what is the reason for the violent opposition to letting him have the discretion, if it is claimed that he is in favor of a price of 90 cents?

Mr. TOBEY. Mr. President, I wish to address my remarks to the Senator from Nevada [Mr. McCARRAN].

Some years ago the silver question was before the Senate, and the late lamented senior Senator from Nevada, Senator Pittman, was speaking. The question involved was an increase in the price of silver. It had already increased, and it was desired that it go still higher. Taking the disparity between the price of silver a few years ago and the price under the new legislation, I asked him how much the wages of the toilers who worked in the mines to produce the silver had increased, and whether they had increased in proportion to the rise in the price of silver. It developed from his own testimony that wages had not risen at all, while the price of silver had gone up very materially.

My question is this: Have the wages of the men who work in the mines, the toilers who produce silver, increased as the price of silver has risen? If so, to what extent?

Mr. McCARRAN. I suppose I should give the answer in percentages. At this moment I am unable to do so. However, I quote liberally from the testimony before the Committee on Appropriations. When the mine operators and owners were before the committee they testified that wages and other costs of production, such as powder, steel, and other equipment necessary for mining, had increased to a far greater extent than the increase which was sought in the price of silver.

Furthermore, and I call this matter especially to the attention of the Senate, today, with one exception, there are no straight silver mines in operation. The exception is one mine in the State of Idaho, known as the Sunshine Mine, which has a ledge that runs rich in silver. But all other silver produced in the United States today comes as a byproduct from the production of copper, lead, and zinc.

Mr. MURDOCK. Mr. President, will the Senator yield to let me speak on the question of wages.

Mr. McCARRAN. I do not have the floor.

Mr. TOBEY. I yield.

Mr. MURDOCK. I should like to call the Senator's attention to the fact that strikes in the metal mines in my State were just recently settled on the basis of a wage increase of 18½ cents an hour. That happened within the last week.

Mr. TOBEY. I am glad to have that information, because it is in such marked contrast to the testimony of the late Senator Pittman, and I wondered whether there had been some change to the benefit of the men who do the toil.

Mr. McCARRAN. Let me say that I believe it was in 1934 when the late Senator Pittman was working to get through his Silver Purchase Act, to which the Senator from New Hampshire has referred. At that time the increase in wages paid to the miners was not what it is today. Today the situation is very different, and conditions in every respect are much different.

But I wish to recur, if I may in the Senator's time, to the point that during the war the Secretary of the Treasury came before what is known as the Silver Committee of the Senate and again requested that we cooperate with him and give our sanction, as much as we could, to having him send silver to Great Britain. We asked him why it was that he did not get silver from other sources. He repeatedly said, and I use his very expression, "Gentlemen, I have scraped the bottom of the barrel of the world to get silver." And that is true. The facts have established it since that time.

In order for us to get silver, it must be taken from the earth. In order to take it from the earth, we must meet the cost of production of silver from the earth. The 90-cent compromise will in a measure, and a slight measure, indeed, meet the cost of production.

Mr. TOBEY. I thank the Senator.

Mr. MILLIKIN. Mr. President, I should like to make an observation supplementing that which has been made by the distinguished senior Senator from Nevada. There seems to be an impression, which I believe has been rather studiously cultivated, that Senators from the silver States are out to oppress the fabricators of silver.

In the first place, it is clear, I believe, without argument, that no silver fabricator has a right to go to the Treasury of the United States and buy silver at a price below its monetary value. Obviously, the Treasury can take the unmonetized silver which it has, monetize it, and pay $1.29 worth of debt for every ounce of it. But during the war a number of nations, as has been pointed out by the distinguished senior Senator from Nevada, and the silver fabricators made it clear that they had scraped the bottom of the silver barrel. The fabricators said "We cannot keep our men employed unless we can get silver from the Treasury."

Mr. President, that is a very extraordinary procedure. The ordinary citizen who wants to buy property of the United States must buy it at the highest bid. But in order to meet the emergency in which the fabricators found themselves, all of us cooperated. Although we believed that silver was worth $1.29 an ounce, because it would liquidate $1.29 worth of debt of the United States, all of us cooperated in seeing that for a temporary period, while the emergency lasted, the fabricators could get silver for 70 cents an ounce.

Today everything has gone up in price. Today silver in the free market of this country is 90 cents an ounce. We are still willing to try to accommodate the silver fabricators, and we have tried to make an adjustment between the two extremes of $1.29 an ounce, on the one hand, and 70 cents an ounce, on the other hand. We have tried to make a compromise or an adjustment price of 90.3 cents an ounce, which I respectfully submit is a fair, sound adjustment between what otherwise would have been two irreconcilable positions.

So, Mr. President, I earnestly hope that the Senate will reject the motion of the Senator from Rhode Island.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

Mr. REED. Mr. President, on this question I have been one of the conferees on the part of the Senate from the beginning. I have been one of the conferees who has steadily gone along trying to find a common ground. I have felt that the silver-producing States and the users of silver have been entitled to all the consideration that the conferees have extended to them.

On the other hand, it should be evident to anyone who will take the pains to read the record of the proceedings in the House yesterday that there is no apparent change in the attitude of the conferees on the part of the House. It is true that in the House yesterday the point was made that the Senate had not actually taken a vote on the matter. Therefore, I am in favor of having the Senate take a vote on it, and I shall vote against the motion of the Senator from Rhode Island.

But the Senator from Illinois is not far wrong when he says that he can detect no change in the attitude of the conferees on the part of the House. If we read the RECORD yesterday, we find that that is the case.

One of the conferees on the part of the House has been willing to accept a price of 90 cents an ounce at any time. But the other conferees would not agree with him. Representative O'NEAL, who is chairman of the conferees on the part of the House, made this reply:

> The purpose of the committee is to further insist on the disagreement to the Senate amendment which means that we shall stand by the provisions of the House bill as originally passed by the House.

That bill carries silver at 71 and a fraction cents an ounce.

Then the following occurred:

> Mr. CHENOWETH. As I understand the situation, the Senate yesterday voted to amend its position to agree to a price of 90.3 cents.
>
> Mr. O'NEAL. In effect, that is the major change.
>
> Mr. CHENOWETH. Do I understand that the gentleman is opposed to that?
>
> Mr. O'NEAL. The gentleman representing the committee is opposed to that.

But, Mr. President, I think the solution is easy enough to reach. We have been worrying with this question now for 3 months. If it will do the House any good to have the Senate take a yea-and-nay vote on the question, I am in favor of having the Senate take such a vote, and to make one more effort. After we have made one more effort, I shall ask to be relieved from further service on the committee of conference, unless an adjustment is reached.

Mr. MAGNUSON. Mr. President, I wish to say that there is another reason why we should do something about silver. Under the price of 71.1 cents an ounce, many silver mines are not operating. In many cases silver is a byproduct which is obtained from the production of lead and zinc and copper. Lead is today one of the scarcest commodities in the United

States. There is a very great shortage of lead. The storage-battery situation will become acute in the next few months unless more lead is produced. So the situation is acute, not only with respect to silver, but with respect to lead and zinc; and it will become even more acute unless something is done about this situation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island. On this question the yeas and nays have been ordered. The clerk will call the roll.

Mr. GREEN. Mr. President, in view of the statements which have been made on this question, I wish to make a few brief comments before the vote is taken.

One is with respect to the appeal which the able Senator from Tennessee made in the interest of the post-office clerks and the Treasury clerks. As I stated the other day when this matter was before the Senate, if my motion had been adopted at that time, this bill would have gone to the White House that afternoon. But hopes were held out—in fact, I think I may say that expectations were held out—that if the Senate took the opposite action, the House would concur.

The other point is that reference has been made to the small number of persons who are interested or concerned with this legislation. If we consider, not only the manufacturers in the various businesses which are concerned with this question, but the electric industry, the motion-picture industry, the dental-supply industry, the photographic industry, and the silver-plating industry, we must realize that hundreds of thousands of employees are concerned. Many of them already have been thrown out of work, and many more are threatened with a cessation of work unless this legislation is enacted. That is one point.

The other point is that reference has been made to the market price. There is no such thing as a market price on silver. I think the very letter which was read here this afternoon proves that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield to me?

Mr. GREEN. I prefer to finish my brief statement, and then I shall be glad to yield.

Mr. President, up until day before yesterday, Handy & Harmon, whose letter was read, made a quotation of 70 and a fraction cents as the price of silver. Then, the day before yesterday, the Senate affirmed 90 cents as the price. The bill went to the other House. It was confidently expected that the House would pass it. The next morning the market price was quoted at 90 cents and a fraction. One day the price was 70 cents. The next day after the motion was agreed to by the Senate the price was 90 cents, and the next day the market price was 90 cents. I maintain that the market price is coincidental with the arbitrary price fixed in the legislation.

Mr. JOHNSON of Colorado. The Senator's comments on the price of silver are very interesting. I believe that in 1942 he introduced a bill providing for 50-cent silver. Am I not correct? Did not the Senator have a bill before the Congress to sell silver out of the Treasury at 50 cents an ounce?

Mr. GREEN. In the bill which I introduced the price was 71.11 cents. The second time the bill was before the Congress, 2 years later, the price was 71.11 cents. I hope that now, for the third time, the Senate will take some action at 71.11 cents.

Mr. JOHNSON of Colorado. Did the Senator fix in his bill the price of 50 cents?

Mr. JOHNSON of Colorado subsequently said: Mr. President, earlier in the day, during a colloquy between myself and the Senator from Rhode Island [Mr. GREEN], I mentioned the fact that at one time he sponsored legislation which provided for a price of 50 cents an ounce for silver. I ask unanimous consent to have inserted in the RECORD at the close of the colloquy a copy of the bill, Senate bill 2768, which was introduced by the Senator from Rhode Island.

There being no objection, the bill (S. 2768) to authorize the use for war purposes of silver held or owned by the United States was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, the President is authorized, through the Secretary of the Treasury, upon the recommendation of the Chairman of the War Production Board, to sell or lease, upon such terms as the Secretary of the Treasury shall deem advisable, to any person, partnership, association, or corporation, or any department of the Government, for use in furtherance of the war effort, including but not limited to the making of munitions of war and the supplying of civilian needs contributing to the war effort, and the converting of existing plants to those purposes, any silver held or owned by the United States: *Provided*, That the average price for all silver sold under this act shall not be less than 50 cents per fine troy ounce: *Provided further*, That at all times the ownership and the possession of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury.

SEC. 2. Authority to sell silver under this act shall expire on December 31, 1944.

SEVERAL SENATORS. Vote! Vote!

Mr. BRIDGES. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island [Mr. GREEN] that the Senate recede from its amendment No. 7.

On this question the yeas and nays having been ordered; the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The result was announced—yeas 25, nays 54, as follows:

YEAS—25

Aiken	Gerry	Radcliffe
Ball	Green	Revercomb
Brewster	Hart	Smith
Bridges	Hawkes	Tobey
Brooks	Lucas	Wagner
Buck	McMahon	Walsh
Byrd	Mead	Wherry
Capehart	Overton	
Ferguson	Pepper	

NAYS—54

Austin	Hoey	Myers
Barkley	Huffman	O'Daniel
Briggs	Johnson, Colo.	O'Mahoney
Burch	Johnston, S. C.	Reed
Burnfield	Kilgore	Robertson
Capper	Knowland	Russell
Carville	La Follette	Stanfill
Chavez	Langer	Stewart
Donnell	McCarran	Swift
Downey	McClellan	Taft
Eastland	McKellar	Taylor
Fulbright	Magnuson	Thomas, Okla.
George	Millikin	Thomas, Utah
Gossett	Mitchell	Tunnell
Gurney	Moore	White
Hayden	Morse	Wiley
Hill	Murdock	Wilson
	Murray	Young

NOT VOTING—17

Andrews	Ellender	Shipstead
Bailey	Hatch	Tydings
Bilbo	Hickenlooper	Vandenberg
Butler	McFarland	Wheeler
Connally	Maybank	Willis
Cordon	Saltonstall	

So Mr. GREEN's motion was rejected.

Mr. McKELLAR. Mr. President, I move that the Senate further insist on its amendment numbered 7, ask for a further conference with the House thereon, and that the chair appoint the same conferees who were appointed before.

Mr. GREEN. Mr. President, I should like to know what is meant by appointing the same conferees who were appointed before. At the first conference I was one of the conferees on the part of the Senate. I have read in the RECORD, however, that at the second conference I was not included. We are now to have a third conference and the Senator from Tennessee requests that the same conferees be appointed.

Mr. McKELLAR. Mr. President, I am sure that the conferees on the part of the Senate should include the Senator from Rhode Island, because he was supposed to be among the Senate conferees at the previous conferences which were held on this matter.

Mr. GREEN. Unfortunately, the RECORD does not show that I was among the Senate conferees at the second conference.

Mr. McKELLAR. I am very sorry. Of course, the Senator from Rhode Island should be one of the Senate conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. McKELLAR, Mr. HAYDEN, Mr. GREEN, Mr. BAILEY, Mr. WHITE, Mr. GURNEY, and Mr. REED conferees on the part of the Senate at the further conference.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BRIDGES. Mr. President, I send an amendment to the desk which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from New Hampshire.

The CHIEF CLERK. On page 9, between lines 14 and 15, it is proposed to insert a new paragraph, as follows:

> No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or in substantial part therefrom.

Mr. BRIDGES. Mr. President, I wish to ask for immediate consideration of the amendment. My explanation of it will be very brief.

Day before yesterday an amendment offered by the Senator from Kansas [Mr. REED] was rejected by a small majority. There were certain fears expressed that the amendment was too wide in scope, and that it would have a very general effect upon a widespread variety of commodities. My amendment is more limited.

Mr. President, the amendment is very simple. It takes controls off grains, and, as the Senate can see by reading it, the amendment imposes definite limitations. So far as poultry and livestock feeds are concerned, instead of applying to all processed or manufactured commodities with grain as a basis.

In other words, it would not affect grain manufactured, we will say, into "Post Toasties," or corn sirup, or flour for bread, or any commodities of that kind. It is aimed primarily to meet the desperate situation in sections of the country which are deficit grain areas. By deficit grain areas I mean sections like New England, and States like New York, Pennsylvania, New Jersey, Delaware, in the East, and States like Oregon, Washington, California, and other States in the Pacific coast area, which must have grain from the great Middle West section in order to feed livestock and poultry.

The situation has been very desperate up to date in these areas, and has brought about wholesale liquidation of poultry flocks and liquidation of dairy herds, and the condition will grow acutely worse.

The amendment is direct, it is aimed to relieve in the future a very desperate situation, and I ask for favorable action on it.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. OVERTON. As I understood the Senator's amendment, it includes livestock, poultry, and eggs?

Mr. BRIDGES. I will read the amendment to the Senator. It provides:

> No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or in substantial part therefrom.

Mr. OVERTON. I thank the Senator.

Mr. TOBEY. Mr. President, I rise to endorse and second the statement made by my distinguished colleague, the senior Senator from New Hampshire [Mr. BRIDGES]. This matter has been on our hearts and in our minds for a long time. It comes from a desperate need in New England and the Northwest.

When the OPA control on grain was lifted, as it automatically was on the 1st of July, grain began to come to New England, and the men, women, and children of that section felt encouragement instead of discouragement. Grain came, and the flocks were being fed, and there was new hope in the hearts of those people.

As evidence of that, I wish to read two telegrams. One is from George M. Putnam, head of the Farm Bureau Federation of New Hampshire and long-time director of the American Farm Bureau Federation, known in this country as the grand old man of agriculture. There is no finer American citizen. He knows agriculture through and through, and his whole life has been devoted to the farmers and rural population of America. His telegram, dated yesterday, reads as follows:

> CONCORD, N. H., *July 11, 1946.*
>
> Senator CHARLES TOBEY,
> *Senate Office Building:*
>
> We appreciate action taken by Senate on dairy, poultry products, and meat. We regret failure to include feed grains. Letting ceilings back on grain is about the worst thing that could happen to our poultry and dairy industries in New Hampshire. Since OPA went out our grain men have been able to buy. If ceilings come back we will be in same situation as before, which you know was approaching a calamity. Is there any way left in which feed grains can be removed from ceiling control.
>
> GEORGE M. PUTNAM,
> *President, New Hampshire Farm Bureau Federation.*

The second, like unto the one I have just read, is from Andrew L. Felker, Commissioner of Agriculture of New Hampshire, a man of the utmost probity and character. He telegraphs me as follows:

> CONCORD, N. H., *July 11, 1946.*
>
> Senator CHARLES W. TOBEY,
> *Senate Office Building,*
> *Washington, D. C.:*
>
> Senate vote on grain amendment pending OPA bill will cause all favorable gains secured last 10 days to turn to losses. Will reinstate black-market practices. Increased grain supplies purchased and now moving in has helped livestock feeding greatly and saving the remnants of our poultry industry. With livestock prices in the West ranging higher than ever, control on grain will prevent any but meager supplies reaching this area. We are shocked at the result of the vote, and believe inestimable loss will accrue to livestock and poultry interests in New Hampshire. No complaints received from poultrymen or dairymen as regards increased prices on grains since OPA law ended. If nothing else can be done to correct this bad situation, feel that Reed amendment offered freeing all grain so far purchased and under contract for delivery up to August 1 will be helpful to New England.
>
> ANDREW L. FELKER,
> *Commissioner.*

Mr. President, I can state on my own reputation that what Andrew Felker and what George Putnam say about the dire situation represents the views of every commissioner of agriculture and every member of the Farm Bureau in New England. This is a desperate situation. Relief has come. Do not close the doors now. I appeal, with my colleague, that the ceiling be taken off grains for feeding purposes. Make it possible for the people of these areas to get some grain, and save the rural life of New England and the other areas from great suffering and loss and tragedy.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. SMITH. The Senator agrees with me, I think, in the statement that if we do not remove these controls the grain will go to beef cattle and hogs.

Mr. TOBEY. There can be no question about that.

Mr. SMITH. And our dairy herds and poultry flocks will have to be liquidated.

Mr. TOBEY. Nor can there be any question about that.

Mr. SMITH. I get the same desperate messages from New Jersey the Senator is getting from his State.

Mr. BARKLEY. Mr. President, we voted day before yesterday on the amendment offered by the Senator from Kansas

[Mr. REED], which is in all respects the same amendment as the amendment now pending, with the exception that the Reed amendment forbade any ceiling price to be put upon products processed or manufactured in whole or substantial part from grain. The pending amendment provides that no ceiling shall be put upon grains or any livestock or poultry feed processed from grain.

The amendment as now offered was contained in the amendment upon which the Senate voted Wednesday. Every item in the amendment now pending, which is limited to livestock and poultry feed processed from grain, was included in the amendment offered by the Senator from Kansas [Mr. REED]. The only difference is that in the Reed amendment all feed and food, including flour, processed from grain, was barred from price ceilings, but that does not mean that everything contained in the pending amendment was not also in the other amendment, upon which the Senate voted. Therefore, I suggest that, it having been voted upon heretofore, and rejected, it is not now in order.

Mr. BRIDGES. Mr. President, the amendment is wholly different from the amendment offered by the Senator from Kansas. The amendment offered by him and voted on, reads:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and products processed or manufactured in whole or substantial part therefrom.

The amendment which is now under consideration, reads as follows:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or in substantial part therefrom.

It is a wholly different amendment.

Mr. BARKLEY. Will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. BARKLEY. Does the Senator deny that the feeds he cover in his amendment were included in the Reed amendment? Were they not all in it, and is not the language identical down to the words "Standards Act as amended or"? Down to all except the last line and two or three words on the next to the last line it is identical with the language on which the Senate voted day before yesterday.

Mr. AIKEN. Mr. President, if I may answer the question, under the Reed amendment there is included even the most famous product of the State of the Senator from Kentucky, because that is manufactured from grain. I think everyone knows that more grain is used in industries, such as the steel industry, the aluminum industry, the liquor industry, the beer industry, and a thousand other industries, all industries together, than is used for cattle and poultry feed.

Mr. BARKLEY. According to the interpretation made by the Senator from Ohio and the Senator from Kansas a few days ago, nothing beyond the grain itself, or the first processed product, such as flour, would have been considered. So it would not include what the Senator describes as "Kentucky's most famous product." And there is some dispute even among Kentuckians as to what is Kentucky's most famous product.

Mr. TOBEY. Will the Senator say what is Kentucky's most famous product?

Mr. BARKLEY. We have the finest and most beautiful women and the finest and most beautiful horses.

Mr. AIKEN. But we in the Senate know what is the most famous product of Kentucky.

Mr. BARKLEY. I said we have the finest and most beautiful women and the finest and most beautiful horses

Mr. AIKEN. And, of course, Kentucky's most famous product is the majority leader himself.

Mr. BARKLEY. No; I am not a product of grain, I will say, and I have not been processed out of it.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TOBEY. May I address myself to the distinguished majority leader very briefly? He has a duty to perform in all these matters. I recognize that. I also recognize that even with the high sense of duty which is incarnate in the man who leads the majority, ALBEN W. BARKLEY, he also possesses a great sense of fairness, a great sympathy for human needs, and a desire to help out his fellowmen. While he is now raising a technical point, I rise and ask if out of the goodness of that great heart of his he will not let this amendment go to a vote so that we may, if possible, decontrol the grain which is so necessary for livestock feed, which would relieve a distress which exists all over the country.

Do not press that technical point too hard. Have a heart, ALBEN.

Mr. BARKLEY. I appreciate the second edition of the Macedonian cry coming from the Senator from New Hampshire.

Mr. TOBEY. I may say that I think it will be answered in finer language and in finer spirit than was the previous one.

Mr. BARKLEY. The record will show in regard to that.

Mr. President, I feel that the Senate has expressed itself. It is up to the Chair to rule on the point of order. If we are ever to put this bill behind us and get anywhere with it, we must make progress, and we cannot afford to spend our time voting upon practically the same thing over and over again. If the Chair rules that my point of order is not well taken, I will accept the Chair's ruling. But I think the Reed amendment we voted on the other day included every item of the amendment now pending, except that there was an element of human food involved in the other amendment which is not involved in the pending amendment. I do not think we can overlook the human element in regard to grain and its products.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from New Jersey.

Mr. HAWKES. I wish to say to the Senator from Kentucky that I think there is a very great difference between this amendment and the one offered by the Senator from Kansas [Mr. REED]. We had a long discussion here on Wednesday and to same extent yesterday about taking control off wheat. It was said that wheat was used for flour, and if wheat went up to a certain point, the result would be an increase in the cost of flour, and that the price of bread would be doubled. The discussion finally ended with a statement from the Senator from Vermont that if the price of wheat should double, as I recall, the increased cost of a loaf of bread resulting from that increase would be a cent and a half, approximately. Is that correct?

Mr. AIKEN. That is correct.

Mr. HAWKES. I understand from the Senator from New Hampshire [Mr. BRIDGES] that none of the grain which would be affected by his amendment is used for the manufacture of flour or its products or food for the human family. The wheat to be decontrolled under his amendment is what is called No. 2 and No. 3 wheat, used in making poultry feed. There is all the difference in the world between the two amendments. There is no comparison between them at all.

Mr. President, I come from a State which is largely interested in raising dairy and poultry products. My State is suffering very greatly from animal feed shortage. I am told that in some cases half of the dairy herds have been sold to be slaughtered, and that poultry flocks are 50 or 60 percent of what they were. The best informed men of my State on this subject further tell me that the American people do not know anything about this thing at the present time; that it will be a year or two before they begin to suffer seriously from what is happening, and it will take from 3 to 5 years to restore the herds and flocks and restore them to the point where they were. Therefore I am very strongly in favor of the amendment offered by the Senator from New Hampshire, and I repeat that to my mind it is an entirely different amendment from the amendment of the Senator from Kansas.

Mr. BARKLEY. Mr. President, will the Senator from New Hampshire yield to me to reply to the Senator from New Jersey?

Mr. BRIDGES. Yes.

Mr. BARKLEY. The Senator from New Jersey says that this amendment applies only to No. 2 and No. 3 grains. There is nothing in the amendment that says anything about No. 2 or No. 1 or any other number of grains. So far as the grain that is taken out from ceilings is concerned, it is exactly the same grain that was included in the amendment upon which we voted on Wednesday. It includes all grains that come under the United States Grain Standards Act—all grains—and that is the language that was contained in the amendment upon which we acted the other day. It makes no difference as to grain. All kinds of grains are exempted under this amendment. The only difference is that it does make a change of a word or

two with respect to livestock and poultry feed made from grain. But the grain itself, which is the foundation of all processed feeds, whether animal or human, is the same kind of grain as that dealt with in the previous amendment. There is no difference between the language of the two amendments, so far as grain is concerned.

Mr. HAWKES. Mr. President, will the Senator from New Hampshire yield to me to make a very short remark?

Mr. BRIDGES. I yield.

Mr. HAWKES. My statement is based upon the talk I had with the Senator from New Hampshire that the amendment would involve only the use of the No. 2 and No. 3 wheat for poultry feed, and if the amendment does not mean that, then I think the Senator from New Hampshire should amend it so that it does mean that.

Mr. BARKLEY. The amendment is perfectly plain. It provides that no maximum price shall be applicable with respect to grain for which standards have been established under the United States Grain Standards Act. That includes all grains that are in that act, and that is what the Senate voted on the other day. What is done with the grain afterward is a different matter, but the grain is the same.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. I want to say that tens of thousands of small dairymen and poultrymen all through the Northeast were profoundly shocked night before last when they learned that the Senate had refused to decontrol grain and dairy and poultry feeds. They were particularly worked up because the Senate had previously voted to decontrol livestock and meat products. Then when the Senate voted to decontrol milk there was no longer any question in their minds but that grain would also be decontrolled. When we decontrolled milk and its products, it was very hard for them to understand just what had come over the Senate when we said to the farmers throughout the country, "You cannot have the grain to make the milk and to raise the poultry, because we have made a special inducement for that grain to be fed to hogs and other livestock."

All day yesterday I received telephone calls and telegrams from all over New England and New York State. Poultrymen and dairymen simply could not believe that the United States Senate was going to play that trick on them which it did play. They have asked that we reconsider and give them a chance to go on and live and raise poultry and make milk in that part of the country where they have to depend on the Midwest for their cattle and poultry feed to a large degree.

I have a few telegrams which were just handed to me. I just left the telephone booth, where I was awaiting a call which I knew was on the same subject. I will read some of these telegrams:

Senate action yesterday refusing decontrol feeds and grains while livestock products left on free market will mean rapid and tragic end to poultry and dairy industries in New England as well as other feed deficit areas. Can you possibly bring this before Senate for reconsideration?

H. K. WEBSTER CO.

LAWRENCE, MASS.

The H. K. Webster Co. is one of the largest feed-mixing concerns in Massachusetts.

I have a telegram from Boston, Mass., as follows:

With reference Senator REED'S amendment to eliminate grain and grain products from OPA control, which voted down yesterday, strongly urge some similar amendment to place grain and grain products on list of items exempted from control because the decontrol of meat, dairy, and poultry products with continued control of grains just cannot work and would positively mean ultimate suicide to New England poultry and dairy producers in addition to reviving black markets on larger scale than heretofore, resulting in continued shortage of flours and bread.

That telegram is from the Boston Grain and Flour Exchange, and they register further opposition to the OPA.

Here is a telegram from Charles M. Cox Co., one of the largest grain mixers of New England:

Regarding amendment voted down yesterday in reference to grain, think this should be reconsidered because the decontrol of dairy and poultry products with continued control of grains would spell ultimate suicide to New England poultry and dairy interests.

I have a telegram from E. W. Bailey & Co., of Montpelier, Vt., one of the largest independent grain mixers in my State. The telegram is as follows:

We again urge you redouble your efforts to prevent ceilings on grains with no ceilings on livestock and products this means catastrophe for New England agriculture.

They are feed mixers, and it might be assumed that they are looking out for themselves, but we have had equally desperate cries from the representatives of the farmers in New England and New York.

Here is a telegram from the Commissioner of Agriculture of my own State of Vermont:

Urge you continue effort to prevent passage of Price Control Act.

I am sure he means that part without the decontrol of grain in it.

You appreciate our desperate situation if feed controls are retained without control on meat and other products.

STANLEY G. JUDD,
Vermont Commissioner of Agriculture.

The Commissioner of Agriculture of Massachusetts called me on the telephone in a very desperate frame of mind. He said it means liquidation of hundreds and hundreds of flocks of poultry in Massachusetts if meats are decontrolled and grain is not, because they cannot get the grain unless it is decontrolled.

I have a letter from the Cooperative G. L. F. Exchange, Inc., of Ithaca, N. Y., the largest farmer cooperative in the United States. They represent 100,000 farmers in New York, Pennsylvania, and New Jersey. I read a portion of their letter, as follows:

Deliveries of grain, which we have purchased in the open market, are coming in rapidly and we expect that during the week of July 8 that our feed mills will ship and manufacture between 10,000 and 15,000 tons of dairy and poultry feed. When one compares this to shipments of from 3,000 to 5,000 tons during the last week in June and the first week in July, he can appreciate what a free market has meant to northeastern farmers who have been driven to desperation in their efforts to sustain their dairy herds and poultry flocks.

C. N. SILCOX.

Mr. Quentin Reynolds, manager of the Eastern States Farmers Exchange of Springfield, Mass., called me yesterday morning. That exchange furnishes grain to probably 50,000 or 60,000 dairymen and poultrymen in New England, New Jersey, and Delaware. Mr. Reynolds could hardly believe that the Senate would vote to decontrol livestock and keep controls on grain, so that grain would not flow to the dairy herds and the poultry yards of the northeastern section of the United States.

Our farm people are desperate. All during July they were liquidating their flocks and reducing their herds of cattle. This spring in New England the production of milk went down 16 percent below what it was last year, and it will go down more than that if our supply of grain is further cut off. We simply could not get grain during the month of June. I went into that subject day before yesterday at some length. I shall not repeat today what I stated then. But beginning on July 1 our farmers and dealers went into the Chicago market and bought all the grain that was necessary to carry them through July. Some of them bought a little more. They had to pay $2.30 for corn, but they were able to get it. The grain which we are now getting in New England is costing us about $89 a ton for 16-percent dairy ration. That price is so high because milo has been used as a substitute for corn. But corn will soon flow again. Our farmers cannot continue to pay $89 a ton for dairy feed, but they will pay it for a few weeks in order to tide them over this period of the year until the new crop comes in.

It seems to me that, having decontrolled milk, poultry, and all kinds of livestock, we should decontrol grain and let this matter go to conference. Certainly it would be a calamity in those sections of the country which must purchase grain if this measure should go through as it now stands. I, for one, believe that the subject should go to conference.

I have heard it stated that an attempt would be made to prevent the joint resolution from going to conference. I shall not vote to prevent it from going to conference. But when the conference committee considers it, I want the conferees to have an opportunity to consider whether or not grain should be decontrolled along with livestock; and they cannot consider that question unless we adopt the amendment which is offered today.

It is inconceivable that Senators from any part of the country would take a stand which would sentence tens of thousands of poultrymen and dairymen in the northeastern part of the country to destruction. They cannot go on if they cannot get grain; and they will not get grain so long as there is a special inducement to feed it to hogs, sheep, or cattle. So I hope that Members of this

body, particularly those from the South who voted almost unanimously against decontrolling grains, will give this amendment a chance to go to conference so that it may be considered. If it is not considered in conference the agricultural economy of this country will be thrown completely out of balance, and that will not be good for the country as a whole. If the conference committee comes back and says, "We cannot decontrol anything," that will not leave us any worse off than we were before. But if the conferees say, "We are going to decontrol hogs and other livestock, and we are going to decontrol milk, but we are not going to decontrol grain," that will spell calamity to thousands of small farmers who are today looking to this Senate to help them.

Mr. President, I have nothing further to say. I hope that Senators from other sections of the country will realize the plight in which we find ourselves, and help us to do something about it. The only thing that can be done now is to vote to decontrol poultry and livestock feeds.

Mr. BARKLEY. Mr. President, if I may have the attention of the Senator from New Hampshire [Mr. BRIDGES], let me say that I have no desire to do an injustice to any section of the country with respect to livestock feed. I have been trying to examine this modified amendment which strikes out all reference to grains coming under the United States Grain Standards Act as amended, so as to read:

with respect to grains for livestock and poultry feed processed or manufactured in whole or in substantial part therefrom.

I should like to suggest a modification so as to read:

with respect to grains certified by the purchaser thereof for use in the feeding of livestock or poultry or for use in the processing or manufacture of such feeds.

Mr. TOBEY. We accept that.

Mr. BRIDGES. I think that would be entirely satisfactory.

The PRESIDENT pro tempore. Will the Senator send to the desk the amendment as proposed to be modified?

Mr. BARKLEY. I shall have to dictate it as I go along.

Let me say frankly that this is a matter which requires some study. We cannot simply slap in some language and make it read as it should. Assuming that the joint resolution must go to conference, where we can deliberate and work on it, I suggest that my agreement to allow this amendment to go to conference does not in any way bind me to the language, or even to the proposal. But if it is going in, it certainly ought to be circumscribed in such a way as to indicate that the grain itself must be used for feed for poultry or livestock, or that it is certified as being intended to be used in the processing or manufacture of feed for poultry or livestock. With that understanding I shall not object to the amendment. Let me read it as I suggest modifying it:

No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains certified by the purchaser thereof as intended to be used for feed for poultry or livestock, or to be used in the processing or manufacture of such feed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I have been cooperating with the Senator from New Hampshire and urging him to offer this amendment. I thought we ought to get something to the conference committee for the conferees to work on, because if we adopt no amendment at all the conferees cannot give consideration to decontrolling grains, cattle feed, or anything of that kind. I realize that when this provision gets to conference the conference committee will probably start at the bottom and write a new measure. I do not see how we can achieve workable price control in any other way.

Mr. BARKLEY. The language which I have suggested will certainly put the question in conference.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. OVERTON. As I interpret the suggestion of the Senator from Kentucky, it excludes from control only grains which are certified to be used as livestock and poultry feed.

Mr. BARKLEY. That is true.

Mr. OVERTON. I think there should be that understanding.

Mr. BARKLEY. That is the understanding. It applies only to grains certified to be used for feed for livestock or poultry, or intended to be processed or manufactured into feed for livestock or poultry.

Mr. OVERTON. It does not exclude grains in their entirety, does it?

Mr. BARKLEY. No.

Mr. TAFT. Mr. President, in the first place I wish to express violent opposition to the idea that we are going to put in something which is to be rewritten in conference, or that the joint resolution is going to be rewritten in conference. If I am one of the conferees I shall insist upon every provision the Senate places in the joint resolution. We are not going to rewrite the joint resolution in conference. In my opinion, the conferees should stick by whatever the Senate places in it, unless the House is willing to vote on the measure and turn it down for some particular reason, because the House has taken no action. I dissent from the theory that we are going to put something in the joint resolution and then rewrite the whole measure in conference.

In the second place, so far as the proposal of the Senator from Kentucky is concerned, I think it is utterly and completely impracticable. We cannot control the price of wheat for one purpose and not for another purpose. We cannot decontrol it for one purpose and not decontrol it for another. So far as the suggested amendment is concerned, I think it is utterly and completely out of the question. I do not think we ought to adopt it merely for the purpose of taking something to conference. If we are to take something to conference it ought to be something reasonable, something that we can insist upon and hold in the joint resolution.

Mr. BARKLEY. Mr. President, there is no occasion for the Senator from Ohio to become so violent over this proposal. Of course, it is not a difficult performance on his part to become violent.

I recognize the difficulty of having grains used for one purpose not controlled, and grains used for another purpose under control. I suggested that difficulty to the Senators from New Hampshire and the Senator from Vermont only a moment ago.

Whether the House will accept what we write I do not know. If the House of Representatives should accept in toto anything the Senate might write, it would establish a new chapter in legislation. I have assumed—and I suppose we have a right to assume—that inasmuch as the House has considered nothing in regard to all these questions, if the joint resolution is sent to conference we shall have a wider field for deliberation and accommodation than we would otherwise have. The suggestion that the technical language necessary to cover this subject might be written in deliberation, and with all the facts before us in conference, is not a wild suggestion with respect to senatorial action.

The Senate can do as it pleases with the amendment. I have suggested a modification of the amendment, in order to get away from the idea that we had voted on it the other day. If the Senator from Ohio or any other Senator objects to that, he can act accordingly.

Mr. REED. Mr. Presidnet——

Mr. BRIDGES. Mr. President, I yield to the Senator from Kansas.

Mr. REED. Mr. President, I wish to express concurrence with the view stated by the Senator from Ohio. Regardless of whether he was violent, he was very much in earnest, and his point was very well taken. No one who is familiar with the grain trade and the livestock feeding industry and no one of intelligence would ever attempt to say that we should decontrol meat and dairy products, but should leave under control the basic material for feeding meat animals and dairy cows. Everyone I know agrees that such a position would be illogical. Now the amendment of the distinguished Senator from Kentucky would make it even more illogical.

Mr. President, it would be impossible to operate under the suggestion made by the Senator from Kentucky. Let us consider a feeder from New England who goes on the Chicago market to buy grain. From whom will he buy the grain? He will buy it from someone who already has purchased grain coming into the great grain market of Chicago from the West. The price that man paid for the grain as it came in will be the determining factor in regard to what the purchaser from New England will have to pay for the grain. The question of trying to distinguish between and make a difference between controls or noncontrols because of the use to which the grain is put is utterly impractical.

The effect of the suggestion of the Senators from Vermont and New Hampshire is that the amendment in its original form would have included flour. Flour is processed from grain. So the controls would have been removed from flour.

The language is that the controls on grain shall be removed and the controls on livestock and poultry feed processed or manufactured therefrom shall be removed. That is simple and it is easy to express. I hope this amendment will be adopted. The grain deficit areas of the United States are very much more concerned than we in the grain-producing areas are concerned, because of the price. The main effect of the decontrol of grains is not on the price. The main effect is to permit and to create a free flow of grain from the surplus grain-producing areas into the deficit grain areas and the grain-consuming areas, and they are much more interested in this amendment than are the people of the surplus grain-producing area, from which I come. Every man familiar with the grain trade knows that there has been a free movement of grain since July 1, and there had not been a free movement of grain prior to that time.

Mr. BRIDGES. Mr. President, I believe I have the floor.

MILITARY ESTABLISHMENT APPROPRIATIONS, 1947—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have been unable to agree on Senate amendments numbered 27 and 28.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
RICHARD B. RUSSELL,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
Managers on the Part of the Senate.

JOHN H. KERR,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KENNAN,
EMMET O'NEAL,
LOUIS C RABAUT,
FRANCIS CASE,
HARVE TIBBOTT,
JOHN TABER,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. THOMAS of Oklahoma. Mr. President, I move the adoption of the report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6837, which was read as follows:

IN THE HOUSE OF REPRESENTATIVE, U. S.
July 11, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the bill (H. R. 6837) making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes, and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert:

"SEC. 20. Not to exceed 4 percent of any of the appropriations for the Military Establishment for the fiscal year 1947 may be transferred with the approval of the Bureau of the Budget to any other of such appropriations, but no appropriation shall be increased more than 4 percent thereby: *Provided*, That no such transfers shall be made to the appropriations under the headings 'Finance Department,' 'Quartermaster Corps,' and 'Corps of Engineers': *Provided further*, That a quarterly statement of any transfers made under the authority of this section shall be transmitted to the chairmen of the Appropriations Committees of the House of Representatives and the Senate: *Provided further*, That no part of any amount by which appropriations or subappropriations may be increased under the authority of this section shall be available for or on account of public works or land acquisition or to replace any funds thus used."

That the House recede from its disagreement to the amendment of the Senate numbered 28, to said bill, and concur therein with an amendment as follows: In lieu of the figure inserted by said amendment insert "21."

Mr. THOMAS of Oklahoma. Mr. President, the whole issue involved in this matter is the percentage of funds which may be transferred from one fund to another fund under the Military Establishment appropriation bill. The Senate placed in the bill a provision that the amount which could be transferred from one fund to another should be 10 percent. At first the House was not agreeable to any percentage. We finally have compromised on 4 percent.

So the proposal now before the Senate is that in case of emergency the War Department shall be permitted to take 4 percent out of one fund, where it is not needed, and add the 4 percent to another fund where it is needed. That is all the provision is.

Mr. WHITE. Mr. President, that is a much smaller percentage of transfer than is usually allowed, I believe.

Mr. THOMAS of Oklahoma. Yes. Generally 10 percent is allowed. Sometimes 5 percent is allowed. The present proposal is the smallest percentage of transfer that is provided for by any law which has been passed this year.

Mr. President, I move that the Senate concur in the amendments of the House of Representatives to the amendments of the Senate numbered 27 and 28.

The motion was agreed to.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. BRIDGES. Mr. President, before the interruption occurred, I had the floor; and, so far as I know, I did not lose it.

The PRESIDENT pro tempore. The Senator from New Hampshire has the floor.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TUNNELL. I desire to associate myself with the Senator from New Hampshire and the Senator from Vermont in regard to the idea of decontrolling grain when used for feed for poultry and animals. I am not one of those who believe that such a step is a great departure, in view of the fact that the Senate already has provided for decontrol of the poultry and meat industries.

So, regardless of the language in which the amendment is expressed, if it is set out clearly so that it covers only feed for poultry and meat animals, I think it will answer the purpose.

I am not in favor of announcing to the people of the United States that we are trying to raise the price of bread. I do not want to go into that matter.

Mr. BRIDGES. Mr. President, I think that point is covered. Personally I wish to say now that I, as the author of the amendment, will accept——

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. YOUNG. I simply cannot see how an amendment such as is proposed is workable or is even clear. The average grain buyer sells his grain to a local elevator or to a miller in Minneapolis. A feed mixer from New England will offer him perhaps 15 cents above the market price. Who gets the benefit? The farmer does not. The elevator man or someone else does.

Mr. AIKEN. Mr. President, I wish to say that the northwestern farmer cooperatives have been very helpful in connection with this matter. When grain is sold by the cooperatives to the New England mixers, the result must be to help the farmers, because the cooperatives are organized by the farmers, and thus the farmers themselves are selling it.

Mr. HAWKES. Mr. President, will the Senator repeat that statement? We could not hear, from where we were sitting, because the Senator turned the other way.

Mr. AIKEN. I was saying, in reply to the statement of the Senator from North Dakota, that the northwestern farmer cooperatives, which are owned by the farmers themselves, have been very helpful in trying to get grain for our Northeast feed mixers during this famine emergency. They could not get anywhere near what they wanted to get for us, but they got all they could. When the farmers' cooperatives themselves make sales to the northeastern feed mixers, certainly the farmers must benefit from that. I do not know why they need to sell through a broker, because I am sure we would be glad to buy it directly from them.

Mr. YOUNG. Mr. President, of course any profit will go back to the farmer who is a member of the cooperative, if the grain is sold by a cooperative. But the bulk of the grain is not sold to the cooperatives. It is sold to the elevator men or the storage men, and then they get the benefit of it.

Mr. AIKEN. Of course, the bulk of the grain is not used for chicken feed or cattle feed, either.

Mr. BARKLEY. Mr. President, I should like to say that, as originally offered, the amendment provided for the decontrol of all grains, no matter to what use they might be put, so there

would be no ceiling whatever on grain, but there would be a ceiling on flour made from grain. That would be an utterly inconsistent situation. It would be unfair to every miller in the United States and to every processor of grain into flour, because there would be no ceiling on grain itself but there would be a ceiling on flour. That is why I think it is necessary that there should be a certification that the grain is intended to be used for poultry and animal feed, and not for human feed.

SEVERAL SENATORS. Vote! Vote!

Mr. BARKLEY. Mr. President, if the Senator has modified the amendment according to the suggestion, I withdraw the point of order.

The PRESIDENT pro tempore. The amendment is modified, and the Senator from Kentucky withdraws his point of order.

Mr. JOHNSON of Colorado. Mr. President, I move to reconsider the vote by which the so-called Reed amendment was disposed of a few days ago.

Mr. BARKLEY. Mr. President, I do not believe that such a motion would be in order until the pending amendment has been disposed of.

The PRESIDENT pro tempore. If the Senator wishes to raise the point of order, that is his privilege.

Mr OVERTON. Mr. President, as a substitute for the pending amendment I offer the amendment which was originally offered by the Senator from New Hampshire.

The PRESIDENT pro tempore. The amendment offered by the Senator from Louisiana in the nature of a substitute will be stated.

The LEGISLATIVE CLERK. In lieu of Mr. Bridges amendment, as modified, at the proper place in the bill it is proposed to insert the following:

No maximum price and no regulation or order under this act, or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON] in the nature of a substitute for the modified amendment of the Senator from New Hampshire [Mr. BRIDGES].

Mr. OVERTON. Mr. President, in offering the amendment which was originally suggested by the Senator from New Hampshire, my purpose is to exempt all grain. I do not see how we can control grain which is to be used for certain purposes and decontrol it when it is to be used for other purposes. We cannot certify grain to be used, as has been suggested, for stock feed and for poultry feed, and then control the price of grain generally. I therefore favored the amendment which was orginally offered. It seems to me that by adopting the amendment we would be making it possible to enact a law along practical lines.

The Senator from Kentucky has stated that if there is no control on grain, the situation would be inconsistent because there is a ceiling on flour. But if, under a decontrol plan, the price of grain goes down, the ceiling price of bread and flour must go down correspondingly. If it goes up the ceiling price will be increased. At least that would be the situation if the Office of Price Administration functions properly. But it does not seem to me that to decontrol grain used for an isolated purpose, and at the same time control all the rest of the grain, would be an impracticable proposition.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Louisiana.

Mr. BARKLEY. Mr. President, I shall be compelled to renew my point of order against the substitute which I made originally. Under the amendment which we voted for the other day, all grains were to be decontrolled, no matter for what purpose they were to be used. Under this amendment, all grains are to be decontrolled, no matter for what purpose they are to be used. Therefore, they are identical. The only difference would be that in the processed product, as provided for in the substitute amendment, the limitation would apply to feed for livestock and poultry. But, so far as the grain itself is concerned, it would all be decontrolled. I insist that there is an inconsistency between having a free market for grain and a controlled market for the product of the grain, such as flour which is used for human consumption. On Wednesday last the Senate voted down the Reed amendment because it was afraid that to decontrol not only grain but all the articles processed or manufactured out of grain, would involve the table of the American family and increase the price of the food products which are produced from grain.

It was obvious that the Senator from New Hampshire was attempting to limit the effect of the processed article to feed for livestock or poultry, although so far as grain is concerned the effect would be just the same as that of the amendment of the Senator from Kansas.

Mr. OVERTON. Mr. President, I was opposed to the amendment offered by the Senator from Kansas [Mr. REED] because it took control off foods processed from grain. I refer to foods such as cereals, bread, and all other foods consumed by the American family. Therefore I was opposed to the amendment, and I would still be opposed to it if it should come before the Senate. However, I would favor an amendment which would decontrol grain only, and livestock and poultry feed processed from grain. The only similarity in the situation is that the Reed amendment embraced what is contained in the pending amendment, as well as other things which caused certain Senators, including myself, to be opposed to it.

Mr. BARKLEY. Aside from the point of order, Mr. President, I do not see how we can consistently remove all controls from a fundamental product such as grain, and still retain them on anything which is processed from grain.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. It is perfectly consistent, it seems to me, to take the controls off grain and yet retain the power to fix the miller's margin, so that he is not free to charge too great a margin between the cost of wheat and the price of flour, and to retain control of the baker's margin so that the baker may be regulated and be required to sell his bread on a basis having some reasonable relation to his costs. That is a perfectly possible thing to do. Even though the price of wheat fluctuates, it affects only the price of bread by about 15 percent. It is perfectly consistent to remove control from wheat and retain the margins for the miller and for the baker.

What is impossible, it seems to me, is to try to take control off wheat for one purpose and leave it on for another purpose.

Mr. BARKLEY. The higher the price which wheat would go when uncontrolled, the higher the miller's margin would be in terms of dollars. If it is a margin based on a percentage, the more he pays for his wheat, although he retains the same percentage of margin on flour in terms of dollars and cents, the greater the price would be, because a given percentage on wheat costing $2.20 a bushel would amount to more in dollars than the same margin on wheat costing $1.25 a bushel.

Mr. TAFT. The miller is a processor. Under the Barkley amendment which was approved by the Senate, what has been given is the same dollar-and-cent margin that he had in 1940. So there is no question of percentage. In any event, if we retain controls over the margin——

Mr. BARKLEY. The miller is given a dollar price value on his product, but he is given the same margin which he received in 1940.

Mr. TAFT. That is a dollar-and-cent margin.

Mr. BARKLEY. It may be a percentage margin.

Mr. TAFT. The Administrator may establish a percentage margin, but he is not required to do so. He may make it a dollar-and-cent margin.

Mr. BARKLEY. Mr. President, I am willing to have the Chair pass on the point of order. I should like to get along with the bill.

The PRESIDENT pro tempore. The Chair has considered the amendment of the Senator from Kansas [Mr. REED], which was voted on last Wednesday. The Chair holds that, down to the word "amended," it was exactly the same as the amendment which was first offered by the Senator from New Hampshire and later offered by the Senator from Louisiana. The Reed amendment proceeds from the word "amended" as follows: "and products processed or manufactured in whole or in substantial part therefrom." That is very inclusive language. Products for human food, products for livestock feed, and products for poultry, as provided for in the Reed amendment, include both livestock and poultry. It does not include human food, and, perhaps, it does not include many other things. In other words, it would be the same as if an amendment were offered proposing to pay $50 for

something, and it were voted down, and then someone would offer an amendment to make the amount $25, which would be in order.

So, in the opinion of the Chair, the amendment now offered, relating merely to livestock or poultry feed, covers a portion, and a very considerably less portion, of the products processed or manufactured, than are included in the amendment passed upon day before yesterday. Therefore, it is in order, in the judgment of the Chair.

Mr. MYERS. Mr. President, I am not a farm boy. I was born in a city, reared in a city, educated in a city, and still live in a city. Nevertheless, I am concerned with the farmers' problems and the farmers' prosperity. The situation which now faces us would certainly be amusing if it were not so tragic. For tragedy faces not only the American consumer in the city but the consumer on the farm. Here grown men, the Congress of the United States, indicate that it is possible to remove ceilings on the raw product and yet continue ceilings on the finished product. We might just as well remove ceilings on steel and yet keep ceilings on every article processed from steel. We might just as well remove the ceilings on cattle, decontrol cattle, but continue ceilings on every piece of meat which is sold in the Nation through the packer, the wholesaler, and the retailer.

Here we are asked to decontrol all grains. Probably a thousand or 2,000 articles may be processed from grains, yet this same amendment continues ceilings on every product that is processed from grains.

If any Senator deliberately and intentionally set out to frame an amendment which could not be administered, or to frame an amendment which would torpedo price control, he could find no more effective weapon than this proposal.

So, Mr. President, why not be frank about it? The advocates of the pending amendment should decontrol everything, or keep some satisfactory, worth while, sane controls in effect. For the Congress of the United States to decontrol grain and say, "Well, we do not want to increase the price of bread or cereals, or other food products," is not understandable, because an amendment like this would remove the controls on all the raw materials from which many foods are processed. It will necessarily increase the price to the consumer of all foodstuffs which are made from these raw materials.

A few days ago I read a letter written by a wholesale grocer in Pennsylvania. Someone later questioned what was stated in the letter. But the grocer did say that in April he had bought flour at $6 a barrel, and in July, after the removal of price controls, he had to pay $11 and some cents a barrel for flour. That means an increase in the price of bread, an increase in the price of much that goes on the poor man's table.

So, Mr. President, let us not hide behind the phraseology of this amendment. Those who propose the amendment, those who vote for it, must admit that prices of foodstuffs are going up if the amendment becomes law. In order to increase the supply of feed in some areas it is proposed to break down all price controls. It is as if one had a sore thumb and cured it by cutting off his arm. That is exactly what this amendment will do.

Mr. President, I hope the amendment will be rejected.

Mr. TAYLOR. Mr. President, I have tried to be consistent in this matter of the renewal of OPA. I imagine many other Senators have had the same pressures put upon them as I have had. There have been representatives of different groups sent all the way to Washington from Idaho to plead and cajole and possibly threaten a little in attempting to presuade me to vote to release this article or that article from price control. Some of the arguments have been very persuasive. I have been moved by them, and wish I could comply with the requests. But, as I have said, I have tried to be consistent.

Unlike some of my colleagues, I have confidence in those who are administering OPA. One of the strangest things I have noticed since I have been in Washington is that, taking OPA for example, that being probably the most outstanding instance, there are men connected with it who have been with large corporations—General Foods, for example. I remember one man from General Foods working for OPA who was a very capable man, in my estimation.

Senators abuse these officials and call them bureaucrats the minute they start to work for the Government, but I guess that as soon as they resign from the Government and go back to their private enterprise, they will be heroes of private enterprise.

I have confidence in the administration of OPA. We would have much better administration, possibly, if we did not abuse the well-meaning and capable citizens who patriotically come here from private industry to help us out.

I cannot see my way clear to show any favoritism in this matter. It is a question of choice between the lesser of two evils. I do not claim that OPA is a picnic or a happy day for anyone. I know it has put some people out of business because OPA did not act on their requests for adjustments soon enough. On the other hand, if OPA is finally killed off, and the inflation spiral continues, I am afraid that numberless small businessmen will be put out of business when the boom reaches its full crest and then collapses. It has happened before.

So, much as I have been moved by the pleas of the Senators from the Northeastern States—and I know that the people of that section must be in dire straits, and I would like to help them in this matter if I could—I am compelled to vote against the pending amendment. I have voted against every amendment, because, as I have said, I think we should leave it to OPA to decontrol things in an orderly way, as I am sure they will as fast as they possibly can.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. KILGORE. Some time ago the Senator spoke of numerous people who had come to him from Idaho. I was impressed by the fact that the Senator mentioned that each one was asking that controls be taken off a commodity in which a specific individual or group of individuals was interested. Was it also the Senator's experience that most of them said, "Now, I am in favor of OPA, but I think in this bill you must take the price ceilings off these articles." Was that the Senator's experience?

Mr. TAYLOR. They made it clear to me that they were representing a certain group or groups, and they wanted to keep hands off entirely as far as other things were concerned.

Mr. KILGORE. Did not the Senator get the impression also that each one really felt, and sincerely felt, that his price ceilings could be removed and the others undisturbed, so that he would be affected only in the price he got for his material, and not in the price he was going to have to pay for the things he was going to have to buy?

Mr. TAYLOR. That is a statement of fact.

Mr. KILGORE. I wondered if other Senators had had the same experience I had.

Mr. TAYLOR. Yes. Every man seems to think if he can have price controls removed from his product it will not affect anyone else, or that he will not be affected at all because someone else happens to get his product out from under price control.

Mr. President, in voting against the pending amendment I am not doing it to injure the people of the Northeastern States. Regardless of what the Senator from Ohio said to the effect that we were going to have the bill exactly as it leaves this Chamber, I am hopeful we will get a better bill out of conference than we are voting here at the present time, that the conferees will either be consistent and put grain and poultry and dairy products back under control, or will decontrol wheat, one or the other.

Inasmuch as I have voted against all amendments decontrolling specific products, I am going to vote against the pending amendment.

I wish to make another appeal to the Senate. Yesterday I called attention to the situation in Hungary, where price controls were removed a year ago, and the pengö which was worth 17 cents at one time, had gone to such a point that it took trillions of them to be worth a dollar. In fact, it had finally gotten to the point where they were good only for waste paper.

Mr. President, I have here another editorial from the Washington Post of this morning, one paragraph of which I wish to read, and then to have the entire editorial inserted in the RECORD. We are not conducting an experiment here in what can happen when we destroy price control. We have the object lesson of what has happened in Hungary. The title of the editorial is "Inflation in Hungary."

The editorial proceeds:

> Hungary has been reduced to desperate straits by the monstrous inflation that followed removal of all price controls after the country had been liberated from the Germans. Austria, where wages and prices are rigidly controlled, is said to be much better off than her neighbor, despite shortages as great as, or greater than, those of Hungary, and equally urgent reconstruction needs.

The editor goes on to tell how the streets of Budapest are strewn with paper currency which is of no value whatever. At the end of the editorial we find the following:

Hungary has learned the hard way that it is safer to ration scarce commodities than to proceed on the rash assumption that a bad situation cannot be made much worse by dispensing with controls and letting prices rise unchecked.

Here we have in a very concrete form the lesson of what can very likely happen to us, and yet we proceed merrily on our way scuttling price control.

I plead with the Senate to take cognizance of the lesson that is before us in the case of Hungary, which did away with price controls 1 year ago, and Austria, which kept price controls. Austria is moving along in an orderly manner, and Hungary is prostrate.

I ask unanimous consent that the whole editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INFLATION IN HUNGARY

Hungary has been reduced to desperate straits by the monstrous inflation that followed removal of all price controls after the country had been liberated from the Germans. Austria, where wages and prices are rigidly controlled, is said to be much better off than her neighbor, despite shortages as great as or greater than those of Hungary, and equally urgent reconstruction needs. That is not surprising, for when inflation reaches the point at which currency has to be spent immediately by the holder to avoid heavy losses, an economy based on money simply falls apart.

Stories from Budapest state that the streets are littered with discarded paper money that has entirely lost its value. The wonder is that anyone is willing to take paper of even fantastically large denominations However, so long as the seller of goods harbors a hope of exchanging rapidly depreciating money for other goods at a nominal profit a certain amount of money will continue to circulate, supplementing the barter economy that always flourishes under such conditions

The major sufferers from such conditions are the wage earners and salaried workers who receive their pay in money. Wage and salary increases can never keep pace with inflationary advances in prices. Shops in Budapest are reported to be closing early so that by the time workers are released from factories and offices, they find themselves deprived of the opportunity to buy necessaries. That, of course, is just another form of flight from the currency—one that carries a threat of starvation to those who are dependent on paper money

It takes little imagination to picture the effect of such demoralizing conditions upon worker morale and employer activity. Production for the market becomes a gamble that few care to risk. So far as the worker is concerned, the effort to earn a living is a losing game that is bound to end in destitution and suffering. Hungary has learned the hard way that it is safer to ration scarce commodities than to proceed on the rash assumption that a bad situation cannot be made much worse by dispensing with controls and letting prices rise unchecked.

Mr. LANGER. Mr. Chairman, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. The vote now is on the substitute offered by the Senator from Louisiana [Mr. OVERTON] to the modified amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

The PRESIDENT pro tempore. The Senator is correct.

Mr. AIKEN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Austin	Hawkes	O'Mahoney
Ball	Hayden	Overton
Barkley	Hill	Pepper
Brewster	Hoey	Radcliffe
Bridges	Huffman	Reed
Briggs	Johnson, Colo	Revercomb
Brooks	Johnston, S. C.	Robertson
Buck	Kilgore	Russell
Burch	Knowland	Smith
Bushfield	La Follette	Stanfill
Capehart	Langer	Stewart
Capper	Lucas	Swift
Carville	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McKellar	Thomas, Okla.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tobey
Ferguson	Mead	Tunnell
Fulbright	Millikin	Wagner
George	Mitchell	Walsh
Gerry	Moore	Wherry
Gossett	Morse	White
Green	Murdock	Wiley
Guffey	Murray	Wilson
Gurney	Myers	Young

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

The question is on agreeing to the substitute amendment offered by the Senator from Louisana [Mr. OVERTON] to the modified amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. Mr. President, may I explain my position, which is a rather difficult one. The Overton substitute is word for word the amendment which I offered. When the point of order was raised against my amendment, which I was advised probably would be sustained, I agreed in good faith to accept the cooperation of the majority leader [Mr. BARKLEY] in modifying the form of the amendment. I did this because I wanted to get some protection to save the dairy farmers, livestock and poultry raisers of my section. Then the Chair ruled the original amendment which I offered, and which has now been offered by the Senator from Louisana [Mr. OVERTON] to be in order. Therefore I cannot object to the pending amendment, which was originally proposed by me. At the same time I do not like publicly to break faith, or privately either, with the majority leader, the Senator from Kentucky [Mr. BARKLEY], after his cooperation in perfecting a modified form of my amendment. I wanted to explain my position because I shall vote in favor of my original amendment now being offered by the Senator from Louisiana. What I seek is the most effective and reasonable amendment which I believe is the original one I offered.

Mr. OVERTON. Mr. President, the Senator from New Hampshire has made a correct statement. I have no interest at all in the amendment, except I thought it was bad legislation. I thought the Reed amendment also was bad legislation. I was opposed to it. It is true I did not vote on it because I was absent at the time the vote was taken on it, being unavoidably detained. I thought the modified amendment offered by the Senator from New Hampshire was also bad legislation, and in an effort to have what I thought was proper legislation on the subject matter I took the original amendment offered by the Senator from New Hampshire and offered it as a substitute. The Senator from New Hampshire is entitled to all the credit.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. I wish to say that I find myself in exactly the same position as does the Senator from New Hampshire. The grapevine apparently was out of order, because we felt very strongly that the original amendment offered by the Senator from New Hampshire was to be ruled out on a point of order. That was not done.

I wish to say that I do think this amendment is very much different from the one which was offered yesterday, which would have covered all human foodstuffs as well. For that reason I thought it was better to accept the Barkley modification than to have nothing at all voted upon.

Mr. OVERTON's substitute for the modified amendment offered by Mr. BRIDGES is as follows:

On page 9, between lines 14 and 15, to insert the following:

"(10) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom."

The PRESIDENT pro tempore. The yeas and nays have been ordered on the amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] and the Senator from New Mexico [Mr. CHAVEZ] are detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. If present he would vote "yea."

The result was announced—yeas 42, nays 36, as follows:

YEAS—42

Aiken	Fulbright	Reed
Austin	George	Robertson
Ball	Gossett	Smith
Brewster	Gurney	Stanfill
Bridges	Hart	Stewart
Brooks	Hawkes	Taft
Buck	Johnson, Colo.	Thomas, Okla
Bushfield	Langer	Tobey
Capehart	McClellan	Walsh
Capper	Millikin	Wherry
Cordon	Moore	White
Donnell	O'Daniel	Wiley
Eastland	Overton	Wilson
Ferguson	Radcliffe	Young

NAYS—36

Barkley	Johnston, S. C.	Murdock
Briggs	Kilgore	Murray
Burch	Knowland	Myers
Carville	La Follette	O'Mahoney
Downey	Lucas	Pepper
Gerry	McCarran	Revercomb
Green	McKellar	Russell
Guffey	McMahon	Swift
Hayden	Magnuson	Taylor
Hill	Mead	Thomas, Utah
Hoey	Mitchell	Tunnell
Huffman	Morse	Wagner

NOT VOTING—18

Andrews	Connally	Saltonstall
Bailey	Ellender	Shipstead
Bilbo	Hatch	Tydings
Butler	Hickenlooper	Vandenberg
Byrd	McFarland	Wheeler
Chavez	Maybank	Willis

So, Mr. OVERTON's amendment in the nature of a substitute for the amendment of Mr. BRIDGES, as modified, was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], as amended. [Putting the question.] The Chair is in doubt.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. OVERTON. The amendment which I offered was a substitute for the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], was it not?

The PRESIDENT pro tempore. The Senator is correct. The parliamentarian advises the Chair that the Senate must vote on the amendment of the Senator from New Hampshire as amended, which is exactly the same as the substitute. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 45, nays 34, as follows:

YEAS—45

Aiken	Fulbright	Radcliffe
Austin	George	Reed
Ball	Gossett	Robertson
Brewster	Gurney	Smith
Bridges	Hart	Stanfill
Brooks	Hawkes	Stewart
Buck	Hoey	Taft
Burch	Johnson, Colo.	Thomas, Okla.
Bushfield	Johnston, S. C.	Tobey
Capehart	Langer	Walsh
Capper	McClellan	Wherry
Cordon	Millikin	White
Donnell	Moore	Wiley
Eastland	O'Daniel	Wilson
Ferguson	Overton	Young

NAYS—34

Barkley	Knowland	Myers
Briggs	La Follette	O'Mahoney
Carville	Lucas	Pepper
Chavez	McCarran	Revercomb
Downey	McKellar	Russell
Gerry	McMahon	Swift
Green	Magnuson	Taylor
Guffey	Mead	Thomas, Utah
Hayden	Mitchell	Tunnell
Hill	Morse	Wagner
Huffman	Murdock	
Kilgore	Murray	

NOT VOTING—17

Andrews	Ellender	Shipstead
Bailey	Hatch	Tydings
Bilbo	Hickenlooper	Vandenberg
Butler	McFarland	Wheeler
Byrd	Maybank	Willis
Connally	Saltonstall	

So, Mr. BRIDGES' amendment as amended was agreed to.

Mr. TOBEY. Mr. President, I move that the Senate reconsider the vote by which the amendment was adopted.

Mr. BRIDGES. I move to lay on the table the motion to reconsider.

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HOEY. Mr. President, I send to the desk an amendment, which I offer on behalf of the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. RADCLIFFE], the Senator from South Carolina [Mr. MAYBANK], the junior Senator from South Carolina [Mr. JOHNSTON], the Senator from Kentucky [Mr. STANFILL], the junior Senator from Georgia [Mr. RUSSELL], the Senator from Virginia [Mr. BURCH], and myself. I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, between lines 14 and 15, it is proposed to insert the following:

(11) No maximum price and no regulation or order under this act or the Stabilization Act of 1942 as amended, shall be applicable with respect to leaf tobacco and tobacco products processed or manufactured in whole or a substantial part therefrom.

Mr. HOEY. Mr. President, this amendment is identical to the one adopted to the previous OPA bill. It is admitted on every hand that there is an ample supply of both tobacco and tobacco products. The Secretary of Agriculture has made the statement that the

crop report issued on July 10 shows that the leaf tobacco crop for 1946 amounts to 1,274,000,000 pounds. It shows that the amount of the 1946 crop, all combined—both leaf tobacco, flue-cured tobacco, burley tobacco, all of it—will exceed 2,000,000,000 pounds.

I may say in this connection that under this joint resolution, if passed of course, the Department of Agriculture would have authority to release tobacco and tobacco products from controls, and I do not think there would be any hesitancy in doing so. But the emergency which requires the adoption of the amendment at this time is that the tobacco market opens on July 24, and under the joint resolution it would take some time to remove controls from tobacco and tobacco products.

It will be recalled that under the joint resolution it is the duty of the Secretary of Agriculture to certify the commodities which are in short supply, but he must do that within 30 days following the enactment of this measure, and prior to September 1. Therefore, if the joint resolution is passed without including the pending amendment, it would be too late before tobacco could be decontrolled, for the tobacco markets would be open and a large part of the farmer's crop would have been sold. Yesterday, I was advised by the Department of Agriculture that it is in favor of decontrolling tobacco. I was also advised by the OPA that it has no objections to having tobacco and tobacco products released from controls, so far as it, the OPA, is concerned. I do not mean to say that they suggested that I offer this amendment. But they said that when the certification by the Secretary of Agriculture that tobacco was not in short supply came to them, if it should come, of course they would decontrol tobacco because there would be an adequate supply.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. PEPPER. If the OPA and the Secretary of Agriculture feel that way about it, would not the OPA Administrator have authority to decontrol tobacco, so that there would be no necessity for the amendment?

Mr. HOEY. No. When this joint resolution is passed, then the OPA will decontrol only upon a certificate by the Secretary of Agriculture that the commodity is not in short supply. But the joint resolution provides that the Secretary of Agriculture must so certify within 30 days preceding the first day of the following month. Therefore, he could not certify that tobacco was in short supply until about September 1. The markets in the State of Georgia open beginning on July 24. In South Carolina they open the following week. In my State they open the following week. So the farmers would have a large part of their supply sold before decontrol could take effect, unless the amendment I have proposed is adopted.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. HOEY. I yield.

Mr. PEPPER. Is not the distinction, though, that the theory of those of us who are opposing these amendments is that it is wrong for the Congress to decontrol commodities when we are still facing rising inflation? Of course, when I say that I frankly state that we attribute the utmost good faith to the probity and accuracy of the report of the able Senator from North Carolina. Tobacco is an important commodity in my State, just as are the other commodities with which we have dealt by way of decontrol. If the administrative agency, having the full facts before it, determines what the proper price is and moves it one way or the other, or if it determines upon decontrol, then I have no objection whatsoever to decontrol, and in some cases I welcome it. But there is a distinction, is there not, between having the Congress pass upon matters with which it is not familiar, as compared to leaving the matter to the administrative agency which is supposed to be informed as to the facts?

Mr. HOEY. I may say to the Senator from Florida that every agency holds that there is an adequate supply of tobacco. Other commodities have been decontrolled in the pending measure. It is simpler and would save time and would enable the farmers to receive whatever price they would get on the basis of the grade of their tobacco, if the amendment could be adopted and tobacco decontrolled before the markets open, so that the growers in Florida, South Carolina, North Carolina, Georgia, and the other States concerned would have a fair chance to receive whatever increased price might come to them because of the increase in the price of the particular grade of tobacco which they grow.

Mr. PEPPER. Mr. President, I think it would save time to modify the amendment so as to provide for the decontrol of all commodities.

Mr. BURCH. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. BURCH. Is it not a fact that if the OPA were still in effect, tobacco would be decontrolled anyway, and would no longer be under the ceiling price controls?

Mr. HOEY. It would be.

Mr. BURCH. That is true because the production of tobacco this year is in excess of the consumption, both as regards the domestic and the foreign trade.

Mr. HOEY. That is correct.

Mr. President, I know of no objection to the amendment. I shall not trespass on the time of the Senate. I trust that the amendment will be adopted.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the amendment offered by the Senator from North Carolina and other Senators.

The amendment was agreed to.

PLANS FOR REORGANIZATION OF EXECUTIVE DEPARTMENTS

Mr. WILEY. Mr. President, yesterday I served notice of my intention to call up, respectively, Senate Concurrent Resolutions 64, 65, and 66, disapproving the President's reorganization plans Nos. 1, 2, and 3. The House has taken action disapproving the plans.

I have been informed by the majority leader that there will be a session tonight and a session tomorrow. I have tried to obtain an agreement with him to the effect that these resolutions would be called up tomorrow. But I have not been able to obtain such an agreement.

I tried to get an agreement yesterday. I tried to get one today. But I wish to say that in view of the fact that there is still hope that we shall be able to dispose of the OPA legislation this evening, and in view of the repeated requests of both Democrats and Republicans that I defer moving the consideration of these resolutions, I am not going to move for their consideration this evening. However, Mr. President, I shall take the time now, briefly, to discuss the situation because I sincerely believe that a large majority of the Senate have failed to understand what is involved. I shall be very brief.

Mr. OVERTON. Mr. President, will the Senator yield so that I can propound a parliamentary inquiry in connection with the matter which has been brought before the Senate?

Mr. WILEY. I prefer not to yield at the present time. I have waited all afternoon for the opportunity to speak.

Mr. OVERTON. A time has been prescribed for debate, and I wish to know whether it is in relation to each plan or all plans. I understand that there is a 10-hour limitation to the debate on each plan.

Mr. WILEY. As I understand, 10 hours is the maximum length of time allowed to each side.

Mr. OVERTON. I should like to have the matter settled. I make a parliamentary inquiry, Mr. President. What is the limitation on debate in respect to the motion proposed by the Senator from Wisconsin?

The PRESIDING OFFICER. The Senator has not made any motion.

Mr. OVERTON. I refer to the motion which he proposes to make.

The PRESIDING OFFICER. The Senator from Wisconsin has not made any motion or proposal.

Mr. OVERTON. What is the limitation with respect to a motion to proceed to the consideration of a reorganization plan?

The PRESIDING OFFICER. After the motion has been agreed to, 5 hours is allowed on each side.

Mr. OVERTON. Is that with reference to each plan or all plans?

The PRESIDING OFFICER. Five hours is allowed each side, or a total of 10 hours on each plan.

Mr. WILEY. Mr. President, I invite the attention of the Senate to the fact that the act known as an act to provide for the reorganization of Government agencies, and for other purposes, was passed in 1945. I invite attention to the provision in that act under which the Senate and the House agreed that the purpose of the Reorganization Act was to reduce the number of agencies by consolidating those having similar functions, and——

Mr. BARKLEY. Mr. President, will the Senator yield to me in order that I may make a statement for the benefit of the Senate?

Mr. WILEY. I yield.

Mr. BARKLEY. I have been asked privately by Senators what is the program for the further procedure of the Senate. I have said that so far as I can control the situation, we will continue on into the evening and endeavor to dispose of the pending joint resolution. The sooner we dispose of it the sooner we can take up other legislative matters, including the one about which the Senator from Wisconsin is now speaking. I hope that Senators will agree to the program and remain in the Senate so that we may conclude consideration of the pending joint resolution.

Mr. RUSSELL. Mr. President, will the Senator from Wisconsin yield to me so that I may propound an inquiry to the Senator from Kentucky?

Mr. WILEY. I yield.

Mr. RUSSELL. I wonder if the Senator from Kentucky has given any thought to obtaining unanimous consent to vote by a certain hour on Monday next on the matter which the Senator from Wisconsin has in mind?

Mr. BARKLEY. The Senator is not going to bring it up now and is endeavoring to explain why. I will say further that a session of the Senate will be held tomorrow, regardless of what happens with the OPA measure tonight. Even if we dispose of the measure tonight, we will hold a session tomorrow. There is plenty for the Senate to do.

Mr. WILEY. Mr. President, at the time I yielded to the distinguished majority leader I was inviting the attention of the Senate to the fact that the act which provides for a reorganization of Government agencies includes, as its objectives, the reduction of a number of agencies and the elimination of overlapping and duplication of effort. Subsection (c) of section 6 provides as follows:

> It is the expectation of Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected.

The House held extended hearings on the matter. There were three organization plans submitted. I shall not go into detail with reference to them.

Three resolutions were submitted in the House disapproving the plans because, it was said, they would not reduce the overhead expenses, nor the personnel. Instead, it was stated by one executive officer that they would increase the cost of government by some $4,000,000. But, be that as it may, Mr. President, I personally feel that when the President of the United States submitted plans for reorganization, the presumption was that they contained merit. But when the other House, after extensive hearings, concluded that the plans did not follow the intent or the idea of the proposed legislation, the matter then came to the Judiciary Committee of the Senate. The Judiciary Committee held extensive hearings in this respect: One or two Members sat in at the sessions and considerable evidence was adduced. But there is practically no evidence which would in any way run contrary to the findings made by the other House.

Mr. President, as the Members of the Senate know, under the law which was enacted in 1945—and in my humble opinion it was very poor legislation—the Executive was given extraordinary power. Congress said, in effect, that if the two Houses did not act together or one disagreed with the other, the plan of the Executive would become law. The President not only possesses his constitutional veto, but Congress has created an additional veto upon its own legislative power.

What is more, it was provided in the act that if action is not taken within 60 days disavowing the act of the Executive, not by one but by both Houses of Congress, it would become law.

I invite the attention of the Senate to the fact that those 60 days will terminate on next Monday at midnight. All I have asked the majority leader to do is to agree to displace the pending joint resolution tomorrow and Monday so that the Senate can take up the matter about which I have been speaking. I have heard Senators condemn filibustering. What has been taking place? We are being filibustered out of our right to vote on these resolutions.

We have heard the distinguished Senator from Louisiana ask how much time is to be allowed for debate. It was announced by the Chair that 10 hours was the maximum that could be used on each resolution. I believe that, no matter how Senators will vote upon the resolutions, in all common sense and decency they should permit these resolutions to be brought to the floor and to be voted upon. They should not allow the resolutions to go by default.

Mr. President, I appreciate the desire of the majority leader to complete as soon as possible consideration of the pending OPA joint resolution, and I do not for one moment underestimate the importance of it. I do not underestimate the importance of a situation wherein there might be no OPA of any kind. I have spoken on that subject before. The fact is completely obvious that, in view of the number of amendments which have been already proposed to the joint resolution—I was told this afternoon that there are still 15 not acted upon—it has been extensively amended. Therefore it seems to me perfectly reasonable and sensible to displace the OPA joint resolution and postpone its further consideration until next Tuesday. A print should be made of all the amendments which have been agreed to in connection with the joint resolution, and in the meantime we should dispose of these three resolutions. I have stated that I suggested to the majority leader that that be done. But nothing has been done.

A few days ago some very fine things were said about him, and I wish to say that I think never in the history of the Democratic Party has any man served so long and so faithfully, irrespective of his own convictions, the cause of his party, and no man has ever served better. That is an honest appraisal, by a Republican. I have marveled at his physical stamina; I have marveled at his ability to come out of a tired spell and answer the challenges. But in this particular instance I want to tell him I am not unaware of what he is attempting to do. When the show is over it will be very apparent, if he succeeds, that there will be no vote on these three resolutions.

Mr. BARKLEY. Mr. President, I resent that statement. I have told the Senator from Wisconsin a half a dozen times that all I am seeking to do is to have the pending legislation disposed of, and insofar as I am concerned, immediately upon its disposition, we can take up these resolutions and vote upon them. The sooner the Senator from Wisconsin will let us proceed with the pending legislation the sooner we can conclude it and get a vote on it and on the resolutions.

If the Senator means that I am deliberately seeking, by trying to conclude the pending legislation we have before us, to prevent a vote on these resolutions, there is not a word of truth in it, and I resent that implication coming from the Senator from Wisconsin or any other Senator.

Mr. WILEY. The Senator has a perfect right to resent anything I say. I do not want to get him aroused unduly, because I would not like to see him have an apoplectic fit. I have seen him close to it several times, and I do not want such a thing to happen. I would not have it happen for the world. I love him as I love every other Senator who is doing a good job.

Mr. BARKLEY. Mr. President——

Mr. WILEY. Mr. President, I have the floor. I have not yielded to the Senator.

Mr. BARKLEY. I do not want to ask the Senator to yield.

Mr. WILEY. What I said was strictly in line with my talk with the distinguished Senator. He said to me, "After we get through with OPA you can have the floor." If after we get through with OPA it is 12 o'clock Monday evening, we will not have a chance to express our sentiments.

To confirm that, for 2 nights we were to have night sessions. Last night we adjourned for 2 hours, to get something to eat, and we came back expecting to run into the morning hours and clean this matter up. At 10:30 we were recessed. We did not follow through. At another night session before that, we did not follow through. At least I think the facts sustain my conclusion, and this is not said in an uncomplimentary manner; it is said to compliment "the general." Generals plan and execute, and the execution so far has been wonderful. We did not get to an amendment until 4 o'clock this afternoon, and I am informed that there are 15 more amendments. So, without meaning anything personal, I say the Senator is doing an extremely good job.

I pointed out yesterday that the President's reorganization plans will go into effect on Monday, July 15, 1946, if no action is taken by the Senate, or if action is taken sustaining the President's position. It will be most unfortunate that the reorganization plans should go

into effect simply by default of the Senate; that is, its failure to take any action whatsoever.

My whole purpose tomorrow, then, immediately after we meet, is to call up these resolutions and ask Senators to vote, not their convictions on the plans, but to vote that the resolutions be taken up.

There is a difference, Mr. President. I talked to one Senator today on the other side, who said, "I will vote with you to take them up, but I will vote against the House resolutions." I said, "That is perfectly fair." All I want is a chance here. All I want is an opportunity for the Senate to voice its convictions for or against the resolutions in spite of the strangulation process which we legislators imposed upon ourselves.

I repeat, my whole purpose will be to call up each of these resolutions so that the Senate can take action one way or the other, so that they can be voted on in time. In view of these facts, I repeat that I am asking each Senator to give consideration to the matter, so that Senators will understand the issue tomorrow, and, when the Senate convenes, vote upon whether or not they are willing to set aside temporarily the OPA joint resolution and take these matters up, so that they can be considered.

Mr. President, I heard the suggestion that we wait until Monday. I heard the suggestion yesterday, when I was ready to make the motion, that we wait until today. Now the suggestion is to wait until tomorrow.

Monday, Senators will have a chance to vote upon only one of those resolutions. I am not a prophet or the son of a prophet, but I know many fine men who talk in this Chamber about the terrible thing known as filibuster. A Senator would not have to talk very long to put the resolutions out the window. At 12 o'clock Monday night Senators will have no voice in saying whether they want the reorganization plans to go into effect or not.

The distinguished majority leader said something about my talking. I do not think I have talked more than 15 minutes today. This is my first experience today, and yesterday I talked about 5 minutes. If there is any implication that I was trying to do any undue talking, I might resent that. But I do not resent it. I merely praise the Senator for his splendid ability, for his magnificient courage in fighting for his cause, and following his leader through thick and thin, taking orders, obeying and executing, whether he is appreciated or not, at the other end of the Avenue.

I say that with a sincerity that is deep down. He is a marvel to me, and nothing I have said should cause him to speak in terms of resentment of what I have said. What I have said has not been uttered with any other meaning than to demonstrate love and affection for him.

I call attention again to the fact that the time is running out, and I ask Senators to join with me in getting these resolutions in such position that Senators can say "Yes" or "No" on bringing them up. Then let their convictions determine which course they will follow in voting upon the resolutions themselves. Tomorrow when the Senate meets, I shall expect to be recognized, and I shall make a privileged motion.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. JOHNSTON of South Carolina. Mr. President, on behalf of the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. MILLIKIN], the Senator from North Carolina [Mr. HOEY], and myself, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert at the proper place in the joint resolution the following:

In establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey goods cost or the finished woven fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

Mr. BARKLEY. Mr. President, the Senator from South Carolina and the Senator from North Carolina have conferred with me about this amendment, and, as it is in line with what the Administrator is attempting to do, I have no objection to it, and shall be glad to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina for himself and other Senators.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, there is a misprint in line 23 on page 7 of the joint resolution. The last word in the line is "minimum." It should be "maximum." I ask that that be corrected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I offer an amendment on behalf of the Senator from South Carolina [Mr. MAYBANK] and myself, and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert in the joint resolution at the proper place a new section, as follows:

SEC. —. Subsection (a) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end of the subsection and inserting in lieu thereof the following: ": *Provided*, That no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, except that fair and equitable differentials may be established between peeled and rough pulpwood."

Mr. RUSSELL. Mr. President, I wish to make it perfectly clear that this is not a decontrol amendment. It does not decontrol the commodity of pulpwood, with which it deals. The purpose of the amendment is to correct what appears to me to be a very flagrant discrimination in the present price-control regulations. This discrimination, according to the Office of Price Administration, grows out of what they call the historical base under which they have fixed a differential on pulpwood of the same type, which ranges from $9 in the Southeast to $13.25 for the same kind of wood in the Northeast. Indeed the differential was even greater until recently, when the OPA allowed an increase of $1.40 in the price of southern pulpwood.

Mr. President, the amendment has the endorsement of the American Farm Bureau Federation. I have in my hand a letter signed by the director of the Washington office, Mr. W. R. Ogg, from which I shall read a couple of paragraphs because I think it explains the justice of the amendment much more clearly and plainly than anything I might say. I read from the letter:

We would appreciate it if you would seek to get an amendment in the OPA extension bill to correct the discriminatory regional differential which OPA is now enforcing with respect to southern pulpwood. Under the OPA regulations the ceiling price of rough southern pine pulpwood is $9 per cord delivered on board railroad cars throughout most of the South, while ceiling prices for rough pine pulpwood range from $11 to $13.25 delivered on cars in the Northeastern and Lake States.

Southern and northern pine pulpwood are used in the manufacture of similar, and in many cases identical, products. We have been advised by the United States Forest Products Laboratory at Madison, Wis., that "high quality products are made from both northern and southern pine." We, therefore, can see no reason why official regulations should require that southern pine pulpwood be sold for less than the lowest price prevailing for pine pulpwood in other areas.

Due to increased cutting and hauling costs, present ceilings allow farmers almost no return for growing pulpwood. OPA's own figures show that southern farmers are now getting an average stumpage return (price of standing timber) of $2.25 for growing pulpwood.

The Forest Service estimates that southern woodlands are producing pulpwood at an average rate of one-third to one-half cord per acre per year. This means that with stumpage at $2.25 per cord the farmer is getting a return of only $0.75 to $1.12 per acre per year to cover property taxes, fire-protection costs, risk, interest on his investment, management and other expenses such as brushing out roads.

The inadequacy of this return is readily apparent when we analyze the costs of producing pulpwood.

On the basis of data supplied by W. S. Brown, director of the Georgia Extension Service, costs of growing pulpwood in Georgia are estimated to be as follows:

Interest at 5 percent on average land valuation of $13 per acre—

I wish to call attention to the very low valuation that is put on this timberland. That interest would be 65 cents a year.

Fire protection, 6 cents.

Taxes, 10 cents.

Total with no allowance for risk, fire, or management of the forests, 81 cents per acre.

It is estimated that the annual growth of pulpwood, at 0.4 a cord per acre, would allow the forest farmer, over and above his actual costs, only 9 cents a year per acre for management and risk.

It seems to me, Mr. President, that the discrimination is so manifest that whatever be its cause, be it historical or otherwise, it should be corrected in this measure. When legislation is pending which provides for wage-and-hour legislation, there are times when those of us from the Southeastern States are criticized if we scrutinize it with more care than do Senators from other sections. This is one of the reasons why that is true. It is illustrated very clearly by this amendment, whereby it is apparent that merely because these trees have been produced in the South, they bring under OPA regulations $3.25 a cord less than do those produced in the more favored States.

I, of course, want to see the people of my State get just as good wages and have just as high income as those of any other State in the Union. That cannot come about until we are admitted to the Union on the basis of full equality, and can sell our commodities, when they are equal in quality, for the same price they bring when produced in other sections of the country.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHERRY. Does the discriminatory condition which exists result from the fact that the ceiling price was established on the former basis on which pulpwood in the South was sold?

Mr. RUSSELL. That is what I have been advised by the Office of Price Administration. The amendment does not raise the price of pulpwood. It merely raises the ceiling. I do not understand that it will increase the price of pulpwood now. But we do not want the price held down by Government regulation.

Mr. WHERRY. Because of the increased costs that have occurred since the ceiling was established, probably in labor and other directions, what the Senator is now attempting to do is to establish a ceiling price which is equitable, which is in line with the price in other localities and other districts, and which will permit the pulpwood operators to operate at a profit instead of at a loss?

Mr. RUSSELL. The Senator from Nebraska has explained the situation completely. The amendment provides that there shall be no difference in the price ceiling with respect to trees of the same genus, of the same kind, in any State of the United States. The amendment will be somewhat helpful to the great State of Wisconsin, because it happens that they have a level of 75 cents or $1 a cord less than is allowed in some other States. I have no guaranty that the wood will sell for the ceiling, but the grower or farmer should not be denied by Federal regulation the opportunity to sell his wood of equal quality on a basis competitive with other areas. I cannot see how in simple justice anyone could oppose the amendment.

Mr. BARKLEY. Before the Senate votes on the amendment I think that a brief statement should be made with reference to it.

A uniform Nation-wide ceiling price for pulpwood does not take into account the differences in cost of production in the various regions of the country.

The present OPA differentials simply recognize the differentials which existed in the prices of pulpwood long before the imposition of ceiling prices, and long before the Stabilization Act and the Price Control Act were passed. It is not true that OPA prices were set at a prewar level; rather they were set at the March 1943 level, which was nearly 2 years after the beginning of price control. Before the ceiling prices were fixed OPA made a study of the industry; this study showed variations in pricing by regions. In all cases an attempt was made to write regulations which conformed to the practices and the historical pattern of the industry.

Neither southern or northern pine nor southern or northern hardwood are comparable as raw materials for pulp manufacturers.

There is no hardship under pricing. Pulpwood growers in the South are now receiving higher stumpage returns than at any time in the past decade. That is before price ceilings were imposed.

Production has been good. Pulpwood receipts in the South have increased from 6,400,000 cords in 1941 to 7,148 000 cords in 1945, a particularly impressive record in view of the many alternative opportunities for employment which were available.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. RUSSELL. I might say that I have been informed by a number of individuals that the production of pulpwood has fallen off tremendously since the German prison labor has not been available. I regret that the distinguished Senator from North Carolina is not at the moment on the floor. He told me about a man in his State who, within the past 2 months, had had to stop production of pulpwood because of the fact that the return did not enable him to pay present labor costs.

Mr. BARKLEY. These are official figures, as I understand, of the amount of production in 1941 as compared with 1945. I do not know what part German prison labor may have played in them, but they are the figures.

The adoption of such drastic flat pricing on a national basis would probably force major revisions in the ceiling prices not only of pulpwood but of other products dependent on the pine forest of the South, including such finished products as kraft paper and paperboard, paper power poles, building lumber, and so forth.

It might also be stated in this connection that in the South all pulp is made of 90 percent of pine timber, and in the North it is made of only 4 percent pine timber. So that when we consider the interchangeability of pine and hardwood for pulpwood purposes there is not only a historical difference between the pricing in the past, but there is a historical difference in the proportion of pine and hardwood that goes into pulpwood for the use of American industry.

So far as I am concerned the Senate can do what it pleases with the amendment. It is not a decontrol amendment, that is true, but it does require a uniformity of prices that never existed in the industry prior to price control. If the Senate thinks that the Government ought to say that, notwithstanding the fact that there has never been any uniformity in pricing, there ought now to be, the Senate can do so.

Furthermore it should be stated that the growth of a tree in the South out of which pulp is made is more rapid than the growth of such a tree in the North. That contributes to the increase in the output per acre, or any other unit of production. That is an element which has probably justified some differential in the past in regard to the prices of pulpwood.

Mr. President, I submit these facts to the Senate. The Senate can take such action as it sees fit to take.

Mr. TAFT. Mr. President, I do not understand how we can begin to price goods by amendments. It seems to me bad enough to consider commodities one by one on the question of decontrol; but if we begin to lay down prices in the case of every commodity I do not see where we can stop. I do not understand why we should interfere in the question of a particular price.

Mr. BARKLEY. I am very happy to have the Senator from Ohio admit his mistakes in that regard up to this time.

Mr. TAFT. If we consider commodities one by one we can go on forever. I have tried to induce the Senator to lay down some formulas with respect to pricing, but I cannot see how we can undertake to price each commodity.

Mr. RUSSELL. Mr. President, this amendment does not undertake to set a price. It merely relates to the price ceiling which may be imposed.

I do not agree with the statement which was read by the Senator from Kentucky. I know that it was prepared in the Office of Price Administration. That is the argument which has been used against the efforts which have been made to secure parity and justice for the producers of pulpwood in the Southeastern States. But certainly, Mr. President, the fact that our people were so unfortunate that they could be exploited with each for years before the Price Administration came into being is no reason for the Senate now to condone that exploitation by operation of law.

This amendment would not require anyone to pay an equal price for any commodity. It merely provides that the price ceiling must be the same throughout the United States on the same type of wood. It provides that the prices of wood in one section of the country shall not be held below the level of prices in other sections of the country because of a historical base which has kept producers in the Southeast in a state of poverty and exploitation for the past 80 years. This amendment would not compel anyone to pay a higher price for the woods. It merely provides that the price level for southern pulp may not be held at $3.50 a cord below the price in other sections. It does not require the great paper mills to pay any more for the wood. They will not do it. They have a pretty close combination. I have no assurance that this amendment would result in an increase in the price of wood. I hope it may. The gigantic mills are few in number and have always managed to pay

about the same amount for paper pulp throughout the Southeastern States. In order to obtain the wood they may not have to pay the new ceiling. But certainly it is unjust to say that those prices should be held down by regulation to their historical base, merely because the producers were not receiving full value in the years gone by.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AUSTIN. Can the Senator tell me whether the Southeast has been producing pulpwood for many years?

Mr. RUSSELL. No; it has not. The first mill was established in my State not many years ago. Our people had no knowledge of the value of wood. They had been selling it as cordwood to burn, at a very low cost or as lumber. When the mills moved in, small farmers sold the wood at practically what they were offered.

Mr. AUSTIN. Is it true that the Southeast found a new use for an old product which was never expected to produce pulpwood?

Mr. RUSSELL. That is very true. That was the result of experiments by a Georgia chemist, Dr. Charles A. Hurty, one of the country's greatest scientists. He believed that paper could be made from southern pine. People scoffed at him, but he demonstrated it beyond peradventure. I wish to pay tribute to the Chemical Foundation, an eastern philanthropic organization. I know of my own knowledge that it put up part of the money to enable Dr. Hurty to conduct his experiments. As Governor of Georgia, I also secured an appropriation from the Legislature for that purpose.

Mr. AUSTIN. There are practically endless possibilities in the Southeast with respect to this particular wood, are there not?

Mr. RUSSELL. If the forests are properly protected, tremendous quantities of it can be grown.

Mr. AUSTIN. Is it the purpose of the amendment of the Senator to place a level, horizontal price on all kinds of woods which are suitable for paper pulp?

Mr. RUSSELL. Oh, no. The amendment says "trees of the same genus."

Mr. AUSTIN. How would the Senator define that term? For example, would he call trees of the Southeast which have recently been applied to this use trees of the same genus as those which have been used for pulpwood in the Northwest for many years?

Mr. RUSSELL. I must confess that I am not enough of a forest expert to answer the question.

Mr. AUSTIN. That is one of the problems.

Mr. RUSSELL. I am not enough of a forest expert to know just what trees belong to each genus. I have never had an opportunity to study forestry in detail, and I could not answer the Senator's question.

Mr. AUSTIN. That is one of the questions which is in my mind in respect to the Senator's amendment.

Mr. RUSSELL. Of course, the Senator realizes that this amendment would not arbitrarily increase the price of pulpwood. If our pulpwood is not worth as much as wood in other sections of the country, of course the mills will not pay as much for it. But undoubtedly it is worth more than the producers have been receiving for it in the past. I do not believe that anyone can justify the differential which has existed.

A great deal of the wood in the northeast goes into the manufacture of kraft paper, which is the principal product of our mills. Kraft paper made from expensive wood does not make any better containers or sell for any more than kraft paper made from cheaper wood. In the State which the distinguished Senator has represented so ably in this body for many years there are some trees from which an unusually fine quality of paper can be made. I have heard paper experts say, for example, that Hammermill bond paper is worth more than $150 a ton when it is finished, as compared with much less for the average kraft paper.

Mr. AUSTIN. Is there anything in the Senator's amendment which would have the effect of placing a floor under prices and holding the price of an inferior commodity up to the same level as that of a superior commodity?

Mr. RUSSELL. There is nothing whatever in the nature of a floor in this amendment. It merely relates to ceilings which are imposed by the Office of Price Administration.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Austin	Hart	O'Daniel
Ball	Hawkes	O'Mahoney
Barkley	Hayden	Overton
Brewster	Hill	Pepper
Bridges	Hoey	Radcliffe
Briggs	Huffman	Reed
Brooks	Johnson, Colo.	Revercomb
Buck	Johnston, S. C.	Robertson
Burch	Kilgore	Russell
Bushfield	Knowland	Smith
Capehart	La Follette	Stanfill
Capper	Langer	Stewart
Carville	Lucas	Swift
Chavez	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McKellar	Thomas, Utah
Downey	McMahon	Tobey
Eastland	Magnuson	Tunnell
Ferguson	Mead	Wagner
Fulbright	Millikin	Walsh
George	Mitchell	Wherry
Gerry	Moore	White
Gossett	Morse	Wiley
Green	Murdock	Wilson
Guffey	Murray	Young

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr RUSSELL].

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. MURDOCK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 20, in line 21, it is proposed to strike out the period and insert a colon and the following: "*Provided*, That the Commodity Credit Corporation or any other Government agency shall not absorb any increases in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946."

Mr. MURDOCK. Mr. President, the joint resolution contains certain language dealing with the Commodity Credit Corporation and its subsidizing of the importation of sugar from offshore. There has been some difficulty between the domestic sugar industry and the Commodity Credit Corporation as to the limitation on the amount which may be used for this purpose. The Commodity Credit Corporation and the domestic industry have agreed upon this limitation. The amendment is sponsored by the Commodity Credit Corporation, and is sent here by it, after agreeing with the sugar industry in the United States. I have submitted the amendment to the Senator from Ohio [Mr. TAFT] and the Senator from Colorado [Mr. MILLIKIN], on the Republican side of the aisle. I have submitted it to the majority leader on this side of the aisle. It has nothing whatever to do with decontrol or control, but it does place a limit on the amount per pound which may be used by the Commodity Credit Corporation for this purpose.

I know of no objection to the amendment, and I ask that it be agreed to.

Mr. OVERTON. Let me inquire what the limit is?

Mr. MURDOCK. The limit is 3.675 cents per pound. I say to my friend the Senator from Louisiana that I understand that the cane-sugar producers and the beet-sugar producers and the Commodity Credit Corporation have all agreed on this amendment. It is a limit on the amount per pound which can be used by the Commodity Credit Corporation in connection with bringing in offshore sugar.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. REVERCOMB. I wish to make sure that I correctly understand the Senator's amendment. Does it place a limit upon the price which the Commodity Credit Corporation may pay for Cuban sugar?

Mr. MURDOCK. That is correct. Under the language of the joint resolution as now written, there is no limit on the price per pound which the Commodity Credit Corporation may expend for the subsidizing of the off-shore sugar which is imported. We all know of the extreme necessity for the importation of such sugar. But it was thought by the domestic-sugar industry that some limitation should be placed upon the Commodity Credit Corporation. The domestic industry has agreed with the Commodity Credit Corporation. The Commodity Credit Corporation is agreeable, and this amendment is the result of their agreement.

Mr. REVERCOMB. Mr. President, with the Senator further yield?

Mr. MURDOCK. I yield.

Mr. REVERCOMB. Of course, the Senator is aware that the Secretary of Agriculture is now in Cuba, and perhaps he may be there on the subject of the purchase of sugar. We are told that we have a shortage of sugar. It is still being rationed. It is the only article of foodstuffs of which I know that is being rationed today. As I understand, one of the difficulties in obtaining sugar is the bidding against other countries on the purchase price. I say to the Senator that I wish to protect the sugar which is grown in this country just as much as the Senator does; but if we place a limit on the price of sugar per pound, I wonder whether we thereby tie the hands of the Commodity Credit Corporation in connection with the purchase of sugar for this country.

Mr. MURDOCK. I was assured by the officials of the Commodity Credit Corporation who were up here yesterday, and it was one of them who gave me the amendment to present, that it is amply sufficient to take care of the job, and they have no objection whatever to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. MURDOCK].

The amendment was agreed to.

UNITED STATES EMPLOYMENT SERVICE

Mr. MORSE. Mr. President, earlier in the day the Senator from Minnesota [Mr. BALL] presented a conference report involving the United States Employment Service. I have some very brief comments which I desire to make. I understand that the conference report was agreed to, but, nevertheless, I believe that the RECORD should contain certain observations concerning the Employment Service of the Federal Government.

The failure of the conference report to include provisions assuring operations of public employment offices, as provided for by this body in the Senate amendment to House bill 4437, comes as a bitter disappointment. It demonstrates again how unsatisfactory is the effort to introduce substantive legislation in an appropriation bill.

I recognize that substantial authority is vested in the Federal Government in the Wagner-Peyser Act of 1933, the basic legislation establishing a Nation-wide network of public employment offices. However, since the enactment of the Wagner-Peyser Act this country and the public Employment Service have experienced the sharpest extremes in economic conditions and activities. For almost a decade widespread unemployment prevailed throughout this country. This was followed by a period of critical shortages and wartime labor-market controls.

More recently the Federal Government has rightly accepted additional responsibilities with respect to the returning veteran. These responsibilities are set forth in the Servicemen's Readjustment Act of 1944. I wish specifically to call the attention of this body to title IV of that act, in which it is stated that the "Congress declares as its intent and purpose that there shall be an effective job-counseling and employment-placement service for veterans, and that to this end policies shall be promulgated and administered so as to provide for them the maximum of job opportunity in the field of gainful employment." The act provides that within the United States Employment Service there shall be a Veterans' Employment Service, and that the local employment offices shall carry out the provisions of the act and make effective the congressional intent.

Among the duties assigned to the United States Employment Service by this act are: (a) to register veterans in local employment offices for suitable types of employment and for placement of veterans in employment; (b) assist in securing and maintaining current information as to various types of available employment in public works and private industry or business; (c) promote the interest of employers in employing veterans; (d) maintain regular contact with employers and veterans organizations with a view to keeping employers advised of veterans available for employment and keeping veterans advised of opportunities for employment; and (e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

It must be clear to all of us that the adoption of the conference report in no way sets aside these obligations. Obviously, the Federal Government, if it is to carry out its responsibilities, must take full account of the obligations it has assumed in both the Wagner-Peyser Act of 1933, and the Servicemen's Readjustment Act of 1944

There is inherent in the provisions of the Wagner-Peyser Act adequate authority for the Federal Government to carry out its responsibilities with respect to the functioning and operation of the public employment offices. It is nevertheless administratively cumbersome to comprehend within the framework of existing legislation 13 years of experience covering the whole range of economic conditions, as is necessary to meet our obligations to American workers, of whom 15,000,000 are veterans. For this reason, I have been most desirous to amend the Wagner-Peyser Act through substantive legislation. I had hoped that the action of the Senate in amending House bill 4437 would receive favorable consideration by the other House.

Over the past several months I have given much attention to the underlying principles and objectives of a sound system of public employment exchanges in this country. I am satisfied the public employment exchanges are basic community institutions whose influence reaches far beyond what is apparent from superficial examination. It is to the public employment exchanges that our workers and employers, our schools and other community groups must look for guidance and assistance in maximizing employment and assuring employment continuity. In our present-day economy it is both uneconomical and undesirable that a worker should have to pound the pavement going from one employer to another in search of a job, or that an employer must rely upon only that segment of the labor supply which comes to his gates. The employment exchange, therefore, performs a necessary function, since job security is fundamental to our way of life.

I want to emphasize to this body that the system of public employment offices which exists today is a far cry from the service that was established to facilitate the referral of unemployed workers to relief and public works projects during the great depression of the thirties. It is also far different from the service that was subordinated to the State unemployment compensation system when benefit payments began in many States in 1938. The public Employment Service we have today has come of age, matured by experience under widely varying economic conditions and tested in the crucible of wartime pressures.

Today there are 1,760 local employment offices from coast to coast, each of which is a central institution in the community. These offices are staffed by 26,000 public servants who are trained and experienced in employment service methods and practices to assure that the right worker and the right job are brought together promptly. Behind these offices and staff lies a rich experience which has seen the development of a well defined and comprehensive program of service to workers, employers, and the community. Not only has the Government, but private enterprise as well, benefited from such things as the analysis and definitions of over 30 000 occupations found in American industry; the development of effective tools for the selection and assignment of workers; and the availability of labor-market information setting forth employment and unemployment trends, job opportunities, hiring practices, and specifications

I take great pride, both as a citizen of the United States and of Oregon, in the kind of Employment Service the Federal Government is about to transfer to State administration under Federal-State relations. There is no doubt that if it is properly administered by the States, and the State systems can be properly coordinated by the Federal Government into a Nation-wide network of public employment services, the public employment Service will be thoroughly competent to carry out the postwar policies and objectives of this country as they relate to employment security of our people.

It took a Pearl Harbor to awaken America to the recognition that a strong system of public employment offices, national in scope, is fundamental to the Nation's welfare, despite the fact that the concept of the Wagner-Peyser Act of 1933 was a system national in scope to be achieved through State operations of local offices and Federal-State cooperation in the over-all programs. Without the local offices coordinated into a Nation-wide network, our manpower resources necessary for war production could not have been mobilized. The United States alone, of all countries of the world, was able to achieve the miracles of production without having to resort to the drafting of its civilian labor force.

During the years of Federal operation of the Employment Service there has been developed a program of community

participation, of local management-labor cooperation unparalleled in this country. The amazing flexibility of the public employment office system to shift operations and procedures to wartime needs made this achievement possible. The employment offices had to rely upon moral suasion, backed up by knowledge of labor requirements and sources of labor supply, to channel workers from less essential to more essential war activities. Not only did the Employment Service fulfill its obligations with respect to providing the necessary manpower for war production, but it provided much of the information needed by production and procurement agencies to carry out their programs.

No instrument of Government is comparable to the Employment Service in the way its facilities and activities are rooted in local communities. The United States Employment Service has been successful in coordinating the activities of these community institutions, and in establishing basic procedures and operations so that we have truly a Nation-wide network of public employment offices. During the years of Federal operation the Employment Service has acquired a vast knowledge of industrial processes, of occupational skills and requirements, of employment opportunities, and employer practices, which will stand it in good stead for years to come under State administration.

What has been accomplished under Federal operation represents a signal achievement. No fraction of this advancement of the Employment Service should be lost inadvertently or otherwise in the transfer of operations to the States. Five years ago the existence of a public employment office in the community was relatively unknown, except to persons who had been on relief or who had been receiving unemployment compensation benefits. Today, in sharp contrast, public employment offices have status, prestige, and public recognition in every community in which they are located. They have become the focal point for job placement service; for sound employment counseling of job seekers, especially veterans; for labor market information regarding employment trends and job opportunities. Employers, labor organizations, and community groups look to the employment offices for information and assistance with respect to community programs to facilitate employment of the citizens of the community.

The Employment Service, in reconverting itself from war to peacetime operations, has formulated its program to meet the needs of a peacetime free labor market. During the past 8 months this country has witnessed greater instability in labor-market conditions than has ever previously existed. In the face of the displacement of millions of war workers and the necessity for absorbing into civilian life millions of returning service men and women, this country has emerged with a higher level of employment than prevailed even during the war years. When we take into account the widespread uncertainties of price and wage relations, the frequent occurrence of labor disputes, the vast migration of workers from one section of the country to another, I am sure that we all agree that the American people have once again displayed an amazing capacity to adjust to changing conditions. The activities of the public employment offices have contributed in no small measure to these achievements. The Employment Service can well be proud of the vital role it has played.

During the past 8 months the employment offices, each month, have been called upon for service and assistance by well over half of the returning servicemen. The Employment Service has seen the total number of service calls upon it rise from less than 5,000,000 per month to 14,000,000. Employment counseling of veterans has risen from 58,000 per month to approximately 130,000. At the same time, the employment offices have given yeoman service to the State unemployment compensation agencies in meeting emergency loads of millions of unemployment compensation claims.

The peacetime program of the United States Employment Service is a sound one, without regard to whether public employment offices are operated under Federal or Federal-State administration. This program consists of six coordinated functions which are the minimum requisites of a sound public employment service:

First. An effective placement service facilitates the employment and reemployment of returning servicemen and women, displaced former war workers, youths entering the labor market, disabled veterans and other handicapped workers, old workers, women, and all other persons seeking jobs.

Second. Workers are assisted through employment counseling to determine their present or potential occupational abilities and interests in the light of realistic information about job requirements and employment opportunities.

Third. Special services to veterans includes employment counseling and preferential service by the local offices, as well as priority of referral to any job for which they are qualified.

Fourth. Employers and labor organizations through personnel management services may receive assistance in the use of personnel tools and techniques which have been developed by the Employment Service for effective selection, assignment, and transfer of workers.

Fifth. Labor-market analysis and information of the Employment Service is widely used by workers for choosing among various employment opportunities or planning their vocational careers; by employers in locating plants or in scheduling production to best utilize available labor resources; and by training authorities and community groups and other agencies whose programs are affected by manpower considerations.

Sixth. In its cooperation with community organizations and Government agencies, the Employment Service participates in activities and programs for increasing economic activity and maintaining high levels of stabilized employment.

It must be clearly understood that the Employment Service that is now being transferred to State operation is not the Employment Service of prewar years, nor should its program be subordinated to State unemployment-compensation programs as it was in former years. Surely we recognize that the first objective and responsibility to a worker seeking employment is to find him a job, and only the failure to obtain suitable employment can justify the payment of unemployment benefits. Any activity which detracts from the Employment Service carrying out its responsibility to assist job seekers in finding suitable employment seriously undermines the kind of employment exchange this country must have. I wish to state again that this method of handling a problem of this importance as a part of an appropriation bill can only be regarded as a temporary expediency. We are still confronted with the necessity of providing permanent substantive legislation which will guarantee that we shall have a public Employment Service which will continue to grow in strength and in the vital role it plays in our national economy.

I close, Mr. President, by making two additional points. I fear that time will prove that the Congress of the United States has not served the country well in the manner in which it has disposed of the Employment Service of the Federal Government. I think time will prove that it was most unfortunate that the conference report as finally adopted by the Congress did not include the guaranty-of-operation clause, because, as I said on another occasion in discussing this question, I do not think we can ever get away from the fact that, after all, the problem of employment and the problem of unemployment is not a Federal problem alone, not a State problem alone, but a combined Federal-State problem.

I think this is one of the social and economic problems which should be handled by the State and Federal Governments working in cooperation. I do not believe the conference report which was adopted by the Senate today is so framed and phrased as to allow for the maximum of cooperation which should exist in the operation of a Federal-State plan.

So, Mr. President, I hope that the Senate will continue to scrutinize very carefully employment and unemployment problems as they arise in the months ahead and if it should come to pass that any State fails to live up to its obligations to the veterans, and to the other workers, in seeing to it that they are supplied with an adequate employment service, then I submit that there is an obligation resting upon the Congress to see to it that necessary Federal steps are taken to place in the States Federal employment services which will guarantee to those citizens at least the right to an opportunity for a service which will help them find jobs, because although we may now go into a period of prosperity, with a high degree of employment, I think we all know that that time will run its course, and sooner or later large numbers of American workers will be confronted with the task of finding jobs in order to meet an unemployment situation which will develop the moment the period of boom has passed.

Hence, I venture to predict, that the action we took today does not resolve the problem permanently. The obligation still rests upon the Congress to continue to work cooperatively with State governments in seeing to it that there is worked out an adequate Federal-State cooperative employment service for all our citizens as one of the best guarantees and checks against the danger of a depression with its accompanying mass unemployment.

Mr. TUNNELL. Mr. President, I wish to say a few words with reference to the unemployment situation in the United States.

I have listened with great interest and appreciation to the remarks of our brilliant colleague from the State of Oregon. I wish to express my complete agreement and approval of everything he has said.

As chairman of the subcommittee of the Committee on Education and Labor, I have spent months in reviewing the activities and the functions of the public employment service, and I have come to a definite conclusion as to the type of service we need in this country. It is my personal conviction that ultimately we must have a system of public employment exchanges which will be operated and administered by the Federal Government, so that workers and employers, without regard to the State in which they happen to be located, may be assured of adequate public employment services. Nevertheless, in face of widespread misunderstanding of the relationship of the Employment Service and the unemployment-compensation programs, I have found it necessary to sponsor amendments to H. R. 4437. It seemed to me that this bill as amended by the Senate might provide the most practical means of assuring the continuation of an adequate system of public-employment offices in the immediate future.

Much of this misunderstanding and confusion has arisen out of a constant reiteration of the statement that the activities of the employment offices are inextricably interwoven with the State unemployment compensation agencies. These assertions are wholly unfounded in fact. Because of this mistaken notion, it is not sufficient to provide merely for the continued service of trained and experienced personnel in the public employment offices. We must go further. We must assure that the quality of service and the effective methods and operating procedures, as well as the program of the public employment service, is not given a secondary role to the unemployment compensation program.

No one can review the history of the Employment Service without coming to the conclusion that relationship of the Employment Service to unemployment compensation in the past was determined by the accident of events and the lack of understanding and experience in operating either program.

It will be recalled that early in 1938 many States began the payment of unemployment-compensation benefits. This was a period of widespread unemployment and there was great need for expanding the number of local employment offices to register unemployed workers. Because unemployed workers were required to register at public employment offices, the Social Security Board interpreted the provisions of the Social Security Act as enabling it to provide funds for establishing additional public employment offices. It is axiomatic that he who controls the purse determines the manner in which the funds shall be expended. Thus, it was not surprising that the public employment offices became an appendage to the State unemployment-compensation agencies and their identity as employment exchanges frequently lost. This experience resulted in a serious distortion of public policy.

The administration of vast unemployment-compensation funds overshadowed the obligation of the public employment service to facilitate the finding of suitable employment for millions of workers. The dollar payments must never take precedence over finding satisfactory employment for job seekers.

There is a very sharp distinction between the functions and activities with which a State unemployment compensation agency is concerned and those of a public-employment exchange. The unemployment compensation agency, by its very nature, is primarily concerned with the collection of pay-roll contributions, the maintenance of wage records, and the determination and the payment of benefits to unemployed workers out of accumulated funds. Most of these unemployment-compensation activities in no way involve a personal relationship to the unemployed worker or the employer. In contrast, the essential characteristic of the public employment exchange is that it is concerned with human relationships in dealing with workers, employers, and local community groups. It renders services impartially to everyone. In many respects it resembles public schools or other agencies whose funds are derived from general revenues and whose activities are service in character and involve no coercion or policing authority.

Of course, it was wise to provide that claimants for unemployment compensation benefits should register at public employment offices. This procedure assures that claimants for unemployment compensation benefits are actively seeking employment and that they will be promptly referred to job openings for which they are qualified. However, notification that a claimant has refused to accept referral to a job is an incidental service rendered by the employment office to the State unemployment compensation agency. This incidental service must not be allowed to warp the basic program and activities of the public employment services.

The Senator from Oregon [Mr. MORSE] has ably recounted the nature of the Employment Service program and activities. It should be apparent to everyone that this program is one of rendering services equitably to all workers and employers and community groups without reference to whether or not they are subject to State unemployment compensation laws. The determination as to whether a worker is qualified for benefits or shall be denied benefits belongs exclusively to the State unemployment compensation agencies. The service to be rendered by public employment offices must not be limited by any consideration as to whether an employer has been delinquent in paying his contributions to an unemployment compensation fund or whether or not a worker is qualified for benefits or shall be denied benefits.

We must not be guided by our past mistakes and errors. Instead, we must assure that a sound public employment service system shall exist under State administration. This requires taking full advantage of the experience and knowledge which we have acquired since the enactment of the Wagner-Peyser Act, and adequately providing for carrying out the added responsibilities set forth in the Servicemen's Readjustment Act of 1944.

I agree with the Senator from Oregon that failure at this time to provide appropriate substantive legislation to take account of this experience will give rise to many administrative complications. When this legislation is written we must recognize that the Employment Service has specific responsibilities that are different from and broader in scope than those of the State unemployment compensation agencies.

EXTENSION OF PRICE CONTROL

The Senate resumed consideration of the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Mr. RADCLIFFE. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 25 in section 6 (b), line 17, after the word "industry", it is proposed to add the words, in parentheses, "(including any industry furnishing service or transportation the charges for which are now subject to the Administrator's control.)"

Mr. RADCLIFFE. Mr. President, paragraph (b) of section 6, page 25, requires that maximum prices shall include the average dollar price of such product during a base period, plus the average increase in cost of producing, manufacturing, and processing accruing during the base period. It seems to me a provision should be added covering costs of servicing and transportation, because such items are just as much a cost of production as the other elements or factors of manufacturing and processing referred to in the language which I seek to amend. My suggestion is in accordance with the theory of that language.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. BARKLEY. The Senator has submitted the amendment to me. It includes certain services in addition to the production of commodities. I am not certain in my own mind how well it fits in, but I am perfectly willing to take it to conference if the Senator desires to have that done. The Senator will prob-

ably be one of the conferees, and we can work it out.

Mr. RADCLIFFE. I thank the Senator from Kentucky. I believe my amendment is a reasonable method of rounding out the amendment which the Senator from Kentucky submitted in the Banking and Currency Committee and therefore really improves it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. RADCLIFFE].

The amendment was agreed to.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MITCHELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Murdock
Austin	Green	Murray
Ball	Guffey	Myers
Barkley	Gurney	O'Daniel
Brewster	Hart	O'Mahoney
Bridges	Hawkes	Overton
Briggs	Hayden	Pepper
Brooks	Hill	Revercomb
Buck	Hoey	Robertson
Burch	Huffman	Russell
Bushfield	Johnson, Colo.	Smith
Byrd	Johnston, S. C.	Stanfill
Capehart	Kilgore	Stewart
Capper	Knowland	Swift
Carville	La Follette	Taft
Chavez	McCarran	Taylor
Cordon	McClellan	Thomas, Ok'a
Donnell	McKellar	Thomas, Utah
Downey	McMahon	Tunnell
Eastland	Magnuson	Wagner
Ferguson	Mallkin	Wherry
Fulbright	Mitchell	White
George	Moore	Wilson
Gerry	Morse	Young

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Seventy-two Senators have answered to their names. A quorum is present.

The joint resolution is open to further amendment.

Mr. ROBERTSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated. Before the clerk reads the amendment, I ask unanimous consent to modify it.

The PRESIDING OFFICER. Unanimous consent is not necessary. The Senator has the right to modify his amendment.

Mr. ROBERTSON. I ask that the amendment as modified be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause and insert in lieu thereof the following:

That the provisions of the Emergency Price Control Act of 1942, as amended, and all regulations, orders, price schedules, and requirements thereunder, are hereby revived and reenacted with respect to the establishment and maintenance of maximum rents, and shall continue in effect until June 30, 1947, or until the date of a proclamation by the President, or the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted herein is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such date, the provisions of such act, as extended, and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 2. (a) (1) The provisions of this joint resolution shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, with respect to the establishment and maintenance of maximum rents which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this joint resolution had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, on June 30, 1946, with respect to the establishment and maintenance of maximum rents shall be proceeded with and shall be acted on in the same manner and to the same extent as if this joint resolution had been enacted on June 30, 1946.

(b) In any case in which such act or any regulation, order, or requirement thereunder prescribes any period of time within which any act is required or permitted to be done with respect to the establishment and maintenance of maximum rents, and such period had commenced but had not expired on June 30, 1946, such period of time is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this joint resolution, both inclusive.

(c) No act or transaction with respect to the establishment and maintenance of maximum rents occurring subsequent to June 30, 1946, and prior to the date of enactment of this joint resolution shall be deemed to be a violation of such act or of any regulation, order, price schedule, or requirement thereunder.

SEC. 3. Whenever any State has heretofore or may hereafter establish provisions for the control and regulation of the rent of housing accommodations within its boundaries and the Governor notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State.

It is also proposed to amend the title so as to read: "Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, with respect to the establishment and maintenance of maximum rents until June 30, 1947."

Mr. WAGNER. Mr. President, will the Senator explain the amendment?

Mr. ROBERTSON. I am about to do so.

Mr. President, this amendment revives the OPA insofar as the control of rent is concerned. It eliminates everything else except rent control. The modification which I have added to the amendment is similar to the amendment submitted by the Senator from California [Mr. KNOWLAND] in conjunction with the Senator from Michigan [Mr. FERGUSON], which was adopted.

Mr. President, this amendment approaches the OPA from the point of view that today there is no price control in existence. It seeks to revive price control and to place a maximum control on rents. The amendment does not provide for decontrol, because I feel that one cannot decontrol something which is not in existence today. The purpose of keeping rent control is to prevent hardships to veterans and others in finding homes. It is almost impossible for veterans and others to build new homes, on account of the restrictions which have been placed on all building materials by the OPA. Since the OPA terminated on June 30, the extravagant claims of great advances in prices which were put forward by Mr. Bowles and his associates have not matured. The claims of price advances which have been stated in the newspapers are not only misleading, but they are entirely untruthful. I wish to call the attention of the Senate to a statement which appeared in the Washington Star of yesterday, July 11, 1946. I am glad to see that this statement is not issued by the Associated Press or the United Press or the International News Service, because I have found that those services are uniformly fair and truthful, and they endeavor to release only news that is news, and is correct news.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. WHERRY. In keeping with what the distinguished Senator from Wyoming has just said, with which I am in total agreement, let me say that there are those who are taking advantage of every isolated case of skyrocketing prices. Many newspapers are coloring the news in an attempt to strike fear into the hearts of Members of Congress who are about to vote on these important issues.

However, in today's issue of the New York Times there is a full-page advertisement which should be the answer to some of these fear peddlers and calamity howlers who have been giving their views to the people of America. The advertisements states:

White shirts below OPA ceiling.

Look at this, Mr. President: These shirts are advertised at $2.66 apiece. Under the OPA we could not even buy one shirt—or, if we could, we had to pay anywhere up to $10, and what we got was a long-collared cowboy shirt. We could not get a broadcloth shirt anywhere.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BREWSTER. The figure the Senator from Nebraska has given is not sufficiently high. I paid $15 for a shirt in the city of New York a month ago, and I am unable to distinguish it from the ordinary $2 shirt.

Mr. WHERRY. I thank the Senator from Maine for his contribution.

Mr. President, this advertisement also lists nylon hose. It says:

This is no flash in the pan. This is the opening gun in a Gimbel campaign to bring down the cost of living. This is the opening event in a series of sensational sales of scarce necessities.

So, Mr. President, that is what is happening in New York City. This advertisement is taken directly from today's issue of The New York Times. It advertises the shirts which we have not been able to buy for 6 months, unless we got them from a bootlegger or a black marketeer. Now we can buy all we want for $2.66, at Gimbels department store, and they also advertise nylon stockings for sale.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. WHERRY. The Senator from Wyoming yielded to me, did he not?

Mr. ROBERTSON. I did.

Mr. WHERRY. Mr. President, as I have said, Gimbels store is now advertising nylon stockings for sale. Under the OPA they could not be obtained except from a bootlegger. Under the OPA nylons were used to persuade people to sell other things. They were used by bootleggers.

Mr. President, I should like to have the advertisement by Gimbels Department Store printed in the RECORD as an exhibit.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

GIMBELS IS NOT CONTENT MERELY TO HOLD THE OPA LINE, GIMBELS SELLS THE SCARCEST THINGS AT LESS THAN OPA!

WHITE SHIRTS BELOW OPA CEILING

This is no flash in the pan. This is the opening gun in a Gimbel campaign to bring down the cost of living. This is the opening event in a series of sensational sales of scarce necessities. Things that you need desperately and have been unable to find will be brought to you in this series of bargains below OPA ceilings. Gimbels, thrift specialists for more than a century, feel an obligation to keep prices low—whether times are good or bad or middling. Plain old Gimbels has never been a high, wide, and handsome store—our mission in retailing is to lower prices on wanted merchandise. And, boy, are these shirts wanted! They're well styled of smooth Sanforized broadcloth. They have well-cut collars, good tailoring all the way. Don't write, don't phone. Be here early—we'll sell you at least four shirts. Fifth floor. $2.66.

NYLON HOSE BELOW OPA CEILING

This nylon sale is no flash in the pan. Gimbels is not what is known in stage talk as a morning glory—an actor who gives one stunning performance and then fades away. Gimbels is selling nylons below OPA ceilings tomorrow. Gimbels will sell any scarce thing that we can lay our hands on below OPA ceilings again and again and again. This nylon event will start at 9:30 tomorrow. These nylons will be on sale all day. All are flawless, perfect, full fashioned. The $1.09 ones have cotton tops and feet. The $1.27 and $1.43 stockings are nylon top to toe. Prices are $1.09, $1.27, $1.43—every pair of stockings at every price is below OPA ceiling. Go in at the specially marked nlyon door on Thirty-second Street and go to the second floor. Two pairs to a customer, $1.09 to $1.43.

Mr. TAYLOR. Mr. President, will the Senator yield to me?

Mr. ROBERTSON. For what purpose does the Senator request that I yield?

Mr. TAYLOR. I should like to ask a question.

Mr. ROBERTSON. I yield.

Mr. TAYLOR. I should like to ask the Senator from Wyoming, inasmuch as he has the floor—I should have liked to ask the question of the Senator from Nebraska, but inasmuch as the Senator from Wyoming has the floor, I ask him why in his opinion the shirts are being sold below the OPA ceilings? If they are being sold below the ceiling price, how could the ceilings have had anything to do with the scarcity?

Mr. WHERRY. Mr. President, may I answer for the Senator from Wyoming?

Mr. ROBERTSON. The Senator may answer for himself.

Mr. WHERRY. Mr. President, under the OPA there were black-marketeers and black markets. The OPA is what created the black markets, and there will be black markets under any OPA. If the Congress enacts a law providing for ceiling prices, the Congress will simply be playing into the hands of the black-market operators. If the Government sets the legal prices, the black-marketeers set the black-market prices, and that is all there is to it.

If we eliminate the OPA we get rid of the black-market racketeers and we get rid of these artificial prices and we get rid of all the substitutions.

Mr. President, consider the case of the little girl's dress which was advertised for sale by a department store. Before the war that dress sold for $5.95, but under Bowles the price was $76. Yet, we hear talk about inflation. The OPA is the cause of inflation. Inflation took place earlier than 9 days ago when the OPA came to an end. Inflation has been caused by substitution, hidden prices, and black-market racketeers. When we eliminate permanently the black-market racketeers and the OPA, the prices will decline.

Mr. ROBERTSON. I thank the Senator.

Mr. President, there is no basis for making a comparison between the prices of an article which can be bought today in the white market and the price of an article which could not be purchased 2 weeks ago, 2 months ago, or 2 years ago.

The article which is carried today in the Washington Star is headed:

Sunday dinner costs show jump of 4 to 28 percent since OPA ended.

The headline continues:

Typical menu and two stores selected in test for Washington shoppers.

The article continues as follows:

Washingtonians today shopped for Sunday dinners ranging from 14 cents to $1.63 more expensive than the same meals under OPA a month ago, or from 4 to 28 percent.

Mr. President, I shall show that that statement is a deliberate misrepresentation of facts.

A typical menu was selected to compute the difference and a typical chain store and typical class 1 independent store were asked to give out the amounts they thought would be required and prices. Food for the meal priced at the chain store called for smaller portions than that priced at the independent, therefore no real price comparison exists between the two types of stores, although the comparisons between two different economic levels is considered accurate.

It may be considered to be accurate so far as this particular newspaper is concerned.

Here is the menu. It was worked out for a family of five:

Canned jellied consomme, fried chicken, corn on the cob, snap beans, lettuce and tomato salad, bread, butter, preserves, tea, and cantaloup.

Here's how the chain store worked it out:

Consomme, 10½ ounces, 14 cents, both before and after OPA; one 2½-pound chicken, $1.18 before and $1.40 now; six ears of corn, 78 cents then and now; one cello-box of tomatoes, 25 cents then, 28 cents now; a 1-pound head of Iceberg lettuce, 14 cents then and now; one loaf of bread, 9 cents then and now; one-quarter pound butter, 17 cents then, 20 cents now; one 8-ounce jar of preserves, 14 cents then and now; five tea bags, 5 cents then and now; two cantaloups, 50 cents then, 40 cents now. Total then $3.69, now $3.83; difference, 14 cents, or 4 percent.

The article continues to set forth the figures of the independent stores, but I shall not take the time of the Senate to read them. Later I shall ask to have the article in its entirety printed in the RECORD. For the present I wish to refer to the totals.

The total cost of this dinner, with somewhat larger portions, from the independent stores, was $5.60 then, $6.29 now, or a difference of 69 cents, or 12 percent.

Mr. President, I suggest that a dinner of that type for five persons could be purchased at many restaurants in Washington at from 75 cents to $1 a person, and it would be cheaper for the typical family to go to a typical restaurant and buy that typical dinner, and save the housekeeper from cooking and from washing the dishes, than to buy the food and prepare it at home.

We still must learn how to arrive at the 28 percent to which the article refers This is how it is done:

But if someone didn't like fried chicken and decided to try for a standing rib roast of beef instead, the price at the independent, if they were selling any, which they weren't, would have been—one six-rib standing roast, $2.34 then $3.90 now. This would raise the cost of the food necessary to prepare the meal, as figured by the independent, to $5.86 then and $7.49 now, a difference of $1.63, or 28 percent.

The chain store simply wouldn't theorize on the roast-beef dinner, saying it "would not bat at flies."

So, Mr. President, the dinner-cost increase headlined at 4 percent, or 28 percent since OPA ended, is merely for the purpose of deluding the people who read it into believing that the prices of these food commodities have risen 28 percent, when, according to the prices of the articles themselves, the increase was not more than 12 percent.

I ask unanimous consent to have printed in the RECORD at this point the article in its entirety.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUNDAY-DINNER COSTS SHOW JUMP OF 4 TO 28 PERCENT SINCE OPA ENDED—TYPICAL MENU AND TWO STORES SELECTED IN TEST FOR WASHINGTON SHOPPERS

Washingtonians today shopped for Sunday dinners ranging from 14 cents to $1.63 more expensive than the same meals under OPA a month ago, or from 4 to 28 percent.

A typical menu was selected to compute the difference and a typical chain store and typical class 1 independent store were asked to give out the amounts they thought would be required and prices. Food for the meal priced at the chain store called for smaller portions than that priced at the independent, therefore no real price comparison exists between the two types of store, although the comparison between two different economic levels is considered accurate.

Here is the menu. It was worked out for a family of five:

Canned jellied consomme, fried chicken, corn on cob, snap beans, lettuce and tomato salad, bread, butter, preserve, tea, and cantaloupe.

Here's how the chain store worked it out:

Consomme, 10½ ounces, 14 cents, both before and after OPA; one 2½-pound chicken, $1.18 before and $1.40 now; six ears of corn, 78 cents then and now; one "cello-box" of tomatoes, 26 cents then, 23 cents now; a 1-pound head of iceberg lettuce, 14 cents then and now; one loaf of bread, 9 cents then and now; ¼ pound butter, 17 cents then, 20 cents now; one 8-ounce jar of preserves, 14 cents then and now, five tea bags, 5 cents then and now; two cantaloupes, 50 cents then, 40 cents now. Total then, $3.69; now, $3.83; difference, 14 cents, or 4 percent.

Here's how the independent figured it:

Two cans consomme, 27 cents then and now; two 2-pound chickens, $2.08 then, $2.70 now; 10 ears of corn, 84 cents then and now; 2 pounds snap beans, 34 cents then and now; five tomatoes, 35 cents then and now; two heads of lettuce, 35 cents then and now; one loaf of bread, 9 cents then, 10 cents now; ¼ pound butter, 17 cents then, 23 cents now, a 1-pound jar of preserves, 33 cents then and now; five tea bags, 5 cents then and now; three cantaloupes, 85 cents then and now Total then, $5.60; now, $6.29, difference, 69 cents, or 12 percent.

But if someone didn't like fried chicken and decided to try for a standing rib roast of beef instead, the price at the independent, if they were selling any, which they weren't, would have been—one six-rib standing roast, $2.34 then, $3 90 now. This would raise the cost of the food necessary to prepare the meal, as figured by the independent, to $5 86 then and $7.49 now a difference of $1 63, or 28 percent

The chain store simply wouldn't theorize on the roast-beef dinner, saying it "would not bat at flies."

Mr. ROBERTSON. Mr. President, whenever controls are taken off, as they were following June 30 of this year, there will be a bulge in prices. There is bound to be a bulge. If the controls were still in effect and were to be taken off 6 months from now, there would be a bulge in prices. There would be a bulge in prices if controls were to be taken off a year hence or 2 years hence. I believe that the best time to take off controls, a time which would result in the least effect on the consumer, is now.

So, Mr. President, the amendment seeks to eliminate all controls except those over rents. I ask for its consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

Mr. ROBERTSON. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STANFILL. Mr. President, I am very sorry I can not agree with my distinguished colleague with respect to his amendment, and I shall have to vote against it. I wish to assign some of the reasons why I shall have to vote against it. In the first place, I am fearful that the Senate and the conference committee may go too far in limiting the authority of OPA. I do not and cannot hold any brief for that agency. It has shown itself so inefficient and so full of maladministration that no sensible American citizen can defend it. It has spent the money of the taxpayers for its own propaganda purposes, and has encouraged the people to believe that all who do not favor the exact policies of that agency are non-patriots, and it has resorted to calling them all sorts of names. Proof of this is contained in the exhibits shown by the distinguished Senator from Ohio [Mr. TAFT] in his speech on July 9.

It is probably the most vicious bureau of the Federal Government because it seeks by its propaganda paid for by taxpayers' money, to undermine the faith and confidence of the American people in their elected representatives, the Congress of the United States. Its policies of enforcement and price-fixing have brought it into the contempt of the people. Its control actually encourages black-marketing and dishonesty and has presently become the greatest pressure group of all pressure groups. There is no need to cite instances as proof of these charges, because the CONGRESSIONAL RECORD for weeks and months past is full of proof of such conduct.

I am not a candidate for office and I may never be a candidate for office. What I am saying is not colored by any desire for votes. I am honestly, sincerely, and truthfully trying to find and help work out an answer to this great problem confronting our Nation today.

The cure for inflation, which we all fear, is more civilian production, and equitable distribution of the products so produced. Thus the immutable law of supply and demand will eventually determine whether we do or do not have inflation. The only excuse or reason for price control in a free country where economic free enterprise has always heretofore prevailed, was in behalf of the war effort.

The war is over. The Government bureaus set up during the war do not know that. The people seem to be the only ones who do know it. The OPA was never intended for a peacetime economy in this country of ours. It was strictly a wartime measure. It has no place in the lives of the American people except as an emergency wartime expedient.

This, as well as many other Government bureaus, acts as if the regimentation of the American people, permitted under wartime conditions by a long-suffering nation, is now a part of the warp and woof of American life.

So far as I have observed, no bureau or administration or creature of the Government has ever willingly and voluntarily surrendered its powers, given to it under war conditions, once peace has come.

Let me give just one illustration, which recently came to my attention. The budget request of the United States Government for the fiscal year ending June 30, 1947, was transmitted to the Congress by the President of the United States on MAY 2, 1946. A Federal agency known as the Federal Surplus Commodities Corporation had been theretofore created by an act of Congress. On June 30, 1945, more than 99 percent of the assets of that Corporation were in cash, and the only other assets of the Corporation were charges due to it from other Government agencies, with one single exception. In the financial statement, under exhibit C, submitted by that agency, it is shown that there was due from other people than the Government or other Government agencies the sum of $200. During the year 1946 there was collected of this amount due from others the sum of $64, at an apparent cost of $92,222, all of which was transferred to it by another Government corporation, leaving a balance due this agency the sum of $136. This was all of the assets of this agency, with the exception of another item carried in its financial statement as due from Government agencies, amounting to $131. Yet, this agency requested an appropriation for the fiscal year ending June 30, 1947, of $40,000 to collect the sum of $136. This $40,000 was to be used for personal services, traveling expenses, communication services, supplies, and materials; and, if there is any person on the floor of the Senate who doubts these figures, I refer to pages 307 to 311, inclusive, of the volume Corporation Supplement to the Budget of the United States Government for the Fiscal Year Ending June 30, 1947.

Of course, Congress did not grant this appropriation, and denied this bureau of the Government any appropriation; but the point I make is that, once in power, once established by either an executive fiat or congressional action the agency will hang on and on and continue to operate and ask the Congress for appropriations of $40,000 for the purpose only of collecting the sum of $136.

No one knows how long it will take the OPA to wind up its affairs or how much money it will cost the American public. We know that it costs, in addition to all of the administrative expenses of this agency, which has more than 34,000 paid employees, more than $2,000,000,000 a year in subsidies, the purpose of which is to fool the American people into believing that OPA is keeping prices down.

Just one illustration of this is the meat subsidy. The Government taxes all of the people of the United States, and takes the proceeds from these taxes and pays to the meat packers and producers a sum equal to approximately 5 cents a pound, thereby admitting that the OPA price should be raised 5 cents a pound. They do not allow the producers of meat to pass this 5 cents a pound on to the consumer, but they hide the fact that it actually costs the producer more than the price the meat is allowed to be sold for, and dig down into the pockets of the taxpayers to make up the difference.

Subsidies are inherently wrong, and should never be used except in the exigencies of war conditions; yet OPA subsidizes producers of commodities to an amount which is actually staggering, and then reports to the people that it is holding down prices. The increase in meat prices since OPA expired on June 30 equals practically only the addition of the amount of the subsidies, so that, as a matter of fact, the prices have not gone up at all. But more than money—whether prices or taxes—is involved. There is the broader question of the type of economy which relies on subsidies. Only one kind of a government has ever attempted to inject subsidies into the day-to-day purchases of an

average family, and that is the government in which the officials wish to take over the management of every item, part and parcel of the life of its citizens. Price controls and similar interference with production and markets are an important link in the drive for national socialization of the Government of the United States.

However, I do not believe it wise at this particular time to prematurely and entirely abandon price control. If we could have had sound administration of that agency, an administration which would have given some reasonable interpretation to the wishes of the Congress as expressed in the laws it has heretofore passed, price control could have been abandoned already. Our production could have been encouraged until it at least approached the demand. But OPA has consistently refused to carry out such a policy; it has expressly refused to follow the rules and policy of the Congress.

I believe it has refused to do this because it wanted to perpetuate its own existence in the life of this Nation. The evils of indefinitely continuing price control, however, would be even greater than the evils of eliminating it too soon. Our economy runs on prices. Prices determine who produces what and how much he earns for producing it. The authority to control prices cannot be centrally administered for a long period or for a sustained period without inefficiency, inequity, black markets, a breaking down of respect for law and regulations, and probably more important still, a serious danger to our personal and political freedoms.

I have voted for some of the amendments to the present price control law. I have voted to decontrol meat, poultry, and milk. There are other items which probably should be decontrolled. I have voted for these amendments under the belief that production either equalled or so nearly equalled the demand that such control should be eliminated, knowing full well from its past history that OPA would never decontrol any item until it was forced to do so.

Of course the sudden ending of price controls was calculated to have some bad effects. So far, the reaction of producers, manufacturers, and merchants has been praiseworthy. They are promising every effort to keep prices within reason, not alone because they fear the effects of inflation, but because they want even less the return of OPA rules and regulations. What we all hoped for was the gradual elimination of price controls. It should have been possible to do this. The bill passed by the Congress undertook to do this. But the President would not listen to his advisers in Congress; instead, he took the advice of Chester Bowles. Bowles demanded a complete continuation of all rules and regulations with authority to himself to make and promulgate more and more of them. All this, in spite of the fact that we are having inflation and growing black markets under complete OPA control.

If Bowles and his group had been willing to accept some restricting of their authority, and tried to work out a compromise plan with Congressmen, we would probably still have OPA, but in a modified form. But Bowles was so bullheaded he fought every suggested change. For 12 years the Washington bureaucrats have been telling Congress what it must do. They have come to expect the elected representative of the people to pay no attention to the folks back home, but to come across with whatever the bureaucrats want. They are sure they know what is good for the people, and do not want anyone else making suggestions.

Probably the bill passed by Congress and vetoed by the President had many serious faults. But many of them could have been avoided if Bowles had been willing to compromise and give up some of his authority. He could have shown Congressmen the most-needed features to be retained, and they would have been willing to give up some of their ideas, if they had found a corresponding disposition in Bowles. But his arbitrary stand only aggravated the situation and strengthened the opposition to OPA.

Radicals and left-wingers will try to blame everything that happens on Congress because Congressmen have not been too friendly to many of their socialistic ideas. The simple fact is that Bowles and the President are to blame for the OPA debacle.

But, as I said in the beginning, I fear inflation. Inflation can do more harm to the American people than a temporary continuance of a restricted price-control law. Price control, properly administered, intelligently administered, and equitably administered, can hold a run-away inflation in check, but it cannot cure the disease. The only cure for the disease is more and more production. The emergency which we are facing at this moment is such that we must judge for ourselves whether it is better to remove all price controls at one fell swoop by refusing to enact any price-control bill, or whether it is wiser and better for the people as a whole to check, if we can, this danger of a run-away inflation by a temporary price-control law. We have come through a travail of nearly 2 weeks without price control. It is like unto the flood gates in a dam: the moment the flood gates are opened the water pours through in a flood, but it will in due time seek its own level. The old immutable law of supply and demand will see that prices do seek their own level, provided we can have the production which will guarantee the supply.

The administration has committed a classic blunder. Instead of moving against rising prices and rising costs, it has moved side-wise and has increased prices and increased costs. Mr. Henry Wallace released a memorandum purporting to prove that wages can be substantially advanced without price increases. Labor took this as a minister takes a text from the Bible, and in oil, in automobiles, in steel and in coal, they struck for and obtained higher wages and made higher costs of every commodity produced from any of the basic materials.

So we are now confronted with the proposition of meeting this classic blunder of the administration. We all know we cannot increase wages without increasing the price of the product the labor goes to make, and the OPA itself has actually recognized this, while, with its tongue in its cheek, it claims it is holding down all prices by recently permitting increases on more than 500 items, and by paying $2,000,000,000 of the taxpayers' money in subsidies in order to create the false impression that it is holding prices.

The cry has gone out over the length and breadth of the land, "Don't cripple OPA," as if OPA were some holy institution which would be sacrilegious for Congress to touch. The OPA propaganda has in fact tried to make it a holy of holies in the minds of the people. I do not believe it has any such holy or divine existence; it is a creature of Congress; as such Congress should direct and control its policies. I voted for an amendment which I honestly believed would provide a formula which OPA should follow. That amendment was defeated by a tie vote. I sincerely trust that the law as reported by the committee will be so construed as to provide such a formula and that OPA will honestly and earnestly undertake to carry out the policy of Congress; if it does we may be able to live under the law. If it does not no one can predict the temper of the American people or what may happen as a result of its failure. Frankly, I am not too hopeful that OPA will ever pay any attention to the policies laid down by Congress.

But nevertheless I shall support the bill as a temporary measure, believing that it will be in some measure a check what might otherwise be a run-away inflation and earnestly hoping its policies will henceforth be an aid to and encouragement of production.

I cannot bring myself, Mr President, to vote for the amendment which has been proposed by the distinguished Senator from Wyoming, which I understand will do away with all OPA controls except rent control. I have voted, as I said, for a number of amendments under the opinion at least that the supply is equal to or is approaching the demand. I voted for the amendment which I thought provided a good formula for decontrol. That amendment was rejected by the Senate, and I shall abide by the results of the Senate's vote on that amendment. I shall support the amendments I have already voted for, but I do not think we should further amend the measure. We should give it a trial on a temporary basis, and try to see if OPA will not in some manner change its policies and work out a price-control measure which will keep away the fear of inflation. I do not know whether we are going to have inflation or not; but the fear of inflation has been placed in the minds of the people by OPA propaganda. We must guard against the fear of inflation.

So far as I am concerned, Mr. President, I shall vote against other amendments unless it can be shown to my satisfaction that they will be of aid in the formulation of a price control law. I shall vote for the measure, and I shall vote against the amendment of the Senator from Wyoming.

Mr. McMAHON. Mr. President, I wish to say that I was listening to the radio while I was eating my dinner a short time ago. I heard an announcement on the radio that the commodity index is up 4.9 for the day.

Mr. BARKLEY. Mr. President, I shall occupy the time of the Senate for only a moment. I appreciate what my colleague has said with reference to his attitude toward this measure. I do not agree with him that fear of inflation has been engendered solely by propaganda on the part of the OPA. People were talking about inflation in this country before there ever was an OPA, before any OPA law was ever passed, or ever thought of. Those of us who are old enough to remember what took place after the last war do not have to have any propaganda on the part of any Government agency to remember something about inflation and to know something about inflation. Even aside from the history of our own country, we know what has happened in other countries as the result of inflation.

It may be that it has been overplayed in some places. It is not hard for us who are in the midst of a situation where we have a responsibility to become probably a little oversensitive. It is not hard for us even to exaggerate the dangers of a situation which we have studied. But the American people did not need the OPA to teach them anything about the evils of inflation, and I do not think it is quite fair to assume or to assert that the fear of inflation, which is a daily fear among the average wage earners of the United States, the average salaried man or woman of the United States, is an exaggerated fear. It is not something that has been stimulated by propaganda. It is a reality so far as they are concerned, and they have already been the victims of it to the extent to which there has been any inflation or increase in the cost of living out of proportion to their increase in compensation and income.

But I did not rise to discuss that question. I merely wanted to allude to it in view of the fact that my colleague seems to have charged the OPA with responsibility for all the fears that exist in this country on the subject of inflation.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. Yes.

Mr. TAFT. I wish to ask the Senator a question about his interpretation of a provision of the bill, in section 3, 1 (C) (3), which deals with the decontrol of commodities. The question I wish to ask the majority leader is whether, in his opinion, that section applies to commodities which have been substantially decontrolled by the amendments adopted by the Senate. The provision is as follows:

(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

The question I want to ask the Senator is whether he thinks that applies not only to the commodities which have been decontrolled by the Secretary, but also those which have been specifically decontrolled.

Mr. BARKLEY. That question arose, as the Senator from Ohio no doubt recalls in the committee while the Decontrol Board provision was under consideration, and also while the provision of the bill putting the authority and responsibility on the Secretary of Agriculture to recommend decontrol was being considered. My recollection is that it was the consensus of opinion of the members of the committee that that provision of the law would authorize the recontrol of articles taken out from under control, whether by the Administrator or by the Congress itself. The language taken by itself has no reference to the method by which decontrol has come about. It might logically be contended that it refers only to the previous provisions of the bill which authorize the Secretary of Agriculture to recommend decontrols and make it mandatory upon the Administrator to do that.

If there were no specific decontrols carried in the bill itself, of course, that would be all it would refer to. But the general term of that provision of the measure might be interpreted—though I would not want to say categorically that a court would so hold—that it applied to the articles decontrolled, whether by recommendation of the Secretary and finally by order of the Administrator, or whether they are decontrolled by the act itself.

Mr. TAFT. It occurs to me it is a point of great importance, and one that should be clearly settled.

Mr. BARKLEY. It is a matter of great importance, because if there is any theory upon which we would assume that an article decontrolled by the Secretary of Agriculture could be recontrolled under conditions which might subsequently exist, the same reason for a recontrol with the written consent of the Decontrol Board, without which it cannot be done, ought to apply to any decontrolled article, regardless of the process by which it was decontrolled. My recollection is that the committee felt that this language would apply to the recontrol of any article, even though it were decontrolled by Congress.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Then the purpose of this section of the measure is this: If after certain agricultural commodities are decontrolled the price rises temporarily, and then settles back to a level perhaps a little higher than it was before the decontrol, under such conditions the Secretary of Agriculture would not have any power to restore controls over those commodities. However, if the price rises after decontrol and does not stop, but keeps right on rising and appears to be going to a dangerous height, then the Secretary would have the power to recommend that controls be replaced on such agricultural commodities, and the Administrator would be required to do that.

Mr. BARKLEY. That is correct. But the Secretary of Agriculture would have to have the written consent of the Decontrol Board in any event.

Mr. AIKEN. Oh, yes.

Mr. BARKLEY. And, of course, the theory is that if an article is decontrolled, and after that it becomes in short supply, or through any exigency that may arise thereafter prices should go up and continue to go up until the economy would be unbalanced and the public would suffer by reason thereof, the Secretary should have the authority to bring about the reimposition of ceilings in order that that situation might be corrected for even a temporary period, or so long as it might be necessary. After the controls had been reimposed the same rule would apply to further decontrol as applied to the decontrol which took place in the first instance.

Mr. AIKEN. I think this is a very wise provision, but it does place on the Secretary the burden to determine, when prices go up after decontrol, whether it is a temporary flurry, or whether they are going up to permanent and dangerous heights.

Mr. BARKLEY. That is correct.

I wish to say one word about the pending amendment. After all the work that has been done, whether good, bad, or indifferent, to try to write a measure, it seems to me that the Senate will not take the position of giving up the ghost and saying that it is incapable of legislation on the subject; that nothing can be worked out between the two Houses, and that we might as well resign ourselves and announce our failure by saying that all we can do is to strike out what we have done and leave in nothing but rent control. I do not believe the Senate will do that, and I do not believe the country would approve of such procedure. I think it would be an astonishing admission of legislative failure for the Senate or the House, or both Houses together, at this stage to adopt such an amendment as this. I hope it will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. ROBERTSON]. On this question the yeas and nays have been ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Lucas
Austin	Gerry	McCarran
Ball	Gossett	McClellan
Barkley	Green	McKellar
Brewster	Guffey	McMahon
Bridges	Gurney	Magnuson
Briggs	Hart	Mead
Brooks	Hawkes	Millikin
Burch	Hayden	Mitchell
Capehart	Hill	Moore
Capper	Hoey	Morse
Carville	Huffman	Murdock
Chavez	Johnson, Colo.	Murray
Cordon	Johnston, S. C.	Myers
Donnell	Kilgore	O'Daniel
Downey	Knowland	Overton
Eastland	La Follette	Pepper
Ferguson	Langer	Radcliffe

Reed	Swift	Wherry
Revercomb	Taft	White
Robertson	Thomas, Utah	Wiley
Russell	Tobey	Wilson
Smith	Tunnell	Young
Stanfill	Wagner	
Stewart	Walsh	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from Georgia [Mr. GEORGE] is detained on official business at an important meeting of the Joint Committee to Investigate the Pearl Harbor Attack.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting the Senator from Florida [Mr. ANDREWS], the Senator from South Carolina [Mr. MAYBANK], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The Senator from Delaware [Mr. BUCK] and the Senator from South Dakota [Mr. BUSHFIELD] are unavoidably detained.

The result was announced—yeas 12, nays 61, as follows:

YEAS—12

Ball	McCarran	Robertson
Bridges	Moore	Wherry
Brooks	O'Daniel	Wiley
Gurney	Reed	Wilson

NAYS—61

Aiken	Hawkes	Murray
Austin	Hayden	Myers
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Briggs	Huffman	Radcliffe
Burch	Johnson, Colo.	Revercomb
Capehart	Johnston, S. C.	Russell
Capper	Kilgore	Smith
Carville	Knowland	Stanfill
Chavez	La Follette	Stewart
Cordon	Langer	Swift
Donnell	Lucas	Taft
Downey	McClellan	Thomas, Utah
Eastland	McKellar	Tobey
Ferguson	McMahon	Tunnell
Fulbright	Magnuson	Wagner
Gerry	Mead	Walsh
Gossett	Millikin	White
Green	Mitchell	Young
Guffey	Moran	
Hart	Murdock	

NOT VOTING—23

Andrews	Ellender	Shipstead
Bailey	George	Taylor
Bilbo	Hatch	Thomas, Okla.
Buck	Hickenlooper	Tydings
Bushfield	McFarland	Vandenberg
Butler	Maybank	Wheeler
Byrd	O'Mahoney	Willis
Connally	Saltonstall	

So Mr. ROBERTSON'S amendment was rejected.

Mr. WHERRY. Mr. President, I offer the amendment which I have previously submitted for printing. It is designated as D, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, beginning with line 14, it is proposed to strike out all down to and including line 18, and insert in lieu thereof the following:

(t) No maximum price shall be established or maintained for any commodity below the level necessary to afford distributors, wholesalers, retailers, and others dealing therein the margins or mark-ups (including discounts) in effect thereon in the calendar year 1940.

Mr. WHERRY. Mr. President, I shall detain the Senate only a few minutes. The amendment is practically self-explanatory, but I desire to make a brief explanation of what it will do and also what it is a substitute for.

The new subsection (t) which has been reported by the Committee on Banking and Currency reads as follows:

(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

Mr. President, I should like to inform the Members of the Senate that I have been advised by hundreds and hundreds of retailers and trade associations that the committee amendment is not acceptable to them, and I can state the reason why it is not. If the committee's subsection (t) is adopted, to begin with it says that the OPA shall make only due allowance, so, of course, that is merely window-dressing, and probably does not mean anything.

But if the OPA Administrator seeks to interpret the amendment as it is written, he can determine and will put into effect all cost absorptions up to June 29, 1946, which have been imposed on all segments of the industry; and, furthermore, whenever he puts the order into effect, he freezes the mark-ups of June 29 for the balance of the year.

So what we are doing under the new subsection (t) is to impose this restriction upon all segments of industry beyond the manufacturer and processor, to whom increases will be granted under the provisions of the joint resolution. They will freeze the distributor, the wholesaler and the retailer with all the cost absorptions they have had since the war began—not merely up to January 1, but up to June 29, 1946.

That is the reason why the retailers and distributors and wholesalers have been sending telegrams to the Congress by the hundreds—yes; I would say by the thousands—stating that subsection (t) is not acceptable to them, and that they would prefer not to have anything, rather than to have it, because without subsection (t) they can obtain relief in hardship cases, based upon their businesses during the past years.

Mr. President, the old subsection (t) which was adopted was different, and I should like to read it to the Senate. It was adopted to the former bill which went to conference and finally went to the President. Here is what it provided:

(t) No maximum price applicable to any distributor, wholesaler, or retailer, shall be established or maintained for any commodity below a price which will return to such distributor, wholesaler, or retailer with respect to such commodity his January 1, 1946, discount or the sum of (1) total current cost of acquisition plus (2) his January 1, 1946, mark-up.

There were several other lines to the subsection. They related to having the prices applied on an average basis for the industry, and so forth. But I have read the important part of the subsection.

The President objected to that. The period on which the old provision would have established the base was from January 1 to October 15, 1941. The President objected to that, first, because of the date.

The OPA Administrator stated that excessive profits were made in 1941. That has been also the statement of persons who have favored the manufacturer's amendment and the producer's amendment which the Senate adopted, and they have considered for their purposes the year 1940. That was during peacetime when conditions were normal. So, in his veto, an objection was made by the President to the use of the year

1941. He objected to the language which related to the prewar mark-up, or the sum total of current costs of acquisition plus prewar mark-up. That is, it was interpreted by the proponents of the amendment that it was a cost-plus amendment, and that under it the costs were guaranteed and on top of that, the mark-up. Personally, I do not feel that is a correct interpretation, regardless of the fact that the statement was made. So the President vetoed the bill.

I am satisfied that the greatest objection which the President had was to what has been called the Taft amendment, or the manufacturer's amendment. At least I gathered that much from the veto message, and also from the speech which the President made over the radio in which he mentioned the name of the Senator from Ohio about 10 times to mine once. So I am satisfied that personally he was not more opposed to the Wherry amendment than he was to the Taft amendment. However, Mr. President, I do not wish to say that I am in greater favor with the President than is the distinguished Senator from Ohio, but I am trying to make it as easy on the amendment as I can.

There is another thing which I wish to call to the attention of the Senate, and I do so with the best of feeling. When I offered the amendment I said that it originated in the Small Business Committee of the Senate. The amendment was drawn after careful consideration. I do not mean that it was offered by the Small Business Committee, because that would have been impossible. But I do mean to say that the majority of the members of the Small Business Committee agreed that the amendment should be offered, and I offered it in behalf of the distinguished members of that committee. I refer to the CONGRESSIONAL RECORD, where I said:

Mr. President, I should like to say that the amendment is offered in behalf of the Senator from Indiana [Mr. CAPEHART]—

The Senator from Indiana was in Indianapolis at the time on a very necessary mission—

the Senator from Montana [Mr. MURRAY], the Senator from Iowa [Mr. WILSON], the Senator from Oklahoma [Mr. MOORE], and the Senator from Tennessee [Mr. STEWART].

I wish to give them full credit for the fact that the amendment would have given to the other segments of the industry the opportunity to pass on through their traditional mark-ups the increase which should have been allowed. I have been asked to reoffer the same amendment, containing in it only a change of date. But I do not wish to do that. I do not wish to have presented a bill to the President of the United States which he will feel called upon to veto because we have incorporated the same amendments, or have changed the dates. So I have again taken the matter up with the members of the Small Business Committee, and they have agreed that this simple amendment should be offered. The amendment has been read. Once again I wish to say that I consulted with the distinguished chairman of the Small Business Committee, the Senator from Montana [Mr. MURRAY], and with the distinguished chairman of the complaints subcommittee of the Small Business Committee, the Senator from Tennessee [Mr. STEWART] and both agreed that the amendment should be offered. If I am not mistaken, both of them told me that they would support the amendment on the floor of the Senate, if I would offer it in behalf of the Small Business Committee.

Mr. President, the amendment excludes current costs. There is nothing in the amendment which would guarantee costs to anyone. All the amendment does is to say to the Administrator that from now on, as a formula, he shall grant to the distributor, the wholesaler, and the retailer the mark-up and the margin or discount which was in effect in 1940. That is all the amendment does. We do not give any opportunity for the wholesaler, the retailer, or the distributor to contend that he shall be allowed current costs plus prewar mark-ups. We simply say to the Administrator that from now on, he shall not again impose cost absorptions, but if he does, the segments of industry to which I have referred will have the right to apply their old trade mark-ups or their discounts, or their margins which they were using in the prewar year of 1940. That year has been used as the normal base period in granting similar relief to the manufacturer. If the amendment is adopted the manufacturer, the processor, and the producer will have the right to receive increases in bringing about maximum production.

Mr. STEWART. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. MURRAY. I yield.

Mr. STEWART. In reading the amendment I believe I observed that the year was 1946 instead of 1940.

Mr. WHERRY. Mr. President, if a mistake of that kind has been made, I am glad to have it corrected; 1940 is the year to which we should go back in putting into effect the purpose of the amendment.

Mr. STEWART. Yes. I am in favor of the amendment. I am sure that almost all members of the Small Business Committee are in favor of it. At least, they were some time ago. I have not polled the members of the committee lately. I understood that the amendment provided only for mark-ups by retailers, which would include a small segment of businessmen who are in the category or group operating small businesses.

Mr. WHERRY. Yes.

Mr. STEWART. I am very much in favor of the amendment.

Mr. WHERRY. I thank the distinguished Senator, and appreciate very much his remarks.

Mr. President, we are not attempting to renew the old act. I wonder how many Senators have thought of that fact. We are writing a new price stabilization act. If the pending joint resolution becomes law, it will be a new act. It will apply to the coming year. Are we going to write into the act provisions for cost absorptions. Is that what the Senate wishes to do? I invite the attention of all Members of the Senate to the number of the cost absorptions which have been imposed on the segments of industry to which I have referred, after price increases were granted to the manufacturers.

From April 22, 1942, to December 31, 1945, 268 general price increases were allowed to manufacturers. From January 1, 1946, to April 17, 1946, 115 general price increases were allowed to manufacturers. From April 18, 1946, to June 30, 1946, 131 price increases were allowed manufacturers. That makes a total of 514 price increases.

Mr. President, what about cost absorptions? From April 22, 1942, to December 31, 1945, a total of 201 cost absorptions were imposed upon these three segments of industry. From January 1, 1946, to April 17, 1946, a total of 70 cost absorptions were imposed on these three segments of the industry. From April 18, 1946, to June 30, 1946, a total of 31 cost absorptions were imposed upon these three segments of the industry.

To summarize, from April 22, 1942, to June 30, 1946, 514 general price increases were allowed to manufacturers. Of that number, 302 had to be absorbed entirely by the jobber, the distributor, and the retailer. They came out of the profits of those three types of businessmen.

Mr. President, I ask unanimous consent to place in the RECORD this exhibit which gives the price increases on the cost absorptions taken up by industry.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of cost absorption required by OPA of retailers

GENERAL PRICE INCREASES PERMITTED MANUFACTURERS

1. Apr. 22, 1942–Dec. 31, 1945	268
2. Jan. 1–Apr. 17, 1946	115
3. Apr. 18–June 30, 1946	131
Total	514

TOTAL ABSORPTION OF INCREASES REQUIRED OF RETAILERS

1. Apr. 22, 1942–Dec. 31, 1945	201
2. Jan. 1–Apr. 17, 1946	70
3. Apr. 18–June 30, 1946	31
Total	302

INSTANCES WHERE COST ABSORPTION WAS NOT REQUIRED

1. Apr. 22, 1942–Dec. 31, 1945	14
2. Jan. 1–Apr. 17, 1946	5
3. Apr. 18–June 30, 1946	31
Total	50

PASS THROUGH TO CONSUMER OF DOLLAR INCREASES IN PURCHASE COST

1. Apr. 22, 1942–Dec. 31, 1945	36
2. Jan 1–Apr 17, 1946	16
3. Apr. 18–June 30, 1946	52
Total	104

PASS THROUGH TO CONSUMER OF LESS-THAN-DOLLAR INCREASES IN PURCHASE COST

1. Apr. 22, 1942–Dec. 31, 1945	17
2. Jan. 1–Apr. 17, 1946	21
3. Apr. 18–June 30, 1946	17
Total	55

JULY 11, 1946.

Mr. WHERRY. Mr. President, if we adopt subsection (t) as now contained in the joint resolution, we will legalize all these cost absorptions. We cannot take them off the books of the jobbers, the retailers, and distributors.

The amendment is not retroactive. Statements on the floor have been to the effect that it was retroactive, but it is not. It means that under the new price law the Price Administrator will not be able in the future to pass on a cost absorption, because the provision that the distributor is entitled to his own margin, to his mark-up, or to his discount as of the year 1940, will be in effect.

Mr. President, I cannot see anything wrong about it. If we are to write a protection to three segments of industry—and we have to do it, because we have the manufacturer, the producer, and the processor—if we are to do that, why do we not complete it? Every retailer, every corner grocery store, every drug store, every furniture store, all the retail businesses, are affected by subsection (t).

I think the amendment has now been properly explained. It is new. It is something to be effective from now on. It is not retroactive. It provides that the Administrator shall not impose cost absorptions from now on. It is the fairest way to guarantee these three segments of industry that they shall not have to absorb the increases the committee measure provides for the manufacturer, the processor, and the producer.

Mr. President, I should like to have a yea and nay vote on the amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to call the attention of the Senate to some matters in connection with the amendment before it is voted upon.

I do not understand why the Senator from Nebraska persists in offering the amendment, unless it is an insatiable desire to get some more blood out of the joint resolution before it is finished.

The amendment offered by the Senator from Nebraska is not so favorable to the retailers as the provision in the joint resolution, if it is retailers he is trying to help. The amendment he offers merely provides that "no maximum price shall be established or maintained for any commodity below the level necessary to afford distributors, wholesalers, retailers, and others dealing therein the margins or mark-ups in effect thereon in the calendar year 1940."

In the original amendment offered by the Senator, which was adopted by the Senate and rewritten in conference, current costs of the commodity purchased were allowed. The Administrator was instructed to allow current costs, whatever such costs may have been, and that is what is provided in the section which the Senator seeks to eliminate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. The language says that the Administrator shall make due allowance.

Mr. BARKLEY. Whenever we make due allowance for current costs, we allow what is due on current costs.

Mr. WHERRY. Will the Senator answer another question?

Mr. BARKLEY. I shall try.

Mr. WHERRY. I have faith that the distinguished Senator can answer it.

Mr. BARKLEY. I appreciate that. Do not make the question too hard, however. [Laughter.]

Mr. WHERRY. Let me see if I can put it in such form that the Senator can understand it.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I have yielded to the Senator from Nebraska.

Mr. CAPEHART. Does the Senator refuse to yield?

Mr. BARKLEY. I yield to the Senator from Indiana.

Mr. CAPEHART. I desire to make the suggestion, in case the Senator is unable to answer, that I see the former Director of the OPA in the gallery. He may be able to answer for the Senator.

Mr. BARKLEY. Mr. President, this is a free country, and anyone has a right to sit in the Senate gallery, if he is a former Director of OPA, the present director, or someone who hopes to be in the future. I do not see what light is thrown on the discussion here by referring to the fact that a particular Government official is in the gallery.

Mr. CAPEHART. Mr. President, I do not see what light is thrown upon the subject by the majority leader wasting the time of the Senate by trying to be comical in attempting to answer the question of the Senator from Nebraska.

Mr. BARKLEY. Of course, if the Senator from Indiana does not understand or appreciate my comedy, that is something for which I am not responsible. The Lord will have to take charge of that. [Laughter.]

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader this question: If subsection (t) is adopted, will it not freeze all of the cost absorptions which have been imposed up to June 29, 1946?

Mr. BARKLEY. I do not care to answer that question categorically "Yes" or "No," because such an answer would not be correct, but I shall try to answer it in my explanation of what I think the section means.

I was about to draw the attention of the Senate to the difference between the amendment the Senator has offered and the provision in the joint resolution which the committee adopted.

As I was saying, in the original amendment offered by the Senator, the Administrator was instructed, in fixing retail prices, to fix them at a point not below that which would represent current costs of acquisition, that is, the amount that was paid for the goods, plus the margins which were in effect before the war. I think the language was "prewar margins or mark-ups."

When the conference committee considered that it decided that wholesalers or jobbers should be allowed what it cost them to get the goods in the first place plus the mark-up or discount in effect on January 1, 1946. That was the provision in the bill which the conference committee wrote, and the two Houses agreed to it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. When the conferees did that they froze all cost absorptions imposed upon those three segments as of January 1, 1946.

Mr. BARKLEY. What we did was to add to the cost of acquiring the goods by the retailer the mark-ups and discounts that were in effect on that date.

Mr. WHERRY. Will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. When the conferees did that they took out all the mark-ups or cost absorptions and froze them. That is why there was not anything left in the amendment.

Mr. BARKLEY. We might argue all night about what was left in the amendment. I think there was enough left in it. There was all any retailer had a right to expect the Government of the United States to guarantee him, namely, what it cost to buy the goods, and the mark-up.

Mr. WHERRY. Will the Senator yield?

Mr. BARKLEY. I wish the Senator would allow me to make a consecutive statement.

Mr. WHERRY. The Senator said the guaranty was there. I should like to say to the distinguished Senator—and it is one of the arguments we have had—that when he accepted the date January 1, 1946, and put in the amendment the provision for cost plus the mark-up, he took out of the mark-up the increased cost, which was the absorption cost.

Mr. BARKLEY. There has been a program of cost absorption with respect to certain merchandising which has been sold since January 1. The goods which represented the merchandise on the shelves have been sold. They have gone to the consumers. Many of them have been consumed. The merchant has made whatever profit he made upon them, and has reinvested the profit in other goods now on his shelves.

In subsection (t), which is a part of the joint resolution, we still allow whatever it cost him to buy the goods, and it will include whatever increase in manufacturing prices are brought along by the new pricing formula for goods manufactured under the formula to which the Senate has agreed. Whatever increases go into that will be allowed the merchant when he puts the goods on his shelves, and, in addition to that, the mark-up or margin which was in effect on the 29th day of June. I think that is a fair proposition.

Mr. WHERRY. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. That mark-up includes the cost absorption.

Mr. BARKLEY. In some cases it does; in some cases it does not. Whatever it represents, as to the goods upon which there was a margin, upon which the retailer was not even guaranteed the cost of acquisition up to June 29, or up to now, there was no guaranty, there was no mandatory provision that the Office of Price Administration should allow merchants what they had paid for their goods when they were purchased. There was a program of cost absorption for certain increases brought about by increases in the cost of manufacture.

It was supposed that every article bought by a merchant since January 1 represented an increase in labor costs in manufacture, but that was not true.

Most of the increases in labor costs did not go into effect in January, February, or March. The truth is that most of them have not even yet gone into effect, because the increases in the manufacturing costs due to increases in labor costs did not go into effect until April or May and some of them not until June. So it is not true that all the goods purchased by merchants and put on their shelves since January 1 represented increases in cost of manufacture due to increases in wages.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. Was the Senator in the Senate when I read the list of general price increases in industry from April 22, 1942?

Mr. BARKLEY. I do not know whether I was present. I probably was.

Mr. WHERRY. There were 512——

Mr. BARKLEY. 512 what?

Mr. WHERRY. I will tell the Senator. There were 512 general price increases to all industry in the United States.

Mr. BARKLEY. During the entire 6 months?

Mr. WHERRY. No, from April 22, 1942. I hope the Senator will just be patient. We have a right to establish our case here.

Mr. BARKLEY. The Senator established it in his time. Does the Senator want to establish it in my time?

Mr. WHERRY. I certainly can ask all the questions I want to.

Mr. BARKLEY. What was the Senator's statement?

Mr. WHERRY. There is no limit on debate here.

Mr. BARKLEY. No.

Mr. WHERRY. Very well. And we can establish our case in the Senator's time or in my time.

Mr. BARKLEY. Mr. President, I have tried to be courteous to the Senator.

Mr. WHERRY. And I have tried to be courteous to the distinguished majority leader.

Mr. BARKLEY. I did not ask the Senator to yield to me while he was speaking. He has taken up more of my time than I have myself.

Mr. WHERRY. If the Senator does not want to yield to me, very well.

Mr. BARKLEY. I have not done anything but yield.

Mr. WHERRY. I ask the Senator to yield right now.

Mr. BARKLEY. Very well, I yield right now; right now; right now. [Laughter.]

Mr. WHERRY. That is wonderful. I appreciate the humor represented by the Senator pounding on the desk. I am thankful for it.

Mr. BARKLEY. Oh, no. Do not accuse me of being humorous, because it will give offense to the Senator from Indiana.

Mr. WHERRY. I do not want to do that.

Mr. BARKLEY. I am yielding.

Mr. WHERRY. Will the Senator yield?

Mr. BARKLEY. I said I am yielding. I am still yielding.

Mr. WHERRY. Now the Senator is in good humor again. We all love the majority leader. He has had to take much punishment. I do not blame him for being irritable.

Mr. BARKLEY. No; I am not irritable. If the Senator makes a false accusation of that kind against me I shall not yield to him.

Mr. WHERRY. I would not make a false accusation against the distinguished majority leader for anything in the world. He knows I love him, does he not?

Mr. BARKLEY. Will the Senator write that statement out?

Mr. WHERRY. Now that we have gotten along this far amicably, I should like to ask the distinguished Senator one more question.

Mr. BARKLEY. Very well. Can I depend on that?

Mr. WHERRY. No; I am going to ask the Senator a question, and another after that, and if it leads to still another I shall ask the Senator to yield, and I know he will yield.

Mr. BARKLEY. Go ahead.

Mr. WHERRY. Let us take any industry, and say that the cost of the commodity manufactured by the industry is guaranteed. We do not guarantee it to the distributor in my amendment. Let us consider a certain type of article. The wholesaler obtains it, and then sells it to a retailer, and the retailer sells it to the consumer. In 302 cases of the 512 price increases, the manufacturers' increase has been passed on to the wholesaler and retailer, and they have absorbed it without passing it on to the consumer. That is true with respect to 302 out of 512 price increases.

Mr. BARKLEY. That confirms what I said a while ago, that only some of the increases have been passed on to the retailer, and he was compelled to absorb them. It was about three hundred out of five-hundred-odd.

Mr. WHERRY. Will the Senator permit me to continue for a moment, and then I want to ask the question. Of the remainder of these absorptions, the retailers have absorbed up to about half. The increases I have mentioned were all the price increases from April 1942 until June 30, 1946. If the cost of acquisition is charged on the invoice, and the mark-up is frozen as of January 1 or June 30, 1946, it results, in the case of furniture dealers, for instance, that they are required to absorb 12 percent on every piece of furniture they sell. That is the effect of the freeze.

Mr. BARKLEY. Is that a question?

Mr. WHERRY. The question has not been asked yet. I hope the distinguished Senator will bear with me for just a moment. We are trying to present both sides of the case.

Mr. BARKLEY. Yes; I will bear with the Senator.

Mr. WHERRY. I will give the Senator as much of my time, when I speak again, as the Senator has given me of his time.

Mr. BARKLEY. The Senator from Nebraska has already had his time on the floor.

Mr. WHERRY. I have some more time. I can speak again on this measure.

Mr. BARKLEY. I understand that.

Mr. WHERRY. The pending amendment does not guarantee current costs at all. We are not asking for current costs. We are not proposing a retroactive application. The Senator says the merchants already have the goods. We are not worried about the goods they have. All we are asking is that in the future, when a new price-control act is being written, that the three segments of industry in which the increases will be made will be permitted to charge the same percentage mark-up or the margin or the discount they had in 1940. What is wrong with that?

Mr. BARKLEY. I shall try to tell what is wrong with it. I am serious about this, Mr. President. If I were a merchant I would rather have the Government of the United States say that I shall be allowed what it costs me to buy the goods on my shelves, and have the discount that was in effect on June 29, than to say nothing about my being allowed what it cost me to put the goods on my shelves and go back to 1940 for the discount I then had on my goods.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The words of the Wherry amendment are:

> No maximum price shall be established * * * below the level necessary to afford * * * to dealers * * * the margins in effect thereon in the calendar year 1940.

"Margin" means the difference between the current cost of the goods and what the dealer sells them for, so there is just as much current cost in the Wherry amendment as in the other amendment.

Mr. BARKLEY. Why was it necessary, then, to clutter up the original Wherry amendment with the guarantee of cost of acquisition, the current cost?

Mr. TAFT. That is one way of doing it, but "margin" means the difference between the purchase cost at a certain time, with the legitimate current cost between them added to the selling price. Of course this proposal is more favorable to the wholesaler. It provides that the wholesaler can have the current price plus the 1940 discount, instead of the discount in effect today. The discount in effect today has been cut many times in the case of many wholesalers, particularly since the 1st of January of this year. This simply restores the margin they had in 1940. The wholesalers trade has always been conducted on traditional mark-ups. That is the way they have always done business. This amendment provides that they can charge the traditional mark-up. That is the effect of the amendment.

Mr. BARKLEY. Business returns and business conditions have changed in the past 6 years. It may be that the war had something to do with the change in the method of doing business; but there has been an immense change in the whole business outlook and in the method of transacting business since 1940.

I should like to read to the Senate some figures with respect to profits of certain categories of business in the 1936–39 period and in 1945. Much has been said here about business not being able to make any money under the OPA,

either manufacturers or wholesalers or retailers. In the 1936–39 period the average profit of the building materials industry before taxes was $616,230,000. In 1945 it was $120,380,000.

The profits of department stores in the period from 1936 to 1939, when there was no OPA, before taxes were $82,000,000 per annum. In 1945, with OPA and all its restrictions and price regulations, the profits of department stores before taxes were $1,152,000,000.

Furniture——

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. Not now, Mr. President. I should like to complete this list.

Mr. BREWSTER. Would it not be much fairer to give the figures after taxes? When a comparison is made before taxes it presents a distorted picture.

Mr. BARKLEY. Of course taxes have been increased.

Mr. BREWSTER. Enormously.

Mr. BARKLEY. Of course they have been increased during the war, but they have been increased on the Senator from Maine, and they have been increased on me, and they have been increased on everybody.

Mr. BREWSTER. If the Senator is undertaking to give the figures showing what business got, why not show what they actually got?

Mr. BARKLEY. Whenever a figure is given before taxes it means what the industry has charged the American people; what the American people paid into the industry. I have not the opportunity nor the time to calculate what taxes they paid. I would not know. I do not have any access to the Internal Revenue Bureau and the returns of various corporations. But it is a significant fact that in 1936–39 department stores, before taxes, made $82,000,000, and in 1945 they made $1,152,000,000.

Furniture, before taxes—and these figures are usually given before taxes, because the average statistician and the average Senator does not have access to the tax record of these various organizations——

Mr. BREWSTER. What are the figures from?

Mr. BARKLEY. They are from the Government of the United States.

Mr. BREWSTER. The Government of the United States certainly has the figures on taxes. If the Senator wants to show the people how well off these organizations are after the Government gets through with them, he should state what their profits were after they paid their taxes.

Mr. BARKLEY. Very well. I appoint the Senator from Maine my agent to find out how much taxes they paid. I cannot find it. A committee writing a tax bill might find out what the tax returns of these corporations are, but the Senator knows we do not have them available to us.

Mr. BREWSTER. The Senator says that the Government of the United States furnished him these figures. The Government of the United States has the other figures also. To give the people of the country a fair picture we should have both figures.

Mr. BARKLEY. The Government of the United States cannot give them to me, and the Senator knows it.

Mr. BREWSTER. It certainly can and does give figures on gross taxes.

Mr. BARKLEY. It gives them to tax committees of the House and Senate.

I do not yield further until I go through this list.

With respect to furniture, the profits in the period from 1936 to 1939 were $54,000,000 per annum; and in 1945 $254,000,000. In the period from 1936 to 1939 the figure for hardware was $21,000,000 per annum, for 1945, $132,000,000.

The next item is wearing apparel. This is something that will interest Senators. In the period from 1936 to 1939 the profits of the apparel industry were $117,000,000 per annum; in 1945 they were $770,000,000.

The profits in the shoe industry, before taxes, were $30,000,000 per annum in the period from 1936 to 1939, and $135,000,000 in 1945.

In the 5- and 10-cent category of merchandise, a limited variety of goods, profits in the prewar period were $34,000,000; in 1945, $150,000,000.

Let me read something that the National Retail Drygoods Association, through its bulletin of July 3, sent out to all retail merchants in the United States who are members of the National Retail Drygoods Association. This is a long letter, and I shall not read more than a paragraph or two of it. Some of it is not pertinent to this question:

> Our check-up indicates that many manufacturers are at present sitting by and watching to see what is going to happen. If retailers advance their prices now, it is a certainty that manufacturers also will advance prices. If retailers stand firm and do not advance their prices there will be an excellent reason why manufacturers also should hold to the level of June 28, until the situation has been crystalized to a point where action may be intelligent. As we wrote the above paragraph—

There is recited a conversation which took place between the writer and a subscriber, or a member of the National Retail Drygoods Association, with respect to certain items. It was decided not to mark them up, notwithstanding the expiration of the law, but to keep prices at the level where they were on the 29th day of June.

Here is another paragraph from the July 3 letter of the National Retail Drygoods Association:

> By and large we think manufacturers as well as retailers are displaying a sense of responsibility, but everyone is waiting to see what others are doing. We suggest to you that you have too much at stake to encourage any upward rush of prices by advancing your own prices. After all, very few retailers can honestly claim their profits have suffered at the prices which have prevailed. It is a good investment to keep down your own prices and to resist all efforts to stampede you into paying increased prices.

In other words, the National Retail Drygoods Association, which represents retailers all over the United States, in its bulletin of July 3 says that after all, with all the difficulties, all the handicaps, and all the restrictions, no one in the retail business can honestly claim that his profits have not been satisfactory under prices which have prevailed. Are we in the Senate to say that we know more about the subject than the National Retail Drygoods Association, which sends this bulletin out to its subscribers every week? I do not believe so.

So, Mr. President, it seems to me that the provision in the joint resolution which I have read, and which I shall read again, amply deals with the situation. It is all that the retail trade has any right to expect. It is all that it is asking, so far as I know. But in order that we may make sure what it is, let me read the provision in the joint resolution:

> In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall make due allowance—

I am not wedded to the words "due allowance." I am perfectly willing to change them to "allowance" or "grant," or whatever will make him do it. I thought when we wrote that language that he was to allow whatever was due because of the current cost of purchasing the goods.

That is what I think it means. But if it does not mean that, I am willing to use words that will mean that. The Administrator is required to allow the current cost day by day, week by week, and month by month, as the merchant buys his goods, including the increase in material and labor costs. The merchant is to be allowed whatever it costs him to buy the goods in the market, plus the mark-up and discount which he enjoyed on the 29th day of June. The National Retail Dry Goods Association stated that retail dry goods merchants cannot complain of the profits they were making under prices which then prevailed.

If we are undertaking to write a price formula, if we are undertaking to say that the merchant shall charge whatever it has cost him to buy his goods, we ought to say so, and then add as the margin of profit, whether it be a percentage or dollar mark-up, whatever he was enjoying on the 29th of June when the OPA expired.

Therefore, Mr. President, I hope the amendment offered by the Senator from Nebraska will not be adopted. I have the greatest affection for him. I am certain that the Senator from Nebraska cannot love me any more than I love him. I am devoted to him. I think as much of him as I do of any man I ever knew in my life with whom I disagreed as much. I think he is mistaken about this provision. I believe that the provision in the joint resolution is a fair and constructive proposal. I think it would guarantee to every merchant what he pays for his goods, plus the mark-up or discount which he was enjoying at the time the OPA ceased and desisted.

I hope the amendment will be defeated, and that this section of the joint resolution will be agreed to by the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I notice that the Senator incorporated in the joint resolution a

provision on page 22 allowing automobile dealers their peacetime retail trade discounts, and allowing to farm-implement dealers their established peacetime discounts and mark-ups. I do not see why they should be treated differently from wholesalers.

Mr. BARKLEY. The Senator from Ohio is an able lawyer and an able legislator. He knows that the provision with respect to automobiles and farm machinery was written in contemplation of the fact that during the war there was no market, and that we had to go back to the prewar period in order to establish a standard. The Senator from Ohio knows that. Every other member of the committee knows it. Every Member of the Senate knows it.

Mr. TAFT. That is not at all true The OPA set a mark-up on the 1st of January. It reduced it three times.

Mr. BARKLEY. There was a mark-up for used cars and second-hand cars. There have been practically no new cars sold since the war.

Mr. TAFT. The OPA set one mark-up on new cars last January. It reduced the mark-up once before January, and once since January.

Mr. BARKLEY. It has also increased it somewhat since January.

Mr. TAFT. In the case of farm implement dealers there was nothing said about the war. In those two cases the Senator has deliberately placed in the joint resolution provisions for the peacetime discounts of those particular dealers. If such discounts are to be provided for those dealers, why should they not be provided for other dealers?

Mr. BARKLEY. In order to arrive at a fair standard we had to go to a normal period, and that normal period was before the war. The merchants to whom reference has been made have been doing business ever since the war started. They were doing business all during the war. We had to establish a standard for them not only during the war, but after the war. That situation did not exist with respect to automobiles or farm implements, because they were not being manufactured to any extent during the war.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. The OPA furnished the figures as to profits which the distinguished majority leader just read. If he will read the figures representing profits in the automobile industry, he will find that last year there was a profit of 225 percent.

Mr. BARKLEY. That was on old cars.

Mr. WHERRY. The Senator stated that there was no business in automobiles during the war.

Mr. BARKLEY. I was speaking about the automobile manufacturing business. During the war automobile manufacturers were making war implements not automobiles. The farm-machinery manufacturers were doing the same thing.

Mr. WHERRY. The figure of 225 percent represents the profit of the automobile industry, which includes all of the automobile industry.

I was about to point out——

Mr. BARKLEY. Mr. President——

Mr. WHERRY. Mr. President, have I the floor? I shall be glad to yield. I think I am on my own time now.

Mr. BARKLEY. The Senator has had the floor most of the time, even when I thought I had it.

Mr. President, I yield the floor for the time being.

Mr. WHERRY. Mr. President, my admiration for the Senator from Kentucky is just as great as is his admiration for me. I shall be glad to grant him time in my time. I like to yield to the distinguished majority leader.

How inconsistent we are! We are writing a new price stabilization act, and we are writing it for the producers, the manufacturers, the wholesalers, the distributors, and the retailers. We give the manufacturers and processors one formula, and we give the other three segments a different formula. We say to them, "We are not going to allow you any increases. We are going to allow you current costs." That is in my amendment. Anyone who can read the English language can read it. We allow the current costs. We do not freeze the percentage mark-up with cost absorptions in it. We simply go back to the year 1940—and I did this to please the majority leader. I took the same year he is talking about. Under the new price formula, which will apply to all business, all I want to do is to allow the distributors what they had in 1940, the base period which is used for the manufacturer, the producer, and the processor. The amendment is just as fair as it could be.

If we vote for subsection (t) in the joint resolution, for the first time we shall legalize cost absorption. This is not a price stabilization act with subsection (t) included. It is a profit-control act. It is not price stabilization. We are requiring that the retailer, the jobber, and the distributor take their profits on the basis of the mark-up existing on June 30, 1946, when they were required to absorb three-fifths of the general increases in industry.

I am pleading for the little grocer who runs the corner store. I am pleading for the little automobile man. According to the figures of the United States Department of Commerce, 556,000 businesses went out of existence last year. Why did they close their doors, if they made so much money? I am talking about the small implement dealer who distributes farm machinery to the farmers. I am talking about the men in small business who have been hit, and hit hard.

Are we going to have a new price control which is not price control at all; are we going to turn over to a man by the name of Porter the right to say to a businessman what he may produce and in what volume he may produce it, and then say to these segments of industry, "This is all the profit you can make. You cannot make any more"? Mr. President, if we are to have a price stabilization act with such provisions in it, it will be nothing but a profit-control act. That is no stabilization; and I do not think the Congress should go on record as favoring the creation of a profit-control agency.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield; but I am ready to yield the floor and to vote on the amendment.

Mr. BARKLEY. If the Senator is ready to yield the floor, I shall resume it for a moment.

Mr. WHERRY. Very well.

Mr. BARKLEY. All of us know that we had to make a difference in the joint resolution between the treatment of industries which practically went out of business during the war and the treatment of businesses which continued in operation. That is why we made special provisions as to any industry whose business had been decreased by 75 percent during the war period, which applies to the farm-implement industry, because those engaged in that industry were making war materials, not farm implements, and the same is true of the automobile industry. We could not find a normal period for either the farm-implement manufacturers or the automobile manufacturers this side of the war period or during the war period. We had to go back to a prewar period in order to find an approximately normal period for them, because when the war began they immediately converted their plants to the manufacture of shells and guns and airplanes and other materials of war. So in order to obtain a fairly normal period for automobile manufacturers and farm-implement manufacturers, we went back to the period before the war.

But retail merchants have been doing business all during the war. They did not go into the manufacture of war materials. They kept selling their goods to the people, on every street corner, in every town and village. We did not have to go back to a prewar period in order to find a normal period for them, because they have gone on making their sales and their profits.

Therefore, we felt, and I feel very strongly, that we should not go back to 1940 as to them, but we should, in addition to granting them the cost or whatever it takes to buy the goods which they put on their shelves, grant them the discount which they enjoyed currently during the war and at the end of the war and during the reconversion period.

That is what this subsection does, and that is all it does.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

On this vote the Senator from Florida [Mr. ANDREWS], who would vote "nay," is paired with the Senator from South Dakota [Mr. BUSHFIELD], who would vote "yea."

On this vote the Senator from South Carolina [Mr. MAYBANK], who would vote "nay," is paired with the Senator from Indiana [Mr. WILLIS], who would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy. He would vote "yea" if present.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He would vote "yea" if present.

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. He would vote "yea" if present.

The result was announced—yeas 29, nays 46, as follows:

YEAS—29

Ball	Gurney	Smith
Brewster	Hawkes	Stewart
Bridges	Knowland	Taft
Brooks	Millikin	Thomas, Okla
Buck	Moore	Wherry
Capehart	Murray	White
Capper	O'Daniel	Wiley
Cordon	Reed	Wilson
Donnell	Revercomb	Young
Ferguson	Robertson	

NAYS—46

Aiken	Eastland	Hill
Austin	Fulbright	Hoey
Barkley	George	Huffman
Briggs	Gerry	Johnson, Colo.
Burch	Gossett	Johnston, S. C
Carville	Green	Kilgore
Chavez	Guffey	La Follette
Downey	Hayden	Langer
Lucas	Morse	Swift
McCarran	Murdock	Taylor
McClellan	Myers	Thomas, Utah
McKellar	O'Mahoney	Tunnell
McMahon	Overton	Wagner
Magnuson	Pepper	Walsh
Mead	Radcliffe	
Mitchell	Russell	

NOT VOTING—21

Andrews	Ellender	Shipstead
Bailey	Hart	Stanfill
Bilbo	Hatch	Tobey
Bushfield	Hickenlooper	Tydings
Butler	McFarland	Vandenberg
Byrd	Maybank	Wheeler
Connally	Saltonstall	Willis

So Mr. WHERRY'S amendment was rejected.

Mr. BARKLEY. Mr. President, in order that there may be no cause for misapprehension or misunderstanding with reference to the meaning of the language in subsection (t) of section 10, I move, on page 24, line 15, to strike out the words "make due allowance for" and insert in lieu thereof the word "allow", so that the language will read, "the Administrator shall allow for the current cost of acquisition," and so forth.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to

Mr. STEWART. Mr. President, what was the amendment? I did not thoroughly understand it.

Mr. BARKLEY. The amendment was, on page 24, in line 15, to strike out the words "make due allowance for" and insert in lieu thereof the word "allow." The language would then read "the Administrator shall allow for the current cost of acquisition", and so forth. I think that the amendment improves the language

The PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment.

Mr. PEPPER. On behalf of myself and other Senators I submitted an amendment in the nature of a substitute. If there are other amendments undisposed of at this time, we should like to defer calling up our amendment until they have been disposed of.

The PRESIDENT pro tempore. The joint resolution is before the Senate and open to further amendment.

Mr. PEPPER. Mr. President, I call up the amendment which, in behalf of myself and other Senators, I stated that I would offer in the nature of a substitute for the committee amendment, but before I ask to have it stated I wish to add as additional sponsors of the amendment the names of the Senator from California [Mr. DOWNEY] and the Senator from Oregon [Mr. MORSE].

The PRESIDENT pro tempore. The RECORD will so show.

Mr. PEPPER. I ask that the amendment be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Florida on behalf of himself and other Senators will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "February 1, 1947"; and by inserting before the period at the end thereof a colon and the following: "*Provided*, That the President is authorized, whenever he deems such action to be necessary in the public interest, to eliminate or modify any regulation, order, price schedule, or other control imposed by or under the authority of this act or the Stabilization Act of 1942, as amended."

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "February 1, 1947."

SEC. 3. The last paragraph of section 2 (c) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation until February 1, 1947: *Provided*, That no new subsidy or purchase and sale operations shall be undertaken under the authority of this section, and no change shall be made in the basis of any operations existing on June 29, 1946, for which funds are made available under this section which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

SEC. 4. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, of the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946. *Provided*, That in any case in which the Emergency Price Control Act of 1942 (except secs. 204 and 205), as amended, or the Stabilization Act of 1942 (except secs. 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946 to the date of enactment of this act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts.

Mr. PEPPER. Mr. President, as Senators observed when the amendment was read, it would strike out all after the enacting clause of the pending joint resolution and would insert new matter. The amendment is sponsored by myself, the Senator from New York [Mr. WAGNER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from New York [Mr. MEAD], the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. MURDOCK], the Senator from Washington [Mr. MITCHELL], the Senator from Idaho [Mr. TAYLOR], the Senator from Pennsylvania [Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. THOMAS], the Senator from Ohio

[Mr. HUFFMAN], the Senator from Connecticut [Mr. MCMAHON], the Senator from California [Mr. DOWNEY], and the Senator from Oregon [Mr. MORSE].

The amendment was prepared by the legislative counsel, and the legal effect of it, if enacted into law, would be that the OPA, as it existed on June 30, 1946, would be continued until February 1, 1947.

Mr. President, I ask leave to modify the amendment so as to substitute for the words on page 2, beginning in line 1, and reading: "*Provided*, That the President is authorized whenever he deems such action to be necessary in the public interest, to eliminate or modify any regulation, order, price schedule, or other control imposed by or under the authority of this act or the Stabilization Act of 1942, as amended." The provisions of the committee amendment providing for a Decontrol Board, and all the provisions of the committee amendment relating to the Decontrol Board.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The Senator has a right to modify his amendment.

Mr. PEPPER. So, Mr. President, as modified, the amendment would mean, if enacted into law, that the OPA as it existed on the 30th of June 1946, would be continued until February 1, 1946, with the single exception that there would be established a decontrol board with all the functions and authority of the decontrol board recommended in and provided for in the joint resolution which is now before the Senate. The amendment presents a clear-cut issue to the Senate, and I think that many Senators would like to have an opportunity to vote on it.

We have before us the committee amendment which has been altered in so many respects that, frankly, I can say that it possesses little more virtue, if any at all, than the bill which the President properly and courageously vetoed.

In making that statement, I wish to be distinct in my commendation of the laborious and generous work of the many who have brought the pending measure before the Senate, particularly the able Senator from Kentucky [Mr. BARKLEY], our distinguished majority leader. I do not know how anyone could have labored more diligently and more earnestly for effective price control than has the Senator from Kentucky during the weeks and months which have passed. He has and deserves the commendation of Senators and other Members of Congress, as well as the citizenry of this country who want to see effective price control in this Nation. I wish to be one of those who desire to express their heartfelt appreciation of what our able leader has tried to do and has done. But nevertheless, Mr. President, I am sure that all of us have the feeling that, having decontrolled the various commodities which have been decontrolled by this measure, and having done many other things to which I shall refer in a little more detail in a moment, for all practical purposes we have started vigorously rolling the wheels of a dangerous inflation. We have gone beyond the power estimated and calculated to increase the cost of living of the people of the United States.

Mr. President, we have so disorganized the whole machinery of price control that, in my opinion, it will be impossible, as a practical matter, to remedy it in the committee amendment as amended, which is now before the Senate, and we have done what the President said in his message legitimized and legalized inflation and the high cost of living.

Mr. President, we have had a demonstration during the past few days of whether the many people were mistaken who thought we did not need price control. I am not quarreling with anyone who had a different opinion from mine. This is one of those speculative realms in which no one of us can be too sure he is correct. But, fortunately, we have had a few days of practical experience. As a matter of fact, no one of us would have to read the statistics. All we need to do is to draw on our personal experience and the experience of our families and close friends in what they have undergone during the past few days.

I have before me a typical letter which came to me from the former Speaker of the House of Representatives of my State, Hon. W. B. Bishop.

The letter was written Saturday night, and in it Mr. Bishop says:

> Today Southern Packing Co. placed a price of 8 to 10 cents up on every pound of all types of meat. Neck bones from 7¾ to 14¾; side meat 26¾ to 36¾ cents and so on. A small miller out here gave $3.75 a bushel for corn—shelling, milling, and selling meal at $1.75 a peck of 10 pounds. On the cash market in Tallahassee corn meal 25 cents a quart. No meal or flour or sugar in most stores. Beef up to 65 cents to 90 cents a pound. Breakfast bacon 52 to 62 cents. All dry goods same way, especially in small stores. Seems they are worse than large stores. Grocery and dry goods—cases quoted are not extreme or rare cases but the average. It also not only affects the few items I have mentioned but the whole field.
>
> I do not know what the poorer classes will do unless there is a change at once.
>
> CLAUDE, I am only passing this on to you for information For me high prices are fine, for I sell 10 times or more than I buy. But what about the average citizen?
>
> I am not trying to influence you in any way, but think you should know what is happening back home.

Mr. President, the writer of that letter is a man who does not suffer personally. He is well-to-do and sells 10 times more than he buys. But already, by last Saturday night, he was saying, in effect, "I will get along all right, but I wonder what the poor people are going to do." Mr. President, he is just an individual witness.

Here is a summary which was issued by the Office of Price Administration on June 11, and the authorities for the figures which I shall read are the Bureau of Labor Statistics, and the New York Journal of Commerce. The Bureau of Labor Statistics advises that:

> A general index of 28 basic commodities shows that between May 17, 1943, and June 28, 1946, over 3 years, there was a price rise in a group of 28 basic commodities of only 13.1 percent.

Between June 28 and July 11 the percentage increase was 16.9; in other words, 4 percent more in a few days than in the 3 years when there was price control.

Mr. MCMAHON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. MCMAHON. Does the Senator know that it jumped 4.9 points today?

Mr. PEPPER. It is going up by leaps and bounds with every passing day. I thank the Senator for his contribution.

Mr. MCMAHON. It went up in the first 11 days, with no price control, about a point and a quarter a day. We started cutting the bill's throat for fair yesterday and it went up 4.9 today. If we had gone home after the veto, instead of being 14.4, or 18, whatever it is, probably up to 18 and a fraction, perhaps it would have been a good deal more than that.

Mr. PEPPER. The Senator is absolutely correct. It must be remembered that there is the restraint over the people who are studying things of the prospect of an extension of OPA after some fashion, as the Senator has pointed out.

There are 12 foodstuffs listed. In the 3 years of price control foodstuffs went up 14.8 percent, but up until July 11, in the 11 days without price control, they went up nearly twice as much, or 26.1 percent. That does not include what has happened since day before yesterday.

Mr. REED. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. REED. Can the Senator from Florida state what part of this increase in the prices of foodstuffs since the 30th of June was due to the discontinuance of the subsidies which up to June 30 aided in keeping the rise in prices down?

Mr. PEPPER. Mr. President, I have not made a calculation on that point, but it is well the Senator asked the question, and I am glad he did, because the committee amendment provides that subsidies shall be continually and gradually diminished from the date of the enactment of the joint resolution, and shall stop altogether on the 1st of April of next year. I had the figures when we were debating the minimum wage, and my understanding was that there were being paid in subsidies about a billion and a half dollars a year to keep the cost of living down about 8 percent. So that if we take away that billion and a half in subsidies, I estimate the cost of living would go up in some such proportion as that.

The joint resolution not only decontrols all the commodities we know about, which I shall mention in a moment, but, in addition to that, it provides, as the Senator from Kansas has indicated, for the steady reduction of subsidies, and on the 1st of April next year for the cessation of subsidies altogether. So that there will inevitably be a price rise due to that cause, in addition to normal causes.

Mr. TUNNELL and Mr. KNOWLAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield, and if so, to whom?

Mr. PEPPER. I yield first to the Senator from Delaware.

Mr. TUNNELL. I was going to ask the Senator in regard to the subsidy which has just been inquired about by the Senator from Kansas, whether he thought there had been any dropping of subsidies since yesterday, between yesterday and today. I understood from the Senator from Connecticut that there had been a rise between yesterday and today of almost 5 percent. It certainly was not because of a change in subsidies between yesterday and today. If prices are going to keep on rising, is it all going to be charged up to a subsidy that was taken off on the 30th of June?

Mr. PEPPER. The Senator is quite right, the subsidies were off just as much the 1st day of July as they are this day.

I now yield to the Senator from California.

Mr. KNOWLAND. As a matter of fact, will not the distinguished Senator from Florida admit that the bulk of the subsidies were on livestock and dairy products?

Mr. PEPPER. A considerable portion of the subsidies went to those industries, but the Senator will recall that the subsidies went to the articles which were primarily essential, so that when we take off a subsidy we take off the subsidy from things such as milk, which actually composes the diet of the babies and an essential food ration of the people of the United States.

Mr. KNOWLAND. In making a comparison, I think it would be important for the Senate to know whether the increases the able Senator from Florida was discussing were based on ceiling prices of the OPA prior to the lifting of ceilings and the prices now, or whether the figures being used were the actual black-market prices which a great many housewives and other consumers had to pay.

I call the attention of the able Senator to the fact that it does not do very much good to make a fetish out of price control in the field of meat or in the field of butter, if the housewife went into the store and saw on a sign on the store wall that butter could be had for 61 cents a pound, when as a matter of fact she was not able to buy any butter at all. If she went out in the black market she had to pay $1.10 to $1.25 a pound for butter.

Mr. PEPPER. Mr. President, I assume these figures which come from the Bureau of Labor Statistics and the New York Journal of Commerce relate to legitimate prices, namely, the OPA prices. I am also going to say to the Senator that with all that has been said about the black market, and as bad as it was, I still have enough confidence in the people of the United States to believe that the masses still substantially observed the law and went by legitimate prices rather than black market prices. So, I think these figures coming from legitimate sources are entitled to consideration.

Mr. REED. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REED. The Senator from Florida observed, before the Senator from California interrupted him, that the subsidies were paid quite largely to those things which the Senator from Florida termed essentials and, of course, that is true. The subsidy program was applicable very largely to meats and dairy products, with perhaps a few other things included. But let me ask the Senator from Florida a question. When we come to consider the effect of the discontinuance of subsidies on the price level, which is bound to rise as the subsidy is withdrawn, it does not make any difference whether an article is essential or nonessential, so far as the price is affected by the subsidy? I think the Senator from Florida will agree with me.

Mr. PEPPER. Of course. While the question of subsidies is under discussion, let me say that I have never believed that the Government should expect the producers of any commodities, at least essential commodities, to produce them at a loss. I have always thought that if we hold prices down in order to stabilize prices for the masses of the people, we should allow enough in the way of a subsidy to give a fair profit to the producer. But the interesting thing is that the principal Members of Congress who kept subsidies down were those who contributed to the detriment of the producer. In other words, they never would allow two things, they never would allow either sufficient subsidy or adequate law enforcement to prevent the black market, so that the Office of Price Administration was constantly struggling with the problem of holding the line on prices and being fair to producers at the same time, and policing the black market. Congress would not effectively let them do either.

Mr. President, we cannot, therefore, escape our responsibility for a great deal of the disorganization and the chaos and the black market which exist today.

Mr. DOWNEY. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield to the Senator from California.

Mr. DOWNEY. With regard to the question of the subsidy as a factor in the increase in the price of meat, I am reminded immediately of another fact. In the past 10 or 12 days the price of corn has been up about 52 percent, the other grains are also up substantially, and the meat we are now buying at an excessive price was produced with the lower-priced grain. I wonder what the Senator thinks will happen to the price of meat when it is produced by grain that may cost certainly 50 or 100 percent more.

Mr. PEPPER. The Senator of course is pointing to something that is absolutely inevitable. In the first place, let us go back a little and try to see the picture in perspective.

We have had an accumulated purchasing power, been built up during the war, which runs up into billions of dollars for the whole population. During the war there was a shortage and scarcity of goods. In addition to that shortage and scarcity, we have had our armed forces all around the world to feed, and our allies to help provide for. Immediately after the war terminated we had dropped into our laps a major share of responsibility for the famine areas of the world.

So, in spite of our bumper crops and our tremendous production in almost every field, which in many cases represented an all-time record, we had something like an all-time demand, and we had a purchasing power the like of which the Nation had never had.

Furthermore, we created a lot of artificial money, as it were. At the end of the war we had in circulation 3 times the amount of currency as at the beginning of the war. We had 3 or 4 times as much in the way of bank deposits, and that meant bank credit bank money. So that the people had more cash by 3 or 4 times, more money in the banks, more bank credit by 3 or 4 times, constituting the savings of the war, represented by cash and Government bonds. They could not buy automobiles and refrigerators and washing machines and the other things they needed to buy. We had that kind of a market. And yet for production we had the demands not only of our home economy, but from a great many parts of the world. Then to talk about that being a normal market, to talk about the normal laws of supply and demand in that kind of a situation is completely illogical. Yet here, with the most dynamic economy on earth, instead of, more than any other country, holding tightly the rein on this dynamic horse we were trying to ride, as England and Canada, countries comparable to us were doing, we began immediately after the war a precipitous release. People said, "Now that we have whipped the enemy, let us get back to the good old doctrine of laissez faire." They were a little bit too eager.

They were a little bit like Midas, and many of them wound up like Midas did, by losing all they had rather than keeping what they possessed. But we started on a mistaken policy of decontrolling too soon after the war was over and it was the Government's fault for yielding to the demand of short-sighted and selfish people. I am not criticising the motive of the Government. The Government, and especially the President, were trying to accommodate the Government's policy to the demands of the people. That shows that sometimes, just as in the case of a good doctor, we have to do what is best for the patient instead of what the patient always wants done for him. If the Government had been an honest doctor for the people it would have stood adamant and said, "No. We cannot afford to release these controls until conditions become more stable. If we do, it will ruin us all, Government and citizens alike. A depression here will contribute to another depression in the world, as did our last depression contribute to a world-wide economic catastrophe."

But, Mr. President, we did not do that. We started to decontrol very rapidly, and then we tried to back up and reverse ourselves. That is just the trouble one always has when one tries to stop and start in the other direction. So it took a long time to try to regain the ground we lost in the first precipitous effort to decontrol the economy immediately after the war. Ever since that time Congress has been plagued, the Government has been plagued, we have all been hounded

day and night to take off controls on everything that anyone was interested in who wanted to make more money.

To hear some people talk about it one would think they were suffering more than the boys who were in the far-off battlefields of the earth. To hear such people talk one would not think that the boys without faces in Walter Reed Hospital were the ones who were suffering from the war. One would think it was the individuals who were selling something or making something from the war who were the real victims of the war's hardships. What we should have told them was, "Of course, there are some hardships incident to the war." There are many of the boys who did not come back from the war. There were boys who came back almost dead; there were many boys who lost their faces, their arms, their legs, and some whose minds will never return to them again. Many will have to pay the price for war, but we are trying to give the producers of the country a soft postwar conversion period.

Mr. President, in doing that we have of necessity thrown the burden from them to the masses of the people. I think I can demonstrate to the satisfaction of anyone that that is the inevitable result of the profit-for-everybody measure which is now pending before the Senate.

Before I get away from it, I want to give the Journal of Commerce daily index figure on 30 sensitive commodity prices. In the 3 years since price control from May 17, 1943, to June 28, 1946, the percentage increase was 15.8, but between June 28, 1946, and July 10, after price controls went off, the prices rose 14 3 percent, and between June 28, 1946, and July 11 the percentage increase was 15.3 percent. No doubt the comment of the able Senator from Connecticut [Mr. McMAHON] would be applicable, that since the 11th of July prices have already risen several percent more. As the Miami Daily News says in an editorial on July 11, "We have seen nothing yet," in connection with all these price rises. We are just beginning to see the first impulse of the situation that I tried to describe a little while ago.

Mr. President, what have we done to the committee amendment that is now before the Senate? In the first place, we have decontrolled meat, poultry, eggs, fish, fats and oils, dairy products, and grain.

We did not decontrol the byproducts of grain, but everyone knows that flour is a product of grain, and that if the price of grain is increased the price of flour will likewise increase, and as the Bible says, even a "wayfaring man" knows that if we increase the price of flour we add to the cost of bread. So what have we done? We have increased the price of bread, we have increased the price of meat, we have increased the price of all dairy products, increased the price of poultry and all poultry products, and those items constitute a considerable part of the diet of the American family.

I have here some estimates which were sent over to me today at my request from the Office of Price Administration. Here are some of the estimates they made about what would be the effect of decontrols we have already effected.

Cereals and bakery products, 15 percent rise. That will add about $300,000,000 a year to the consumers, they estimate.

The red-meat decontrol will add about 40 percent, or about $2,500,000,000 to the budgets of the people of this land. The other day the able Senator from Idaho read into the RECORD an Associated Press dispatch from the Washington Evening Star. It said that the price of meat in Chicago was the highest in 81 years—$23 a hundred. The Associated Press dispatch estimated that the price would rise to $30 a hundred, because the writer saw nothing that would prevent it going up to that figure.

Poultry it is estimated will increase 17 percent, or add $200,000,000, to the bill of the housewives of the country.

It is estimated that eggs will go up 5 percent, and add $100,000,000 to the consuming public.

Fish will go up 25 percent, adding another $100,000,000 to the consuming public.

Fats and oils will go up 30 percent, adding another $300,000,000.

Dairy products will go up 24 percent. Incidentally one can find in almost every newspaper from one's own State that the price of dairy products is being raised by the dairy industry. A rise of 24 percent in the cost of dairy products will add $1,200,000,000 to the consuming public.

There again I may say that I know that in many parts of the South the dairy industry should have had a larger subsidy than it had. It was not fair to throw many dairymen out of business as was done. But the fault was not with price control. The fault was that Congress would not allow a sufficient subsidy to give the dairymen a decent return and to keep prices down for the consuming public.

Mr. President, OPA sent me these figures before grains were decontrolled. The total was an average increase of 18 percent, and the total increase to the consuming public over the next year, $4,700,000,000.

Mr. President, that means that we have added $4,700,000,000, to the bills of the public, and I will take the OPA estimates as quickly as I will take the estimates of anyone. I am not one of those who think that everyone connected with the OPA is a crook and a thief and a scoundrel. The character of the men in the OPA, I dare say, would rank well with the character of Members of Congress elected by the people of this great land. Therefore, I have no hesitancy to quote these figures and the source from which they come. I say therefore that what we have been doing in the last few days is taking from somebody and giving to someone else.

The question I want to ask is, Has that been in the public interest, this robbing Peter to pay Paul? I tell you, Mr. President, Paul is a great deal better off than Peter in this case. I shall be able to show in a little while how the producers and processors and manufacturers have been coming out, and then how the masses of the people of the country fare in our economy.

We have also decontrolled petroleum, and OPA estimates the price of petroleum will go up 15 percent. That will add another $750,000,000 to the bills of the people. The $4,700,000,000 I have just mentioned related simply to food. That did not include grains, which we decontrolled the latter part of the afternoon. Incidentally, I was sending out my mail this afternoon, and I came to a confirmatory telegram to a gentleman in my State, saying "Reed amendment was defeated yesterday." I just wrote down at the bottom, "But passed today." It is a good thing that we stopped when we did, or even the enacting clause of the measure, no doubt, would hardly be recognizable.

Mr. President, we have done something else. We have eliminated what is called the maximum average price regulation, about which we have heard a great deal of protest. What was the maximum average price regulation? It was simply a requirement by the Government that a manufacturing concern, for example, which in peacetimes had been manufacturing a line of goods, cheap goods, middle-class goods and higher-class goods, could not stop making the middle-class goods and the cheap-class goods, simply to profit from the making of expensive goods.

The manufacturing concern had to preserve a pattern something like the base pattern that they followed in peacetime in a normal period. So that the people who have to buy cheap clothes would have some clothes within their reach. That has been eliminated, Mr. President. Now a manufacturing concern can quit making all the cheap clothes and all the middle-price clothes and make nothing but the higher-priced clothes, because in the markets of today there will be a sufficient number of rich and well-to-do to buy the high-priced clothes. The whole theory of this decontrol plan is "The devil take the hindmost," and that, of course, includes the poor.

Furthermore, we have upset a regulation which the OPA has had in effect for some time in respect to such articles as automobiles, washing machines, refrigerators, radios, and that class of goods. Under the present regulation dealers have been required to diminish their peacetime margins. Suppose an automobile dealer made, we will say, $300 on a Chrysler automobile in peacetime. He has been required to cut back a part of that normal peacetime profit, and reduce it to $200, for example. He complains about that. He says, "That is too little. I cannot operate my garage."

But he is told, "In a little while you will have the largest sale of automobiles you have ever had. In a little while you will make up for the smaller margin in the total sales you will have." The obvious reason for the imposition of that requirement was to try to keep the prices of commodities down for the consuming public.

Some will say, "Let only the rich people buy automobiles." All of us who have been in many foreign countries know that that is the situation over there. If one goes to the great capitals in foreign countries, he finds that no one but

a rich person ever considers owning an automobile. But this is America. A man can make a living with a low-priced car. We have adjusted our whole standard of living to the automobile. A man may live at the edge of town and go to work in his car. The automobile is not a luxury for the rich in America. It is almost a necessity for everyone. Consequently more automobiles are owned by the people of the United States than are owned by the people of all the rest of the world. Yet some are disposed to let only the rich people of this country buy automobiles for the next few years. The prices of automobiles, refrigerators, washing machines, and radios have been increased by the elimination of the provision of which I spoke a moment ago.

I have already mentioned the fact that we have decontrolled tobacco and woodpulp.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAPEHART. I agree wholeheartedly with what the Senator has just said about foreign countries, in respect to poor people being unable to buy automobiles. But I am wondering if it is not a fact that in our country the poor people have been able to buy automobiles, not under OPA, but when we did not have an OPA. The only time in the history of the Nation when they have been unable to buy automobiles has been during the time when we had an OPA.

Mr. PEPPER. Yes. That was due to the fact that the automobile companies were making tanks, airplanes, and other things with which our men were winning the war.

Mr. CAPEHART. Why does the Senator say that there are those in this country who would like to see only the rich buy automobiles during the next 2 or 3 years? The Senator has said that the reason the people cannot buy automobiles today is that the manufacturers are unable to manufacture them.

Mr. PEPPER. I am not aware of having said that.

Mr. CAPEHART. Why does the Senator accuse anyone of not wanting the poor to buy automobiles?

Mr. PEPPER. I am not accusing anyone of that. I am saying that every time we raise the cost of an automobile we narrow the class of people who can buy one. The amendment of which I spoke a moment ago would add considerably to the cost of automobiles.

Mr. CAPEHART. The fact is that we have developed in this Nation, under a free competitive system, the highest standard of living in the world, under which the poor people, as the Senator so ably stated, are able to buy automobiles, refrigerators, radios, and other things. The poor man in this country is a king in comparison with people of many foreign countries. All many of us are trying to do is to return this country to the free enterprise system, under which the poor man can be a king, and can buy washing machines, radios, refrigerators, and automobiles. That is all in the world we are trying to do. Yet we are forced to sit here tonight and listen to a great mass of figures which mean absolutely nothing. The facts speak for themselves. All one has to do is to take a look at the standard of living of the people of this country and travel the world over, as the Senator has done and as I have done, and compare it with the standard of living of other people. There is absolutely no comparison. Let us get back as soon as we can to the system which gave us the highest standard of living in the history of the world.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MYERS. Mr. President, it seems to me that in due time we should each buy a little American flag, and every time the words "free enterprise system" are mentioned, we should all rise and wave that little American flag.

Let me say to the Senator from Indiana, with respect to automobiles, that whenever any one of us buys an automobile today and there is a trade-in of an old car, the dealer makes a real profit. There has been a reduction in his discount or mark-up, because OPA took into consideration the fact that automobile dealers are making more money from used cars than they ever made before. The Senator knows that to be so.

I can remember the time when 500 or 600 automobile dealers from all over America held a meeting in the caucus room in the House Office Building. I went to the meeting. When I returned to Philadelphia, afterward, I met some of the dealers who were present at that meeting. They said, "We were kidding. We are doing very well today; but we are worried for fear that perhaps 2 years from now the automobile manufacturers will not give us back the same mark-ups."

So this talk of free enterprise and the competitive system is becoming rather amusing. Everyone believes in them and is for them. And I am endeavoring to preserve them but I doubt if the proponents of these decontrol amendments know what they are doing. Let me congratulate the Senator from Florida. He is the first Member of this body, I believe, to offer an amendment which would really help the consumer. Every other amendment that has been offered to the committee measure has been an amendment to give the manufacturer, the retailer, or the wholesaler, a greater profit. But only the Senator from Florida, as I recall, has offered an amendment which would give the American consumer a real break.

Mr. PEPPER. I thank the able Senator from Pennsylvania. It must be remembered that he is one of the authors of this amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CAPEHART. I agree with the Senator from Pennsylvania that what we should do is to get down on our knees and thank the Almighty that we have had a free enterprise system in America for the past 165 years. It has been that system that has made us the greatest Nation in the world. It was that system which enabled us to produce the materials of war with which we won the last Great World War as well as World War I.

I, for one, would like to see every school in America opened each morning by thanking God that we have the system under which we live, and that we do not have the system which the countries of Europe and other countries have. I think it is a splendid idea. I know of nothing of which I am more proud than I am of our American system. The Senator from Pennsylvania may be tired of listening to talk about the free enterprise system; but I rather suspect that our allies are grateful for the system which we have in this Nation, under which the materials of war which stopped the Nazis were produced.

Mr. PEPPER. A President of France who was a very great man is supposed to have said upon one occasion that war was far too important a subject to be left entirely to the generals. Let me say that the private-enterprise system in this country is far too important a subject to be left in the hands of those who think they represent private enterprise, because they would be the first ones to destroy it. The short-sighted advocacy of free enterprise by many persons would doom it to inevitable destruction. The best proof of that statement is the situation which we now face. I claim that those who are trying to hold this country together, who are trying to keep it from exploding from within because of internal pressures, are the best friends private enterprise has in America, just as I claim that Franklin D. Roosevelt was the best friend private enterprise had in America, while he was being condemned by some of the very ones who came to him as crouching supplicants, and after they became strong enough threw their crutches at him.

If we remove the controls from our economy private enterprise will be ruined and this Nation will be condemned, of necessity, to totalitarian control. The last depression brought the stringent requirements of the early days of the New Deal. If we go through another depression, it will be many times worse than the last one. If we have another inflation such as we had in 1929, the New Deal will seem very mild compared with the administration which will follow. It will show us something about the totalitarian economy, which will be a necessity to keep the Nation from going into utter dissolution, as we threatened to do the last time at the depth of the former depression.

If the proponents of this measure succeed in placing it upon the statute books they will be condemning America and their fellow citizens to another depression, another 1929—and this time it is around the corner. In addition, just a little further along the unhappy way will be another 1932.

From the most reliable estimates which I have been able to obtain, I learn that the last depression cost this country $350,000,000,000—more money than all the wars in our history have cost us. We talk about lost man-days from strikes. How many man-years of production were lost in America by 40,000,000 or 50,000,000 people at one time or another? That gives us an idea of how much we suffered from the last depression.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAYLOR. Was the loss of those man-days during the depression in any way caused by the workers of America?

Mr. PEPPER. Distinctly not. They have always been the victims of cruel, heartless, economic forces from which their Government alone can save them if they are to be saved at all. What we are trying to do here today is to save millions of Americans from being crushed between the upper and nether millstones of the conditions which we see rushing toward us, and only by such effective controls can we hope to accomplish that.

Mr. President, I was speaking about some of the things the pending measure will do. One of the things it will do, for example, is to put rent control back into the hands of the several States. I think everyone agrees that rent control should be continued. I do not believe I have heard one Senator on this floor indicate that he does not favor rent control. I think even the able Senator from Wyoming [Mr. ROBERTSON] offered an amendment just a little while ago proposing to do away with all other controls save rent controls. I have heard other Senators who did not favor any other controls say that we must have rent control. Yet what have we done in this committee amendment? We have said that if and when a State certifies to the OPA that it has a State law or that it has taken over the subject in the State, the Federal Government can no longer function in the field of rent control. But we have made that provision without laying down any standards, without waiting to see how effective the State rent control may be, without waiting to see whether the State administration is really disposed to enforce it or not.

Mr. President, I believe in local self-government in all proper cases. But I remember that the Constitution of this country provides that all persons born or naturalized in the United States are citizens of the United States and of the several States in which they reside. There is a dual sovereignty in this country, composed of the Federal Government and the State governments. If we let a State, for example, take over rent control, how do we know whether it will not do what the able Senator from New Jersey proposed in his amendment, namely, raise rents 5 percent every 90 days? That would mean that the cost of living would be increased for every family that lives in a rented home. That would mean that just that many more people would have the burden of an increased cost of living thrust upon their already burdened backs.

Mr. President, in addition to that, I have already mentioned the fact that under the committee amendment, subsidies are to be taken off altogether the 1st of next April; and by the direction of the amendment, subsidies must be steadily diminished between now and April. In this amendment we have provided for increased compensation for hotels, especially residential hotels, if not transient hotels as well.

Moreover, Mr. President, we have practically assured everyone in our economy who produces and processes and manufactures increased profits over what he enjoyed in the past. That is done, according to some, in the name of increased production. They say that is the only way to obtain greater production.

I have before me some figures from the Federal Reserve Board. They give a comparison between the 1939 index of production, which was before the war started in Europe, really, and the average index of production from January to May 1946, and then the percentage of increase in production from January to May 1946, as compared with the period in 1939. Here is what we find. For all industries, the average 1939 index of production is 109. The average index for January to May 1946, is 161, or a 48 percent increase. Yet we are told t' at it is impossible to obtain sufficient production, although we have obtained 48 percent—almost 50 percent—greater production in the first part of this year, under the OPA, than we had with the free economy of 1939.

In the manufacturing industries the index in 1939 was 109. From January to May 1946 it is 167. The percentage of increase is 53 percent.

For the durable-goods manufacturing industries the index was 109 in 1939. It was 171 in the first part of 1946, or an increase of 57 percent.

In the non-durable-goods manufacturing industries the index was 109 in 1939 and 163 in the early part of 1946, or a 50-percent increase.

In the mineral industries the index was 106 in 1939. It went up to 128 in the period January to May 1946, or an increase of 21 percent.

Let me make another comparison. In 1919, right after World War I, there was a 17-percent increase in industrial production as a whole. I believe the increase in 1946, has been, on an average, 48 percent. Nineteen hundred and forty-six is the first year after World War II. In other words, after World War I, we had no controls, and in the first year after that war our index of production increased 17 percent. But after World War II, with the OPA, our production increased up to 48 percent. Does that prove that the OPA has stifled production as compared to what it would have been in a free economy? In most newspapers, Mr. President, we see large advertisements by big companies which are trying to to give the impression that they are not going to increase prices, because they know that if the process once starts, one increase in prices will be the lever for another, and there will be no stopping the process.

What about agricultural production, Mr. President? From 1914 to 1919, let us say, there was a decrease of 8 percent in production. That is to say, there was 8 percent less production in 1919 than there was in 1914, insofar as crops raised in the United States were concerned. But by 1946, agricultural production had reached a 20-percent increase over what it was in 1939. In the case of grains, in 1919 the increase over 1914 was 9 percent. In 1945 the increase over 1939 was 53 percent, and so on. So, Mr. President, the argument that we have not been obtaining production either in the factories or on the farms, with the OPA in existence, does not hold water.

Let me give one other figure. This was commented upon in an editorial published the other day in the Washington Post. In April 1946, the number of people employed in the United States was 56,900,000. In 1939 we had only 54,230,000 employed persons. In April of 1946 we had only 2,350,000 unemployed, whereas in 1939 we had 7,300,000 unemployed persons in the United States. How can we have very much reduction in production in America when we now have the largest number of employed persons this country has ever known, except for the peak days of the war, and when the number of unemployed persons has been constantly decreasing?

Mr. President, so much for production upon the farms and in the factories. So much for the labor force of the Nation

Now I wish to say something about some persons who are not being provided for in this committee amendment. I wish to talk about the Peters whom we are robbing to pay the Pauls whom we are accommodating by this measure. I wish to tell my colleagues who some of them are, and let them decide whether they are willing to take more from these people in order to give more to the people who will profit by this measure. Naturally, Mr. President, I begin by referring to the veterans.

On May 31, 1946, there were in the United States 2,046,032 veterans receiving veterans' assistance. They were veterans from all our wars. In addition to those 2,046,032, there were 22,990 emergency officers of World War I who were receiving Government payments, the total number being 2,069,022.

Mr. President, those are the men and perhaps some women who have fought our wars and now are drawing pensions from the United States Government. The average annual rate of all compensation payments to our soldiers of all our wars who are receiving pensions was, for the fiscal year 1945, $546.35. The average monthly rate was $45.53. Think of that, Mr. President. The average soldier who served his country in our various wars and who now is living and receiving a pension received $45.53 a month, and in the case of many of them that is all they have—that little pension check which comes in every month to them. We are going to add 5 percent, 10 percent, 15 percent, 20 percent—we know not how much—to the cost of living of those pensioners of the United States Government who fought our wars in our long past and are now alive.

Mr. President, from World War I, from service-connected disabilities, the men who bear the wounds of war are receiving $44.59 a month. That is the average pension. The average pension paid to men who suffer from non-service-connected disabilities is $38.07. If we adopt the committee amendment, Mr. President, we shall be taking money from the wounded war veterans of America, because adding to the cost of living is the same as cutting down their monthly checks. By adopting the committee amendment we shall be taking money

from the wounded veterans who sacrificed for the Government and people of the United States and placing it into the already swollen-from-profits pocketbooks of the vast number of producers and processors and manufacturers. I cannot believe that, upon serious reflection, the Senate, which wishes to do the right thing, will allow that to happen. The First World War wounded veterans who suffer from non-service-connected disabilities have been receiving an average pension or compensation payment of $38.07.

Mr. HUFFMAN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HUFFMAN. Is it not also a fact that the veterans are in the greatest need of housing of any group of persons throughout the Nation?

Mr. PEPPER. Of course.

Mr. HUFFMAN. Will not the pending joint resolution, as amended, increase immensely the cost of living?

Mr. PEPPER. Of necessity it will, because lumber, for example, is one of the articles which has been decontrolled. Not only that, Mr. President, but the veterans——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. Under what amendment is lumber decontrolled?

Mr. PEPPER. What was the effect of the amendment which was offered by the Senator from Arkansas [Mr. McCLELLAN]? I know that it had to do with lumber, but I thought that it was specifically for the purpose of giving to the lumber people more money.

Mr. TAFT. No; I think the Senator will find that the amendment does not affect lumber in that way.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I see the Senator from Oregon on his feet and he is a lumber expert. I am glad to yield to him.

Mr. MORSE. No, Mr. President, I am not a lumber expert, but in view of the fact several times today I have heard it said in the cloak room that the lumber amendment of the Senator from Arkansas was a decontrol amendment, I think it would be well to make it clear that the amendment was not one to decontrol lumber.

The amendment sought only to credit the lumber operator with the true market value of his timber, particularly stumpage. At the present time ar owner of timber has his production costs figured on the basis of the book value of the stumpage. If he bought his timber 20 years ago at $1, and the going market price today is $3.50 per thousand, OPA allows him only $1 for stumpage in calculating his production costs. It was pointed out last night that such a situation in figuring production costs is clearly not fair to the lumber owner. For example if the man across the road is receiving $3.50 on the basis of the present market value because he bought his stumpage which he manufactures into lumber at present market values, the man who bought his stumpage 20 years ago for $1, should receive credit of $3.50 for his stumpage when OPA comes to figure his production costs. If the OPA goes back into existence, the pricing policies of OPA will still be applicable to lumber just as they existed before the President vetoed and rightly so the bill recently passed by Congress. The only change will be that provided by the McClellan amendment relative to allowing present market values in computing lumber-production costs.

Mr. PEPPER. Mr. President, I believe that I was inaccurate in saying that the amendment decontrolled the price of lumber. But does not the Senator believe that the inevitable effect of the amendment will be to increase the price of lumber because of taking into account a different stumpage basis?

Mr. MORSE. I believe there will be an increase in the price of lumber and other commodities, because the effect of the pending bill in its present form will be to increase the cost of production all along the line. There will be an escalator effect, and before the Senator completes his speech, I want to ask him a few questions with regard to some of the effects of the joint resolution. However, I quite agree that if the pending joint resolution is signed by the President of the United States we will again be doing what would have resulted through the bill which the President vetoed, namely, increasing the cost of living for 140,000,000 American people. I believe that we are already beginning to pave the way for a boom and bust period with all the cruelties that are bound to result from another depression.

Mr. PEPPER. I thank the able Senator very much for his observation.

Mr. President, I wonder if Senators know how many GI's are in schools and colleges under the GI bill of rights? The figures which I have received from the Veterans' Administration show that in May there were 925,926 in schools and colleges. Nearly a million men and women who served this country in war are now trying to go to school. Some of them have been out of school for 3, 4, and 5 years. How much money are they receiving, Mr. President? Single men are receiving $65 a month, and married men are receiving $90 a month. I believe that each one of us would like to see as many of those boys marry as can do so. Yet, $90 a month is what a GI's is expected to live on if married. Just think of it, Mr. President, $90 a month. What are we doing to that $90 a month? We are adding to the cost of the living of those men and women. We might just as well reach down into their pockets and take out so many dollars each month from the $90 which they are now receiving.

Every Senator knows that the facts are exactly as I am stating them. Yet, Mr. President, do any of those earnest advocates of more profits for the producer, more profits for the processor, and more profits for the manufacturer offer any amendment to increase the figure of $65 a month to some larger figure? We would put more money into the pockets of the big farmers, the big manufacturers, the big wholesalers, and the big retailers, but would take money from the GI's who are trying to go to school.

I know of case after case of boys who have said it was almost impossible for them to go to school on what they are now receiving. Why should Senators want to add to the present burdens of those GI's by decontrolling the articles which they must buy and thereby increase the prices which they must pay. Do Senators really want to treat soldiers in that manner?

Here the GI's stand on one side with their $65 and $90 a month. There is a boy, for example, who fought at Guadalcanal. There is another boy who fought in other parts of the world. Each of them contributed his share toward the victory which our country won. Over here stand the fellows who will get their profits. If all of them stood before us and we could see them, would Senators want to take from the soldiers and give to the others?

O Mr. President, I know there is some hardship here and there, but in public affairs we must balance hardship against hardship. When we are shedding crocodile tears for the manufacturers, for the processors, and for the producers, it is strange to me that so many of us tend to forget the millions who are not exerting any pressure upon us, but are waiting and trusting the American Congress to deal with them justly and fairly.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. DOWNEY. I wish to say that I vigorously applaud the eloquence of the Senator in portraying the conditions of our veterans who are attempting to go to school on $65 a month, and the effect which increases in the cost of living will have upon the small incomes which the GI's are receiving under the GI bill of rights. But I should like to hear the eloquent Senator tell us something about the conditions of pensioners and retired workers throughout the country, who, under old-age insurance, are receiving an average of $24 a month, and under old-age assistance are receiving an average of approximately $26 a month. I wonder what Senators, who contemplate happily an increase in the cost of living of 25 or 50 percent, think will happen to the persons now living on those meager incomes.

Mr. PEPPER. Mr. President, I thank the able Senator. He is chairman of the Civil Service Committee, and knows whereof he speaks.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. I have been very much impressed by what the Senator from California said, because I know of States in which the pensioners and retired workers receive as little as $16 a month.

Mr. President, I wish to make clear the fact that we are not taking anything away from the manufacturers and the processors, except more profits. On the other hand, from the soldier group and the pensioner group we are taking food. We are not taking profit, but we are taking food which would otherwise go into their bellies. That is one fact to which the Congress must wake up. We are not taking something from anyone except

anticipated profits. When we fail to hold the price scale we are taking the means of living away from millions of people.

Mr. PEPPER. I thank the Senator from West Virginia.

Mr. LANGER. Mr. President, the Senator from Florida has complained because of the fact the GI's receive only $65 a month while being enrolled in colleges. He has stated that no bill has been introduced to increase their compensation. I therefore, introduce a bill to increase the subsistence allowance for veterans to $100 a month, who do not have dependents, to those who have dependents, $125 a month.

Mr. PEPPER. I thank the Senator.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2434) to increase the subsistence allowances for veterans receiving educational benefits under the Servicemens' Readjustment Act of 1944, as amended, was read twice by its title and referred to the Committee on Finance.

Mr. PEPPER. Mr. President, I know that the Senator, because of the way he feels, will vigorously support our amendment when the Senate votes upon it.

The able Senator from California referred to persons who were receiving public assistance. My figures are slightly higher than those given by the able Senator from California. They may be somewhat excessive, but I have tried to err on the side of conservatism. According to the information which I have received from the Social Security Board, 2,099,000 persons in the United States are receiving old-age assistance. The average monthly payment received by those people is $31 39. What Senator does not know of some old man, some old woman, trembling, tottering toward the grave, waiting every month until that little pension check comes, to be able to pay the meager expenses for their pitiful livelihood? That is all they are getting, $31.39, and that is an outside figure. Yet we are going to take a part of it away and give it to the beneficiaries of the pending measure.

Mr. DOWNEY. Mr. President——

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Florida yield to the Senator from California?

Mr. PEPPER. I yield.

Mr. DOWNEY. What are the figures the Senator was just giving?

Mr. PEPPER. The figure I had was the average monthly amount received, $31.39, by the 2,099,000 receiving old age assistance.

Mr. DOWNEY. Mr. President, the Senator's figures are very wrong. The average benefit under old age insurance—

Mr. PEPPER. I am coming to that. I am distinguishing them.

Mr. DOWNEY. That figure is $23.50. 50 percent of that amount is added if a man has a wife, and the average is $36. In old age assistance it is about $27 or $28 to the single person, and double in case they are married. I have no idea of the way the Social Security worked out the figures the Senator has just given.

Mr. PEPPER. At least the able Senator will agree that I was on the high side and not the low side.

Mr. DOWNEY. I think the figures are very much too high.

Mr. PEPPER. The recipients of pensions for the blind, 73,000 in the country, average monthly $33.95. Yet we are going to add to their cost of living. Is there any Senator who, if he had a blind man or blind woman on one side, and the processors and producers and manufacturers on the other, would take 1 penny out of the cup of the blind person? Yet that is what we are doing of necessity if we pass the pending joint resolution and add to the cost of living.

The total number of children who receive pensions is 726,700 The number of families with children drawing pensions is 307,000, and they get $53.65 a month.

The recipients of general public assistance number 283,000, and the average amount is $33.26 a month.

The Senator from California has mentioned old-age insurance benefits. We all know that that means a benefit which a retired worker gets if he retires at the age of 65, I believe it is, or that his widow and/or children get if he is a worker and he dies. Remember, he has been paying into the fund, generally, for a period of time, and perhaps for a large part of his life.

There are 617,600 primary beneficiaries under the system, and the average payment for each is $23 50 a month. That relates to a worker without dependents. The total number of wives getting benefits is 188,700, averaging per month $38.50 for worker and wife.

The total number of children getting benefits is 15,200, and they receive $40, in the case of a wcrker and one or more children, no wife.

The total number of children getting survivors' benefit is 411,100, the average monthly receipts are $22.90

The total number of parents—that is, old, dependent parents who are living on what they get from a deceased son, for example, who was covered by the insurance system—is 6,600, and they receive $14 10 a month.

Mr. President, there are many faithful Government workers who have done their duty by their Government and are retired. I have the figure of 98,000 as of May 1946, and they were receiving $81 30 a month.

In the railroad retirement beneficiary group, receiving pensions for old age, there are 179,800. That means railroad men who have reached the age of retirement, most of whom are living on their pensions. They receive $68.67 a month. We give more to General Motors, to Chrysler, to Ford, we give more to the big wholesaler and retailer, we give more to the big producers and the big processors, but we are not going to do anything for the retired railroad worker who gets $68.67 a month, or his survivors, who gets $33.86 a month, or his

Mr. President, I have some figures which give summaries of what the income levels of the people are. In 1944, according to the figures of the United States Treasury, 67,300,000 were the recipients of incomes, out of 140,000,000.

Do Senators realize how many of those make an annual income, according to the United States Treasury, of less than $1,000? Twenty-one million six hundred thousand out of sixty-seven million, nearly one-third of all the people who were the recipients of income in rich America in 1944, made less than $1,000 a year.

Twenty-four million four hundred thousand made less than $2,000 a year; that is, less than $40 a week. Think of that, 24,400,000 people making less than $40 a week, or, stated another way, about two-thirds of all the people who were the recipients of income received on an average less than $2,000 a year, or less than $40 a week. Yet those are the people who are going to have to bear the greater part of the burden of this benefit that we are conferring upon the processors, the producers and the manufacturers, the distributors, and dealers of this country.

I shall not proceed further, except to say that 12,200,000 of our people were making less than $3,000 a year; 6,700,000 were making from $3,000 to $5,000 a year; 1,800,000 were making from $5,000 to $10,000 a year. Only 500,000 were making between $10,000 and $25,000 a year. Only 100,000 of all our people were making $25,000 or more a year.

Yet I venture to say that the majority of the profits accruing from this joint resolution, coming out of the pockets of the masses, will go into the pockets of people receiving the highest incomes under the scale of income to which I have referred. Mr. President, that is what the effect of the measure will be. We are taking the money from the masses of the people and giving it to the few who need it least.

Now these are the last figures I wish to give. It is said we have to do something for the producers, the manufacturers, and the processors, but I have some figures as to that. There were 200 durable goods manufacturers who in the first quarter of 1946 had a deficit of $26,000,000. Now I wonder if Senators are thinking about the effect of the carry-forward carry-back tax law. If those people lose, they can draw back from the United States Treasury, from the excess-profits taxes they paid in during the war. So, before we shed too many tears for the 200 corporations which have had a little loss in the first part of this year due to the interruption to production, a good bit of which was their own fault, because they were trying to break the labor unions, we should look at the carry-forward carry-back tax law and see how much money they will draw back for their loss from the United States Treasury from the excess-profits taxes they paid during the war.

Now, Mr. President, 100 nondurable goods manufacturers had a profit of $192,000,000 after taxes. In other words, they had an increase of 23 percent in the first quarter of 1945 over the previous quarter, and there were 25 miscellaneous services which had a profit after taxes of $40,000,000. They had an 80-percent increase.

The net of it is, therefore, that 325 companies had profits after taxes of $208,000,000.

Of the 25 miscellaneous service groups, 13 trade corporations earned $29,000,000 before taxes, $24,000,000 after taxes, or 61 percent and 166 percent, respectively, above the 1945 level.

The increase in the profit, after taxes, for the nondurable manufacturing group, and for the miscellaneous distributors' services, is due in large part to the lowering of taxes.

The decline in profits for the durable goods industry was occasioned by the decline in production because of strikes.

Mr. President, I come now to the conclusion of my remarks.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Massachusetts.

Mr. WALSH. It seems to me that the difficulty with this whole problem has been the consciousness upon the part of most American people, including business people, that we should strive to achieve prosperity and avoid inflation. That has been their slogan: "Achieve prosperity, but avoid inflation."

Mr. PEPPER. That is correct.

Mr. WALSH. I ask the Senator, Is there any way to avoid inflation except through price control?

Mr. PEPPER. It is utterly impossible except by price control. There is no way to avoid inflation except by keeping in check these forces until we arrive at a period of sustained stability. Someone will say, "Well, will we ever get out of this control?" Mr. Bowles laid down a standard before the Senate Committee on Small Business of having a few months, he said 6 months, relative stability before we take off price control. He said if we could go along for a while and hold prices in check, worry along, as it were, put up with all the hardships and irritations and annoyances of controls, as burdensome as they are to the people of America, to get through this period of reconversion, until things begin to become more and more stable and finally level out for a few months, then he thought that we could safely remove the controls, and the change-over would not be so severe.

Mr. President, instead of doing that, the advocates of decontrol want for all practical purposes to take the lid off. They want to open Pandora's box.

The only control left in the measure, for all practical purposes, is that when the supply and the demand come into something like equilibrium, then the control shall be taken off. In the first place, what is meant by equilibrium between production and demand? If automobiles were sold at $10,000 apiece, demand would be one thing. But if automobiles were sold at $100 apiece demand would be another thing. How can one talk about equilibrium and balance without fixing a price standard? Yet, Mr. President, there is not one word in this committee amendment saying that even if equilibrium between supply and demand was reached, the Administrator must not remove control if in his opinion the effect of removing controls would be substantially to increase prices. So, Mr. President, there are relatively no controls in this measure.

The second thing, and the last I wish to say, is that the decontrolling of all food products is taken exclusively out of the hands of the Administrator of OPA and put into the hands of the Secretary of Agriculture. What are the pressures going to be on the Secretary of Agriculture? Every farm group is going to want to make more money. They are going to want to obtain an increase in sales prices. They are going to press the Secretary of Agriculture and he is going to feel that he is not primarily representing the consumer. The tendency will be therefore to yield to that pressure and the food prices, the prices of the essentials of living for the people of the country steadily rise and rise and rise.

Mr. President, there are many people out in the country who are waiting to see what we do here in the Senate. Many people feel that they have suffered hardships. They want correction of the abuses they have suffered. I wish correction of all abuses could be accomplished without detriment to the great mass of the people. But I want to ask the Senate to remember when it votes, that the mute millions who are not saying a word, but just waiting and trusting the United States Senate to do right by all the people of the country, still will not believe until they see it and feel it that we are willing to take money from the poor people of the country to further increase the already swollen profits of the rich. They believe that at least we on this side of the aisle who profess to be the party of the people are going to prove it when we vote.

If the Senate will adopt the amendment we have offered, which will continue price control as it was on the twenty-eighth of June until the first of February, it would allow a decontrol board to decontrol, meanwhile, anything that should be decontrolled, and then by February first there will be a new Congress, the whole House of Representatives will have been elected again, and a third of the United States Senate. We will have spent weeks and perhaps months at home with the people so we will see at first hand something we have not had a chance to see, and that is where the people themselves are.

I believe, Mr. President, that upon reflection it would be better for all concerned, after weighing the good and the bad of OPA as it was when it expired and weighing the good and the bad of the committee amendment, if it should become law, to, as Hamlet said, "bear those ills we have than fly to others that we know not of."

Mr. President, I hope the Senate will adopt the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. First, I want to commend the Senator from Florida for the analysis he has made of this problem tonight in what I think is one of the most extraordinary speeches that have been made during the course of this debate. I particularly want to commend the Senator for the social and human values he has stressed in the course of his remarks. After all, when this debate is over and the people are faced with the greatly increased cost of living, which I believe will confront them if we take off practically all controls, as in effect we are really doing, I think the people are going to take note of the fact that during the course of the debate there were at least some in the Senate of the United States who did not lose sight of the social and human values involved in this great problem.

A question which I want to ask the Senator from Florida is whether or not he agrees with the junior Senator from Oregon that there is a relation between inflation in the United States and stable international conditions throughout the world. Does he agree that in this new one world in which we now live we cannot have economic instability in this country and hope to develop the necessary world trade that must be developed if we are going to have a stable world?

Mr. PEPPER. Obviously. For example, we have decontrolled grain, and yet a considerable part of our grain has been going abroad to relieve the famine in the world. We have either got to appropriate more money to pay for it ourselves, or if the time ever comes when the people in the famine-ridden countries of the world begin to pay for it, they, of course, can buy less with a given sum of money at the higher prices.

Mr. MORSE. In other words, the Senator agrees with the junior Senator from Oregon that if we raise the level of prices in this country in order to gain for American producers and manufacturers what amounts, I think, and what will prove to amount to be exorbitant profits, it is to be expected that other countries of the world will not be able to purchase very much from us at inflated prices.

Mr. PEPPER. Yes; that is to be expected.

Mr. MORSE. They will have to buy less from us, or else we will have to make gifts to them in order to alleviate their suffering; instead of helping them through the orderly economic processes of sound international trade free of inflationary prices.

Mr. PEPPER. I thank the Senator very much. I do not know whether the Congress is going to authorize a loan to Great Britain or not. Suppose it does. We are simply diminishing the value of the money that we loan to them if we raise prices in America, because we would expect them to spend a major part of the money in this country. We made a loan to France, I believe through the Export-Import Bank, which did not have to come through the Congress. I believe we loaned them approximately $1,500,000,000. If prices rise in the United States we will either have to let them have more money or we will expect that they cannot buy from us what they ought to have, and that will tend to disorganize the economy of the world.

Mr. MORSE. Another question: Does the Senator agree with me that, as we try to analyze the psychological forces that have produced this great demand upon the Congress to take off controls, part of the reasoning that has been adopted by those who have insisted on

the elimination of OPA has been the argument that after all the great surplus purchasing power existing in this country should be drained away from our people by inflationary prices? They note that the banks are bulging with money; that the pockets of millions of people are filled with money; and that being true, they argue that we ought to give them an opportunity to spend their money, even though they have to pay prices all out of proportion to value received. Does the Senator agree that those who are demanding the abolition of OPA are in many instances motivated by a desire to make inflationary profits?

Mr. PEPPER. Undoubtedly so.

Mr. MORSE. Of course, that has always been pretty much the psychology of the profiteer. If he sees an opportunity to commit an economic rape upon the economy of the country he has the tendency to do it.

Mr. PEPPER. Yes.

Mr. MORSE. But has the Senator heard any proposals on the floor of the Senate for an increase in the tax structure so that we can take a part of the excess purchasing power into the Treasury of the United States and apply it to the payment of the national debt, and thus protect the stability of the American dollar?

Mr. PEPPER Mr. President, as the records of the Senate show, there have been some sporadic suggestions of that character from individual Senators, but the only official action the Senate has taken so far as I am aware is to reduce the taxes as they were being paid during the war.

Before we get away from that subject, I wish to say a word further. When the Senator spoke about the profiteers wanting to get at the great fat pocketbook of America, I thought he was going to refer to the figures used recently by the Federal Reserve Board that two out of every five American families had total liquid savings of less than $40 a family. It is said that we have a great deal of money in America, and that if we will only turn things loose so that the people can buy, they will buy the shelves empty and the factories dry. But the Federal Reserve Board says that two out of every five American families have less than $40 on hand in cash, Government bonds, and every other form of liquid assets. They will not buy much with their $40. The three out of five will buy more, and the top 1 percent will buy a great deal; but the bottom two out of five will not buy much with their $40, and with their average income of less than $40 a week.

Mr. MORSE. Mr. President, will the Senator yield for two more questions?

Mr. PEPPER. I yield.

Mr. MORSE. Does the Senator from Florida believe that if he and I were to introduce a tax bill which would seek to increase, on the basis of ability to pay, the tax income of the Federal Government, we would get many more votes for such a bill than he will get for the substitute which he has offered?

Mr. PEPPER. Patrick Henry once said that the only guide for the future was the lamp of the past; and the lamp of the past in that respect is not casting a very bright gleam toward the future.

Mr. MORSE. I was somewhat facetious about the last question, but I am in dead earnest about this one:

As the cost of living goes up, which I think will be inevitable upon the passage of the pending measure, to a percentage between 20 and 30 percent, in my judgment, does the Senator think it will be very long thereafter before the workers of America will proceed with the next movement in the great inflationary cycle, by instituting a Nation-wide demand for increased wages?

Mr. PEPPER. It follows as the night the day that we shall have industrial strife again if we upset all the wage agreements which have been entered into in the course of the past few months, agreements which were predicated on the cost of living as of the time when the agreements were made. Let me refer to what was brought out in the debate recently, that contracts have now been entered into in all the major industries of the country for another year—in the automobile industry, the coal mines, the railroads, the meat-packing plants, the electrical industry, the oil industry, and others. The major industries have entered into yearly agreements. A little while ago it was stated—and events are proving it every day—that we had practically got through the period of industrial strife. New yearly agreements have been entered into. The maritime situation is relatively settled. It has been stated on the floor of the Senate that if we did not disturb the standard of living of the workers and did not upset those agreements, we could look ahead to a period when production would really begin to flow out of the factories of the country; and just as the flow is about to begin, what do we do in the Congress? Instead of protecting the agreements which management and labor have entered into, we cut the very foundations out from under them, and throw them into the turmoil of necessary modification, unless the American worker is willing to see his children have a poorer diet on their table than they otherwise would have. Most American workers will not take that lying down

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. Does the Senator from Florida agree with me that when the Nation-wide wage movement—which I am sure will flow from the type of action which I think the Senate is about to take on the OPA bill—does occur, various propaganda machines will once again accuse labor by attempting to convince the people of the country that labor will have been the cause of the inflation, rather than the Congress, when it took off price controls?

Mr. PEPPER. If we are not careful some of us will be the offenders. If some of the workers talk about striking, we shall say, "The time has come to stop these strikes."

I do not like to state it as a fact, although it is my belief that it is true, that if we had held the line immediately after the war there would have been many fewer strikes than we had during the past 12 months. I very much respect the opinion of the able Senator from Oregon, because he was a distinguished member of the War Labor Board, and he knows the facts in this field probably better than does any of us.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. MORSE. I do not always find myself in agreement with the Senator from Florida. I find myself in almost complete agreement with him tonight, although I suppose he will not be in agreement with me on this point. However, his latest remarks lead me to believe that perhaps he has come over to the point of view that one of the greatest mistakes made since VJ-day was the President's wage and price speech in October 1945, because it was very causative from the standpoint of inflation.

Mr. PEPPER. The only way we can save management, labor, and the public is by holding the economy in relative balance and equilibrium until the normal forces can again become vital enough to maintain the system in relative stability and equilibrium. Therefore I hope that the Senate will see fit to adopt this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks statements by a large number of Nation-wide organizations on this subject.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SEVENTEEN NATIONAL ORGANIZATIONS SUPPORT SIMPLE RESOLUTION FOR CONTINUANCE OF PRICE CONTROL

Senator PEPPER today introduced a statement on the floor of the Senate subscribed to by the 17 national organizations, which stated:

"The whole economy of our country has been threatened by the reckless slashing of price control. In human terms, the threat is aimed at every housewife and her family; in human terms, the certain inflation will strike most cruelly at the millions of American families who have incomes of less than $40 a week; at the 7,000,000 persons on fixed pensions, nearly all small; at the children of the low-income families who spend nearly half of their incomes on food. Speaking for more than 40,000,000 persons who are represented by members of labor, veterans, churches, women's and consumers' organizations, we call on Congress to pass the Pepper-Wagner resolution providing for retention of price control unchanged until February 1, 1947, when a new Congress that will reflect the people's wishes and needs will be able to legislate. We endorse the efforts of all the Senators who joined in sponsoring the resolution.

"American Home Economics Association; American Association of University Professors; the National Council of Negro Women; Consumers Union of the United States; American Veterans Committee; Congress of Industrial Organizations; the National Farmers' Union; the Independent Citizens Committee for the Arts, Sciences, and Professions; the League of Women Shoppers; the Southern Conference for Human Welfare; Union for Democratic Action; Methodist Federation of Social Services; United Christian Council for Democracy; the National Congress of Parents and Teachers; the National Congress for Colored Parents and Teachers; the National Women's Trade Union League; the National Association of Jewish Center Workers."

These organizations met with other organizations jointly as part of the Emergency

Committee To Save Price Control, on Wednesday, July 10, 1946. In addition to the organizations which have specifically subscribed to the above statement, the following organizations, through their representatives at the meeting, urged continuance of price control.

American Association of University Women, League of Women Voters, American Federation of Labor, Jewish Welfare Board, National Council of Catholic Women, National Council of Jewish Women, National Association for the Advancement of Colored People, General Federation of Women's Clubs, National Federation of Settlements, National Urban League, National Citizens Political Action Committee, New Council for American Business, National Federation of Telephone Workers' Unions, National Consumers League, National Lawyers Guild.

Because of the shortness of time, these organizations were not able to subscribe officially to the above statement.

Mr. DOWNEY. Mr. President, I shall detain the Senate for only a brief time. I wish to speak in support of the pending amendment.

It is my opinion that the Senate now has its last opportunity to save itself from a tragic mistake, and the country from a great disaster. There are many groups in my State which would have applauded me had I joined in the decontrol amendments of the past few days and secured for them exemption from price control. However, I feel that the interests of the American people transcend those of any particular group. However, I believe that the measure about to be sent to the House is so destructive of our general economy that in the end it will bring disaster even to those who temporarily profit by special exemption.

The distinguished Senator from Oklahoma [Mr. MOORE] read into the RECORD on Monday many well-meant promises from leading business organizations that they will do all in their power to prevent runaway prices. I understand that similar pledges were made over the air on Wednesday night by leading industrialists, on a radio program sponsored by the National Association of Manufacturers. I applaud these good intentions. I doubt no one's good faith and sincerity; but I call attention to the fact that while these very promises were being made the New York Journal of Commerce price index covering 30 basic commodities climbed two and one-half times as much as it had risen in the previous 3 years.

Since then prices have moved still higher. The index of basic commodities of the Bureau of Labor Statistics for yesterday showed prices up 16.9 percent since price control ended; or 3.8 percent more than the total rise since President Roosevelt issued the hold-the-line order, back in April 1943.

Recently the newspapers have been full of advertisements by retailers promising that they will not move their prices up until they have to pay more for the goods they sell.

The trouble with all these promises, Mr. President, is that the retailers, and even the manufacturers, do not control the situation. When corn prices move up—and they reached an all-time peak yesterday, more than 50 percent above prices when controls went off—the prices of hogs and fed cattle have to follow them up. When the prices of hogs and fed cattle move up—and cattle reached an all-time peak yesterday—the price of meat has to go up. The packing houses cannot prevent it, whatever their good intentions. And when the wholesale price of meat goes up the butcher shops have to charge more. It all comes out of the public in the end, and no one's good intentions can prevent it from happening.

The idea presented by the distinguished Senator from Oklahoma that business competition will hold prices down if only we will pass the ball to business is proved false by what already has happened to prices. The rise in basic commodity prices already is frightening and we have seen only the beginnings of the coming inflation. Think of it, Mr. President. Within less than 2 weeks the price of flour has gone up more than 42 percent; the price of hides has increased more than 51 percent. The price of corn has gone up 55 percent.

Manufacturers still are selling goods made of price-controlled materials. Wholesalers and retailers still are selling goods bought at controlled prices. There has been almost no movement of several basic commodities—sellers and buyers holding off to see what will happen to OPA. It will be many months before the full force of inflation will spread through the whole of our economy; even longer before price increases are reflected in wage increases and wage increases are again reflected in price increases.

Of one thing, however, we may be absolutely sure. The wind of higher prices already is beginning to blow in gale proportions and clouds are whirling up on the horizon with cyclonic power. No assurances given by businessmen can prevent the hurricane from striking the Nation, since economic forces and not good intentions are involved. The only power that can possibly save us from the tornado is that of the United States Government. Yet the Senate proposes to deny the people the protection the Government can give.

Mr. President, the amendment of the Senator from Florida offers us the last chance to save ourselves from this tragic mistake. I sincerely hope the Senate will avail itself of the opportunity.

The joint resolution in its present form leaves Congress in the indefensible position of pretending to protect the American people from inflation, yet giving them no protection on their purchases of the three foods most important for maintenance of human life: Meat, bread, and milk. If prices of automobiles go too high, people have some protection; they can walk or drive the old car a little longer. Purchases of radios, refrigerators, and washing machines can also be deferred until prices come down to reasonable levels. But in the purchase of bread, milk, and meat the people are at the mercy of the market. So the Senate decided to protect them on their purchases of automobiles, but to decontrol the foods which are essential to life.

Mr. President, I am reminded of the remark of Marie Antoinette when she was informed that people were crying for bread. "If they can't get bread," she is reported to have said, "why don't they eat cake?"

The Senate, in effect, is telling the American people that if bread prices run away from their buying power they at least can take a ride in their price-controlled automobiles, if they can afford to buy one.

If that is our program, Mr. President, we had better abandon all price control and turn the full force of the tornado loose upon the American people. Then, at least, they will know they are to have no protection and, if they have any, may run for their cyclone cellars. Then, too, none of us who kill price control will be able to tell voters at the next election that we voted to keep OPA alive. The people have a right, on so important an issue as this, to know just where their representatives stand.

We are told that there will be a flurry of rising prices, following the end of price control. Then production, with which OPA has interfered, will get under way and after that, demand and supply will take care of prices. This raises four very important questions:

First: How long will the flurry of rising prices last?

Second: How high will it carry prices?

Third: Will free market pricing really give us more goods?

Fourth: At what level of production will free market pricing bring demand and supply into balance?

Mr. President, how long price rises will continue, if controls are not renewed, no one can predict with accuracy. We have only this to go by: After World War I, prices increased for a period of 18 months. The sharpest rises came in the thirteenth and fourteenth months after the armistice. The rise in the thirteenth month was 8.9 percent on a 1914 base; that in the fourteenth month, 10.7 percent. That gave a combined rise of almost 20 percent in 2 months. With inflationary pressures far greater now than they were in 1919, it is safe to assume that prices will go on rising for many months, even though the rise in the first week without price control exceeded that of any postwar monthly rise in 1919 or 1920.

It is equally impossible to predict the extent to which prices will rise if controls are not restored. It is safe to estimate, however, that the rise will not be less than the 45 percent which wholesale prices rose after the armistice of World War I. It may be greater, since pressures this time are greater. Even such a rise, however, will put pensioners, workers' groups, and other persons with fixed incomes in a punishing squeeze.

Groups working to end price control have insisted so often and so loudly that price control has seriously hampered production that they appear to have convinced a considerable group of people, even some of our distinguished Members of the Senate. The facts, however, are a complete denial of those claims. Never under free market pricing did we achieve the remarkable production records reached under price control. The fact that during the war we left far in the

for manufactured goods and for agricultural products, may perhaps be explained on the grounds of the universal desire to win the war. There is, however, no such explanation for the fact that this year also, with no war to win, we are far ahead of prewar production.

Farm production in 1945 was approximately 25 percent ahead of 1939 levels, and the Secretary of Agriculture has just announced that agricultural output this year will at least equal that of any previous year.

In industrial production the figures are even more startling. In spite of the fact that in the first half of 1946 we had some of the most paralyzing labor disputes in the Nation's history, industrial output in the first 5 months of the year ran 61 percent ahead of that for the first 5 months of 1939. And preliminary indications are that in June, with the worst strikes behind us, we topped all previous peacetime production records. It impresses me as decidedly absurd to assume, without proof, that the system which in 1939 gave us 61 percent less production than we now enjoy can, if turned loose in our economy, give us more than our present record-breaking output. Frankly, it just does not make sense.

In 1939, 14,700 business concerns failed. It is to be assumed that they had considerable difficulty producing or otherwise serving the public. Competitive pricing seemingly was rather rough on incompetent firms. Now, if any firm cannot produce because it is going bankrupt, OPA is said to be hampering production. Let me tell you, Mr. President, that last year, according to Dun & Bradstreet, only 810 business firms failed, under OPA, in the whole United States. Examination of the record so far this year indicates that failures for the year are not likely to exceed 1,000. That is less than one-fourteenth the number that failed when free market pricing in the last prewar year supposedly helped production.

The recipe of free market pricing to encourage production in a postwar inflationary period is not new. We tried it in 1919. What happened? Industrial production rose to a magnificent peak 17 percent above that for 1914, the last prewar year. With industrial production now 61 percent above output for 1939, the last prewar year of World War II, we are advised to cure our production ills by the recipe which lifted production only 17 percent in 1919. To me, it does not appear to be a likely aid to our present outstanding production record.

The trouble with runaway prices as an aid to production is that they lead inevitably to inventory hoarding and maldistribution of short supplies of materials and parts. Small and moderate sized producers, particularly, find their production hampered. Total output suffers. At any rate, with no controls and runaway prices, production was relatively poor in 1919. With controls and steady prices, it is far better in 1946, this war's first postwar year. We have nothing to learn from 1919, save to avoid its fatal pitfalls.

We have heard a great deal about how price control has kept the American people from getting much-needed meat. Here are the facts from the official records of the Department of Agriculture. From 1935 to 1939, free-market pricing gave the American people an average of 16,200,000,000 pounds of meat per year. In 1945, under price control, packers gave the American people 22,900,000,000 pounds of meat—a gain of 41 percent. Does that sound as if price control had hampered the production of meat?

The distinguished Senator from Nebraska [Mr. WHERRY], who introduced the amendment to decontrol meat, has told you that we have a record number of cattle in the country. He is right. On an average from 1935–39, under free-market pricing, there were 31,402,000 beef cattle in the country. During the war, under price control, the number grew to 40,931,000—a gain of 30 percent. The Senator told you there are that many cattle. He did not emphasize the fact that the extra nine and one-half million were acquired under price control.

He claimed, however, that under price control the people are denied meat they had a right to expect, considering the great number of cattle. What he failed to tell you is that although the beef cattle population is up 30 percent, beef production for the year, according to the Department of Agriculture, is expected to run 41 percent ahead of prewar levels. In other words, we are showing a greater gain in beef production and consumption than in beef cattle. Last year we slaughtered 289,000 more beef cattle than we produced. That doesn't sound to me like a failure of meat production.

The distinguished Senator complained about so much of our meat going into what he calls the black market. I am sure he did not intend his claims to mislead the Senate or the public; but there is grave danger that they will do so unless his use of the term "black market" is clearly defined. The public, I fear, thinks of black-marketeers as gangs of racketeers moving into the meat packing business, as they moved into the liquor business during prohibition days, buying cattle away from legitimate packers and selling to the public at exhorbitant prices. It needs to be understood that critics of OPA are now using the term "black-market" in quite a different sense.

From time immemorial some unscrupulous dealers have shortweighted their customers. If they do so now, the distinguished Senator from Nebraska classes the meat as being sold in the black market. From time immemorial other unscrupulous dealers have sold customers inferior grades of meat and have charged them for better grades. Now, if a dealer does that the Senator classifies the meat as being sold in the black market. From time immemorial unscrupulous dealers have in trimming meat left on too much fat or bone. If a dealer does that now, opponents of OPA classify the meat as being sold in the black market. If a dealer, having bought meat from Swift, or Armour or any other packer complying with regulations, decides to take an illegal mark-up, and charges a cent or two above legal ceilings, the meat is considered to be sold in the black market. I do not object to anyone's definition of what is black market meat, if it does not mislead the Senate or the public. I only want it understood just what is being classified as black market.

Mr. President, in that connection let me say that all the arguments which have been made in reference to black-market meat have been based on the statistics furnished by the American Meat Institute. That report merely showed that they found that 80 percent of the retailers were from time to time, to a greater or lesser extent, in connection with a greater or lesser amount of beef, overcharging their purchasers to a degree which it is claimed equaled a total of 20 percent of the meat being sold by the retailers. The OPA very vigorously and emphatically claims that the 20-percent figure is an exaggeration. But regardless of the accuracy of that figure, almost all the talk about black-market meat is based on the claim that retail stores from time to time have been chiseling and gouging their customers.

Mr. President, it is untrue that a bunch of racketeers have seized control of the meat industry. In 1945, meat production in plants daily checked by inspectors of the Department of Agriculture broke all previous records, and reached a peak 42.7 percent above average production for the free market period 1935–39. In the first quarter of 1946, even with the big packing plants closed down for 2 weeks by strikes, output of Federally inspected plants was on an even keel with last year's production. It was not until the second quarter of 1946 that this entirely favorable situation changed, and then it changed while there were in effect the same price regulations under which records were broken in 1945 and in the first quarter of 1946. The change came when the big packers decided to make a drive to break price control, and received encouragement from Congress, and when, as the President had warned would happen, producers began to hold their animals off the market in the hope of getting higher prices if control was ended. If anyone is responsible for the recent withholding of animals from the market and the resulting meat shortage, it is the enemies of price control in Congress, who did not follow the President's advice, but blocked early decision on price-control legislation. To blame it upon OPA is the height of absurdity. To claim now that the sudden flow of meat to market is due to the ending of OPA is equally absurd. The Senator from Nebraska very well knows that withholding of animals would come to an end the minute Congress decided its price-control policy.

The Department of Agriculture warns, however, that the present flow of animals to market is abnormal and cannot be expected to continue. It warns of continued shortages ahead.

Mr. President, we have just sent great quantities of our grains abroad. Grain reserves are at a dangerously low level—at the lowest point in years. Severe competition for our limited supplies of grains, between cattle feeders, hog producers, dairymen, poultry and egg producers, and millers and cereal producers is inevitable. Grain prices are certain to rise and meat prices are bound to follow

them up, unless price controls are restored.

The wholesale prices of foods already are up 26 percent, and are continuing to rise. I do not think the American people are going to be fooled by unwarranted claims about the extent of the black market or the amount of black market overcharges. They know what they paid 2 weeks ago for food. They know what they are being charged now. They will know what they are asked to pay 30, 60, and 90 days from now, and in November, when they go to the polls.

We have heard a good deal about price control and dairy-product production. What the enemies of price control have failed to state is that in spite of difficult feed and labor problems, milk production is 13 percent above prewar levels, when prices were fixed in a free market. The distinguished junior Senator from Wisconsin in his discussion failed to tell you that prbduction of every dairy product, but butter, is far above prewar levels. Compared with average 1936–39 production, these are the gains: Cheese, 58 percent; dried and evaporated milk, 88 percent; ice cream, 102 percent; fresh liquid milk and cream, 57 percent. Only butter is down in production, being 43 percent below prewar levels. Mr. President, there are entirely reasonable and proper explanations for that situation, although I do not desire to digress from my main theme to discuss butter now.

Mr. AIKEN. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Vermont?

Mr. DOWNEY. No; I prefer not to yield, if the Senator from Vermont wishes to speak about butter.

Mr. President, the junior Senator from Wisconsin also failed to state that before the war, free market pricing gave dairymen $2.17 per cwt. for milk, when used in fresh liquid form, but only $1 15 when used to make butter. He did not tell you that under price control, payment for milk for fresh liquid use rose 81 percent, but that payment for milk used for making butter rose 187 percent, putting butter in a far more advantageous price relationship than it held before the war. Only the extraordinary increase in the demand for fresh liquid milk and milk in other forms prevents us from getting all the butter we can consume. There has been no failure of milk production.

The Senator also neglected to tell you how much more profitable dairying is now than it was before the war. The Department of Agriculture, by a study of the income-tax returns of dairy farmers, determined that the net income of the typical dairy farmer of southern Wisconsin was 72 percent greater in 1945 than it was in 1941. It determined that the net income of the typical dairy farmer of central New York State was 126 percent greater in 1945 than it was in 1941. In both cases net income is measured after deduction of all costs, including depreciation. Since 1945, milk prices have been increased by approximately 60 cents per hundredweight, estimated to more than cover increased costs. Certainly prices which yield dairy farmers 72 or 126 percent greater net profits than they got under free-market pricing before price control was established, can hardly involve hardship or be discouraging to production.

Now that price controls are removed from dairy products, there is not an additional dairy cow in the country or an extra quart of milk. Butter may soar in price, to cut in on consumption of milk in other forms. If milk prices soar—and seemingly the rises of from 2 to 5 cents a quart already made will prove only a beginning, for it is difficult to see how milk prices can avoid following grain prices upward—it is highly questionable if the public will continue to drink as much fresh liquid milk as is now being consumed.

This brings us to our final question: At what production level will demand and supply come into balance, if price controls are not reestablished?

When prices soared 45 percent after World War I they outran the public's ability to buy. Demand dropped off, and the Nation's economy went into a tailspin. The production level at which demand and supply finally came into balance brought disaster to all groups in the population. It turned corporation earnings from $5,896,000,000 in 1919, into a loss of $55,000,000 in 1921. In 5 years it sent 106,000 business firms into bankruptcy.

For labor it was equally disastrous. Thirty-one percent of the Nation's factory workers lost their jobs. Unemployment increased in 2 years by 5,600,000.

Farmers were hit hardest of all. Demand and supply of farm products came into balance at such a low level that average farm operator income fell from $1,360 in 1919 to $460 in 1921. In the next 5 years 453,000 farmers lost their farms through mortgage foreclosures.

As a people we are consuming today far more foods than we used before the war. Then we used 126 pounds of meat per person per year, now we are using 145 pounds. Then we drank 150 quarts of fresh milk a year, now we are using 220 quarts. Then we ate 298 eggs per person per year, now we are using 371 eggs. Does any Senator think that our ranchmen, dairy farmers, or poultry raisers will be better off if prices again run away and reduce consumption to prewar levels?

The truth is that in a postwar inflationary period, and no one will deny that present inflationary pressures are very great, free market pricing always causes runaway prices. They rise and rise until they outrun the ability of the public to buy the quantity of goods being produced. Demand then falls off, and demand and supply come into balance at a level that spells disaster. It happened after the Civil War. It happened after World War I. It will happen this time, unless the Government eases its way out of controls by letting rising supply offset pressures of demand before controls are lifted.

I presume there are persons who are opposed to free enterprise and would like to see price controls made permanent. I know none such personally and certainly I am not one of them. I want free market pricing restored as soon as it can be done without dangerous inflation. But I can see no sense in heading straight into a gathering tornado. If the Senate sends over to the House the bill drafted on the Senate floor, we shall be in for runaway inflation, followed by collapse and depression. Already, with a 17 percent rise in the prices of basic commodities in 10 days, the upward movement is under way.

In voting for the resolution of the Senator from Florida the Senate has its last chance to repair a tragic mistake. If we do not grasp it the people of the Nation are going to pay a monstrous price for our blindness and our folly.

Mr. President, the time to save ourselves is today, and the way to do it is to continue the operation of OPA for the coming year as we have had it for the past year.

Mr. TAYLOR. Mr. President, I do not intend to take much time at this late hour. However, I feel that the time has come for us to stand up and be counted.

The OPA as it now exists, or fails to exist—I do not know which would be the best description—is absolutely inadequate, in my estimation. The only hope of any effective price control is for those who believe that it would be better for us to control prices temporarily and taper off, and prevent a wild inflation, to support the amendment offered by the distinguished Senator from Florida.

Mr. President, I should like to say that I feel that undue emphasis has been placed upon black-market prices. Personally I can say truthfully that I have had no dealings whatever with black-market commodities at any time, in any way, shape, or form, and certainly being a Senator, and drawing a Senator's salary, I am in a far better position to deal in the black market, if I were so minded, than are millions of other Americans. So I think that there must be a great majority of our population who have had no dealings whatever in black markets, and all this talk about black-market prices is absolutely irrelevant when we talk about price controls.

Earlier in the evening the able Senator from Indiana [Mr. CAPEHART] suggested that we get back to the system that made America great. I wonder if upon closer analysis what he really meant, although he may not consciously realize it, was that we should get back to the system advocated by Herbert Hoover, which almost ruined America—I should like to use stronger language if the rules of the Senate permitted it—the rule of dog eat dog and devil take the hindermost. I was out with the people at that time, and I was one of the underprivileged about whom President Roosevelt spoke, to be perfectly frank about the matter. In those dark days, when Mr. Hoover was exemplifying rugged individualism for us, I have heard farmers and businessmen say, "We are not going to stand for this much longer. We will get some guns and start doing something about it."

Mr. President, I am fearful that if we kill price control—we have practically killed it, it is dying—if we permit it to

die, our private enterprise system, which Senators on the other side of the aisle so vociferously champion, may be on the way out.

Mr. President, I admit there was a time in my life when I had very serious doubts about our private-enterprise system. I was not a Socialist, because I had never read a book by a Socialist, Eugene V. Debs, or anybody else. I was not a Communist, because I had not joined the Communist Party, and I had not read any Communist literature. I had studied a great deal about economics, and, frankly, I had come to the conclusion that private enterprise was pretty much of a failure, as it was back in those dark days of 1932.

During the war I got a job in a defense plant. I had to work for wages, something I had not done for many years. It was on cost-plus, and when I saw the waste and inefficiency, when I saw that if I had been able to exercise my own initiative and use whatever brains I had I could have done the job in a half or third or fourth of the time, yet, because of cost-plus, I had to string it out and make the job last, so that the boss could collect the plus while I ran up the cost, I decided that probably private enterprise was a pretty good thing. But I had been much happier when I was in business for myself and did not have to chisel, could really turn in an honest day's work. I decided it would be a good thing if possibly my sons could also enjoy the privilege of going into business for themselves and escaping cost-plus.

So I can truthfully say to the American people, to the voters of Idaho, that I think that if those who practically own our system of private enterprise body and soul will be satisfied with a reasonable profit, and distribute sufficient purchasing power to those who do the actual work so that they can buy the products of private enterprise, we can make it work wonderfully well, better than any other system. I stand here tonight ready to fight for it to the last ditch, and I accuse those who champion private enterprise the loudest, and at this moment are trying to scuttle price control to allow unconscionable, unreasonable, ungodly profits to the self-appointed lords of private enterprise. They are the ones who are consciously or unconsciously—the rules of the Senate forbid us to question the motives of our colleagues, so I say consciously or unconsciously—trying to scuttle price control.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. CORDON. I am not quite sure I understood the Senator. Am I correct in my understanding that the Senator makes the statement that during the war there were contracts on a cost-plus basis from which the contractor received more money for the job if the cost of it was greater?

Mr. TAYLOR. Oh, absolutely.

Mr. CORDON. Mr. President, it may seem strange for a Member of the Senate on this side of the aisle to rise to the defense of the Democratic administration, which was in charge during the war, but I believe in the interest of truth it should be done. I may say to the Senator that I am reasonably certain that no contracts were let during this war in connection with defense operations which were on a cost-plus basis, but that the contracts were in truth on what has been known as a cost-plus-fixed-fee basis, the fee being fixed in advance, the only method provided in the contract for the contractor to get more than the fixed fee being in a case where he expedited the time of delivery; that is when the time element was involved. I believe that is correct, and if I am not correct I should like to have the Senator identify the case, because I desire later to check that particular contract, if one exists.

Mr. TAYLOR. I know that it was cost-plus-a-fixed-fee at least, and it did not make any difference how much the cost was; if the contractor could not obtain the labor he needed otherwise, he could get the labor from some other contractor, pirate the labor and pay the laborers a higher price, and then he would receive his profit just the same, no matter what it cost to do the job.

Mr. CORDON. Then I understand the Senator now does not contend that it was a cost-plus contract under which the contractor received more money if he spent more money to do the job?

Mr. TAYLOR. Well, that may not have been, although it was my understanding that there were contracts let on that basis; that the contractors received a percentage of the cost of the job.

Mr. CORDON. Will the Senator yield further for one statement?

Mr. TAYLOR. Certainly.

Mr. CORDON. Mr. President, I think one of the policies which I believe was strictly followed in this war, for which I have only the highest commendation, was the policy which was exactly the opposite of that followed in World War I, known as the cost-plus contract. I think this Nation was saved a very great deal of money by reason of that practice being followed. I think it was the exercise of a high type of judgment which dictated that there should not be cost-plus contracts. Even so, I recognized that there was probably a great deal of money spent that should not have been spent in connection with the production of defense goods. But none of it could be laid to the Government because it had set up a policy by which a contractor could get more money by expending more money. So far as I know, no such contract was ever made during this war.

Mr. TAYLOR. I am frank to admit that I am in no position at this moment to prove that. That was my understanding. I know at least that contractors received cost plus a fixed fee, and I did understand—I heard it from many sources—that it was cost plus on the basis that they receive a percentage, and that if it cost more to produce what they produced they made more.

Mr. GOSSETT. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. GOSSETT. I should like to ask the Senator from Oregon a question if the Senator from Idaho will yield for that purpose.

The PRESIDING OFFICER. Does the Senator from Idaho yield to his colleague?

Mr. TAYLOR. I yield to the junior Senator from Idaho to ask the Senator from Oregon a question.

Mr. GOSSETT. Was it or was it not a fact that all war contracts which were entered into were renegotiable by the Government for a given length of time after they were completed?

Mr. CORDON. Mr. President, the renegotiation provisions which were originally made, and which I believe are still carried in the Internal Revenue Act, were not applicable to small contracts. My memory, and I am not at all certain that I am correct, is that the original contract had to be in excess of $100,000 in order to be renegotiable. I am not certain of that amount. There was a certain amount below which renegotiation was not permitted under the law. But above that amount all contracts were subject to renegotiation, under which procedure the Government was entitled to recover any profit deemed to be excessive, and the Government itself was empowered to determine what was an excessive profit

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. BARKLEY. I wonder if we might not forego a discussion of war contracts at this time, at this hour, in order that we might approach a vote on the pending amendment. We could spend the whole night discussing war contracts if we wanted to do it, but while it is a very interesting subject, it seems to me that we ought to forego a discussion of it now and see if we cannot come to a vote on the pending amendment. I hope Senators will not take much more time, if any, in discussing war contracts.

Mr. TAYLOR. I may say to the distinguished majority leader that I was just going to suggest that the discussion of cost-plus was beside the point insofar as price control was concerned.

Mr. President, I approach this matter of price control as a question, not of what is best but rather what is the lesser of two evils. I realize full well that price control has had many evils connected with it; that it has worked hardship upon many manufacturers, retailers, and others. I have gone to bat for numbers of the people with OPA. I know of cases where relief has come too late, and they have been forced to go out of business.

But, Mr. President, I feel that a continuation of OPA unhindered in carrying out its functions, as is provided in the amendment of the Senator from Florida, is the lesser of the evils when compared to taking off of all price controls and allowing to continue the inflation spiral which we have seen in progress since OPA died on the first of the month. I feel that that will be disastrous to hundreds and thousands of American small businessmen, because they will be caught with high-price inventories, and if the bottom falls out they will go broke as they did after the last war and in the crash of 1929.

Mr. President, inflation is exhilarating at times. It sort of reminds me of a few years ago during the depression when I

for a time endeavored to earn my living as a fisherman down on the Gulf of Mexico. It was hard work. At night we would go out at 10 o'clock and wade through the water, up to our shoulders, dragging a net trying to catch shrimp for bait. That would last a couple of hours until midnight, and then we would sleep until 3 o'clock, and get up and start fishing until probably 9 or 10 in the morning, and then try to sleep through the heat of the day. The heat was very oppressive. The humidity was great. One could not sleep. Yet that night we had to start over again.

I remember that one afternoon a brisk breeze came up to relieve the heat, and it was very satisfying after the sultry day that preceded it. I went out on the edge of the cliff that overlooked the bay and I stood there with the breeze blowing upon me, and I felt very good for a time. It feels very good when inflation comes, and everyone seems to be prosperous for the moment. But the breeze became stronger and stronger, and the waves rose up and whipped up and became higher and higher, and finally I saw different articles flying around behind me on the landscape. The wind was becoming so strong they were starting to blow away, and I became a little alarmed. So I went back to the trailer house where I had my wife and baby. Luckily the trailer was faced into the wind, and streamlined. The wind became stronger. It was one of those hurricanes that come up along the Gulf coast. I went in and tried to comfort my family. Frankly, I did not feel any too comfortable myself. The wind became stronger, and I saw it take the roofs off the huts of the other fishermen. Luckily our trailer, being streamlined, withstood the wind.

That is the way with inflation. As time goes on, I am afraid the same thing will happen to us that has happened to Hungary, as I have recounted on the floor of the Senate. Hungary removed price controls a year ago, and now the Hungarian currency is absolutely worthless. The streets of Budapest are littered with paper money; and Austria, next door, which kept price control, is proceeding with an orderly reconversion, although it is said that many items are in shorter supply in Austria than they are in Hungary. There is an object lesson for us in that, Mr. President.

I would rather continue price control, with all its inconveniences, hardships, and injustices for another year, until February 1, as the Senator from Florida suggests in his amendment. Then we shall be back here, and we shall have 30 days in which to review the situation before the law expires. I would rather have decontrol come in that way. I have confidence that the OPA Administrator and the personnel of OPA will decontrol as fast as it is safe to decontrol.

I have voted for none of the decontrol amendments, but by the votes which have been cast the Senate has expressed its wishes in the matter. I feel sure that as soon as possible the OPA would decontrol tobacco, pulpwood, and the other items sought to be decontrolled in this measure.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. PEPPER. I am sure the able Senator is not overlooking the fact that in our amendment we have incorporated all the provisions in the committee amendment providing for the Decontrol Board, and all the functions that the Decontrol Board would have under the committee amendment.

Mr. TAYLOR. That is correct. The Senator's amendment includes the Decontrol Board, and I am glad it does. But I would rather have decontrol come in this way rather than like the hurricane we experienced on the Gulf coast of Texas, which destroyed the homes of many of my humble fishermen neighbors. I would rather have it come like the sunrise out in Idaho. On a cold morning, if one is up in the mountains on a fishing trip and has gone through a long dark night, possibly comparable, in some instances, with the long dark night of the inconvenience of price control, in the morning he sees the rosy fingers of dawn feeling their way about the craggy peaks of the Sawtooth Mountains. I would rather have decontrol come in that fashion than like the tempest I went through on the Gulf coast.

Mr. President, I hope that the Senate will adopt this amendment. This is the time for Senators who genuinely believe in price control to stand up and be counted. This is the opportunity for which I have waited. This amendment would not pass the buck to the President of the United States. We have before us the clear-cut issue as to whether we want price control or whether we want to pass a measure which is absolutely inadequate, and then try to kid the American people into believing that we have passed a price-control measure. When inflation comes, as it certainly will under the terms of the measure which it is proposed to pass, let us not try to tell the American people that it is the result of maladministration by officials of the OPA.

Let us be honest. Let us vote either for price control or for no price control. I am prepared to accept the challenge I shall vote for the amendment of the Senator from Florida, and I shall vote against the joint resolution which has been butchered on the floor of the United States Senate.

Mr. AIKEN. Mr. President, I should like to speak for 5 or 6 minutes.

I regret to say that I find myself in disagreement with my colleagues who have sponsored this amendment, much as I respect them and much as I have enjoyed working with most of them in committees.

It is my candid opinion that we might regard the proposed amendment not as a price control measure, but rather as a political document. I am fully satisfied that the vote on this amendment which we take here tonight will be used as a political criterion to support or defeat Members of Congress who vote for or against it, depending upon whether they vote in accordance with the ideas of the group which is supporting the amendment. I am also satisfied, Mr. President, that if by any chance this amendment should be agreed to, the effect would be not price control, but political unrest.

This spring when it began to be sensed that the OPA might be discontinued on July 1, those who manufacture goods, raise cattle, and produce crops began to hold back their products. When we came into June some of the necessities of life almost stopped flowing into the channels which would take them to the people who needed them very badly. Production was held back in May, but this amendment calls for the end of price control on February 1. If it should be adopted, it would mean that about the last of November, goods and produce would be withheld from the market. Food would stop flowing into the channels of trade. Warm clothes would stop coming into the market, at the time of year when people need warm clothes. Fuel would be held back, waiting for a possible higher price with the ending of price control on February 1.

Is it difficult to imagine what would happen under such circumstances? Imagine what kind of a Christmas the poor people of the country would have if price controls were to end on February 1 and food, fuel, and clothing were withheld from the market. They would have a pretty cold and hungry Christmas and New Year. The net result would be, I fear, riots, strikes, and near rebellion.

I am not satisfied with the measure upon which we have been working. There is altogether too much decontrol in it. I hope and expect that the conference committee will make a better measure of it; but I am satisfied that with the provisions of the joint resolution as they are, and as they can be after the conference committee gets through with them, the administration can make the measure work if it wishes to do so.

As I say, we have decontrolled too too much. At the bottom of page 7 of the joint resolution will be found this provision:

(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

That paragraph provides that if decontrolled agricultural commodities get out of hand and prices skyrocket to the point of inflation, they can be recontrolled.

Take milk, for example. I am sorry that the price of milk has gone to 19 or 20 cents a quart throughout most of the country. But with the taking off of the subsidies it had to do so, unless the additional 2 or 3 cents were to be taken from the producers. But under this measure, if the price of milk next fall goes to 24 or 25 cents a quart—as I fear it will—I am satisfied that the Govern-

ment can recontrol milk and return to the payment of subsidies, so that the price can be held within the reach of poor people.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I do not care to yield now. I am too tired to get into any arguments. I wish to say what I have to say, and then stop.

The Senator from California [Mr. DOWNEY] called attention to the fact that we are producing much more milk than we were in prewar days. That is true. We must produce milk for ten or fifteen million more people. But what the Senator from California did not tell us was that the production of milk has been dropping steadily for the last 8 months. As I said yesterday, this spring the production of milk in New England dropped 16 percent below what it was last spring, and it is still dropping.

The Senator from California also told us how many more eggs we have now than we had in the prewar days, but he did not tell us that 20 percent less laying chickens are coming along, for next winter, than there were a year ago.

So, Mr. President, I am satisfied that if the Government wants to make this measure work, after the conferees get through with it and put it in better shape than it is now, the Government can make it work.

I wish to say that there has been altogether too much politics played in connection with the matter of price control. Politics has been played both by the executive department and some of those in the legislative department, and there is no excuse for any of them to do that.

Mr. President, I yield to no one in my desire to see to it that the people of the United States enjoy better health, better education, better living. They deserve the better things of life. Likewise, I yield to no one in my unalterable opposition to those who would build up their cartels and their monopolies, those who would seize our natural resources for their own benefit, or those who would destroy the rights of labor or agriculture to organize to better their own welfare. But, Mr. President, I will not undertake to achieve these objectives or ideals which I hold by voting for any political measure which, if passed, would bring about abject misery, such as having price controls ended February 1 would do. If the sponsors of this proposal really have adequate price control as their objective, let them make the price control end next June 30, if they want me to vote for the measure, and not have it end February 1, when the only possible result could be misery, riots, strikes, and various other disturbances.

Mr. MORSE. Mr. President, I was glad to hear the Senator from Vermont say that he is too tired to yield, because that is the only explanation which would satisfy me as his attributing to the sponsors of this proposal a motive that they are proposing this amendment as a political document. As one of the sponsors of the measure, I wish to make it clear that no such motivation guided me in becoming a sponsor of the document. I am sure that is also true of the other sponsors of the Pepper substitute amendment. I am not going to attribute any characterization to the joint resolution which is pending before the Senate in the form of the committee bill, as it has been amended on the floor of the Senate. But if ever any politics and political trading and pork barreling have entered into the preparation of any bill, I submit that playing politics is what has happened on the floor of the Senate in recent days in connection with the preparation of the bill which is finally going to come to a vote on the floor of the Senate.

I wish to say to the Senator from Vermont that I think he knows that I have the highest of admiration for him and great respect for his judgment. However, as honest men, we can have honest differences of opinion, and we certainly have an honest difference of opinion as to the effects of the so-called Pepper amendment. I do not think the dire predictions the Senator from Vermont makes will flow from that amendment. But I am satisfied that most of the things the Senator from Vermont has said about that Pepper amendment are going to be exactly the results which will flow from the so-called Barkley measure, when finally voted upon by the Senate.

If the Senator from Vermont will accept June 30 as the expiration date for price controls, so far as I am concerned, as one of the sponsors of the Pepper substitute, I shall be glad to accept that date. I should like to ask the Senator from Florida whether he will accept June 30 as the date for the expiration of price control?

Mr. PEPPER. We shall be glad to do that. The reason February 1 was arbitrarily chosen was, as I said before, that that would be when the new Congress would have begun its session, and that date would give the new Congress a chance to determine whether it wanted to continue price control until June 30 or for a longer or shorter period. However, if the Senator from Vermont would like to have the date the 30th of June, I would take the liberty of making that modification.

Mr. MORSE. Mr. President, I have only one other comment to make, and that is that all during the discussion of the so-called Barkley measure there was, I think, at least a general understanding that we were going to proceed to eliminate all price controls at the earliest possible date, regardless of whether it would be January 1 or February 1 or March 1 or any other date. I certainly do not think it logically follows that because a date definite and certain is fixed in the Pepper measure, the consequence of fixing such a date and notifying the American people that as of that date the price controls will end that the results suggested by the Senator from Vermont would automatically follow.

Mr. President, I do not have such a lack of confidence in the operation of American business as to believe that American business would use such methods to heap cruelty upon the American people as suggested by the Senator from Vermont.

I have only one more point to make as I close. I think we already have evidence available to the Senate and to the country in regard to what is going to happen in the remaining portion of the reconversion period if we do not keep on some effective price controls. There is still a complete out-of-balance between the totality of supply of consumer goods in this country and the purchasing power of the American people. So long as that economic fact exists, the danger of inflation will be knocking at our door.

As I said earlier this evening, and I repeat it now, I think when the so-called Barkley measure is passed, we shall find that in operation it will be an invitation for runaway inflation in this country. But if in 6 months that does not come to pass, I shall be perfectly willing to eat those words and to thank God that I have an opportunity to do so. But if what I suggest is true, then let me say the responsibility for that inflation cannot be passed to any other group except the Congress of the United States. I shall vote for the Pepper substitute amendment as a preventive measure against inflation.

Mr. KILGORE obtained the floor.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. KILGORE. For what purpose does the Senator request that I yield to him?

Mr. MAGNUSON. I should like to make a statement for about 1 minute.

Mr. KILGORE. Mr. President, I shall use only about 2 minutes.

Mr. President, I feel that I owe it to myself and to the Senate to give my reasons for being one of the sponsors of the amendment now under discussion. I have felt, and I still feel, and always will feel, that this amendment is not a price-control amendment. It is a price-decontrol amendment. It is for decontrol in an orderly manner. It is a method of getting from short supply to normal supply without depreciating the American dollar.

My reason for supporting this amendment is that I do not want this body and I do not want myself to vote to depreciate the only stable currency now existant in the world. We all remember that we have had thrown in our teeth for a long time the statement that the dollar is now worth only 59 cents, as compared to what it was worth in 1914. We have been told that that has occurred because of inflation. Mr. President, a dollar is what it will buy. If it will buy a bushel of wheat, a dollar is a bushel of wheat. We had well demonstrated on the floor of the Senate today, in connection with the silver controversy, the fact that the coined value of silver was $1.29 if it had the seal of the United States of America on it; but its market value was fixed by the Senate at 90.3 cents. We may be melting silver dollars for their silver value if we keep on and get into inflation.

Mr. President, I say that we cannot safely decontrol suddenly. We cannot safely do as we have been witnessing here for the past few days, namely, do by legislative means something which can be well done only administratively. The Banking and Currency Committee brought out a measure; but when the hamstringing was finished, or may I call it the strip-tease act legislatively had

been completed, there was not much left, not even a skeleton.

Mr. President, we are decontrolling suddenly. We are depreciating the dollar suddenly. I have not heard a single word said on this floor so far in regard to the actual dollar loss. The comments have been about the anticipated profit loss by reason of the controlling of prices. That has been the nature of the complaint. I have not had a single lobbyist approach me in regard to decontrolling who did not say, "I want the thing I sell decontrolled. I want other price ceilings maintained."

Mr. President, I fear that all of us are looking at the thing through the wrong end of the telescope. We are thinking about how much money we ourselves are going to make by selling high, and we are failing to realize how much money we are going to lose by buying high.

Mr. President, we are looking at this situation from the standpoint of the instant profit, or this year's profit, and not from the long-range viewpoint of 10 years of continued profit. It is much better to rent a building at a lower rate of rent to a tenant whose business will permit him to pay the rent, and permit the owner to maintain the building for a long term of years, than it is for the owner to receive a high rate of rent for a few months, and then have the building vacant. We have forgotten the consumer. There was some talk in 1932 about the "forgotten man"—the consumer. Except for what was said about him by the Senator from Pennsylvania [Mr. MYERS], he has been the forgotten man in this debate.

For the reasons which I have stated, Mr. President, and for the reason that I believe we must have orderly decontrol, and must not, in hysteria, depreciate the dollar, I joined in sponsoring the amendment in the nature of a substitute. I join with the Senator from Vermont and with the Senator from Washington in believing that it will require more than 6 months properly to decontrol, inasmuch as we have been tightly controlled for more than 4 years. I assert, Mr. President, that the time has come for us to wake up and realize the effect of this situation. We must figure out how much decontrol will cost this Nation.

Incidentally, Mr. President, when we depreciate the American dollar, chaos will take place in the financial world, not only in this country but abroad as well, because the dollar is the only standard of value we have at the present time. When we increase too much the price of commodities, the dollar is depreciated because it is nothing but a medium of exchange with which we purchase the things we need. Therefore, Mr. President, in the interest of holding the dollar value where it is, and holding the value of the war bond where it is, and protecting the boys whom we promised to educate, and taking care of our disabled and other persons to whom we promised many things, it behooves us to go slowly and carefully with regard to the decontrolling process, and allow it to be done by a decontrol board. I believe, Mr. President, that it was wise to make provision in the joint resolution for a decontrol board, because the matter should be left to a board of that nature.

Mr. President, let us think carefully before we vote on this amendment. Let us remember that when we take off the controls the dollar will not buy even 59 cents' worth, it will buy a great deal less. The boys to whom we made our promises will realize that we lied to them, not by our promises but by our performance.

Mr. BARKLEY. Mr. President, before the Senate votes on the amendment I think it might be well to invite attention to what it is that we are asked to do. I do not, in the slightest degree, question the good faith or sincerity of any of the Senators who are sponsoring the amendment, or who will vote for it. But we should remember that we are considering a House joint resolution which does nothing except to extend price control, as it existed on June 30, to July 20. That is all the joint resolution does.

If we could imagine that the amendment which has been offered by the Senator from Florida in behalf of himself and other Senators could be agreed to, we would have this situation: We would have a House joint resolution extending price controls for 20 days, amended by extending them to the 1st of February, and there would be included the creation of a decontrol board and nothing else.

It is a foregone conclusion that the House would not accept the amendment, and it is extremely doubtful whether it would even send it to conference. But even if it sent it to conference, the field of operation of the conferees would be only that of the question of time as between a 20-day extension and a 7-month extension, and whether there should be a decontrol board. That is all the conference could deal with. That is all it could consider. It could not add in the conference report, under such circumstances, any of the other provisions of the joint resolution.

Mr. President, the chances are that if the matter went to conference there might be a compromise as to the length of the extension somewhere between 20 days and 7 months. It might be 50 days, or 90 days, but it certainly would not be 7 months. So the chances are that, out of the measure, we would get nothing whatever.

Mr. President, I think that we must look at the situation as sensible and practical men. There was a time when I would have voted for an absolute blanket extension of the OPA as it existed prior to June 30. The time has passed when we can do that. Everyone knows that. Anyone who would say that he did not know it would not be acquainted with the general parliamentary situation which confronts the Senate at the present time.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. A moment ago I intended to ask for a modification of the amendment so as to allow the expiration date be June 30. If I may so modify the amendment, I wish to do it.

Mr. President, what I wanted to ask the able leader is this: If the Senate adopted the amendment so that the expiration date would be June 30, and it went to the House of Representatives and the House of Representatives declined to accept it, and the matter then went to conference, we certainly could be assured of price control, as it existed on the 30th of June, being extended to sometime between 20 days from the 30th of July this year and the 30th of next June. Therefore we would have a definite period of price control, except for the inclusion by the Senate of the decontrol board.

Mr. BARKLEY. The modification of the amendment from February 1 to June 30 would in no way cure the defect in the difference between versions of the two Houses. There might be a compromise as between July 20 and June 30, but that would not be of much practical benefit. I have grave doubt, Mr. President, if the amendment were adopted, whether the joint resolution would ever go to conference. If it did not go to conference it would end all price control and all chance for price control. In my judgment, if we are unable to get some sort of price control under the joint resolution which we are now considering, there is no chance to get it at all. We may as well consider that if we cannot get it under the pending measure, price control is over with and out the window.

I am not satisfied with the pending joint resolution. I do not have to say that. I have been fighting to the extent of my ability against some of the amendments to it. I do not know what will happen to them if the joint resolution goes to conference. I make no predictions with respect to the matter. I felt that we wrote in the former conference a better bill than either the House or the Senate passed. I still believe so. I would hope that in the next conference we could write a better bill than was written before. If I have a choice between voting for a bill which may have some chance of enactment, and one which may have no chance, I am ready to stand up and be counted, Mr. President, not for any political purpose or in order that my vote may be used for or against me somewhere else, and at some other time. I am willing to stand up and be counted on the subject of the practicability and possibility of securing any legislation whatever. When that question is at issue I am willing to vote even for a bill which I do not like, in view of the amendments which have been added to it, rather than take a chance on getting nothing at all. For that reason I shall vote against the amendment of the Senator from Florida.

SEVERAL SENATORS. Vote! Vote!

Mr. GREEN. Mr. President, I do not wish to make a speech; I want to ask a question. I think it would be very helpful to many of us if the Senator from Kentucky would summarize briefly the advantages of passing in its present form the joint resolution which he originally introduced.

Mr. BARKLEY. Mr. President, I hope the Senator from Rhode Island will not expect me to go into a description of the joint resolution. It has been discussed for days. I think there is an advan-

tage—and I supported the provision in the committee originally, and I support it in the joint resolution—in providing that the Secretary of Agriculture shall have some voice in the decontrol of agricultural products.

I think that there is value in the creation of the Decontrol Board which is set up in the measure. Even though it is copied in the amendment of the Senator from Florida, I think the chances of its enactment in the joint resolution are better as it is now before the Senate than in the amendment offered by the Senator from Florida.

I think there is in the joint resolution a standard by which prices can be fixed in the future, a better standard than would be possible of attainment if the amendment of the Senator from Florida should be agreed to and the conferees were limited in settling the differences between the two Houses. Nothing now could be added as between the House joint resolution and the amendment offered by the Senator from Florida.

Those are two or three advantages which I think of. There are many others I could call attention to which in my judgment we can attain in a free conference under the joint resolution that is now before the Senate, which could not be possible if the amendment offered by the Senator from Florida should be agreed to.

Mr. AIKEN. Mr. President, before the vote is taken I should like to say that I thank the Senator from Florida for changing the date from February 1 to June 30. I am very much tempted to vote for his amendment with that change in date, but if I did so at this time it would be merely a protest vote against the total inadequacy of the joint resolution which the Senate appears to be about to pass.

I believe that we need the very best legislation we can get just as quickly as we can get it, and we have to pin our hopes on the conference committee, and trust they will do better than either House has up to this time.

I wish to say that I have the very highest regard for all the sponsors of the amendment. I did not know the Senator from Oregon [Mr. MORSE] was a sponsor of it. I did not see his name on it. Furthermore, I wish to say that no one of the sponsors of the measure told me that it would be used as a political criterion. That information came from the outside.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. It is understood, is it, that the sponsors of the amendment modified the expiration date to June 30, instead of February 1?

The PRESIDING OFFICER. The Senator has that right, and it is so understood.

The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER] in the nature of a substitute, which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947"; and by inserting before the period at the end thereof a colon and the following:

"(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of $12,000 a year.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"(4) No petition may be filed with the Board with respect to any commodity within a period of 8 months after the issuance of an order of the Board with respect to the same commodity.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

SEC. 3. The last paragraph of section 2 (c) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations of the Commodity Credit Corporation and the Reconstruction Finance Corporation until February 1, 1947: *Provided*, That no new subsidy or purchase and sale operations shall be undertaken under the authority of this section, and no change shall be made in the basis of any operations existing on June 29, 1946, for which funds are made available under this section which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

SEC. 4. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942 (except sections 204 and 205), as amended, or the Stabilization Act of 1942 (except sections 2 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this

act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER] for himself and other Senators.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from New Mexico [Mr. HATCH]. I am not advised as to how the Senator from New Mexico would vote on this question. Being at liberty to vote, I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from Arizona [Mr. HAYDEN] is necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Florida [Mr. ANDREWS] and the Senator from South Carolina [Mr. MAYBANK] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] and the Senator from Indiana [Mr. WILLIS] are necessarily absent. If present the Senator from Indiana would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. If present he would vote "nay."

The pair of the Senator from Kansas [Mr. REED] has been announced heretofore, and transferred. If present the Senator from Kansas would vote "nay."

The result was announced—yeas 23, nays 52, as follows:

YEAS—23

Chavez	McMahon	O'Mahoney
Downey	Magnuson	Pepper
Green	Mead	Taylor
Guffey	Mitchell	Thomas, Utah
Hill	Monroe	Tunnell
Huffman	Murdock	Wagner
Kilgore	Murray	Walsh
Lucas	Myers	

NAYS—52

Aiken	George	Overton
Austin	Gerry	Radcliffe
Ball	Gossett	Revercomb
Barkley	Gurney	Robertson
Brewster	Hart	Russell
Bridges	Hawkes	Smith
Briggs	Hoey	Stanfill
Brooks	Johnson, Colo.	Stewart
Buck	Johnston, S. C.	Swift
Burch	Knowland	Taft
Capehart	La Follette	Thomas, Okla.
Capper	Langer	Wherry
Carville	McCarran	White
Cordon	McClellan	Wiley
Donnell	McKellar	Wilson
Eastland	Millikin	Young
Ferguson	Moore	
Fulbright	O'Daniel	

NOT VOTING—21

Andrews	Elender	Saltonstall
Bailey	Hatch	Shipstead
Bilbo	Hayden	Tobey
Bushfield	Hickenlooper	Tydings
Butler	McFarland	Vandenberg
Byrd	Maybank	Wheeler
Connally	Reed	Willis

So Mr. PEPPER's amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. O'DANIEL. Mr. President, I have been patiently waiting for my colleagues to quit filibustering, so that I might have a chance to say a few words.

I believe the Senators are tired at this late hour, and I think they might rather be home asleep than here listening to speeches. I do not intend to take much time to discuss this subject, which has been so thoroughly debated by my colleagues.

The matter which is before us is not a test of whether prices will rise or fall. It is a test of whether our Republic will rise or fall. During the past 13 years our Republic has fallen so low under the leadership of the New Deal that we see here, and have seen for the past 2 weeks, how difficult it is for our bureaucrats to be patient while our American citizens are enjoying the freedom of living under American freedom without dictation from some New Deal bureaucrat in Washington.

Mr. President, we have the whole thing backward. According to our form of government, it was intended that the public officials should be the servants of the people and the people should be the masters. And here the public officials at 12 minutes past one in the morning are up here worrying about 120,000,000 people out there who are sound asleep not worrying about anything. That shows what happens when you try to run somebody else's business and when you know less about running the other fellow's business than the other fellow does. I think it is time that we should get back to the American form of government and the American way of life. I think the citizens of this Nation did a swell job the first 150 years or so, each one operating according to his own ideas of what he should do. I have confidence in the rank and file of the American people. I have seen very little confidence shown by a lot of our public officials around Washington. They do not appear to have any confidence in the American citizens' ability to look after their own business. These public officials are afraid the people will not know what time to get up in the morning. They are afraid the people will not know which cow to milk or which pail to put the milk in, or whether to churn it or send the cream to town and sell it, or whether to drink the milk. We have to decide everything here in Washington about what our citizens are going to do, which is just exactly the opposite of how it should be.

We would be in a terrible fix if we would get things in such bad shape that the American citizens could not make enough money to pay our salaries.

In the Senate Chamber are men of wisdom, men of intelligence, who should be looking after the legislative affairs of the Nation. Yet in the last 2 weeks this Chamber has taken on more or less the appearance of a Board of Trade. We are getting market reports in here regularly. We are forecasting what is going to happen to the price of wheat, to the price of cattle. Almost every Member of the Senate came here to make laws which would be fair, so that our citizens out there could operate and make a living and make profits so they could pay taxes and we would receive our salaries.

Mr. President, the situation is absurd. It is ridiculous. Who ever would have thought that this great Nation could have sunk to such a low level? We have fallen into the gutter of communism; we have sunk so low that it looks like we cannot get out. Even though OPA died a natural death 12 days ago, and was buried, we are now trying to revive it.

Mr. President, I am proud of this great Senate of the United States. It is a dignified body indeed. We have all heard about the mountain which labored and brought forth a mouse. And here this great dignified body of men labored and brought forth the ghost of OPA. It is ridiculous.

Mr. President, it is my honest conviction that unless we can turn the country back to the people, and legislate for the benefit of everybody instead of for certain groups, that we are going to lose our own liberties; we are going to lose our freedom. There is not a Member of the Senate who can tell me what the price of wheat was, or what the price of a loaf of bread was, or what the price of a pound of lard was, or what the price of anything else was 5 years ago. Now we are interested in market quotations. Every day newspaper reporters tell us what is being charged for a pound of butter. What is the difference to a legislator here at what price a pound of butter changes hands? The man who sells it and the man who buys it are both American citizens. What is the difference if butter is 50 cents a pound or a dollar a pound?

Can anyone here tell me that all men in Government are interested in the welfare of other men? It would be unusual to think they were. Some in this Government, it might seem, who must be elected, are interested in getting votes. We might as well shake off the shackles and get down to the truth. The reason it might appear why so many are talking about being interested in the consumers is that the population——

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. O'DANIEL. No; I will not yield.

Mr. TAYLOR. I deny that statement.

Mr. O'DANIEL. Is because the population statistics show that there are more consumer voters than there are producer voters. Is that why they are interested in this thing?

I am ashamed that we are in this kind of a jam up here. I do not believe there is a Senator in this Chamber who does not know that controlling of prices is an impossible task. There is no one in this Nation who has wisdom enough or intelligence enough to administer properly a price control act. That is an impossible thing. If two Senators were picked out and the rest of us were to decide what would be a fair price at which one should sell an article he owns to the other, neither would be satisfied by our decision.

Mr. President, when our forefathers set up this great Government of ours they separated Government from private industry, and they said that private industry would support the Government. They knew that people trading with each other would get mad at each other, and they would fight it out. But they did not care which one won because they were all citizens. So when the Government takes a hand in commercial matters in which it should not take a hand, then all the citizens commence to get mad at the Government. If Senators go out through the country today they will see what the people think about this Government of ours. The people are just as mad as they can be at it. Those who are buying what they need at the OPA prices, or what were OPA prices, are mad because the prices are not fair—because they are too high. The producers are mad because the prices are too low. And we here are caught in the middle.

Mr. President, all this comes about not because Senators do not have sense enough to know what should be done. I have always said that Senators have wisdom, that Senators have intelligence. Of course they have. But they are applying their wisdom and their intelligence in the wrong direction. It is like the mother I knew who had a daughter. She was trying to apologize because the daughter could not play the piano very well. The daughter was taking lessons but could not play very well. The mother said, "That is not the fault of my daughter's hands that she cannot hit the right keys. My daughter has such an active mind, such an active brain, and it operates so fast that her hands cannot keep up with it." That is the way with the Senate. If we would devote our time to enacting legislation instead of trying to run the markets of the United States, instead of trying to tell the farmers what to plant, when to plant, when to sow, when to reap, and at what price to sell we would get somewhere.

There is no doubt in my mind but that every Senators knows how to legislate. But they are trying to do the wrong job when they try to run the business of the Nation. They are using their great skill in performing a menial task. It is like hitching up a race horse to a plow.

Mr. President, I am trying to make it clear that I am against OPA and every phase of OPA. OPA is unsound. It is a menace. It is unnecessary. We got along without it for a long time. Some say that if we do not have OPA, prices are going up. Others say if we do have OPA, prices are going up.

I say, Mr. President, that whether we have OPA or do not have OPA, prices are going to fluctuate. Prices will go up and prices will go down. There is no man on earth who has sense enough to know positively which way they are going. The law of supply and demand settles that question. Many people have tried to guess the market, but found out to their sorrow that it is a difficult task.

No one knows what is going to happen with prices. A hundred and one things enter into the establishing of a price on a given commodity. We may set a price on one thing, and the result will be that prices on a dozen articles will be affected. If the price of a commodity goes too high, more of that commodity will be produced and that will bring down the price.

Mr. President, we are going to have higher prices, yes; but that does not depend on whether we do or do not have OPA. The damage in that respect has already been done. We have been dancing to the New Deal tune for 13 years, and now we have to pay the fiddler. This New Deal administration that we have had has spent and dissipated the resources of this Nation and of our people, and raised and raised the taxes until they take from 70 percent to 95 percent of the earnings of our citizens, and, as soon as they have gotten those earnings from our citizens, that money has vanished like the morning dew. That tax money does no more than get into the Treasury before it is gone. And in addition to spending all this tax money, they have borrowed and run us into debt to the tune of around $300,000,000,000.

Did Senators ever see this New Deal Government buy anything for a thousand dollars when they could pay $2,000 for it? That is where the trouble comes in. The damage has already been done. Winston Churchill said that the English people would have to pay with blood, sweat, and tears, and the same thing applies to the American people. We are going to have to pay through the nose for the spending and for the foolishness of this New Deal government. They cannot stop. They want to keep on with it. And if we cannot shovel out the money fast enough here at home, we will shovel out $3,750,000,000 to England, and then we will shovel it out to Russia. Just as long as we can keep printing the money down here, the Government will keep shoveling it out.

So it is not the death of OPA that is going to cause all our trouble. Do not let the officials frighten you about it. The American people should not be frightened about what happens to OPA. We are going to go through the depths of a depression, we are going to suffer, and we are going to pay with blood, sweat, and tears before we ever get out from under the ruin that has been imposed upon this great Republic by a bunch of New Deal idealists and stargazers who are trying to do the thinking for 140,000,000 people.

The only thing the New Deal ever created was emergencies and shortages. They are good at that. They started in with the NRA. Congress, of course, knows that there is no one person smart enough to handle an emergency, so Congress turns the problem over to a bureau, and then Congress tells the President to hire someone to run that bureau, and he picks out somebody who votes the New Deal ticket, and puts him in that bureau. Just as soon as they get things in such a terrible mess that no one can straighten them out, do they abolish the bureau? No. They superimpose a greater bureau on top of the defunct bureau, and go merrily on.

Mr. President, I say it is time to call a halt. The American people are pretty well fed up with this sort of thing. People in Washington say, "It is too bad to pay such a high price for beef and butter." In time we shall forget what we paid for our beef, our butter, and our bread; but we shall long remember that it was the New Deal outfit which sold us down the river—sold our liberties, sold our freedom, and everything that we held near and dear.

Our wise forefathers who established our Nation, wrote the Constitution of the United States. Aside from the Holy Bible, the Constitution is the greatest document ever penned by man. It is a great document, but we are entirely away from it now. That document guaranteed to the humblest boy or girl at the crossroads or at the grass-roots the opportunity, if he was honest and had talent and ability, if he worked, saved, and studied, to get somewhere in the world. But now it is impossible for them to get above the third rung of the ladder of success unless they have a pull with some bureaucrat or New Dealer in Washington.

Some of our returning servicemen want to get into business. They cannot do it. Some of them write to me from my home State. They cannot get started in business because of Government restrictions. A young man in Fort Worth had been in business for 4 years. When the war came he went into the Army. When he came back he wanted to start his business again and the Government would not let him.

The two best ways to destroy an individual, a corporation, a company, or a government are: First, to stop production; and second, to destroy accumulated savings. Ever since March 4, 1933, that is what this administration has been doing to this Nation. It has been dissipating all our accumulated savings of 150 years and stopping production. It has been working hand-in-hand with the labor racketeers. If production cannot be stopped in any other way, some of the labor racketeers conduct a strike. The administration has played into the hands of all the crooks in the country by permitting black markets.

The situation is deplorable. I wish there were some way by which this information could be brought to the people. Our people place too much confidence in the Government. Consider what happened to Germany when the people placed confidence in a dictator. We know what happened to Italy and to other countries. If we do not have a dictator government here, I do not know what one would call it. If we try to get rid of a little bureaucrat who fixes prices, a furore is started all over the country.

We have been arguing today until 1:28 o'clock in the morning. We cannot root out the bureaucrats. The situation is as bad as it was when we tried to fire three alleged Communists working for the Government. We could not even fire them. If their salaries were stopped, they could not be forced to quit. So I think the situation is serious. I do not like to talk like this, but it is time for someone to speak out and tell the American people the truth about what is going on.

I am not the first man to talk about misplaced confidence in public officials. Read what Thomas Jefferson said about it. "Do not talk to me about men. Bind them down with the chains of the Constitution." When we let a gang of New Dealers get into control of the Government, there to remain during their natural lives, they start scratching one another's backs and trying to keep themselves in office, forgetting the people back home except at election time. Under the present situation it makes very little difference, however, whether a public official is reelected or not. The administration can appoint its pets to places in the bureaus, and they continue on the public pay roll.

I stated that the New Deal outfit was in league with the labor-leader racketeers. What has this Congress done? What has the Senate done? I do not need to tell Senators what the Congress has done. I hark back to the words of the Senator from North Carolina [Mr. BAILEY], one of the most fundamentally sound Senators who has ever graced this Chamber. What did he say? He said that the Congress had transferred and delegated to the labor leaders of this country the right to tax the people. Under the Constitution only the Congress has the right to tax the people. The Senator from North Carolina says that we have transferred that right. Whether we like it or not, we have transferred that right from the Congress to the labor-leader racketeers. They tax the people. They levy a tax on most every one of our citizens who wears shoes or rides on the railroad. He pays a tax to the Government—and to the labor-leader racketeers. That money goes into the CIO-PAC fund, and from there it goes to support the leaders in this Government who help to enact legislation favorable to the labor-leader racketeers, and to fight those who are opposed to the racketeering which is going on.

The situation became so bad during the war that a man could not get a job working for his own Government unless he joined one of the unions and paid a racketeering fee, under the closed-shop system.

I knew a man who had boys fighting in the armed services. They did not have the weapons with which to fight, and this man could not get a job in factories where weapons were supposed to be made because he was not a member of the union.

So it is not only the OPA, but every other department of the New Deal, that we must fight if we are to recover the American form of government. I say "recover" advisedly, because it is gone. We no longer have our American form of government. Boys on the football field sometimes lose the ball and later recover it. We have lost the ball. I hope we are able to recover it.

This is only one phase of the thing which we are fighting.

I wish to have it distinctly understood that in any remarks I make I am not impugning the motives of any Member of the Senate. I have the highest respect for Senators. I think the Senate has been a rubber stamp for the New Deal for a long time, but Senators have a right to be rubber stamps if they so desire. I am not disputing their rights. Perhaps they are rubber stamps, and perhaps they are not. That does not destroy my respect for a Member of the United States Senate. I am an American, and I will go down the line with anything the Congress says we must do. I will abide by its judgment and decision; but I will stand up and condemn it when I think it is wrong. I have a right to do so.

Two weeks ago when it seemed there was no chance whatever to stop the renewal of OPA I saw a slender chance. I tried to see if there was anything that could be done, and I called for volunteers to help me. I thought that if we could discuss the thing until it died a natural death on June 30 at midnight that would be a great victory. We would have a little freedom once again. It did not seem possible to do it. I called for help, and some Senators responded. I appreciate their help very much.

Afterward I received a little help from an unexpected source, when President Truman vetoed the bill. He had his own reasons for vetoing it. I do not know what they were. But I am glad he vetoed it. After we had delayed the bill in the Senate as long as possible, he vetoed it; and after he vetoed it there was not time to renew it before it died—thank God! It was dead and buried. The President tried to stampede the Congress into renewing it, but the sturdy old Senate stood its ground. It was not difficult. Things just happened in that way. There was not enough time. Whenever unanimous consent was requested for anything I objected, and continued to object until the OPA was dead. It died on Sunday, which gave us an opportunity to celebrate its death on the Fourth of July, Independence Day.

The House came along and put the rubber stamp on a 20-day extension, and sent the measure over here. We tore it to pieces. I felt that the longer we could enjoy our freedom—freedom to sell a pound of butter, a dozen eggs, or a bushel of wheat in open free exchange—the better off our Nation would be. I thought that if we could persuade a few more Senators to talk we could continue to talk indefinitely. As I have previously stated, one could talk for a year saying bad things about OPA without saying all the bad things that should be said. And I got a lot of support this time. I certainly want to thank every Senator who has talked here; and almost every one of them has talked longer than I have.

So here we are. We have a bill.

In the early stages of this debate I thought if I would attach this stinking old FEPC bill to the OPA bill, I would get some support. I knew some fellows who talked about the FEPC bill before when it was dragged in here. So I thought it might be a good idea to offer the FEPC bill as an amendment to the OPA bill or the OPA joint resolution I thought, of course, it would be voted for, because the FEPC seems to have some friends around here who thought we should enact the FEPC. I did not think so; I thought the FEPC bill was a bad bill. But I will not quarrel with any Senator who thinks it is a good bill and should be passed, because every Senator has a right to think as he pleases. But I thought if some Senators liked the FEPC bill in January, they might like it in July—these great social supporters and uplifters. The colored folks think they are as good as we are now; but some white folks have told them they are not and that they want to pick them up and put them on a level with them. There is a song about "Will you love me in December as you loved me in May?"—or something like that. I think there should be a parody written on that for the colored folks to sing, to the people who thought we should have an FEPC. It should be entitled "Do You Love Me in July as You Did Last January?" [Laughter.]

Mr. President, I know that almost everyone in the Senate tries to be consistent and tries to be fair. I thought that we had a couple of carcasses that died on June 30; both the FEPC and the OPA died then, at the stroke of midnight on June 30. I thought if we were going out—well, Mr. President, I would not like to speak of Senators as going out as ghouls, because that would not

sound nice—but I thought that if anybody but Senators were going out to the graveyard as ghouls to dig up old Simon Legree OPA, they might as well dig up Little Topsy FEPC at the same time. If they were going to bring back Simon Legree with his whip and his cruel tactics and were going to impose him on the Nation, I thought they might just as well bring back Little Topsy, too. [Laughter.]

I said I intended to offer that amendment, and I certainly did intend to do so, although I am opposed to it. But I thought if it were introduced, there would be a lot of talking on it. But we got a lot of talking without it.

I do not believe I would gain very much now by dropping the FEPC atomic bomb on this wrecked OPA bill that has been torpedoed by all these Senators with all these amendments. I do not think I would gain very much by doing that. So I am just trying to decide whether I should give up the idea of offering the FEPC bill. [Laughter.] I think about all the damage has been done to this OPA bill that can be done, unless we can get the Senate to adopt a motion that in some way would strike out all of the names of the authors of the amendments, and would substitute the name of Taft to all the amendments that are not already called Wherry amendments—just change the name of the amendments, so that we shall have either Wherry amendments or Taft amendments. That might induce Mr. Truman to veto this thing when it gets to him; although I cannot be sure and I do not know. [Laughter.]

Mr. President, I hope he does veto it. He will be pretty smart if he does veto it, because somebody is going to get the blame for this depression that is coming. Somebody is going to get the blame for this trouble that is ahead of us. Somebody is going to get the blame for the advancing prices that are caused by the stopping of production. If Mr. Truman can just say, "Well, that bill is no good. We will just do away with it," then the OPA will not be here any more, and so people cannot blame the Democrats and the OPA when the crash comes along there in November or some other time. I do not know just when it is going to come, but it will come, just as sure as the world. It always does, and it will comes this time with intensity.

But the way the situation is now, I think we might just as well go ahead and pass this bill and go home. I am not going to tie this audience up any longer—these sleepy Senators. I am just going to thank each and every one of the Members of the Senate for the part they have played in talking for 12 days. As a matter of fact, we are now in the thirteenth day, I believe. We cannot do much on Saturday anyhow. Maybe our freedom will run on until Monday, or longer. I hope OPA is never renewed.

Mr. President, this business which the Senate has conducted has been legitimate business. The proceedings have been handled in accordance with the rules of the Senate. Senators have spoken their views, and they have voted as they wished to vote. So here is the bill now. I believe there are no more amendments to be offered. I believe we are up to the point of final passage of this bill.

Now, Mr. President, here is what I hope. I hope that when this bill goes to conference, the conference committee will not make a farce out of our legislative system. I hope the conferees will regard carefully the law which has been written here in the Senate. I am not insinuating that they will not. But, I believe in the majesty of the law, and I believe in carrying it on as a sincere arm of our Government. I do not like to see it tampered with. I do not like to see it played with or belittled or dragged down. I wish to have it held up on a high pinnacle. I do not approve of this law at all, and you never could fix up this law so that it would suit me. I believe in the American citizens and I believe they have sense enough to run their own business, and therefore I hope we do not have any OPA. Nevertheless, if we are going to have one, I hope that the wishes as specified in this bill as it goes to the conference committee will be accepted, because those amendments were proposed by sincere honest men and they were voted on by sincere honest men.

So, Mr. President, with those few remarks, if I have made it clear that I am against the OPA and the New Deal, I am going to forego the introduction or the offering of the FEPC amendment. I do not think it is necessary. I think the old bill has been scuttled the way it is, I think it has been damaged. It is no good, anyhow, the way it is; but I am going to hope that it comes out of the conference committee in just the same shape that it goes in there, and that Mr. Truman, our President, will veto it when it gets back down to his house.

Mr. TAYLOR. Mr. President, I believe that the rules of the Senate forbid any Member to cast aspersions upon the motives or integrity of any other Member. I shall not make a point of order at this time; but, even though other Members of the Senate may care to let go unchallenged or to let pass unnoticed the statement of the Senator from Texas [Mr. O'DANIEL] that all the Members of this body cared about were votes, I do not propose to do so. I wish to say that I care nothing for votes as votes. I will go out and fight for votes merely because they give me an opportunity to serve the common people of America in the United States Senate. I will not compromise with the things I believe in, for the sake of votes. If the Senator from Texas, speaking for himself, wishes to say that all the Members of the Senate care about is votes, I will be the last one to deny him that privilege, or to say that it was an untrue statement insofar as he was concerned.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. HAWKES. Mr. President, before we proceed to vote, I wish to take only 2 or 3 minutes of the time of the Senate to read into the RECORD at this point an editorial which appeared in the April issue of the Farm Journal. The editorial is entitled "What Is Your Price?" It reads as follows:

WHAT IS YOUR PRICE?

If price ceilings are ended, and the OPA closed up on June 30, it may cost you money. You may be one of a great many people who will have to buy things or pay rent for awhile at scarcity prices

That will hurt, of course. None of us likes to pay out more money and get less.

So, let's ask ourselves a really touchy question: "Is freedom worth any money?"

Some Massachusetts farmers just 171 years ago this April thought freedom was worth more than money. They were angry about unfair taxes They wanted to be free to buy and sell as they pleased. They refused to let government be their master. They were joined by other farmers and patriots. Led by a Virginia farmer, they finally won. The struggle cost lives and blood-shed and a great deal of money.

Their success made all Americans free. Being free the generations that followed become more prosperous than any people had ever been. No people have ever prospered under a master government.

OPA, like King George III, encroaches on individual freedom, the principle our fighting ancestors made so conspicuously American. Even if OPA policy did not prevent production, and in the long run cost us more than it saves us, Government price-fixing is absolutely wrong in peacetime It makes Government the master rather than the servant.

Can modern Americans sacrifice for principle? Are we to ask OPA to continue to regulate us, because temporarily a few dollars will be saved? Or do we in 1946 have a little of the same kind of courage to stand for freedom that we gratefully thank our Revolutionary forebears for having had?

Will our grandchildren point with pride to our resistance to encroaching tyranny? Or will they have to regret that we put money above principle?

What is your price for freedom?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The question is on agreeing to the committee amendment, as amended.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

Mr. BRIDGES. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WAGNER (when his name was called). I have a pair with the Senator from Kansas [Mr. REED]. I understand that if present and voting, he would vote as I intend to vote. I am, therefore, free to vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO] and the Senator from Arizona

[Mr. MCFARLAND] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Michigan [Mr. VANDENBERG].

If present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], and the Senator from South Carolina [Mr. MAYBANK] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the Commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Indiana [Mr. WILLIS]. If present the Senator from Indiana would vote "nay," and the Senator from New Hampshire would vote "yea."

The pair of the Senator from Kansas [Mr. REED] has been announced heretofore. If present the Senator from Kansas would vote "yea."

The result was announced—yeas 62, nays 15, as follows:

YEAS—62

Aiken	Gossett	McKellar
Austin	Green	McMahon
Barkley	Hart	Magnuson
Brewster	Hawkes	Mead
Briggs	Hayden	Millikin
Burch	Hill	Mitchell
Capper	Hoey	Morse
Carville	Huffman	Murdock
Chavez	Johnson, Colo.	Murray
Cordon	Johnston, S. C.	Myers
Donnell	Kilgore	O'Mahoney
Downey	Knowland	Overton
Eastland	La Follette	Radcliffe
Ferguson	Langer	Reverecomb
Fulbright	Lucas	Russell
George	McCarran	Smith
Gerry	McClellan	Stanfill
Stewart	Thomas, Utah	White
Swift	Tunnell	Wiley
Taft	Wagner	Young
Thomas, Okla.	Walsh	

NAYS—15

Ball	Capehart	Pepper
Bridges	Gurney	Robertson
Brooks	Gurney	Taylor
Buck	Moore	Wherry
Bushfield	O'Daniel	Wilson

NOT VOTING—19

Andrews	Hatch	Tobey
Bailey	Hickenlooper	Tydings
Bilbo	McFarland	Vandenberg
Butler	Maybank	Wheeler
Byrd	Reed	Willis
Connally	Saltonstall	
Ellender	Shipstead	

So the joint resolution (H. J. Res 371), as amended, was passed.

Mr. BARKLEY. I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WAGNER, Mr. BARKLEY, Mr. RADCLIFFE, Mr. DOWNEY, Mr. TOBEY, Mr. TAFT, and Mr. MILLIKIN conferees on the part of the Senate.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the joint resolution just passed be printed in the RECORD with the Senate amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Resolved, That the joint resolution from the House of Representatives (H J Res. 371) entitled "Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended," do pass with the following amendment:

Strike out all after the resolving clause and insert:

"That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947.'

"SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out 'June 30, 1946' and substituting 'June 30, 1947.'

"SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"'PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"'SEC. 1A (a) Objectives: The Congress hereby affirms—

"'(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this act and for further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"'(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goals herein declared; and

"'(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"'(b) Declaration of decontrol policy: Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

"'(c) Recommendations by the President to the Congress: (1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

"'(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"'(d) Decontrol of nonagricultural commodities. (1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

"'(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

"'(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

"'(4) Nothing contained in this act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum and petroleum products processed or manufactured in whole or substantial part from petroleum, unless the Price Decontrol Board established under subsection (h) shall have first determined and certified in writing to the Administrator

that the supply of crude petroleum or the particular petroleum product on which price controls are to be imposed or maintained, is insufficient to meet the domestic consumptive demand therefor.

"'(e) Agricultural commodities: (1) On the first day of the first calendar month which begins more than 30 days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month, the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than 30 days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

"'(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

"'(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

"'(C) Within 10 days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

"'(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator. The Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this act.

"'(4) For the purposes of this section (except subparagraph (5) of this subsection (d))—

"'(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"'(B) the term "agricultural commodity" shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity.

"'(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this act, and upon the withdrawal of his approval such action shall be rescinded.

"'(6) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

"'(7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to livestock, poultry, or eggs, or food or feed products processed or manufactured in whole or substantial part from livestock, poultry, or eggs.

"'(8) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to cottonseed, soy beans, or products processed or manufactured in whole or substantial part from cottonseed or soy beans.

"'(9) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to milk, or food or feed products processed or manufactured in whole or substantial part from milk

"'(10) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, and any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

"'(11) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to leaf tobacco and tobacco processed or manufactured in whole or a substantial part therefrom.

"'(12) In establishing maximum prices for sales of finished woven fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

"'(f) Saving provision: Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

"'(g) Petitions for decontrol: (1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him. In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

"'(2) Within 15 days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within 10 days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers' Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than 5 days prior to such hearing, present in writing evidence relating thereto. Within 15 days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

"'(3) At any time within 30 days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within 30 days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

"'(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

"'(h) Price Decontrol Board: (1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of $12,000 a year.

"'(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

"'(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

"'(4) No petition may be filed with the Board with respect to any commodity within a period of 3 months after the issuance of an order of the Board with respect to the same commodity

"'(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (s) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

"'(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board.'

"SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: 'In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region.'

"SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"'After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourist courts, rooming houses, and boarding houses.'

"SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

"Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

"(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, $31,000,000.

"(2) With respect to copper, lead, and zinc, in the form of premium price payments, $100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (I) adjustments shall be made to encourage exploration and development work, (II) adequate allowances shall be made for depreciation and depletion, and (III) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

"(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

"(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, $869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than $629,000,000 during the last 6 months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period during which maximum prices on such commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No new subsidy or purchase and sale operations shall be undertaken under the authority of this subparagraph (4), and no change shall be made in the basis of any existing operations for which funds are made available under this subparagraph which will increase the rate of any subsidy or the rate of loss incurred with respect to any commodity.

"(b) When any direct or indirect subsidy to an industry is reduced or terminated, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies and differential subsidies to high-cost producers.

"(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this act, whichever date is the later. For the purposes of this paragraph, the term 'roll-back subsidies' means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

"(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

"(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: *Provided*, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

"(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946 (Public Law 388, 79th Cong.).

"SEC. 7. Section 2 (1) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(1) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and the commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942.'

"SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: 'or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer.'

"SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words 'or any operator of any service establishment' after the words 'seller of goods at retail.'

"SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"'(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

"'(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"'(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of 6 months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"'(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of 6 months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

"'(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if t › retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 percent of the deliveries thereof in the corresponding quarter of 1945.

"'(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow for the current cost of acquisition of any commodity, plus such percentage discount or mark-up as was in effect on June 29, 1946.

"'(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured, or processed. As used in this subsection the term "new commodity" means a commodity which was not commercially or industrially available prior to January 30, 1942.'

"SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

"'SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal-year basis, the industry's fiscal year 1940.

"'(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are now subject to the Administrator's control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period: *Provided, however*, That in the case of logs, lumber, and lumber products, the maximum prices shall be established at a level which will permit producers of at least 90 percent of the production of such logs, lumber, or lumber products to recover their current costs of production. The ceiling price of timber used or the current market price shall be considered the cost of such timber.

"'(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including reasonable adjustments for conditions resulting from abnormal volume of production.

"'(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

"'(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this act.

"'(f) If the maximum prices of a product on the average equal its average current total costs, nothing herein shall require the adjustment of such maximum prices for such period, if any, as it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

"'(g) As used in this section, "product" shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"'(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

"'(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph; or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within 60 days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator fails to make the adjustments in the maximum prices for any product required by this section or to deny the application within the 60-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed 30 days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller.'

"SEC. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to

read as follows: 'In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation.'

"(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

"'The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

"'(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"'(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

"'The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204.'

"SEC. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: 'If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than 12 months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed.'

"SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"'On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"'(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"'(2) A weighted average of mill conversion costs; and

"'(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive).'

"SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

"SEC 16 (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however*, That only one election may be made for each lot of wheat: *And provided further*, That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

"(b) Any producer of wheat who, prior to the date of enactment of this act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order No 144, may, at any time within 30 days after the date of enactment of this act, pay to the Commodity Credit Corporation a sum equal to the amount of which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

"SEC 17. This act may be cited as the 'Price Control Extension Act of 1946'

"SEC. 18. (1) The provisions of this act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942 (except secs. 204 and 205), as amended, or the Stabilization Act of 1942 (except secs. 8 and 9), as amended, or any regulation, order, or requirement under either of such acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this act, both inclusive: *Provided further*, That no act or transaction occurring subsequent to June 30, 1946, and prior to the date of enactment of this act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such acts: *Provided further*, That insofar as the provisions of this act require any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this act.

"SEC. 19 (a) Whenever any State has established or may hereafter establish provisions for the control and regulation of the rent of housing accommodations within its boundaries and the Governor of any State notifies the Administrator that such regulation and control are in effect, no provision of the Emergency Price Control Act of 1942, as amended, and no regulations, orders, or requirements thereunder (except as to offenses committed prior thereto), relating to the establishment and maintenance of maximum rents under such act, as amended, shall be applicable within such State

"(b) The Administrator is authorized and directed to cooperate with any such State to the fullest extent; and, to that end, he shall make available to the proper officials of such State such records and other information in his possession which may be requested by such State to enable it to effectively control and regulate such rents

"SEC. 20. Subsection (a) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the period at the end of the subsection and inserting in lieu thereof the following: ': *Provided*, That no maximum price shall be imposed on pulpwood in any State at a price less than 100 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, except that fair and equitable differentials may be established between peeled and rough pulpwood'"

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. LANGER introduced Senate bill 434, to increase the subsistence allowances for veterans receiving educational benefits under the Servicemen's Readjustment Act of 1944, as amended, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. TAFT:

S. 2435. A bill for the relief of Mrs. Yoshi Yokoya, to the Committee on Immigration.

REORGANIZATION PLAN NO. 3

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of Senate Concurrent Resolution 66.

The motion was agreed; and the Senate proceeded to consider the concurrent resolution, which had been reported adversely by the Committee on the Judiciary.

Senate Concurrent Resolution 66 is as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress does not favor the Reorganization Plan No. 3 transmitted to Congress by the President on May 16, 1946.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HUFFMAN in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HAYDEN, from the Committee on Territories and Insular Affairs:

Ingram M. Stainback, of Hawaii, to be Governor of the Territory of Hawaii. (Reappointment.)

By Mr. CHAVEZ, from the Committee on Post Offices and Post Roads.

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of George H. Butler, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Clyde M. Berry to be senior assistant scientist, effective date of oath of office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Dohrman H. Byers, to be senior assistant scientist, effective date of oath of office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Lewis J. Cralley to be senior assistant scientist, effective date of oath of office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon today.

The motion was agreed to; and (at 1 o'clock and 59 minutes a. m.), Saturday, July 13, 1946, the Senate took a recess until 12 o'clock meridian the same day.

NOMINATIONS

Executive nominations received by the Senate July 12 (legislative day of July 5), 1946:

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Herbert Norman Schwarzkopf (lieutenant colonel, Infantry, National Guard of the United States), Army of the United States.

IN THE NAVY

Albert L. O'Bannon, an officer in the United States Naval Reserve, to be an ensign in the line of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 12 (legislative day of July 5), 1946:

FOREIGN SERVICE

George H Butler to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENT IN THE REGULAR CORPS

To be senior assistant scientists, effective date of oath of office

Clyde M Berry
Dohrman H Byers
Lewis J Cralley

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 12, 1946

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, as we again enter the fellowship of prayer, may it be a veritable mount of vision where we shall receive insight and inspiration, wisdom and courage for the tasks and responsibilities of another day.

Grant that our minds and hearts may be sensitive and responsive to the pulsations of the higher life. Give us the interpreting light of Thy divine spirit as we seek to understand and solve the many problems which confront us.

Emancipate us from everything that is contrary to Thy holy will. May nothing impede the progress of Thy kingdom and the triumph of those principles of truth and righteousness which Thou hast ordained. Sustain us in steadfast loyalty, and may we covet more earnestly the commendation and the praise which Thou dost bestow upon the faithful.

In the name of the Christ we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6597) entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes."

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J Res 174. Joint resolution prohibiting the War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program has been submitted to Congress.

PRINTING OF HEARINGS RELATIVE TO THE INVESTIGATION OF UN-AMERICAN PROPAGANDA ACTIVITIES IN THE COMMUNIST PARTY

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 2502) a privileged resolution (H. Res. 698) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the House Committee on Un-American Activities be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of the hearings held before said committee during the Seventy-ninth Congress, first session, relative to the investigation of un-American propaganda activities in the Communist Party.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING REPORT ON THE INTERNATIONAL CONTROL OF ATOMIC ENERGY AS A HOUSE DOCUMENT

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 2503) a privileged resolution (H Res. 697) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the report on the international control of atomic energy, prepared by a Board of Consultants to the Department of State, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING AS A HOUSE DOCUMENT OF THE PROCEEDINGS OF THE ONE HUNDRED AND FIFTY-FIFTH ANNIVERSARY OF THE INDEPENDENCE OF POLAND

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 2504) a privileged resolution (H. Res. 700) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the addresses delivered in the House of Representatives on May 3, 1946, on the one hundred and fifty-fifth anniversary of the independence of Poland be printed as a House document, and that 15,000 additional copies be printed for the use of the House document room.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING REVISED EDITION OF THE RULES AND MANUAL OF THE HOUSE OF REPRESENTATIVES

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report a privileged resolution (H. Res. 674) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That a revised edition of the Rules and Manual of the House of Representatives for the Eightieth Congress be printed as a House document, and that 1,600 additional copies shall be printed and bound for the use of the House of Representatives, of which 700 copies shall be bound in leather with thumb index and delivered as may be directed by the Parliamentarian of the House for distribution to officers and Members of Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JOHN J. DELANEY asked and was given permission to extend his remarks in the RECORD and include three editorials.

Mr. RIEMILLER asked and was given permission to extend his remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. HEFFERNAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Fort Wayne News-Sentinel.

Mr. MUNDT asked and was given permission to revise and extend the remarks he expects to make today in the Committee of the Whole and include certain charts, printed documents, editorials, and newspaper items.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a telegram from George M. Putman, president of the New Hampshire Farm Bureau Federation.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in two instances and include several newspaper editorials in each.

RENT CONTROL

Mrs. LUCE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. LUCE. Mr. Speaker, yesterday I offered, for consideration of the House, House Joint Resolution 372, to restore rent controls, a very serious and necessary matter. At that time the Speaker informed me that I had to present my request to him before bringing up the resolution. May I inquire at this moment when I shall have an opportunity to present that resolution to the House?

The SPEAKER. That resolution will come up in the proper fashion. The Chair understands that the committee to which it has been referred has not yet considered it. No member of the committee has asked that it be considered. The Chair will meet that situation when he comes to it.

Mrs. LUCE. May I ask what is the procedure for the committee to consider this resolution?

The SPEAKER. That is a matter for the committee. They make their own rules, if they do not violate the rules of the House.

Mrs. LUCE. Then this resolution cannot be presented by anyone by unanimous consent?

The SPEAKER. It can be presented by unanimous consent, but the Chair is not going to recognize for that purpose at this time.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a short address delivered by him last night at Fort Stevens.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD in two instances and include in both two short editorials.

Mr. MATHEWS asked and was given permission to extend his remarks in the RECORD.

Mr. KEARNEY asked and was given permission to extend his remarks in the RECORD and include a letter received relative to the bill H. R. 6746, which he introduced.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include a letter sent to the Speaker yesterday.

Mr. RICH asked and was given permission to revise and extend the remarks he expects to make on the British loan and include some excerpts.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1947

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 8, 17, 19, 20, 21, and 22.

That the House recede from its disagreement to the amendments of the Senate numbered 9 11 12, 13, 15, 16, 23, 24, and 24½, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "67,340,000", and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "834,553,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "84,650,000", and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Nothing in this Act shall be so construed as to prevent the Commodity Credit Corportion from carrying out any activity or any program authorized by law:"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Federal Surplus Commodities Corporation *Provided*, That funds acquired by the Corporation as an agency of the United States, other than funds transferred pursuant to the Act of June 28, 1937 (50 Stat. 323), shall remain available to the Secretary of Agriculture for the purpose of liquidation and dissolution of the Corporation: *Provided further*, That all administrative duties shall be performed by the Commodity Credit Corporation and paid for within the limitation on administrative expenses of the Commodity Credit Corporation without reimbursement therefor."

And the Senate agree to the same

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "worn-out", and the Senate agree to the same

The committee of conference report in disagreement amendments numbered 1, 2, 3, and 4.

JAMIE L. WHITTEN,
ALBERT GORE,
BEN F. JENSEN,
Members on the Part of the House.
KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B RUSSELL,
ELMER THOMAS,
JOHN H OVERTON,
C. WAYLAND BROOKS,
STYLES BRIDGES,
CHAN GURNEY,
Members on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, submit the following report

In explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

No. 5 appropriates $7,340,000 for administrative expenses, Crop Insurance Corporation, instead of $7,880,000 as proposed by the Senate, and $6,800,000 as proposed by the House.

No. 6 limits administrative expenses of Panama Railroad Company to $500,000 as proposed by the House instead of $525,000 as proposed by the Senate.

No. 7 limits administrative expenses of the Reconstruction Finance Corporation to $34,553,000 instead of $33,553,000 as proposed by the House and $35,553,000 as proposed by the Senate.

No 8 strikes out a provision proposed by the Senate to restrict the subsidy program of the Reconstruction Finance Corporation to such programs as would have been authorized by H. R. 6042.

No. 9 limits the administrative expenses of the Federal Home Loan Bank Administration to $1,400,000 as proposed by the House instead of $1,501,000, as proposed by the Senate.

No. 10 limits administrative expenses of the Home Owners' Loan Corporation to $4,650,000 instead of $4,500,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Nos. 11 and 12 are formal amendments to change the sequence of items in the bill.

No. 13 limits administrative expenses of the Defense Homes Corporation to $98,400 as proposed by the Senate instead of $75,000 as proposed by the House

No. 14 provides that nothing in the act shall be so construed as to prevent the Commodity Credit Corporation from carrying out all of its authorized programs.

No. 15 limits administrative expenses of the Commodity Credit Corporation to $6,750,000 as proposed by the Senate instead of $8,000,000 as proposed by the House

No. 16 strikes out limitations on activities of the Commodity Credit Corporation. The same limitations are now carried in permanent law and therefore not required in the appropriation act.

No. 17 strikes out language proposed by the Senate

No. 18 restores provision for the Federal Surplus Commodities Corporation and requires all administrative duties to be performed by the Commodity Credit Corporation.

No. 19 limits the administrative expenses of the Federal Farm Mortgage Corporation to $3,750,000 as proposed by the House instead of $3,875,000 as proposed by the Senate.

No. 20 limits administrative expense of the Federal intermediate credit banks to $1,500,000 as proposed by the House instead of $1,688,501 as proposed by the Senate

No. 21 limits administrative expenses of the production credit corporations to $1,600,000 as proposed by the House instead of $1,644,912 as proposed by the Senate

No. 22 limits administrative expenses of the Regional Agricultural Credit Corporation to $341,000 as proposed by the House instead of $391,000 as proposed by the Senate.

Nos. 23, 24, and 24½ are formal amendments correcting the text.

No. 25 limits purchases of automobiles to such purchases as may be necessary to replace worn-out vehicles.

AMENDMENTS IN DISAGREEMENT

Nos. 1, 2, and 3, relating to the Tennessee Valley Authority are reported in disagreement pursuant to instructions of the House.

No. 4, relating to annual contributions under the United States Housing Act.

JAMES L. WHITTEN,
ALBERT GORE,
BEN F. JENSEN,
Managers on the Part of the House.

Mr. WHITTEN. Mr. Speaker, this is a unanimous report from the committee of conference.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. May I ask the gentleman a question concerning the section on sugar that came here from the other body, relating to the payment of subsidies to Cuba? I note that that section is not in the bill that is now being considered.

Mr. WHITTEN. On that amendment the Senate receded from its position. I do not know whether or not the gentleman is familiar with it, but that particular section was offered as about one-third of a suggested amendment in the Senate, and two-thirds of the proposed amendment went out on a point of order. It left about a third of it of which no one could give the meaning, not even the Senate conferees or those interested in the amendment in the Senate. That being called to the attention of the Senators in the committee of conference, the Senate receded from the amendment.

Mr. MILLER of Nebraska. It is my understanding that the Government agencies are paying a subsidy to Cuba now on sugar coming into this country, and this mitigates very much against the position of the beet and cane sugar growers in this country.

Mr. WHITTEN. I recognize what the gentleman is trying to reach, but I suggest that the amendment he is discussing and on which the Senate has receded did not reach that, because it was a limitation on an appropriation that was not made. There is no appropriation in this bill for any of those purposes and this was merely a restriction on funds appropriated where actually no funds are appropriated.

Mr. MILLER of Nebraska. I hope the gentleman recognizes the merits, however, of such a procedure.

Mr. WHITTEN Well, that question may be involved, but I do recognize the people need as much sugar in this country as they can get at this time and, of course, we are not losing track of the needs of the people engaged in that industry here.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN I yield.

Mr. RIVERS. Does this report carry the authorization for the construction of the fertilizer plant that we kicked out the other day?

Mr. WHITTEN. The report is a unanimous report of the committee, and the matter to which the gentleman refers will be handled by an amendment and any controversy with regard to that item can be cleared up in debate on the amendment which will come up in due time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. RICH. Will we have an opportunity to discuss that if a motion is made to recede and concur?

Mr. WHITTEN. Ample opportunity will be given for debate on that question.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

CALL OF THE HOUSE

Mr. PLOESER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 216]

Adams	Gardner	Norrell
Almond	Geelan	Norton
Anderson, Calif	Gibson	Patrick
Andrews, Ala.	Gillespie	Peterson, Ga.
Andrews, N. Y	Gossett	Pfeifer
Baldwin Md.	Granger	Phillips
Barry	Grant, Ala.	Plumley
Bates, Ky.	Hall, Edwin Arthur	Powell
Beckworth	Hancock	Quinn, N. Y.
Bell	Harless, Ariz.	Rabaut
Bennet, N. Y.	Harris	Reece, Tenn.
Bloom	Hart	Reed, Ill.
Boren	Hays	Rizley
Boykin	Hébert	Robinson, Utah
Bradley, Pa.	Hendricks	Roe, Md.
Brehm	Holifield	Rogers, N. Y.
Brooks	Horan	Rooney
Bryson	Johnson, Calif.	Sadowski
Bulwinkle	Johnson, Ind.	Sheppard
Byrne, N. Y.	Johnson, Lyndon B.	Sheridan
Camp	Johnson, Okla.	Short
Cannon, Fla.	Kee	Simpson, Ill.
Case, N. J.	Keefe	Simpson, Pa.
Celler	Kefauver	Slaughter
Chapman	Kefauver	Somers, N. Y.
Cochran	Kefauver	Sparkman
Coffee	Kelley, Pa	Starkey
Colmer	Keogh	Stewart
Cooper	Kilday	Stockman
Cox	LeCompte	Sumner, Ill.
Cravens	Lemke	Talbot
Crawford	Lewis	Tarver
Cunningham	Ludlow	Taylor
Curley	McGehee	Tolan
Curtis	McGlinchey	Torrens
Dawson	McGregor	Vinson
De Lacy	McKenzie	Voorhis, Calif.
Dingell	McMillan, S C	Wadsworth
Domengeaux	Mahon	Weaver
Douglas, Calif.	Mankin	Welch
Doyle	Mansfield, Mont.	West
Durham	Mansfield, Tex	White
Earthman	Mason	Wickersham
Eberharter	May	Winstead
Ellsworth	Miller, Calif.	Wolfenden, Pa.
Engel, Mich.	Morrison	Wood
Ervin	Murphy	Woodhouse
Fellows	Norblad	Worley
Fernandez		Zimmerman

The SPEAKER. On this roll call 288 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1947

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 2, after "Dam", insert "and beginning construction of a fertilizer manufacturing plant at or near Mobile, Ala."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment

of the Senate numbered 1 and concur in the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment, insert "and $3,000,000 for beginning construction of a fertilizer plant at or near Mobile, Ala."

Mr. CASE of South Dakota. Mr Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, it is my recollection that at the time this conference report was before the House previously a motion was made by the gentleman from Pennsylvania [Mr. RICH] instructing the conferees to disagree to the Senate amendment and insist upon our position. I have been told inferentially that at the conference no attempt was made to have the other body vote upon the disagreement. At least I have found no record of a vote by the other body. Under the precedents of the House, when one body proposes an amendment and it subsequently is taken to the other body and there is disagreed to, in comity the body proposing the matter should at least take a vote upon the proposition or recede from its position. It seems reasonable that the other body would do so, if the conferees were to follow the instructions given them. Consequently, I make the point of order that the conferees have disregarded their instructions and exceeded their authority in bringing the matter back to the House for a vote before it has been considered by the other body.

The SPEAKER. Of course, the instructions of the House could apply only to the conferees on the part of the House. They could not apply to the conferees on the part of the Senate. The Chair overrules the point of order.

Mr. PLOESER. Mr. Speaker, I offer a preferential motion. I move that the House insist on its disagreement to the amendment offered by the Senate.

The SPEAKER. That motion does not have preference over a motion to recede and concur with an amendment.

Mr. PLOESER. The motion is to recede and concur with an amendment.

The SPEAKER. There is a motion pending, offered by the gentleman from Mississippi, to recede and concur with an amendment.

Mr. TABER. If the Speaker will permit me, it was a motion to recede and concur with an amendment.

The SPEAKER. That is correct.

Mr. TABER. Therefore, that makes this motion preferential, as I understand.

The SPEAKER. A motion that the House insist on its disagreement does not take precedence over a motion to recede and concur with or without an amendment since a motion to recede and concur leads to a conclusion of the matter more expeditiously than a motion to further insist. If the House should vote down the motion to recede and concur with an amendment, then the motion of the gentleman from Missouri would be in order.

Mr. PLOESER. Mr. Speaker, I withdraw the motion.

Mr. WHITTEN. Mr. Speaker, I yield 20 minutes to the gentleman from Iowa, to be in turn yielded by him.

Mr. PLOESER. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, the statement has been made that this matter has been before the House on former occasions. It is a fact that it was here on at least one former occasion, January 22, 1942, at which time the gentleman from Massachusetts [Mr. WIGGLESWORTH] made this statement:

> The amount requested for the fertilizer program is about $7,300,000 as compared with about $4,300,000 in the current fiscal year. The difference being accounted for by an item of $3,000,000 for a new phosphorus plant at Mobile, Ala., considered essential for immediate national defense needs.

At that time, Mr. Speaker, we were engaged in war but now we have returned again to the pursuits of peace. I wonder if this proposition which was brought before the House during the time when the future of civilization was imperiled should now be considered upon exactly the same basis as it was at that time.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. COOLEY I yield.

Mr. WIGGLESWORTH. If my memory serves me correctly no appropriation for TVA was made in 1941 or 1942 except by way of reappropriation. Therefore this was the only time this matter was really on the floor.

Mr. COOLEY. May I ask the gentleman if he is now in favor of this proposition?

Mr. WIGGLESWORTH. I certainly am not. A year ago this time, when the Senate attempted to put it in the Independent Offices appropriation bill I opposed it as a conferee. It was thrown out in conference.

Mr. COOLEY. The proposition before the House is merely this: Are you in favor of putting the Federal Government in business in time of peace?

Of course, there is a shortage of fertilizer, but there is also a shortage of a thousand other article at the present time. If we are going to build a $7,000,000 fertilizer plant down at Mobile, the next thing will be a flour plant in Kansas, a tobacco plant in North Carolina, and a plant in every other phase of industry known to American life.

Mr. Speaker, there is one thing I want to mention, and that is, when this matter was considered by the other body it came before a subcommittee composed of 14 Members of the Senate. The RECORD of June 24, 1946, disclosed the fact that there were only 3 Senators present, 11 Senators absent. The matter was was not, and has not been, discussed before the Senate, yet for some reason our conferees did not insist that it be discussed in the Senate before bringing it back to us.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. PLOESER. Mr. Speaker, I yield the gentleman one additional minute.

Mr. COOLEY. Mr. Speaker, there is a bill pending before the legislative committee of the House, the Committee on Agriculture, which refers specifically to the Mobile plant and, although it has been before that committee since 1945, the chairman of our committee has never even mentioned the bill to the members of the committee, nor has he referred it to a subcommittee. So the proposition is, are you going to put the Government in business without giving industry itself an opportunity to be heard? Only one farm organization, the Farm Bureau Federation, has been heard. I have a letter from the Secretary of Agriculture and one from the master of the National Grange, both taking the position that this matter should be deferred until further consideration can be given it. Why was not the Grange notified? Why did not the committee insist upon the Department of Agriculture sending its experts to testify about this matter? Why was not industry given an opportunity to appear before some committee of Congress and state its position with regard to this matter? Industry will manufacture, with existing facilities, all the rock that is made available, and I think the Mobile plant should be defeated.

The question presented is, shall we use the taxpayers' money to finance the construction, maintenance, and operation of a fertilizer-manufacturing plant when private industry has been hamstrung and handicapped during a time of war and when private industry is now ready, anxious, and willing to increase the production of essential and badly needed fertilizer? This is not an experimental plant. It is a manufacturing plant which, if constructed, will be in direct competition with private industry. As I said when this matter was before the House a few days ago, my State of North Carolina uses more commercial fertilizer than any other State in the Union. I am, therefore, in favor of more, better, and cheaper fertilizer, but, at the same time, I am anxious for private industry to have an opportunity to function and to perform to the utmost of its capacity and only as a last resort would I favor putting the Government into the business of manufacturing fertilizer. All the evidence shows that no immediate relief could be afforded by the building of the proposed plant which, according to the evidence, it would take 18 months to construct.

As a member of the House Committee on Agriculture, which committee has, and of right should have, interest in all matters pertaining to the welfare of agriculture, I am perfectly willing to give consideration to the bill which is now pending before our committee and to go into the matter fully, and to afford all persons desiring to be heard ample opportunity to present their views. We should not set a precedent of this kind until all pertinent information bearing on the subject has been obtained and considered carefully by legislative committees. I, therefore, urge that the pending motion be defeated.

The SPEAKER. The time of the gentleman from North Carolina has again expired.

Mr. PLOESER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, while we are discussing the building of the Mobile plant, which is clearly a Government-owned plant in competition with private business, we might consider for a moment certain shortages that exist at the present time. There is a shortage of steel and iron for the development of mining at the present time. The mining companies are trying to get equipment and priority assistance for equipment for the mines. So the problem is to see to it that there is adequate mining equipment in order that mining can go on and secure sufficient phosphate for the existing facilities and processing plants.

The TVA can carry on a very worthy project and the Department of Agriculture, by experimentation and research through its various demonstrations, has shown what can be done. They can do a fine job, but there is no need for them going into the field of manufacturing superphosphate or triple superphosphate. Those processes have already been worked out. They are not going into a new field. They are simply manufacturing in a field that has already been explored. We recognize the fact that there have been problems with reference to the distribution of fertilizer. Of course, phosphorous is necessary in many portions of the country, but, may I say, we have on the public domain in the West great deposits of phosphate and pilot plants for only development of processes, and experimentation could be built out there for far less expense and the mining processes developed, also the improvement of processes of getting the phosphorous from those deposits could be used for assistance and cooperation with business instead of governmental competition.

Mr. Speaker, there is no need in this particular area for such a plant. It is actually a waste of Government money. It is going into a field that is no longer experimental. We have other places where they can wisely spend money in the experimental field. Today there is a shortage of potash which is also one of the great fertilizer materials. A great portion of the potash is on Government-owned land. Equipment for mining is what we need. Not the use of new plants when there is a shortage for existing plants.

Mr. Speaker, I hope the motion will be defeated.

Mr. PLOESER. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Speaker, the insistence of the Senate for an appropriation to build a Government-owned and operated fertilizer plant at Mobile, Ala., raises an issue that the membership of this House should take cognizance of. The issue is whether we as a Nation should favor construction of a Government plant to enter into competition with privately owned and operated private plants of the same character. In other words, the issue is Government versus private enterprise.

In the short time allotted it is my intention to speak only on this one phase of the question. Others have and will speak on the other phases that are involved, including the lack of necessity for the Government to enter into this domain of private enterprise, and, also that it is unwise to legislate in this manner on an appropriation bill.

This is the first postwar opportunity that we, as Members of the Congress, have had to record our position on the all-important question whether we believe it is for the best interest of our country, with its basic free-enterprise system, to set up under a Government agency a business in competition with private enterprise. My recent trip to the countries of Europe and the Near East, including Russia, emphasizes my belief that adherence to the private-enterprise system should be our constant concern as providing the best means for the continued advancement of our Nation and its people. The fundamental question that we will decide by our vote on the matter now before us is whether we believe in the private-enterprise system that has helped make this Nation strong and free

This question today, my colleagues, brings us to a cross road. We must decide what road we will take. If we decide to put our Government in the fertilizer business, then it would be a justification on another occasion to put our Government in some other business now carried on by private capital. Thus, once we break away from the basic and fundamental principle of free private enterprise, it will be easier to do so again to the detriment of other industries.

Is there any Member of this body from my State of New Jersey who would advocate the setting up by the Government of a garment factory, woolen mill, radio factory, or any other type of industry in our State to be in competition with similar private industries? If so, I yield to him to so state.

Is there a Member from Connecticut who will advocate that the Government set up a Federal thread factory, or a hat or machine-manufacturing plant in that State? If so, I yield to him to so state.

Is there a Member from Michigan who will advocate a Federal automobile or furniture factory to be built in that State? If so, I yield to him to so state.

Is there a Member from Wisconsin who will advocate a Federal milk plant in that State? If so, I will gladly yield to him to so state.

Is there a Member from Minnesota who will advocate a Federal flour mill in his State? Is there a Member from North Carolina who will advocate a Federal cigarette factory in his State? Is there a Member from Illinois or Iowa who will advocate a federally owned and controlled packing plant in his State? Is there a Member from California who will advocate a Federal fruit processing establishment in his State? And, is there a Member from any farming State, North, East, South, or West, who will advocate Federal operation of farms in his State? And, so I might continue until I had mentioned the industries which have made each of our States distinctive and great.

There is no use criticizing Great Britain because it has adopted a form of Socialistic government, nor Russia because of its statism, if you vote today to go down the road to either or both. Yes, my colleagues; the hour is here when each and every one of us must decide whether we stand for free private enterprise or whether we are willing to cast aside this great principle of a free people and succumb to statism.

My allegiance to American principles impels me to vote against such a proposal now, and on any and all occasions when the issue is as clear as that presented to us today in the matter now under consideration. I want the people of my district to be assured of my vote that I am on the side of American free enterprise that has made America the greatest industrial Nation in the world.

Mr. WHITTEN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, as I stated when this question was up before, this is a national problem, a problem that affects every man, woman, and child in America. Our soil has been whittled away over the years until we find today that we only have 6 inches of topsoil compared with the 9 inches we originally had, and when we begin to realize that the foundation of this Government is resting upon 6 inches of top soil, we begin to appreciate the importance of this problem.

They talk about free enterprise. Yes; I heard that when we established TVA, but TVA as a yardstick has saved our power consumers of America millions of dollars a year. I am also telling you that TVA, as a yardstick in the manufacture of nitrate fertilizer, has saved the farmers of America millions of dollars per year. It has not only developed a fertilizer that can be bought at a lower price but it has increased the content of the plant food from 16 to 49 percent. When you bought commercial fertilizer heretofore, before we had TVA, you were buying 100 pounds of filler in order to get 16 percent of plant food. The farmer had to pay the freight on that high filler fertilizer; he had to pay extra help to scatter all of that filler.

We need this pilot plant in order to develop our fertilizer, to find out just how high we can go in the plant-food content, to reduce the cost, and in order to develop a yardstick by which fertilizer prices will be measured. I hope it will be the pleasure of this House to adopt this amendment.

Mr. PLOESER. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I have in my hand the hearings of the Joint Committee To Investigate the Adequacy and Use of Phosphate Resources of the United States, made in 1938. The gentleman from Florida [Mr. PETERSON], the gentleman from Washington, a former Member of this House, Judge Leavy, and I were the members of the committee from the House of Representatives. The Senator from Florida [Mr. PEPPER], the Senator from Nebraska, Mr. George Norris, and the Senator from Idaho, Mr. Pope, were the members from the Senate.

When we started the hearings it was supposed that we had about 100 years of phosphate reserves in this country. When we concluded it was agreed that we had at least 2,000 years of phosphate reserves in this country, and they are located not merely in Florida and Tennessee but also in Arkansas, Idaho, and Utah.

If we were in need of another experimental plant, common sense would dictate that it be at some distance from the present plant in the Tennessee Valley, but whether or not we need another plant is open to serious question.

The gentleman who just spoke [Mr. FLANNAGAN] spoke of this as a need for a pilot plant or experimental plant. Back in 1938 objection was already heard that the Tennessee Valley plant with its three blast furnaces had already gone beyond the experimental stage and was in competition with commercial plants. I quote from the testimony that was developed by Senator Norris, and certainly no one will contend that he was against the Government's going into business; he would be disposed the other way. Senator Norris asked this question:

> Now, going on that theory, I think it is conceded that there is a line beyond which the Government ought not to go, but you disagree with them, as I understand your position, in that they have gone beyond that line, and they are manufacturing fertilizer and just selling it to Tom, Dick, and Harry?
>
> Mr. DEAN. Yes.

Then at another point when the Senator was asking the witness about the cost of fertilizer, Mr. Dean said:

> It costs them equally as much in the end. And most of them are using it for this reason: If they do not use it, they are afraid they will not get their allotments, will not get their checks, will not get their money. A great many of them are these boys in the county agent's office that do this soliciting. They do not say, "You can buy your fertilizer from the Knoxville Fertilizer Co., or John Jones, or Jim Smith, and you will get credit for it." They say, "We have some TVA fertilizer here for you. We want you to get it. You ought to take it." The man demurs a little, and the agent says, "Well, you know, we got you a nice allotment," and so on. I am here to tell you it is a racket.

So, I submit, Mr. Speaker, that if TVA's fertilizer operations back in 1938 were already criticized for going beyond the demonstration field and into competition with commercial plants, there is no need now for another yardstick, pilot experimental, or demonstration plant. TVA has been that and more for years.

Mr. GORE. Mr. Speaker, the importance of soil fertility to human nutrition and to civilization cannot be overlooked or overestimated. Human life and society are dependent on plant life both as a source of food and a source of raw materials for much of our industry. Plant life, in turn, depends upon a fertile soil.

To realize the importance of national policy on fertilizers or of soil conservation one has but to look to the depleted soils and the effects of malnutrition upon the people of some of civilization's oldest countries. Striking as they are, though, Mr. Speaker, we can observe the effects of only 150 years of cultivation upon our own soil and perhaps we will be even more astounded at what we find.

Here and there, there are striking examples of the effects special soil and water elements have upon people. In some localities, for instance, it is said that the prevalence of goiter is a result of a deficiency of iodine. On the other hand, I have read some interesting stories about Deaf Smith County, Texas, where because of the peculiar quality of its soil and its water not a dentist can be found in the county and it is said that there is little need for one.

In visiting a number of islands in Pacific Oceania last year I was greatly impressed by the differing physical features, particularly the variation in size, of the natives. On Guadalcanal, for instance, the natives were scrawny and rather small; whereas, on Fiji most of the natives were almost towering giants. I made inquiry as to the cause of this and I was informed that the elements of the soil were regarded as the principal factors contributing over the centuries as to the large physical stature of native Fijians.

It is recognized, also, that deficiencies and toxic conditions are sometimes present in soil where fertility is such as to yield abundant crops. More frequently, however, nutritional deficiencies are associated with low fertility and low crop yield. Experiments have shown, though, that yield per acre is by no means the best way to judge the capacity of a particular soil to supply human and animal nutritional needs.

Good nutrition in man is dependent to a large degree on the production of good animal products. This involves quality of pastures and quality of feeds. Experiments have shown that nutritional disorders in animals have been closely associated with soil deficiencies, while on the other hand, many experiments have shown marked improvement in animal life and nutritional qualities of the animal product where soil deficiencies have been supplied. The King Ranch in Texas has obtained remarkable experimental results in this regard.

A one-hundred-bushel crop of corn requires about 150 pounds of nitrogen, 50 pounds of phosphoric acid, 100 pounds of potash, and substantial quantities of calcium, magnesium, sulfur and other elements.

The depletion of the principal soil elements—nitrogen, phosphoric acid, and potash—from America's soil is perfectly alarming. A wise program of soil conservation has done much to offset the dangerous trend toward low fertility and dangerous deficiency. But this is not enough.

The chemical elements necessary to plant growth are found in the soil, in the air, and in the water. Nitrates can be taken from the air and stored in the soil through use of legumes or it may be produced as nitrate of soda or ammonium nitrate in chemical fertilizer plants. The mineral elements necessary to plant growth, however, must be secured from the earth itself. The most important mineral element is phosphorus. Ample scientific data and practical everyday experience show that the lack of sufficient phosphorus in the soil limits the choice of the farmer as to the kinds and amounts of products he can grow on his soil. Phosphorus must be mined from the earth and distributed to the soil. The raw phosphate ore exists in ample quantities in phosphate deposits in the Rocky Mountain States where they are relatively undeveloped because of distance from the market; in Florida where mining and processing is now highly developed, and in Tennessee where the deposits are rapidly being depleted.

The process of mining and producing phosphatic fertilizer badly needs technological improvement. Great strides have been made by the TVA in producing nitrate fertilizer more economically and in a more concentrated and usable form. True, the TVA and the fertilizer industry have made some progress and improvement in producing concentrated phosphates but the degree of technological improvement is quite unsatisfactory. A large percentage of phosphate fertilizer is still bagged and shipped as so-called superphosphate, a trade misnomer, which contains only 16 to 18 percent of pure phosphate plant food. For filler the industry uses ground peanut hulls, ordinary dirt or just plain sand. One of my colleagues and I were bantering about this bill in the cloak room and he said to me, "Sand from my State is good fertilizer for most of the country." Mr. Speaker, I relate this joking remark because it illustrates one of the matters with which farmers are dissatisfied. They do not like to have to pay freight on a lot of sand and dirt and peanut hulls and labor to distribute it on their land in order to get a little real plant food.

The fertilizer industries have banded together and they have employed a high-powered staff here in Washington, at salaries ranging far above congressional salaries, and they are fighting to the last this proposal to have the TVA build a fertilizer plant in Mobile, Ala., for the purpose of improving and demonstrating improved methods of producing and distributing triple superphosphate which will have a high percentage of pure plant-food content, 48 to 50 percent. Why does the fertilizer trust oppose the building of this plant? Do they fear competition? Surely that is not it, Mr. Speaker, because this plant could only produce at its maximum about 5 percent of the existing productive capacity and the existing capacity is less than one-fourth of the demand for phosphatic fertilizer. What then, is the fear? It is the fear that by example in production and distribution of a concentrated form of fertilizer, they will be forced to improve their methods and to distribute better fertilizer to the farmer at cheaper prices.

I think their fears are well grounded and that is why I so strongly support this proposal. Indeed, I think this would be the real result of the establishment and operation of this proposed plant by the TVA. That is exactly what has happened in the nitrate field. Since the TVA's experimentation and development of the use of concentrated nitrate fertilizer, the demand has greatly increased, the industry has tremendously improved its methods and the price to the farmer has been cut almost in half

In addition, a much more desirable and usable form of concentrated nitrate has been developed and is now available to the farmer.

It has been said here that the issue is private enterprise versus socialism or Government in business. This is now my eighth year in Congress and I do believe I have heard that same cry every time we have really tried to initiate a program beneficial to the farmer. One does not have to renounce his allegiance to our system of free enterprise in order to support this proposal. Indeed, whenever free enterprise is not meeting the challenge as was the case with the public untilities when TVA was created, as was the case when we created the Rural Electrification Administration, the Government is not only within its right but I think we, as the people's representatives, are bound by duty to set in motion programs to demonstrate and prove a principle of value to the people. Such proceedure frequently aids industry in the long run. I do not believe the fertilizer industry is meeting the challenge today. Both the challenge and the problems are enormously important to the American people, city dweller, and farmer alike. I believe we would be amply justified in having the Government build this plant to experiment and produce and demonstrate methods of production and distribution of a concentrated form of phosphatic fertilizer.

Mr. Speaker, the most fertile land in America can be found in the Midwest. But it is there that we have had the greatest depletion of phosphoric acid in the soil, and there, Mr. Speaker, is where the need is most acute for phosphatic fertilizer. For instance, in the great State of Iowa—and I would like to talk for a moment to my distinguished friends the able Representatives from that great State—that great State is regarded as the most fertile of all. Yet, in 1941, they used an average of less than one-half pound of fertilizer per acre of tillable land. Whereas the State of South Carolina, which is by no means regarded as being blessed with the top fertility of the Nation, used an average of 50 pounds per acre of fertilizer. What was the result? I will give you the results from a study which I have in my hand, a study made by very competent men, entitled "Fertilizers in the Postwar National Economy." The result of this greater use of fertilizer, or at least the partial result, differing in character of crops, making accurate comparison impossible, is that the average acre value of crops in Iowa for the year was $32.80, whereas in South Carolina in the same year, where they used 50 pounds of fertilizer per acre, the average crop value per acre was $133.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. GORE. I am delighted to yield to my distinguished and able colleague on the committee from Iowa.

Mr. JENSEN. I might say that the main reason for our small use of fertilizer was brought about primarily because in the State of Iowa the farmers could not get the necessary fertilizer. We got a very small portion. We did not get our share of fertilizer, while the Southern States got more than their share. And that is the primary reason why I will not take an action which might hinder my Iowa farmers from getting much needed fertilizer.

Mr. GORE. It is to relieve that exact problem that this question is here. The demand for this fertilizer plant did not arise in South Carolina. It did not arise in the Tennessee Valley area. It came from the Middle West, from the very area where the gentleman says there is a scarcity of fertilizer and where he says it cannot be obtained. I agree with the gentleman that it cannot be obtained and one of the main reasons is the large freight rates on a lot of extra sand and dirt that is packaged in 100-pound bags and sold to the farmers for fertilizer when it is nothing but filler. I congratulate the gentleman, he is a friend of the farmer.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield.

Mr. RICH. Is it not a fact that private industry if given the opportunity have made applications for plants now that will exceed four or five times what they are trying to do here now under Government operation and, therefore, if private industry is given an opportunity to produce this material they can do it for $75 a ton, while it costs the Government $93 a ton.

Mr. GORE. First, may I say that there is no proposition here to meet all of the demands for fertilizer This is a demonstration plant to produce a concentrated form of fertilizer. Its maximum production would only be a small percentage of the country's total. The example, though, would, I believe, be very important. The gentleman says that private industry can manufacture it cheaper, but the answer is that they have not done so. He points to $93 as the cost of the TVA plant production in 1945. The fact is that in 1945 the TVA plant at Muscle Shoals was engaged in war work making elemental phosphorus for the War Department. The only fertilizer that they made in 1945 was a byproduct of elemental prosphoric production for the Army. It is in no way a fair measure of production cost. In 1941, the last year of normal fertilizer production by the Muscle Shoals plant, the TVA cost was $62 per ton of P_2O_5.

Mr. Speaker, there is another item in this conference report which I strongly support and that is an appropriation for the completion of the Watauga and South Holston Dams in east Tennessee.

The construction of the Watauga and South Holston Dams was arrested by the War Production Board during the war, just as many another project throughout the land was stopped in order to conserve vital materials and labor. They stand now gaunt, and partially completed structures of absolutely no use in their present state. The advisability of completing them is unquestioned. The only controversy involved relates to the time and the manner of completion. Some have argued that completion of these projects should be further deferred in order to avoid competition with the veterans' housing program for materials. Were this the general policy of the Government, I would be content to apply similar treatment to the Watauga and South Holston projects. This, however, is not the case. By action of the Congress and the approval of the President, the Corps of Engineers have resumed construction of many flood-control, hydroelectric, and navigational dams throughout the land which were stopped during the war by the same WPB order that stopped the Watauga and South Holston developments. Therefore, in recommending an appropriation for the resumption of work on these two dams, we are but following a policy previously established by the Congress.

Moreover, it should be pointed out that the building materials to be used in the completion of these projects are largely items not in acute shortage, such as native stone, cement, and steel. As to housing for workers, the TVA has sufficient portable housing that can be moved from the nearly completed Fontana Dam to begin immediate construction of the Watauga Dam, thus avoiding any real interference with the veterans' housing program.

Also, sufficient heavy machinery and equipment can be moved from the Fontana site to begin immediate construction of the Watauga Dam.

The Senate included in the bill which it passed, not only more funds than could be wisely and economically expended on these projects in the fiscal year, but, unwisely I think, included language which would require the TVA to build the two dams, only a few miles apart, simultaneously.

The TVA engineers, Mr. Speaker, say this would be unwise from the standpoint of engineering efficiency, and wasteful and extravagant from the standpoint of economical hydroelectric dam construction. I requested the Washington office of the TVA to secure a statement from the TVA engineers with respect to the proposed simultaneous construction, how much additional cost it would entail, and so forth. At this point I would like to read to you their reply:

Seventeen million six hundred and sixty-six thousand dollars of the increase recommended by the Senate committee would permit resumption of construction on Watauga and South Holston Dams. Of this amount $10,666,000 was recommended by the Budget, but not approved by the House. TVA urgently requests that the House conferees agree to the appropriation of this amount which, as you are aware, will permit active construction to begin on Watauga at once and preparation to go forward for the commencement of actual construction on South Holston in the following fiscal year.

The additional seven million represents the additional amount estimated by TVA engineers as necessary if Congress should direct construction to begin on South Holston in the fiscal year 1947. For reasons set out in the Senate hearings where the question of constructing South Holston in the fiscal year 1947 was first raised, TVA does not consider the concurrent building schedule a desirable one.

You are familiar with the general situation with respect to these two projects. Resumption of construction on Watauga was given priority because of its greater importance as a flood control project. For this project TVA has on hand or there is known

to be available immediately sufficient equipment. Movable housing units and materials now at Fontana will be adequate to meet the requirements at Watauga.

If TVA is directed to resume work on both dams in 1947, however, there will be insufficient equipment and housing for both. TVA will, therefore, be compelled to provide housing (costing at least $500,000), thus creating conflict with the veterans' housing program. Likewise TVA will be compelled to compete for more equipment (costing at least $1,850,000). If we are successful, the cost of double equipment investment, excess temporary housing, plus the loss of economies permitted by the dovetailed schedules proposed to the Congress by TVA, will be upwards of $1,500,000 to $2,000,000. The real danger, however, is that TVA will not be very successful in securing either the additional housing or equipment because of lack of priorities for housing and the known inability of manufacturers to supply equipment promptly at this time.

The most probable result, therefore, if TVA attempts diligently to build both projects at once, is the delay of completion of Watauga without assurance that South Holston will be finished any sooner than the recommended schedule originally contemplated Delay of Watauga could be serious because of flood danger at Elizabethton. TVA, therefore, urges the staggered schedule as the most efficient and economical, most certainly feasible and the least disruptive to other programs to which Congress has given highest priority in this critical reconversion period

The South Holston Dam is an important and necessary project in the TVA system. To recommend that its construction be resumed in the fiscal year 1948 rather than the fiscal year 1947 should not be interpreted as lack of enthusiasm for the project. The schedule proposed by TVA is based on engineering and construction realities

Mr. Speaker, other than protection against some possible flood danger the need for these dams is not acute. Though the TVA may need the power supply by the time they are completed in due course, there is certainly no urgent need for the power now. Nor is there an urgent need anticipated within the next 3 to 5 years. Therefore, your conferees, though recommending the completion of the dams according to the TVA engineering schedule, are wholly unable, at least I am wholly unable, to discover any good reason or justification for forcing the TVA to waste $2,000,000.

Such waste and extravagance is wholly incompatible with my conception of public duty to either the Nation or to the people of the Tennessee Valley region. The TVA is a public agency and must meet the approval of Congress for not only future expansion but also for the mere continuation of its program of usefulness to the people.

If TVA is ever forced to abandon principles of efficiency and economy, the people in that region, who must depend upon TVA for service and future development, will be the first to suffer.

Moreover, any wasteful expenditure in either the construction or the operation of the TVA electrical facilities will add to the amount of consumer bills for electricity because under the TVA Act that portion of the funds allocated to electrical utility development must be repaid by the TVA.

Your conferees have recommended an amendment simply appropriating funds in the usual manner for the immediate resumption of work on these two projects according to sane engineering plans.

As for me, I prefer to let the TVA engineers build the TVA dams.

Mr. PLOESER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BENDER. The gentleman referred to Iowa. Is it not a fact that God Almighty made Iowa, and not fertilizer?

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I am sorry. I have only 3 minutes.

Mr. Speaker, it appears to me that, in the language of Henry David Thoreau, the old philosopher, we have been hacking at the branches instead of the roots of the trouble. A fertilizer shortage is admitted, yet speech after speech has been directed to that matter. That is not the question. The question is, Who is going to produce it, and where, and when? The admitted fact is that this plant will cost $7,000,000. The admitted fact is that it will be located at Mobile. What has not yet been said is that in the testimony before the Senate committee it was stated that it will take at least 18 months to finish this plant, and it is a better guess that it will take 2 years. There is not going to be any fertilizer rolling out of this plant 2 weeks after next Tuesday. Let us be sure about that.

Who is going to manufacture this fertilizer? Private industry has the capacity. They have the capacity to produce 400,000 tons of triple superphosphate fertilizer if you give them the material, if you give them the construction equipment and other things that are necessary to build. Are you going to put this Government in the position of accepting priorities to build a plant as against all the private enterprises in the country?

So much has been said about freight rates. It is admitted also that the freight rates are too high. There is a simple answer to that. Under the commerce clause of the Constitution, this Congress has authority to pass a two-paragraph bill providing that after a given date no fertilizer shall be shipped in commerce with more than a given percent of inert material. That would end that controversy once and for all.

I talked with the Farm Bureau over the telephone about this yesterday afternoon. I said, "If you will bring me that bill, I will introduce it, or I will have it drawn." They said that perhaps it should be referred to the Board. That will be the answer to the question of filler and inert ingredients in fertilizer that now costs $8 a ton to ship from Sheffield, Ala., up to Iowa.

So we get back to the old story, and to the nub of this question, Who is going to produce it? Private industry is in the position where it can produce, if the materials are available, four or five times as much as will roll out of this plant if and when it is completed.

Now, up to this time our activities in the fertilizer field has been on a demonstration basis. Read the Senate hearings. Last year 13,000 tons of TVA fertilizer were distributed to over 13,000 farms in Tennessee. For what purpose? Only for demonstration; not for manufacture. It is proposed now to project the Government into the business of manufacturing fertilizer, and that should not be.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. PLOESER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Speaker, much has been said about this fertilizer business and how it affects the public health. That argument is about as silly to me as the fact that down through the Shenandoah Valley of Virginia you will see more goiters on people than you will see any place in the United States. They say it is because of the lack of iodine in the water. Why do not those men from Virginia get busy and get the Federal Government to see that the water has sufficient iodine in it?

There is no question there is great need of fertilizer in various sections of the country. I have walked over thousands of acres of pasture in Virginia and West Virginia.

Many of these pastures were extremely poor, and in many cases the cattle were the same way. I suggested on many an occasion that an application of acid phosphate would make it possible to carry twice as many cattle, and that their cattle would do a great deal better. But they have refused to purchase or use a commercial fertilizer. They were just careless, and it was not a case that the fertilizer was not available, for when this paternalistic Federal Government began buying it in large quantities and giving it to them, then some of them used it with good results. And then they voted the Democratic ticket.

I saw many tons of fertilizer purchased by the Government lying around until the bags were rotten and the fertilizer ruined simply because some of these farmers refused to use it even after they got it for nothing.

Now the motive back of the establishment of this fertilizer plant by the Government is votes and not the public health, food, or soil fertility. Then, too, the strongest proponents of this measure are always trying to get the Government into business in competition with free enterprise.

The men who have spoken in behalf of this bill do not know what potash is or where it is produced, or the part it plays in our agricultural program. They know little about phosphoric acid and less about nitrogen, its origin, or its uses, or they would not contend that the proposed plant promises to put new high-grade fertilizer on the market. Superphosphate has been on the market for a number of years, as well as other brands of highly concentrated fertilizer. The industry has been supplying these superfertilizers. As a farmer I have never gone into the market to buy a ton of high-grade fertilizer that I could not get. It is true, there is a shortage of fertilizer, and farmers know it. It does not take politicians to point that out. And if the politicians will remove the

barriers that have been created principally by the bureaucrats the trade will supply all of our needs. It is evident that the proponents do not know that there is a difference between so-called fertilizer and plant food. During all this discussion none of them explained anything about the analysis on the bag or tag. None of them knew what 2–8–6 means on a fertilizer bag when they see it. Neither do they know that either or all of these ingredients can be derived from numerous sources. But if what is in the bag is plant food, then it will be soluble in water and available as plant food.

The charge has been made here that the fertilizer industry is sewed up tight; that farmers are compelled to purchase only certain brands which ofttime contain sand or other filler. This is absolutely untrue. Farmers can purchase on the open market any and all fertilizer ingredients from many sources and make up their own mixtures to suit their own particular whims or needs, as many farmers do in Pennsylvania. This proposition should be defeated.

Mr. WHITTEN. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include some tables on power rates, and their comparison with TVA rates.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, when I was struggling years ago to get the Tennessee Valley to adopt a yardstick rate for electric light and power it seems to me that the same elements that are fighting this amendment were telling us then that Muscle Shoals was created for the purpose of manufacturing fertilizer.

It certainly amazes me to hear the gentleman from North Carolina [Mr. COOLEY], attack this proposition on the ground that it is Federal patronage, when he is clamoring for a subsidy on tobacco.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Briefly.

Mr. COOLEY. I never asked for any subsidy on tobacco. Tobacco never received a subsidy.

Mr. RANKIN. It has received the benefits that amount to subsidies.

Mr. COOLEY. Tobacco never received special benefits.

Mr. RANKIN. Tobacco has received many special benefits and favored treatment.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. For a question only.

Mr. RICH. They have one fertilizer plant now for experimentation.

Mr. RANKIN. Maybe so.

Mr. RICH. Then why build another one?

Mr. RANKIN. Let me say to the gentleman from Pennsylvania that if it were not for the yardstick established by the Tennessee Valley development for electric light and power the people of America would be paying $3,000,000,000 a year more for their electricity than they are now paying.

Mr. RICH. You have one now for fertilizer as well.

Mr. RANKIN. Mr. Speaker, I am sorry, but I cannot yield further.

This is INRRA, not UNRRA. This is something for the benefit of American farmers. Some of you who are opposing this proposition now to do something for our own people, within a day or so are going to vote on lending or giving, more than a thousand times this amount as a British loan, or British gift.

Mr. RICH. This is a Communist movement.

Mr. RANKIN. I do not think so. If I did, I certainly would not vote for it.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that the gentleman is not in order.

The SPEAKER pro tempore (Mr. THOMASON). The gentleman will state his point of order.

Mr. HOFFMAN of Michigan. The gentleman refers to Members as "you." Under the rules of the House he has no right to refer to a Member in direct address, using the word "you."

Mr. RANKIN. Now, listen——

Mr. HOFFMAN of Michigan. I ask for a ruling on my point of order that he is violating the rules of the House when he refers to another Member as "you."

The SPEAKER pro tempore. The gentleman from Mississippi will proceed in order.

Mr. RANKIN. Mr. Speaker, this amendment will merely establish a yardstick to protect the farmers of this country from exorbitant prices for phosphate fertilizer.

Now, of all the people on earth who are being ground into the dust, it is the American farmer. He draws the least pay and does the hardest work. He toils in the hot sun, and takes his chances against all odds.

Yet you are holding him down to an economic level that is almost destructive.

This will give him at least a little hope.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. PLOESER. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Speaker, I am opposed to this proposal for two reasons: First, because I am opposed to the Government going into competition with private business, and, second, that only 2 weeks ago a chemical plant costing millions of dollars at Sterlington, La., was sold to a chemical company to manufacture fertilizer. On last Tuesday, the 9th of July, bids were received for a lease on a chemical plant costing millions of dollars located in Lake Charles, La., in my district, which will be converted into a fertilizer manufacturing plant.

For these reasons I do not think it is necessary that the Government establish fertilizer plants in competition with private industry. As a matter of fact, if my constituents who negotiated for these plants in my State had known that the Government was going into the fertilizer business, I am sure they would not have made the offers they did for the purchase and lease of these plants in my State.

The SPEAKER pro tempore. The time of the gentleman from Louisiana has expired.

Mr. PLOESER. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I can agree with everything that has been said here today as to the shortage of fertilizer. There is no controversy on that point. But that is not the question before us now. The question is whether the Government should go into the fertilizer business. The fact is we have more than ample capacity for manufacturing phosphates at the present time and the sole reason we are not getting a sufficient supply is because we are not able to mine a sufficient amount of phosphate rock. The reason we are not able to get the required quantity of rock is because we do not have the machinery and equipment. The fertilizer companies and mining companies cannot get it.

Mr. Speaker, we are not going to solve this bottleneck until we are able to get more phosphatic rock. When we do, there is sufficient capacity in this country to manufacture all the phosphate needed for fertilizer at this time. I would not say that the Government should not get into the fertilizer business under any and all conditions, but I do say that no case has been made up until the present time that the Government should get into the fertilizer business through the building of this commercial plant.

Mr. WINTER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. WINTER. Is it not a fact that in my district in Kansas the Spencer Chemical Co. has taken over an anhydrous ammonia plant and is now manufacturing fertilizer and that as soon as the phosphatic rock is available they intend to go into the manufacture of fertilizer with a phosphatic base?

Mr. HOPE. Yes, I know of that plant and I know what the gentleman says is correct.

There is just one thing more I want to mention. If this question is to be decided by the Congress as a matter of policy, if the Government is going to go into the fertilizer business, let us decide it after full and complete hearings before the proper legislative committee which has the authority to consider it. There has been before the House Committee on Agriculture for the last 15 months, a bill introduced by the chairman of that committee, the gentleman from Virginia [Mr. FLANNAGAN] which puts the Federal Government into the fertilizer business. If any such emergency exists as is contended here, why have not those who are sponsoring that legislation brought that bill before the Agricultural Committee and given us a chance to find out the facts? The motion of the gentleman from Mississippi should be voted down.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. PLOESER. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Speaker, being honored with having the center of the fertilizer industry of the Southeast located within my own district, I am consequently familiar with its background and distinguished record of service which it has rendered to the farmers of my section of the Nation.

The fertilizer industry of South Carolina was in full progress, serving the people of the Nation when many of the screwballs of the CPA were kicking the slats out of their cradles and otherwise destroying small property before they embarked on the program of destroying the economy of this Nation.

For the last few years the fertilizer people have been hanging on the ropes, bludgeoned by Government red tape and indecision, and saddled with restraints which have caused many businesses to give up the ghost in discouragement and despair. Consequently, our farmers have suffered because of their inability to purchase needed plant food and our people, generally, have been forced to pay high prices because of planned scarcity in a land of plenty.

At last we have reached the portals of peace, and just as we are hopeful of breaking the Government bonds which constrain and impede our progress, there comes a proposal for the construction of a fertilizer plant to compete with private producers in the open market, with the taxpayers' money.

All that private industry wants is an opportunity to go forward; all that private industry needs is the green light of freedom. If this is given, the people of this Nation will enter upon an era of prosperity, the like of which no nation on earth has experienced.

This amendment, of course, will not pass. This Congress is not going to be hoodwinked into a program of this nature. I have an abiding faith in my colleagues—that you and I together will join our hands and put an end to the government dipping into things about which they know little or nothing.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. GILLIE].

IMPORTANCE OF MOBILE PHOSPHATE PLANT TO THE MIDDLE WEST

Mr. GILLIE. Mr. Speaker, phosphate is the key mineral fertilizer most generally needed for American soils. It is estimated that 1,669,064 tons of P_2O_5 were removed from our soils by harvested crops in a single year of 1943. Sixty-one percent of this amount came out of the soils of the Midwestern States. Only 20 percent of the phosphate removed from the soils of these States by crops was returned in the form of commercial fertilizer.

Great quantities of phosphate were drained from our soils by the heavy crops farmers produced to meet the Nation's needs during the war. Adequate supplies of fertilizers are the necessity if we are to maintain production. Farmers are more aware of the value of fertilizer than ever before, and the demand is many times the available supply.

Middlewestern farmers prefer to buy their phosphate in the form of triple superphosphate instead of the simple superphosphate which commercial companies have been producing. This is a matter of simple economics. Since our large deposits of phosphate rock are located in other areas, transportation costs are of considerable importance to the Midwest. Triple superphosphate is a concentrated product. One ton of this concentrate is equal to about 2¼ tons of simple superphosphate. Current supplies of phosphate fertilizers are woefully inadequate, and the commercial companies are turning out ordinary superphosphate instead of the concentrated triple superphosphate we need in the Midwest. For example, in 1945 only 250,000 tons of triple superphosphate—45-percent basis—were produced, compared to 7,999,504 tons of 18-percent superphosphate. This means that the midwestern farmer, if he can get phosphate at all, must buy a dilute product and pay transportation costs on filler which he does not need.

The Mobile plant will increase the supply of concentrated phosphates 50,000 to 75,000 tons per year. This will not be enough to meet the tremendous demand that now exists and will continue to exist for concentrated phosphates, but it will help. It should not prevent the building of any private plants as we can use many times the output of present fertilizer production facilities. The record shows that TVA's past operations in the fertilizer field, most of which have been demonstrative in nature, have not reduced the market for commercial fertilizer. In fact the demand is greater now than ever before.

Testimony presented to the Senate Appropriations Committee indicates that a large part of the product of the Mobile plant will be channeled into the Midwest because that is the area which uses triple superphosphate. Many farmers in Indiana want to see this plant built to open up a source of supply of triple superphosphate, a commodity they have not been able to get from commercial companies, except in very negligible quantities.

Putting the Government into the fertilizer business does not disturb me very much. Competition will take care of this problem when the time comes.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I will vote against the construction, by the Federal Government, of a fertilizer manufacturing plant in Alabama. When we voted on Roll Call 197, on July 2, I joined with the majority when our position was sustained by a margin of 13 votes. It is my hope and belief that the House today will register itself even more emphatically against this unnecessary proposal.

GOVERNMENT AGAINST PRIVATE BUSINESS

I am fundamentally against the Federal Government entering into competition with private enterprise. It is not enough, in this instance, to attempt to justify appropriations for the Alabama plant by saying that there is a shortage of fertilizer. This is always the excuse for entering wedges where the Government is urged to enter the fields of proper private industry and business.

Mr. Speaker, within recent days the War Department has announced that 15 Army ordnance plants are being converted to the manufacture of nitrogen fertilizers for shipment to starving countries to increase the growth of food. One of these plants is at Morgantown, W. Va., where the Hayden Chemical Corp. has entered into a contract to produce ammonium nitrate. This is a needed undertaking and it is gratifying that a private company is to carry forward the operation.

It is my feeling, after a study of the matter, that private industry has done a good job in the manufacturing of essential fertilizers. I further believe that private companies should be given every proper preference in obtaining necessary equipment so that the farmers of America will receive a greater supply of necessary fertilizers.

Mr. Speaker, before we vote for $3,000,000 to establish the Government in business in Alabama, with a fertilizer plant operated against private industry, we should thoroughly investigate the problem through a legislative committee and not attempt to hurriedly do so on an appropriation bill. It is my understanding that there is a measure—H. R. 2922—pending before the House Agriculture Committee which has as its purpose the formation of a fertilizer policy on a national scale. I further believe that the proposed plant, which we are now discussing, is contained in that legislation.

FARMERS NEED FERTILIZERS

I cannot justify my vote for a project of this type. I know that farmers need an increased supply of fertilizers and I also believe that we should supply, if possible, a contribution to the world needs. In this latter connection I am advised by the Department of Agriculture that the 15 ordnance plants, to be operated by private companies, will produce fertilizers each month sufficient to give the addition of at least 10,000,000 bushels to world wheat production, and thereby meet the monthly grain requirements of more than 20,000,000 persons. Our American output can be continued, and increased, by private companies rather than Government operations.

Mr. Speaker, the debate this afternoon causes me to embrace the opportunity to state to my colleagues again that farmers, as well as businessmen, are generally against competition from the Federal Government with private industry. This not only applies to the proposed construction and operation of Government fertilizer plants but it is basically sound when we consider the broad field of business and commerce.

FULL PRODUCTION IS THE ANSWER

Within the past few days I have talked with many citizens in the congressional district I represent. I believe they approve the viewpoint which I have expressed as contained in the following news dispatch:

FRANKLIN, W. VA., July 4 (UP).—Asserting that "essential goods are anxiously awaited

by an eager consuming public," Representative JENNINGS RANDOLPH, Democrat, West Virginia, told a Fourth of July outing here last night that "competitive rather than artificial controls will go further toward creating a real and sustained prosperity."

RANDOLPH arrived in West Virginia yesterday by plane and addressed air shows at Petersburg and Moorefield before journeying here for the celebration sponsored by the Lions Club

"Full production is the major answer to America's unrest during the reconversion period," the Second District Congressman continued. "We need more than anything else to stay on the job, in the field, factory, mine, or office."

PRIVATE INDUSTRY IN JEOPARDY

I have received many protests from farmers and business men, in reference to the present tax structure of cooperatives. It is not particularly applicable to the point at issue in this debate, but I include the following portion of a letter which I have sent to a constituent:

I am in agreement with you that cooperatives should not have an unfair competitive position in business and industry.

It has been my purpose to continue a close study of the situation and I certainly feel that American business cannot maintain itself legitimately, if a part of that enterprise is tax-exempt, and the other part heavily taxed. Henry H. Heimann, executive manager of the National Association of Credit Men, recently made the following statement:

"If we are to have equal rights for all and no special privileges for a few, then the Federal Government should either tax the business transaction of all cooperatives or eliminate all taxes from private business and rely solely upon individual taxes for its revenue."

It has been charged that many cooperatives are practically exempt from taxation. If this be true, then there is a definite advantage to that group which should not continue to exist. Private enterprise must not be placed in jeopardy by any commercial undertakings which are tax-exempt.

Mr. PLOESER. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, there is absolutely no ground whatever in fact to justify the establishment of this plant on the theory that it is an experimental plant. Every fact that needs to be known is already known by private industry with respect to the manufacture of concentrated fertilizers. TVA has already made superphosphate fertilizer at a plant owned by the Government and now in existence. It has been distributed in my part of the country. If I were actuated by sectional feeling, I would be for this thing. But, it is not right. This proposition puts the Government in business tax free, in competition with taxpaying private enterprise. A talented woman in Alabama wrote a book a few years ago entitled "Stars Fell On Alabama." Another lovely lady in Georgia wrote a book entitled "Gone With the Wind." Those who propose this huge appropriation are just fixing for $7,000,000, and maybe $13,000,000, to fall on Alabama, and when they fall they will be gone with the wind.

Mr. WHITTEN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I would like to say to the gentleman from Tennessee and to these other gentlemen, with reference to the stars falling on Alabama, that this plant is not nearly so vital to that area, nor in Tennessee or in my section, as it is elsewhere; though as a demonstration plant it will be of tremendous assistance to farmers throughout the nation. We can more nearly afford to pay the freight on this 100 pounds of fertilizer that has 16 pounds of food value in it in the regions close by the present source of supply. If this plant is put at Mobile it will be because the phosphate rock, which has no connection with the chemical plants which are going to be set up in Kansas, is mined close by and can be transported by water. It is going to be put at Mobile because coke can be brought from around Birmingham down the Warrior River by water, coke constituting close to 50 percent of the total raw materials required. The output of this plant can be shipped by water up the Mississippi River to the great midwest where it is needed primarily.

The American Farm Bureau Federation strongly urges the approval of this plant. They have submitted in the hearings results of their survey showing the great need for this plant and the great benefits that will flow to the farmers of the Nation from its construction.

I would like to call to your attention that the plans for this plant provide that the cost will be amortized, and that it will be paid for, and that its cost will come back to the Treasury of the United States. As has been proved by the TVA yardstick, the electric power rates in this country have been reduced approximately 35 to 45 percent. Since the Muscle Shoals plant was opened by the TVA for the manufacture of nitrate of ammonia, the farmers have had a better fertilizer at a much cheaper rate. By 1944 the cost of a ton of nitrate fertilizer had fallen to approximately 55 percent of the 1925 cost. With TVA leading the way, the commercial companies have made tremendous strides in the method of producing and the quality of nitrate fertilizer made available to the farmer.

The phosphate processes have not had the same advancements. We need a yardstick in the phosphate field, a yardstick big enough to prove the value of this product. You have proven by the TVA yardstick that you can bring wonderful savings to the American people in electric rates and at the same time increase the business of commercial companies. You have proven that you can have a far better fertilizer in the nitrate field at a much cheaper rate. You have proven that you can save millions of dollars to the American farmers by your Muscle Shoals plant. I say that is all this is, it is a yardstick to show the manufacturers of fertilizer that a higher concentrate fertilizer is in demand, will be needed, and can save millions of dollars to the American farmers.

We can look to the nitrate fertilizer field to see just what this yardstick in phosphate fertilizers will mean.

In the current fiscal year ending June 30, 1947, the TVA is scheduled to manufacture 150,000 tons of ammonium nitrate fertilizer, containing about 50,000 tons of nitrogen, approximately equal to its production for the fiscal year 1946.

TVA fertilizers were shipped to 36 different States in the fiscal year 1946. Phosphate fertilizers were distributed domestically in three different ways. First, small shipments were made to the experiment stations of 21 States for controlled tests. Second, limited quantities were distributed to cooperatives in 17 States under experimental sales contracts designed to secure reliable data on the relative costs to farmers of various types of fertilizer materials. The largest portion was distributed for use in practical farm test demonstrations, which were conducted in 26 States.

Most of the ammonium nitrate fertilizer produced for domestic distribution in the fiscal year 1946 was distributed through cooperatives to aid in alleviating the shortages of agricultural products. It was sold in 21 States in that year. Limited quantities were distributed for test demonstrations in 22 States.

American farmers have realized substantial savings because TVA and ordnance-plant ammonium-nitrate fertilizer, which added 20 percent to the nitrogen supply in fiscal year 1946, was cheaper than either of the traditional forms of nitrate fertilizer, nitrate of soda, and ammonium sulfate. At its point of production it was $55.20 per ton of nitrogen cheaper than nitrate of soda at ports of entry and $5.30 per ton cheaper than ammonium sulfate at producing ovens.

The principal nitrogen fertilizers available prior to the production of ammonium-nitrate fertilizer at the Muscle Shoals plant were nitrate of soda, imported from Chile, and ammonium sulfate. The prices of these products remained constant from the time the TVA plant started fertilizer production until recently. The wholesale price of Chilean nitrate of soda was, during most of the period, $187.50 per ton of nitrogen, f. o. b. ports in bulk, but it is reported that it has recently been raised to $221.90. Furthermore, during the war a subsidy of about $42 per ton of nitrogen was paid on this material to help meet the wartime costs of transport. The wholesale price of sulfate of ammonia was, during most of that period, $137.60 per ton of nitrogen f. o. b. producing ovens in bulk. It is reported it has recently been raised to $146.30, and certain basing points on which f. o. b. prices were quoted have been eliminated, further increasing delivered prices in areas near those points.

When the TVA plant went into the production of ammonium-nitrate fertilizer in 1943, the wholesale price of its products was established at $141.50 per ton of nitrogen, f. o. b. Sheffield, Ala., in bulk. It has since been reduced to $132.30 and shipped f. o. b. Sheffield or ordnance plants producing nitrate fertilizers. The ordnance plants have established the same price. Canadian ammonium nitrate imported into this country has been sold at prices pegged arbitrarily to the price of sulphate of ammonia at the various producing ovens.

The farmers need more fertilizer. They need better fertilizer, a more highly concentrated fertilizer, 1 ton of which can be shipped to do the work of 2½ quarter tons of the superphosphate

and therefore save thousands of dollars in freight costs.

The total capacity of commercial manufacturers will not come close to supplying the need. The amount of triple superphosphate to be manufactured by the TVA, under this amendment, will take away none of the market of commercial suppliers, because the commercial suppliers cannot begin to supply the demand remaining if the TVA were to manufacture 50,000 tons of triple superphasphate. After all, it is estimated that 1,669,064 tons of phosphoric acid is removed from the soil. Only 20 percent is replaced by fertilizers. There is a real need for 3,400,000 tons of phosphates annually. The total capacity today produces only 1,380 000 tons and the total capacity to produce is only 1,595,000 tons, of which only 215,000 tons is double superphosphate. The supply of triple superphosphate is so negligible that no records are available.

Certainly, we should, with the examples before us in regard to electrical rates, with the examples of what has been done in the nitrate field, establish this plant, not to replace private business but to lead the way for a better fertilizer at less cost and thereby save millions of dollars to the farmers of the Nation, and increase the demand for good fertilizer and thus the demand and market for commercial companies.

Nitrate of ammonia from the TVA plant at Muscle Shoals has tremendously increased sales by commercial companies.

Mr. PLOESER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr TABER].

Mr. TABER. Mr. Speaker, it has been said that this thing has been in the appropriation bills before. It was gotten in there on the representation that it was needed for national defense, but it was so little needed that the Bureau of the Budget and the WPB would not let them build it. What is the picture? There is a shortage of fertilizer, and I want to see it corrected. This bill does not hit the bullseye. The bullseye in this case is a shortage of phosphate rock. The reason why there is a shortage is that they are unable to get the labor and the machinery to mine it. That is the proposition that ought to be speeded up. But instead of doing that, they have brought us here a proposal to spend probably a total of $15,000,000 to build a fertilizer plant at Mobile, and that is not needed because Department of Agriculture surveys show that there is a 50 percent excess capacity above what they are presently using and producing with in the fertilizer industry. At Muscle Shoals alone they have a capacity of 270,000 tons a year. At the present time they are producing only 11,000 tons a month, or 130,000 tons a year, just about half of what their capacity is. If they have more phosphate rock to operate with, why do they not step up that Muscle Shoals operation instead of coming here and asking for a new plant?

The whole picture does not make sense. They are not aiming at the heart of the trouble, they are wandering all over the lot and trying to get the Government into business. Let us use a little sense, let us look after the farmer, let us concentrate on getting that phosphate rock out where it will do some good and give the farmers more fertilizer, instead of running around behind the bush and trying to get the Government into business on a very large and wasteful scale.

Mr. Speaker, I hope this motion is defeated.

Mr. PLOESER. Mr. Speaker, the House has already acted on this question and instructed the conferees to insist upon the original position of the House which did not make any authorization for appropriation of funds for this contemplated fertilizer plant in Mobile. The conferees have not insisted that the Senate pass on this matter before it was brought back to the House. For what reason I cannot explain save to say that obviously by my position today I am not in harmony with the position that the conferees have taken. Let us take a look at the various issues involved here. One is the age-old issue of free, competitive enterprise. Shall the Government go in the business of producing—not experimenting—producing fertilizer in competition with the private producers throughout the Nation? If you decide that the Government should, and I certainly disagree with that position, then where in the world are they going to get the raw material which will add anything to the actual volume of available fertilizer for the farms of the Nation? As it is the present privately owned plants are able to produce this fertilizer. They could increase their production 50 percent if the raw material was available today. We have a pilot plant, and the argument that this is to be built for a pilot or experimental plant is not accurate. It is to be built to produce, as the argument originally goes, additional fertilizer in competition with private enterprise—yet it is a fact that the raw material is not available. Now they talk a lot about these yardsticks set up by the Government. Let us take a look at the prices of fertilizer. The latest free sale price I could get on triple-superphosphate as produced by the TVA was for the year 1940. It was 66 cents per unit f. o. b. Tennessee. Private industry produced the same product in the same year and their prices varied from 69.7 cents per unit to 73 cents per unit on the west coast. I have not added the freight rates to the TVA f. o. b. Tennessee price or I daresay it would have been well over the 73 cents on the west coast. Now, what is the cost of production? In 1945 the cost of the TVA to produce triple-superphosphate, on the basis of per-ton costs, was $92.07, while the selling price by private industry—and private industry sold all it could possibly produce—was $75 per ton. The TVA, of course, had to sell at the ceiling price set by the Government. But, obviously, private industry was able to make a profit selling at $75 a ton, while it cost the TVA $92.07 to produce. It has also been pointed out that we do not now have the materials available to build the plant capacity for the production of the raw materials needed in the production of triple-superphosphate, let alone building additional production plants such as this by the Government. This is definitely a move toward the federalization of an industry. I wonder what the farmers of America would say if the Congress voted to federalize the farms of America.

I ask the House to stand by its original instructions to the conferees by voting against this motion. When this motion has been defeated I will move that the House insist on its position.

The SPEAKER. The time of the gentleman has expired.

Mr. WHITTEN. Mr Speaker, I yield to the gentleman from Pennsylvania to make a unanimous-consent request.

Mr. RICH. Mr Speaker, I ask unanimous consent to revise and extend my remarks and include some insertions at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, we are bringing back the second time for our consideration the amendment to agree to the building of a fertilizer plant in Mobile, Ala., thus setting the Government up in the fertilizer business in competition with private enterprise. Several days ago the conferees were instructed to insist that this item be stricken from the bill. Every due pressure should have been applied by the House conferees in joint session with the Senate conferees. If the conferees were themselves desirous of having that plant built, which seems to be the case, that is no reason why they should not carry out the instructions of the House. I am hopeful that the House today will refuse to concur in the Senate amendment, and I believe they will.

I hear the Members talk about un-American activities on the floor and how interested they are in this country of ours. Now, I cannot for the life of me see why they want to have a form of government like Russia, where everything is owned by the Government and the people are only subservient to the wishes of their Government. That is contrary to the principles of America. In 160 years private enterprise built America into one of the greatest countries on the face of the earth, and yet there is not a month goes by but someone proposes in the House to establish the Government in some kind of business or other. Now it is the fertilizer business again. We have in the TVA a fertilizer experimental station, and by no stretch of the imagination do we need two in the same locality. It is only befogging the issue to say we need the Government in the fertilizer business, for the fertilizer industry, if given the opportunity to increase their own production, will make more plants available under the private-enterprise system than are necessary to furnish all the fertilizer this country needs, and at the cheapest possible price. Understand also that I am interested in having the farmers receive all the fertilizer they need in any section of the country.

There is no Budget approval for this expenditure. No hearings were held by the Senate or House before this item was put into the appropriation bill, and Congress should await some decision on the broad question of a national policy of establishing the Government in business before assuming that responsibility which belongs to the general public. Private industry is selling triple superphosphate cheaper than it costs TVA to produce it. The annual report of TVA for 1945, filed with the President and the Congress, showed that the total cost per ton of phosphoric acid in triple superphosphate disposed of by them amounted to $92.07. Private industry was selling this product under ceiling prices at $75 per ton. It is safe to assume that private industry had some profit and that TVA's cost-accounting procedures may have not included all of the costs that must be met by private industry. The present phosphate production capacity of TVA is adequate for all research tests and demonstration needs, and certainly there is no reason why we should go to the expense of spending three to seven million dollars for a fertilizer plant to set our Government up in business.

The Government is now in the rum-manufacturing business, in the ice-cream-manufacturing business, in the hotel business, and we have many people here in this country who have communistic and socialistic ideas, and who want the Government to take over all kinds of business. Do you not think it is time to get away from some of these communistic-socialistic ideas and permit the private-enterprise system to function until we know there is some better system in store for the American people—and it has never been shown that there is?

Let us vote down this amendment and keep America free and as our forefathers established it and as has been proven it can be operated under the private-enterprise system.

Let the people rule the Government and the bureaucrats. Let the people run the business in America, not the Government.

Mr WHITTEN. Mr. Speaker, I yield the remainder of the time to the gentleman from Missour [Mr. CANNON].

Mr. CANNON of Missouri. Mr Speaker, the issue here is between the fertilizer trust and the consumer. Between the fertilizer trust and the farmer. Between the fertilizer trust and the housewife who supplies the family table.

Next to land and labor, the greatest single cost in food production is fertilizer. When you increase the cost of fertilizer you increase the cost of food—all food. And when you decrease the cost of fertilizer you decrease the cost of food—every item of food on your table.

When you increase the supply of fertilizer, there is more food. When you decrease the supply of fertilizer or decrease the percentage of plant food per ton, there is less food. Are you for plenty of scarcity?

The fertilizer trust is the most compactly organized trust in America. It exercises an absolute monopoly in the production of fertilizer. It fixes the price of fertilizer on every farm in the Nation. And it controls the distribution of fertilizer both at home and abroad. For the last several years the trust has systematically restricted the quota to the Mississippi Valley and the central west.

Even when it delivers fertilizer to the Central States it refuses to deliver concentrates and supplies—only diluted formulas—compelling the farmers to pay for inert fillers and also compelling them to pay transportation charges on 500 pounds of material to get 100 pounds of plant food.

This is the situation the bill seeks to remedy. Without taking a dollar's worth of business away from the trust and its subsidiaries, it proposes to make available to the farmer supplies and superphosphates which the trust cannot supply. It proposes to deliver concentrated plant food. It proposes to save the farmer and the consumer the unnecessary transportation charges. And—what the trust particularly objects to—it proposes to establish a reasonable yardstick.

That is what the gentlemen are talking about when they shout about free enterprise and government in business. This plant will not take business away from the trust. But it will create a yardstick of fair measurement. We established TVA. It did not take business away from private enterprise but it established a fair rate—a rate which the gentleman from Mississippi [Mr. RANKIN] testifies saves the consumers of electricity in the United States $1,000,000,000 every year. We established the Inland Waterways Commission. It did not take business away from the railroads but established a fair competitive rate which has saved the farmers of America millions of dollars a year on the transportation of their wheat alone. During the war President Roosevelt authorized a Government navy yard at Philadelphia which established a yardstick for the manufacture of airplanes and reduced by vast sums the cost of the air power which won the war. Following the farm panic we created the Federal farm-loan banks which established a yardstick of interest on farm loans. Farms had been paying 6 and 8 percent. But under this yardstick farmers have borrowed millions of dollars for less than 4 percent.

Every time we established one of these yardsticks the cry of Government in business and free enterprise went up to high heaven. The trust and monopolies and profiteers fought cheap electricity and reasonable freight rates and low interest just as they are fighting a yardstick on fertilizer and cheap food here this afternoon.

Oh, they have tried to make us believe that the trust has reduced the cost of fertilizer. There is not one word of truth in any such statement. In 1920 I paid $20 a ton for 18 percent acid phosphate for my Missouri farm. And I sold the wheat grown from that fertilizer for $2.40 a bushel. In 1922 I paid $22.50 a ton for the same fertilizer and got 86 cents for my wheat. Today I pay $25.75 per ton for the same fertilizer and take whatever OPA will allow me for the wheat. There is a saying that figures will not lie but liars will figure and that is what the fertilizer lobbyists are doing when they try to juggle the figures to make us think fertilizer is cheaper. By my own accounts, the price of fertilizer has increased more than 20 percent since I began to grow wheat—when under modern methods of manufacture it should have declined as electricity and interest have declined.

Mr. Speaker, these high-powered, high-paid lobbyists who have been patrolling the corridors of the Capitol and hammering on the doors of the committee and calling up over the telephone and buttonholing Members of the House and filling congressional wastebaskets with memeographed propaganda and who are sitting up there in the gallery right now—are not working in the interest of the consumer. They are not looking after the welfare of the farmer. They are not contributing to the reduction of the cost of living. They are working for two things—and two things only—for monopoly and profits.

The question now before the House is whether you will vote for these lobbyists who have been importuning you, who have been parked at your elbow for weeks, or whether you will vote for the folks back home who cannot be here to plead with you for an adequate supply of one of the most important essentials to successful farming. Will you vote for the fertilizer trust or a hungry world? Will you vote for the farmer to pay freight on 500 pounds or 100 pounds to get the same amount of plant food? Will you vote for high dividends for the fertilizer trust or cheap food on the American table? Will you vote for the American Plant Food Council or the American Farm Bureau? Will you vote for the special interests or for the people?

The SPEAKER. The time of the gentleman from Missouri has expired.

All time has expired.

The question is on the motion of the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 58, noes 166.

Mr. WHITTEN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 126, nays 204, not voting 102, as follows:

[Roll No. 217]

YEAS—126

Abernethy	Carnahan	Feighan
Allen, Ill.	Celler	Flannagan
Andersen, H. Carl	Chelf	Flood
	Clements	Folger
Andresen, August H.	Clippinger	Gallagher
	Combs	Gardner
Bailey	Courtney	Gathings
Barrett, Pa.	Crosser	Geelan
Bennett, Mo.	Cunningham	Gillie
Biemiller	Curtis	Gore
Brown, Ga.	Davis	Granahan
Buchanan	De Lacy	Green
Buckley	Dolliver	Gregory
Bunker	Douglas, Ill.	Gwynne, Iowa
Cannon, Mo.	Doyle	Hagen

Havenner	Manasco	Ryter
Hays	Martin, Iowa	Sabath
Healy	Michener	Sadowski
Henry	Miller, Nebr.	Savage
Hobbs	Mills	Schwabe, Mo.
Hoch	Monroney	Sheppard
Hoeven	Morgan	Spence
Huber	Morrison	Starkey
Hull	Murdock	Stefan
Isac	Murray, Tenn.	Stevenson
Jackson	Neely	Stigler
Jarman	O'Brien, Mich.	Stockman
Jensen	O'Konski	Sullivan
Johnson, Luther A.	O'Toole	Talle
	Outland	Thomas, Tex.
Judd	Patman	Thomason
Kee	Patterson	Trimble
Keefe	Pittenger	Voorhis, Calif.
Kirwan	Price, Ill.	Vursell
Klein	Priest	Weaver
Kopplemann	Rabaut	White
LaFollette	Rabin	Whitten
Lane	Rains	Whittington
Lemke	Ramey	Wilson
Link	Rankin	Wolcott
Lyle	Rayfiel	Woodhouse
McCormack	Reed, Ill.	Zimmerman
McGlinchey	Robertson, N. Dak.	
McMillen, Ill.		

NAYS—204

Angell	Forand	McGregor
Arends	Fuller	McKenzie
Arnold	Fulton	Madden
Auchincloss	Gamble	Maloney
Baldwin, N. Y.	Gary	Martin, Mass.
Barden	Gavin	Mathews
Barrett, Wyo.	Gearhart	May
Barry	Gerlach	Merrow
Bates, Mass.	Gifford	Mundt
Beall	Gillette	Murray, Wis.
Bender	Goodwin	Norblad
Bishop	Gordon	O'Brien, Ill.
Blackney	Gorski	O'Hara
Bland	Graham	O'Neal
Bloom	Grant, Ind.	Pace
Bolton	Griffiths	Peterson, Fla.
Bonner	Gross	Phillips
Bradley, Mich.	Gwinn, N. Y.	Pickett
Brehm	Hale	Ploeser
Brooks	Hall, Leonard W.	Poage
Brown, Ohio	Halleck	Pratt
Brumbaugh	Hancock	Price, Fla.
Buck	Randolph	Randolph
Buffett	Hand	Reed, N. Y.
Bulwinkle	Harness, Ind.	Rees, Kans.
Butler	Hart	Rees
Byrnes, Wis.	Hartley	Rich
Campbell	Hedrick	Richards
Canfield	Heffernan	Riley
Carlson	Herter	Rivers
Case, N. J.	Heselton	Ribley
Case, S. Dak.	Hess	Robertson, Va.
Chenoweth	Hill	Robsion, Ky.
Chiperfield	Hinshaw	Rockwell
Church	Hoffman, Mich.	Rodgers, Pa.
Clark	Hoffman, Pa.	Rogers, Fla.
Clason	Holmes, Mass.	Rogers, Mass.
Clevenger	Holmes, Wash.	Rogers, N. Y.
Cole, Kans.	Hook	Rooney
Cole, Mo	Hope	Rowan
Cole, N. Y.	Horan	Sasscer
Cooley	Howell	Schwabe, Okla.
Corbett	Jenkins	Scrivner
D'Alesandro	Jennings	Shafer
Daughton, Va.	Johnson, Calif.	Sharp
Delaney, James J.	Johnson, Ill.	Sikes
	Jones	Slaughter
Delaney, John J.	Jonkman	Smith, Maine
	Kean	Smith, Ohio
D'Ewart	Kearney	Smith, Va.
Dirksen	Keefe, Ill.	Smith, Wis.
Dondero	Kerr	Springer
Doughton, N. C.	Kilburn	Sundstrom
Drewry	King	Taber
Durham	Kinzer	Talbot
Dworshak	Kunkel	Thom
Eaton	Landis	Thomas, N. J.
Elliott	Lanham	Tibbott
Ellis	Larcade	Towe
Ellsworth	Latham	Traynor
Elsaesser	Lea	Vorys, Ohio
Elston	LeFevre	Wadsworth
Engle, Calif.	Lesinski	Walter
Fallon	Lewis	Wasielewski
Fellows	Luce	Welchel
Fenton	Lynch	Wigglesworth
Fernandes	McConnell	Winter
Fisher	McCowen	Wolverton, N. J.
Fogarty	McDonough	Woodruff

NOT VOTING—102

Adams	Andrews, Ala.	Beckworth
Allen, La.	Andrews, N. Y.	Bell
Almond	Baldwin, Md.	Bennet, N. Y.
Anderson, Calif.	Bates, Ky.	Boren
Boykin	Harless, Ariz.	Pfeifer
Bradley, Pa.	Harris	Philbin
Bryson	Hébert	Plumley
Byrne, N. Y.	Hendricks	Powell
Camp	Holifield	Quinn, N. Y.
Cannon, Fla.	Johnson, Ind.	Reece, Tenn.
Chapman	Johnson, Lyndon B.	Robinson, Utah
Cochran		Roe, Md.
Coffee	Johnson, Okla.	Roe, N. Y.
Colmer	Kefauver	Russell
Cooper	Kelley, Pa.	Sheridan
Cox	Keogh	Short
Cravens	Kilday	Simpson, Ill.
Crawford	Knutson	Simpson, Pa.
Curley	LeCompte	Somers, N. Y.
Dawson	Ludlow	Sparkman
Dingell	McGehee	Stewart
Domengeaux	McMillan, S. C.	Sumner, Ill
Douglas, Calif.	Mahon	Sumners, Tex
Earthman	Mankin	Tarver
Eberharter	Mansfield, Mont.	Taylor
Engel, Mich.	Mansfield, Tex.	Tolan
Ervin	Marcantonio	Torrens
Gibson	Mason	Vinson
Gillespie	Miller, Calif.	Weich
Gossett	Murphy	West
Granger	Norrell	Wickersham
Grant, Ala.	Norton	Winstead
Hall, Edwin Arthur	Patrick	Wolfenden, Pa.
	Peterson, Ga.	Wood
Hare		Worley

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr Boykin for, with Mr. Taylor against.

Mr. Earthman for, with Mr. McGehee against.

Mrs. Douglas of California for, with Mr Adams against.

General pairs until further notice:

Mr. Colmer with Mr Knutson.

Mr. Keogh with Mr. Mason.

Mr. Dingell with Mr Plumley.

Mr. Pfeifer with Mr Short.

Mr. Bradley of Pennsylvania with Mr. Simpson of Pennsylvania.

Mr. Sparkman with Mr Johnson of Indiana.

Mr. Byrne of New York with Mr. Simpson of Illinois.

Mr. Quinn of New York with Mr. Edwin Arthur Hall.

Mr. Coffee with Mr Gillespie.

Mr. Sheridan with Mr. Crawford.

Mr. Eberharter with Mr. Anderson of California.

Mr. Somers of New York with Mr. Bennet of New York.

Mr. Holifield with Mr. Andrews of New York.

Mr. Vinson with Mr. Engel of Michigan.

Mr. Kefauver with Mr Reece of Tennessee.

Mr. Wood with Mr. LeCompte.

Mr. Kelley of Pennsylvania with Miss Sumner of Illinois.

Mr Camp with Mr Welch.

Mr. Peterson of Georgia with Mr. Wolfenden of Pennsylvania.

Mr. LANE changed his vote from "nay" to "yea."

Mr. MILLER of Nebraska changed his vote from "nay" to "yea."

Mr. MICHENER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. PLOESSER. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 1.

The Clerk read as follows:

Mr. PLOESSER moves that the House insist on its disagreement to the amendment of the Senate No. 1.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that amendment No. 3 be considered in place of amendment No. 2 as it is controlling on amendment No. 2.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The Clerk will report amendment No. 3.

The Clerk read as follows:

Amendment No. 3: Page 2, line 17, insert the following: "*Provided*, That of the $46,572,000 appropriated herein, $17,666,000 shall be available for the immediate resumption of construction and continued prosecution of the work on the Watauga and South Holston Dams with a view to the completion of the work on both dams at the earliest possible date and $3,000,000 toward the construction of a fertilizer manufacturing plant at or near Mobile, Ala."

Mr. WHITTEN. Mr. Speaker, I have a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur in the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "*Provided*, That of the $39,906,000 appropriated herein, $14,000,000 shall be available for the immediate resumption of the work on the Watauga and South Holston Dams."

Mr. WHITTEN. On that, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER. The Clerk will report amendment No. 2.

The Clerk read as follows:

Amendment No. 2: One page 2, line 13, strike out "$25,906,000" and insert "$46,572,000."

Mr. WHITTEN. Mr. Speaker, I offer a motion, which is at the desk.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment as follows: In lieu of the sum proposed, insert "$39,906,000."

Mr. WHITTEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 3, line 21, strike out ": *Provided further*, That none of the funds herein shall be used to pay contributions with respect to projects constructed under authority of Public Law 671, Seventy-sixth Congress."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment as follows: In lieu of the matter proposed to be stricken out by said amendment insert the following: ": *Pro-*

vided further, That not to exceed $500,000 of the funds herein shall be used to pay contributions with respect to projects constructed under authority of Public Law 671, Seventy-sixth Congress: *Provided further*, That no part of the funds herein shall be used to pay rent subsidy accruing after the date of this act with respect to any family whose gross annual family income exceeds the maximum family income falling within the lowest 25 percent by number of all gross annual family incomes in the municipality where the public housing project in which such family resides is located."

Mr. WHITTEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. GARY. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate No. 4 and concur in the same.

The SPEAKER. The question is on the motion to recede and concur.

The motion was rejected.

The SPEAKER. The question recurs on the motion to concur with an amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the various motions was laid upon the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point in the RECORD

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, with reference to amendment No. 4, I would like to call attention to the fact that our committee is faced with the necessity of providing funds under the law providing for low-cost housing. In my service on this committee I was amazed to find that under the law providing for such housing projects, passed some years ago before I became a Member of this body, the National Housing Authority is authorized to set up local housing authorities and to enter into contracts with such local housing authorities binding the Federal Government to pay each year a part of the rent of the tenants of such projects up to the amount of $28,000,000 annually for 60 years. In talking to various Members of Congress I find that in many cases they have not realized that the National Housing Authority can make a contract binding the Appropriations Committee and the Congress to appropriate annually for the next 60 years up to $28,000,000 to pay a share of the rent for tenants of these projects. The average rental is $33 for from one- to four-bedroom apartments with all utilities furnished. Adequate appropriation was made for those housing projects under the FPHA that have already been in operation. During the war projects included under Public Law 671 of the Seventy-sixth Congress, certain of which were not completed and had not become low-rent housing projects, were converted to war housing projects. During the war they have been filled with war workers and others and have been operated on a self-sustaining basis. Under that law these projects were to be converted to low-rent housing projects upon a determination by the President that the emergency no longer required that they be retained for war workers. A short time ago the President made such finding.

The Federal Public Housing Agency then came before our committee and requested the sum of $4,300,000 to be paid to the local housing authorities where these units were situated. This sum is the total of the absolute maximum that the Federal Government could pay under any circumstances, that is if each apartment were filled with families of the lowest income recognized by the authority. Yet it was admitted by the Federal Public Housing Agency that these apartments were all filled now, that they they could not enter into a wholesale eviction because the people now in these projects could find no other place to live, and that practically all the tenants were not in the low income groups, but substantially higher, and able to pay their rent and actually the projects were operating on a self-sustaining basis without necessity for subsidy. It was urged that in the course of the next fiscal year some few new tenants would be taken in from the low-income group and that there would be some necessity for some appropriation to meet this demand.

After some days it being apparent that the committee was hesitant to make the appropriation of $4,300,000 which would be delivered by the FPHA to these local authorities, representing the full amount that the National Government could be liable for and being perhaps 85 percent more than the Federal Public Housing Authority said itself would be needed to meet any subsidy liability, the FPHA then came back and stated to the committee that on reconsideration they could get by on $500,000.

It was the opinion of the committe that these projects having been operated on a self-sustaining basis up to the present and it being apparent further that the Federal Public Housing Authority could not evict the present tenants because of no place for them to go that such few vacancies as might arise could be filled with low-income families but the committee felt that low-income families could during this period certainly pay an average rental of $33 per month for a nice apartment with lights, water, and heat furnished, so that there would be no deficit and no occasion for a subsidy with regard to Public Law 671 projects. There are many facts to sustain this attitude on the part of the committee and therefore the committee wrote into the bill as it passed the House a provision requiring that these projects covered by Public Law 671 should be operated for the next fiscal year without subsidy from the Government as they have been during the war. The Senate, however, struck out this provision. Mr. Wilson Wyatt, Administrator, National Housing Agency, then wrote to the committee the following letter and statement of reasons why the House restrictions should be stricken from the bill:

NATIONAL HOUSING AGENCY,
Washington, D. C. July 8, 1946.

Hon. JAMIE L. WHITTEN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN WHITTEN: The Government corporation appropriation bill (H. R. 6777) as it passed the House included a proviso which would involve the repudiation of Government contract obligations. The enactment of this provision would undermine public confidence that the Federal Government always meets its contract obligations.

The Federal Public Housing Authority, pursuant to express congressional authorization, has entered into contracts to pay annual contributions to local housing authorities to assist in achieving and maintaining the low-rent character of housing projects for families of low income. Although there is no controversy with respect to low-rent projects built before the war which now require annual contributions, the House proviso in the pending bill would prohibit the payment of such contributions on those projects which were temporarily diverted to serve war workers, but which now are required by law to be converted to serving families of low income as rapidly as feasible. Further particulars with regard to this matter are set forth in the enclosed statement.

The drastic effect and significance of this provision cannot be over-emphasized. Its enactment would represent a breach of the pledge by the United States of its full faith and credit. I believe the adoption of this prohibition on the use of funds, thereby compelling the repudiation of a solemn obligation of contract, would constitute a serious reflection upon the Federal Government and the Congress

It is my understanding that the bill is now in conference. I urge that you take all steps necessary to assure that the House recedes from its position and concurs in the Senate action eliminating this provision from H. R. 6777.

Sincerely yours,

WILSON W WYATT,
Administrator.

WHY HOUSE PROVISO IN H R 6777, WHICH PROHIBITS PAYMENT OF CONTRIBUTIONS CONTRACTED FOR, MUST BE DELETED TO AVOID BREACH OF FAITH BY UNITED STATES

To avoid repudiation of Government contracts which the Congress authorized, it is essential that the conferees on H. R. 6777 delete from that bill, as it passed the House, the following proviso:

"*Provided further*, That none of the funds herein shall be used to pay contributions with respect to projects constructed under authority of Public Law 671, Seventy-sixth Congress."

Contracts for financial assistance with respect to such projects were entered into by Federal Public Housing Authority pursuant to express congressional authority contained in the United States Housing Act of 1937, as amended by Public Law 671. Under these contracts local authorities built housing projects in order to make housing available to families of persons engaged in national defense activities during the emergency period as determined by the President. The President having determined that in most localities it is no longer necessary to make dwellings available for persons engaged in national defense activities, the local authorities are now required by their contracts, as well as by Federal and State law, to make these projects available for housing low-income families. Moreover, top preference is being afforded in filling vacancies in these projects to low income families of veterans or servicemen.

In the statute which authorized FPHA to enter into contracts to pay annual contributions the Congress declared:

"The faith of the United States is solemnly pledged for the payment of all contributions

contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury, not otherwise appropriated, the amounts necessary to provide for such payments."

Unless the above proviso is deleted from the bill FPHA will be prohibited from meeting its contractual obligations to pay annual contributions to meet such part of the expenses of operating such projects as is necessary to bridge the actual gap between the cost of housing veteran and other families of low income and the rents which the residents can afford to pay.

Unless annual contributions are paid to these local housing authorities pursuant to their contracts with the Federal Government they will be compelled to go into default on obligations already incurred. The obligation of the Federal Government to pay annual contributions on these 671 projects is based on the result of operations as of the end of local housing authority fiscal years. They are paid 4 to 5 months following the end of such fiscal years, when the books are closed and audited. For example, the annual contributions payable in September and December 1946 cover operating deficits incurred by local housing authorities for fiscal years which ended on March 31 and June 30, 1946, respectively. In such cases there are no possible means for the local authorities to avoid the deficits previously incurred. Consequently the obligation of the Federal Government to pay these contributions has become fixed.

It was necessary for FPHA to pay annual contributions in fiscal 1946 on a few of these 671 projects because of the admission of low income war workers and enlisted military personnel. However, most of these annual contributions which FPHA paid in fiscal 1946 were paid with respect to local housing authority fiscal year operations which ended prior to July 1, 1945, the beginning of the Federal fiscal year 1946.

The inclusion of the above proviso in H. R. 6777 would amount to a repudiation by the Congress of the pledged faith of the United States, which is unthinkable and cannot be within the intention of the Congress.

After H. R. 6777 was passed by the House, FPHA requested an opinion from the Attorney General as to the legal consequences that would ensue in the event the bill as finally enacted contains the proviso prohibiting the use of appropriated funds to pay contributions with respect to Public Law 671 projects. In reply an opinion was received from the Acting Assistant Solicitor General of the United States that the enactment of this proviso, (1) would not operate to void the obligation of contracts to make annual contributions with respect to projects constructed under the authority of Public Law 671; and (2) that failure to make payments otherwise required by any contract would therefore result in a breach of contract by the FPHA and the United States

The effect of the proviso would therefore be to compel local authorities to sue the United States in the Court of Claims to enforce obligations to which the Congress has pledged the faith of the United States.

The proviso was deleted from the bill by the Senate and sent to conference. It is of the utmost importance that the proviso be deleted from the bill as finally enacted in order to keep the faith of the United States which has been pledged to the payment of such contributions.

FEDERAL PUBLIC HOUSING AUTHORITY.
JULY 5, 1946.

From reading this letter and the attached statement it appears that the Solicitor General's office of the United States has held that to keep such restriction in the bill would not, first, operate to avoid the obligation of contracts to make annual contributions with respect to projects constructed under authority of Public Law 671, and second, that failure to make payments otherwise required by any contract would, therefore, result in a breach of contract by the FPHA and the United States. For these reasons the committee has recommended that the House recede from its position with an amendment.

I feel that the Members of this Congress should give attention to just what this law providing for low-rent housing provides. A national agency is set up with provision for the creation of local public housing authorities, and the national authority can and has them entered into contracts with its local housing authority to pay a share of the rent of each tenant in all projects for 60 years, the annual subsidy so paid by the Federal Government to be up to $28,000,000 annually. The Solicitor General says then that under the authority of such law where such contracts are entered into as they have been, the Congress is required to appropriate such money, and if it fails so to do, that the Government has violated its contract and is subject to suit.

It may be in order for the Federal Government to aid in the construction of homes and of low-rent projects but certainly it is hard to understand why the Government should in some cases pay a part of the house rent in various cities throughout the country for some individuals and not do so for others similarly situated. Of course, when the original law was passed provision was made for rural homes along the same line but no efforts were ever made to set up any agency for rural homes where the rent would be subsidized and it leads one to the belief that such provision was rather a catch-all to secure votes from members of agricultural areas.

If the Federal Government is to assist in the removal of slums from city areas certainly there should be a requirement that cities enforce health laws and otherwise prevent other sections of such cities from becoming slums. No such requirement exists in the law. If the Federal Government wishes to assist cities in building low-rent homes certainly the Government should do it and get through with it and not provide for a 60-year continuing liability of the Federal Government by authorizing the Federal Public Housing Authority to enter into a contract by binding the Congress and the Federal Government to pay up to $28,000,000 annually toward the rents of a few citizens of a few cities throughout the Nation. I call attention to this because I understand that bills are pending to further expand this program and to grant due authority to the Federal Housing Agency to enter into new contracts binding the Federal Government for 60 years to make annual contributions costing millions of dollars to certain citizens, tenants of such projects, and leaving the Federal Government subject to suit if such payments are not made. This committee finds itself bound to make these appropriations for existing authorities due to the fact that the contracts have been entered into under authority of the existing law. Certainly every Member of Congress should realize what this Federal Public Housing Agency is and what the Federal Government is required to do in considering any expansion of any such program which in my judgment would certainly be foreign to the best interests of the Nation.

The committee amendment provides for the use of $500,000 for meeting subsidy on the 671 projects since under the contract authorized by the law the Federal Government is committed. We have further provided that no such subsidy shall be paid toward the rent of tenants of these projects unless such family is within the lower 25 percent by number on incomes in such city.

PATENT OFFICE EMPLOYEES

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4080) to amend section 476, Revised Statutes (U. S. C. title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes, with Senate amendments, disagree to the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BOYKIN, LANHAM, and HARTLEY.

SHORTAGE OF FOOD AND FEED IN MASSACHUSETTS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 676.

The SPEAKER. The Chair will submit the gentleman's request but advises the gentleman from Virginia that should controversy develop it will have to be withdrawn.

The Clerk read the resolution, as follows.

Resolved, That the Secretary of Agriculture is requested to submit to the House of Representatives such facts as may be in his possession with respect to the shortage of food and feed in the Commonwealth of Massachusetts, particularly with respect to the alleged discriminatory shortage of meat, milk, butter, and bread, and of grain suitable for the feeding of poultry and livestock.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mrs. ROGERS of Massachusetts. The Secretary of Agriculture has given information regarding this resolution. Therefore I shall not discuss it this afternoon, even though I were allowed to. I am not satisfied with what the Department of Agriculture has done in the distribution of food. Does the gentleman from Virginia intend to have the letter from the Secretary of Agriculture published?

Mr. FLANNAGAN. Yes; I may state that I furnished the gentlewoman from

Massachusetts with a copy of the letter when I received it yesterday.

Mrs. ROGERS of Massachusetts. Yes; the gentleman was very courteous.

Mr. FLANNAGAN. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

CONSENT CALENDAR TO BE CALLED TUESDAY, JULY 16, 1946

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order on Tuesday next instead of Monday for the Consent Calendar to be called.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include an editorial on the British loan.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the RECORD following those of the gentleman from Massachusetts [Mr. McCORMACK].

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 138, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. SPENCE. Mr. Chairman, I yield 30 minutes to the majority leader the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, any steps taken toward economic peace is a step toward actual peace. Reasonable assurances of economic peace in the world of today is necessary before the actual peace people everywhere seek and pray for can be accomplished.

The financial agreement entered into between our country and Great Britain, as some have suggested and argued, does not mean we are creating an American-Anglo economic bloc.

Nothing can be farther from the truth than this contention.

The loan has for its basic purpose the prevention of economic blocs, not the creation of a new one.

First of all the agreement is purely a business arrangement in which both the United States and England have made and have received important economic concessions. It is not intended as political in character nor does it provide economic benefits in return for past or future political or military assistance. Very early in the negotiations all considerations of sentiment and political cultural ties were ruled out of the discussions by the American negotiators.

One of the primary objectives of the financial agreement is to break up the tight British sterling area bloc by enabling England to abolish the sterling area dollar pool and permit holders of sterling balances to convert them into dollars or any other currency. Once these provisions go into effect, Britain will no longer control the trade of the countries which make up the sterling area. These countries will once more be free to buy wherever they please.

The United States has not asked for any special treatment under the terms of the financial agreement which would have the effect of discriminating against the trade of other countries. Under the terms of the agreement Britain not only agrees not to discriminate against United States trade by the use of import restrictions and exchange controls, but she has also agreed not to discriminate against the trade of any other country. What the agreement seeks is the opening up of the trade of England and of the sterling area to all of the countries of the world on a fair and equitable basis. This principle is further developed in our proposals for an international trade organization which the British agreed to in principle at the close of the loan negotiations.

Because we Americans live in a free enterprise system, it is especially important to us that there be no warring economic blocs among nations. Economic warfare and bilateral arrangements mean the channeling of trade and the regimentation of importers and exporters. We believe in a world in which merchants can properly buy and sell wherever they please all over the world.

But trade restrictions and economic blocs also mean a reduced level of world trade. As the world's greatest exporter, this country has much to lose from the universal employment of restrictive trade practices. In fact, large foreign markets are vital to our program for maintaining high levels of employment and production after the war.

There is no intention on the part of the two contracting countries to create an economic bloc. The opposite is sought.

On the other hand, those who advanced the erroneous, far-fetched, and unwarranted assertion that this agreement constituted an economic bloc, overlook the fact that if some other country or countries, voluntarily or through fear or uncertainty, form an economic bloc directed toward the United States and Great Britain, that under such conditions and circumstances we would be justified, in fact, the national interest of our country would require and demand it, that we take proper measures to look after our best interests and to protect ourselves.

Is there any Member of this body that will dare challenge that statement?

And, yet, there is marked evidence that such a condition exists today.

Behind the so-called iron curtain, there are a number of countries, under the influence or domination of the Soviet Union, who are prevented from free contacts with the rest of the world, both in trade, and in other human activities.

Those who oppose approval of the agreement on this ground take the position that we should remain quiet—do nothing, and allow the Soviet attempt to dominate or control Europe and Asia, economically, politically, and socially, to go on unheeded by our country, to which practically all of the other nations of the world are looking to with friendly eyes.

In other words, to abdicate our necessary role in world affairs—adopt the attitude of economic and political isolationism—the policy of appeasement, and thereby leave practically all of the other nations of the world, against their will and desires, subject to the influence, gravity, and the orbit of the Soviet Union.

What a crime that would be to Americans of this generation. What a greater crime it might be to Americans of the next generation.

I do not belong to that school of thought. I do not think many Americans, in full possession of the facts, would belong to that school of thought.

In considering this question, and in voting on it, we cannot permit our likes or dislikes to becloud our minds, or influence our judgment. The main question for each Member to decide is whether or not the approval of the agreement is for the national interest of our country. We should not allow feelings on our part related to the past, or past disagreements, to influence our judgment. We must deal with the world of today and the world of tomorrow, as far as we can reasonably look into the future.

In considering this primary question, the world conditions as they exist today, and will in the years to come, having in mind also our responsibilities and our hopes for constructive progress and peace, having in mind the position of America, and its vast power that can be used for good, having in mind the best interests also of the coming generation, must be considered by us.

We are charged with responsibility, and we should vote as our conscience, judgment, and reason prompts us to, and not as our emotions dictate.

I realize that in the conflict of emotionalism against reason, that to vote on the side of reason takes courage. But where the national interest, present and future, of our country is involved, we must respond to reason, and vote for the national interest of our country. Every country in the world is watching the outcome of this vote, because on it depends whether or not, so far as they are concerned, the United States will assume its place as the leader—constructive leader—among the nations of the world, or fall back again to the isolationalism following the days of World War I.

I can, as other Members can also, vouch for the fact that where the conflict of reason against emotionalism exists, as we look back to the days before Pearl Harbor, it takes courage to vote on

the side of reason, and for our national interest. I remember well the passage of the Selective Service Act extension by only one vote.

We were then engaging in legislative battles in this very Chamber to secure the passage of legislation necessary to preserve our country in case of attack.

We are now engaging in legislative and diplomatic battles, and this is one of the legislative proposals necessary to strengthen the postwar era of our country and the civilization of which we are a part, and a most important part.

What we are doing and what we will do in the days to come in the immediate future will also determine to a great extent the kind of a world the next generation of Americans will face and live in. The generation of youth of today who fought the recent war for us, were the forgotten generation of 25 and less years ago. Are we going to have another forgotten generation 25 years from now? That depends on what we, who are charged with responsibility, do in these days.

War never leaves a nation where it found it.

This saying well applies to our country. After World War I we rejected the pleadings of Woodrow Wilson to assume our place, in our own national interest, as a leader among the nations of the world for constructive international action. We turned against the very conditions that called upon our country to be a constructive leader in world affairs. Our own national interest called for it. We followed the journey of isolationism. World War II followed. If we had followed Wilson it might have been averted. We failed to heed his voice. We do know from actual experience that World War II was the inevitable result of failure on the part of nations to act with understanding to outlaw war.

World War II places upon us even a greater responsibility to take our place as a leader among the nations of the world in an effort to bring about permanent peace. If we again reject our responsibility, based on the experiences of the last two wars, we know that the next generation of Americans will face the fear of another war more terrible even than the last one.

It is true that "War never leaves a nation where it found it."

We can close our eyes because of our dislikes or our prejudices, or because of other human impulses or feelings, if we want to, to our responsibilities, but sooner or later we will regret our actions.

It is interesting to note in history how many nations have failed, to their harm and in some cases ultimate destruction, to learn the lessons of their experiences, particularly of wars they engaged in. I am referring to victorious nations of wars of bygone days, who failed to assume their responsibilities after victory.

Whether or not we like it, there are certain things we must do as a nation.

It is our duty to do everything we properly can do to strengthen and preserve here and abroad the way of life we and other peoples believe in, centered around the existence of the dignity and personality of the individual. That truth that we believe in so strongly comes from the Supreme Being Himself.

Every civilization has its origin in some religious belief. Our civilization—western or Christian civilization—all persons who believe in one God, has its origin in God Himself. Democratic institutions of government—the dignity and personality of the individual—have their origin in God Himself, and of our belief in Him.

With the overthrow of the Czars in Russia, a new civilization was created, as well as an old and broken-down government overthrown.

The Soviet Union of today is more than a government—so far as the force and power of government is concerned, it is a new civilization. As a civilization, it is the opposite of ours, with the state supreme and all-powerful. In addition, it is challenging our civilization directly and other civilizations indirectly. It is a dynamic challenge, and can only be met by forward looking action on our part.

We cannot afford to remain indifferent to the real facts.

There are some persons in the United States who say, "What do we care about what happens in or to Poland, Great Britain, China, Austria, Hungary, Greece, Italy, France, Belgium, or other countries? Let them take care of themselves. What happens to them is none of our business." Such persons are either ignorant of, or indifferent to, the best interests of our country.

They will find out sooner or later that if all the countries of Europe and Asia come under the influence or domination of Moscow that it will mean a great deal to our country and to ourselves. They will then suddenly wake up and demand to know why we failed to act when we should have done so.

Whether or not we like it, the fact remains that practically all of the countries of the world are looking to either Washington or to Moscow.

If we close our eyes; if public opinion fails to mold itself correctly; if our public officials charged with responsibility fail through indifference, uncertainty, or fear to do the things we ought to do in our own national interest, then we leave those countries who look toward Washington with friendly eyes no other alternative but to be subjected to the sphere of influence of Moscow.

We might just as well face the facts and be realistic. If we do, we will get along better with any other nation or nations that might be in a challenging mood. As I see it, we will have to help in a sound and proper way France, Italy, China, Poland, and some other countries.

By so doing we will be serving our own national interest, as well as theirs. We will make democratic institutions of government and the higher things we believe in dynamic, affirmative institutions that they are.

This is common sense applied to the world of today.

We have either to take our place in the world as the leader in preserving and strengthening those truths we believe in, and that means vision and courageous leadership, or we will go back again into provincialism and isolationalism. The latter course means letting the rest of the world take care of themselves the best way they can. Such a course will ultimately be harmful to the best interests of our country and of our people, as well as leaving other countries and peoples the easy prey of totalitarianism.

The latter course on our part is defeatism; it is a journey contrary to our responsibilities in the world of today; it is the road of moral decay here and abroad; it is contrary to our best interests. As I have said before, it will leave other countries and peoples the easy prey to the influence of totalitarianism.

There is an immutable rule of life "that he who fears to come to the aid of others or rescue others cannot count on others helping him."

There are nations in this world who need our assistance in their rehabilitation and reconstruction—in retaining without fear or uncertainty their freedom and independence, and their right to have a government of their free choice—one that represents the free will of their people.

These nations are looking to us for leadership and that leadership must mean something more than mere words. Pope Pius XII, spiritual head of the Catholic Church, has said in substance many times, once very recently, that the world is looking to America for such leadership. Spiritual leaders of other creeds, Protestant and Jew, have expressed themselves along the same lines.

Every nation in the world is watching the outcome of the pending measure. They know that if the pending measure is defeated, which I am confident it will not be, that America has turned its back again on its responsibilities in the field of international action.

The approval of the financial agreement with England has much deeper and broader implications to us and to the rest of the world than the loan itself or the provisions contained in the financial agreement. Those deeper and broad implications we know and we feel.

In the light of existing world conditions, it is in the national interest of our country—which is our primary concern—to approve the agreement.

In the light of the deeper and broad implications involved, it is of paramount importance to our national interest that it be approved, and by an overwhelming vote.

I rest the case for approval on the ground that the national interest of our country, and of our civilization, calls for such action on our part.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CHELF. I may say to the gentleman that I have been open-minded on this question ever since it first came before the House for consideration. I have listened very carefully to the gentleman's fine presentation, and to the other presentations that have been made here, both pro and con. I think the gentleman

from Massachusetts hit the nail squarely on the head when he said that the countries of the world are now seeking and crying for leadership as never before. This Congress has got to make up its mind to do one of two things: Either (a) let the countries of the world look to a communistic and atheistic leadership or (b) look to a Christian leadership at Washington. In addition to this, we cannot afford to gamble with the security of our Nation. It has cost us $300,000,000,000 in treasure to win the war and well over three-quarters of a million casualties in blood. Surely, then, a loan of over three billion is not too much in a conscientious effort to win, sponsor, preserve, and maintain the peace, thereby seeking to avoid a third and a last world war which would destroy all civilization.

For these reasons and others, I have made up my mind to support this resolution, and I am going to cast my vote for it.

Mr. McCORMACK. I am grateful to the gentleman for his frank observation.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. McDONOUGH. I appreciate the gentleman's concern over the danger of lack of an agreement between the Anglo-American nations and Russia, but does the gentleman believe that such agreement as the one under consideration would be looked upon by the Russians as a bilateral agreement not in accord with the spirit of unity among nations?

Mr. McCORMACK. There is no justification for that. The gentleman will notice I said "intent." We are justified in adopting policies which are consistent with America's position of leadership that our country has assumed in the world of today. This is to free commerce from blocs. Let us assume there is a bloc directed against us. I know the gentleman from California would be the last man in the world to say that we should sit idly by and do nothing. Am I right? So I am frank in saying that the intent of this and all other countries of the world proceeding internationally with understanding is to bring about a freer exchange of goods and services. On the other hand, if a bloc exists elsewhere, actually in being or in the process of development, then this agreement that is made will provide affirmative action, will be utilized by us as a necessary means to protect ourselves against that bloc, used for defensive purposes.

Furthermore, the other countries of the world, the small countries with fear and uncertainty as to their own future, have to look one way or the other. If the message is sent to them that they need not look in one of the only two ways in which they must look, then they have no alternative but to choose the other way.

Mr. McDONOUGH. Do I understand, then, that the gentleman's interpretation is that the loan is an agreement of a political nature rather than a financial nature?

Mr. McCORMACK. No; no; the gentleman's interpretation of my argument is entirely wrong. The gentleman will remember I specifically emphasized the financial character of the loan. Then I discussed the deeper implications of the relationship from the angle that we are wedded to by over nineteen hundred years of ancestry and history, all of us, and over 150 years of our constitutional government, where the uppermost pillar is the dignity and personality of the individual as a human being.

Mr. McDONOUGH. What I have in mind is this: There is more of a desirability to have an association between the British and the Americans, politically and financially, than with any other nation on the face of the earth; is that the gentleman's contention?

Mr. McCORMACK. What does the gentleman think?

Mr. McDONOUGH. I am asking the gentleman.

Mr. McCORMACK. What does the gentleman think?

Mr. McDONOUGH. The gentleman from Massachusetts is speaking.

Mr. McCORMACK. What does the gentleman think?

Mr. McDONOUGH. I am asking you.

Mr. McCORMACK. What does the gentleman think?

Mr. McDONOUGH. I think there is.

Mr. McCORMACK. Then, all right. I will not challenge the gentleman's answer to his own question.

Mr. McDONOUGH. The gentleman ought to be fair and give us his opinion.

Mr. McCORMACK. I said I did not challenge the gentleman's own answer to his question.

Mr. McDONOUGH. Then there is a political significance?

Mr. McCORMACK. There is no political significance about this as intended. The gentleman, I am sure, is capable of drawing a distinction between intent and results.

Mr. McDONOUGH. Is this a gift?

Mr. McCORMACK. Why, the gentleman now shifts. Of course, it is not.

Mr. McDONOUGH. Is it a loan?

Mr. McCORMACK. Why, the gentleman knows it is.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. At this point I think it is quite interesting and significant that neither the President nor the Secretary of State referred to it as a loan but as a financial agreement.

Mr. McCORMACK. It is a financial agreement. That is the technical term but, of course, it is a loan.

Mr. McDONOUGH. In the hearings Mr. Will Clayton, of the State Department, referred to it not as a gift, not as a loan.

Mr. McCORMACK. Is my friend going to vote for the agreement or not?

Mr. McDONOUGH. I will decide that when the roll is called.

Mr. McCORMACK. Then I have hopes that I may convert my friend because if ever in the last several hundred years we needed a spirit of constructive conversion it is today, not only in America, but elsewhere, based upon those truths in which we believe.

Mr. McDONOUGH. From what the gentleman has said I conclude, if I understand his language correctly, and in the eloquence in which he delivered it——

Mr. McCORMACK. The gentleman flatters me. I would appreciate it if he would use the word "sincerity" instead.

Mr. McDONOUGH. There is more political significance in what the gentleman has said than there is in a commercial agreement or a commercial loan.

Mr. McCORMACK. The gentleman's conclusion is again in error. I discussed the agreement from the angle of the intent of the contracting parties, then I reviewed world conditions and showed what some other country or countries might force the result to be. There is a big difference between intent and result. Certainly we are justified in taking such steps as are consistent with our national interests and with the things we are wedded to and in which we firmly believe. In my opinion, this is one of the steps that is very much needed in this world of today.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 30 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, in appraising the Anglo-American agreement providing for an advance to Great Britain of $3,750,000,000 it is proper to review some of the more important activities relating to our foreign policy. We should try to determine whether those procedures worked out in accordance with avowed purposes and if so to what extent. This will give us some idea of what to expect from this agreement if approved by Congress.

I believe a study of the record of our Government's foreign policy during the last 10 years or so will show that it is characterized by an almost unbroken series of defaulted promises. Without questioning anyone's motives or the merits of the deeds, let us run over a few outstanding cases.

The Arms Embargo Act was passed as a gesture of neutrality when Europe was at peace and there was no undue demand upon us for war goods.

When Europe became involved in war, when our unemployed numbered approximately 10,000,000, and prospects for sales of war supplies abroad developed, the arms embargo was lifted in the name of preserving peace. That this act was a step toward war, all now agree.

One of the main reasons for imposing peacetime conscription upon our people was that it would protect us against war. It had the opposite effect.

The Lend-Lease Act was passed when the number of idle workers had hardly diminished and the problem of the depression was farther away from solution that it ever had been. Lend-lease was to be a panacea for preventing war. Lend-lease would make the United States the arsenal of democracy and give us a vicarious war, one in which we would furnish the bullets while our friends

across the sea would do the bleeding and dying.

The world at large now knows that the Lend-Lease Act was a covert declaration of war, that it almost immediately brought us into a clandestine shooting war, and that it was the imperative for bringing us into the conflict with all our resources, provocation or no provocation.

The casualty list belies the claim made that lend-lease would make it possible for us to fight a vicarious war.

The Atlantic Charter was hailed by its creator as a sort of world magna charta that would bring all mankind into a brotherly fraternity and abolish want and fear. But true to form, it fizzled out and was finally abandoned by its own maker and cast aside as a mere scrap of paper.

Yalta and Teheran and the secret agreements entered into there are further examples of misplaced faith in our foreign policy.

UNO which was to abolish war forever and bring all races and peoples into a common fold under a single government of everybody's own choosing where all could hereafter live happily and peacefully has already become so deflated that it is hardly possible to recognize any of the virtues originally ascribed to it.

The Keynes–Morgenthau scheme, prettily named Bretton Woods agreements, evolved the grand and all embracing international political machinery which would cause all participating nations to lay down their weapons of economic warfare and permanently do away with all trade barriers, currency restrictions, quotas and other discriminatory trade practices, and make trade flow as freely among the nations of the world as the oxygen we breathe. One would have thought from some of the claims made in support of that scheme that it would furnish an almost ironclad guarantee against all future wars.

As the Banking and Currency Committee hearings and congressional debate will show, the Congress and the Nation were given the impression that the Keynes–Morgenthau scheme as presented to Congress was complete and that nothing more was needed to make it function in the manner indicated. Our committee was given definitely to understand that no further requests for funds would be necessary.

But once again a hitch developed somewhere. The New Deal found something important lacking in its international financial contraption. In fact it was found so lacking in completeness that its creator, the late Lord Keynes, along with his Government refused to have anything to do with it unless the missing element was supplied. A "line of credit" amounting to $3,750,000,000 must be furnished to Britain by the United States to perfect the machinery and put it in running order. Unless this were done, Britain threatened to remain isolationist and invoke all the Schachtian currency restrictions and discriminatory trade practices against us and smash into smithereens all hopes for an enduring peace.

But if we supplied the missing part all would be well with Great Britain. She would join the fund and bank. After this deficiency was supplied, nothing more would be needed than to press a button, and, ipso facto, all trade barriers, currency restrictions, sterling area-dollar pools, and so forth, would be made to vanish from the channels of trade and world peace would be assured.

Am I indulging in hyperbole? Listen to what Mr. Byrnes, Secretary of State, has to say on this point.

The British financial agreement, he asserts:

> Will dissolve a whole vast system of trade controls and discriminations arising out of the economic difficulties of the war * * * The British loan is the first essential economic step toward peace and security.

Not one claim has been made for the Anglo-American agreement that was not put forward for the International Monetary Fund and Bank.

How strange that our committee and the Congress were given no inkling that the additional sum of $3,750,000,000 would be sought for Britain at the time the fund and bank were under consideration as being necessary to put these institutions into operation.

Are we really to believe that the late Lord Keynes, master mind behind this whole scheme to have the United States underwrite the economies of the United Nations and the economy of Great Britain in particular, did not know at the time the fund and bank were under consideration that this additional sum would be required to make those two institutions function?

Are we so naive as to think our own top Government officials did not know this? Or could it really be possible that they were not aware that an additional advance of $3,750,000,000 would have to be made to Britain before the fund and bank could be made to operate? If they did lack this knowledge they were woefully short in their understanding of the International Monetary Fund and Bank agreements. On the other hand, if the officials who spoke for the administration did know this then they utterly failed in performing their duty to their country for having kept this knowledge from the Congress.

With this long record of failures and broken promises before us how can we have any faith in anything that is being said in support of this advance to Britain. Any judgment formed in respect to this $3,750,000,000 so-called loan must be predica ed on this record.

It is very important to analyze the claim being made by the proponents of this advance that it would serve the purpose of preserving free enterprise in Great Britain and staying the drift toward collectivism that is now in process there. No more preposterous claim than this could possibly be made. In the first place this is a deal that is primarily confined to governments. It is not a financial transaction between private enterprises of the United States and Great Britain.

The undertaking involves, in the first instance, the absorption by the Government of the United States of the social control and use of $3,750,000,000 in American services and goods. These services and goods are, in the second instance placed in the control and at the disposal of the British Government. The transaction is a wholly intergovernmental transaction and lies entirely outside the realm of private enterprise.

It should be borne in mind that our Government has long ago exceeded the limits of taxation that are essential to the maintenance of a free competitive enterprise system and private ownership of property which the Constitution postulates and which were fairly well maintained up to World War I.

Not only so, but the Government now exercises on a grand scale the power of directly confiscating private property. It does this by paying its bills out of printing-press money.

These inordinate powers of taxation and confiscation are the very essence of collectivism. It is upon these powers that the Government depends for raising the funds required to satisfy the line of credit called for in the Anglo-American agreement.

Hence we see that the acquirement of this fund by our Government is essentially a collectivist procedure.

Once the goods which the line of credit will purchase came into the hands of the British Government they would be arbitrarily distributed to its citizens, say, to meet its cradle-to-the-grave commitments; or in the form of various kinds of loans; or for cash. Competition, the heart of free enterprise, would in no way enter into the process. The disposition by the British Government of the $3,750,000,000 would be a purely collectivist procedure.

So we see that this whole transaction, the raising of the fund by our Government and the disposition of it by the British Government, would be a collectivist transaction and the very antithesis of free private enterprise.

Control and operation by the individual governments of foreign trade is rapidly progressing.

The Anglo-American agreement will supplement the International Monetary Fund and Bank and the Export-Import Bank in destroying what is left of voluntary commercial, monetary, and financial dealings between the private citizens of different nations. A rigid totalitarian control is superseding all international economic transactions.

National and international collectivism are progressing apace.

Just as the New Deal is establishing collectivism in our domestic economy in the name of preserving free private enterprise at home so it is establishing collectivism in the international domain in the name of preserving free private enterprise abroad.

In appraising the New Deal we should always keep in mind that it is completely dominated by the urge to acquire control over the lives of our citizens. Regimentation by the democratic process for the purpose of exploitation is its overmastering goal.

The New Deal has never been interested in government, but only domination. Its whole foreign policy is predicated on this proposition. National and international commercial, financial, and other transactions are not separate

entities. They are parts of a whole. What affects the one affects the other.

The control which the New Deal acquires over our international relations and dealings must be reflected in our domestic relations and dealings. By as much as it can control our foreign transactions it can control our domestic transactions.

The spending mania of the New Deal and the accompanying delusion that the resources of the United States are unlimited spring primarily from the power acquired by the New Deal to exceed the due limits of taxation, but more especially from the usurped power to confiscate private property by the use of Government printing-press money.

This morbid urge for spending at home and scattering funds by the billions to the four corners of the earth is further enhanced by the anomalous idea that the billions of printed paper dollars in circulation and the printable dollars which exist in the form of bank deposits and Government securities are real wealth, or represent real wealth.

How much wealth do those dollars truly represent? No one can exactly tell, but all of us may be sure, surprisingly little.

When one gets off the beam and loses his understanding of what constitutes money, which is the simplest thing in the world to understand, it being nothing but gold and silver untouched by the hand of politics, there just seems to be no end to this mental pejoration. This has now gone so far that the devotees of the cult of New Dealism mistake the dollar sign for money itself. It is an old, old supersititon, of course, the mistaking of symbols for the realities themselves. Ancient Egyptian physicians believed in the potency of signs and made their patients swallow the prescription as well as the medicine prescribed. It should not be surprising to see the New Deal come out one day with a formula for manufacturing patriotism. Why, if it can fabricate money ad infinitum with a printing press, can it not produce a superabundance of patriotism by stamping out flags?

I do not know how much Lord Keynes had to do with creating the New Deal idea that we could make ourselves rich by printing dollar signs on bits of paper. Certain it is, however, that the greatest of all monetary quacks had the freest and most welcome entree to the White House when New Dealism began to take form. Certain it is, also, that he gave advice to the then incumbent of the grand mansion respecting the merits of printing-press money. He recommended to the President the use of printing-press money to cure the depression.

Lord Keynes wrote a letter to the President on the subject.

After indicating the desirability of devising a short-range recovery program which would put the President in a position to accomplish long-range reform, he said this could be done only by the Government creating additional current incomes through the expenditure of borrowed or printed money, and that only from such borrowed or printed money could be expected initial major impulses.

The above referred to letter of Lord Keynes to President Roosevelt will appear in full at the end of my remarks. It is a long letter and full of meat, if you are interested in finding out how we got this way.

That Lord Keynes became a powerful force in this country will hardly be questioned by any one who knows the facts. He was a frequent sojourner in Washington and on occasion stayed for months. He conceived the plan for an international clearing union from which was derived every important provision of the International Monetary Fund.

Lord Keynes wielded an evil spell over our top public officials that probably had never been paralleled. The influence which John Law exercised over the Regent of France was extraordinarily great, and Law's system brought indescribable ruin upon a large part of the citizenry of France. But I predict that the evils that will result from the influence exercised over our public officials by Lord Keynes will be so much greater than those experienced by the French under Law's system that no comparison whatever between the two will be possible.

What perhaps charmed our public officials was Lord Keynes' recommendation to solve the depression by creating great public works and paying for them with government printing-press money. That was so easy to do. Brains would not be needed. President Roosevelt said it took courage.

Why all this fuss about the Anglo-American agreement abolishing bilateral trade agreements? What in the world is this Anglo-American agreement itself but a bilateral trade agreement? Justice Roberts gave some interesting testimony before the committee bearing upon this point. He quoted from a circular entitled "What the British Loan and Trade Agreement Means to You?" containing a lot of questions and answers relating to the proposed advance to Great Britain. Justice Roberts is sponsoring this circular.

Quoting from the circular:

Question. What good does the loan do Britain?

Answer. British buyers can quickly obtain United States wheat, cotton, and pork products; also United States steel for reconstruction, United States dynamos to replace destroyed electric-power plants, United States Army trucks, United States oranges, lemons, and apples, United States milk products, and United States machinery and machine tools. Otherwise the British would have to wait a long time to get enough of these products from other sources.

Question. From what other sources could Britain buy such goods if it does not receive the dollar loan?

Answer. From countries whose money is not dollars.

Question. What countries would Britain buy from if it received no dollar credit?

Answer. First, from those countries whose money is the pound sterling; and, second, from those countries whose money is tied closely to the pound sterling, like Argentina, Sweden, and Holland.

Question. Could countries other than the United States supply all the goods and food Britain needs?

Answer. Not immediately, but in the long run, yes; although perhaps at higher prices. In the long run, Britain will get somewhere its essential needs if the United States does not supply them.

How will the people in Sweden, Holland, Switzerland, and many other countries feel when they read this soliloquy? Will not they view the arrangement as a bilateral trade agreement? What else could they label it?

Because the United States and England are the two leading trading nations of the world makes the agreement nonetheless bilateral.

Will not the other nations of the world view this arrangement as a plan by the United States and Great Britain to control the internntional trade of the world? Of course they will, and that this is inherent in the scheme by its very nature cannot be, in my judgment, successfully disputed.

The proponents of this advance to Britain admit that there is a lot of opposition to it. They say the reason for this is that the people who oppose it do not understand it, or that they do not like England and want to fight the Battle of Valley Forge over again.

Mr. William L. Clayton, Assistant Secretary of State, even went so far as to imply that Mr. Jesse Jones, who opposes this advance to England, was incompetent to take a position on the matter. Mr. Clayton said that Mr. Jones does not understand bilateral trade agreements; that he has had too little experience in foreign trading to understand it. I doubt if many people who know about Mr. Jesse Jones' experience will agree with Mr. Clayton. In my opinion, Mr. Jones is one of the very few men in the United States who really does understand this proposition.

I think men of intelligence and integrity can honestly oppose this proposal. There is no indication that those who oppose this advance to Britain know less about it than the ones favoring it. Nor is there the least ground for the charge that we are anti-British. The opponents of this measure could just as legitimately charge the proponents of it with being unpatriotic—with having more love for England than their own country.

Aside from the proposal to extend to Great Britain credit in the amount of $3,750,000,000 to be repaid over a period of 55 years at less than 2 percent interest, to purchase goods and services from the United States or any other country, to help her meet postwar deficits in her current balance of payments, and to maintain adequate reserves of gold and dollars, there is little of much consequence to be said about this deal.

The interest can be waived at the pleasure of Britain provided she finds a waiver is necessary, depending upon present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves, further depending upon her certifying "that the income of the United Kingdom from home-produced exports, plus her net income from invisible current transactions in her balance of payments was on the average over the five preceding years, less than the annual average amount of her United Kingdom imports during 1936–38, fixed at £866,000,000, as such

figure may be adjusted for changes in the price level of these imports."

This can mean many things and provides plenty of leeway for various interpretations.

It is claimed the agreement provides for the removal of the sterling area dollar pool as a quid pro quo for the $3,750,000,000 advance. We were told the International Monetary Fund would provide that. It was admitted by witnesses that the fund did provide for the removal of the sterling area dollar pool. But instead under the fund agreement that would be done over a 5-year period, whereas under the Anglo-American agreement it would be done in 1 year.

There is, of course, no definite commitment on the part of Great Britain that she will remove any of her bilateral trade agreements.

I find no definite quid pro quo anywhere in the document.

Lord Keynes' pet provision to vest in the International Monetary Fund which, under the conditions that prevail, means Great Britain will have vast power over our exports and tariff policy

I am opposed to the Anglo-American agreement because I mistrust the reasons given for it. Somebody deliberately perverted the facts when the international Monetary Fund was under consideration, or Government officials responsible for setting up that institution were unbelievably stupid in thinking it was complete when it needed $3,750,000,000 more to make it function.

I am opposed to handing over to Great Britain this $3,750,000,000 because the United States Government must rely upon its illicit power to confiscate the private property of our citizens in order to raise this sum.

I am opposed to this proposition because it takes us further down the road of collectivism.

I am opposed to this proposal because I believe it will in the long run be harmful to world trade and will help no country.

I am opposed to it because we cannot afford it. There is no indication that Great Britain is not as well or better off financially than the United States.

I am opposed to advancing this money to Britain because it will increase the amount of credit and add to the inflationary pressure.

I am opposed to handing over to Great Britain this $3,750,000,000 to purchase American goods because that will aggravate the existing shortage of commodities and lift prices to a higher level.

I am opposed to giving this money to Great Britain without at least some collateral as security. She has collateral which she could provide.

Finally, I am opposed to the Anglo-American Financial Agreement because British financiers are far more able and experienced than our own and are making the most of this situation.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. There seems to be a movement on foot to have a face-saving amendment adopted, putting collateral on here. I think the gentleman will agree that this thing is so filled with loopholes that they could stop their interest payments or any of these things that they are alleged to have promised the day after we make the loan if they want to. By providing that they give collateral is nothing; it is just fooling the public.

I mean to say this agreement is no good and hanging collateral on it does not mean anything. There is no promise at all. It is simply a method of fooling the public. They have not agreed to anything in this agreement.

Mr. SMITH of Ohio. The gentlewoman is correct; they have not agreed to anything

Miss SUMNER of Illinois. No person or group of persons have been so fooled by an agreement as they have been by this one.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Ohio.

Mr. JENKINS. I am sure that practically every Member of this House looks upon the distinguished gentleman who is now addressing the House as one of the most able financial experts in the House because of his long years of study of this question. I listened to his statement to the effect that there is no contract, no basis between us, except simply that the money is going to be paid out. So, generally speaking, if we get anything out of it, we will get it through trade. If we put $3,750,000,000, nearly $4,000,000,000, on the line for a chance to trade, then we will, of course, be at a disadvantage. We will have to take the trade accordingly as they will determine they want to give it to us.

Mr. SMITH of Ohio. We will have to take mouth organs if that is all they have to give us in exchange.

Mr JENKINS. In other words, we will have to take from them whatever they desire and whatever they are inclined to give to us.

Mr. SMITH of Ohio. That is right.

[From American Affairs of April 1946]

AN OPEN LETTER

(By John Maynard Keynes)

LONDON, *December 30.*

DEAR MR. PRESIDENT: You have made yourself the trustee for those in every country who seek to meet the evils of our condition by reasoned experiment within the framework of the existing system

If you fail, rational change will be gravely prejudiced throughout the world, leaving orthodoxy and revolution to fight it out.

But if you succeed, new and bolder methods will be tried everywhere, and we may date the first chapter of a new economic era from your accession to office

This is a sufficient reason why I should venture to lay my reflections before you, though under the disadvantages of distance and partial knowledge.

OPINION IN ENGLAND

At the moment your sympathisers in England are nervous and sometimes despondent. We wonder whether the order of different urgencies is rightly understood, whether there is a confusion of aims, and whether some of the advice you get is not crackbrained and queer.

If we are disconcerted when we defend you, this is partly due to influence of our environment in London. For almost everyone here has a wildly distorted view of what is happening in the United States.

The average city man believes you are engaged on a hare-brained expedition in face of competent advice, that the best hope lies in your ridding yourself of your present advisers, to return to the old ways, and that otherwise the United States is heading for some ghastly break-down. That is what they say they smell

There is a recrudescence of wise head wagging by those who believe the nose is a nobler organ than the brain London is convinced that we only have to sit back and wait and see what we shall see May I crave your attention, while I put my own view.

You are engaged on a double task, recovery and reform—recovery from the slump, and the passage of those business and social reforms which are long overdue. For the first, speed and quick results are essential. The second may be urgent, too; but haste will be injurious, and wisdom of long-range purpose is more necessary than immediate achievement. It will be through raising high the prestige of your administration by success in short-range recovery that you will have the driving force to accomplish long-range reform

On the other hand, even wise and necessary reform may, in some respects, impede and complicate recovery. For it will upset the confidence of the business world and weaken its existing motives to action before you have had time to put other motives in their place. It may overtask your bureaucratic machine, which the traditional individualism of the United States and the old spoils system have left none too strong And it will confuse the thought and aim of yourself and your administration by giving you too much to think about all at once.

NRA AIMS AND RESULTS

Now I am not clear, looking back over the last 9 months, that the order of urgency between measures of recovery and measures of reform has been duly observed, or that the latter has not sometimes been mistaken for the former In particular, though its social gains are considerable, I cannot detect any material aid to recovery in the NRA. The driving force which has been put behind the vast administrative task set by this act has seemed to represent a wrong choice in the order of urgencies The act is on the statute book, a considerable amount has been done toward implementing it; but it might be better for the present to allow experience to accumulate before trying to force through all its details.

Thus, my first reflection—that NRA, which is essentially reform and probably impedes recovery, has been put across too hastily, in the false guise of being part of the technique of recovery.

My second reflection relates to the technique of recovery itself. The object of recovery is to increase the national output and put more men to work. In the economic system of the modern world, output is primarily produced for sale; and the volume of output depends on the amount of purchasing power, compared with the prime cost of production, which is expected to come on the market.

Broadly speaking, therefore, an increase of output can occur only by the operation of one or other of three factors. Individuals must be induced to spend more out of their existing incomes, or the business world must be induced, either by increased confidence in the prospects or by a lower rate of interest, to create additional current incomes in the hands of their employees, which is what happens when either the working or the fixed capital of the country is being increased; or

public authority must be called in aid to create additional current incomes through the expenditure of borrowed or printed money.

In bad times the first factor cannot be expected to work on a sufficient scale. The second factor will only come in as the second wave of attack on the slump, after the tide has been turned by the expenditures of public authority. It is, therefore, only from the third factor that we can expect the initial major impulse.

THE PROBLEM OF RISING PRICES

Now there are indications that too technical fallacies may have affected the policy of your administration. The first relates to the part played in recovery by rising prices. Rising prices are to be welcomed because they are usually a symptom of rising output and employment. When more purchasing power is spent, one expects rising output at rising prices. Since there cannot be rising output without rising prices, it is essential to insure that the recovery shall not be held back by the insufficiency of the supply of money to support the increased monetary turn-over

But there is much less to be said in favor of rising prices if they are brought about at the expense of rising output. Some debtors may be helped, but the national recovery as a whole will be retarded. Thus rising prices caused by deliberately increasing output have a vastly inferior value to rising prices which are the natural result of an increase in the Nation's purchasing power

I do not mean to impugn the social justice and social expediency of the redistribution of incomes aimed at by the NRA and by the various schemes for agricultural restrictions. The latter, in particular, I should strongly support in principle But too much emphasis on the remedial value of a higher price level as an object in itself may lead to serious misapprehension of the part prices can play in the technique of recovery The stimulation of output by increasing aggregate purchasing power is the right way to get prices up, and not the other way around

Thus, as the prime mover in the first stage of the technique of recovery, I lay overwhelming emphasis on the increase of national purchasing power resulting from governmental expenditure which is financed by loans and is not merely a transfer through taxation from existing incomes Nothing else counts in comparison with this.

BOOM, SLUMP, AND WAR

In a boom, inflation can be caused by allowing unlimited credit to support the excited enthusiasm of business speculators. But in a slump governmental loan expenditure is the only sure means of obtaining quickly a rising output at rising prices That is why a war has always caused intense industrial activity In the past, orthodox finance has regarded a war as the only legitimate excuse for creating employment by governmental expenditure You, Mr. President, having cast off such fetters, are free to engage in the interests of peace and prosperity the technique which hitherto has only been allowed to serve the purposes of war and destruction.

The set-back American recovery experienced this past autumn was the predictable consequence of the failure of your administration to organise any material increase in new loan expenditure during your first 6 months of office. The position 6 months hence will depend entirely on whether you have been laying the foundations for larger expenditures in the near future

I am not surprised that so little has been spent to date. Our own experience has shown how difficult it is to improvise useful loan expenditures at short notice. There are many obstacles to be patiently overcome, if waste, inefficiency, and corruption are to be avoided. There are many factors I need not stop to enumerate which render especially difficult in the United States the rapid improvisation of a vast program of public works. I do not blame Secretary Ickes for being cautious and careful. But the risks of less speed must be weighed against those of more haste. He must get across the crevasses before it is dark.

The other set of fallacies, of which I fear the influence, arises out of a crude economic doctrine commonly known as the quantity theory of money. Rising output and rising incomes will suffer a set-back sooner or later if the quantity of money is rigidly fixed. Some people seem to infer from this that output and income can be raised by increasing the quantity of money. But this is like trying to get fat by buying a larger belt. In the United States today your belt is plenty big enough for your belly. It is a most misleading thing to stress the quantity of money, which is only a limiting factor, rather than the volume of expenditure, which is the operative factor.

It is an even more foolish application of the same ideas to believe that there is a mathematical relation between the price of gold and the prices of other things It is true that the value of the dollar in terms of foreign currencies will affect the prices of those goods which enter into international trade Insofar as an overvaluation of the dollar was impeding the freedom of domestic price-raising policies or disturbing the balance of payments with foreign countries, it was advisable to depreciate it But exchange depreciation should follow the success of your domestic price-raising policy as its natural consequence, and should not be allowed to disturb the whole words by proceeding its justification at an entirely arbitrary pace. This is another example of trying to put on flesh by letting out the belt

CURRENCY AND EXCHANGE

The criticisms do not mean that I have weakened in my advocacy of a managed currency or in preferring stable prices to stable exchanges The currency and exchange policy of a country should be entirely subservient to the aim of raising output and employment to the right level But the recent gyrations of the dollar have looked to be more like a gold standard on the "booze" than the ideal managed currency of my dreams.

You may be feeling by now, Mr President, that my criticism is more obvious than my sympathy. Yet truly that is not so You remain for me the ruler whose general outlook and attitude to the tasks of government are the most sympathetic in the world. You are the only one who sees the necessity of a profound change of methods and is attempting it without intolerance, tyranny, or destruction. You are feeling your way by trial and error, and are felt to be, as you should be, entirely uncommitted in your own person to the details of a particular technique. In my country, as in your own, your position remains singularly untouched by criticism of this or the other detail. Our hope and our faith are based on broader considerations.

If you were to ask me what I would suggest in concrete terms for the immediate future, I would reply thus:

CONSTRUCTIVE CRITICISM

In the field of gold devaluation, and exchange policy the time has come when uncertainty should be ended. This game of blind-man's buff with exchange speculators serves no useful purpose and is extremely undignified. It upsets confidence, hinders business decisions, occupies the public attention in a measure far exceeding its real importance, and is responsible both for the irritation and for a certain lack of respect which exists abroad.

You have three alternatives. You can devalue the dollar in terms of gold, returning to the gold standard at a new, fixed ratio. This would be inconsistent with your declarations in favor of a long-range policy of stable prices, and I hope you will reject it.

You can seek some common policy of exchange stabilisation with Great Britain aimed at stable price levels This would be the best ultimate solution, but it is not practical politics at the moment, unless you are prepared to talk in terms of an initial value of sterling well below $5 pending the release of a marked rise in your domestic price level.

Lastly, you can announce that you will control the dollar exchange by buying and selling gold and foreign currencies at a definite figure so as to fight wide or meaningless fluctuations with a right to receive the parities at any time, but with a declared intention only so to do either to correct a serious want of balance in America's international receipts and payments or to meet a shift in your domestic price level relative to price levels abroad

THE FAVORED POLICY

This appears to me your best policy during the transitional period You would be waiving your right to make future arbitrary changes which did not correspond to any relative change in the facts, but in other respects you would retain your liberty to make your exchange policy subservient to the needs of your domestic policy—free to let out your belt in proportion as you put on flesh

In the field of domestic policy, I put in the forefront, for the reasons given above, a large volume of loan expenditure under Government auspices. It is beyond my province to choose particular objects to expend But preference should be given to those which can be made to mature quickly on a large scale, as, for example, the rehabilitation of the physical condition of the railroads. The object is to start the ball rolling.

The United States is ready to roll toward prosperity, if a good hard shove can be given in the next 6 months. Could not the energy and enthusiasm which launched the NRA in its early days be put behind a campaign for accelerating capital expenditures, as wisely chosen as the pressure of circumstances permits? You can at least feel sure that the country will be better enriched by such projects than by the involuntary idleness of millions

PLENTY OF CHEAP CREDIT

I put in the second place the maintenance of cheap and abundant credit, in particular the reduction of the long-term rate of interest. The turn of the tide in Great Britain is largely attributable to the reduction in the long-term rate of interest which ensued on the success of the conversion of the war loan. This was deliberately engineered by the open-market policy of the Bank of England.

I see no reason why you should not reduce the rate of interest on your long-term Government bonds to 2½ percent or less, with favorable repercussions on the whole by the market, if only the Federal Reserve System would replace its present holdings of short-dated Treasury issues in exchange. Such a policy might become effective in a few months, and I attach great importance to it.

With these adaptations or enlargements of your existing policies, I should expect a successful outcome with great confidence. How much that would mean, not only to the material prosperity of the United States and the whole world, but in comfort to men's

minds through a restoration of their faith in the wisdom and the power of Government.

With great respect, your obedient servant,

J M KEYNES

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr GAMBLE. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, there is no shred of isolationism involved in rejecting the financial agreement with the United Kingdom. Undoubtedly, there is a strong desire in the hearts and minds of many Americans to draw away from the strife and quarrels pervading all parts of the world. This is only natural. Indeed, we come by it by heredity. The original founding fathers left Europe in order to create a new world wherein they could pursue their own destinies unhampered by the discord of the Old World. They sought freedom—not only freedom to create a nation according to their own thought and image, but also freedom from the eternal bickerings of Europe with its oppression and its archaic social order. And countless thousands have come to these shores from various European countries since then with these same thoughts deeply embedded in their minds. Millions of Americans devoutly pray that we could follow such a course today. Unfortunately, this cannot be done. Time and space have been annihilated by man's inventions. No matter how deep the desires of any modern group to remove themselves from the harshness and the impacts of the rough and treacherous modern world might be, they could find no spot anywhere free from the shadow of the events happening in areas far distant. The Himalayas blend into the Ozarks.

Isolationism is dead. It is dead not because no one seeks it, but because it is unattainable. Let us recognize the fact without castigating the impulse. We must play our part. Since we cannot avoid involvement not only in Europe, but also in Asia, Africa, and elsewhere, our role must be to reduce those quarrels to a minimum and at all cost prevent the outbreak of another war. We must act with intelligence and caution Entering to the full in the world arena does not mean the blind acceptance of every international commitment laid before us by every Fred, Bill, and Harry for our approval. We must use discrimination, judgment, and common sense. We cannot accept blindly any more than we can reject blindly. If our general objective is to evolve a world of free and prosperous peoples, living under conditions unlikely to cause the frictions productive of war, trading with each other with growing freedom, then we should not embark upon any proposal the consequences of which are to continue a status quo proven by history and experience to result inevitably in wars. Nor should we bring to life a situation causing deep-seated ill feeling. To attempt to do so would be to waste our substance in fruitless effort. We must use our assets wisely. It is not enough to accept international commitments just because they are international commitments and then to beat our breasts and cry, "See, see, I am not an isolationist." It is not how much we do, but the wisdom of what we do. An international commitment, as such, is no sacred cow. Each one must be weighed in the balance.

Personally, no one feels more keenly than I the importance of a close association between the English-speaking peoples of the world. We must and should for our own interests support the United Kingdom, the British Isles. Our interests in western Europe—perhaps in all Europe—are somewhat identical to those of the United Kingdom. Our legal system, and many of our customs, even our language, are derived in large part from this group of islands. For many sound reasons we must give the United Kingdom support, but it should not be done so as to commit us to a policy against our vital interests in other areas of the world. We have already overlooked great opportunities to help British policy where it coincides completely with our own through the neglect and errors of our President and our executive departments in this postwar period We cannot pay off for those mistakes just by an ill-advised loan We should have supplied more food and materials to help build a sound western Europe starting early in 1945. We should watch for occasions when we can use our strength to support mutual interests. But it should be in accord with our own policy for world betterment

The British loan or financial agreement is neither a loan in the true sense of the word nor is it a financial agreement. Even its most ardent proponents admit it is not a true loan. It is not a financial agreement for several reasons. First, it only arranges future agreements through consultations to be worked out in the future for most of the problems supposed to be decided. Secondly, changed conditions in the United Kingdom prevent us from securing the consideration or quid pro quo which the Treasury and State Departments claim we will receive thereunder Therefore, it must be justified upon the ground of international policy. If there is a policy involved, I contend it is a bad policy. It is a policy designed to promote, and likely to cause, those things we least desire. It is a policy which will block off the objectives we devoutly seek to attain

We must not be confused by names. We must not be blinded by the word "loan" or the phrase "financial agreement." Shortly before the war this Congress passed the Lend-Lease Act. I voted for it, although it was clear to me that we were not lending and we were not leasing. This has become clear to everyone since the settlements of lend-lease. What we did do at that time was to adopt a policy. That policy was the defense of the British Isles and western Europe against nazism and Hitler Germany. By doing this we held a shield before us—we protected our own security. There were other advantages to the Lend-Lease Act, but this was the central idea. It was one of international policy.

Under the Lend-Lease Act our actual commitments were confined to financial aid and to supplying the sinews of war to our friends. Circumstances were such as to force us later to use military force in order to follow through on the policy. Inasmuch as the policy was sound, the results were good. It was a wise decision fully justified by subsequent events. We won the war, aided by our Allies. But the implications were apparent in the original Lend-Lease Act.

If the British loan is essentially in the nature of a policy, then we must examine, microscopically, the implications of the policy. We must see how it may affect us in the future. We must see how it will reverberate throughout this little world in which we live. In my judgment, what we do is to make, indirectly, more or less substantial commitments to the maintenance of the British Colonial Empire. Hence the question arises as to whether the British have a sound colonial policy Also, the further question, Can the British Colonial Empire and that system be maintained over a period of time? If it cannot be maintained the repayment of the loan becomes less likely, and we have little chance to receive any long-range benefits not otherwise available in the ordinary course of events from the financial agreements. All are inextricably intertwined.

British foreign policy has the merit of being clear-cut and well known in its broad outlines. It has continued in a straight line for many decades. It is based upon essentials. It is a wise policy for the United Kingdom It is rooted in the geography and the population and in the nature of the industrial development of the British Isles

The British Isles are small in area. They contain a population of approximately 45,000,000 people, far more than can be supported by the land area of the isles themselves. Only about 6 percent of the population produce from the land itself Coal is the only major natural resource and the coal-mining industry in England is on its last legs. For many years it has been necessary for the United Kingdom to import well over 50 percent of what it consumes and uses. In 1842, England repealed the corn laws, let agriculture disintegrate. It went all out for urbanization and industrialization We should study with care the history of England from the end of the Napoleonic wars up to 1842. It gives us scope and background to use in meeting problems already arising here in the United States in the years before us. We will be called upon to make somewhat analogous decisions. We require all knowledge available. Much more, we will require divine guidance from on high.

The fundamentals of British foreign policy are the freedom of the seas, an assured access to raw materials in lands frequently far distant, plus controlled markets in which the finished product can be sold. Throughout the years, the United Kingdom has steadfastly pursued the program of keeping its dominions and colonial territories as completely agrarian as possible in order to force them to sell their raw materials to the British Isles for manufacture, and to compel the masses in those lands to buy the finished products from the mother country.

From the broad view of general world economics, this is basically unsound. In-

creased costs are sure to arise from shipping raw cotton produced in India across the seas to England, then unloading and processing it in Liverpool and Manchester, and finally reloading and reshipment of the finished cotton product back to India for resale. The construction of cotton mills in India would destroy this competition in short order.

Hence India has never been permitted to industrialize. As I understand it, India is the only nation which has deindustralized since the industrial revolution in Europe in the early nineteenth century. Fewer Indians make their living in manufacturing plants than when England first took control of that vast subcontinent. The only exception to this is the period during the last war when the exigencies of the military situation absolutely required an increase in the industrial production of India.

Just how long the United Kingdom can continue this policy successfully is an open question. It is unlikely to be able to do so permanently. It would be cheaper and better business, from the standpoint of everyone except those in the British Isles, to build the industrial and manufacturing plants at the site of the raw material and then turn the raw material into finished cloth where it is grown and where much of it is used. Yet British policy continues exactly the same as it has during the past century.

A striking illustration of this is the type of control assumed by the United Kingdom over Siam during the past year. The United Kingdom imposed on that country the general colonial policy previously in effect in India, Egypt, the Malay peninsula and other dependencies. This indicated the intention to extend, as well as to continue, the same on and on into the future. Just how England could do otherwise and support her present overurbanized population is difficult to see. How she can win and keep a large export trade under any other system is not at all obvious. We should not criticize the British for this but we should recognize the inherent fallacies, so that, no matter what our admiration and affection for the British may be, we will not become involved in their vagaries of empire.

Many people who support the loan feel such a course will strengthen us against possible future Russian aggression. We might as well take notice of this argument. My own considered judgment is that support of the British colonial system and empire will enable communism to spread throughout China, India, and Asia. My reason for that judgment is that the British colonial system offers the people of those nations far less than the promises now being given them by the Russian propagandists. Britain maintains an economic, political, and military vacuum, so to speak, throughout these areas. A vacuum is bound to be filled—sooner or later. Studying the geographical situation, it is quite clear that as long as these areas continue as economic and political and military vacuums they will be filled eventually with communism or controlled by a nation offering something better. The Communists promise industrialization, better standards of living, preservation of native cultures, and everything which might be desirable. Russia cannot fulfill these promises. Russia will exact regimented control in return for what she does. Our policy should be to create strong states composed of contented people if we are to establish resistance barriers to a philosophy of thought and government which admittedly seeks world domination as its ultimate goal. We are in position to fulfill our promises—to their advantage and to our own. We can give freedom and prosperity.

My thought on this is reinforced by the lack of opposition given to the British loan by the Communist press in the United States. Naturally Russia wishes to see continued a world situation under which its polit bureau feels the great land areas of the world will in the course of time fall into their grasp as over-ripe apples drop from a tree. I do not want to see communism spread. Therefore, the soil in which it grows should not be fertilized. Freedom, and liberty, and opportunities are the antidotes.

We can and must adopt a policy of building strong and independent states throughout the world. States which can develop their own culture and which can protect themselves. We cannot afford to create a condition throughout the world where British weakness is backed by our strength. We cannot back a declining empire in its adventures in Asia and Africa and in its efforts to hold back the hand of time. Our interests in the Far East are opposed in many ways to those of the United Kingdom. Singapore and Burma prove the truth of these statements. There is a complete disagreement in our basic objectives. We cannot afford to allow British policy to dominate our own. Under the loan agreement it is implicit that we will do so.

We must and should, from our own interest, support the United Kingdom The British Isles are our bulwark against Europe. Our interests in western Europe are almost identical to those of the British. For many sound reasons we must give the British Isles our support, but it should not be done in a manner which commits us to a policy against our own vital interest in other areas of the world.

There has been a great deal of confusion concerning the issues actually involved in the so-called British loan. "Loan" is an inaccurate term. It has many aspects of a commercial loan. Yet it could never be justified on that basis. Perhaps we should speak of it as the Anglo-American financial agreement. The promises made by the British Government as part consideration for the use of this money constitute the only ground on which it can be justified to the American people. The ultimate question is whether the advantages secured to the United States through these British commitments is sufficient to compensate for the great risks of loss involved in the loan. Indeed, unless these undertakings are in themselves advantageous enough to compensate us to the extent of $3,750,000,000, irrespective of whether or not the principal and interest of the loan is repaid, in my judgment we cannot afford to make the loan.

The loan bears an interest rate of 2 percent, starting in 1951. While the nominal interest rate is 2 percent, the actual yield would be only 1.68 percent if all the money were withdrawn at once. Assuming it is withdrawn at a slower rate, as would probably be the case, then the yield would increase possibly to as high as 1.83 percent. But there are escape clauses which permit the nonpayment of any interest whatever during those years in which the British balance of trade is sufficiently adverse, based on prewar standards, to jeopardize the British trade equilibrium. Consequently, we can expect many omissions of the interest payments. And it probably would be just as well to disregard the interest rate and possible interest payments entirely from our calculations and judgments as to the value of the loan.

I said before that the loan must be justified by demonstrating an on-balance benefit to this country, even assuming the loan is not repaid. The chances are strongly against its repayment. This is said with no disrespect for the British intentions, nor as to their willingness to repay if at all possible. This thought prevails in the United Kingdom also. Otherwise, the British would never have suggested a grant, rather than a loan. It is not on the basis of any lack of willingness to pay, but rather on the ground of inability to pay that I doubt its ultimate repayment.

Britain has been forced to sell most of its overseas investment. Other sources of income, such as insurance, shipping, and tourist trade, have greatly lessened. The British frankly admit this. Indeed, they advance these figures to prove the necessity for outside financing to maintain and regain their trade position. In addition, there is a manpower shortage in the British Isles. The precarious world situation throughout so many vast areas, either in or adjacent to integral parts of the British Empire, forces the United Kingdom to maintain a large Army and Navy. This is an expense, both in pounds and in manpower. The British Government is committed to a gigantic housing program—an undoubted necessity if the entire 45,000,000 are to remain on the islands, not only because of bomb damage, but also because of the complete stoppage of all building during the war. Four hundred and sixty thousand houses were destroyed; 3,500,000 were damaged. You should also take into account the normal increase in population and in the number of families. So this is something the British must do at the very same time they are seeking to expand their foreign trade and their exports. To the extent men and materials are diverted into this building program, to that extent they must be withdrawn from the industries manufacturing goods for export. Their plant and equipment are in general, obsolete and inferior, judged by standards prevailing in this more fortunate land of ours.

The most reliable minimum estimates of what Britain must do in the way of increasing exports sufficiently to bring her own balance of trade into equilibrium and, at the same time, to service and repay this loan is to reach 150 percent of the 1938 volume. This is the

minimum. To be safe, it should be at least 175 percent. Conservative estimators all give the latter figure. Before the war, British exports of coal had been declining. The best veins of coal have been mined; the equipment in the mines is old and obsolete. It was a difficult problem to secure labor for the mines. To put it frankly, coal mining in England was "on the rocks." It would have been nationalized, in any event, whether the Conservatives or the Labor Party had won the last election, because it had reached a state where it was just impossible to make a go of it. Coal exports will fall further, so the United Kingdom will have to look elsewhere to regain its trade During the war British industries turned almost totally to war production. No peacetime factories were built. Consequently, the plant and equipment in the great majority of industries is at least relatively old and obsolete.

Possibly the most important factor of all is the present standard of living in the United Kingdom. Britain has increased its exports tremendously since VJ-day This is a remarkable achievement. We must recognize, however, that there is a world-wide "sellers' market" existing today. Also it has been done by the squeezing of the people in the British Isles. The already rigorous standard of living existing during the war is lower now than it was before VJ-day in England, Scotland, and Wales Food allowances are lower. Bread rationing has been imposed. The British have found goods for export by zealously keeping them away from their own people. They have been living off their substance. If the British Government can continue to impose this, if the English people are willing to continue this austere living, or perhaps a more austere diet then perhaps the British can continue to increase their exports. But the English have been through a lot They look forward to better times after victory, just as do people in this country How long they will be content to see the fruits of their toil taken from them and sent overseas to lands of plenty, is a question no one can answer. By the inexorable laws of human nature they will eventually feel these valued articles are being taken from them to satisfy a grasping creditor. This is something with which we must reckon Will they not resent more and more this continually lowered standard of living to meet what they undoubtedly regard as our exactions? Will this make for good will or good feeling in the postwar world? I do not see how we can expect the British to do this indefinitely. They would have to do it for a long time if they were to maintain the present population on the British Isles, if they were to export enough to pay for the food and raw materials needed, and if, on top of that, they were to pay the interest and principal on this loan.

If the loan is made and not repaid, it will not be a good thing for Anglo-American friendship. The failure of the United Kingdom to settle in full its debts after the last war was an unending source of strife and irritation between the United States and the United Kingdom during the entire period between the two wars. In England, all too many called us "Uncle Shylock." In the United States of America the English were regarded as dead-beats. It aroused animosity and hostility; it gave rise to charges and countercharges by those seeking to stir up trouble between these two great Nations whose interests and background should lend themselves to friendship and cooperation. I voted for lend-lease in great measure influenced by the desire to avoid this problem after this war. I had seen how disturbing and incessant it could be by personal observation during the 1920's and 1930's. We advanced $25,000,000,000 net in lend-lease materials. We avoided war debts. The American people have accepted the lend-lease settlements and are not worrying unduly about the advantageous terms granted. Having invested this huge sum to avoid a war-debt problem, is it wise to create the problem now, after having avoided it, for a relative pittance compared to what we have spent? By lend-lease we avoided the war-debt problem not only for ourselves but also for the British.

There is much less chance of repayment now than there was then because the length and scope of this second war, its closer contact with the British Isles, its ramifications in the Far East, and other factors have caused it to weaken the British position far more than did the First World War

In his broadcast to the British on the 1946–47 budget, the Right Honorable Hugh Dalton, Chancelor of the Exchequer, said:

> In the next 12 months we shall spend £3,800,000,000—a big drop on last year But the make-up of this expenditure will be quite different In this first full year of peace and of the labor government in power, we shall spend much less, naturally enough, on the armed forces and munitions; but we shall spend much more on the things the people voted for in the last general election On the great social program which is long overdue, on education, on preparations to raise the school-leaving age next year, on providing free milk for all the children in the schools next August, on providing free meals in all the schools as soon as possible, on important developments in the universities.
>
> We shall spend many millions more on building new houses, on family allowances to help mothers of large families, on more generous pensions for disabled ex-servicemen, and the dependents of those who lost their lives in the war

He also referred to the cost of increased pay for the armed forces and for higher old-age pensions which are to begin in the autumn of 1946.

I quote this because it is open recognition by the British Government itself of some of the domestic problems it must solve and which react unfavorably on its export trade, irrespective of how worthy and desirable the projects are in themselves. Raising the school-leaving age is fine, but it does reduce available manpower. The housing program is a necessity, but it does take manpower. The cradle-to-the-grave social security program may be a worthy objective, but it will lower the number of workers in the United Kingdom. It will decrease the output.

Perhaps I should mention the probable loss of the United States as a market for the rubber of the Malayan Straits. Perhaps I should mention the increasing competition from the industrialization now going on in many South American countries and, to a lesser degree, in other parts of the world. All in all, no matter how willing and eager the British are to pay this debt, the ability to pay is doubtful. The present government was elected on a program pledging the carrying out of most of the domestic policies outlined above. I do not see how this Government can avoid its responsibility for so doing without loss of office. Most of the members of the Conservative Party either refrained from voting, or voted against, the acceptance of this loan, and the Bretton Woods agreement. Any time the burdens become too onerous and impinge too directly upon the standard of living of the average Englishman, the Conservative Party is in a thoroughly sound position to go to the polls on this issue.

The nonrepayment of the loan, if it is not repaid, will be an unending source of trouble between the two countries. It will enable the Anglophobes and the Communists and all those who have an antipathy to the United Kingdom and the British Empire to have made-to-order ammunition at their disposal at all times. The same will be true on the other side of the Atlantic. Constant disputes between these two great English-speaking Nations will pose problems for our northern neighbor, Canada. Canada has her economic, social and friendship relations almost equally divided between the two countries. Friendship between the two is the cornerstone of Canadian policy. Viewed from this angle, the loan phase of the financial agreement may be a source of disaster to the group of nations whose natural inclinations, both economic and social, should draw them together.

The purpose of advancing this money is to enable the United Kingdom to recapture and expand its export trade. Obviously, the United Kingdom will be forced to use every means at its disposal to win markets for itself. This will bring England into direct competition with the United States in all parts of the world not tied up by bilateral agreements. We should not criticize the British for this competition. We accept and promote its occurrence when we make the loan. It is the very purpose of the loan. It will occur whether the loan is made or whether it is not made. There should be no resentment This is logically true and sound common sense. However, human nature being what it is, it is inevitable that there will be resentment by many people in this country if and when the British do win markets from us as a result of their own efforts, and perhaps aided and abetted by our financial assistance.

Let us bring all this down to the individual human beings in the United Kingdom and the individual human beings in the United States of America. It has been pointed out that this means $35 for each individual in the United States. That is $35 they have to pay in sweat, labor, and goods. And some of our resources are used up forever also. But if you take that idea across the ocean and look at Great Britain, it means $105

each for every British subject in the United Kingdom. It is $105 each one will have to sweat and toil to repay to this country until the year 2000 and some odd. And while they are doing that during the course of the efforts required for repayment it seems to me that, looking over here and knowing from watching Americans during the war and watching American tourists, they are going to feel unavoidably that the goods that are taken away from them to be sent into the export trade in order to get dollars to pay this loan—they are going to feel that Uncle Shylock is exacting the pound of flesh. It is just human nature. You cannot avoid it. Here is something which impinges on the feelings of 138,000,000 people in the United States of America and then impinges directly on the 45,000,000 people in the British Isles. It hits in a way not calculated to promote love and affection

This is the type of loan, if it is a loan, which will cause trouble. I firmly believe any arrangements made with the United Kingdom definitely must not involve the creation of a debt beyond the probable ability of the debtor to repay. This reason alone, based upon high policy, is sufficient for rejection of this present proposal.

The chief collateral benefit urged by the proponents of the British loan is the restoration of multilateral trading between the various nations of the world. They point to the fact that the United Kingdom, including other nations in close association with the United Kingdom, was the largest unit of such trading in the world. It was this type of trading upon which American prosperity had been based. It consisted mainly in the freedom of individuals and corporations to sell their goods in any market in the world on the basis of price and quality and without undue interference from restrictions of all kinds, with the exception of tariffs. The picture painted for the future is the resumption of this prewar method. Consequently, under Bretton Woods, preliminary steps toward this end are undertaken by the various signatory countries in the field of currency. The Anglo-American financial agreement contemplates shortening the time when these agreements are to be made effective in respect to the United States and the United Kingdom. The theory is that this free flow of commerce will be resumed on the prewar basis just as if nothing had happened in the meantime. Tariffs are to be treated later under separate negotiations. An agreement to do this is entered into by both the contracting parties.

However, great changes have occurred in the United Kingdom, as well as in western Europe. In western Europe every nation is taking steps to nationalize many of its major industries, including those making goods for export. The devastation of the war and the wholesale and immediate effort needed to reconstruct, combined with the scrambling of private property through Nazi manipulations during Nazi occupation, no doubt rendered this necessary on the continent of Europe. The fact remains, it is going on, and it is progressing rapidly. The same is true in England.

There have been three events during the past 3 months indicative of this trend. These three events have forced me to examine carefully the premise advanced by the State and Treasury Departments and the proponents of the financial agreement. Can there ever be a resumption of the type of multilateral trading which existed in the spheres dominated by the United Kingdom and the United States, where individuals and individual units competed in the markets of the world on the basis of price and quality? Where individuals competed against other individuals more or less similarly situated financially and competitively with themselves? I seriously doubt it.

England started in by nationalizing the central bank and by placing investments under control of the British Government. These were the first steps taken by the Labor or Socialist government. I do not think these had any great impact internationally. Neither did the nationalization of the coal industry because that was bound to occur. England will probably never be a great coal exporting country again The third step, the nationalization of Britain's 16,000,000-ton iron and steel industry, will necessarily have a great effect on future business outside of the United Kingdom. If the Government owns the iron and steel industry, the Government will sell the products of that industry. In brief, the Government of the United Kingdom, either itself or through a government-controlled agency, will be the selling unit for all iron and steel produced in the British Isles. It will compete in the markets of the world against individual producers and sellers from other nations where the capitalistic system of free enterprise survives. This is far from prewar multilateral trading It will be much more closely akin to bilateral agreements between governcents.

On March 18 the Government announced its decision to continue the wartime centralized purchase of raw cotton by the cotton control in preparation for the establishment of a permanent cotton-purchasing commission. Cotton is stated to be a special case, where bulk purchase is preferable You will note the statement presumes bulk purchasing—the purchase by the Government as a buying unit—is preferable in the case of cotton.

In April the bill to abolish the Liverpool Cotton Exchange passed the House of Commons by a large majority. The Liverpool Cotton Exchange is one of the oldest and largest cotton exchanges in the world. Through its abolition, the seller of cotton is deprived of the opportunity to sell his cotton in the British Isles. He will have to deal with the tremendous force of the British Government. Here again, on the selling end, the arrangement is much more closely akin to the bilateral trade agreements which the Treasury claims the financial agreement will avoid than it is to the multilateral system of free trading, which the proponents of the loan assert it will establish or make possible.

Recently the papers have carried accounts of an agreement about to be entered into between the British and the Canadians. Under this, Britain would have bought Canadian wheat at $1.25 Canadian per bushel, or $1 13 United States. The current Canadian price is $1.55. The American and world price is approximately $2 Canadian or around $1.80 United States. Hence, the proposed contract would have been at a little more than one-half the American price. This lower price is usually obtained by a huge buyer who agrees to take a large amount and agrees to take that large amount over an extended period of time. The agreement was to have run for 10 years.

On June 26 this was abandoned. The reason for its abandonment was American opposition to a bilateral agreement. Yet, the British Government was ready to enter into this agreement for a period of 10 years. Since the British Government is an honorable government, we must assume it intended to carry it out during that 10-year period. While Canada has the announced policy of favoring multilateral trading and a strong general world trade, yet, in the case of this huge sale of one of her main exports and chief money-makers, she was tempted into making this favorable arrangement.

The British Trade Minister announced that "negotiations will be resumed in respect of the terms of the proposed contract" as soon as certain important considerations have been dealt with by the two governments. On the same day, Food Minister John Strachey gave out an interview in London that there were good prospects of signing a long-term wheat contract with Canada.

Controls are now pending by the United Kingdom on petroleum, iron and steel, chemicals, fishing, and agriculture. In addition, the government is studying controls, or nationalization, of cotton textiles, pottery, hosiery, furniture, shoes, linoleum, carpets, jute, wool, china, clay, cutlery, lace, clothing, glassware, jewelry, and silverware. The Labor Government has certainly made rapid progress in its program of socialization or nationalization, and its announcements indicate that the future pace will be more rapid, rather than less.

The British Government can control exports by nationalizing any industry and then deciding how much to sell and to whom. It can control imports by establishing a government purchasing unit. The latter can buy what it wants, as much as it wants, and from whomever it wants to buy. There is nothing in the agreement to forbid this. It is a question of domestic policy. By nationalizing an industry, the British can legitimately and at once nullify the promises they have given us as part consideration for this money.

I do not see how we can expect to secure in any major degree the restoration of the type of multilateral trading in existence prior to 1939 when on both the buying and selling side the United Kingdom, through its steady process of nationalization, is entering into buying or selling as a government unit. Therefore,

it seems clear to me that the quid pro quo or consideration which the administration alleges for the chief one and the real basic reason for this loan falls in large measure. I have already pointed out the extreme probability of nonpayment of interest and of nonrepayment of the loan.

I feel the coming trade agreement conference can be dismissed lightly. All the United Kingdom does is agree to negotiate. It makes no comments whatever as to what it will do. Statements by leading Government officials of the United Kingdom indicate quite clearly that concessions at least commensurate with those granted by the United Kingdom will be expected. Sir Stafford Cripps, speaking for the British Government, in Parliament, in support of the loan agreement said:

> The peculiarity about our trade, as the House knows, is that it is a very widespread and diversified trade We do not sell large quantities of goods of particular lines to particular countries, we sell goods all over the world in what might be considered comparatively small lines Therefore, it is not enough for us to get, as against a preference, the reduction of merely one person's tariff, we might want 26 countries to reduce their tariff before we were prepared to drop a preference Therefore, the whole matter is completely at large and no one is bound at all.
>
> All we say is that we are prepared to enter upon this process; we are prepared to consider that bargaining of preference against tariffs If we can get an advantage which appears to us to make it worth while and another country can get an advantage which appears to make it worth while, then we can come to an agreement It is an attempt to try and bring down tariff barriers on all sides to a great extent, and it is clear that it must be to a great extent A mere nominal reduction of a few percentages is not going to make anyone enter into a bargain and that, of course, our American friends understand perfectly well (Parliamentary Debate, Dec 12, 1945, pp 490-491)

This opens up the whole question of the American tariff.

Mr. Clayton stated to our committee that this agreement could be negotiated within the scope of the existing trade agreements. While I do not claim to be an expert on the tariff, I have grave doubts as to whether Mr. Clayton's judgment will prove correct in this respect. If the United States is to become a creditor nation through financing many other nations and through a large and continuing export trade, reciprocal trade agreements will be relatively useless. The problem will be to import more than we export. Hence, we will be required to lower our tariffs to the point where other countries can send in goods at will, relying on interest, services, and our own exports to make up the balance. In other words, a nonreciprocal tariff policy, as distinguished from a reciprocal trade-agreement policy will be required to meet this condition. Our position in world trade today is analogous to that of Great Britain after the Napoleonic Wars. During the next several decades, probably the major economic decision we will have to face will be the same as that resolved in favor of manufacturing and exporting by the United Kingdom when the British repealed the corn laws in 1942. Will we become an almost entirely industrial nation, abandoning our agriculture and permitting imports from areas with lower standards of living, or will we attempt to maintain a well-rounded economy, preserving the home market for ourselves and using it as a basis for our economy? I do not intend to go into this question except to emphasize its importance. Already the lines are being drawn to fight out this battle.

One of the arguments in favor of the financial agreement is that it will slow up nationalism and socialism in the United Kingdom and perhaps pave the way for a return to private enterprise. I cannot see the soundness of this contention. Some claim the English will use this money to purchase the banks and industries of England from their present owners. Past practice proves this to be contrary to the facts. England can buy whatever she wishes in England from English people by issuing her currency—pound sterling—or by Government bonds This will depreciate her currency, but it certainly does not require the use of dollars essential to her export trade. In addition to her pledges, Britain's own economy requires her to use these dollars for the purchase of the food needed to sustain her subjects, and for the raw materials out of which to create the finished products, from the sale of which she will receive foreign exchange essential to further purchases. Both by agreement and by economic necessity the United Kingdom is certain to use the credits or dollars so acquired for the stated purposes However, the present use of these funds will lessen the burdens imposed upon her own population. The less the burden imposed on her own population, the more the Government in power is strengthened. The present government is a Socialist government, committed to a rapid policy of nationalization. The consummation of the agreement will undoubtedly strengthen the position of this government with its electorate. To that extent, the loan will hasten nationalization. I do not see how it can retard it.

Since nationalization involves government unit buying, and since this is closely akin to bilateral trading, and since it has a strong tendency to evolve into bilateral trading, the loan will probably, in the long run, defeat the avowed purpose of establishing multilateral trading between individuals in the world markets on any prewar basis. To the extent that government buying and selling develops, just to that degree will it be easier and more natural for the government of the United Kingdom to establish trading relations with other governmental units operating under the same system and methods than it will be for its government to deal with individuals in the United States and other nations where freedom of individual trade and business exists. In other words, the logical development to be expected would be the commencement of large-scale trading with Russia, also a political alliance like Germany and the Balkans before World War II as soon as the Russian economic situation permits, rather than with the United States and Allied countries. Far from being disadvantageous to Russia, as many Members feel it will be, I believe the loan will redound to the ultimate advantage of that country.

This is merely an analysis of the future. It is not given as an argument pro or con. Yet it does seem unwise to make a loan which will probably not be repaid in return for a consideration which existing circumstances make it most unlikely we will receive, in order to transfer that very consideration—trade relations and dealings—to a far-distant country which may well be our greatest trade rival in the future.

In general, nations are unwilling to forego long-range objectives for interim financial advantages. A foreign policy based on gifts and economic pressures will only last until the gift is received and until the pressure is removed. This does not mean we should attempt to control British policy permanently. It does stress that we cannot successfully do so and that we are merely deluding ourselves if we expect any tangible long-range economic benefits from an interim financial arrangement.

Britain has depended on the sterling area for many years. During the war, it was depending on the sterling area and it cannot abandon the controls added to it in order to make the sterling area more effective. We must keep in mind that Britain's export trade is the lifeblood of the nation. Britain cannot exist without its export trade. To us here in the United States, our export trade has always been the cream on the top of the milk bottle. It gave added prosperity, but we could live on the milk; in other words, on our own market. For the British Isles, their export trade was the whole bottle of milk—cream and milk. If they did not have this trade, then they did not live. If they did not have it, they could not buy food or raw materials. If Britain gives up the sterling area and its controls, if it agrees to cut itself off from all these things, then it has left itself without any effective economic weapon at all. Consequently, I do not believe the United Kingdom has done this in this agreement. It could not afford to do so. No British Government would give away the Nation's birthright.

We can afford to lose $3,750,000,000, injurious as that would be to our economy, particularly at this time. We could go ahead and support our population despite that loss without any compensating gain. England could not destroy the sterling area and its power to maintain exports and imports and still support its population at home. The British know this far better than we do. But we should keep it in mind in evaluating just what we receive under this agreement.

On the theory the administration has put forward by the State and Treasury Departments, what this country thinks it is buying with the $3,750,000,000 is the active assistance of the British in opening up their own territory and international trade generally, outside of Russia, on a free-trade basis. The evidence is quite conclusive that the British cannot afford to do this at the risk of their own export trade. Also, the British have no confidence in freedom of trade. They are doing their best to extend their present system of artificial restrictions—

cartels, quotas, preference tariffs, price fixing, and so forth—which they have gradually developed in the period before the war and which were put into full force after the start of the war and during it.

For these reason, I urge the rejection of the loan.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York (Mr. BUCKLEY).

WHY I AM AGAINST THE BRITISH LOAN

Mr. BUCKLEY. Mr. Chairman, I wish to take this opportunity of stating to the House my reasons for opposing the loan to England.

The plan to advance Great Britain the sum of $3,750,000,000 is in my opinion not a loan, but an outright gift. According to the terms, Great Britain will pay interest at 2 percent and will have 50 years to pay the debt, and this to commence 1951, and in years where it cannot meet the payments, it will be extended. The reason being given for the loan is so that we may increase our foreign trade and commerce and if we do not, the United States will find itself in a most precarious position. Knowing Great Britain as I do, I have very little faith in any of its promises in dropping any of its preference tariffs, or giving the United States a fairer break in the British Empire markets. I do not believe that Great Britain will pay back this loan. What security does it offer for this obligation? Its word cannot be accepted for it has broken every pledge, not alone in the financial field, but to its colonies, such as Ireland, India, Palestine, and others.

I favored and did all possible to aid Great Britain in its period of strife and stress during the war. We aided England in its common cause in the fight against nazism and fascism, with money, food, equipment, and men, and I am always willing to aid countries in need of food and other help, but that is not the case with this proposed loan to England.

I have maintained and still maintain that this loan is a gift. England still owes the United States approximately six and one-half billion dollars from World War I. She has not paid that indebtedness and will not pay this one. She is a poor credit risk. This money, which is being extracted from the pocketbooks of the taxpayers, will never be repaid. This money that we are now giving away could be used by us for the benefit of the veterans, for the building of homes, for the building of hospitals and much-needed schools and universities.

We have contributed to the British in two wars in excess of thirty-five billion dollars. We supplied all the world with materials and we occupied the greatest portion of the front in Europe on VE-day. We have had more than a million casualties. We have made our contribution and no one has cause to complain.

In speaking with one of my colleagues, when I told him I was opposed to the loan, he said: "Well, you are Irish and I can see the reason why." I am an American, of Irish ancestry, and am proud of it. I see that Great Britain is continuing its policy of persecution against the people of its colonies, as witnessed by what is going on in Palestine today. The promises made to the Jewish people are merely promises which will not be fulfilled unless the rest of the world and the Jews themselves fight as hard as they can to accomplish their purpose. We, in the United States know what our colonies had to go through under the yoke of England until our own Revolution and our independence. We know how Ireland suffered until it became independent. We see how the people of India were treated. The whole history of England and its treatment of its peoples, is a blot to so-called civilization.

For centuries, Ireland suffered under the yoke of England. Where can we find a country that has persevered through the centuries as Ireland had to preserve her independence and her chosen way of life? Aggression, conquest, famine have been unable to quell her spirit or to deflect her from her purpose. Ireland was imbued with an undying patriotism, a love for her land and her people would not hesitate to go down fighting no matter what the odds were against it. All manners of punishment were decreed and executed against the Irish people. Restrictions on holding office or property because of their faith were imposed upon them by England. Many were imprisoned and many executed, but because the Irish people were rich in courage and rich in the justice of their cause, they finally reached their sought for goal. In 1914 to 1920, conflict raged, resulting in civil war and by the Treaty of 1921, Ireland became a free state and is presently known as Eire. In size, Ireland or Eire (southern Ireland) is about equal to the States of New Hampshire, Vermont and Massachusetts. The northeast corner of Ireland, or the province of Ulster, was set up as a separate government in northern Ireland by the British Parliament. Not one Irish member voted for it. As a result, Ulster, comprising one-sixth of the territory and three-tenths of the whole Irish population, is separated from the rest of Ireland. There is no reason for this, and I am sure that Ulster will be returned to southern Ireland and freed from Orange autocracy before many years have passed.

There was no necessity for the draft in Ireland. An Irishman always knows when to fight and how to fight. The percentage of Irish volunteers, in proportion to their population, who fought in the British Army, was greater than that of England or any other country. It was not that they fought for Great Britain, but it was their love of mankind that prompted them to engage in the war. Ireland has sent her sons as soldiers to the defense of almost every nation in the world, including our own United States. Her sons and daughters are spread all over the world and their peaceful penetration everywhere bears witness to the greatness of the Irish character.

It is well to note the part played by the sons of Eire in our own United States. In colonial records there is abundant evidence that the Celts came to these shores from the earliest times. They distinguished themselves in all stations of life. At the time of the inauguration of George Washington, as first President of the United States, the historian, Ramsay, wrote:

In the last 70 or 80 years, no nation has contributed so much to the population of America as Ireland

Other writers have paid glowing tribute to the Irish contribution in colonial times. Of the signers of the immortal Declaration of Independence, Thornton, Taylor, and Smith were natives of Ireland; McKean, Read, and Rutledge were of Irish parentage; Lynch and Carroll were grandsons of Irishmen, and Whipple and Hancock were of Irish descent. Irishmen, too, were Members of the First American Congress and were among the framers of the Constitution. They commanded brigades and regiments in the struggle for independence and their numbers were high in the ranks of Washington's army. It has often been said that America was lost by England as a result of the Irish emigrants who came to these shores.

The Mexican War found the Irish, with Generals Shields and Sweeney as outstanding figures. In the Civil War, the Irish proved themselves good citizens, ready to shed their blood in defense of American liberty. They fought in the ranks of the North and in the South, although more numerous in the North than in the Southern States. It is estimated that on the northern side 150,000 fought. Generals Carey, Griffin, and Butler were of Irish descent, and General Sheridan, the most brilliant cavalry officer of his age. The purely Irish regiments in Corcoran's Sixty-ninth Regiment displayed valor which will be remembered forever. Time will not permit me to recite the countless patriotic soldiers of Irish extraction in the Spanish-American War and in World War I and World War II.

Not alone have the achievements of Americans of Irish blood been in the field of battle, but we find them in the ranks of preachers, teachers, statesmen, scholars, philanthropists, founders of institutions, scientists, and engineers, historians and journalists, artists and authors, lawyers, and doctors, and in every pursuit and endeavor in the industrial field, whether it be shipbuilding, manufacturing, banking, or small business. They have held the most eminent positions in our political system and many have served with credit and distinction in the very Halls of Congress. They have graced our Supreme Court and embassies and every responsible position of government. The Irish in America or their descendants have made a major contribution to this country. Their blood, brain, and brawn are blended with that of the other fine Americans in making the United States the foremost liberty-loving country of the world.

It sometimes occurs to me that if England would divest itself of its lords, kings, dukes, barons, earls, and duchesses who are a burden upon the common man in England, it would be in a financial position to take care of its needs without the necessity of borrowing and begging help from the United States. Yes, I remember our lend-lease was partly paid in that the United States was charged for the boys who were taken across to fight, on the *Queen Elizabeth* and the *Queen*

Mary. We were charged for these trips by England, as a set-off against the moneys due us, and when we were saving England from extinction.

Also, I wonder what progress has been made as to the future use of the island bases by the United States in the Pacific and Atlantic. These bases were built by American men, money, and materials.

I again repeat what will England do with regard to the settlement of the Palestine question, which was agreed to by a joint Anglo-American commission?

If we make this loan, every taxpayer will find his taxes increased. We cannot impose any additional taxes on the American people. They will contribute in every way possible where the cause is humane and just. They are opposed to this loan.

After much consideration and because I believe that this loan is not in the best interests of the United States, I cannot vote in favor of it.

Mr. SPENCE Mr Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, elected a Member of the Seventy-ninth Congress on a platform pledged to support the liberal policies of the Roosevelt administration, I have, as the RECORD will disclose, been a consistent supporter of the present administration's foreign policies and of the legislation necessary to implement and to carry out our wartime commitments.

Now I find myself unable to support the pending proposal to approve the British loan agreement. I feel that it is only fair that I state some of the major reasons that impel me to take this position.

I want it clearly understood that no racial or religious prejudices or governmental ideologies in any way affect or otherwise influence my decision. I hold no brief for either British imperial policies or Russian Communist propaganda. The American way is my way—in fact, it is America and my fellows citizens I have considered most in making this decision.

Members will remember that 1 year ago, when the Congress was considering the Reciprocal Trade Agreements Act, I staged an unsuccessful fight to modify these trade treaties predicated on the ground that these agreements, particularly the ones with England, Belgium and Czechoslovakia would injure two of my district's major industries, namely, the glass and pottery industries.

I shall not again go into details other than to remind the members of the committee that Britain's centuries old policy of subsidizing her industries by direct grants or by indirect subsidies in the form of favorable freight rates through her Government owned shipping is still her national policy. With no limitations or conditions attached as to what use she will make of the huge sum we are asked to advance, it will be possible for her, working through this favorable trade agreement of a 75 percent reduction in original tariff rates, to drive American hand-made glass and pottery ware manufacturers out of business.

It might be well, at this point, to remind my colleagues that under the reciprocal trade agreement in effect just prior to the outbreak of the Second World War, it was possible for Britain and other favored nations to manufacture and deliver glass products to our eastern seaports cheaper than the producers of glass in my district could pay the excessive freight rates alone from the point of production to these seaports.

There could be no question on the advisability of this loan were it in the nature of a credit to buy American manufactured and farm products. Such is not the case. There are no strings attached. No security and in addition her favored nation status under the reciprocal trade agreement is continually putting us in the unbusinesslike position of financing a foreign competitor in direct competition against American enterprise.

I have not taken snap judgment on this matter. I have, on the other hand, taken a long-range look to see how this loan will affect the welfare of the residents in my Third West Virginia District. West Virginia is, as you know, the leading coal-producing State in the Union. Normally 75 to 80 percent of her production goes into the lake trade In this connection, I recall a Senate committee recently reported favorably on a proposal to construct the St. Lawrence waterway project. This proposal, if approved by the Congress, will destroy my State's major industry by destroying her lake market for coal.

It will be remembered that Britain also produces coal. By using money advanced her through this loan she will be able to modernize her extensive Welsh coal mines, and should the St. Lawrence project be completed she would overnight substitute cheaply produced coal for the ballast now carried on her merchant ships coming into the lake ports to pick up wheat and other grain shipments from Canada, which are so vital to her economy and her very existence. In view of our higher production costs and exorbitant freight rates, it is a safe estimate that she could lay a ton of coal down on the wharfs of our major lake ports at least $3 cheaper than could be done by our West Virginia producers.

I shall not recount other major points of objection that have and can be raised against this proposal of a $3,750,000,000 loan Suffice it to say, it cannot be justified from the standpoint of good business or sound banking procedure. Among the many protests received from my constituents, I find many of our underpaid school teachers wondering why the education committee of this very House would turn "thumbs down" on a plan for providing equal education advantages for all of America's youth and yet find money to loan to Britain. I make this observation—the money to make this loan would finance this Federal educational program for a period of 12 years.

I have at no time endeavored to influence any of my West Virginia colleagues on this loan proposal. Conditions may well be, and no doubt are, different from those existing in my district. I sincerely regret my inability to vote with them now. I must choose between international theories of "good will" and domestic matters of facts. My choice is with the home folks.

Mr. SPENCE Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Arkansas.

Mr. HAYS I do not want to take the gentleman's time because I know the committee is anxious to have the benefit of his thinking on this subject, as I am; but a statement has been repeatedly made on the floor that ought to be controverted, namely, that Great Britain's indebtedness is so much less than that of the United States that this country should not be expected to provide the proposed credit.

The facts are that the debt of the United States is $278,000,000,000 and that of the United Kingdom is $98,000,000,000, but in terms of her national income, Britain's debt is 290 percent against a percentage of 154 for the United States; it is just about twice the indebtedness of our country in terms of annual income.

Mr BROWN of Georgia. Mr. Chairman, what we have up today is not the ordinary bill but a resolution to ratify an agreement made by the State Department, Treasury Department, and the President with the United Kingdom Of course, we all appreciate that failure to ratify an agreement made by our authorized representatives would be somewhat embarrassing to our Government, and certainly would be difficult to explain to other nations of the world.

This loan agreement has given me a lot of concern, and it has been very difficult for me to make up my mind what is the best thing for us to do for our Government. I have listened with much interest to the debate on this loan. I have read carefully the arguments, both pro and con. It seems to me that many of these arguments have to do with relatively insignificant details and that they miss certain vital considerations which should be controlling in our decision. The advocates of this measure take the position: First, that the loan will be paid, second, that it will restore and increase our international trade and help stabilize world currency. Some say this is really not a loan that we are discussing but a gift and will never be repaid. If we knew it would be repaid everybody would be for it. Let us suppose, for the sake of argument, that the loan will not be repaid. Then we must find other considerations for supporting the resolution. Can we justify this loan (conceding for the sake of argument that the loan will not be paid back) if the money is not repaid, on the theory that it will secure, maintain, and increase our world trade?

Much has been said regarding the beneficial effects which the granting of this loan will have on our export trade. Of course whatever amount of this credit Britain uses will be spent here in this country, either directly or indirectly, and our farmers and workers and business people will benefit from that.

Some men say that the financial agreement does not compel Britain to spend the money here. Well, some men ask, what difference does that make? They

say what we are lending her is American dollars and these dollars are certain to be spent in this country sooner or later. They claim that if Britain uses some of these dollars, for instance, to buy meat in Argentina, you may be sure that Argentina will in due course spend those dollars in the United States for machinery, equipment, automobiles, radios, or something else that we make in the United States which they want in Argentina.

Mr. Vinson, then Secretary of the Treasury, and others stated to the House Banking and Currency Committee that this loan or credit, together with that from Canada, will enable England to obtain her essential imports during the next few years, while removing the wartime currency and trade restrictions and discriminations. In other words, the financial agreement thus provides two things, a commitment to end discriminatory currency and trade practices, and a credit to enable England to carry out the commitment. He also stated, first, that England will not discriminate against American products in any of her import controls, and, second, for any and all goods or services purchased in the United States, England will pay in dollars, or if payment is made in pounds, the American exporters will be able to convert the sterling into dollars He further stated that no American firm need hesitate to do business with England for fear that its earnings cannot be transferred. American businessmen will be just as sure of payment in dollars from England as they were before the war He stated further that within a year, unless we agree to a temporary extension, England will remove all of the restrictions on the convertibility of sterling for ordinary current transactions. In practice, he contends that this means that the money that England pays to Canada, Australia, and India for her imports will be converted by England into dollars and can be used by these countries to pay for goods they purchase in the United States. He further testified that within a year England will dissolve the sterling area dollar pool. Each country in the sterling area will be completely free to use any dollars it earns to buy goods anywhere

He further stated that a settlement will be made by England with the countries holding blocked sterling balances. England has agreed that any payment in liquidation of these blocked balances can be used to buy goods in any country, including the United States Instead of being forced to spend the blocked sterling balances in England, the holders of these balances, like India and Egypt, will be free to buy goods wherever they prefer. He contends American exporters will have a fair chance to export in these markets.

He further stated that England has agreed to support the American proposal for an international trade organization to reduce trade barriers and eliminate trade discriminations. He stated that with England supporting this proposal, the United Nations Trade Conference holds forth every prospect of success.

These commitments are important, and if carried out, the question then is, Would this be worth the amount of the loan in the long run to the United States and her citizens?

Much has been said about bilateral trade and multilateral trade, about the sterling pool and frozen sterling. No doubt many Members of the House find themselves confused as I do regarding these matters. We are told that without this loan Britain will be compelled to make bilateral or barter agreements with other countries for supplying Britain's essential needs of food, fiber, and other raw materials. It is said that this will be prejudicial to the trade of the United States. I think this much is fairly clear, but I am still not convinced that I should vote for this loan purely on economic grounds.

Some Members are fearful that we will have to make similar or large loans to other nations I would like to state in this connection that 50 percent of the world trade is done by the United Kingdom and those countries in the blocked sterling area trading with the United Kingdom. Twenty-five percent of the international trade of the world is done by the United States. That leaves only 25 percent done by the rest of the nations of the earth It is stated and understood that Russia has about 1½ percent of the international trade So you can see from the standpoint of world trade the United Kingdom is in a different position from the other nations of the world.

There is another aspect of this matter which to my mind is vital and by far the most important of all, and that is the question of world peace and the extent to which this financial agreement may contribute to the cause of peace. Too little has been said on this subject during the debate on this loan. The Honorable Cordell Hull has spoken of it in his letter which was read by the Speaker on yesterday.

Men speak of inflation. Far be it from me to minimize the dangers and the destructive effects of inflation. I lived through 1920 and 1929 as most of you did. All of us have a keen recollection of that period of boom and bust. We had to pick up the pieces and start over again.

But, Mr. Chairman, we didn't hear much about inflation during the war when we were spending every 2 weeks a sum of money equal to that involved in this loan. We were fighting then for our liberty, for our freedom, for our lives, for our homes. That war cost us $350,000,000,000 in treasure, not to speak of the precious blood of hundreds of thousands of our boys which was shed in the conflict.

What we are talking about here today is 1 percent of that sum, and if the granting of this loan will contribute one little bit to the preservation of peace in the world, I am for it and I believe every man, woman, and child in this great country would be for it.

I have thought about this matter very deeply for many days. Many lost their boys in this war and know what war means. We don't want to see another war which will spill the blood of our young men. I believe that in the United States we have the most stable Government, the most stable currency, the greatest example of democracy, and free enterprise in this whole world, but I do not hesitate to say, Mr. Chairman, that, in my opinion, all of this would be swept over the precipice in another great world war. Our civilization will not stand up under another world war.

We are told that this loan is an essential part of our foreign economic policy. We are told that that policy has as its purpose the reduction of trade barriers, the elimination of discriminatory trade practices, an increase in the production and consumption of goods, and an increase of the interchange of goods between the nations of the world with the view of raising the standard of living of all peoples everywhere. We are told that if these objectives can be attained the result will be the creation of a climate favorable to the preservation of peace. I believe that is true. The peace will certainly be easier kept if more people have more to eat and more to wear.

I believe, that this proposed loan to Great Britain is an essential part of this whole program just as Bretton Woods is an essential part of it and that there is grave danger unless we ratify this loan that our whole foreign economic policy may be jeopardized and that the world will go back to practices and conditions which tend to sow the seeds of discord between nations.

We cannot have everything exactly as we would like it. I would prefer to delay making this agreement until we could see a little better as to what conditions in the world are going to be but we have set up the United Nations and we are going ahead doing everything we can to lay the bases for future peace. The Secretary of State, joined by two distinguished Members of the United States Senate, is now laboring in Paris to arrive at agreements with other nations which will be conducive to the future peace of the world. These gentlemen have approved the British loan. The Secretary of the Treasury, the Secretary of Commerce, officials of the State Department and other high Government officials negotiated this loan. The Senate has ratified it. The House Banking and Currency Committee has approved it by an overwhelming vote Under all these circumstances, I cannot help feeling that an adverse vote by this House would be a step away from peace. I am not prepared to take that step. I shall vote for the ratification of the British loan.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BRUMBAUGH].

Mr. BRUMBAUGH. Mr. Chairman, I am in favor of approving the so-called loan to Great Britain providing adequate security is offered by the British Empire that the loan will be repaid.

The far-flung possessions of the British Empire offer various forms of collateral that can be pledged as evidence of good faith and an intention to avoid default in payment of at least the principal of the proposed loan.

It is the accepted practice in banking circles to require sufficient collateral

from even your best friend, and it should not be construed as revolutionary to expect less from a friendly debtor nation. It is simply a matter of sound financing.

As Members of Congress in being called upon to approve this proposed loan we must remember as representatives of the people of the United States, we are in a sense custodians of public funds and strictly accountable for preserving such assets of the American people. The American taxpayer is a depositor of the United States Treasury and Congress in this instance is in the same position as a banker who is charged with safeguarding the deposits entrusted to his care.

On recent visits to Bermuda and Canada I was amazed to find that many of the citizens desired to spend their vacations in the United States but that they are restricted by their respective governments in regard to the amount of money they may take with them to the United States

Bermuda depends entirely upon tourist trade for its livelihood and over 75 percent of the income from this source is received from United States citizens. Yet a resident of Bermuda visiting this country is not allowed to bring with him over $500.

Our Canadian neighbors have a similar restriction which only permits tourists to the United States to bring with them $200. If the British Empire desires free trade and expects citizens of the United States to visit British possessions with no limitation in personal funds, similar treatment should be accorded British subjects visiting this country. Elimination of restrictions of this nature should be considered in connection with any proposed loan whose purpose is said to promote free trade and good will.

The Liverpool Cotton Exchange should be restored as an aid to promoting free trade Under the present system the British Government in its own name purchases the cotton having abolished the Liverpool Cotton Exchange. In the event that cotton becomes plentiful it would only be natural for the British Government to confine the purchase of cotton to British possessions thereby retarding the development of free trade with other nations

Since VJ-day, England has enjoyed increased production because of the absence of labor disputes It is said that the reason for such a peaceful condition is due to the fact that prominent labor leaders are now in key positions with the British Government and in a position to formulate and administer the policies now in effect between industry and labor. Many of the industries in Great Britain are now owned by the government having been nationalized by the party in power. The increased production has resulted in an expansion of Britain's foreign trade since VJ-day and a loan of $3,750,000,000 appears excessive in view of this fact

We must remember that England defaulted in payment of the loans granted during World War I and that we have furnished billions of dollars in lend-lease material during World War II that have been written off the books.

When Bretton Woods legislation was approved for the establishment of a world bank the argument presented in favor of it was the assurance that it would remove the necessity of a loan of this nature. Now we are being asked to loan one of the participating nations a sum of money, part of which will be used to pay its contribution to Bretton Woods. I supported the world bank in the hope it would serve the purpose its advocates proclaimed If this direct loan is made to Great Britain without any security there is no reason to expect that many other nations will refrain from making similar demands.

There is an age-old axiom that, "Charity begins at home." Within the shadow of the Capitol dome we have slum conditions that are a disgrace to the American people. Many American homes are hovels inviting disease and suffering from lack of adequate sanitary facilities. We can use these billions of dollars to aid countless distressed families in need of housing, broaden and improve our highway systems and assist returning veterans in their efforts to return to civilian life.

During the past week we have been told that President Truman is in accord with legislation approved unanimously by the House of Representatives to pay some three billion dollars in terminal leave pay to enlisted personnel of our armed forces, provided bonds are issued to servicemen with a 5 year waiting period for redemption. If our national economy is unable to withstand the immediate payment of terminal leave pay to the rank and file of our armed forces, how can we justify our action if we loan the British Empire three and three quarter billion dollars in cold cash and without any security?

In conclusion, I have the utmost respect for the English people and warm admiration for their stellar contribution toward the victory achieved Yet in fairness to the teeming millions of American citizens who are poorly clad, undernourished and unable to find suitable shelter, I cannot in good conscience support the proposed loan unless adequate security is furnished

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr GRANT]

Mr. GRANT of Indiana Mr Chairman, we are asked by the pending resolution to give our approval to the terms of a financial agreement with Great Britain. This resolution would ratify a loan of $3,750,000,000, but, over and above that, the agreement makes provision for the settlement of billions of dollars in lend-lease upon which the Congress is given no right to pass

I have studied this question of the British loan from every possible angle. I have read much of the testimony of leaders of the administration who testified in support of the loan. I have listened to officials of this administration in their radio speeches in support of the loan. I have read the arguments for the loan that have been put out at taxpayers expense by the Government. This includes reprints of speeches by administration leaders and also the elaborate Department of State Bulletin with its frequent appeals for support of the British loan in its weekly issues. All of these publications, I repeat, were paid for by the taxpayers of America.

In all of them I have failed to find one single argument advanced against the loan. Surely there must be something that can be said on the other side of the question. The fact remains, however, that all of these tax-supported publications and Government officials have put out arguments on only one side of the question. Surely there must be something that can be said on the side of the American taxpayers who, after all, are going to have to foot the bill. But for more than 7 months now these Government agencies have had their opinion-manufacturing machinery running at full speed. They have embarked upon a program of education, of popularizing this loan with different classes and different groups of the American people.

Following the First World War, Sir Gilbert Parker, who served as Great Britain's wartime propaganda chief in the United States, described the American people as being "next to the Chinese perhaps, the most gullible people in the world." Possibly it is on that theory that our own Government's propaganda machinery, operating at the expense of the taxpayers, has been running for the past 7 months.

During World War II the United States sent lend-lease supplies to the British Empire in a total sum of about $30,000,000,000, of which more than $5,500,000,000 remained unconsumed in the United Kingdom at the end of the war. Deducting reverse lend-lease, the net amount supplied to Great Britain exceeded $24,000,000,000

The financial agreement arrived at by this administration, meeting with representatives of Great Britain, would settle all of this account for $650,000,000, or at the rate of 2½ cents on the dollar. It is important to bear in mind that that agreement doesn't provide for the payment in full of that nominal settlement for more than 50 years.

What's more, even that settlement of 2½ cents on the dollar won't have to be repaid to us in cash In the language of the agreement, we are to permit it to be offset to acquire land or construct buildings in the United Kingdom for the use of the United States and "for carrying out education programs in accordance with agreements to be concluded by the two Governments."

As I stated before, that sum was not even submitted to Congress for ratification—rather it was agreed upon by this administration under the Lend-Lease Act

But what about the loan for three and three-quarters billion dollars? Our attitude on that question, our vote for or against the so-called loan should be weighed in the light of our responsibility to the American people, whom we are representing. There is no question but that Great Britain can use the money. The question that we should consider is what is our own financial situation; what is our own ability to carry out the loan, and what consideration runs to us if the agreement is to be carried out?

LOAN OR GIFT?

Is this a gift or is it a loan? In the original negotiations, out of which this agreement was developed, the British delegates asked for an outright gift from

the United States. There cannot be the slightest doubt about that. Chancelor of the Exchequer Hugh Dalton commented, following the announcement that the agreement had been reached, "We first asked for a grant-in-aid or an interest-free loan and were told that this was not practical politics and that Congress never would consent to such an arrangement." So, Mr. Speaker, it is now placed before us as a loan. At the same time, however, it has none of the conditions of a business loan, and few, if any, will contend that it will be repaid. It is neither fish nor fowl.

WILL IT ABOLISH TRADE BARRIERS?

Every American, of course, wants to see world trade flourish and grow. All of us want to see an ever-expanding market for the output of American farms and factories.

Those who shout the loudest for approval of this loan say that it will restore and expand world trade, especially with Great Britain, our best customer in prewar years. If our trade with Great Britain is to be expanded, it would, of course, require an end to the system of empire preference that his tightened the British Empire into a closed trading area during the past few years. Will that system be terminated if this loan is made? Those who favor the loan contend that that system will be terminated, but let's look at the record.

At the outset of the lend-lease program, Great Britain entered into a solemn agreement with the United States, making these solemn covenants:

> The benefits to be provided to the United States by the Government of the United Kingdom, in return for aid furnished * * * shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations * * *.
>
> * * * they shall include agreed action * * * directed to the expansion, by appropriate international and domestic measures, of production employment, and the exchange and consumption of goods * * *.
>
> * * * to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers.

May I repeat, "to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers."

Were these pledges kept? They were not. May I quote from a report of the Senate Special National Defense Committee made less than 4 months ago:

> If actual barriers to United States trade had been eliminated and the United Kingdom had undertaken not to reestablish them or other new limitations to accomplish the same objectives, then the immediate cancellation of the lend-lease credit balance in our favor could be said to have been exchanged for a direct or indirect benefit. This, however, was not the case. The consideration which we received was illusory.

In the face of that solemn agreement, despite the fact that thirty billions in goods were supplied under lend-lease, British barriers to American trade are higher and not lower than they were before the war. The then Secretary of the Treasury Vinson so testified before the House Committee on Banking and Currency during hearings on the British loan. British pledges made on the consideration of thirty billions in lend-lease were not honored, even to the extent of preserving the status quo. Those are the facts.

What consideration runs to America in the pending loan agreement? Does Britain pledge herself to abandon her policy of empire preference? She does not. She agrees only to discuss trade barriers at some time in the future.

If the solemn pledges of the Atlantic Charter and of the lend-lease agreements did not produce a break-down of these trade barriers, then who is there that will contend that it will be done now?

BRITAIN'S SHIFT TO SOCIALISM

The British Labor Government is presently engaged in a broad program of socialization and nationalization of her industries. Already the Bank of England and the coal mines have been taken over by the government. The best evidence of that Labor Party's disapproval of our American system of competitive enterprise is given by a recent pronouncement of Prof. Harold J. Laski, author, economist, and former chairman of the British Labor Party, who said: "To those who say we have to choose—as I do not believe we have to choose—between the Soviet Union and the United States, with its passion for free enterprise which is not free and is not enterprise, we, the Labor Party, stand foursquare behind the Soviet Union."

Just last Sunday Mr. Laski spoke to the United States in a transocean radio hookup. In response to a suggestion that the capitalistic countries are now feeding the rest of the world, Mr. Laski said:

> You just look at your own situation Half your counties today in the United States haven't got any general hospitals You have got millions who are living in overcrowded houses, without any plumbing and without any electricity and without any decent heating, and one out of every four of your children isn't attending school That doesn't look to me like a great success for your private enterprise system.

Mr Laski has been reading too much fiction but, the fact remains that it is that same system of competitive enterprise, which Mr. Laski contends is "not free and is not enterprise," which Britain today looks toward to supply her with three and three-quarter billion American dollars.

Just a few days ago an Associated Press dispatch from London carried the following announcement:

> Deputy Prime Minister Herbert Morrison told the annual British Labor Party conference yesterday that nationalization of the vast chemical industry and of fishing, petroleum, and agriculture is being considered by the national executive committee.

Does anyone seriously contend that the pending loan is going to reverse the direction that Britain is traveling? Of course, it will not. We shall later find that our American dollars will have helped the coming of socialization to Great Britain.

THE LOAN AS A PRECEDENT

Some have contended that the loan to Great Britain is a "special case"—that it is in a class by itself. The fact is that the making of this loan on the terms proposed is a dangerous precedent, both in the manner in which the loan is made and in the liberal terms on which it will be completed. As the minority views of the Committee on Banking and Currency so well states, "The 'special case' treatment of Britain seems almost deliberately calculated to create hostility and ill will." If this loan, as proposed, is made, then how can we refuse similar loans to other nations and on equally favorable terms? If such loans to other nations are not made, then are we not thereby creating ill will and suspicion and are we not engaging in power politics with dollar diplomacy that points the way toward future wars? The catch is that once embarked upon this course, there just is not any way to turn back. There are a hundred places to start loaning our money and no place to stop.

BRITAIN COULD SELL HER BONDS HERE

I am certain that there are many sincere Americans who support this loan. Why should not they be given an opportunity to invest in the bonds of Great Britain? If the loan is good business, then there should be no difficulty in raising the money. At the same time, all those Americans who oppose this loan would be relieved of financial responsibility in that respect.

Mr. Speaker, more than 5 months ago I introduced House Joint Resolution 315, which would provide the machinery for just such a plan. Under that plan British bonds up to a limit of $3,750,000,000 could be sold in this country. Repayment to the bondholders would only be made out of any payments of principal or interest that were paid to us by the United Kingdom. The United States Government would be specifically exempt from any liability with respect to the payment of either principal or interest.

Unfortunately, that resolution is still pending in the House Committee on Banking and Currency.

It has frequently been argued that Congress has no right under the Constitution to tax one class of our people for the benefit of another. If that be true, then it becomes doubly true that we have no right to take that same money from our people and hand it over to a foreign government.

OUR OBLIGATIONS HERE AT HOME

We have tremendous problems here at home. We have obligations to the needy aged and to the blind. We have a responsibility to more than 15,000,000 veterans, their widows and orphans that must and will be met.

The proposed loan to Britain would bear interest at 2 percent but no payments on principal or interest would be due for more than 5 years. What is more, there would be no interest payment due during "bad" years. The President says those terms are "neither unusual nor difficult to understand."

Certainly they are both unusual and difficult to understand when we consider that we offer the returning GI a small loan at 4 percent with no 5-year moratorium on the interest, and the threat of a visit by the sheriff if the payments are not made on schedule. We should bear in mind, too, that there is no safety

clause for the protection of the veteran if and when he should have a bad year.

OUR NATIONAL DEBT

How can we afford to become the world's banker with a per capita national debt that already reaches $2,000 for every man, woman, and child in the land? There is not enough wealth in America to carry the degenerating economies of Europe, Asia, and the rest of the world.

This money will not come out of thin air nor out of a magician's hat nor even out of the New Deal's seemingly inexhaustible supply of red ink It will be added to the tax burden borne by the farmers, the laborers, and the business community of America. The American taxpayer assumes all the risk, and from the point of view of that American taxpayer this gift-loan is unwise, unjustified, unwarranted, and unsound.

We all know that America must work in harmony with Great Britain. Every American, I am sure, is convinced of that fact. There would be little objection to the making of this loan if we were convinced that it would not be used to subsidize social experiments, or to pay for propaganda to upset our American form of government, and if we were convinced that the American farmer and the American worker were in a position to stand the terrific tax burden for this loan and others that will follow, and if some reasonable security should be offered for its repayment

Mr. Speaker, this is neither a gift nor a loan. If it is a loan, then it should be offered in a businesslike way. Such businesslike methods have prevailed in all other loans that we have made to other nations through the Export-Import Bank

The terms under which this gift-loan is proposed will, I am afraid, create friction and ill will at the very time when harmony and good feeling between the English-speaking peoples of the world will be most needed.

Under the proposed terms, repayment does not begin until after 1951. Added to that are the special exemptions from repayment during any bad year that Britain experiences in her foreign trade.

This gift-loan will not, of course, be repaid in full, and few if any will contend otherwise. When the day arrives that default in repayment occurs, then how can we expect to have that harmony and good feeling that will be so essential.

This hand-out, under the terms proposed, should be defeated. The fiscal policies of this administration have already carried us to the brink of inflation. Continued spending can only mean more Government controls, more regimentation, more curtailment of our individual liberties. We cannot lightly ignore the solemn warning of Mr. Jesse Jones, former Secretary of Commerce, when he said:

We should stop issuing Government bonds and pay every dollar we can spare on our debt, now and as fast as we can We have sold our Government bonds to the American people upon the basis and representation that they constituted the soundest investment that anyone can have. They can only be sound if we make them sound by cutting down on our own expenditures and stop lending money to countries that have no reasonable assurance of being able to repay it.

Approval of the proposed loan now before Congress would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and losing is a sure road to ruin The Congress should not ignore the dangers that lie ahead.

Mr. Speaker, America does have a great responsibility in the postwar world, but we shall not be able to meet that responsibility or to assume that leadership by a continued dissipation of our material wealth and our rapidly diminishing resources

The wealth and the resources of America belong, not to the Government, but to the people. We have no right to deplete those resources or to hurry America farther down the road toward inflation and bankruptcy.

Only by a restoration of sanity in our fiscal policies can we attain that freedom and opportunity that we seek for our returning veterans and for our America of tomorrow.

Mr SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, about a year ago Representatives of our State and Treasury Departments appeared before the Banking and Currency Committee and recommended that the United States join in the Bretton-Woods agreements to establish a world bank for rehabilitation of war-torn countries and a world fund for stabilizing currency and for the elimination of currency warfare practices

As stated on page 9, of the Senate Report on Bretton Woods:

The establishment of the fund will make it possible to restore the system of multilateral payments without which a large volume of world trade will be impossible

Under the fund agreement countries may not impose restrictions on dealings in foreign exchange which interfere with current international business They must also remove the currency restrictions and discriminations that hamper world trade An exception is made for countries that must deal with the devastation and disruption growing out of the war But such countries must relax their restrictions progressively and they must remove them entirely when they can do so without excessive help from the fund.

The fundamental purpose of the international monetary fund is to facilitate the expansion and balanced growth of international trade and investment by providing an environment of currency stability and order in which international business can flourish

Page 10 of the Bretton Woods fund agreement report further provides that members shall not impose restrictions on payments and transfers for current international transactions

Congress was told at that time that these agreements were the result of years of work and study and that if we contributed $6,000,000,000 to the fund and the bank, foreign trade would flow and flourish more freely than it ever had before. All trade restrictions would be eliminated and all important currencies in the world would be stabilized. Countries that lacked dollar exchange would be able to obtain it from the fund and that nations which needed long-term loans to rehabilitate their countries would get them from the bank.

We were also told that we would not pursue the same policy we did after the last war of making individual loans to countries which would never be paid back, because every nation made a contribution to the bank and we would, therefore, stand to lose only about 35 percent of every loan instead of 100 percent, and so as a result of these persuasive arguments, Congress permitted our Government to contribute $6,000,000,000 which was our share for both the fund and the bank

Some 44 nations took part in drawing up the Bretton Woods agreements. To date some 40 nations have signed up. About 95 percent of those countries are going to need dollar exchange from the fund and are going to borrow more than their contribution from the bank. The United States will, of course, not borrow from either the fund or the bank. We will just contribute.

Now a year later, our Treasury and State Departments come back and say that Great Britain needs $3,750,000,000. In order to fulfill her obligations to the Bretton Woods agreements and for other purposes, and if we lend her that money she will agree to do the things she already agreed to do some time ago when she signed the Bretton Woods agreements. So that we gain nothing new in the way of concessions by giving this additional $3,750,000,000 to Britain. She merely promises to do that which she is already bound to do.

Mr. Clayton, Assistant Secretary of State, challenged my statement to the extent that under the Bretton Woods agreements, Britain, under certain circumstances had 5 years to remove currency restrictions while under the British loan agreement she promised to remove them within 1 year. I pointed out to him that, under exceptional circumstances under the loan agreement, Britain could get further indefinite extensions of time and that if we refused her nothing could be done about it because she would have already received our money. At least under the fund agreement, if she fails to keep her obligations, she can be removed from membership therein.

France has already gotten a loan of $1,000,000,000 through the Export-Import Bank. Other countries have also made applications for loans and some have obtained them.

Russia is looking for a loan and the Export-Import Bank wants to increase its lending power so that it can make a loan to Russia without the approval of Congress.

If this British loan goes through why should not all other debtor countries, members of the Bretton Woods agreements, seek and get the same consideration from the United States? The argument that we do 20 percent of our trade with Great Britain or 40 percent with the British Empire still leaves the major portion of our foreign trade with other countries. Why should not they get in on a pro rata basis?

I feel that if we make this unsecured loan to Britain we will wind up by lending every debtor country enough money to make its contribution to the fund and the bank, and in the end we will have contributed 95 percent of all the money in both the fund and the bank, which I do not feel the United States can possibly

afford to do without bringing about inflation and ruin of its own economy

Let me reiterate all the so-called benefits were pledged us when Britain signed the Bretton Woods agreements. Furthermore, this loan if made to Great Britain in no way binds Australia, Canada, New Zealand, South Africa, or any part of the British Empire. This does not change Britain's policy of imperial preference established at Ottawa in 1932. In fact Britain could not do away with her policy of imperial preference without the consent of her dominions who have given her concessions in return for that policy.

It is my conviction that the British have less intention of ever paying this money back than they did the debts incurred during the last war. If they had any intention of paying it back they would be willing to put up some type of collateral of which they have an ample amount.

When you vote for this measure you are in my opinion giving away $3,750,000,000 of the taxpayer's money, and I sincerely believe that there is not a single congressional district in the country where the majority of the people favor this gift.

Mr BUFFETT. Mr Chairman, will the gentleman yield?

Mr BARRY. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I should like to add that in addition to giving away this money we are sending away at a critical time in our history $3,750,000,000 of our resources when our own people are suffering from severe shortages of many kinds.

Mr. BARRY. I thank the gentleman for his contribution.

The argument that we must give Britain this money in order to save it from communism is, to my mind, premature. The time for that approach is if, and when, we decide that the United Nations is a failure and that it is impossible to get along with Russia and we must, therefore, form an anti-Russian economic bloc If that time comes, and I hope it doesn't, we can then decide how much money we can afford to give England for the purpose of carrying on economic warfare against that part of the world dominated by Russia. Such a policy may very likely lead to war. Why adopt it now when United Nations organization is striving for world peace and unity? We cannot consistently strive for a united world Leage of Nations where all countries are to be treated alike and at the same time subsidize one great nation's economy as against another.

All this talk about the tremendous increase in foreign trade is greatly exaggerated. Nations, like people, buy what they want and what they need. Argentina will not buy beef. Earmuffs cannot be sold in tropical countries. No country buys what it has a surplus of. Trade follows normal channels.

During the very prosperous years before the crash of 1929–1930, our total exports averaged only $4,700,000,000 a year. The amount of goods sold to Britain during those years averaged about $850,000,000. After the world-wide depression the total exports fell to $1,500,000,000 in 1930. By 1938 they had increased to $3,000,000,000 During those years we coped successfully with the totalitarian regimes in Japan, Germany, Italy, and Russia. We not only traded with those countries, but we in every instance had a favorable balance of trade. This Nation has and can withstand any kind of economic warfare that may be resorted to. It is not a desirable situation, but I refuse to believe that we have to bribe England and every other nation who might act likewise to keep them from using sharp trade practices against us. As a matter of fact, we are in a far stronger position to be tough, if we must be, than any other nation in the world

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr BARRY. I yield to the gentleman from Pennsylvania

Mr. GAVIN I want to compliment the gentleman from New York on a very fine statement of good, sound common sense I merely want to call the attention of the gentleman to the fact that in 1776 we were a Republic surrounded by a lot of monarchies. Yet this Nation grew to be the greatest nation in the world. We may again become a Republic surrounded by a lot of communism, but with that old American spirit we have nothing to fear from that threat.

Mr. BARRY. I thank the gentleman.

I do not object to making a reasonable loan to England or any other nation, provided they put up the best collateral that they can, and that the terms and conditions of the loan resemble to some extent a business transaction. The interest rate and the terms of the present loan are fantastic. The fact that England has ample collateral and will not agree to put any of it up, is beyond my understanding if she has any intention of ever paying it back. In years to come, if this loan should pass, and no effort is made to pay it, it will become the greatest obstacle to continued Anglo-American friendship.

In the interest of the American people and our future relations with Britain I ask that the loan be defeated.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from California.

Mr. McDONOUGH. Since there is no collateral attached to this loan, does not the gentleman believe that it is in fact not a financial agreement in the true sense of the word?

Mr. BARRY. The men who negotiated this loan were so convinced that England needed this money, and they were sincere about it, that they cared not whether it is paid back or not. I consider it is a gift.

Mr. McDONOUGH. Does the gentleman believe that it is a political loan; that it has any political implications?

Mr. BARRY. It could very well have implications regarding Russia, and unless we are willing to give Russia a similar loan, then it would necessarily have political implications.

Mr. McDONOUGH. That is in view of the fact that the argument has been made that if we do not make this loan to Great Britain there is a possibility that England will go communistic.

Mr. BARRY. I do not believe there is any possibility of that.

Mr. McDONOUGH. The argument has been made that that is the case anyway, and since it is admitted that this is not a commercial loan, then it must have political implications.

Mr. BARRY. I imagine if Russia does not get a similar loan it will have tremendous political significance, and I do not believe that this House will pass a Russian loan.

Mr. McDONOUGH. By "similar loan" the gentleman means a similar amount?

Mr. BARRY. A similar amount.

Mr. McDONOUGH. With similar security?

Mr. BARRY. On the same terms.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The evidence shows that England and the countries in that particular area trading with England had about 50 percent of the international trade and that the United States had 25 percent. I am informed that Russia had only about 1½ percent of the international trade.

Mr. BARRY. I do not quarrel with that.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN Is there objection to the request of the gentleman from Texas?

There was no objection.

BRITISH FINANCIAL AGREEMENT

Mr. PATMAN. Mr. Chairman, I am inserting herewith the testimony of witnesses representing the American Bankers Association. It is as follows:

ANGLO-AMERICAN FINANCIAL AGREEMENT

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING
AND CURRENCY,

Washington, D. C., Friday, May 24, 1946.

The committee reconvened, at 10:30 a. m., Friday, May 24, 1946, BRENT SPENCE, chairman, presiding

The CHAIRMAN. The committee will be in order

We have this morning Mr. Burgess and Mr. Hemingway Mr. Burgess has appeared here before at the time of the Bretton Woods agreements hearings as the chairman of the American Bankers Association.

Mr. Hemingway is chairman of the committee on the British loan of the American Bankers Association.

Both of these gentlemen have prepared statements.

I will call on Mr. Hemingway to read his prepared statement and then Mr. Burgess can read his prepared statement, following which they can answer questions. They have accommodations to return to New York at 2 o'clock by plane, and, owing to transportation difficulties, will have to leave before that time in order to make their plane.

Mr. Hemingway, you may identify yourself and proceed, and I will ask the committee not to interrupt the witnesses during the reading of the prepared statements.

STATEMENT OF W. L. HEMINGWAY, CHAIRMAN, COMMITTEE ON THE BRITISH LOAN OF THE AMERICAN BANKERS ASSOCIATION

Mr HEMINGWAY. Mr. Chairman, my name is W. L. Hemingway. I am president of the Mercantile Commerce Bank & Trust Co. of St. Louis, and I am chairman of the advisory committee on special activities of the American Bankers Association

The matter of the Anglo-American agreement was referred to this committee for study and report to the association.

The committee had its meetings and made a unanimous report to the executive council of the American Bankers Association, which met in the middle of April, and when this report was made, it was before a large meeting of bankers and was unanimously adopted without objection.

I will read the statement that was adopted.

The adoption by the Congress of the joint resolution ratifying the financial agreements with Great Britain of December 6, 1945, is in the interests of the United States.

The postwar world we anticipated through the long years of the conflict is here. A search for the solution of the problem of world economic reconstruction leads to the conclusion that production and exchange of goods and services in the greatest quantity possible provide the only answer to the wants and needs of millions, to staving off the worst evils of inflation and, on the other hand, preventing a deflationary collapse

We are of the opinion that the agreement will provide at a critical and unique point working capital essential to the world's economic well-being, that it will assist in the removal of international trade barriers, and that in so doing it will promote world economic recovery and contribute materially to future world peace. In part by that means, nations can attain a degree of prosperity that will bring contentment at home and peace abroad, and to the United States this means that we shall be aided in servicing and reducing our national debt and maintaining the integrity of the dollar.

The making of this loan should not preclude a program of economy, reduced Government expenditures, and balanced budgets, because there are other avenues of economy open to the Federal Government which are far less vital to the restoration of prosperity and peace than the proposed Anglo-American credit agreement.

There are those who are alarmed by the trend toward socialization of some of the basic industries of the United Kingdom, as incompatible with the broad philosophy of the loan agreement. Certainly the permanent closing of the Liverpool cotton market and its replacement by state trading in cotton is not reassuring to those who seek the revival of private enterprise in trade between nations so necessary if the standard of living of the world is to be raised.

If the present world were one of balanced economies such as prevailed prior to 1914, objections of this sort might outweigh the advantages of the proposed credit agreement, but in the war-torn world of today, actions must be directed toward what seems the best way out of unprecedentedly difficult conditions.

In the efforts this country is making to establish international peace and well-being, we need partners on whom we can rely, who share our objectives. Britain has proved herself a stanch and loyal partner. Today Britain needs our help to rebuild her strength—to make her a more effective partner The ratification of this agreement will help supply that need and will also hearten her spirits at a critical time. It is in our interest so to strengthen Britain.

I would like to supplement that resolution by a very brief statement, Mr. Chairman, explaining the reasoning of our committee when it was adopted.

We feel that if this country is to solve the problems confronting it, we must have a reasonable degree of prosperity. We think that this country cannot prosper alone; that the other nations of the world must share in that prosperity to some extent. In order to bring this about, foreign trade, world trade, must be revived, and, as the great world trader, Britain must be encouraged and stimulated in helping restore that world trade.

One of the things that is essential to that is the stabilization of the pound sterling, we think. The world must have sound currencies if it is to have an active trade, and it seemed to us that this would enable England to stabilize its pound sterling and to get back into foreign trade and help restore world trade. That was the logic, or the reasoning, at least, on which this resolution was based.

That concludes my statement, Mr. Chairman.

The CHAIRMAN These gentlemen have asked to have their statements incorporated in the record without interruption, so we will call on Mr Burgess now. Mr. Burgess.

STATEMENT OF W. RANDOLPH BURGESS, VICE CHAIRMAN, NATIONAL CITY BANK OF NEW YORK

Mr BURGESS Mr. Chairman and gentlemen, as the Chairman said, I am no longer president of the American Bankers Association, but come here simply as a member of Mr. Hemingway's committee, which committee considered the British agreement, and which agreed unanimously on the statement which Mr. Hemingway has just read.

I thought possibly it might be helpful if I added a very brief interpretation of the meaning of the statement, and I will read these two pages, with your indulgence.

The Congress should ratify the British financial and trade agreement, not because it is a perfect arrangement, but because such a plan is an essential part of any constructive program for restoring and maintaining peace.

There is plenty of room for honest difference of opinion as to this proposal. It is well to recognize some of the difficulties.

First, this is not a suitable bank loan by commercial standards. There is a good chance it will be paid, but the risk is substantial. No group of commercial banks or investors could afford to take so great a risk. This risk can only be borne by the Nation as a whole in the national interest.

Second, the British loan increases this country's financial burden at a time when we are seeking to reduce inflationary buying power and seeking also to reduce the tax burden, which impedes production The weight of the loan is not large, however. It takes about 1 percent of the national income for 2½ years.

Third, the agreement gives aid to a government in Britain which is committed to a socialistic policy of government ownership of certain industries. The policies of this government seem to many of us to be placing an obstacle in the way of freedom of trade and the stimulation of enterprise.

I could go on and name a number of other reasons that are well worthy of consideration that would argue against the loan, and all these are objections that I know were weighed by the people in our Government who negotiated the loan, and I know they are reasons that this committee is entirely justified in reviewing with care.

As against these objections, however, there seem to me overriding reasons which make the ratification of the agreement essential.

The world is in a desperately difficult economic, financial, and political situation. Just as we won World War I and lost the peace, so today we are in danger of losing the peace a second time. It was the economic and social disorder after the First World War which bred Hitler, Mussolini, and World War II, and we are today moving in the same direction.

Every traveler returning from abroad tells the story of disorder and distress that can be cured only by patient and constructive rebuilding. Europe, if it is not to be a sore spot on the world, must have food, raw materials, and tools to restore the order and tranquillity which are essential to peace. Now, the often-demonstrated fact is that in Europe the greatest cohesive and constructive force is Great Britain. For more than a century the world's peace was a pax Britannica, maintained by her sea power, her skill in government and business, and her ideals of democracy and integrity One could illustrate that in many ways I have attended a number of financial conferences in Europe and have watched the role Great Britain has played in those conferences I think what I saw there with my own eyes fully justified the statement that Britain has been a great cohesive force and that her influence has been one to get results, to get things moving, to harmonize differences between other countries. What would the League of Nations have been without Great Britain? It would have blown up a good many years earlier. The United Nations, without a strong Great Britain, will have much greater difficulties in accomplishing its purposes. The strategic point for aiding Europe, if you want to put your finger on the critical point, is aid to Britain.

Second only to disorder and distress, the greatest enemy to human freedom and the greatest threat of war is statism—totalitarianism, if you will. After World War I, dictators took over power, and whether it was called nazism or fascism or communism, it was all dictatorship, which is the opposite of democracy. For centuries Great Britain has been in Europe the most powerful exponent of human rights To strengthen Britain is a most effective means of resisting dictatorship. Even in Britain itself the struggle between statism and democracy goes on. Without economic help, Britain will be forced into more regimentation, more extension of the powers of government, and less freedom for the individual human being. This British loan is a safeguard to human liberty.

The British loan is not by itself a cure for the troubles of Europe or the world, but it is one step—and an essential step—in any program for rebuilding and maintaining a peaceful prosperous world. There must be a program, and if we are to win the permanent peace we seek we must be willing to take the individual steps which are essential parts of that program.

The CHAIRMAN. For the benefit of some members who were not here, I stated at the beginning of the testimony of Mr. Hemingway and Mr. Burgess that they have reservations on the 2 o'clock plane for New York. I hope the members will govern themselves accordingly in their interrogation. Mr. Brown.

Mr. BROWN Under those circumstances, I will not take up any of their time.

The CHAIRMAN. Mr. Crawford

Mr. CRAWFORD. Mr. Hemingway, in the second paragraph of your statement, page 1, you have a sentence which interests me very much, wherein you say:

"A search for the solution of the problem of world economic reconstruction leads to the conclusion that production and exchange of goods and services in the greatest quantity possible provide the only answer to the wants and needs of millions, to staving off the worst evils of inflation, and, on the other hand, preventing a deflationary collapse."

I will have to question that language. I want to ask you this question: Assuming that production goes ahead at full speed, based on the capacity of capital goods, what part can Government, itself, play in promoting deflation, or promoting inflation, or preventing deflation? Do I make my question clear?

Mr. HEMINGWAY. I do not believe it is, Mr. Crawford

Mr. CRAWFORD. All right. Let me say it this way: You are speaking for bankers and I am trying to speak the bankers' language for a moment. Our Government, in recent years, has monetized over a hundred billion dollars of the Federal debt, has it not?

Mr HEMINGWAY That is right

Mr CRAWFORD. Now, what can productive machinery and productive labor do in preventing inflation, if governments are to follow such a course indefinitely?

Mr HEMINGWAY. They cannot do anything if the Government is going to continue that process.

Mr CRAWFORD That is the reason I question this language in your statement, because you say "provide the only answer"

Mr HEMINGWAY Well, I think what we meant to say was that the production and exchange of goods and services is necessary to prevent inflation

Mr CRAWFORD But it is not the only answer in preventing inflation, is it?

Mr HEMINGWAY I think that is correct.

Mr CRAWFORD That is what I wanted to clear up.

Mr. HEMINGWAY Yes; that is true

Mr CRAWFORD. I think I know what you mean, but I do not want this language to be misinterpreted

Now, will not the management of our debt—that is, the United States direct interest-bearing Federal debt—will not its proper management have about as much to do with the prevention of destructive inflation, and the prevention of destructive deflation, as any other single factor?

Mr. HEMINGWAY I think it is a very important factor

Mr CRAWFORD Yes. Of course, along with that, we have to have the production of goods and services, and full employment, and we have to maintain the national income for the purposes of servicing the debt.

Mr. HEMINGWAY That is correct

Mr. CRAWFORD What I am attempting to do, with your assistance, by reason of the high position which you occupy, and the group for which you speak, is to bring out that we must give more attention to the management of our present debt, must we not, in order to handle this problem?

Mr HEMINGWAY I agree with you that the debt must be properly managed or these efforts will probably not be fruitful.

Mr CRAWFORD Yes, sir Now, on page 2 of your statement, you make a very brief reference to the closing of the Liverpool cotton market, and its replacement by state trading in cotton Is it your understanding, as far as you have been able to get information, that the proposed International Trading Organization, as mentioned in the joint statement of Mr Attlee and Mr Truman, along with a good many other statements that have been made by officials of the Government, that the International Trading Organization will be set up and operated in such a manner as to leave, for instance, the Liverpool cotton market open for the use of individual traders, or is it your understanding that under the International Trading Organization, governments like the Socialist government of Britain will proceed to trade as states, and thus interfere with the trading of our individual citizens? Could you give us any light on that?

Mr HEMINGWAY. It is my impression that the British Government will continue to trade as a state, and will make bulk purchases of cotton. The agreements do not prevent that. Of course, we had hoped that that might be changed, but we have no evidence to cause us to think that it will be changed.

Mr. CRAWFORD. I simply repeat for the record——

Mr. BROWN. I did not understand, Mr. Crawford, what would be changed.

Mr. CRAWFORD. If I understood Mr. Hemingway, his statement is to the effect that he has found nothing in the language and proposal of the International Trading Organization which will leave our individual citizens, cotton dealers, for instance, free to deal with British citizens as such, but that our citizens must deal, so far as the selling of cotton is concerned, with the British state, with British purchasing in bulk quantities

Mr HEMINGWAY. Mr. Burgess calls my attention to the fact that there is an agreement that the British Government will not discriminate in its purchasing in bulk from various countries

Mr. CRAWFORD. But as our people deal with Britain and the British on matters pertaining to raw cotton, our people will have to deal with the British Government instead of British citizens?

Mr HEMINGWAY. That is correct

Mr CRAWFORD. Now let me again say for the record that the greatest difficulty I have, as a Member of Congress, in coming to a conclusion on this proposition, is my fear that the International Trading Organization will so circumscribe our citizens who desire to import and export that in the future they will have little, if any, freedom in their enterprise and dealings with the other countries of Europe You have further confirmed those fears by giving me your thoughts with respect to cotton and the Governments of Great Britain and Northern Ireland.

Do you know of any other basic commodity in which we might deal, for instance, tobacco, or wheat, or corn, or pork, and pork products, which would, to your knowledge be purchased by the Government of Great Britain as a government, thus forcing our people to trade with Great Britain as a government instead of trading with British citizens as individual importers?

Mr HEMINGWAY It is my impression that the British Government is continuing its war purchases of all food products, but I am not informed as to whether that will be a permanent policy or not

Mr CRAWFORD I have reference now to the period subsequent to the effective date of the consummation of the International Trading Organization—not the interim—because as I understand it, Britain will go ahead aggressively protecting her interests in every way possible in the meantime But what is your understanding with reference to the post-International Trading Organization date?

Mr HEMINGWAY I have no information on any of those commodities except cotton Mr. Burgess would like to answer that question, I believe

Mr CRAWFORD Mr. Burgess

Mr. BURGESS I think the British Prime Minister, or one of the officials, has stated that, with respect to each commodity it would be settled on its own merits, so there is no commitment either way Now, I think one might hope that the storm of protest that was aroused, both in Britain and here, with respect to cotton, may have given them reason to pause as to the desirability of going further It is a very moot point in England itself, and I might reply to one point that you made, Mr Crawford. I think it is just a question of language One cannot blame this state trading on the trade agreement which will be discussed at a later trade conference That is, this bulk trading, this government trading, is not a matter that is provided by the trade agreement Quite the contrary The trade agreement tends to place limitations on a government going into bulk trading. It does not say you cannot do bulk trading. But it does say that if you are to do it you must be nondiscriminatory, and you must follow commercial standards of practice in your operations, and I think it is fair to say that the whole tenor of the trade agreement is to get away from restraints, and that its enactment will tend to slow down this operation, rather than to push it forward—I mean the operation of the Government taking over and manipulating markets, and so on.

Mr. CRAWFORD. I would like to ask another question on that. Let us see if we can illustrate it in this manner: Suppose the international trade organization is placed in operation and implemented in every way possible by all these countries which participate in it, including Great Britain, the United States, Canada, Australia, and such other countries that join, and the people in this country find themselves attempting to compete in countries including British areas, in our exports of automobiles by Chrysler, Ford, General Motors, and others, as against Great Britain as a country exporting British-made automobiles to British areas, and other countries where we are attempting to sell. Is it the understanding of you gentlemen that the rules of the international trading organization will be such that our citizens here in the United States will have to compete in world markets with governments operating as such, members of the international trading organization?

Mr HEMINGWAY Not in exportable products of that character

Mr BURGESS I would not say that the trade arrangements made things worse in that respect. I would think they made them decidedly better.

Mr CRAWFORD Well, I agree with you, Dr. Burgess, that the trade agreement might somewhat modify these propositions.

Mr BURGESS That is right

Mr CRAWFORD But what I am trying to find out, if anyone knows—and I do not know that anyone knows—is the concept of the international trading organization, insofar as discussions have gone, and conversations have been held, that after it is created, and supplemented by this advance of $3,750,000,000, plus other advances that we will perhaps be requested to make in the way of extensions of lines of credit, is it still within the concept of the international trading organization conversations and discussions, that our people will, after having gone that far, as individual citizens, have to operate in the world markets with our citizens competing with other governments I think that is a plain and simple question that our people are entitled to have some answer to.

Mr. BURGESS I would answer that, Mr Crawford, by saying that with the world set-up the way it is economically, that we face that problem anyway. We are bound to face that problem And my feeling would be that we better our position if we have the trade organization, if we have a framework and an organized way for dealing with it, and if we have these agreements that Britain subscribes to in her subscribing to the principles of the trade organization For example, the agreement that she will not increase her Empire preference, that any movement will be in the direction of nibbling that down, and the commitment that when the Government trades, it must do so in a nondiscriminatory way. Those are a very great help. So I think that the trade organization proposed furnishes a framework for making arrangements in an orderly way. A place where you can bring people before the captain's desk when they start practices that we think are destructive. So my feeling is that the American trader, the automobile manufacturer, the maker of any commodity, will be better off in competition with the trade organization and agreement than without it

Mr. CRAWFORD. I can go along with you most of the way on that observation, but I certainly question the advisability and the fairness of asking us to do the financing, and then leaving us circumscribed, which puts our people up against some form of statism with respect to imports and exports, and if the interested countries were simply coming together here and forming an organization to eliminate bad practices on the part of governments and individuals, and putting up tax revenues on an equal basis, that would

be one thing, but we are doing the financing, and there is where the rub comes so far as I am concerned on this matter.

One other question in connection with your statement, Mr. Burgess: On the first page, third paragraph, of your statement, you say: "No group of commercial banks or investors could afford to take so great a risk. This risk can only be borne by the Nation as a whole in the national interest."

Have you in mind, roughly, the total aggregate of credits extended by our people and our banks, following World War I?

Mr. BURGESS. If you include both commercial and direct investments abroad, and world war debts, it is around $20,000,000,000

Mr CRAWFORD No; I do not refer now to anything that the Government itself did.

Mr. BURGESS Then, it comes to somewhere between $10,000,000,000 and $15,000,000,000.

Mr. CRAWFORD. That is, on the part of individuals, corporations, underwriters, banks, and investors?

Mr BURGESS That is right.

Mr. CRAWFORD. I raise this question because I sincerely believe—I do not only feel it, but I believe it—that we, as captains, we, as enterprisers, we, as commercial bankers, we, as investors, are moving rapidly down a road where we expect the Federal Government, as such, to assume all risks and leave us with insurance of all kinds and guaranties of all kinds, and protection in every way that a government can give individuals protection, instead of going out here and actually practicing the doctrine and philosophy of capitalism which we preach all the time. I think we are going to run a head-on collision with respect to the operation of commercial banks within the near future in connection with this management of the debt to which I have referred, and I regret to see, in a statement released by the commercial bankers of this country, the philosophy that no group of commercial banks or investors could afford to take so great a risk. I happen to be one of those who believes that commercial banks and investors, and people who are thrifty and save money, and who adventure, can take any kind of a risk that has to do with the promotion of organized society I think we are getting on pretty dangerous ground when we continue to say to the Government that the Government should take the risk, instead of we who advocate the private enterprise system getting out and doing it ourselves.

That is all I have

The CHAIRMAN. Mr. PATMAN

Mr PATMAN. Mr. Hemingway, I believe you said something about balancing the budget in your statement

Mr. HEMINGWAY. Yes.

Mr. PATMAN Do you not think that we should forget about any tax reductions for the next couple of years, and do everything we can to balance the budget, rather than begin to talk about more tax reductions?

Mr HEMINGWAY I think the balancing of the budget is essential and unless some sound method can be devised for reducing the taxes, they should be maintained.

Mr. PATMAN. I have insisted all along that we have been reducing taxes too rapidly, and people talk about balancing the budget here in the House and the Senate, but at the same time they vote to reduce taxes at every opportunity. I know during the war we put through the Rumi plan which cost about five or six billion dollars, in 1945. And we adopted a plan which is costing us about $5,000,000,000 a year, about three billion plus for corporations and two billion plus for individuals, in a tax reduction last year.

Mr HEMINGWAY. I think we should balance the budget first and then start in to reducing taxes.

Mr. PATMAN. In other words, without having any tax reduction until we do balance the budget.

Mr. HEMINGWAY That is my theory.

Mr. PATMAN. I thoroughly agree with you on that.

You mentioned, Mr Burgess, the fact that, after the war, dictators got control of so many governments How did they get control of those governments? In the case of Russia, of course, it happened before the end of the last war, did it not?

Mr BURGESS. Yes. Kerensky was in 1917, followed by Lenin.

Mr. PATMAN But that was due to the fact that the people distrusted their governments, and these people could quickly move in and get charge of it.

Mr. BURGESS. Yes.

Mr. PATMAN. They were so conducted that people had no confidence in them.

Mr. BURGESS. Yes. That is right.

Mr. PATMAN. Did not the same thing happen in Italy and Germany, where the people distrusted their governments, and by reason of that distrust a few people got control of them?

Mr. BURGESS. It was partly that. I think it was part of the great distress. When people do not have food and do not have work, they are ready for a change of any kind.

Mr. PATMAN. And that caused, of course, little wars, and little wars caused the big war?

Mr BURGESS. Yes; that is right.

Mr. PATMAN. And that is the reason we should move in now and try to help the private-enterprise system in England and Europe to get restored by extending this credit?

Mr BURGESS That is my judgment.

Mr. PATMAN Mr Eccles made the statement, I understand, before this committee—I was not here—about an evil that is growing up in the banking system now, Mr. Burgess, which I would like to ask you about in view of your knowledge of the banking system. He said in his statement, as reported in the press, that the banks are adopting the policy of selling their seven-eighths-percent certificates to the Federal Reserve banks, and thereby obtaining credit, and then expanding about six times in the purchase of higher-interest-bearing Government bonds. Is that correct?

Mr BURGESS. No, sir, I do not think it is

Mr PATMAN You do not think they are doing it?

Mr. BURGESS I have had no chance to see Mr. Eccles' full statement. I read the excerpt from it in the Times this morning

Mr. PATMAN. Did I quote it approximately correct?

Mr BURGESS. I think so, yes; as far as the quotation in the Times went. Of course, during the war it was the policy of the Government to keep money very easy, to keep the banks with large excess reserves, so that they could absorb any bonds that were not taken by investors. We did our best to sell bonds to investors. As you know, I was on the War Finance Committee.

Mr PATMAN Primarily, of course.

Mr BURGESS But in addition, the banks had to take what was left off They did, and I think they did a swell job. Now, after the termination of the war, many of us thought that the policy should have been changed very quickly to tighten that money situation, no longer leaving this sloppy or loose money about, no longer to encourage banks to borrow money and buy bonds, but unfortunately the Federal Reserve System kept in force an invitation for the banks to borrow from the Reserve System. That is, they continued in effect a half of 1 percent discount rate for Government securities that many of us felt should have been abolished a good deal earlier.

Mr. PATMAN. It has been abolished now, has it not?

Mr. BURGESS. They did it this spring. We had a statement by the American Bankers Association recommending that. Now, I find it a little difficult to understand Mr. Eccles accusing us of bringing stuff around to him when they had this invitation on the door saying, "Please come in and bring your bonds, and we will give you a profit by borrowing on them." As a matter of fact, if you will look at the record, from the first of this year, I think you will find that the banks have not been pushing off their short securities and buying long securities. There have been no expansions of bank credits since the beginning of this year, since the war bond drives were over.

Mr PATMAN. Do you agree with Mr Hemingway that we should first balance the budget before considering any further tax reduction?

Mr. BURGESS. Yes, I think so. I think it may be possible to do it together. I think we ought to balance the budget in the year 1946–47. I think we can.

Mr. PATMAN And do that first?

Mr. BURGESS I think we cannot only balance the budget, I think we can have a surplus to retire debt, and I think we should

Now, there is another consideration that I just want to throw on the table. The way to balance the budget is from taxes on a good volume of production and trade It may be that, at certain points, the taxes are holding back production and trade to a point where you could lower them slightly, and increase trade at that point so that you would get enough taxes to make up for your reduction

Mr PATMAN In other words, make adjustments where necessary?

Mr BURGESS. I think there are some adjustments that could be made We made an adjustment on the excess profits tax

Mr PATMAN. Well, transportation is very critical, and I do not want to delay you gentlemen at all by asking further questions I will write you a letter if I have any further questions.

Mr. BURGESS Thank you.

The CHAIRMAN Miss SUMNER

Miss SUMNER. I have not read the gentleman's statement, but I have been informed that the country bankers of my part of the country are stating that the banks should be closed on account of the railroad strike

The CHAIRMAN These gentlemen have accommodations on a plane back to New York at 2 o'clock this afternoon They have to use them in order to insure their return to New York

Mr PATMAN. Why do they want the banks closed?

Miss SUMNER. Because you cannot get your money down from your city banks.

Mr PATMAN. The airplanes are flying.

Mr MONRONEY You can carry an awful lot of money in a truck.

The CHAIRMAN. I do not think that point is relevant.

Do you have any other questions?

Miss SUMNER. No; I have not read his statement, and, at any rate, I have some calls to make on that point.

The CHAIRMAN. Mr. Monroney.

Mr. MONRONEY Mr Burgess, do you know the amount of the British loan that was defaulted after the last war? Was it in the neighborhood of $4,000,000,000?

Mr. BURGESS. My memory is hazy. I think it was in that neighborhood; yes.

Mr. MONRONEY. You do not have the statistics showing the amount of default of other Allies to Great Britain, have you?

Mr. BURGESS It was a very similar amount The amounts were very close. And, of course, Great Britain did not default until the depression hit her.

Mr. MONRONEY. But she did not default until the other Allies, which owed similar war debts to her, had defaulted in their payments, with which she was expecting to make payment to us?

Mr. BURGESS. That is true.

Mr MONRONEY. I do not have those figures, but I am going to try to get them for the record, because I think they would be very important in considering whether Britain's failure to pay the last war debt was entirely her own fault and a willful act, or whether

it was the result of debts owed to her and which were not paid and which impaired her capital position to the point where she could not pay.

That is all I have.

The CHAIRMAN Dr Smith.

Mr SMITH Mr Hemingway, you made the statement that unless the public debt was properly managed that the loan, you fear, would not help much. Is that a correct restatement of what you said?

Mr HEMINGWAY. No; I think the question was asked me as to whether or not the production of goods would solve our problem, if the debt is not properly managed, and my answer was that mismanagement of the debt could upset the advantages we would gain by producing and exchanging goods.

Mr SMITH Do you mean the production of goods in general in this country?

Mr HEMINGWAY Well, the production of goods would be stimulated, of course, by this loan To what extent, remains to be seen. But there would be some stimulation of production of goods by the British loan.

Mr. SMITH The question I want to ask you is this Do you have hope that the debt will be properly managed?

Mr HEMINGWAY Well, I understood that Mr. Crawford was referring to our national debt and not the British debt

Mr SMITH I am talking about the national debt Are you hopeful that it will be properly managed?

Mr HEMINGWAY Yes, I am hopeful that it will be

Mr SMITH Well, a rather strange thing confronts many of us here in Congress. Practically every group which asks for more money protests at the same time that we have to balance the Budget They want somebody else to do the cutting The saving has got to be made in some other quarter, and not by that of the particular group concerned This is twice that the American Bankers Association has been before this committee in the last year or so advocating the expenditure of billions of dollars in the way of foreign advances, protesting at the same time that we must balance the Budget and get our financial house in order. That strikes some of us as being rather inconsistent I thought the way to balance the Budget was to balance it

Mr HEMINGWAY Well, I agree with you as to the importance of balancing the Budget. But we, in the banking business, often have to put money up to help a borrower who is in difficulties It is to our advantage to advance more money sometimes in order to make good what we have already put up In the world today we are trying to bring about peace, and prosperity, and it seems to us that by making an advance to Britain, we would be working in that direction, and, as I recall it, the figures which have been prepared by the Government officials showed that the British loan would not interfere with the balancing of the Budget in 1946-47

Mr. SMITH What about after 1946-47

Mr HEMINGWAY Well, the loan would be then made so it would not be a continuing advance

Mr. SMITH Mr Hemingway, I have studied the Budget programs for the coming year, and I do not see a sign in the heavens, or anywhere else, that the Budget is going to be balanced or nearly balanced.

Mr BURGESS. Dr. Smith, may I just, for the record, remind the committee of one point? You suggested that the bankers association had, last year, advocated an expenditure and now is doing so again. May I remind you that, with respect to Bretton Woods, we advocated cutting the amount to be spent in half. That is, we advocated the bank but not the fund, and we also advocated certain amendments which we thought, if you went ahead with the fund, would restrict its lending and keep it down to the minimum amount So we were on the economy side there, and certain of those amendments the committee did adopt, and I think they are very helpful and will lead to a smaller disbursement of funds in international lending and to a more careful one than otherwise might have been the case. So we are not just favoring spending. I am sure you will agree with that.

Mr. SMITH Of course, Mr Burgess, we all appreciate the position you took in that respect, but it does not change the fact that you did finally come out in support of the whole program, and that you are here again advocating further extraordinary expenditures Those things, of course, perturb those of us who feel that Federal finances are in a very serious condition You have been speaking about the Socialist government of Great Britain having determined to take over some of the basic industries Is there any point at which a government, once it has adopted the principle of socialism, can stop?

Mr HEMINGWAY I do not believe I got your question, Dr Smith

Mr SMITH Is there any point at which the Socialist government of Great Britain can stop in the socialising or nationalizing of its industries and enterprises?

Mr HEMINGWAY I suppose that is a matter of opinion When I was in England last summer talking with the men over there, they, many of them, assured me that the British Government would go very slowly in its program of socialization, that it would take one industry at a time, and that it would not attempt to take all industries, but that they would take only those which affected most vitally the public welfare, and that if they found that the taking over and nationalizing of an industry was not successful, that they would hesitate before they would go to another one. Now, that is purely a matter of opinion, as I see it, as to what they will do

Mr SMITH. You are speaking from information which you derived from the men now in control of the Government; that is, the Socialist group? Are they the ones who have told you that?

Mr HEMINGWAY No; these were men of my acquaintance in business life there in England, not the Government officials. It is not authentic at all

Mr SMITH One of the men who was responsible for instituting the Socialist government in Great Britain is Harold Laski Does Harold Laski believe in any half-way Socialistic measures?

Mr HEMINGWAY Well, I do not think Harold Laski should be regarded as the British Government He is a college professor over there who holds a position in the Labor Party, but I think it has been pretty well stated that he does not speak for the Government.

Mr SMITH Does he speak for the party that made possible the Socialist government?

Mr HEMINGWAY I imagine the Labor Party is pretty well divided, like the Republicans and Democrats here. They have Left Wingers and Right Wingers.

Mr SMITH Which also brings up a very important point, Mr. Hemingway. How far have we traveled on the way toward statism?

Mr HEMINGWAY. Well, far enough, I think.

Mr SMITH. The movement of the British Government since World War I has been in the direction of statism, continuously, has it not?

Mr. HEMINGWAY. I would not say continuously, but the movement has certainly been toward socialization; yes.

Mr. SMITH. The Bank of England is socialized?

Mr. HEMINGWAY. Yes.

Mr. SMITH. In other words, the Socialists have control of the money supply of the nation?

Mr. HEMINGWAY. They have.

Mr. SMITH. What more do they need to completely socialize the industries and enterprises of Great Britain?

Mr. HEMINGWAY. Well, they have the power to do it today, I think, Doctor.

Mr. SMITH. So it is a question as to whether they will or will not use it. So far as history is concerned, I know of no instance where they did not stop until they had completed the cycle. If you do, I wish you would point it out to the committee, if you know of any instance in history where it has occurred otherwise.

Mr. HEMINGWAY. I cannot predict it. I do not know what they are going to do

Mr. SMITH. I am talking about history now.

Mr. BURGESS. I would like to cite a case. Ramsay MacDonald was a Socialist and Labor man before he came to the Government, and his government made a few changes, and then they settled down and behaved very conservatively Of course, Lord George introduced a great many reforms which we do not call socialistic now, but at the time they did, and they settled down and digested those, and then went along rather conservatively

Now, these fellows who are running the show in England now, a great many of them, have had a great deal of experience in government, and there is a good deal of common sense observable. The Bank of England socialization, for example, they call it socialized and yet the same people are running the bank under the same principles under which it was run before, so it is a little hard to get worried about the policies of the Bank of England

Mr SMITH. Of course, the Bank of England did not have to go very far to become socialized.

Mr BURGESS They were socialized already, Doctor

Mr. SMITH Just as the Federal Reserve Banking System is already and always has been socialized?

Mr BURGESS Exactly

Mr SMITH. Yes

Mr. HEMINGWAY Dr. Smith, I would like to say that the point you brought out was pretty thoroughly discussed by our committee, and we recognized the problem there, and the trend of conditions and affairs in England, but the final conclusion of our committee was that by making this loan and helping England to stabilize its economy we might be able to help the conservatives and those who are opposed to socialism in England to stop it. In other words, it was our feeling that socialism thrives in an atmosphere of economic disorder and dissatisfaction. If England could again become prosperous, that socialism would gradually slip away That was the view of our committee. It may be right or may be wrong, of course.

Mr SMITH. I appreciate that position, Mr. Hemingway, and largely share your viewpoint, but there are some other factors that enter into it One is that we give this money, not to the conservative group, but we give it to the communistic group

Mr. HEMINGWAY. Well, the money goes for the well-being of the entire community. In other words, the Socialists do not need the dollars to help carry out their program of socialism. That could be done with the pound sterling in England.

Mr SMITH. Because they just simply confiscate everything. In the long run, it is confiscation.

Mr. HEMINGWAY. They take over the property and give Government bonds for it.

Mr. SMITH. They take over and give them a promise to pay. But if they take over everything, there is nothing to pay with. First, we abstract it from our own productive industry, do we not?

Mr. HEMINGWAY. Well, by taxes, later, yes.

Mr. SMITH. And we do it by force. And then the Socialists take that money, and I can imagine they will say, "Now, here, we have got to look after the welfare of everybody, even the conservatives. So we will spend this money now or allocate this money

in such a way that we will not benefit ourselves one bit more than we will benefit the conservatives." Do you suppose that is the attitude they are going to take in handling this money?

Mr. HEMINGWAY. I have not quite that much faith in human nature.

Mr. SMITH. That is one of the great troubles. Have you thought of this? That we have a power-hungry group in our own country which may be using this as a means to further acquire power to control our people?

Mr. HEMINGWAY. I had not thought of that, Doctor.

Mr. SMITH. Will you agree with this: That it does provide them additional power?

Mr. HEMINGWAY. I do not follow that; no, sir.

Mr. SMITH. Well, if they have the power to take $3,750,000,000 by force out of our productive-enterprise system, that is additional power, and if they are given the authority to lend that to a Socialist government, that is power. And if the Socialist government, in turn, deals with use on a state-wide basis, rather than as private individuals, do we not deal with them on the same basis?

Mr. HEMINGWAY. Well, I do not know.

Mr. SMITH. How can we deal with them except by ourselves engaging in the same sort of procedures like they engage in? Socialists are not going to deal with private individuals in this country. They are going to deal with the United States as a nation or with our Government.

Mr. HEMINGWAY. I do not know that that follows It may, but we hope it will not.

Mr SMITH. Well, they have instituted bulk buying

Mr. HEMINGWAY Our private cotton merchants are selling to the cotton commission in England.

Mr. SMITH That is true, but you know Stalin, after all, had to have, ultimately, even in his set-up, people who worked for themselves. They had to do some work for themselves or they could not exist.

Mr. HEMINGWAY Well, it would be very regrettable if what you suggest came about, I think, in this country.

Mr. SMITH. Well, are we not talking about those very things now? The Government issued an order not so very long ago to buy up wheat in the country Is not the Government telling the farmers what to raise and what to sell their products for, and so on?

Mr HEMINGWAY Well, I have a little farm. They have not told me what to raise yet.

Mr. SMITH. You say they have not?

Mr. HEMINGWAY. Not that I know of. I have not had any notice yet.

Mr. SMITH Well, maybe you are not in the AAA program.

Mr. HEMINGWAY I am not.

Mr. SMITH. But they do, after all, tell you how much wheat you can raise?

Mr. HEMINGWAY. They have not told me.

Mr SMITH. Did you raise any wheat?

Mr. HEMINGWAY. No.

Mr. SMITH. Well, they told me after I had mine planted, and about the time I was ready to harvest it, and they put a fine on me of 49 cents a bushel, and that fine is still hanging over my head. So we have gone pretty far in the direction of statism ourselves, and I would like to see something done to help England, because I have the feeling you men have, and that most people in this country have, that we would hate to see her go down. But I just fear that England is going to go down now no matter what you do, and I think that to give these Socialists more money would just sink her all the faster.

The CHAIRMAN. Mr. Riley.

Mr. RILEY. Mr. Hemingway, is it your thought that England will go down faster or turn to socialism faster if they do not have aid from the democracies, such as our country?

Mr. HEMINGWAY. I think they would be inclined to go more to the left, more socialistic, if they do not have the aid than if they do.

Mr. RILEY. If we should refuse this aid, they would have to turn somewhere, and the only way they could turn would be to the left; is that not true?

Mr. HEMINGWAY. The only way they could turn would be where?

Mr. RILEY. I say if we should refuse this aid, the only course they would have would be to turn to the left?

Mr. HEMINGWAY. I think so. I think they would be forced to expand their sterling area, and to adopt all kinds of bilateral agreements with other countries in order for them to exist and to carry on.

Mr. RILEY. Thank you, sir.

That is all, Mr Chairman.

The CHAIRMAN Dr. TALLE.

Mr. TALLE. Mr Hemingway, in your concluding paragraph, you speak of partners. Does this proposed partnership carry with it the idea of unlimited liability?

Mr. HEMINGWAY. No; it is not that kind of a partnership

Mr. TALLE What I was getting at is whether this is the first installment and whether there are more to follow.

Mr. HEMINGWAY. I do not think there are any more to follow. I see no reason why there should be any more to follow. In talking with people in England, I found a number of them who, I think, are well-informed men, who doubted that they would need all of this money. They thought they could accomplish what they need to without using all of it I think that is a matter that people naturally disagree about and time only will tell who will be right But it would seem to me that with this advance, and with the Canadian loan, and with the assistance they may get from the Bretton Woods Bank and Fund, that they certainly should be able to put themselves in good condition

Mr. TALLE. Do you recall that this same point was raised in connection with the Bretton Woods hearings?

Mr HEMINGWAY. Yes, I do, and if you will recall, the representatives of the American Bankers Association, Mr Burgess, myself, and Mr. Frazer urged that the British situation be stabilized first before the Bretton Woods idea was put into execution.

Mr TALLE. I remember that very distinctly, and that is why I would like to ask now if the American Bankers Association had in mind this plan as a first step; that is, in advance of Bretton Woods

Mr HEMINGWAY. We had some such plan as this. I do not know that we had this particular plan, but we felt that a program of this kind should be adopted And we thought it advisable to have conversations with the British to determine what was best for them under the circumstances.

Mr. TALLE Dr Burgess, in your concluding paragraph you mention that this should be a first step. Did you have that same point in mind, the point I just raised?

Mr. BURGESS. Very much; and, Mr TALLE, there was a report which was gotten out by the economic policy commission of the American Bankers Association back in 1943—September—with which I had a good deal to do in preparing, which made almost exactly that statement, that aid to Britain would be one of the steps necessary in any program of world reconstruction.

Mr. TALLE Now, the Bretton Woods plan is a partnership on a much larger scale?

Mr. BURGESS. Yes.

Mr. TALLE. That aspect appealed to me because I felt that a borrower would probably have a higher regard for the goodwill of many creditors rather than a single one. There are other questions I would like to ask, but your time is short and I shall limit myself to one more: Are you prepared to state now, or would you prefer to state in a letter later, the list of steps you think should be taken, because you suggest at the close of your statement that this is one step and that there are other steps?

Mr. BURGESS. I would be glad to write you a letter on that, Mr. TALLE. Mr. Hemingway and I could work it up. I think the steps are practically the same as we advocated in that 1943 report with respect to trade, and so on.

Mr. TALLE. If you have time to write me a letter, I shall appreciate it, and I shall not take any more of your time. Thank you.

The CHAIRMAN. Mr. Brumbaugh.

Mr BRUMBAUGH Mr. Hemingway and Mr. Burgess, you gentlemen are both bankers, very good bankers Any good banker tries to work a bad loan off onto somebody else. I am wondering if this is not a form of socialism in itself, trying to pass this loan to the Government. When I came here I told them I would try to manage the affairs of the Government to the extent that I played in the management, just as I would manage my own affairs. And I cannot see that the Government could be justified in taking a loan that the bankers admit is a bad risk

Mr. HEMINGWAY. Well, I think we brought out in our statement, or at least we tried to bring out, that if these were normal times we would have a different view of it. But with the world coming out of this terrible conflict which lasted for 6 years, with things literally shot to pieces in so many parts of the world, it is advantageous from our own selfish standpoint to help get these people back on their feet and doing business again. That is really the gist of our argument

Mr. BRUMBAUGH I am told that immediately on the passage of this loan that the veterans' groups are going to ask for a bonus of $5,000,000,000. I saw a list of 60 Congressmen who had already endorsed that if the loan goes through. Will that not bring about a terrific inflationary trend?

Mr HEMINGWAY. A bonus for whom?

Mr. BRUMBAUGH Of $5,000,000,000 for the soldiers

Mr. HEMINGWAY Well, of course, all of those large transactions are inflationary in their nature This is inflationary, too, to an extent.

Mr BRUMBAUGH. Well, you advocate the balancing of the budget How are we ever going to balance the budget if we continue to make these loans which we admit are bad loans, and then are faced by demands from veterans' groups and everybody else, on the ground that if we can give it to foreign countries, we can also give it to them?

Mr HEMINGWAY. I do not think that we feel it is a bad loan We feel that the risk is there, which commercial banks could not afford to take, being trustees of the people's money. But it is quite conceivable that if the world is restored to some sort of order, such as we had prior to 1914, that England could pay this debt.

Mr BRUMBAUGH. They did not pay the debt the last time, did they, after the last war? Even after balancing the budget They did not even pay the interest on it.

Mr. HEMINGWAY. They paid the interest for a while, you know, but then they could not transfer the funds, and could not transfer the goods.

Mr. BRUMBAUGH. Let me ask you just one more question In case we do grant this loan and Russia asks for a loan, what is going to be the position you take on that?

Mr. HEMINGWAY. We have not discussed that at all. I am not prepared to answer that.

Mr. BRUMBAUGH. What position will it place us in up here?

Mr. HEMINGWAY. Well, I think you have to treat it entirely on its merits.

Mr. BRUMBAUGH. On the same merits on which we are treating this?

Mr. HEMINGWAY. You would have to consider all the things that enter into the consideration of the loan.

Mr. BRUMBAUGH. If we were to turn it down, would not this be sowing seeds for the next world war, by making this loan and not granting that one?

Mr. HEMINGWAY. I do not know why it should be

Mr. BRUMBAUGH It certainly would be discriminatory.

Mr HEMINGWAY. Well, a banker does not have to lend to everybody. He lends to those that he thinks are desirable borrowers.

Mr BRUMBAUGH Does that affect nations in the same way?

Mr HEMINGWAY. I can see there is some difference between a nation and a bank; yes But, as I say, we have had no discussion of the Russian loan, so we are not prepared to answer any questions on that point

Mr. BRUMBAUGH That is all, Mr Chairman.

The CHAIRMAN Mr KILBURN

Mr KILBURN Mr Burgess, I was told—and I would like to get this in the record—that some of the big New York banks, and the international bankers, would benefit from this loan because they would be paid some obligations from England that are now owed I had never heard of that before I would like to have your comments

Mr BURGESS I know of no such obligations that would be affected by this loan

Mr KILBURN Does the British Government owe the banks in New York any money?

Mr. BURGESS. Nothing that I know of There would be, under the British rules of exchange controls, no movement of capital as a result of this loan The British commitment is that they would free current transactions—that is, if a man sold automobiles to England he could get paid in dollars after this loan goes into effect It opens that up. But there is no commitment on the part of the British that they would transfer capital to this country, and no payment of loans I do not know of any obligations that are outstanding, anyway

Mr KILBURN So that, in your opinion, there are no so-called international bankers, private bankers, who would benefit from this loan?

Mr BURGESS Certainly not directly Their benefit, I think, would be identical with the benefit of other people in the country who would benefit from a general increase in world trade, a general increase in production, and a little lift to the extent that it does give a lift to our economy

Mr KILBURN No existing obligations would be paid with this loan?

Mr. BURGESS That is right

Mr KILBURN One other question. When Mr Baruch appeared before our committee—and I believe since then—I got the impression from him that we should not make this loan after we had gotten into full production in this country I would like to have either of you gentlemen comment on that.

Mr BURGESS I do not remember that specific statement of his

Mr KILBURN Well, I think I stated it correctly.

Mr BURGESS But there is no reason we cannot be in full production in this country within a year if different groups in the country will let us, without being too specific. We are now producing, even in spite of the difficulties there have been, at a very substantial rate. The production has dropped very much less than was anticipated by a great many prognosticators Employment is very much better. Our productive capacity, which could be very great in a very few months, is adequate to take care of the goods that Britain would purchase under the loan.

Mr. KILBURN Am I not stating his position correctly, Mr. Crawford?

Mr CRAWFORD I think Mr Baruch emphasized the point that to extend dollar credit at this time, placing it in the hands of foreign countries, England, for instance, thereby enabling England to throw dollars back to us in payment of goods and services, would further increase the inflationary pressures in this country by reason of the scarcity of goods and services at the moment, and I think that is the point you were bringing out, Mr KILBURN

Let me say this: I submitted that question to the Secretary of the Treasury, Mr. Fred Vinson, and asked him what he proposed to do about it, and called his attention to the categorical statement of Mr Baruch, and the Secretary of the Treasury proposed, in answer, that we institute a plan of export and import licenses, and I replied to the effect that that constituted more controls, more barriers to international trade. In other words, we have the situation where we propose to institute barriers to international trade in order to make the British loan work in this particular hour of shortages of goods and shortages of services, as related to the demand here in the United States by reason of the excess money our people have

Mr KILBURN I will not take any more time, but I was very much impressed by Mr. Baruch's testimony here.

Mr BURGESS One always is

Mr KILBURN And I value his opinions

Mr BURGESS So do I.

Mr KILBURN If he later makes a statement about this loan, and you see it in the press, I would greatly appreciate a letter from you commenting on it

Mr BURGESS Very well.

Mr KILBURN Either one of you

That is all, Mr Chairman.

The CHAIRMAN Mr BUFFETT

Mr BUFFETT Mr Hemingway, in your statement you say that the making of this loan should not preclude a program of economy, reduced Government expenditures, and balanced budgets If you were a member of this committee, and you were convinced that the making of this loan would preclude reaching solvency in this country, would you vote for it?

Mr HEMINGWAY Certainly not

Mr BUFFETT That is the very real problem that is before us I want to read to you a question to me from a chairman of a veteran's group He says.

"If this administration can give Britain $4,000,000,000, with this country $270,000,000,000 in debt and an unbalanced budget for 16 years, where can you stop these handouts, especially to us veterans, short of bankrupicy?"

Frankly, I do not know how to answer that question I know that there are Members of Congress who have cold chills run up and down their backs when any veteran's matter is discussed. I have seen that operate I know that when we had a proposal here a few weeks ago for vast outlays for subsidies in connection with housing, I got a wire from one veterans' group, for example, saying, "Vote for veteran's housing or find yourself a fox hole." And that was the general tenor of much of the pressure that came to the Members of Congress. In my case I had voted against the housing measure on the final roll call and voted against subsidies all the way, but there was a decided reversal of vote—I will not say of belief—but of vote in the House, after that campaign took place. Now, I can see the day when this loan is passed, and I think you can, too, if you cogitate on it for a moment, when there will be a movement in Congress to reduce all loans to veterans to the same rate that is proposed to be charged here, and I do not think there is any political party or group with the fortitude necessary to stand up and say, "No, we could give Johnny Bull $4,000,000,000 when he needed it—" and I think they do need it, there is no question about that— "but we cannot give you veterans a deal equal to that we gave England." I wonder if you have thought about that aspect of this situation, gentlemen.

Mr. HEMINGWAY. Well, we realize that you have problems coming before this committee and before Congress, but we certainly would not attempt to undertake to solve all of them for you. We simply express an opinion on what we regard as the merits of this loan.

Mr BUFFETT. The point I am trying to make is that in my judgment, as a Member of Congress, the making of this loan, at this time, would remove the last sizable barrier to the hog-trough philosophy which has pretty largely dominated this country in domestic finances for some years As a matter of fact, on this loan itself the appeal is made to a number of Members: "Vote for this loan because we will sell cotton, tobacco, and certain other articles that way" I think that appeal is improperly made, but if it is made to Members of Congress in that fashion, certainly it is true that a similar appeal is going to be made to veterans to advance the political ambitions of leaders among them; is that not true?

Mr. HEMINGWAY. I think that is quite possible, yes.

Mr. BUFFETT. Do you not think it is possible that the situation in which we find ourselves today, with this domestic unrest, is an outgrowth, in part at least, of the blind protest of the people against the unsound economic practices of their Government?

Mr. HEMINGWAY. I do not know that I quite follow your question there. I do not know that I understand to what you refer.

Mr. BUFFETT For example, the number of strike notices downtown at the moment, I think, is the highest on record, about 800. I get letters from my constituents all across the board—I mean from the chamber of commerce directors right on down to the railroad switchmen, who say, "If you are going to vote this loan to England, why, do not expect me to buy any more bonds"; or, "Get ready to give me a pension in my old age," and views of that general import. Now, they cannot do anything about my voting when I am here, except to say what they would like to say But if they and their groups are disturbed about this situation and they think the country is embarked on a program of wasteful spending, they can, in their lodge hall or wherever they gather, say, "Well, boys, we will get ours" And I think that philosophy has permeated this country pretty generally

Mr HEMINGWAY. I am not in a position to know, of course; but it is my opinion that where you find one group feeling that way you will find another larger group feeling that it is advisable to make the loan.

Mr BUFFETT. The polls placed in the CONGRESSIONAL RECORD from the highways and byways indicate pretty much the opposite. That is, one poll by one Congressman showed 81 percent of his people opposed to the loan and 19 percent for it, another one, 84 percent opposed; another one, 94 percent opposed. I think that when the Government moves against the willingness of the people to move in a certain direction it is a pretty dangerous thing.

Mr. HEMINGWAY. I only know about my own section I come from the benighted Middle West, as you know.

Mr. BUFFETT. So do I.

Mr. HEMINGWAY. We probably have not the same wisdom that the people in the East have, but it is the impression there of newspaper men, who are pretty good observers, that public opinion there is in favor of the loan. All three of our papers are in favor of it and urging the ratification of these agreements.

Mr. BUFFETT. I think in certain circles also throughout the country there is general approval of the loan, but I do not think it runs down through the rank and file.

Mr. HEMINGWAY. Well, I do not know of that

Mr BUFFETT. Such as that newspaper condition might indicate. I have one more question, Mr. Burgess.

Do you know anything about the approximate time when these agreements were made by England with these various countries that comprised the sterling bloc? Did most of those take place in 1945?

Mr BURGESS. The trade and monetary agreements that I believe you have in mind, such as those concluded with Scandinavian countries, Netherlands, and France, were concluded mainly in 1945, though there was an agreement with Belgium in 1944. There have also been some concluded in 1946.

Mr BUFFETT Those agreements and their workings constitute a form of economic warfare, do they not?

Mr BURGESS Well, I do not take him seriously in that regard It seems to me they are not really inconsistent with doing this job. They are really a kind of a mutual aid thing, a clearing of funds between them. That is, in the Swedish arrangement, for instance, the Swedish Riksbank agrees to accept sterling up to a given amount and similarly the Bank of England will accept the Swedish currency up to a given amount, in connection with their trading back and forth That seems to me about all there is to it That is the substance of it. It facilitates the trade. You do not have to match off each trade against the other. It tends toward greater freedom of trade. So I do not think of those as inconsistent, either with Bretton Woods or with these agreements.

Mr BUFFETT. You do not think they would work at cross purposes with Bretton Woods at all?

Mr BURGESS. No; I think they would move in the same direction as Bretton Woods, really

Mr BUFFETT It is my impression that Bretton Woods was signed in November of 1944, and then all these agreements which came after were liberal agreements whereas Bretton Woods contemplated multilateral agreements, and they worked, at least in some degree, in the opposite direction from Bretton Woods.

Mr. BURGESS I would not really think there was any conflict there. They had to make these agreements to take care of their immediate situation, and they could continue without any conflict with Bretton Woods. In fact, it rather helps, because it tends to hold the currency between those different countries relatively stable

Mr BUFFETT. I am glad to have that point cleared up.

That is all, Mr Chairman

The CHAIRMAN. Mr MONRONEY.

Mr. MONRONEY. Just in order to keep the record straight, what Mr. Baruch really did say in his testimony on page 1344 of the price control hearings, Mr. Baruch said, "Take stock before blindly lending. Take inventories of our goods, our cash, our credit, before we increase the pressure on these" And then his elaboration on that, on page 1348. He said· "I am not opposed to helping foreign nations, but until production warrants it, I am opposed to lending them money or assisting them except for direct needs to make purchases when they know they cannot be made here or elsewhere At this time that would be to increase demand It would be cruel to hold out hopes that will not be realized I would keep the goods necessary to prevent inflation and then allocate the balance, as it comes to hand, where it would help the most" That is Mr Baruch's statement. As I understand it, the greatest demand of Britain for products of this country is for capital goods, of which everyone in the Government who is familiar with it says we will have a surplus. In fact, they have taken price ceilings off most of them already And the other demands that they are making, apparently from the Treasury and the State Department, are for tobacco and cotton, of which we also have a vast exportable surplus. So I would think that in line with Mr. Baruch's testimony the British loan would be fairly consistent with his ideas to help foreign nations where they needed, and where we have that amount that can be safely exported without adding to our own current shortage.

Mr. CRAWFORD. But you have not read the cross examination I made of Mr. Baruch.

Mr MONRONEY. I am reading his prepared statement to which he gave a great deal of thought and time.

Mr. CRAWFORD. I will stand on the record, as far as I am concerned, of the cross examination.

The CHAIRMAN The whole record is in and speaks for itself That concludes the testimony.

Mr. SMITH Mr Chairman, I would like to ask one more question, if I may.

The CHAIRMAN. Dr Smith.

Mr. SMITH Mr Hemingway, you remarked to Mr. Brumbaugh that as trustees of the people's money, bankers could not make this loan. Did I understand you to say that?

Mr. HEMINGWAY Yes.

Mr SMITH Members of Congress took an oath to protect and defend the trust placed in them, that trust being namely the preservation of the private ownership of property of the Nation How can you come here and ask us to violate our trust?

Mr HEMINGWAY. I would not think of asking you to violate your trust.

Mr. SMITH Well, that is the trust that was placed in us We are not supposed to expend the public's money, either, unless we have assurance that it is going to bring returns

Mr HEMINGWAY. I think if you made this as a gift, it might be justified, instead of making it as a loan You gave money to UNRRA; you have made appropriations for other purposes, which you thought were for the good of the country It seems to me this would be in the same direction and certainly not the violation of a trust

Mr. SMITH. Suppose a Congressman has a deep and sincere feeling that it is a grave violation of a trust.

Mr HEMINGWAY Well, then, he should not vote for it, if he fec's that way.

The CHAIRMAN I thought the Member of Congress took an oath to protect and defend the Constitution of the United States There is nothing unconstitutional about this.

Mr SMITH Mr. Chairman, the prime purpose of the Constitution of the United States was to preserve the right to privately own property.

The CHAIRMAN That concludes the testimony gentlemen. We are very much obliged to you, Mr. Hemingway and Mr Burgess. We are always glad to have your views

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, in my opinion this loan as presently written would set a dangerous precedent. I fear it is going to purchase more of war and discontent than it is of peace and prosperity.

THE BRITISH LOAN

This is the first time I have taken the floor to discuss the advisability or inadvisability, as I see it, of approving the so-called British loan, and it is the first time I have given any public indication of how I shall vote upon this perplexing and prodigious problem.

I have devoted long study and careful reading to this unprecedented proposal, Mr. Chairman, and I have drawn upon all the evidence and data which have been available to me before reaching my decision. I have conferred with many people in and out of public life on this subject. As a member of the House Foreign Affairs Committee and one who has twice been designated to study economic and political conditions abroad so that reports could be brought back to Congress, I have also drawn generously upon my observation and studies in 20 foreign countries and from the continuing conversations and correspondence which I have had since with statesmen and leaders of other countries in order that I could learn as much as possible about their reactions to the proposal now before us. This is not an easy decision to make not only because it deals with astronomical figures and proposes to commit us to spend many billions of the American taxpayers' dollars abroad but because it is important we consider the repercussions of our decision from the standpoint of other matters besides those effects dealing solely with the impact upon our domestic economy of this great loan or gift.

We are today the most important Nation in a world which is steadily being more closely brought together into a working unit as a result of technological inventions. We are the Nation to which most of the world is looking for leadership and for wisdom in solving the problems which lead to war and in devising the methods which lead to enduring peace. No country in the world has ever faced a greater responsibility to be wise, to be prudent, to be impartial, to be forthright, and to be far-seeing than that which reposes upon the United States today. It is in this spirit and with these responsibilities in mind, Mr. Chairman, that I propose to discuss the question of whether we should at this time, and in the manner proposed in this legislation without amendment, extend to Great Britain an unsecured loan of $3,750,000,000 in American dollars, plus an especially liberalized settlement of lend-lease balances which actually makes this proposal a $4,400,000,000, one-way financial transaction.

In my discussion and analysis, however, I shall limit my argument and reasoning to the $3,750,000,000 transaction in actual American dollars which it is proposed to grant to Great Britain. I shall include a reference index for busy readers with these remarks so that it may be easier to identify specific arguments. To complete the record for the benefit of those who have not seen the published hearings or heard any of the secret testimony, it is only fair and honest to point out publicly, however, that, large as it is, this $3,750,000,000 cash and credit transaction is actually smaller than another donation of American wealth which we have made to Great Britain as part of the same agreement. Here is the record on that one.

At war's end, it was found that approximately six and a half billion dollars' worth of new supplies and equipment were either on the ocean en route to Great Britain or actually in that country. Much of this material was in the form of trucks, jeeps, farm machinery, automobiles, tractors, road-construction equipment, and other civilian products. What happened? As part of this agree-

ment the cost of this new and unused equipment was scaled down to approximately 10 cents on the dollar and the $650,000,000 thus determined upon as the purchase price for this more than $6,000,000,000 worth of equipment and supplies was added to the total figure of the loan we are presently considering. Thus the $650,000,000 the British promised to pay for the new equipment, machinery, and supplies received after the end of the war and which carried an actual value of approximately six and a half billion dollars was added to the $3,750,000,000 cash figure in the proposition now before us so that the total transfer of wealth from the American taxpayers to the British taxpayers in this one deal adds up to the grand figure of $4,400,000,000.

All of this in no way and in no degree includes or involves the $24,000,000,000 in net lend-lease Britain owes us in addition after all credits for reverse lend-lease have been figured. Since $1,000,000,000 today amounts to almost precisely $8 per man, woman, and child for every person in the United States, it is easy to figure the cost of this campaign of international financing to every individual and to every family. Communities can determine their share by multiplying their total population by $8 for each billion dollars involved.

But what I really wanted to point out and emphasize, Mr Chairman, was the simple although almost secret fact that as part of this Britsh loan proposal, President Truman has already agreed without consent or counsel by Congress to accept as full payment for $6,500,000,000 of new and unused equipment which in large part was delivered to Britain after the end of the war the token payment of 10 cents on the dollar which means that in so doing we made an outright gift to Britain of over $5,000,000,000—the figure is five billion dollars, mind you—or more than the additional amount now proposed in this loan. President Truman did this without asking consent of Congress It was simply a Presidential gesture of good will at public expense There is nothing we can do about that part of the agreement or about the additional $24,000,000,00C owed us by Britain as her net obligation on lend-lease and which will undoubtedly be canceled or reduced to an insignificant token payment.

These facts which have been so skillfully played down by White House spokesmen that they are almost secret insofar as the general public is concerned do, however, cast additional doubt on the financial wisdom of the so-called loan we are now asked to approve and they do cause one to wonder how an additional $3,750,000,000 will save the financial structure of the British Empire if the $5,000,000,000 already given as a gift plus the $24,000,000,000 lend-lease balance which it is generally conceded will be absorbed by the American taxpayer cannot do the job.

Mr. Chairman, it appears that financing foreign governments like atomic energy is a process of chain reactions. In my opinion, we better call a halt to this process while there is still a chance to save the solvency of the United States. Otherwise our growing and endless activities in financing other governments and in shifting foreign taxes to the shoulders of American taxpayers may prove as disastrous to the financial structure of the United States as the chain reactions of the atom bomb were to the physical structures of the cities of Hiroshima and Nagasaki.

WHY I OPPOSE THE LOAN AS PROPOSED

Mr Chairman, after many weeks and even months of consideration, I have decided that a vote against this gigantic loan as proposed will better serve the long-term interests of the United States, of Great Britain, and of enduring peace than would a vote to approve this proposal as it has been suggested. In saying this, I also wish to emphasize that it is conceivable that certain realistic and desirable amendments may be offered and accepted during this debate which would in my opinion make this proposed transaction desirable rather than undesirable. In that event, I shall of course vote for the proposal. Without those essential amendments, however, I have grown more and more convinced the longer I have studied the many-sided features of this loan that it is an adventure in dollar diplomacy and financial imperialism which this Congress should reject

The President of the United States, his appointees in the State Department, and others who support this proposal base their arguments on either one or both of two general themes. In part, they argue that this vast loan will be to the financial advantage of the United States because it will stimulate trade with Britain, because it will provide Britain with funds with which to finance her compliance with the Bretton Woods agreements, and because Britain might agree—it is not stipulated that she must agree—to unfreeze certain blocked currencies she has been impounding in small countries tied to her monetary system The other general line of argument advanced by supporters of this loan contends that it will help promote peace because it will strengthen the bond of friendship between Great Britain and the United States, because it will help Britain recover her prewar prosperity and political stability, and because it will better enable Britain to resist and withstand both the temptations and the pressures of communism and its world center, Russia.

In general, the arguments of the advocates of this legislation and this loan fall into one or the other of the two foregoing categories. All of them spell out noble objectives. All of them speak of desirable goals. All of them would be highly persuasive and appealing if their validity could be demonstrated.

Mr. Chairman, the confusion we confront in this decision grows out of the fact that even the supporters of this tremendous loan privately speak of it as though they consider it as a gift rather than a loan, and the further fact that even those who speak in favor of this loan admit that their arguments are based largely upon high hopes rather than upon conclusive evidence. I certainly am one of those who share the desire and hope of proponents of this legislation that all the noble objectives of which they speak may be attained. I feel compelled, however, to believe that the specific proposal to pursue these objectives through authorizing this multibillion-dollar loan to Britain without amendment will do more to obscure and defeat these objectives than it will to attain or realize them. Let us examine the proposal carefully and consider the reasons advanced for its adoption in relationship with the evidence and reasons which recommend its rejection.

THE FINANCIAL ARGUMENT IS FALLACIOUS

The arguments coming under the head of financial reasons for making this loan can be disposed of rather quickly, Mr. Chairman. In the initial paragraph of his opening speech on Monday Chairman SPENCE, of the Banking and Currency Committee, says with characteristic candor on page 8409 of the CONGRESSIONAL RECORD:

> I do not recommend this as a financial investment

Mr. SPENCE then proceeds to develop his argument to show America might get dividends of good will and other intangible benefits from this transaction, but he bluntly disposes of the idea that this country will reap any financial benefits from this loan.

In roundabout but meaningful language he leaves us with the distinct impression that we are considering what may well prove to be a $3,750,000,000 gift to Great Britain rather than a $3,750,000,000 loan Many other Members of Congress, both on this side of the Capitol and the other and including both those who support and oppose this loan, have been equally candid and conscientious in freely predicting that this should be considered as a gift rather than as a loan. The American public is entitled to be told now that this loan may never be repaid. If it is then repaid in part or in full, we shall have reason to be gratified, but if there is failure to repay it in large part we shall have obviated the reason for rancor. Thus I am glad the man in charge of this bill in the House has said clearly and curtly, "I do not recommend this as a financial transaction."

Mr Chairman, trade is an economic phenomenon which follows a well-defined course. Nations trade with each other when they require or desire products or processes which they cannot secure at home or which they can purchase more economically abroad than they can secure them at home. They do not buy foreign supplies because they like foreign people, or ideologies, or governments. They buy foreign supplies to supplement an economy which would be deficient without them. The second rule in foreign trade is that nations trade with those other nations which can or will trade with them. Either that or they arrange a triangular economic relationship so that by utilizing one or more third-party nations they can export the equivalent of what they import. No matter how keen her desire to do so and no matter how thankful she might be for either a loan or a gift of $4,000,000,000, Great Britain could not and will not trade with us unless and beyond our capacity and willingness to accept her

exports in return for our exports. Unless we import from abroad, our capacity to sell exports must be limited by the capacity of our customer nations to pay on the line in gold for what they buy.

Our rejection or approval of the proposed multibillion-dollar loan cannot change these simple axioms of foreign trade. From strictly a financial point of view, our contribution of another $3,750,000,000 for the purposes of rehabilitating British industry may actually result in our having less rather than more foreign trade, since when we build up a competitor in foreign markets we reduce our own opportunity to sell in those markets.

HOW ABOUT BRETTON WOODS?

The argument that we must grant this money to Britain to induce her to fulfill her commitments on the Bretton Woods agreements leaves me as cold as a cucumber in a modern ice box, Mr. Chairman. I voted for the Bretton Woods program because I believe in international cooperation and I was hopeful—I might add I was more hopeful than confident—that through this program something might be done to stabilize the world's currencies and thus facilitate the world's trade. However, it was never contemplated at that time that in addition to our own multibillion-dollar contributions to the Bretton Woods agreement we would also have to finance Britain's entrance contribution. In fact, we were told exactly the contrary. In urging approval for Bretton Woods the gentleman from Michigan, Congressman JESSE WOLCOTT, one of the sponsors of the program, said in the debate which appears on page 5569 of the CONGRESSIONAL RECORD for June 5, 1945:

Let us take this thought home and think about it: If we participate in this fund, if we participate in the International Bank, if we increase the capital of the Export-Import Bank of Washington to $2,200,000,000, there will be no justification for the Treasury directly loaning to any foreign country one single dollar.

OUR "EXPERTS" HAVE BEEN GUESSING BADLY

Well, Mr. Chairman, we did all those things, we engaged in all of those hopeful participations, we committed ourselves to contribute many billions of dollars to attain identically the same objectives through Bretton Woods as are now dangled before our eyes as an attraction to get us to vote for the British loan, and we increased the capital of the Export-Import Bank of Washington as was suggested.

Now what happens? Now we are asked to loan to the other substantial contributors to the Bretton Woods program the money with which they are to make their share of the capital payments. In other words this loan is designed in part to make Uncle Sam the sole large contributor to the Bretton Woods program. If the strategy succeeds, the next financial headache coming to us from abroad will be our responsibility for making good on any and all defalcations among nations failing to repay their loan to the International Bank set up under the Bretton Woods agreement. In spite of this, the same committee members, the same executive departmental people, the same State Department experts, the same proponents of "good will at bargain prices with Uncle Sam's money" are here again this time asking us to advance $3,750,000,000—this time to Britain. Next time it will be to Russia, or to Holland, or China, or Timbuktu.

Already it is estimated foreign governments have filed or are preparing to file requests for loans totaling about $17,000,000,000. And all this, Mr. Chairman, in spite of the solemn statement of one of the chief advocates of the Bretton Woods plan for creating better world trade and more peaceful world relations when he said, "If we do this, there will be no justification for the Treasury directly loaning to any foreign country one single dollar." If he was right when he said that, he is wrong today; if he is right today, he was wrong when he argued for Bretton Woods.

Additional evidence of the manner in which these prophets of international finance specialize in making bad guesses is found on page 237 of the Bretton Woods hearings which reports the following testimony from our Acting Secretary of State, Dean Acheson. The gentleman from Michigan [Mr. WOLCOTT] said:

If we are going to make loans of twenty or thirty billion dollars outside of the International Bank at this stage, that anticipates the argument as to whether the International Bank could be set up. May I clear up one thing? You say there are no loans or no agreements in process of negotiation or contemplated with Russia, Great Britain, or China?

Mr. Acheson:

I have not said that, but I will be glad to say it.

Thus, Mr. Chairman, Mr. Acheson proved himself 100 percent wrong on 100 percent of the countries referred to as Russia, Great Britain, and China are all requesting direct loans from the United States even though the Bretton Woods agreements were enacted by Congress with the distinct understanding the International Bank they created would prevent this direct approach in asking our taxpayers to finance additional foreign loans.

I think in all events we should pause for awhile in our wild financial adventure and determine where we are going, what we are buying, and what we are going to use for money to pay for these thrilling experiments. It is no wonder the gentleman from Kentucky, Chairman SPENCE, told us on Monday, "I do not recommend this as a financial investment." The record of bad guessing and poor predictions on the part of this bill's major supporters is too consistently wrong up to date to make us believe they are guessing better now when they recommend approval of the British loan.

Mr. Chairman, the argument about unfreezing the so-called blocked currencies is no more impressive or convincing as indicating a financial justification for this loan than the two I have already discussed. In fact it is less convincing since in this agreement the British do not even promise to unfreeze their gigantic sterling balances. Both the size of these accounts and the strategic and economic position held by the larger creditors eliminate the hope that this loan will solve that problem. Britain built these currency blocks to protect her Empire interests and to safeguard her economy. They are far in excess of the amount of this loan. Britain cannot and should not be expected to wreck her Empire economy and disrupt her entire monetary system as a quid pro quo for this loan. Whether the advocates of this loan expect such a suicidal concession or not, she will not do it and she has not promised to do it. In fact the opponents of this British loan proposal in Britain—and there are many in London who openly oppose the whole proposal—have already served notice that the problem of blocked currencies cannot be liquidated by this loan. If that problem is to be solved, and I hope it is solved, it will require multilateral rather than bilateral treatment. It must be solved through international cooperation within the framework of the United Nations or the Bretton Woods program. It cannot be solved by either loaning or giving another $3,750,000,000 to Great Britain by this legislation.

Sir, let me quote a high authority in support of the foregoing argument. In my studies on this question, I came across the following candid admission by Raymond Moley, a friend of this administration and an economist who is supporting the British loan proposal. However, Mr. Moley desires to protect his reputation for integrity so he writes frankly as follows:

Some of the supporters of the loan have misrepresented its plain implications It offers no great specific promise of more free trade. It does not remove British preference duties, except insofar as we reduce our own duties. The total of the loan is not, as some claim, sufficient to free British trade. Frozen balances in London are several times as much as the loan

Mr. Chairman, the gentleman from Kentucky, BRENT SPENCE, is eternally right when he says, "I do not recommend this as a financial investment."

Even though prospects of repayment are dubious and even though its other financial attributes appear to be futile, I am one who has a high enough regard for the gallant British, their free institutions, their great contributions in the war, and their importance as a world power so that I would still vote for this gift loan were the United States financially in a position to afford it and were it not for the fact that I fear the international repercussions from such a proposal will purchase more of strife and discontent than they will buy of peace and tranquillity.

Billion dollar expenditures are so large most of us are unable to grasp their significance in terms of our own financial obligations and responsibilities. For that reason, I have had the Library of Congress help me in preparing the following chart which shows precisely what this $3,750,000,000 means to the individual counties and their county seats in the First Congressional District of South Dakota. There is no way these counties and their county seats can escape underwriting their respective share of this transaction if it is made. For comparative pur-

poses I have also had the chart prepared to show the present net indebtedness of each county and county seat so that taxpayers can better judge for themselves whether they would like to obligate their communities as much as is additionally required to finance this deal should it develop that this loan like the many loans made after the last war proves to be uncollectible.

Mr. Chairman, the following chart tell its own story. It spells out the possible cost for the First District of South Dakota, but by multiplying the per capita share of this financial adventure—$38—by the population of your own home town or county, each Member of Congress and each reader of the CONGRESSIONAL RECORD can determine for himself the local costs involved. We should all remember that the United States Government has only the money to loan that it gets from its taxpayers. It cannot produce loaning money or give-away money from a magic hat or a mystic box. Except in areas where there are great slums, or where underprivileged classes are numerous, such as the colored people in certain sections of the South, each community must prepare to pay its per capita share of this cost as well as its per capita share of all the rest of our national debt. The sooner we begin individualizing and community-spotting our great national debt the sooner we shall begin practicing economy both at home and abroad.

Chart withering figures supplied by the Library of Congress to show per capita share of British loan to be underwritten by counties and county seats of First Congressional District in South Dakota and also to show present net indebtedness of the communities before obligation for British loan is added

	Population, 1940 census	Cost of British loan	Net indebtedness Jan. 1, 1944	County taxes levied in 1944	County seat	Population	Net indebtedness Jan. 1, 1944	Cost of British loan
Aurora	1,397	[illegible]	[illegible]	[illegible]	[illegible]	(84)		119,492
Beadle	19,648	[illegible]	[illegible]	[illegible]	[illegible]	10,843	($103,528)	322,804
Bon Homme	10,241	[illegible]	[illegible]	[illegible]	[illegible]	1,389	111,074	38,982
Brookings	16,590	[illegible]	[illegible]	[illegible]	[illegible]	5,246		149,688
Brown	28,676	[illegible]	[illegible]	[illegible]	[illegible]	17,016	698,304	675,488
Brule	6,196	[illegible]	[illegible]	[illegible]	[illegible]	1,635		45,288
Buffalo	1,854	[illegible]	[illegible]	[illegible]	[illegible]	175		4,900
[illegible]	9,083	[illegible]	[illegible]	[illegible]	[illegible]	195		5,460
[illegible]	13,449	[illegible]	[illegible]	[illegible]	[illegible]	784	11,000	21,980
Clark	8,955	[illegible]	[illegible]	[illegible]	[illegible]	1,291	6,940	36,148
Clay	9,892	[illegible]	[illegible]	[illegible]	Vermillion	5,356		93,072
Codington	17,014	[illegible]	[illegible]	[illegible]	Watertown	10,617	894,140	297,276
Davison	15,338	[illegible]	[illegible]	[illegible]	Mitchell	10,633	319,899	297,724
Day	13,565	[illegible]	[illegible]	[illegible]	Webster	2,178	94,089	69,944
Deuel	8,440	[illegible]	[illegible]	[illegible]	Clear Lake	997		27,916
Douglas	6,943	[illegible]	[illegible]	[illegible]	Armour	1,013	15,000	28,364
Edmunds	7,814	[illegible]	[illegible]	[illegible]	Ipswich	1,003		28,084
Faulk	5,108	[illegible]	[illegible]	[illegible]	Faulkton	747		20,916
Grant	10,538	[illegible]	[illegible]	[illegible]	Milbank	2,745	43,964	76,860
Hamlin	7,803	[illegible]	[illegible]	[illegible]	Hayti	370		10,360
Hand	7,196	[illegible]	[illegible]	[illegible]	Miller	1,490	5,977	41,720
Hanson	5,400	[illegible]	[illegible]	[illegible]	Alexandria	746	7,005	20,888
Hughes	9,494	[illegible]	[illegible]	[illegible]	Pierre	4,232	21,145	121,016
Hutchinson	13,966	[illegible]	[illegible]	[illegible]	[illegible]	242		6,776
Hyde	3,113	[illegible]	[illegible]	[illegible]	[illegible]	1,136		31,808
Jerauld	4,783	[illegible]	[illegible]	[illegible]	[illegible]	1,383	38,700	37,836
Kingsbury	10,631	[illegible]	[illegible]	$5,136	De Smet	1,016	11,887	28,448
Lake	12,413	[illegible]	[illegible]	98,730	Madison	5,018	98,023	140,504
[illegible]	14,171	[illegible]	[illegible]	136,771	Canton	2,815	32,000	78,764
[illegible]	9,763	[illegible]	[illegible]	80,027	Salem	1,185	30,178	33,180
[illegible]	8,128	252,984	35,000	68,699	Leola	795	27,000	22,260
[illegible]	8,880	368,060	120,084	[illegible]	Wirt	1,020	7,000	28,560
Miner	6,886	191,408	62,000	[illegible]	[illegible]	1,192	14,440	33,404
[illegible]	57,697	[illegible]	[illegible]	[illegible]	[illegible]	40,522	580,970	1,140,296
[illegible]	9,541	[illegible]	[illegible]	[illegible]	[illegible]	2,212	34,450	61,936
[illegible]	4,614	[illegible]	[illegible]	[illegible]	[illegible]	1,324	22,700	37,072
[illegible]	15,897	[illegible]	[illegible]	[illegible]	[illegible]	2,513	29,577	70,364
[illegible]	5,784	[illegible]	[illegible]	[illegible]	[illegible]	1,060	22,000	29,680
Spink	13,497	[illegible]	[illegible]	[illegible]	[illegible]	2,238	1,893	62,664
Sully	2,868	[illegible]	[illegible]	[illegible]	Onida	597		16,716
Turner	13,270	[illegible]	[illegible]	[illegible]	Parker	1,344		34,832
Union	11,078	[illegible]	[illegible]	[illegible]	Elk Point	1,493	33,000	41,804
Walworth	7,274	[illegible]	[illegible]	[illegible]	Selby	869	2,439	16,772
Yankton	16,726	[illegible]	[illegible]	[illegible]	Yankton	6,798	93,510	193,944
Total	493,539	13,603,212	4,780,414	4,499,899		126,463	3,105,498	6,380,304

[1]No bonded indebtedness or figures for such indebtedness are available

Mr Chairman, the figures on the foregoing chart are based only upon the $3,750,000,000 involved in this one foreign grant and do not include the $5,000,000 000 which President Truman has already given away as an outright gift, nor the $24,000,000,000 remaining net lend-lease balance due us from Britain, nor the other stupendous net lend-lease balances due us from other countries, nor the many other requests now pending for additional foreign loans to still more countries, nor the $275,000,000,000 national debt of the United States which is today outstanding before we loan a single additional dollar. Its revelations were as startling to me as I feel sure they will be to all who take time to study the chart. It convinces me that our National Government has already saddled upon our individual communities such a stupendous per capita debt burden and tax load that from now on we must curb our sympathies by our ability to pay and measure our good intentions by our American pocketbook or we shall find ourselves the sorry citizens of a bankrupt country, riddled by inflation, weakened by loose fiscal policies, and without further capacity to exemplify the leadership in world affairs which only a strong nation can exert and which I feel we must exert if civilization is to be saved from self-destruction in these uncertain times.

Before leaving this chart, however, sir, I should point out that in practically every instance the costs of this British loan upon the cities and counties of South Dakota are so great that they alone represent the equivalent of adding a potential bonded indebtedness upon each city and county which is larger than all of their existing net indebtedness. When we consider the sacrifices our people have made to pay heavy taxes in order to reduce these debt burdens, we cannot lightly pass over the potential costs of this tremendous financial venture. They are sufficient, in fact, so that if used domestically they would be more than enough to construct and equip a large modern hospital in every county in the United States. For South Dakota, alone, the per capita share of this $3,750,000,000 transaction is over $18,000,000.

LOAN IS A CAPITAL DRAFT FOR FOREIGN PURPOSES

During the war this Government refused to draft wealth at the time it was drafting men for overseas fighting. It seems strange, indeed, that now in days of peace we should draft wealth—since tax-financed loans, if they are unpaid, are the equivalent of a capital draft—to send overseas to help others when we did not in time of war draft wealth to send overseas in the form of armaments to help ourselves and our allies

NOW LET US EXAMINE THE OTHER ARGUMENTS

Mr. Chairman, let us now look at the second general line of arguments advanced by the supporters of this legislation. I refer to the statements that this loan will help promote peace because it will strengthen the bond of friendship between Great Britain and the United

States, because it will help Britain recover her prewar prosperity and political stability, and because it will better enable Britain to resist and withstand both the temptations and the pressures of communism, and its world center, Russia. Surely these are appealing objectives and intriguing words; let us examine their logic and validity in the light of current conditions.

The bond of friendship existing between the United Kingdom and the United States of America which has been strengthened by our joint efforts in winning two great wars and which I desire to see steadily and successfully grow increasingly strong does not rest upon the fact that we loaned Britain many billions of dollars after World War I which she did not repay nor the fact we have again in this war contributed some thirty billions of our wealth for her use Our ties of friendship are strong because we English-speaking people have so long and so fervently believed in and practiced kindred forms of free government in which the dignity of man is recognized and the liberties of freemen are protected. We speak the same language, we believe in the same types of free institutions, we jointly oppose tyranny and dictatorship. This loan is not needed to make the British appreciate the importance and the value of our friendship; and we shall remain friendly to the British people and ready to cooperate with them to the mutual advantage of both countries and for the welfare of the world to the full extent of our ability regardless of what happens to this loan proposal.

It is indeed a strange logic which reasons that despite the huge lend-lease advances we are preparing to write off, despite the large unpaid loans following World War I, and despite recent cancellations and reductions in payments for new products received since the war it is still necessary to hand over the money called for in this gift-loan if we are to strengthen our bonds of friendship with the British. To me that is an insult to our English cousins and it is at complete variance from the facts.

As to the contentions that this financial grant will help Britain recover her postwar prosperity, her political stability, and her capacity to resist the advances, the attractions, and the aggressions of communism, let me say that the basic problems confronting the economic structure of the British Empire and of the United Kingdom itself are so large and so fundamental that this pump-priming contribution of $3,750,000,000 will not spell the difference between success and failure. Even the leading British economists who have spoken on the subject admit this. Of course, having nearly $4,000,000,000 worth of cash and credit dropped in its lap from abroad, with the lowest interest rate of any such transaction in history and a 5-year period of initial grace wherein no interest at all is charged or collected will lighten the burden of British taxpayers. Nobody could deny that. It will lighten that burden in about the same proportion that making this gift-loan will increase the burden upon American taxpayers But this bounty to Britain will not solve its economic or political ills, and it will not cure its Empire-sustaining problems.

As to bolstering Britain against communism or strengthening her as an outpost against Russia, as some advocates of the loan boldly proclaim the purpose of this loan to be, it is indeed a shallow type of surface thinking, which believes the all-important job of developing a program of enduring and equitable peace between all the nations of the world, including Russia, can be achieved by this type of Russia-baiting dollar diplomacy and monetary imperialism. In my opinion, making this highly preferential financial grant to Britain without security and with only slightly more than half as high an interest rate as we charge other countries will aggravate the problem of working out a peaceful formula of world behavior and order with Russia rather than helping us to solve that problem. To the extent that it increases Russian suspicions, to the extent that it stimulates Russian retaliation, and to the extent that it causes the Russians to intensify their expansionistic and militaristic activities it will tend to weaken rather than strengthen Britain by increasing rather than decreasing her jeopardy.

To that extent it will also weaken rather than strengthen the United States by compelling us to maintain even stronger military establishments in order to be secure against the possibility of a war with Russia. Certainly we increase rather than decrease the likelihood of such a war by openly granting to Britain a gift loan "to strengthen her against communism." Were Russia to donate $4,000,000,000 to Brazil or to Argentina or to China with the advocates of such a loan at first whispering and then openly proclaiming that it was being done "to strengthen the country against the United States" we would realize that sending dollars into such a contest is likely to be but the prelude of a program ending by the sending of men into battle. The path to peace must be an open highway on which all of the nations unite to outlaw and prevent war. It cannot be a one-way street, dividing the world into rival camps. It cannot be an exclusive boulevard to be traveled by some and to be denied to others. America must not engage in setting up a Jim Crow financial-aid program in which we offer virtual charity to some nations and practice usury upon others. Dollar diplomacy of this crude type has never brought peace in the past. It cannot bring peace in the future. A nation cannot purchase enduring international friendship by making foreign loans, but it can go far toward erecting lasting barriers against itself by picking and choosing the countries to which it will make or deny loans in order to strengthen them against other equally proud and ambitious countries.

I sincerely fear that approving this loan as written with its preferential treatment clauses and its policy of showing favoritism for one ally as against another will do much more to sow the seeds of discontent abroad than it will to reap a harvest of peace. Our big job in preserving the peace today is to find a formula for living in this world with Russia on a basis that will decrease rather than increase suspicion, distrust, and dislike between our two great countries. The sly isolationism of this financial proposal works in exactly the opposite direction from that of a sound approach to world peace.

I am one who voted for American participation in the United Nations organization and for Bretton Woods because I believed then and I believe now that if peace is to endure it must be embraced by all the major nations of the world under arrangements which bring and keep them all around one conference table and before one forum rather than through programs which divide the world into power blocs and divisive alliances. I introduced into Congress the legislation which finally eventuated in the development and ratification of the United Nations Educational, Scientific, and Cultural Organization—UNESCO—for the same reason. I believe in international cooperation in peacetime, but I think it should be multilateral and not bilateral. I think it should be truly international and not just binational.

I have said in many public addresses and in speeches on this floor, as well as in reports to the State Department and the President, that peace with Russia can best come through adopting and following reciprocal policies with that great power which will treat her as we treat other nations and which require that Russia treat us as we treat her. The proposal before us with its publicized purpose of "bolstering Britain against Russia and against communism" works directly in the opposite direction; it is based on favoritism rather than upon reciprocity, and in my mind it moves toward war rather than toward a lasting peace.

IS THIS TO BE THE NEW ISOLATIONISM?

Mr. Chairman, this unique program of making foreign loans to friendly countries to bolster them against another ally is a dangerous and a doubtful practice. President Truman's policy of granting different terms to different foreign borrowers on the basis of their local form of government, their language, their propaganda prowess, or what-have-you is as unsound and unwise as it is uneconomic. What should be done is to follow an open procedure, publicly proclaimed, and dealing equitably with all foreign countries.

It has been recommended in one form or another by many students of international finance much abler than I. It perhaps is too logical and practicable a program to appeal to the lofty idealists who inhabit our White House and our State Department. Here it is in easy, understandable, logical steps:

First. An announcement should be made that all foreign countries expecting to seek loans from the United States should file their requests with this Government by a given date.

Second. The total amount of these requests should be tabulated and a determination made as to how great a percentage of them the United States could afford to make.

Third. Stipulations should be announced as to the purposes for which we would loan money and as to the purposes for which this money could not

be used such as aggression, imperialistic activities, armament building, and so forth.

Fourth. An interest rate should be determined upon which would reimburse our taxpayers without any profit but equal to what it costs the United States to borrow the money from its people to loan abroad.

Fifth. Types of acceptable security and terms of amortizing these loans should be developed and announced.

Sixth. Then all nations which agree to cooperate with the United States in working for world peace, international justice, and orderly international behavior, including the control of all lethal uses of atom energy, should be treated with equal consideration and fairness in the matter of our aid to former allies in the specified tasks of reconstruction and of developing prosperous and nondiscriminatory world trade.

This would be the fair and honorable method by which to proceed. The current program of dealing with each loan request separately and of treating it differently with easy terms to some and harsh terms to others is actually the beginning of a new isolationism by which the United States is using its financial position to divide the world into classes and groups We are sending our "divisive dollars" into the world to strengthen one nation against another or to support one ideology against another and if this is not a technique of isolation the lexicographers had better find a new definition for the term. What will the harvest be?

Will it be international cooperation and good will? Will it be universal harmony and mutual understanding? Mr. Chairman, you know it will not. And I know it will not. It must inevitably breed distrust and misunderstanding. It will invite retaliations It will cause all but the most favored nation receiving the best terms to writhe with resentment because they are forced to pay higher interest rates, or provide a better security base, or accept a smaller loan, or make payments more promptly, or perhaps be denied a loan altogether. By choosing up sides among our debtors charging some 3 percent, as we do France, and some much less than 2 percent as is proposed for Britain we cannot expect that those discriminated against will be happy. Nor by granting loans to some countries while denying them to others with equally good claims as former allies and as acceptable credit risks, can we expect those discriminated against to forget the slight or forgive the injury.

"DIVISIVE DOLLARS" ARE A TECHNIQUE OF ISOLATIONISM

Mr. Chairman, this "isolationism of the dollar sign" is a far step from the doctrine of the United Nations. The use of "divisive dollars" can divide the world into embittered rival camps more certainly than tariff walls, immigration restrictions, Monroe Doctrines, or a patriotic urge to put the interest of one's own country first.

If the United Nations organization is to be given a fair chance to succeed we must not wreck it in its infancy by sending our dollars abroad to comfort some while they confound others. We must not practice this new form of isolationism which treats each prospective foreign borrower differently and which in the long run will tend to make enemies of all but the country getting the most favored financial terms and we shall be fortunate if even that country does not become an ingrate when the time approaches—if it ever does—when we must insist upon repayment.

Mr Chairman, I am not alone in my fear that this new venture in dollar diplomacy may well prove to be a real menace to the peace of the world. When the Bretton Woods agreement was before Congress for approval the Banking and Currency Committee—the same committee now sponsoring the British loan proposal—issued a printed report in support of that agreement Many may have forgotten what was then said, but in my study of the implications of this loan, I have reviewed that earlier record. On page 17 of the committee report—Report No 629, issued May 30, 1945—the committee then said:

If some countries should find it difficult to secure through private investment the minimum capital needed from abroad, they will be tempted to seek this capital in other ways Foreign loans may be arranged on a political rather than an economic basis Such a policy would be most unfortunate, for it could only mean a resumption of the use of power politics in international economic relations.

Well, my colleagues, the wheel has now made a complete turn and we are being asked to make precisely the type of political loans we were earlier cautioned against Short memories are indeed a convenience at times, but in guarding against war and in planning for peace we would do well to rely upon logic and reasoning rather than to find comfort in quick forgetfulness.

The extent to which the discriminatory features of this technique of isolationism through-use-of-divisive-dollars is already receiving world attention can be gleaned from a study of the debates in the British Parliament when that body was voting its approval—incidentally with a substantial vote in opposition—of the terms of this gift-loan. The late Lord Keynes who is credited with writing the terms of this proposal said in that debate:

The most favorable terms sometimes allowed, as for instance in the case of France, for the purpose of clearing up what she obtained through the lend-lease machinery, are 2⅜ percent, with repayment over 50 years, beginning next year That is to say, an annual debt load of 5⅞ percent, so that an amount equal to 34 percent of this loan will have been paid by France during the 6 years before we have begun to pay anything at all. The normal commercial terms in the Export-Import Bank are, however, 3 percent, repayable over 20 years commencing at once, so that payments equal to 48 percent of the loan would have been paid during the first 6 years in which we pay nothing.

Mr. Chairman, when Lord Keynes speaks in Parliament and tells his British colleagues how the French pay 34 percent "during the first 6 years in which we pay nothing" it undoubtedly sounds good to the British citizen but what must be the reactions of the citizens of France who are confronted with terms which are much more harsh? No, Mr. Chairman, if the United States is to engage in the high adventure of international finance with the taxpayers' money, let us at least first of all establish rules of the game which will treat all borrowers alike and which will not cost us both the money which we loan and the friendship of all but the most favored borrowing country.

Amendments to achieve this will be offered on the floor when we reach the amendment stage of this bill; I shall support those amendments. If no corrective amendment is added, I shall vote against this proposed loan with complete confidence that in so doing I am more in line with a policy of developing an enduring peace and a friendly world political climate than those who look no further than the British Isles and forget that we need more friends in this world than the British—important though their friendship is—if we are to make the United Nations organization work and develop a program of lasting peace.

LOBBYISTS FAVOR THE LOAN BUT IT IS HIGHLY INFLATIONARY

All of us in Congress realize, Mr. Chairman, that the propaganda lobby for this British loan has been terrific. The international bankers lobby from New York City, the exporters' and importers' lobby from every large city in the land, and the social lobby here in Washington have been at work 24 hours a day for many months. Our mail has been filled with expensive brochures, with printed booklets, with pamphlets, with letters on engraved letterheads urging us to support this proposal. Undoubtedly certain financial circles in this country would profit from this transaction—at least temporarily. Over the long pull, I doubt that even the bankers in New York City would profit permanently, however.

BRITISH LOAN WOULD STIMULATE INFLATION

Just the great impetus which this loan would give to the menace of inflation through turning loose in the world this vast new competitive purchasing power would alone work a great hardship on our citizens in every walk of life. Every dollar of this loan which is spent in the United States by British bidders for American automobiles, farm machinery, building supplies, and other equipment and materials would be an additional dollar pushing prices upward by stimulating demand without correspondingly increasing supply. Against such inflationary pressures, it would be impossible for any regulations of the Office of Price Administration, if it is recreated, or of any other hold-the-line program to keep prices normal. If we would avoid ruinous or dangerous inflation, we must guard against artificially stimulating demand and expanding foreign purchasing power until our processes of production can at least catch up with our domestic needs and demands.

BARUCH AND JESSE JONES SOUND A WARNING

Probably the two most highly respected and most widely experienced American financial experts in the field of public finance are Mr. Bernard Baruch, of New York City, and Mr. Jesse Jones, of Texas, former head of the Reconstruction Finance Corporation. It is

significant, therefore, that both of these great American financial experts have sounded voices of warning against approving the British loan. Mr. Baruch has warned that the United States cannot afford the huge financial obligation which this loan and those to follow it entail. He has cautioned against our killing the goose that lays the golden egg by bankrupting America.

Jesse Jones has emphasized and underscored and endorsed these words of warning. He asks that the loan be rejected at this time. Mr. Jones recommends that before it is made, provisions be included to provide security and collateral so that it will be repaid. He says the United States cannot at this time afford the risk of an unsecured loan. He tells us a bankrupt America will lead the world to ruin—not to prosperity.

BRITISH CONDITIONS HAVE CHANGED SINCE LOAN WAS AUTHORIZED

Most important of all, Jesse Jones in an article published June 28—only a few weeks ago—points out that conditions in Britain have changed drastically since the terms of this loan were accepted by the White House and even since the United States Senate approved this loan.

Mr. Jones quotes his fellow Texan, Mr. Will Clayton, of the State Department, to show that when the terms of the loan were being prepared originally it was anticipated that the British would have a deficit of $3,300,000,000 in their balance of payments during the first year of transition from war to peace; that their exports would exceed their imports by that amount. Actually, according to Mr. Clayton and Mr. Jones, the records show that in the first 10 months since VE-day, British imports have been approximately $1,000,000,000 less than anticipated and British exports have been approximately $1,000,000,000 more than was estimated. Thus the adverse balances which the British expected will be about $2,000,000,000 smaller than anticipated. Says Jesse Jones:

Obviously, a difference of $2,000,000,000 in the first year demonstrates that the British do not need $3,750,000,000 to meet the adverse balance of payments over the first 3 postwar years although this was the specified purpose of the loan

Nobody has contradicted the new figures released by Mr. Clayton and Mr. Jones. Nobody has denied that the original estimates were wrong by the tidy sum of $2,000,000,000. And yet we are asked to approve this loan proposal, without amendments, on the basis of estimates more than 10 months old and more than $2,000,000,000 wrong simply because President Truman and his White House and State Department advisers originally agreed to terms which are no longer either necessary or valid.

Mr. Chairman, such reckless abandonment of caution and counsel is a discouraging spectacle. In my opinion, the United States would do well to heed the advice of its two outstanding authorities on national and international finance and resubmit this loan to committee so that its terms could be brought up to date with present conditions in Britain and so that they could be made to conform with those offered other foreign countries, including the stipulations of security, collateral, and realistic interest.

Today, the Treasury Department advised me we have outstanding approximately $45,000,000,000 worth of E, F, and G bonds in the hands of average American citizens. These bonds cost the Government interest rates running all the way from 2.5 percent to 2.9 percent. The legislation before us proposes to loan money to Britain at a rate of 1.83 percent, and it may run as low as 1.62 percent if the money is drawn promptly since no interest at all is charged the first 5 years. The loan further provides that no interest shall be charged to Britain any year that she may have an unfavorable international exchange position. When that occurs the interest is waived and it is not accumulative. If this were to happen in one-half of the 50 years, the average interest rate would actually be less than 1 percent. Who pays the difference between these low-interest rates and what it costs the American Government to borrow the money from its own taxpayers? Why, those self-same American taxpayers, of course. They must not only dig into their pockets to pay any portion of the loan which is not repaid but also they must tax themselves to compensate each year for the substantial difference between the interest rate Uncle Sam collects from John Bull and what it costs Uncle Sam to borrow the money here at home.

To me, Mr. Chairman, there is an especially distasteful aspect of this substantial disparity in interest rates. It is the fact that American GI's are required to pay 4 percent per annum under the GI bill of rights while actually the British Tommy who fought alongside of them gets money from his Government at considerably less than 2 percent. In my opinion, sir, we should not collect from our American veterans interest rates which are substantially in excess of those at which the White House brigade feel it is legitimate to charge to foreign borrowers. Either we are charging our American veterans too much under the GI bill of rights or we have scaled down the interest rates to the British in this proposal to an uneconomic and an unsound figure.

It should also be remembered and emphasized in this connection that the so-called disaster loans and the emergency feed and seed loans Uncle Sam made to American farmers who were stricken with drought, depression, grasshoppers, and dust storms carried an interest rate of 5½ percent in 1937 and now cost the borrower 4 percent, or more than twice the interest charged the British. Even the RFC charges 3 percent interest for its disaster loans to areas having acute needs. After all, Mr. Chairman, are not our American farmers entitled to as fair and generous treatment from their Government as are the farmers and tradesmen of Great Britain?

SUMMARY OF ARGUMENTS AGAINST LOAN AS PROPOSED

Mr. Chairman, this argument is growing too long but it deals with an unprecedented proposal of vast significance and of huge proportions. I have failed to touch on many points which might well be considered in determining upon the advisability or inadvisability of this loan. I have not mentioned the fact that millions of old people in this country are now receiving totally inadequate old-age assistance checks in these days of high prices, and that much less money than that involved in this gift-loan would correct this sorry situation. I have not asked nor heard the answer to the question of what it is proposed to say to the Russians if we pass this loan proposal and they then request an equally large loan, equally without security, at an equally low-interest rate. I have not discussed the fact that this loan through an obscure but definite clause in its agreement permits the present Socialist or Labor government of Britain to use this money, if it chooses, to further nationalize and socialize its industry to the end that this vast sum may actually be used to break down the free enterprise and private ownership system in western Europe rather than to bolster it.

Time does not permit an adequate analysis of these and many other considerations which all enter into our final decision on this matter. If the proposal is recommitted to committee, as I hope it is, and as I shall vote to do, we can have time to review all of these considerations and others as we reapproach the British with the suggestion that this proposal be revamped and rewritten in view of developments within the past 10 months, and in order that a uniform program may be developed for dealing with all foreign loan proposals rather than continuing the weird program of piecemeal, patchwork, crazy-quilt spot loans upon which the administration has already embarked and which the approval of this British loan would mean we must continue.

In conclusion, therefore, for purposes of clarity let me summarize the major reasons why I believe this British loan proposal should be rejected unless it is perfected by amendments or returned to committee so that it can be rewritten to conform with the changed circumstances and world conditions which now exist, some of which were not apparent when its terms were drawn nearly a year ago.

First. The economic advantages claimed for this loan cannot be attained. From every standpoint it is an imprudent and uneconomic adventure. Chairman Spence of the committee sponsoring this legislation in the House is correct when he says in good conscience, "I do not recommend this as a financial investment."

Second. Before we give our approval to direct loans of this nature to foreign countries we should survey our own resources and ability to underwrite them. We should get an approximation of the entire amount involved in all the loans we shall be called upon to make, and we should develop a uniform set of rules so that we can deal with all nations equitably with "malice toward none" and without favoritism toward any.

Third. We should not be called upon to bribe any nation to fulfill its commitments in the Bretton Woods agreement nor to buy its adherence to its provisions. If we set the precedent of pay-

ing the British to come in, the Russians who are also holding back and remaining aloof from the Bretton Woods program may insist that we also pay their entrance costs or they will remain permanently out of the program.

Fourth. Loans of this type should be handled through the Export-Import Bank or the International Bank both of which were set up for such purposes and to both of which we have appropriated billions of dollars. Such loans should carry security and be based on ability to pay or else they soon take on the character of gifts. It is not reasonable to expect some nations to pay 3 percent interest without resentment if we loan larger sums to other nations for substantially less than 2 percent interest.

Fifth. If the United Nations organization is to succeed "dollar diplomacy" and this new isolationism of using "divisive dollars" to establish alliances for purposes of power politics or ideological warfare must be held in check. Either we must work with all nations for enduring peace as we set out to do in the United Nations or we must form alliances so powerful that war against us is impossible. No two nations of this world are strong enough to frighten the rest of the world into submission. Power blocs have never yet brought the world enduring peace. We should guard against starting one now

Sixth. The alleged advantages of this loan are so vague and so nebulous and the huge potentialities of cost are so great to our taxpayers that we should not approve this loan unless it is amended to assure its payment and to avoid its discriminatory and ill-will-producing characteristics

Seventh. The United States now has a national debt twice as large as that of all of our allies combined and our national budget is still out of balance. Before launching out further on a new program to finance the world, we should set our own financial house in order and begin the long, slow, painful trek back to national solvency.

Eighth. In terms of undeveloped natural resources, we are no longer the richest Nation in the world. Two great wars have exhausted much of our oil, copper, iron, timber, and other resources. Both Russia and the British Empire exceed us in undeveloped natural resources; the least we could insist upon as security for a loan of this character would be collateral in terms of resources which others have and which we may be on the point of needing. Bases, ports, and strategic islands are other collaterals which might merit consideration.

Ninth. Our experience in collecting the foreign loans made after World War I points up the improbability of collecting loans of the type we are now considering. We then discovered that the only possible payments were the gold which the countries did not have or the imports which we could not absorb and conditions have not changed materially in that regard except we now have so much gold that we have buried most of it in Kentucky. When we loan money for the alleged purpose of bolstering up a country's economy we should not expect to insist on payments which might in turn destroy it.

Tenth. This loan will definitely increase the dangers of a ruinous inflation. It will substantially increase the buying power for goods which are now in short supply. It accords favors to foreigners in terms of low interest which we have not provided our own war veterans, our elderly citizens, or our disaster-stricken farmers. It purports to provide abroad an economic stability and prosperity which we cannot rightfully claim for ourselves so long as our aged citizens receive inadequate treatment, so long as our slums and rural areas lack housing and hospital facilities, and so long as large groups of our citizens such as our Indians and Negroes are forced to endure unjustifiably low standards of living and inadequate opportunities for advancement right here in the United States. Certainly we should not neglect our old people, our veterans, our amputees, and other deserving Americans while sending billions of dollars abroad on a highly doubtful venture.

Mr. Chairman, it is not easy to vote against this British loan proposal. I have great admiration for the sterling qualities of British character; I admire and applaud the great gallantry they displayed in the war; I have twice been a visitor on their tight little islands where I was accorded many courtesies and honors. During the war, I even participated in their propaganda war in Europe by broadcasting over the BBC short-wave radio. I have voted for every dollar appropriated under lend-lease and by UNRRA; I have voted for many other measures and proposals to stimulate world cooperation and international trade and good will. I am the author of the UNESCO proposal which I believe and hope can in time do as much or more than any other one thing to drive war from the hearts and minds of men and to instill a confidence and a capacity in the methods of peace so that war can be permanently outlawed.

It would be far easier and perhaps more popular to vote "yes" on this proposal than to vote "no" Practically every daily newspaper in South Dakota has carried editorials in support of this loan. Many of our weekly editors have expressed a similar sentiment. Most of my closest personal friends who have contacted me about this loan have suggested that I vote for its approval. It is always easier, furthermore, for a Member of Congress to vote to spend the other fellow's money for a popular or an idealistic cause than it is to vote against such an appealing proposition.

However, Mr. Chairman, I have devoted many weeks of serious, careful, painstaking study and research to the many-sided features of this proposal. I have conferred with many authorities and searched the records thoroughly for all evidence I could find to help reach the proper decision on this important, precedent-setting, history-shaping legislation. Above all, I am motivated in my decision by the primary objective of doing that which in this troubled world is most likely to work toward peace than it is toward war. I want the world to move toward a united approach to world problems and toward a cooperative solution to its differences. I cannot bring myself to vote for a proposition which, in my opinion, moves in the opposite direction since I fear that approval of this special-treatment loan will tend further to divide the world into rival camps and to deepen the divisions which already are creating competitive blocs of power.

A man in public office must be true to his convictions and loyal to the dictates of whatever judgment he has. Otherwise he had better resign and permit his place to be taken by a weather vane. Unless this bill is amended to correct what I conceive to be its most dangerous deficiencies, therefore, I shall vote "no" I shall vote "no" because I am afraid this strange new isolationism which would send our money into the world as "divisive dollars" to try to isolate us from realities will no more make for peace than the equally futile philosophy which believes that America, today, can ignore world conditions and world trends. What we require, in my opinion, is a world inclusive effort to solve the world's problems. Let us try first to bring all nations together in a joint program of peace before we again start choosing up sides and selecting financial partners "to bolster" friend against foe. I hope we never have to admit the inevitability of another war. Certainly it is too early to do it now.

While there is yet time and opportunity, let America exercise its leadership for peace and for harmony. Let us not use our strength and our fortune to encourage bitterness and to deepen the differences which already threaten to divide the world into segments between which it is increasingly hard to establish the policies and principles which lead to a just and enduring peace.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEONARD W. HALL].

Mr. LEONARD W. HALL. Mr. Chairman, I am going to vote for this resolution and give my support to the authorization of the British financial agreement.

This country of ours cannot alone provide the foundation for international economic stability any more than we can alone provide the keystone for international peace.

We must join efforts with those who think and feel as we do.

It is perfectly useless to try to convince me that in this day and age we can go our way and shut ourselves off and not give a care or concern to our international neighbors. Rather, it is the day of cooperation.

It is not a question whether as individuals we naively or instinctively like or dislike the fact. But it remains a fact, and there is simply no use blinking at it.

If we are to achieve international economic stability and world peace, we must have help and cooperation. And in order to get this assistance we must

undertake the obligation of helping and cooperating ourselves.

This financial agreement is not only an investment in our policy of furthering international economic stability and peace.

It is also an investment in support of our policy of free enterprise. And let us not forget that.

Certainly, we do not want state control of our external trade any more than we want state control of our internal economy. We all know the influences that are at work to sabotage the system of free enterprise in this country and elsewhere. Nothing would please some groups better than to see this financial agreement fail. They know what would happen. They would see the widening influence of the Communist doctrine of state industriallzation and state collectivization and a further spread of complete state control in external trade, with its influences in engrafting those doctrines on the internal economies of nations as well

The restrictive trade controls practised by Britain through her sterling-dollar bloc and her bilateral trade agreements did not result as a matter of choice by that country. It was Britain's weakness, economically—and it was practically a matter of economic life or death—that forced her to the adoption of them.

And it is to get rid of these controls that we are making this agreement. But their eradication will not only help Britain. Their elimination will help us, bountifully. And unless this agreement is made, because of Britain's economic weakness, I frankly do not see how she can do anything but to persist in complete state control of her external economy, which would mean that American industry, agriculture, and labor will be substantially shut out from 50 percent of the world's trade.

It is a rather interesting thing that the left wing of the British Labor Party is against this agreement. While the opposition in this country is on different grounds, the left wing of the Labor Party in England, which many of us believe is entirely too close to the party line of Moscow, feel that the success of this agreement will definitely slow down, retard, discourage the socialization of British industry. I am encouraged by their fear. For if we can overcome the system of the sterling-dollar pool and the presently practiced state controls of British external trade, free enterprise would be given tremendous impetus throughout the world. Of course, these left-wingers fear that if the system of free enterprise sweeps out state controls in foreign trade that their own socialist internal controls will inevitably be badly shaken if not in time discarded.

Let us be plain spoken. We are in a fight for the survival of free enterprise in international trade, and it is only self-enlightened interest and good business for us to do everything we can to win that fight.

But the economic aid to be given Britain under this agreement means, in turn, also, that we will be reciprocally benefited, and directly. This is not a one-way agreement, where we give something for nothing.

With the credits to be given under this agreement it is the expectation that Britain will be able to break the log-jam she is in with reference to her sterling-dollar pool and her bilateral trade agreements. And that is the purpose, to break up individual trading blocs, whether forced economically or by political intimidation or coercion. Today we are severely restricted in dealing freely in export trade with countries that make up more than 50 percent of the world's trade. Through Britain's economic weakness—and her state controls today are concededly defensive mechanisms—we are not getting our rightful share of the world's trade. Under this proposal we obtain Britain's agreement to open up trading areas throughout the world where today we are very substantially barred.

The time is going to come, and rapidly, when production in the United States is going to rise to prodigious figures, to heights that will dwarf all previous records. Today we are not bothered overly much by the need for export trade for the products of American agriculture, industry, and labor. We are not yet in balance, domestically, between the needs of supply and demand, and it may be a little time yet before our own domestic needs may be filled adequately. But that time is rapidly coming, barring adverse administration policies affecting reconversion. And when production swells and we begin to be confronted with surpluses in both industrial and agricultural items and commodities, then this country will become seriously concerned with the export trade picture. Agriculture, industry and labor will be demanding, and in no uncertain terms, foreign outlets for their production and failing to find them agriculture, industry and labor, all three, will be demanding drastic steps on the part of Government to assure the marketing abroad of America's surplus products.

When that time comes—and it is a question we have to think about and resolve the best we can by the opportunities given us—will we be trading with the world freely, uncurbed by government controls—ours included—without dictation as to how much we can ship, when, to whom and by whom, at what price, the quality of goods and the service to be rendered? Or will we be under dictated controls by our own Government made necessary to combat world conditions and to force our trade abroad; and under controls that may bear a real likeness either to those of the Soviet system or the restrictions that Britain is now under?

We know what we would like, and that is the system of free enterprise as against state control; free enterprise in our external economy as well as in our internal one.

If we want to assure that free enterprise, if we want effectively to combat socialistic controls, we have got to fight for our own policy and we must support those measures that will help achieve international trade under a system that will minimize state dictation, help to stop the spread of the doctrine of Communist industrialization and collectivization, and thus support our free enterprise policy and advance the economy of our own country.

Helping Britain through this loan agreement, in real essence, is helping ourselves.

The agreement before us promises much in getting the world back to a position of international economic stability and every inch of progress in that direction will mean the advancement of America's basic interests.

Mr. COLE of New York. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following members failed to answer to their names:

[Roll No 218]

Adams	Gearhart	Patrick
Almond	Gibson	Peterson, Ga
Anderson, Calif.	Gillespie	Preifer
Andrews, N Y.	Gossett	Philbin
Baldwin, Md.	Granger	Phillips
Bates, Ky	Grant, Ala.	Pioeser
Beckworth	Harless	Plumley
Bennet, N Y	Harless, Ariz	Powell
Bland	Harness, Ind.	Price, Fla
Bonner	Hart	Priest
Boren	Havenner	Quinn, N Y.
Boykin	Hébert	Reece, Tenn.
Bryson	Heffernan	Rizley
Bulwinkle	Hendricks	Robinson, Utah
Byrne, N. Y.	Hinshaw	Roe, N Y
Camp	Holifield	Rogers, N Y.
Cannon, Fla	Jackson	Sheridan
Celler	Johnson,	Simpson, Ill.
Chapman	Lydon B	Simpson Pa.
Clements	Johnson, Okla	Slaughter
Cochran	Keefe	Smith, Va.
Coffee	Kefauver	Sparkman
Colmer	Kelley, Pa.	Stewart
Combs	Keogh	Tarver
Cooper	Kilday	Taylor
Cox	Lea	Thomas, Tex.
Cravens	LeCompte	Tolan
Crawford	Ludlow	Torrens
Crosser	McGehee	Traynor
Curley	McMillan, S C	Vinson
Daughton, Va.	Mahon	Welch
Davis	Mankin	West
Dawson	Mansfield,	White
Dingell	Mont	Wickersham
Douglas, Calif.	Mansfield, Tex	Winstead
Doyle	Mason	Winter
Earthman	Miller, Calif.	Wolfenden, Pa.
Eberharter	Murdock	Wood
Engel, Mich.	Murphy	Worley
Flannagan	Norton	
Fogarty	Outland	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration Senate Joint Resolution 138, and finding itself without a quorum, he had directed the roll to be called, when 308 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 138, with Mr. WHITTINGTON in the chair.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, this subject has been debated for something like 13 or 14 hours in the Commit-

tee of the Whole; debated back and forth and up and down. I am painfully aware of the fact that I am unable to add considerably to your knowledge or understanding of the subject, the ground has been so thoroughly covered. The best I can do at this moment is to endeavor to pick up what might be termed some of the fragments of the debate and piece them together in an endeavor to present to you the picture as I see it, conscious as I am of my fallibility.

Let us observe the position in which Britain finds herself and then measure our own position, and later that of the other nations of the world. For 6 years Britain struggled desperately to save herself against the most powerful force that was ever launched against human liberty. For a portion of that time she did it alone. In proportion to her population and resources, I think I am correct in saying, she sacrificed more than any of the nations contending against the Nazis and the Japs. In a desperate war effort she lost something like 65 percent of her foreign trade upon which, as you all know, she had very largely made her living for generations prior to this war. Her military casualties, somewhat in excess of a million, were about equal to our own, but Great Britain has only about one-third of our population. From bombings, 58,000 civilians, men, women, and children, were killed in Great Britain. Thirty thousand of her merchant sailors were killed or drowned

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH I yield to the gentleman from Nebraska

Mr. BUFFETT. Does the gentleman think that Britain, in proportion to her resources and population, suffered as much as Poland did?

Mr. WADSWORTH. I am speaking of the active allies in the war. I will amend my statement to that effect. I meant those who came forward to victory still existing as nations. The damage done to the British plant, if I may use that term, of course was terrific. Her resources were so reduced by these efforts which she had to make that today I think it could be said that to an extraordinary degree she is lacking in working capital. That has been my conception of the British position for several months, lack of working capital. Her plant is run down, for the time being. She lost very considerably her outlets, and her business was stalled by her war efforts. The thing that she needs most is to get going again. She can get going solely with the use of new working capital.

I visualize this credit which we are to establish in her favor as giving her an opportunity to get some working capital, to lubricate the machinery of her plant, to get it going again.

I think we will all admit, if we read history, that when the British get a plant going in the commercial sense they know how to run it. They have displayed a genius for commerce for centuries; in fact, their predominance in the world has been largely due to their commercial genius rather than to their military.

Obviously, the resumption of the activity of the British plant will be to our great advantage, just as it is to the advantage of a town we will say, of 15,000 or 20,000 people when a plant in the town which has suffered, through no fault of its own, hard knocks in a business way, is enabled as a result of getting together some working capital to start its machinery going again and employ the men and sell the goods. Every merchant up and down Main Street advantages by it. If we could visualize the world as a whole, where trade and commerce must prevail upon a sound basis fundamentally, we can get an appreciation, I believe, of the importance of starting that British plant going again as an important element in it.

Various suggestions have been made here. One, for example, is that this credit which we are to extend is not a sound banking loan. Mr. Chairman, I would not contend that it is a sound banking loan. That may be a somewhat unconventional thing for me to say at this point. Nevertheless I am in favor of our taking the risk, very much in favor of it. The risk proportionately is exceedingly small, $3,750,000,000, when we consider the possibilities of world trade moving along successfully, or the danger that it will not move along successfully and the effect of that failure upon ourselves. No; it could not be defended, I suppose, as a straight banking loan Perhaps a few sensible, far-seeing bankers would say, "This is a good thing for the good of the community," but it is quite possible that a Federal bank examiner might criticize the board of directors of a bank that made such a loan. But I have known instances of this kind when institutions have been set upon their feet and the prosperity of the community restored.

There is the suggestion, for example, that we demand some sort of security. Just what security one government can ask of another passes my comprehension. The greatest security that I can think of is the pledge of the Government. That is the security we have behind our own currency It is the pledge of the Government. That is the greatest security we can have. I cannot boast of having read of all the instances in history involving the making of loans between governments, but I cannot recall one in which security was demanded and provided. Certainly when our struggling little republic in the 1780's borrowed money from France and Holland, neither the French Government nor the Dutch Government demanded security from us. It may run contrary to some conceptions when I say I know of no occasion when the British Government deliberately defaulted on a loan. If there is any such thing as security, the pledge of a government is the greatest, just as anyone here would say that the pledge of the Government of the United States to pay a debt would be the greatest security that the lender could demand.

The thing I dread about this situation is that should this bill fail, first, the world would be divided into compartments again. You have all heard the sterling bloc described and the dollar pool, a device resorted to by the British during the war solely for war-making purposes. They had to do it—dollars were so scarce—they had to do it in order to live and buy supplies. But it would be a pity if that kind of thing went on indefinitely—a great pity. The gentleman from California in a little colloquy with the gentleman from Massachusetts [Mr. MCCORMACK] this morning asked if this loan, as he called it, was a political loan or not. I do not visualize this advancement of a credit as a political gesture at all. But my judgment is that if the advance is not made, eventually there will be political repercussions over which we may not have much control. In my judgment, this loan will tend to obviate and do away with international power politics in the field of trade and commerce.

Mr. MCDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr MCDONOUGH. The gentleman refers to the colloquy between the gentleman from Massachusetts [Mr. MCCORMACK] and myself this morning. According to the gentleman's definition, he believing that it is not a political loan, I take it from what he says that it would bring about political security to grant the loan?

Mr. WADSWORTH. I think the tendency is distinctly in that direction.

Mr. MCDONOUGH. Political security for whom—the United States or Great Britain?

Mr. WADSWORTH. For everybody—for everybody. Men speak of Britain turning left. I suppose nearly every man in this House was disappointed in some respects at that so-called turn. But after all, it was done at the ballot box in a free election, and we cannot very well stand here and denounce it. One hesitates to analyze the motives or the forces which swayed the British electors at that time. My own judgment is, which is not much better than a guess, that they were motivated by a sense almost of despair so far as being able as individuals to solve their difficulties. As a result, they made up their minds that the government must do it under some socialistic form and the common people, who certainly think, took that view. Some of us think that is a mistaken view.

The British Government has taken over the Bank of England. That is not really a very remarkable performance, because the truth of the matter is that although it was owned by British stockholders, it was actually run by the British Board of Trade. It was not run by the stockholders. In this instance the stockholders were paid by the Government. As you all know, they are about to take over the coal-mining industry, interior transportation, civil aviation, and perhaps the heavy steel industry. All their other activities are still in the field of free enterprise, including all their exports. They need to get the machine going. If they can get it going—and it is going to be a hard struggle for them, even with this help—there will be less temptation on the part of the British people to turn more and more to their Government, in desperation, to do something for them, for as they get their

machine going the blessings of free enterprise will become evident. But if they cannot get the working capital they will be compelled to resort to desperate means. That is, means which we call desperate. They would hang on to the sterling bloc in self-defense and try to develop it and strengthen it. When you have a bloc like that it means that American dollars are kept out of it.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr ROBERTSON of Virginia. Mr. Chairman, I would much rather the gentleman from New York took my time and I will place my remarks in the RECORD.

Mr SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr WADSWORTH. Mr Chairman, I appreciate the generosity of the gentleman from Virginia [Mr. ROBERTSON]. As a matter of fact, I think I have pretty nearly concluded my remarks, and I doubt if I shall use the 10 minutes.

As I recollect it, I was endeavoring to discuss the effect of working capital in starting that machine going, and I was leading up to the suggestion that if the machine does not get going Great Britain may have to resort, in desperation, to the maintenance of trade blocs, and that will mark the beginning of the division of the world all over again. We will not like it. The British people will not like it either. It will mark the beginning of the resumption of governmental power over trade and commerce, for they and those with whom they compete under those difficult conditions will more and more turn to their respective governments to control trade and commerce. You and I are absolutely opposed to that kind of thing in this world.

Mr. BUFFETT Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BUFFETT. Can the gentleman offer any evidence that Britain is turning away from state control of business and industry?

Mr. WADSWORTH. I have not offered any evidence one way or the other. I have merely tried to sketch what she has done thus far. My dread is that if she finds herself in an exceedingly difficult position commercially and economically, she may turn more and more to government control, and others will do the same in rivalry and competition. Trade blocs will arise. People in desperation will resort to those devices. My hope is that by helping her get her machinery going again we will obviate that danger. That will be to our advantage, and incidentally to the ultimate advantage of world peace, for nothing is as certain to bring on war as brutal Government-managed commerce. That is where frictions arise and trouble results.

I like to see this country of ours strong in the leadership toward a free world. We have an opportunity to lead, most of the world looks to us to lead. This is but one step. In my judgment it will make us stronger. It should help the whole world, and we will be proud, our children will be proud, and our grandchildren will be proud that America was strong in support of righteousness.

Mr. Chairman, I yield back the balance of my time.

Mr. SPENCE Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON of Virginia. Mr. Chairman, I rejoice in the fact that we have leadership in this House It has been a privilege and great pleasure to me to serve here with such an outstanding man as the distinguished gentleman from New York [Mr. WADSWORTH] who has a grasp of international affairs, a vision based upon a wide and varied experience and a courage that refuses to bow to political expediency.

I was glad to yield to him a part of my time and would have been happy had he used it all because I know that what he says concerning the vital importance of the pending measure will carry more weight in this body than anything I may say.

Mr. Chairman, as I view the proposal to extend a line of credit to Great Britain over a period of 5 years with the definite understanding that purchases made by Great Britain in this country shall be so regulated as not to increase inflationary pressure for items in short supply, the three outstanding advantages to us in agreeing to the proposal are:

First. It will make possible the Bretton Woods proposals for the establishment of an international bank and the stabilization of international currencies geared to the American dollar.

Second. It will enable us to gain access to foreign markets for surplus production without engaging in a trade war to do so.

Third. It will mean the survival in Europe of the last substantial bulwark against the spread of communism.

A distinguished newspaper editor who recently visited Germany reports that the destruction in parts of Berlin and other great cities of Germany was so complete that, in his opinion, those sections may never be rebuilt. There can be no political independence here or abroad without financial independence, and in the war-devastated areas there can be no financial independence without the reconstruction of the instrumentalities of production. The establishment of an international bank and the stabilization of international currencies will be the most effective means to accomplish that purpose.

The British Empire and the 18 nations in the sterling-payment area control one half of the world's commerce. In the course of 2 years, and perhaps sooner, we will need foreign markets for surplus cotton, tobacco, wheat, apples, lard, and pork products. We shall likewise eventually need foreign markets for the surplus production of machine tools, trucks, and automobiles, electrical equipment of all kinds, office fixtures, and appliances, and numerous other items of smaller volume. Such markets will mean employment in this country for not less than 3,000,000 workers. The following letter from Hon. William L. Clayton, Assistant Secretary of State, indicates the type of cooperation that may be expected from Great Britain in that program and in the more fundamental program of combating the type of state trading as practiced by totalitarian nations:

DEPARTMENT OF STATE,
Washington, May 14, 1946

The Honorable A. WILLIS ROBERTSON,
House of Representatives

DEAR WILLIS: I have your letter of May 9 asking for a brief statement indicating exactly what the British have agreed to do in regard to preferences in return for the proposed loan.

To put it as concisely as possible, the British have agreed, in return for the loan, to negotiate with us for the immediate reduction and eventual elimination of their Empire preferences

For your own information, I might explain the situation a little more fully You recall that this Government published its Proposals for Expansion of World Trade and Employment on the same day that the financial agreements with Britain were signed At the same time, in a joint statement on commercial policy the British Government expressed its full agreement with all the important points in the proposals, accepted them as a basis of discussion, and agreed to enter into early negotiations for their implementation.

In respect to preferences, the proposals suggest negotiations for the elimination of all tariff preferences As an initial step nations would agree that existing commitments would not prevent action on preferences, that any negotiated reductions in most-favored-nation tariffs will automatically reduce or eliminate margins of preferences and that, in any event, no new preferences will be introduced nor existing preferences increased

Sincerely yours,

WILL CLAYTON,
Assistant Secretary.

Recently I had dinner with a Canadian and when I praised Canada for making a loan to Great Britain, which is more than one-third of the loan we propose to make, although the Canadians do not have one-tenth of our financial ability, the reply was, "Well, we feel that it was our war." If the American people do not feel that they had a stake in combating the form of totalitarian government which Hitler sought to impose upon the world they do not understand why the war was fought. What boots it, may I ask, for us to spend billions of dollars and thousands of lives to prevent the world from being engulfed by one form of totalitarianism and then refuse to contribute as much as 2 weeks of the cost of that war to a program to prevent the world from being engulfed by another type of totalitarianism. The consequences of extending the proposed line of credit to Great Britain may be that the loan may never be repaid, although I believe the British people are honest and will repay if they can. The consequences of not making the loan will be the loss of our system of private enterprise through the regimentation of our economy to domestic needs, the maintenance of a huge and costly military establishment because we will be living in one world without one friend and the ultimate possibility of a future atomic war in which there will be no victor.

During the period that he was a Member of the House I greatly enjoyed my

service on the Ways and Means Committee with the Honorable Charles S. Dewey, of Chicago. Before his election to the House Mr. Dewey had served as an Assistant Secretary of the Treasury and as the American Ambassador to Poland. In his home city he had had a wide and successful experience in the banking business. That splendid background of national and international finance was supplemented by his service on the committee of the Congress which devoted much time and attention to the subject of international trade. I feel that the views of such a man on the subject of the British loan should carry weight with his former colleagues in the House. This is what he said when he appeared before the House Banking and Currency Committee when it had under consideration the Senate resolution to extend a line of credit to Great Britain:

> I do not believe that this country can live alone, a free-enterprise state, in a world of state-controlled economies. I feel sure that no matter what may be the political color of the administration, it would be forced to make foreign treaty arrangements in contradiction to our concept of free competitive enterprise That is my main reason for believing that the British loan agreement transcends most objections It is about our last opportunity to help the bilateral countries out of their dilemma and have them rejoin us in our policy of free enterprise and the unhampered flow of world goods.

In fact so many individuals and so many organizations with divergent views with respect to the proper solution of domestic problems have united in endorsing the loan to Great Britain that it is difficult for me to understand the present opposition in the House to the proposal. I shall not attempt to enumerate the individuals who favor the proposal but a partial list of national organizations which have done so are:

American Association for the United Nations, American Association of University Women, American Farm Bureau Federation, American Federation of Labor, Americans United for World Organization, American Veterans Committee, Committee on Education for Lasting Peace, Congregational Christian Churches, Congress of Industrial Organizations, Federal Council of Churches of Christ in America, Freedom House, General Federation of Women's Clubs, United States Associates of International Chamber of Commerce, Lace and Embroidery Association of America, Motor and Equipment Manufacturers Association, National Council of American Importers, National Council of Jewish Women, National Farmers' Union, National Federation of Business and Professional Women's Clubs, National Foreign Trade Council, National League of Women Voters, National Peace Conference, National Republican Club, National Women's Trade Union League, Research Committee of the Committee for Economic Development, Overseas Automotive Club, Tobacco Association of the United States, Union for Democratic Action, United States Chamber of Commerce, Women's Action Committee for Victory and Lasting Peace, World Alliance for International Friendship Through the Churches and the Church Peace Union and Young Women's Christian Association.

The suggestion that we cannot finance the loan without impinging upon domestic obligations is without validity. The line of credit provided by the loan will amount, at most, to a claim on two-fifths of 1 percent of our gross output for the 5-year period over which it may be used, while the interest rate of 2 percent is 0.17 percent more than the present cost of borrowed money to our Treasury. The Senate resolution authorizes the Treasury Department to set up a credit on its books for the United Kingdom in the same way that we financed the RFC and numerous other domestic undertakings. Bonds are then issued by the Treasury Department which become, of course, the obligations of the Government and which must be kept within the new statutory debt limit of $275,000,000,000. But direct and what might be termed competing appropriations by the Congress are not required. And it must likewise be remembered that only a part of the proposed loan must be financed by the Treasury Department in any one year since the United Kingdom draws on this account as an individual does on a line of credit extended to him by his own bank. The United Kingdom has agreed to use none of the funds for the payment of existing debts and, of course, the United States is the only country in which an American dollar can be redeemed. In other words, every dollar of the line of credit drawn by Great Britain will either be spent directly for purchases in this country or will eventually return to us in the normal settlement of international balances.

Among the penalties which might be listed for refusing to make the loan would be shrinkage of our foreign trade, violent readjustments of our production pattern, especially agriculture, and the inevitable curtailment of our over-all output upon which any program of an expanded economy must of necessity rest. We would lose heavily in economic liberty to a procedure that can be followed with success only by close regimentation of production as well as trade. Most of all, we would lose in prestige through demonstrating that we are still unprepared to exercise the world leadership to which our stature, as the possessor of almost half of the world's economic capacity, entitles us.

The blow to the international prestige of Great Britain would be as severe as it would to us. It would be tantamount to saying that we do not trust the honesty of the British; or that we had no confidence in the economic survival of Great Britain; or that we were deliberately abandoning a valuable ally of two world wars, on the ground that our way of life leads in one direction and the British way of life in another.

The honesty of the British people is too well established to need defense at my hands. What a small group of islands, that could be laid down in the State of Texas with an area as large as Virginia left over, has accomplished in the past is the best token of what they can accomplish in the future if not called upon to pay too great an economic penalty for their determination to fight on land, on sea, and in the air until we win the victory. The charge has been made but not substantiated that Great Britain is headed for socialism and an era of state trading. That charge originated with certain newspapers which were before the war and have been since the war opposed to any form of international cooperation. They object to being called isolationists, but that word most adequately describes their viewpoint. It was Mr. Bevin of His Majesty's Government and not a representative of our State Department who first bluntly announced to the Soviet Union that with respect to the spread of communism in Europe and violations of the provisions of the Atlantic Charter and the Constitution of the United Nations, which guaranteed the integrity of small nations, there would be no program of appeasement. Last winter when I was discussing with Mr. Churchill in Florida the proposed loan to Great Britain, I asked him if the labor government of the United Kingdom would undertake to substitute socialism for democracy, and he promptly replied: "Absolutely not, and if the Labor government undertook such a program it would be voted out of office overnight."

On the contrary, the Labor government of Great Britain is an active partner with us in the general program of international cooperation as the foundation for a lasting peace and the preservation of democratic institutions, which included the United Nations Relief and Rehabilitation Administration, the Food and Agricultural Organization, the International Monetary Fund, and the International Bank for Reconstruction and Development, and has further agreed to unite with us in the calling of a World Congress on International Trade, the purposes of which are to implement the provisions both of the Atlantic Charter and the constitution of the United Nations, which recognize that friction over international trade, the denial of "have-not" nations to proper access to raw materials, and the export of unemployment by means of high tariffs, embargoes, cartels, and currency manipulations are the most fruitful causes of war.

In a word, I can find no logical basis of opposition to the proposed loan. I do, however, find an illogical one, which was presented at great length to the House last Monday by the chairman of the powerful Rules Committee and a recognized administration leader and spokesman, who consumed 25 minutes of the 30 minutes allowed the majority in opposing the position which the President of the United States and an overwhelming majority of the House committee handling the bill had taken. The essence of his plea was that we should refuse this loan to Great Britain as a means of expressing our displeasure over the manner in which Great Britain was administering the mandated area of Palestine.

I do not know of any citizen of our country who wishes to give up that citizenship for residence and citizenship in Palestine. I do not know of any Member of this House who would stand on this floor and say that he thinks it is

the right and privilege of Great Britain to tell us what our immigration laws should be with respect to the admission to this country of Jewish refugees from other countries. It necessarily follows that it is illogical, as well as inconsistent, for us to attempt to dictate to Great Britain in a way which we would bitterly resent, or to put the welfare of a limited number of people of other nations above the welfare of 140,000,000 of our own people.

In voting on this issue I am not the keeper of the conscience of any other Member. I am convinced that ratification of the Senate resolution will be to our best interests. Those who elect to put the best interests of other nationals first, or of the Soviet Union first, or who cling to the shadow of international cooperation while repudiating the substance, are answerable to their own consciences and their own constituencies.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Chairman, today this House is face to face with a postwar situation demanding solution. It is so important to future world stability, upon which peace is based, that prejudice and nationalistic emotions have no rightful place in influencing the decision to be made.

No one who has given careful consideration to the financial insecurity that now exists throughout the world, as an aftermath of world war, can fail to recognize that some remedy must be found to alleviate that condition. Failure to do so will force the nations of the world into an economic warfare that can be almost, if not entirely, as devastating in its economic effect upon world stability as the devastations of actual war.

The agreement between the United Kingdom and the United States, now under consideration, is advanced by these two nations as a method of solving some of the acknowledged detriments to world trade in the postwar period. The objective of the agreement is to clear the channels of trade so that there may be a more free access to world markets. The benefit to be derived, if the objective is attained, will enure not only to the two contracting parties but also to many other countries, now prevented from enjoying freedom of action in matters of trade with our own and other nations, because of restrictive monetary or other economic conditions, created by war necessities, that bind them to the economy of Britain.

Thus, the agreement is not solely for the benefit of the United Kingdom and it is also more than a mere loan upon our part. It provides that our Nation shall receive benefits by the revision of restrictive trade policies, now in effect throughout the British Empire, that handicap and restrict our Nation in the conduct of our trade with Britain and the countries that are a part of its Empire, and likewise with other countries that have come within its economic sphere of influence. A continuance of existing restrictions will seriously interfere with the expansion of our foreign trade. With the elimination of these barriers to trade, as provided for in the agreement, our opportunity to do business with all nations is increased and we are thereby enabled to provide greater employment for the people of the United States.

In view of the continual and aggressive assertion of some, who oppose our entering into the agreement upon the basis that it will be harmful to our economy, it is particularly important to emphasize the fact that the terms of the agreement, as and when they are given full opportunity to be effective, should and undoubtedly will result in a large part of the money advanced being spent directly for American goods. Consequently our industries and our workers would benefit from it. This fact cannot be emphasized too strongly. While this is true with respect to every section of our country ,yet it is particularly true in the great industrial State of New Jersey, and the First Congressional District of that State, because of the many products of our great industries that find their way into foreign trade.

During the course of debate strong emotional pleas, based upon nationalistic considerations, have been made by some who oppose our entrance into the agreement. Without attacking, or even questioning, the sincerity of those making such appeals I feel that we must consider the question from the standpoint of conditions as they are now in this disturbed and chaotic world We have given as a Nation unstintedly of our wealth, material resources and the precious lives of our best manhood in a cause that seeks to fix freedom, based upon democratic principles, as the ideal. This Nation has become the leader in this great struggle. Whatever may be the motives that have prompted other nations in the part they have taken, or are now taking, it can never be said that the United States has been actuated by any base or ignoble purpose. There has been no desire for material gain of any kind whatsoever. Our only purpose in making the sacrifices that we have made is to gain acknowledgment of noble ideals that would bring peace and security to a troubled world.

Today, we are happy in the thought that we have won the war. We must now win the peace. To win the war and then lose the peace would mean that all of our sacrifices have been in vain. Therefore, our duty is plain. We must now attack the problems that confront us, as the aftermath of war, with the same fervor and indomitable spirit that characterized our participation in the armed conflict. The problems are numerous and varied. They are of every conceivable kind and character. A proper solution of these problems is necessary if we are to have a peaceful world in the years to come. These are critical times. Our Nation cannot retreat from its position of leadership in world affairs. Nor can we forsake the cause for which we fought. To do so is to bring incalculable distress upon the peoples of all nations.

My colleagues, as I look into the future, I am convinced that it is our duty, as a nation, to enter into the agreement now under consideration by this House, to the end that stability be encouraged and made possible in an insecure and uncertain world. There will be undoubtedly many other steps that will be necessary for this Nation to take before the ideal of peace is secured, but today this is the step that in my opinion must be taken if we are to fulfill our responsibility in promoting world peace.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we will all be able to keep the United States of America if we do not give it away.

We are considering at this time a problem that is far greater in scope than the idea of giving Great Britain $3,750,000,000 The fact of the matter is, the amount requested for Great Britain is $4,400,000,000.

Let me say that I hold no animosity toward Great Britain or any nation on the face of the earth. I would like to help every nation, but I want to see it done on terms that are sound, sensible business, ever bearing in mind that it is my duty to guard the interests of America and the American people. I do not propose to be a party to doing anything that is going to tear down America and make it a vassal of some other nation, and if I voted for this proposal, which some of you call a loan and which I feel confident is nothing but a gift, I would be doing the wrong thing for my people and my country.

I cannot convince myself of the fact that our country, under present conditions, should jeopardize its own welfare for the salvation of any nation in all the world, regardless of what that nation may be or from what hemisphere. The June 28 statement of the Treasury Department for the year ending June 30, 1946, records our national debt as being $269,898,484,032 56 Our loss for the year just closed was $21,980,829,182 94, excluding public debt retirements Do any of you say we are financially sound? Where will you get the money? To make such a huge loan requires assurances of repayments. We have none. It requires some collateral as safeguards. We were offered none. Congress has been foolish in spending and squandering long enough for our own safety. It must stop, and stop now. We have come to the danger line long ago, but you do not seem to realize that

Let me ask some questions regarding this loan agreement.

First. Who was responsible for working up such a proposed agreement? Clayton, Vinson, Wallace, Crowley, Symington?

Second. What authority did they have?

Third. Why did they consider such a large request? It is unprecedented; too large and unusual.

Fourth. Why did they extend time for 50 years for so-called repayment?

Fifth. Why did they agree to forego interest for 5 years?

Sixth. Why did they offer a rate of 1.6 percent interest to Great Britain when

we charge our people, and especially loans to GI's, more interest than that?

Seventh. Why did they forego interest in any year Great Britain did not have a favorable trade balance?

Eighth. Why did not the Secretary of State and Secretary of the Treasury give some consideration to our country and our financial position?

Ninth. Why did not the ones who wrote the agreement ask for collateral? Great Britain has much collateral here in this country and abroad.

Tenth. Why did the agreement imply free trade with Great Britain and other countries?

Eleventh. Why did they cancel in the agreement all lease-lend over $25,000,000,000? Who gave them that authority?

Twelfth. Do you think they have any idea any part of this loan will be repaid?

Thirteenth. Would it not be sound, simple business to offer a large loan of $800,000,000 or $1,000,000,000 with collateral as Jesse Jones suggested. Then if they repay that loan and need more, we can loan them an additional amount at that time if we have the money and it seems advisable. Jones says they now have collateral on hand at the RFC to safeguard the loan.

Fourteenth. If this loan is granted, what will you say to Russia, France, Poland, Italy, Spain, and many other countries when they come to us for large, unsound loans? This is a precedent, a dangerous precedent, and a most unusual procedure. It should not be approved in its present form.

Fifteenth If we have free trade with foreign countries, how will America compete in the field of manufactured articles and agriculture when we pay wages four or five times larger than other countries? It cannot be done. Wages will be reduced; industries closed down. Great Britain will have our money, and our people will be asking Great Britain and other foreign countries for wheat, bread, soup, and clothing in a few years to come if we tear down our own financial structure.

Why not sell bonds to float a loan to Great Britain? If the public want to buy the bonds and assume the responsibility, it is up to them. Sell British bonds, with interest payable in dollars, or let our bankers handle the transaction, just as they always have done. Why not do it that way?

To make this gift and add this great amount of money to our national debt is going to pass the burden on to our children and our children's children. If we are not big enough to handle the affairs of government today, then let us get out and let somebody come to Congress who can. Let somebody come here who can look after America—the rights of America and the American citizens.

I claim that this bill is unconstitutional. To give away funds to some foreign country and tax your people without their consent to raise the money to pay the bill is not right, just, and I believe is unconstitutional. Let the people back home vote on this proposal, and see how many want to reach down in their pockets and pay $25 per capita to Great Britain when they now have a national debt of $2,000 per person, and this means every baby to the oldest person in the land. Does it make sense? Is it right, and is it just? I say "No," and I am against this proposal and shall vote against it. I feel this is adding insult to injury in creating a national debt far beyond anything dreamed of before the New Deal came into existence. The New Deal has just about taken us down the road to bankruptcy by giving everybody everything he wanted without doing anything to earn it until today we have all the nations of the world with their hand out asking America to finance them. Great Britain, with a socialistic government now taking over the railroads, the coal mines, and the public utilities, wants us to pay the bills. None of it for me, and none of it for the people I represent. If the people of my district want legislation of that kind and to give everything away, I am not the one to represent them because my desire is to look after their interests so that everyone—even to the humblest home—may be raised to the highest level of prosperity. I want the people who work by the sweat of their brow to maintain themselves and their families and have everything this country can afford to give them.

This bill will injure every workingman in America I am going to vote against it, and hope there will be enough votes against the proposal to send it back to committee. This should be notification to the nations of the world that it is time to go to work and try to handle their affairs in a business way without looking to Uncle Sam to take care of them. Uncle Sam is as bad and probably worse off, financially, as any nation in the world and it is time to stop our squandering. Again I ask you: Where are you going to get the money?

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Chairman, we have been debating the question of the proposed $3,750,000,000 credit to Great Britain for the better part of 4 days. No new arguments against the financial agreement have been presented. There was nothing new which could be brought forward. For months the matter has been under public discussion. Every one of the main criticisms has been answered. Labor, bankers, agricultural leaders, manufacturers, the church groups, women's organizations, all have spoken in favor of the loan. No important opposition was represented at either the Senate or House committee hearings. In addition to the report from the House Banking and Currency Committee, the House Special Committee on Postwar Economic Policy and Planning, in its report of November 12, 1945, stated:

> The objective of American policy should be to assist the United Kingdom to return to a less restricted system of trading as soon as possible. This, of course, will require financial assistance from the United States in the transition period.

The opposition is largely traditional and emotional. Arguments on this floor against the financial agreement have not been couched in terms of current economic world conditions. Perhaps the real basis for the opposition is psychological. We in the United States have not yet learned to think of ourselves as a creditor nation. We do not, as yet, always think of ourselves in terms of the responsibilities of the greatest and richest country in the world, the country which alone has the power to determine whether or not the democratic, free enterprise system will expand or decline We are a bit startled at the many demands for help made upon us. The same condition in reverse holds for Great Britain. There the people have so long thought of themselves as citizens of a creditor country that they are startled at their Government asking for financial aid. Nevertheless, the House of Commons voted 345–98 and the Lords, 90–8 to accept this agreement. I hope and expect that we will likewise vote to accept.

Now what of specific objections? I should like very briefly to note six which have been brought up in this debate. Every one is based on misapprehension or on a traditional reaction. Each one is refuted by the facts.

First. It is claimed that this credit would be inflationary. Now, of course, inflation occurs when purchasing power is in excess of goods. This credit adds little to our total purchasing power. Secretary Vinson stated at the hearings that the credit proposed is less than one-half of 1 percent of the aggregate expenditures of our country for the next 5 years, on the basis of our national income of $150,000,000,000 Further, he said that over two-thirds of what the British will spend in the first year, the vital period from the inflationary point of view, will be for commodities in easy supply. The National Advisory Committee on International Monetary and Financial Problems has listed as being in the category of goods where productive capacity is greater than our domestic demand: Railroad equipment, machine tools, power and transmission equipment, certain types of general industrial machinery, some metals, heavy chemicals, crude synthetic rubber, and other industrial materials; also cotton, tobacco, and certain other agricultural products. It is fortunate for us that this excessive productive capacity is in areas where there will be an export demand.

Second. It is claimed that the loan is more than we can afford. It will cost too much. Our debt is heavier than that of Great Britain, and so on. Now what are the facts? Absolute figures alone have little meaning. A debt is burdensome or not in relation to the total wealth of the debtor.

At the end of 1945 with our debt at its peak of roughly $280,000,000,000, some ten billion of which has since been paid off, the national debt of the United States was 1.73 times the national income of 1945. The debt of the United Kingdom was 2.65 times its national income. Our interest payments on debt were 2.5 percent of our national income; the British interest payment, 5.09 percent of their national income.

The per capita debt is almost the same—United States, $1,988; United Kingdom, $2,029—but in relation to national income the British debt is 50 percent higher than ours and the total interest paid on the British debt is 100 percent higher than ours.

Our debt involves no question of foreign exchange. We owe it to ourselves. Britain owes great sums for war materials and food to other countries.

The rate of interest on the loan to Britain is 2 percent. It is estimated that the net rate will be from 1.63 percent at the lowest to about 1.87 percent. This is a trifle less than we pay on money we borrow, as our Treasury pays an average rate of 1.97 percent on the United States public debt. But the direct and indirect benefits of the credit, the betterment of foreign trade, will increase the income of the American people. With greater trade Government revenue will be increased. Thus it seems very likely that there will be little or no cost due to the slight difference in the rate we pay for money, and the rate we receive from the British.

We are not a poor country. The United States now dominates world industry. In 1690 our production was 22 5 percent of world production This rose to 42.1 percent in 1929, and to 60 percent in 1946.

In the words of the New York Times editorial of day before yesterday:

> The credit is, in short, to be extended to a good customer who would otherwise cease to be such; to a friend who would otherwise be unable to cooperate to set free the world's trade, to American manufacturers and farmers who will profit by producing for export; to American workingmen who will lose if we bog down in another world-wide depression. Like every sound credit, it will benefit all concerned

Third. It is objected that Britain did not pay the debts of World War I. I will not go into the figures They have been given in the Appendix to the RECORD, pages A3653-3654, several times in the past weeks and show what a large part of the debt actually was paid. But let me emphasize that the amount paid by Britain to the United States was $2,034,000,000 of the $4,250,000,000 debt, while the amount received by Britain from her own debtors for war debts was only $346,000,000 of the $7,800,000,000 owed her. What ' important to remember is that we refused to accept payment in goods, the only way the debt could be paid. We insisted on gold, in spite of the fact that when we got it we could not think of anything better to do with it than bury it. We raised our tariff in 1922 and 1930. Woodrow Wilson, when he vetoed the Fordney Act in 1921, warned that if we raised our tariff so that other nations could not sell here they would have no means of repaying their war debts. Even so, Britain paid in full until 1931, when the world-wide depression made further payments impossible.

And again, let us not forget that the debts of World War I were for war matériel, for goods shot away, destroyed. The line of credit under discussion is for a constructive program, for building up production and world trade. Its very terms carry the means by the results of which it will be paid.

Mr. Clayton, in testifying before our committee said: "If we can restore the trade of the world to a multilateral basis so that the markets of every country would be open on equal terms to every other country then I think the trade of the world will increase so greatly that Britain will be able to repay not only the principal but the interest on the loan."

The terms of the agreement do provide for such multilateral trade. The loan will be repaid. But even if there were a risk it would be well worth taking. The figures purporting to be the cost to each town and county which have been presented here have no value beyond an exercise in division and multipilcation. We are not going about with a basket collecting $3,750,000,000 on a per capita basis from each person in the country. With our present tax structure the risk will not be met equally by every citizen regardless of income. Our actual risk is a total of some $140,000,000 a year. It has been estimated that this would mean at most a risk of $169 additional annual charges against each corporation having a net income of $100,000 or over, and $6.94 additional tax for each person with an income of $10,000 a year. Personally, I feel that $6.94 a year is a very low premium to pay on an insurance policy for peace especially since, in light of the testimony we have on repayment, the changes of my having to pay it are so slight.

Fifth. It is objected that there is no collateral.

It is true that Britain still has some foreign investments over and above those pledged with the RFC loan. I refer you to the excellent statement made yesterday by the gentleman from Oklahoma [Mr MONRONEY]. But insisting on having these remaining investments put up as collateral would defeat the very purpose of the loan in hampering British economic readjustments. Foreign investments have been the second largest item in balance of payments. Britain must have real control of these earning assets and freedom in their use if she is to make an economic recovery. Such recovery is the real security for repayment. Moreover, such collateral would, without question, cause political friction, especially since large amounts of these investments are in countries other than the United States and such countries could hardly look with favor on our control of such investments

Moreover, and more important, this is not a commercial loan. It is a fallacy to discuss it as if it were on a par with a loan by the First National Bank of Cross Corners to the local factory. This credit is one part, and one part only, although the implementing part, of an agreement whereby the trade of a very large section of the world would flow freely and unrestricted by economic warfare in the shape of exchange controls and other such restricting techniques.

It is true that Britain still has some gold and some dollars In 1937 these reserves totaled $4,000,000,000. On January 1, 1946, Britain held gold reserves of $1,949,000,000, of which $45,000,000 was in the United States. In addition, England held balances of $375,000,000 in American banks. This net gold and dollar reserve is $1,900,000,000. But note, this is the reserve for the entire sterling area. Relative to the volume of foreign trade it is the smallest gold reserve in any trading country today. Before reducing this reserve Britain would cut her essential imports to a level even below that of wartime and so restrict our international trade. A case for such collateral cannot be made. It would retard, if not make impossible, economic recovery in Britain.

Given present world conditions, no one who looks at the facts can disagree with the statement that the continued maintenance of our economic life on a high level depends as much on the economic recovery of Britain as our security from ultimate military attack in the war turned on her stand when the Luftwaffe was dropping bombs on British munitions plants and we were tooling up in ours.

Sixth. Some object on the grounds of British imperialism. Others claim that we will be financing British socialism.

It is interesting that objections in Great Britain also spring chiefly from the Conservatives and Imperialists and from the extreme left labor group.

Reference was made by the gentleman from New York [Mr. CELLER] on this floor to a poll in the Daily Express, of London, to the effect that 81 percent disapproved discontinuing the British practice of imperial trade preference. No reference was made to the fact that this paper is owned by a strong Imperialist.

Quoting a poll in his paper as evidence of British opinion is very like quoting the Chicago Tribune as representing all the United States.

Actually, the provision of this line of credit will lessen imperialism. Without the loan, Great Britain would be forced to tie the Empire to countries and the colonies to her by every economic means possible. The loan by making sterling convertible, by discontinuing exchange controls and import quotas definitely makes for less rather than more imperialism.

We are not financing socialism. If Britain should nationalize any of her industries, payment will be in British bonds in terms of pound sterling and will be paid for by receipts from taxes or from borrowing from individuals or banks in pounds. Dollars are not necessary nor acceptable for nationalization.

The extreme left is opposed to the loan because they know that the economic situation in Great Britain has been a major cause of turning to the state for aid in a crisis. With revived exports, there will be less demand on the part of the public for state control.

Incidentally, we would have a much truer picture if we would use the word the British themselves use and talk of the British Labor Government, instead of socialist government. And it might be well for some of us to remember that very recently at the Bournemouth Conference, the official delegates of the British Labor Party voted their strong opposition to any form of alliance with the Communists. And moreover, we sometimes seem to forget that the British Labor Party rose to power as the result of a peaceful election, not a revolution.

Seventh. It is objected that the loan will be a precedent for loans to every other country.

It would not. Other loans may be needed, but their justification will not be

based on the fact that this financial agreement is accepted. No other country has the same crucial position in world trade as has Great Britain. Except for the dollar, no other currency has the position of the pound sterling. The role of the pound sterling in international trade clearings, the large proportion of world trade carried on by sterling area countries—before the war one-fifth of the entire trade of the world moved in and out of the ports of Great Britain—the dependence of Britain upon imports for its very life, puts Britain in a unique position and makes her financial and trade policies of utmost significance in determining what shape the economic structure of the world will take.

Without the loan and with Britain desiring so or not, a structure of controls, restrictions, eventual economic warfare, and much too likely, ultimately actual warfare and destruction of civilization will result. With the loan, we would have a structure of free enterprise, competitive, freely flowing international trade, increased production, higher standards of living, and peace. In brief, with the loan our chances are very good for international trade conducted in accordance with American policy of foreign trade which, we should remember, was for long centuries the British tradition also until Britain was forced to change as a result of economic forces let loose after World War I.

Mr. Clayton when before our committee, stated that with the agreement in effect we would have multilateral trade and no bloc in that part of the world comprising 33 percent of the world area, 87 percent of the population, and 95 percent of the world trade. The Soviet Union and countries with which it has bilateral agreements cover 17 percent of the area of the world, 13 percent of the world's population, and less than 5 percent of international trade.

These figures tell their own story and provide their own argument for granting of the line of credit.

So much for the more usually voiced objections. What of the positive side of the argument? Why make the loan?

Economic cooperation is as essential as political cooperation if we are to provide a solid basis for peace and security.

Military experts have studied the atomic bomb and have summed it up: "The only sure defense of the country is now the political defense." To be quite accurate they should have said politico-economic defense.

Our current job is to build a new world economy, based on a higher level of production, of employment, and of national income. War is less likely in a world where all people enjoy a reasonably high standard of living than in a world torn by poverty.

For world prosperity we must have expanded international trade. This means we must have trade on a multilateral basis. And we can have trade on a multilateral basis only if the sterling area is open to competitive foreign trade. Britain cannot risk the loss of the protection given by the wartime conditions of exchange unless she can be assured of dollars to secure essential food and raw materials during the transition period in which she is building up her exports. Britain is not broke as has been claimed. She has already made a remarkable come back. Her people have accepted life on a level of austerity which few of us who have not been in England and seen it for ourselves, fully realize. Dollars are needed to restart the functioning of foreign exchange, to make sterling again freely convertable, to implement the Bretton Woods institutions to which we give such an overwhelming vote in this House.

Canada is prepared to extend credit of $1,250,000,000 to Britain on terms similar to ours. In relation to her population, less than 1/2 percent of ours, and her income, a little more than 5 percent of ours, this is a loan relatively much larger than the one we are discussing.

This loan will enable Britain to purchase goods and services needed for her economic reconstruction from the United States, to meet the deficit on her current balances of payments representing the excess of imports over exports during the transition period, and to still maintain adequate reserves of gold and dollars necessary for the stability of her foreign trade.

The loan would help other countries. For example, the press quotes DeValera as hoping Congress will approve it because the loan would greatly help the economic stability of Great Britain and this in turn would aid Eire, which is dependent on Britain for most of its trade.

What do we gain? In the economic field we gain foreign trade necessary to full employment at home. But more important we take our proper place as leader in the defense and strengthening of the democratic, free enterprise system.

It is true that only some 10 percent of our total business is in exports. But that is an over-all figure. There are many specific industries in which employment depends on export.

For example, in the years just before the war we exported the following percents of our total production of certain commodities: Dried fruits, 34 percent; rice, 20 percent; leaf tobacco, 30 percent; wheat and wheat flour, 12 percent; raw cotton, 31 percent; turpentine, 39 percent; refined mineral oil, 11 percent; refined coffee, 54 percent; passenger cars, 6 percent; trucks, 21 percent; industrial machinery, 14 percent; agricultural equipment and machinery, 15 percent; office appliances, 20 percent. Every geographical section of our country is covered by this partial list of exports.

The United Kingdom has been our best customer taking some 17 to 18 percent of our exports. Canada comes second with 16 percent and the entire group of British Empire countries have taken some 40 percent of our total exports.

There has been amazing unanimity among all our occupational groups as to the value of the loan to our economy.

William K. Jackson, president of the Chamber of Commerce of the United States, speaking for his board of directors, endorsed the loan saying:

> This credit is an essential element in the program for the revival and expansion of foreign trade to a volume necessary for the maintenance of a high level of employment under normal peacetime conditions.

Without the loan rival economic blocs will be inclined to engage in a cut-throat struggle for world markets. We fear that under such circumstances maintenance of world peace would become increasingly difficult.

Thomas J. Watson, president of International Business Machines, telegraphed on July 9:

> Based on 35 years of experience in international trade, I consider the proposed loan to Great Britain of major importance in the expansion of the United States foreign business. I believe the British loan is essential to the establishment of a permanent peace and an economic stability fair to all countries.

The American Farm Bureau Federation has endorsed the loan, for in the words of President Edward A. O'Neal:

> American farmers are vitally interested in world trade. A loan to Britain is good business for American farmers and the United States as a whole. The loan is one of the necessary stepping stones in developing a secure economic foundation upon which to build an enduring peace. It would be a tragic mistake if the loan is not approved.

In brief, this is a two-sided agreement. The United States helps Britain to reconvert to peacetime economy and Britain agrees to support the United States policy for releasing trade from controls and restrictions all over the world. This is in line with the objective of the Atlantic Charter: "To further the enjoyment by all states of access on equal terms to the trade and raw materials of the world." It also has the goal of increasing trade and employment everywhere by speeding the transition from a system of wartime controls in international trade to a condition under which free enterprise can flourish.

Paragraphs 7, 8, and 9 of the agreement contain precise commitments by the British Government as to the time and ways in which it will liberalize its regulations and remove discrimination in the operation of sterling-area exchange arrangements, and in import arrangements. Paragraph 10 covers commitments dealing with the treatment of the war-created blocked sterling balances. These commitments are of direct benefit to the United States. They will enable American exporters to compete freely in foreign markets over almost the entire world, an advantage that they have not had for some 15 years. This would come with the abolition of the dollar pool, the convertibility of sterling, the removal of discriminations in British trade and the handling of the blocked sterling balances so that all sterling countries could buy freely in the United States.

The cost to the United States of refusing the loan would be a shrinkage in our trade, violent readjustments in our production of goods of which a considerable percent has been exported and a reduction in our employment and output below what it would be with expanding trade. And, remember, this country could not stand alone as a free-enterprise nation in a world of state-controlled economies. Eventually we would find our foreign trade, of necessity, more and more under Government control.

There is a deeper stake in this British credit than trade figures. We are discussing not a mere loan. We are discussing the future of civilization. That is not a grandiloquent statement—it is a fact. For what the loan provides is an economic condition which will permit Britain, the British Commonwealth of Nations, the British colonies and the countries of the sterling area to join with the United States in making certain that economic warfare is outlawed and that we will have an unhampered flow of goods between nations. This is the prerequisite of world prosperity and a necessary foundation for economic peace without which there can be no hope of avoiding war.

In this country we know little of the stark tragedy of war. We have been fortunate. In the next war we will not have the protection of distance. Our very engineering skill has made it certain that if there is a next war our cities will be bombed, our lands devastated, our people facing starvation as are people of other areas in the world today. And there would be no prosperous America to help rebuild the postwar economic structure of the world. Civilization as we know it would be lost.

In discussing this British credit let us think not merely in terms of rate of interest, of repayment. These factors have been cared for. Let us not confuse loans by private financial institutions to our veterans with international financial agreements. Let us differentiate clearly between traditional reaction and present day realities. Let us think as citizens of the greatest and richest country in the world. Let us remember the responsibility which goes with riches and power. Let us remember that what the United States does in the next months and few years to come, in no small way will determine what the world will be like for many decades to come—whether we will have misery and war or prosperity and peace.

A vote for the British credit is a vote for a chance that our grandchildren will live in a world of peace. That is a chance for which anyone who is devoted to America, who believes in our democratic system, will be willing to pay a price much greater than the one we are discussing today.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, at the very outset let me say I concur with every single word that was said by the distinguished gentleman from New York [Mr. WADSWORTH] when he so eloquently pointed out the plight of one of our allies and pointed out the absolute necessity for giving a helping hand with working capital.

Mr. Chairman, I shall vote for the resolution now before us approving the British financial agreement.

Like many another Member of this House I have come to my final decision only after a very careful consideration of all the various factors involved. It seems to me that any Member of the Congress in attempting to reach a final decision, provided he were trying to do so objectively and not with either fear or hate of England in his heart, must first determine whether or not this loan is purely an ordinary business transaction or whether it is an essential cog in the implementation of our foreign policy. To my mind, it is clearly the latter. Not only do I feel that it is an important cog in our foreign policy, but I likewise feel that in the long run this Nation will receive very substantial benefits from its acceptance.

I cannot subscribe to the theory that merely because we have made such a credit to Great Britain as that here contemplated we should be obliged to make similar credits on similar terms and in comparable amounts to other nations.

The situation of the British is unique in several respects. In the first place, the British Isles are obliged to import between 40 and 60 percent of their food. This means that it is absolutely essential for them to render services to or trade with foreign nations in order to get sufficient foreign exchange to keep themselves alive. Only three other major nations of the world have in recent years had a comparable situation—Germany, Italy, and Japan. We know what the fear of being cut off from food supplies helped do to free democratic institutions in these three countries. In the war of ideology which is taking place over the face of the entire globe, we certainly do not want to do anything which might force the British, even though we may be somewhat out of sympathy with some of the actions of their present labor government, to take to totalitarian ways in desperation. Let us not forget that the alternative to granting the dollar credits will require on the part of Great Britain an ever increasing measure of governmental control over all her imports and exports—a control as absolute as that of any totalitarian nation, and one which will be certain to reflect itself in her domestic policies.

In the second place, Great Britain was the only major nation which as a result of her participation in the war, contracted a very heavy foreign debt. Not only was she obliged to liquidate many of her dollar balances abroad, but she was forced to borrow from many of the nations now constituting the sterling bloc in order to pay her essential war expenditures. She was absolutely incapable of producing within her own borders what she required to carry on her share in the war effort, and that share can best be testified to when we remember that Great Britain alone was carrying the entire burden from the fall of France to the entry of Russia. Had Britain collapsed or faltered at that time, the course of history would have changed in such a way that the risking of the dollars we are now discussing would seem microscopic in comparison.

Much has been said on the floor of this House with respect to interest rates, the term of payments, the so-called escape clause on interest payments, and the lack of collateral. If we were discussing a business proposition, all of the objections that have been offered might well have some validity. If, on the other hand, we adopt the concept that this credit is essentially a political matter, then the terms and conditions are of much less importance, and we can rest content with the assumption that in the bargaining process the negotiators on behalf of the United States reached the best agreement of which they were capable.

Why should we be interested in the political implications of this credit? The answers, to my mind, are comparatively simple.

No Member will deny that peoples everywhere are struggling to resolve what is in effect a form of ideological warfare. More than any other nation, we are clinging to the ideology of free enterprise because we are convinced that only through the mechanism of free enterprise and free economies can the individual remain spiritually and politically free. The opposite concept, namely, that of regimentation of enterprise, of economies, of thinking, and of behavior, has gained very considerable ground. It even finds a powerful minority of sponsors in this country.

Very clearly, the political and economic effects of the British credit will help us to enlarge the area of free enterprise. If we were to receive nothing else in return for the credit than the break-up of the sterling bloc and the dissolution of the dollar pool, we should be getting an extremely valuable quid pro quo But we hope we shall get the economic stability that comes from the successful working out of the Bretton Woods agreement, a stability that is essential if free enterprise areas are to be restored to the continent of Europe and to many other nations of the world.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HERTER I yield.

Mr GAVIN I have a very high regard for the gentleman's opinion on this very important question. I would like to ask him whether or not he will permit me to read three quotations which appeared in the New York Times of June 12 13, and 14, and I would like to have the gentleman comment on those quotations.

Mr. HERTER. I hope the gentleman will make it as brief as possible because my time is limited.

Mr. GAVIN. These statements are attributed to Mr. Bevin in the course of a major address by Mr. Bevin, Great Britain's Foreign Secretary. He said:

> America may be a capitalistic country, but that does not mean she will always be. There are great forces moving in the United States, and when they move they move very quickly

Again he spoke as follows:

> Russia is Socialist, we—

Meaning the British people—

> are partly Socialist, and America can believe in private enterprise. The great task of the moment is to weld these forces together.

Further on he said:

> There are minds in America which represent the very flower of liberal and progressive thought when they find its way to the State Department in proposals of this kind.

I wonder if the distinguished gentleman from Massachusetts would comment on those quotations.

Mr. HERTER. I would be very glad to comment on them. They confirm the

very point I am trying to make, although I do not believe the gentleman intended it that way, because I know he is opposed to this resolution.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I thoroughly agree with the gentleman from Massachusetts that the quotations just read by the gentleman from Pennsylvania present a powerful reason why he should vote for this resolution.

Mr. HERTER. I agree fully with the gentleman that the most important thing which we have got to face in this whole situation is whether we are going to try to make an effort to open up the area of free enterprise or whether we are going to let desperation all over the world contract it into totalitarian control. I think that is the great major issue that confronts us here today.

Mr. LAFOLLETTE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. LAFOLLETTE. As a matter of fact, one can take the other side, that if we open up the world to trade, giving people freedom, it is the privilege of freedom to choose the form of economy we wish. So there is nothing to be guaranteed that the people will do any certain thing in this country that the gentleman fears; but if they choose to take a certain way, it is the privilege of the American people to do it, is it not?

Mr. HERTER. I fully agree with the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman has indicated that this loan to Great Britain or aid to Britain is different from what it might be to any other country. What answer will we give to these other countries in the United Nations, such as Russia and the others, when they come in and ask for loans?

Mr. HERTER. I am delighted the gentleman has asked that question, for it leads right into what I was about to say. The Russian situation seems to me in no way comparable. In the first place the British have got to get foreign exchange with which to buy food, with which to live; they have no choice. They are either going to die on those little islands just as the Italians would have in their peninsula, and the Japs in their islands, and the Germans within the boundaries of their country, if they do not get foreign exchange. None of these situations applies to Russia.

Secondly, during the war years the countries in the sterling area made many loans to Britain that Britain cannot repay except through her own productivity, and that she has not got under way; these loans cannot be transferred into dollars. One of the principal purposes of the present credit is so that a part at least of these loans in the sterling area can be translated into dollars, allowing those countries to trade freely with us, which they cannot do now.

Mr. AUGUST H. ANDRESEN. Does the gentleman expect the British will do away with the Empire preference system and bilateral trade agreements?

Mr. HERTER. The two are entirely different.

Mr. AUGUST H. ANDRESEN. We agree to that.

Mr. HERTER. There is a commitment in the loan agreement, an absolute commitment to do away with the sterling bloc area, an absolute condition. That is why we call this a financial agreement, because there are those agreements on the other side.

Mr. AUGUST H. ANDRESEN. Under the lend-lease operations they agreed to do away with the Empire preference system.

Mr. HERTER. Not at all. In article 7 of the lend-lease agreement they merely said they would grant us certain benefits in regard to the easing up of trade barriers if they could be agreed upon, but there was no agreement on the Empire preference system.

Mr. AUGUST H ANDRESEN There was only an agreement that they would discuss it.

Mr. HERTER Quite correct.

Mr. AUGUST H. ANDRESEN. So there is no agreement as far as opening up the Empire to freer trade with us.

Mr. HERTER. If the gentleman will let me proceed, he will find that those are the very things I wish to speak about next.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HERTER. For the moment I must decline to yield. I am sorry.

I am not here concerned with future trade agreements. The Secretary of State has made it absolutely clear that there are no hidden commitments in the present financial agreement. Any future steps toward the reduction of trade barriers, whether in the form of eliminating quotas or reducing tariffs beyond what is now provided for by law, will have to be submitted to the Congress for approval. The only commitment on this score involved in the present financial agreement is that Great Britain will try to help us to break down some of the artificial governmental restrictions which in the long run would mean the end of international free enterprise.

The final political consideration, and probably the consideration that should have the most weight with all of us, is the consideration as to whether the granting of this credit will be a material factor in helping to solve some of the world's problems by peaceful means rather than by war. I am personally convinced that holding the English-speaking peoples together as a group which will not alone think alike to a large extent politically, but will likewise act alike in international economic dealings, is of the utmost importance. There are already too many cynics in the world who, having seen two world wars in the span of a generation, are convinced that any and all methods of trying to maintain a peaceful world are but futile gestures. I cannot share that view. I cannot help but feel that we should continue to make every effort possible to enlarge constantly the area of nations willing to settle disputes by peaceful means.

If we refused the present credit, we should rapidly drift away, economically speaking, from the sterling bloc. We should undoubtedly foster antagonism which would add to the difficulty of maintaining a peaceful world, and we should certainly force a nation whose role in the war was one of great sacrifice and privation to continue on a considerably lowered standard of living. And at what price would we be doing this? Many arguments have been advanced that the $3,750,000,000 involved in this credit represents a sum of money which might much more profitably be spent on some form of domestic aid to veterans or to other underprivileged peoples in this country. No argument, to my mind, is more beside the mark than that one.

We are probably spending thirty-eight billions this year, at least eleven billions of which is for our armed services. Many more billions are for veterans of the two wars. A few days ago we voted unanimously for an adjustment of terminal-leave pay for enlisted men which all Members recognized was done in order to equalize a situation brought about by the unfortunate mistakes of the War Department and the Military Affairs Committee The sum involved in that bill alone will be as great as that of this entire credit. If, as I firmly believe, the granting of this credit will strengthen the position of the peace-loving nations of the world, the amount involved will be puny compared with the cost of war.

In conclusion, let me say that in these troubled days I can think of no act on our part which would give the leaders of present Russian policy greater satisfaction than to see us reject this credit

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, our membership has been debating the resolution authorizing a loan to Great Britain since last Monday. The Senate, after several days' debate, approved the loan by a vote of 46 to 34. Our House Banking and Currency Committee, after holding hearings extending over weeks, approved this loan resolution by a vote of 20 to 5.

During the period in which hearings were held, representatives of a great number of national organizations testified in favor of this legislation. This included representatives of the AFL, CIO, chambers of commerce of the United States, American Bankers Association, several farm-bureau organizations, and 18 national women's organizations, making a total of over 60 outstanding American organizations which urged the passage of this resolution.

After World War I, I devoted considerable time in support of President Woodrow Wilson's great League of Nations program, but unfortunately the United States Senate refused to endorse his proposal for future peace, and America remained a nation isolated from the rest of the world as far as international cooperation in a great peace program was concerned.

Over the years our country, through costly experience, discovered that it

could not remain aloof from other nations and was eventually drawn into World War II.

Over a year ago, 51 nations sent delegates to San Francisco for a new world organization to insure future world peace, cooperation, security, and progress. By its actions at the San Francisco conference, in signing the United Nations Charter, our country agreed to cooperate and become a part of a great world organization for mutual understanding and with the hope that future international troubles could be settled across the conference table instead of the battlefield. In conjunction with this great United Nations conference, the participating nations entered into financial agreements and proposals at Bretton Woods for the establishment of an international bank and the stabilization of international currencies geared to the American dollar. Legislation before us today is indirectly part and parcel of our future program on international cooperation and its greatest advantage will be enabling us to gain access to foreign markets for surplus production without engaging in a trade war to do so.

I have read the testimony of a great number of witnesses who appeared before the Banking and Currency Committee and find the witnesses experienced in finances and international commerce are all agreed that this loan is necessary for the reestablishment of England as a nation capable of resuming her former export and import business with America. It is very clear from the expert testimony and evidence submitted that without Britain in the Bretton Woods agreement, there is no posibility of Bretton Woods succeeding. It simply is impossible for America to support a world bank alone. Unless this loan is made, we might as well forget about the establishment of Bretton Woods as its refusal will prohibit the world's largest traders to take part in this useful step of international cooperation and the elimination of economic warfare.

Our country must today avoid the pitfalls which we fell into after World War I. Our greatest obligation to the World War II veteran and future generations is to do everything possible to construct barriers against the possibility of World War III. Our Government has assumed its rightful place of world leadership and it would be a calamity if we retreated at this time. International trade on a sound and non-discriminatory basis among nations is the best preventative of economic war which might be the seed for future armed conflict. By profitting from our experience between World War I and World War II, we now have an opportunity to lead in the constructing of a better and bigger world. The cornerstone for postwar reconstruction must be international understanding, cooperation, and tolerance with our neighbor nations and untold dividends will be returned to the America of the future by bringing about international confidence and permanent peace.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. D'ALESANDRO].

Mr. D'ALESANDRO. Mr. Chairman, the issue is what is best for my country, what is the best for the world.

I believe that the whole world outside of those nations behind the Soviet iron curtain, and perhaps many millions of the groping humanity behind that curtain, are looking to the United States of America for guidance. As the nation's elder statesman, Cordell Hull, said yesterday "This is the test." I will meet that test by voting for the passage of this resolution.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, it is an historical fact that ancient civilizations perished on the rocks of financial instability. Historians report that Greece and Rome declined as world powers when their rulers undermined their economies by unsound fiscal policies. My thinking on this proposed British loan agreement has been projected along that line. I am at a total loss to see how we can approve this agreement without great risk to our national security. Never in the history of civilized mankind has a nation had so large a debt as the United States at this time. The June 28 statement of the Treasury Department shows our national debt to be $269,898,484,032 56. That same statement indicates that we expended $21,980,833,183 more than we took in. In other words, the Budget was out of balance by approximately $22,000,000,000. Now how long can we remain in business, or maintain national financial security if that kind of spending continues? The whole question involves the borrowing or taxing of our people and some day the Congress will be called to accountability.

We are only the trustees of the people and, as such, have limited powers. We cannot afford to give away the assets of this Nation and expect it to assume world leadership. The adoption of the pending resolution will set a pattern for requests by other nations. President Truman on last Monday served notice to this Congress that he would soon request a loan for Russia. Actually, he is creating another emergency, but, of course, we know that the New Deal has thrived on one emergency after another since it came to power. We cannot Mr. Chairman, in my opinion, make this gift to England—and that is what it is—without grave threat to our whole financial structure.

It is interesting to note, Mr. Chairman, that this country has had a budget deficit for 16 years. On the other hand, Britain in 5 or 6 of those years operated on a budget that was in balance. The British have obviously attempted to avoid deficit spending in spite of Lord Keynes, whereas we have embraced the principle to the disadvantage of our people.

Mr. Chairman, history is repeating itself on the floor of this House today. Almost a quarter of a century ago, this body debated the question of adjusting Britain's war debt. At that time, as now, the argument was made that adjustments must be made in the interest of world trade, in the interest of our export trade, in the interest of permanent world peace. No new arguments have been advanced at this time. An adjustment of Britain's old war debt was made in response to that plea, Mr. Chairman, but our people were rudely shocked when the promises made at that time were not kept. Today that debt has been repudiated at the expense of all of the citizens of this country. And history will repeat itself again if this loan is made.

World cooperation, Mr. Chairman, is a two-way street. When the Bretton Woods matter was before the House a few months ago, we were told that when it was adopted, there would be no good reason for the British to come here for a loan

That was a promise, Mr. Chairman. And here, again, we are told that approval of this resolution will result in breaking down trade barriers and discriminatory treatment in international trade. These promises are sugar-coated, and will not be kept. There is nothing in the agreement that says they will. The agreement does not spell out any such understanding. Furthermore, we have had some other more recent experiences in that direction. Consider article VIII of the lend-lease agreement, the Bretton-Woods agreement, and the Import-Export Bank agreement, all these contained language professing a desire to eliminate economic warfare on the international level but all have been studiously avoided and war on that front still persists. Can we now believe that under this so-called loan agreement that any different treatment will be accorded this Government?

Mr. Chairman, our people were fooled on the lend-lease agreement. It was supposed to be a reciprocal proposition, but see what happened? When the war was over, the United States had advanced $16,000,000,000 of goods and services to Europe. After deducting reverse lend-lease, on a most generous basis, Britain owed us $4,500,000,000. Under the terms of the agreement now under consideration, we are to release that obligation. Is this not a most generous consideration?

It is my understanding that the present agreement is for a credit of $4,400,000,000 of which $3,750,000,000 is to be advanced in cash by this Government. Of the total amount, six hundred and fifty millions represent a settlement in full for some six billions in property and goods belonging to us but now in the United Kingdom. That represents a tremendous loss to the taxpayers of this country, and some day, the Congress will have to account to the people for it. Can anyone say we have not been generous?

Again, Mr. Chairman, I submit that this country cannot continue its policy of deficit spending. The present administration is presently engaged in a drive to prevent inflation on the home front. It professes to high heaven that economic controls must be retained or we shall be swept into inflation and economic disaster. Yet, in spite of all these protestations, it fires the boilers of inflation by reckless spending and loaning

for every project on the international front. These countries take our money and compete for scarce goods in our markets. The Administration blows hot and cold. It is leading this country down the road to economic chaos and disaster. This Nation cannot afford to make this so-called loan in view of the terrific national debt. Adoption of the pending resolution will result in a disservice to the people of our country and to countless generations in the future. I oppose this resolution on the grounds which I have mentioned.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HOCH].

Mr. HOCH. Mr. Chairman, I do not pretend to know all there is to know concerning the relation between dollars and pounds sterling and so am not qualified to argue the matter before us from that standpoint, but something transpired during the hearings which made quite an impression on me and I want to tell the Committee about it.

The Honorable Owen J. Roberts, retired Justice of the United States Supreme Court, was testifying in support of the line of credit to Britain, when a member of the Banking and Currency Committee said:

I regret that I feel constrained to take what might be considered a discordant note in this love feast for the British loan.

Justice Roberts retorted:

I would like to take you out in the other room and talk the love of God to you.

I assume that what the Justice meant to convey was that in the discussion of this subject there is displayed far too much of hatred, prejudice, and desire for revenge. For later he said:

I meet people in the street and they say, "I hate the British," and I meet somebody else and they say, "I hate the Russians," and somebody else says, "I never had any use for the French." Well, now, you and I have lived in the same street with people that we did not approve of and did not like. We have lived under the same Government with them, voted at the same polls, and when the back fence gets out of repair, we talk about it with that fellow, about fixing up the fence between us, taking care of things that are our common interests.

There is so much of this short-sighted talk in this country, "I don't like so and so; why lend anything to Britain. I would not lend anything to Russia; to France; I would not help them at all." They do not mean it, really. They are just saying something off the bat, and I have the confidence that when the American people have it put plainly to them, and simply, that they will form a right judgment.

It has been well said that the approval of this resolution will aid materially in bringing about lasting peace in the world. I believe this to be true. Because I believe this I shall support the resolution. I want to remind my colleagues that lasting peace cannot be built upon hatred, prejudice, and revenge. After all it is just and lasting peace that all of us want. I feel that if I could convince you that this extension of credit is a vital step in achieving that peace everybody would support it.

Of course, if we allow prejudice to hold sway; if we emphasize that which we do not like in the British, then we will not vote for the resolution. Oh, it is so easy to play upon people's prejudices and thus to influence them—far easier than to reason with them to awaken their better natures and thus induce them to take the reasonable, the humane, the right course.

The arguments used against this resolution cover everything that we have ever had against the British from Bunker Hill to the debt owing from World War I and from lend-lease.

I am reminded of what a Member of this body in the Seventy-seventh Congress used as an excuse for voting against lend-lease. Said he: "I have not forgotten how the British hired the Hessians to fight against us in the Revolution." Poor fellow, he is still fighting the Revolution. He is no longer a Member of this House.

Mr. Chairman, what is needed in order to take the right course in this matter is to substitute faith for prejudice—faith in that God concerning whose love Justice Roberts desired to speak to his interrogator, faith in our fellow men, faith in our country—faith in the other countries of the world, and faith in ourselves.

I am convinced that the efforts of the United Nations organization to solve its many difficulties and to establish a lasting peace will be materially aided if we grant this extension of credit. Because I believe this and because I feel with Justice Roberts that God is love and that He expects me to love my fellow men, I shall cheerfully vote for the resolution.

Do you call me a dreamer or a stargazer? Perhaps I am, but I cannot close my eyes to the miracles that have happened during the past few years. I know that if I had predicted that the conferences at Bretton Woods and San Francisco would result in an agreement among the representatives of half a hundred nations I would have been considered visionary.

But miraculously the agreements came about and it is upon those agreements that the United Nations organization has been built and is now operating As the conferences referred to were successful, so I predict the United Nations will overcome all obstacles and in spite of the efforts of the isolationists and others who would hamper its efforts, it will succeed.

I am not in sympathy with isolationism. That issue is dying and will soon be dead. I am neither the oldest nor the youngest Member of this House, but my age does not prevent me from seeing that the world is changing. I want to keep step with those changes. I do not want to hark back, but look to the future, and be prepared to take my proper place in this changing world.

I am confident that lasting peace will be one of the results of the efforts of the United Nations organization, and because I am convinced that the line of credit to Great Britain will aid in bringing this about I shall support the resolution. Far be it from me that any act of mine should in the least interfere with the coming of enduring peace to this war-torn world.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, it is perhaps possible that I am the only Member of Congress who had the opportunity to attend the Inns of Court in London, England, who will have the privilege of voting against this loan. It so happened that one of the educational experiences I had following the armistice of 1919 was that, from France, I was directed to attend this school at the invitation and at the suggestion of the Army. During that time I learned something about the English people as well as something about the English system of government. For the qualities of both the English people and their government I have the greatest admiration and respect. What might be said in criticism, would here serve no useful purpose.

It is further true that I know little about how the English Government treated my ancestry before they left Ireland for America—except from what history records. I enter on the discussion of this loan therefore and into my judgment upon it without at least some of the prejudices which are attributed to some of my nationality.

We are in the position today of being asked to make continual transfusions to England and to other countries of the world, and I am wondering just how far these financial transfusions can go until we are spent completely white. Even though the patient who is receiving the transfusions may live, what will happen to the donor who is continually being drained of the lifeblood? There can be but one answer.

Frankly, it seems to me that if we make this loan to Britain that is only the beginning of loans which will have to be made, because I cannot believe a loan of this size will be the only transfusion that will be required to place the patient—Britain—back upon its feet and as well the other nations whose needs are even more serious.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Mr. Clayton in the Senate said it is quite possible that there will be more requests for loans from Great Britain.

Mr. O'HARA. I would greatly respect Mr. Clayton's view upon that matter.

When we make this loan, and it probably will be made, that will be but a precedent for granting the applications for other and greater transfusions. But how far can we go? I appreciate that those of us who may say that we are constrained to feel that our first responsibility is to the people whom we represent, to sustain the oath of office which we took, and to think first of this country, may be charged with being isolationists because in our judgment there is a limit to what we can do, but I am perfectly willing to take that responsibility as far as my vote is concerned.

One need not be a prophet to add the prophecy that we will be asked for bigger and more loans to foreign countries by next year. I am sure I do not charge

anyone with a lark of good faith if they vote for this loan if in their own judgment and in their own minds they believe it is a good and worthy cause. But I have been just a little bit intrigued by the arguments which have been made about the crying need for this loan and this great desire that we should do good because they are pretty much the catalog arguments that we heard about lend-lease and the various gifts and activities of this Government and the legislative action that we have been asked to take in doing good all over the world.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr O'HARA. I yield to the gentlewoman.

Miss SUMNER of Illinois. Would you not think after leading us into a war, and even before we got into the war they had another war started, that they would begin to get an inferiority complex about their leadership and start listening to somebody else beside "One World"?

Mr. O'HARA. I think the gentlewoman's question answers itself. According to some, we have become a race of flagellants. We are asked by some to chastise ourselves because we are being made to feel that we have done nothing to win the war, notwithstanding that we had some 243 divisions in the war and that we gave billions and billions of dollars in lend-lease aid to England and Russia. We almost single-handedly won the war certainly in the Pacific and we were the final and conclusive force in the European and African campaigns. But we are told that we should have an inferiority complex and we are being sold an American inferiority complex and being told that we must do still more because we have done so little for our noble allies.

Miss SUMNER of Illinois. I think it is just wonderful to hear somebody speak this afternoon representing the United States. Most of these people who get in the well of the House sound as if they represented a country that had an Oedipus complex.

Mr. O'HARA Personally, I feel a great indebtedness to the American boys and the American people, and I would certainly be derelict in my duty if I did not say I feel that what America did and what our American boys did is why we, the United States, won the war. I hope that those who have hope of doing good will soon be able, through the United Nations, to get around to signing the peace terms. I sincerely hope when that is done that Russia will try to cooperate and that England will try to cooperate with us in the same altruistic spirit that we have in carrying out the purposes of the United Nations agreement. I think Britain and the United States will get along very well. I do not believe we are going into this loan business with the idea that when the loan is made British traders are going to bow to us and say, "No, you, Mr. America, go in and get the trade first." I think they are going in to get the trade. I am not going to be so stupid as to think that when you get into international commerce the British will not drive just as good and perhaps a better bargain than our American traders, or at least it will be equally as good. I want to see England survive and be one of the great empires of the world such as she has been, and correct her mistakes of policy. But I am rather fearful that her condition is such that a $3,750,000,000 transfusion is not going to put her back on her feet. I sincerely hope she does get back on her feet, but she has the same problem in getting back and restoring herself and her empire that the American Government has and the American people have.

I think the United States has all the problems that she has and a great many more.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. KNUTSON. I was impressed with the argument made by the gentleman from New York [Mr. WADSWORTH] wherein he stated that he never knew of an instance where one government required collateral from another government. This loan could be made through the Reconstruction Finance Corporation, which always requires collateral on loans.

Mr. O'HARA. Yes; or perhaps some security through the Export-Import Bank

Mr. KNUTSON. Yes.

Mr. O'HARA Of course, I hope it does not come to be old-fashioned and isolationism when we come to deal in loans that we should expect some security or something to guarantee payment to the people of this country, the taxpayers who will pay this bill. This is not a loan. It is a gift being sold the American people under delusion and sophistry.

Based upon the population as shown in the 1940 census, I submit a table showing the costs of this loan to each of the 14 counties which make up my congressional district, which is the amount the people who must pay the bill will have to pay. The table follows:

County	*Amount at $28 each*
Blue Earth	$1,013,684
Brown	715,232
Carver	492,968
Cottonwood	452,004
Dakota	1,110,480
Faribault	670,348
Jackson	470,540
Le Sueur	538,356
McLeod	598,640
Martin	690,368
Nicollet	511,896
Scott	436,380
Sibley	465,500
Watonwan	389,256
Total	8,555,652

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. O'HARA] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I recall vividly the time when a cry of pain surged in upon Washington from people in the several States who had become pauperized by the default of their foreign bonds. The cry reached the ears of the Senators who set up an investigation. Day after day came the news that foreign nations had defaulted the bonds bought by American investors under the pressure of the big city bankers and their salesmen. It will be recalled that more than a billion dollars' worth of foreign bonds in American hands were suddenly frozen in American hands. Some of the defaulting countries were Austria, Bolivia, Brazil, Bulgaria, Chile, Columbia, Costa Rica, Cuba, Ecuador, El Salvador, Greece, Hungary, Panama, Peru, Uruguay, and Yugoslavia

From all parts of the United States came the question, Who was responsible for the default on the foreign bonds so highly recommended by the big city banks?

When certain bankers were called before the investigators to answer the question of responsibility, the list was impressive: Thomas Lamont, of J. P. Morgan; Otto Kahn, of Kuhn, Loeb; Charles E. Mitchell, of the National City; Winthrop Aldrich, of the Chase National; Clarence Dillon, of the Dillon, Read; James Speyer, of Speyer & Co.; Joseph Swan, of the Guaranty Co.; and Frederick Strauss, of J. & W. Seligman.

Why did these eminent internationalists buy these foreign bonds and then sell them throughout the United States, using the little country banks as their sales agents? First, the international banks received a large commission for selling these foreign bonds. The default of these bonds did not cost the international financiers one red cent. What did one of the witnesses answer as to the object of the promoting banker? Otto Kahn answered that the object of the promoting banker "is and must be beyond all other things American prosperity, not merely from the point of view of a patriotic and decent citizen, but from the point of view of his own pocket. The international banker's profit, even in the case of foreign bonds, is made in this country, and not abroad." How familiar this argument sounds.

Under severe questioning, the theme song of the international bankers was that the purchase of foreign bonds, increased our foreign trade. The same song and the same racket is now in operation by the same international banking interests in promoting Bretton Woods and the loan to Britain.

When pressed to explain how these foreign bonds were obtained, it was brought out in connection with a Peruvian loan that one of the banking houses had paid a large amount to the promoters who arranged the deal behind the scenes. To facilitate the loan there was transferred to the son of the president of Peru the sum of $415,000 for his services in the course of the flotation. This is a matter of public record. I am sure the tactics used to float loans in foreign countries, the securities to be peddled out later to the people in the United States must be known to those who supported Bretton Woods and who now advocate the British loan.

Cuba was under the rule of a dictator, a bloody one at that. The evidence showed clearly that the Chase National Bank in floating a loan in Cuba employed José Obregon as manager of the Cuban branch bank, first at $12,000 a year and then at $19,000. José Obregon

was the son-in-law of Machado, the military ruler and dictator of Cuba. A year previous to this loan, a representative of the bank had written in respect to Obregon:

As we know, from any business standpoint he is perfectly useless He has neither any ability for banking, nor has he the slightest ability in negotiating, which was something which we thought it might be possible to build him up to do. * * * From what I could gather in listening to some of the Cubans' talk is that Joe (Obregon) has very little standing with the President (Machado) and I think this is probably true. On the other hand, where the rub comes in is that if we do not pay him his salary, the President (Machado) would have to give him an allowance, and in times as hard as these this might be fairly difficult to do.

It will be recalled that Charles E. Mitchell, of the National City Bank, declared that "foreign investments very largely control the volume of the export business of the United States." When Mr. Mitchell was asked what percentage of the total exported capital was employed in cutting down domestic business, he admitted he did not know. But, Francis P. Garvan, speaking for the Chemical Foundation, laid before the Senate committee a list of American loans that had been made to chemical concerns abroad. I quote from Mr Garvan's testimony:

These international bankers have been persistently borrowing the money of the American people and, for the bribe of huge commissions, have been loaning these savings to the international chemical cartel, or its constituent companies, or allies, the cartel whose success is necessarily based upon the destruction of our industry and our independence. * * * Our chemical industry is faced not only in our country, but throughout the world, with competitors whose pockets are filled with American savers' money, and, with the ability to extend long-time credit based thereon, competitors who either never intended to repay their loans, or who intended to buy them up in a depreciated market at 10 or 20 cents on the dollar.

I hope that every banker in the district which I have the honor to represent will refuse to purchase and peddle these foreign bonds to their clientele. The international bankers must neither dominate our country banks nor endanger their solvency by again loading them down with foreign bonds.

Mr SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, the Anglo-American financial agreement is intended to provide a favorable economic climate in the world so that the peace we now enjoy as a result of much sacrifice may be preserved.

Without this prosperity for all peoples, the United Nations organization, in which lies the hope of the world for a peaceful future, will find its path difficult. If there is any doubt that peace has as a requisite, the economic welfare of the people, one need only to study the career of Hitler. His rise to mastery sprang from a people bowed down by economic misery. Their acceptance of him as a savior spelt ruin for them and war for the world.

Equally essential is the continuance of the solidarity of the Allies—United States, Great Britain, and Russia—who stood steadfast in the face of Hitlerism, but now are exhibiting tendencies to fly apart and wreck the unanimity of purpose which guided them through the Second Worl' War.

It is disheartening, not to say frightening, to watch the steady stream of crimination and recrimination of certain elements in the three countries, all creating and increasing the suspicions of the hour. Differences in international policies are debatable, but underlying friendship should not be shattered by reckless and unverified charges

These evil works will slowly sow the seeds of discord until that state of psychology is reached when the masses embrace the concept that war is inevitable.

In our discussion in the Congress of the Anglo-American loan, it is in keeping with this world 'rend that our ally, England, should be maligned and censured. If this loan agreement were rejected, who is there who would not say that it would be of irreparable damage to the future relations of the two chief English-speaking nations of the world

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. THOM I yield.

Mr KNUTSON. Would the gentleman support a motion to require collateral for the money advanced?

Mr THOM. I will answer that very briefly. England's citizens own property all over the world, but that property does not belong to the Government of England.

Mr. KNUTSON. Neither did the coal mines.

Mr. THOM. The only way the Government of England can secure the property of its private citizens is by a way that the gentleman would criticize, that is by expropriation; by saying to the owners of the property in South America, or the United States: "You must sell your property to the British Government for pounds; and unless you do so we will seize it."

Mr. KNUTSON. Mr. Chairman, will the gentleman yield further?

Mr. THOM. Just wait a minute; I am going to answer the gentleman. The gentleman is entirely erroneous in his thinking.

England owns great properties in South America. Suppose she sold those properties after expropriating them from her private citizens? What would she get for them? She would get the currencies of those countries; and that is not what she wants. She wants and needs American dollars; and you cannot get American dollars in Brazil or Argentina for property that belongs to British private citizens.

Mr. KNUTSON. But she has $3,000,000,000 in this country.

Mr. THOM. If that is true, her private citizens own it; and the gentleman, a defender of free enterprise, would not agree that the English in this time of peace should take from their own private citizens the private ownership of shares and other things.

Mr. KNUTSON. They have done that with the gold mines; they have done that with the banks; they have done that with the transportation system; they were all privately owned.

Mr. THOM. Yes; but the coal mines were owned in England; they were not owned in the United States or South America. When she took over the coal mines she paid the owners in sterling and they received a quid pro quo. That is the right of a national government in its own country, to take property by expropriation.

Mr. KNUTSON. If she sold her securities in this country she would get dollars.

Mr THOM. Yes; but she would have to take the securities from the private owners. She did that during the war when her very life was threatened. She told every Englishman who owned an American share of stock to bring that American share of stock in under her war powers and exchange it for sterling.

Mr. KNUTSON. And she still has them.

Mr. THOM. In turn she sold that stock on the markets and used the dollar exchange to buy munitions of war.

Mr. KNUTSON. She still has the stock.

Mr. THOM. She has some of the stock. She has some stock in the General Motors Co. which is used as collateral for a loan from the United States.

Mr SPENCE. Mr. Chairman, will the gentleman yield?

Mr. THOM. I yield to the gentleman from Kentucky.

Mr SPENCE. It is said that England has $2,000,000,000 of assets in the United States. Nearly a billion of that is pledged to the Reconstruction Finance Corporation on a loan of $450,000,000 and a great deal of the balance of that is in the form of trusts and so forth, and England could not get control of those funds. There are about $600,000,000 of free assets alone that England might use as collateral in this country.

Mr. THOM. If England took over the assets in the form of shares of stock in the United States of her private citizens and sold them and used them for dollar exchange she would be in the position of destroying her future, because after that she would not have the income from those American shares which she now enjoys in order to make up the balance of her trade and pay off her indebtedness to the United States. That is where England gets her dollars.

She gets her dollars, first, from exports; second, from the income of shares of stock held by her citizens in all countries of the world; third, by the results of her shipping business under which she carries cargoes between various countries, and using the money spent by travelers in England. That is the way she accumulates her exchange. When you cut down the sources of that exchange you simply destroy her ability to balance her trade in the future, and you take away from her the dollar that she wants to spend for our goods.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOM. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It seems to me it is not terribly important whether we criticize England or not. Certainly from the clippings I have from English newspapers, the English have criticized us. It seems to me the important thing is whether this is wise or not.

Mr. THOM. Criticism of policy is sound, but malicious criticism, whether uttered by England, the United States, or Russia, is vicious and harmful to the future relationship of the Allies.

Mrs. ROGERS of Massachusetts. I will be glad to put into the RECORD some of those clippings.

Mr. THOM. Oh, I can find clippings from every country and from some American newspapers that reflect, I think unjustly, upon our allies and are bringing about a prejudice that will result in the shattering of the purposes of the Allies and might conceivably result in war, together with other causes.

Mrs. ROGERS of Massachusetts. It is just as I said, it does not seem to me it is terribly important anyway.

Mr. THOM. I think it is very important that we should not create in the world a feeling of suspicion and enmity between countries The last thing I want to do is to ascribe a wrong motive or make a wrong accusation against any country in the world because I do not think that is the way to preserve peace

Mrs. ROGERS of Massachusetts I do not think that will decide the issue in the ultimate analysis. I think it will be decided on the question whether it is right or wrong.

Mr THOM Will not the gentlewoman agree that there is a sentiment growing in this country at the present time which is in essence that another world war is necessary and will occur?

Mrs. ROGERS of Massachusetts. No; I do not think so.

Mr. THOM. I hope that is not true, but I am afraid when I hear people talk and from what I read in the newspapers that I can come to no other conclusion That is a very vicious opinion for our American people to hold

Mrs. ROGERS of Massachusetts. I have no such ideas and I do not think the American people have.

Mr THOM. I do not accuse the gentlewoman of that and I do not accuse all the American people of it, but there is such a sentiment in existence.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. THOM. I yield to the gentleman from California.

Mr. McDONOUGH. Referring to the gentleman's statement a moment ago about malicious criticism, does the gentleman consider the statement recently made by Mr. Bevin that if we want to assist in allowing a hundred thousand Jews to go to Palestine we ought to open the ports and let them come to New York?

Mr. THOM. That is the argument of Mr. Bevin.

Mr. McDONOUGH. Does the gentleman consider that malicious?

Mr. THOM. I think some of his statements in that connection were not quite true, but I cannot go into an analysis of all those statements. I say and I contend that things are being said and done to break the Allies apart.

Mr. McDONOUGH. But there is more being said by the British against the United States than there is by the United States against the British.

Mr. THOM Well, nobody knows that.

Mr. McDONOUGH. We read in the paper that there is more of it.

Mr. THOM. You would have to have all the newspapers of England and all the public utterances in England and balance them against the newspaper editorials and public comments in the United States

Mr. McDONOUGH. We all read the press

Mr. THOM. The gentleman reads one or two newspapers and I read 10 or 15, and I am not competent to say where the balance lies.

This deterioration in the friendship of the Allies would be the only welcome news that has come to the defeated Germans, who know that they will never have another chance to resurrect Hitlerism unless their opponents divide and split asunder.

If one is filled with prejudice against England, it is easy to assume an attitude of opposition to the loan and, to arrive at a decision in this way saves the burdensome mental effort required to understand these things:

First, what is there in the British economy, at the end of the devastating World War II, that makes it necessary for her to ask for financial aid?

Second, what economic good can come to the United States through the extension of this loan, at a time when we are ourselves carrying a back-breaking burden of debt?

I invite you to look at a picture of the economic background out of which England's troubles spring, and after that I shall endeavor to answer the question first propounded.

Great Britain lives by the exports of its factories—cotton goods, chemicals, and hundreds of other items. She receives pay for these products in the form of raw materials and food shipped to her from far-away lands. If, in normal times, her exports were insufficient in quantity and value to meet the cost of the imports, she could fall back on foreign exchange she procured through dividends on investments in foreign countries, through proceeds of shipping services furnished by her merchant marine to foreign nations, and through travel expenditures made in her country by aliens, to meet the deficits. In this way, her foreign trade was kept in equilibrium, and the value of her money stabilized.

When World War II came, however, this whole structure of international trade was shaken. First of all, exports were drastically cut to one-third of prewar volume. Her mechanized industries had to be switched from an output of civilian goods that formed the body of her world exports, to the fabrication of war munitions, military planes, fighting ships, and all the other implements that were so necessary to stem the march of Hitler's armies. At the same time, the exigencies of war made it necessary for her to buy increasingly from her colonies and dominions, such things as metals, chemicals, and other ingredients needed by her munition factories. We see, then, a declining export trade as against an accelerated demand for imports, and this, of course, led straightway to an imbalance of trade, with England in a deficit position. She, moreover, had insufficient gold and foreign exchange—for some of the main sources of this income, such as foreign investments, had to be disposed of in order to employ the capital for war purchases—to make up the difference in the foreign-trade accounts.

In this dire predicament, England found a way out by revising and modifying the trade practices of the sterling bloc—that group of nations that tied their currencies to the pound, and kept their reserves in England. The English Government bought with sterling huge amounts of rupees, and the currencies of the other sterling-bloc countries, in order to facilitate its purchases, but the sterling credits thus established of these foreign countries such as India, Australia, and Egypt, were frozen in London and could not be converted into dollars. This indebtedness of England to her colonies and dominions mounted to $15,000,000,000, and the sterling so sequestered can be spent for English goods, if and when they begin coming from her reconverted factories.

By this financial mechanism, all of these countries are barred from using these credits in purchases of American goods. American traders are in effect frozen out

Along with this arrangement, the sterling-bloc countries paid into a central pool in London all the dollars they might earn for goods sold by them to the United States This dollar pool was so managed under the direction of the English Government that dollars were doled out either to England itself or to other members of the sterling bloc, for only such purchases in the United States as could not be avoided, in view of the needs of the war. This was import control which so disastrously affects our trade.

Supplementing the sterling-area controls, the United Kingdom negotiated bilateral trade agreements with many countries such as France, Belgium, Sweden, and so forth, by which trade in certain lines was channeled to the advantage of Great Britain.

We now pass to the conclusion of the war and the vastly changed economic scene it presents. English factories must be reconverted and the export trade that slumped to one-third of prewar volume must be restored. To get going, industrial England must have huge shipments of raw materials, for it produces none except coal. It must have machinery to rehabilitate its plants. Since the food of its people must be procured overseas, there must be cash, or exports, to pay for it. The exports, however, are slow in reaching the necessary volume to pay for these imports.

England, therefore, has the two alternatives, to continue the sterling bloc dollar pool, its bilateral trade agreements, and its restrictions prohibiting conversion into other exchange of its $15,000,000,000 indebtedness, or it must have the

loan of $3,750,000,000 to supply her with the gold and dollar exchange to pay the deficits in her trade balance—estimated this year alone to amount to $3,000,000,000.

Out of this series of circumstances arises the request for financial aid by the United Kingdom from the United States, and from the Dominion of Canada.

Now that we have depicted England's problem in the realm of international trade, what answer can be made to the second question propounded, as to the benefits that will accrue to our people from extending this line of credit of $3,775,000,000 to England, to be drawn upon during the next 5 years to meet these expected trade deficits?

To clear confusion in some minds, may I say that this loan is not intended to be used to make up any deficit in the internal budget of the English Government, but in the language of the agreement, it is "to assist the United Kingdom to meet transitional postwar deficits in its current balance of payments, and to help the United Kingdom to maintain adequate reserves of gold and dollars." If these things are done, the ordinary Britisher can exchange his pounds into dollars at will, and prepare to become our customer.

It is not to be employed by the Government of England in the direct purchase from ourselves or other countries of goods or services except so far as purchases of nationalized industries is concerned. However, it is to facilitate the purchase in the United States of these goods by its citizens, by furnishing the necessary dollars to make up the difference between the export and import trading of the two countries.

The exact benefits to the United States in the way of lifting trade restrictions and thus increasing her capacity to export her surplus goods and keep the prosperity of our people at high tide, are these:

(a) The credit will enable England to buy goods and services in the United States, and these transactions will increase the employment and income of the American people.

(b) Payments in dollars by England to other countries will increase the ability of those countries to buy goods and services in the United States.

(c) The sterling area dollar pool will be dissolved, with the result that sterling-area countries which acquire dollars will be able to use those dollars directly to buy goods and services in the United States.

(d) Sterling paid for exports or other current business will be freely convertible. Any country can then use such sterling to buy goods and services from the United States or from any other country in the world.

(e) Exchange controls will not be used to prevent residents of the United States from converting into dollars the sterling they get from exports or other current business with England.

(f) Britain's import controls will be administered in such a manner that no discrimination against American products will result.

(g) England will release a portion of the blocked sterling balances held by British Empire and other countries, and the sums thus released will be freely convertible to make purchases in the United States or any other country of the world.

(h) England will be able to assume the full obligations of membership in the International Monetary Fund and the International Trade Organization and can afford to abandon those restrictions and practices which would otherwise have been retained during the transition period.

(i) England will settle the blocked sterling balances with her own resources and this large problem which hinders the restoration of world trade will be solved.

(j) The elimination of exchange and trade restrictions and the solution of these problems will increase American prosperity by increasing the volume of world trade.

(k) The foregoing specific measures will eliminate many causes of economic friction which might threaten the good relations between the two countries

(l) Finally, all danger of a division of the world into conflicting British and American economic blocs will be averted.

At the moment, when business in the United States is at high tide, due to deferred purchases and to the accumulated savings in the hands of the people, the need of foreign trade to keep our business volume at high level, is not so obvious or so pressing. However, as our production catches up with demand, we shall see a deterioration of our economic position and, consequently, the need of an expanding market in which we can dispose of our surplus products. England has always been our best customer, and why is it unwise to help a customer bridge a financial difficulty?

Our farmers will feel the first pinch of the slow-up in trade, when the famine conditions in war-torn countries come to an end, by reason of the fact that local production in these countries has been restored. Then our wheat, always in surplus in the past, our lard, our apples, and other agricultural surpluses will begin backing up, and this will cause the usual collapse in the price structure. England's loan of our dollars will make it possible for her to deal for these food supplies Her usual demands for our tobacco and cotton will also be satisfied through the use of this dollar fund.

For that reason, scores of farmers in my Ohio counties have written to me in endorsement of the loan. The food scarcities of today do not blind them to the realities of the future when rehabilitation has been accomplished.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr HULL].

Mr. HULL. Mr. Chairman, there has been much said about the influence of pressure groups as this session of Congress has moved toward total authorizations of appropriations of $45,000,000,000 or more. Whenever economy has been invoked in such authorizations, the charge has been made that pressure groups have been responsible for raids upon the Treasury. Such charges continue right up to the time for action upon the present bill for a gift-loan or loan-gift to Britain.

Without going into detail, one may look back several months as the pressure for this huge raid upon our country and its resources gathered momentum. Before the Bretton Woods Conference it was evident. The trans-Atlantic flights of scores of prominent people made upon the invitation of the British Government, in British planes, fueled with lend-lease gas, and elaborate entertainment abroad of the same prominents who rubbed elbows with condescending members of the nobility as they were shown about, may or may not have been softly applied pressure. It conformed, however, to the well-known system of lobbyists the world over in which flattering attention is paid to those whose judgments may be so influenced. It is a form of lobbying which bears upon the susceptible, and the pressure often pays off.

That pressure has increased as its purpose gradually became apparent. It has never relaxed for a moment It has broadened until it now comes upon Congress with full weight It has induced some to believe that the peace of the world may depend upon the generosity of Congress to vote away what will be in excess of $4,000,000,000 from the pockets of the people, including those who fought and won the war, as well as those whose endeavors at home help to make victory sure.

This measure comes up as Congress has sought to heed the admonitions about economy and retrenchment to avoid inflation and national bankruptcy. Like so much other legislation in postwar days, it is premised upon the theory that only by this step can world peace be insured. That cry has a familiar ring. It will come again later as other measures to increase loan-gifts to other nations to the extent of possibly $10,000,000,000 or more are proposed. This $4,000,000,000 to Britain will be only a start and not the end of drains upon our people and their resources.

The cost of the billions, to those who work and toil to sustain themselves, is glossed over by claims of financial gains to come from international trade with Britain and its colonies. This is not a new claim nor a new policy which our country has paid dearly for. Of course, with the huge profits to big interests, exporters and importers, it is always in hand to cater to their propaganda. So this measure is baited. Four billions of the loan-gift will be spent. The profits of the trade, amounting to a billion dollars or more will go to the exploiters. The loan-gift will be paid by those who share not even remotely in such gains.

Prominent in the lists of the associations furnished the Banking and Currency Committee at the hearings on the bill were included those of practically every commercial and industrial organization controlled and under the influence of the very monopolistic corporations, some of which financial groups have been or are now under indictment for violations of our antitrust laws, and some of them for war profiteering. The cry of "peace to the world" never has appealed to such business magnates at home or

abroad. They are not interested in this measure from that standpoint, but for their own.

What will be the cost of this loan to the average citizen? The ultimate cost can only be estimated, as much will depend upon how long our own people must pay interest. The direct cost will be about $30 per capita for every person in our Nation. Under this one-sided arrangement whereby no interest will be charged Britain before 1951, 10 percent will be added in interest.

Wisconsin, with about 3,000,000 inhabitants, will be saddled with an additional portion of the national debt to the amount of $90,000,000. Imagine the consternation of our good Wisconsin people if our legislature were to meet and propose an appropriation of $90,000,000 to be paid by Wisconsin taxpayers.

The 11 counties of the Ninth Congressional District would have their share of our national debt increased by $7,500,000. Every city of 3,000 people would have an added share of $90,000. And every family's share would be $125 or more.

I never was authorized to help load such indebtedness upon the people who sent me here. I shall not do so.

Our national debt now exceeds $260,000,000,000, a debt greater than all the national debt of Britain and all the colonies in the British Empire. In fact, it is greater in amount than all the debts of all the nations not yet repudiated by their governments.

Ours is said to be a rich Nation, a great creditor Nation. It also is the greatest debtor Nation, owing its own people as bondholders the $260,000,000,000. The interest charge on our national debt now amounts to over $6,000,000,000 annually, or an average per capita of $48, equivalent to nearly $200 per family. This measure, this loan-gift to Britain, will add more to the principal of our indebtedness and to the interest charge thereon.

When the GI terminal-leave bill passed the House by a unanimous vote, it was alleged to be inflationary. The President has heeded that allegation, and now a new bill has been presented in the other House to pay the GI boys, just home from the battle fields, only a small amount of their terminal-leave money in cash and the rest in bonds due in 5 years. That, it is explained, will help avoid inflation.

That terminal-leave bill would cost much less than the British loan. Still it is proposed by this measure to push $4,000,000,000 of buying power into the British pockets, with which to buy goods and commodities away from our people. No more inflationary measure has come before this Congress than this British loan bill.

This measure had my opposition from the start. I was not influenced by the well-prepared and highly financed propaganda which was poured out upon the Banking and Currency Committee. I shall not be influenced by it. Believing that I am honestly and conscientiously representing the interests and welfare of our Wisconsin people and those of the Nation, I shall continue my opposition to the measure.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. ELLIS].

Mr. ELLIS Mr. Chairman, during the past few days some newspapers who advocate the British loan have stated that to oppose this loan is to advocate isolationism. The inference is that in order to demonstrate to the world that we are not isolationists or nationalistic we must continue lend-lease until the end of time. This is the most sordid piece of demagoguery that has come to our attention. If there is one nation on the face of this earth that has not been and is not now isolationistic; if there is one nation in all the world that has never been and is not now nationalistic; if there is one nation that has been kind and generous to all other nations; if there is one nation which has never broken an obligation and has fulfilled every responsibility; that one nation is the United States of America.

It is unfortunate that we find a great many men in public life today who will not agree with this statement. When we find great Government departments in collusion with foreign governments to extract loans and commitments from this country and burden our people with more and more public debt, we are indeed in a bad way.

Some day the history of financing in this country for the past 12 years will be written, I hope and a clear picture presented to the American people. This history, if not astounding and shocking, will certainly be extremely interesting and revealing.

The change of American thinking to the point that would develop and permit the operation of such financing as has occurred under lend-lease, UNRRA, the Bretton Woods Bank, and proposed foreign loans has no counterpart in all history. Every known practice of sound American business—the business philosophy that has guided this Nation for 150 years, the principles that have created the greatest national wealth, the system that has created the greatest national production that the world has ever seen—all have been completely ignored and all laws of common sense and good judgment abandoned in our fiscal policy.

Our contribution to the war effort has been thoroughly discussed and the records disclose that our contribution of materials and money was greater than all our allies combined, and our contributions of manpower was greater than all others except Russia. Our casualties were in excess of one million. Our public debt is many times greater than that of England. We have given them some $35,000,000,000 in materials and equipment in two wars. We refer to it as a cancelation of the British debt, but there is no such thing as debt cancelation The only question is, Shall this sum of money be paid by the British people? Or shall it be paid by the American people? The Truman administration has decreed that it be paid by the American people.

The granting of this $3,750,000,000 loan to Britain will increase our national debt to that extent. It will be borrowed money derived from the sale of bonds to the American people. Every time we borrow and spend an additional billion of dollars we further reduce the value of our dollar and bonds.

We are giving Britain money to compete with our own people in the American market for merchandise and materials which are already scarce. This will increase buying power and tend to force prices upward.

This administration in its fiscal policy has not missed an opportunity to permit inflationary process to prevail, and it continues on that course in the granting of this loan.

The proponents talk of trade. Recent reports tell us that England must increase her postwar trade by 175 percent in order to maintain their economy. I wonder on what basis she can surrender her foreign markets in consideration of this loan Foreign trade is the life blood of England. She needs it to live and in this loan agreement she does not agree to surrender one dime's worth, anything the proponents say to the contrary notwithstanding.

Trade in the future, as in the past, will be on a hard dollar-and-cent basis. Our foreign friends are tough traders. They will buy where they can get the most for their money. They trade on no other basis. They will buy from us that which they need and that which we can supply at low prices and of good quality This is just common sense, and we can expect nothing else. There is no sentiment in foreign trade.

The loan has all the earmarks of another touch, and I am confident it will develop into an annual payment. About a year from now you will hear the free-spending advocates in this House saying: It was not quite enough, it will take a little more. Such loans as this and continued deficit spending will make it more difficult to fulfill our obligation to the veterans.

Most of us are inclined to consider the national debt as something foreign or detached from our daily lives, but such is not the case. Our national debt affects the life and economic well-being of every living person in this country every minute of every day. It is a debt just as real as a note in the bank, just as binding as a mortgage on our property, and we have the same obligation to pay if we are to remain a solvent and free Nation.

If our income is exempt from Federal taxes or our assessment is small, we must not think for one moment that we do not pay Federal taxes. The purchase price of everything we wear, everything we eat, and everything we use contains a percentage for Federal taxes. A portion of every dollar we spend goes to pay Federal expenses and interest and principal on the Federal debt. The more the Government lends, wastes, or spends, the greater the portion of our dollar that goes for taxes, and, consequently, the amount of goods or merchandise we can buy with our dollar becomes less and less. This process drives prices upward. This is what we mean when we speak of cheap

money. This is what we mean when we say the value of our bonds is going down.

In my opinion, it is important that we take full account of the import of the national debt of $272,000,000,000 and the proposed British loan of $3,750,000,000 as it relates to ourselves. West Virginia's share of the national debt, based upon a per capita calculation, is $3,978,404,516. The portion our people in West Virginia will have to pay if the British loan is granted is $43,248,244.

The following tabulation presents the amount of debt obligation and the amount which would be assumed if the British loan is granted as respects the counties and communities in the Fourth Congressional District:

Share of national debt and British loan by counties

County	[illegible] property, 1945	[illegible] debt	Share of British loan
Cabell	$142,810,760	$203,884,128	12,728,882
[illegible]	[illegible]	34,725,611	464,744
[illegible]	[illegible]	47,977,312	640,896
[illegible]	[illegible]	46,598,840	625,060
[illegible]	[illegible]	14,009,064	187,376
[illegible]	[illegible]	40,817,012	546,308
[illegible]	[illegible]	53,496,404	582,036
[illegible]	[illegible]	26,273,428	351,662
[illegible]	[illegible]	74,404,072	995,848
[illegible]	[illegible]	13,545,700	181,300
Wood	74,742,500	130,538,708	1,746,172

Share of national debt and British loan by communities

Community	Share of national debt	Share of British loan
[illegible]	$104,924,512	$2,207,408
[illegible]	3,242,600	43,400
Milton	3,431,972	45,948
[illegible]	8,162,984	109,256
[illegible]	2,585,804	34,596
Wayne	1,675,692	22,428
[illegible]	1,778,200	23,800
[illegible]	2,407,476	30,884
[illegible]	666,386	8,904
[illegible]	7,401,496	99,064
Ripley	1,587,828	21,252
Ravenswood	2,210,612	29,708
Spencer	5,224,724	66,016
[illegible]	62,975,476	842,884
[illegible]	1,441,240	19,180
[illegible]	4,004,492	61,628
[illegible]	5,652,884	65,656
[illegible]	1,534,436	20,524

Jesse Jones has said the loan is a bad bargain. Bernard Baruch has admonished us to be careful in our consideration of foreign loans and further deficit spending. The opinion of these gentlemen on financial matters is not only respected in this country but throughout the world

We must not overlook the fact that Britain has assets in this country of approximately $4,000,000,000 invested in securities, industrial stocks, and insurance companies, most of which is netting good returns. In addition, they have an estimated unmined gold and diamond reserve of $23,000,000,000, but our negotiators are blind to these resources. England is doing very well with trade within the sterling bloc, and she intends to hold it.

It is time we pull in our belts and stabilize our own economy. We have been kind and liberal with all the nations of the world. Now let us take care of our own for a while.

I am opposed to this loan because it is not justified according to the evidence presented in the hearings and in this debate. If we set a precedent, have we any right to expect that all other nations, big or little, who fought on our side of the war will not come forward with repeated demands for American billions? In fact, Russia is now awaiting the result of our action on this loan to make application for billions in the same type of loan. If we refuse to grant these demands to any country other than Britain, how can we possibly escape getting the bitter enmity of those nations we refuse?

Approval of the proposed loan and trade agreement would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and giving away and losing is a sure road to ruin. The Congress should not ignore the dangers that lie ahead.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I have endeavored to approach my study of the British loan proposal with an open mind. In my position of trust, as far as my constituents are concerned, I felt that it was my responsibility to examine all claims made by proponents of the loan with reference to expansion of our world trade, and good faith on the part of the British to repay the loan and to abolish imperial preferences and the sterling bloc. I am responsible to my constituents. We are dealing with money belonging to the American people. Money that must be collected in taxes from the people during the next 50 years, and $3,750,000,000 is a tremendous sum to collect from the people during either peace or war times.

DOES THE BRITISH GOVERNMENT INTEND TO REPAY THE LOAN?

I have yet to find any proponent of the loan to Britain, whether he be in the United States or the British Isles, who expects or concedes that the loan will be repaid. In fact, under the provisions of the loan agreement, every means is provided for the British to avoid or cancel payment of either principal or interest. When we consider that the British still owe us approximately $6,000,000,000 from World War I, I am convinced that no repayment is intended to be made on the part of the British. I am also convinced that the Truman administration, which negotiated the loan agreement, does not intend that the loan is to be repaid. Therefore, I can only reach the conclusion, that this so-called loan of $3,750,000,000 is a gift to the British by the people of the United States, in addition to more than $25,000,000,000 in lend-lease assistance, which is being settled for a mere $650,000,000 promise to pay.

The British Government now owns more than $3,600,000,000 in gold and other assets in this country, which could be put up as security for the loan, but no offer or demand has been made to protect the loan with this or any other security. In addition to British-owned securities in this country, the British own billions of dollars worth of gold and other assets in many parts of the world. Furthermore, no attempt has been made by the Truman administration to negotiate for the acquisition of military bases which we built on British soil during the war at the cost of billions of dollars. I am wondering what has happened to our Yankee trading boasts.

It is about time that we become a little realistic in handling the people's money. If we are making a gift to the British, as most people believe, let us call it a gift and be frank about it, rather than to fool ourselves and the people about receiving repayment of either principal or interest.

WILL BRITISH LOAN PROMOTE MULTILATERAL WORLD TRADE?

Proponents of the $4,400,000,000 loan to the British claim the loan is a good investment for American business and agriculture because the British have agreed to do away with imperial trade preferences and the domination by England over countries tied up in the sterling bloc. Such action on the part of the British, it is said, will increase our export market for manufactured and agricultural products to all parts of the world, and particularly to countries in the sterling bloc. In other words, proponents of the loan say that article VII of the lend-lease and mutual-aid agreement signed by the United States and the British in February 1942 definitely commits the British to abolish imperial preference and the sterling bloc and to join with other United Nations to establish multilateral world trade.

A careful reading of the British loan agreement will disclose that the British have agreed to nothing, excepting to sit down and talk matters over with us after the loan or gift has been made available. While article VII of the master lend-lease agreement would indicate that the British have reached a definite agreement with the United States to abolish imperial preferences and the sterling bloc, it will be of interest to note the interpretation placed on article VII of the mutual-aid agreement by the British Government no later than December 12, 1945, when the loan agreement was up for debate in Parliament. I quote from the interchange of remarks between Mr. Bevin, the Secretary of Foreign Affairs, and Mr. Winston Churchill. Here is what the official record states:

Mr CHURCHILL The position of imperial preference was absolutely safeguarded by me under article VII and by the insertion of the words in the Atlantic Charter "without prejudice to existing obligations."

Mr. BEVIN. I am talking to the right honorable gentleman about trade agreements. I will deal with imperial preference in a moment. I am not criticising him, believe me. I say that, at that moment, I would have done what he did. I will go further tonight, and, from this box will say that, even if we had been pressed to sacrifice imperial preference, rather than be defeated by Hitler, I would have paid that price then in 1941. I know the issue that was at stake, but we did not have to pay the price, and, may I remind the House, we have not paid it now and it is not in these proposals. In his book, The Dawn of Liberation, the right honorable gentleman said.

"Again, in February 1942, when the United States was our closest ally, I did not agree to

article VII of the mutual-aid agreement without having previously obtained from the President the definite assurance that we were no more committed to the abolition of imperial preference than the American Government were committed to the abolition of their high protective tariffs The discussion on how great a volume and more harmonious flow of trade could be created in the postwar years under the agreement leaves us in every respect, so far as action is concerned, perfectly free "

Mr. CHURCHILL Is not that so now?

Mr BEVIN Exactly. That is the basis of this agreement on imperial preference—not whether the tariff goes down 40 or 50 percent, but on trade for trade on the merits of trade That is how I understand it (parliamentary debate, December 13, 1945, pp. 729–730)

While the late President Roosevelt repeatedly told Congress and the country that there were no secret agreements, we now learn, for the first time, from Winston Churchill that a secret agreement was made by the President with Mr. Churchill, to the effect that the British were not committed to the abolition of imperial preference as definitely set down in article VII of the mutual-aid agreement.

Subsequent events would indicate that the British never had any intention to abide by the terms of the mutual-aid agreement. Since the end of the war the British have negotiated scores of bilateral trade agreements with countries in the sterling bloc and with the Dominions, which seeks to capture world trade by the British at the expense of American agriculture and manufacture.

The most recent illustration is the long-term wheat agreement with Canada which is now under negotiation by the British and Canada. When it goes into operation, our historic wheat and flour market in Europe will be lost to the British. In addition to annually tying up from 200,000,000 to 350,000,000 bushels of Canadian wheat for several years by the British, this former ally is negotiating agreements with France, Belgium, Holland, and other European countries to provide them with the wheat purchased from Canada. These bilateral trade agreements are against the interest of American producers and contrary to the agreements entered into between the two countries to increase world trade for all of the United Nations. I am inserting here a few remarks made by me on Tuesday, June 18, which disclose the nature of the British-Canadian wheat proposals:

BRITISH TO NEGOTIATE 7-YEAR WHEAT PURCHASE AGREEMENT WITH CANADA

Mr. Speaker, while Congress is considering a $4,400,000,000 loan to Great Britain, British Food Minister John Strachey and L J. Thompson and E. G Hardwood, of the British Ministry of Food are in Ottawa, Canada, for the announced purpose of negotiating a long-term contract for Canadian wheat.

The quantity reported to be under consideration is between 220,000,000 bushels and 350,000,000 bushels annually, depending upon whether Great Britain alone is to be supplied or subagreements are negotiated between Great Britain and France, Belgium, and other European countries. The term of the proposed agreement is said to be either 4, 5, or 7 years Prices mentioned range between $1 and $1.50 per bushel.

These bilateral British Empire negotiations will, when completed, effectively close the European market to the United States grain producers. These negotiations are certainly contrary to the so-called long-range international plans upon which the Department of Agriculture is supposed to be working and which contemplate multilateral international understandings with respect to the disposition of surpluses.

The British loan is scheduled for debate here next week. May I suggest that a loan to Britain at this time would mean financing the destruction of our export grain markets. It is about time that the United States Government required guaranties for the protection of our producers before discussing international loans.

There is some resistance in Canada against the negotiation of a wheat agreement with Britain, but it is expected that home ties will overcome present objections. Many Canadians do not relish the idea that their foreign trade should be restricted and directed by British Socialist leaders.

It is unfortunate that some of the proponents of the British loan have become extremely emotional, without realizing that Britain is out to capture world trade with our money and at the expense of the American people. In urging approval of the loan, the United Nations Committee of Minnesota states:

With 50 percent more industrial capacity than in prewar it is highly important that we move immediate direction of expanding world markets Mass production requires world wide markets Every increase of $1,000,000 in exports means 500,000 jobs for American workmen which will help to create employment at home.

Great Britain has made important concessions for this loan including support for the World Bank and fund that are so important in expanding world markets She will eliminate export and import quotas that cut down our markets Britain will move to eliminate preferential traffic with her Commonwealth nations that restrict our sales opportunities

I agree that it is desirable to expand world trade, and I will cooperate to bring such trade into being. However, I emphatically disagree that the British have made, or intend to make, any trade concessions which will increase our export market. Events and acts disclose that the British are out to capture the world market with American gold and dollars, which will greatly restrict our trade area in the world and curtail our exports. The statement made by the Minnesota United Nations Committee that "every increase of $1,000,000 in exports means 500,000 jobs for American workmen which will help to create employment at home" shows the unrealistic understanding that some have as to the productivity of American workmen. It would not take more than 500 men to produce $1,000,000 worth of manufactured goods for export in any given year, and therefore, the intimation that 500,000 men will be given jobs as a result of each million dollars worth of exports is stretching the employment facts beyond all realism.

During the early thirties when the Roosevelt administration first came into power, and raised the price of gold from $20.67 to $35 an ounce, the British and Dominions sold our Government more than $12,000,000,000 worth of gold. They made money on this deal, as our Treasury paid them a premium of more than $4,000,000,000 on the purchase. A substantial portion of the dollars received by the British for the sale of this gold was invested by them in American securities, which were purchased at relatively low prices. As of today the British are the owners of many large manufacturing plants in this country, and they also own thousands of shares of stock in the leading manufacturing institutions in the United States, as well as a considerable sum of gold repurchased by them during the war years. None of these assets are offered as security for the proposed loan.

In view of the many inaccurate representations made by proponents of the loan, intentionally or otherwise, and since I occupy a position of trust to my constituents, I honestly feel that I would be violating this trust if I gave my approval to the British loan. I shall vote against it, and I want to urge my colleagues in the House to do likewise. I feel that security should be offered for the repayment of the loan, and if such security is adequate to protect the interests of the American people, I may give the proposal my support. I will vote for the motion to recommit which will require security for the loan.

I have come to the following conclusion on the British loan proposal:

First I am convinced that the $4,400,000,000 British loan will not be repaid.

Second. I am also convinced that the dollar credit provided in the loan will be used by the British to purchase American owned gold, thereby destroying any world trade which would result to American agriculture and industry in the return of dollars to our country Gold is a world commodity, while dollars would have to be returned to the United States and used to purchase goods or services.

Third. From statements made by Foreign Secretary Bevin and Winston Churchill, I am convinced that the British will refuse to abolish imperial preferences and the sterling bloc, which was agreed to by them in the master lend-lease agreement and the loan agreement. This means that American products will not have access to countries within the sterling bloc, and that our foreign market for manufactured and farm products will be materially reduced.

Fourth. In view of the large amount of assets owned by the British Government in this and other countries, I am satisfied that the British do not need this so-called loan. However, they are taking it as a gift from a generous ally.

Fifth. While proponents of the British loan definitely state that if this loan is made to Britain, we will not be obligated to make similar loans to Russia, France, and other Allied countries, I am convinced that the British loan will establish a precedent which will require us to make similar loans to all members of the United Nations organization. If we do not do so, we will be charged with bad faith and our effectiveness in world leadership will be destroyed.

I can only come to one conclusion on the British loan proposal, in view of all the circumstances surrounding the scheme, and that is to cast my vote against it.

I am including with these remarks some data on the British Commonwealth

that came to my attention a few days ago. It speaks for itself and will be of interest to those who believe Britain a weak Ally:

BRITISH COMMONWEALTH UNDIMINISHED

There is a tendency to underestimate the British Empire in its relation to the Big Three The impression prevails in many quarters that it is second to Russia, and about on a par with the United States.

Nothing could be further from the truth. The United States is very much the junior partner, and Russia is second by a long stretch. The British Empire leads the world in size, in population, and in international importance.

The abysmal ignorance of the general public, as well as of many leading men, is the result of thinking of Great Britain as the sole representative of the Empire Many are inclined to ignore the Dominions, the colonies, the protectorates, the mandated territories, and especially the great Indian Empire All there are represented, even if they have no direct voice, in the Big Three conferences.

The British Empire covers roughly one-fifth of the world's surface It has an area of 14,000,000 square miles, and a population of 500,870,000

China has a population almost equal, 490,000,000, but her total area is only 4,500,000 square miles, and that includes Tibet

The population of the United States is reckoned at 153,000,000, spread over an area of 3,750,000 square miles

Russia has about 8,000,000 square miles of land area, but a good deal of it is like some of Canada's, uninhabitable or undeveloped This is not much more than half the size of the British Empire, and its population is about two-fifths, approximately 194,000,000 It may be a few millions more or less. Nobody knows for certain

The resources of Russia do not equal or even approach those of the British Empire The vast food supplies of Canada, Australia, New Zealand, and South Africa have no counterpart in the U S S R, whose great export trade has yet to be built up

The British Empire has a near monopoly of nickel, asbestos, platinum, tin, gold, radium, uranium, diamonds, and various other highly valuable commodities for which there is no adequate substitute Russia and the United States have some of these in moderate quantities, but the bulk of their supplies must still come from Canada and the other dominions, or from the British colonies

The political development of the colonies has made great strides in the past few decades Until 1940 only $5,000,000 a year was granted by Parliament for administration, but by 1945 this was raised to $60,000,000. Larger sums will be voted in the future

The importance of India as an integral part of the British Empire is not recognized as it should be. Too much attention has been paid to political differences, and too little to practical development of natural resources.

India has over one-tenth of the area of the British Empire. Within its borders are 1,570,000 square miles, divided between Indian states and British India. There live 388,800,000 people, but only 95,000,000 owe allegience to native princes. No fewer than 294,000,000 owe allegiance only to the Crown.

The impression that the British exert despotic control over Indian affairs is far from correct. Out of a total of 200,000 police officers, 1,000 only are British, though they occupy the higher posts.

Ten out of 11 of the judges are Indian. The percentage of native lawyers is very high.

There are 8 Indians to 1 Briton in the general administrative offices, and 30 natives to 1 Anglo-Saxon in the civil medical departments. In the higher grades of engineering the proportion is 14 to 1.

All told, there are about 1,500,000 civil servants in India.

Only 3,000 of these are whites.

At some future time Moslems and Hindus will agree as to what sort of constitution will resolve their religious and poltical differences. When that day comes, the British Empire will be stronger than ever.

Mr. SPENCE. Mr. Chairman, I yield 13 minutes to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, I want you to review with me if you please, keeping in mind its broader purposes, a contract, the resolving aspects of which will set the policy of human relations on both a world-wide and a domestic basis, not only for ourselves, but for generations as yet unborn. This agreement I believe concerns our present and future safety, the preservation of our way of life, and the realization of the aims for which we recently fought a great war The decision in the matter then is as momentous as any which this Congress has been called upon to render. I want first to remind you that this agreement is between the two nations of the earth most nearly alike in language, in concept of government, and in religious beliefs It was negotiated on our part by the executive branch of our Government under the authority entrusted to it by the Constitution—the authority to shape our foreign policy, including both the economic and political phases. That is not a new procedure. Such has been true since the founding of the Republic Able, experienced, and conscientious men from our State and Treasury Departments have given study and consideration to every conceivable angle of the matter, keeping in mind always the desire of the majority of the people of this Nation that they be allowed to live not only prosperously, but peaceably. The agreement contains the bases for the realization of both of these ideals for ourselves, for Britain, and eventually for humanity. The charge has been made that the contract is one-sided. With this view I differ, but to confirm or negate my opinion, I asked a great and learned lawyer, an honored former Associate Justice of the Supreme Court, a man accustomed to analyzing and weighing contractual interpretations, the former Justice, Owen Roberts, whether or not, in his opinion, the agreement was mutually beneficial to both Nations. He replied unhesitatingly and unequivocally, "I do, indeed."

There was perhaps a time in our history when we could afford to hold ourselves somewhat aloof from the rest of the world—when transportation was by horse and buggy, and slow trains, and slower ships; when communications were by word of mouth, by letter, and by a limited telegraph system; when one could look from his window upon the people he considered his neighbors. But that day is past. The mechanical and scientific revolution, created in large part through our own freedom to think, and our own privilege to initiate, has made it possible for any one of us to eat breakfast in New York and dinner in London; has made it possible for any one of us to reach from Washington, in person, the farthermost outpost of civilization in 2½ days; has made it possible to hear the voice of a man in Moscow even while he is speaking; and our neighbors are not encompassed within the boundaries of the rim of the far horizon. Mechanically, scientifically and spiritually we are counted as world figures. How then can we justify provincialism in our economic and political thinking? Are we going to admit, even to ourselves, that we are incapable of solving what should be the simplest problem of the ages—the art of living in understanding and mutual helpfulness with other people, and other nations? Certain it is, that if we cannot retain the confidence and cooperation of our friends, how can we ever hope to achieve the esteem and respect of those who are inclined to be unfriendly?

It has been brought out on the floor of this House that Britain and her trade associates control approximately 50 percent of the international business, and that a great part of the business that she does not control is affected by the part that she does control. If you were a businessman on your own account, would you seek representation that had no established business, or would you seek a connection with an experienced firm serving many customers? I believe I know your answer. Not only would you seek out the experienced merchant, but you would grant him a line of credit too, if he needed it, in order to obtain an outlet for your goods; and if this relationship were mutually profitable, as no doubt it would be, your association would develop not only into a business friendship, but a personal one as well.

I am wondering what those of you, who apparently are content to let trade restrictions, business blocks, and economic aggression continue to develop, are going to do about our own people who are dependent upon the processing and transportation of goods and commodities in the foreign markets? The Department of Labor shows that in 1939 when our foreign business was off one-third or more, that approximately a million nonagricultural workers dependent upon this phase of our economy. They show further that around one and one-half million agricultural workers were so engaged. Altogether these groups supported more than 7,000,000 of our population. I ask you to weigh carefully, whether or not it is worth while to keep this large segment of our people in gainful employment, or should we risk again the responsibility of supporting them by a renewal of the WPA? One thing is certain; either these people must have the opportunity of earning their own livelihood, or those who are employed must share their earnings with them—there is no other way. Such a condition developed in 1932 as a result of blocked currencies, trade restrictions, and economic warfare between nations. With that example still fresh in our minds, are we going to let another epidemic of financial adversity impoverish the business health of the world, or shall we try an antitoxin? Many years ago a great philosopher, John Ruskin, said in substance that the true physician's chief concern was to cure his patient. His fee was secondary. The physician would rather cure his patient, and lose his fee, than lose his patient, and collect his fee. It appears to me that we cannot hope to

build a healthy and stable world so long as the peoples of that world fear that there is no opportunity for them to sustain themselves. As fabulous an amount as is three and three-quarters billions of dollars, it is but 2 weeks of the cost of the last war. Measured in such terms then, how little it is to spend to unlock the outer door of the house of peace. I am not so naive as to tell you that the opening of this door alone will bring these results. I know that there are other and inner doors, but they cannot be reached until this first door is passed.

Back in the dark days of not so long ago, when the marching hordes of Hitler shook the face of Europe with their tread, and cast the shadow of possible events to come upon our own shores, nothing was too good for Britain. We sent them bundles of food and clothing. We sent them destroyers and bombers. We finally established lend-lease. There was little opposition when we chose to help England to help us to win the war. How short-sighted we would be, then, not to help Britain to help us to live the peace.

To a large extent, more than any other nation, we in America are responsible for the world of tomorrow—whether we shall live in an atmosphere of friendship and understanding and cooperation, or whether once again, as so many times in the past, we shall allow the seed of dissension and unrest and distrust to grow into another and greater conflict. What did we promise the young men of America who went forth to preserve our liberty and to make possible the continuation of our way of life? I seem to recall that we told them that we would not make the mistakes that we made after World War I. We told them that we would leave no stone unturned to establish the peace for which they fought. I do not know how you feel, but I hope that you feel as I do, for I want to be able to stand before the little white crosses in foreign lands where rest the mortal remains of noble men and say to their spirits, without reservation, "You have not died in vain." I want to be able to look squarely into the eyes of those who have returned from that valley of the shadow of death and say to them, with a clear conscience, "I have not let you down, my buddies. I have kept the faith."

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, it would serve no useful purpose for me to participate at length in this already too lengthy debate. Members have been studying this proposal for months, and nothing new can be added.

Suffice it, then, to say that I cannot bring myself to support the British loan. I have examined with care all the principal arguments in its favor, and I remain quite unconvinced that the loan is necessary to Britain, will prove helpful to the general economy of America, or, in the long run, will serve the cause of international friendship.

We can not buy stability for England; no more can we buy her goodwill. England unstabilized herself in her last national election, and her socialist leaders are unsparing in their criticism of our "decadent capitalism" from which they seek favors.

If the time comes, Mr. Speaker, when we need an export market—right now we need everything we grow and make—our goods will command a market in exchange for what we need. We will find a way to sell them for something other than our own dollars. In the meantime, I am not interested in a helping hand for some export firms and banks with an international business.

This financial agreement provides a very large and solid sum from us, for little in return except vague promises. And I am not much impressed with promises of the present British Government. Mr. Laski seems to dislike us almost as much as I despise him, and certainly Mr. Bevin is no credit to a long and distinguished line of British statesmen.

Britain still owes us billions, and no real attempt was made to pay it, and I doubt my constitutional right to give more. This loan will cost my district $10,000,000, a sum which I doubt they want me to give away in their behalf.

Mr. Chairman, I greatly admire the gallant people of Britain, and I think we will always be friends. More debts will not keep that friendship.

I expect this loan to pass, adding more billions to our debt of $270,000,000,000. History will show that we cannot mold the world with our money, especially with money we have not got.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LANDIS].

THE BRITISH LOAN

Mr. LANDIS. Mr. Chairman, I never rose to address the House with a greater sense of responsibility than at this moment. Anything that I say may not change a single vote. I only wish it were possible to convince a few Members how important this measure is to the future of our Nation. However, it does seem to me important to make a record, if it is possible, in this critical hour of our Republic, so that future generations, if they turn back to the CONGRESSIONAL RECORD, may know that there were some Members of Congress who tried to stop the New Deal spending spree in America.

This piece of legislation is the greatest hoax that was ever presented to the representatives of the American people. The American people are against this foreign gift loan because it is a world-wide pump priming scheme at the expense of the American taxpayer.

For several years, now, we have been marching toward bankruptcy. It is time to call a halt on public spending and foreign hand-outs. We must break this spending habit before repudiation and run-away inflation overtake us. Every man who works with his hands, every veteran, every property owner and renter, millions who own bonds and savings, and those on retirement pay must take a hand in this great struggle to reduce taxes and preserve our freedom.

The declaration of the Republican Party had this to say:

The solvency of our Government must be assured. Outlay must be brought in line with income. The value of the dollar must be maintained. Economy in Government spending must be achieved. Extravagant spending now advocated by the administration in every field can only lead to ruin.

The President's budget is by far the largest peacetime budget in the history of the Republic. It calls for $35,800,000,000, as against an estimated $31,500,000,000 in revenue receipts, thereby extending deficit Government spending.

How can a conservative Member of Congress vote for the British loan and expect to balance the budget and reduce domestic expenditures? To eliminate the proposed loans to Britain and other foreign countries, and immediately abolish all unnecessary bureaus, would add materially in bringing about a balanced budget. Public spending is no panacea for domestic problems, nor is public spending a panacea for foreign problems.

Just remember there will always be an America unless the New Deal gives it away. We must not bankrupt America in order to finance the world. The British loan must be defeated. Uncle Sam must not play the role of Santa Claus to foreign countries to make socialism work in England, or communism work in Russia. Too many Americans are disturbed about Great Britain going communistic, instead of being disturbed about the communistic activities in America. Nothing would suit the Communists any more than for us to spend ourselves into bankruptcy.

If this loan passes, we might as well forget about stopping inflation. Every time we spend or give away another billion dollars we reduce the value of our dollar. Spending, lending, giving, and losing will lead to runaway inflation.

Anyone who tries to tie up this loan with the promotion of future peace has about run out of arguments. If there is anything to that argument we shouldn't have had this last war. History shows that such loans will not make for peace. After the last world war we were severely criticized for trying to recover on debts owed us. Common sense teaches us you cannot buy friendship. If we make this loan to Britain we will be compelled to loan to other nations, or we will create dissension throughout the world. The cost of all foreign loans would total about $17,000,000,000. To approve them would cause bankruptcy at home. I believe this loan is more likely to promote war than it is to preserve peace.

America is not selfish. We are the biggest-hearted people in the world. We will help anybody anytime. We have and we will continue to extend the hand of Christian fellowship as far and as fast as other nations will reach out to take it in a firm resolve to work together to preserve peace. But in doing so we must safeguard our security. I fully realize that America as a Nation cannot enjoy permanent good health surrounded by a world which is seriously ill. I believe it also follows that a sick or weakened America cannot effectively contribute to the ills of the world.

The proponents of the British loan contend that money will come back to America in wider markets, if the plan works. In answer to this argument—foreign trade means nothing if we have to furnish nations the money to purchase

our goods. If this trade argument is sound, why wouldn't it be better to distribute money to our citizens in veterans' benefits, old-age pensions, wages, farm prices, then both the money and goods would remain in the United States. Some believe that our failure to give Britain the loan on her terms will cause her to impose trade restrictions that will seriously affect our own economy. I do not fear a threat of trade restrictions because foreign trade is a two-way street. America is capable of looking after herself in a trade war. We will continue to purchase needed products from Great Britain and Britain will continue to buy our products if they cannot get them from their far-flung Empire.

I understood that the Bretton Woods plan and the Export-Import Bank would take care of loans to foreign countries and there would be no need to furnish additional loans. According to the testimony given before the House Banking and Currency Committee, during hearings of the Bretton Woods agreements, there were no loans or agreements in process of negotiation or contemplated with Russia, Great Britain or China.

Where are we going to get the money to make this loan? You know the answer. Every American will be called upon to pay his share. Businessmen will have to pay. American farmers will have to pay American workers will have to pay out of their withholding taxes. We will be compelled to keep our nose to the grindstone for years to come. Now is the time to serve notice on these foreign countries that they will have to go to work and solve their postwar problems as we will have to do.

Why should we make this loan to Britain? The British are by no means "strapped." They have unmined gold reserves of $24,500,000,000, unmined diamond reserves of $8,800,000,000, and $14,000,000,000 in foreign investments. They possess vast stores of rubber, wool, cotton, and valuable scrap.

The British own 1,500,000 shares in United States industries: General Motors Corp., 434,000 shares; Radio Corp. of America, 177,000 shares; Amerada Petrol, 133,000 shares; Chrysler Corp., 36,000 shares; Standard Oil of New Jersey, 198,000 shares; Standard Oil of Indiana, 315,000 shares; Socony-Vacuum Oil Co., 130,000 shares; American Telephone & Telegraph Co., 70,000 shares; and United States Steel, preferred, 21,000 shares.

Do you believe the American taxpayers are willing to finance huge salaries and allowances to support royal households in foreign lands? Let me give you the figures for the British royal household: King, $444,400; salaries of royal household, $541,360; royal household expenses, $617,312; alms and bounty, $53,328; Queen, $282,800; Princess Elizabeth, $24,240; Duke of Gloucester, $141,400; Princess Royal, $24,240. The total amounts to $2,129,080 per year.

If you take a look at our indebtedness you can understand why the British loan should be defeated. We now have a national debt of about $272,000,000,000 or $2,000 for every man, woman, and child in the United States. Great Britain owes about eighty billion.

The British loan will cost every man, woman, and child in the United States $28, or $140 for every family of five. Three billion seven hundred and fifty million dollars is a lot of money. This amount of money would encircle the earth 16 times with $1 bills placed end to end.

Just remember when you respond to the roll call on the British loan you should keep in mind that for every community of 5,000 people in the United States the British loan is the equivalent of giving away a $140,000 modern school building. This amount will purchase $5,000 homes for 750,000 American families It will purchase a decent hospital in every county in the United States. It would pay our school-lunch program for the entire United States for the next 50 years.

The American people are against the British loan. Let me read you a few excerpts from letters I have received. This one is from Texas:

> I am a native from the State of Texas and, of course a Democrat, but I am not in favor of giving Britain as much as a thin dime, and all of my ancestors were English.

New York:

> My husband and I hope that you and your colleagues will be able to protect our substance and integrity from wolves, in or out, of sheeps clothing.

Ohio:

> I think that's about the best bit of horse sense coming out of Washington in several moons

Missouri:

> You are to be congratulated for taking an interest in American taxpayers and I trust you will be successful in stopping this steal.

New Jersey:

> Why must this country always be the goat for England?

Colorado:

> Let the people who want to lend to foreign countries buy bonds to furnish the money.

North Dakota:

> Keep up the good work and clean up that foolishness going on down there.

California:

> Here's hoping more can visualize a green pasture here for the next generation, rather than bankruptcy and enslavement.

Wisconsin:

> Let British aristocracy go to work, it will do them good.

No, we must not bankrupt America in order to finance Great Britain and the rest of the world. With millions of veterans to be taken care of, with millions of old people receiving inadequate old-age assistance and the need for more and better schools and hospitals all over the country, it is unthinkable that anyone would add further to our multibillion-dollar national debt for the benefit of any foreign country.

Everyone knows that we cannot continue to give our money and resources without jeopardizing our own welfare. American taxpayers cannot afford to pay billions in subsidies to the British Empire. The American taxpayers cannot uphold the British Empire forever.

If you bankrupt America you kill the goose that laid the golden egg.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Connecticut [Mrs. LUCE].

Mrs. LUCE. Mr. Chairman, there is nothing—or so it seems to me—which can now be said on this floor, to influence the vote of any Member in behalf of the British loan. Every aspect of the loan—economic, political, and moral—has been thrashed out thoroughly. I am one of those who regret deeply that some of the debate has been pitched at the mischievous and profitless level of racial or rationalistic prejudice. In these long hours of debate, if that famous alien, the Man from Mars, had been in the gallery, he might well have concluded we were discussing a loan to some treacherous enemy recently defeated by us in battle; a loan, which if granted out of the soft-headed generosity of the American people would allow—even encourage—that nation first, to destroy our trade, and secondly, to atomize our cities. The truth is, of course, that we are proposing a loan, a seed loan, a grubstake if you will, to our oldest and stanchest and most gallant ally, Great Britain, who has fought with us in two World Wars. And a loan, to boot, which is largely to our own economic and political self-interest.

Thinking back over the long debate, I find myself in wholeheartedly—and I think hard-headedly—accord with the gentleman from New York [Mr. WADSWORTH] and the gentleman from New Jersey [Mr. EATON] and the gentlewoman from Ohio [Mrs. BOLTON] who have so brilliantly and warmly combined the moral, political, and economic arguments for the loan in their speeches to us. It is only for the RECORD's sake that I impose further words upon you.

May I before setting forth some of the facts of the loan, as they present themselves upon study, return to a debate on our foreign policy in which I took part on the floor of this House, some years ago, when the war was raging?

In June of 1943, I spoke of a question which has not ceased to concern us all: What is America's foreign policy, and what should it be? I find that although 3 years have passed, my mind has changed little about the paramount importance to our national security of our relations to Great Britain. This is what I said then:

> The British Empire is America's natural buffer state.
>
> As France has stood between England and Germany for centuries, as Poland, Czechoslovakia, and the Balkans have stood between Russia and Germany, so there, my colleagues, on the globe stands the far-flung British Empire between the United States and all its real or potential enemies, in Europe and to some extent in Asia.
>
> Let us say that mighty Russia might be our next enemy. Attacking from the polar cap, even Russia would have to pass through, or over, Canada to get at us. Attacking out of Siberia past Japan, striking at Alaska, Russia would still have to go through Canada to reach American heartland. * * *
>
> Therefore, it is, I think, obvious beyond dispute that the base line of our search for an American foreign policy must be our relations with the British Empire.

And I said then that I believed that the American foundation stone of an American foreign policy ought to be a firm understanding with Great Britain and the self-governing members of the Commonwealth. Then there was no UNO; today there is. Then I said, 3 years ago:

> The high-minded, sincere internationalists, or the deliberate makers of political confusion may talk all they want about world organizations, regional federations, leagues of nations, and other desirable mechanisms of collective security. I submit that in this epoch of history, collective security is meaningless without the firm and clearly established military, as well as economic and spiritual, collaboration of the United States and the British Commonwealth.
>
> Today and tomorrow the question is not paramountly the peace of Europe but of the world. In the world scene, any scheme, however noble in concept, to maintain peace will in the last analysis be no better than the character and clarity of the relationships between the United States and the British Commonwealth.

That was 3 years ago, Mr. Chairman. It is true today. It will be true 10 years from now. But our vote today on this loan will largely determine whether or not we shall continue to count Great Britain our staunchest friend among the nations—or force her into the arms of future enemies.

Mr. Chairman, the British are a proud people. Only the extremity of their need would allow them to seek this loan, in view of the bitter, one might almost say, evil suspicions that have been hurled at them from many quarters, merely for asking it. The need is unquestioned. To be sure, there is no doubt that from a strictly financial view there may be reasonable doubts as to whether or not they will be able to pay it all back according to the terms of the agreement. But I think common sense should suggest to everyone that they will do their utmost to pay it back. For the future of their nation will not be a happy one if they do not. They would lose the economic, military, and diplomatic support and cooperation of America in the long years ahead if they fail to do so. And without this support, which they need perhaps even more than we need theirs, the British Empire would fall apart at every colonial and commonwealth seam—and some foreign nation, at its leisure, could gobble up the pieces. It seems to me that anyone who understands how the balances of power have shifted in Asia and Europe since the end of this war must realize that the very terms of survival for Great Britain is that she must keep American good will, support, and cooperation. Therefore, she must—and will—as a matter of self-survival make every effort to honor the spirit and substance of this financial agreement. That is national and international common sense. In short, our true guaranty for this loan is Great Britain's urgent need to avoid—by losing our friendship—a state of isolation from us in which she could be—and I believe would be—blitzed and destroyed in whole or in part by an aggressor nation which might seize precisely such an opportunity to do so.

Mr. Chairman, if we grant this loan we will be taking one firm step toward forming a sound American foreign policy—and that means toward peace and prosperity.

Mr. BENDER. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield gladly to my good friend.

Mr. BENDER. What would this do in the event that this loan were granted? Would this open the door wide for other nations to ask similar loans? For example, would it give Russia the right to ask us for three or four billions more? Would it be regarded as requiring us to loan to Russia because we have loaned to the British?

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentlewoman from Connecticut two additional minutes.

Mrs. LUCE. Any nation has at all times the right to ask for a loan and we also have the right to give or refuse it, on its own merits, regardless of the merits of previous requests from other nations. I am not a banker, but I am sure no banker feels morally or financially obliged to loan money to every party which asks him, simply because he made a loan which he considered sound to the first party who requested one.

The United States finds itself now in the position of the banker of the world, and it must consider loans as they are presented, making good ones, ones to its own interest when they come up and refusing bad ones as they come up, in their turn.

The first large loan which presents itself is the British loan. If a Russian loan should be presented to this House, that too ought to be considered strictly on its own merits. If and when such a loan is before us, the House can make such decision as seems wise about that loan. I already have my mind made up that it is a wise policy to consider loans to friendly, nonaggressor nations who need help if we can give it.

Mr. McDONOUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. McDONOUGH. The gentlewoman spoke a moment ago about the importance of Great Britain's retaining our friendship and because of the friendship the necessity of paying back the loan. Does the gentlewoman believe that it is essential to the United States that we retain the friendship of Great Britain in the same proportion as they retain our friendship? Which is the more important?

Mrs. LUCE. The word "friendship," I think, is somewhat abused between nations. Mutual self-interest is better. Even if we did not feel very friendly toward Great Britain, and a great many people in this House do not, it would still be to our self-interest to make the loan, and to Great Britain's to repay it. What is mutual is, by definition, as important to the one as to the other.

Mr. Chairman, may I review briefly some of the facts, the economic facts which form the background of this British request for American financial aid?

Before the war, England was the largest importing country in the world. She bought overseas most of the food for her people and the raw materials for her industries. Her whole economy was geared to earn enough from her foreign business to pay for these essentials of her economic life. She paid for half of her imports by exports of manufactured products, a quarter by income from investments abroad, and the remaining quarter mainly by shipping income, and the income of insurance, banking, brokerage, and other services. Her stability and prosperity were based on her ability to keep these sources of income at a high level.

This balance between British receipts—inpayments from abroad—and expenditures — outpayments abroad — was completely disrupted by the war. You know the reasons. Even before the war, the growing tension required huge British purchases in this country for rearmament, and gold and dollars fell from more than $4,000,000,000 to about $2,500,000,000 between the Munich crisis and the invasion of Poland. When the war began, Britain's demand for imports increased to extreme proportions, and she had to finance a large part of the war effort to various parts of the British Empire. At the time her foreign exchange receipts—her exports, her income from investments and her shipping services—were drastically curtailed. Gold and dollar reserves actually fell to a level of about $12,000,000 at the time of the institution of lend-lease.

With the continuance of the war, strong measures were taken to mobilize and conserve foreign-exchange reserves for essential war purposes and to exclude or limit imports that would use foreign exchange required to meet more urgent needs. These wartime currency and trade measures are still in effect. We recognize that they were necessary in the war emergency. We believe they are harmful to world trade and prosperity in time of peace.

The objective of the United States in the discussions with the British on the financial agreement was to secure the prompt removal of these wartime currency and trade restrictions, particularly the sterling area, blocked sterling, and the dollar pool.

One problem underlying the financial agreement is the prompt elimination of these wartime restrictions, so that American exporters can have access to all the markets of the world on a fair and equal basis. Neither England nor the sterling-area countries want to keep these restrictions. But England will have to continue these restrictions unless she can find some other means of securing the imports which provide the bread and the work for her people. And that is the second problem underlying the financial agreement.

Here are the essential facts. The war has seriously impaired England's international economic position. In the next few years, England cannot earn enough to pay for her most essential imports.

Because her industries were converted to war production, the quantity of British exports in 1944 was only 30 percent as much as in 1938. British net income from foreign investments is now only half of what it was before the war be-

cause some of these investments had to be sold and because England incurred a large foreign debt. The British merchant marine is one-fourth smaller than it was before the war.

Every important source of British income from abroad has been substantially curtailed. It is inevitable that during the transition to peace, the British must buy more than they sell, even if they maintain a very restricted standard of living. The total transitional deficit in the British international accounts has been variously estimated at $4,000,000,000 to $6,000,000,000, or even more, and the period of time which must elapse before the accounts can be balanced has been estimated at 3 to 5 years.

Britain needs credit; that fact is inescapable. Two alternatives are available. Either the British can receive some assistance from outside the sterling area and abandon the wartime restrictions, or they can continue and extend these restrictions and force additional help out of the sterling area. In our own interest we must make it possible for England to abandon the wartime currency and trade restrictions and join with us and the United Nations in a program of international economic cooperation.

The financial agreement meets these two problems in a manner that is advantageous to both countries. Under the agreement England undertakes to remove the restrictions that stifle trade and the discriminations that put our producers at a disadvantage in all British markets. Here is what England will do.

First. Within a year England agrees to make all sterling arising from current trade convertible. If Mexico and Egypt export to England they will be able to use the money they get in any country. That means they could convert the sterling into dollars and buy radios or refrigerators in the United States.

Second. Within a year Britain will dissolve the dollar pool. The money that the sterling area countries get for their exports to the United States could be spent here without getting an allocation from England. That means that India could use dollars to buy American machinery instead of being forced to buy English machinery.

Third. Exports of goods and services from the United States to England will be paid for in dollars, or if paid in pounds, the money can be converted into dollars by American exporters. That means the American movie companies which in the past have experienced considerable difficulty in getting their earnings from Britain will now be paid in dollars.

Fourth. The blocked sterling balances will be settled by England and the countries concerned. Any payments on these balances, whether now or in later years will be free for making purchases in any country, including the United States. That means that England will not force these countries holding more than $13,000,000,000 in sterling to buy British instead of American goods.

Fifth. England's import controls will be administered in a manner which does not discriminate against American products. That means England will not keep out American fruits and nuts in order to buy these same products in Portugal, Egypt, or India.

Sixth. England will support the American proposal for an international trade organization to reduce trade barriers and eliminate trade restrictions. In this way England supports our policy of expanded trade, with all countries having access to world markets on fair terms.

In the long run, these fair trade and currency practices will help England, too. With expanded world trade, British exporters will find better markets. But it will take several years before British exports are increased sufficiently to make good her heavy foreign exchange losses during the war. In the meantime, England needs credit if she is to secure the imports essential to her people.

England can undertake these commitments only if she can get help in paying for her essential imports while her trade is being restored. Part of the help she will get from other countries. But most of it can come only from the United States.

This is the second problem that is met by the financial agreement. If Congress approves the agreement, the United States will open a line of credit of $3,750,000,000 against which England can draw to pay for her imports. None of the credit can be used to pay any of Britain's outstanding debts. These will have to be met from other resources. The money can be used only for imports and other current payments.

This credit will remain open for use by England until 1951. She must then begin to repay the credit with interest at 2 percent. The repayment will be in the form of 50 equal annual payments covering principal and interest. The principal of the credit due each year must be paid without qualification. However, if world trade should become severely depressed, the interest due in that year would be waived, but payment of interest would be resumed as soon as trade recovers.

As you can see, the credit is not a gift. It will have to be repaid with interest. And the credit will not mean that England can import all she wants. Consumption in England will still have to be kept down to something like wartime austerity.

What will Britain do with this money? Some of the money she will use to buy food and raw materials for her people and her industries. Some of the money she will use to buy essentially needed equipment to restore British industry that have suffered from war damage or neglect. Much of the money will be spent in this country; but part of it will be spent in Latin America and in the sterling area. Even with the credit from the United States, the English people will have to maintain a restricted consumption of imported foods and other consumer goods which will be very little better than during the war.

The fact that Britain will now be able to pay for its imports with funds that can be spent anywhere, and not with inconvertible sterling, will mean that the trade of most of the world can be quickly freed from wartime restrictions. The import and export of goods will longer involve the kind of risks that businessmen cannot take. It will no longer necessitate agreement between governments on the means of payment for such goods. World markets will be open to businessmen on fair and equal terms.

The credit to England is not a precedent. There is no country in the world that has the same problem as England. There is no country in the world whose currency and trade policies so widely affect the whole course of world trade. The action of England on wartime currency and restrictions will be the key to whether the world will return to international trade on a business basis, or on the basis of government controls and regulations of trade and foreign exchange.

Other countries will need help. That help they are expected to get from UNRRA, from the Export-Import Bank, and from the international fund and bank. It is not expected that any further loans will be needed by special act of Congress after the British problem has been met.

Many people who are in favor of the credit to England are troubled by the possibility that it will add to the inflationary pressures we already have. Of course, the loan will increase spending in this country over the next 5 years. Even, if all the money were spent in this country, it would amount to only one-half percent of the total spending by our own people in the next 5 years.

In fact, the loan will help fight inflation. It will do this by encouraging production and trade. When trade is freed and production restored, supply will meet demand, and pressure on prices will be reduced. The loan to Britain will help restore production and trade all over the world. And now I come to my last point. The financial agreement with England is an essential part of our program for a peaceful and prosperous world.

The people of the United States and the United Nations have agreed on a program in which countries cooperate to maintain peace and prosperity. The United Nations Organization, with its Security Council, General Assembly, International Court of Justice, and Social and Economic Council, constitutes one side of this program. The Food and Agricultural Organization, the International Monetary Fund, and the International Bank for Reconstruction and Development, and the proposed International Trade Organization constitute another side of the same program.

This program recognizes that it is not enough to get countries to agree on political cooperation. That is important, of course. But we must do more than that. We must support all our efforts for peace by providing an environment of stability and order in international economic relations. We must remove the economic causes of conflict. In such an environment, peace can flourish.

The United Nations have gone a long way toward establishing such an economic foundation for peace. They have agreed on cooperative measures to provide the capital for restoring the economies of war-torn countries. They have agreed on the principles of fair currency practice essential to international trade

and investment. And they are now considering the adoption of principles of fair-trade practice that will reduce the barriers and eliminate the restrictions that prevent an expansion of world trade. This is a program in which the people of all countries have placed their hopes for orderly and beneficial economic relations.

Our program for international economic cooperation depends on having England adopt the fair-trade and currency policies for which we stand. England's actions set the pattern for the whole British Empire and the sterling area. These countries account for more than a third of the international trade of the entire world. These countries are our best customers. American producers, the producers in all countries, need a fair and equal chance in these markets and in all the markets of the world.

A world that trades on a fair basis is a prosperous world. A prosperous world is likely to be a peaceful world. That is why the financial agreement with England is a vital part of our whole program for peace and prosperity, and an integral fact in forming a sound American foreign policy.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr COOLEY].

Mr. COOLEY. Mr. Chairman, I am quite certain that anything that might be said at the moment would be an anticlimax, and would be of very little force and effect, but I appreciate this opportunity to discuss briefly the very important proposition now under consideration.

In closing this debate I want to emphasize the paramount importance of the issue which will be decided by this House tomorrow.

Mr. Chairman, a few short years ago the Congress and the people of the country thought that we could quarantine aggressor nations and isolate ourselves from other parts of the world and remain neutral while the rest of the world was destroying itself. We thought that we could remain free while the rest of mankind was enslaved. We thought that we could continue to be prosperous and powerful while the rest of the world died of starvation and want. We enacted neutrality laws and embargoes. We defined combat zones and placed restrictions upon both our men and material. We went up the hill and down again. When we came down the hill we decided to become the arsenal of democracy. No nation ever embraced a task of greater magnitude.

We became the arsenal of democracy. We mobilized our resources and we mobilized the greatest fighting force that the world has ever seen. Time was the most important factor. We were loving peace and hating war, but with a suddenness and an impact that dazed and shocked our sensibilities, war came upon us.

When war came upon us we entered it with all of our might and main. We mobilized a superb fighting force and all of our citizens and resources were rededicated to the cause of freedom. We talked a lot about the "four freedoms." We talked about a high and holy code of ethics and of a new civilization. Our hearts went out to the enslaved people of the earth and we talked of vindicating the immutable principles of liberty. At that time men were bleeding and dying on the ramparts of freedom and we thought of a new world—the world of tomorrow. Yes; we were motivated by the ancient law of self-preservation, as we saw the citadels of freedom trembling upon their foundations and swinging in the vacillating scales of uncertainty, and we were determined that the institutions of freedom should not perish from the earth.

Neither men nor nations bleed and die because of purely altruistic impulses. We fought, but when we fought the very foundations of our Government were trembling and the men of America were being murdered and maimed and our Territory, the beautiful islands of Hawaii, was invaded and imperiled. On December 7, 1941, the dreadful decision was made and from that day on we thought only of the victory which likewise came with a suddenness and an impact, which found us wholly unprepared for the problems of peace. We were no better prepared for the impact of peace than we were for the shock of war. Time is always an important factor in the slow processes of democracy. Let us think for a moment of the time that elapsed between September 1, 1939, and December 8, 1941.

In this debate it has been suggested that World War II was England's war; that we only made a grand and magnanimous contribution. Yes, it was England's war, but it was not England's war merely because she was the first to feel the deadly fangs of the vulture of autocracy. It was not England's war because she was the first to make a declaration of war, on September 1, 1939. It was not England's war because she stood alone while other nations looked on. No, it was England's war because she loved the institutions of freedom. Certainly England fought in her own best interest. She actually stood alone in the "rocket's red glare" while time permitted us to convert from peace to war. Shall she continue to stand alone while we reconvert from war to peace, or shall we in our own best interest help her climb to her feet again by giving her financial aid which is so urgently needed and which we can ill afford to withhold? Certainly England fought for England and America fought for America, but we both fought for a common cause, the preservation of the institutions of freedom, which neither could have defended successfully without the aid and assistance of the other.

During the war we sang songs of victory—When the Lights Go on Again All Over the World—and we sang another song—There Will Be Bluebirds Over the White Cliffs of Dover Tomorrow Just You Wait and See. Yes, the lights have gone on again all over the world, and the bluebirds are over the white cliffs of Dover again, but, unfortunately, fear has not been driven from the hearts of men, and we are still living in a rather sad and sorry world. When we were singing songs of victory and thinking of the world of tomorrow, buzz-bombs were bursting over Britain, and the rockets, the V-1's and V-2's had driven the bluebirds away from the white cliffs of Dover, along the Channel coast. The city of London was being destroyed and countless thousands were being murdered and mutilated. England needed us then and she needs us now. We needed England then and we need her now, if we want to continue in the ways of peace and prosperity.

You cannot look upon the ruins of London and upon the thousands of destroyed homes, or stand in the ancient House of Commons in Westminster Hall and look through gaping walls up to the sky, without thanking God for the courage and fortitude of the British people and without thanking God that our own beautiful cities were untouched and unmarred, and still stand as magnificent monuments to a great and prosperous nation. The prosperity of our Nation and the future peace of the world might depend upon the action taken by this House upon the pending measure. There has been a cessation of hostilities. The enslaved people of the world have been liberated from the fear of tyrannical power, but they have not been liberated from the fear of want. Have we changed our minds again? Do we now believe that we can isolate ourselves from the suffering of humanity? Do we now believe that we can live in this one world alone? If men were still dying on the battlefields and on crimson seas, would we withhold this line of credit which is so badly needed by our gallant ally? Oh, no; it would be granted by unanimous consent. But we are told that the war is over. Yes; the war is over, but men and women are still dying, by countless thousands, in other parts of the world, and we are now faced with the proposition—Shall we think no more of friendship? Shall we do nothing to perpetuate the peace which was purchased at such a precious price? Shall we turn our backs upon England, our greatest ally in war and our best customer in peace? Are we no longer interested in world trade and in the channels of commerce? Shall we drive a wedge into this bond of friendship and separate ourselves from our comrades who cherish the same ideologies and love the same institutions that we have cherished and loved through all of the long years of the past?

You say this is no time for platitudes. This is no time for pious pronouncements and I agree with you. This is the time for a realistic reappraisal of our own situation in this world of tomorrow, in which we now are living. While we can strip this proposition of all sympathetic and sentimental considerations, we cannot lose sight of the political implications involved, but if it better pleases your sensibilities, I should like to consider it on the basis of good business, for I actually believe that it has a sound economic basis.

America and England were dependent one upon the other in the critical time when the future of civilization was imperiled. The happiness and well-being of both Nations are now at stake, and we are now in the days of peace, likewise dependent one upon the other.

In the fall of last year top-ranking representatives of both the United States and Great Britain sat down to negotiate a mutually beneficial financial agreement. American representatives were not pro-British or pro anything except the best interests of their country. Indeed, it would be difficult for anyone to maintain successfully that Messrs. Vinson, Byrnes, and Clayton were men of a sort to "sell their country down the river," as seems to be the assumption of the opposition.

Whether the Congress likes the British or dislikes them, whether it agrees with what they do here or do not do there, is wholly irrelevant when compared with the major issue—the best interests of the United States. This and this alone is the touchstone by which this agreement must be considered.

This financial agreement formulated by America's top-ranking representatives is in the long-term interest of the United States. Only a prosperous world, only a world which from a stage of near chaos and disintegration has received assistance in regaining its foothold economically, only such a world will be able to buy the tremendous industrial and agricultural surpluses which the United States will have on hand once the present abnormal domestic demand for certain categories of goods has been satisfied

Let us not forget that this agreement is not only of long-term importance, but of immediate concern. If, after seven long months of indecision, during which time British gold and dollar reserves have been reduced to a low level, this Congress now rejects the Anglo-American Agreement, and the loan which accompanies it, then the drastic cuts which Britain will have to make in her dollar purchases will have an immediate injurious effect here in the United States. This will not be occasioned because of Britain's desire to retaliate. It will simply be because she will not have sufficient dollars with which to make her usual purchases; purchases which are of great importance, in view of the fact that Great Britain is America's best customer. Any rejection by Congress of this loan agreement would leave Britain no alternative except to buy everything she possibly can from nondollar sources. Contracts, yes, even current contracts and obligations, for tobacco, cotton, machine tools, Hollywood movies, and other items would have to be canceled or severely scaled down. Such inevitable cancellations would have serious results in many parts of the country. Let us not forget that if we were to reject this agreement we would be hurting not only Britain, but we would be needlessly hurting ourselves. A strange idea seems to be prevalent in some quarters that an agreement which is beneficial to one Nation must necessarily be harmful to another. Such an attitude reveals a lack of experience in ordinary business transactions.

Let us not be unmindful of the probably disastrous consequences to the future of the world peace if by our action we drive into two warring camps the English-speaking countries upon whose unity and continued cooperation depends so much of the future peace and prosperity of the world.

What will we do with our surplus agricultural and industrial output if the wheels of world trade and commerce do not start to turn again? Where will we sell the surplus? We have the greatest merchant marine that ever sailed the Seven Seas, and we have a production capacity which surpasses that of any other nation on earth. We have an interest, therefore, in world trade that is greater than that of any other nation in the world. We know what happened following World War I, when short-sighted men isolated this Nation by lifting an insurmountable tariff wall. Yes, we could produce then, and we did produce then, only to be buried beneath the surplus of our production. I for one am unwilling to embark again upon such a short-sighted policy.

Regarding further this proposition upon the basis of good business, I want to bring this situation a little nearer home. England is our best customer. Normally British purchases of cotton in this country ran as high as $100,000,000 a year, and British purchases of tobacco in the United States totaled from seventy to one hundred million dollars a year, to say nothing of motion-picture films, machine tools, petroleum products, and other industrial and agricultural commodities. Great Britain purchases more than one-third of the flue-cured tobacco produced in the tobacco-growing States. If British buyers leave our markets it will paralyze the economy of North Carolina and many other States in the Union. We do not have to guess about what will happen. We have had experience and we know what will happen.

In the fall of 1939, when England declared war on Germany, our sales of tobacco were not merely curtailed. The price of tobacco did not merely decrease. Our markets were actually closed. The warehouse doors were shut, and a cloud of despair hung heavy over the heads of our people. Do we want this to happen again? If British buyers fail to purchase their normal amount of tobacco, our domestic markets will be flooded and we will be buried again beneath the surplus which will accumulate here at home This is no idle dream. It is a realistic appraisal of the situation we are facing If this line of credit is not extended, the people in the tobacco country of America will be facing another major economic catastrophe. So, on the basis of purely selfish motives and business reasons, I can justify my vote in favor of this measure. If the line of credit is not extended and England does not have the dollars with which to purchase, and we are driven from the markets of the world, how can we support the economy of our country? Someone has said that England will have to buy American agricultural and industrial products. This, we know, is a false and fallacious argument. We normally export over 50 percent of our tobacco crop. Are we not, therefore, interested in Great Britain when we realize that tobacco is being grown in Rhodesia, India, China, Japan, Manchuria, Canada, South Africa, Java, and in South American countries?

Before the war Britain bought 17 percent of our exports and 42 percent of our exports went to the British Empire. Britain accounted for 27 percent of all world trade. This is evidence of the importance of Great Britain in the field of international trade and commerce. This is why we should be interested in eliminating wartime restrictions and discriminations. Shall we force Britain to continue the wartime restrictions and continue preferences to countries within the sterling bloc, or shall we enable her to abandon the restrictions in the sterling area and to abolish the so-called sterling dollar pool?

Certainly, we are interested in the kind of economic world that is now being built; not only by reason of our financial interest, but because of its importance to the peace and prosperity of our Nation, and the other nations of the world.

Shall the distressed and distracted people of the world look to Moscow for leadership, or shall we, as a great and powerful Nation, take our rightful place among the nations of the earth, and supply the leadership and assistance in redirecting their efforts in the pathways of peace. We have made a great investment in the institutions of freedom and in world peace. Are we going to break faith with our most formidable ally and our best friend and customer, and suddenly embark upon a program of economic warfare, even before the documents of peace have been written? This line of credit is not merely a commercial investment. It is far more. It is a demonstration of our faith in the British people, and, yet, it is in our own best interest.

England and America are both still dripping with blood, the priceless blood of heroes who fell upon the fields of glory and went down to watery graves, in seas made crimson by the blood of those who died on the altars of freedom. Shall we break faith with those who died in a common cause, and lose the peace for which they so gallantly fought and suffered? You know and I know that unless world trade is reestablished, the world will break to pieces, and all of the friendships which were molded in the fiery furnace of war will melt in the blazing flames of greed, as we engage in economic warfare, the like of which the world has never known before.

I urge the passage of the pending measure.

Mr. PLOESER. Mr. Chairman, I am one who believes that a working harmony with Great Britain is equally essential to both great powers—the United States and Britain.

No objection will be heard from me on the matter of extending proper credits. The United States has already done more than all other nations of the world to bolster and stabilize world trade and currencies. Undoubtedly, we will be called upon to do more.

There is a right way and a wrong way to make a loan. The right way is equally important to borrower and lender if continued friendship and international cooperation is to be vital and good.

In the case of this agreement the negotiators for the United States have done most poorly and I fear both nations will suffer as a result.

For months I have contended that some form of security—either goods or Atlantic island bases, should be posted by the borrower, Great Britain, to collateralize this extension of credit. If this is not done surely the day will arrive when the American people awaken to learn that the loan was not a loan but a gift. They will learn to their distaste for international deals that they have been misled—not by the British—but by their own American Treasury and State Departments' weak management of the financial agreement negotiations.

An amendment will be offered for collateralization. If it is adopted, I shall vote for the agreement. If the amendment fails, I shall be forced to vote "no" as a protest against faulty and weak negotiations.

All Members of this House have received many comments on this situation—many worthy comments both pro and con. Among those I have received is a most intelligent resolution by the Amvets, of Missouri, which I quote.

On July 8, 1946, the executive committee of Americans Veterans of World War II for the State of Missouri passed the following resolution:

"*Be it resolved*, That we are opposed to all foreign loans until a full disclosure is made by the Department of State to the American people of all foreign commitments and all applications for loans pending and a critical examination is made of the purposes for which the loans are desired and the measures to insure repayment have been more fully evaluated."

JOHN J. WOLFE,
Commander of Missouri State Amvets

We are asking other nations for adequate security through the Import and Export Bank Why this exception? Import-Export Bank loans avoid congressional approval Why this difference?

America must help the cooperative nations of the world, but America must not destroy either American resource or influence when so doing. Our resources belong not to Government but to the people. I know of no right given me, as a Member of Congress, to dissipate my Nation's Treasury; nor do I feel that I have a right to expend the Nation's credit beyond critical needs and adequate safeguards.

Mr. SPENCE Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration Senate Joint Resolution 138, to implement further the purposes of the Bretton Woods Agreement Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate further insists upon its amendment No. 7 to the bill (H. R. 5452) entitled "An act disagreed to by the House; asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. MCCARRAN, Mr. HAYDEN, Mr. GREEN, Mr. BAILEY, Mr WHITE, Mr. GURNEY, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (6739) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 10, 11, 12, 13, 14, and 38½, to the foregoing bill.

The message also announced that the Senate further insists upon its amendment No. 39 to said bill, disagreed to by the House; asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. MCKELLAR, Mr RUSSELL, Mr. MEAD, Mr. MURDOCK, Mr. WHITE, Mr. BALL, and Mr. BRIDGES to be the conferees on the part of the Senate..

EXTENSION OF REMARKS

Mr. SIKES asked and was given permission to extend his remarks in the RECORD and include a radio address by Earl Godwin.

Mr. CLEMENTS Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject Report on Food Shipments for Famine Relief, and to include a release from the Office of the President I am informed by the Public Printer that this will exceed 2 pages of the RECORD and will cost $180, but I ask that it be printed notwithstanding that fact.

The SPEAKER Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PRIEST asked and was given permission to extend his remarks in the RECORD and include an address by the gentleman from Arkansas (Mr. HAYS).

Mr. GORE asked and was given permission to revise and extend the remarks he made in committee today.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include an excerpt from a newspaper.

Mr. PITTENGER (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HAND (at the request of Mr. CANFIELD) was given permission to extend his remarks in the RECORD.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include copy of a letter written by him to the Des Moines Register.

Mr. WHITE asked and was given permission to extend his remarks in the RECORD and to include therein certain excerpts.

Mr. AUGUST H. ANDRESEN asked and was given permission to extend the remarks he made this afternoon on the British loan and include certain extracts pertinent to the loan.

Mr. PHILLIPS. Mr. Speaker, yesterday afternoon I secured unanimous consent to extend my remarks in the RECORD on the subject Starving People and American Dollars. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $345, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. LANDIS asked and was given permission to extend his remarks in the RECORD.

REGULAR VETERANS' ASSOCIATION AN ACTIVE AND IMPORTANT FACTOR IN THE INTEREST OF ALL SERVICEMEN

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr McDONOUGH. Mr. Speaker, Mr William M. Floyd, national commander and legislative representative of the Regular Veterans' Association, one of the principal and most active veterans' organizations, called at my office recently to discuss with me the legislative and general program of his group.

Commander Floyd brought especially to my attention some pending legislation in which the Regular Veterans' Association is particularly interested. Actively supported by the organization this legislation was passed by the House several months ago and has now been in committees of the Senate for some time without action. The commander asked my cooperation in helping to expedite his legislative program before the Congress adjourns for its summer recess.

I am well acquainted with Commander Floyd personally. I am well aware of the excellent and effective work he is accomplishing for the Regular Veterans' Association in all its activities. Furthermore, I know the majority of the national officers of the organization and many of its department officers in the State of California, a number of whom reside in my district. Among them are the following very able men:

National Senior Vice Commander Frank B Gigliotto, National Junior Vice Commander Harold L. McIntyre, National Zone Councilman John Krissa, National Sergeant at Arms Oliver K. Hillman, National Aide-de-Camp Jack D. Price, Past National Senior Vice Commander Harry Gartner, Department Commander Edgar K. Irwin, Department Senior Vice Commander E. E. Hammer, Post Commander Joseph A. Schlager, Post Commander Forrest M. Beeson, Post Commander Edwin J. Melvin, Post Com-

mander Henry McCaskie, Post Commander E. K. Irwin, Post Commander Arthur W. Yowell, Post Commander Clifford Stapp, Post Commander Frank L. Mayers, Commander Robert H. Cary, Department Officer Samuel H. Stief, Department Officer Thomas Holt, Department Officer Paul Collins, and other department and State officers.

It has also been my pleasure a short time ago to become acquainted with Sgt. Fred Snead, a totally disabled veteran of World War II. He is a fine young member of the organization who, in order to appear before the World War Veterans Committee of the House in behalf of other disabled servicemen, was flown to Washington from California. He was accompanied by his nurse, Maryhellen Hunt, who has now become Mrs. Snead.

I am well acquainted with the Regular Veterans Association. I have been fortunate in being privileged to visit a number of its fine posts, to meet the officers of these units and the ladies of their auxiliary units. It has been a real pleasure for me to know first-hand of the splendid work and achievement of the organization and its auxiliary in California and throughout the United States. It is not confined to the aiding of veterans in hospitals but is carried on in all communities where posts have been established. I am proud to have units of such an organization active in communities within my district of the great State of California.

One of the bills to which Commander Floyd invited my attention is H R 3908. If enacted, this legislation will increase the disability pensions of peacetime veterans from 75 to 90 percent of the rates being paid veterans of World War I and II It will provide much needed help, in these trying times of increasing costs, to veterans of the regular establishment disabled in line of duty and whose disabilities are no less grave than those of wartime veterans with equal percentages of disability. I feel, too, that passage of the bill would do much to stimulate voluntary enlistments in the Regular services and solve most of the problems involved in compulsory military training.

Another piece of legislation brought to my attention by Commander Floyd was H. R. 1128. This is a bill to incorporate the Regular Veterans Association under a congressional charter. The House twice passed such a measure, and I had the pleasure of voting for its passage in the Seventy-ninth Congress. The bill is now before the Senate Judiciary Committee I believe that it should be enacted into law, thereby placing the Regular Veterans Association on a par with other legitimate veterans organizations which have been chartered by Congress.

On a recent visit to the national headquarters of the Regular Veterans Association I inquired of Commander Floyd about both the general and legislative programs of the organization. I found that the last convention had mandated a heavy but thoroughly constructive program ranging from community and national service to veterans, Americanism activities and the promotion of national defense, to a broad but logical program of legislation looking to the welfare of servicemen and to national security. The work is being carried on intensively and the accomplishments of the organization are exceptional.

I then asked the commander about the benefits which the organization had been instrumental in securing for veterans and for active service personnel of the regular establishment during his 3 years in office as national commander. I was pleased to be shown a number of letters from the White House forwarding pens used by the President in signing bills which had been introduced in the Congress at the request of the Regular Veterans Association.

I take pleasure in listing here as a public service and for public information the laws which can be placed to the credit of the organization during the past 3 years:

Public Law 242, Seventy-eighth Congress—H R. 2350—enacted March 1, 1944, "An act to liberalize the service pension laws relating to veterans of the war with Spain, the Philippine Insurrection, and the China Relief Expedition, and their dependents."

Public Law 245, Seventy-eighth Congress—H R. 85—enacted March 3, 1944, "An act to amend the act of March 3, 1927, entitled 'An act granting pensions to certain soldiers who served in the Indian Wars from 1817 to 1898, and for other purposes'."

Public Law 280, Seventy-eighth Congress—S 662—enacted April 1, 1944, "An act to authorize pensions for certain physically or mentally helpless children, and for other purposes."

Public Law 409, Seventy-eighth Congress—H R. 4466—enacted July 1, 1944, "An act to amend section 18 of the Pay Readjustment Act of 1942 to provide additional pay for personnel who are required to participate in regular and frequent glider flights."

Public Law 421, Seventy-eighth Congress—H R 1506—enacted September 7, 1944, "An act to amend further the Pay Readjustment Act of 1942"

Public Law 462, Seventy-eighth Congress—H. R 5041—enacted December 6, 1944, "An act to amend the Veterans Regulations," and granting increased pension to those veterans who suffered the anatomical loss, or loss of use of, a foot, hand, or eye in the service.

Public Law 469, Seventy-eighth Congress—H. R 4999—enacted December 7, 1944, "An act to increase the service-connected disability rates of pension for certain Regular Establishment veterans and veterans of wars prior to World War I."

Public Law 471, Seventy-eighth Congress—H. R. 86—enacted December 8, 1944, "An act to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1905."

Public Law 51, Seventy-ninth Congress—H. R. 1701—enacted May 4, 1945, "An act to amend section 2, Public Law 140, Seventy-seventh Congress," which provided for the discharge or retirement of enlisted men of the Regular Army and of the Philippine Scouts in certain cases.

Public Law 182, Seventy-ninth Congress—H. R. 3644—enacted September 20, 1945, "An act to amend the Veterans Regulations to provide additional rates of compensation or pension and remedy inequalities as to specific service-incurred disabilities in excess of total disability."

Public Law 190, Seventy-ninth Congress—H. R. 3951—enacted October 6, 1945, "An act to stimulate volunteer enlistments in the Regular Military and Naval Establishments of the United States."

Public Law 281, Seventy-ninth Congress—H. R. 4587—enacted December 28, 1945, "An act to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes."

Public Law 474, Seventy-ninth Congress—H. R. 6084—enacted June 29, 1946, "An act to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service."

DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL

Mr. HARE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments thereto, disagree to the Senate amendment No. 39 and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs HARE, TARVER, ROONEY, NEELY, ENGEL of Michigan, KEEFE, and H. CARL ANDERSEN.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S J Res 174 Joint resolution prohibiting the War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program has been submitted to Congress, to the Committee on Expenditures in the Executive Departments.

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R 6407. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

ADJOURNMENT

Mr. SPENCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.), under its previous order, the House adjourned until tomorrow, July 13, 1946, at 10 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. House Resolution 698. Resolution authorizing the Committee on Un-American Activities to have printed for its use additional copies of the hearings held before said committee relative to the investigation of un-American propaganda activities in the Communist Party, without amendment (Rept No. 2502). Referred to the House Calendar

Mr. JARMAN: Committee on Printing. House Resolution 697. Resolution authorizing the printing as a House document the report on the international control of atomic energy, prepared by a board of consultants to the Department of State, without amendment (Rept. No. 2503). Referred to the House Calendar

Mr. JARMAN: Committee on Printing. House Resolution 700. Resolution authorizing the printing as a House document of the proceedings of the one hundred and fifty-fifth anniversary of the independence of Poland, and providing for the printing of additional copies thereof, without amendment (Rept. No 2504) Referred to the House Calendar.

Mr WHITE Committee on Coinage, Weights, and Measures. H R. 2377. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Iowa into the Union as a State; without amendment (Rept. No 2505). Referred to the Committee of the Whole House on the State of the Union.

Mr WHITE Committee on Coinage, Weights, and Measures H. R. 6528 A bill to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T Washington, without amendment (Rept. No. 2506). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLANNAGAN. Committee on Agriculture. House Resolution 676 Resolution requesting the Secretary of Agriculture to submit information on shortage of food and feed in Massachusetts; without amendment (Rept No 2507). Referred to the House Calendar.

Mr. KEE. Committee on Foreign Affairs. H R 6967. A bill to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration, with amendments (Rept No 2508). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE Committee on the Post Office and Post Roads H. R. 2000. A bill to provide for the carrying of mail on star routes, and for other purposes; with amendments (Rept No 2509) Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAVENNER:

H R 7016. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 28, 1945; to the Committee on Banking and Currency.

By Mr. PRICE of Florida:

H.R 7017. A bill to reenact and amend the provisions of the Emergency Price Control Act of 1942 relating to maximum rent controls; to the Committee on Banking and Currency.

By Mr. IZAC:

H. R. 7018. A bill relating to the pay and allowances of officers of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral; to the Committee on Naval Affairs.

By Mr. MANSFIELD of Montana:

H. R. 7019. A bill to provide for the adjustment of repayment contracts, cancellation of irrigation charges, and amendment of certain provisions of the act of May 10, 1926 (44 Stat 464), and acts amendatory thereof or supplementary thereto, and for other purposes, Flathead Irrigation project, Montana, to the Committee on Irrigation and Reclamation.

By Mr PETERSON of Florida:

H R 7020. A bill to provide for the acquisition by exchange of non-Federal property within the Glacier National Park, to the Committee on the Public Lands.

By Mr. RANDOLPH (by request):

H J Res 380. Joint resolution to exempt officers and employees of the Bureau of Internal Revenue from the provisions of section 14 (a) of the Federal Employees Pay Act of 1946, relating to personnel ceilings; to the Committee on the Civil Service.

By Mr SIKES

H Res 702. Resolution to provide for a select committee to study and investigate prices in violation of antitrust laws; to the Committee on Rules.

By Mr SIKES:

H R 703 Resolution to provide for expenses of the investigation and study authorized by House Resolution 702; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H R 7021. A bill for the relief of Dr. Gisela Perl (Krausz), to the Committee on Immigration and Naturalization.

By Mr EARTHMAN:

H R 7022 A bill for the relief of the city of Manchester, Tenn; to the Committee on Claims

By Mr. GARDNER:

H. R. 7023. A bill granting a pension to Mrs Elsie Williams; to the Committee on Pensions.

By Mr GIFFORD.

H. R. 7024 A bill for the relief of the estate of Manuel Santos Barros, to the Committee on Claims.

By Mr HINSHAW:

H R 7025 A bill for the relief of Luther G. Rainey and Mrs. Esther Rainey, to the Committee on Claims.

By Mr. LESINSKI:

H R 7026. A bill for the relief of Rose Irene Archie, nee Rose Alaimo, also known as Irene Lombardo, to the Committee on Immigration and Naturalization.

By Mr. PATTERSON:

H R. 7027. A bill for the relief of Ikumori Sakihara, to the Committee on Immigration and Naturalization.

H R 7028 A bill for the relief of Dora Greenbaum (Brenner); to the Committee on Immigration and Naturalization.

By Mr. PRICE of Florida:

H. R. 7029. A bill for the relief of James A. Smith; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2085. By Mr. FULTON: Petition of James P. Murphy, secretary, Wabash Building, Pittsburgh, Pa; to the Committee on Agriculture.

2086. By Mr. KEARNEY: Petition containing signatures of citizens of Schenectady, N. Y., calling for the abolishment of OPA rent control in the Schenectady area; to the Committee on Banking and Currency.

2087. Also, petition containing the signatures of 76 citizens of the Thirty-first Congressional District, State of New York, protesting against the enactment of any and all legislation which would reestablish further controls; to the Committee on Banking and Currency.

2088. By Mr. SMITH of Wisconsin: Resolution adopted by members of the Tavern League, of Edgerton, Wis., requesting the Federal agencies having control of the allocation of grain for alcoholic beverages to reexamine the entire program and ascertain the true economic facts with the view that brewers and distillers of America be given increased allocations which will benefit the entire country as a whole, to the Committee on Agriculture.

SENATE

SATURDAY, JULY 13, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Ralph C. John, S. T. M., assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Eternal Spirit, our Heavenly Father, in a historical continuum whose moments are freighted with meaning for both time and eternity, we seek Thy guiding providence in the challenge of the sacred stewardship to which Thou hast summoned us Enlighten our minds with an understanding of the foundations and the needs of life—the crowning accomplishment of Thy creative genius—and give us the will to make concrete in deed that which Thou dost cause the eye of the soul to perceive. We know no sufficiency, O God, save that which we find in Thee.

Incline Thine ear unto us in this time of supplication. Hear the petitions of our hearts as on the wings of prayer they rise to Thy throne of mercy, and make us to stand in strength because we stand unequivocably with and for Thee. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, July 12, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 12, 1946:

S. 593. An act for the relief of Warrant Officer Wayne C. Proper; and

S. 1314. An act for the relief of Frederic P. L. Mills.

On July 13, 1946:

S 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House still further insisted upon its disagreement to the amendment of the Senate No. 7 to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. O'NEAL, Mr. D'ALESANDRO, Mr. KOPPLEMANN, Mr. CANNON of Missouri, Mr. TABER, Mr KEEFE, and Mr. CANFIELD were appointed managers on the part of the House at the conference.

The message also announced that the House further insisted upon its disagreement to the amendment of the Senate No 39 to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARE, Mr. TARVER, Mr. ROONEY, Mr. NEELY, Mr. ENGEL of Michigan, Mr. KEEFE, and Mr. H. CARL ANDERSEN were appointed managers on the part of the House at the conference.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

S 2118 A bill to provide for the payment of a bonus of 30 cents per bushel on wheat produced and sold between January 1, 1945, and April 18, 1946, without amendment (Rept No 1713)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S 2436 A bill to permit the transportation and distribution of natural gas produced as an incident of the production of petroleum or otherwise and to stimulate petroleum production, to the Committee on Interstate Commerce.

By Mr WALSH:

S 2437 A bill to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II; to the Committee on Naval Affairs.

By Mr. MURRAY:

S 2438. A bill to correct the naval record of Simeon Vandeventer Kemper, Jr.; to the Committee on Naval Affairs.

THIRD DEFICIENCY APPROPRIATIONS, 1946—AMENDMENTS

Mr. BALL submitted amendments intended to be proposed by him to the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes, which were ordered to lie on the table and to be printed, as follows:

On page 9, line 2, to strike out the words "or refuses" and insert in lieu thereof "in the determination of the Secretary of State"; and in line 3, to strike out the word "the", where it occurs the first time, and insert "a reasonable number of."

ADVERTISEMENT OF POLITICAL ACTION COMMITTEE FOR PALESTINE — PERSONAL STATEMENT

Mr. DOWNEY. Mr. President, there appears on page 12 of the New York Herald Tribune of today, July 13, almost a full-page advertisement of an organization that calls itself the Political Action Committee for Palestine, Inc. The advertisement constitutes a bitter attack upon the proposed loan to Great Britain. At the end of the advertisement appear the names of an executive board upon which my name is not shown, although it contains the names of certain distinguished Members of Congress. There also appear certain names as members of the congressional advisory board, including Representative CLARENCE CANNON; Senator ARTHUR CAPPER, of Kansas; Senator HOMER E. CAPEHART, of Indiana; and Senator SHERIDAN DOWNEY, of California.

For my own part, Mr. President, I want to make it clear that I knew nothing about this advertisement and would never have authorized my name to appear in connection with it, and whoever attached my name must have known that from first to last. I have been strongly for the British loan at all times and would consider it a great disaster if that loan was not approved by the Congress of the United States.

I have no recollection of ever in any moment of unconsciousness or inadvertence having consented to allow my name to be used for any purpose by the Political Action Committee for Palestine. I never was informed by anyone about its attitude on the loan and I emphatically repudiate its use of my name.

In the same issue of the New York Herald Tribune appears a news story which contains a denial of most of the alleged signers to the advertisement. I ask that the news story from the same issue be made a part of my remarks at this point in the RECORD.

There being no objection, the news story was ordered to be printed in the RECORD, as follows:

PROTESTS ISSUED ON ANTILOAN AD—CONGRESSMEN DENY SEEING IT BEFORE PUBLICATION

WASHINGTON, July 12.—Several Members of Congress whose names had been signed to a paid newspaper advertisement, published July 10 by the Political Action Committee for Palestine, Inc., urging that the proposed United States loan to Britain be defeated because of the British attitude toward Palestine, said today that they had not seen the advertisement before publication.

Headed "Kill that loan," the advertisement listed among members of the executive board of the committee, which has headquarters at 104 West Seventieth Street, New York, several Congressman, and carried a note that all members of the board had approved its publication.

Several Congress Members, while saying they held with the objectives of the committee toward Palestine, protested yesterday the use of their names in the advertisement. Among these was Representative THOMAS J. LANE, Democrat, of Massachusetts, who said he had quit the committee because of it.

Senator WILLIAM LANGER, Republican, of North Dakota, said he had seen the advertisement before publication and had approved it. Those who denied seeing or approving it before publication included Senators ARTHUR CAPPER, Republican, of Kansas, DAVID I WALSH, Democrat, of Massachusetts, HOMER E. CAPEHART, Republican, of Indiana; MILTON R. YOUNG, Republican, of North Dakota, JAMES M. MEAD, Democrat, of New York, LEVERETT H SALTONSTALL, Republican, of Massachusetts; and Representative JOHN W. MCCORMACK, Democrat, of Massachusetts, House majority leader.

In a statement released yesterday the committee asserted: "The pressure of certain members of the administration is easily recognized in the purported disavowal. * * * The committee will not descend to dual tactics of personal recriminations such as introduced by LANE." It added that it had mailed a full text of the advertisement to Mr. LANE in Washington on July 6.

DEMOCRACY OR DICTATORSHIP IN BUSINESS AND GOVERNMENT—ARTICLE BY SENATOR O'MAHONEY

[Mr. HILL asked and obtained leave to have printed in the RECORD an article by Senator O'MAHONEY entitled "Democracy or Dictatorship in Business and Government," published in the April 1946 issue of Dun's Review, which appears in the Appendix.]

ADDRESS BY HON. ALF M. LANDON TO YOUNG REPUBLICANS OF KANSAS

[Mr CAPPER asked and obtained leave to have printed in the RECORD an address delivered by Hon. Alf M. Landon, to the Young Republicans of Kansas, at Newton, Kans., on July 10, 1946, which appears in the Appendix.]

THE TREATMENT OF NAVAL OFFENDERS, WAR AND POSTWAR—ADDRESS BY RICHARD A. CHAPPELL

[Mr MORSE asked and obtained leave to have printed in the RECORD an address on the subject The Treatment of Naval Offenders, War and Postwar, by Richard A. Chappell, Chief of Probation, Administrative Office of the United States Courts, which appears in the Appendix.]

A PROGRESSIVE AND DEMOCRATIC AMERICA—ADDRESS BY OLIVIA DE HAVILLAND

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD an address delivered by Miss Olivia De Havilland at the Seattle meeting of the Independent Citizens Committee of the Arts, Sciences, and Professions, on June 21, 1946, which appears in the Appendix]

COMMUNISTIC PLOTS AGAINST THE GOVERNMENT—EDITORIAL FROM THE CHARLOTTE OBSERVER

[Mr HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "He Ought to Know," from the Charlotte Observer of July 11, 1946, which appears in the Appendix.]

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Burch	Eastland
Andrews	Bushfield	Ferguson
Austin	Capehart	Fulbright
Ball	Capper	George
Barkley	Carville	Gerry
Bridges	Chavez	Gossett
Briggs	Cordon	Green
Brooks	Donnell	Guffey
Buck	Downey	Gurney

Hart	Magnuson	Smith
Hawkes	Mead	Stanfill
Hayden	Millikin	Stewart
Hill	Mitchell	Swift
Hoey	Moore	Taft
Huffman	Morse	Taylor
Johnson, Colo.	Murdock	Thomas, Okla.
Johnston, S. C.	Murray	Thomas, Utah
Kilgore	Myers	Tunnell
Knowland	O'Daniel	Wagner
La Follette	O'Mahoney	Walsh
Langer	Overton	Wherry
Lucas	Pepper	White
McCarran	Reed	Wiley
McClellan	Revercomb	Wilson
McKellar	Robertson	Young
McMahon	Russell	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the Commission appointed to attend the Philippine Independence ceremonies.

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy-seven Senators having answered to their names, a quorum is present.

REORGANIZATION PLAN NO. 2

The Senate resumed consideration of the concurrent resolution (S. Con. Res. 66) disapproving reorganization plan No. 3, transmitted to Congress by the President on May 16, 1946, which resolution had been reported adversely by the Committee on the Judiciary.

Mr. BARKLEY. Mr. President, under the law governing the procedure on the reorganization plan there may be not to exceed 10 hours debate, to be equally divided among those who favor and those who oppose it. In order that there may be some order in determining control of that time, I ask unanimous consent that the Senator from Nevada [Mr. MCCARRAN], chairman of the Committee on the Judiciary, control 5 hours in behalf of the reorganization plan No. 3, and that the ranking minority Member, the Senator from Wisconsin [Mr. WILEY], control the other 5 hours on the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILEY. I spoke to the distinguished majority leader informally about the matter of 5 hours on each side, to get his idea of whether we could not agree that on the pending concurrent resolution debate be limited to 1 hour on each side.

Mr. BARKLEY. No, Mr. President, I cannot enter into any agreement respecting limitation at this time. The law provides that there may be not to exceed 10 hours' debate, which would provide 5 hours on each side. Certainly before we even start the debate I could not enter into such an agreement. I do not know what Senators desire to speak or the length of any proposed speech. I cannot agree to limitation of time now.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. There are three reorganization plans. We have two days in which to discuss them, today and Monday. The ordinary meeting of the Senate for those 2 days would give approximately 10 hours for all three plans. I am sure the Senator does not wish to interfere with the Senate having a vote on each of the three plans. Therefore, it seems to me a very reasonable request that the debate on this plan be limited. I do not know what the various objections may be to the plan, but so far as I can find there seems to be much less objection to plan No. 3 than there is to plan No. 1 and plan No. 2. Therefore, I think the request suggested by the distinguished Senator from Wisconsin is a very reasonable one, and that we allot a less time, half of the afternoon, perhaps 2 hours or 2½ hours, to the discussion of plan No. 3.

I notice that the statute contemplates that that may be done. It says:

> Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable.

So that it is clearly contemplated that the Senate, in its wisdom, may decide to make the time of debate shorter than the 10 hours. It seems to me that by unanimous consent it would be a very reasonable proposal to limit debate on plan No. 3 to perhaps 2 hours, the debate on the next plan to 3 hours, and leave the third plan for debate on Monday.

Mr. BARKLEY. I think in all frankness it is not reasonable to ask me, even before we start on the debate and before anyone knows which Senators wish to speak, or for how long, to agree to enter into a limitation of debate.

Mr. TAFT. If the Senator puts the matter on that ground, I agree that that may be so, but I suggest then that I may renew the request after perhaps an hour, and that at that time we may agree to make the time shorter.

Mr. BARKLEY. I think we may be able to assess the number and length of speeches as the debate proceeds for a while. I would rather not agree to limitation at this time.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SMITH. I understand that under the law all these reorganization plans become law on Monday night next unless some action of disapproval is taken. In other words, the entire debate might be made on reorganization plan No. 3, and we might not even get to plan No. 1 or plan No. 2, and by the lapse of time those plans may become law. How can we surmount that difficulty?

Mr. BARKLEY. The law dealing with the subject is as Congress enacted it. Congress provided that if 60 days after a plan has been submitted no action is taken by both Houses to disapprove, the plan becomes effective. Congress did that. I do not wish in any way to convey the impression that I have any desire to prevent a vote on all three of these plans. But Congress fixed the period of 60 days. I thought the time limit went into Tuesday, but I have been advised that the limitation is at midnight Monday night. It is, however, one of those thing that happens in connection with many matters that come before us I hope we may be able to dispose of all the plans.

Mr. SMITH. Of course, that very situation points out so clearly why some of us objected to this kind of legislation. If any one of these plans becomes law it is a Government Executive order going into effect and becoming law without Congress having had an opportunity to pass upon it.

Mr. BARKLEY. That is true. Congress has known for a long time that there never would be any reorganization unless we authorized the President to do it. Congress reserved its right during a 60-day period to disapprove any reorganization plan. That 60-day period is about to expire. It will expire, so I am told, Monday night at midnight. If that be true, we will have to dispose of the plans by that time. If not, they become automatically effective. But I do not think there has been any lack of diligence. There has been no deliberate effort made to postpone consideration of these matters. We have had other matters occupying all our time.

Mr. SMITH. I agree with the Senator.

Mr. BARKLEY. The concurrent resolution was reported only a few days ago. But Congress must have contem-

plated the possibility of the present situation when it did what it did in the act fixing the 60-day period.

Mr. SMITH. That, of course, is true, but I am pointing out the difficulty we now confront.

Mr. BARKLEY. We will have to determine what may be done as we go along, I assume.

Mr. President, has my request been granted?

The PRESIDING OFFICER. It has been granted.

The Chair will state that the pending business before the Senate is Senate Concurrent Resolution 66, disapproving the reorganization plan No. 3.

In the Reorganization Act of 1945, the procedure for the consideration of the concurrent resolutions dealing with the pending reorganization plans is prescribed, and for this purpose is regarded as the rule of the Senate.

Debate on the pending concurrent resolution (S. Con Res. 66) disapproving reorganization plan No. 3, is limited to 10 hours, and is to be equally divided between those favoring and those opposing the resolution.

Under the order of the Senate, the Senator from Nevada [Mr. McCARRAN] has charge of the time of those who favor the resolution, and the Senator from Wisconsin [Mr WILEY] has charge of the time of those who disapprove it.

No amendment to, or motion to recommit, the resolution shall be in order.

Any appeal that may arise from a decision of the Presiding Officer on a procedural matter shall be decided without debate.

On the question of the final passage of Senate Concurrent Resolution 66, House Concurrent Resolution 154, opposing the adoption of reorganization plan No 3, heretofore received from the House of Representatives, will be automatically substituted for the Senate concurrent resolution.

The Senator from Nevada is recognized.

Mr. BUCK. Mr. President, will the Senator yield?

Mr McCARRAN. Mr. President, I should like to have one or two matters settled, perhaps by way of parliamentary inquiry. One question has just arisen now. The Senator from Delaware asked that I yield. Under the law as it stands and under the unanimous-consent agreement, I have 5 hours and the other side has 5 hours. That is, I have 5 hours of time to give out to those who may care to discuss the matter aside from myself. Likewise the Senator from Wisconsin has 5 hours of time to give out. If I yield to Senators during the course of this presentation what is the ruling of the Chair as to whether time taken by my having yielded shall count as a part of my 5 hours?

The PRESIDING OFFICER. The time so yielded will be chargeable against the Senator's 5 hours.

Mr. BUCK. Mr. President, will the Senator give me 5 seconds?

Mr. McCARRAN. Very well, I yield.

Mr. BUCK. I ask unanimous consent to be absent from the Senate for next week.

The PRESIDING OFFICER. Without objection, the request of the Senator from Delaware is granted.

Mr. McCARRAN. Mr. President, I hope that Senators will refrain so far as possible from asking us to yield during the time when we are presenting our views on this question.

It is scarcely necessary for me to mention the fact that the Congress of the United States enacted enabling legislation for the President, as the head of the Government, to reorganize the executive department of the Government. That statute has been in existence for several months. It is familiar to all of us, I hope. Pursuant to that statute the President, on the 16th day of May, filed three reorganization plans, known as reorganization plan No. 1, reorganization plan No. 2, and reorganization plan No. 3.

Time is running against these plans. At midnight on Monday next the plans, if not acted upon adversely by this body, will become effective. In view of that fact, I thought it best that we take up first reorganization plan No. 3, because, in all fairness to the Senate, I thought it would be best to take up these plans in a certain order I have heard less objection to reorganization plan No. 3 than to the other plans. I thought, perchance, we might be able to concur in reorganization plan No. 3 It seemed to me that it might go through without very much opposition. I hope I am correct. I may be mistaken. I tried to catch the expressions as they came to me and to my committee from time to time. So, I have proposed to take up reorganization plan No. 3 first.

Let it be stated again, for purposes of clarity, that 10 hours of debate are allotted by law to each of these plans, to be divided equally between the respective sides. That is now being done.

On the calendar day of May 29, legislative day of March 5, 1946, as chairman of the Committee on the Judiciary, I submitted Senate Concurrent Resolution No. 66, which reads as follows:

Resolved, etc, That the Congress does not favor the reorganization plan No 3 transmitted to Congress by the President on May 16, 1946.

The concurrent resolution was referred to the Committee on the Judiciary, and hearings were conducted as rapidly as we could conduct them. The hearings were held open as long as there appeared to be anyone who cared to appear either for or against the plan. At those hearings representatives of the Bureau of the Budget were present. At our special request a representative of the General Accounting Office was present. Other public officials were welcome, whether present or not; and those who cared to appear against the plan or in favor of it were given an opportunity to be heard. The hearings have been printed and are available to every Member of the Senate. I hope Senators will take the time to read the hearings.

At the conclusion of the hearings the testimony was printed and the question was submitted to the Committee on the Judiciary. Let it be said in all fairness that the hearings were conducted with very few members of the Committee on the Judiciary present. Every day that we held hearings we gave notice to members of the Judiciary Committee. Those notices were served at the offices of the respective Members of the Senate, and they were called on the telephone in order, if possible, to assure their presence.

Notwithstanding that, very few members of the committee attended the hearings. In fact, on several occasions only one Senator attended, namely, the Senator who presided. It was impossible for the chairman of the committee to preside on every occasion, because he was engaged in the Appropriations Committee. Hence I called on other Senators to preside.

At the conclusion of the hearings the committee acted on each resolution separately. In the case of reorganization plan No 3, the committee, pursuant to a vote, submitted the following report:

The Committee on the Judiciary, to whom was referred the concurrent resolution (S. Con. Res. 66) disapproving reorganization plan No. 3, having considered the same, report unfavorably thereon, with the recommendation that the concurrent resolution be disapproved.

In other words, Concurrent Resolution 66, which I submitted, and which was before the committee, and which is in negative form, was disapproved. To make that clear, the committee, by vote, approved the plan. Let that be understood. It is slightly involved because the concurrent resolution is in the negative form; but the committee disapproved the concurrent resolution. Thus the committee approved reorganization plan No. 3. So reorganization plan No. 3 stands before the Senate today approved by its Judiciary Committee.

Let me be fair again with Members of the Senate. The vote was not unanimous. The committee was divided, and there was a reasonable majority of Senators who either were not sufficiently advised as to the plan or who were opposed to the plan and who voted against the report of the committee.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield for a question.

Mr. DONNELL. Will the Senator be kind enough, if he recalls, to tell us how many members of the committee voted for the concurrent resolution and how many voted against it?

Mr McCARRAN. With respect to reorganization plan No. 3, the vote was 9 in favor and 7 against.

Mr. DONNELL. That is, 9 in favor of reporting adversely on the resolution of disapproval?

Mr. McCARRAN. Yes. With respect to the other plans, the vote was a little different. I think it was 9 to 6 on reorganization plan No. 1, and I believe 9 to 6 on reorganization plan No. 2.

Mr. DONNELL. Does the Senator recall at the moment the total number of members on the Judiciary Committee?

Mr. McCARRAN. Seventeen.

Mr. DONNELL. I thank the Senator.

Mr. McCARRAN. The enactment of the Reorganization Act of 1945 involved

a broad grant of discretion by the Congress to the President to reorganize the executive branch of the Government in accordance with what he considered sound administrative principles, subject to certain mandates and prohibitions specifically written into the act.

Let me say that the hearings were conducted with two things in view. One was the question whether or not the Chief Executive in forming the plan had violated the principles of the law which gave him authority to reorganize; and, secondly, whether the plans submitted by the President to the Congress were along economic lines, were feasible, were orderly, or were for the best interests of the Government.

Under the provisions of the Reorganization Act, each plan must be approved or rejected as a whole; component parts of a plan cannot be acted upon separately.

It was well recognized by the Congress—and commented upon in committee and on the floor—that whatever the President might propose with respect to curtailment of the powers or functions of any particular department or agency probably would be subject to objections from that agency and from a certain satellite segment of public opinion which could be readily influenced by that agency. Since such objections were expected, it seems reasonable to assume it was the will of the Congress that the President's decisions with respect to policy and with respect to the advisability and desirability of such changes as he might propose should be, if not controlling, at least strongly persuasive.

The Congress gave the President certain powers. The Congress will hold the President responsible for the effectiveness and efficiency of the administration of the executive branch and for the results of any reorganizations which may be put into effect The responsibility for results is wholly the President's. Therefore, it seems entirely reasonable to contend, as the administration does contend, that the President's proposals should not be lightly rejected because of a mere challenge to the wisdom or desirability of any particular proposed reorganization.

Mr. President, these reports are in the hands of every Senator. Not only that, but the counsel for the committee worked out for the committee's inspection analyses of all of the hearings. Those analyses are available for the use of the Senate. None of the plans was unanimously accepted by the public. Perhaps every one of the plans has more or less objection attached to it. But it is for the Senate to say whether the spirit of the act permitting the President to reorganize certain branches of the executive department shall be observed and whether the President shall be permitted to go forward with the reorganization.

If we reject these plans now, these being the first plans which the President has submitted under the authority the Congress has granted, then, indeed, I say that it would be well that we immediately repeal the enabling act, because if we are set and bound to reject the plans as they are submitted by the President, it seems to me to be a waste of time for the President to engage in an effort to reorganize the administrative branches of Government.

I am not going to take long in the opening presentation of this matter, because my committee, the Committee on the Judiciary of the Senate, has authorized me to stand on this floor and sponsor their report in favor of the plan. If there are those who object to the plan, it seems to me that they should now be heard. So now in my own time I gladly invite questions from the Senators present as to plan No. 3, after which time I shall then take my seat and yield to the Senator from Wisconsin or to whomsoever wishes to address himself to the plan.

Mr CORDON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Oregon.

Mr. CORDON. I am particularly interested in having the Senator's views with respect to that portion of the plan which provides for the creation in the Department of the Interior of a division to be known as the Bureau of Land Management, and in connection with which the General Land Office, probably one of the oldest statutory bureaus of the United States Government, is to be entirely abolished.

My interest goes to this angle of the problem: When the General Land Office was established, it was created for the purpose of handling the disposition of the lands of the United States in connection with the transmission of title of such lands from the Government to private ownership. All matters pertaining to the patenting or transfer of title of public lands have by statute been handled for some 120 or 130 years by the General Land Office.

Mr DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. CORDON. The Senator from Nevada has the floor.

Mr. DONNELL. Mr. President, will the Senator from Nevada permit me to ask the Senator from Oregon a question?

Mr. McCARRAN. Yes; I am glad to have the Senator ask a question, and I yield for that purpose.

Mr. DONNELL. Let me ask the Senator from Oregon whether the General Land Office to which he refers as having been established many years ago is the same General Land Office which is referred to in title 43 of the United States Code, Annotated, established by act of April 25, 1812, by which it was made a bureau in the Department of the Treasury.

Mr. CORDON. That is correct.

Mr. President, my interest in this matter arises from the fact that throughout the history of this Republic the General Land Office has been the repository for all of the original records of title as to lands, the title to which has been alienated from the United States. It is also the agency charged with the duty of handling entries on the public lands in the future and of investigating trespasses on the public lands, and so forth. Now it is proposed to abolish the General Land Office, and to transfer its duties, in connection with the duties now imposed on the Grazing Service, to a new department, to be known as the Bureau of Land Management.

I frankly say to the Senator from Nevada that the very title of the new bureau raises a very big question mark in my mind. It seems to me that the very purpose to be subserved is to change the historical policy of the United States from one of holding the public lands for transfer to ownership under private persons, to one of proprietary handling on the part of the United States Government. I should like to have the Senator's views with respect to that particular matter.

Mr. McCARRAN. Mr. President, let me say to the Senator that I am very glad he has raised that question, because I think he will admit that there is no Senator on this floor who is more interested in that subject than am I because, coming from a State in which 84 percent of all the land within the confines of the State belongs to the Federal Government, naturally I am very much concerned. I have expressed my views on the situation in the report of the committee which reads as follows—and it is as succinct an answer as any I could give to the Senator:

> This section—
>
> Which is section 403—
>
> would merge the Grazing Service and the General Land Office to create a new Bureau of Land Management within the Department of the Interior. It is a strictly intra-agency adjustment.

Perhaps, if I had had a voice in selecting the name of the new agency I, too, would have selected something less in the public eye and less subject to public criticism than the word "bureau." However, I did not have anything to do with selecting the name. I continue reading:

> While the provisions with respect to the creation of the proposed Bureau of Land Management have naturally caused some concern, and have been subjected to the closest scrutiny, particularly by Members of the Congress from public-lands States, it is perhaps significant that no concrete or specific objections have been raised to this proposal, and that those who have studied it most closely have expressed the view that the President's proposal does not appear to have any obvious faults, and, in fact, may be expected to result in some much-needed improvement in the Federal administration of public-lands matters. If coupled with a more liberal administration of the public lands, a cessation of public-lands withdrawals, and a return of substantial portions of lands hitherto withdrawn, the President's proposal might well operate to remove an appreciable part of the dissatisfaction with Government public-lands policy which users of the public domain have for many years continuously and increasingly expressed.
>
> Government witnesses testified that the work now performed by registers of land offices will be continued if this plan becomes effective, and will continue to be performed at the local level.

I especially call the language to the attention of the Senator from Oregon, because it deals with a matter which concerned many of the Senators from the public-land States, and it very much concerned the chairman of the Judiciary Committee.

I continue reading from the report:

No attempt, it was declared, will be made to centralize this work or to take it away from the field, even to the extent of consolidating it by regions.

(Government witnesses furnished the committee with a statement indicating that statutory provisions now applicable to land under the control of the Grazing Service will not automatically become applicable to land now under the control of the General Land Office, as a result of creation of the new Bureau of Land Management, and, similarly, that statutory provisions now applicable to land under control of the General Land Office will not become applicable automatically to land now under control of the Grazing Service. This statement appears at p. 841 of the hearings.)

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCARRAN. Yes; gladly.

Mr. CORDON. I know the Senator from Nevada is as vitally interested in this matter as is the Senator from Utah and other Senators from the western public-land States. The point which I desire to stress is this: Land management, as a function of the Government, and the administration of laws having to do with the alienation of title—and that includes not only legal but equitable title under the general mining laws—are, in my opinion, as far apart as any two administrative duties could be. The one involves the business judgment necessary in the management of land for conservation and use purposes. The other involves the handling of records and the exercise of judicial determination of facts with reference to whether the law has been complied with in connection with, first, entries on the public domain by private persons qualified to enter; second, the question of their handling of the land, as to whether or not they have complied with the statutory requirements; and, third, the matter of locations under the general mining laws, and compliance with the general mining laws in order that the rights provided under those laws may be preserved to the individual and also to the Government, depending on whether the individual has complied with the law. Those duties are altogether distinct from the duties, let us say, of administering grazing on the public domain, the administering of conservation of such timber as may be on the public domain, and even the handling of existing mineral leases on the public domain. The one is definitely land management, and the other is just as definitely the application of the law with reference to the alienation of title and the judicial determination of whether or not there has been compliance with the law. I am unable to see any reason why these two functions should be joined under any land-management scheme.

Mr. President, my great fear arises from the fact that, as the Senator from Nevada so well knows, and as all of us who live in the West so well know, when agencies of Government have been set up to handle land management and grazing services, as a notable example, they begin with a simple businesslike approach to the matter of seeing that the grazing ranges are properly grazed, not overgrazed, and so forth. They continue to multiply their activities, until finally they reach a point where they seem to have the view that the public lands do not belong to the people but to the bureau which administers them. That is the attitude which develops. If it becomes the attitude of this new bureau it will certainly affect and color the action of the officers of the bureau when they come to the matter of discharging their duties with reference to the application of the general mining laws and the other laws under which citizens of this country may still, under the law, acquire rights in the public domain. I am fearful that this proposal is an invitation to attend the obsequies of the land laws of this country under which it has been settled, and under which the whole West grew from a wilderness into a wealthy and populous section of the United States.

Mr. McCARRAN. Mr. President, I am glad to have the views of the Senator from Oregon, and I shall try to discuss his and mine together, both from the standpoint of my own personal views generally and from the standpoint of my views with regard to the land in question.

First of all, the enabling act under which this plan comes before the Congress does not permit the Executive to change the substantive law.

Mr. CORDON. Mr President, will the Senator permit an interruption?

Mr. McCARRAN. Yes.

Mr. CORDON. I fully understand that the reorganization plan cannot change the basic or substantive law. But if, under the reorganization, those who are charged with the duty of administering the law wish to change a trend which is in favor of the substantive law, they have the widest latitude in God's wide world even to nullify the law. That is what I am fearful of. I have seen it happen.

Mr. McCARRAN. The Senator is entirely correct, but what he has said is also applicable today. We have constantly received complaints. The Senator has attended hearings in the public-land States where complaints have come before him of a failure to administer the spirit of the law. So, assuming that the Senator's apprehension may be at all well founded, we would only be changing to a new regime where again, to be sure, if those who would administer would inject their own views, we would have to deal with them in accordance with the manner in which they administered the law. But, Mr. President, the administration today is not satisfactory. We know that it is cumbersome, that it is dilatory, that it is slow in action, and that it is hampered in many ways.

I take it—and I say this without being advised—that the Executive, in forming this plan, sought to bring about greater celerity of action in land matters and the application of a broader spirit under the rules of economy. I must say that those are my views injected by way of conjecture as to why this new plan was formulated.

I desire to go a little further. My understanding is that this is to be a completely new bureau; that there will be new blood brought in to manage the Bureau; that there will be a coordination of the functions of those who serve under and administer this Bureau with the functions of those who now administer the Land Office and those who administer the Grazing Service. Their functions are in some regards similar, as the Senator will recall, because the Land Office now administers grazing to some extent. Section 15 lands, under the Taylor Grazing Act, are administered by the General Land Office.

I wish to say here and now, parenthetically, that that administration is much more to the liking of the people who are impinged by the administration and much less expensive than has been the administration of the Taylor Grazing Act up to date.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CORDON. I am in entire accord with the Senator in that regard. We found that to be so in the hearings throughout the West. But the point I want to make now is that heretofore we have had an opportunity in our investigations into the type of administration of the public lands of the West to have a comparison of administrations. We had administration by the General Land Office and administration of the same area by the Grazing Service. I assert it as my conviction that one of the most telling bits of evidence we were able to produce in those hearings in the work toward a correction of abuses in the Grazing Service was the example we had before us of the type of administration in adjoining public lands under the General Land Office. Now it is proposed to join both under a single management scheme and the opportunity for any comparative study goes out the window. I doubt the wisdom of that.

Mr. MURDOCK. Mr. President, will the Senator from Nevada yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Utah?

Mr. McCARRAN. I yield.

Mr. MURDOCK. Assuming the statement of the Senator from Oregon to be absolutely correct—and I have little doubt of its correctness because I know he has spent a great deal of time on the public-land question—it seems to me that the very argument he makes certainly indicates that something ought to be done in the way of coordination and bringing these two agencies together.

Assuming that the Senator is wholly correct, is it logical to argue that, if the right kind of man is placed at the head of the land-management service, he will not be willing to take everything that is good in the General Land Office administration and adopt such procedures in administering the land-management division to be created? It seems to me that the only way to select the good from the bad as it exists today is to bring the whole operation under one head and let that head weed out the bad and continue the good.

Certainly, with the Public Lands Committee of the Senate and the Public Lands Committee of the House of Representatives exercising at all times the closest scrutiny of the administration of

our public lands—and I know that so long as the Senator from Oregon is in the Senate that that will be done——

Mr. CORDON. I appreciate the compliment.

Mr. MURDOCK. Then, certainly, we can point out—I know the Senator will—the good things that exist in the administration of the General Land Office, and, having them pointed out, I think, without doubt, the right kind of a head of the proposed public-lands program will be able to do the very thing the Senator wants to have done.

Mr CORDON. Mr. President, will the Senator from Nevada yield?

Mr McCARRAN. I yield.

Mr. CORDON. I merely suggest that the consummation devoutly to be wished—suggested by the Senator from Utah—the appointment of a good man to that kind of job, would unquestionably result as the Senator has indicated. Unfortunately, as experience has demonstrated, that does not always happen. Let me suggest that if and when the Grazing Service was set up in the first instance all the public domain had been made subject to that law, we would not have had the opportunity of investigating two types of Federal administration of the public lands. We would have but one; we would have had no comparison, and I am certain we would not have been able to make the showing which was made in the field. In other words, Mr. President, in all seriousness, I believe that there can be as much vice come from monopoly in Government administration as ever came from monopoly in private industry.

Mr. MURDOCK. Mr. President, will the Senator from Nevada yield to me at this point?

Mr. McCARRAN. Just a moment. Mr. President, I am in a very peculiar position in that all this time is being charged to the Senator in charge of the resolution. I do not desire to be discourteous, and I will yield once more to the Senator from Utah.

Mr. MURDOCK. Mr. President, I should like to make the observation that, carried to its logical conclusion, the suggestion the Senator from Oregon now makes is that we should have further division and more agencies in the administration of our public lands, so that, instead of two agencies to watch and select the good from the bad, we would probably have five or six. Certainly the Senator does not mean that. It seems to me that this work has been going on long enough to enable us to select the good we know of in one agency, or in both of them, and continue it under one head rather than to have the duality of function and effort which we know now exists.

Mr. McCARRAN. Mr. President, let me read now what the President said in his message submitting this plan:

> The plan consolidates the General Land Office and the Grazing Service of the Department of the Interior into a Bureau of Land Management.
>
> The General Land Office and the Grazing Service now divide responsibility for the major portion of the multiple-use federally owned lands now held by the Department of the Interior. The lands under jurisdiction of the two agencies are comparable in character and in use. In some functions the two agencies employ the same type of personnel and use the same techniques. Other functions are divided between the agencies, so that both are engaged in management of various aspects of the same land Consolidating these two agencies will permit the development of uniform policies and the integration of two organizations whose responsibilities now overlap
>
> Integration of the activities of the two agencies will make possible greater utilization and thus more economic use of expert skills. The same practical experience embraced in range administration on public lands in grazing districts will be available for public lands outside the districts.
>
> Utilization of lands within grazing districts for nongrazing purposes will be subject to only one classification examination, rather than dual examination as is now necessary Economy will be possible in the construction of range improvements, wherever feasible, to serve lands both in and out of districts. Legal procedures, such as adjudication of issues relating to licenses and leases, hearings on appeal from administrative decisions, and of the processing of trespass cases, will benefit from unified administration and handling
>
> In such activities as fire protection, soil and moisture conservation, management of public lands under agreement with other agencies (e g, Bureau of Reclamation), range surveys, maintenance and improvement of stock driveways, and stabilization of range use on all public domain, the benefits of consolidation will become increasingly apparent Further, records relating to grazing lands can be concentrated in fewer field offices and hence administered more effectively.

Mr. President, the Bureau of the Budget was represented in the hearings we held, and I read an excerpt from their testimony:

> Under the Taylor Grazing and Soil Conservation Acts the Secretary of the Interior is authorized to create grazing districts out of vast areas of the public domain, and to provide for the protection, administration, regulation, and improvement of the lands in such grazing districts. With respect to such lands this involves the issuance of grazing permits, the regulation of the grazing use of the land, the construction of range improvements and the development of the range, the preservation of the land and its resources from destruction or unnecessary injury, and the prevention of erosion, fire, and floods. These functions the Secretary of the Interior now exercises through the Grazing Service. The jurisdiction of the Grazing Service, therefore, is limited to the administration of the surface grazing use, the conservation and the development of the lands within grazing districts.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. DONNELL. With reference to the Land Office, is it a fact that at the present time the highest officer in charge of the General Land Office is the Commissioner?

Mr. McCARRAN. The Commissioner of the General Land Office; yes.

Mr. DONNELL. I read from United States Code, Annotated, volume 8, title 43:

> The Commissioner of the General Land Office shall be appointed by the President, by and with the advice and consent of the Senate.

That is correct, is it not?

Mr. McCARRAN. That is correct.

Mr. DONNELL. Under the terms of the reorganization plan, page 11, section 403, it is provided, is it not, that there shall be at the head of the Bureau of Land Management a Director of the Bureau of Land Management who shall be appointed by the Secretary of the Interior under the classified civil service? I ask the Senator if I correctly understand the language.

Mr. McCARRAN. That is correct.

Mr. DONNELL Is there anything in the reorganization plan now before the Senate which requires that the advice and consent of the Senate shall be secured to the appointment of the Director of the Bureau of Land Management?

Mr. McCARRAN. There is not.

Mr DONNELL Does not the Senator think that there is a certain safeguard, in a matter so important as this, in the existing requirement of the statute that the Commissioner of the General Land Office shall be appointed by and with the advice and consent of the Senate?

Mr. McCARRAN. I do.

Mr DONNELL. Do we not lose that safeguard, for whatever it may be worth, by reason of the elimination in the reorganization plan of the requirement that the appointment shall be subject to the advice and consent of the Senate?

Mr McCARRAN. The Senator threw in a parenthetical phrase with which I wish to deal just a minute. He said, "for whatever it may be worth." My experience as a member of the Committee on Public Lands and Surveys, and, indeed, on other committees as well, causes me to say that when a nomination is sent to the Senate it is a rare thing, indeed, when the committee to which it is referred rejects it, and when a committee does reject a nomination, the committee then has exercised its full power and function, and is impotent so far as being able to advise or direct as to any party to be appointed.

The spirit of what the Senator says, that the advice and consent of the Senate should always go along with appointments of this magnitude is also my thought. Nevertheless, I do not think that in this plan we lose so very much, because we are surrounding the appointee with the provisions of the law as to the classification service.

Mr. DONNELL. Will the Senator yield for a further inquiry?

Mr. McCARRAN. I yield.

Mr. DONNELL. Regardless of whether or not the committees, as a matter of custom, have given detailed care to the question of appointments, there is, I believe the Senator will agree with me, a certain safeguard in the requirement that the advice and consent of the Senate must be secured to the appointment of the Commissioner of the General Land Office.

Mr. McCARRAN. I would say that there was a certain consolation to the Senate in the expression "by and with the advice and consent of the Senate."

Mr. DONNELL. I may say to the distinguished Senator that I can readily appreciate his point, but I do not share the opinion that it is merely a consolation. I, of course, defer to the wide experience of the Senator in these matters, but it seems to me a provision, which I think has been in the law for many years, requiring that the appointment of com-

missioners of the General Land Office shall be subject to the advice and consent of the Senate, is a wholesome requirement, and that its elimination from reorganization plan No. 3 is by all means a defect in the plan.

Mr. McCARRAN. Mr. President, I am not going to stand here and take emphatic issue with what the Senator has just said. If I had the drafting of the plan I would insert the provision "by and with the advice and consent of the Senate," but my experience leads me along the lines I expressed to the Senator a moment ago. My thought is that, as a rule, appointments to that office, going back in the history of the office for many years, as far back as we can recall, were largely of political favorites, who took the position and administered the law through selected men or women who were trained in the office through years of experience. The appointee came in, as a rule, new to the office, and then had to rely on the career employees about him for a knowledge of the office.

The consolation I get out of this plan is that it addresses itself to the appointment in a way that secures quality and qualifications, and training and experience.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. McCARRAN. I yield.

Mr DONNELL. The importance of the Office of Director of the Bureau of Land Management is to some extent indicated, at any rate, by the fact that the reorganization plan prescribes that he shall receive a salary at the rate of $10,000 per annum. The Senator would agree with that, would he not?

Mr. McCARRAN. Yes. I wish to say further in that regard, if I may, that under practices which have been prevalent for the past 6 or 8 months or a year, the salary should be $12,000.

Mr. DONNELL. In other words, the Senator agrees it is a highly important office?

Mr. McCARRAN. Very much so.

Mr. DONNELL. What is the salary of the Commissioner of the General Land Office? Is that $10,000 also?

Mr. McCARRAN. I think it is, but I have not checked it.

Mr. DONNELL. Let me ask the Senator a few more questions.

In connection with this matter of the Land Office, I observe that the reorganization plan prescribes not only that the General Land Office, the Grazing Service, the offices of the Commissioner of the General Land Office, and the Assistant Commissioner of the General Land Office, the Director of the Grazing Service, and all the assistant directors of the Grazing Service be abolished, but also that "all registers of district land offices and United States Supervisor of Surveys, together with the field service, Surveying Service, now known as the Cadastral Engineering Service, are hereby abolished."

I should like to ask the Senator if the register of the district land office, referred to in what I have read, is the same office of register which is referred to in the Federal statutes, title 43, United States Code Annotated, where it is provided that there "shall be appointed by the President, by and with the advice and consent of the Senate, a register of the Land Office for each land district established by law," and so forth?

Mr. McCARRAN. We are advised that the land offices established by law will remain. I desire to read from page 340 of the hearings:

Mr. SOURWINE. I believe you stated the other day that it would be possible under this provision to promote within the Department subject to whatever provision the civil service would impose with regard to eligibility?

Mr. LAWTON—

Mr. Lawton is Assistant to the Director of the Bureau of the Budget—

Mr. LAWTON That is right

Mr. SOURWINE Can you tell us, sir, with respect to section 403 (d), who will perform the work done now by registrars of the land offices if this plan becomes effective?

I think I am coming to an answer to the Senator's question.

Mr LAWTON. That will be performed by employees of the Bureau of Land Management and they will be such officers of the Interior Department as the Secretary shall determine.

Mr SOURWINE. That is very clear from the plan, of course

Mr. LAWTON Just who they will be—I would assume they would be the same people

Mr. SOURWINE Perhaps I did not ask the question properly. I wanted to know whether it is anticipated that there will continue to be someone in the field at the point where you now have registrars of the land who will continue to perform the functions they now perform?

Mr LAWTON. The functions will continue to be performed.

Mr. SOURWINE. So, as far as you know, they will not be pulled out of the field and segregated into Washington or into one or two offices?

Mr. LAWTON You could not do that because this is essentially a field program.

Mr SOURWINE They might even, as a matter of fact, call them official registrars?

Mr. LAWTON. The title might change and it might not

Mr SOURWINE. But the functions will not change?

Mr. LAWTON The functions being performed now will be performed and they will be performed where the job exists.

Mr. DONNELL Mr. President, will the Senator yield for a further question?

Mr. McCARRAN. Yes.

Mr. DONNELL. I observe that one of the statements by Mr. Lawton referring to the personnel, as the Senator read it on page 340, is:

Just who they will be—I would assume they would be the same people.

There is nothing, is there, may I ask the question, in the reorganization plan to guarantee that they will be the same individuals as are now employed?

Mr. McCARRAN. There is not.

Mr. DONNELL. There is a provision of existing law, which I have read from the statute, requiring that the register of each land office shall be appointed by and with the advice and consent of the Senate.

Mr. McCARRAN. That is the existing law.

Mr. DONNELL. But there is no requirement to that effect in the Reorganization Act?

Mr. McCARRAN. There is not.

Mr. DONNELL. May I inquire also if there is any provision in the reorganization plan which coincides with or is analogous to the provision appearing in paragraph 78 of title 43, United States Court of Appeals, that every register shall reside at the place where the land office for which he is appointed is directed by law to be kept?

Mr. McCARRAN There is nothing of that kind in this plan.

Mr. DONNELL. Does the Senator regard it as of importance in the present law that there is a requirement that the register of the land office shall reside at the place at which the land office is directed by law to be kept?

Mr. McCARRAN. I do, from two angles. The first is that the register is acquainted with the conditions prevailing in the section in which he may serve and with the people he may directly serve, and the next reason is that a Senator sometimes has a voice in appointing him.

Mr. DONNELL. Will the Senator be kind enough to answer this question? There is, therefore, in the opinion of the Senator, as I understand, not as favorable a provision in the reorganization plan with respect to residence of the register as there is in the existing law? Does the Senator agree with that statement?

Mr. McCARRAN. It all depends on what one calls favorable. If the question is whether this is more economical, if it is more saving, if it will affect a service to the public; then my answer might be one way. If the question is whether the appointment should be subject to the advice and consent of the Senate, then my answer would be the other way.

Mr. DONNELL Mr. President, will the Senator yield for a very few more questions?

Mr. McCARRAN. I yield.

Mr DONNELL. At any rate, the Senator does agree that the provision in the existing law which requires that the register shall reside at the place where the land office for which he is appointed is directed by law to be kept is a wholesome provision?

Mr. McCARRAN To my way of thinking, yes; but there is nothing in this plan that militates against his being a resident of the district in which he will serve.

Mr. DONNELL. But there is no requirement that he shall be?

Mr. McCARRAN. No.

Mr. DONNELL. That is correct, is it not?

Mr. McCARRAN. Yes.

Mr. DONNELL. May I ask the Senator for the record as to the date on which this reorganization plan and the other two reorganization plans were transmitted to the Congress of the United States?

Mr. McCARRAN. The 16th day of May 1946.

Mr. DONNELL. May I ask the Senator if the dates on which the hearings were held by the Committee on the Judiciary of the United States Senate were June 14, 15, 18, 19, 20, 21, 25, 26, and 27, 1946?

Mr. McCARRAN. That is correct.

Mr. DONNELL. And may I ask the final question for the moment, as to when it was that the published volume to which the Senator referred in his opening statement, containing the hearings before the Committee on the Judiciary of the United States Senate, was first made available to the Members of the Senate other than the members of the committee?

Mr. McCARRAN. I do not have the date in mind, but I will relate to the Senator——

Mr. DONNELL. May I interrupt and say to the Senator that that question is not asked critically, but I think it is of importance that the RECORD show the amount of time the Members of the Senate have had to study this volume?

Mr. McCARRAN. If the last hearing was on the 27th of June, and I think that is correct, the record so shows, immediately I had the transcript in my hand, I had it transmitted to the Printing Office; then the galley sheets came back, and immediately the galley sheets were corrected Then immediately the corrected galley sheets went back to the Printing Office, and I called the Public Printer on the telephone and asked him if he would expedite by making a night job of it, which he did. I had the printed record in my hand the next morning, and copies were sent immediately to each member of the committee.

Mr DONNELL. I have no doubt as to the promptness of the chairman of the committee. I think it would be well for the RECORD to show the date. Was it possibly the 5th or 6th of July, or was it later than that, that the Senators other than the members of the committee, had available to them these printed volumes?

Mr. McCARRAN. My recollection is that it was before the 5th of July.

Mr. DONNELL. I am wondering if the Senator would find time in the performance of his other duties to place in the RECORD, before the conclusion of this debate, the date as of which this volume containing the hearings before the Committee on the Judiciary of the Senate became available to the general membership of the Senate.

Mr. McCARRAN. I am advised by the counsel for the Judiciary Committee of the Senate sitting by me that it was the 3d of July.

Mr DONNELL. I thank the Senator.

Mr. FERGUSON. Mr. President, will the Senator yield for several questions?

The PRESIDING OFFICER (Mr. SMITH in the chair). Does the Senator from Nevada yield to the Senator from Michigan.

Mr. McCARRAN. I yield.

Mr. FERGUSON. In connection with the appointment of registers in the various States in which there are land offices, the Senator brought up the question whether or not there would be a saving if the registers were residents of the places in which the offices were located. I wonder whether the Senator can give to us the actual saving under this plan. What will the plan save to the taxpayers of America?

Mr. McCARRAN. No record has been made on that point.

Mr. FERGUSON. In the original act, the Reorganization Act, Public Law No. 263, of the Seventy-ninth Congress, section 2 (a) reads, as follows:

> It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected

That being a part of the original act, does not the Senator believe that the President should have sent to the Congress some evidence of the exact purported saving under reorganization plan No. 3?

Mr McCARRAN. In reply to the Senator's question, which is really a statement, let me say that the language which he quotes from the basic act was written in conference to apply to all the plans as a whole, and not particularly to any one plan In other words, it was contemplated that a saving might be effected by a series of reorganizations. I have little to sustain me in that statement except recollection. It was not contemplated that any one plan should effect a particular saving, but the Congress looked to this method to make a general saving.

Mr FERGUSON. Mr. President, will the Senator yield for another question?

Mr McCARRAN. I yield.

Mr. FERGUSON If that is the interpretation to be placed upon that subsection, as I view it, it is of little use. The President could make 10, 15 or 20 reorganizations. They could all become law, not only without a saving, but with an extra cost, because it might be said that the final plan would effect some saving, or result in the abolition of an entire department. I have never thought that that was the intention of Congress.

Mr. McCARRAN. Let me say to the Senator that the Senate bill contained no such language. The House bill contained language to the effect that there should be a saving under each plan. A compromise was arrived at in conference and the language is as we now find it. I am making that statement from recollection.

Mr. FERGUSON. Section 2 (a) reads as follows:

> The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes.

As I view it, if the purpose of the plan is not to accomplish one of the purposes set forth, it does not come within the act, and would be illegal. That is the reason why I think we should have specific answers to the question as to what the savings would be. I sat in the hearings, and nowhere could we get any evidence upon which we could base a conclusion as to what the saving would be. The Bureau of the Budget drafted these plans, but the Director of the Bureau of the Budget was unable or unwilling to give us the facts. Purpose No. 2——

Mr. McCARRAN. Mr. President, I do not wish to be discourteous to the Senator from Michigan, for whom I have great affection, but the Senator knows the rules. He is not propounding questions to me. He is debating, which he has a right to do in his own time.

Mr. FERGUSON. I shall be glad to give the Senator time from this side of the aisle—not only equal time, but double time.

The reason I make the statement which I make is that I wish to read the second purpose, and then ask the Senator a question.

Purpose No. 2 reads as follows:

> To reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government.

In order that we may determine whether or not there is a saving, we must have figures. It is taken for granted that we shall be able to determine the question of efficiency in the operation of the Government; but we must combine the two factors. Does not the Senator feel that that is a fair interpretation of purpose No. 2 set forth in section 2?

Mr. McCARRAN. First of all, I should like to read to the Senator an excerpt from the report of the conference committee, on page 9:

> Section 2 (c) of the House bill stated that it is the policy and the expectation of Congress that the transfers, consolidations, and abolitions contained in each reorganization plan shall accomplish an over-all reduction of at least 25 percent in the administrative cost in the agency or agencies affected by the plan.
>
> Section 3 of the House bill provided that the President, in his message transmitted with the reorganization plan, should state to such extent as he deemed practicable approximately the reduction of expenditures, if any, which it is probable will be brought about by the taking effect of the reorganizations specified in the plan
>
> The above referred to provision of section 3 was not contained in the Senate bill and is omitted under the conference agreement The House provision in section 2 (c) above referred to did not appear in the Senate amendment Under the conference agreement (sec. 2 (c)) it is provided that it is the expectation of Congress that the transfers, consolidations, coordinations, and abolitions under the act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected

I now read from page 33 of the hearings, in the testimony of Mr. Smith, the then head of the Bureau of the Budget

> Mr. SMITH I believe you are going to get some reductions in positions here I also think you are going to get increased efficiency. I think there is something in administration, that there is something in organization. I think bad organization puts an undue strain upon the people in it, and therefore you get a dissipation of the latent powers of an organization, because of the impact upon the personnel and because of the inefficiency that results I think that here the objective, in the main, is to provide organizational arrangements that will be improvements over what we have now
>
> Mr. SOURWINE What you are really saying there is, Mr. Smith, is it not, that you know these plans will result in organizational arrangements that will be an improvement over what we have now?
>
> Mr. SMITH. We are thoroughly convinced of that.
>
> Mr. SOURWINE. You believe that such an organization arrangement is bound to result in increased efficiency?
>
> Mr. SMITH. That is correct.

Mr. SOURWINE You believe that with that increased efficiency you will be able to do more work with the same force or do you do the same work with a reduced force?

Mr. SMITH. That is correct

Mr. SOURWINE. However, you have not determined, as a result of any studies you have made, whether there will be more work to be done with the same force or whether you will be able to cut down on the staff?

Mr. SMITH. That is correct; and that depends, you see, upon a good many considerations One of those is an expansion of functions of any given organization by the Congress or by new legislation or an expansion through a decision on the part of the Executive in submitting an estimate to the Congress, or a decision of the Appropriations Committees determining what is an adequate amount of money for those functions.

Mr. FERGUSON. Mr. President, will the Senator yield for a question on another line?

The PRESIDING OFFICER (Mr. GURNEY in the chair). Does the Senator from Nevada yield to the Senator from Michigan?

Mr McCARRAN I yield

Mr. FERGUSON. Will the Senator get for us, for the RECORD, the number of positions abolished by plan 3 that are now appointed by and with the advice and consent of the Senate and the number of new jobs which will be created to take over the functions of those holding the present jobs?

Mr. McCARRAN. Let me make sure that I understand the question. As I understand, the Senator wishes me to furnish him information as to how many appointments which carry the requirement of advice and consent of the Senate may be eliminated by this plan.

Mr. FERGUSON. That is correct; and how many will be substituted in their place, to take care of the same functions, without the requirement that they shall be appointed by and with the advice and consent of the Senate.

Mr. McCARRAN. My knowledge of the subject and my recollection prompt me to answer the Senator now that I can think of two. One is the Commissioner of the General Land Office. The other is the Chief of the Grazing Service. Those two appointments would not come to the Senate for confirmation, under the plan I do not think of any others at the moment, but there may be others.

Mr. FERGUSON. If the counsel can think of another, it will be placed in the RECORD later; is that correct?

Mr. McCARRAN. Yes.

Mr. DONNELL. Mr. President, will the Senator yield for another inquiry?

Mr. McCARRAN. I yield, Mr. President; but I find that I am getting the worst of the interchange, all around, in regard to the time, because I am yielding most of my time for these inquiries. However, I do not object, because I think the questions bring out matters which the Senate should consider.

Mr. FERGUSON. I assure the able Senator that I do not wish to infringe upon his time. I shall try to obtain time from this side.

Mr. McCARRAN. Very well.

Mr. DONNELL. I had understood the Senator from Nevada to say that he intended to make only a brief statement, and that he invited inquiries.

Mr. McCARRAN. That is correct.

Mr. DONNELL. It is in response to that invitation that I have addressed questions to the Senator.

The Senator from Nevada was referring to the testimony of Mr. Smith, at page 33 of the record. I ask him whether on page 34 the following colloquy occurs—and I point out that it begins about one-third of the way down the page, and includes only a few lines:

MR SOURWINE. The increased efficiency to which you have testified, in the case of any change in law which Congress may provide for, would necessarily result in a situation in which you can reduce the force?

MR. SMITH That is correct.

MR SOURWINE Do you not believe it would be of value to the committee if you could give us some kind of estimates as to what the force reduction is that will be made possible in that way?

MR SMITH I do not believe that is possible to do with any degree of satisfaction, either to the estimators or to the committee

Let me ask the able Senator if the witness so testified?

Mr. McCARRAN That is correct.

Mr. DONNELL. I should like to ask the Senator another question. The three plans, Nos 1, 2, and 3, were all before the Judiciary Committee; were they not?

Mr. McCARRAN. They were.

Mr. DONNELL. Without detailing the particular agencies, for the moment, which are involved in them, am I not correct in saying that a number of agencies are affected by the aggregate of the three plans?

Mr. McCARRAN. That is correct.

Mr. DONNELL. Is the Senator from Nevada able to tell us approximately the administrative costs of the agencies affected by the aggregate of these three plans?

Mr. McCARRAN. Does the Senator from Missouri refer to the present administrative costs of the agencies?

Mr. DONNELL. Yes.

Mr. McCARRAN. I do not have the figure available to me.

Mr. DONNELL. It would be vastly more than $2,000,000, would it not, in the opinion of the Senator?

Mr. McCARRAN. I would not want to make a guess; but, if I made a guess somewhere out on the street, I should say that the Senator is correct.

Mr. DONNELL. Yes. The reason why I made that inquiry of the Senator is that in the report of the committee with respect to reorganization plan No. 1 there is a statement of a certain figure of possible savings, and that figure is only $500,000. I should like to read a portion of the report to the Senator, if I may do so, and thereafter ask him a question. On page 2 of the report the following statement appears:

While witnesses at the hearings have been reluctant to testify concerning prospective savings, a partially inconclusive study made by the committee staff indicates that savings of approximately $500,000 may perhaps be reasonably anticipated, on the basis of a comparison of the costs of administration, in the event these plans become operative, with the costs of administration if the agencies affected continue on the present basis or revert to their permanent prewar status.

Those various conditions and if's, and so forth, were regarded by the committee as essential to be stated even in connection with an answer with respect to what would be perhaps a reasonably approximate estimate of the anticipated savings, namely, $500,000. Is that correct?

Mr. McCARRAN. That would be as a result of all the plans.

Mr. DONNELL. Yes; all three of the plans.

Mr McCARRAN Yes; that was an estimate given us with respect to all three of the plans.

Mr. DONNELL. Yes. The point to which I desire to have the Senator address his attention is this: In the section of the Reorganization Act of 1945, section 2, subdivision (c), the following language is to be found:

It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected.

Mr. McCARRAN I went into that point in answer to a question by the Senator from Michigan.

Mr. DONNELL. The point to which I am addressing myself is that if, as a matter of fact, the administrative costs of the agencies affected by the three plans are largely in excess of $2,000,000, obviously the figure of $500,000, which is stated as the perhaps reasonably anticipated figure mentioned in the report, is certainly not 25 percent of the administrative costs of the agency or agencies affected

Mr McCARRAN. Of course, the law does not require exactitude as regards the 25 percent. It merely expresses the wish and hope and expectation of Congress

Mr. DONNELL Yes.

Mr McCARRAN. Let me read to the Senator something on page 2 of the report on reorganization plan No. 3, which the Senator from Missouri did not read. He read the first part.

Mr. DONNELL. I was reading from reorganization plan No. 1, if the Senator please, on page 2, which refers, however, to all three of the plans.

Mr. McCARRAN. I shall read this now, for I think perhaps this is the proper place in the RECORD to have it appear:

Entirely aside from this point, however, it should be noted that the Reorganization Act does not specifically require savings, and that the language with respect to the expectation of Congress in that regard was rewritten so as to be applicable not to any particular reorganization plan or plans but as an over-all expectation with respect to all reorganizations proposed by the President under the act.

Since it has been testified that other reorganization plans are in the process of formation and will be submitted at a later date, it does not appear to be essential as a matter of law that any particular savings should be demonstrated as certain to occur under the plans now before the Congress.

Mr. DONNELL. Mr. President, will the Senator yield, to permit me to ask him another question?

Mr. McCARRAN. I yield.

Mr. DONNELL. Does the Senator from Nevada assure the Senate that it is demonstrated at this time that any specific savings are certain to occur under reorganization plan No. 3?

Mr. McCARRAN. Did the Senator say any specific change?

Mr. DONNELL. I said "any specific savings."

Mr. McCARRAN. I cannot answer the Senator with any degree of cogency.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CORDON. In connection with section 403 of plan No. 3, that being the section creating the Bureau of Land Management, is the Senator in agreement with me that although a Bureau of Land Management is there created, that portion of land management dealing with the administration of mineral leasing is not included in that Bureau, but is left in some other section of the Interior Department?

Mr. McCARRAN. No I think that the matter of the leasing of mineral lands is in the General Land Office It has always been in the General Land Office. That function would pass to the new Bureau

Mr. CORDON. Then it is the Senator's view, is it not, that the new Bureau which would be created would have jurisdictional administration of the mineral leasing laws?

Mr. McCARRAN. That is my view. I know nothing to the contrary. The land belongs to the owners. Allow me to quote one excerpt from the statement of Mr. Lawton as set forth on page 341 of the hearings:

> On the other hand, the jurisdiction over the disposition and the use other than grazing of the surface of the lands within grazing districts—their disposal by homestead or other entry, State exchange, public sale, etc—which is vested in the Secretary of the Interior by the Taylor Grazing Act (secs 7, 8, and 14, 43 U. S C, secs 315f, 315g, 1171), and other statutes, is exercised by the Secretary through the General Land Office, generally with the advice of the Grazing Service In addition, the mineral and other resources in grazing-district lands are under the jurisdiction of the General Land Office.

Mr. OVERTON Mr. President, will the Senator yield?

Mr. McCARRAN. I yield

Mr. OVERTON. I wish to make the statement that I shall approve all land reorganizations submitted by the President. I shall do so for the reasons so cogently and succinctly stated in the report made by the chairman of the Committee on the Judiciary, the able Senator from Nevada [Mr. McCARRAN] in the report on reorganization plan No. 3. I quote:

> It was well recognized by the Congress—and commented upon in committee and on the floor—that whatever the President might propose with respect to curtailment of the powers or functions of any particular department or agency probably would be subject to objections from that agency and from a certain—

I omit the word "satellite," with all due respect to the Senator from Nevada—

> segment of public opinion which could be readily influenced by that agency. Since such objections were expected, it seems reasonable to assume it was the will of the Congress that the President's decisions with respect to policy and with respect to the advisability and desirability of such changes as he might propose should be, if not controlling, at least strongly persuasive.
>
> The Congress gave the President certain powers. The Congress will hold the President responsible for the effectiveness and efficiency of the administration of the executive branch and for the results of any reorganizations which may be put into effect. The responsibility for results is wholly the President's. Therefore, it seems entirely reasonable to contend, as the administration does contend, that the President's proposals should not be lightly rejected because of a mere challenge to the wisdom or desirability of any particular proposed reorganization.

I made a statement somewhat similar to that on the floor of the Senate at the time of the passage of the reorganization bill. We all recognized—I say "we all"; at least an overwhelming majority of the Congress recognized—that it was an unsurmountable task for Congress to undertake a reorganization of the departments and agencies of the Government. We had to vest authority for that in someone, and, of course, it was vested in the President of the United States as the Chief Executive I stated that I knew that any plan which might be submitted would meet with objections by certain interests which considered some part or portion of the plan to be inimical to their interests, or contrary to public policy. But we must take the plan as a whole While there may be some objectionable features in plan No. 1, plan No. 2, or plan No. 3, when taken as a whole they are good plans. Whether or not they are excellent, there is only one way in which to reorganize, and that is through the President. I, for one, made up my mind at the time I voted for the reorganization bill that I would stand by any plan which the President might submit, unless, of course, the plan was entirely impractical and so vividly contrary to the public interest that I could not reasonably support it

I thank the able Senator from Nevada.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. McCARRAN. I yield

Mr. DONNELL. These plans, including plan No 3, have been before a committee of the House of Representatives; have they not?

Mr. McCARRAN. Yes.

Mr. DONNELL. And they have been acted upon by the House of Representatives; have they not?

Mr. McCARRAN. The Senator is correct.

Mr. DONNELL. In each case the action taken by the House was to disapprove the plan.

Mr. McCARRAN. So I have been advised.

Mr. DONNELL. I ask the Senator if he has any objection to my noting in the RECORD at this time that in the CONGRESSIONAL RECORD, volume 92, part 6, at page 7911, it appears that House Concurrent Resolution 155, which is the one referring to reorganization plan No.1, was agreed to by a vote of 180 to 37. In other words, reorganization plan No. 1 was disapproved in the other House by a vote of 180 to 37. Reorganization plan No. 2 on the same date, was disapproved in the House of Representatives by a vote of 166 to 40, and while reorganization plan No. 3, so far as I can observe on the same page of the CONGRESSIONAL RECORD, was not voted upon by a record vote, yet it is stated that the concurrent resolution was agreed to. So, likewise reorganization plan No. 3 was disapproved by the House.

Mr. McCARRAN. That is the record.

Mr. DONNELL. With reference to the subject of St. Elizabeths Hospital, which is referred to on page 6 of the report, I wish to invite the attention of the Senator from Nevada to the statement made by Dr JUDD, from the Committee on Expenditures in the Executive Departments of the House of Representatives, under date of June 24, 1946. The language to which I wish to refer, but will not read all of, is as follows:

> The committee disapproved section 201 of reorganization plan No. 3, which would transfer or abolish the functions for which St Elizabeths Hospital was originally established, namely, for the care and treatment of mentally ill enlisted men and officers of the Army, Navy, and Marine Corps. It would take the outstanding mental hospital in the United States and make it the equivalent of the ordinary county insane asylum, serving only the District of Columbia. St. Elizabeths has been a pioneer in the investigation and treatment of mental diseases, due largely to the great variety of psychiatric cases coming to it and to the extraordinarily high standards of its research and teaching

Later on, in my own time, I shall read the remainder of Dr. JUDD's statement. I ask the able chairman of the Committee on the Judiciary if his committee gave attention to that matter; and if so, what decision did it reach?

Mr. McCARRAN. Mr. President, I call the Senator's attention to page 5 of the committee report on plan 3, dealing with section 201:

> This section has the effect of requiring the War and Navy Departments, respectively, to arrange for the care of the insane military personnel under their jurisdiction. Insane persons belonging to the Coast Guard are to be cared for through the Public Health Service and the Federal Security Administrator Any person who has already been admitted to St. Elizabeths Hospital is not to be affected by this plan
>
> Government witnesses testified it was not contemplated that any part of the Federal Government's financial support of St Elizabeths Hospital (aside from reimbursement for patient expense) would be withdrawn as a result of the proposed transfer; and that the burdens imposed upon the District of Columbia with respect to the operation and maintenance of St Elizabeths Hospital would not be increased, either directly or indirectly.

There were no legal objections in any way to the plan with reference to St. Elizabeths Hospital. In other words, there was no violation of any law. I read further:

> It is alleged that withdrawing military personnel from St Elizabeths Hospital will be a detriment to the hospital, which, it is said, occupies a unique place in the study of in-

sane persons. It is stated that St. Elizabeths is known over the world and, because of the large number and variety of types who are cared for there, provides an unequaled opportunity for study on the part of those persons interested in psychiatry.

In rebuttal to this contention, representatives of the Bureau of the Budget and Mr. Watson Miller, the Federal Security Administrator, stated that the percentage of military patients who are now or ever have been admitted to St. Elizabeths Hospital is so small as to constitute only a negligible opportunity for study; and gave it as their considered opinion that the allegation set forth in the preceding paragraph is unfounded and without merit.

Besides the fact that only about 10 percent of the patient load at St Elizabeths Hospital is composed of military patients, it seems obvious that, because such military patients are in the same general age group and are, on the whole, suffering from the same type of mental affliction, this group provides a narrower range for psychopathic research than other patients at the hospital who are of all ages, are drawn from all walks of life, and suffer from many different types of mental illness or impairment

Another important factor to be considered is that in a mental hospital there is a maximum beyond which the patient load cannot go if satisfactory treatment for all patients is to be provided.

The primary purpose of St. Elizabeths Hospital is to treat the sick in mind. The fact that the hospital affords to psychiatrists opportunity for research and observation is a happy concomitant, but not a major purpose The committee does not believe the provisions of this section will seriously curtail this opportunity.

I think that in reading the language of the committee I have expressed what I could say if I were to answer the Senator for myself.

Mr. DONNELL. I thank the Senator.

Mr. McCARRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Andrews	Hart	O'Daniel
Austin	Hawkes	O'Mahoney
Ball	Hayden	Overton
Barkley	Hill	Pepper
Bridges	Hoey	Reed
Briggs	Huffman	Revercomb
Brooks	Johnson, Colo	Robertson
Buck	Johnston, S C	Russell
Burch	Kilgore	Smith
Bushfield	Knowland	Stanfill
Capehart	La Follette	Stewart
Capper	Lange	Swift
Carville	Lucas	Taft
Chavez	McCarran	Taylor
Cordon	McClellan	Thomas, Okla
Donnell	McKellar	Thomas, Utah
Downey	McMahon	Tunnell
Eastland	Magnuson	Wagner
Ferguson	Mead	Walsh
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Wilson
Green	Murdock	Young
Guffey	Murray	

The PRESIDING OFFICER (Mr. KNOWLAND in the chair).

Seventy-seven Senators having answered to their names, a quorum is present.

Mr. McCARRAN. Mr. President, I am now about to yield the floor. If there are no further questions at the moment I will yield the floor so far as my opening statement is concerned.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield time to the Senator from Michigan?

Mr. WILEY. How much time does the Senator desire?

Mr. FERGUSON. Fifteen or twenty minutes.

Mr. WILEY. I yield 25 minutes.

Mr. FERGUSON. I wish to say a few words about plan No. 3. I realize that there should be a reorganization of the executive branch of the Government. I advocate and have advocated for a long time such reorganization I believe that every one familiar with our governmental structure in Washington and throughout the United States must agree that a sweeping reorganization is needed in the executive branch I am in favor of it. I am in favor of it being done, however, under the guidance of Congress, which, after all, is the policy-making branch of the Government.

I realize that Congress passed a law giving the Executive authority to reorganize and even the right by Executive order to repeal statutory law. We have said to him, "If you will send to us your proposals to repeal laws and we do not act within a period of 60 days, the repeals will stand." I think, however, there is every reason why we should scrutinize the repeal of any statute So, I want to talk for a few moments upon the question of repeal of statutes under these three plans and in this scheme of reorganization generally.

Mr. President, we now find that there have been two statutes repealed. Congress created two offices and provided that those who fill them shall be appointed with the advice and consent of the Senate. The President now says to us, "I want to repeal those two laws. I want to appoint men of my own choosing, without the right of Congress to give advice or consent to those appointments." In effect that is a repeal of the law

Many years ago Congress created a Board of Visitors of St. Elizabeths Hospital and gave to that Board certain functions That was done a long time ago. Mr. Watson B. Miller, Administrator of the Federal Security Agency, who would take over its powers after the President abolishes that Board, said it is a very old law. He said in his testimony:

Plan 2, section 9, abolishes the Board of Visitors of St. Elizabeths Hospital and its functions. This proposal is in the interest of clarifying administrative responsibility. Under present law—and it is a very old law, something in the time of the Dred Scott decision—this Board has authority to supervise the hospital and make bylaws for its government; this authority clearly overlaps that of the Federal Security Administrator, and Congress has a right to be able to look to one person or group for responsibility.

In other words, Congress has created a board to make by-laws and administer St. Elizabeths Hospital, and the President says, through Mr. Miller, his administrator, "Oh, that is not the way it should be done. We do not want a board to do that work. We want one man to do it." Mr. Miller said, "I am the man to do it. Place all the authority in me, and not in the Board."

Following are the names of the Board of Visitors of St. Elizabeths Hospital: Dr. Cloyd H Marvin, president, president of George Washington University; Dr. Hugh S. Cummings, former Surgeon General, United States Public Health Service; Mrs. Ann Archbold, philanthropist; Mrs. Milton R. King, philanthropist; Vice Adm. Ross T McIntire, Surgeon General of the Navy; Miss Mary E. Switzer, Assistant to Federal Security Administrator; Dr. John Wallace Rustin, pastor, Mount Vernon Place Methodist Church; Dr. Winifred Overholser, superintendent of St. Elizabeths Hospital

Gen. Frank Hines, formerly Veterans' Administrator, recently resigned from the Board

What the President seeks to do in this case would mean the repeal of the statute in question

Mr. President, I wish for a few moments to refer to the statement of a man who is an expert in the operations of hospitals such as the mental hospital, St Elizabeths. I wish to give to the Senate what he says about abolishing this hospital board and taking the authority away from it:

Section 201 of reorganization plan No 3, would transfer or abolish the functions for which St Elizabeths Hospital was originally established, namely, for the care and treatment of mentally ill enlisted men and officers of the Army, Navy, and Marine Corps.

Mr President, at no time in the history of America have we had greater need for the hospitalization of men from the Army, the Navy, and the Marine Corps in such a hospital as this.

It would take the outstanding mental hospital in the United States and make it the equivalent of the ordinary county insane asylum, serving only the District of Columbia. St Elizabeths has been a pioneer in the investigation and treatment of mental diseases, due largely to the great variety of psychiatric cases coming to it and to the extraordinarily high standards of its research and teaching. It has become, according to the testimony of officers of the American Psychiatric Association, "a unique teaching hospital. There is no other like it." It is the only mental hospital in the United States approved for rotating internships by the Council of Medical Education of the American Medical Association It provides about 20 approved residencies, which are highly sought after by physicians desiring to take graduate training in order to become psychiatric specialists.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. REVERCOMB. I am not disputing the position of the able Senator; but is it not a fact that in the course of the late war a number of mental hospitals—I know of two—were built by the Army and equipped in a very modern fashion? Is not the basis of the change which is suggested the fact that we now have these very modern new hospitals and facilities to care for the men in the service?

Mr. FERGUSON. I assume that we have. I think the able Senator is correct in his statement that we have built many such hospitals. But from what I can learn of the facts, St. Elizabeths Hospital is not now overcrowded. We need not only that hospital, but the others which we have built. I understand that there is now on foot a plan to build a large mental hospital in connection with the Naval Medical Center in Bethesda. Therefore, if we should not approve this plan now, as soon as hospitals were available to which the teaching and other activities carried on at St. Elizabeths could be transferred, such a plan would be carried out. I am sure we would find no objection to a proper plan.

Mr. REVERCOMB. In other words, if the hospital at Bethesda were built, the Senator would be willing that soldiers be transferred from St. Elizabeths?

Mr. FERGUSON I would.

Mr. REVERCOMB. The answer would seem to depend upon whether or not there are other facilities. I should like to have the Senator discuss that point because, as I have said, during the course of the war hospitals were built and equipped with the most modern facilities for looking after this type of case. I am wondering if, in view of those facilities, the plan for taking the enlisted men from St. Elizabeths may not be justified.

Mr. FERGUSON. I answer that question by a quotation from Mr. Watson B. Miller's testimony, on page 331. He said:

> Consequently, the provisions of plan 3 mean only an estimated transfer of 492 patients out of an estimated total of 6,708, or less than 7½ percent.

Mr. McCARRAN. Mr. President, will the Senator yield at this point so that I may read the testimony of Mr. Watson Miller? I think it is highly applicable here?

Mr. FERGUSON. I am glad to yield.

Mr. McCARRAN. I read from page 331 of the record of hearings:

> Plan 3, section 201, requires the removal from St. Elizabeths of service personnel of the Army, Navy, and Marines. The principal objection to this proposal has been, I believe, that this section so materially and substantially changes the composition of the patient body at St Elizabeth that its role as a teaching institution is impaired. I do not believe the facts bear this out. The estimated average daily patient load for the fiscal year 1947 is 6,708 patients, of which only 1,220 represent patients from the Army, Navy, and Marines. Of this 1,220, 728 would be only technically associated with St. Elizabeths. Actually, these 728 patients would have been cared for by the Public Health Service at its hospitals at Fort Worth, Tex., or Lexington, Ky., under an arrangement provided for by Executive Order 9079, of February 26, 1942. Because of the rise in the patient body at St. Elizabeths Hospital, this Executive order made it possible for St Elizabeths to carry service personnel on its rolls technically, but really to act as a conduit between the Navy and the Public Health Service. Consequently, the provisions of plan 3 mean only an estimated transfer of 492 patients out of an estimated total of 6,708, or less than 7½ percent.
>
> Furthermore, it is important to note that the plan does away with divided responsibility Originally, before the services had developed their own substantial hospitals for mental ailments, they used St. Elizabeths Hospital. As each service has developed its own facilities, it relied less and less on St. Elizabeths. The long-time trend would have taken these patients out of St. Elizabeths, anyway.
>
> Finally, it is of great importance for this committee to know that the physical facilities of St Elizabeths are highly taxed Retention of the service personnel within the hospital would require the continued use of buildings long deemed unsatisfactory for patients. Some of the physical conditions at St. Elizabeths are so unsatisfactory that the House Appropriations Committee has approved, as we hope the Senate committee will likewise do, our request for $75,000 for a thorough study of physical facilities at the hospital. Approval of plan 3 will substantially preclude overcrowding, and the like, so that the institution in the long run—it is already nearly 100 years old—can be planned wisely, with intelligence and effectiveness.

Mr. FERGUSON. I thank the Senator.

Mr. REVERCOMB Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. REVERCOMB. What is the position of the Veterans' Administration as to this change? Certainly some of the veterans are treated at St. Elizabeths. What position does the Veterans' Administration take with respect to transferring veterans of the Army, the Navy, and the Marine Corps into other service hospitals?

Mr. McCARRAN. Let me say to the Senator that we have no testimony from the Veterans' Administration. I have not the authority at hand, but my understanding is that the Veterans' Administration will not build hospitals or send patients to hospitals which have a greater patient population than about 2,000. I have not the authority for that statement. I wish I had it. It comes to me rather informally.

Mr. FERGUSON. In answer to the last question, this is the hospital where the Army, Navy, and Marine Corps personnel go, rather than those who are considered under the Veterans' Administration. The Veterans' Administration takes charge after the person is discharged from the Army. These hospitals are for Army, Navy, and Marine Corps personnel, while they are in the service of the United States.

Mr. REVERCOMB. I realize that; but there is a very close connection—or there should be—between men in active service who are mentally afflicted before they are discharged, and veterans who may suffer from such disability. I wondered why the Veterans' Administration itself would not venture an opinion upon the subject. That is the reason for my question.

Mr. FERGUSON. The question is very pertinent.

I had been reading from the report of Dr. Judd, from the House Committee on Expenditures in the Executive Departments. I continue reading:

> St. Elizabeths has been a pioneer in the investigation and treatment of mental diseases, due largely to the great variety of psychiatric cases coming to it and to the extraordinarily high standards of its research and teaching. It has become, according to the testimony of officers of the American Psychiatric Association, "a unique teaching hospital. There is no other like it." It is the only mental hospital in the United States approved for rotating internships by the Council of Medical Education of the American Medical Association. It provides about 20 approved residencies, which are highly sought after by physicians desiring to take graduate training in order to become psychiatric specialists. There is a more urgent need for such specialists now than at any other time in our history, coupled with a more acute shortage of psychiatrists than of any other type of physician. For example, 50 percent of all pensions paid by the Veterans' Administration for disability are because of psychiatric disorders Sixty percent of all hospitalization by the Veterans' Administration is for psychiatric ailments.

By that is meant that the experts from this institution are able to go into the veterans' field and take care of veterans.

I read further from the report:

> Yet our country has only 4,000 experienced psychiatrists, including those in the armed forces It has been estimated that we now need at least four times that many, with a proportionate increase in number of trained psychiatric nurses, psychiatric social workers, and psychiatric attendants
>
> St Elizabeths Hospital has no superiors and few, if any, peers in providing such urgently needed training facilities Since VJ-day its patient load has fallen so that it is not crowded There is no valid medical reason for transferring elsewhere the functions it has performed with such outstanding success. Reorganization plan No. 3 would inevitably bring a certain amount of demoralization and reduction of its effectiveness at the very time when its services are most urgently needed

Mr. President, I wish to refer to the Board of Visitors, which it is proposed to abolish. It is proposed to place in command Mr. Miller, who has had no experience in the operation of a hospital or in medical science

The Board of Visitors is a statutory body, an unpaid body, which has for many years included the Surgeon General of the Army, the Surgeon General of the Navy, the Surgeon General of the Public Health Service, and interested and alert citizens—both men and women—of the District of Columbia. The value of such a board, as in the case of all other such hospitals, is very great indeed from the point of view of the expression of critical opinion and advice, as well as from the point of view of two-way interpretation between the hospital and the community, including, in the case of St. Elizabeths, the armed services.

Now, Mr. President, we are called upon, without having any reason whatever given, to permit the repeal of the act that created this Board and to permit the centralizing of authority in the hands of one man. I am of the opinion that we should not permit that to be done.

There is another provision in the third plan which is worthy of our attention. It provides for the transfer of the Bureau of Marine Inspection and Navigation to the United States Coast Guard, where during the war it had been temporarily transferred by Executive order issued under the First War Powers Act. Before the war this agency was a part of the Department of Commerce, having been transferred to it from the Treasury Department in 1903.

The question involved in this particular section is whether we should transfer a civilian agency to a military agency,

whether we should militarize this service. In 1939 the President attempted to place this agency under military service. Many years ago the Navy attempted to take over this service. The situation is clear from the testimony of Mr. James E. Moss, as found on page 199 of the record made before the committee. Mr. Moss is Director of the Division of Transportation, American Petroleum Institute. He went with the Government service and with this particular service during the war, and therefore I take it that he knows what he is talking about. In his testimony he tells us in no uncertain words that over almost a century of time the Congress of the United States has built up a civilian agency, and it has built up a system by which it has inspectors named from the civilian side of life. Mr. Moss points out that from 90 to 95 percent of all the employee inspectors are now civilians, coming from the rank and file of the merchant marine. He shows that we have built up a system of establishing, first, a supervising inspector, then a supervising inspector general, later a director, and finally the traveling inspectors. He shows that we have built up, by Congress, an appeals system which extends all the way up to the Secretary of the Department, for persons who feel aggrieved by the decisions of the inspectors.

Mr. President, during the war this department or agency was transferred to the Coast Guard. The law, as it now stands, would mean that this agency would go back to where it was at the end of a 6 months' period after the war. But instead of that, the President is now attempting to make the transfer permanent. Let us see what we said about such permanent transfers. The authority given was not to permit any of these transfers to be permanent, because section 5 of the Reorganization Act provides:

Sec 5. (a) No organization plan shall provide for, and no reorganization under this act shall have the effect of—

* * * * *

(3) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

(4) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made.

The PRESIDING OFFICER (Mr. STANFILL in the chair). The Chair calls the Senator's attention to the fact that the time allotted to him by the Senator from Wisconsin has expired.

Mr. WILEY. I yield 5 minutes more to the Senator.

Mr. McCARRAN. Mr. President, what did the Senator from Wisconsin say to the Senator from Michigan?

Mr. FERGUSON. The Senator from Wisconsin yielded 5 minutes more to me.

Mr. McCARRAN. I merely wished to know so that I could keep track.

Mr. FERGUSON. Mr. President, to show that this is merely a continuation of the transfer of this agency, as made during the war under the War Powers Act, I refer the Senate to page 209 of the record. There the situation is clearly set forth. But we have only to examine the provisions which are recommended to become convinced that this plan was made, not by experts—and I think it is clear that the Bureau of the Budget kept these plans secret, and did not confer or consult with the various agencies—and that all the plans were built up, not by men who were familiar with all the facts, but by men who wished to create bureaus and to abolish acts of Congress by which provision was made for confirmation by the Senate of appointments, so that appointments could be made solely by the President. Those who drafted this plan, however, forgot to provide for abolishing the positions of traveling inspectors.

Mr. President, that situation clearly demonstrates that this plan is not one made by men who have in mind service to the people of America and the promotion of economy. It shows that the plan is a scheme to build bigger and, for the bureaucrats, better bureaus.

As I have said before, Mr. President, I am in favor of reorganization I think it should be brought about; I think that I, as a Senator from Michigan, and that the other Members of the Senate, as representatives of their States, owe it to the people back home to urge reorganization and to fight for reorganization, but also to say to the President, "We expect that when you reorganize, you will have in mind service to the people and greater efficiency, and that you will also have in mind economy."

Mr. President, I cannot read the testimony of this expert, Mr. Lawrence, and come to any other conclusion than that the Board at St. Elizabeths and the present plan at St. Elizabeths, under which operations are now being conducted, should not be abolished and transferred to Mr. Miller or to any other one man. I am also of the opinion that the Commandant of the Coast Guard should not have charge of the civilian inspection work of the bureau. The record is full of testimony by those who represented the CIO and the A. F. of L., Mr. Haddock and Mr. Hawk, that their experience has shown them that the Commandant of the Coast Guard will not furnish the service to which the people of the United States are entitled in this case. It would be well for the Senators to read the testimony of those two men.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). The time of the Senator has expired. Does the Senator from Wisconsin yield further time to the Senator from Michigan?

Mr. FERGUSON. Mr. President, I should like to have permission to utter one more sentence.

Mr. WILEY. I yield 1 minute more to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I have tried to review this record. I have tried to give to the Senate my best opinion, based on the testimony which was produced in the committee. I do not wish the Senators to view these reports as the considered judgment of the Judiciary Committee. I think that all members of the Judiciary Committee agree that, because of the lack of time, this plan is not the considered judgment of the members of the committee. As the chairman of the committee has indicated, it was very difficult even to get members of the committee to preside over committee meetings. An unusual thing happened on one occasion, namely, a Republican Senator, a member of the minority, had to preside on occasion in the committee because at such times only one member of the committee was present, and he happened to be a member of the minority. That situation occurred because of the pressure of work in the Senate. We have had only 60 days in which to do this job, and now the plan comes before us at this late hour, when we are talking against time, when we even have to obtain concessions of a minute or 5 minutes in order to be able to complete statements on the floor of the Senate

So we should think twice—yes, three times—before we approve these plans. Let us send them back, and let them be reconsidered, and come back again. This is no hurry job. I hope we shall give the problem due consideration.

Mr MORSE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MORSE Does the Senator from Michigan agree with me that the apparent interest in this subject, as shown by the present attendance of Senators on the floor of the Senate, would also indicate that we should pass the matter over to the next session of Congress?

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. FERGUSON. Mr. President, I should like to answer that question. I think what the Senator from Oregon has pointed out is conclusive evidence of the fact that we are not prepared to consider these plans today or, at least, to approve them.

Mr. McCARRAN. Mr. President, I shall be glad to accommodate the Senator. I am perfectly willing to have the Senate adjourn from today until Tuesday next.

Mr. DONNELL. Mr. President——

Mr. WILEY. Mr. President, I yield 15 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 15 minutes.

Mr. DONNELL. Mr. President, I rise at this time to oppose the approval of reorganization plan No. 3. The Senator from Michigan [Mr. FERGUSON] has pointed out so clearly that it needs no further repetition, that the Senate of the United States has not had adequate time to give proper consideration not only to this plan but the other two plans as well. Doubtless, they will be called up for action in due time after action has been taken on plan No. 3. The Senator from Michigan referred to the fact that we have had 60 days since the 16th of May. That is true. Yet, Mr. President, this matter was referred, as was appropriate, to the Committee on the Judiciary. The committee did not find it

practicable, or, at least, did not undertake to examine the matter until June 14, and did not complete its hearings until June 27, and, as stated by the distinguished chairman of the committee, it was not until July 3, which was only 9 days ago, that the printed copies of those extensive hearings, aggregating 471 printed pages, were made available to the Members of the Senate exclusive of the members of the committee. So, Mr. President, the Members of the Senate, not including the members of the committee, have had only 9 days of time in which to consider not alone plan No. 3 but also plan No 1 and plan No. 2

I shall speak but a very few moments on plan No. 3, but I desire to call attention to the fact that the broad and comprehensive nature of the problems presented by the three plans clearly appears from an inspection of them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr DONNELL I yield.

Mr. MORSE Before the Senator goes into that matter, I should like to ask him if he recalls that he, as a Senator from Missouri, and I, as the junior Senator from Oregon, opposed the reorganization plan at the time it was before the Senate, and that during the course of our argument against the adoption of such legislation we protested, first, against the provision that the plan would automatically become the law unless both Houses of the Congress rejected it. The Senator and I went into the history of legislation and pointed out that constitutionally no such power could ever be given the Chief Executive of this country. Does the Senator recall that?

Mr. DONNELL I recall it very distinctly, and I may say, in fairness to our distinguished colleague the Senator from New Jersey [Mr. SMITH] that he joined with us in a vigorous protest against the plan, largely on the basis of the point which has been referred to by the distinguished junior Senator from Oregon.

Mr. MORSE. And we also pointed out during the course of the debate—and it is quite true that the Senator from New Jersey joined us—that there was danger of our finding ourselves in such a situation that adequate consideration could not be given to the reorganization plans which might be submitted. That is exactly the situation in which we find ourselves today.

Mr DONNELL. Mr. President, what the Senator has said is precisely true, and it illustrates clearly one of the great evils of undertaking to delegate to the Executive the power to initiate legislation and then present it to the Congress and say, "If you do not disapprove it, it will become the law of the land."

Mr. MORSE. Mr. President, will the Senator yield further to me?

Mr. DONNELL. I yield.

Mr. MORSE. One more question and I am through. What the Senator from Missouri has said is true, especially when the legislation contains what we might call a time-clock limitation to the effect that unless the Congress takes action as of a certain time—when the hands of the clock reach that time—the legislation automatically becomes the law of the land.

Mr. DONNELL. Mr. President, the Senator from Oregon has stated a very clear exposition of one of the great evils inherent in the type of legislation which was passed by the Senate over the vigorous opposition of the Senator from Oregon, the Senator from New Jersey, and other Senators.

Mr. MORSE. Mr. President, I shall not take any further time, but I wish merely to say that the procedure contained in the legislation itself, irrespective of the merits of its substantive content, in my judgment, dictates a vote against it. I do not believe we can justify continuing in this country legislation which vests in the President of the United States autocratic power over the passage of substantive legislation which in effect takes away from the Congress of the United States the final responsibility which it has in passing legislation which will be binding upon 140,000,000 American people.

Mr. DONNELL. I join with pride in the remarks of the distinguished Senator from Oregon. I concur 100 percent in the statement with reference to the iniquity of any such type of legislation as that which was passed last year vesting in the hands of the Executive of the United States legislative power which cannot be legally delegated by the Congress of the United States to that branch of the Government.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. SMITH. I should like to ask the distinguished Senator from Missouri where we would be if we took all day today, and all day Monday to debate plans 3 and 2, and did not reach plan No 1? According to my understanding of the law, plan No. 1 may go into effect without being voted upon by this body.

Mr. DONNELL. The Senator is correct, and his statement clearly illustrates the harmful and deleterious effect of legislation such as that which was passed last year on this subject

Mr. MORSE. Mr. President, will the Senator further yield to me?

Mr. DONNELL. I yield.

Mr. MORSE. I may say to the Senator from New Jersey that I am sure he knows my views with regard to the filibuster technique, but what we have actually done in this proposal is to legalize an interesting type of filibuster. When we get into a time situation such as that in which we now find ourselves, if strategy should prevail on the floor of the Senate this proposal could become law by the use of the filibuster. I hope that Senators will keep that in mind when they survey the procedure of this proposal.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. DONNELL I yield.

Mr. McCARRAN. I do not like this scene of arousement which we have gotten into. I am entirely content to accommodate my friends so that they may vote at any minute they wish. I should like to have the vote over with.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. McCARRAN. I do not know that I have the floor.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from New Jersey?

Mr. DONNELL. I yield.

Mr. SMITH. I wish to ask the Senator from Nevada if he will be willing to agree to a limitation of debate so that we can dispose of all three plans by midnight next Monday?

Mr. McCARRAN. I shall deal with that matter when we come to it.

Mr. SMITH. I am merely asking for an agreement to limit debate. One of these plans may never come before the Senate for consideration.

Mr. DONNELL. Mr. President, I wish to return to the argument which I was about to present. I was stating that we have not had adequate time to study the plans in all their volume, content, and intricacy.

Plan No. 1 deals with the question relating to the Office of Inter-American Affairs, the Department of State, the United States High Commissioner to the Philippine Islands, the Department of the Treasury, the Department of Agriculture, the Office of War Mobilization and Reconversion, the National Housing Agency, and the Federal Deposit Insurance Corporation. The other two plans speak for themselves and, due to the limitation of my time, I shall not refer further to them But the fact is, Mr. President, that with only 9 days in which to study this matter, we cannot give it proper and adequate attention That statement is obviously true, taking into consideration the peculiar crowded condition of the business of the Senate. Senators well recall that we did not adjourn yesterday's session until 1:59 a. m. today, and that the Senate remained in session the night before until a late hour I assert that such conditions make it obvious that it is unwise and improper to pass upon a matter of such importance at this time

Mr. President, I appreciate the fact that my time has already nearly expired That this proposal is by no means deserving of the blindfolded support of the Members of the Senate appears from the fact that, in the first place, plan No. 1 was rejected by the House of Representatives by a vote of 180 to 37, and plan No. 2 was rejected by the House of Representatives by a vote of 166 to 40. The RECORD, as indicated a while ago in the colloquy which took place, shows that a roll-call vote was not taken on Plan No. 3, but it was likewise disapproved by the House of Representatives.

Mr. President, the action of the Committee on the Judiciary, I understood the distinguished chairman to say, was a bare majority of 9 to 7. So obviously, in the Judiciary Committee there were grave doubts in the minds of at least a substantial majority of its members with reference to the wisdom of this particular type of legislation.

Mr. President, I ask the distinguished Senator from Wisconsin if I may have five additional minutes.

The PRESIDING OFFICER. The time of the Senator from Missouri has not yet expired.

Mr. WILEY. I agree that the Senator may have five additional minutes.

Mr. DONNELL. Mr. President, to my mind, the report of the Committee of the House of Representatives on this particular proposal No. 3, deserves the careful consideration of this body. I refer to the observations which were read today by the Senator from Michigan [Mr. FERGUSON] with respect to the effect which the plan would have on St. Elizabeths Hospital in the city of Washington. I read part of the statement with reference to that point, and said that later I would undertake to read it all. The Senator from Michigan has already saved me that necessity. However, I wish to add one sentence to the portion which he read. I invite attention to the following language:

Reorganization plan No. 3 would inevitably bring a certain amount of demoralization and reduction of its effectiveness at the very time when its services are most urgently needed.

I call attention to the next sentence, which reads as follows:

It seems to the committee—

That is, to the Committee of the House of Representatives—

It seems to the committee that to impair the teaching facilities at St. Elizabeths at this particular time would be on a par with splitting up and disorganizing West Point and Annapolis in the midst of a hard war

Who was it that said that? It was the committee for which the distinguished Member of Congress, Dr. JUDD, submitted the report. From his biography in the Congressional Directory it appears that Dr. JUDD is a "physician and surgeon; fellowship in surgery, Mayo Foundation, Rochester, Minn., 1932-34; medical missionary and hospital superintendent in China, 1925-31; entered private medical practice in Minneapolis in January 1941."

I say, Mr. President, that upon this proposition alone, upon the fact that the House of Representatives committee made these striking comments as to the effect upon St Elizabeths Hospital, it is unwise to approve plan No. 3.

There were indicated in the colloquy between the distinguished Senator from Oregon [Mr CORDON], the distinguished Senator from Nevada [Mr. MCCARRAN], and myself earlier, certain facts with relation to the proposed plan as it affects the land administration of this country. It abolishes the General Land Office. It transfers the functions of it to a new bureau to be organized.

It repeals an act of Congress which made the appointment of the Commissioner of the Land Office dependent upon the advice and consent of the Senate. This reorganization plan very carefully deletes that and deletes also the provision with respect to the advice and consent of the Senate being required to the appointment of the registers in the various district land offices. It repeals the requirement of residence within the district in which the office over which the register presides is located.

Mr. President, I say these facts with relation to St. Elizabeths Hospital and with relation to the Land Office are significant illustrations of the fact that it would be the part of unwisdom and folly to approve this plan at this time.

Mr. President, there is another proposition which has been referred to, that is, the matter of the transfer of the functions of the Bureau of Marine Inspection and Navigation. I shall not go into that in detail.

Let me conclude my remarks by stating this significant fact, which was mentioned and pointed out very clearly by the distinguished junior Senator from Michigan [Mr. FERGUSON] that the statute obviously requires certain things to be in contemplation in preparation and submission of reorganization plans. It was pointed out by him that the statute of 1945 says that it is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under the act shall accomplish an over-all reduction of at least 25 percent of the administrative cost of the agency or agencies affected.

In response to inquiries from myself, the Senator from Nevada indicated that he was unable to give us with any assurance the amount of savings which would be effected with respect to plan No. 3. I think I am fairly quoting him in saying that he likewise indicated that there is nothing conclusive in the record as to what savings will be effected with respect to all three of the plans. Indeed, the report of the committee takes the view that under the statute it is unnecessary that any specific savings shall be effected.

So, Mr President, I submit, first, that the Senate has not had adequate time to study this proposition. I shall speak further upon that, if I may, with respect to the other two plans. But with respect to this one, in conjunction with the other two, we have not had adequate time, in 9 days, to pass upon a reorganization of the Government, in large part, and particularly to pass upon the abolition of a statute which has been upon the statute books of the United States since 1812, namely, that relating to the General Land Office

Mr. President, I am opposed to the approval of plan No. 3.

Mr. WILEY. Mr. President, I wish to suggest a unanimous-consent proposal to the distinguished chairman of the Committee on the Judiciary, that immediately after a quorum call at 3:30 o'clock we proceed to vote on the question now before the Senate.

Mr. MCCARRAN. Mr. President, the leader of the majority is now en route to the Senate. I understand he desires to make some remarks with reference to the pending matter. Otherwise, I should be very glad to join in the unanimous-consent request. I am not certain when the leader will arrive in the Chamber, but I think he will be here within a few minutes. I should not care to foreclose him from making any statement he may desire to make. I hope that with his presence here I can join in the unanimous-consent request.

Mr. WILEY. I thank the Senator. I made my proposal pursuant to his suggestion that those on the other side were ready to vote at any time.

Mr. MCCARRAN. That is correct.

Mr. WILEY. I now yield 25 minutes to the Senator from Oregon [Mr. CORDON].

The PRESIDING OFFICER. The Senator from Oregon is recognized for 25 minutes.

Mr. CORDON. Mr. President, it is most unfortunate indeed, in my opinion it approaches the tragic, that there should be today so few of my colleagues on the floor of the Senate interested in the very important matter which is now pending. I recognize the reason for the situation. Most of us did not have an opportunity to get a wink of sleep until 3 o'clock this morning. We have had night sessions, have been working day and night, and it seems almost as though everything possible has conspired to prevent a full consideration of what to me is one of the most important matters that will come before the United States Senate at this session. I hope that the Chief Executive, and those who advised with him in preparing these reorganization plans, showed greater interest in the subject than this body is showing in its division of the responsibility at the moment

Mr. President, I have endeavored, in the short time I have had, to go through the hearings of the Committee on the Judiciary in this matter. I have not been able to read all the hearings, nor have I been able to pick out those portions which to me seem to be the most important, because the matter has been hurried so rapidly that the printer was unable even to put a subject-matter index in the copy of the printed hearings. It is impossible to pick out in this volume of hearings the subject matters in which one may be interested in order to determine what testimony has been presented with reference to it. Therefore to some extent I had to turn to the reports, and I wish to call attention to one report, because I think it is typical. I refer now to the report of our own Committee on the Judiciary on section 501 of plan No. 3 That plan provides for the transfer to the Secretary of Agriculture of the functions and duties of the Agricultural Adjustment Administration, the Surplus Marketing Administration, and the administration of the programs of the Federal Crop Insurance Corporation and the Commodity Credit Corporation.

It does not take any study to realize that the transfer of the functions or the administration of the programs of the Federal Crop Insurance Corporation and the Commodity Credit Corporation as a permanent transfer to the Department of Agriculture is a matter of grave moment to the agricultural interests of this country. Certainly it is an important matter. At least, it was so important that the president of the American Farm Bureau Federation took the time to send me the following telegram:

The American Farm Bureau Federation strongly opposed to President's reorganization plan No. 3 because of the provisions of section 501 which transfer the functions and program of Agricultural Adjustment Administration, Surplus Marketing Administration, Commodity Credit Corporation, and Federal Crop Insurance Corporation to the Secretary of Agriculture, and which would permit the Secretary to abolish these agencies completely and transfer their functions

to any other agencies of the Department that he sees fit. American Farm Bureau Federation believes in economy in Government expenditures and favors administrative reorganization found necessary to achieve economy and efficiency but we do not believe it would be wise to give the Secretary of Agriculture such sweeping power over agencies originally established by act of Congress. We therefore respectfully urge favorable action on Senate Resolution 66 disapproving the President's reorganization plan No. 3

Mr. President, that telegram comes from the representative of agricultural interests of the United States, those for whom the Commodity Credit Corporation and the Federal Crop Insurance Corporation were created. Congress created those agencies as independent agencies of the Government to aid the agricultural interests, and the agricultural interests today oppose any plan to change the basic operations of those agencies which the Congress itself created.

Mr. President, what is to be gained by reorganization? Is efficiency to be gained by it? Is economy to be gained by it? The President of the United States is silent on the subject. There are general conclusions, glittering generalities, and promises made, but there is no statement anywhere in any of these plans where the savings which would be effected in personnel or in expenditure of money are shown or even estimated. There is nothing indicative of any real value to be achieved by the plan. Why then should changes be made?

Let me now call the attention of the few Senators present to what the committee itself has said about the matter. I read now from the committee report with reference to section 501:

SECTION 501

This section transfers to the Secretary of Agriculture (a) the functions and duties of the Agricultural Adjustment Administration and the Surplus Marketing Administration and (b) the administration of the programs of the Federal Crop Insurance Corporation and the Commodity Credit Corporation.

(Government witnesses testified that while the provisions of this section will give the Secretary of Agriculture complete control of the programs of the Federal Crop Insurance Corporation and the Commodity Credit Corporation, these Corporations would continue in existence as corporate entities.)

Mr. President, I interpolate the question. Where is there saving or an increase of efficiency there? The operation is proposed to be transferred from the right side to the left side, and vice versa, but both organizations are kept continuously in existence. I continue reading from the report, and I call particular attention to this language.

There was apparently some confusion as to whether the President's plan intended that the programs of these Corporations should be administered by the Secretary of Agriculture through the Corporations or in some other manner; and in view of this uncertainty

The conclusion of the committee is:

It is probable that the plan would permit the Secretary to adopt whatever course, in this regard, he might choose to pursue.

Mr. President, there appeared before the committee a representative of the Department of the Interior and a representative of the Bureau of the Budget. Neither could tell the committee what was intended to be done under this reorganization plan. They did not know. They were sent down here as the voice, as the mouthpiece of the two agencies most concerned. We are asked to put our O. K. on governmental reorganizations which, according to testimony of its proponents, have received so little consideration from the executive branch that that branch itself does not know what it is going to do with the reorganization after it is authorized.

Mr. President, there is room, God knows, in the executive department for reorganization. There is room for increase in efficiency. There is room for great economies to be effected. But they cannot be effected in the way proposed. Someone must study the problem. Someone must plan a reorganization. Someone in advance must determine where cuts can be made, where consolidations can be brought about, which of the personnel can be eliminated, and what expenditures may be reduced. If anyone had done that, Mr. President, the committee would have been advised and the Congress would have been advised and we would have been in a position intelligently to determine whether the reorganization plan would effect good results. Since the proponents themselves have been given the opportunity to present their case and have so utterly failed to do so, I feel we are entitled to believe that they have not sufficiently studied the subject to have any opinion, and that therefore our vote should be against the plan which is offered.

Mr. President, I know something about the Interior Department, and at this time I want to say that the few words I am about to speak on that subject are not directed against any individual. I have the highest regard for the present Secretary of the Interior, and I have high hope that he will do an outstanding job of administration. But, Mr. President, human nature is the same wherever one finds it, I care not who the individual may be. If he is going to present to another for decision a plan of operation, he should come with the plan developed. I cannot find in these hearings any well-worked-out plan for the great changes expected to be made in the Interior Department, where it is intended to abolish one of the oldest statutory agencies in the history of the United States, the General Land Office.

Mr. President, the General Land Office, as I said in my colloquy some time ago with the distinguished senior Senator from Nevada, is initially and basically an office of record and of judicial determination with reference to the lands of the United States. It is not a land-management agency. It is an agency under which hundreds of millions of acres of United States territory have been transferred from public to private ownership. It is the agency under which all the railroad grants were negotiated and later on determined and settled. It is the agency under which all the homesteads were taken and patented, as well as the timber claims. It is the agency which now administers the general mining law. It is the agency which administers the general leasing law, and so forth. It is following statutory directions. It is proposed to take that agency bodily, abolish all its officers, and incorporate it into a new agency of land management. The Land Office is not a land-management agency. It functions have nothing to do with land management. I can see no justification for a change of that character, and I can see some dreadful potentialities in it, so far as the vast areas of the western land States are concerned

Mr. President, let us have an opportunity to determine these things. Let us cast our negative vote and say to the President of the United States, "Return your plans to a new Congress, and bring with them adequate and specific information. Tell us what you intend to do, how you intend to do it, how you can increase efficiency, how you can promote economy." Then, Mr. President, we will be in a position to work most cooperatively with the Chief Executive in the matter

Mr. WILEY. Mr. President, I desire to make a unanimous-consent request. The request is that after the majority leader has spoken—I understand he wishes to speak for 45 minutes—a quorum be called and a vote be taken on the pending matter

Mr. BARKLEY. Mr. President, I do not know whether any other Senator desires to speak. I do not know that I will want 45 minutes. I do wish to make some general remarks about plan No. 3 and about the general situation with regard to all the plans. But I would not want to cut off any other Senator who might want to speak on the subject.

Mr. WILEY. I will say that I am following the suggestion of the Senator from Nevada [Mr. McCARRAN], who said he was ready to vote at any time

Mr. McCARRAN. I will say that both the Senator from Kentucky and I would want a quorum call before we enter into any unanimous-consent agreement. Perhaps there are other Senators who favor the plan who will wish to speak. I have not heard that any other Senators do wish to speak.

Mr. BARKLEY. I shall take only as much time as I may need. It may not be 45 minutes

Mr. MORSE. Mr. President, may I say a word with regard to the suggestion of a quorum call? I think it quite proper that a quorum be called, but in advance of the development of any situation, I want to make a plea to the majority leader that all the rules and powers of the Senate be brought to bear to see to it that a quorum is present on the floor of the Senate, no matter how long the debate may continue.

I point out to the majority leader that the finest cooperation was extended to him, as he so richly deserved, throughout the OPA debate. We are now confronted with a parliamentary situation which involves the question of time running against us. I do not wish to see developed on the floor of the Senate any strategy whereby this legislation will become a law because of the passage of time due to failure to produce a quorum on the floor of the Senate.

I am sure the majority leader appreciates the position of Senators who find themselves in opposition to this plan. Before any situation develops as a result of the possible lack of a quorum, let me say to the majority leader, as one Member of the Senate, that I hope all the rules of the Senate, including the arrest rule, if necessary, will be invoked to see to it that a quorum is produced tonight, tomorrow if necessary, and Monday until we have disposed of the pending business by way of a vote rather than by way of mere passage of time.

The PRESIDING OFFICER. Of course, in case a quorum is not present the majority of those present may order the bringing in of absent Members. If that contingency arises, it will be met at that time.

Mr. McCARRAN. Mr President, I yield to the Senator from Kentucky [Mr. BARKLEY] for 40 minutes.

Mr. BARKLEY. Mr. President, I think I fully appreciate my duties in regard to the effort to obtain a quorum under any circumstances. I hope I have never failed to perform them. It is not necessary to obtain unanimous consent for a quorum call. Any Senator may make the point of no quorum at any time. I do not exactly see the necessity of being advised about that, because any Senator has the right to make the point of no quorum at any time he sees fit to do so. I certainly would not want the pending resolution, or any of the other similar resolutions, to be acted upon without a quorum. I should like to see as full an attendance as possible in the Senate.

Mr. President, I hope I shall not take the entire time allotted to me by the Senator from Nevada. I wish to discuss in a general way the question of reorganization under the act which Congress passed.

I have been a Member of Congress for a great many years. Almost from the beginning of my service in the other body there has been general complaint against the sprawling complication and make-up of the executive departments of the Government of the United States. They have grown up like Topsy. One has been added to another, and still others have been added in various combinations. Presumably each one has been created because of a situation which developed requiring a new agency of government. When the various independent agencies or bureaus were established apparently no thought was given to their coordination with or allocation to any other agency which might have functions to perform in the same or a similar field, whether they should be allocated to any given department, or whether there was any relationship between the functions of any particular bureau, agency, or subdivision and those of the parent organization.

When I came to Congress there was in existence the Revenue Cutter Service, which was under the Treasury Department. Revenue cutters were supposed to chase those who were seeking to violate the revenue laws of the United States by smuggling goods into the United States without the payment of tariffs. Probably it was appropriate in the early days that the Revenue Cutter Service should be under the Treasury Department.

I was a member of the Committee on Interstate and Foreign Commerce of the House, which had jurisdiction, as I now recall, of the Revenue Cutter Service, and also the Coast Guard, which was independent. It was not in the Navy or in the Treasury. It was an independent agency. Finally we enacted a law which consolidated the Coast Guard and the Revenue Cutter Service. There was objection. The Revenue Cutter Service did not want to be consolidated with the Coast Guard, for fear the Coast Guard might absorb the Revenue Cutter Service, and it would no longer be known in the nomenclature of our Government as it had been known for more than a century. We had the same protest from the Revenue Cutter Service that we now have from other bureaus or agencies because they have been consolidated under this reorganization plan with some other agency.

However, the two agencies were consolidated, and the Revenue Cutter Service, as such, went out of existence The Coast Guard has performed all its duties and functions from that time until now; and since the functions of the two agencies were consolidated they have been performed more efficiently than they were ever performed prior to the consolidation.

As I view it, it is not a matter of any consequence, growing out of pride or historical nomenclature with respect to some agency, whether the name of an organization is preserved. The object is to serve the American people in the most efficient and economical way. No one now complains about the consolidation of the Coast Guard and the Revenue Cutter Service, which has been in effect for a quarter of a century or more. I mention that example simply to show the type of opposition to any sort of consolidation. Men who have been identified with a particular bureau, agency, or service naturally take pride in being identified with that service. They do not like to give up the name. They do not like to be placed under some other agency, because they may not have as much authority as they formerly had.

There never will be a time, so long as this Government endures, when everyone in any bureau or agency which is consolidated with another will be satisfied. There will always be complaints. Those interested will always be calling up Senators and Representatives, and in some cases they will be organizing to thwart the purpose of Congress and the President with respect to the consolidation of any given bureau or agency with some other bureau or agency. We might as well expect that, and it has taken place in this particular situation. We have been called up by Government employees. I have received letters from my own State, from employees of some agency being consolidated with another agency, complaining because they did not want to go into the other agency. It is not a question of economy. It is not a question of greater efficiency in the service of the public. They have been employees of a given bureau or agency from time immemorial, and they wish to continue in that status.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. Is it not a fact that the policy with respect to change of name was determined when we enacted the law? Section 4 of the act provides as follows:

> Any reorganization plan transmitted by the President under section 3—
>
> (1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head, and shall designate the name of any agency resulting from a reorganization and the title of its head

Mr. BARKLEY. Absolutely. Congress sanctioned changes in names. It foresaw the possibility that in a given consolidation in which the President might bring together different bureaus or agencies he might change the name. He might even designate the consolidated agency by an over-all name which might even be different from the name of any single constituent bureau or agency prior to the consolidation.

We have been trying to bring about economy. We have been trying to bring about a reduction in unnecessary bureaus and agencies. A few years ago someone compiled statistics indicating how many independent bureaus and agencies there were floating around Washington. I do not remember whether the number was 100 or 300. I am sure that there are more of them now than there were then.

So for many years Congress has talked about economy, efficiency, consolidation, and reorganization, but it never did anything about it until a few years ago, when Congress enacted a temporary reorganization bill. I was a member of the committee. At first a joint committee of the two Houses was authorized and appointed to work out a consolidation and reorganization of Government departments. The joint committee met once. It could not even agree upon how to start. It never held another meeting.

Finally there was established in the Senate a Committee on Reorganization, of which the distinguished Senator from South Carolina at that time, Mr. Byrnes, now Secretary of State, was made chairman. The Senator from Virginia [Mr. BYRD] was a member of the committee. I was also a member of the committee. I do not recall the names of all the members. We held long and tedious hearings with respect to the reorganization of bureaus and departments of the Government. We must have held hearings for weeks—perhaps months. Finally, we reported a temporary measure, the life of which, as I recall, was 2 or 3 years. I am not certain as to that. Perhaps the chairman of the committee can state.

Mr. McCARRAN. It was 2 years.

Mr. BARKLEY. Very well, the life of that reorganization bill was only 2 years. If no reorganization took place under it during the 2 years, of course the effect would be the same as if no law had ever been passed.

It was manifestly impossible to bring about any comprehensive reorganization of the departments of the Government

in a period of 2 years, especially under the conditions which then existed. But the law was enacted. President Roosevelt studied the question. He had to do it hastily. He finally sent in, during the 2-year period, a sort of reorganization plan. It was all right so far as it went, but there was even opposition to it. When that reorganization plan was submitted, we had the same opposition; it may have been from a different source, but we had telephone calls and personal visits and letters from persons who did not want to be transferred from where they were to somewhere else, persons who were consulting their own convenience and their own desire, rather than the public service. That will be the case forever. There will never be a time when the President of the United States—any President, I do not care who he may be or to what party he may belong—will, in response to this law or any other law, be able to formulate a reorganization plan and submit it to Congress and have it unanimously accepted, even in the Government itself.

We all know that the Congress cannot reorganize the departments. The Congress has set them up one at a time. It has set them up without regard to their coordination, without regard to their association or the coordination of their duties with those of any other agency or bureau or department, according to the similarity of their work We have simply set them up, and they have grown and grown and grown, like barnacles grow on a ship as a result of constant exposure to salt water. Congress has never consolidated any of them by law, and it never will. In the very nature of things, Congress cannot do so.

At the present time, in view of the complexity of our Government, it is now almost like undertaking to pass a law fixing railroad rates. It is utterly impossible for Congress to do so. Theoretically, Congress has the power to do so, under the Constitution of the United States. Under the Constitution, Congress is given to right to regulate commerce, and that includes the regulation of rates for the transportation of passengers and freight from one State to another. But Congress could not do that, and, therefore, the Congress has set up the Interstate Commerce Commission as an agency of the Congress to do what it is physically and legislatively impossible for the Congress to do, namely, to prescribe schedules of rates applicable to all the transportation companies of the United States, whether they be for transportation by rail, boat, bus, or airplane. So we have not attempted to establish such rates ourselves, and it would be utterly impossible for the Congress to do so.

Long ago, under what I believe was a Republican administration—it may have been the administration of President Taft—the Congress, recognizing the impossibility of having Congress even fix tariff rates, in view of our complex international commercial situation, created the Tariff Commission, giving it power to readjust tariff rates to the extent of 50 percent, because the Congress recognized its inability to deal with such problems year by year, as they might arise. The Congress has not passed a tariff bill in 16 years. It may be questionable whether the Congress ever again will undertake a wholesale revision of the tariff, no matter what party is in power. More and more, tariffs have become an economic problem, not a political problem. That is what they are—they are more economic than political.

So the Congress has recognized that in the field of transportation it cannot spell out rates, and that in the field of tariff taxation and duties it cannot always spell out rates without giving someone the power to readjust them, due to conditions which may develop from time to time.

Now, of all times in the history of Congress, with all the complex problems which face the Congress today, with the multiplicity of duties which we are called upon to perform, with the interdependence of one section upon another section, with the interdependence of all sections upon all other sections of our country, and with the multitude of duties which we are called upon to perform in connection with legislative matters, we cannot undertake to retrace our steps with respect to these matters. In my judgment, we could not do it with respect to the reorganization of the multiplied, overlapping agencies of the Government of the United States.

So we made a little progress during the 2 years of the life of the act which was passed back yonder in 1935 or 1936, I believe, or some time before the beginning of the European War. We made some progress, but not as much as we expected to make, I am frank to say. Involved as he was with the multiplicity of duties which pressed upon him, the President did not have time to go into all the details, although I believe he knew as much about the various agencies of the Government and the detailed operations of every branch of the Government as any man who ever occupied the Presidency ever knew. His detailed knowledge used to amaze me. He had an amazing knowledge of the operations of every little branch and division and bureau of the Government of the United States. It amazed me how any one man, with all the other duties which he had to perform, could keep his fingers on the detailed, meticulous performance of the functions of the various agencies and bureaus and departments of the Government of the United States.

As I have said, we made a little progress in that 2-year period; but it was not much, because notwithstanding the President's wide, profound knowledge of the operations of the various departments and agencies of the Government, he really did not get very far in making reorganizations.

So, recognizing the fact that from the very nature of its existence and from the very nature of its duties, the Congress itself could not reorganize the Government, could never come to a consensus of opinion as to which department or agency or bureau should be transferred to some other, or which independent agencies should be consolidated under one head—and Congress never could do so, and it had never done it, although it had talked about it for years and years—the Congress again decided to make an effort to bring about some coordination, some consolidation, and some elimination of duplication of various bureaus and agencies. That need is greater now than it ever was before, in view of the mushroom growth of agencies and departments and bureaus as a result of the war. I do not say that by way of criticism, because that development was inevitable; it had to be. But of all times in the past when Congress has discussed or considered this subject, there never has been a time when there has been greater need for consolidation and for the elimination of duplication and for the fixing of responsibility at the top for the conduct of the business of the many correlated agencies and functions and services of the Government than there is at the present time.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. McCARRAN. I yielded 40 minutes to the Senator from Kentucky.

Mr. BARKLEY. I am sure I have not talked for 40 minutes.

The PRESIDING OFFICER. The Chair misunderstood. The Chair did not realize that the Senator from Kentucky had that much time.

Mr. BARKLEY. I had 40 minutes, Mr. President. I know how time slips away from a person who is speaking, but I hardly thought it had gone that quickly.

I thank the Senator from Nevada.

Mr President, recognizing all those difficulties and the difficult and intricate problem which existed, Congress again tackled the job of writing a law which would authorize the only man in a position to have an over-all viewpoint concerning all Government departments and all agencies, to bring about a consolidation. That law has been made permanent. It is not a 2-year law; it is not a 3-year law; it is not a 5-year law. It is permanent legislation, available to any President of the United States. There is no politics in this, and certainly there should not be. From time to time any President who is a member of any political party or any political faith, taking into account the developments of our Government year after year, may send to the Congress proposals for the reorganization of the executive branch. We have retained the right during a 60-day period to pass judgment on the reorganization, and we have limited ourselves, by our own act and by the law, to a period of 60 days during which time——

Mr. McCARRAN. Mr. President, if the Senator will yield, I may say that the law states:

> No reorganization specified in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1948.

Mr. BARKLEY. I thank the Senator. That statement is true. I thought the law itself was permanent, but any reorganization brought about under it must be submitted to the Congress. Does what the Senator read mean that the law itself will expire in 1948?

Mr. McCARRAN. No. The law may be continued in effect.

Mr. BARKLEY. In other words, the Congress can extend the time in which a reorganization plan may be sent to it. I thank the Senator.

Mr. President, we have limited ourselves by our own act to a period of 60 days during which we may reject the plan which is sent to the Congress by the President, or, by inaction, it may become operative automatically at the end of the 60-day period.

There is one way by which the plan could not become operative, but that would be an outright rejection by both Houses of the Congress during the 60-day period, or Congress might pass a resolution of affirmative approval before the expiration of the 60-day period, and thereby cut down the 60-day period, or Congress could do nothing about it and at the end of the 60-day period the reorganization plan would take effect. In both these enactments Congress has recognized its inability to reorganize the Government of the United States. In making that statement, I cast no reflection upon the Members of Congress as individual beings, but the Congress has recognized its legislative inability to reorganize the Government of the United States. From year to year, and from decade to decade, Congress has added other agencies to the various agencies which already existed, instead of allocating them to some department at the time of their creation. I believe it is fair to say that Congress has recognized that it could not, in the very nature of things, expend the necessary time and energy to consolidate and reorganize the Government of the United States in order to eliminate duplication and bring about greater efficiency in the operation of the Government. Therefore, Congress has created an agency for that purpose. I suppose that the Congress could have created a commission such as the Interstate Commerce Commission, or the Communications Commission, or the Federal Trade Commission, or some other commission to act as the commission of Congress in reorganizing and consolidating all the various bureaus and agencies which Congress itself had created. But the Congress did not see fit to do that. It designated the one man best equipped to do it. That man is the President of the United States. He is charged, under the Constitution, with seeing that the laws are observed and executed. By reason of the reports which he receives from Cabinet heads and the heads of various agencies of the Government, the President is assumed to know what is taking place. He knows more about duplication of various agency functions than does any other man, or any commission in the United States. Therefore, Congress has designated the President as its agent in bringing about these consolidations.

Congress is now confronted with the necessity of passing upon one of the plans which the President sent to it. I refer to plan No. 3. I shall not go into the details of the plan. It has been explained by the Senator from Nevada [Mr. McCARRAN], the chairman of the committee reporting the plan. The plan has many subdivisions. It deals with the Bureau of Customs in the Treasury Department; it deals with the functions of the Treasury; it deals with the functions of the War and Navy Departments; and it deals with the subdivisions, agencies, bureaus, and institutions under the control of the War and Navy Departments. There may have been some objection registered on the part of the War Department and the Navy Department, but I have not heard of them. The plan deals, in the Navy Department, with the Hydrographic Office and with the Naval Observatory. I have not heard any objection to that. The plan also deals with the matter of mineral deposits in certain lands of the United States. The plan provides for establishing a Bureau of Land Management. Why not? I understand objection has been made that, because the General Land Office is, in a sense, to be eliminated and a Bureau of Land Management is to be created, an important department of the Government will be abolished. The Government of the United States is interested in many functions pertaining to lands and public property everywhere which may not come under the General Land Office Why not establish a Bureau of Land Management? Of course, it would be a bureau, and any person appointed as the head of the bureau would immediately become a bureaucrat. The mere fact that someone is the head of a bureau makes him, in the estimation of many persons, a bureaucrat. But what else is he except the head of a bureau? The Congress created a Bureau of Internal Revenue within the Treasury Department. That Bureau was created by legislation. It is called a bureau. Yet, because some man heads that bureau he is a bureaucrat. I assume that the manager of the Bureau of Land Management will have duties to perform which will be additional to those performed by the man who is now the head of the General Land Office. The bureau is to be a Bureau of Land Management. I do not see why anyone should object to it

We now come to the Department of Agriculture. The War Food Administration was set up by an Executive order. I presume it will go out of business very soon. There are many functions within the Department of Agriculture which could very well be consolidated. My objection is that I do not believe the President has gone far enough. I am sure that he will attempt to go further in the reorganization and consolidation of those agencies and bureaus of the Government.

We come also to the Department of Commerce which deals with certain functions of the Bureau of Standards. That is a bureau. When Congress set up a Bureau of Standards, in the law it was called a bureau, and it has always been a bureau. According to our modern definition of a bureaucrat, I suppose that the head of the Bureau of Standards is a bureaucrat.

Plan No. 3 also deals with the National Labor Relations Board with respect to strike ballots under the War Labor Disputes Act. Does anyone object to that? For a long time we have had sprawling, scattered, disconnected, unrelated agencies dealing with labor problems. If we could do something which would bring about a consolidation of all those various functions, any person interested in labor problems would know where to go in order to obtain information. A consolidation of all those functions would be in the interest of an efficient administration of our Government.

The Smithsonian Institution is a special ward of Congress. In a sense, it comes under a joint committee of the two Houses of Congress. Under that institution we have the Canal Zone Biological Area. The proposed consolidation also deals with that. I do not know whether anyone is particularly interested in a biological area.

Under the United States Employment Service we have a problem involving placement functions under the Selective Training and Service Act of 1940 under which we owe certain obligations to exservice men The President undertakes to deal with that in this plan.

Mr. President, this, I hope, is only the beginning, only a scratching of the surface For Congress to turn down by an adverse vote the first plan that has been submitted to us by the President of the United States, under a law we enacted, and in which we placed our own limitations, in my opinion would discourage any further effort to consolidate or to reorganize the Government, and 1948 might come and go without any further effort I do not say that would happen.

The President, in an effort to comply with the act of Congress, has come forward with a program, not a comprehensive one, feeling his way, rather, toward a reorganization and coordination of the various sprawling agencies of the Government, and if we are to discourage his effort by turning down the first three programs he has sent to us, I am not sure we will encourage anyone to believe that we are very greatly interested in economy or the elimination of duplication on the part of the Government of the United States.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I have no particular objection to plan No. 3, though I have to one of the others, but I think the Senator lays undue stress on the President's interest and part in preparing the plans. So far as I can discover, these plans were prepared in the Bureau of the Budget, and very few knew anything about them until a day or two before they were submitted. They were not submitted to any of the departments concerned, they were not given a chance to protest, they were not given a chance to say anything. I feel very strongly that at the last moment someone thought, "We have to get something in in order to get it to Congress so that we may say we acted under the Reorganization Act this year. We have to get it in in a hurry." So far as I can determine, it came in in a hurry, without such consultation as I have indicated, and I personally question whether the President had more to do with it than merely to look over the plan and accept the recommendations of the head of the Bureau of the Budget.

Mr. BARKLEY. I do not know to what extent the Senator is correct in saying that the various departments were not consulted. I do not know whether he knows that to be true.

Mr. TAFT. I have some direct information to that effect.

Mr. BARKLEY. I do not think it is shown in the hearings of the committee, before which any department had the right to come and protest.

Mr. McCARRAN. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. McCARRAN. It was established that these plans were submitted to all the departments for suggestions or rejection

Mr. FERGUSON Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. FERGUSON. If I may ask the chairman of the Committee on the Judiciary a question, Does the record show that the Compensation Commission was ever consulted? Does it not show just the opposite, that it was never consulted?

Mr. McCARRAN. The Compensation Commission may not have been consulted.

Mr. TAFT. I can say that the National Housing Agency was not consulted until 2 days before the plan was presented to Congress, and that no change was made after that time. There was hardly time to make a change. I do not say the National Housing Agency is against the plan. I am merely speaking of the method pursued in preparing these plans and putting them together.

Mr. BARKLEY. The question as to the National Housing Agency will come up under plan No. 1, and I do not care to enter upon a discussion of that further than to say that the National Housing Agency is very much in favor of plan No. 1, which involves it. It would be manifestly impossible for the President of the United States to consult every human being in the Government who might have an opinion.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. I should like to have 10 minutes more.

Mr. McCARRAN. I yield 10 minutes more to the Senator from Kentucky.

Mr. President, if the Senator from Kentucky will yield just a moment, the RECORD shows that this question was propounded in the hearings:

> Was the final drafting of these plans a staff job, or was there any one person, or any particular group of persons who were charged with that responsibility?
>
> Mr. SMITH Pretty generally, it is a staff job, depending on the subject matter. Some one or two people were recognized as having particular competence in that subject and in that field. Aside from that, I went over all the drafting, and the counsel of the Bureau went over all the drafting. Then it was submitted to the President and to the Attorney General. That is the procedure.

Mr. BARKLEY. Of course, the President had to designate someone to assume the responsibility of undertaking to make suggestions for the reorganization plans. He could not do it himself. I do not know anyone better qualified than the Director of the Bureau of the Budget, because he is acquainted with all the departments of Government and their functions. But the President took the final responsibility. It is bound to be his responsibility. He was bound to ask the assistance of and consultation with someone who was competent by reason of his official position or his experience to recommend to the President the consolidation of the various agencies. The fact that the Bureau of the Budget may have taken a prominent or even an outstanding part in the matter certainly, it seems to me, should not condemn it. The recommendation is here on its merits The President has taken the responsibility for it, he has urged it upon us, and it is my belief that unless we indorse these efforts, these very modest efforts, these very incomplete efforts, as I see them, to bring about efficiency and economy in the operation of the Government of the United States, it may be a long time before we will have an opportunity to pass upon another plan.

We cannot stand on the floor of the Senate and denounce duplication, denounce expenses, denounce extravagance in the operation of the Government, and then reject the first plan sent to us designed to secure greater efficiency, eliminate duplication, and bring about some economy in the operation of the Government of the United States.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. Can the majority leader refer me to any paragraph, sentence, or word in any of the plans which shows the Congress of the United States that there will be a dollar of saving?

Mr. BARKLEY. That would depend on the Congress. We hold the purse strings.

Mr. CORDON I suggest that if we hold the purse strings we do not need any reorganization.

Mr. BARKLEY The Senator is entitled to his opinion about that. If he thinks we do not need any reorganization, then he should never have voted for the law giving the President the right to bring about the reorganization. Perhaps he did not vote for it.

Mr. CORDON. As a matter of fact, I did not, but I was prepared to vote for a plan under which the Congress would have an opportunity to exercise judgment, without having to swallow the whole bait or none at all.

Mr. BARKLEY. Did the Senator vote against the law which is now on the statute books?

Mr. CORDON. That is what I am speaking of.

Mr. BARKLEY. The Senator said he was prepared to vote for one to his liking. Did the Senator vote against the law that is on the statute books?

Mr. CORDON. I did.

Mr. BARKLEY. Very well; the Senator was against the law, and he is perfectly consistent. If he voted against giving the President this authority, he is consistent, I suppose, in voting against anything the President does under the authority.

Mr. CORDON. I am prepared to go with the President when any showing is made that is adequate.

Mr. BARKLEY. But the burden of proof seems to be on the President and everybody else to show that the Senator should vote for it.

Mr. President, I have no desire to consume further time. I hope the plan will be adopted.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SMITH. I should like to know whether there is any haste for this legislation. I agree with what the Senator has said, that the President has the responsibility. I think the burden of proof is on those of us who are going to oppose his proposal to show reasons for our position, but we have not had a chance to study to see whether there are reasons. I desire to support the President, but I do not see how I can vote on something I have not had an opportunity to consider.

Mr BARKLEY. The plan has been here since the 16th day of May, nearly 2 months ago. The President sent a message, which has been before us and has been on our desks, or it could be obtained. Long before the committee made any report upon it any Senator had opportunity to obtain the message and study it. We have been very busy on other things, and perhaps most of us have not done that; but that is not the fault of the President.

Mr. SMITH. I am not blaming anybody.

Mr. BARKLEY. I say to the Senator, in answer to his question about whether there is any haste necessary, that for years there has been an urgent need for what is proposed. There is always some degree of haste in trying to do a thing which should be done, especially in order to save money or bring about greater efficiency, and in that sense there is some need for haste. If we do not accept this program, as a matter of necessity any further program would have to go over until next year, and it might be a year from now, if we ever got another plan, before we would get one. So there is an element of urgency. Whether the Senator feels that it is haste or not, I do not know. I do not want Congress to act in haste, without due consideration, but for years and years there has been an insistent demand on the part of the American people and in the Halls of Congress that we eliminate some of these excresences, these growths, these barnacles which have fastened on to the ship of state. This is a chance, I think, to do that in a very modest and mild degree. There is need for it. Whether there is what one may call need for haste or urgency is a matter of opinion.

Mr. SMITH. Mr. President, the only suggestion has been that, with the short time we have before us and the pressure we have been under, the Senate has not had an opportunity to give to this matter the study that it really deserves. My question is whether we would not be as well off if the legislation were offered at the beginning of the next session, when we will have time really to study

the subject, when we are not under the pressure of winding up emergency matters. The distinguished majority leader himself has asked us to deal with many emergency matters which have been before us constantly for the last several weeks. I realize the leader's position. I compliment him for what he has done. He has done a wonderful job. But here we are, at the eleventh hour, asked to deal with three vital plans of reorganization. Many questions have been raised with respect to them. I do not like to criticize the plans, for I do not know enough about them. That is my problem.

Mr. BARKLEY. I realize that we have been busy with other matters. I think that if the sum total of the work of this Congress is added up it will be found to be a rather impressive record of performance.

Mr. SMITH. I agree with the distinguished majority leader, and I compliment him on his leadership.

Mr. BARKLEY. I do not want to create the contrary impression. But taking the Senate as a whole, I do not think it has been denied an opportunity to study the plans submitted 2 months ago by the President.

Mr. FERGUSON. Mr President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. On the question of haste, I should like to call the attention of the able majority leader to the fact that the consolidation of the Inspection Service with the Coast Guard was done under the emergency legislation, the War Powers Act, and that consolidation will continue in effect for 6 months after the end of the war. There is no need of haste with respect to that service, because the consolidation is now in effect. We can well wait until the first of the year to deal with the matter of reorganization because the period of 6 months after the termination of the war will not come to an end until after the first of the year. So there is no haste with respect to the Inspection Service, for fear that it might revert to its original status, because it is now under the authority of the Coast Guard. The act specifically provides, however, that such action cannot be made permanent. As the able Senator from New Jersey has stated, I believe there is no need for us to act in the next 2 days on these three very vital and important matters.

Mr. BARKLEY. Mr. President, the fact that the Steamboat Inspection Service has been, under a war measure, transferred to the Coast Guard and is now in the Coast Guard, and will remain there until 6 months after the end of the war, it seems to me is no reason why we should reject the plan of general reorganization. No one complains that the Inspection Service has not been efficiently administered under the Coast Guard. I have not heard any complaint of that kind. I suppose the Steamboat Inspection Service is like some other agencies in that it does not want to be transferred to some other agency or department; it wants to be known as the Steamboat Inspection Service, and not as a part of the Coast Guard.

Mr. McCARRAN. Mr. President, we would be confronted with that identical objection if the matter were to go over until a year from now or longer.

Mr. BARKLEY. Yes; if the matter went over for 5 years, the same objection would be raised, I am sure.

Mr. President, I shall not take further time. I hope the concurrent resolution reported by the Committee on the Judiciary will be rejected and that plan No. 3 will be approved by the Senate of the United States.

Mr. WILEY. I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Mahoney
Andrews	Hill	Overton
Austin	Hoey	Pepper
Barkley	Huffman	Reed
Bridges	Johnson, Colo	Revercomb
Briggs	Johnston, S C.	Robertson
Brooks	Kilgore	Russell
Capehart	Knowland	Smith
Capper	La Follette	Stanfill
Chavez	Langer	Swift
Cordon	McCarran	Taft
Donnell	McClellan	Taylor
Downey	McMahon	Thomas, Okla.
Eastland	Magnuson	Thomas, Utah
Ferguson	Mead	Tunnell
George	Millikin	Wagner
Gerry	Mitchell	Walsh
Gossett	Moore	Wherry
Green	Moise	White
Guffey	Murdock	Wiley
Gurney	Murray	Young
Hart	Myers	
Hawkes	O'Daniel	

The PRESIDING OFFICER Sixty-seven Senators having answered to their names, a quorum is present.

The question is on the adoption of Senate Concurrent Resolution 66.

Mr. McKELLAR. Mr. President, I ask unanimous consent that a telegram I have received from Edward A. O'Neal, president of the American Farm Bureau Federation, regarding the President's reorganization plan No. 3, be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D C, *July 12, 1946.*

HON KENNETH McKELLAR,
Senate Office Building,
Washington, D. C.:

American Farm Bureau Federation strongly opposed to President's reorganization plan No. 3 because of provisions of section 501, which transfer the functions and programs of Agricultural Adjustment Administration, Surplus Marketing Administration, Commodity Credit Corporation, and Federal Crop Insurance Corporation to Secretary of Agriculture, and which would permit the Secretary to abolish these agencies completely and transfer their functions to any other agencies of the Department as he sees fit American Farm Bureau Federation believes in economy in Government expenditures and favors administrative reorganizations where necessary to achieve economy and efficiency, but we do not believe it would be wise to give the Secretary of Agriculture such sweeping power over agencies originally established by act of Congress. We, therefore, respectfully urge favorable action on Senate Concurrent Resolution 66, disapproving the President's reorganization plan No. 4.

EDWARD A. O'NEAL,
President, American Farm Bureau Federation.

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present.

The question is on the adoption of Senate Concurrent Resolution 66.

Mr. McKELLAR. Mr. President, I ask unanimous consent that a telegram I have received from Edward A. O'Neal, president of the American Farm Bureau Federation, regarding the President's reorganization plan No. 3, be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D C, *July 12, 1946.*

HON KENNETH McKELLAR,
Senate Office Building,
Washington, D. C.:

American Farm Bureau Federation strongly opposed to President's reorganization plan No. 3 because of provisions of section 501, which transfer the functions and programs of Agricultural Adjustment Administration, Surplus Marketing Administration, Commodity Credit Corporation, and Federal Crop Insurance Corporation to Secretary of Agriculture, and which would permit the Secretary to abolish these agencies completely and transfer their functions to any other agencies of the Department as he sees fit American Farm Bureau Federation believes in economy in Government expenditures and favors administrative reorganizations where necessary to achieve economy and efficiency, but we do not believe it would be wise to give the Secretary of Agriculture such sweeping power over agencies originally established by act of Congress. We, therefore, respectfully urge favorable action on Senate Concurrent Resolution 66, disapproving the President's reorganization plan No. 4.

EDWARD A. O'NEAL,
President, American Farm Bureau Federation.

Mr. WILEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILEY. As I understand, the Senate is about to vote on the concurrent resolution which provides that Congress does not favor the reorganization plan No. 3 transmitted to the Congress by the President on May 16, 1946; and not on the report of the Committee on the Judiciary.

The PRESIDING OFFICER. The Senator is correct. The question is on the Senate Concurrent Resolution 66.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. The concurrent resolution is in the negative. The concurrent resolution proposes to reject the President's reorganization plan No. 3.

The PRESIDING OFFICER. The Senator is correct.

Mr. BARKLEY. A vote "nay" is a vote to approve the plan. A vote "yea" is a vote to disapprove the plan.

The PRESIDING OFFICER. To reject the plan

Mr. BARKLEY. That is the effect of the vote.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCARRAN. Under the rule, the House concurrent resolution, which is identical in language, is substituted for the Senate concurrent resolution.

The PRESIDING OFFICER. The Senator is correct. Whenever the Senate is ready to vote on the concurrent resolution, the House concurrent resolution, which is in exactly the same language, is substituted.

Mr. McCARRAN. Mr President, so far as I am concerned I submit the question to the Senate with the hope that reorganization plan No. 3 will be adopted by the Senate, and that those who are in favor of adopting reorganization plan No. 3 will vote "nay" on the concurrent resolution now before the Senate.

Mr. WILEY. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to House Concurrent Resolution 154, which is as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor reorganization plan No. 3 of May 16, 1946, transmitted to Congress by the President on the 16th day of May 1946.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Arizona [Mr. MCFARLAND], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Tennessee [Mr. STEWART] are detained on public business.

The Senator from Virginia [Mr. BYRD] is detained on official business.

The Senator from Tennessee [Mr. McKELLAR] is detained at an important committee meeting.

The Senator from Virginia [Mr. BURCH], the Senator from Nevada [Mr. CARVILLE], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Illinois [Mr. LUCAS] are necessarily absent.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

On this question the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from Iowa [Mr. WILSON]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Iowa would vote "yea."

On this question the Senator from Illinois [Mr. LUCAS] is paired with the Senator from Delaware [Mr. BUCK]. If present and voting, the Senator from Illinois would vote "nay," and the Senator from Delaware would vote "yea."

On this question the Senator from Arizona [Mr. MCFARLAND] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr WHERRY. The Senator from New Hampshire [Mr. TOBEY], who would vote "yea," is paired on this question with the Senator from Arizona [Mr. MCFARLAND], who would vote "nay." The Senator from New Hampshire is absent on official business.

The Senator from Delaware [Mr BUCK], who would vote "yea," is paired on this question with the Senator from Illinois [Mr. LUCAS], who would vote "nay."

The Senator from Iowa [Mr. WILSON], who would vote "yea," is paired on this question with the Senator from South Carolina [Mr. MAYBANK], who would vote "nay."

The Senator from Minnesota [Mr. SHIPSTEAD] is absent by leave of the Senate. If present he would vote "yea."

The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He has a general pair with the Senator from Texas [Mr. CONNALLY].

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the Commission appointed to attend the Philippine Independence ceremonies.

The Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The result was announced—yeas 30, nays 37, as follows:

YEAS—30

Bridges	Johnson, Colo	Reed
Brooks	Kilgore	Revercomb
Capehart	Langer	Robertson
Capper	Magnuson	Smith
Cordon	Mead	Stanfill
Donnell	Millikin	Thomas, Okla
Ferguson	Moore	Walsh
Gerry	Morse	Wherry
Gurney	O'Daniel	Wiley
Hawkes	Pepper	Young

NAYS—37

Aiken	Hayden	Myers
Andrews	Hill	O'Mahoney
Austin	Hoey	Overton
Buckley	Huffman	Russell
Briggs	Johnston, S C.	Swift
Chavez	Knowland	Taft
Downey	La Follette	Taylor
Eastland	McCarran	Thomas, Utah
George	McClellan	Tunnell
Gossett	McMahon	Wagner
Green	Mitchell	White
Guffey	Murdock	
Hart	Murray	

NOT VOTING—29

Bailey	Connally	Saltonstall
Ball	Ellender	Shipstead
Bilbo	Fulbright	Stewart
Brewster	Hatch	Tobey
Buck	Hickenlooper	Tydings
Burch	Lucas	Vandenberg
Bushfield	McFarland	Wheeler
Butler	McKellar	Willis
Byrd	Maybank	Wilson
Carville	Radcliffe	

So the concurrent resolution (H. Con. Res. 154) was rejected.

The PRESIDING OFFICER. Without objection, Senate Concurrent Resolution 66 will be indefinitely postponed.

REORGANIZATION PLAN NO. 2

Mr. McCARRAN. Mr President, I move that the Senate proceed to the consideration of Senate Concurrent Resolution 65.

The PRESIDING OFFICER. The concurrent resolution will be read for the information of the Senate.

The concurrent resolution was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress does not favor the reorganization plan No 2 transmitted to Congress by the President on May 16, 1946.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

Mr. WILEY. Mr. President, I am interested in ascertaining if we can have some kind of understanding to limit the time of debate, so as to reach a vote on this resolution——

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDING OFFICER. The parliamentary situation is such that the concurrent resolution should be before the Senate. The question is on agreeing to the motion of the Senator from Nevada [Mr. MCCARRAN] to proceed to the consideration of Senate Concurrent Resolution 65.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution, which had been reported adversely by the Committee on the Judiciary.

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Wisconsin?

Mr. McCARRAN. I now yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I address myself to the majority leader and to the Senator from Nevada, to see if we can agree on a limitation of debate or fix an hour at which to vote on this particular resolution today or this evening.

Mr. McCARRAN. Mr. President, so far as I am personally concerned, I will defer to the majority leader in that connection However, I feel that the Senate may with entire security let the concurrent resolution go over until Monday. It will never be the policy of the chairman of the Committee on the Judiciary in a matter of this kind to attempt to force anything over without as much time for consideration as possible. The concurrent resolution can safely go over until Monday. I do not care to enter into any agreement as to time. We could well afford to let the concurrent resolution go over. No Senator would be denied the privilege of the floor, or the privilege of expressing himself fully, when the Senate reconvenes on Monday. That is my view in the matter, and that is my desire.

Mr. WILEY. Mr. President, I do not feel that I can speak for all Senators on this side of the aisle. I believe that if possible we should agree to fix a time to vote. I should be perfectly willing to agree to vote at not later than 2 o'clock on Monday. That would give us two hours on Monday to discuss the question. It would also give us an opportunity to rest over Sunday, and to become better acquainted with the issues. I prefer to limit the time for debate at this time to an hour or an hour and a half for each side, and then vote on the concurrent resolution today, thus disposing of reorganization plan No. 2. Then we could have Monday for reorganization plan No. 1, which is somewhat more controversial.

Mr. McCARRAN. Mr. President, this body was in session until nearly 3 o'clock this morning. I think the Senator is to be congratulated upon having such a large attendance of Senators at the present time. I hope we shall not be compelled to remain in session for a discussion of reorganization plan No. 2 today. Neither do I wish to enter into an agreement as to limitation of debate. Let me say to the Senate and to the Senator in charge on the other side of the aisle that there will be no attempt to crowd this matter through on Monday. There will be no attempt to deny any Senator the right to the floor. So far as I am concerned, on Monday I shall explain reorganization plan No. 2 as

quickly as possible, and then Senators who are opposed to it may have the floor, and I will utilize the remainder of my time at the conclusion. But I do not wish to enter into an agreement as to limitation of time. I hope we will not proceed with the concurrent resolution today.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. TAFT. The Senator realizes that there are still two plans to be considered.

Mr. McCARRAN. That is correct.

Mr. TAFT. The first plan, No. 3, has required more than 4½ hours, and we still have two plans to discuss. It seems to me that we should remain here until at least 6 o'clock and allow an opportunity for each side to present its case with respect to reorganization plan No. 2. Then possibly we can agree on an hour at which to vote on plan No. 2 on Monday, so that we may go on to plan No. 1. Certainly we should be given a proper opportunity to discuss each of these plans.

I do not know what the plans of the majority leader are, but it seems to me we should proceed today with the opening statements on both sides in regard to plan No. 2. There is an excellent attendance in the Senate at this time, and there will be no difficulty, so far as I can see, in having the Senate remain in session until 6 o'clock for that purpose.

Mr. BARKLEY. Mr. President, I wish to be perfectly frank with the Senator from Ohio and all other Senators.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. REVERCOMB. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield, and if so, to whom?

Mr. McCARRAN. I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr President, during the debate complaint has been made, insofar as plan No. 3 is concerned, that Senators have not had an opportunity to study the plan. Over the week end we shall be able to study both plans on which we are expected to vote on Monday We have been in session at night nearly all this week. I certainly have no desire to hold the Senate in session any longer today. I think we shall gain time by not attempting to do that, because Senators will be able to study the plans over the week end, and they will be able to come to the Senate on Monday better acquainted with them.

I share the feeling of the chairman of the committee that at this time we should not agree on an hour at which to vote, and that we should not agree on limitation of debate. We should at least wait until we get started on it.

Mr. REVERCOMB. Mr. President, will the Senator yield to me at this point?

Mr. BARKLEY. I ask the Senator to wait just a minute, please.

Mr. President, I dare say that the debate on plan No. 2 may not take as much time as the debate on plan No. 3 has taken. But I cannot be sure of that. More Senators may wish to discuss it, or none may wish to discuss it.

I think the better course is to suspend the discussion at this time, for today, and to resume it on Monday, when we shall be better informed about the plans.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I suggest that we could make better progress if the case for and against plan No. 2 were presented here now as briefly as possible, with perhaps half an hour to each side; and then we could consider it over the week end.

Mr. BARKLEY. No; I do not think we would handle it better in that way. I think the Senate is tired. It has been here almost constantly. It is frazzled out. It is not in a mood to give the plan the consideration which it should receive, and which it will be able to give it on Monday.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. I wish to inquire whether it is the intention of the majority leader to move that the Senate begin the session on Monday at an earlier hour, in order to have more time available.

Mr. BARKLEY. I would be governed by the wishes of the Senator from Michigan and other Senators. So far as I personally am concerned, let me say that the Senator from Michigan knows that we are to have a 10 o'clock meeting of the Pearl Harbor Investigating Committee on Monday.

Mr. FERGUSON. That is correct.

Mr. BARKLEY. That meeting is for the purpose of winding up the committee's proceedings and arriving at a report. Also, I have the usual conference at the White House on Monday. So for my own sake, I should prefer not to have the Senate meet before 12 o'clock.

But if the Senator from Nevada wishes to have the Senate meet at an earlier hour on Monday, I have no objection.

Mr. McCARRAN. I have no objection to having the Senate meet at 11 o'clock a. m. on Monday.

Mr. REVERCOMB Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I wish to call attention to the fact that under the law there is a limitation of 10 hours on the debate on each of the resolutions. That means that 20 hours may be consumed in the debate on both the resolutions. Therefore, it seems to me there should be a limitation on debate, if the debate continues, because Monday night at midnight, unless we have acted on the plans prior to that time, they will automatically become law.

Mr. BARKLEY. The one we have just voted on becomes law, anyway.

Mr. REVERCOMB. Oh, yes.

Mr. BARKLEY. That is now out of the way.

Mr. REVERCOMB. Yes; that is out of the way. But two remain. That means that there may be 20 hours of debate on both of them, if Senators wish to use that much time in discussing them. That is the limitation which is fixed by the statute.

So, if we meet at 12 o'clock on Monday, if plan No. 2 which is now called up, is debated for 10 hours and if the other plan is debated past midnight, then the other one automatically would become approved by the Senate.

Mr. President, I do not think we should adjourn until Monday without fixing a limitation on debate in regard to each of the resolutions.

Mr. WILEY. Does the Senator mean to have the Senate fix an hour certain?

Mr. REVERCOMB. Yes; I mean to have the Senate fix an hour certain for voting.

Mr. McCARRAN. Mr. President, in regard to the suggestion about having a statement made at this time in reference to the plan, let me say that the report made by our committee goes into the matter in detail, and yet is very brief and succinct. It will be no trouble for Senators who desire to become conversant with the whole thing to examine the report and the plan itself between now and Monday.

So far as I am concerned, I am perfectly willing to have the Senate meet at 11 o'clock on Monday, and I certainly cannot be charged with having taken up very much time today. Most of the time I took up was in answering questions.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. TAFT Under the rules, as stated in the act, we find the following:

> Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable.

The inquiry which I wish to make is whether, if the debate on plan No. 2 proceeds for, let us say, 2 hours, a motion to close the debate will be in order.

The PRESIDING OFFICER. Such a motion would be in order.

Mr. BARKLEY. Mr. President, I was about to say to the Senator from Ohio and to other Senators that under the law which governs the procedure at any time any Senator may move to limit debate. I may say to the Senator from Wisconsin and to other Senators that, after we start on the debate, if there seems to be any likelihood that it will run so long that it will impinge upon proper debate on plan No. 1, I shall agree at that time to a limitation by unanimous consent.

But I do not think it is wise now, when we have not even started to debate the resolution, and in view of the right of any Member of the Senate to make a motion to reduce debate from 10 hours to any other length of time, to agree upon a limitation or as to the hour at which the Senate shall vote.

The PRESIDING OFFICER. Such a motion to limit debate could be adopted by a majority of the Senators present.

Mr. BARKLEY. Oh, yes.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GURNEY. It seems to me, as a Senator who is not a member of the committee, and therefore perhaps in a position to make a simple suggestion, that plan No. 1 is the important one. Plan No. 2 is now before us. Could we agree

to vote on plan No. 2 by 1:30 on Monday? Then certainly we would have 10 hours during which to complete the debate on plan No. 1.

Mr. BARKLEY. No; we cannot now agree to vote at 1:30 o'clock or at any other hour on plan No. 1. I wish to be frank with the Senator. I do not think we can agree upon a limitation on debate before we even start the discussion. I do not think we can now agree to vote at 1:30 on that plan. I have some reputation for keeping my word about things. I have said that after the debate on plan No. 2 has started, if it seems likely that that debate will impinge on the debate on plan No. 1, I shall have no objection at that time to an agreement to limit debate.

Mr. TAFT. Mr. President, under the circumstances, it seems to me there is no objection to having the Senate go no further at this time on the matter.

Mr. BARKLEY. Very well.

PRINTING, ETC., OF PROCEEDINGS IN COMMEMORATION OF THE LATE PRESIDENT FRANKLIN D. ROOSEVELT

The PRESIDING OFFICER (Mr. KNOWLAND in the chair) laid before the Senate, House Concurrent Resolution 161, which was read as follows.

Resolved by the House of Representatives (the Senate concurring), That there be compiled, printed with illustrations, and bound, as may be directed by the Joint Committee on Printing, 25,000 copies of the address delivered by the Honorable John G Winant during exercises held in memory of the late President Franklin Delano Roosevelt on July 1, 1946, including all the proceedings and the program of exercises and such other tributes to the life, character, and public services of the late President Roosevelt as the Committee on Arrangements may deem appropriate, of which 8,000 copies shall be for the use of the Senate and 17,000 copies for the use of the House of Representaitves

Mr HAYDEN. Mr. President, I move that the Senate concur in the House resolution.

The motion was agreed to.

USE BY INDUSTRY OF SILVER HELD OR OWNED BY THE UNITED STATES

Mr. HAYDEN. Mr. President, I should like to have the attention of all Senators for a few moments. I ask them to remain and let me explain how I think we can clear up the silver difficulty in a very few moments.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, first I ask unanimous consent to take from the calendar House bill 4590, Calendar No. 1394; and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4590), to authorize the use by industry of silver held or owned by the United States.

Mr. TAFT. Mr. President, will the Senator from Arizona give an explanation?

Mr. HAYDEN. I will.

Mr. President, I shall move that the Senate disagree to the Senate committee amendment; and then I shall move the following: On page 1, in line 3, after the word "That", insert the word "hereafter"; on page 1, in line 10, strike out "71.11 cents" and insert "90.3 cents"; on page 2, strike out lines 6 and 7, which limit the operation of the sale to 2 years; and then, subsequently on page 2, after line 5, after the word "Treasury", strike out the period and insert a colon and the same words that we adopted in instructing our conferees the other day, with a very slight modification. It will read as follows:

Provided further, That hereafter each United States coinage mint shall receive for coinage silver mined after July 1, 1946, from natural deposits in the United States or any place subject to the jurisdiction thereof, as provided in the act of July 6, 1939 (Public Law 165, 76th Cong.), except that the seigniorage to be deducted shall be 30 percent instead of 45 percent as provided in section 4 (b) of said act.

Mr. President, when we went to conference on the appropriation bill, there was a feeling that some one might derive a speculative advantage if silver which had already been mined could be sold to the Treasury at this price.

In the act of 1939, provision was made that the price of 71.11 cents should be good for silver mined after July 1, 1939. So we propose to insert in the bill a provision as to silver mined in the United States after July 1, 1946. That is the proposal.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. I wish to inquire of the Senator what became of the conference report to which the silver amendment was attached?

Mr. HAYDEN. I was about to explain it. We held a conference on that matter today. The House conferees, in considering the appropriation bill, insisted that we were at a deadlock, and that the Senate should recede because it had offered the amendment. But I read to them the rule, which is to the effect that where one House attaches legislation to an appropriation bill and later the two bodies become deadlocked, the House which proposed the legislation shall recede The House of Representatives proposed legislation in regard to silver on an appropriation bill. They said it was properly a matter which belonged in an appropriation bill, and one which should be considered by the Appropriations Committee. My suggestion now is that we pass a legislative bill, and if there is to be a conference with the House on that bill it can be handled in a legislative way and we will thereby take the entire subject matter out of the appropriation bill.

Mr. WHITE. If the proposal of the Senator from Arizona results in the way he believes it will, we will have passed the legislative bill dealing with the subject reported by the Banking and Currency Committee of the Senate.

Mr. HAYDEN. And of the House.

Mr. WHITE. And of the House, and there will also be an elimination from the appropriation bill of this entire controversy which revolves around amendmendment No. 7.

Mr. HAYDEN. The Senator is correct.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Does it not require unanimous consent to take up the bill?

Mr. HAYDEN. Yes.

Mr. WHERRY. Reserving the right to object, if the bill is passed and we accomplish what the distinguished Senator has suggested, and take the silver rider out of the bill, I ask him if it is not a fact that we will have passed a bill, but no silver legislation at all.

Mr. HAYDEN. No.

Mr. WHERRY. Mr. President, the Senator knows that we have talked about this matter since last December. We have tried to bring it to a determination. I have a great deal of sympathy with the proposal to establish a price on silver. If it were a question of voting today in regard to the price of silver, I would not object to doing so. I should like to see some action taken. I am beginning to believe that if we act in accordance with the proposal, there will be no silver legislation during the present session of Congress

Mr. TAFT. The result will be to send the bill to conference.

Mr. HAYDEN. Yes; unless the leadership of the House is successful in getting the House to agree to the amendment.

Mr. TAFT. If the matter should go to the House Committee on Banking and Currency, my belief is that the committee would be much more inclined to reach a compromise than would the House Appropriations Committee.

Mr WHERRY. Mr. President, I had hoped that there would be some way by which the conferees could reach an agreement concerning the price of silver. I am not an expert on the subject, and if the question is one of making an objection, I shall not make it because I do not wish to interfere with the plans of the committee. But I serve warning on the industry—and I am interested generally in business—that it is my personal opinion that if we do not separate this rider from the appropriation bill, no legislation will be passed on the subject of silver by this Congress.

Mr. HAYDEN. I wish to say to the Senate that the conferees are perfectly deadlocked on the bill, but I have every confidence that if we adopt the proposal which I have made, the House will concur in it without sending the matter to conference.

Mr. BARKLEY. Mr. President, it is obvious that the House and Senate conferees cannot agree. We have agreed generally on 90 and a fraction cents an ounce for silver, with the understanding that the future will be allowed to take care of itself. With that general understanding, I believe there will be little difficulty in getting the Committee on Banking and Currency to report to the Senate a bill of the kind which has been suggested so that the Senate may consider it. I believe that the Banking and Currency Committee of the other House would be more inclined to do the same than would the Appropriations Committee.

Mr. WHERRY. I thank the distinguished majority leader for his remarks.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MURDOCK. I should like to say to the distinguished Senator from Nebraska that if, 3 or 4 weeks ago, we had done what the Senator from Arizona is now proposing, in my opinion, the silver industry would have been obtaining silver during that time at the 90 3-cent price. I implore Senators to follow the course which the Senator from Arizona has recommended. I am sure if that course is followed the problem will be solved.

Mr. FERGUSON. Mr President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. FERGUSON. I wish to ask a question If there be no legislation on the subject, the price of silver will be 71 11 cents?

Mr. HAYDEN Yes; but none can be purchased from the Treasury for use by industry

Mr FERGUSON That is what I understand The difficulty, then, is that the Treasury Department may not sell any silver to industry at that price.

Mr. HAYDEN At any price.

Mr. FERGUSON. That is what I mean. So, we have before us this situation. Unless we pass legislation either in the appropriation bill or in the bill being proposed, no silver can be obtained by industry

Mr HAYDEN That is correct.

Mr. FERGUSON. Except from foreign sources

Mr MURDOCK It may be purchased from the Treasury under the present law at $1.29 an ounce, but that is not what is desired.

Mr. FERGUSON. I understand. That price is so prohibitive that it amounts to a foreclosure of industry to obtain any silver. So, as I see the situation, it is very essential that we obtain some form of legislation establishing either the 71-cent price, or the 90-cent price, because the industry must have silver.

Mr. HAYDEN. The Senator is absolutely correct

Mr. MILLIKIN. Mr. President, will the Senator yield to me?

Mr HAYDEN. I yield.

Mr. MILLIKIN. I believe that the distinguished Senator from Michigan has made a very accurate analysis of the situation. We cannot accomplish what we want to accomplish through the appropriation bill. Therefore, it seems to me that the wisest thing to do is to get the subject matter out of the appropriation bill. If the distinguished Senator from Arizona will ask unanimous consent at this time that the Senate consider and pass a Senate version of the legislative bill in accordance with the explanation which he has made, it will put us in position to go into conference at once.

Mr. WHERRY. Mr. President, will the Senator from Arizona yield for one more question?

Mr. HAYDEN. I yield.

Mr. WHERRY. Why cannot we leave the silver rider in the appropriation bill until we see what becomes of the other bill?

Mr. HAYDEN. That is exactly what I expect will take place.

Mr. WHERRY. Does the Senator mean that we have his assurance that the rider will remain in the appropriation bill until after a determination has been reached with respect to the other bill?

Mr HAYDEN. I state that, in view of the attitude of the conferees on the part of the House of Representatives that they will not agree to anything else.

Mr. WHERRY I did not mean that. Will the conferees on the part of the Senate assure me that they will leave the rider in the bill until the Senate has acted on the proposed legislation?

Mr. HAYDEN. Yes; I shall be glad to do that

Mr McCARRAN. Just a minute in regard to that. That means there will be no appropriation bill.

Mr. WHERRY I cannot help it.

Mr. McCARRAN. Next Tuesday the Treasury and Post Office employees must be paid.

Mr. HAYDEN If my guess is any good, this entire matter will be cleared up by next Monday.

Mr. WHERRY. I believe what the distinguished Senator has said. If the Members of the Congress who want industry to obtain silver will give us the assurance that the matter will be worked out in the Banking and Currency Committee, very well But why can we not have the assurance that the rider will remain in the appropriation bill until the question has been determined?

Mr HAWKES. Mr. President, I should like to ask the distinguished Senator from Arizona if he has taken this matter up with the Senator from Rhode Island [Mr GREEN], who presented it yesterday I note that he is not present in the Chamber at the present time.

Mr HAYDEN I took the matter up with the Senator from Rhode Island. I am quite sure that he will not raise any objection.

Mr. HAWKES. Is he in accord with this proposal?

Mr HAYDEN. I submitted the matter to him and told him that I would ask unanimous consent. That is the only thing that can be done

Mr. HAWKES. Before the Senator from Rhode Island speaks for himself, What does the Senator from Arizona expect to accomplish by the route which he has proposed that cannot be accomplished by the other route? Why should it be assumed that if this bill is passed the House will act any differently toward it than it has already done?

Mr HAYDEN. When a legislative rider has been attached to an appropriation bill, the rule is that the House conferees say, in effect, "We must insist that you adopt the rider without any change." We say, "We cannot do that." Therefore, we are deadlocked.

Mr. HAWKES. We have seen other riders attached to appropriation bills.

Mr. HAYDEN. In this instance, the House conferees have refused to accept any responsibility because of the instructions which they have received.

Mr. HAWKES. Then why does the Senator hope to obtain any better results in the next conference?

Mr. HAYDEN. There will be a different set of conferees if the matter goes to conference. My hope is that if the Senate adopts my proposal this evening, on Monday the leadership of the other House will move to concur.

Mr. FERGUSON. Mr President——

The PRESIDING OFFICER The Senator from Arizona has the floor. Does he yield to the Senator from Michigan?

Mr HAYDEN. I yield

Mr. FERGUSON. Mr. President, I have been opposed to the 91.3-cent price and have been in favor of the 71.11-cent price, but because of the vote in the Senate yesterday I feel that we must get legislation. Therefore I do not wish to object to the proposal now made. But I feel that we should not pass this bill this evening, that we should hold the appropriation bill until we see whether or not we can get the proposed legislation passed, because as I see the matter, and as I hear from my State and understand the situation, the manufacturers must be able to purchase silver

Mr. WHITE. Mr. President, will the Senator from Arizona yield?

Mr HAYDEN I yield

Mr WHITE I merely wish to add a word of what might be called speculative assurance I will say, Mr President, that if the arrangement suggested is worked out, there is no doubt as to what will happen to the appropriation bill, for the item will go out, and the appropriation bill will be passed, because there are 800,000 employees who will be beneficiaries of that legislation if it is passed, and who will be without remuneration for the services they have rendered if the funds are not made available by the 15th of July.

Mr HAYDEN. Mr. President, the method suggested is the quickest way to make the funds available.

Mr. BARKLEY. Mr. President, I may say that I have just conferred with the Senator from New York [Mr. WAGNER], the chairman of the Committee on Banking and Currency, who says that if it is necessary he will call a meeting of the committee Monday to act upon the matter from a legislative standpoint.

Mr TAFT. I do not quite understand why the Senate Committee on Banking and Currency has anything to do with it except to appoint conferees The committee have acted on it.

Mr. BARKLEY. Oh, yes; the bill is on the calendar. I had overlooked that.

Mr HAYDEN. Mr. President, I request that House bill 4590 be laid before the Senate. Then I shall move that in lieu of the committee amendment, which will be disagreed to, on page 1 of the bill we insert "$71.11 cents" in lieu of "90.3 cents", and insert the proviso that was contained in our instructions to our conferees a few days ago on the appropriation bill.

The PRESIDING OFFICER. Is there objection?

Mr. GREEN. Mr. President, I should like to ask the Senator from Arizona to modify his previous statement to some

extent. He said that if unanimous consent were given this would be sent to the House for action there and that the present provision as to silver in the appropriation bill would stay in it until action had been taken. I think the statement should be, until this proposed bill is passed by both Senate and House, because unfavorable action might be taken.

Mr. HAYDEN I have no anticipation of any other action by the other House than to concur in the Senate amendment.

Mr. GREEN. There is no assurance I know of that the House will concur. That is simply a hope on the part of the Senator who offers the proposal.

Mr. HAYDEN. By the way, Mr. President, I wish to modify the amendment setting out the proviso, taking out two commas which the Senator from Rhode Island indicates. It should read "silver mined after July 1, 1946," leaving out the commas after "mined" and "1946."

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. GREEN. May I ask the Senator from Arizona whether I have not indicated what he intended to say, that he did not intend to say until action was taken, but until the bill was passed by both the Senate and the House?

Mr HAYDEN. If the House will do as I hope it will, concur in the amendments, the bill should go to the President on Monday, and we will have no difficulty.

Mr. GREEN. But until then——

Mr. HADYEN. There will be no action on the appropriation bill, of course.

Mr. GREEN. There is no "of course" about it.

Mr. HAYDEN. I am quite sure about it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. McCARRAN. Reserving the right to object, merely for the purpose of addressing myself to the Senate for a moment, as early as December of last year I introduced and had sent to the Committee on Banking and Currency a bill which, if it had had the consideration of the Senate, would have brought about many months ago the very result which is now sought to be brought about after weeks of wrangling. The truth of the matter is that this matter should have been treated, and should be treated now, as a legislative matter, and not as a rider on an appropriation bill. For that I have contended for months and months.

I shall be very glad to go along with this compromise. But let me say that it is nothing more than a compromise, and justice and fair play and equity have not been brought about The real truth of the matter is that in all this legislation we are not dealing with the price of silver. That is a misnomer, and has been from the beginning. What we are dealing with is how much of a penalty we will place on the producers of silver. We are now reducing the penalty from 45 percent to 30 percent. Eventually, I hope, in justice and fair play, the producers of this much-required and much-used metal will get what the law for a hundred and fifty years has promised them, namely, $1.29 an ounce; so that industry may get the silver after it is produced.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H. R. 4590), to authorize the use by industry of silver held or owned by the United States, which had been reported from the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and to insert certain words.

Mr. HAYDEN. Mr. President, I ask that the amendment of the committee be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Banking and Currency.

The amendment was rejected.

Mr HAYDEN. Mr. President, I now propose certain amendments to the House text, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 1, line 3, after the word "That", to insert the word "hereafter."

On page 1, line 10, to strike out "71 11 cents" and insert in lieu thereof "90.3 cents."

On page 2, to strike out lines 6 and 7.

On page 2, line 5, after the word "Treasury", to strike out the period and insert a colon and the following: *"Provided further*, That hereafter each United States coinage mint shall receive for coinage silver mined after July 1, 1946, from natural deposits in the United States or any place subject to the jurisdiction thereof, as provided in the act of July 6, 1939 (Public Law 165, 76th Cong), except that the seigniorage to be deducted shall be 30 percent instead of 45 percent as provided in section 4 (b) of said act "

Mr. HAYDEN. Mr. President, I move the adoption of the amendments en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 4590) was read the third time and passed.

The title was amended to read: "An act to authorize the use by industry of silver held or owned by the United States, and for other purposes."

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. KNOWLAND in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Howard H. MacGowan, of Seattle, Wash., to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash., in place of Saul Hass, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs.

Sundry officers for appointment in the United States Navy.

The PRESIDING OFFICER If there be no further reports of committees, the clerk will state the nominations on the calendar.

GOVERNOR OF HAWAII

The legislative clerk read the nomination of Ingram M. Stainback, of Hawaii, to be Governor of the Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of the postmasters be confirmed en bloc

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

The PRESIDING OFFICER. That completes the calendar.

Mr BARKLEY. I ask that the President be notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until Monday next at 11 o'clock a m.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until Monday, July 15, 1946, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate July 13 (legislative day of July 5), 1946:

COLLECTOR OF CUSTOMS

Howard H. MacGowan, of Seattle, Wash, to be collector of customs for customs collection district No 30, with headquarters at Seattle, Wash , in place of Saul Haas

CONFIRMATIONS

Executive nominations confirmed by the Senate July 13 (legislative day of July 5), 1946:

TERRITORY OF HAWAII

Ingram M. Stainback, to be Governor of the Territory of Hawaii

POSTMASTERS

ALABAMA

Eula E. Hamilton, Woodstock.

ARIZONA

James Cohen Garrett, Eloy.

ARKANSAS

James F. Wright, Trumann.

CALIFORNIA

Sylvia S Richardson, Highway Highlands
Roscoe J. King, Indio.
Arthur Patterson, Lincoln Acres

COLORADO

J. Max Rush, Otis.

FLORIDA

Lessie L. McMullen, Lee.

GEORGIA

John W. Ray, Dalton.

ILLINOIS

Eleanore A. Morley, Good Hope.

IOWA

Lucille V. Gittinger, Eldon.

MARYLAND

Frank Scott Bradley, Federalsburg.

MICHIGAN

Burton E Jones, Holly
Herbert R. Abrams, Wixom.

MISSOURI

Raymond H Schell, Augusta
Grace N. Davis, Desloge.

NEW MEXICO

Herbert Dale Dodds, Tularosa

NEW YORK

Marian Chadderdon, Acra
Wynford B Bailey, Lexington
Sarah A. Wilcox, Wellsburg.

NORTH CAROLINA

Lucy M Shore, Cycle

OHIO

Lester Bishop, Johnstown
John Merle Gibson, Savannah
Joseph D Ryan, Willoughby

PENNSYLVANIA

Charles E Ongley, Grand Valley.
Clara M Baker Penllyn
Thomas Mark Shockey, Rouzerville.

TENNESSEE

Levie B Thomas, Pleasant Shade.

TEXAS

J Dea Allen, Blum
Meta Cargile, Converse
Leland C Adams, Holliday
Marjorie L Burton, Katy
Margaret M Harden, Larue.
Betty F Irby, Texon
Oneta M Fersch, Wink

VIRGINIA

Katherine B Munt, Prince George

WEST VIRGINIA

Juanita Collins, North Matewan.

WISCONSIN

Franklin J Fritsche, Dorchester

HOUSE OF REPRESENTATIVES

SATURDAY, JULY 13, 1946

The House met at 10 o'clock a. m

Rev. Bernard Braskamp, D D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C , offered the following prayer :

O Thou God and Father of all mankind, whose unfailing love our sinful hearts cannot fathom and whose unerring wisdom our finite minds cannot comprehend, we rejoice that Thou hast made us the beneficiaries of Thy bountiful providence and that our ceaseless needs do not exhaust Thy patience and Thy power.

We are again approaching Thy throne through the old and familiar way of prayer which is never closed to the humble spirit and the contrite heart. We are coming, compelled not only by many necessities which Thou alone canst supply and nameless longings which Thou alone canst satisfy, but encouraged by every gracious invitation and promise in Thy Holy Word.

We know not what a day may bring forth or what the future has in store for us, but, as God-fearing men and women, we are humbly and confidently committing ourselves to Thy fatherly care, assured that where Thou dost guide Thou wilt also provide.

In Christ's name we offer our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H J Res 371 Joint resolution extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

The message also announced that the Senate insists upon its amendment to the foregoing joint resolution, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WAGNER, Mr. BARKLEY, Mr. RADCLIFFE, Mr. DOWNEY, Mr. TOBEY, Mr TAFT, and Mr. MILLIKIN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R 6837) entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 27 and 28 to the foregoing bill

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1947

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, further insist on disagreement to the amendment of the Senate numbered 7, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. O'NEAL, D'ALESANDRO, KOPPLEMANN, CANNON of Missouri, TABER, KEEFE, and CANFIELD.

EXTENSION OF REMARKS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a copy of the audit of the War Shipping Administration for the year 1944 recently prepared by the Comptroller General of the United States. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $435, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include a statement by Clair Wilcox, Director of the Office of International Trade Policy, Department of State.

Mr. LANE and Mr. HAND asked and were given permission to extend their remarks in the RECORD.

Mrs ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include an article appearing in Fortune on the United States Foreign Service.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a telegram and a newspaper article on OPA.

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article entitled "Write to the President," by Mr. E. F. Hutton, who paid for this advertisement in the New York Herald Tribune. It was later published in the Williamsport Sun.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. TALBOT asked and was given permission to extend his remarks in the RECORD and include a statement by William Green, president of the American Federation of Labor.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in two instances.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in four instances and include a newspaper article with each.

Mr. COCHRAN (at the request of Mr. MCCORMACK) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. MCCORMACK asked and was given permission to revise and extend the remarks he made in Committee of the Whole this afternoon and include a letter he received from William Green, president of the American Federation of Labor, and also a letter from Assistant Secretary of State Clayton.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include a certified copy of a resolution by the council of the city of Long Beach, Calif.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a newspaper item.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include an article by Frank Waldrop which appeared in the Washington Times-Herald.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a very fine report by Maj. Gen. Robert S. Beightler on the activities of the Thirty-seventh Infantry Division of Ohio between 1940 and 1945. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $240, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

SPECIAL ORDER GRANTED

Mr. MERROW. Mr. Speaker, I ask unanimous consent that on next Tuesday, July 16, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

RENT-CONTROL BILL

Mrs. LUCE. Mr. Speaker, a parliamentary inquiry

The SPEAKER. The gentlewoman will state it

Mrs. LUCE. Mr. Speaker, when may I be permitted to ask unanimous consent that the House consider a rent-control bill submitted by the gentleman from Michigan [Mr. WOLCOTT], House Joint Resolution 372

The SPEAKER. The Chair is not prepared to answer that question. Certainly not today.

REGISTER OF WILLS, DISTRICT OF COLUMBIA

Mr. HEALY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6859) to amend section 121 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, to authorize the appointment of three additional deputies for the register of wills.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 121 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended by the act approved June 30, 1902 (title 19, sec. 403, D C. Code, 1940), is amended by striking out the word "two" preceding the word "deputies" in line 17 thereof and inserting in lieu thereof the word "five."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA REDEVELOPMENT BILL

Mr. HEALY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1426) to provide for the replanning and rebuilding of slum, blighted, and other areas of the District of Columbia and the assembly, by purchase or condemnation, of real property in such areas and the sale or lease thereof for the redevelopment of such area in accordance with said plans; and to provide for the organization of, procedure for, and the financing of such planning, acquisition, and sale or lease; and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SMITH of Ohio. I object, Mr. Speaker.

Mr. Speaker, I am objecting to this measure—S. 1426—because it is fundamentally wrong. It provides for an expenditure of $20,000,000 of Federal funds for the building of houses in the District of Columbia. Why should the people of my district and State be asked to build homes for the people in Washington? The per capita income in the District of Columbia, according to figures given me by the Department of Commerce, is far above the average of the States. Only 5 States have a per capita income higher than the District of Columbia, and Ohio is not one of them. Ohio's per capita income is less than that of the District of Columbia.

Furthermore, the real-estate-tax rate in the District of Columbia is low compared with that of other cities of its size. Only $1.75 per hundred.

I am against this measure because it is communistic. What could be more communistic than the Federal Government owning the homes of our people?

There is no reason in the world why the people in my district should be taxed to build homes for the people in Washington.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (S J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

CALL OF THE HOUSE

Mr. HARE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 219]

Adams	Camp	Domengeaux
Allen, Ill.	Chapman	Earthman
Allen, La	Cochran	Eberharter
Anderson, Calif.	Coffee	Ellsworth
Andrews, N. Y.	Colmer	Engel, Mich.
Bailey	Combs	Fellows
Baldwin, Md.	Cooper	Gallagher
Barry	Cox	Geelan
Bates, Ky.	Cravens	Gibson
Beckworth	Crawford	Gillespie
Bell	Curley	Gossett
Bonner	Davis	Grant, Ala.
Boren	Dawson	Hall, Edwin Arthur
Boykin	De Lacy	Hancock
Bryson	Dingell	Harless, Ariz.
Harris	Mahon	Sasscer
Hart	Mankin	Sheridan
Hays	Mansfield, Mont.	Simpson, Pa.
Hébert	Mansfield, Tex.	Slaughter
Hendricks	Mason	Sparkman
Holifield	Miller, Calif.	Starkey
Horan	Morrison	Stewart
Johnson, Lyndon B	Norton	Sumner, Ill.
Johnson, Okla	Patrick	Tarver
Kee	Peterson, Ga.	Tolan
Kefauver	Powell	Torrens
Kilday	Quinn, N. Y.	Vinson
Kirwan	Reece, Tenn.	Worrell
Lesinski	Reed, Ill.	Welch
Ludlow	Robertson, N. Dak.	West
McGehee	Robinson, Utah	White
McKenzie	Roe, N. Y.	Wickersham
McMillan, S. C.	Sadowski	Wolfenden, Pa.
		Wood
		Zimmerman

The SPEAKER. On this roll call 327 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. EATON asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Record.

Mr. OUTLAND asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole this afternoon and include a letter written to the Assistant Secretary of State, Mr. Clayton, on the British loan.

Mr. REED of New York asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today on the British loan and include certain printed matter

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LATHAM asked and was given permission to extend his remarks in the RECORD.

Mr BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an address delivered by him.

Mr. PRICE of Florida asked and was given permission to extend his remarks in the RECORD and include a list of cities that have established fair rent committees, together with two letters.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include a letter written by him in reply to letters relative to OPA.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill (S. 191) to amend the

Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ANGLO-AMERICAN FINANCIAL AGREEMENT

Mr. SPENCE Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 138.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of Senate Joint Resolution 138, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the joint resolution.

Mr WOLCOTT. Mr. Chairman, I yield myself such time as I may require.

Mr. TABER Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. TABER. Mr. Chairman, I have gone into this situation very carefully. I am satisfied that the United States must stand by the only ally she has who is standing by her in the negotiations relating to peace. I shall therefore vote for this loan. I do not like the arguments that have been presented here by some people to the effect that Britain is holding a gun at our head threatening to destroy our international trade if we do not go through with it. I do not believe that is the situation. I believe we need to do it to promote our own position in the world

Mr WOLCOTT. Mr Chairman, I think we are all grateful for the manner in which this financial agreement bill has been discussed in the House and in the Committee of the Whole. Generally, it has been on rather a high plane, and I am sure that all of the Members who have spoken either for or against it have spoken with sincerity, and many have spoken with a great deal of intelligence. I do not know at this late hour, after nearly 16 hours of debate, the longest time which we have debated any subject within my recollection, that anything that might be said would contribute to the general fund of information which the Members of the House now have on this very important subject. Many of us have labored long and hard to obtain what we think is an understanding of the basic problems involved in the so-called British financial agreement. I think that many of us realize how inadequate are our capacities to intelligently present the matter in such a light that the House and the country at large can get an understanding of the basic economic and political problems involved. For some months, and almost continually in the hearings before the Committee on Banking and Currency, many of us were undecided. We were greatly concerned about this bill. We were greatly concerned about the economic and political implications contained in it. It took some of us a long time after listening to all of the testimony, and conferring at length with our own consciences, I might add, before we finally determined that to ratify or confirm this agreement was the best thing for the United States.

I might say that the conclusion to which we came to support the British financial agreement was predicated upon the fact that it would be of material assistance to the United States. We were citizens of this great country first. Our obligation to the United States transcended that even to the world. We realized that in the action taken by the House on the Anglo-American financial agreement we would be formulating our foreign financial, economic, social, and political policies for years to come. We realized that to be superficial in our thinking was to harm America. We realized that if we did not dig deeply into this subject and try to understand all of the economic and political implications, perhaps years from now we would be somewhat ashamed of the fact that we had done a superficial job with respect to this legislation.

Of course, there was the realization also that the American people generally did not have sufficient information upon which to predicate an understanding of this Anglo-American financial agreement. It was thought of generally in terms of a cold, commercial loan of a certain amount of dollars and cents. We realized before we got too far into it that there were economic and political consequences that transcended, important as it was, the dollars and cents consideration. So having that in mind, when the bill was reported out of the Committee on Banking and Currency I made a statement which I thought at the time summarized my position in respect to this agreement. I am going to read it into the RECORD as I made it at that time, because I like to think that is all-embracing and that at least it provokes thought on all of the issues involved in the loan agreement. It is dated June 13:

This morning I voted in committee to report out the British loan agreement bill and expect to support it when it is considered in the House. I have carefully weighed the advantages against alleged disadvantages I have come to the conclusion that Great Britain can be expected to live up to her intentions and agreements contained in the loan agreement to the effect that the dollar pool will be discontinued, her blocked sterling balances will be materially reduced, she will remove discriminatory empire trade preferences and restrictions and will effectuate plans which will make it possible to convert pounds sterling into dollars. Although the short term benefits to us in foreign trade are not too material because of the immediate demand for all consumer goods, the ultimate results should be an expanded foreign market for all of our agricultural and industrial commodities. I believe these potential benefits in addition to certain foreign political advantages transcends, important as it is, the dollars-and-cents investment. The foreign political advantages which I mention include among other things the very important question of Communist expansion in Europe and Asia to the prejudice of the world's economic and political peace.

If one concludes, as I have, that the loan agreement will prevent Great Britain from having to affiliate herself with the Russian sphere of economic and political influence, then the loan will perhaps result in preventing a future war. If by the investment of $3,750,000,000, America can even delay another world holocaust, it is a good investment.

I stand on that statement today. I think it expresses today, as it did on June 13, the position which I have on this bill. I think we should apply certain standards in considering this legislation, certain questions which, of course, must be answered in the affirmative if we can justify the ratification of this loan agreement.

The first is, Will it result in benefits to the American laboring man, to the American farmer, to American business? That matter has been quite definitely covered; that anything which benefits a nation which ordinarily controls 50 percent of the movement of world goods cannot help but react to the benefit of another country, ours, which has about 25 percent of the world commerce. Anything which prevents disequilibrium, therefore, between the British pound sterling and the American dollar will result in an expansion of our world trade. It is not so much material that it expand tomorrow or next week as it is that it expand when we have reached the saturation point in America in producer and consumer goods.

Immediately after VE-day it became very apparent that there was being formulated in the world three spheres of economic, social, and political influence, the Soviet, the British, and the American. At one time we had such control over the situation that we could have perhaps selfishly compelled Soviet Russia to have chosen between British imperialism and American democracy, when we could have compelled Great Britain to have chosen between sovietism and American democracy. Somewhere along the line we lost the advantage which we had in that particular; in what manner I do not know, I am not well enough informed on that point—at Yalta, at Potsdam, at London, or at Paris—to know what happened; but we do know that we have lost that position and that there has been created now in consequence of it the probability that there will be a coalition between any two of these spheres of economic, social, and political influence.

In our actions today we determine for years to come whether there shall be a coalition between the British sphere and the American sphere or whether there shall be a coalition between the British sphere and the Soviet sphere. That to me is fundamental thinking and transcends, as I believe, the dollars-and-cents investment. The question here before us is not: Can we afford to make the agreement? The question is: Can we afford not to make the agreement? If we refuse to enter into this agreement then, as has been said here so eloquently and with probably much more effect than I can state it, we compel Great Britain because of the exigency of her economic situation to enter into bilateral agreements with other countries, notably within the Russian sphere of influence. On the fringe of that Russian sphere of influence are many countries with which

we would like to trade directly—Iraq, Iran, Egypt, Greece, and others.

Mr Chairman, bilateralism begets international economic warfare, world economic warfare begets military warware. Think deeply on this subject as to whether perhaps by making it possible for Great Britain to stabilize her currency, to stabilize her economy, thereby removing the necessity from entering into trade agreements with our competitors, we should not give serious consideration in removing any particular obstacles to her creating a coalition with us, perhaps on a cold commercial basis, if you want to put it that way, so that we may get our proportionate share of world commerce. If we isolate Europe and Asia from us in the competition for world goods, as would almost inevitably result from a failure to adopt this agreement, then the so-called satellite nations the world, of South Africa, South America, Europe, and Asia would be drawn like a magnet draws to that new coalition, that new strong, very strong, sphere of influence, and America would not only lose the trade which she ordinarily has with Great Britain, and Great Britain, as has been said here, is our largest single customer, but we would lose also the trade which by reason of the strength of a competitive coalition would draw trade away from us. Although in years gone by I probably have been classified as an isolationist, I surely am not an isolationist to the point where I will deliberately, with an understanding of the potential consequences, drive from America the trade which we so sorely need to keep our men employed, to maintain the markets for our agricultural products, to keep the wheels of our factories revolving.

You gentlemen who have considered this agreement from the superficial standpoint of whether Great Britain will or will not repay the money, had better look beyond your noses and see what is happening in this world and what is likely to happen in this world 5, 10, 15 years from now. Go into conference with your own conscience and determine whether we can afford not to enter into this loan agreement.

The other day—and I expected long before this to have to eat these words and I surely am appreciative of your charity in not calling it to my attention—remarks which I made when the Bretton Woods agreement was before the House were read into the RECORD. They were not attributed to me, but I will plead guilty to a statement generally in debate on the Bretton Woods agreement that if we entered into the Bretton Woods agreement, if we established the International Bank, if we expanded the capital of the Export-Import Bank, there would probably be no justification for making any direct Treasury loan.

That statement was merely a reflection of Treasury attitude at that time. I was very sincere in that statement, but I am going to recognize the realism of this situation. I am going to be realistic. It does not matter at all now in retrospect whether I was wrong at that time, so long as I was sincere in that statement.

The world is in a different condition today than it was when those statements were made. We are confronted with this situation, that during the 5-year transition period in which Great Britain and all the other countries of the world are at liberty to enter into any bilateral agreement they see fit to make, we are in a position today of trying to prevent the necessity of these countries from entering into these bilateral agreements to the prejudice of our own financial position after Bretton Woods takes effect, because under the Bretton Woods agreement all of the bilateral agreements which are entered into between now and 5 years from now, the termination of the transition period, must be respected by the Bretton Woods agreement.

As a matter of fact, I might say further in that particular that at Bretton Woods, in our discussions with the British delegates, we were given to understand that it was improbable that Great Britain would ever have to use the Fund and the Bank. As late as last August, when certain members of the Postwar Economic Planning and Policy Committee were in London and talked with Mr. Dalton, Great Britain at that time, even as late as last August, had determined to follow a course wherein she would tighten her belt and, to prevent a possible disintegration of British influence in the world commerce, would sweat it out Of course, in sweating it out it meant that she would enter into agreements, because of the exigencies of the situation, which would be detrimental to us and to the countries with which we trade. So the condition is somewhat different today than it was then, and this is a matter which must be disposed of during this transition period for our guidance and for the guidance of the world during this transition period if we are going to effectuate the principles and the policies of the Bretton Woods Agreement.

I might say in that particular that as I recall it there were only 18 votes against the ratification of the Bretton Woods Agreement in this House. So, if we were sincere in encouraging the world to stabilize currencies with respect to the Bretton Woods Agreement, then we should not do the inconsistent thing of denying that it is as important to do that job immediately as it would be 5 years from now under the Bretton Woods Agreement.

Here is another thing that intrigues me. This is the key currency approach to international monetary stabilization. I have listened to half a dozen speeches on this floor by people who are denouncing this agreement who likewise denounced Bretton Woods because they did not recognize the key currency approach to international stabilization. You cannot have your cake and eat it, too.

Miss SUMNER of Illinois. You are, Mr. WOLCOTT. I have had too much cake in my life; that is the trouble with me.

If it was an argument against Bretton Woods that the two great countries of the world should get together and stabilize the pound and the dollar so that all other currencies could be stabilized, then it is perfect folly to vote against this agreement. These same people who denounced Bretton Woods, predicting their denunciation upon the fact that there would likely be a scarcity of American dollars, now are opining that if we enter into this there might be too many American dollars in circulation and too much American trade in the world. In that particular they cannot have their cake and eat it, too, because if the argument is true that the Bretton Woods agreement would result in a scarcity of American dollars to our prejudice, here is the answer to it. Here is the opportunity which is given those who opposed the Bretton Woods agreement on that score to provide sufficient American dollars to prevent a scarcity of American dollars in international trade and balances, and we will really effectuate without the danger of a scarcity of American dollars the purposes and principles of the Bretton Woods agreement.

Then the final argument, which I think in the economic field and the political field as well transcends all other considerations, is that the adoption of this financial agreement might result—just put it that way; let us not exaggerate—might result in making it possible for Great Britain and the United States to follow the free enterprise course as opposed to that which we have been denouncing here in America for years, the socialistic approach to the management of our economy, our agriculture, our laboring men, and our industry.

Great Britain has already taken the first step to the left, let us grant that. If she is compelled to enter into bilateral trade agreements with those who are so much farther to the left, then, as I have said, those agreements will encourage social, political, and ideological combinations which we perhaps will never be able to break down. So to me one of the most important, if not the most important, arguments for this loan agreement is that it makes it possible by reason of stabilizing the currencies and the economy of the nations handling 75 percent in volume of the world commerce for us to continue to live in this world under the free enterprise system as opposed to the socialistic system of state control. I do not want to be a party to pushing Great Britain over the brink into something worse than socialism. I do not think any of us want to be a party to that.

Now, should we have faith in the commercial and financial integrity of Great Britain? I know that in this chamber today there are some answers in the negative.

Let me call attention to the fact that the countries which with Great Britain control 50 percent of the World trade have confidence in her commercial and financial integrity because the countries within the sterling area increased British sterling debits to themselves from $1,200,000,000 just before the war to somewhere between twelve and sixteen billion dollars. Egypt, Iraq, Iran, and some of the Scandinavian countries with which we want to trade directly and with which we will be able to trade directly if we make it possible have voluntarily—not by any coercion and not by being hammered over the head by Great Britain—have voluntarily gone into this dollar pool and have agreed to pool their dollars which are necessary to buy American

goods and have given control of those dollars to Great Britain to protect the commercial and financial integrity of Great Britain or at least to help her do so. They must have, therefore, full faith and confidence in British integrity to have increased British debts by over $12,000,000,000. They must have faith and confidence in Great Britain as a great nation as well as faith and confidence in the future of Great Britain to have voluntarily entered into this pool arrangement.

This agreement—and this is one thing Great Britain does agree to do—provides that she agrees to dissolve the dollar pool to make it possible for the currencies of some of the Scandinavian countries and the currencies of Europe and Asia to be converted immediately into American dollars which will make it possible for Great Britain to allow a large amount of conversion of British pounds into American dollars. Without it, she could not do it. It is not because she is arrogant; it is not because she is stubborn; it is because she must resort to such contra-practices if she is to live commercially. If the situation were reversed, every one of us would be hollering to high heaven that we would protect America first, and we cannot blame Great Britain for doing likewise under the conditions which I have mentioned. If this loan agreement will open Europe and Asia to American markets in a larger degree, perhaps, than we have enjoyed for the last 20 or 30 years, it is worth the investment. But transcending all else, I might say, are the international political implications which will make it possible for us under a free-enterprise economy to prevent the spread of those forces which you and I and every American citizen should recognize are detrimental and destructive of American way of life.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr SPENCE Mr. Chairman, I yield the remaining time to the gentleman from Texas, the Speaker of the House of Representatives [Mr. RAYBURN] to conclude the debate

Mr. RAYBURN. Mr. Chairman, 26 years ago about now, I made some remarks in the House of Representatives on a very important measure. Ex-Speaker Cannon was a Member of the House at that time. When time was yielded to him, he said:

> My speech is that I endorse every word uttered by the gentleman from Texas and adopt that as my speech and yield back the remainder of my time.

I endorse every word of the very able speech made by the gentleman from Michigan [Mr. WOLCOTT] to me absolutely unanswerable. It would probably be better if I followed the course of my distinguished predecessor and allowed the debate to close with his speech.

There have been a half dozen speeches made in this House during the consideration of this resolution that I would be proud to adopt as my own. They have been sound. They have been argumentative. They have meant something. Speeches made by men and women who have put their hearts and their minds to this great question.

I would not claim your indulgence even for a moment if I did not feel so deeply about what is involved here. Probably I have had the opportunity not being a member of committees, to talk to more people about this situation than most of you. As the days have come and gone I have been impressed more and more with what a great tragedy it would be in my opinion, if we did not confirm the so-called financial agreement, already ratified by the United Kingdom, and here before us today.

I think I know something about the waves and trends of the world today. I know that we stand in a terrible and dangerous situation. I speak not only for my own country. I speak for the countries throughout the length and breadth of the earth. I know if we are not careful the seeds of war will again be sown. I say to you today what I have said to you before, that in my humble opinion civilization itself cannot stand another shock in 10 or 20 or 25 years and be a civilization worthy of the name. I want peace, because I hate war and dissension with a consuming passion. I do not want this earth to hark back again to the blackest relic of barbarism known as war, when people go out and kill each other.

I feel that I know that this agreement and the carrying out of it will not only be a tremendous help to everybody in the United States but will also be of tremendous help to other peoples throughout the length and breadth of the earth.

Do you want sterling blocs?

Do you want dollar pools?

Do you want cutthroat competition in trade and commerce?

I do not.

There is not a man who carries a hammer or saw, who works in the fields, or in trade, or in commerce in America but who would not be helped by the carrying out of this agreement

This is an agreement, this is not a bill we are preparing to pass with which nobody has anything to do but the United States of America. If we are going to kill this resolution let us do it directly by voting it down and not by killing it off with amendments or by motions to recommit; for if this resolution is limited or amended, then there is no agreement, and it would probably take months and months for the two contracting parties to get back together. Take this appealing amendment dealing with bases, do you want that? Do you really want a thing like that? We have 99-year leases on these bases with no political obligation whatsoever upon those islands. Do we want to take on the political obligation of governing those islands? Let us be frank. Do we want to take on a race problem in addition to the other problems we have in our country at this time? And that is what we would have.

If an amendment can be drawn that would not be subject to a point of order, which I doubt, I trust this House will overwhelmingly vote it down and not mix us up further in the islands of the ocean, because, God knows, before this thing is over, in self-defense and in defense of the world we may have to take islands we do not want and never did want. So let us not by amending this resolution in that fashion, create for ourselves additional problems.

It is in my heart and I am going to say it: I do not want western Europe, England, and all the rest pushed further into and toward an ideology that I despise. I fear if we do not cooperate with this great natural ally of ours, that is what will happen.

World leadership is offered us today. The world around, good people want the United States of America, this great democracy, to lead. Will we seize that leadership, or will we allow someone else to seize it? If we are not allied with the great British democracy, I fear somebody else will be, and God pity us when we have no ally across the Atlantic Ocean, and God pity them, too.

America has the challenge, she has the ability, and I know the patriotism to listen to the voices throughout the world, those inarticulate longings of people, hopeful and hopeless, looking to us Will we lead? I speak not because I love or hate some other country in the world; I speak because I love America and hate nobody

The CHAIRMAN. All time has expired. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

> Whereas in the Bretton Woods Agreements Act the Congress has declared it to be the policy of the United States "to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations"; and
>
> Whereas in further implementation of the purposes of the Bretton Woods agreements, the Governments of the United States and the United Kingdom have negotiated an agreement dated December 6, 1945, designed to expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress Therefore be it
>
> *Resolved, etc*, That the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is hereby authorized to carry out the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President to the Congress on January 30, 1946

Mr. CELLER. Mr. Chairman, I offer a preferential motion, which I have sent to the Clerk's desk.

The Clerk read as follows:

> Mr CELLER moves that the committee do now rise and report Senate Joint Resolution 138 back to the House with the recommendation that the enacting clause be stricken from the bill.

Mr. BUFFETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Nebraska?

Mr. CELLER. Mr. Chairman, I do not.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to have the motion read again.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk reread the Celler motion.

Mr. CELLER. Mr. Chairman, I have given my reasons on this floor why the British loan should not be consummated. In that I am just as sincere as anyone in this Chamber. The loan is uneconomic. It will not help us and will not help England get on her feet. It is only a shot in the arm. At best it can only serve as a temporary relief measure. It is not a cure. I believe the loan will create bad will and irritation. Already they are calling us Uncle Shylock, as they did the last time.

The gentleman from Michigan [Mr. WOLCOTT] cannot lay the flattering unction to his soul that world trade will be freed. You cannot have a controlled economy internally in England without a controlled bilateral trade agreements economy externally.

I say to our distinguished Speaker that there is no definite, clearcut commitment to dissolve the dollar pool. Trade irritation, like imperial preference, is not even mentioned in the agreement. Also cooperation is not a one-way street

I am willing to admit that an additional reason for my objection is the treatment by Great Britain of the question of Jewish homelessness in Palestine. While Palestine may appear to be a narrow base upon which to rest my objection, its added cumulative weight to other reasons confirms my conviction that the loan should not be granted.

The world is shocked and dismayed that Great Britain can so callously default in its promise to the Jews of Palestine and to the displaced Jews in Europe.

Britain adamantly refuses to learn. She has closed the Jewish agency and seized and imprisoned thousands of Jews in Palestine, including leaders of the Histadruth of Palestine's central labor organization What imperturbable irony. A labor government attacks the structure of labor organizations elsewhere

There is one thing to be learned from British colonial policy and that is that Britain does not respect pledges or faith. She respects force, and force only.

But let her remember. Britain imprisoned DeValera, but Ireland became free. She seized hundreds of Indian leaders like Gandhi, Nehru, and Mrs. Pandar, but India's freedom is imminent. Incarceration of Jewish leaders will only cover her hands with more blood of Jewish martyrs and will strengthen the Jewish resistance movement in the Holy Land.

Palestine Jews had to meet the Arab assaults in 1920, 1921, 1929, and 1936 with bare knuckles. They were denied arms which were furnished to the Arabs. Jews must now have arms and a militia, especially when the British stand charged with the offense of failing to provide public security.

The Haganah, the Jewish underground Jewish army, is a defensive organization. Its leaders are no more terrorists than were Patrick Henry, Nathan Hale, George Washington, or Thomas Jefferson. Calling them terrorists is the British smoke screen to mask their own activities in Palestine. Do they seek to parallel again in Palestine their brutalities of the Black and Tan outrages in Ireland? The Irish resisted in the name of freedom. The Jews can do no less.

The Jews have been patient, very patient. They have suffered almost beyond human comprehension. They have been balked at every twist and turn. The Book of Genesis tells us:

> And I will give unto thee and unto thy seed after thee, the land of thy sojournings for an everlasting possession.

The divine pledge was reechoed by the man-made pledges of Great Britain and the world. But Great Britain in every need and needful crisis defaulted again and again. Millions have perished who might not have perished if the doors of Palestine had been opened to the Jews of Europe.

We learn that well nigh all the Jews of Kielce, Poland, were slaughtered Yet despite the pogroms in Poland and elsewhere, Britain keeps the doors of Palestine locked.

We listened to Churchill and we applauded the platform of the labor government who, until they came to power, professed friendship. We are shocked and horrified by Mr. Bevin's statement and are covered with a sense of raging helplessness But as a Member of Congress I am not helpless As an individual I can only give expression to my misgivings by personal comment. As a Member of Congress, and as an American representing Americans, however, I can set this question of the British loan in a broader setting, relating it properly to British conduct in international affairs.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I certainly do not think it is necessary to say anything in regard to the pending motion. After long consultation representatives of the British and the American Governments came to a conclusion as to what they thought would be beneficial to both countries and presented to us the Anglo-American financial agreement. It was considered exhaustively in the Banking and Currency Committee, and it has been debated in the House for 16 hours. Now, at the very commencement of the debate under the 5-minute rule, a motion is offered that we should not consider the resolution any further, and that the resolution be immediately reported back to the House with the enacting clause stricken out. Of course, the motion is ridiculous. It has no merit. The House would be stultifying itself by voting for any such motion. It merely means that you do not want to consider this resolution. I am confident that you not only want to consider it but that, in the light of all you have heard, you want to vote for it, not to benefit England but to benefit yourselves.

Racial discrimination and racial hates are always repulsive to me, but the question of the homeland for the Jews does not enter into this, and active opposition to this resolution based on that will have a detrimental rather than a beneficial effect upon the solution of the Palestine problem.

I know you are not going to vote for this motion. It is just a waste of time to continue the argument. I earnestly ask that you vote it down, and vote it down now.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 19, noes 180.

So the motion was rejected.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

Mr. SPENCE. Mr. Chairman, I object. I now announce that I am going to object to any extensions of time. We have debated this bill for 16 hours.

Mr. BUFFETT. Mr. Chairman, I recognize that in the face of both President Truman's relentless pressure, and cunning propaganda, it may be very difficult, if not impossible, to prevent the passage of this deadly inflationary handout.

But I would not fulfill my duty if I did not once more plead with you to turn back this almost surely fatal move toward both uncontrollable spending and an inflation panic in America

For many years now the value of our money has been steadily declining because of deficit spending. If continued now at some point that decline will turn into a panicky rout and an economic convulsion that will rock the world.

Whether this British handout is the stab-in-the-back of our veterans and thrifty people that will set off that stampede, I do not know.

Many people thought chaos would result immediately from the Presidential veto of the price-control bill.

The fact that the American people stood firm against that blow does not mean that repeated shocks will always be withstood.

Mr. Chairman, a few days ago I received a letter that Irving Fisher, one of America's better known economists, had written to the New York Times. In that letter he made an astounding proposal. Because of the desperate inflationary condition of this country, he urged that a percentage of all demand deposits in the banks be frozen indefinitely.

He pointed out that our tremendous money supplies constituted a sword of Damascus hanging over us and indicated that only an arbitrary contraction by freezing a percentage of the demand deposits could prevent catastrophe.

To measure the danger for which he proposes such a desperate remedy, I have studied the three indices of inflation—money in circulation, demand deposits, and public debt.

I have compared our financial position with the similar indices in Holland, France, and Belgium, where tragic inflation has occurred.

What does that comparison indicate? That by each of these indices America is in an inflationary condition directly comparable to these lands.

As a result of inflation, Holland and Belgium froze a percentage of bank deposits and rendered invalid outstanding currency.

Only the patience of the American people is preventing catastrophe here now. That patience and faith may be abused beyond endurance by this deal.

The fact that a leading economist in this country is proposing publicly similar confiscation here indicates how alarmingly close we are to chaos.

The passage of this loan hand-out may precipitate a mass stampede to convert bonds into currency and currency into goods and things.

If this convulsion is evaded now, other inflationary stabs in the back of the American people will continue until one of these stabs causes confidence in our currency to be destroyed.

It is impossible to tell which action may precipitate that coming crisis.

But some day we will look back on the British loan hand-out and know that that inflationary hand-out removed the last effective defenses against inflationary spending that turned our creeping inflation into a mad, wild, and probably bloody stampede.

When that catastrophe arrives, again the President will mount the rostrum in this House and demand absolute powers.

And Congress will be almost helpless, because chaos and tragedy will stalk America.

Then administration spokesmen will come into this well and fervently declare that a condition and not a theory confronts us, and Congress, confounded, will vote drastic powers to the Executive.

When that dark day arrives, those who voted for the British loan will be responsible for that terrifying convulsion which may end representative government and human liberty in this land.

From the decisive angle of both public psychology and resistance to further reckness spending, the British loan is the most disastrous inflationary action Congress has ever considered.

America could be a successful bulwark of western civilization against communism and chaos. This hand-out may end that hope, because it makes certain the crisis described by Harold Moulton, of the Brookings Institution:

> With unlimited debt expansion, we cannot prevent inflation without the use of totalitarian methods of control. No compromise or halfway measures can adjust the difficulties The choice is between regimentation and inflation.

This program of unlimited debt expansion of which the British loan is an irresistable spearhead, in the words of Moulton, "serves to disclose the gravest danger with which the United States is now confronted. Unable or unwilling to perceive basic inconsistencies, or to choose between clear-cut alternatives, we drift toward the deep financial waters from which there is no return other than through repudiation in one form or another."

However, Mr. Chairman, I do not believe we are drifting toward disaster.

Instead, this movement toward disaster is according to plan. The British loan fits into that design perfectly.

Lenin said the surest way to overturn the existing social order is to debauch the currency.

Whether this loan is the straw which will break the people's confidence in their Government's solvency I do not know.

But I am sure that it is the most dangerous action that has been taken thus far.

I hope the House will adequately appraise this danger and turn down this proposal in its present form.

Passage of this loan will seal the doom of those dependent on pensions, annuities, compensation payments, and thrifty savings.

No Member who fulfills his solemn responsibility to these Americans, including our wounded and orphans, will vote for this hand-out.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The gentleman from California [Mr. OUTLAND] is recognized.

Mr. CASE of South Dakota. Mr. Chairman, a point of order

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. The point of order is that one asking recognition in opposition to an amendment should take preference over one offering an amendment.

Mr. LAFOLLETTE On that I am rising in opposition also, Mr. Chairman.

The CHAIRMAN. The Chair will state that the Chair is not advised by Members seeking recognition as to whether they have amendments or not. The gentleman from California asked for recognition and the gentleman is recognized

Mr CASE of South Dakota I do not want to labor the point, Mr Chairman, but I did state that I rose in opposition to the pending amendment. The gentleman from California offered a new amendment.

The CHAIRMAN. The Chair feels he should recognize a Member on the other side in preference to that matter

The gentleman from California [Mr. OUTLAND] is recognized.

Mr OUTLAND. Mr. Chairman, I probably shall not use the entire 5 minutes, but I do want to discuss one point mentioned a few moments ago by my friend the gentleman from New York [Mr. CELLER]. I think it is very unfortunate that he has insisted on bringing into this debate the issue of the British policy in Palestine. That is not the issue. It has nothing whatever to do with this case. By bringing it in, we are simply ignoring the facts. The issue in this debate is simply this: Are we going to back up our promises and our pledges to cooperate with the other nations of the earth to build a postwar world of peace and economic stability, or are we going to retreat once again into isolationism?

I say to the gentleman from New York [Mr. CELLER] when he brings in this issue of Palestine he is joining hand in hand with those who want to go back to isolationism. That may not be his intention, but that is the inevitable result just the same.

Before we came into Committee of the Whole I received permission to insert in the RECORD, and I ask unanimous consent to insert at this point, a letter written to Assistant Secretary of State William L Clayton by Mr Henry Louis Selden, chairman of the executive committee of the American League for a Free Palestine This letter makes very clear the fact that there is absolutely no relationship between the proposed loan to Britain and that nation's Palestine policy. I earnestly call it to the attention of the membership of this House.

The CHAIRMAN Without objection, the letter may be inserted at this point.

There was no objection

The letter reads as follows:

AMERICAN LEAGUE FOR A
FREE PALESTINE, INC.
Washington, D C, July 9, 1946

The Honorable WILLIAM L CLAYTON,
Assistant Secretary of State,
Washington, D C

MY DEAR MR SECRETARY Following conversation between Mr M S Rosenthal and some members of the American League for a Free Palestine, it seems desirable to clarify the position of the American League with respect to the proposed British credit bill now being debated in the House of Representatives

The American League for a Free Palestine has not taken a position either for or against the bill The more than 100,000 members of the American League are of many political viewpoints, as they are of many religious creeds. Its general members and the members of its executive board and executive committee have diverse political viewpoints. They unite only on one issue. Their firm belief that the Hebrew people of Europe and Palestine must be recognized as a national entity and that the international recognition of Palestine as their national territory ought to be implemented without further delay, so that Palestine may fulfill its destiny as a free and democratic republic, with full partnership in the United Nations.

The American League believes that the proposed British credit, like the subject of Palestine, and the official American attitude toward both, are matters of broad national concern rather than of narrow sectarian interest We believe that American citizens who happen to be of Hebrew descent or of the Jewish faith do not have a common viewpoint because of that common descent or that common creed There are American Jews who are stanch Democrats; there are American Jews who are equally stanch Republicans; American Jews have a wide variety of opinions and philosophies—economic, political, social, even religious They are not united on anything, whether it be the British loan or the subject of Palestine.

This is indisputably true and we therefore deplore any attempt to make the proposed credit seem a "Jewish" concern. There are American Jews who favor the credit because they feel, in common with fellow Americans who are Protestant or Catholic, that it serves the best interests of the United States. There are American Jews who oppose the credit because, in common with their fellow citizens of other faiths, they feel it would be detrimental to American interests. There are, unfortunately, some American Jews who, also in common with fellow Americans of other faiths, oppose the loan because of Britain's despotic role in Palestine. We regret this because we feel that the two issues have little in common and the Palestine issue is great enough to stand on its own.

We feel that America's relations with Palestine are a matter of national concern involving American foreign policy, and not the exclusive concern of one small section of the population on a sectarian basis.

In order to clarify the anomaly which permits American citizens of the Jewish faith to feel themselves involved in the affairs of another people, we have long endeavored to achieve universal acceptance of a definitive terminology towards this end. We restrict the use of the term "Jew" to one who adheres to the Jewish religion. We hold that the term can have no implication of nationality. For the people commonly called "Jews" who have a common political bond through descent, common experience and volition, we advocate the term "Hebrew," and we define a Hebrew as one who, having descended from the ancient Hebrew state and acknowledging Palestine as his national homeland, really renounces allegiance to any other political sovereignty and adheres to the Hebrew nation or the forthcoming Palestinian state The term "Jew," therefore, has no political connotation; the term "Hebrew" has no religious connotation. The Hebrew nation thus obviously excludes those free citizens of free countries who practice the Jewish faith or who are descendants of Hebrews, but who desire to retain their citizenship in those countries

If this distinction is understood, then a great deal of the confusion that now exists about "the Jewish people" and "world Jewry" would be resolved.

To revert to the British credit, we say again that its approval by the Congress of the United States must be determined by the Members of Congress on the basis of their own judgment, without reference to such extraneous matters as Palestine or British treatment of the Hebrew people

The American League is privileged in having a congressional advisory board which includes some 150 Members in both Houses. They belong to several political parties, and the American League has not sought to influence them individually or collectively on the subject of the credit. In cases where the League's viewpoint has been sought by such Members, the League's executive has expressed itself as above. This has not been the case, of course, on questions directly relating to Palestine or the Hebrew people. The American League feels, for example, that the President has gone as far as possible in consultation with Britain in endeavoring to protect American interests in Palestine. We continue to urge the President to proceed on an independent line to repatriate to Palestine the Hebrew people in the American zone of occupation in Europe who were the subject of his letter to the British Government last August. America's right to act independently of Britain is justified by the American-British Convention of 1924, the Charter of the United Nations, and the position of the United States in world affairs. American interests are directly involved in Palestine and are certainly involved in the American zone of occupation in Europe

I trust that this letter has clarified the position of the American League for a Free Palestine on the proposed British credit. You are at liberty to use it in any way you desire.

Yours faithfully,

HARRY LOUIS SELDEN,
Chairman, Executive Committee.

Mr. Chairman, I repeat, this issue is extraneous, it is not related to the issues of the British loan. I hope that when we come to vote upon this we will not be governed by these extraneous things but will vote on the out-and-out issue of isolationism versus international cooperation. A defeat of the measure before us today would be a disastrous blow to international cooperation. I hope the House will pass it by an overwhelming majority and by so doing demonstrate to the world that this time the United States of America does not intend to revert to the costly, short-sighted, and dangerous path of isolationism.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last six words.

The CHAIRMAN. The gentlewoman from Illinois is recognized for 5 minutes.

Miss SUMNER of Illinois. Mr. Chairman, according to the books on the subject by the Brookings Institution this Nation has been engaged in mutual trade and cooperation with Europe in investments, mutual investments, mutual trade, ever since the first Pilgrim tripped on Plymouth Rock.

When they talk about isolationism they mean people like me, who are against going into wars not reasonably necessary to defend these United States. People like me who said: "Do not get into the war against Hitler now because Hitler cannot invade Britain and leave on his tail a Russia with the second best army in Europe trained by Nazi officers."

People like me who in 1942 when our internationalist friends were saying that I was only seeing Stalin under the bed, said: "Do not go on with this policy, it is imperiling the British Empire, it will only lead to another war, against Russia."

People like me who tell you today: "You vote for this bill and you are just adding fuel to the fire of war between Russia and the United States and Britain which is being financed, still being financed by the United States."

If you, any of you, are sincere and really want to stop Russian and communistic expansion the place to do it is right here in Washington, right here in this Congress. Stop it when you vote for that racket UNRRA half a billion dollars when you know you ought to pick up that corn and take it over there by American experts instead of by communistic ones. You know that the Russians sell the relief goods and put the money in their own pockets. You know that the Russians are using Treasury plates to print American money. You know that if and when this war between England and Russia starts it is certain to involve the United States and every one of you who voted for these international policies will have to go home with blood on your hands. If you do not know it, the people do; you are not fooling anybody but yourselves.

This is a raw proposition. I cannot think of one hint in this agreement that is covered by a promise which even could be kept or which specifically says that it is going to be kept that is not covered by a loophole. This proposition is so raw that when it came to swallowing it the wise old owls of the Democratic Party flew the coop.

Do you remember? There was Leo Crowley, who sat in on the negotiations. He is not a Communist. There is Bernard Baruch, the prince of internationalism, the sire of NRA and OPA. There is Mr. SABATH, who left the administration for the first time in 14 years, as he told you. He said he did not do that just for Palestine. There have been plenty of opportunities to stand up for Palestine. Then there is Jesse Jones, the king of lenders at home and abroad. He is certainly not against selling American cotton.

If and when the feathers begin to fly, as they soon will, those shrewd birds will be perched high up, high and dry on their record of opposition to this bill. You better do the same, instead of sitting here with your tongues hanging out hoping some one will come along with an argument or amendment which will do some face-saving for you and which will give you an excuse to save you from the wrath of the American people instead of acting like a lot of old maids dying for a chance to fall off the shelf.

Say, no, no, a thousand times no!

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. HAVENNER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr Chairman, 2 years ago, when I was seeking reelection to Congress, the world was still at war. This nation had sent millions of our young men to foreign battlefields, where they were shedding their blood and giving their lives in an effort to save the institution of human freedom. We of America had told the world that we were fighting to prevent the enslavement of freedom-loving peoples everywhere by tyrannical dictators who scoffed at freedom and proclaimed their intention to abolish it from the Earth. Our soldiers and their parents and loved ones throughout America fervently believed that this was the cause for which they were offering their lives, and it was their enthusiasm for this great cause which made final victory possible for our armed forces.

There was another great hope which surged in the hearts of all true Americans at that time. It was the hope that victory for our cause would enable us to prevent wars in the future, and to establish a just and lasting peace throughout the world. The great majority of the men and women who were elected to Congress at that time pledged their best efforts to the establishment of an international organization dedicated to the maintenance of world peace, in which the United States of America would take a leading part. I was one of those who gladly promised support for this noble program.

Mr. Chairman, a year has elapsed since the unconditional surrender of Japan marked the end of the shooting war. During that year this Nation has done several very important things, which will have a permanent place in history, in fulfillment of our pledge to work for world peace. At the Conference in San Francisco, the city which I have the honor to represent, the United Nations was formed nearly a year ago. The American Secretary of State and distinguished Members of this Congress have taken a leading part in all of the deliberations of this historic body, and in the very near future consideration of a permanent treaty of peace among all of the nations of the world will be undertaken.

The Bretton Woods agreements, designed to assure friendly relations in trade and commerce throughout the world and to prevent, in the future, economic warfare, which has always been one of the most potent causes of military wars, have been approved by

this Congress and by the President of the United States, and are now a part of the supreme law of our Nation.

Mr. Chairman, the proposal now under consideration is, in my opinion, another vitally important step in our efforts to avoid economic warfare in the future, and thereby minimize the possibility of future military wars. The legal, financial and economic aspects of this proposal have been thoroughly discussed by previous speakers during the extended debates on this measure, and I shall not attempt to repeat them here. I realize, regretfully, that this proposal to extend a large financial credit to Great Britain has been seriously jeopardized by the bitter resentment among large groups of American citizens whose racial origins are in countries where the past and present policies of the British Empire are regarded as gravely unjust to the peoples of those countries. I shall not attempt to defend the British against these accusations of injustice. Indeed, in many instances, my sympathies are profoundly with the people who are protesting against these policies. Perhaps my attitude on these questions may be illustrated by reading to the Members of the House a telegram which I have received from a close personal friend, Mr. Bartley C Crum, of San Francisco, who was appointed by President Truman as a member of the Anglo-American Committee of Inquiry in Palestine. Mr. Crum's wire is as follows:

As a member of the Anglo-American Committee of Inquiry, I have been bitterly resentful of the course followed by the British Government since our report on Palestine and the displaced Jews of Europe I consider Mr Bevin's course cruel, hypocritical, and duplicitous and have said so publicly and repeatedly. Nevertheless it would be a dangerous error for us to deny the British loan because of the British labor government's actions in Palestine The two are separate and distinct. The fact is that the British loan is essential to us as well as to Britain It is the condition precedent to peaceful multilateral world trade without which we cannot have full employment I hope you continue to press for its passage

I thoroughly agree with the position taken by Mr. Crum in his telegram Indeed, I believe that the ability of the United States of America to press for justice to the Jewish refugees of Europe and to oppressed peoples everywhere will be greatly increased if this proposal to bring about peaceful multilateral world trade is approved by this Congress.

Mr Chairman, it is because I am convinced that the establishment of a just and permanent world peace is the most important objective of the American people that I shall vote for the pending measure. I know that the people who elected me to Congress while the war was still in progress believed then that the war would have been fought in vain if this great objective were not attained, and I feel certain that a majority of them still feel the same way.

I am not here to defend the oppression of helpless peoples by any nation in the world, nor am I in favor of any permanent bilateral alliance with any one nation in opposition to the interests of any other nation or group of nations. But I believe that American leadership in world affairs is necessary if we are to succeed eventually in our desire to eliminate oppressions and injustices elsewhere in the world. I am convinced that approval of this measure is essential to attainment of this world leadership.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN On page 2 at the end of line 8 add the following proviso. "*Provided*, That no obligation shall be incurred or draft made upon any credit established in consequence of such agreement until after the Secretary of the Treasury shall have certified to the President that security has been provided in an amount adequate to cover the principal sum of any such obligation or draft."

Mr. DIRKSEN. Mr. Chairman, following the admonition of the gentleman from Michigan [Mr. WOLCOTT], I have examined and conferred with my conscience, and I have tried to look into the future. This is not the principal testing time for the relationships between England and the United States. The real testing time will come later. The world is going to live in armed peace for quite a while, and I want to be sure that nothing is going to happen 10 years hence or 15 years hence, when it is important for that tie to be strong, for that relationship to be cordial, that will develop or provoke hostilities in the minds of the people of this country.

I have endeavored to approach this matter without fear, without emotionalism, without vindictiveness, without hostility. It is too important to consider save on its merits. Hostility is a weak reed upon which to lend at a time when the world is so feverish and disordered.

In the years ahead we can scarcely escape economic distortion and lean times and it is then when our relationship will be tested in the crucible. The exercise of prudence now might avert difficulty in the future and prudence requires security for any advance which may be made under the pending proposal.

It will be the common people of the United States of America who will determine finally what that relationship is. If the day comes when the assets of this country must be reexamined, and then it becomes plain after reading the debates in this House and in the Senate that there was no security for this loan, and that the intention was to make a gift, then of course will come the testing time of those relationships. It is far better that in free and open debate we clarify the matter now.

So here is a simple amendment which provides for security on the basis of the deposition of the security in proportion as these advances are made. Is there to be an advance of $100,000,000? Then there must be security deposited for $100,000,000, and the Secretary of the Treasury must so certify to the highest elective officer in the land, namely, the President of the United States.

We could afford to lean over backward with respect to the interest rate which has been from time to time assailed but I do not believe that we can lightly brush aside this question of security where so substantial a credit is involved.

The Constitution charges the Congress with custody of the public purse. It has made the Congress a trustee of the public money and the public credit. I believe it will be generally agreed that except for grants-in-aid the Congress has never authorized a domestic loan to a GI or a farmer, to a wind-swept city or a foreclosed homeowner, to a closed bank or an embarrassed business without full and adequate security.

An examination of the statutes will indicate that the phrase "fully and adequately secured" appears in ever so many places and testifies to the fact that Congress has always had an appreciation of its fiduciary obligation for safeguarding funds and credits advanced from the Public Treasury. I hope, therefore, that I shall not be deemed wanting in regard for or unmindful of the problems of those with whom we share a common language and a common tradition if I respectfully insist that our position as trustees of the public purse requires that adequate security properly certified shall be provided for each advance that may be made.

It has been said there is no available security. Let us see. What about the oil in the Middle East, where the British have extensive operations? We stripped our oil resources pretty well in World War II. If I am correctly informed, the British Government owns the majority stock in the Anglo-Iranian Oil Co., whose refinery I saw when I was in the Persian Gulf Command. When it was proposed to build the Trans-Arabian pipe line in 1944, one of the requirements of the Petroleum Administration for War was that for a period of 50 years this Government for military purposes could call upon the reserve pool for 30,000,000 barrels of oil a year. Why not a little security in the form of oil? Why not a payment on the interest year after year in the form of oil, thus conserving our own supply and also giving us a valuable asset?

What about wool? The last report I had was that there were 4,000,000,000 pounds of wool in the Empire wool pool. The American wool producers—and I understand the matter has been discussed—indicated that they are opposed to taking this wool. They said it will be overhanging the American market and serve as a price depressant. Would it not be infinitely better for a nonperishable commodity—almost $1,000,000,000 worth or more—to be in American hands as a pledge, to be fed into the market whenever necessary so that the account could be liquidated and there would be security for the loan? Would it then be so difficult to contrive a collateral agreement whereby all or a substantial part of this wool could be pledged under an agreement whereby it could be disposed over a period of time without disastrous effect upon the market and at the same time serve as a partial payment either on interest or on principal?

Third. Let me ask, What about the equities in the gold mines in South Africa? The common stocks of the gold mines on the Rand are mainly in British hands today, and they constitute income of the British Exchequer. Look at the Federal Reserve report for any month and you will find that the mines of South

Africa, as late as 1940, produced $250,000,000 worth of gold in a single year. I do not want to acquire those mines. I do not want to acquire that gold. But, I do say that those valuable equities that cover a very valuable property might very well be pledged with the authorities of this country as security for the loan.

Fourth. What about the insurance company equities that are not now pledged for the loan with the Reconstruction Finance Corporation? About 40 companies are pledged. Over 40 companies are not pledged. After examining the letter which Jesse Jones offered for the record and which can be found in the hearings, I made inquiry by telephone concerning available corporation assets in the form of insurance capital income assets and equities not now pledged for loans previously made by the RFC. I was advised that there must be all of 40 companies in which there is a British interest, and those could be pledged as partial security.

Here then are a great many merchantable items in the form of reasonably liquid security that can be liquidated if necessary and applied upon account. It seems to me in all conscience we ought to insist upon those. So I respectfully bespeak for this amendment your very best consideration.

Let me point out once more that the amendment requires security as each advance of credit is made and is, therefore, highly flexible to accommodate varying conditions over a period of years

Let it not be forgotten that we are lending the people's credit, the people's money, the people's taxes. We are the trustees of that credit We are the trustees of those funds. The financial agreement and the pending joint resolution propose to pledge a very substantial part of that credit for a long period of time against unforeseeable conditions. It should not be advanced to foreign nations any more than it should be advanced to our own people without adequate security.

If, as has been intimated, there is a common understanding that what we do today is to make a gift to a political reordering of the world, then we should be candid enough to so state in language that is clear and explicit and resolve the issue on that basis. As for myself I do not feel that I can depart from my obligation as one of the trustees of the public credit without adequate security.

Mr. ROBERTSON of Virginia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the purpose of this amendment is to defeat the pending resolution. It calls for collateral which the United Kingdom does not have. A franker and fairer approach would be to say, "We are opposed to what is pending here and we want to defeat it," because that is the purpose and the only purpose of the so-called amendment. When my distinguished colleague, the gentleman from Illinois, talked last night over the telephone with Mr. Jesse Jones, the most pertinent thing he could have asked that former able and useful public servant who has now unfortunately turned a little sour was, "Why, when you started this argument with your newspaper article on April 16 last in a Houston paper, you referred to a Treasury statement concerning British assets in 1941 and called it a recent statement. Why did you not say that in 1946 the Treasury Department showed that Great Britain had in assets in this country only half of what the 1941 statement showed?" Was that a fair statement to the American people by a man who has occupied the high and responsible position of chairman of the RFC, the position of Secretary of Commerce, and who for years was one of the most responsible financial leaders of our Nation?

The Treasury report to which Mr. Jones referred showed the following assets, deposits on war contracts and trust funds:

United States Treasury figures on United Kingdom assets in United States as of June 14, 1941

[In millions of dollars]

U. S. Government securities	19
Other securities	568
Interests in controlled enterprises	712
Total securities	1,299
Dollar deposits	384
Miscellaneous assets [1]	1,556
Total	3,239

[1] Advance payments on munitions contracts, trusts, merchandise, etc

At the end of 1945 and four months before Mr. Jones' statement was published, those assets had shrunk to $895,000,000 pledged with the RFC and $580,000,000 of other investments.

He could have asked, "Mr. Jones, why did you not point out when you made a loan to Great Britain you took all the liquid assets that Great Britain had. Why did you not say that in the nearly $900,000,000 of collateral you got from Great Britain you took all of the convertible United States stocks and bonds that are traded in on the exchanges that Great Britain then had. Then, Mr. Jones, you took a lien on plants like the Export Tobacco Co, in Richmond, and other plants that are British owned which were not liquid assets. Then, Mr. Jones, you added to your $900,000,000 the income from branch offices of insurance companies which if you sold out for their assets you would only have a few typewriters and telephones. That is all you would get, because their income grows out of the business that they do and not the physical properties that they have. Mr. Jones, if you would take the 1946 figures, there were only $600,000,000 of assets left, one-half of those were not as liquid as you got for the RFC and the other half amounting to about $300,000,000—mark you, $300,000,000—are trust funds that Britishers have set up in this country for their own people." It would be immoral for Great Britain to violate those trusts. It would be contemptible on our part to be a party to taking the trust funds that widows and orphans of Great Britain are depending upon and pledge them for this debt. The gentleman spoke of the assets abroad. The amount of the assets the gentleman did not give. I can tell you that the total income from those assets abroad as listed in 1946—the income, mind you—is only $685,000,000, and that includes the United States, Canada, Australia, the rest of the Empire, Latin America, and the rest of the world. We would have a fine chance of liquidating a gold mine in Africa or taking over the wool that belongs to Australia or going into the Middle East and taking the oil wells. Those are privately owned properties and the income from those properties are not paid in American dollars but are paid in foreign currencies. So, Mr. Chairman, that is what this amendment means. It is too fantastic and absurd to justify any argument other than to say that the whole purpose of this amendment is to defeat this resolution.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BALDWIN of New York. Mr. Chairman, I rise in opposition to this pawnbroker amendment presently before us.

The preceding speaker, the gentleman from Virginia [Mr. ROBERTSON] emphasized some very potent facts, that the security which the gentleman from Illinois [Mr. DIRKSEN] suggests we demand, does not belong to the United Kingdom. But what is the point in this loan if we are going to turn around and take away everything they have got when we give it to them? In my opinion, anybody in this Congress who is voting for this loan simply as a gesture to Great Britain is violating his oath of office. The British loan is before us and we are discussing it because we think it is important to the United States of America. The question of Palestine, the question of India, the question of what we do in Germany, the question of the African gold mines has nothing whatsoever to do with it. I should like to ask the distinguished gentleman from New York [Mr. CELLER], who proposed that we withhold the loan until they gave Palestine better treatment, what would have happened to those poor harassed people of Europe of the Jewish faith if Great Britain had not held the fort for years until we came in and Russia finally turned around and came in with us. I would like to ask the gentleman from New York whether he thinks Rabbi Wise of New York is really sincere in supporting the loan.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. Yes, I yield.

SILVER SAYS WISE DID NOT SPEAK FOR ANY UNITED STATES ZIONIST BODY WHEN HE ENDORSED BRITISH LOAN

Mr. CELLER. It should be clear that Dr. Wise in urging approval of the British loan spoke for himself only and for no Zionist body in the United States. Dr. Wise's official connection with the American Zionist Emergency Council should not be interpreted as carrying that body's endorsement of his position which was taken without the knowledge or approval of the council. The position of the Emergency Council was well known to Dr. Wise as he was a party to it.

Mr. BALDWIN of New York. Well, he is a very distinguished Jew and very much respected in my community. Rabbi Wise, in spite of his personal feelings, thinks the loan is so important for America—and I hope that America comes before Palestine in the heart of my colleague

from New York—that he has urged us all to vote for it.

Mr. CELLER. Mr. Chairman, will the gentleman yield further?

Mr. BALDWIN of New York. I yield.

Mr. CELLER. I said before I spoke as an American and representing America, when I made that statement with reference to the treatment that the British have given to the displaced Jews—the horrible and horrified treatment.

Mr. BALDWIN of New York. The gentleman knows that I myself am a member of a committee trying to alleviate that situation, and feel as strongly as the gentleman from New York feels about the treatment of the Jews in Europe.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield.

Mr. GIFFORD. If we take oil and world securities and such merchantable things and the loan is for 50 years, can you foreclose on that and use it before they welch on the loan?

Mr. BALDWIN of New York. I should not think so. However, I think that is beside the point. I think the most important thing in this entire debate—and we have had 16 hours of it—is the political questions and the political problems involved. We cannot ignore them. Anybody who has traveled abroad, as the gentleman from Illinois [Mr. DIRKSEN] and I have, knows what is happening wherever we let up for 1 minute. I am not attacking Russia, but I hold no brief for communism. If you want to give an opening to communism, if you want the cheers of every Communist headquarters, whether in this country or anywhere else, then turn down this agreement and this loan. All you have got to do is to look at the real fundamental opponents to this loan abroad and you will know in the bottom of your heart that those who are urging this loan are doing so on a pro-American basis. I hope that this amendment does not prevail, and that this agreement, so important to the peace and prosperity of the world, passes overwhelmingly.

The CHAIRMAN. The time of the gentleman from New York [Mr. BALDWIN] has expired.

Mr. ROGERS of Florida. Mr Chairman, I rise in opposition to the amendment.

Mr. Chairman, I heard a comment some time ago when we failed to pass some constructive legislation, and here it is. It was said we were a "bunch of sparrows sitting in eagles' nests." I do not know what implication that carries to you, but it means a great deal to me. I hope that when the vote is taken on this financial agreement today our vote will demonstrate to the world that we are not "sparrows sitting on eagles' nests." I hope we will adopt this resolution.

Now, with reference to collateral, let us see the fallacy of it. If the full faith and credit of Great Britain is not sufficient to carry out the terms of this agreement, then any collateral they would offer would amount to nothing.

What is the status of the matter as we look at it today? This agreement was negotiated by representatives of Great Britain and the United States. It has been approved by the British Parliament; it has been approved by the Senate of the United States by a vote of 46 to 34; it was approved by the Committee on Banking and Currency and recommended to this House by a vote of 20 to 5. That is the status.

It depends upon the Members of the House today whether or not this financial agreement shall be ratified and adopted. This is the last step to be taken, with the exception of the approval of the President. We know the President of the United States is going to concur because he sent a message to us in which he uses this phraseology: "Without this agreement it will be difficult, if not impossible, to proceed with the United Nations program for international economic cooperation."

We know that if this resolution is approved the Members of the House must approve it today. We know from the arguments we have heard, the testimony of these various witnesses, that it is to the best interests of this Nation that it be passed. I hope that when we begin to consider what we are going to do we will resolve ourselves into the role of a jury. We have heard the facts; we know what they are; we should take the responsibility upon ourselves for the debt we owe posterity and ratify and confirm this agreement which has been approved by the law-making bodies who have considered the agreement up to the present time.

Let me call your attention to the fact that we won World War I, but we lost the peace. On March 19, 1920, by a vote of 35 to 49 in the Senate, the League of Nations was killed. Consider the analogy between that and the present instance. In the Senate the other day there were 34 votes against this agreement, just one less than they had when they killed the League of Nations. All of us agree now that we made a mistake in 1920. We agree, I believe, that had the League of Nations been adopted and ratified by the Senate in 1920, the Second World War would not have taken place.

To me, the paramount issue is whether or not this financial agreement is good business for this country. I am convinced that it will open up the markets of the world for the production of American factories, American farms, and American labor. I further believe that this agreement lays the cornerstone of peace and we all fervently love peace. Secretary of State Byrnes cabled from Paris:

> Here in Paris it is more apparent to me than ever that a prompt return to normal, healthy trade between nations is essential if we are to lay the foundations for permanent peace and prosperity.

It appears from the testimony given that the business interests, and particularly the banking fraternities, endorse the agreement and as evidence thereof, I am quoting you the opinion of some of the leading bankers of the United States.

Mr. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, stated:

> As you know, Britain is the largest market in world trade so that her commercial and exchange practices have a very great influence on the rest of the world. Traditionally, she has tended to follow liberal trade principles. If we refuse this loan, however, she could hope to maintain her essential imports only by making a desperate bid for domination in world markets. She would be forced to intensify the restrictive and belligerent currency and trading practices born during the years of war and depression. In order to exploit to the full her advantage as the world's leading importer, she would have to turn increasingly to state trading and barter A large part of the rest of the world would be forced into the same pattern and free enterprise in foreign trade would be strangled Along this road lies further totalitarian development

The Honorable Charles S. Dewey, vice president of the Chase National Bank, said:

> I do not believe that this country can live alone, a free-enterprise state, in a world of state-controlled economies I feel sure that no matter what may be the political color of the administration, it would be forced to make foreign treaty arrangements in contradiction to our concept of free competitive enterprise That is my main reason for believing that the British loan agreement transcends most objections It is about our last opportunity to help the bilateral countries out of their dilemma and have them rejoin us in our policy of free enterprise and the unhampered flow of world goods.

Hon. Eugene Meyer, president of the International Bank, issued a statement, declaring that the loan "is a vital part of a greater plan in which the monetary fund, the bank, and other organizations also were to play their parts. The loan is necessary if Great Britain is promptly to be restored to function as an economic base for expanding world trade and economic stability."

Mr. Winthrop W. Aldrich, chairman of board of directors, Chase National Bank; president, International Chamber of Commerce; and chairman, the Committee on International Economic Policy, stated:

> To me the proposed credit to England represents a justifiable investment in the future prosperity, peace, and security of the world. It is an investment in the economic life and stability of a great trading nation In view of the stakes involved it is a good venture because its results will redound to the economic self-interest of the people of the United States, collectively and individually

I also quote you from an editorial in the Washington Post, as follows:

> Our boys left the prostrate world to be repaired by our statesmen. They destroyed in order that we might rebuild. The nourishing appliction of American credit, the return of civilized rules and practices in trade and money relations between nations—these are the tools. Let us use them. Our boys did not win the war by votes of no confidence in our allies, by retreats, by doing nothing. Nor can the peace be won by such tactics. Statesmanship looks to the end, works toward it; and we trust the Nation's statesmen in the House will be governed by this vision when they cast their votes on the financial agreement with Britain.

In conclusion I read to you the following poem, which illustrates the need for real men to lead this Government in these critical times:

WANTED

God give us men! A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie;

Men who can stand before a demagogue
And damn his treacherous flatteries without winking!
Tall men, sun-crowned, who live above the fog
In public duty and in private thinking:
For while the rabble, with their thumb-worn creeds,
Their large professions, and their little deeds,
Mingle in selfish strife, lo, Freedom weeps,
Wrong rules the land and waiting Justice sleeps.

The CHAIRMAN. The time of the gentlemen from Florida has expired.

Mr. REED of New York. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, there are certain people as well as certain nations who abhor the idea of furnishing security when they want to borrow money from somebody else, but I never expected to hear anybody take the floor and brag about it.

I wish to call your attention to something here that you may have overlooked. In the first place, the British Government, as such, holds almost a controlling interest in many of our leading corporations. Among them are General Motors Corp., 434,000 shares; Radio Corp of America, 177,000 shares; Amerada Petrol, 133,000 shares; Chrysler Corp., 36,000 shares; Standard Oil of New Jersey, 198,000 shares; Standard Oil of Indiana, 315,000 shares; Socony-Vacuum Oil Co., 130,000 shares; American Telephone & Telegraph Co., 70,000 shares, and United States Steel preferred, 21,000 shares.

Now, here is a very interesting thing. I want to read you one section of the Income Tax Code. It is section 116, subsection (c):

In addition to the items specified in section 22 (b) the following items shall not be included in gross income and shall be exempt from taxation under this chapter:

(c) Income of foreign governments and of international organizations.

The income of foreign governments or international organizations received from investments in the United States in stocks, bonds, or other domestic securities, owned by such foreign governments or by international organizations, or from interest on deposits in banks in the United States of moneys belonging to such foreign governments or international organizations, or from any other source within the United States.

Here we have a socialistic government controlling in many instances, or practically holding the controlling interest, in our leading corporations and the dividends that flow from them to that government are not subject to taxation while our own stockholders are obliged to pay double taxation on theirs.

Mr. Chairman, I am telling you that today there are placed in the hands of brokers in the cities of New York and Chicago orders depending upon what this Congress does with this gift or loan of $3,750,000,000. If you vote for this loan immediately the stock will be bought by the socialistic government and it will pay no tax at all on the dividends therefrom but will get a steady flow of tax-free dividends. What is more, they will soon be in the position of controlling the leading economic factors of this country. I cannot understand what men are thinking of who are supposed to represent the United States of America, rather than the British Government.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have always been somewhat intrigued by the argument that the gentleman is now making, but I wonder if I understand it correctly. The gentleman has referred to certain shares of stock in domestic American corporations which are alleged to be held by foreign governments.

Is it a fact that those stocks are in fact held by those foreign governments or is it a fact that those stocks may be held by citizens of those foreign governments? I wish the gentleman would explain that.

Mr REED of New York. I am glad to have the gentleman ask that question. I say that they are held by the foreign government, and I am referring to the English Government. It holds those stocks and securities; it is drawing dividends on them tax-free. There is no question about that at all.

Mr VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Are they not in the same position as the coal mines and the Bank of England that this socialistic government has expropriated in a very proper way?

Mr. REED of New York. Exactly.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. CELLER. With reference to the British Government holding those bonds, that government sequestered them from their own citizens and gave them back I O U's in the form of pounds sterling.

Mr. REED of New York. They are drawing the dividends.

Mr. CELLER. They own them.

Mr. REED of New York. They own them, yes, and, what is more, they will soon take control and formulate the policy of our industrial organizations. Then what will they do to us? You know, they are very shrewd.

Mr. Chairman, I should like to include as part of my remarks excerpts from Washington's Farewell Address, as follows:

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded, and that, in place of them, just and amicable feeling toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest.

Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt to doubly injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

Against the insidious wiles of foreign influence, I conjure you to believe me, fellow citizens, the jealousy of a free people ought to be constantly awake.

Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people to surrender their interests.

Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

Harmony and a liberal intercourse with all nations are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand, neither seeking nor granting exclusive favors or preferences, consulting the natural course of things, diffusing and diversifying by gentle means the streams of commerce but forcing nothing.

There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend * * * I may even flatter myself that they may be productive of some partial benefit; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Dirksen amendment and all amendments thereto close in one-half hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. CELLER. Mr. Chairman, I object.

Mr. KERR. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KERR. Mr. Chairman, just prior to World War II it was estimated that the United States did one-half of the business of the world and owned one-half of the wealth of the world and the purchasing power of its labor was more than double that of any other nation. This attainment was due undoubtedly to our unrestricted free enterprise, personal initiative and vision unhampered by governmental rules and regulations.

The British Empire has always been our best customer and more than one-half of our world business was done with this Empire. Foreign trade has always played a significant role in the economy of our country. The United States is the largest exporting country in the world and we are dependent on foreign markets for the sale of the products of our factories and farms. We are the world's greatest producers and Great Britain is the world's largest importer and its influence extends far beyond its own trade.

I shall unhesitatingly support the pending legislation to loan Great Britain $3,750,000,000. This credit, in my opinion, will stabilize its currency and prevent international trade barriers which have and will always create strife, jealousy, and war. The proposed loan to Britain will add less than 1½ percent to our total indebtedness and will undoubtedly help establish normal American markets throughout the world.

Enduring peace is the world's goal and it cannot be attained through atom bombs, great navies, and superior equipped armies—these are destructive factors. The races of mankind must come to cooperate on the basis of friendly intercourse, solving the problems of selfishness and contributing to the uplift of civilization.

We have won a world's war, God help us, through our might, to lay the foundation for world peace.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr Chairman, I rise in opposition to the Dirksen amendment primarily on the argument that if you want to kill the British loan you ought to be honest enough to kill it outright and not try to kill it by indirection.

I have far more respect for tactics of the Celler amendment moving to strike out everything after the enacting clause and I have more respect for a deliberate vote against the loan than I have this death by indirection.

I do not believe that our ally, that suffered longer than any other major nation did in the war, is entitled to that kind of honest treatment from another one of her principal allies.

It is the argument advanced for security for this loan by the gentleman from Illinois and by the preceding speaker from New York that I would like to answer.

The gentleman from New York is completely misinformed on his facts and figures in the allegation that we have heard so often that the British have over $3,000,000,000 worth of assets in this country. The Federal Reserve report shows that the so-called "recent reports" on the British assets in this country is as of June 1941. Gentlemen, this is July 13, 1946, and the British have completed about five additional years of war since that $3,000,000,000 figure was documented.

Let us look at the assets, and let us look at all of this so-called vast security in General Motors and Radio Corp. the gentleman from New York mentions. Where is it? It is in the note case of the RFC, because Jesse Jones, as he went through the British securities with a vacuum sweeper, got everything that was liquid and valuable that could be seized by the British Government to secure the loan that was made to Britain when she was staggering under the bombings of Germany.

A total of $895,000,000 of stocks and securities in this country are pledged with the RFC. An additional $215,000,000, the least desirable securities, are not pledged. If you scrape the very bottom of the British barrel you might find a list of assets that as a going concern are worth another $300,000,000. But they are worth hardly a dime if you have to liquidate them as office equipment and typewriters. They are going concerns in the insurance-agency business. Yes, Britain seized everything that was seizable from her nationals to put into this loan before we came into the war, and these $300,000,000 were not desirable assets, so she did not take them.

Then there is from $300,000,000 to $325,000,000 more in bank deposits and trust estates. And listen to this, this $300,000,000 on deposit as British funds that the British never even under the worst days of the war felt they had a right to take, is at the credit of British depositors in banks. Many American possessions are intermingled in these funds. Does the gentleman from New York wish to have the British Government seize those funds and securities of American nationals and put them up with the Government of the United States as security for the British loan? I do not think so.

I do not see how any Member knowing the facts or caring about the facts could ask that we run a pawnshop in this deal. I would rather make a character loan to a nation like Great Britain than to make a loan and say, "We will make it but you must put up everything you can borrow, beg, or seize as collateral."

I think it is a lot more important if you are going to get collateral to have adequate collateral, but adequate collateral on this loan is simply not there. The only thing that might influence a Member of Congress, I think, knowing the facts, is Mr. DIRKSEN'S argument about repayment in things. But under this we would accept a bilateral trade deal with Great Britain on oil or other products.

Does not every Member of the House know that Britain would be very glad to pay off that whole $3,750,000,000 in oil if America would accept it? Of course it would. Any time America feels that she wants to be paid in goods or kind and wants to open her doors to a flood of oil or other commodities from overseas, Britain can pay off in these things and would be glad to do it.

Mr. LAFOLLETTE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, so that there may be no illusions and no one need rise on the left side of the House, I express only my own views. I recognize obligations and duties upon myself, and I do not even attempt to persuade the Republicans as such, unless I happen to strike the individuals who think my opinions happen to be of value. So I stand here as a Representative in the original constitutional idea of a Member of the House of Representatives before we had parties.

I am in favor of this loan. I am in favor of it largely because I think it makes for an expanding world trade and an expanding understanding among peoples, with its consequent expanding love and tolerance which to me is more important as a means of avoiding war than expanding trade.

I have made somewhat of a reputation, possible, I believe based on my action and not only on speeches, on the question of tolerance.

I am sorry the gentleman from New York [Mr. CELLER] is not here, but I have to speak of his conduct and that of the other Jews in the United States who, as individuals, are opposing this loan on the basis of the Palestine issue.

Tolerance requires decency and fair play and the absence of hate on the part of all peoples. Tolerance is not a general banking fund into which only gentiles make deposits so that Jews, who have hate in their hearts, may draw with impunity unlimited sightdrafts against it. You do not make for good will by projecting hate into the world; and when a member of a minority group does it, it is both tragic and stupid.

At the time of Bretton Woods those who favored it, including many who now oppose this loan, said we were to have out of it an expanding economy, and out of that expanding economy we would eliminate the economic stresses. I voted for it because out of economic stresses come racial hatred. Therefore, since I wanted to diminish racial hatred, I supported Bretton Woods as a means of relieving the economic stresses which spawn racial hatred. If that is true, then how can any Jew, being temporarily blinded by hate of England, vote for a policy which will defeat Bretton Woods, increase economic stress and condemn other members of his own people to risk being subjected to the bigotries and prejudices and possibly the violence which can arise in the United States of America if world trade stopped and the American economy ran down?

All through history when hate is bred and sent out into the world it comes back and strikes not the strong, but the weak. I do not want to be misunderstood. Hatred on the part of a member of a minority group is no worse than hatred on the part of a member of a majority group, and, as a matter of fact, the former is more understandable and therefore, in many cases, more readily forgivable. But there must be added to the venalty inherent in hate by a member of a minority group, the further charge of stupidity, because that man who digs his own grave by his own intolerant conduct, is a stupid man.

This collateral issue that those individuals, who happen to be Jews with

hate in their hearts and intolerance on their lips, have raised on this Palestine question has simply made it harder for those many more Jews—who understand that the loan gives at least a chance for a future of expanding American economy, with its resultant alleviating of the economic causes of prejudice and intolerance—to restore the "bank account of tolerance" from the possibility of insolvency with which their erring brethren have threatened it.

I honor these Americans, who incidentally happen to be Jews, for their support of this loan. They have done so under great stress and terrific political pressure, not only their own mistaken fellowmen. The workers and farmers of America, and also the people of England are eternally indebted to them for their great moral courage, which is so consistent with their greatest Hebrew tradition.

May men of lesser stature—gentile and Jew—pay honor to their great integrity under the admittedly grievous wrongs, which wrongs were seized upon by some of their foolish and stupid compatriots as an excuse for unintelligent and harmful pressuring.

Mr. BALDWIN of Maryland. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I sincerely hope this amendment does not prevail. This amendment was introduced with the idea of giving us some security for a loan to Great Britain. What I am interested in and what the people of this country are interested in is not only financial security—it is security and peace. We are not making this loan to Great Britain for the British people. If we make this loan we will be making it to keep Britain a strong and powerful ally of this country. We are supposed to be at peace, but according to every commentator and every news article we do not have peace in the world today. I say to you Republican Members you only have to go back to the speech of your standard bearer in the last presidential election and be reminded of how he told the American people that Great Britain and the United States—the English-speaking peoples—would have to stick together in order for us to have security. The same thing is happening in this country today that happened after the last war. The fatal mistake was made of driving our Allies apart and people with ulterior and selfish motives drove wedges between the Allies of the last war and broke that alliance up, which resulted in this most horrible war that the world has ever known. The same influences are at work in this country today. I could get up and tell my constituents, as you can, that we are giving Great Britain this money or lending it to them at the expense of the GI and the returning veterans, trying to appeal to the selfishness of the American people, feeling that it will be a popular thing and overlooking the far-reaching and important thing that the American people have at stake today, which is the expectation of this Government of theirs to work out a foreign policy to provide some security against a recurrence of what we have just been through.

There is no greater insurance the American people can have than to see that Great Britain as a nation is strong so that if we have trouble again we can depend upon her again as we have in the past. Oh, yes; you will say we fought her wars. I think the State Department and the people of this country knew the condition of Great Britain before they recommended this loan. If you do not want to accept their recommendation, all you have to do is to talk to people who have been to Great Britain and who have observed the devastation, the suffering, and privation of the British people, during the years when we were trying to prepare for this war. Yes, now people want to throw overboard our greatest ally, the one ally that we could always depend on in case of another aggression. You and I observe today the conflict in thinking throughout the world—the conflict of our thinking against the Communist thinking.

Suppose we do not grant this loan, and suppose Great Britain does go down under economic oppression; we may find ourselves standing alone, in a few short years, fighting this influence that is going to be predominant.

I hope this amendment does not prevail, and I hope the Members who are opposed to it will go down deep in their hearts and think of the despair and suffering and privation that men and women have gone through to win this war. Let us forget our selfishness. Let us forget appealing to the selfishness of the American people. Yes; we can tell some of our people some things, because this war has not been brought home to America like it has to England.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. BALDWIN] has expired.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support the amendment offered by the gentleman from Illinois [Mr. DIRKSEN], because I think it is merely a good business proposition. I do not like the way some of the speakers on both sides have criticized my friend the gentleman from New York [Mr. CELLER] because of his stand in connection with the pending amendment. Certainly he has as much right to be against the loan as others have to be for the loan. I cannot recall a time in the 30 years I have been a Member of this body when there has been so much pressure brought to bear upon Congress as there has been in behalf of this legislation. Columnists have been enlisted, also radio commentators. They have resorted to garden parties and lawn parties. If this proposition goes through, and I suppose it will because we are so easy, then it may be said that the British loan is being launched on a sea of Scotch, highballs, champagne, and cocktails.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, prejudice is an insidious, sinister, impelling disease. Beware of it, my colleagues, when you come to vote on the resolution now under consideration.

Oh, I know, the ordinary Representative likes to think that he is broad-minded and not narrow-minded and that in matters of state his votes are directed by reason and not by prejudice.

And yet, how many of us in our voting on certain questions are free from prejudice? Interrogate us, and each one of us down to the last man, the last woman, would deny that prejudice has influenced us in any way in casting any of our votes, and we would be honest in our answer. How then, you ask, could we be honest if in fact prejudice did direct our vote? Let me answer: Prejudice, as I said, is an insidious, sinister, impelling disease that not only poisons the heart and mind in such a way that it numbs our sensibilities to its influence, but impels us to carrying out its dictates; and in carrying out its dictates, in justification of our acts, we ofttimes advance petty and flimsy reasons which to our benumbed sensibilities appear to be all sufficient.

I am afraid from some of the arguments I have listened to during the debate that prejudice and not reason dictated the arguments.

Let us be honest about the matter: Many people in America, some for just, others for fancied reasons, are prejudiced against Great Britain. They still remember Bunker Hill, the burning of Washington, the defalcation in the payment of a certain debt, the persecution of the Irish, the betrayal at Munich, and, for that matter, what is going on in Palestine today. Well, conceding that Great Britain was wrong in every instance I have cited, being punitive now will not correct a single one of the wrongs. On the other hand it might, and I think it will, adversely affect our future economic condition and, too, make it rough, if not block, the road to peace.

My colleagues, we cannot permit anything to happen to cripple Great Britain at this critical period in the history of the world—at this period when a crippled Great Britain or a strong Great Britain might tip the scales of the universe one way or the other—either in favor of war and ruin, or peace and happiness.

And so I appeal to you to free if possible your hearts and minds of prejudice and, looking not to the past but to the future, calmly and dispassionately ask yourselves these questions before voting: What is best to stabilize and make secure conditions in America? What is best to stabilize and make secure the conditions of a troubled and bewildered world?

Mr. GWINN of New York. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. GWINN of New York. Mr. Chairman, no ordinary business consideration will justify me, as a Representative of my District and my Nation, assuming more debts. In most of the area of my District its share of war debts already exceeds its total assessed valuation. Only an emergency like war will justify assuming more debts. And it is perfectly clear Britain feels the same way about assuming more debts than she has. Her statesmen have notified the House of Commons that it is exceedingly doubtful whether circumstances will ever permit the repayment of this proposed credit

of $3,750,000,000 and that, under the agreement, she may not have to repay. They are perfectly frank about it.

The London New Statesman and the Nation says:

If the loan is pushed through, by the use of quite different interpretations of its significance on each side of the Atlantic, Anglo-American relations will be bedeviled for a generation.

America calls the transaction a loan. Britain treats it as a grant or gift, because both the interest and principal can be honorably repudiated by specific terms of the agreement.

British Foreign Minister Hon. Ernest Bevin told the House of Commons:

It has been said that, inevitably, this will lead to another repudiation. That is in the hands of the United States and nobody else. The United States says that they want freer trade, but freer trade does not only mean the lowering of a tariff barrier, it depends on the actual fact as to whether they buy goods.

In case the United States does not buy British goods on a tremendous scale we have never bought before, Mr. Bevin admits that he sees no escape from repudiation.

Next, as for the payment of interest on the credit, the British Government is protected by a short and significant clause, a complete "out." The mechanics of this "out" were explained with disarming honesty by the chief British negotiator, the late Lord Keynes, in the House of Lords on December 18, 1945:

We pay no interest for 6 years After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar. I repeat that. We pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of what they were prewar

Lord BARNBY. In volume or value?

Lord KEYNES. Volume. That is very important. I should have said "No." The maximum payment in any year is £35,000,000 and it does not become payable until our external income, in terms of present prices, is 50 times that amount

So further speculation about the payment of the principal or interest is a waste of time. It might happen, but it is not likely except under unexpected conditions covered in the contract itself.

"But," some will say, "the dissolution of the sterling bloc will open up trade so we will be repaid in that way."

Again the answer to this last false hope is made perfectly clear by a comment in the New Statesman and the Nation—London, December 15, 1945:

We can at least resist resolutely American demands that we bully our sterling creditors into writing off the bulk of their loans to us. In no circumstances can we afford their ill-will * * *. Since everything points to Britain being compelled ultimately to repudiate commitments—repayments—whose fulfillment United States trade policy will make impossible, we must face the probability of a future quarrel with America, and unrestricted commercial warfare. In that event, we shall need to have friends elsewhere.

The postwar balance sheet of Great Britain shows that her overseas indebtedness to the nations of the so-called sterling bloc is so staggering that, of sheer necessity, Great Britain will have to induce these nations to take most of the payments in British goods, services, and long-range credits.

The sterling balances held by the other nations must be used to buy goods from Britain. That is the way she will pay her debts to the sterling bloc of nations. And that is the reason why she will not come to buy goods from the United States, whose tariff system is not likely to be overhauled to encourage such purchases.

So, this transaction is not an ordinary loan. If today we call it a loan, knowing that tomorrow, in all likelihood, it must be treated as a gift, our present confusion will confuse future administrations and possibly embitter a new generation in Britain and America which will never know the facts. New administrations and a new generation of Americans unacquainted with the facts refused to cancel the $6,000,000,000 of the First World War. As we know, the resulting psychological and political and economic consequences were disastrous for 20 years.

Then our own great need came in 1941. We found an island fortress of 40,000,000 stout-hearted people already doing battle for us. A base for our Army, Navy, and Air Forces was at hand. Thus, the $6,000,000,000 loan was repaid manyfold. Just so, we repaid France a thousandfold a great loan we owed her for 140 years after 1781. This is the manner in which political debts often are paid between nations which make war together in a common defense or in the pursuit of freedom. Such extraordinary loans, if made to advance freedom of mankind, have brought unbelievable returns on the investment.

To spend our time, therefore, trying to justify what cannot be justified as an ordinary loan may defeat what ought to be done now and in the future dealings between the United States and Britain for international peace and good will.

I am going to cast my vote in favor of this agreement, not because it is a loan or a gift or something in between, but because it is a contribution like those we have been making in this war with tyranny which is still raging.

In Paris, Mr. Molotov is hammering at concessions and more concessions. France's leadership is being replaced by those schooled in Moscow. In Berlin the Russians are laying the foundations for a unified, industrially strong future Soviet Germany, designed to be a mighty link in the Soviet Republics. In China, Manchuria, and Mongolia, they are seeking to wean Asia away from friendly western nations and drive the Asiatic peoples into Soviet tyranny. In Buenos Aires, the Soviet Union is doing its level best to break down friendship and unity within the Western Hemisphere. In London, a certain group recognizes Moscow as their world capital. It is so in New York and Washington. Gromyko frustrates the common will of the United Nations. In all these world-encircling fronts their direction comes from Moscow, the capital of a new order for the world. It is a system of tyranny which means death for all opposition, and for all those who have any capacity to oppose or organize resistance.

Moscow has openly declared war on western civilization and is boldly circulating its world-wide plan of infiltration and revolution.

Russia proposes to break the back of England. Last time it was Hitler who was out to crush Great Britain. But for the grace of God and the heroic British will to see the fight through, he would have succeeded. Today it is another, a more dangerous and efficient tyrant, who is out to take over Hitler's destruction of western civilization. Again we are at Verdun and Dunkirk.

This is merely a continuation of the mortal combat between two irreconcilable philosophies of life. And the overwhelming fact is that just now our side is losing.

I am voting for this resolution for $3,750,000,000 to Great Britain just as I would vote if we were still marching side by side in arms. When men and materials and money are pooled in one common fight for life and freedom, you cannot strike balances and fix rates of interest as you do in commerce. It would, therefore, be as foolish to stop credits now as to have stopped them in 1941 and 1942.

Especially is this true since these credits are going to the one nation out there on the firing line with the best machinery available in Europe to carry on the fight in terms of commerce and trade. International trade still remains the only means of distribution of food, clothing, and shelter for an overcrowded, displaced world population.

Since the end of the war the world has experienced a demonstration of unparalleled magnitude of the very fact that freedom is the source of the good life. History has again proved that only the free find food, clothing, and shelter enough for themselves and to share with others. Prior to the American era history was invariably one long, tragic repetition of famine and cold and the inevitable tyranny they bred.

In terms of dollars and cents this proposed credit for reopening channels of international trade certainly is much more constructive and no more costly to us than relief on a world scale. In fact, we are here taking the only alternative available of avoiding an indefinite and most harmful perpetuation of a relief mentality throughout the world. We need the fresh wind of free trade, the production and invention of free minds. If the freedom we proclaim to the world falls down, the people will listen to and follow the false promises of tyrants and submit themselves as slaves to augment and glorify the tyrants' power.

When, during the armed conflict, we gave Great Britain those 50 destroyers, we minded a deep-seated conviction which turned out dead right. We joined England, ready once more to stake everything on the supreme concept of right, instinctively rejecting an evil philosophy of life which was ready to black out all our standards of decency and fair play. We could not see men, women, and children, without the slightest warning, sunk in the middle of the sea. We could not live in that kind of world. So it must never be.

Now, the British people—the men, women, and youth of the English town and countryside—are haunted by a fearful question. Deep in their souls they are asking whether all this suffering, all this sacrifice, all this economic exhaustion and this national destruction will prove to have been made in vain. Like us, they see a new and black tyranny on the march, casting its evil shadows across the path of that part of humanity which still clings, almost in desperation, to freedom. Above all, they see that their choice now is to despair in the face of a Russian-controlled Europe or to risk their lives and fortunes with America in a crusade for economic, spiritual, and political freedom such as the modern world has never seen before. It is our crusade she wants to join. In her strain and stress a minority has turned her away from the true faith of freedom, but she will return to it again. And we may help to restore that faith.

Should we deny credit to Britain because that would make it easier to deny credit to other nations, China for example? If China now heroically resists the advance in Asia of the tyranny we resist in Europe, we should help her even more gladly now than in the depth of war. The cost is so much less—the gains so great by comparison. How can we quit the cause we undertook to win in the war against hunger, demoralization of trade, chaos, and anarchy which make tyranny certain? And wherever and whenever tyranny comes, armed conflict comes. So long as we can help by such credits as now proposed to strengthen the capacity and the desire of the people under tyranny or threatened by it to resist, so long will we be able to save humanity from new loss of blood and lives in conflict with it. To try to achieve this end, a credit of $3,750,000,000, is a good investment indeed.

It may be said in conclusion that America has made her life business investments in freedom. For it she takes the greatest risks.

In 1776 she staked everything and lost all her worldly goods but gained a new thing in the world called American freedom. People came from abroad to see what a little colony of 3,000,000 free people had wrought.

In 1861 she staked and lost all her money and credit but kept freedom. What she lost in wealth was nothing compared to what freedom, like magic, created in her. A little nation, in a few generations, grew into one that has been offered the leadership of the world.

And now America's greatest investment of all may be at hand. As before, she may have to stake all again, but the glorious adventure is freedom from tyranny for a whole world.

Mr. THOM. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think it is well to describe briefly how the British Government came into possession of the stocks and bonds that have been referred to in recent remarks. The British Government itself does not ordinarily deal in stocks and bonds, but in the emergency of the war, when her very life was threatened, she found herself without American dollars with which to purchase war supplies. She took the unusual method of compelling under force of law the English holders of American securities to bring them to the English bank and receive pay for them in the form of pounds sterling. That was expropriation against which so many persons in this House would cry out. Then she sold the stock and took the dollars which resulted from those transactions and bought American munitions, or she used the securities as collateral for loans.

If you are going to propose that collateral be put up each time a draft is made on this loan, then what will the British Government have to do? It will have to continue taking the foreign stocks from its nationals in return for sterling and using it fo collateral. The persons who seemingly are supporting this amendment are those who believe in free enterprise and democratic government. Is it free enterprise if the English Government takes forcibly in peacetime from all of its citizens their foreign private holdings to use them as collateral? That makes the English Government more and more a socialistic government, a totalitarian government, because eventually it would own stock in every kind of enterprise all around the world.

The free enterprise men who want collateral, it seems to me, would, by the very logic of the facts, drive England deeper into socialism, into state ownership, which is the thing that the advocates of free enterprise have been troubled about. Now, then, if the collateral is put up with the United States Government, of course the dividends would run to the English Government. What would the English Government eventualy do with these stocks and bonds that were put up as collateral? Would it continue to hold them? I suppose possibly the radicals in England would so advocate. They would be against a return of those stocks to the private owners. They would keep them in the Government's hands. Therefore, those who support this tend to do the very thing that would deepen the English people in the way of socialism, paternalism, and totalitarianism

Mr. KOPPLEMANN. Mr Chairman, I move to strike out the last word.

Mr. Chairman, this amendment that demands security for the loan is a throwback to the dark days of isolation, when so many refused to heed the pleas of a world racing to destruction in front of the tanks and bombs of the enemy. Some of those gentlemen still serve in Congress. Did they learn none of the lessons of the war?

Have they forgotten Dunkerque? Have they forgotten the Battle of Britain?

These were two incidents of the war, one ending in defeat, the other in victory, but both of which contributed vastly during the bitter years to the final defeat of the enemy.

This amendment, these other amendments, if adopted will reopen the road to isolation. It is significant that it is offered from the other side of the aisle. If it represents the thinking of the Grand Old Party in international affairs, it is clearly indicative that our Republican friends merely put their isolationist thinking in moth balls for the duration and now are trotting it out, groping to see whether they can put over on the American people a hoax that we can collaborate internationally with our voices, and embark again on isolationism with our actions.

No, we cannot proceed in one direction with the right foot and simultaneously proceed in the opposite direction with our left foot—and I do not think the American people will stand for such circus performances.

Actually the arguments on both sides of this loan have been explored so thoroughly there is little that can be added at this point.

But I feel I must make this statement as I am one of the Members who on emotional grounds might be expected to vote against the loan. I am voting for it. I think it is imperative on two major counts, so compelling that all considerations that might influence a negative vote should be discarded.

First. There is the task of world commercial rehabilitation in all phases. Our role in that job is fully as important as was our role in helping the Allies prepare and war against the enemy. The enemy is still there. He merely has assumed a different costume. The threat of war, the threat of world unrest, remain with us and will remain until the several nations have got back on their economic feet, and until that happens, we will continue to face the economic insecurity that confronts us today.

We cannot be blinded by the fact that the terrific demand for goods which will keep our factories and farms humming for some time to come, will sufficiently consume our capacity for production indefinitely. Our domestic demand may be met in a year, maybe in 2 years, but after that we will face the surpluses of our production just as surely as we did during the prewar years, indeed ever since we became a first-rate commercial power. Then we will be compelled to look to foreign markets in order to sell our surplusses and keep our people employed. This loan will prepare us for that day.

It has long been the policy of this Government—I hope it will remain the policy of this Government—to administer our foreign trade negotiations on a reciprocal basis. Other nations will not buy from us unless they can sell to us. If we refuse to give and take in foreign trade, they will look to other customers.

We alone have come out of this war on top. Other nations have been prostrate or so weakened that they cannot come back under their own power. They all may not require loans or credits. They all will require assistance of some sort from us and from each other.

Without a strong commercial Britain, the cornerstone of our program for world rehabilitation will surely fail. You may retort that it may fail regardless. That remains to be seen. There were those who in the days before Pearl Harbor claimed that regardless of what we did, Britain would fall to Germany. We took the chance. We must take the chance again today.

I could prefer that we give this money as a gift rather than a loan, I could

argue that Britain would then be morally obligated to us, would be morally obligated to adhere to the basic purposes of our collaboration with other United Nations, especially with regard to minority peoples, to see that the opportunity for democracy as we sense it be extended to them in the fullest degree.

I share with many others the criticism of Britain's foreign—or, rather, her imperialistic—policy. But we cannot accomplish all our aims at once. Step by step we must build the road blocks for the better world we are trying to create. We would negate all our work for lasting peace should we refuse to give the important tools for building that peace This loan is one of them.

With that thought I have covered the second reason which impels my support for this loan, regardless of my personal feelings. The war would not have been won without us. The peace cannot be attained without us. The overwhelming support the American people have given to our participation in the United Nations indicates sufficiently that they want us to try every method and means to make effective our declared intentions for international cooperation in every degree to wipe out the irritations that make for war, to instill in all others a lasting confidence in our declared aims.

All during the years of the war the smaller allies depended on us, depended on our brotherhood of alliance with Great Britain and Russia. They likewise are depending on that alliance in the more difficult and trying task of recovery from the ravages of war. We cannot gloss over the breaches that have occurred since VJ-day, the apparent lack of coherence among the big powers due to a separateness of approach in effecting our aims. We must cement the gaps or they will grow into unbridgeable chasms. Should that happen, the foundation of the world structure we are building will fall apart. If our chief ally cannot depend on us now for help, how can any smaller ally feel it, too, can depend on us? There will develop a cynicism toward us which will cause them to withdraw from the international approach, and in no time at all a dog-eat-dog attitude will develop. The soil will be manured for a harvest of new dictators, new demagogs, who will thrive on the lack of confidence in us.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour, the committee to have the concluding 5 minutes.

Mr. LANDIS. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 1 hour, the committee to have the concluding 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and the Chair announced that the ayes appeared to have it.

Mr. H. CARL ANDERSEN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the motion was agreed to.

The CHAIRMAN. The Chair recognises the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I want to say something about the Dirksen amendment which is pending here now, to provide that the Secretary of the Treasury must procure collateral for amounts granted under this agreement. If this proposition were here on its own merits, of course it would overwhelmingly pass this House. If an extraordinary loan in domestic or international affairs is requested, then, of course, collateral is expected if collateral is available, and it is available here, unless we can no longer believe this report of the Committee on Banking and Currency. They have gone back on their last majority report on Bretton Woods, but at least this time they say on page 21 that there is $895,000,000 in British-owned securities and direct investments already pledged to the RFC and $1,475,000,000 available here in this country as collateral for this loan. By this proposed agreement we do not even retain the security we already hold, which has an income of thirty-seven millions a year.

The British have already under their Socialist government expropriated the Bank of England and various industries over there, so that the securities held by the British Government representing those industries are available as collateral

The real reason we are not able to consider this requirement for collateral on its merits is that our Speaker and others have said that any attempt of the Congress to consider amendments, reservations, or conditions to this loan, any action except a "ja" vote on this resolution, is unpatriotic. I submit that this agreement itself provides by its very terms that it must be authorized by Congress, and that means we have the right, the duty to consider whether and to what extent we should authorize it. If by this mechanism of having officials of our country make an executive agreement with another country we then find that we have a sacred Government obligation which Congress does not dare amend or disapprove, a method has been found to circumvent the process of representative government. So that when we consider and deliberate on whether we approve of the terms of this agreement and whether in good conscience we should improve it, and, for instance, require collateral when it is available, when we exercise our judgment we are preserving representative government. When we yield to these threats and refuse to exercise our judgment as people's representatives, and merely vote "ja," we are striking a blow at the very processes of representative government. That is one issue that is at stake. It is an issue, not of foreign policy but of domestic policy, the preservation of representative government here at home.

I am utterly amazed to find responsible American statesmen, on this floor and off, using the propaganda of threats of war with Britain if this does not go through. I think that propaganda is contemptible, an insult to the intelligence and the integrity of our people, and the British. I do not think their friendship must be bought by this grant. If I thought so, I would know they would not stay bought by this grant.

Many advocates of this agreement are not only admitting, but boasting, that it is not a sound business agreement. President Roosevelt aptly described this Alice in Wonderland sort of thinking in my home town, Columbus, Ohio, in 1932, when he used words that aptly describe the British loan theory. President Roosevelt said:

> Alice is talking: "What if we produce a surplus?"
>
> "Oh, we can sell it to foreign consumers."
>
> "How can foreign consumers buy it?"
>
> "Why, we can lend them the money."
>
> "Oh, I see," said Alice "they will buy our surplus with our money"

Mr. Chairman, we can at least require collateral security for the money we lend to buy in our markets when we have no surpluses.

THE BRITISH LOAN

Mr. HOFFMAN. Mr. Chairman, more than the making of a loan of dollars and credit of around four billions to the British Empire is at issue in the proposed legislation.

NOT A LOAN

Under no circumstances can the transaction be termed a loan. The British Empire, although it has ample securities in this country; although it has territory adjacent to and necessary for the defense of North America, flatly refuses to either give us security for any moneys or credit advanced or to transfer to us, either by lease or deed, any of the bases on which we have erected fortifications, created harbors, and constructed warehouses, or any of the islands which are natural outposts, which would be of incalculable value if fortified, in the event we were ever attacked.

This refusal shows beyond argument that Britain insists upon a gift—not a loan.

Further evidence that the transaction is a gift rather than a loan is knowledge of the fact that billions of dollars of the First World War so-called loan have never been repaid, and it is conceded in both Britain and this country that there is no intention of repaying them.

HAVE WE THE MONEY?

Before making a gift of some $4,000,000,000, it might be well to determine our ability so to do.

No one seems to know just how large our national debt is. There is a Treasury deficit of at least $275,000,000,000, which draws interest at the rate of approximately 2 percent per annum. There are other undetermined outstanding obligations of some billions of dollars.

Any dollars given to Britain or, if you prefer, loaned, or credit extended to her must be obtained through the sale to our people and institutions of interest-bearing bonds, calling for a higher rate of interest than it is proposed to charge Britain, if the transaction be considered as a loan rather than as a gift.

The successful sale of these bonds means that additional currency will be put into circulation by the Federal Government and, hence, the inflation already with us, due in large part to the excessive volume of purchasing power now

existing, will be accelerated by billions of dollars.

No individual, no corporation, with sound business judgment would think of borrowing funds at a certain rate of interest, then loaning the same funds at a less rate of interest to a would-be debtor who had previously repudiated its obligations.

Many of those who advocate giving, or, as they prefer to call it, loaning, these billions to Britain, thoughtlessly or purposely assume that our resources are unlimited; that we can and we should finance every nation which is in need or thinks itself in need of either dollars, property or manpower in order to obtain its own nationalistic objectives, establish itself in the world picture in the position to which it conceives itself to be entitled.

Unfortunately for the soundness of this thought, there is to everything—even to the resources of the United States—a limit. That has been demonstrated by the scarcity of necessities which has been created in this country through our efforts to supply the world.

GIVING OR LOANING WILL NOT BE LIMITED

Those who, like the distinguished gentleman from Massachusetts, the Democratic majority leader [Mr. MCCORMACK], and like the former Senator from New York [Mr. WADSWORTH] who addressed us the other day, insist that, because communication and transportation throughout the world has drawn all nations closely together, the time has now come when we must assume leadership in world affairs.

They either inadvertently or wilfully ignore the fact that, if other nations can send planes, and rockets, and bombs, and ships and submarines through space and across and under the sea, we have the same opportunity to send the same things against our enemies.

Listening to some of these advocates one would be led to assume that the air and the sea were one-way lanes, open only to the war implements of our enemies.

The last war has demonstrated that we can be masters in the air and on and under the sea, and that neither a change in the means of communication nor in transportation nor in the methods of warfare has given those who might be our enemies a monopoly in the use of the air, the sea or inventive genius.

They and those who follow their reasoning do not limit this leadership to the giving of advice; to the setting of a good example; to the aiding on occasion of oppressed peoples or nations, but they boldly and vigorously in effect assert that we must rule the world.

They would have us invest our dollars, if a gift without security can be called an investment, place our manpower at the disposal of an international organization known as United Nations—this to insure, they insist, world trade and world peace.

WORLD TRADE

The argument that we can secure world trade by either a gift or a loan of funds to one who is to purchase our goods is on its face fallacious, when we realize that the funds either given or loaned will never be returned.

There is no profit in a business transaction where the seller furnishes the money to purchase.

Moreover, Britain refuses to make any concessions as to future world trade which would be advantageous to us as a nation.

She always has insisted and she now insists and, beyond question, she will hereafter insist, that the provinces and dominions which give allegiance to the British flag be granted preference on all occasions in their intercourse with other nations.

Nations, like individuals, buy where they can obtain what they want at the lowest price. Our only ability to sell in competition with the people of other nations rests upon our success in producing more and better goods at a cheaper price.

So far, because of our inventive genius, the superior ability, and endurance of our workers, that we have been able to do, and so, as Churchill said at the end of World War II, we are the most powerful economic and military nation in all the world.

WORLD PEACE

World War I was fought to end all wars. The objective was not attained, as World War II gave proof.

World War II, in which President Roosevelt unlawfully and in utter disregard of constitutional provisions involved us more than a year before Pearl Harbor and which our Navy was fighting for almost a year before the Jap assault, was accepted by the people because they had been propagandized into believing that the objectives stated in the politically born Atlantic Charter were real.

Being unselfish, charitable, desiring the advancement of all others throughout the world, our people wholeheartedly gave the war into which they were enticed full support.

But now we know that World War II was conceived in the mind of President Roosevelt, not to carry the four freedoms to the people of all the world, for early in his career he had denied and continued until his death to attempt to deny freedom of speech and freedom from want to millions of our own people by his support of special groups politically powerful.

As long as the nations of Europe, made up of different races, peoples speaking a different language, with different customs and background and with centuries of hate behind them, insist upon fighting each other; as long as Britain and Russia, each intent upon increasing its sphere of influence on the world stage, stand armed, facing each other, jealous and determined that neither, in Europe, shall extend its boundaries a foot or its sphere of influence to another group, war will ever be imminent.

The idea that, by the gift of billions of dollars and military support to Great Britain, we can insure world peace, given a moment's thought, will be seen to be unsound.

Words to the contrary notwithstanding, Great Britain and Russia stand toe to toe, ready to slug it out when arrives the day when either thinks itself sufficiently strong to win. Each hopes that we will cast our lot with it.

A loan or a gift to Britain, if we are to remain impartial, act as arbitrator in European quarrels, means a loan or gift of equal size to Russia.

A gift or a loan to Britain of some $4,000,000,000 and credit, if like consideration be refused Russia, would by her be considered an unfriendly act.

Those who advocate this loan, as they term it, insist that we become Britain's ally. That has been shown time and again by the utterances on the floor of the House and in the other body of those who advocate the passage of this legislation.

The approval of this bill means that we will irrevocably aline ourselves as the ally of Great Britain; as the opponent of Russia and of those who stand with her or come under her domination.

The adoption of the policy now advocated means compulsory military training for the youth of our land—a Hitler-like policy. It means the drafting of future generations of young Americans. It means here in America a Government by and for the military forces

It means that, as the ally of Great Britain, we are committing the young men of a future generation to once more leave their homes and firesides, sail the seas and attempt to do what Napoleon and Hitler so miserably failed to accomplish—to march to Moscow; to conquer Russia.

It is my considered judgment, my sincere belief, that the making of this loan, this gift as I view it, is not only improvident; that it will never bring us foreign trade; that it forces us to borrow billions of dollars and for centuries pay interest for a lost cause, the establishment of world peace—but that it commits us in the future to at all times back up those in power in the British Empire, who may desire for their own purposes, to either preserve or to extend the British Empire; to fight at her side.

OUR DANGER

The proponents of this proposal insist that for our own protection we must join Great Britain and use England and Britain's Navy as an outpost from which to fight World War III.

To me, the better way, the more effective way, to protect ourselves and to aid in maintaining world peace would be to discontinue our aid to Russia, to Britain, and to devote our resources to the effort of here maintaining ourselves as the most militarily and economically powerful nation in all the world.

In my opinion, our present national welfare depends upon our withdrawal from the quarrels of other nations, our adherence to the advice of Washington to avoid foreign entanglements.

Our future existence as a nation, as the land where there shall exist the greatest degree of prosperity and of freedom, demands that we not only remain, as Churchill said, the most powerful military and economic nation in the world, but that, through all scientific knowledge at our disposal; through every inventive genius which we can encourage; by the exercise of every productive activity, we prepare a national defense which, on land, on and under

the sea, and in the air, will be superior to that of all nations which might conspire against us.

Then, being impregnable; then being able to successfully meet, either on or off our own shores, any nation or combination of nations which might seek to test our strength, we not only need fear no other nation, but our very might and power would be a deterrent to any nation which might think of aggressive warfare.

With our power and might, standing aloof, we will be in a position not only to decide the issue, if some nation insisted upon war, but by threat of aid to a defending nation, prevent aggression.

While in no way questioning the sincerity of those who support this proposed legislation, the facts, as well as history and experience, show that its proponents are mistaken in their conclusions; that the legislation is proposed and would be, not primarily for the defense of the United States of America, but for aid to a European nation which has back of it a record of oppression, of attempts to suppress rebellions for freedom, a desire to rule the world, and whose proud boast for centuries has been that the sun never sets on the flag of the British Empire.

Following the example of Churchill and of Stalin, who ever speak and act in the interests of their own countries, my vote must be cast against the making of this gift. My thought today, as always, is that the interests of these United States of America and of their people should be given first consideration.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, in the first place, it is true that if this resolution is amended it will have to go back through all of the processes of negotiation all over again. That, as I understand it, is the essential point made by the Speaker of the House. In the second place, so far as I am aware, if this amendment is adopted, it will be the first time that an international loan from one great government to another great government required security for its repayment other than the security of the taxing power of the borrowing country. The reason historically that that has not been done, and the reason I can imagine no worse time to start than in this particular instance is because to require such security is in effect, to question either the good faith or economic soundness of the borrowing nation. Certainly it must be conceded that unless the governments of Great Britain and the United States do mutually carry out all the terms of this agreement it would be very difficult indeed to collect any security that might have been given for the repayment of a loan.

Why did not Great Britain repay the loan before? Basically at least because the United States failing as we were to maintain the buying power of our own people at a sufficiently high level did not want to allow the importation of the volume of goods from Great Britain that would have been necessary for her to export to us if she were to secure the dollars with which to pay the loan. In the last analysis the only way any nation can ever repay any loan is by the export of goods. Britain will, in my opinion, pay this loan to the extent that America is willing to accept goods and imports with which Britain can obtain American exchange with which to pay the loan. Either that is going to happen or else the security in oil or wool or whisky or what not will not be acceptable any more than the importation of goods which is the only way to make possible repayment in money. How would you collect indeed? Let me remind the House that the total value of all the General Motors and Radio Corporation stock held by the British is $35,000,000. To get any adequate security therefore great volumes of commodities would have to be pledged as security. Suppose Australian wool, British liquor, or middle eastern oil, or whatever else you want to take as security, suppose they were pledged as security for the payment of the loan and then for some reason or another the loan was not being paid. What would you do? Send battleships to Australia with American soldiers and sailors to take the wool? Surely we are not going to consider a proposition like that. This British loan provides for the general program that for the immediate future the British will be able to buy more than they sell in order to make it possible for their people to live decently and rehabilitate their country and maintain their position in European and world affairs. Those who do not believe those objectives are worth while to this country may vote against this bill. Those who believe them to be of very great importance to this Nation and to world peace will vote for it. Thereafter, the British will have to sell more than they buy in order to repay. If they can do that, they will repay. If they cannot do it, they cannot repay. If this Nation, more important than all others, is willing to trade on an expanding basis, if we are wise enough to maintain the buying power of our own people at a high enough level to afford a market for all we can produce so we will not be afraid of imports, if these things are done, Britain can and will repay by selling more goods than she buys. But if we are not willing to receive these imports then we would have equal reason not to want to receive the commodities which might be put up as security under this amendment. I therefore regard the amendment as of no use or value to the United States but as a gratuitous expression of lack of confidence in the British Nation. It certainly should be defeated.

Mr. BENDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENDER as a substitute for the amendment offered by Mr. DIRKSEN: On page 2, strike out section 1 and insert therefor the following:

"That the Secretary of the Treasury in consultation with the National Advisory Council on International Monetary and Financial Problems is hereby authorized to modify the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President on January 30, 1946, to lend $1,250,000,000 to the United Kingdom, at a rate of interest not less than the average rate of interest paid by the United States Government during the last 5 years on long-term Government bonds.

"SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom as modified, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $1,250,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose.

"Payments to the United Kingdom under this joint resolution as amended and pursuant to the agreement as modified and repayments thereof shall be treated as public-debt transactions of the United States."

Mr. BENDER. Mr. Chairman, there is every reason to believe that the British negotiators pulled the wool over the eyes of our Representatives, and there is good reason to believe that the administraton has pulled the wool over the eyes of the committees of Congress.

The two best financial minds in this country, Baruch and Jesse Jones, pointed this out to us a long time ago but nobody has been willing to listen.

First. The British negotiators insisted that the British would run a deficit in their balance payments of $3,000,000,000 in the first year after VE-day. Ten months have now passed since the negotiations were completed and actual trade figures are available to test that estimate. These trade figures show that exports are running $1,000,000,000 above the estimates. Imports are running one billion less than the estimates, so that the deficit in the trade balance is not three billion, but one billion. The last figures reported by the Board of Trade shows the trade deficit in May as £27,000,000, a little over $100,000,000.

Second. The Administration has claimed that the British had $14,000,000,000 of short-term debt frozen sterling balances owing to the Empire countries, and insisted that a large loan was necessary in order to enable the British to unfreeze the debt and open up their trade. The administration failed to point out to the Congress that the British had a plan for dealing with the short-term debt problem. This plan is as follows:

The British propose to decrease the indebtedness from fourteen to twelve billion by what they call a series of offsets. Of this twelve billion they propose to cut off four billion by imposing upon their creditors what they call "an adjustment," but that means, of course, that they are simply going to ask their creditors to forgive them one-third of the $12,000,000,000. Well, what about the $8,000,000,000 that remain—that is a tidy sum. So far as that eight billion is concerned, the British propose to make 10 percent or $800,000,000 available to their creditors at once; the balance is to be frozen for a period of 5 years and thereafter paid off in 50 annual installments, without interest.

What this all adds up to is very simple. The British propose to pay 20 cents on the dollar—not fourteen billion, but a little over two and one-half billion, and the immediate sum for which they will make themselves liable is $800,000,000.

Nobody can possibly justify a loan of three and three-quarter billions to take care of an immediate obligation of eight hundred millions and a 50-year obligation of two and one-half billions.

Third. The administration contends that the loan is necessary in order to induce the British to give up imperial preference and to scrap the bilateral arrangements which they have made in the past. Anyone in his right mind knows that the British have not the slightest intention of giving up either of these devices.

Within the past several weeks, the British negotiated an arrangement with Canada by which they undertook to purchase the Canadian output of wheat for many years to come, at $1 60 per bushel. In other words, the British were making exactly the kind of bilateral arrangement they had made in the past. They would buy their wheat, not in the world market where our farmers could compete with other countries, but exclusively in Canada. Now in these matters, one hand always washes the other, and of course the Canadians would reciprocate by meeting their requirements for manufactured goods in the British market. Before the contract could be signed, Mr. Clayton, of our State Department, pointed out to the British that this was not a good time to make such an arrangement, with the House about to debate the loan bill, and with the administration emphasizing that the primary reason for the enactment of the bill was the development of free and fair trade, it was a most inopportune time for the British to push an empire preference arrangement. Accordingly, the arrangement has been put on ice, but not for long. Two weeks after this country has voted the British loan, you can be sure that the British will complete the arrangements they have worked out with Canada. All this makes it perfectly clear that this country is being sold a "gold brick." We are dealing not with a loan, but with an outright subsidy. If we want to make a gift to Britain, why do we not have the honesty to say so. If, on the other hand, we are interested in a loan to help the British meet their balance-of-payment problem, then it is perfectly clear that the British do not need three and three-quarter billions. They need, at the most, one-third that amount; not three and three-quarter billion, but one and one-quarter billion. Furthermore, if this is really a loan, then this country ought to charge a rate of interest at least as great as this Government has to pay when it borrows money.

Mr McDONOUGH. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirteen Members are present, a quorum.

The gentleman from New York [Mr. CELLER], is recognized for 3 minutes.

Mr. CELLER. Mr. Chairman, my name has been bandied about in this debate because I have taken a very decided stand against this loan. I have been severely criticized, but I shall not be cowed, I am unafraid. My viewpoint is deeply rooted and is unshaken.

The gentleman from Indiana [Mr. LAFOLLETTE], spoke of hatred. What about British hatred, and British cruelty in many parts of the world? Shall we remain supine and complacent in face of that cruelty, in face of that hatred?

You cannot consider this loan in a vacuum, you cannot consider this loan unrelated to British imperialism and British colonialism.

I am going to restate my position so that the gentleman from New York [Mr. BALDWIN], and others like-minded, may know it. I have a public trust in this matter just as well as the gentleman from New York [Mr. BALDWIN]. I am just as American as he is, althcugh he may vote for the loan and I am going to vote against it. I vote as my conscience dictates just as he may vote as his conscience dictates

How could we ignore the effect and the encouragement this loan will give to British imperialism? In all this debate we have dwelt on the dollar and we have dwelt on the pound. No one has asked the very cogent, pertinent question, does man live by bread alone?

I am neither afraid nor unwilling in the strongest way I know to indicate my disapproval of Britain's dishonorable conduct As an individual my course is clear; as a Member of Congress my course is likewise clear. I shall not vote in favor of British imperialism and British force. My conscience would not permit me to vote money to Britain that could be used to support soldiers to be used in maiming and strapping innocent people in the Holy Land. I shall not, like some out of this House and like some who appear before this lectern, speak from both sides of my mouth at the same time. I cannot castigate Britain and at the same time lick the hand that strikes me. I want to hear Britain say, with the Psalms, "According to the cleanness of my hands hath He compensated me"

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Indeed, Britain appears before us with unclean hands.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I have listened to and read a great deal of the debate on the proposed loan to Great Britain. It seems that everything possible has been said in all varieties of form.

To my mind, however, one simple fact has not been sufficiently emphasized. This is not our money that we are talking about. It happens to belong to the people of the United States. Hence, this issue is peculiarly one that should be settled according to the wishes of the people.

Whether it would be wise or foolish to make this loan is a proper subject for debate, but whether or not the people want to lend their money to Great Britain and under what conditions should be the deciding factor when we vote.

I have gone to considerable trouble and expense to find out what the people of my district believe about this matter, and what the people there believe could well be quite typical of what the people throughout the United States believe.

It so happens that the Thirtieth District of Pennsylvania, that I have the proud privilege to represent, is fairly evenly balanced between registered Republicans and Democrats. It has large residential areas, it has steel mills, glass works, coal mines, numerous farms, many persons of foreign birth, many of pre-Revolutionary War stock; it has ultra-rich sections, and distressingly poor sections. It is a district which to a remarkable degree is a small replica of the entire United States.

I have on three occasions caused thousands of questionnaires to be sent to the people of my district to accurately determine their views on national questions.

On March 15 last I inserted the results of two of these polls in the CONGRESSIONAL RECORD. If you will consult the RECORD for that day you will find that there was a question included which asked, "Do you favor the proposed loan to Great Britain?" The signed answers showed that 76 percent were opposed and 24 percent were in favor of it. That was plain enough, but I did not stop there.

Currently I am completing another such poll. It, like the others, is taken with every possible care. A fixed number of questionnaires are sent into each voting precinct. An equal number are sent to Republicans and Democrats. The persons addressed are chosen arithmetically from the lists of registered voters. No unsigned reply is counted.

Up to this moment over 1,000 replies have come back. Question 1 of the poll reads, "Do you favor the proposed loan to Great Britain?" Eighty percent of the people voted "no" and only 20 percent voted "yes." That is enough evidence for me that the people don't want to lend or give their money to Great Britain under the terms of this bill and it is still their money.

However, that is only part of the picture. Another question, No. 11, asked "If your answer to question was 'no' would you vote 'yes' if Great Britain gave us bases or some other valuable consideration in return?" And here is something worth noting. Sixty-eight percent of the people who voted "no" on question 1 answered question 11 in the affirmative. They overwhelmingly said in effect "We don't want to lend or give our money to Great Britain unless we get something in return."

Now I don't want a number of my colleagues to make the mistake of arguing that the resolution before us does give that something they want in return. These questionnaires were sent out after the Senate had passed this bill. We must assume that they knew fairly well what was in that bill when they voted "no" on the first question and then reversed their vote when something new was added.

I draw this conclusion, that if this Congress will adopt some amendment providing for some real and increased consideration for the welfare of the United States and if Great Britain will yield to that request then the loan will be popular with the taxpayers. If no such consideration is agreed on our people do not want to make the loan.

As for myself I have been one of those listed as undecided on this issue. Now I

state that if some satisfactory amendment is adopted I will support the bill; if no such amendment is adopted I will vote "no." In so doing I am quite certain I will be obeying the mandate of a great majority of the people as to how I should vote to use their money.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, emphasizing again this question of Empire preference, it has been repeatedly stated by the head of the British Government in the Parliament that these Empire preferences would not be given up by Great Britain. Mr. Churchill was specifically questioned about it, and the answer given him by the present government was "No, they have not been given up and there is no intention to give up British preferences."

On the question of the dollar pool, Lord Keynes said that the dollar pool made no difference; it was going to have to be given up within a year because the other nations would not stand for it. You can understand why the other nations would not give their dollars to Great Britain to spend for them, unless they were at war and had to in order to win the war So, that is out.

On this question of the sterling area, far from making it disappear, if you give it a moment's thought you can see that this is a proposition that will, in fact, entrench the sterling area, for this reason. The British will only have the dollars that are given to them in this manner and, as they have already told you, the British have a right to use them all here in America to buy American goods, if they want to, or for any other purpose. The sterling area is not going to give up the use of pounds sterling as money any more than the United States would give up the right to use dollars But by giving this money to the British you enable them to buy whatever they want to in America, such as nylons, beef, lumber, and housing materials. They have bought a great deal of lumber. They are engaged in a great housing program. They can buy whatever they want and then take it to Britain and sell it to the British. The British will pay pounds and shillings for it, British money, so that if the British use it shrewdly—and we have no reason to think that the British would not be at least as shrewd as our negotiators, because they have always shown themselves to be much shrewder in the way of flattering them—they will make more than $4,400,000,000 out of this proposition. It will be in British money, and naturally since British money can only be used in the sterling area, it will be used further to entrench the sterling area.

Those southerners who favor this bill perhaps because they are still fighting the War Between the States or because they are deceived by those who tell them that they are going to get trade out of it, should remember that Jesse Jones said that this money will be used to buy cotton in Brazil or India or anywhere that it can be bought more cheaply.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Chairman, the Dirksen amendment will decide whether this is a gift or a loan. I have heard it discussed this morning that this was a character loan to Great Britain with an interest rate of 1.62 percent. If we can make a character loan to Great Britain we can certainly make a character loan to our veterans and our farmers at the same rate of interest. Why loan the veterans of the United States at 4 percent and the farmers of our country at 3 and 4 percent and charge Great Britain only 1 62 percent? Must we bankrupt America in order to finance the world? With millions of veterans to be taken care of, with millions of old people receiving inadequate old-age assistance, and the need for more and better schools and hospitals all over the country, it is unthinkable that anyone would add further to our multibillion dollar national debt for the benefit of any foreign country. Everyone knows that we cannot continue to give away our money and resources without jeopardizing our own welfare American taxpayers cannot afford to pay billions of dollars in subsidies to the British Empire. The American taxpayers cannot uphold the British Empire forever. The American people are against this loan. The veterans are against this loan. The farmers are against this loan. The laboring people of America are against this loan.

They may not have a chance to vote on this loan, but they will have a chance to vote next November.

Miss SUMNER of Illinois Mr Chairman, will the gentleman yield?

Mr LANDIS I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Why would a veteran, after fighting 4 or 5 years to save the British Empire, come home, when we have a scarcity of goods in this country, and want to give $3,750,000,000 to the British? It is not human nature, is it?

Mr. LANDIS. No. I thank the gentlewoman.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. LANDIS. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has stated the laboring people are against the loan. May I inform the gentleman that to the extent to which the organized labor groups speak for the laboring people, the CIO and the A. F. of L. very definitely are for the loan.

Mr. LANDIS. The gentleman is speaking for the leaders, but I am speaking for the rank and file, because I have talked to hundreds of them.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LANDIS. I yield to the gentleman from Idaho.

Mr. WHITE. I have just received a communication from the CIO and the A. F. of L. in the State of Idaho and they are all against the loan.

Mr. LANDIS. Of course they are against the loan. The people are against the loan.

Mr. JENNINGS. Mr. Chairman, I was impressed with the candid statement of the distinguished gentleman from New York [Mr. GWINN] that this proposal we are now considering is not a loan to Great Britain.

It is a gift of $3,750,000,000.

The American people are the most generous in the world. Under this agreement we turn over to Great Britain $6,003,164,850 worth of lend-lease goods. A large part of these materials are civilian goods such as farm machinery, nails, building materials and food, which are desperately needed in this country. The amount of $650,000,000 we are to receive from Britain is to be paid, if it is ever paid, in 50 annual installments running to the year of our Lord A. D. 2001

All roads lead to Washington. This is the only Capital in the world where things are given away. Great Britain is getting this more than $6,000,000,000 worth of goods for a song, 10 cents on the dollar, and we sing the song.

Cancellation by this administration of virtually $30,000,000,000 of benefits passing from this country to Great Britain is similar to an episode that took place in a small town in Tennessee. A farmer who was addicted to drink had become indebted to the village saloonkeeper. One day when he was in town and in his cups some of his friends suggested to him that the saloonist had charged him with purchases he had not received. This suggestion was made by the friends of the customer in a spirit of levity. But Uncle Jack went to the saloonist and said to him, "I want to go over my account with you" Thereupon the saloonist began to call off the various items, "A gallon of brandy on April 1." Uncle Jack said, "I did not get that." The saloonist said, "All right, we will mark it off." This performance kept up until almost the entire account had been challenged by Uncle Jack, whereupon the saloonkeeper ran his pencil through all the items of the account and said, "Well, I will just mark them all off The less you owe me the less I will lose"

Many speeches that we hear, both in and out of Congress, are like a threshing—there is a lot of straw and chaff and just a little bit of wheat. Disregarding the emotionalism that has characterized the appeals for the granting of this gift of four thousand million dollars to Great Britain, I gleaned this one statement from the effective speech of the distinguished Speaker of the House this morning in his fervid appeal for this measure. He said, among other things, "This is an agreement." With this statement I am in perfect accord. It is an agreement on our part to take $3,750,000,000 of money that this Government does not have, but which it must raise by the sale of its bonds to the people of this country, and make it available to Great Britain for the purchase of such goods as she may buy in this country, or to use for any other purpose the British Government may desire. It is said that as a result of our gift of this money to Great Britain she will hereafter discuss with us the loosening of her trade restrictions that shut our people out of the markets of Great Britain, Canada, Australia, New Zealand, South Africa, and other countries, the trade of which Great Britain controls. We are told that Great Britain may make concession to this country as a result of which, perhaps in the dim and distant

future, we may be permitted to use for commercial purposes the air bases which we constructed at a cost of billions of dollars in British possessions. But none of these hoped-for benefits that the advocates of the gift of this enormous sum to Great Britain predict are embodied in any obligation or term expressed in this agreement. Under this agreement it is made certain that Great Britain is to receive at once the right to draw on the Treasury of this country for $3,750,000,000. Why did those who negotiated this agreement with the able representatives of the British Crown fail to write into the agreement the benefits it is claimed this country will receive from Britain?

A lawyer with ability and learning enough to draw a simple civil warrant that would hold water before a justice of the peace in a suit to recover a $5 account for merchandise knows that when two parties make a written agreement whether they be individuals or nations, that all of the terms of the contract are deemed to be embraced in the written agreement.

They say to us that we should have faith in the British Empire. What is faith? The greatest authority on faith is the Apostle Paul. He thus defined it: "Faith is the substance of things hoped for, the evidence of things not seen." But we have no right, under the terms of this written agreement which we are today asked to approve to hope for any tangible, substantial benefit at the hands of the British.

We were first asked to make an outright gift of from three to six billion dollars to Great Britain. This proposal of Lord Keynes, the representative of the British Empire, was not favorably received by the American people. He and his associates, on the theory that "a rose by any other name will smell as sweet," substituted the word "loan" for the word "gift." But they made certain, as it has been made certain in this debate, that this so-called loan should be and is a gift. When this proposal was not favorably received by the American people, Lord Keynes said that if we did not give Great Britain this money, or lend it to her, she would wage a trade war on us. Then Lord Halifax assured us that there was no intention on the part of the British Empire to put a gun to our heads.

You cannot buy friendship. We should know by this time that gratitude on the part of nations who receive great financial benefits from this country can best be characterized as "a lively appreciation of favors to come." When we remind them of what we have done for them, they say to us, "Yes, but you have not done anything for us lately."

The British have assets at this time in this country to the value of $3,238,000,000 which they can pledge as collateral for the payment of this gift-loan.

The actions of the majority of this House today makes it doubly sure that none of this huge sum of money will ever be repaid.

When any citizen of this country goes to any bank or trust company or to any individual and seeks to borrow a large sum of money, he is required to furnish a financial statement showing what he owes and what his assets are. The lender then considers the applicant as a moral risk, what his reputation is for meeting his obligations. And too, before the loan is made, the borrower must give a mortgage on his property, must put up collateral of value sufficient to insure the payment of the loan, or he is required to furnish good and solvent personal security. It is difficult to believe that a majority of this House will vote a gift of $4,000,000,000 to Great Britain or to any other government.

The distinguished Member from New York [Mr. REED] will offer an amendment which provides that after the United Kingdom has drawn the first $1,000,000,000 of the proposed line of credit, no further payments to her on the remaining $2,750,000,000 shall be allowed unless, within 1 year after the agreement went into effect the United Kingdom notified the President and the Congress of this country that she had eliminated all discriminatory financial and trade practices, and had abandoned all discriminatory trade barriers and preferential tariffs established by Great Britain and her colonies which affect products of the United States Will this effort on the part of Members of Congress to protect the rights of the people of this country be voted down by the advocates of this gift?

The supreme duty of the Members of Congress is to protect and preserve the credit of our Government and to maintain its solvency and ability to meet and pay its obligations to the people of this country. We must be just before we are generous.

But few people of this country realize how far down the road to bankruptcy this Government has been led by the gross waste and inexcusable extravagance of the New Dealers who have been busy for the past 13 years in squandering and giving away the wealth of this Nation.

In a speech in this House on Wednesday, January 23, of this year, the distinguished Representative from Massachusetts [Mr. WIGGLESWORTH], a member of the Appropriations Committee, and one of the best-informed men in America on the financial condition of this country, set out the desperate financial condition of this Nation. He pointed out from figures furnished at his request by the Bureau of the Budget that as of November 30, 1945:

The gross public debt of the United States was $265,000,000,000.

Its unliquidated obligations were over $45,000,000,000.

Its contingent liabilities—guaranteed obligations and insurance—were over $342,000,000,000.

That the gross public debt of this Government, including its contingent liabilities amount to, at this time, $650,981,012,214.95.

This incomprehensible sum amounts to almost two-thirds of a trillion dollars and is twice the amount of our estimated national wealth.

Now let us see what this gift of $3,750,000,000 means to the people of the Second Congressional District. The share in the national debt of each and every individual in this country from the youngest babe in arms to the oldest living inhabitant is $2,000. That is, if every man, woman, child, and infant, had the money and was able to pay his or her share of the fixed indebtedness of this Nation of more than $300,000,000,000 the part that each would have to pay is $2,000.

The population of the Second Congressional District at this time, according to the best estimates I am able to obtain, is 432,916. The share of the people of this congressional district in the national debt amounts to $865,832,000. When the Congress votes to make a gift of $4,000,000,000 to Great Britain, it thereby in effect will take from each of the 140,000,000 men, women, and children of this country, assuming each had the money to pay his or her part, $34. In other words, by voting this gift to Great Britain the Congress will take from the people of the Second Congressional District of Tennessee $14,719,144.

I include here a table showing the population of each county of the Second Congressional District according to the census of 1940, and the civilian population of each county of this district as estimated by the census of November 1, 1943, and in the first column thereafter in this table I set out, first, the amount of such county's share of the gift to Great Britain, and in the second column I set out such county's share of the national debt:

	Census, 1940	Civilian population, 1943	Cost of British gift-loan to each District	Share of each county in national debt
Anderson	20,504	74,233	$2,523,922	$148,466,000
Blount	41,116	49,407	1,680,838	88,814,000
Campbell	31,141	20,987	1,019,558	59,974,000
Knox	178,468	195,516	6,647,544	391,032,000
Loudon	19,848	21,782	740,758	43,574,000
Morgan	15,262	13,157	447,338	26,314,000
Roane	27,795	31,071	1,056,414	62,142,000
Scott	15,968	14,835	504,390	29,670,000
Union	9,030	7,925	269,382	15,850,000

The assessed valuation of all real estate and personal property in Knox County, Tenn., is $124,623,420 and the assessed valuation of public utilities of said county is $21,014,879 80. It is thus seen that Knox County's share of the national debt exceeds the assessed valuation of all property in Knox County subject to taxation by $245,393,700 20.

Mr. Chairman, I cannot bring myself to vote this additional indebtedness on the American people. My first and only obligation is to the people of this country. I must observe the words of Holy Writ:

But if any provide not for his own, and especially for those of his own house, he hath denied the faith and is worse than an infidel.

A few days before the voting on this gift to Great Britain the House of Representatives voted a substantial increase in Federal funds for the monthly relief of the needy, aged people of this country. We did this in discharge of the obligations of the Nation to those who through no fault of their own are dependent upon the Government for their existence. If

Congress votes these billions to Great Britain, the Ways and Means Committee of the House may cut out of its social security bill a provision for larger grants to low-income States for the payment of benefits to the needy, the aged, blind, and dependent children. Thus with one hand the Congress hands to a foreign power $4,000,000,000 and with its other withdraws from the poor people of this country, and the blind and needy children, the help and assistance they so desperately need.

We must preserve the financial integrity of our Government. We must keep faith with the owners of United States bonds, with the owners of life-insurance policies, savings, the depositors of our banks, our pensioners, our veterans, the salaried people, our aged, and with all our people.

One half the $40,000,000,000 assets of our life-insurance companies are invested in United States bonds, from one-third to one-half the assets of our banks are in Government bonds.

We have no moral or legal right to pull down on the heads of the American people the house of our existence.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr Chairman, after weighing the arguments advanced on both sides of this question I have decided to vote in favor of granting this loan to Great Britain. Its terms may not appear as advantageous as our representatives might have demanded, but I agree with the business, labor, and farm leaders of the United States in their view as advertised in the Washington Post this morning that from this loan will come expanded world trade with resulting business and many other benefits for the United States. If it helps Great Britain greatly, so much the better for the United States. It will improve our position in the war-torn world. It will make repayment of the loan more certain. According to a public poll more than 60 percent of the American people believe that there will be a third world war. I hope they are wrong. World trade on fair terms will contribute to world stability and peace. By stimulating world trade this loan will help to overcome the causes of a possible war. I believe that the business, economic, political, and military benefits which will accrue to the United States from this loan warrant its approval. Our foreign loans have not proved too successful in the past, but I hope that this loan will be repaid in full in accordance with its terms. It will mean that world trade conditions have been good over a long period of years, that the United Nations has had time to grow in strength and that peace has endured.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I urge the final passage of this resolution without the adoption of crippling amendments.

Mr. Chairman, I urge the final passage of this resolution without restricting or wrecking amendments. This resolution puts into effect economic agreements between the United Kingdom and the United States, which were arranged by representatives of the two Governments several months ago. The question now, and at any later date, would remain the same. The issue is whether or not our own beloved country, conceived in and nurtured by freedom, is going to unite with other peoples of the world, who are dedicated to the same ideals in the extension and perpetuation of freedom and self-determination for all men and all nations over all the earth.

This momentous choice is before us. We must very soon cast America's lot and perhaps that of the world. Will we elect to expand freedom, democracy, and peace through an ever-widening sphere of international cooperation and friendship, or will we choose distrust, misunderstanding, and war through separation into isolated rival groups? Will we sponsor freedom and democracy, or will we encourage slavery under a totalitarian state? Democratic cooperation, determination, and strength, twice won on the field of military battle the privilege to survive, together with the position of world leadership. Will we again desert victory, so costly won, and look forward to the third military round between the same old rivals, dictatorship and democracy?

It is my hope that we here today will rise above any personal ambitions or fears and cast an overwhelming vote for peace, happiness, and more equal abundance for all men. With a broken and bleeding world so urgently imploring us for leadership, surely we will not fail humanity in this crucial hour. Will we share our abundance and endure, or will we withhold and perish?

Mr. DIRKSEN. Mr. Chairman, I understand that the gentleman from Ohio [Mr. BENDER] offered what was purported to be a substitute for the amendment which I offered. I was not present at the time but certainly it is not a substitute and I hope it will not be so considered.

The CHAIRMAN. The amendment offered by the gentleman from Ohio [Mr. BENDER] was offered as a substitute and no point of order against it was made at the time The Chair cannot do other than to put it as a substitute amendment. Of course, if a point of order had been made, the situation would be different.

Mr. DIRKSEN. If the Chairman will indulge me further, I understand that, but I simply want to make it clear to the Committee of the Whole that it is not a substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT of Wyoming. It seems to me, Mr. Chairman, that the Dirksen amendment is entirely consistent with the policy which this Government has adopted and followed before and during the war. We have proceeded on the theory that goods and supplies furnished to the nations associated with us in the war would be on a lend-lease basis. It was generally understood that this was a reciprocal agreement and that at the war's end we would strike a balance and settlement would be made. Later on, the President declared that perhaps in the wind-up the balance due us in lend-lease would be waived for the reason that it might engender some hard feelings if we were to insist upon payment of the balance due us. Now, the fact is that the net balance due the United States under the lend-lease arrangement at the end of the war in Europe amounted to $16,000,000,000 after deducting the reverse lend-lease furnished by the United Kingdom to the United States in the sum of $4,500,000,000. By this agreement that balance is waived. In view of the tremendous war debt assumed by the people of the United States, no one can deny that this in itself was a generous contribution by this country to Great Britain in the furtherance of its war effort and for its own protection.

At the war's end there was over six billion dollars of goods belonging to this country in the United Kingdom. This represented unconsumed lend-lease, pipe line lend-lease, and United States surplus property. All of which is more clearly shown in the settlement of the war account between the United States and the United Kingdom, which has been summarized as follows:

CONSUMED LEND-LEASE

Total lend-lease furnished by the United States to the United Kingdom	$26,000,000,000
Unconsumed lend-lease in possession of the United Kingdom	5,500,000,000
Net difference	20,500,000,000
Reverse lend-lease furnished by United Kingdom to United States	4,500,000,000
Net lend-lease credit balance in favor of United States	16,000,000,000

UNCONSUMED LEND-LEASE

Held in stock by civilian agencies	$439,835,441
Distributed by civilian agencies	84,463,847
Petroleum (civilian and military)	143,340,000
Noncombat aircraft sold and leased	207,220,000
Lend-lease interest in installation in United Kingdom and colonies	34,000,000
Ships	4,000,000
Military goods in hands of United Kingdom forces	4,705,055,562
Total	5,617,934,850
(Offset) total unconsumed reverse lend-lease	−65,190,000
Net total unconsumed lend-lease	5,552,144,850
Amount to be paid to the United States	472,000,000
Percent of cost, 8 5	

UNITED STATES SURPLUS PROPERTY

Original cost of United States surplus in United Kingdom	$498,000,000
Amount to be paid to the United States	60,000,000
Percent of cost, 12.	

PIPE-LINE MATERIAL

Cost of lend-lease material in pipe line		$301,000,000
Cost of reverse lend-lease in pipe line	$130,000,000	
Net claims to United Kingdom	53,020,000	
Total offsets against pipe-line lend-lease		—183,020,000
Net total		117,980,000
Amount to be paid to the United States		118,000,000
Percent of cost, 100		
Transfer to United Kingdom, net total		6,033,164,850
Amount to be paid United States (in 50 annual installments, running to A D 2001)		650,000,000
Percent of recovery on total transaction, 10 7		

This agreement provides for a credit of $4,400,000,000 of which $3,750,000,000 are to be advanced in cash by this Government and $650,000,000 represents the settlement in full of the over $6,000,000,000 in property in the United Kingdom belonging to this country at the war's end. That represents a settlement on the basis of about 10 percent.

The following is a break-down of the unconsumed lend-lease goods in pipe line and United States surplus property:

UNCONSUMED LEND-LEASE ARTICLES

(a) Undistributed civilian inventory (goods held in stock by civilian agencies of the United Kingdom):		
Food products	$237,861,219	
Raw materials	179,740,559	
Manufactured items	19,622,515	
Bunker coal	579,878	
Miscellaneous in colonies	2,031,270	
Total		439,835,441
(b) Distributed civilian inventory (goods distributed through channels of British economy, excluding machine tools which have been and will be paid for separately):		
Agricultural machinery	36,300,000	
Mining machinery	18,150,000	
Miscellaneous machinery and equipment	18,573,500	
Equipment in colonies	11,460,347	
Total		84,483,847
(c) Petroleum, both military and civilian (cost includes total ocean freight)		143,340,000
(d) Noncombat aircraft (at average original United States cost):		
Noncombat aircraft transferred to United Kingdom	74,440,000	
Noncombat aircraft leased to United Kingdom (lease price for 7,213 aircraft-months is $2,404,333)	67,100,000	
(d) Noncombat aircraft—Con.		
Noncombat aircraft to be returned to United States	65,680,000	
Total noncombat aircraft in inventory	207,220,000	
(e) Lend-lease interest in installations in United Kingdom and colonies (estimated United States cost)	34,000,000	
(f) Ships: Nonnaval vessels under 100 gross tons	4,000,000	
All vessels transferred under the Lend-Lease Act other than those above shall be returned and where chartered, shall be returned in accordance with their charters.		
Total civilian type unconsumed lend-lease	912,879,288	
(g) Military inventory (goods held by the armed forces of the United Kingdom other than categories (c), (d), and (f) above):		
Food	129,403,034	
RAF aircraft (combat types at average United States original cost)	851,199,000	
RNAF aircraft (combat types at average United States original costs)	330,861,224	
Ground Force equipment	3,393,592,304	
Total military type unconsumed lend-lease	4,705,055,562	
Total of all unconsumed lend-lease	5,617,934,850	

PIPE-LINE, LEND-LEASE, AND REVERSE LEND-LEASE ITEMS

Civilian (mostly food)	$274,000,000	
Military	12,000,000	
Shipping services	15,000,000	
Total pipe-line items in favor of United States (subject to bookkeeping adjustment)		301,000,000
Reverse lend-lease pipe-line:		
Raw materials	38,000,000	
Shipping and other services and supplies	92,000,000	
Total (subject to bookkeeping adjustment)		130,000,000
Claims accepted:		
United Kingdom against United States	76,740,000	
United States against United Kingdom	23,720,000	
Net claims of United Kingdom		53,020,000
Total pipe-line items in favor of United Kingdom		183,020,000
Net balance on pipe-line lend-lease items in favor of United States		117,980,000

Now, in the settlement of over $6,000,000,000 worth of goods for $650,000,000, you will find food products listed at $641,000,000; civilian inventory goods at $84,000,000; petroleum at $143,000,000; and noncombat aircraft at $74,000,000. In addition to the above, in the military inventory there is listed three and one-third billion dollars of ground force equipment, and I want to call your attention specifically to the fact that the Mead committee investigating the national-defense program stated that about three-fourths of this property was of civilian type such as building materials, lumber, nails, roofing, paint, plumbing fixtures and pipe, hardware, construction machinery, roadbuilding equipment, motor vehicles, and electric equipment, all of which articles are and have been scarce in this country for several years.

It seems, therefore, to me that up to this very minute, this country has been extremely generous to Great Britain. Without a question of a doubt, under this agreement Great Britain received goods after the war's end which were worth three or four billion dollars for the item of $650,000,000 included in this loan agreement.

Now, the United States was prohibited from selling its surpluses located in the United Kingdom to anyone but the British Government. This prohibition is contained in a letter dated September 23, 1944, to Mr. Edward Stettinius our Under Secretary of State at the time. The net effect of this prohibition was that the United States was limited, for all practical purposes, to but one customer for the sale of its surpluses; namely, the Government of the United Kingdom. It seems to me, Mr. Chairman, that if it has been necessary for us to wipe the slate clean of the $16,000,000,000 balance due us under lend-lease at the end of the war, and if it has been necessary for us to give them the $6,000,000,000 worth of property belonging to us and located in Great Britain after the war, for the purpose of maintaining friendly relations and so there could be no hard feelings because of debts created by the war, then by the same token it is pretty poor business for us to loan Great Britain $4,000,000,000 at this time without security.

From the record, Mr. Chairman, it seems to me that we have been extremely generous with Great Britain, and that it will make a better feeling between that country and ours if the amendment offered by the gentleman from Illinois, [Mr. DIRKSEN] is adopted. I have no doubt whatsoever, Mr. Chairman, if the situation were reversed and we were applying for a loan from the United Kingdom, that they would take the same position as the gentleman from Illinois.

The CHAIRMAN. The time of the gentleman from Wyoming [Mr. BARRETT] has expired.

The gentleman from Massachusetts [Mr. MCCORMACK] is recognized.

Mr. MCCORMACK. Mr. Chairman, we are considering a financial agreement. The resolution before us is to approve or disapprove that agreement. That agreement was arrived at as the result of representatives of our country and of Great Britain meeting and arriving at the terms, and then the financial agree-

ment being submitted to the Congress in the nature of the resolution now before us.

In opposing the amendment offered by the gentleman from Illinois [Mr. DIRKSEN], and other amendments, I urge my colleagues to keep in mind that if an amendment is adopted and if it should remain in the resolution as it should finally pass both branches, it would mean there would have to be a renegotiation entered into between the representatives of the United States and the representatives of Great Britain. The adoption of this amendment or any other amendment in all probability would result in serious interference with, if not the defeat of any future financial agreement.

I have before me a letter from William Green addressed to me under date of July 12, 1946, which I shall read for the information of the Members. The opinions of such outstanding Americans of William Green's caliber are worthy of deep consideration:

AMERICAN FEDERATION OF LABOR,
Washington, D. C, July 12, 1946.

Hon. JOHN W. MCCORMACK,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I appeal to you and the Members of Congress to act favorably upon the British loan legislation now pending in the Congress of the United States. The creation and maintenance of a sound economic condition in Great Britain is of primary concern to the people of the United States and of great importance to all nations throughout the world. We will promote the economic and industrial interests of America, as well as to extend urgent and needed assistance to the people of Great Britain by extending them a loan as provided for in the legislation now pending in Congress.

The extension of a loan to Great Britain is economically sound. It will serve to promote international trade, open up and create markets for the sale of American goods, and serve to promote good will, peace, and security among the nations of the world.

I hope and trust Congress will act promptly and favorably upon this proposed British loan legislation.

Very sincerely yours,
WM. GREEN,
President, American Federation of Labor.

I also have a letter, which I shall ask permission to place in the RECORD, from the Assistant Secretary of State, Mr. Clayton, setting forth the future action of our Government with reference to the sterling and dollar receipts:

DEPARTMENT OF STATE,
Washington, July 10, 1946.

The Honorable JOHN W. MCCORMACK,
House of Representatives.

DEAR MR. MCCORMACK: In the course of our conversation today we discussed the effect which the Anglo-American financial agreement will have upon opening the commerce of the entire sterling area to American businessmen. I am writing to give for your information a concise statement of the results which will follow if the financial agreement is approved.

Within 1 year after the approval of the agreement all countries of the British Empire and the sterling area will have their current sterling and dollar receipts free to use as they wish for current transactions anywhere in the world. At that time any discriminations arising from the present sterling area dollar pool afrangement will cease entirely and the dollar pool will be dissolved.

Within 1 year after the approval of the agreement the present practice of freezing pounds sterling acquired by other countries from their current business transactions with Britain, or any other part of the sterling area, will cease and any sterling so acquired will be freely available for use anywhere in the world. In short, a businessman who acquires sterling will be able to convert it into dollars or any other currency he wishes in order to make purchases outside of the sterling area.

The agreement also provides that immediately upon its approval exchange controls will be lifted by Britain with respect to current transactions between the United Kingdom and the United States.

By these three steps the whole fabric of controls by which the British have managed to deal with their unfavorable balance of payments positions during the war, and which they would most certainly have to retain and extend, without assistance, is wiped away, and anyone doing business with Britain or the sterling area will soon be able to use the proceeds of that trade to deal in any markets he wishes. This is the way to secure the revival of free enterprise in international trade. Without the removal of these controls regimentation will have to continue elsewhere in the world and will inevitably be forced upon the United States.

I hope this will serve to clarify the provisions of the financial agreement about which we talked. I have often emphasized their enormous importance to the United States, and I know you realize how urgent it is that we secure the cooperation of Britain in our efforts to achieve an expanded world trade.

Sincerely yours,
W. L. CLAYTON,
Assistant Secretary.

In conclusion, the thing that impressed me, as stated by the gentleman from Michigan [Mr. WOLCOTT] which I in my humble way referred to in my remarks yesterday, are the implications involved not only for the world of today but the world of tomorrow as far as we can reasonably see.

I closed my remarks yesterday by resting my case on the ground that the approval of this resolution and financial agreement was in the national interest of our country, as far as the provisions of the agreement were concerned, but more particularly the approval of the agreement was in the national interest of our country and of our civilization.

I hope that all amendments offered, recognizing the honesty of motive of the Members offering them, will be defeated, and that the resolution will be passed by an overwhelming vote.

Mr. MONRONEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-one Members are present, a quorum.

The question is on the substitute amendment.

Mr. BENDER. Mr. Chairman, I ask unanimous consent that for the information of the membership the amendments may be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 2, at the end of line 8, add the following proviso: "*Provided*, That no obligation shall be incurred or draft made upon any credit established in consequence of such agreement until after the Secretary of the Treasury shall have certified to the President that security has been provided in an amount adequate to cover the principal sum of any such obligation or draft."

Amendment offered by Mr. BENDER as a substitute for the amendment offered by Mr. DIRKSEN: On page 2, strike out section 1 and insert therefor the following:

"That the Secretary of the Treasury in consultation with the National Advisory Council on International Monetary and Financial Problems is hereby authorized to modify the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President on January 30, 1946, to lend $1,250,000,000 to the United Kingdom, at a rate of interest not less than the average rate of interest paid by the United States Government during the last 5 years on long-term Government bonds.

"SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom as modified, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $1,250,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose.

"Payments to the United Kingdom under this joint resolution as amended and pursuant to the agreement as modified and repayments thereof shall be treated as public-debt transactions of the United States."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Ohio [Mr. BENDER] to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 97, noes 138.

Mr. HOEVEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BROWN of Georgia and Mr. DIRKSEN.

The Committee again divided; and the tellers reported that there were—ayes 112, noes 168.

So the amendment was rejected.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not have an opportunity to speak on this bill in general debate. I do not think there has ever been a single issue before the Congress which has held the attention of the membership of this House to the extent that this measure has which we are considering today. There are many reasons, I suppose, why some Members are conscientiously opposed to this loan to Great Britain. For my part, I do not think the approval of this loan carries with it the approval of any phase of British foreign policy nor a commendation of its policies with respect to its own dominions, because I think the issue has to stand on its own merits. We know that if this loan is not granted there will be a continuation of the within-Empire preference with respect to trade. There also will be a continuation of the sterling

bloc, and that will lead, I suppose, to a commercial war between the United States and the British Empire. I would have no fears with regard to the outcome of such a commercial war insofar as the interests of the United States are concerned because with our resources we would be sure to win and the British Empire would be sure to be crippled, but what advantage to America in the present state of world affairs would be a crippled British Empire?

When I returned from Europe last year I addressed a group of my colleagues of this House and told them that I was apprehensive because of the things I had seen and heard upon the continent of Europe. I found that on the continent of Europe in all of the liberated countries Moscow was subsidizing the Communist Party in every instance. That to me is something which requires grave consideration, because it is a matter of concern to every American. The British Government has stood shoulder to shoulder with the United States in opposition to the various aims and objectives of the Moscow Government.

I am going to vote for this loan because I think a strong British Government is the one best bulwark against the march of communism in Europe. That, to my mind, is the conclusive argument in favor of voting for this resolution. I shall support it and I hope it will pass, because I think it will be the best protection this country can have against communism not only in Europe but within our own borders here in the United States.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the pro forma amendment.

UNITED STATES NEEDS A STRONG ENGLAND TODAY

Mr. Chairman, I have voted for the Dirksen amendment, and I shall vote for other amendments that propose to improve the interest rate or to insure collateral security for the loan; but whether they are adopted or not, on final passage I will vote for the resolution.

I shall vote for the proposition, Mr. Chairman, fundamentally because I believe that the best interests of the United States in the world today call for a strong and rehabilitated England.

We have to take the situation as we find it.

Every day brings the word of some clash between the positions of Russia and America in world affairs. I wish it were not so.

But until there is a better prospect of cooperation than now seems in sight, dare we fail to help England get on her feet?

None of us here today relishes the idea of voting a large loan to another nation. True, many loans have already been made to other nations through the Export-Import Bank. To France, to Italy, to China, and to many South American countries. Congress has had nothing to say about them. The pending loan proposal is larger and includes some trade agreements about which a great deal has been said. Personally, these features are not important considerations as far as I am concerned.

NOT FOR LOVE OF ENGLAND

I shall vote for the resolution on final passage, Mr. Chairman, simply and solely because in present world trends, I believe that it is in the interest of world peace that England be placed on her feet and made strong as rapidly as possible.

Her country suffered deeply from the war. Some of her principal industrial cities were destroyed. She lost a large number of her finest young men. Her capacity to produce has been severely crippled. And like it or not, England is the one great nation of the world ready and willing to speak with us for the principles of freedom and self-government in the world.

We need a strong England by our side today.

I am no lover of the British Empire, as such, Mr. Chairman.

I do not like British policy in Greece or in Palestine. I was disgusted with much of what I saw of British indifference and snobbery in India a year ago. I dislike the way Britain clings to Hong Kong, which should belong to China.

I was bitter when I stood on the sands of Tarawa and recalled how a British commander hurried there to run up the flag of the Empire before the sands were washed of the American blood shed to wrest the islands from the Japs

I am no worshipper of royalty or pomp and princes.

When the King and Queen of England came to Washington a few years ago, I went to South Dakota leaving to others whatever thrill they got out of shaking hands with, and bowing before, royalty.

In almost 10 years of Washington life, I have never been inside the gates of the British Embassy—nor, for that matter, any other except possibly the Canadian once during my first term here.

BUT SHE STANDS FOR FREEDOM

But, Mr. Chairman, the forces of freedom in this world must go forward together.

In spite of all that can be said of British imperialism and her stubborn or stupid selfishness, the fact remains that the friendship and the well-being of England mean more to this Nation and the ideals for which we stand than that of any other nation on earth.

We shall not be able, in my judgment, to stand firm for the principles we espouse in the councils of the world unless there is a strong and sound England beside us.

I am not moved by animus toward any other power.

Much reference has been made in this debate to Russia. Personally, I admire the native strength and courage of the Russian people.

I shall never forget their stand at Stalingrad. That, to my mind, was the turning point in the war, and whatever comes, civilization should never forget what it owes to Russian heroism and Russian sacrifice there and elsewhere.

RUSSIA IS GETTING REPARATIONS

Russia may need help.

On the other hand, Russia, is receiving, or is taking reparations. Out of Germany, out of Manchuria, out of Korea. England, so far as I know, is not getting reparations, sanctioned or unsanctioned, out of the war. But that is not the question here.

If and when a question of Russian aid arises, that should be dealt with on its own merits and on its relationship to the peace and well-being of the world at that time.

Personally, I believe we should make every possible effort to understand Russia and to establish cooperation in promoting justice and freedom throughout the world. I would like to see an exchange of students with Russia, an exchange of commercial missions, an exchange of writers and correspondents. We need to know more about each other.

In the meantime, however, I think it utter folly to be throwing brickbats at Russia and to refuse to respond to an appeal for help by England, the one nation most capable and most disposed to support our position in international affairs.

Many of those who call for a firm policy toward Russia are in the forefront of those who support this loan to England, and properly so.

SOME QUESTIONS MISS THE POINT

Attention has been called to the amount of the proposed credit or loan on a per capita basis. If all decisions were to be based upon a per capita apportionment of the cost, a lot of legislation would never pass the Congress

And I would agree that if it were proven that England would pay back nothing on this loan and that the cost would be assessed and paid by the people of the United States on a per capita basis, or on a county or State basis, the loan should not be made. But of course the loan will not be made or repaid on any such basis.

My State and your State could not afford to make a per capita share of the loan.

The United States, however, as a matter of self-interest, can afford to do so in the same way that it accepted the cost of the war and as it now is meeting the cost of establishing in peace the conditions for which we fought.

Will this credit support a government of the left in England? My answer is to ask: Will England move less or more to the left if the credit is refused?

Will the credit be used to compete with our own merchants for trade? My answer is that our trade will increase for the credit will be in the form of American dollars which must eventually return here for redemption.

Those considerations, however, with me are secondary.

WORKING FOR PEACE

The primary consideration, as I see it, is the value to us and to mankind of having an ally in the postwar world able and willing to speak and to work for the fundamental freedoms of speech and worship which are the well-springs of human liberty.

When those freedoms were openly in danger, when the enemy was at the throat of England, many of us supported a proposal for an outright credit to England

at that time as an alternative to lend-lease. We believed that a credit then would have meant swifter and more effective aid than lend-lease, and would have avoided much of today's haggling and uncertainties over bookkeeping balances. Whether so or not is beside the point now, except that it seems pertinent to observe that those who supported a credit at that time may well do so at this time.

The friends of freedom may need help in recovering from, no less than in resisting, the ravages of war.

Those who supported credits for waging of war can well support credits for the establishment of peace.

WE ARE REHABILITATING OUR ENEMIES

Mr. Chairman, in the fiscal years of 1946 and 1947, the United States will spend in the rehabilitation of our former enemy countries, Germany, Austria, Italy, Japan, and Korea, a total of approximately $3,430,000,000. That is almost the amount of the proposed credit to Britain.

I am not condemning what we seek to do in Germany or in Japan. I only hope that our efforts are successful in developing friendship and in setting up governments which will be found marching on the side of freedom in the years to come, rather than leading or aiding the forces of despotism and totalitarianism.

But shall we restore our enemies and deny this ally—an ally in peace as well as in war?

A QUESTION OF NATIONAL DESTINY

There are times, Mr. Chairman, when a vote in this Chamber means little one way or the other as far as the Nation's destiny is concerned. Then one may safely and freely vote according to the known wishes of a majority of his constituents.

There are other times, however, when the Nation's welfare is deeply involved and when one may not leave his vote to a popularity contest or a Gallup poll.

Reports from my State indicate that a vote for the British loan will not be a popular vote today. I would not be true, however, to the confidence placed in me if, on an issue of national welfare and destiny, I should vote other than what my judgment on the basis of information here available dictates.

I do not question the vote of any other Member of this body. I think we all have been deeply impressed with the sincerity of everyone who has participated in the debate. I have not made these remarks with the thought of influencing the vote of others, but rather to set forth for the benefit of those whose judgment I greatly respect, here and elsewhere, the considerations which impel me perhaps to disagree with them in this instance. I do that in justice to the respect I have for their convictions.

Issues such as we have here today are not easy to decide. There is merit in the argument presented on all sides. We cannot escape decisions, however, and live in these times or occupy positions of responsibility.

Nor can America, Mr. Chairman. This Nation cannot play her part in helping a world to freedom and to peace unless she accepts the responsibilities of the position she occupies. And we who sit in her halls of decision must face and meet the fundamental questions that come here for settlement. For me, it seems that the course of national security and world order is best served by making this credit available to Britain and I shall so vote.

Mr. WHITE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, although I had my application in early, I am not indebted to the leaders on either side of the House in charge of this bill for time in discussing this vital and important policy of the Government. I am opposed to this loan. I tell you here and now that every Member who votes for this bill will have cause to grievously regret his vote in less than 5 years from now. I want to read to the members of the committee the profound advice that has been given to us every year since I have been a Member of this House, which has been for the last 13 years. I read from the Farewell Address of the first President of these great United States. He states:

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it, avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate

Observe good faith and justice toward all nations, cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it, can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas, is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred or an habitual fondness, is in some degree a slave It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. * * *

A passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity, gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils—such an attachment of a small or weak, toward a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens) the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Mr. Chairman, some of the Members of the House are laughing. I am wondering if the farewell address of the first President of the United States is a source of amusement to the Members today in deciding an issue so vital and important to the people of these United States. I am wondering if it is a laughable matter. I am wondering if they are laughing at me or laughing at the first President of the United States, in trying to bring home to the Members of Congress advice that is read to us on the 22d day of February every year since I have been a Member of Congress and since Congress has existed—solemn advice that I have taken to heart. If it is a laughable matter, laugh on. You will have another occasion to laugh when the effect of this loan is borne down on the taxpayers of this country and people learn what is being done to them and their trade by the English. Mr. Chairman, we are gluttons for punishment if we pass this loan bill. We know what the financial leaders in this country and England did to our boys during the war in England. They were paid not in good American

dollars, as provided by law in this country, but they were paid in British pounds, at an inflated value, if you please; pounds at $4.02, when you could buy the the same pound in America for $2.85 in New York. In France our soldiers were paid in inflated francs, at 50 francs to the dollar, when you could buy them for 175 francs for the dollar in ordinary trade. Think of it. It was against the law for American soldiers to have American currency in their pockets. I wonder in your impatience to get on with this bill if you really know what you are doing. Howl on, howl on, you Democrats. You will be sorry.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. McDONOUGH. Mr. Chairman, I am not convinced that this financial agreement with Great Britain is as beneficial to the United States as claimed. I am confident that the business interests who are urging support of this loan will pay more in taxes than they will receive in profitable business to pay it back into the Treasury.

I cannot agree with those who say we must make this loan to stimulate foreign trade. I think a healthy competition for foreign trade between the United States and Great Britain would be good for both countries.

I do not think we can buy insurance against the spread of communism with $3,750,000,000. I do not think we can buy peace for this amount, nor can we buy friendship with dollars. I know that some of the people of Great Britain are opposed to this loan. I quote from a letter from an English businessman who states:

I don't fancy that the loan (if we get it—and most of us hope we won't) will do us much good. We felt that way before, but now we are told that it will only buy half what we expected due to your inflation

Here is how the English people feel about this loan. The letter further states:

Ah! well I suppose we must have governments to make our mistakes for us.

No businessman who is urging support of this loan would loan money without security. I supported the Dirksen amendment. I think the loan should be on a business basis with that amendment added. It failed.

I do not have sufficient confidence in the Truman administration and its foreign policy, nor the Attlee administration and its Socialist program, to believe that they will carry out the terms of the British loan to the satisfaction of the American people who must eventually pay the bill with hard-earned American dollars. My congressional district's quota is $8,297,120 of the $3,750,000,000. I do not think I should vote this tax burden on them at this time, with inflation imminent and a public debt of $300,000,000,000. My convictions will not permit me to support this resolution. I will, therefore, vote against the British loan.

We must think of our veterans who have no homes to live in; we must think of our aged citizens who are facing inflation and hardship; we must think of our $300,000,000,000 public debt, and realize that our first duty is to put our own house in order before we take on any additional responsibilities. Of course, we must and should keep and develop friendly relations with Great Britain and all foreign nations, but let us not forget that "money is the root of all evil," and that our present friendly relations with Great Britain may be wrecked by loaning this money.

Mr. CAMPBELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAMPBELL: Strike out all after the enacting clause and insert as a substitute bill the text of H. R. No. 6457:

"That it shall be unlawful for the Government of the United States or any department or subdivision thereof to lend or give money to any foreign government, group, or organization until and unless the Budget of the United States is balanced or is within $100,000,000 of balance.

"Any officer or employee of the United States who violates or knowingly participates in any manner with another person in violation of this act shall be guilty of a felony and shall upon conviction be punished accordingly."

Mr. PATMAN. Mr. Chairman, a point of order

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. I make the point of order against the amendment on the ground that it is not germane to the pending bill.

Mr. CAMPBELL. Mr. Chairman, will not the gentleman withold his point of order to permit me to make a statement?

Mr. PATMAN. Mr. Chairman, I reserve the point of order.

The CHAIRMAN. The gentleman from Texas [Mr. PATMAN] reserves a point of order against the amendment.

The gentleman from Pennsylvania [Mr. CAMPBELL] is recognized for 5 minutes.

Mr. CAMPBELL. Mr. Chairman, I can certainly not be accused of being anti-British with the name of Campbell.

Mr. Chairman, our budgetary balance for the fiscal year ending June 30, 1946, according to the Treasury Department figures, shows that $21,980,833,183 more was expended than was taken in during that year. To float a credit or a loan will necessarily involve the borrowing of money from the people of the United States and if the past can be used as a criterion for the future the interest rate will be in excess of that which would be charged under the present loan or credit, if extended. This would further increase our budgetary deficit.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman briefly, but I do not have very much time.

Mr. BUFFETT. I merely wished to make the observation that I asked Mr. Vinson when he was before our committee about deficits in England, because we had had a deficit for 16 years. I found that in 5 or 6 of those years Britain had operated with a budget in balance or a surplus, whereas we had been going into the red for 16 years, a record that no nation in history has made and returned to solvency.

Mr. CAMPBELL. I thank the gentleman for his contribution. Now I must proceed.

In addition to this, we have a public debt of $269,898,484,083 as of June 30, 1946, as shown by the Treasury Department figures. It is my sincere belief that the displacement of the present preferential trade arrangement within the British Empire would be unfavorable to the British Empire and would necessarily preclude the Empire from earning sufficient money to repay the debt and might result in the disintegration of the Empire. I quote an excerpt from a letter sent out by Mr. W. Craven-Ellis, Estate House, Dover Street, London:

I do not wonder that your Senate is putting up opposition to the proposed loan to Britain. I accept that such a loan would benefit the United States of America far more than it would this country. My own view is that it will be a disaster to this country if the Senate approves the loan, and, as you know, I have always opposed it. In fact, I led the opposition against the Bretton Woods scheme in the House of Commons when I was a member there. The disaster will arise out of the fact that a condition which has been attached to the loan is that we should join the International Monetary Fund and Bank, as well as eliminate imperial preference. If these things go through, I prophesy that it will be the start of the break-up of the British Empire and the United Kingdom, which has been the bulwark for the United States of America for a hundred years—will become a third-rate nation

I offer a solution, which in effect amounts to a referendum, by which those in favor of the loan may avail themselves of the opportunity to buy bonds under my bill, H. R. 6458, introduced on May 16, 1946, providing:

That it shall be lawful on and after the approval of this act for the British Imperial Government to offer for public sale in the United States bonds of the British Empire. The total sum of the face value of such bonds to be marketed shall not exceed the sum of $3,750,000,000. Nothing in this act shall be construed directly or indirectly as a promise or guaranty by the Government of the United States of the payment of the principal or interest of said bonds.

Mr. Chairman, I urge the passage of my amendment.

Mr. PATMAN. Mr. Chairman, I insist upon my point of order.

The CHAIRMAN (Mr. WHITTINGTON). The gentleman from Texas makes the point of order that the amendment is not germane. The section now under consideration authorizes the carrying out of the agreement dated December 6, 1945. Section 2 provides for the implementing of or the financing or the carrying out of that agreement.

The pending amendment is not related to the subject matter and the Chair, therefore, sustains the point of order.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on the pending section and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

Miss SUMNER of Illinois. Mr. Chairman, I object.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on the pending section and all amendments thereto close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Miss SUMNER of Illinois. Mr. Chairman, reserving the right to object, this bill is considered vital by 90 percent of the people of the United States.

Mr. PATMAN. Mr. Chairman, I withdraw the request.

Mr. ROE of Maryland. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. ROE of Maryland. Mr. Chairman, I have never been an isolationist. I was a stanch supporter of the League of Nations. I have voted for the United Nations, Bretton Woods, and UNRRA.

I would not insult anybody by calling this a loan. It is a gift pure and simple. The only excuse I have heard offered by the proponents is that it would obtain the friendship of England.

Bought friendship is worthless. We thought we had bought England's friendship after the First World War when we loaned them $4,225,000,000, not one penny of the principal of which has ever been repaid. Have we the right to tax the people of our country in addition to the already heavy tax burden and staggering national debt, to give money away?

This burden will fall on all of our people.

We are faced with four perils:

Strikes, excessive regimentation and regulation, un-American elements in our midst who came here to get the benefits of our prosperity and progress and now want to destroy the freedom that made that prosperity and progress possible.

And No. 4 is waste and an unbalanced Federal Budget.

This gift comes under the fourth major problem. How in the world will we ever get our financial house in order if we keep on squandering the taxpayers' money?

England needs our friendship as badly as we need hers. There is no more sense in our making this gift to England than for her to make it to us. We owe as much per capita as she does. She has greater resources in gold and diamonds than we have.

The international bankers are the advocates of this loan. Let them make the loan if they think it is so desirable. I will wager everything I own that England cannot borrow a dollar from the American bankers on the same terms provided for in this bill.

How can any Member of this House go home to his people after the promises and pledges made them and after taking the oath we all took when we were sworn in and say, "Yes. I have voted to rob you of $4,000,000,000 and give it to England. We have bought their friendship again."

THE LABOR PARTY PROGRAM

Finally, consider the program of the present English Government. What are they doing? Destroying England as fast as they can. They have ample funds to buy coal mines, railroads, telegraph and telephone systems, utilities, and the merchant marine. They call it socialism, Russia calls it communism.

Where is England going to get the taxes paid by these mammoth industries? It must come out of the pockets of the masses of the English people. You heard Mr. Attlee, British Prime Minister, right in this Chamber a few months ago. He told you what his party was going to do and is doing.

This morning in the Baltimore Sun, and I recognize the Baltimore Sun as the leading paper of our section of the United States, there was an editorial in which three arguments were presented to me.

MR HULL'S OPINION

One was in reference to the opinion of former Secretary of State Cordell Hull. No man is a greater admirer of Mr. Hull than I am. I consider him the greatest public official the United States has had since Woodrow Wilson.

But I just don't think we have got to keep on giving America away.

The Sun's argument No. 2 is that the loan is in the interest of the State of Maryland and would help the export trade of Baltimore. I am a member of the Chamber of Commerce of Baltimore and keenly interested in Baltimore's and Maryland's growth and expansion You cannot stay in business and make money by loaning the buyer the money with which to pay for your merchandise. In the end he has both your money and your merchandise, and you have nothing.

Argument No. 3 was that the loan would benefit the American farmer. I am a friend of the farmer, and, in fact, I am a farmer myself. But the American farmer knows that loaning his money to England or any other nation in order that that nation can buy the American farmer's produce simply means that the American farmer is giving his produce away.

Mr. POWELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with the defeat of the Dirksen amendment I am unalterably opposed to this loan to Britain because despite the statement of my colleague, the gentleman from Pennsylvania [Mr. BRADLEY], I do not think you can divorce British imperialism from the loan. If the Dirksen amendment had been adopted, then it would have been a strict business arrangement and I would be in favor of that.

Mr. Chairman, if a loan to Russia was on the floor today for consideration there would be complete discussion of every phase of Russia's domestic and foreign policy and the loan would be voted up or down on that basis.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. If there was the matter of a loan to Russia being considered on the floor today, would the gentleman be in favor of that loan?

Mr. POWELL. I do not know. To continue—the gentleman from Pennsylvania [Mr. BRADLEY] states that this is the only way to stop the upward surge of world communism. I disagree with my colleague from Pennsylvania. I do not think that granting a loan to a nation that is probably hated today more than any other in the history of the world by so many types of people and so many nations, is doing one bit to help the peoples of the world or to stop communism. Consider what has happened in Italy: You talk about reparations and say Great Britain has received none? Britain has drained Italy dry. We are feeding Italians today while Britain has been plundering that nation.

Consider Ethiopia—Britain has taken two provinces from that defenseless country the same as fascist Italy.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I take it that the gentleman is against this loan.

Mr. POWELL. Yes. I said that in the beginning.

Mrs. LUCE. He is against it on the ground of Great Britain's aggressive foreign policy and of the way she has handled minorities in their search for freedom; is that correct?

Mr. POWELL. Not only minorities; unless you consider Greece, Italy, Ireland, and Palestine minorities, then yes.

Mrs. LUCE. When the gentleman was asked by the gentleman from New Jersey if he would be against the Russian loan he said he had not made up his mind.

Mr. POWELL. That is right.

Mrs. LUCE. I think that sheer logic would require the gentleman to be against both loans if his position is honestly held.

Mr. POWELL. Maybe so. I thank the gentlewoman.

To continue, when we consider the record of Britain in Greece, in Indonesia, in Italy, in Africa, in Palestine, in Ireland, in China, and the Caribbean, I do not see how we are currying the favor of the peoples of the world against communism by granting this loan. If anything, we are placing our approval on hypocrisy, imperialism, colonialism and broken pledges; the war is not yet officially over and all the pledges Britain made during the war have been broken. We have kept our pledge to the Philippines. Why cannot Britain keep her pledge to the people under her mandates or trusteeships? How can she justify the massacre of Greeks, slaughter of Indonesians, Jew baiting, bases in China, and oppression in the West Indies?

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. Does the gentleman not recall that on May 11 last, Prof. Harold Laski said:

If the world wants to know where we stand with respect to the United States with its free enterprise, which is neither free nor enterprise, and the Soviet Union, let the world know that the British Government stands four-square behind the Russian Government.

Mr. POWELL. But Mr. Laski does not represent the British Government.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. Apropos of my good friend and namesake on the other side of the House quoting Mr. Laski, I would like to say to the gentleman and to every Member of this House that Mr. Laski occupies no official position in the British Government and he has no authority to speak for the British Government.

Mr. POWELL. If you will let me proceed as a moderator, I would like to say that I do not think Mr. Laski ever spoke for Great Britain or the Government. Britain does not and never has stood four-square behind anyone but Britain and that means ruling class English at that.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. If this is a move to fight communism, how does the gentleman account for the fact that all the conservatives in Parliament either voted against it or did not know?

Mr POWELL. I do not really get that, but that is all right.

Miss SUMNER of Illinois. The British conservatives are against this loan.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr SPENCE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. SHARP. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

INVESTMENT IN WORLD TRADE, STABILITY AND PEACE

Mr. SHARP. Mr. Chairman, this country has an outstanding opportunity, by cooperative and courageous action, to advance in very measurable terms, an era of world peace.

But we are not going to get, and we have not the right to expect that happy condition, unless we do everything in our power to rid the world of those conditions and those influences that breed war.

The British financial agreement proposal that we are considering here today, to my view, and I feel most earnestly that I am right, presents directly an opportunity for us, indeed an obligation, to help take the leadership in ridding the world of adverse and bitter economic problems that are not only a heritage of the war but that can become, again, unless removed, the generator of war.

This agreement is an investment in peace. It is an investment in prosperity and security. It is a further investment, too, in our faith and our resolution to leave nothing undone to secure to us and to the world the realization of all of those hopes and aspirations for which we fought the war and paid a bitter price.

International trade must be unfettered. Today it is chained to all types and kinds of state control and state direction. If those chains are not broken the picture will indeed be dark in the future. Certainly we could expect even greater restrictions than we suffered following World War I and the depression days when we saw world trading subjected to every conceivable kind of governmental control. It was not only economic warfare in the usual sense, but the world behaved rather like economic bandits.

It is the policy of our Government to further world trade on a basis under which people will be given free and uncurbed opportunity to those materials that they need and without which they cannot live. We must implement that policy in every way we can.

There is, unfortunately, sentiment in this country that believes this agreement with Great Britain is nothing but a gift of money; that it is idle to speak of it as a loan, and that we are really throwing the large sum that is involved down into the sewer. The debate here in the last few days has effectively, I think, demolished this argument.

We have every right and every confidence to expect that the returns, the benefits, to America under this financial agreement will be great. What we are really seeking to do, besides the important objective of aiding in the achievement of international economic stability and the advancement of world peace, is to build up the external trading position of our own country. For what purpose? Obviously to stimulate and further America's prosperity and economic well-being.

Under the proposed agreement Britain promises, in effect, to unblock what is today a tremendous area of the world's trade which, for all purposes, she today effectively controls and from which we are also today effectively prevented from entering.

We appreciate the factors that forced the creation of Britain's sterling-dollar pool, and that the undertaking of her rigidly restrictive bilateral trade agreements came mainly as a result of the war. She was desperately beset and she took that course which she felt was in her best interests.

This agreement purposes the creation of a situation in which we, Great Britain, and the rest of the world will enter a trading system in which private enterprise, big and little, can flourish.

We have a large stake in the world's trade. So has Britain. If we join our efforts—and it is vital that we do it—in removing world-trade barriers, we shall have taken a giant stride not only in serving international economic stability and world peace, but also, vitally, importantly, our own American economy.

This country of ours is the greatest producing country in the world. Foreign trade is bound to become more and more tied up with our prosperity. Our past production records and the records we have made in exports in the years gone by, are going to be increased manyfold. This is bound to happen provided we are wise and nourish our opportunities. I am thinking now of our trade opportunities. The time will come, and shortly, when we will be producing tremendous surpluses of all kinds of commodities and goods. If the markets of the world are not freely open to us, we can expect tremendous pressures from all countries to see that those markets are forced open.

Certainly it is good business and common sense to try to accomplish arrangements in the world where we can trade freely, competitively, under private enterprise, and to sell the products of our American farms, our industries, and our labor without having to meet international barriers and controls repressive of our efforts and our rights. We want the free opportunity to trade. But if we are to get it, we must cooperate and we must invest in the opportunity that we have. And that opportunity is given us in this agreement and we would be short-sighted not to take full advantage of it.

This agreement is not only in the interest of general world stability but in the economic self-interest of America.

Mrs. LUCE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. LUCE. Mr. Chairman, on the floor of this House there has been much antagonism expressed against the British loan because of the imperialistic practices of the British Government, particularly with reference to the Jews and the Palestinian question, and in regard to India.

I have tried to make my position on the matter of oppressed minorities, at home or abroad, clear time and again. I am utterly opposed to imperialism, whether practiced by the British, the Soviet, or any nation, including our own. I am in complete sympathy with the views expressed by the honorable gentleman from Illinois [Mr. SABATH] and the gentleman from New York [Mr. CELLER], so far as they relate to the present tragic condition of Jewish refugees who seek refuge in their traditional homeland.

Where I differ with these gentlemen and all those who feel as they do is in thinking that denial of the loan to Britain will in any way promote or assist Jewish immigraton into Palestine. From a practical view it might do exactly the opposite. Viewed as a punitive measure against the Labor government of Britain, our refusal to grant a loan might have some emotional excuse. From any other standpoint it seems to me that Maj. George Fielding Eliot sums up very clearly the situation in its most realistic phases in his column, dated today, from which I should like to quote:

ADVICE TO CONGRESS

(By George Fielding Eliot)

Counsel of caution for confused Congressmen:

On this British loan, friend, the payoff is not now, but next November.

On July 11, the headline in the New York Herald Tribune read: "British loan imperiled by Zionist issue." Behind that headline lies the fact that many Congressmen, some who have a considerable number of Jewish constituents and some who do not, are deeply and very properly disturbed over the plight of the distressed Jews in Europe, and the long delays in opening the way for emigration of some of these desperate people to the one land which seems to them to be their last hope of refuge—Palestine.

It is to these Congressmen that I would speak this word of caution:

The worst thing any Congressman could do, from the point of view of helping these poor people to get to Palestine and have a chance to start their lives anew under decent auspices, is to vote against the British loan.

Discard the emotion, the irritation with Mr. Bevin's tactless remarks, the far more soundly based annoyance at the long delays (for which both the British Government and our own have some measures of responsibility), and look the hard, grim facts squarely in the face

If there is to be a refuge for 100,000 Jews—and more—in Palestine, this will come about only by cooperative action by the British and American Governments. Such cooperative action is the one hope of constructive achievement in this matter. If you make such cooperative action impossible by turning down the British loan, you shut the gates of hope in the faces of the very people you are trying to help

If you do that, next November your constituents will not remember the fiery letters and the emotional telegrams they have sent you, Congressman. They will not remember the silly advertisements "Kill That Loan" to which they subscribed. They will see the unfortunate Jews of Europe dying in black despair, and they will not take the blame themselves, they will blame you, their representative in Congress They will say, you should have foreseen all this They will say, that is what we sent you to Congress for, because we thought you were wise enough and clear-headed enough to have a reasonable amount of foresight. You have let us down, and what is worse, you have let down the poor tortured folk to whom you have denied their last hope.

I am not saying, of course, that the British will revenge themselves on the Jews in Europe and Palestine if they are denied the loan I am saying that without the loan the British Government will not have the resources to carry out any large-scale movement of Jews to Palestine In fact, the British Government will be compelled to pursue a policy of the sternest retrenchment, in which there can be no room for expenditures of money and effort on the scale necessary to effect such a movement.

I know there has been a lot of loose talk about the United Nations taking over the Palestine mandate That is just nonsense, Congressman, unless the British Government consents to it The charter is explicit on this point: "The terms of trusteeship for each territory to be placed under the trusteeship system, including any alteration or amendment, shall be agreed upon by the states directly concerned, including the mandatory power in the case of territories held under mandate"

Remember, Congressman, this rescue of the Jews of Europe—especially the 100,000 most urgent cases—is something that won't wait. It must be done very quickly if it is to be done in time. The only way to do it quickly is by Anglo-American agreement. If it has to wait for the United Nations to act, death will have acted first. Winter is coming—the winter which most of these poor people will not survive if they must stay in Europe. Some will die of starvation, others will be killed—they are killing them already in Poland, Congressman—others will just lie down and die because there is nothing left to live for and they can't wait any longer. Effective action now by the British and American Governments acting jointly is the one hope to which they can cling. Don't destroy that hope.

As Major Eliot says, it is very likely that the best help we can give the minority races, such as the Jews and the politically submerged races, such as the conglomerate of the Indian subcontinent, is to keep the British solvent so that they may fulfill the present promises given to India and are enabled to respond to our pressure for opening the gates of Palestine promptly to an additional influx of Jewish refugees from Europe.

Mr. MUNDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: On page 2, after line 8, insert *"Provided, however,* That before the Secretary of the Treasury is authorized to carry out this agreement it shall be amended to provide for the same collateral provisions and interest rates as those prevailing in loans made to foreign countries by the Export-Import Bank"

Mr MUNDT. Mr. Chairman, it seems to me the proponents of this bill are engaging in some very dangerous and disturbing lines of argument. In the first place, they advance the theory that the way to purchase world peace is to openly, publicly, and oratorically finance a country to strengthen its opposition to Russia. If I understand anything about this business of world peace, it has to operate all over the world, rather than to rely upon this kind of dangerous dollar diplomacy with the loudest advocates of the bill suggesting the reason they are supporting it is to build a bulwark against communism and Russia. Even the Speaker of the House whose words will be noted throughout the world included this argument in his speech this afternoon.

Mr. Chairman, as all Members of this House know I have been a frequent and vigorous critic of Russian policies both within the U. S. S. R. and as the Kremlin seeks to extend them to other lands. However, I have not lost hope that Russia and America can live in the same world without war. This loan as it is being argued by its supporters is, however, a direct affront to Russia. It is, indeed, an illy concealed challenge. It gives Russia factual fuel with which to feed her fires of propaganda at home and abroad. Unless it is to be followed by an equally attractive loan to Russia it cuts the pattern for dividing the world into rival camps and substitutes a reliance upon power politics for the noble idealism embodied in the Charter of the United Nations.

In the second place, I think the arguments of this bill's advocates are fallacious because I feel they are engaging in a new type of isolationism. They are sending out American divisive dollars with which to divide the world between the goats and the sheep so to speak, to set up barriers between groups and nations of people. I am afraid this kind of "Jim Crow financial policy", by which we reward our friends with loans at favorable terms and penalize other of our wartime allies by denying them any loans whatsoever, is not going to bring us a harvest of good will; it is going to bring us instead a harvest of ill will, a harvest of mighty military armaments, a harvest of disaster, and a harvest of steadily increasing world discord and discontent.

I suggest that we analyze this word "isolationism" a bit today and determine whether or not it is "isolationist" to pick and choose among countries, granting 3 percent interest rates to some and 1.8 percent interest rates to others, while denying still other allies any access whatsoever to our Federal program of making foreign loans. If that type of divisive financing is not isolationism, I do not know what the dictionaries write about when they define the word.

It seems to me we should be realistic about this matter. We should bring in all the loan requests at one time and treat them with equal consideration. If we approve them at all we should fix the same terms, the same collateral provisions, and the same interest terms for all our foreign borrowers instead of engaging in a program of favoritism which is certain to bring us the resentment of all but the most-favored foreign nation.

My amendment simply proposes this and nothing more, that the same interest rates and collateral provisions should prevail for the British loan as prevail for the French loan, the Italian loan, the Polish loan, the Greek loan, the Norwegian loan, and all the others. It will not delay much more than 30 minutes the implementation of this loan, should it pass. It simply requires the British to agree to accept the same financial terms as countries borrowing United States money from the Export-Import Bank

I think my amendment should be adopted in the interest of equity, and I think it should be adopted in the interest of internationalism, so that we do not engage in this unique type of isolationism which provides different terms and different rates and different considerations for every applicant coming to our shores seeking to borrow American money. If we engage in that kind of dollar diplomacy, we are headed for another war.

Already we are hearing the first murmurings of dissatisfaction from the French and other Europeans because they are being required to pay almost double the interest rate proposed for Great Britain. Russia, we are told, is to be denied American credit altogether. By setting up different terms and different interest rates for each prospective and actual foreign borrower we are fast losing friends throughout the world. My amendment would put an end to this type of dollar diplomacy; it would call a halt to this new style of isolationism which is rapidly dividing our erstwhile allies into rival camps and categories.

Mr. Chairman, in our tariff policies we have been compelled to adopt what is known as the most-favored-nation clause so that favors and concessions granted to one country become effective for all. Why was this done? It was done to prevent precisely the type of isolationist techniques which now govern our lending policies abroad and of which the British loan proposal as now drawn is a

multibillion-dollar and mountain-high example. My amendment would carry this most-favored-nation philosophy which we follow in tariffs over to the field of our foreign loans. It provides that when and if we do decide to make a nation a loan, we treat it precisely in the manner we treat all other nations; that we prescribe the same conditions, require the same types of collateral; charge the same rates of interest, and propose the same forms of considerations for American interests and American ideals. Mine is the international, world-wide, peace-serving method of meeting the problem of foreign loans. Without my amendment, I deeply feel the British loan will broaden the lines of division in the world today, and will implement a form of isolationism that is so serious it may well break up all hope of real international cooperation.

I voted for American entrance into the United Nations Organization. I voted in favor of UNRRA and for all its appropriations. I voted for the Bretton Woods agreements. I introduced in Congress the legislation which upon being approved finally evolved into the present United Nations Educational, Scientific, and Cultural Organization now know as UNESCO. I did all this because I believe peace can best be secured and preserved by international cooperation. An honest program of real reciprocity between the United States and Russia and between both of these countries and all of their contemporaries can preserve the peace. If my amendment prevails and we loan this money to Britain on the same terms we apply to other nations, we shall do nothing to disrupt the efforts now being made to develop reciprocal and multilateral policies. If my amendment fails and we approve this loan, we endorse and extend a new era of isolationism and make many times more difficult, if not impossible, the task of the United Nations and other international efforts to work together in one world and to develop codes of conduct among and between nations which will avoid the creation of power blocs and which, instead, will utilize real techniques of international cooperation to safeguard the peace, to stimulate world-wide prosperity, and to put a permanent end to international favoritism and to international war. I hope my amendment is adopted.

Mr. DONDERO. Mr. Chairman, I am not anti-British. I hold and entertain deep respect for the people of England. They have endured privations and suffering in the recent war unknown to the people of our country. The proposed agreement calls upon us to loan the British Government nearly $4,000,000,000, or $28 for every man, woman, and child in the United States. In the district I have the honor to represent it means an additional burden of $16,800,000 based on a population of 600,000 people. We are asked to extend this credit under Senate Joint Resolution 138 without any security for its repayment. I supported the Dirksen amendment which would require such security. It was defeated. I would support this joint resolution if England would have offered such collateral she had, even though the amount did not equal the loan. That would have shown not only good faith but a desire to yield the extent of her ability to the United States in support of the aid sought.

Other nations are knocking at our door for loans totaling many billions of dollars, including Russia. To favor one and deny other governments means increasing the number of enemies of our own land. It would be manifestly more fair to the American people to state frankly that this proposal is more in the nature of a gift than a loan. This is the third transfusion to England. When will our Government stop increasing the debt burden of our own people? I do not believe we can take the whole world on our lap and nurse it forever. To do so means economic disaster for the United States. If our Nation is to maintain its leadership for world peace it must remain a strong, solvent nation. A bankrupt nation would fail. If the proposal is adopted England should be limited in its purchases from us during the next 2 or 3 years or until consumer goods have equaled the demand and present scarcities have vanished. To do otherwise would only increase the unbalanced condition now prevailing in our home economy.

From a business standpoint this proposal is unsound. It should not be termed a loan. We approved the Bretton Woods agreement for a world bank to prevent the very thing now before us. It had my vote How can any Member resist any demand for increased appropriations at home if he is willing to support loans abroad. If we cannot pay our veterans terminal leave without issuing bonds for $3,000,000,000, how can we make this loan without increasing the pressure on inflation and further endangering our national economy.

In justice and fairness to our own people who are also in need of homes and many other essentials of life I cannot support this measure. My respect and admiration for the British people remains unchanged, although a change by them to a socialistic government is a disappointment to me and many Americans. That, however, is their business and none of ours.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman has offered an amendment that will require 4 percent interest which is twice as much interest as the Government of the United States is forced to pay now. The average interest rate is less than 2 percent. This is more than just a loan. It is not just a loan. It is an agreement that we get something out of ourselves. England is a special case. There is no other country in the world that will be entitled to the privileges that we are giving England, if you call them privileges or benefits, because no other country is in a position to offer us what England is offering to us. The two countries, England and the United States together, are doing about 75 percent of the international business of the world, that is, international trade during normal times. Russia, for instance, is only doing about 1½ percent of that international trade. Obviously, we cannot give Russia the same kind of a deal that we give to a country with whom we are doing 75 percent of the world trade. This is just a scuttling amendment. If you want to vote against the resolution, that is all right. I do not criticize any Member for that. We should do as the Speaker of the House suggested. Let us do it directly and vote the resolution up or down. Let us not try to stab it in the back or cripple it. An amendment to this resolution would mean that there would be no financial agreement with England. They would have to have another international conference and agree upon another financial agreement. So the adoption of any amendment would mean the death of this resolution. So I ask you in all sincerity to vote against the amendment. Vote down this amendment and all other amendments. Let us ratify this agreement that means so much to the United States and to the people. Let us open up foreign international trade, which is something that we need and must have. This is a long step in that direction and in the direction of permanent and lasting peace.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. MUNDT].

The amendment was rejected.

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: On page 2, before the period in line 8 it is proposed to insert a colon and the following. "*Provided*, That after the United Kingdom has drawn the first $1,000,000,000 of the proposed line of credit no further drafts upon the remaining $2,750,000,000 shall be allowed unless, within 1 year after the effective date of the agreement, the United Kingdom officially notifies the Secretary of State (such notification to be transmitted by him with his comments to the President and to the Congress) that elimination of (a) discriminatory financial and trade practices as provided by articles 7 and 8 of said agreement and (b) discriminatory trade barriers, including preferential tariffs established by the United Kingdom and its dominions and colonies which affect products of the United States, has been accomplished."

Mr. REED of New York. Mr. Chairman, I just want to test the sincerity of those who have been talking about trade barriers. I happened to hear all the testimony in connection with the so-called trade agreement law. The theme song at that time was, through all the propaganda and all the Government witnesses, that if we passed the Trade Agreements Act and lowered the tariffs under this act all the trade barriers would be removed by Great Britain. Now the fact is they have not been removed. They have been built up during this period. All this amendment does is to test the sincerity of those who have been preaching this to the American people, that the great thing for the good of this Government and for England was to remove trade barriers. Now let us see where you stand on that issue.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. CURTIS. I think it should be pointed out in connection with the gentleman's amendment, that this is merely giving them a year to do that which they have already agreed to do in the master

lend-lease arrangement. If at the end of the year they could almost comply but not quite, they could come back to Congress for a subsequent resolution.

Mr REED of New York. I thank the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman has referred to the master lend-lease agreement that England signed. I want to point out to the gentleman that Mr Churchill had a secret agreement with the late President Roosevelt that he did not have to live up to that provision in the agreement.

Mr. REED of New York. Yes, I understand that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ELLIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this morning the gentleman from Virginia said it would be immoral for the British Government to betray the English people who have securities in this country by putting them up as security for this loan. The gentleman might have carried it a little further and also said it was immoral to betray the confidence of another nation in regard to loans and obligations made.

Mr. Chairman, the Foreign Commerce Weekly, November 11, 1944, lists the British foreign investments as being $9,580,000 000 Since these figures were published, their investments in this country have increased nearly 75 percent. The value of British investments in other countries must also have risen. It is inconceivable, therefore, that Britain, today, is tottering on the brink of bankruptcy, or that she is so economically weakened that she cannot somehow overcome her present situation as she has so masterfully overcome difficult situations in the past.

Unemployment in Britain at present is not severe, her industries are rapidly recovering, she was recently able to lend France $440,000,000 thereby bringing France into the sterling area and the best available information shows her exports have been increasing steadily in the past 6 or 8 months.

It is impossible to strike an absolute balance sheet of Britain's actual resources and liabilities, such is the varied nature and obscurity of most of them as indicated, and the difficulty encountered classifying the available data. Nevertheless from what has been shown, it cannot be argued that Britain is in such dire straits, or even likely to be in the foreseeable future that she will experience economic ruin if this line of credit is denied. It is clearly not a life and death matter. Britain is a great and powerful nation with far-flung resources and means of livelihood. Nothing in her history indicates that she will let a mere $3,750,000,000 stand between her and a position of dominance in world trade. Her ability to compete in the markets of the world has not been seriously affected by the war.

I think you will find the following series of questions and answers helpful in coming to a better understanding of this loan proposal:

QUESTIONS AND ANSWERS ON THE LOAN

First. Where did the idea of a loan originate?

Answer. The British first proposed, in September 1945, that the United States make a gift to Britain of from $3,000,000,000 to $6,000,000,000. From this proposal came later negotiations in Washington leading to the financial agreement of December 6, 1945, in which the amount was fixed at $3,750,000,000.

Second. Why does Britain want to obtain $3,750,000,000 from the United States?

Answer. Britain claims she is unable to pay for her imports and reduce certain blocked sterling balances—in other words get back on her feet economically without this sum.

Third. Is Britain unable to finance her own recovery?

Answer. Undisputed facts indicate that by proper administrative measures Britain ought to be able to survive economically with the minimum of financial assistance. She has borrowed $1,250,000,000 from Canada, and $425,000,000 from our own RFC. She is still the largest creditor nation in the world with far-flung assets and untapped resources reaching into the billions of dollars.

Fourth. Does Britain offer to put up collateral for the proposed loan?

Answer. No She has not offered to do so and was not requested to do so. In borrowing from the RFC she put up $895,000,000 of marketable securities and other liquid assets, but on this transaction no such protective measures are involved.

Fifth. Is the financial agreement of December 6, 1945, subject to amendment?

Answer. Yes. Many important considerations pertaining to the loan are left for further consultations. No one knows now what the final terms of the agreement will be.

Sixth. Will the loan stabilize or encourage expansion of world trade?

Answer. There is no guaranty of this. Britain's exports are already expanding rapidly without the stimulus of this loan. She makes no commitments to purchase goods in the United States, or otherwise release existing sterling balances so that other countries can expand their trade.

Seventh How can Britain and the United States both expand their exports without competing with each other?

Answer. They cannot If Britain boost her export by 50 to 75 percent above her prewar levels—measured by volume—our own foreign trade and domestic production will inevitably suffer. British and American goods are highly competitive with each other. And unless Britain does boost her exports that much she will not be able to repay the proposed loan.

Eighth. Will the loan agreement, if approved, result in lower tariffs?

Answer. Yes. One of the objects of the agreement, according to advocates of the loan is removal of trade barriers and in discussing the subject of barriers they persistently include the term "tariffs." Sir Stafford Cripps has said the proposed agreement:

Is an attempt to try and bring down tariff barriers on all sides to a great extent. A mere nominal reduction of a few percentages is not going to make anyone enter into a bargain and that, of course, our American friends understand perfectly well.

Ninth. Where will the money come from if the loan is approved?

Answer. American investors will be asked to lend money to the United States Treasury Department on bonds to be issued specifically for the purpose of the loan. Receipts from such bond sales will then be turned over to the British Government, under the terms of the financial agreement signed December 6, 1945.

Tenth. Will this increase our own public debt?

Answer Yes, at least it will be higher than it otherwise would be by the amount of the loan, namely $3,750,000,000.

Eleventh. Would not it be cheaper to give Britain $1,000,000,000 and forget it?

Answer. Probably. Some able economists say it would do Britain more good, and be a smaller drain on our resources, if the United States made an outright gift to Britain and other major trading countries of $1,000,000,000 each out of our excessive gold reserves. This method, however, would probably be too orthodox to satisfy the school of internationalists who regard gold as a "barbarous relic" Lord Keynes, who heads this school, said in the House of Lords in discussing the Bretton Woods plan:

Was it not I, when many of today's iconoclasts were still worshippers of the calf, who wrote that "gold is a barbarous relic"?

Twelfth Will Britain line up with Russia if the loan is not made?

Answer No. If Britain allies herself with Russia, it will be for other reasons. It is inconceivable Britain would obligate herself to a Communist state which is trying to cut her "life line" to the Orient and competing with Britain for Balkan influence. Britain has huge investments and deep-seated interests in southeastern Europe, the Middle East, and the Orient These are frictional areas in which British and Russian interest collide. Furthermore, Britain is a Christian nation, in the sense of general religious beliefs, and the English fundamentally adhere to doctrines of law and economics which are totally opposite to the Russian conceptions of such fundamental social beliefs.

Thirteenth. Would failure to approve the loan be a vote of no confidence in Britain or otherwise injure our relations with Britain?

Answer. Not unless the British desire it to be. Credit is available to Britain in this country if the British are willing to make a clean case as shown in the fact that she obtained a very substantial loan from the RFC on businesslike terms, posting required collateral and definitely committing herself to repayment of principal and interest. The agreement of December 6, 1945, is not in the same category. From the arguments advanced in behalf of the proposed agreement it is clearly regarded by proponents as a political transaction by which the United States will buy its way into the good graces of the world.

Fourteenth. What is the real alternative to this particular proposal?

Answer. If Britain actually needs $3,750,000,000 and can prove she needs it and is willing to enter into a strictly

business loan agreement, and if the United States can afford to lend the money, then a sound business loan probably could be negotiated under terms and conditions mutually satisfactory and not related to international political maneuverings. In that way mutual confidence and mutual respect would be fostered to a much greater degree than by the present proposal.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been suggested that all of the people of Great Britain are for this loan. That statement is wholly out of line with the facts. I have here a letter from an outstanding clergyman, Dr. Harold John Ockenga, pastor of the Park Street Church, of Boston, Mass., one of America's great Protestant churches. He replied to a letter I sent him.

I wrote as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C, May 23, 1946.

Dr. HAROLD JOHN OCKENGA,
Park Street Church,
Boston, Mass.

DEAR DR OCKENGA. Last Friday, on a train between Cleveland and Columbia I met one of your parishioners who heard a speech you delivered before the Rotary Club in Boston in which you related some of your experiences while you were in London.

My information is that you stated that business people in London are against the United States loan to Great Britain. I wonder if you would confirm this to me so that I am not misquoting.

With best wishes, I am,
Sincerely yours,
GEORGE H BENDER,
Congressman at Large, Ohio

This is his reply:

PARK STREET CHURCH,
Boston, Mass, May 31, 1946.

Congressman GEORGE H. BENDER,
Old House Office Building,
Washington, D. C

MY DEAR MR BENDER: I have your letter of the 23d inquiring concerning the attitude of British businessmen to the United States loan to Great Britain.

I cannot generalize, for my contacts were limited. I definitely can say this, however. All the businessmen with whom I talked and that includes quite a number at the London Rotary Club were definitely opposed to the loan from the United States to Britain. It was their feeling that it would be better for Britain to tighten its belt now and face realities than to have an era of false prosperity and then have to tighten its belt later and go through what it should have gone through now, adding to it bad feeling which would necessarily come with the United States over repayment of the loan or the payment of interest on it

On the other hand, the nonbusiness people with whom I talked such as my colleagues in the gospel ministry were in favor of the loan. Their attitude I think was due to the appreciation of the pinched condition of the people in reference to food, clothes, and other essentials. They expressed the feeling that Britain had borne the brunt of America's war and universally considered Mr. Roosevelt Britain's great friend

Hoping that this slight information may be of some benefit to you, I am

Very truly yours,

H. J. OCKENGA.

I offer this as testimony that all the people of Britain do not agree as to the wisdom of this loan at this time.

The proponents of the British loan proposal assert that it is an essential prerequisite for world-wide economic peace. That argument was asserted in the period of the twenties to justify many foreign loans negotiated during that era. That fact is that the proposed British loan is not a loan but an outright gift. We do not anticipate its return. Nor is there any evidence of the uses to which the present British Government proposes to put this $3,750,000,000. Surely our Government cannot approve a loan to any government whose foreign policy contributes not to the stability of the world order but to its constant turmoil. Events in India, in Indonesia, in Palestine, in Egypt, where British influence is paramount give little promise that our money will be used for purposes conducive to peace everlasting. The British Government has much territory that it can surrender in return for outright payment. A prosperous nation need not seek loans from its allies without some pledge as to their payment and their use.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The chairman of the committee is recognized to conclude debate on the pending section.

Mr SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Britain needs working capital; she needs working capital without restriction and without the imposition of conditions that she cannot meet without modifying the effect of this agreement. We are certainly not dealing with the Nation in a manner that would indicate we had no confidence in the faith and credit of the British Empire which are pledged to carry out this agreement. I believe they will carry it out.

Britain has borne the brunt of the war. She held out while we got ready. Her activities saved millions of American boys. We certainly ought not to approach this matter as though we were dealing with a nation in whom we had no confidence and whom we could not trust.

All of these conditions would absolutely nullify the agreement which is sent to Congress for ratification. We have a definite agreement to either ratify or disapprove. Every amendment that has been introduced would sabotage the very purposes for which we are considering this legislation. I thought when the first two amendments were defeated that the die was cast, but still we have further amendments to the same purpose. It would be very much better to vote against the bill than to sabotage it by amendments which have no purpose other than to destroy the purpose of the legislation.

I hope that the committee will vote down the pending amendment by such an overwhelming vote it will indicate that we have some confidence and some faith that Great Britain will carry out her agreement.

The CHAIRMAN. All time has expired on the pending amendment.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the Clerk may again report the pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk reread the Reed amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REED].

The question was taken.

Mr. REED of New York. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. REED of New York.

The Committee divided; and the tellers reported that there were—ayes 29, noes 154.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC 2 For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr Chairman, I take this time to see if we can secure the program for next week.

Mr McCORMACK. I will be glad to give the House the program for next week. We may have to meet early some days next week in an effort to expedite legislation with a view to as early an adjournment as possible.

On Monday the atomic bill is scheduled with 4 hours of general debate. I might say that the gentleman from Massachusetts [Mr. MARTIN] and I have a gentleman's agreement that on Monday there will be no roll calls on the passage of any bills. This does not affect quorum calls, however.

Mr. MARTIN of Massachusetts. There might be a roll call on the adoption of a rule, if anybody carries it to that extent.

Mr. McCORMACK. Of course, that roll call would have to take place if there is a fight on the rule.

On Tuesday the Consent Calendar and the Private Calendar will be called, and the resolution to send the OPA bill to conference will be called up. Following that will be the further consideration of the atomic energy bill. If that is disposed of and there is sufficient time left, the judges' salary bill and H. R. 5234, the Bolton bill, known as the social protection bill, will be taken up.

Wednesday is Calendar Wednesday, and if the bills I have mentioned are not disposed of on Tuesday they will go over in order until Thursday, Friday, and Saturday.

The following bills are also programmed: The railroad readjustment bill, known as the Reed bill, will definitely be reached next week. Then there will be the bill providing for site acquisi-

tion and design of Federal buildings. I do not think that will take long. No rule has been reported out yet on it. It may be passed Tuesday by unanimous consent, and I hope it will be, but if not, and if a rule is reported out on it, it will not take very long. It is a bill that is very important to many Members, including myself.

Then there is the Booker T. Washington commemorative coin bill. I hardly think that will take long.

There is also the Department of State information bill. I understand that is pretty well ironed out, but one can never tell.

Also, there is the Department of Commerce assistant secretaries bill. We have already appropriated the money for them, according to my recollection, but this is the authorization legislation.

There is the stream pollution bill, and there is the optional retirement after 25 years of service bill, the Forand bill.

Of course, conference reports will be brought up at a convenient time.

Mr. MARTIN of Massachusetts. A good many Members on this side of the House are very deeply interested in the legislation relating to the reorganization of Congress. Can the gentleman tell us when that will be scheduled?

Mr. McCORMACK. That bill is definitely coming up. In announcing this program I do not want to eliminate it from consideration next week, even at the expense of displacing some other bills, if a situation develops where the leadership wants to bring it up This means, of course, that we will confer with the gentleman from Massachusetts [Mr. MARTIN]. In any event, it will come up the week after next.

Mr. MARTIN of Massachusetts. There is another bill in connection with the National Air Museum and a statue of Billy Mitchell. Is that scheduled for next week?

Mr. McCORMACK. That bill was reported unanimously by the Committee on the Library. The bill, which was introduced by the gentleman from West Virginia [Mr. RANDOLPH], provides for the construction of a National Air Museum. No rule has been reported on that bill and I think it is the intention to bring it up by unanimous consent. If it is considered by unanimous consent, it is intended to offer an amendment providing that in that museum there shall be a statue, erected through the use of funds furnished by gift, of the late Billy Mitchell.

Mr. MARTIN of Massachusetts. That is likely to come up early next week?

Mr. McCORMACK. I understand that bill will come up either Monday or Wednesday.

Mr. MARTIN of Massachusetts. We probably will not do much on Wednesday.

Mr. McCORMACK. No; probably not. We are both acquainted with that bill. If it does come up, I think it will be passed unanimously, and I hope the amendment, if offered, will be agreed to, since I think all the members of the committee are more or less in agreement on the amendment relating to the statue.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. May I ask a question of the majority leader? As I understand, the atomic-energy bill got a rule this morning.

Mr. McCORMACK. Yes.

Mr. THOMAS of New Jersey. Why do we have to rush that bill through? Why do we have to have it on Monday, when we could take up some other things on Monday?

Mr. McCORMACK. In all frankness, in giving my answer I have to ask the gentleman to put himself in my position. Before the judges' salary bill is reached two Members of the House will resign—the gentleman from Pennsylvania [Mr. MURPHY] and the gentleman from Texas [Mr. LUTHER A JOHNSON]. To be perfectly frank and honest, we may need their votes Tuesday.

Mr. THOMAS of New Jersey. I certainly hope you will be able to get your vote, but there is going to be a big fight on this atomic energy question, and my guess is that if you start this bill on Monday we will never finish it on Tuesday, and so you will not get your votes after all.

Mr. McCORMACK I expect that the atomic energy bill will take 2 days. I am frank with the gentleman. The gentleman asked me a question and I was perfectly frank. I was not even attempting to be diplomatically frank. The business of sending the OPA bill to conference will be the first order of business on Tuesday after the Consent and Private Calendars are disposed of.

Mr. THOMAS of New Jersey. The only reason I brought that up was that there has been a tendency right from the start to rush this atomic energy bill through, and it is just the same thing all over again.

Mr. McCORMACK. May I say to the gentleman from New Jersey that I have been accused by some on my side of delaying it, and I plead guilty to that. I did delay it for a number of months because I felt that we should wait until the special committee in the Senate had considered it. I am glad we did, because, so far as I am concerned, I think it is the best thing all around. Therefore, the answer to the gentleman's observation from my angle is that I am guilty of the opposite.

Mr. MARTIN of Massachusetts. In view of the fact that apparently there is going to be strenuous opposition when the bill is brought up on Monday and in view of our efforts not to have a roll call vote on Monday, would it be possible to bring up the rule on Tuesday, instead?

Mr. McCORMACK. I think that is a fair request. I have given a frank answer. I will try to readjust the program so that I can still have those two votes. However, we will get together and see what can be done.

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON of North Carolina. I wish to inquire of the distinguished majority leader if there have been any arrangements made to place on the calendar for next week the bill that will be reported out of the Committee on Ways and Means amending the Social Security Act, concerning which I have spoken to the majority leader and to the Speaker several times. If we are going to do anything in time to get action on the part of the Senate, we will have to do it pretty soon. I would like to know what the chances are of considering that bill.

Mr. McCORMACK. Of course, no rule has been granted on that and I cannot program for next week bills on which no rule has been granted. I have to make up the program on the basis of rules that have already been granted. I understand that the gentleman's committee has met and are going to propose amendments or a substitute bill. Is that correct?

Mr. DOUGHTON of North Carolina. The committee met this morning and came to an agreement whereby the committee will be unanimous in reporting the bill that we expect to report, whether it is a new bill or the old bill with amendments.

Mr. McCORMACK. When the gentleman's bill is reported out, if the gentleman will confer with me I will be very glad to see if we can get it through by unanimous consent, and, if not, when the rule comes out, it will be programmed just as quickly as it can be consistent with express and implied promises that I have made to others.

Mr. DOUGHTON of North Carolina. I think the committee will bear me out as well as the Speaker that I as chairman have done everything to get the bill up and to try to get a rule on it. We are in a better position now to proceed with it. I appreciate the remarks of the distinguished majority leader.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr SMITH of Ohio: On page 3, line 3, after the word "receipts", strike out the period, insert in lieu thereof a colon and the following: "No part of the funds herein provided shall be made available to the British Government out of receipts derived from any other source than taxation; or in a year immediately following any year in which the expenditures of the Government of the United States exceed receipts derived from taxation."

Mr. PATMAN. Mr. Chairman, I make a point of order against the amendment. It is vague and indefinite. It does not set up a standard that could be used in determining the facts that the gentleman's amendment attempts to base certification upon.

Mr. SMITH of Ohio. Mr. Chairman, I think it is a very easy matter to determine what taxation is. My amendment simply means that the Federal Government must finance its operating cost out of money derived from taxation before the British Government can draw any part of this credit. I think the amendment is germane.

Mr. PATMAN. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Ohio [Mr. SMITH] is recognized for 5 minutes.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield briefly.

Mr. SPENCE. I wonder if we cannot agree on time to conclude debate on this amendment.

Mr. SMITH of Ohio. Now, Mr. Chairman, I do not yield that much of my time. I decline to yield at present.

The CHAIRMAN. The gentleman from Ohio declines to yield.

Mr. SMITH of Ohio. Mr. Chairman, the purpose of this amendment is not to prevent the British Government from drawing on the line of credit provided in this bill but to force our own Government to stop financing its obligations out of printing-press money.

In order for the British Government to avail itself of any part of the credit provided in this bill our Government would be forced to stop financing deficits out of receipts any part of which was obtained by the financing of debt obligations through the banking system. That is, our Government would have to stop printing money to pay its operating costs.

The financing of debt obligations through the banking system is but an indirect way of printing money.

The banks alone now hold more than $100,000,000,000 in Government printing-press money. The total amount of actual and potential Government printing-press money now in existence in the United States exceeds $230,000,000,000. This printing-press money is the hell of inflation that now hangs over the heads of the American people.

Every dollar raised by financing debt obligations through the banking system represents just that much confiscated goods and services.

Printing-press money is a device to confiscate private property, and is the very essence of collectivism.

Surely, no Member should object to this amendment; none can oppose it unless he believes in collectivism. If the Government cannot raise the funds proposed to be advanced to Britain without confiscating the private property of our citizens no such advance should be made.

This amendment should be approved by every Member of the House.

I should add that the gentleman from Texas [Mr. PATMAN] does not understand the amendment I previously offered. No separation of funds whatever would be required. There would be none to separate. The only funds in the Treasury would be those derived by taxation. Under the amendment I am now offering no separation of funds would be required. Absolutely nothing else would be needed but to stop the administration from creating money by the printing press.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Miss SUMNER of Illinois. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment close in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. PATMAN. Mr. Chairman, the genial gentleman from Ohio [Mr. SMITH] is not only a Member of Congress but the gentleman is also a practicing physician and surgeon. If I were to call Dr. SMITH, I know he would do his very best for me, as a doctor treating a patient; but in the case of legislation I am not so sure that he would act so kindly toward the patient. I think the surgeon who wields the knife should want the patient to live. In this case this resolution is the patient, and the gentleman from Ohio is the surgeon. I am not so sure that he would want this patient, the resolution, to live. The reason I say that is because he is strictly opposed to it in every way in the world. He has voted for every amendment. He filed a minority report against the resolution.

So it occurs to me that we should not permit Members who do not want the resolution at all, in any way, shape, or fashion, to be dictating to us as to what kind of language the resolution should contain.

Miss SUMNER of Illinois. Mr Chairman, will the gentleman yield?

Mr. PATMAN. I cannot yield to the lady, I am sorry. Listen to this language:

> No part of the funds herein provided shall be made available to the British Government out of the receipts derived from any other source than taxation

All of our funds go into the Treasury whether you sell bonds to the bank, to individuals or to insurance companies, all the funds go into the receipts of the Treasury and you would have to separate them this way and determine which came from taxation, which came from the sale of bonds, which came from the sale of surplus war property, and which came from other sources. You would therefore have an indefinite, vague determination as to how you would proceed in paying out any money of any amount whatsoever.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I do not yield.

I read further from the amendment:

> Or in a year immediately following any year in which expenditures of the Government of the United States exceed receipts derived from taxation.

That looks like it is just as simple as the answer to the question: "It all depends on the fundamental functions of the foundations of the base."

I do not know exactly what it means. Maybe Dr. SMITH does. Now, if he were writing a prescription I would know it was exactly right; but he is leaving the role of physician and surgeon now and entering a field which I think I know just about as much as he does. I do not know what this means and I doubt if other lawyers here know what it means.

This language is not only confusing, it is not only crippling, not only scuttling and harmful, it is devastating to this resolution, and I hope it is defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired, all time on the pending amendment has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The amendment was rejected.

Mr. COLE of Missouri. Mr. Speaker, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection

Mr. COLE of Missouri. Mr Chairman, on last June 11, this House passed a bill granting enlisted personnel of the armed forces terminal leave pay. Under the provisions of this bill, as passed by the House, payment was to be made in cash. I understand that it is now proposed to issue 5-year bonds in payment of terminal leave to those who can qualify. It is contended among other things that our Government does not have the money to pay these veterans their terminal leave at this time. The amount involved would be less than the three and three-quarters billion that is proposed to be loaned to Britain by the resolution now under consideration.

This is just a forerunner of what we may expect if we authorize this British loan. Just claims of our veterans who won this war and legislation for the benefit of our own citizens will be met with the argument that our Nation does not have the money.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to my distinguished colleague from Nebraska.

Mr. BUFFETT. Does the gentleman recall that in last Sunday's New York Times Chester Bowles spoke very critically of the terminal leave pay bill because he was afraid it would have grave repercussions on our economy at this time. The same Chester Bowles a few weeks earlier went on record in favor of the British loan, which is much more inflationary than the veterans' terminal leave pay, because the terminal leave money would be spent here in America and thus satisfy American demands, whereas the British loan will accentuate the shortages that exist in this country and thus accentuate the highly inflationary condition that Mr. Bowles is so much worried about when he criticizes terminal leave payments now.

Mr. COLE of Missouri. The gentleman is absolutely correct. Every dollar of this loan spent in the United States for commodities now in short supply will prevent us from meeting our local demands and tend to bring on inflation. There can be no inflation where supply equals demand.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. We are following the policy of Christmas presents for all the world except the American veterans and our own American people.

Mr. COLE of Missouri. I thank the gentlelady for her contribution.

The proposed loan to Britain, in my opinion, amounts to nothing more than a grant or gift. There are no restrictions on the use by Britain of the funds which we propose to lend. Under the terms of the financial agreement, the only security given by Britain for the repayment of this loan is the general faith and credit of Great Britain.

Let us take a look to see whether or not the general faith and credit of Great Britain, based on our past experience with her can possibly justify or be deemed as any security at all for this loan.

The records of our Treasury Department as of January 1, this year, disclose that Great Britain still owes our Nation the sum of $6,491,614,782.58 of the amounts we loaned to her during and after World War I. Inasmuch as this debt has been repudiated by Great Britain, can we by any stretch of our imagination place our trust in her general faith and credit? Let me emphasize this point: Britain's general faith and credit is the only security upon which this loan is to be based.

Much has been said during the lengthy debate on this resolution of the concessions to be made by Britain in reducing trade barriers as consideration for this loan. The terms of this financial agreement between the Government of the United States and the United Kingdom was negotiated by Lord Keynes. Let us look at the record to determine the construction he places on the concessions to be made by Great Britain. I quote from a speech made by him in the House of Lords on last December 17 and 18 during the debate on this proposed loan while comparing it with loans heretofore made by the United States to our other allies:

None of these loans is subject to a 5-year moratorium All the other loans which are being made are tied loans limited to payments for specific purchases from the United States Our loan, on the other hand, is a loan of money without strings, free to be expended in any part of the world

Later, during the same speech, in comparing this proposed loan with one from the Export-Import Bank, he had this to say:

The normal commercial terms in the Export-Import Bank are, however, 3 percent, repayable over 20 years commencing at once, so that payments equal to 48 percent of the loan would have been paid during the first 6 years in which we pay nothing Moreover, the resources of this institution are limited and our reasonable share of them could not have exceeded one-quarter or one-fifth of what we are actually getting. Nor are they without strings. They are tied to specific American purchases and not, like ours, available for use in any part of the world.

That is the construction placed upon the terms of this loan by the one who negotiated it on the part of Britain, so the argument that Britain must, under the terms of this loan, purchase American goods with the credit obtained amounts to naught. According to Lord Keynes, she has no intention of doing so, and she is certainly not bound to do so by the terms of this financial agreement.

Much has also been said about the discontinuance of the British sterling bloc. Let us see what Lord Keynes had to say about this. I quote from this same speech:

I wonder how much we are giving away there. It does not relate to the balances accumulated before the spring of 1947. We are left quite free to settle this to the best of our ability. What we undertake to do is not to restrict the use of balances we have not yet got and have not yet been entrusted to us. It will be very satisfactory if we can maintain the voluntary wartime system into 1947. But what hope is there of the countries concerned continuing such an arrangement much longer than that? Indeed, the danger is that these countries which have a dollar or gold surplus, such as India, and South Africa, would prefer to make their own arrangements, leaving us with a dollar pool which is a deficit pool, responsible for the dollar expenditure not only of ourselves but of the other members of the area having a dollar deficit. * * * The way to remain an international banker is to allow checks to be drawn upon you; the way to destroy the sterling area is to prey on it and to try to live on it. The way to retain it is to restore its privileges and opportunities as soon as possible to what they were before the war. It would have been more comfortable to know that we could have a little more than 15 months to handle the situation, but, nevertheless, the underlying situation is as I have described.

I do not regard this particular condition as a serious blot on the loan, although I agree with the noble and learned viscount that I would have preferred it less precise, as I would have preferred many other points to be less precise. Such a view can only be based on a complete misapprehension of the realities of the position, for apart from the question of debt, do the critics really grasp the nature of the alternative? The alternative is to build up a separate economic bloc which excludes Canada and consists of countries to which we already owe more than we can pay, on the basis of their agreeing to lend us money they have not got and buy only from us and one another goods we are unable to supply Frankly this is not such a caricature of these proposals as it may sound at first.

This proposed loan is to be interest free for 6 years and, thereafter, is supposed to draw interest at the rate of 2 percent per annum, but there is an escape clause in its provisions, an escape clause that, in my opinion, will result in the payment of no interest. I draw my conclusions from this same speech of Lord Keynes where, in discussing interest, he has this to say:

We pay no interest for 6 years After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar. I repeat that. We pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of what they were prewar.

Lord BARNBY. In volume or value?

Lord KEYNES. Volume. That is very important; I should have said so. The maximum payment in any year is £35,000,000, and that does not become payable until our external income, in terms of present prices, is 50 times that amount. Again I repeat, the maximum payment in any year is £35,000,000, and that does not become payable until our external income—that is from exports and shipping and the like—is, in terms of present prices, 50 times that amount. In any year in which our income falls short of this standard, interest is fully and finally waived. * * * Is it not putting our claim and legitimate expectations a little too high to regard these proposals, on top of lend-lease, as anything but an act of unprecedented liberality? Has any country ever treated another country like this, in time of peace, for the purpose of rebuilding the other's strength and restoring its competitive position? If the Americans have tried to meet criticism at home by making the terms look a little less liberal than they really are, so as to preserve the principle of interest, is it necessary for us to be mistaken? The balm and sweet simplicity of no percent is not admitted, but we are not asked to pay interest except in conditions where we can reasonably well afford to do so, and the capital installments are so spread that our minimum obligation in the early years is actually less than it would be with a loan free of interest repayable by equal installments.

So you see, according to Lord Keynes, this agreement was designed to fool the American people into believing that it called for 2 percent interest when he knew and wanted the British people to know that by its terms no interest will ever be required to be paid.

Referring again to the concessions Britain is supposed to make by the terms of this agreement, I would like to quote from a speech made by British Foreign Secretary Ernest Bevin before the British Parliament on December 13 of last year in answer to Mr. Churchill:

I will go further tonight and say that if we had been pressed to sacrifice imperial preference rather than be defeated by Hitler I would have paid that price then in 1941. I know the issue that was at stake But we did not have to pay the price, and may I remind the House we have not paid it now, and it is not in these proposals

According to these gentlemen, one of whom negotiated this loan, about the only thing that is agreed to on the part of Britain is to receive this loan and spend it as she sees fit. Of course, she agrees to repay it, but I ask you, based on past experience, what does her agreement to repay amount to? In my opinion, she does not at this time intend or expect to have to repay this loan.

Bear in mind that in our lend-lease agreements Britain promised to reduce trade barriers. Yet the record will show that these barriers are higher now than before lend-lease was agreed on. How do the proponents of this loan explain this broken pledge and expect us to agree to a loan secured only by the faith and credit of Great Britain. How can we justify a loan of this kind and at the same time require ample security from our own war veterans who won this war, our farmers, our home owners, and our small businessmen, and require them to pay interest of from 3½ to 4½ percent. Can anyone describe such policies other than as discriminations against our own people?

Should Congress extend favors with the taxpayer's dollars to foreign nations which we refuse to extend to our own people?

At the present time the Export-Import Bank operating with Government funds has loaned billions of dollars to several foreign countries. Why should these countries, all of them our allies during the recent World War, be discriminated against by being compelled to pay an interest rate almost 50 percent greater than that provided in this proposed loan to Britain? Why should these same countries be forced to repay from 3½ to

48 percent of the principal which they have borrowed during the first 6 years while England pays nothing during that same period. Why should our former allies be asked to repay loans in 20 or 30 years while Britain is allowed 55 years. Do we help our world relations by this policy of discrimination? Should we make this loan to Britain, is there any reason to believe that Russia will not demand a loan on the same or similar terms to those proposed in this loan?

It has been said during this debate that this loan cannot be used to assist the Labor government of Britain in socializing British industry. Let me remind you that should we make this loan under the terms proposed it will provide dollar credits that can and most assuredly will be used for purchases of American machinery in nationalization programs in Britain. It will provide food and other materials at the expense of our taxpayers and thus help the Labor Party in Great Britain give the appearance of success to its socialization program. And if England continues to go socialistic, its economic way of life will eventually become the enemy of America's free-enterprise system.

Let me ask you what specific action the Labor government of Britain has taken that indicates even a faint movement back toward capitalism. Has she not during the last few months taken over the Liverpool Cotton Exchange? What offset development can you point out to indicate that this type of socialism is not a permanent trend in Britain?

In closing I would like to point out that our national debt is rapidly approaching two hundred and seventy billion. To make this loan it will be necessary to borrow from our people and thereby increase our national debt. To secure funds for the purpose of this loan we must pay 2½ or 3 percent interest, and as I have heretofore pointed out the prospects of collecting even the 1 6 percent interest provided in this proposal are very unlikely.

Let us look at this proposition from a realistic point of view. Would any banker loan money to anyone who had repudiated a former debt? Would he loan any sizable amount to anyone without ample security for its repayment? Would he loan money at an interest rate less than that which he was required to pay to his depositors? You must agree that the answer to each of these questions is "No." So let this be our answer to this unwarranted and ill-advised proposal.

Mr. MICHENER. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, it has been more difficult for me to reach a conclusion as to how I should vote on this British loan agreement than to any other proposal coming before the present session of the Congress. After the most mature and careful consideration, attempting to give due weight to the pros and cons, I have concluded that whatever action is taken by the House may be the wrong action. Sixteen hours' debate and a perusal of the printed committee hearings are persuasive that no one is sure enough to speak with absolute finality.

Jesse Jones, former Director of the RFC, as well as Secretary of Commerce, makes it clear that this is not the type of loan that would be granted by a conservative commercial bank. With this conclusion I think a vast majority of the membership is in agreement.

Now if this is not a bankable loan, with adequate security back of it, then why should we approve it? It seems to me the answer to this question is the heart of this controversy.

I conceive it to be the first duty of the Congress to safeguard and promote the interest of our own country. Therefore, I must decide whether in my opinion the best interests of my country will be served by approving this agreement. The advantages of the loan have been pointed out in detail. On the other hand, the alleged disadvantages have been impressively called to our attention.

Certainly what we do here today will not be hasty action. The matter has been studied and discussed throughout the land for many months. It is interesting to note the attitude of the economists and other groups as expressed through their authorized representatives. The National Chamber of Commerce, the National Manufacturers' Association, the Bankers' Association, businessmen, and business groups, are in general unanimity in urging that this agreement be approved. The American Federation of Labor, the Congress of Industrial Organizations, and other segments of organized labor, also approve. The Farm Bureau Federation and the National Farmers Union, in addition to other agricultural associations, take the same position. The National Grange, as such, did not appear at the hearings However, I have contacted the legislative representative of this great organization in Washington and am advised that since there is difference of opinion among the subordinate granges the national representatives in Washington have not taken a position for or against this loan.

Mr. Chairman, I cannot recall any other legislative proposal in recent years which has had such apparent support on the part of business, agriculture, and labor. Such cooperation is indeed unusual and for that reason alone should carry great weight. Of course, these several groups may all be wrong. Then again, they may be right.

Your local banker always considers the ability of the borrower, as well as his inclination to fulfill his contract, meet his obligation, and pay the loan according to agreement. The question of the borrower's character is always pertinent. That is especially true in this instance.

If this agreement is approved, we will have consummated a written and binding contract between Britain and the United States. We agree to do certain things. The British agree to do certain things. If adequate collateral to secure the loan is not provided, then much must depend on the good will and the honesty of the contractor. In short, if this credit is advanced under the terms of this agreement, from a banker's standpoint our country does take a chance. Are we justified in assuming this risk? The answer naturally depends upon the chance we take if we do not grant the credit. As so well said by Senator Vandenberg, "What is the alternative?"

If we view this as an ordinary loan venture, the purpose being to make a secure investment, paying the guaranteed rate of interest, without other benefits than the return of the money with the interest involved, our decision might be different. However, if we take into consideration the contemplated and anticipated benefits to accrue to our country, then we should be doing our people a disservice by rejecting the agreement.

Now what are these benefits? It is expected that this loan will open markets for products of American factories, American farms, and American labor. It will help our largest prewar customer, Great Britain, to become a larger customer. It will reduce restrictions on trade that cut down the flow of goods among nations. It will help to maintain high productivity and employment here at home. It will make for free relations among nations and will contribute to world prosperity, as well as our own prosperity.

It has been urged here that this loan will aid socialism and support imperialism in Britain. Few of us favor socialism in Britain or anywhere else. Most of us abhor communism anywhere. Yet at the moment it would seem that the conflict in Europe today is between a socialistic dominated England and a communistic dominated Russia. We believe in free-enterprise trading policies. An affirmative action here today certainly will strengthen that country which I believe needs strengthening if all Europe is not eventually to go communistic.

If this loan is made, there is no denying the fact that in certain eventualities it may place a further burden on the American taxpayer. On the other hand, if the loan is repaid in accordance with the terms of the contract this will not happen, and certain benefits to which I have referred will inure to a more prosperous, a more progressive, and a happier America. We today occupy a place of world leadership and we must not lose that position.

The world is hungry for peace and candor compels us to say that peace is not yet secure. Of course this loan will not guarantee peace but it will go a long way in that direction. We are in world affairs today. Our Army and our Navy are in every land on the globe. We must disassociate present conditions and our present obligations from the conditions and obligations existing before the war. Using one of my stock expressions on the floor of the House, we are confronted with a condition and not with a theory. We must arise to the occasion.

I shall, therefore, join with Senator VANDENBERG and Senator FERGUSON in supporting this agreement and in doing so have a deep-seated feeling that I am doing that which my conscience tells me is most likely to be most beneficial to all of our people.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending resolution and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved for the committee.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

Mr. SMITH of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Ohio. Does this conclude all of the debate and all consideration of the joint resolution?

The CHAIRMAN. That is the motion that was made and carried by the Committee.

The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I support this resolution. I support it because I believe that world peace is dependent upon the strengthening of unity among the Big Three. Unless we have that unity in pursuance of the fundamental policies and decisions laid down at Tehran and Yalta and Potsdam this world will once again be plunged into war. We cannot support the policy of unity among the Big Three and at the same time refuse to implement that unity with economic aid. Economic aid is absolutely necessary, and no one disputes that Consequently, how can we in America, who advocate the policy of unity among the Big Three, oppose the economic implementation which is so necessary for the fortifying of that unity?

It is argued by some that the relationship among the Big Three has deteriorated That is true. But the refusal of this loan would only increase the deterioration.

To grant this loan is in keeping with the foreign policy for which Franklin Roosevelt laid down his life. The American people believe in the postwar plan for peace he left us. They believe in it and we find proof in such events as the ratification of the UNO agreement and the Bretton Woods agreement.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. OUTLAND. Mr. Chairman, I was granted 2½ minutes. I yield to the gentleman from New York 1 minute of my time.

Mr. MARCANTONIO. The American people believe in world peace and know that the Roosevelt blueprint must be followed. That is why they have supported UNO, Bretton Woods, and today they are in full support of the policy of unity among the Big Three for world peace despite the speeches made here by some of the opponents and proponents of this resolution. That is what is involved here.

I cannot help but deplore the appeals made for and against this resolution which are based on the contention that either defeat or passage of this loan will work to the advantage of the Soviet Union. These proponents of the loan who use attacks on the Soviet Union and who advocate a cordon sanction against her are negating the very principle for which this loan is made; world peace which can be guaranteed only by full collaboration among the Big Three—Great Britain, the Soviet Union, and the United States. The opponents who make the Soviet Union a target for their attacks on this loan have always opposed Big Three unity. The advocates of the loan who have today used the same line, thus find themselves in accord with those who oppose the loan and therefore give aid and comfort to those who are enemies not only of the loan, but enemies also of unity for world peace. Remember that this loan by itself does not insure world peace. We must return to the fundamentals of Roosevelt, the decisions of Tehran, of Yalta, and Potsdam. The Roosevelt doctrine for a lasting and democratic peace is based on the foundation of Big Three unity. The reason for my support of this loan is therefore based on the proposition that it be utilized in cementing the unity of these three nations, and not destroying it.

Consequently, England too, must realize that the American people strongly condemn her policy of rugged imperialism in China, Africa, Indonesia, and in India. The performances of her Bevins and Churchills are not in keeping with the decisions of Tehran, Yalta, and Potsdam. The British rape of Greek democracy, the attempt to make Italy a British Mediterranean colony, and the British insistence on refusing to Ireland her northern counties and her ruthless activities in Palestine violate the basic concepts of the policy of Big Three unity.

May I add a word as to why organized labor gives its support to the loan. Not granting these aids to countries, those who have been our allies, is going to break down our foreign export trade.

We need $10,000,000,000 a year in export trade for full employment.

I refuse to join with those who would disrupt that foreign export trade. The result will be unemployment. Therefore, this loan is in the interest of peace and it is in the interest of full employment in these United States.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr SMITH of Ohio: On page 3, line 3, after the word "receipts", strike out the period and insert in lieu thereof a colon and the following: "No part of the fund herein provided shall be made available to the British Government out of receipts derived from any source other than taxation and borrowing from private individuals, or in a year following any year in which the expenditures of the Government of the United States exceed receipts derived from taxation and borrowing from individuals."

Mr. SMITH of Ohio. Mr. Chairman, this amendment should be acceptable to every Member of the House who is really interested in restoring the finances of the Government to a state of soundness. This amendment would in no wise preclude the British Government from drawing on the credit provided in this bill.

The purpose of this amendment is to force our own Government to balance its budget and to live within its taxable income. Since this could be done without in the least imperiling Britain's prospects of drawing on this line of credit, and would be the greatest boon to our own people, my amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I join the gentleman in the hope that we will have just as little printing-press money as possible, and none, if possible. I certainly believe in a balanced Budget. I am in favor of higher taxes right now, and I would vote for another tax bill in order to help pay off as much of this national debt as possible while people are able to pay it. But this is not the way to reach that problem. This makes it more inconvenient, in fact, impossible, to administer.

One who is against any kind of a resolution like this, as the gentleman from Ohio is, and he is conscientiously opposed to it, he is just as much entitled to oppose it as I am entitled to be in favor of it, but if he is against it I hope he just votes against it, I hope he does not cripple it with amendments like this. This would make it absolutely impossible to administer. Before you could pay out any money or credit you would have to show that that particular money or that particular credit was collected in taxes or from the sale of bonds or securities to individuals. In other words, you would have to have a complicated bookkeeping system, and you would have to have different place to put money derived from different sources or collected from different sources. You would have to have one box for the taxes, another box for proceeds from sale of bonds to individuals, another box for proceeds from sale of bonds to insurance companies, and another box for proceeds of sales of bonds to banks. I could name a dozen different ways this would be confusing. It would be absolutely impossible of administration. You could not administer a law with this provision in it. Since it is not only a crippling and harmful amendment but as devastating as the other one, I hope it is voted down. I ask for a vote on the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, really it is a revelation the things that can happen in this great Congress. I think I recall at one time a very distinguished gentleman who certainly resembled the last speaker who was invariably taking the floor on every occasion and advocating printing-press money. I also remember he was the author of a bill to pay off the veterans of the First World War with some printing-press money.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. No; I cannot yield.

Mr. PATMAN. For a correction?

Mr. REED of New York. I cannot yield to the gentleman to take up my time.

Mr. PATMAN. Your statement is not correct.

Mr. REED of New York. I want to speak just a moment for some of the forgotten people. I want to speak for the taxpayers of the United States. They are the forgotten people now. You may be interested to know that the tax will have to be increased if the loan is passed or there will have to be a bond issue. But, of course, that will not be mentioned before the election—no, no,

not at all. But down town where the tax bills are written they have already figured out how much they will have to increase the individual income taxes in order to meet this situation that you are creating here today if you vote this loan. Let me show you what will happen as a result:

INDIVIDUAL TAXES

By increasing the individual income-tax burden $3,750,000,000 or 29.3 percent, the average increase per taxable return would be $99. This $3,750,000,000 increase could be realized by either a 29 3-percent increase in the present burden or by increasing surtax rates 7.5 percentage points in each surtax bracket.

The following will illustrate the effect on selected net incomes of increasing the present tax burden 29.3 percent:

Married person, no dependents

Net income	Tax, present law	Tax with 29.3-percent increase	Increase over present law
$1,200	$38	$49	$11
$2,000	190	245	55
$3,000	380	491	111
$5,000	798	1,032	234
$10,000	2,185	2,825	640
$25,000	9,092	11,743	2,651
$100,000	63,128	81,625	18,497

Estimated revenue loss by various changes in the individual income tax calendar year 1947

1. Reduce individual liabilities by a flat 29.3 percent, revenue loss $3,750,000,000
2. Change personal exemptions and credit for dependents: single person, $1,000; married couple, $1,500; dependent, $500; revenue loss 3,800,000,000
   Eliminates 12,000,000 taxpayers from tax rolls.
3. Reduce all surtax bracket rates by 7.5 percentage points, revenue loss 3,850,000,000

On the other hand, if you want to help your own taxpayers who are so tax-ridden at the present time, keep this in mind. These increases have already been figured out, but they are not to be disclosed until after the election. You ought to go home now, and be frank with your people. I am giving you the figures and you ought to tell your people what you are adding to their taxes. If you want to, you could relieve them of a 29 percent increase and you could take 12,000,000 taxpayers off the tax rolls. Are you going to do that or are you going to vote a gift of $3,750,000,000 for Great Britain?

Mr. WOODRUFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. WOODRUFF: Page 3, after line 3, insert a new section to read as follows:

"SEC. 3. Notwithstanding the provisions of sections 1 and 2 of this joint resolution the Secretary of the Treasury is not authorized to carry out the agreement or to make any payments to the United Kingdom under the agreement unless the agreement is modified so as to provide (1) that the United Kingdom, as collateral to secure the repayment of the advances made to it under the agreement, shall transfer to the United States title to such areas in or bordering on the Atlantic and Pacific Oceans as the President determines are suitable for use as military or naval bases, and are fully adequate to protect the interests of the United States; and (2) that the areas so transferred will be from time to time retransferred to the United Kingdom if, as, and to the extent that the advances made to the United Kingdom under the agreement, together with interest, are repaid."

AMERICAN AIR BASES AND THE BRITISH LOAN

Mr. WOODRUFF. Mr. Chairman, it is necessary to include this provision now, because we must speak now or forever hold our peace—or, shall I say, be under the risk of losing our peace. It will be too late to ask for this qualification day after tomorrow, or even tomorrow, so to speak. The time to lock the stable is before the horse is gone. A similar request for the guaranty of continuing American military and commercial utilization of air bases built on land owned or controlled by the British Government, as a vital addition to the proposed loan, has thus far been rejected. This House then is the last court of appeal in this question of air bases built by Americans for Americans at the expense of the American taxpayers.

Mr. Chairman, on March 27, 1941, President Roosevelt transmitted to Congress a message telling of the exchange of 50 American destroyers for the right to lease naval and air bases in Newfoundland, Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad, and Antigua. He stated that these bases were "for American defense against attack and their construction is consistent with such defense"—see CONGRESSIONAL RECORD, volume 87, part 3, page 2604, Seventy-seventh Congress, first session.

There appears to have been a misunderstanding—one of many in our foreign dealings—concerning the inclusion of Newfoundland's vital air bases in the Roosevelt-Churchill deal; but the important thing about what President Roosevelt had to say more than 5 years ago was that the American material, brawn, and know-how going into the construction of these operational bases would not be wasted, because it would build up defense against attack. And we must remember that, in those days, there were no practical military planes which could span the Atlantic or the Pacific and return to their take-off point. At that time there were no V-weapons, no supersonic planes, no pilotless aircraft which we have learned to call drones, no atomic bombs. If we needed those bases in days before the advent of the present devastating weapons of war, how much more do we need them today. How much more will we need them in the future as man's ingenuity against man continues to achieve new heights?

The alert defenders of the American way of life have reminded their countrymen that we must have the free use of such bases if we are to enjoy any national security whatsoever. Admiral of the Fleet Ernest J. King pointed to the necessity of maintaining such bases. He said that, no matter how altruistic America becomes, she must never let national security depend solely upon the good will of other nations, and must retain control of all sea areas vital to her defense. See Times-Herald, August 22, 1945.

The Navy Department has recommended the permanent maintenance, with adequate defenses, of a series of major bases in the Atlantic and the Pacific. Those in the Atlantic where the Navy recommends that permanent bases be established are Bermuda, Guantanamo, San Juan, Roosevelt Roads, Coco Solo, and Balboa. See Washington Post, September 6, 1945.

General of the Army H. H. "Hap" Arnold declared that the United States can no longer "rely on passive defense and more bases at home." He advocates unrestricted use—in other words, absolute title—to those bases vested in the Government of the United States. He said that this is vital to America's strategic defense policy and essential to our future security—see Times-Herald editorial, June 6, 1945. Finally, General of the Army George C. Marshall has told Congress that the United States Army wants to keep a firm grip on American-built bases, including strategic airports, in Australian, French, and British possessions pending the outcome of higher level settlements. The British loan is a "higher settlement" of the nature to which General Marshall at that time referred.

Let us examine at this point just what we want. We want those air bases that were built for the protection of our Panama Canal. We want those air bases which were built for the protection of our Western Hemisphere coastwise trade. We want those air bases which were built to protect and make possible military supply routes during the late war. We want air bases on those Pacific islands belonging to the British Empire which were bought back from the Japanese aggressor by a terrible purchase price in American blood and treasure. It is no discourtesy to the British, who remind us of the heroes of Dunkerque and the London blitz, for us to remind them in our turn of the heroes of Tarawa, Leyte, Iwo Jima, and Okinawa. Britannia has no monopoly on Gold Star Mothers. We want what we want, because we are doing all within our power to see to it that war does not come to us again, and because in Britain's hour of need—even before we were officially in the war—we came to her aid.

Nor is what we want still another drain on the pocketbook of the American taxpayer. As Scripps-Howard writer Charles T. Lucey emphasized in the Washington Daily News of December 5, 1945:

> Having military air rights around the world doesn't mean costly installations everywhere. In some places it would mean no more than the privilege of landing for technical stops or perhaps a small staff on duty.

The suggestion of obtaining bases for needed financial aid is not new. Every treaty entered into by the United States with a foreign government involving an outlay of American money should involve getting something tangible in return. This is "dollar diplomacy," you say? Exactly. It is also fair dealing on a materially beneficial basis. American dollars are in demand. That should be no bar to getting what we want in exchange for those dollars. And we want air bases.

The Governments of Ecuador and the United States are both satisfied by such an arrangement. Early in 1945, Ecuador secured a $20,000,000 loan from the Export-Import Bank. It is not astonishing that one of the outstanding considerations of that loan is understood to have been the leasing of certain Ecuadorian islands for strengthening the defenses of our Panama Canal.

There is little doubt that the far-seeing patriots and financiers among the British are aware of America's wants and needs and their relationship to the British loan. In fact, one of the British negotiators—the head of the British delegation, Lord Halifax—is reported by the New York Journal-American to have said:

We have no intention of coming to the United States as suppliants, asking them to accept any arrangements to help us which they do not honestly feel to be in the best interests of the United States and the rest of the world

See New York Journal-American, September 21, 1945

The United States has been one of the chief advocates of world peace, and, should these air bases be given to us, our Nation would be in a far better position to continue and to step up our efforts in maintaining world peace. This determination on our part is, as Lord Halifax puts it, "in the best interests of the United States and the rest of the world."

We do not want to seek our "best interests" in a haphazard way, neither do we want to make a "cloak and dagger" job of it When another body examined the idea of amending the British loan proposal by acquiring permanent acquisition of air bases, or to getting them on a 999-year basis, one of the facts brought out in debate was that State Department officials were discussing the future of American-built air bases on British territory. The New York Herald Tribune for May 6, 1946, stresses this point, adding the opinion of one speaker that, since the House would not consider the loan for another month "this would give the United States Government time to reach an agreement with the British on the bases" It was the opinion of this same Member that, if such an amendment should be adopted, it would not mean that the loan would have to be renegotiated

But, there have been no public announcements during the time intervening between the passage of the British loan by another body, and the present consideration of the loan by the House, concerning any progress in discussions about the ultimate disposal of American-built air bases on British possessions, let alone any concrete decisions on this matter. But, we must remember that, after the House acts, there remains nothing to protect us from the loss of these valuable national defense bases. We are, in truth, the court of last appeal.

There may be an "understanding" existing between our own State Department and the British Foreign Office concerning the disposition of air bases. That, at best, is only a supposition. The foreign affairs of our Government cannot be conducted on a basis of guesswork. We have seen that there was a definite misunderstanding about Newfoundland in the destroyer-bases deal in 1941. There could still be a misunderstanding about the British loan-bases deal, if there is such a deal. If there is not any deal, then we will never be sure of getting what we want for the future security of America. If there is such a deal, it may be only of a vague or temporary nature.

The object of this proposed amendment is to take the guess out of guesswork and make the loan work. In this connection it must be remembered that up to this time Britain has agreed only to consider the things of most vital interest to us. With he provisions down in "black on white"—"I'll do this if you'll do that"—the loan itself will be at once both intelligible and workable. It will be the beginning of the end of secret diplomacy, the one single factor which has contributed more to wars in the past than any other.

One of the strongest arguments for this amendment is that it puts the British loan in a category by itself.

If this British loan is made on the basis of the present lack of any consideration in return, except the vague generality that Britain needs the money and we need Britain, it becomes a precedent for demands by all the other nations in the world who may need money on precisely the same grounds, and precisely the same arguments, which would be precisely as logical as the arguments in favor of the British loan. If, on the other hand, we do get a quid pro quo in the long-term leases of these bases which are necessary to our system of national defense for the future, then that does leave the British loan in a category by itself.

The American people have been deceived by the proponents of this loan in that—First, it is a loan, which it is not; it is an outright gift; second, because Britain is supposed to repay the principal and the interest over a period of 50 years, which Britain expressly says—through her spokesmen—she does not intend to do. That sort of false pretense will leave a sense of bitterness in the minds of the American public. Therefore it is better from the standpoint of our friendship with Britain in the future that Britain give us the lease to these bases for 999 years, and certainly that American commercial aircraft have the same rights on these bases as British aircraft have.

The American taxpayer is weary of secret diplomacy. It has created confusion in the domestic scene and it has added to confusion in the international scene. The American taxpayer wants something for something; not nothing for something. And he will never get what he wants unless he is able to read it in the language of the loan itself. He deserves and he should get a written guaranty that his Government has not bought a "gold brick" with his money.

We must act today for tomorrow's security. To insure the defenses of our Nation and the peace of the world, the British loan must be amended to give permanent possession or 999-year leases to our Government on those bases on British possessions, planned in American minds and built by American hands and money.

The CHAIRMAN. The gentleman from California [Mr. OUTLAND] is recognized.

Mr. OUTLAND. Mr. Chairman, I wonder how many Members of the House have read article 1 of the base agreement signed on March 27, 1941, that the gentleman from Michigan spoke about.

Let me quote:

The United States shall have all the rights, power, and authority within the leased areas which are necessary for the establishment, use, operation, and defense thereof, or appropriate for their control, and all the rights, power, and authority within the limits of territorial waters and air spaces adjacent to or in the vicinity of the leased areas, which are necessary to provide access to and defense of the leased areas, or appropriate for control thereof.

In view of that language, I can see no reason at all for dragging in another irrelevant issue on this financial agreement In this particular case we have until the year 2040 control over these bases. We have our installations on them, and there is no point in trying to tack this particular rider onto a financial agreement.

If any change in the arrangements for the control of these bases were desirable, the first to say so would be our Joint Chiefs of Staff. I call to the attention of the House that in 1945 after long study, the Joint Chiefs of Staff submitted to the President the recommendation that no change be made in the status of the bases in the North Atlantic and the Caribbean, the bases covered by the proposed amendment. That factor in itself should constitute sufficient evidence to cause this House to defeat the amendment. American rights are amply safeguarded under the terms of the financial agreement; we obtain broad economic concessions which will be of immense value in the future. To drag in an issue such as this is unjustifiable, and I trust that the House will vote down the proposed amendment.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr MONRONEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. WOODRUFF].

Mr. Chairman, this is simply another booby-trap amendment whose sole purpose is to make impossible the consummation of the British financial agreement. The author of the amendment was 1 of only 67 Members of the House who voted against even taking up consideration of this loan.

I am against this amendment for four reasons.

First, it violates our stated pledge that we want no territorial aggrandizement. It violates it further by seizing land from a friend while we refuse to seize territory from our conquered enemies.

I am also against it because it negates the entire financial agreement. Although it sounds plausible, it forces us to go back and reconsider the whole loan and financial agreement.

The third reason I am against it is that the base arrangement for 99 years is eminently satisfactory to the Joint Chiefs of Staff of the United States Army and Navy who should know what they want in the matter of bases.

Fourth, I am against the amendment because it is completely vague and unworkable. The amendment reads as follows:

The United Kingdom, as collateral to secure repayment of advances made to it under this agreement, shall transmit to the United States, title to such areas in or bordering on the Atlantic or the Pacific Ocean as the President determines are suitable for use as a military or naval base.

Can you conceive of any sovereign country in the world signing an agreement that turns over to some third party the right to say whatever bases they might want to choose?

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. The gentleman has had more time than I in this debate. I decline to yield.

The amendment is unworkable. It does not say whether we are going to have control over the entire islands where our bases are located or get one-tenth of 1 percent of the area of the islands on which the bases were actually constructed.

If it means only the area we are using as bases, then it means that the only thing that is put up behind the $3,750,000,000 loan would be 100,000 acres of land, with less than $500,000 land value security. Such an attitude is ridiculous if this is the only security that would be obtained.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York as a substitute for the amendment offered by Mr. WOODRUFF: Page 2, after line 19, insert the following:

"Payments to the United Kingdom under this joint resolution in such amount as may be necessary but not to exceed $1,000,000 shall be made for the purpose of compensating the United Kingdom for a modification of the terms of the agreement with the United Kingdom, known as the destroyer-base agreement made in 1940 and executed on March 27, 1941, by changing the 99-year tenure of the United States to a permanent tenure, such payment or payments shall not be subject to interest nor repayment, and upon making such payment or payments the balance of the payments herein authorized may be made."

The CHAIRMAN. The gentleman from New York is recognized for 2¼ minutes.

Mr. COLE of New York. Mr. Chairman, I can assure the gentleman from Oklahoma that this is not a booby-trap amendment at least to the extent that it is not offered for the purpose of killing the resolution. A day or so ago I spoke in support of the resolution. This amendment is offered now with the hope that the resolution itself may be strengthened and not in any way jeopardized by the adoption of the amendment.

The amendment proposed simply that those bases which we received in exchange for the 50 over-age destroyers and upon which we have spent some $500,000,000 to develop and use for a period of 99 years, may be used permanently by us for military operations. It is not intended to affect the loan. The agreement will go ahead just the same. The only proposition is that the first payment from this loan shall be used to take out that 99-year qualification.

Sovereignty over the bases is not yielded to us under the amendment. It provides simply that the United States shall have the right to use those bases forever. In paying for the 99-year right to use the land within the base area we paid the equivalent of the full value of the land in fee, so we are not taking anything away from any British subject, not taking anything out of the British Treasury; it is not costing the British Government one red cent by adopting this amendment, but its adoption would remove a constant irritant to British-American relationships which I think should be removed at the earliest possible moment; and to my mind this is the practical way to do it.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. FOLGER. Will the gentleman agree that this would necessitate new negotiations between the United Kingdom and the United States?

Mr. COLE of New York. It would not involve any new negotiations whatever so far as the loan agreement is concerned.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Texas [Mr. SUMNERS] is recognized.

Mr. SUMNERS of Texas. Mr. Chairman, I believe it is true that more Members have had difficulty in arriving at a conclusion as to how they should vote on this resolution than on any other matter that has come before this House in a long time. Probably not more than a dozen Members other than those of the committee reporting the resolution has had time to make the examination and study necessary for an advised certain judgment as to how they should vote on this resolution affecting the most vital matters of domestic and foreign policy. There is too much business here for the capacity of human beings. We just have to do the best we can, which is a mighty serious thing for a Nation dealing with these great problems. These facts, however, are prominent and clear in the picture, and it seems to me they weigh heavily on the side of a favorable vote on the resolution.

First, there are many millions of people living in a very small territory, the British Islands, which has been greatly devastated. Their physical machinery must be repaired and their markets re-established. They cannot produce in the territory where they live the food necessary to sustain life, while they are getting started. They cannot produce and sell manufactured commodities to exchange for food until their manufacturing machinery is repaired and lost markets are restored. In addition they do not produce sufficient raw materials which they must have to manufacture the commodities upon the sale of which they depend for existence. Normally they are our best customers.

The thing that is necessary for them to have to get going, as I understand the explanation that has been made, is to get money from the United States in the nature of a loan with which to buy a part of their food for maybe 3 or 4 years and raw materials to start with before they can produce enough manufactured commodities to buy food and other things they have to import. It seems agreed that a large part of our international commerce is normally with those who are to be tided over and rehabilitated by the proceeds of this loan. We are told if this loan is not granted Great Britain will be compelled to trade with those countries constituting what is known as the sterling bloc. But if this loan is granted, that bloc will be dissolved, and world commerce will flow uninterruptedly through its natural and heretofore accustomed channel.

Possibly some of these statements which we have heard are those of the advocate rather than the analyst but we all know enough of the general facts to recognize in these statements things which we know to be facts.

Like many of my colleagues there are things about this proposition I do not like. But there are things which I do not like to contemplate might happen if we defeat this resolution.

Here we are right up against the necessity to vote for or against this resolution and do it now. We know substantially what the condition of the many millions of British people are crowded into the British islands which cannot feed them or supply them of what is required to get going. Our accredited diplomatic agents charged with responsibility have given months and months to a study of this matter. This resolution embodies their judgment. The Senate after long consideration has agreed with them.

We face now the great responsibility of effectuating that agreement or of defeating their effort and leaving matters as they found them. As a matter of fact while we have to rely in large measure upon the recommendations of our diplomatic agents and upon the committee members who have reported this bill the weight of the facts within our knowledge considered in the light of the probabilities dependent upon whether the House passes this resolution or defeats it leaves no uncertainty in my mind that I should vote to pass the resolution.

Mr. Chairman, before I close, if I may presume to make the observation, it seems clear to me that we of this country in discussing problems of this sort should be careful not to say things calculated to widen the breach developing among the nations which for many months have been engaged in an effort to create the possibility of a better method than war affords to settle international disputes.

The notion which seems to be growing that there is inherent in the differences in the governmental ideologies of peoples of the world, the impossibility of the degree of respect and confidence essential to sincerity of purpose and unity of effort, is absurd.

Speaking generally people have that sort of government which is best suited to their needs and governmental capacities. When we fight a war we have a

different sort of government than we have when we are at peace. Many things determine what sort of government a people have to have. War danger largely suspends democratic processes even of a democracy. Great economic necessity has the same tendency; lack of experience of a people in operating a system of government by the people. These things determine the character of domestic government, but that is no reason why people differently circumstanced, and having different kinds of governments, should not be able to work with each other in matters in which they have common interest. But if we choose to use that which is ours to relieve the economic necessity of a people and do it to our own economic advantage, and that aid will aid a people in avoiding the necessity of reducing their freedom in living, and of enterprise, freedom of government, we will have done a sound, humanitarian, patriotic thing in line with the interest, the broadest sort of self-interest.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The gentleman from Minnesota [Mr. JUDD] is recognized.

Mr. JUDD. Mr. Chairman, if this financial agreement were just an ordinary commercial loan I could not in good conscience support it because the terms are too lenient and too indefinite to justify supporting it as a commercial loan. Certainly the Dirksen amendment or other amendments having to do with furnishing collateral would be indicated if the agreement were a loan in the usual sense of the word.

On the other hand, I could not support it if it were just a gift with no substantial returns to this country. The present state of the United States Treasury does not permit ordinary gifts to Britain or to any other of the many nations which fought with us against the Axis and which are in great need and which could then legitimately come to us and ask for a similar gift. It cannot be justified on that ground.

However, as I see it, it is neither a loan nor a gift. Rather, it is a hard-headed business transaction, in which we extend a designated line of credit to the British in exchange for considerations which we think will be of even greater value to us through the years and decades ahead, namely, the removal of certain trade practices and restrictions that have been and will be increasingly detrimental to our commerce throughout the world.

When I go in to buy a pair of shoes I give the storekeeper $8. He gives me the pair of shoes. It is not a gift. I get value received. If it is a cooperative venture and if after a while he can pay me some dividends out of the business, that is all to the good, but my primary reason for making the transaction is because I think what I am getting will be of greater value to me than what I am giving up.

I am in favor of this agreement because I think it is a good, sound business transaction for the United States. It is an investment in the nation which has always been our best customer to help it pull through this period of great difficulty so that it can get on its feet and get going again under its own power and become once more the largest purchaser of American goods. The British Commonwealth usually accounts for about 40 percent of our foreign trade. If this credit is not given the Commonwealth has no choice but to draw together more tightly into a closed trading circle based on pound sterling from which we are excluded because the nations in it will have no dollar exchange to buy our goods. This would be a blow to our economy which would soon make it difficult, if not impossible, to dispose profitably of the surpluses, both agricultural and industrial, which we will have within 2 or 3 years. During the next decade we would lose not three and three-quarter billions of dollars, but literally tens of billions from the shrinking of our foreign markets, and even greater contraction of our domestic trade which would almost certainly result. Surely that makes this loan a sound investment; and we should make loans to others of our Allies only if and as they can show they have similar benefits to confer on us in return.

In addition, for America to vote down this agreement now would split us off from the nations of western Europe or split them off from us at the very time they are trying valiantly to hang on to their democratic philosophy and form of government and capitalistic economy despite heavy pressure from elsewhere. Some of them, perhaps all of them, would in despair feel they have no choice but to make the best terms they can with the expanding giant in the east. The United States would stand largely alone, and the cost to us in increased armaments would certainly be greater each year than the total cost of this agreement spread over 5 years.

Thus the agreement has values to us far greater than just trade relations, important as they are. It deals with forces and factors of far greater magnitude and more critical import. They involve the very safety of our Nation.

Mr. Chairman, the more I have studied the matter the more I have become convinced that we should support the agreement, not as an act of charity by the United States, not because we owe any money to the British—for we do not—but because we owe it to ourselves and to our children to do everything possible to insure the future economic well being and the security of our country. This is a most important step toward those crucial objectives.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, I made up my mind 2 or 3 years ago that I might probably never see this country revived to the form of government it had before 1912 for the simple reason that it has become a ship of state without a rudder. The rudder we had was the principles of the Constitution as interpreted by Thomas Jefferson in his inaugural address and also in his address regarding the Constitution. Those principles have been violated and scuttled repeatedly and increasingly in the last 30 years, until now it seems that we go from one quandary to another, leaping always more deeply into trouble, because we have no touchstone of principle against which to test these different laws that come before us.

With this unconstitutional bill today it seemed to me that the American principles of government did not have a fighting chance. It may be that I was prejudiced in favor of the principles of government, and that is not just Americanism, because as one who has studied the principles as hard as I have ever since I was a young girl, I am convinced that those principles are greater than any one of us, greater even than this Nation, and that we cannot hope to see the kind of civilization that started out in 1800 come to pass within our lifetime unless once more this Nation adopts those principles and holds them aloft to the world as the Statue of Liberty does in New York Harbor.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I think it is apparent after this long debate that the final compelling reason for adopting the resolution is what it will do for advancing the cause of freedom in the world. I tried to show in the general debate that we are preserving for the British people, the British importers and exporters, the right to choose with whom they will deal in world trade. That is an important freedom.

There is another freedom involved, and I refer now to the freedom that would be lost if the Woodruff amendment were adopted, the freedom of the peoples on these islands to determine under which flag they shall live. Whether we would like to have them under the American flag or not, we would all agree that it is their right to determine the matter, and they would lose that freedom under this amendment.

As to the proposed substitute offered by the gentleman from New York [Mr. COLE]—and I appreciate his fairness and the temperate presentation of his proposal—it should be borne in mind that he proposes to acquire permanently that which we already have under a 99-year lease, and again, without leaving it to those who live adjacent to these bases. It would involve renegotiation, and it would jeopardize this agreement. It ought not to be adopted because it involves diplomatic relations. It is not related to the financial considerations that should be paramount in this instance. It should, therefore, be voted down in spite of the fact that it is offered by a friend of this resolution, and an ardent proponent of friendly relations with the other great democracy of the world.

It would be impossible, Mr. Chairman, to overemphasize the importance of this principle. It is freedom as a great principle and not security in physical terms that offers the greatest inducement for the adoption of the resolution.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, like many of us here, I have had great difficulty in resolving my views on the pending resolution and the loan, but I have

decided that my reasons for voting in favor of this are very much those expressed so very ably this morning by the gentleman from Michigan [Mr. WOLCOTT] and seconded by the distinguished gentleman from Texas, the Speaker of the House. I believe that in due course we must get together in further arrangements as are indicated in the resolution and in the agreement and ask our cousins across the sea to consider us more in the nature of a partner in some of their own ventures than they have heretofore. I refer to such things as cable charges, telegraph charges, the use of bases for which we have paid money, air bases, the rights of landing, and so forth.

Mr. Chairman, I ask unanimous consent to yield the remainder of my time to the gentleman from Iowa [Mr. JENSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JENSEN. Mr. Chairman, from the very first day the New Deal spenders and wasters got into the saddle, their slogan was and still is, spend, spend, elect, elect. They opened up wide your pocketbook, the United States Treasury, and propped it open with a crowbar.

If this House votes today to let Britain stick her hands in our people's pockets and pull out $3,750,000,000 we are inviting most every nation in the world to stick both hands in our pocket way up to their elbows. You may say, "Oh, no; this is different," but let me remind this House that according to the United Nations agreement we are pledged to treat all alike and if we do not America will surely be in plenty bad with our other present friends all over the world, and if we do we will surely bankrupt our own Nation beyond redemption.

As all thinking Americans know, the New Deal United States WPA was bad enough, but now to expand it into a world-wide WPA is something that only dreamers of world utopia would dare claim we can support without total disaster, especially since our present United States deficit is right now over two hundred and seventy-two billions of dollars. Does that mean anything to you? During the past several days I have spent every minute I could spare from my other duties to listen to the arguments pro and con on this bill, and I have come to the final conclusion that generally speaking those who support this loan to Britain represent districts wherein there are factories and financial institutions who think they will derive financial benefits from the loan. While I am certain not a Member of this House wants prices on goods and services to spiral sky high, it is most important to remember that commodity inflation has never destroyed a nation in the history of this world. True, as in the United States, it has bankrupted individuals who spread their dollars out too thin. Nevertheless our United States Treasury and consequently our liberties and our form of government were not destroyed.

The thing which has destroyed nations and thrown them into communism, fascism, nazism, and so forth, was constant deficit spending, finally forcing currency depreciation to the end that it took an armload of paper currency to buy a loaf of bread. Did not the great Communist Lenin say, "We will force America to spend herself into bankruptcy, then we will take her over"?

Now, Mr. Chairman, I ask you this simple question: In light of the facts, will someone rise in their place and explain to this House and to the American people, and to the world exactly how we, the United States of America, can be expected to keep our light of liberty burning as a beacon for world security unless we keep sufficient oil for that lamp?

Mr. LANE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE BRITISH LOAN—TAXATION WITHOUT REPRESENTATION

Mr. LANE. Mr. Chairman, I intend to vote against this foreign levy on the American taxpayer. After spending our men and our resources all over the face of the earth, to save ourselves and others, I believe the time has come to put our own house in order. The lend-lease fiction is over. Other nations may have the mistaken notion that we are the prodigal son of the human family, whose means are inexhaustible, but we know better. Faced with the problems of reconversion and the dangers of inflation, we are in no position to write checks for the rest of the world. If philanthropy is intended, let us begin it at home. We have millions of war veterans who are trying to get a start in life again. I consider them a much sounder investment than an outmoded imperialism which has defaulted on us once and will do it again.

It is suggested that we approve of a $3,750,000,000 loan to Great Britain, without asking for any security in return in spite of the fact that she has net assets in this country in securities and property of $1,275,000,000. In addition to these assets, the gold and dollar balances of the United Kingdom amount to $2,324,000,000, most of it here in the United States. It is estimated that the value of other British property scattered throughout the world is close to $8,000,000,000. And yet those who drew up this agreement in behalf of the American people did not wish to offend the British by asking for collateral. Oh, no. They preferred to have the American taxpayers bear the burden, the risk, and the loss.

What kind of business is this?

My objections to this loan are four:

First. I am convinced that it never will be repaid.

Second. We cannot afford it.

Third. It will establish a dangerous precedent, obligating us to make loans to other nations.

Fourth. It will not serve our primary, national interest.

As to point No. 1: Remember the mere matter of $6,500,000,000 which Britain still owes us on her World War I debt? In polite circles this is never mentioned, but the American taxpayer remembers that he was stuck for this bad loan, and he is in no mood to repeat the experience. But he is being stuck again by those who speak for him without consulting him.

I am well aware of the great financial sacrifices which Britain made in the common effort to defeat aggressive fascism. However, she was not alone in this. Our Government has the largest debt of any nation in history: approximately $280,000,000,000. The per capita debt, or that owing by every man, woman, and child in the United States is $1,997. The per capita debt of the British Commonwealth and Empire is $261 as of January 1946. Though our per capita debt is seven times theirs, they expect us to shoulder their burden. Remember when Churchill said, during the dark days of the war: "Give us the tools, and we will finish the job?" We gave him the tools and the men. Tools to the value of $25,000,000,000, for which Britain may, under this loan agreement, pay $650,000,000, or a settlement of 2½ cents on the dollar.

Now as to the body of the loan itself. We are being called upon to hand over $3,750,000,000 at 2 percent interest. However, because the terms of the agreement provide that no interest shall be collected during the first 5 years, the actual rate over the whole period of 50 years will be 1.62 percent. We will pay $93,750,000 a year interest, and they, when they pay, will give us $60,750,000 a year. Our Government will thereby take a loss of $33,000,000 a year on the interest account.

This agreement is full of escape clauses which benefit Britain and penalize us. For the first 5 years she pays no interest whatever. We pay it. A novel and expensive way of doing business, to say the least. For these 5 years we will have to tax ourselves $75,000,000 annually to meet the interest, for a 5-year total of $375,000,000. This is not all. If, in any year following this generous period of grace, the exports of Britain should fall to reach a level which may be estimated at about 60 percent higher than her prewar volume, she may waive payment of the interest.

There is no basis for the belief that Britain can or will increase her exports by 60-percent over prewar volume. She lost much of her shipping during the war, and many of her markets. South Africa, Australia, and India—her best customers within the Empire—were forced by wartime conditions to enlarge their production of those items which Britain formerly exported to them. Each of the principal Empire countries now has flourishing young plants producing certain machine tools and specialized machinery and textiles and ships. The growth of industry in Latin America will reduce British exports to that area. Even Canada has expanded its industrial capacity 259 percent beyond the 1939 level.

The chances therefore, of increasing her export trade by 60 percent, are visionary. If, under these conditions, Britain should not be able to meet her interest payments for the entire 50 years, which is the life of the loan, we will have

had to pay the sum of $3,750,000,000 in interest alone. After this, we are still faced with the fact that if Britain does not pay the loan itself, we will have to tax ourselves another $3,750,000,000 to retire the bonds.

But that is only the beginning. This loan agreement also settles the lend-lease problem for the British but not for us. Our Government borrowed $25,000,000 to advance to Britain on lend-lease. Our Government pays at least 2 percent interest on the loan. England is relieved of all financial responsibility in the matter, while our Government must go on taxing our people $500,000,000 a year to pay the interest on another nation's debt.

With income from exports, shipping, insurance, commissions, and overseas investments severely cut and with $14,000,000,000 piled up by foreigners in its banks in the form of credits, Britain is not a good risk. She cannot make payment on the United States loan and refund the whole of these huge credits at the same time. If Britain, which was in a much stronger economic position in 1919 than she is in 1946, could not pay the World War I debt, it is safe to say that she cannot pay back on this loan.

As to point No. 2: We cannot afford to make this loan. Not only has our own debt with its burden of carrying charges, reached fantastic proportions, we have already appropriated huge sums to promote recovery and reconstruction on an international scale. Under the Bretton Woods fund we are making $2,750,000,000 available to the rest of the world. Through the medium of the Bretton Woods Bank we are providing $3,175,000,000; and, with the International Bank's guaranty, a total of $7,500,000,000 worth of securities which can be sold to the citizens of this country. The dollars raised by such sales are then available to foreign countries for use in buying goods in this country In addition to the proposed loan to Britain, the administration plans to seek an increase in the Export-Import Bank's funds by a billion and a quarter dollars over the present lending authority of that bank. We have appropriated $2,700,000,000 for UNRRA which is used to buy goods in this country for use elsewhere. All told, in the period of a year, we are authorizing the President to make available to foreign countries the staggering total of $21,450,000,000. All this is at the expense of the American taxpayer who has not been consulted on these gifts for which he must pay.

On the third point, I oppose this loan because it establishes a dangerous precedent which will obligate us to make loans to other nations if we are not to be guilty of favoritism. Already Russia has asked for a larger amount. France, Belgium, Finland, and other countries are preparing applications. China will follow. Once started on such a course we cannot stop without opening ourselves to the charge that we are underwriting one foreign policy as against another. This is the road to war. The argument that Britain's is a unique or special case will not impress other nations. Remember, this is not a private but a government loan, and as such will carry with it political implications. We must lend to none, or to all who apply. Clearly, it is impossible for us to do the latter.

On the fourth count, I do not believe that this proposed loan will serve our Nation's interests. Assistant Secretary of State William L. Clayton is on record as having said that if the purpose of the loan was to help Britain to meet the annual deficit in her trade balances for the next few years, or to stimulate purchases by Britain in the American market, these reasons would not be sufficient justification for the loan. However, on the theory that it will enable Britain to team up with us in bringing about a multilateral nondiscriminatory trading system throughout the world, he says that we must approve this loan. In rebuttal, I submit that this is an impossible objective. In Russia and throughout the many areas which she controls, all trading is done by the government, and that means bilateral, not multilateral, trading. The British Government itself has decided that all cotton coming into Great Britain is to be purchased by a government agency. Even in our own Government there is some sentiment for worldwide cartels, controlled by governments, which is contrary to the theory of multilateral trade.

In return for the huge loan which we are debating, Britain agrees to consider the abandonment of Imperial preferences. Even if this comes about, it will mean that we must scale down our tariffs, sacrificing some of our industries for the benefit of others. For the four or five billion dollars in foreign trade which we might realize, we gamble with our home market which has been, is, and must continue to be the key to our prosperity.

We cannot, for instance, expose our textile industry to a flood of English imports in this field, without wrecking our industry. And yet, it is only by selling her goods here—and textiles is one of her major industries—that she can ever hope to pay back this loan. If we want to retain our textile industry, as we in New England certainly do, for it is the lifeblood of many of our communities, we cannot open our gates to a flood of English textiles. Furthermore, with the trend toward wage increases for our workers, we must protect this standard of living against the competition of poorly paid foreign workers. Our producers of this commodity need the greater part of our own market here—in the United States—if they are to produce with reasonable efficiency and at least maintain present wage levels.

Foreign trade is not a one-way street, created for the sole purpose of dumping our surplus goods abroad. It is an exchange whereby we acquire those things which we do not have here. Its volume is determined by what we need and not by what some of our producers may wish to sell at the sacrifice of producers in other lines. Our first and most important goal must be to protect and expand our home market.

It is the size of this loan which staggers me, and the fact that we, and, to a lesser degree, Canada, are expected to assume the whole burden. Why should not this sum be financed in part by other countries which expect to sell goods or services to Britain? Why the secrecy concerning hidden British assets in this country? Why are we being asked to duplicate the functions of the Bretton Woods Agreements and the six billions in working capital which we have made available to promote world-wide economic stability? Why are we ignoring the opinions in opposition to this loan put forward by such competent authorities as Bernard M. Baruch and Jesse H. Jones? Why are we making all this credit available to outsiders to bid against our own people for scarce goods and thereby increase the inflationary pressures within our own country?

I believe that we have done more than our share in putting forth sums to promote world recovery. The time has come to call a halt. Let us call a spade a spade. This is not a loan but a gift, siphoned from the pockets of overburdened taxpayers. It is far in excess of all reasonable demands. It smacks of dollar diplomacy—lining up sides in preparation for another war, in which the American people will pay another and a far heavier price.

The smoke screen of deception enveloping the arguments in support of this loan make it suspect in the eyes of the American people.

Representing the will of the people in the Seventh Massachusetts Congressional District, I shall vote against the proposed $3,750,000,000 gift to Great Britain.

The CHAIRMAN. The Chair recognizes the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], to conclude debate on the pending amendments and on the pending resolution.

Mr. SPENCE Mr Chairman, it is obvious that the House will pass this resolution unamended. I congratulate the House and the country on that solution of the problem that is presented to us. There could be no material change in the agreement that is submitted to us that would not destroy its purpose and effect.

In regard to the pending amendment offered by the gentleman from Michigan, that we take over the bases, and then, as the money is repaid to us, return them to the British Empire, certainly I do not think there could be any logical agreement in favor of this contention. This amendment involves the acquisition of territory—and we have said we fought the war for no territorial aggrandizement. The acquisition of the bases would involve a change of national sovereignty and a change of allegiance of the citizens of that territory. Then, probably, as we return these bases to Britain, the citizenship of these persons would revert to that of the country to which they originally owed loyalty. Certainly no self-respecting nation would sell its citizens in order to obtain an advantage such as this.

We have a lease on these bases for 99 years. In this atomic age, we do not know what the future will bring forth.

In 99 years from now those bases may be entirely useless for the purposes for which they were originally acquired.

Mr. Chairman, I am confident the House will vote down both of these amendments and vote the resolution up without amendment.

The CHAIRMAN. All time has expired.

The question is on the substitute amendment offered by the gentleman from New York [Mr. COLE] to the amendment offered by the gentleman from Michigan [Mr. WOODRUFF].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan [Mr. WOODRUFF].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the resolution (S J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, pursuant to House Resolution 685, he reported the resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time and was read the third time

Mr. DIRKSEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. DIRKSEN. I am opposed to the resolution in its present form

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

MR DIRKSEN moves to recommit the bill to the Committee on Banking and Currency with instructions to report the bill back to the House forthwith with the following amendment. Page 2, end of line 8, insert. "*Provided*, That no obligation shall be incurred or draft made upon any credit established in consequence of such agreement until after the Secretary of the Treasury shall have certified to the President that security has been provided in an amount adequate to cover the principal sum of any such obligation or draft."

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 107, noes 210.

Mr. DIRKSEN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 155, nays 219, not voting 58, as follows:

[Roll No. 220]

YEAS—155

Abernethy	Gavin	Murray, Tenn.
Allen, Ill.	Geelan	Murray, Wis.
Andersen, H Carl	Gerlach	O'Brien, Mich.
	Gillette	O'Hara
Andresen, August H	Gillie	O'Konski
	Graham	O'Toole
Andrews, Ala.	Grant, Ind.	Pace
Arends	Griffiths	Pfeifer
Arnold	Gross	Philbin
Bailey	Gwynne, Iowa	Phillips
Barrett, Wyo	Hagen	Pittenger
Barry	Hall, Edwin Arthur	Ploeser
Beall		Powell
Beamer	Hallock	Quinn, N Y.
Bennett, Mo	Hand	Ramey
Bishop	Harness, Ind.	Rankin
Blackney	Heffernan	Reed, Ill.
Bradley, Mich	Henry	Reed, N Y.
Brehm	Hess	Rees, Kans.
Brown, Ohio	Hill	Ridley
Brumbaugh	Hoeven	Robertson, N Dak
Buckley	Hoffman, Mich	
Buffett	Hoffman, Pa	Robsion, Ky
Butler	Horan	Rockwell
Byrnes, Wis.	Howell	Rodgers, Pa.
Campbell	Hull	Roe, Md
Carlson	Jenkins	Rogers, Mass.
Case, S Dak	Jennings	Rooney
Celler	Jensen	Schwabe, Mo.
Chenoweth	Johnson, Ill	Schwabe, Okla.
Chiperfield	Johnson, Ind	Scrivner
Church	Jones	Shafer
Clevenger	Jonkman	Short
Clippinger	Keefe	Simpson, Ill
Cole, Mo.	Kelly, Ill.	Simpson, Pa
Corbett	Kinzer	Smith, Ohio
Cunningham	Knutson	Smith, Wis
Curtis	Kunkel	Somers, N Y.
D'Ewart	Landis	Springer
Dirksen	Larcade	Stefan
Dolliver	Latham	Stevenson
Domengeaux	LeCompte	Stockman
Dondero	Lemke	Sumner, Ill
Doughton, N C	Lewis	Talle
Dworshak	McCowen	Thomas, Tex.
Elliott	McDonough	Tibbott
Ellis	McGregor	Vorys, Ohio
Elsaesser	McMillen, Ill	Vursell
Elston	Martin, Iowa	Welchel
Feighan	Mathews	Wilson
Fenton	Merrow	Winstead
Fisher	Miller, Nebr.	Winter
Gardner	Mundt	Woodruff

NAYS—219

Adams	Courtney	Granahan
Almond	Crosser	Granger
Angell	D'Alesandro	Green
Auchincloss	Daughton, Va.	Gregory
Baldwin, Md.	Davis	Gwinn, N Y.
Baldwin, N Y	Dawson	Hale
Barden	Delaney, James J.	Hall, Leonard W.
Barrett, Pa.	Delaney	Hancock
Bates, Ky	John J.	Hare
Bates, Mass.	Dingell	Hart
Bell	Douglas, Calif	Hartley
Bennet, N Y.	Douglas, Ill.	Havenner
Biemiller	Doyle	Hays
Bland	Drewry	Healy
Bloom	Durham	Hedrick
Bolton	Eaton	Herter
Bonner	Ellsworth	Heselton
Bradley, Pa.	Engle, Calif.	Hinshaw
Brooks	Ervin	Hobbs
Brown, Ga	Fallon	Hoch
Bryson	Fellows	Holmes, Mass
Buchanan	Fernandez	Holmes, Wash
Buck	Flannagan	Hook
Bulwinkle	Flood	Hope
Bunker	Fogarty	Huber
Byrne, N. Y.	Folger	Izac
Canfield	Forand	Jackson
Cannon, Fla.	Fuller	Jarman
Cannon, Mo.	Fulton	Johnson, Calif
Carnahan	Gallagher	Johnson, Luther A.
Case, N. J.	Gamble	
Chapman	Gary	Johnson, Lyndon B.
Chelf	Gathings	
Clark	Gearhart	Judd
Clason	Gifford	Kean
Clements	Goodwin	Kearney
Cole, Kans.	Gordon	Kee
Cole, N. Y.	Gore	Kelley, Pa.
Combs	Gorski	Keogh
Cooley		
Kerr	Norblad	Sheppard
Kilburn	Norrell	Sikes
King	O'Brien, Ill	Slaughter
Kirwan	O'Neal	Smith, Maine
Klein	Outland	Smith, Va
Kopplemann	Patman	Spence
LaFollette	Patterson	Starkey
Lane	Peterson, Fla.	Stigler
Lanham	Pickett	Sullivan
Lea	Plumley	Sumners, Tex
LeFevre	Poage	Sundstrom
Lesinski	Pratt	Taber
Link	Price, Fla.	Talbot
Luce	Price, Ill.	Taylor
Lyle	Priest	Thom
Lynch	Rabaut	Thomas, N J.
McConnell	Rabin	Thomason
McCormack	Rains	Towe
McGlinchey	Randolph	Traynor
McKenzie	Rayfiel	Trimble
Madden	Resa	Voorhis, Calif
Maloney	Richards	Wadsworth
Manasco	Riley	Walter
Mankin	Rivers	Wasielewski
Marcantonio	Robertson, Va	Weaver
Martin, Mass	Rogers, Fla	White
May	Rogers, N Y.	Whitten
Michener	Rowan	Whittington
Mills	Russell	Wigglesworth
Monroney	Ryter	Wolcott
Morgan	Sabath	Wolverton, N J.
Morrison	Sadowski	Woodhouse
Murdock	Sasscer	Worley
Murphy	Savage	Zimmerman
Neely	Sharp	

NOT VOTING—58

Allen, La	Gillespie	Norton
Anderson, Calif	Gossett	Patrick
Andrews, N. Y.	Grant, Ala	Peterson, Ga.
Beckworth	Harless, Ariz	Reece, Tenn.
Boren	Harris	Rich
Boykin	Hébert	Robinson, Utah
Camp	Hendricks	Roe, N Y.
Cochran	Holifield	Sheridan
Coffee	Johnson, Okla	Sparkman
Colmer	Kefauver	Stewart
Cooper	Kilday	Tarver
Cox	Ludlow	Tolan
Cravens	McGehee	Torrens
Crawford	McMillan, S. C.	Vinson
Curley	Mahon	Welch
De Lacy	Mansfield, Mont.	West
Earthman		Wickersham
Eberharter	Mansfield, Tex.	Wolfenden, Pa.
Engel, Mich	Mason	Wood
Gibson	Miller, Calif.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr Engel of Michigan for, with Mr. Andrews of New York against

Mr. Boykin for, with Mr. Beckworth against.

Mr. Mason for, with Mr. Sparkman against.

Mr Roe of New York for, with Mr. Hébert against

Mr. Welch for, with Mr. Cooper against.

Mr Wood for, with Mr Sheridan against.

Mr. Mansfield of Montana for, with Mr. Vinson against.

General pairs until further notice:

Mr McMillan of South Carolina with Mr. Crawford.

Mrs Norton with Mr. Gillespie.

Mr. Peterson of Georgia with Mr. Anderson of California.

Mr. Miller of California with Mr. Reece of Tennessee.

Mr. Camp with Mr. Stevenson.

Mr. McGehee with Mr Rich.

Mr. Cravens with Mr. Wolfenden of Pennsylvania.

Mr. BUCKLEY changed his vote from "nay" to "yea."

Mr. ANGELL changed his vote from "yea" to "nay."

Mr. D'EWART changed his vote from "nay" to "yea."

Mr. SHARP changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the Senate joint resolution.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 219, nays 155, answered "present" 1, not voting 57, as follows:

[Roll No 221]

YEAS—219

Adams	Goodwin	Morgan
Almond	Gordon	Morrison
Angell	Gore	Murdock
Auchincloss	Gorski	Murphy
Baldwin, Md	Granahan	Murray, Tenn.
Baldwin, N Y	Granger	Neely
Barrett, Pa.	Green	Norblad
Bates, Ky	Gregory	Norrell
Bates, Mass.	Gwinn N Y.	O'Brien, Mich.
Bell	Hale	O'Neal
Bennet, N. Y	Hall,	Outland
Biemiller	Edwin Arthur	Pace
B'and	Hall,	Patman
Bloom	Leonard W	Patterson
Bolton	Hancock	Peterson, Fla.
Bonner	Hare	Pickett
Bradley, Pa.	Hart	Plumley
Brown, Ga.	Hartley	Poage
Bryson	Havenner	Pratt
Buchanan	Hays	Price Fla
Buck	Healy	Price, Ill.
Bulwinkle	Hedrick	Priest
Bunker	Herter	Rabaut
Byrne, N. Y	Hesselton	Rabin
Canfield	Hinshaw	Rains
Cannon, Fla	Hobbs	Randolph
Cannon, Mo.	Hoch	Rayfiel
Carnahan	Holmes, Mass	Rees
Case, N J	Holmes, Wash	Richards
Case, S Dak	Hook	Riley
Chapman	Hope	Rivers
Chelf	Huber	Robertson, Va.
Clark	Izac	Rogers, Fla
Clason	Jackson	Rogers, Mass.
Clements	Jarman	Rogers, N Y.
Cole, Kans.	Johnson, Calif.	Rowan
Co'e, N Y	Johnson,	Russell
Combs	Luther A.	Ryter
Cooley	Johnson,	Sabath
Courtney	Lyndon B	Sadowski
Cresser	Judd	Sasscer
D'Alesandro	Kean	Savage
Daughton, Va	Kearney	Sharp
Davis	Kee	Sheppard
Dawson	Kelley, Pa.	Sikes
Delaney,	Keogh	Slaughter
John J	Kerr	Smith, Maine
Dingell	Kilburn	Smith, Va.
Douglas, Calif	King	Spence
Douglas, Ill.	Kirwan	Starkey
Doyle	Klein	Stigler
Drewry	Kopplemann	Sullivan
Durham	LaFollette	Sumners, Tex
Eaton	Lanham	Sundstrom
Ellsworth	Lea	Taber
Engle, Calif.	LeFevre	Talbot
Ervin	Lesinski	Taylor
Fallon	Link	Thom
Fellows	Luce	Thomas, N J.
Fernandez	Lyle	Thomason
Flannagan	Lynch	Towe
Flood	McConnell	Trimble
Fogarty	McCormack	Voorhis, Calif.
Folger	McGlinchey	Wadsworth
Forand	McKenzie	Walter
Fuller	Madden	Wasielewski
Fulton	Maloney	Weaver
Gallagher	Manasco	Whittington
Gamble	Mankin	Wigglesworth
Gardner	Marcantonio	Wolcott
Gary	Martin Mass.	Wolverton, N. J.
Gathings	May	Woodhouse
Gearhart	Michener	Worley
Gean	Millis	Zimmerman
Gifford	Monroney	

NAYS—155

Abernethy	Andrews, Ala.	Barry
Allen, Ill.	Arends	Beall
Andersen,	Arnold	Bender
H Carl	Bailey	Bennett, Mo.
Andresen,	Barden	Bishop
August H.	Barrett, Wyo	Blackney
Bradley, Mich.	Halleck	Philbin
Brehm	Hand	Phillips
Brooks	Harness, Ind	Pittenger
Brown, Ohio	Heffernan	Ploeser
Brumbaugh	Henry	Powell
Buckley	Herter	Quinn, N. Y.
Buffett	Hill	Ramey
Butler	Hoeven	Rankin
Byrnes, Wis	Hoffman, Mich	Reed, Ill.
Campbell	Hoffman, Pa	Reed, N. Y.
Carlson	Horan	Rees, Kans.
Celler	Howell	Rich
Chenoweth	Hull	Risley
Chiperfield	Jenkins	Robertson,
Church	Jennings	N Dak
Clevenger	Jensen	Robs.on, Ky.
Clippinger	Johnson, Ill	Rockwell
Cole, Mo	Johnson, Ind	Rodgers, Pa
Corbett	Jones	Roe, Md
Cunningham	Jonkman	Rooney
Curtis	Keefe	Schwabe, Mo
Delaney,	Kelly, Ill.	Schwabe, Okla
James J	Kilmer	Scrivner
D'Ewart	Knutson	Shafer
Dirksen	Kunkle	Short
Dolliver	Landis	Simpson, Ill.
Domengeaux	Lane	Simpson, Pa.
Dondero	Larcade	Smith, Ohio
Doughton, N C	Latham	Smith, Wis
Dworshak	LeCompte	Somers, N Y
Elliott	Lemke	Springer
Ellis	Lewis	Stefan
Elsaesser	McCowen	Stevenson
Elston	McDonough	Stockman
Feighan	McGregor	Sumner, Ill.
Fenton	McMillen, Ill	Talle
Fisher	Martin, Iowa	Tibbott
Gavin	Mathews	Traynor
Gerlach	Merrow	Vorys, Ohio
Gillette	Miller, Nebr	Vursell
Gillie	Mundt	Weichel
Graham	Murray, Wis	White
Grant, Ind	O'Brien, Ill	Whitten
Griffiths	O'Hara	Wilson
Gross	O'Konski	Winstead
Gwynne, Iowa	O'Toole	Winter
Hagen	Pfeifer	Woodruff

ANSWERED "PRESENT"—1

Thomas, Tex

NOT VOTING—57

Allen, La	Gillespie	Norton
Anderson, Calif.	Gossett	Patrick
Andrews, N Y.	Grant, Ala	Peterson, Ga.
Beckworth	Harless, Ariz	Reece, Tenn
Boren	Harris	Robinson, Utah
Boykin	Hébert	Roe, N Y.
Camp	Hendricks	Sheridan
Cochran	Holifield	Sparkman
Coffee	Johnson, Okla	Stewart
Colmer	Kefauver	Tarver
Cooper	Kilday	Tolan
Cox	Ludlow	Torrens
Cravens	McGehee	Vinson
Crawford	McMillan, S C	Welch
Curley	Mahon	West
De Lacy	Mansfield,	Wickersham
Earthman	Mont	Wolfenden, Pa.
Eberharter	Mansfield, Tex.	Wood
Engel, Mich	Mason	
Gibson	Miller, Calif.	

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Andrews of New York for, with Mr. Engel of Michigan against

Mr Beckworth for, with Mr. Thomas of Texas against

Mr. Kefauver for, with Mr. Coffee against.

Mr. Sparkman for, with Mr. Mason against.

Mr Hébert for, with Mr Roe of New York against

Mr. Cooper for, with Mr. Welch against.

Mr. Sheridan for, with Mr. Wood against.

Mr Vinson for, with Mr. Mansfield of Montana against.

Mr. Camp for, with Mr Boykin against.

General pairs:

Mr. Eberharter with Mr. Crawford.

Mrs. Norton with Mr. Gillespie.

Mr. McGehee with Mr. Anderson of California.

Mr. Cravens with Mr. Reece of Tennessee.

Mr. McMillan of South Carolina with Mr. Wolfenden of Pennsylvania.

Mr. THOMAS of Texas. Mr. Speaker, I have a live pair with the gentleman from Texas, Mr. BECKWORTH. If he were present he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

BOOKER T. WASHINGTON COMMEMORATIVE COIN

Mr SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 704, Rept. No. 2514), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H R. 6528) to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Coinage, Weights, and Measures, the bill shall be read for amendment under the 5-minute rule At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF FIRST WAR POWERS ACT, 1941

Mr. SABATH from the Committee on Rules, reported the following privileged resolution (H Res. 705, Rept. No. 2515), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H R. 6890) to amend the First War Powers Act, 1941 That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit

TERRITORY OF HAWAII

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H Res. 706, Rept No. 2516),

which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6918) to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Territories, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

EXTENSION OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H Res. 707, Rept No 2517), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution the joint resolution (H J. Res 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, with the Senate amendment thereto, be, and the same is hereby, taken from the Speaker's table, that the Senate amendment be, and it is hereby, disagreed to by the House; that the conference requested by the Senate on the disagreeing votes of the two Houses on the said bill be, and hereby is, agreed to by the House; and that the Speaker shall immediately appoint conferees without intervening motion

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 708, Rept. No. 2518), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the act (S 1717) for the development and control of atomic energy That after general debate, which shall be confined to the act and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the act shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the act for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, in view of the fact that I have been busy during all this time with the Committee on Rules and in reporting rules, I have been deprived of the opportunity to express my views on the bill that has just passed. Therefore, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. All Members have that privilege. Without objection, it is so ordered.

There was no objection.

UNITED STATES COMMISSIONERS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 346) to amend section 21 of the act of May 28, 1896, prescribing fees of United States Commissioners, insist on the amendments of the House and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SUMNERS of Texas, CELLER, and GRAHAM.

JUDICIAL DISTRICT OF STATE OF DELAWARE

Mr SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill S. 1801 authorizing the appointment of an additional judge for the district of Delaware, insist on the amendments of the House, and agree to the conference asked by the Senate

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SUMNERS of Texas, WALTER, and JENNINGS.

SPECIAL ORDER GRANTED

Mr. VOORHIS of California. Mr Speaker, I ask unanimous consent that on Monday after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 20 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. VOORHIS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include two letters.

Mr. LEA asked and was given permission to extend his own remarks in the RECORD.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in two instances, in one to include a telegram and a letter, and in the other to include a newspaper article.

SPECIAL ORDER GRANTED

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on Tuesday next after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. BRADLEY of Pennsylvania (at request of Mr. HAVENNER) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include a letter he received from Chester Bowles, dated July 10, 1946.

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I asked to be recognized to inquire of the majority leader as to the change in the legislative program.

Mr. McCORMACK. The change in the program is along the lines following the colloquy I had earlier with the gentleman from Massachusetts [Mr. MARTIN].

On Monday the Booker T. Washington commemorative coin bill will be taken up; and the social protection bill, that is, the Bolton bill, and the optional retirement bill after 25 years of service, which is the Forand bill.

On Tuesday the Consent Calendar and Private Calendar will be taken up.

The SPEAKER. The gentleman from Iowa spoke to the Chair and said he had consulted both the majority and minority leaders about it.

Mr McCORMACK. That is the bill that the gentleman consulted with me about and I suggested that if there was an opportunity it would be brought up by unanimous consent.

The SPEAKER. The Chair agreed to recognize the gentleman to bring the bill up by unanimous consent on Monday.

Mr. McCORMACK. On Tuesday the Consent Calendar and Private Calendar will be taken up Then the rule to send the OPA bill to conference will be taken up, and then the atomic-energy bill.

On Wednesday the House will proceed under the Calendar Wednesday rule.

On Thursday, Friday, and Saturday the judges' salary bill will be taken up and the railroad readjustment bill, or the Reed bill. Then there are the other bills which I have already mentioned heretofore

Mr. DONDERO. Is there any possibility of the stream-pollution bill being reached?

Mr. McCORMACK. It was on the program. Of course, if I were to say "No," that would eliminate it.

I am hopeful we will get to this, but doubtful. I do not know whether that helps the gentleman very much, but I am trying to give him a frank answer.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Ohio. Can the gentleman give us any information as to when the congressional reorganization bill may be reached?

Mr. McCORMACK. I said earlier that the leadership reserves to itself the right to bring it up later in the week, conferring with the gentleman from Massachusetts [Mr. MARTIN]. The probabilities are it will not be taken up, but in any event, the week after next.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mrs. ROGERS of Massachusetts. If the World War Veterans Committee should report out a bill for relief of the amputees, would there be an opportunity to take it up this week?

Mr. McCORMACK. Well, if a bill like that is reported out, I do not see how any Member of this House could object to its consideration by unanimous consent. I think it is a very fine bill. I think that bill should be taken up by unanimous consent. If not, a rule should be ordered, and I will cooperate in every way to bring is up as soon as the rule is ordered, if a rule is necessary.

Mrs. ROGERS of Massachusetts. There is a petition before the House with 140 names on it. For us to adjourn sine die without giving the men a chance to get about would seem to be very cruel.

The SPEAKER. There are some committees of the House that always wait until 2 or 3 days before it is calculated to adjourn and then bring in a very important bill.

EXTENSION OF REMARKS

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include a broadcast of the American Forum of the Air on "What Should We Do About the British Loan?"

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter to the Secretary of Agriculture.

Mrs. ROGERS of Massachusetts also asked to extend her remarks in the RECORD and include a copy of a bill introduced to provide for the issuance of a commemorative stamp for the nurses who served during the World War.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. JENNINGS asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include certain statistics and statements.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday, after any other special orders, I may be allowed to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

WORLD WAR VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I heartily agree with the Speaker that the World War Veterans' Committee frequently does wait until the last minute to secure its legislation. I heartily agree that it is impossible to get certain bills for the disabled veterans out of that committee. I am utterly and thoroughly discouraged and disgusted.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

ADJOURNMENT

Mr. BIEMILLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.) the House adjourned until Monday, July 15, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1458. Under clause 2 of rule XXIV, a letter from the Chairman, National Mediation Board, transmitting quarterly estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board and the National Railway labor panel, for the period ending December 31, 1946, was taken from the Speaker's table and referred to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H. R. 6997 A bill to amend the act entitled "Compensation for injury, death, or detention of employees of contractors with the United States outside the United States," as amended, for the purpose of making the 100 percent earning provisions effective as of January 1, 1942; without amendment (Rept. No. 2510). Referred to the Committee of the Whole House on the State of the Union

Mr RANDOLPH: Committee on the Civil Service H. R. 2523. A bill to provide for lump-sum payment of compensation for accumulated annual leave and current accrued annual leave to certain officers and employees, and authorizing the appropriation of funds for that purpose, without amendment (Rept. No. 2511). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on the Civil Service H R 5590. A bill to provide for the uniform administration of efficiency ratings, with amendments (Rept. No 2512). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on the Civil Service. House Joint Resolution 380. Joint resolution to exempt officers and employees of the Bureau of Internal Revenue from the provisions of section 14 (a) of the Federal Employees Pay Act of 1946, relating to personnel ceilings; without amendment (Rept. No. 2513). Referred to the Committee of the Whole House on the State of the Union.

Mr SMITH of Virginia: Committee on Rules. House Resolution 704. Resolution providing for the consideration of H. R. 6528, a bill to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington; without amendment (Rept No. 2514). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 705. Resolution providing for the consideration of H. R. 6890, a bill to amend the First War Powers Act, 1941; without amendment (Rept. No. 2515). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 706. Resolution providing for the consideration of H. R. 6918, a bill to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes; without amendment (Rept. No. 2516). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 707. Resolution providing for the consideration of House Joint Resolution 371; without amendment (Rept. No. 2517). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 708. Resolution providing for the consideration of S. 1717, a bill for the development and control of atomic energy, without amendment (Rept. No. 2518). Referred to the House Calendar.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. S. 191. An act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities and to authorize grants to assist in such construction; with amendment (Rept. No. 2519). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 7030. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Allegheny River, between a point in or near the borough of Tarentum, in the county of Allegheny, and a point near the boundary of the city of New Kensington and Lower Burrel Township in Westmoreland County in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNAGAN:

H. R. 7031 A bill to facilitate and simplify the work of the Forest Service, and for other purposes; to the Committee on Agriculture.

By Mr. MILLER of Nebraska:

H. R. 7032. A bill authorizing the reduction of certain accrued interest charges, Farmers' Irrigation District, North Platte project; to the Committee on Irrigation and Reclamation.

By Mrs. ROGERS of Massachusetts:

H. R 7033. A bill to provide for the issuance of a special postage stamp in honor of the nursing profession, to the Committee on the Post Office and Post Roads.

By Mr. GREEN.

H. R. 7034. A bill to include American Veterans' Committee (AVC) among the organizations which shall be recognized by the Administrator of Veterans' Affairs in the presentation of claims, to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DURHAM:

H. R. 7035. A bill for the relief of the legal guardian of James Edward Napier, Jr., non compos; to the Committee on Claims.

By Mr. ELSAESSER:

H. R. 7036. A bill for the relief of Mrs. Jacita Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2089. The SPEAKER presented a petition of the city commission of the city of Coral Gables, petitioning consideration of their resolution with reference to request for adoption of legislation establishing reasonable and fair rent control, which was referred to the Committee on Banking and Currency.

SENATE

MONDAY, JULY 15, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Ralph C. John, S. T. M., assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Infinite Spirit of Life, as a new dawn of hope and opportunity sends a redeeming radiance into the hearts of men, we present ourselves suppliants at the door of Thy providence, beseeching a vision that is clear and a strength that will sustain Make our minds temples of understanding, with altars illumined by the perpetual light of love and with foundations builded into Thy illimitable truth. For the living of these days and the performance of the tasks ahead give us a divine sufficiency, to the end that Thy kingdom may be served.

Hear us, we most humbly beseech Thee, in the blessed Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C, July 15, 1946.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon CLYDE R HOEY, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence

KENNETH MCKELLAR,
President pro tempore.

Mr. HOEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MCCARRAN, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, July 13, 1946, was dispensed with, and the Journal was approved.

NOTICE OF ADDRESS BY SENATOR VANDENBERG

Mr. VANDENBERG. Mr. President, I announce that, if I may be recognized when the Senate convenes tomorrow, I should like to discuss the Paris meeting of the Council of Foreign Ministers.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 13, 1946, the President had approved and signed the act (S. 2307) to provide that every Saturday shall be a holiday for banks and building and loan associations in the District of Columbia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The message also announced that the House insisted on its amendments to the bill (S. 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184, U. S. C., sec. 597), prescribing fees of United States commissioners, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. CELLER, and Mr. GRAHAM were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendment to the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. WALTER, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R 6859) to amend section 121 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, to authorize the appointment of three additional deputies for the register of wills, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated.

REPORT OF GOVERNOR OF VIRGIN ISLANDS

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, the annual report of the Governor of the Virgin Islands for the fiscal year ended June 30, 1945, which, with the accompanying report, was referred to the Committee on Territories and Insular Affairs

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore.

A resolution adopted by the commission of the city of Coral Gables, Fla., favoring the enactment of legislation providing for reasonable and fair rent controls; ordered to lie on the table.

Telegrams and letters in the nature of petitions from sundry citizens of the United States, praying for the enactment of House bill 4051, to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; ordered to lie on the table.

ATTITUDE OF NATIONAL UNION OF MARINE COOKS AND STEWARDS ON PRICE CONTROL—RESOLUTION

Mr. MAGNUSON. Mr President, last week Congress passed what was purported to be a price-control measure. It is not. There were several of us in the Senate who voted against all amendments to it which scuttled it, but on final passage voted for the committee measure in hope that the conference report would as we view the situation, bring forth a much better version of price control, that being our last and only hope, and also because we had only a choice of voting for some semblance of controls or no controls at all

It was pointed out during the debate that the enactment into law of the measure would probably give rise again to inflation. It is my considered opinion that if the measure as passed by the Senate shall become law, there will necessarily ensue inflation which will hit directly at the pocketbook of the American citizen.

It was also pointed out that this might give rise to a series of justifiable protests on the part of labor, and that the pay raises granted during the past year would then amount to no pay raises at all because of the increased cost of living.

As a forerunner of this warning, I point out to the Senate that this morning I received a resolution from one of the maritime unions. I shall not read all the "whereases," but this is the meat of the resolution:

Resolved, That we inform President Truman and Congress that unless OPA is reestablished and prices put back to the level they were under OPA we are requesting our union officials to immediately demand an increase in wages comparable to each rise in prices since midnight June 30.

The resolution is signed by many members of the union.

They also resolve that this same action be taken by the Committee for Maritime Unity, which is the committee which embraces most of the maritime unions in the country.

I only hope this danger can be staved off. If the present version of the OPA bill becomes law, it can lead to nothing but great inflation, and the unions will have a perfect right to ask for an increase in wages comparable to the increase in prices. This is a forerunner of what may happen.

I only hope that the conference committee will bring back an OPA bill which can in fact keep prices somewhere near the wage levels.

I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD at this point.

There being no objection, the resolution was ordered to lie in the table and to be printed in the RECORD, as follows:

Whereas our union, through combined effort with the Committee for Maritime Unity, gained for us a wage increase which still left our wages below that necessary for us to live comfortably under the prevailing cost of living, and

Whereas 2 weeks later, midnight of June 30, certain Members of Congress put the selfish desires of big business above the welfare of the people and refused to continue the OPA in an adequate form; and

Whereas this has resulted in a greatly increased cost of living which has actually meant to us a wage cut greater than our recent wage increase: Therefore be it

Resolved, That we inform President Truman and Congress that unless OPA is reestablished and prices put back to the level they were under OPA, we are requesting our union officials to immediately demand an increase in wages comparable to each rise in prices since midnight June 30: And be it further

Resolved, That this same action be taken by the Committee for Maritime Unity which will join with all other organizations regardless of affiliation in a Nation-wide drive to keep wages alined with the cost of living.

Signed this 10th day of July 1946:

Jerry Tyler, No. 34; Charles Nichols, No. 29; William Dodson, Manuel D. Diaz, No. 14; Raymond Bascom, Oscar M. Selby, Gillmore Marshall, No 4171; Charles G Pauley, Don L. Rotan, No. 3011; Edward M. Tangen, No. 32; David Dickson, No. 3013; Jesse Mitchell, No 3181; Harold B Hawkins, No 3616, Mack D. Woolridge, No 3043; Joseph Wilson, No 3164; William Henry, No 3825, Willi Gillert, No 2031; Ben Pigg, No 1211; Thomas A. Lee, No. 1449, J W Moore, G W Ryan, No 3679; John A. McVinnon, No. 3336; Mervyn Conrad, No. 2003; Angelo A Zarelli, No 3244, Walter D Healy, No 3344; Chas H Shillito, No 561, Herman Quencmoen, P. B No. 91; Harold W. Smith, No 4143

Endorsed by NUMCS, Seattle branch, in regular membership meeting, July 11, 1946.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. McCARRAN. I hope the Senator will not insist on debating this question at length.

Mr. WHERRY. I merely wished to ask the distinguished Senator from Washington a question.

Mr. McCARRAN. I understand that the chairman of the Appropriations Committee [Mr. McKELLAR] desires to take up a conference report. I shall have no objection. I hope that it will require only a few minutes.

Mr. McKELLAR. I think it will take only a short time.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. O'MAHONEY, from the Committee on Indian Affairs:

S 2428. A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes; with an amendment (Rept. No. 1714); and

H. R 4497. A bill to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes; with amendments (Rept. No. 1715).

AMENDMENT OF RAILROAD RETIREMENT ACTS—SUPPLEMENTAL REPORT—PART 2 OF REPORT NO. 1710

Mr. BARKLEY. Mr. President, a few days ago, from the Committee on Interstate Commerce, I reported House bill 1362, to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes. I now ask unanimous consent that I may file a supplemental report giving more in detail the provisions of the bill, and request that it be printed as part No. 2 of Report No. 1710.

The PRESIDING OFFICER. Without objection, the report will be received and printed as requested by the Senator from Kentucky.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHERRY:

S 2439 A bill authorizing the reduction of certain accrued interest charges payable by the farmers' irrigation district, North Platte project; to the Committee on Irrigation and Reclamation

By Mr JOHNSTON of South Carolina (by request):

S 2440 A bill for the relief of Mrs Martha P Matthews (with an accompanying paper), to the Committee on Claims

By Mr. THOMAS of Utah:

S 2441 A bill for the relief of Mrs. Chauncey B Whitney; to the Committee on Claims.

By Mr McCARRAN:

S 2442 A bill to supersede the provisions of Reorganization Plan No. 3 of 1946 by re-establishing the offices of registers of land offices and providing for appointment of the Director and Associate Director of the Bureau of Land Management, and for other purposes, to the Committee on the Judiciary

By Mr PEPPER (for himself and Mr TAFT):

S J Res 177. Joint resolution amending title V of the Social Security Act, as amended, to provide for increased grants to States for maternal and child-health services, services for crippled children, and child-welfare services; to the Committee on Finance.

GRANT OF CERTAIN PUBLIC LANDS TO EDUCATIONAL INSTITUTIONS—AMENDMENTS

Mr. O'MAHONEY submitted amendments intended to be proposed by him to the bill (S 2257) granting to the State of Wyoming certain public lands in such State for the use and benefit of the University of Wyoming, which were referred to the Committee on Public Lands and Surveys and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 6859) to amend section 121 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, to authorize the appointment of three additional deputies for the register of wills, was read twice by its title and referred to the Committee on the District of Columbia.

GOVERNMENT CONTROLS; SURPLUS OF FEDERAL EMPLOYEES; THE OPA—EDITORIALS FROM WICHITA (KANS) EAGLE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD three editorials from the Wichita (Kans.), Eagle, on the subjects, respectively, of Government controls, surplus of Federal employees, and the OPA, which appear in the Appendix.]

PRICE CONTROL AND THE LAW OF SUPPLY AND DEMAND—ARTICLE FROM THE PALM BEACH POST

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Low of Supply and Demand Found Theoretical Rather Than Practical," published in the Palm Beach Post, which appears in the Appendix.]

CIVIL RIGHTS IN A POSTWAR ERA—ADDRESS BY ROBERT W KENNY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address entitled "The Outlook for Liberty—Civil Rights in a Postwar Era," delivered by Robert W. Kenny, attorney general of California, at the seventh convention of the National Lawyers Guild, at Cleveland, Ohio, on July 6, 1946, which appears in the Appendix.]

CALL OF THE ROLL

Mr McCARRAN. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bilbo	Huffman	Revercomb
Brewster	Johnson, Colo	Robertson
Bridges	Johnston, S C	Russell
Briggs	Kilgore	Shipstead
Brooks	Knowland	Smith
Capehart	La Follette	Stanfill
Capper	Langer	Stewart
Carville	Lucas	Swift
Chavez	McCarran	Taft
Connally	McClellan	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Thomas, Utah
Downey	Magnuson	Tunnell
East'and	Mead	Vandenberg
Ferguson	Millikin	Wagner
Fulbright	Mitchell	Walch
George	Moore	Wherry
Gerry	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK], and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Arizona [Mr. McFARLAND] is detained on public business.

The Senators from Virginia [Mr. BURCH and Mr. BYRD] are absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the Commission on the part of the Senate to participate in the Philippine independence ceremonies.

Mr. WHERRY. The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the Commission appointed to attend the Philippine independence ceremonies.

The Senator from Delaware [Mr. BUCK] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Eighty Senators having answered to their names, a quorum is present.

APPROPRIATIONS FOR GOVERNMENT CORPORATIONS AND INDEPENDENT EXECUTIVE AGENCIES—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 8, 17, 19, 20, 21, and 22.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 11, 12, 13, 15, 16, 23, 24, and 24½, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,340,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$34,553,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,650,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law:", and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Federal Surplus Commodities Corporation: *Provided*, That funds acquired by the Corporation as an agency of the United States, other than funds transferred pursuant to the act of June 28, 1937 (50 Stat. 323), shall remain available to the Secretary of Agriculture for the purpose of liquidation and dissolution of the Corporation: *Provided further*, That all administrative duties shall be performed by the Commodity Credit Corporation and paid for within the limitation on administrative expenses of the Commodity Credit Corporation without reimbursement therefor."

And the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert "worn-out", and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 2, 3, and 4.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
ELMER THOMAS,
JOHN H. OVERTON,
C. WAYLAND BROOKS,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

JAMIE L. WHITTEN,
ALBERT GORE,
BEN F. JENSEN,
Managers on the Part of the House

Mr. McKELLAR. I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. McKELLAR. I move the adoption of the conference report.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. Can the Senator tell us what was done with the provision regarding the Housing Administration, in which the House attempted to prohibit the payment of any subsidies on contracts which the Government had made regarding housing?

Mr. McKELLAR. There was a disagreement as to that provision. First, I ask that the conference report be adopted.

Mr. TAFT. I have another question on the conference report. As I understand, that feature is not yet in agreement.

Mr. McKELLAR. That is not in agreement, but the Senate committee has agreed, and I shall make a motion to adopt that agreement. We were told by the department that $500,000 would be required to carry out the agreement which the Government has made, and we propose to appropriate that much money for that purpose. That is exactly what is desired.

Mr. TAFT. I should like to ask a further question before returning to the question of housing. The appropriation bill approves the programs set forth in the budget for the Commodity Credit Corporation and the Reconstruction Finance Corporation. Those programs include subsidies in the sum of approximately $2,000,000,000 for the two corporations. We provided that the subsidies should not be governed by this law, but should be governed by the OPA law, and we inserted some amendments on the floor of the Senate. My understanding is that it is proposed that the Senate recede from those amendments. Is that correct?

Mr. McKELLAR. Senate amendment numbered 14 reads as follows:

The types of programs set forth in the 1947 budget of the Commodity Credit Corporation, within the funds available to it are approved, but the subsidy program shall be subject to the provisions of H. R. 6042

We substituted for that language:

Nothing in this act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law.

Is that satisfactory?

Mr. TAFT. No; it is not satisfactory, for this reason: We may have no OPA law. In the first place, the appropriation bill is inconsistent with the OPA bill. The appropriation bill specifically approves programs of approximately $2,000,000,000 in the budget. The OPA measure cut those down to $1,000,000,000, and provided that they must be completed by the first of April. The OPA measure is not a law. The only prohibition against subsidies is contained in the OPA measure, and the OPA law may or may not be extended. So I think it would be unfortunate to approve a $2,000,000,000 subsidy program and then have no OPA law. The OPA measure provides that no subsidy shall be paid on any product after decontrol, because it is generally thought that in most fields subsidies are impracticable if there is no price control.

I shall not object to the conference report, but only with the understanding that if the OPA measure should be vetoed, we ought to enact a special subsidy law. I presume that if the OPA extension should fail, we would wish to enact a rent-control law in any event. I suggest to the Senator, if that is done, the rent-control law should also contain a provision regarding subsidies which will supersede anything that is done in this appropriation bill.

Mr. McKELLAR. I think the Senator is entirely correct.

Mr. TAFT. It is almost certain that such a proposal will be before us. I merely wish to give notice that while this bill in a vague way approves a $2,000,000,000 subsidy program, I do not think that is the intent of the Senate or the House. Whether or not there is price control, some other provision will have to be made. If the OPA measure is approved, I take it that any provision in the appropriation bill would be superseded by what is in the OPA law. If the OPA law should fail, then I think we should enact special legislation, along with rent legislation, to deal with the subsidy question.

Mr. McKELLAR. I think undoubtedly that would have to be done.

Mr. TAFT. Under those circumstances, I have no objection to the remainder of the report.

Mr. McKELLAR. I ask for the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. McKELLAR. I ask the Chair to lay before the Senate the message from the House showing its action on certain amendments of the Senate.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6777, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 12, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "$39,906,000."

That the House recede from its disagreement to the amendment of the Senate numbered 3, to said bill, and concur therein with an amendment as follows In lieu of the matter inserted by said amendment insert ": *Provided*, That of the $39,906,000 appropriated herein, $14,000,000 shall be available for the immediate resumption of work on the Watauga and South Holston Dams."

That the House recede from its disagreement to the amendment of the Senate numbered 4, to said bill, and concur therein with an amendment as follows. In lieu of the matter propcsed to be stricken out by the said amendment insert "' *Provided further*, That not to exceed $500,000 of the funds herein shall be used to pay contributions with respect to projects constructed under authority of Public Law 671, Seventy-sixth Congress: *Provided further*, That no part of the funds herein shall be used to pay rent subsidy accruing after the date of this act with respect to any family whose gross annual family income exceeds the maximum family income falling within the lowest 25 per centum by number of all gross annual family incomes in the municipality where the public housing project in which such family resides is located"

That the House insist upon its disagreement to the amendment of the Senate numbered 1 to said bill.

Mr. McKELLAR. I move that the Senate recede from its amendment No. 1.

The motion was agreed to.

Mr. McKELLAR. I move that the Senate concur in the House amendments to Senate amendments Nos. 2 and 3.

The motion was agreed to.

Mr McKELLAR. Mr. President, I now move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 4, with an amendment as follows: In the matter proposed by the House amendment to the Senate amendment, strike out the second proviso. That refers to the $500,000 for carrying out the agreement which has been made, and that is the amount which the Department estimates will be required. The Senate knows that a contract for low-cost housing was entered into; and the amendment known as the Gore amendment, which was offered by the House, would have violated that contract. The Senate has provided that the $500,000 be appropriated for carrying out that contract, and I am very hopeful that the contract will be carried out.

Mr. LA FOLLETTE. Mr. President, as I understand the situation, if the Senate follows the recommendations of the Senator from Tennessee, the proviso added by the House as to the low-income groups will be eliminated.

Mr. McKELLAR. The language is:

Provided further, That not to exceed $500,000 of the funds herein shall be used to pay contributions with respect to projects constructed under authority of Public Law 671, Seventy-sixth Congress.

Mr. LA FOLLETTE. And the Senator is asking, is he not, the Senate to agree to that and then to strike out the second proviso?

Mr. McKELLAR. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. McKELLAR. I thank the Senator from Nevada very much. This matter will now go to the House of Representatives.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H R 6597 An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes,

H. R 6837 An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes; and

S J Res 138 Joint resolution to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

REORGANIZATION PLAN NO. 2

The Senate resumed consideration of the concurrent resolution (S. Con. Res. 65), disapproving reorganization plan No. 2, transmitted to Congress by the President on May 16, 1946, which resolution had been reported adversely from the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, the same arrangement will be followed with respect to the pending concurrent resolution as prevailed during the consideration of the previous concurrent resolution. Control of time will be the same as with respect to the previous concurrent resolution.

The Senator from Nevada [Mr. McCARRAN] is recognized.

Mr. McCARRAN. Mr. President, the pending business before the Senate is reorganization plan No. 2. It was made the unfinished business on Saturday last. reorganization plan No. 2 was transmitted to the Senate on May 16, 1946. The President's letter of transmittal and the text of the plan have been printed as House Document 595, Seventy-ninth Congress, second session.

In the report each section of the plan is taken up in order, and I propose to discuss the plan as it is presented.

Section 1 relates to funds concerning child welfare, crippled children, child and maternal health, and research in problems of child life. Those matters are transferred by this section to the Federal Security Agency, to tie them in with State and Federal programs presently extant and administered through the Federal Security Agency. Functions concerned with enforcement and administration of child-labor laws remain in the Labor Department, as they are now. But where now vested by law in the Children's Bureau or the Chief thereof, they are to be transferred to the Secretary of Labor.

The Senate will note that in the committee report we utilize two headings. One is entitled "Legal Objections." Where there have been legal objections to the particular section, we note what those legal objections were The second is entitled "Nonlegal Objections." Under that caption we note and discuss such objections or comments of a nonlegal or nonlegalistic nature which were made. Under the heading "Legal Objections" to section 1, there were none. None were presented to the committee. Under the heading of "Nonlegal Objections," Mr. William Green, of the American Federation of Labor, questions the advisability of this provision, indicating that he regards it as weakening the structure of the Labor Department. He does not make an out-and-out objection, but he says that in his judgment it tends to weaken the structure of the Labor Department. Before the committee there appeared that outstanding and nationally and internationally recognized authority on this great work, Monsignor John O'Grady, of the Catholic Charities. He testified in favor of the transfer, but expressed the hope that the Federal and State assistance angle will not become paramount to the voluntary services rendered by his and other similar organizations. In other words, Monsignor O'Grady was exceedingly solicitous that the opportunity for private activity, private beneficence, private gifts, and private activities by his own church and other churches that work along similar lines, should not be overshadowed or taken away by the Federal Government. Aside from that, he spoke rather favorably of the plan.

We now go to section 2. This section transfers the functions of the Secretary of Commerce, the Census Bureau, and the Director of the Census with respect to vital statistics to the Federal Security Agency. It will be noted that there is an attempt on the part of the Chief Executive to combine these activities under the Federal Security Agency, where many of them have been and now are. Government witnesses testified before the committee that the language of this section does not convey authority to the Federal Security Administrator to collect and disseminate statistics with regard to marriages, divorces, and annulments, except to the extent that such authority is now possessed by the Secretary of Commerce and the Director of the Bureau of the Census. Government witnesses testified that the words "including statistics on births, deaths, marriages, divorces, and annulments" were not intended as words of limitation, but were merely descriptive of a class, and that the language of the plan was intended to convey to the Federal Security Agency any and all authority with respect to vital statistics now possessed by the Secretary of Commerce, the Bureau

of the Census, and the Director thereof, but not to convey any further or additional authority. It was further testified that if this plan becomes effective, it will operate to strip the Secretary of Commerce of any authority he may possess under any statute with respect to the collection and dissemination of all vital statistics. There were no legal objections. There were no nonlegal objections.

We now pass to section 3 of the proposed plan. This section abolishes the United States Employment Compensation Commission and transfers its functions to the Federal Security Agency, or the Federal Security Administration, to be administered under rules and regulations provided by the head of that agency. It provides for the establishment of a 3-person appeal board to make final decisions on appeals taken from the determinations and awards. Under the head of legal objections, strong representations have been made against the legality of this phase of the plan under section 5 (a) (6) of the Reorganization Act of 1945 In order to understand that, one must turn to the Reorganization Act, that is, the authorization which was passed in 1945, and refer to section 5A. It is alleged that since the Commission is a quasi-judicial body, the establishment of the appeal board with authority "subject to applicable law to make final decisions on appeals" is in contravention to many statutes, in that it would close appeals to the Federal court. This, of course, the committee and, indeed, the chairman seriously considered. I have always favored and shall always favor the principle that an opportunity should be given every individual who feels himself aggrived by the action of any agency to appeal as speedily as possible to the courts. The Federal Security Administrator and the representative of the Department of Justice have argued that the words in the plan "subject to applicable law" are sufficient to insure the right of appeal to the courts from a decision of the appeal board. I refer to the language of the President's letter of transmittal which includes the following words:

The Board of Appeals created by this plan will deal only with claims of Government employees since appeals on other types of claims under the jurisdiction of the Commission—(a) longshoremen and harbor workers and (b) private employers in the District of Columbia—are heard by the Federal district courts rather than the Commission.

The greatest strength of the attack on the legality of the provisions here contained with respect to the transfer of the Employees Compensation Commission appears to hinge on the interpretation of the words "in such manner." Opponents of the plan contend that the natural interpretation of these words is to give the Federal Security Administration control over the exercise of judgment and discretion with respect to the functions of the proposed appeal board. In order to support more strongly the legality of this provision, the quoted words must be construed as relating only to the "manner" of performance of functions in a technical sense, that is, forms, procedures, and so forth. The committee considers it to be the proper construction, and the plan is presented to the Senate with the distinct understanding that that is the construction which the Judiciary Committee places upon it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. TAFT. What is the purpose of transferring the United States Employees' Compensation Commission to the Federal Security Administration? What is the advantage of having a three-man board under the Federal Security Administration instead of an independent board? If there is not some limitation, if the Administrator does not have any power over the three-man board, what would be the advantage of having the board under the Federal Security Administrator?

Mr. McCARRAN. I should like to answer the Senator in the language of the President in his message:

The plan transfers the functions of the United States Employees' Compensation Commission to the Federal Security Administrator, and provides for a three-member board of appeals to hear and finally decide appeals and claims of Government employees. By abolishing the Commission, the plan eliminates a small agency and lightens the burden on the President The Federal Security Administrator, as the head of the Federal agency with the greatest experience in insurance administration, is in the best position to guide and further the program of the Commission.

The abolition of the Commission as an administrative body and the creation of an appeals board will provide the advantages of a single official in charge of operations while affording claimants the protection of a three-member board for the final decision of appeals on claims This arrangement has proved both administratively efficient and satisfactory to claimants in many similar programs It is essentially the plan used in the administration of veterans' pensions and old-age and survivors insurance and employed by many States in their workmen's compensation programs The board of appeals created by the plan will deal only with claims of Government employees since appeals on other types of claims under the jurisdiction of the Commission—(a) longshoremen and harbor workers, and (b) private employees in the District of Columbia—are heard by the Federal district courts rather than the Commission.

I wish to say to the Senator that I feel that in giving to him an answer in the language of the President, I am giving it first hand and, perhaps, much better, so far as the President's views are concerned, than I myself could give it.

Mr. TAFT. I understand that. However, I do not understand how the United States Employees' Compensation Commission has been any burden on the President and why he should transfer it to the Social Security agency. The language which the Senator from Nevada has read states, in part:

By abolishing the Commission, the plan eliminates a small agency and lightens the burden on the President.

But the next sentence reads:

The Federal Security Administrator, as the head of the Federal agency with the greatest experience in insurance administration, is in the best position to guide and further the program of the Commission.

Does not that language necessarily imply that the Federal Security Administrator will interfere with the operation of the three-man board, and thereby limit the freedom and jurisdiction of the board?

Mr. McCARRAN. No; I would not go that far. The appeal board is a three-man board which acts after the Administrator has acted, and while it may be within his department it is, in the spirit of the plan, separate and apart from him.

Mr. TAFT. Does not the Senator believe that the board is a quasi-judicial board within the terms of the Reorganization Act?

Mr. McCARRAN. I would say that it is.

Mr. TAFT. Section 5 states:

The reorganization plan shall provide for, and no reorganization under this act shall have the effect of * * * (6) imposing in connection with the exercise of any quasi judicial or quasi legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization,

And so forth. As I understand, therefore, this 3-man board, although subject to the appointment, advice, and guidance of the Federal Security Administrator, is to be limited in its freedoms, according to the President's message, as compared with the United States Employees' Compensation Commission.

Mr. McCARRAN. It is my understanding that the board may and will act independently, and its judgment will be the judgment of an appeal board.

Mr. TAFT. Mr. President, will the Senator be kind enough to yield for another question?

Mr. McCARRAN I yield.

Mr. TAFT. Does the Senator feel that generally we should abolish a bipartisan board set up by Congress in order to give it impartiality and independence and substitute for it a subordinate board in an existing Government agency?

Mr. McCARRAN. In answer to that question, if it will effect economy or if it will effect celerity of action or if it will facilitate the work that is to be done, I would say "Yes."

Mr. McCLELLAN and Mr. MAGNUSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nevada yield, and if so, to whom?

Mr. McCARRAN. I yield first to the Senator from Arkansas.

Mr. McCLELLAN. If this is to be an independent board, I should like an explanation of why it is necessary to place it under the Federal Security Administrator who may direct its policies. I do not see how its freedom and independence can be retained if it is placed under the guidance and direction of the Federal Security Administrator and made subject to such policies as he may formulate. That does not seem to me to be consistent with the purpose of a board with powers of a quasi-judicial nature that passes on appeals.

Mr. McCARRAN. My understanding of it—and I state it as I understand it,

and as the understanding was presented to the committee—is that this is a board to review the action of the Commissioner and that its conclusion on review is final, and that the Commissioner in no-wise guides its conclusion.

Mr. McCLELLAN. The word "guide" is used by the President in his message.

Mr. McCARRAN. It says as to forms.

Mr. McCLELLAN. If the Senator will pardon me, the message does not say that, and even if it were to be merely as to forms, it would certainly be the Administrator determining the policies. If one determines the forms to be followed and used, that is, in effect, determining the policies to be pursued by the board.

Mr. McCARRAN. Let me say it is my judgment that the Administrative Procedure Act which Congress passed a month or so ago applies, and the Administrative Procedure Act certainly throws every safeguard around the matter of the formation of conclusions.

Mr. McCLELLAN. Mr. President, just one other question, if the Senator will permit me. If this transfer is being made and the Commission is being abolished in the interest of economy, can the Senator explain what economy if any will be effected by such a transfer?

Mr. McCARRAN. I am very sorry to say I cannot because information was not given to our committee on that particular subject, and I have no independent knowledge of it. I should like, however, to have the Senator give consideration to what I am about to read as being the Attorney General's advice on this subject.

Mr. MAGNUSON. Mr. President, will the Senator permit me to ask a question first?

Mr. McCARRAN. Certainly.

Mr. MAGNUSON. This Commission, as I understand, under the present law is appointed by the President with the advice and consent of the Senate.

Mr. McCARRAN. Yes.

Mr. MAGNUSON. Under the change would it still be recommended by the Federal Security Administrator and appointed with the advice and consent of the Senate?

Mr. McCARRAN. Provision for the advice and consent of the Senate seems to have been eliminated very largely in all these plans. I desire to say, in all frankness, to the Senate that it has been a matter of grave concern to the chairman of the committee that the requirement as to advice and consent of the Senate appears to have been eliminated in all these plans. It seems to me it would have been much better if provision for the advice and consent of the Senate had been retained, because that requirement has come down in the history of this country, and, indeed, in the last 2 or 3 years we have had it argued here very emphatically that appointees—even those receiving $5,000—should be appointed by and with the advice and consent of the Senate. That is not a new plan, and there is no use of my saying it is provided for, because it is not.

Mr. MAGNUSON. Mr. President, one further question. I understand the legislative procedure is such that no amendment can be made to any plan. Let me ask if it is possible under the legislative procedure to advance the effective date of any portion of these plans?

Mr. McCARRAN. It is not. Under the reorganization law which Congress passed some time ago it is not possible to amend any plan which may be submitted; it is not possible to do anything with a proposed plan, except that if both Houses reject it, it does not go into effect; if one House rejects and the other approves, then it becomes the law, and so forth. There is nothing for the Senate to do today except to vote this plan up or vote it down. We cannot amend it.

Mr. MAGNUSON. I thank the Senator.

Mr. McCLELLAN. Mr. President, there is one further suggestion. If this new board is to be appointed by the Federal Security Administrator without the advice and consent of the Senate, then the new board becomes an agency of the Federal Security Administrator. It could hardly be an independent agency if the appointing power is vested in the Administrator and it is also subject to guidance from the Administrator. In other words, I believe the effect of this is simply to abolish an independent agency and re-establish it within the framework of the Federal Security Administration and make the board that is created to take the place of the one abolished subject to the jurisdiction, the guidance, the direction, and the policies which may be formulated by the Federal Security Administration. I believe that such a course is not justified. I have heard no complaint against this Commission as now constituted, and I feel that we are probably acting unwisely in approving the suggestion.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. In a moment I shall be glad to yield. I think the same thing might be said of the procedure in the Veterans' Administration. They have boards that possess quasi judicial functions. They are appointed by the President and are not confirmed by the Senate, but are under the Administrator of the Veterans' Administration. They are not under the Senate in any way; and one might say that their judgment might be warped or molded or formed by the Veterans' Administration, but I do not think that has been said with any degree of cogency.

Mr. McCLELLAN. I am not making any charge against the Veterans' Administration, but I think that in the case of a board set up and appointed under the direction of the Administrator and deriving its authority from him—selected by him and him alone—it is only natural that the human equation should enter into it to some degree. I think they would feel under some sense of obligation to undertake to carry out the policies the Administrator might direct.

Mr. McCARRAN. Before I answer any more questions—and then I shall yield to every Senator who may desire to interrupt me—I should like to read the opinion of the Attorney General in this matter, because I think it would be well for us to have it before us. I quote from page 428 of the hearings to the point that is applicable to the present discussion:

> The question has been raised whether section 3 of the plan complies with section 5 (a) (6) of the Reorganization Act of 1945. By the terms of this provision, no reorganization plan submitted under the act shall provide for or have the effect of—
>
> "(6) imposing, in connection with the exercise of any quasi judicial or quasi legislation function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function."

I hope Senators may see fit to turn to this opinion, because the language is significant, and is very much worth while.

The question presented is whether the transfer of functions from the Compensation Commission to the Federal Security Agency will impose a greater limitation than now exists upon the exercise of independent judgment and discretion in the performance of such functions. Continuing, the Attorney General said:

> The plan does not subject the Federal Security Agency in discharging these functions to outside controls to any greater extent than now obtains with respect to the Compensation Commission.

Again he says:

> The plan, therefore, far from imposing greater limitations on the independence with which the compensation functions may be performed, actually increases such independence. That the appeal mechanism does not constitute an infringement of section 5 (a) (6) is plainly evident from its language and purpose.

I now yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, under plan No. 2 how many particular offices will be eliminated, the appointees to which are now approved by the Senate, and placed in the hands of the President only?

Mr. McCARRAN. I will answer the question in a moment.

Mr. FERGUSON. While the counsel is looking that matter up, I should like to ask if we are not placing a greater limitation on the quasi judicial functions by the transfer to one man, when, under the old act, I may say in reply to the Senator from Arkansas, I have never seen a record that showed a more satisfactory performance on the part of a commission than the evidence before the committee demonstrated in the case of the Compensation Commission.

Mr. McCARRAN. May I interrupt the Senator there?

Mr. FERGUSON. Certainly.

Mr. McCARRAN. My conception is that, while this function is transferred to the Federal Security Administrator, the plan does more than that. It transfers the judicial side of the function to the Appeal Board, and the Appeal Board acts independently of the Commissioner and independently of everyone else.

Mr. FERGUSON. That is just where the Senator from Nevada and I do not agree, because this reorganization plan gives to the Administrator the sole appointing power of the Appeal Board, and goes further than that and says that he

can make the rules and regulations under which the Appeal Board shall operate. As it now stands, we have created a bipartisan board that has the right to make its own rules and regulations.

If the Senator will yield a little longer on that point, I wish to say that as the law now stands, the Deputy Commissioner hears the testimony in certain cases and an appeal lies directly to the courts. In this plan no provision is made to continue that appeal procedure. It merely says "according to law."

The old law enacted by Congress created an independent commission, which has been followed by practically every State in the Union which has workmen's compensation laws, in an effort to provide bipartisan boards so that there would not be political decisions regarding compensation in cases relating to injuries and to death. In such matters political decisions should be eliminated. If this is not a limitation upon that quasi judicial power, I do not know what would be a limitation. By statute Congress reposed the functions in a three-man bipartisan board. The President would place them in one man, who would be responsive, perhaps, to political considerations. In the other procedure there is the bipartisan ideal, which leads to satisfaction on the part of the people that decisions are not political. At least there is the right of dissent, and a dissent may become the law in certain cases. So I think this is a violation of that section of the present law.

Mr. HUFFMAN. Will the Senator yield?

Mr. McCARRAN. First I wish to answer the question of the Senator from Michigan regarding the offices which have been abolished, appointments to which were subject to the advice and consent of the Senate. Among the offices abolished would be those of members of the Employees' Compensation Commission, who are now appointed by and with the advice and consent of the Senate. Then there are the members of the Social Security Board.

Mr. FERGUSON. The chairman of the committee, I think, should indicate that there are three on the Employees' Compensation Commission.

Mr. McCARRAN Yes; the members of that Commission are three. Then there are three members of the Social Security Board. There is the Assistant Commissioner of Education. In place of these individuals, the functions are turned over to the Federal Security Administrator, who is appointed by and with the advice and consent of the Senate.

Mr. FERGUSON. That is correct. The Social Security Board is a bipartisan board, is it not?

Mr. McCARRAN. I think it is.

Mr. FERGUSON. So there are six members of two bipartisan boards?

Mr. McCARRAN. The Commissioner of Education is to be retained, and the office of Assistant Commissioner of Education is to be abolished. The Commissioner is now appointed with the advice and consent of the Senate.

Mr. FERGUSON. So we would abolish seven and create two. We would abolish six memberships on bipartisan boards, two on the minority and four on the majority side?

Mr. McCARRAN. We would not create two. We transfer the functions of six over to two which have been in existence all the time, and appointments to which will be confirmed by the Senate.

Mr. FERGUSON. I think we transfer the functions of seven over to two.

Mr. McCARRAN. That may be correct.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield first to the Senator from Ohio.

Mr. HUFFMAN. I should like to ask the Senator from Michigan whether he said that the compensation commissions of the States were bipartisan.

Mr. FERGUSON. I said many of them were.

Mr. HUFFMAN. I think most of them are not. I think most of them consist of representatives of employers, employees, and the public, do they not?

Mr. FERGUSON. I understood they were bipartisan in 34 States.

Mr. McCARRAN. In most of the 34 States, in place of being bipartisan, they are composed in part of representatives of employees and representatives of the employers.

Mr. HUFFMAN. And of the public.

Mr. McCARRAN. And of the public.

Mr. FERGUSON. That is why I treat them as bipartisan boards, because the employer comes in, the public comes in, and labor comes in.

Mr. HUFFMAN. But they are not actually bipartisan.

Mr. McCARRAN. They are not bipartisan in the sense of being political partisans.

Mr. HUFFMAN. Not in the sense of being Democrats or Republicans.

Mr. FERGUSON. At least they are not appointed because of party affiliation.

Mr. HUFFMAN. That is correct.

Mr. President, will the Senator yield further?

Mr. McCARRAN. Yes; I yield.

Mr. HUFFMAN. Am I correct in understanding the Senator has some question about whether the provision "subject to applicable law" insures the right of appeal to the courts from a decision of the appeal board?

Mr. McCARRAN. It was held by the Attorney General, and it was held by those who presented this matter and testified before the committee, that the language insures the right of appeal.

Mr. HUFFMAN. The insertion of that language was apparently for the purpose of insuring the right of appeal.

Mr. McCARRAN That is my understanding, yes.

Mr. HUFFMAN. Is it not a fact that the appeals system here provided for is similar to the one employed in the matter of old-age and survivors insurance?

Mr. McCARRAN. That is correct.

Mr. HUFFMAN. And is virtually the same method?

Mr. McCARRAN. That is correct.

Again addressing myself to the opinion of the Attorney General, I read as follows:

> The suggestion has been made that the reorganization under consideration does not satisfy the requirements of section 5 (a) (6) of the statute, because the Federal Security Agency is headed by a single administrator, whereas the Compensation Commission has a bipartisan membership. The application of section 5 (a) (6) does not turn, however, on the number or political affiliation of agency members. As noted above, the test is whether the plan increases the dependence of an agency, in exercising a given function, upon any other agency, and such dependence is not enhanced merely because a function is transferred from a bipartisan agency to an agency headed by one official. Moreover, the legislative history does not show that the Congress intended section 5 (a) (6) to prevent all such transfers.
>
> The plan does not impose any political or other outside control upon the Federal Security Agency in connection with the exercise of the functions transferred. It may perform these functions as independently as the Compensation Commission, even though it has a single, rather than bipartisan, head. There is no reason whatever for believing that it will not discharge these functions completely without partisanship or political favor Indeed, it is already responsible for the administration of other benefit programs requiring an equal freedom from political partisanship. Under these circumstances, there is no warrant for inferring that the Congress intended to prohibit the transfer in question.

Mr. President, I now pass on to nonlegal objections made to section 3. Representatives of persons who are subject to the decisions of the Commission have argued strongly against the advisability of the plan, pointing out that the Commission has operated fairly and efficiently throughout its whole history. They further contend that an appeal board which is the creature of the Administrator, would not take the necessary judicial attitude in reviewing decisions made by the Administrator or by persons to whom he had delegated his authority.

Mr. Watson Miller, the Federal Security Administrator, stated that this is in effect a social insurance program and thus the transfer is authorized by section 2 (a) (4) of the Reorganization Act as "the grouping of agencies according to major purposes". He defended the abolition of the Commission as within the meaning of section 2 (a) (5) which attempts to reduce the number of agencies by consolidating those having similar functions under a single head.

There does not appear to be any basis for the objection since the Federal Security Agency had had considerable experience in administering such matters, and apparently has performed quite satisfactorily in that regard.

I now pass on, Mr. President, to section 4. This section abolishes the Social Security Board, and transfers its functions and duties to the Federal Security Administrator.

Objection was made to this provision of the plan on the ground that it wipes out a statutory board, a creation of Congress, and places the full responsibility in one man. The question would seem to be whether such an objective is contemplated under the Reorganization Act, since the language of the plan does not place any limitation on the carrying out of any function transferred. The act defines "agency" to include "board" and specially authorizes the President to "include provisions for the appointment * * * of the head * * * of any

agency (including an agency resulting from a consolidation)," specifying that such "head" may be "an individual."

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Reed
Bilbo	Huffman	Revercomb
Brewster	Johnson, Colo.	Robertson
Bridges	Johnston, S. C.	Russell
Briggs	Kilgore	Shipstead
Brooks	Knowland	Smith
Capehart	La Follette	Stanfill
Capper	Langer	Stewart
Carville	Lucas	Swift
Chavez	McCarran	Taft
Connally	McClellan	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Thomas, Utah
Downey	Magnuson	Tunnell
Eastland	Mead	Vandenberg
Ferguson	Millikin	Wagner
Fulbright	Mitchell	Walsh
George	Moore	Wherry
Gerry	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Eighty Senators have answered to their names. A quorum is present.

The Senator from Nevada has the floor.

Mr. McCARRAN. Mr. President, let me say that section 5 provides for two assistant heads of the Federal Security Agency. Government witnesses expressed the view that the language of this section does not require competitive examinations for the posts of assistant heads of the Federal Security Agency, and that the Federal Security Administrator, in making any of these appointments, would not be required to confine himself to a list of names submitted by the Civil Service Commission. However, the same witnesses testified that in making appointments to these posts the Administrator would be required to comply with any regulations imposed by the Civil Service Commission. There is no legal objection and there are no nonlegal objections to this section.

Section 6 transfers the functions under the act of June 20, 1936, with respect to the blind from the Office of Education to the Federal Security Agency. To this proposal there is no legal objection and there are no nonlegal objections.

Section 7 abolishes the Office of Assistant Commissioner of Education, and transfers its functions to the Office of Commissioner of Education, to be administered by such officers as he may designate and as the Administrator may approve. To this there are no legal objections and no nonlegal objections.

Section 8 abolishes the Board of Visitors of St. Elizabeths Hospital, for the given reason that it overlaps the jurisdiction of the Federal Security Administrator. To this proposal there were no legal objections and no nonlegal objections.

To section 10 there were no legal and no nonlegal objections presented before the committee.

The same is true as to section 11.

There was no objection to section 12, which authorizes the Director of the Bureau of the Budget to make such transfer of funds, personnel, property, and so forth, as may be required to carry out the purposes of the plan.

The committee considers reorganization plan No. 2 of 1946 to be a legal exercise of the President's power under the Reorganization Act.

Mr. President, again I draw the attention of the Senate to the fact that by specific act, after long study and many weeks of consideration, Congress called upon the Chief Executive to prepare reorganization plans and to submit them to the Congress. In that connection we adopted an entirely new method of legislation. Under the law, the plans, when submitted by the President, must be disagreed to by both Houses if they are not to go into effect. That provision may or may not be in accordance with Senators' views with respect to what is the proper method of legislation. However, that is the law at the present time, and it will remain the law until Congress changes it.

So this plan, although it was disagreed to by the House of Representatives, is now before the Senate for action. Unless the Senate disagrees to it, it will, at midnight tonight, become the law.

I draw the attention of the Senate to the fact that for years there has been a demand on the part of the Congress and on the part of the people for reorganization looking to avoiding overlapping of functions and overlapping of jurisdiction. In our Appropriations Committee activities we find that there is much overlapping of authority and, indeed, I am sorry to say, much overlapping of work. We had hoped, and we now hope, that by some method of reorganization we may curtail the enormous expenditures which are incident to the operations of the Government, and thus lighten the burden of the taxpayers of the country. We also hope that we may so streamline the Government, eventually, as to make it more efficient and more effective.

Certainly these plans, as they are now submitted to the Congress, are made by the Chief Executive with a view to accomplishing the very things which Congress by the enactment of the Reorganization Plan Act some months ago, said should be done. If the Senate of the United States, Mr. President, following the example set by the House of Representatives, rejects this plan, let me say that we shall then have turned down the very first effort of the Chief Executive to promote the very objective which the Congress has been seeking for years. If we say that because we do not agree with this little detail or that little detail, we will vote against the whole plan, if we say that there is some proposal in the plan which does not conform to our idea of a reorganization, and therefore we will vote against the whole plan, then, indeed, Mr. President, I fear that the time will never come when it may be said, "Here is a plan with which every Member of the Senate and every Member of the House of Representatives agrees in detail." If that be true, then I am wondering when and where and how it will be possible to bring about a reorganization of the executive branch of the Government. It will be admitted, I am sure, that neither the Senate nor the House nor a joint group of both the Senate and the House could ever work out a reorganization plan. That has been tried before, and it failed.

So we said to the Chief Executive, "Reorganize the executive branches. They are under you. You are the one to reorganize them. Submit your reorganization plan to the Congress, so that we may know what you propose."

Mr. President, I wish to be very frank with the Senate when I say that there are things in all these plans, and there are phases of all of them which I, as chairman of the Judiciary Committee, would not have placed in the plans if I had been writing them. But I look at the broader things to be accomplished, namely, economy and efficiency. Looking at the plan as a whole, I will take the things that do not run in accordance with my views, because of the larger thing to be accomplished, namely, effective and economic and efficient government.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. McCARRAN. I yield.

Mr. DONNELL. On last Saturday, as no doubt the Senator recalls, question was raised as to the amount of time which the Members of the Senate generally have had to study the testimony contained in the volume of the hearings which consists of approximately 471 pages of the hearings before the Judiciary Committee. I understood the Senator from Nevada to say that this volume of the hearings was completed and was available to the Members of the Senate on July 3.

Mr. McCARRAN. That is correct.

Mr. DONNELL. Let me ask the Senator whether the volumes of the testimony were distributed to the Members of the Senate at that early date.

Mr. McCARRAN. They were distributed to the members of the committee on that date, and as speedily thereafter as the committee could get them out, they were distributed to the entire membership of the Senate.

Mr. DONNELL. Is the Senator from Nevada able to tell us on what date the distribution to the Members of the Senate generally, exclusive of the members of the committee, occurred?

Mr. McCARRAN. They should have reached the Members of the Senate at their respective offices on the 5th of July.

Mr. DONNELL. I thank the Senator.

Mr. McCARRAN. Mr. President, unless there are questions to be propounded by the Members of the Senate, as the Senator in charge of this matter I have no further comment to make. I hope Reorganization Plan No. 2 will receive the accord and sanction of the Senate of the United States, so that the entire plan may be put into effect as speedily as possible.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WILEY. I wonder whether at this time we can come to some accord as to a time for voting on plan No. 2. On Saturday we had a general understanding that there would be opportunity to vote on plan No. 2 and also on plan No. 3. It seems to me that, perhaps, we could now

arrive at an agreement. I believe that the Senator has spoken for 1 hour and 20 minutes. If we, on our side of the argument, consumed 1 hour and 20 minutes, could we then vote?

Mr. McCARRAN. I do not know that I should have any objection, but I wish to say that the majority leader has just been called to the White House. He has said that he believed he would not be there for more than 20 or 25 minutes. I would not want to bar him from having an opportunity to express himself on this plan before it goes to a vote. So far as I am concerned, other than what I have already stated, I should be glad to vote on the plan at any time Senators are present to vote.

Mr. WILEY. Of course, that statement is rather indefinite. May we agree to have a vote not later than 3 o'clock this afternoon?

Mr. McCARRAN. Oh, yes; I believe so without any doubt.

Mr. WILEY. If the Senator will agree to that, and we may vote not later than 3 o'clock, those of us on the opposite side of the argument will agree to consume not more than 1 hour and 20 minutes, and the remainder of the time will be available to the distinguished majority leader, or any other Senator.

Mr. McCARRAN. I am perhaps taking advantage of my colleagues on this side of the aisle who may wish to consume some of the time of the Senate in discussing the plan. None of them has expressed a desire to discuss the proposal, but I would not want to enter into an agreement unless another quorum call were had. I do not wish to have one too soon following the one which we have had, because some Senators are engaged in matters outside the Chamber.

The Senator from Missouri is on his feet, and I shall yield to him. Later I shall discuss the matter with the Senator from Wisconsin.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. Has there been a division of time allotted to the Senator from Nevada?

Mr. McCARRAN. The same order which prevailed last Saturday prevails today. There are 5 hours available on each side which may be controlled by the Senator from Wisconsin and the Senator from Nevada.

Mr. DONNELL. Will the Senator from Wisconsin be kind enough to allot me 20 minutes?

Mr. WILEY. I am glad to yield 20 minutes to the Senator from Missouri.

Mr. DONNELL. Mr. President, I rise in opposition to plan No. 2. At the outset I submit that the very facts which are before the Senate today in connection with the matter of procedure indicate very clearly the lack of wisdom concerning the type of legislation which was enacted last year and which delegated, or undertook to delegate, to the Executive power to reorganize various branches of the Government, and to repeal statutes, some of which have been on the statute books of the United States for more than a century. One was referred to last Saturday, namely, the General Land Office statute, which has been on the statute books of the United States for 134 years. The Congress has undertaken to give to the Executive the power to repeal statutes and change decisions which the Congress has already made. Unless both branches of Congress affirmatively disapprove the action of the President, his action becomes law.

At the present time, Mr. President, we have a very clear illustration of that fact. The House of Representatives has disapproved each and every one of the three plans which have been placed before the Congress of the United States by the President. Yet, although the House is a coordinate branch of the legislative division of our Government, those changes, alterations, and repeals of statutes, as well as other tremendous and important changes will become effective unless the Senate also affirmatively disapproves.

So, Mr. President, we have a situation in which the House of Representatives, expressing affirmatively the will of the people, has disapproved the action of the President of the United States in two instances, namely, with regard to plans 1 and 2, by majorities in the neighborhood 4 to 1, and, in the case of plan No. 3, although without a record vote, obviously by a majority. However, those plans will take effect and become law at midnight tonight unless the Senate affirmatively disapproves them.

Mr. President, the Senator from Nevada was kind enough to indicate a few minutes ago that the testimony which was taken by the Senate Committee on the Judiciary should have reached the Members of the Senate on the 5th day of July, which was only 8 days before we started on the day before yesterday to consider these important plans. Only 10 days have elapsed since the date on which the testimony was presumed to have reached the Members of the Senate.

I undertake to say that a perusal of some 250 pages of the 471 pages of the hearings, indicates to my mind that there is ample reason for requiring the appropriate committees of the Congress to consider these plans for weeks and possibly months before coming to a conclusion with respect to them. Because of the pressure of business in the Senate, which required it to be in session from the time it convened last Friday until 1 minute to 2 o'clock the following morning, and required it to hold a late night session on Thursday, and a session on the following Saturday afternoon of last week, it has been quite impossible for the Members of the Senate intelligently to study the plans within the short space of time alloted to them, and arrive at a proper determination with respect to the proposal to give such power to the President of the United States as is provided for in the plans.

Mr. President, with respect to plan No. 2——

Mr. McCARRAN. Mr. President, will the Senator please keep in mind during his very able discussion of this matter that when the reorganization plans become law, as they will, if approved by the Senate, at midnight tonight, they will become immediately and at all times in the future subject to change or amendment by the Congress itself.

Mr. DONNELL. Mr. President, I realize the truth of what the Senator has said, just as I realize that any statute passed by the Congress of the United States is subject to being changed thereafter by the Congress. But that does not militate against the fact that the President of the United States, through these reorganization plans, may have the power to repeal statute after statute upon our statute books without the consent of the House of Representatives, one of the coordinate branches of our legislative division of the Government, if approval can be obtained of the Senate.

I was about to say that the action taken by the House of Representatives with respect to plan No. 2 was to vote against the plan by 166 to 40. The Senate Judiciary Committee, likewise, had very grave doubts concerning the proposal, as is evident from the fact that the vote in that committee upon the plan was only nine in favor and six against it. Yet, Mr. President, we are asked to approve a proposal which was disapproved by the House of Representatives by a vote of more than four to one in the case of the plan now before us, and approved by our Judiciary Committee by a scant nine to six. However, we are about to allow the proposal to go into effect, and it will go into effect unless we today, as the result of the short discussion which will be devoted to the matter, determine that it shall not be approved.

Mr. President, it is impossible to discuss all the extensive plans or reorganization of certain departments in the few minutes available, but I shall discuss briefly portions of them.

In the first place, there is no showing whatsoever of the savings in money which will result from any one of the three plans, two of which are still before the Senate of the United States.

The head of the Budget Bureau of the United States Government, testifying before the Committee on the Judiciary, said, as appears on page 31 of the hearings, being questioned by Mr. Sourwine, counsel of the committee:

Mr. SOURWINE. Mr. Smith, has any study been made by the Bureau of the Budget with respect to the costs to be entailed or the savings to be anticipated with respect to any one of the plans or to the component items of any of the plans?

Mr SMITH No; no specific study that would be nailed down to dollars and cents.

I pause in the reading, Mr. President, to suggest that the time is ripe for nailing down some of these matters to questions of dollars and cents. When we are spending billions upon billions of the taxpayers' money, I say that it is time for the head of the Budget Bureau of the United States to undertake to nail down to dollars and cents the question as to whether or not this reorganization will prove advisable.

Continuing, the testimony reads:

Mr. SOURWINE. You are not then in a position to hazard any guesses as to the dollars and cents effect of any of these plans nor the component items?

Mr. SMITH. That is correct. I am glad you used the word "hazard."

So, Mr. President, obviously, the Director of the Budget of the United States is unable and has refused to give the judi-

ciary Committee of the Senate any information as to the probable savings in dollars and cents.

I pointed out on Saturday last the fact that in the Reorganization Act of 1945 this language appears:

It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 per centum in the administrative costs of the agency or agencies affected.

On Saturday last it was indicated by the chairman of the Committee on the Judiciary that there is no requirement in the law that any specific plan shall produce any specific saving, and he doubtless is correct in that. Yet I call the attention of the Senate again to the fact, which was mentioned on Saturday last, that the only reference which appears in the report of the Committee on the Judiciary to any figure whatsoever with reference to savings is that which was quoted on Saturday. The committee said:

While witnesses at the hearings have been reluctant to testify concerning prospective savings, a partially inconclusive study made by the committee staff indicates that savings of approximately $500,000 may perhaps be reasonably anticipated, on the basis of a comparison of the costs of administration, in the event these plans become operative, with the costs of administration if the agencies affected continue on the present basis or revert to their permanent prewar status.

Mr. President, how does $500,000 compare with the total administrative costs of the agencies which are involved in these three reorganization plans?

I call attention to the fact that in the testimony before the Committee on the Judiciary, Mr Smith, the head of the Budget Bureau, was interrogated as to the total amount of the budgets of the various agencies which are involved. I do not consider that every part of the Department of State, for illustration, is involved in the plan, or every part of the Federal Security Agency. Nevertheless, these figures given by Mr. Smith are quite significant. Questioned by Mr. Sourwine, he testified as follows, as appears on page 31 of the hearings:

Mr. SOURWINE Mr. Smith, you mentioned in your basic statement the increased efficiency that would result without a reduction in the force. That is the accomplishment of more work with the same force. Do you feel that is a very real economy?

Mr SMITH I do. I certainly do.

Mr SOURWINE. Can you tell us, sir, what the additional work is proposed to be done or accomplished by any of these agencies affected by this reorganization plan?

Mr. SMITH. No; I cannot, specifically. In many cases here you will have various sorts of internal departmental adjustments that will take place where the functions are combined, and the supervision will be different. Sometimes there will be positions to eliminate. I think my general point, with respect to economy, is that here we are dealing with the administration of departments of the Government which, aside from the War and Navy Departments, in the 1947 budget amount to about 2.3 billion—

Not millions of dollars, Mr. President, but billions of dollars—

out of nearly forty billion. That is the magnitude in which we are dealing.

He said a little later:

I cannot give you just offhand the composition, but three items constitute about $28,000,000,000 in the 1947 budget. The remainder consists of these items of 2.3 billion for the administration of the departments, all of the departments of the Government, aside from the Army and Navy, which are included in the other figure.

Mr. President, what is 25 percent of $2,300,000,000? 25 percent of that sum is nearly $600,000,000, and $500,000 is but one forty-sixth of 1 percent of the amount of the expenditures for these various departments and agencies.

I repeat, Mr. President, first, that I do not contend that every dollar of expense, or perhaps even the greatest part, or perhaps even 10 percent, of the amount involved in all these agencies, is concerned in this reorganization plan. I do not know. The Chairman of the Committee on the Judiciary does not know. He was unable on Saturday to state whether as much as $2,000,000—not billions of dollars, but millions of dollars—were involved, though he hazarded the guess that the amount was more than $2,000,000.

The point I make is that dealing, as we are, with agencies spending in the aggregate $2,300,000,000, obviously a very sizable amount, to say the least, is involved in these reorganization plans, and to say that with certain omissions and commissions it is possible there may be a saving of $500,000 is to illustrate the triviality of the savings contemplated by the plans.

Mr. President, I wish to address myself for a very few minutes to one particular matter involved in the reorganization, that is to say, the abolition of the United States Employees' Compensation Commission. What is the scope of this Commission? I shall not have time in the few remaining minutes to go into that fully, but the law under which that Commission operates is considered not only to be the compensation law of the employees of the United States Government, but it is the workmen's compensation law for the District of Columbia, and it operates among private employers and labor, and privately employed personnel in industry, as well as in the Government itself.

What is done by the reorganization plan now under consideration? It will be recalled that today the Employees' Compensation Commission is—and I quote the statute—"composed of three Commissioners appointed by the President, by and with the advice and consent of the Senate. No Commissioner shall hold any other office or position under the United States. No more than two of said Commissioners shall be members of the same political party."

What does the proposed reorganization plan do with that? In the first place, Mr. President, it substitutes one man, the Federal Security Administrator, in place of these three men on the Commission. In the second place, it absolutely bypasses an obligation contained in the existing statute for the advice and consent of the Senate to be first had and obtained before the Employees' Compensation Commission can become effective in its work.

It is left to one man, the Federal Security Administrator, to appoint the three men who will constitute the Appeal Board to entertain appeals from his own decisions. I digress to say that a man who is a claimant, and who comes before the Federal Security Administration under this new reorganization, would not have very warm comfort, in the case of an adverse decision, when he realized that his appeal lies to a board of three men appointed by the Federal Security Administrator who has already decided against him.

So, Mr. President, this is what we have with respect to the plan before us: The abolition of a bipartisan board, and the substitution of one man. By the way, this one man, under the reorganization plan, is to be given many powers which I do not at the moment have the time to enumerate. This is one of them. He succeeds the existing Commission.

What does this reorganization plan accomplish? Is it designed to effect any savings? I call attention to the fact that in the testimony which was taken by the Committee on the Judiciary this language appears in the testimony of Mr. Lawton, the Chief Administrative Assistant, I believe, to the head of the Bureau of the Budget. He said:

In this case it affords some possibilities of economy because of the fact that there are offices of the Federal Security Agency in which some of this work may be done, but as to any dollar saving, I would hesitate to make a statement that there will be any.

Mr. President, what is the justification for the abolition of this Board? I wish to say in passing something as to the standing of this Board.

I want to read a few words, if I may, from a witness who appeared before the committee, Mr. C. M. Harvey, president of the Railway Mail Association, composed of approximately 24,000 railway postal clerks. He says this of the existing agency:

The Commission is an independent agency of the Government and is administered by three bipartisan members who exercise and perform quasi-judicial functions. It has operated efficiently, capably, and economically for a period of approximately 30 years. The interests of the Government and the welfare of the employees have been zealously protected and administered during all of this period of time.

Then he says:

It is now proposed under the provisions of Reorganization Plan No. 2, to abolish the three-member bipartisan Commission and place the administration of this independent agency of the Government under the jurisdiction of a Federal Security Administrator who would set up a board of appeals composed of three members who would make final decisions on appeals from determinations and awards in Government employees' compensation cases.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. DONNELL. May I have 5 minutes more, I ask the Senator from Wisconsin?

Mr. WILEY. I yield 5 minutes more to the Senator from Missouri.

Mr. DONNELL. Then Mr. Harvey continues:

Why is it desirable to abolish this independent agency which has functioned so efficiently since its creation by the Congress? No economy in cost of operation is involved. No elimination of overlapping functions between the existing agency and other departments of the Government would take place because none exist at the present time. The Commission handles only cases involving compensation resulting from injuries sustained while on duty. By what process of reasoning can it be assumed that this agency will function more efficiently under a Federal Security Administrator and a three-member board of appeals, when the record clearly shows competent, capable, and economical administration during the past 29 years.

I close the reference to his remarks by reading this language:

It has been the experience of railway postal clerks throughout the years that have elapsed since September 7, 1916, that the United States Employees' Compensation Commission has administered this law in a fair, equitable, and impartial manner.

We, therefore, respectfully request that the proposal in plan No 2 to abolish the three-member bipartisan Commission be not concurred in by the Committee on the Judiciary and that Senate Concurrent Resolution 65 or House Concurrent Resolution 151 be approved.

Mr. President, what, I ask, is the alleged justification for this action? Is it on the ground that it seeks to group together agencies with similar functions? It is well pointed out in the course of the testimony taken before the committee that there is no similarity of functions between the Federal Security Agency and the operation of the Employees' Compensation Commission. The Employees' Compensation Commission is a quasi-judicial body. It is in a sense a court before which a man or woman who is injured goes and presents his or her evidence and secures an allowance, sometimes amounting to as much as $10,000 or $15,000, according to a statement appearing in the testimony. What similarity of functions is there between a quasi-judicial body such as this and the Federal Security Agency?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. McCARRAN. I know the Senator from Missouri does not wish to misstate the matter. The body that is set up under the plan is also a quasi-judicial body, having quasi-judicial functions. Under this plan the Administrator of the Federal Security Agency would have the first view, and then the matter on appeal would go to a quasi-judicial board set up in the Federal Security Agency.

Mr. DONNELL. Mr. President, I fear that I failed to convey to the Senator the point I was making. One of the purposes, which according to the reorganization act is to be established, is the grouping, coordination, and consolidation of agencies and functions of the Government, as nearly as may be, according to major purposes. The point I make, Mr. President, is that there is no similarity of major purposes between the Employees' Compensation Commission and the Federal Security Agency. The mere fact that after the functions of the Employees' Compensation Commission shall have been transferred to the agency, there will be set up an appellate quasi-judicial body, is no answer to the proposition that today there is no similarity of purpose in the two branches, the Compensation Commission and the Federal Security Agency, which would involve the coordination, grouping together, and consolidation of the two.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. McCARRAN. In reference to the matter just discussed by the able Senator from Missouri, let me say that I think a complete answer to his position is to be found on pages 328 and 329 of the hearings. I would not want to read the testimony in the Senator's time, but if the Senator cares to read it in his own time, he may do so. If not, I respectfully refer to him the testimony of Mr. Watson Miller commencing in the second paragraph on page 328 with these words:

First, permit me to discuss the transfer of the United States Employees' Compensation Commission, which appears in plan 2, section 3.

And so forth. I do not want to take up the Senator's time by reading it, but I respectfully refer to the fact that that testimony furnishes a complete answer to the last expression or two the Senator has made.

Mr. DONNELL. I thank the Senator from Nevada. My time has substantially expired, Mr. President. May I say that the testimony of Mr. James B. Burns, of the American Federation of Government Employees, is this—and I think he is correct:

There is no similar or like function exercised by the Federal Security Agency. I therefore say that it does not attempt to group or coordinate or consolidate any agencies and functions according to major purposes There are no similar major purposes.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield, with the consent of the Senator from Wisconsin.

Mr. WILEY. I yield five more minutes to the Senator from Missouri.

Mr. McCARRAN. I cannot permit that to go unchallenged, because on page 329 we find Mr. Watson Miller testifying as follows:

I would also stress the wisdom of relating the employees' compensation with the United States Public Health Service of the Federal Security Agency, the great civilian medical arm of this Government. You probably know that the professional staff of the Employees' Compensation Commission's Medical Division consists of Public Health Service officers on detail.

Secondly, under the Public Health Service Act of 1944, Public Law 410, Seventy-eighth Congress, the Surgeon General of the Public Health Service "is authorized to provide at institutions, hospitals, and stations of the [Public Health] Service medical, surgical, and hospital services and supplies for persons entitled to treatment under the United States Employees' Compensation Act and extensions thereof." Pursuant to this authority, and without reimbursement, the Public Health Service provided in the fiscal year 1945, the last year for which complete figures are available, the following services to Employees' Compensation Commission beneficiaries: (a) 204,408 days of hospital care for 12,013 Employees' Compensation Commission clients; (b) 288,254 treatments, out of hospitals, for 65,891 Employees' Compensation Commission clients; and (c) 35,674 physical examinations for Employees' Compensation Commission clients.

I merely read that to the Senator to draw his attention to the fact that there is a similarity between the work now done by the Federal Security Agency and the work which will be done under the reorganization plan.

Mr. DONNELL. Mr. President, I insist that there is no similarity whatsoever between a quasi judicial organization such as the Employees' Compensation Commission passing upon cases, the filing of claims, the filing of answers, the hearing of witnesses, the swearing of witnesses, the decisions of questions of law and of fact, and the Federal Security Agency, which has to do with functions such as the Office of Education, the Public Health Service, the National Youth Administration when it existed, and so forth. To my mind the position taken by Mr. Burns, which I have read, is sound, and this proposed reorganization plan is not only not justified by any considerations of proof of financial savings, but it is not justified on the basis that it involves a grouping together of agencies according to their major purposes.

Mr. President, I shall not consume time other than to call attention to what was expressed by Mr. Stinson, who is the Secretary of the National Association of Letter Carriers, an organization of 70,000 letter carriers located in every city of the United States that has either city or village delivery service, who, speaking of the hearings before the House committee, said:

As a matter of fact, the representative of every organization whose members come under the purview of the compensation law, every one of them appeared before that committee and raised their opposition against this provision in plan 2.

Mr. President, I have before me a telegram from Mr. William Green, of the American Federation of Labor, in which he says:

The Governmental Reorganization Plans 2 and 3 should be opposed because plan 2—

I think he is mixed, Mr. President, as to the numbers here, but the meaning is clear—

because plan 2 continues wartime Coast Guard control of merchant seamen instead of returning control to Commerce Department in accordance with 1884 act. Plan 3 is illegal, according to House Judiciary Committee, in that it wipes out the United States Workmen's Compensation Commission set up by law. Please aid in rejecting both plans 2 and 3.

Mr. President, to my mind there is sound reason in the attitude taken by these representatives of labor which will be affected by the change involved in this particular reorganization plan. I advocate that the Senate refuse to concur in this plan, and that we take the matter up, when it shall be sent to us again, with the advantage of the consideration we have had, and later on pass on the question when we have more opportunity for deliberate consideration of the propositions involved.

I thank the Senator from Wisconsin for the time he has yielded to me.

Mr. McCARRAN. Mr. President, at this point in the RECORD, I desire to insert a letter of transmittal and an attached memorandum from Mr. F. J. Lawton, administrative assistant in the Executive Office of the President, Bureau of the Budget, which deals with the matter discussed by the Senator from Missouri.

There being no objection, the letter of transmittal and the memorandum were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 5, 1946.

Memorandum for Mr. J. G. SOURWINE,
Counsel, Judiciary Committee:

The other day in discussing reorganization plans with Senator FERGUSON he raised a point about judicial review of longshoremen cases under the Employees' Compensation Commission.

Attached is a memodrandum covering that point, which I have today furnished to him.

F. J. LAWTON,
Administrative Assistant.

Memorandum to: Mr. F. J Lawton.
From: E. G. Kemp.
Subject: Judicial review of functions transferred from Employees' Compensation Commission to Federal Security Agency by Reorganization Plan No 2

A question has been raised under reorganization plan No 2 as to the effect of section 3 on the authority vested in Federal district courts by the Longshoremen and Harbor Workers' Act to enforce, suspend, or set aside compensation orders

Section 3 of the plan transfers the functions of the United States Employees' Compensation Commission to the Federal Security Agency, and requires that they shall be performed in such manner and under such rules and regulations as the Federal Security Administrator shall prescribe The Commission itself is abolished

The question is answered by section 9–a–1 of the Reorganization Act itself Authority of the district courts and the right of judicial review are in no wise prejudiced or diminished by section 3 of the plan Section 9–a–1 provides as follows, with pertinent parts underlined.

"Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed, in respect of or by any agency or function transferred to, or consolidated or coordinated with, any other agency or function under the provisions of this act, before the effective date of such transfer, consolidation, or coordination, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law, have the same effect as if such transfer, consolidation, or coordination had not been made; but where any such statute, regulation, or other action has vested functions in the agency from which the transfer is made under the plan, such functions shall, insofar as they are to be exercised after the transfer, be considered as vested in the agency to which the transfer is made under the plan."

The meaning and effect of this provision are that after the plan becomes effective any functions vested in the Commission by the Harbor Workers' Act shall thereafter be considered as vested in the Federal security agency, but in all other respects the provisions of the act shall continue to apply with the same effect to the activities and functions so transferred—such as the provisions which establish and define the jurisdiction and authority of the district courts, as well as those provisions which define the rights and obligations of claimants and employers, those which define the powers and duties of the Commission and deputy commissioners, those which impose various conditions and administrative requirements with respect to the handling of claims and the conduct of hearings, and so forth.

The Harbor Workers' Act (33 U. S. Code 90–1950) provides among other things for the establishment of compensation districts and the assignment to each district of one or more deputy commissioners to be appointed by the Commission It requires that notice of any injury or death covered by the act be given to the deputy commissioner in the proper compensation district. Compensation is payable without a formal award except where liability is controverted by the employer and notice thereof is given to the deputy commissioner In such cases the right to compensation is barred unless a claim is filed within one year with the deputy commissioner in the district in which death or injury occurred.

The act contains detailed provisions for the handling of such claims and vests in the deputy commissioner full power and authority to hear and determine all questions in respect of each claim He is also given other functions and authority of an incidental or collateral nature which are necessary for the proper administration of the act, including authority to make investigations, to compel persons to attend and testify or produce evidence, to require appointment of representatives for minors and other incompetents, and generally "to do all things conformable to law which may be necessary to enable him effectively to discharge the duties of his office" Some of these functions and determinations require the approval of the Commission, and the Commission is authorized to make such rules and regulations as may be necessary in the administration of the act

Compensation orders of the deputy commissioners rejecting a claim or making an award become final at the expiration of 30 days unless proceedings to suspend or set aside the order are instituted in the Federal district court for the district in which the injury occurred The act provides for injunction proceedings either to suspend or set aside a compensation order which is not in accordance with law, or to enforce compliance with such an order if the court determines that it was made and served in accordance with law. The court is also empowered to stay payments under such an order upon application for interlocutory injunction pending final decision, to prevent irreparable damage. Provision is also made, in the event an employer defaults in his payments, for the issuance of a supplementary order by the deputy commissioner declaring the amount in default under an existing award After a certified copy of such an order is filed with the clerk of the court, judgment may be entered thereon Such judgments are enforceable by writ of execution and are subject to review the same as judgments in civil damage suits, and may be modified to conform with any later compensation order.

The jurisdiction of the courts also includes the assessment of costs against a party who has instituted or continued proceedings without reasonable ground, the approval of claims for legal services rendered in respect of a claim, or award which is under review by the court, and summary proceedings against persons obstructing a hearing before the deputy commissioner or resisting any lawful order or process issued by that official.

The foregoing constitutes a full recital of the occasions for judicial intervention under the act and the extent of such intervention.

It is made the duty of the United States attorney of the district in which the case is pending to appear as attorney or counsel in behalf of the Commission or its deputy commissioner "when either is a party to the case or interested, and to represent such Commission or deputy in any court in which such case may be carried on appeal."

It is not apparent, in view of the language of section 9–a–1 of the Reorganization Act, how the proposed transfer of the Commission's functions to the Federal Security Agency could have the effect of restricting or interfering in the slightest degree with the exercise of the jurisdiction and authority thus vested in the Federal district courts, or with the performance by United States attorneys of their proper duties under the act. Regardless of any changes which may take place on the administrative level as a result of the plan, the district courts would clearly continue to have, and would be able to exercise without any difficulty, the functions and authority thus vested in them to enforce, suspend, or set aside compensation orders on the terms provided in the act, to issue stay orders in proper cases, to enter judgments on supplemental orders and issue writs of execution for their enforcement, to punish persons who obstruct proceedings on the administrative level, etc., etc.

The continued administration of the act and its benefits on a local basis will be assured by those provisions of the act which require the establishment of compensation districts, the assignment of a deputy commissioner to each district, the filing of claims notice of injury or death with the deputy commissioner in the compensation district in which it occurred, etc. Court proceedings must also be filed in the district in which the injury occurred. In order to comply with these provisions the Federal Security Agency will be obliged to maintain an office in each such compensation district in charge of the existing deputy and his staff, who are also transferred by the plan, or in charge of some other suitable person to be designated by the Security Administrator for that purpose. Pending proceedings against the Commission or any of its deputies are specifically protected against abatement when the plan becomes effective by section 9(b) of the Reorganization Act.

Mr McCARRAN. I read for the RECORD the following telegram:

JEFFERSON CITY, MO., *June 26, 1946*

Senator PAT MCCARRAN,
Washington, D C:

I hope that President Truman's proposals, known as reorganization plan No. 2, with reference to a public-welfare department will receive favorable action by the Senate. I would be glad to have this telegram put on the record

HUGH STEPHENS,
Chairman, Board of Trustees, the Woman's Foundation Inc.

Mr. WILEY. Mr. President, I yield 15 minutes to the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, I feel that there should be certain reorganizations in the Federal Government; and certainly I do not wish to oppose every reorganization. Saturday I voted for reorganization plan No. 3 because it seemed to me that the changes made were in general desirable. One change which I did not approve seemed to me to be of minor character. But I believe that all these plans have been prepared very hastily. I doubt very much if the President himself has given any consideration to them. They seem to have been prepared in the Bureau of the Budget, without consultation with any of the bureaus concerned. That certainly is true in two or three cases with which I am familiar. The plan was evidently hastily prepared and submitted so that the 60 days might expire before Congress

adjourned. I do not believe that adequate consideration was given to any of the plans.

As to plan No. 2, I think it is the most important of the three. It attempts to build up the Federal Security Administrator as the over-all chief and administrator of all health, welfare, and education activities of the Federal Government. I doubt very much if it is wise to give him such power. We have previously considered the possibility of creating a Department of Health, Welfare, and Education, and the President has indicated in his message that this is the first step toward the creation of a Department of Health, Welfare, and Education. If we are to have such a department, we are concentrating three entirely separate activities in one department. It may be desirable to do that; but if so I believe that each of those activities ought to be under a separate head, and ought to be largely administered by those heads under the general supervision of a Cabinet officer. If we are to have a Department of Health, I believe that a doctor should be at the head of it, and he should not be subject to the arbitrary direction and control of the Federal Security Administrator, who is likely in most cases to be primarily a man of the welfare-worker type, as is the present Federal Security Administrator.

No such care is taken here. Such functions as are to be transferred to the Federal Security Administrator, who heretofore has been a sort of over-all coordinator of a number of activities, are to be given to him completely under his direction and control. For example, the health and welfare services of the Children's Bureau, which has long been in the Department of Labor, are to be transferred to the Federal Security Agency.

The functions of the Children's Bureau and of the Chief of the Children's Bureau, except certain functions which are to be transferred elsewhere, are to be transferred to the Federal Security Administrator, to be performed by him or under his direction and control, by such officers and employees of the Federal Security Agency as he shall designate. In other words, the Children's Bureau is to be abolished; or, to put it another way, the Federal Security Administrator is to be made the head of the Children's Bureau.

I think the Children's Bureau was established about 1910. At the head of it has always been a woman; and many very able women have held that position. It has had an independent character and standing of its own. Now we simply say that all its functions are to be transferred to the Federal Security Administrator. The agency is not to be transferred subject to his general supervision, but it is to be all under his individual and arbitrary control and direction. I doubt very much if that is a wise way to handle health, welfare, and security activities. To the extent that these are welfare agencies they ought to be under an Assistant Secretary of Welfare. To the extent that they are medical, I believe they ought to be under a doctor as the head of the health agency. So I do not like the organization which is proposed for the new Federal Security Agency, the Federal Department of Health, Welfare, and Education. If we are to set up such a department, I believe that we ought to set it up after careful study. I think we ought to protect the independence of the health activities and separate them entirely from the welfare activities and from the educational activities.

In this connection there is one rather interesting thing about the Assistant Commissioner of Education. The functions of the Assistant Commissioner of Education are to be transferred to the Office of Education, and the Office of Assistant Commissioner of Education is to be abolished. I do not know exactly why it is proposed to be abolished. The functions of that office are to be administered by such agencies as are designated by the head of the Office of Education.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I have consulted with the Senator from Nevada [Mr. McCARRAN], who is in charge of the concurrent resolution, and it is agreeable to him that the Senate proceed to vote on the concurrent resolution pertaining to reorganization plan No. 2 at not later than 2:30 o'clock today.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. Of course, that is on the condition that the Senator from Wisconsin [Mr. WILEY] is to allocate half the remaining time. I would not want the Senator from Wisconsin to allocate all the time between now and 2:30.

Mr. BARKLEY. I shall wish some time.

Mr. McCARRAN. The Senator from Kentucky should have some time.

Mr. WILEY. Mr. President, I have conferred with the majority leader, and we have agreed to a vote not later than 2:30 o'clock. Does the Senator from Kentucky wish as much as half an hour of that time?

Mr. BARKLEY. I do not wish more than that, but we might earmark that much.

Mr. WILEY. We will earmark half an hour for the Senator from Kentucky. If he desired, he could begin speaking at 2 o'clock, with the definite understanding that a vote will be taken not later than 2:30

Mr. TAFT. Mr. President, I wonder if the majority leader would be satisfied with 20 minutes? Most of the time thus far has been taken by the proponents of the plan.

Mr. BARKLEY. I frequently think that I can get along with 20 minutes, and then find that I cannot. I do not believe that I shall require more than that length of time. I suggest that the time for voting be set at 2:40. That would allow sufficient time.

Mr. WILEY. Very well.

Mr. BARKLEY. I will modify the request by setting the time for voting at 2:40 o'clock p. m.

The PRESIDING OFFICER. Is there objection to the modified request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. TAFT. Mr. President, apparently the only purpose of abolishing the Office of Assistant Commissioner of Education is to permit the Commissioner of Education to put in two Assistant Commissioners of Education, because that is the plan submitted in his last annual report, and apparently under the terms of the pending plan he might do so. I do not know what other purpose there could be. I assumed that perhaps some special statutory power was given to the Assistant Commissioner which it is now desired to concentrate in the Commissioner; but the effect of that is certainly not economy.

I have stated that it seems to me that the general tendency is to concentrate more power in a single Federal Security Administrator. That plan would abolish the Federal Security Board. It would abolish the United States Employees Compensation Commission, which has been dealt with at some length. In both cases we have two bipartisan boards, designed to be independent. They were established as bipartisan boards in order that they might be considered to be impartial, and in order that all points of view might be presented, as well as in order that arbitrary power might not be exercised in dealing with those important questions. Now we find that they are to be abolished, and that the powers are to be given to one man, the Federal Security Administrator, who is a political appointee, a man who, apparently, judging from the President's message, is intended to be a Cabinet officer hereafter.

I do not believe that that is in line with the policy of Congress. Apart from the question of whether it can be done under the statute, it seems to me very clear that it is something which Congress does not wish to have done. Why did we establish bipartisan boards? Why did we establish boards at all unless we thought that that was the best possible method of administering those particular functions? I see no reason why we should change that procedure. I see no reason why we should give up the advantage of a board in connection with questions of a semilegislative or quasi-judicial nature. As a rule Congress has favored a single administrator as against a board. When Congress has established a board, it has done so for good reasons, and because it felt that a board was the best possible method of administering the functions. It has established boards in order that both sides on any question may have full knowledge of the proceedings, and in order to insure the right of the minority to present its viewpoint. Such a system enables the minority Members of this body to be advised by the minority member of the board as to what is being done by the board, in order that they may have an opportunity to present any protest they may wish to present, and in order that the question may be brought up for discussion and decision in the Congress if necessary. Both in the case of the Social Security Board and the United States Employees' Compensation Commission, bipartisan boards are proposed to be abolished, and it is proposed to give complete and arbitrary power to a single administrator.

As has already been pointed out by various Senators, so far as the United States Employees' Compensation Commission is concerned, I believe the plan is in clear violation of the law. The law

prohibits any reorganization having the effect of imposing in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion to the full extent authorized by law in the carrying out of each function than existed with respect to the exercise of such function of the agency with which it was vested prior to the taking effect of such reorganization.

This particular plan provides, in that case, that the functions of this Commission are transferred to the agency, and shall be performed in such manner and under such rules and regulations as the Federal Security Administrator shall prescribe. If he can prescribe rules and regulations, that certainly will limit the independence of the Commission, which heretofore has been bound by nothing except the statutes imposed by Congress. I do not see how it can be questioned that its powers will thus be limited.

The plan also provides that such regulations shall provide for a board of three members to be designated and appointed by him

Like all persons who are designated and appointed to the executive agencies, they may be removed by the Executive, and they know that they may be removed by him. So, it seems to me futile to say that there will be any independence left in that kind of a board The board will clearly be subject to the Federal Security Administrator, and it certainly will have very much less independence. It will have only such independence as he may see fit to give to it. That is the effect of the plan, and certainly the result will be that the board will have less independence than it was guaranteed by statute. So, insofar as that particular abolition is concerned. I believe it is very clear that it violates the provision of the statute.

I think Congress should be very careful to see to it that it does not permit the President gradually to edge more and more beyond the restrictions imposed by the general Reorganization Act. He already has great power under that act, and I think we should be careful to see to it that in the first plans which are submitted by him, we do not acquiesce in an assumption of power far beyond anything that is given in that act.

There is one other feature of the plan to which I wish to call particular attention. Section 10 says:

SEC 10 Coordination of grant-in-aid programs· In order to coordinate more fully the administration of grant-in-aid programs by officers and constituent units of the Federal Security Agency, the Federal Security Administrator shall establish, insofar as practicable, (a) uniform standards and procedures relating to fiscal, personnel, and the other requirements common to two or more such programs.

Those are State-aid programs.

It further provides:

And (b) standards and procedures under which a State agency participating in more than one such program may submit a single plan of operation and be subject to a single Federal fiscal and administrative review of its operation.

Mr. President, today we have a large number of Federal-aid plans in effect. Each of them is covered by a statute. Each of them outlines the kind of plan the State shall submit. Each of them outlines the standards which shall be conformed to in the State plan before Federal aid shall be received. Those have been carefully worked out by Congress. For instance, we have under the Children's Bureau, but now proposed to be transferred to the Federal Security Administrator, maternal and child-health plans, child-welfare plans, and crippled-children plans. We have under the Social Security Board the plans for dependent children, for the blind, and, I think, for rehabilitation, training, and medical treatment. I am not sure; but I think that is under the Social Security Board. We have a number of public-health plans relating to venereal disease, cancer assistance, and several others. All those plans have been carefully worked out.

Now the President comes along and apparently intends that the Federal Security Administrator shall establish uniform standards and procedures relating to fiscal, personnel, and other requirements common to two or more such programs

As I see the situation, the President is attempting to say to the Federal Security Administrator that he may conform these plans by means of picking out one of them and making all the others uniform. He may say, "We think there should be a uniform standard." Particularly with regard to personnel, the States are very much concerned. Nearly all the plans have in them something like this, although they are different in many other respects:

Provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Attorney General—

Or whoever may be designated—

may exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods) as the Surgeon General prescribes by regulation under section 622 (g).

That means that the Federal Government requires the States to employ personnel on a merit system, some sort of civil-service arrangement. But in many cases it is expressly provided that the Federal Government shall have nothing to say with regard to the selection, tenure of office, or compensation. On the other hand, some of the plans are not subject to that restriction.

It seems to me that under this provision the Federal Security Administrator may attempt to coordinate all of them to the plan which he likes the most, to the plan which gives the Federal Government the most power. In that way, certainly, this provision of the plan looks toward an assumption of legislative power in which, it seems to me, we certainly should not acquiesce.

It is said that that is not intended, that all that is intended to be done is to change the person who passes on it. Even that, Mr. President, is important. I do not think this phase of the plan affects the so-called hospital bill which we passed earlier this year. But in that bill we took great care to provide that the plan must be approved by the Surgeon General and that if it should be disapproved by the Surgeon General for failure to comply with some rules, if he should say, "I will not approve this plan; you must change it," then the Federal Hospital Council would provide an opportunity for a hearing If such Council should determine that the plan or modification complied with the provisions of the law, the Surgeon General would thereupon have to approve such plan or modification.

Under this plan it seems to me the Federal Security Administrator may take away the powers which we have given the Federal Hospital Council over the Surgeon General in order to have less arbitrary action, and may transfer that power to himself or to some one he designates or to some board he appoints.

So I believe this provision is an attempt practically to supersede the provisions which have been carefully worked out by Congress, dealing with the Federal grant-in-aid programs. No activity of the Federal Government is more important today than these Federal grant-in-aid programs.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. TAFT. I ask the Senator from Wisconsin whether I may have 5 minutes more.

Mr. WILEY. I yield 2 minutes more to the Senator from Ohio.

Mr. FERGUSON. Mr. President, I will yield part of my time to the Senator from Ohio.

Mr. TAFT. I thank the Senator.

Mr. President, Federal grant-in-aid programs are constantly being extended. They are extremely important. So it is extremely important, and it becomes more so, that we limit the power of the Federal Government, if we are going to give Federal aid, so that we leave the administration with the States, so that the States' powers are not interfered with by the Federal Government, so that the administration of the plan rests in the State and local authorities, and not in some Federal bureaucrat in Washington.

I believe very strongly that this provision about the coordination of grant-in-aid programs is a step toward giving the Federal Security Administrator arbitrary power to change all the provisions regarding State-aid programs, either directly or by transferring the execution from someone who will administer them as the Federal Security Administrator would not like to see them administered, to someone else or some agency which will do just what the Federal Security Administrator wants done in carrying out their administration.

So, Mr. President, taking the whole plan in view, I believe it is fundamentally opposed to the general position of Congress. I think it attempts to set up arbitrary power on the part of the Federal Security Administrator over health, welfare, and education. I believe the plan would place power over those subjects in one man, who, incidentally, could not

possibly know about the three different fields, because they are different. At the local level they are entirely separate, and that shows that they are different in nature.

But under this plan they are to be coordinated under a man who is almost certain to be primarily a social welfare man, and who is going to be in complete charge of the medical and educational and welfare activities of the Federal Government.

I believe very strongly that the plan should be rejected.

Mr. FERGUSON. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield 20 minutes to the junior Senator from Michigan.

Mr. FERGUSON. Mr. President, I wish to discuss this plan.

At the last session we acted on plan No. 3, and at that time I discussed some general aspects of this reorganization. I shall not repeat now what I said then, and neither shall I restate the ideas which I have in regard to the whole scheme.

However, I wish to discuss this plan specifically. The difficulty which Congress faces today is that it is facing a new way of enacting legislation. In effect, the Congress is abdicating to the President its power to repeal laws which have been passed. It is also abdicating in that the President, under the guise of reorganization, may perform statutory functions. He can create law, and if both houses of Congress do not act adversely to what is desired by the President, the President's Executive order becomes the law of the land. That is a new principle in our Republic; it is a new principle under our Constitution. If the President desires to create a new law, he may do so under a reorganization or a reshuffling of Government agencies If he wishes to repeal a law, he may do so by an Executive order under the guise of reorganization, and if this body, or both houses of Congress do not act adversely by a majority vote, the executive order becomes law.

It has been said that if Congress wishes to do so, it can enact a new law, or repeal an existing law; but it must be remembered that such action would be subject to the veto power of the President. The only way by which Congress could act adversely to what the President had done would be by a two-thirds vote overriding the President's veto. What is being proposed is something unheard of under our Constitution, or under our Republic as we have understood it to exist in the past.

Mr. President, I shall not discuss the plan so far as the social security is concerned, except to say that, if Congress approves the plan, the people will find that their Congress has laid the foundation for socializing medicine in America, and it will take place in the form of reorganization. We are now asked to create a Social Security Agency, a board to take over that function.

Mr. President, we are asked to make the Federal Security Agency an operating agency. In the past, it has been a mere public-relations agency, a coordinating agency. We are going to find that public-health service will be subordinated to insurance and to welfare. The whole trend in this proposal is one of socializing medicine and the Public Health Service in America. As has been said by other Senators today, the trend is wrong, but we may go to the legal aspects of the reorganization plan and find that it violates the very law which Congress passed in relation to taking away the powers of a quasi-judicial body.

Mr. President, what does this plan do? It repeals the law which was passed by the Congress in 1916. Congress created a Compensation Commission. Today more than 3,000,000 employees are under the jurisdiction of that Commission. A large task has been assigned to the Commission. All sectors of labor are found to be voicing their objections to the plan. The law as now constituted, which would be repealed, provides for a bipartisan board. When labor comes to Congress and says, "We would rather have a bipartisan board than an administrator," we should heed it because we do not want political decisions to be made when workmen are entitled to compensation for injury or for deterioration of health while employed.

Mr. President, the plan would abolish the Board because of the following language:

> The functions of the United States Employees' Compensation Commission are transferred to the Federal Security Agency and shall be performed in such manner and under such rules and regulations as the Federal Security Administrator shall prescribe.

It is proposed in this plan that one man, a Federal Security Administrator, shall take over all the functions of the bipartisan board which was approved by the Senate, and that the functions of the board shall, in the future, be administered in such manner and under such rules and regulations as the Federal Security Administrator shall prescribe.

Next, Mr. President, a board is created. I wonder what the public will think when it realizes that this administrator appoints, and that he has the right to discharge, members of the board which will pass upon appeals taken from his decisions. We must give some consideration to the frailties of human nature. It is evident in many decisions that if the power of appointing those who must pass upon the merits of an appeal lies within one man, human nature is often taxed and unable to withstand the pressure which may come from one man who has not only the right to appoint but the right to discharge.

Mr. President, that man has a further right. He has the right to lay down the very rules and regulations which shall govern the members of the board. I cannot conceive of not following the action of the other House and refusing to permit the President of the United States to legislate in the manner proposed, and repeal legislation which the people, through their Congress, have had on the United States statute books since 1916.

I continue reading:

> Such regulations—
>
> Those are regulations made by the Federal Security Administrator—
>
> shall provide for a board of three persons to be designated or appointed by the Federal Security Administrator with the authority to hear and, subject to applicable law, make final decision on appeals taken from determinations and awards with respect to claims of employees of the Federal Government or of the District of Columbia. The United States Employees' Compensation Commission is abolished.

Mr. President, the Congress has provided, by an elaborate procedure in cases such as those coming under the Maritime Commission and the District of Columbia, for the right to have reviewed the acts and conduct of the Commission or the Deputy Commissioner. It is stated in the act that "subject to applicable law," an appeal may be taken to the courts. But nowhere do we find any provision for the right to take an appeal from the decisions of the proposed appeal board. Nowhere are we able to find anything which will allow an appeal to be taken from the decisions of the Administrator. It will be found that the courts will be unable to allow appeals unless they stretch the law which is to be enacted, because nowhere is there any provision for appeal to the courts.

Mr. President, there is a way by which these objectives may be achieved. If the people are not satisfied with the bipartisan board—we heard no one before the Judiciary Committee give voice to anything but praise for the conduct of the board—other measures may be provided by the Congress. In the light of the testimony which was given before the committee, the proposal under consideration is not suggested because of the conduct of the members of the board; it is proposed because there is a desire in some quarters to transfer the functions of all these agencies to one man and repeal certain laws which have been passed by the Congress.

Mr. President, I wish to refer to the manner in which the States administer compensation laws. Mr. Burns testified before our committee, and I read from his testimony as it appears on page 151:

> As I have my notes here, there are 47 States which have workmen's compensation laws and in 36 of those States the laws are administered by independent commissions. Only 8 States, as I am informed, have departmentalized administration, while 3 States have court administration of this type of law, but in no State is the administration of this type of law which is administered by the Employees' Compensation Commission diffused into an agency which compares or is comparable to the Federal Security Agency.

The Federal Government, since 1916, has believed in a bipartisan board, and we find that 47 States have believed in a different system than that now being established. It is this, Mr. President, I think we should consider.

Why do I say this new plan is a violation of law? It is because in the basic law under which this could be done, if it were properly done, appears section 5, and paragraph (6).

I read subsection (a) under section 5, because it says:

> No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

And then I skip to paragraph (6):

> (6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise

cise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization: except that this prohibition shall not prevent the abolition of any such function.

Mr. President, these functions are now possessed by a bipartisan board, created by statute, the members of which have been approved by the Senate. They have the right to make rules and regulations for passing upon the amount of compensation a workman is to receive. We are asked to transfer that over to one man. In other words, we now have the decision of three men, and if we should allow this plan to become effective we would say that one man could make the decision the three men have been making. I say that there is nothing clearer than that that is a limitation upon the exercise of independent judgment and discretion, and therefore is void, and cannot be done under the basic reorganization law.

Mr. President, that being true, the only thing the Senate can do is to pass upon the concurrent resolution now before us and vote "yea" to disapprove this particular plan. There is no reason why that cannot be done, and the President will then realize that he did not have the power and authority to do what is suggested.

I desire now to raise the question whether or not the legality of this proposal was passed upon prior to the time it was sent to the House of Representatives I refer to page A3704 of the Appendix of the CONGRESSIONAL RECORD, where there appears a letter from Mr. RICHARD B. WIGGLESWORTH, a Member of the House, to the President regarding the legal aspects of the plan we are now considering and other plans. The President's reply was dated June 7. The plans were sent to the Congress on May 16. The President sent Mr. WIGGLESWORTH's letter to the Attorney General.

The President said:

THE WHITE HOUSE,
Washington, June 7, 1946

Hon RICHARD B WIGGLESWORTH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: Your letter of the 1st has been referred to the Attorney General for specific reply.

These three reorganization plans went through the legal procedure necessary to implement them and I am very sure that the Attorney General would not recommend something to me that is illegal.

Sincerely yours,

HARRY S. TRUMAN.

Then Mr. McGrath, the Acting Attorney General, wrote, on June 18 of this year:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 18, 1946.

Hon RICHARD B. WIGGLESWORTH,
House of Representatives,
Washington, D. C.

MY DEAR MR. CONGRESSMAN: I have your letter of June 8, 1946, and a copy of the letter dated June 1, 1946, which you sent to the President, with respect to the three reorganization plans recently submitted by the President to the Congress under the Reorganization Act of 1945.

The questions raised by you are now being studied, and I will communicate further with you when consideration of the matter has been concluded.

With kind personal regards.

Sincerely yours,

J HOWARD MCGRATH,
Acting Attorney General.

That indicates clearly, Mr. President, that the Attorney General had not passed upon the legal questions I have raised here today.

So that I may shorten what I have to present, because there is a limitation on debate, I should like to have permission to insert at this place in the RECORD as a part of my remarks a letter Mr. WIGGLESWORTH wrote to the President on June 24, 1946. The reply of the President and of the Acting Attorney General I have read in full.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 1, 1946

The Honorable HARRY S TRUMAN,
President of the United States,
The White House, Washington, D. C.

DEAR MR PRESIDENT: Consideration of your proposed three reorganization plans Nos. 1, 2, and 3, submitted to the Congress as House Documents Nos. 594, 595, and 596, respectively, raises certain questions in my mind.

The Reorganization Act of 1945 pursuant to which the plans are submitted recites that Congress expects the authorized reorganization to "accomplish an over-all reduction of at least 25 percent in the administrative cost of the administration agency or agencies affected." I should appreciate being advised as to the reduction in administrative costs contemplated if either or all of the three reorganization plans become law.

Section 5 (A) of the same act provides in part as follows: "No reorganization plan shall provide for, and no reorganization under this act shall have the effect of

"(1) Abolishing or transferring any executive department, or the functions thereof; or

"(2) Or of establishing any new executive department, or

"(3) Continuing any agency beyond the period authorized by law for its existence, or beyond the time when it would have terminated if the reorganization had not been made, or

"(4) Continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made; or

"(5) Authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"(6) Increasing the term of any office beyond that provided by law for such office."

Many of the agencies and functions dealt with and affected by the proposed plans owe their existence to Executive orders issued under the First War Powers Act approved December 18, 1941, authorizing the President to "make such redistribution of functions among executive agencies as he may deem necessary, including any functions, duties, and powers hitherto by law conferred upon any executive department, commission, bureau, agency, governmental corporation, office, or officer, in such manner as in his judgment shall seem best fitted to carry out the purposes of this title [to expedite the prosecution of the war effort]: *Provided further*, That the authority by this title granted shall be exercised only in matters relating to the conduct of the present war."

The latter act in section 5 of title I also provides that "Upon the termination of this title all executive or administrative agencies, governmental corporations, departments, commissions, bureaus, offices, or officers shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this title to the contrary notwithstanding."

It also provides in section 401 of title IV that "Titles I and II of this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President may designate."

It would appear that neither the First War Powers Act, nor the Reorganization Act of 1945 permitted the creation of new agencies or any new executive department. It appears nevertheless that the proposed reorganization plans provide for both as well as for the making of many temporary agencies permanent and the continuation of functions contrary to the limitations contained in the Reorganization Act of 1945.

If this interpretation be correct, it would appear clear that enactment into law of the proposed reorganization plans by the failure of both Houses of Congress to express disapproval within the statutory period can have no legal effect in the matters referred to. In other words, results cannot be lawfully accomplished by the lack of disapproval by the Congress, which the Congress has itself declared can only be accomplished by its express approval.

If my interpretation is correct, it seems to me that the reorganization plans call for reexamination and revision in order that they may conform to existing law.

I should greatly appreciate hearing from you in this connection.

Sincerely yours,

R. B. WIGGLESWORTH.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. WILEY. Mr. President, I yield to the Senator the remaining 3 minutes I have.

Mr. McCARRAN. Mr. President, I wish at this time to call to the attention of the Senator from Michigan, and ask to have inserted in the RECORD, the letter of the Attorney General, Mr. Tom Clark, as found on page 355 of the hearings, and I respectfully read the following from his letter:

I may, however, inform you that each of these reorganization plans was transmitted by me to the President after careful study of its provisions, and that I advised him that each plan and its accompanying message had my approval as to form and legality.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 28, 1946.

Hon PAT MCCARRAN,
Chairman, Committee on the Judiciary,
United States Senate,
Washington, D C.

MY DEAR MR. CHAIRMAN: I understand that it has been requested that copies of my letters to the President relative to reorganization plans Nos. 1, 2, and 3 (recently

transmitted to the Congress under the Reorganization Act of 1945) be furnished for the record of the hearings which your committee is now holding with respect to these plans.

I desire to extend the fullest possible cooperation to your committee. You will appreciate, however, that these letters constitute confidential documents, which it is not possible for me to furnish without the President's express consent. (See the opinion of Attorney General Jackson dated April 30, 1941, published as 40 Op. A. G. No. 8.)

I may, however, inform you that each of these organization plans was transmitted by me to the President after careful study of its provisions, and that I advised him that each plan and its accompanying message had my approval as to form and legality. I attached no qualification or limitation whatever upon my approval, and my opinion in this regard remains unchanged. I believe that each of the plans fully conforms to the letter and spirit of the Reorganization Act of 1945.

I would have no objection to your publishing this letter in the record of the hearings.

With kind personal regards,

Sincerely yours,

TOM CLARK,
Attorney General.

Mr. FERGUSON. Mr. President, that does not indicate in the least that the Attorney General had passed upon the legal questions raised by Mr. WIGGLESWORTH. It does not indicate in the slightest that he had passed on the legal question I have raised, that is, that the plan is in violation of the fundamental law under which reorganization plans can be sent to the Congress, in that it interferes with the judgment and discretion of quasi-judicial officers. That is merely a general statement of the Attorney General that he passed upon the plan, not upon specific legal questions now presented to the Senate.

Mr. McCARRAN. Mr. President, in my own time, I refer again to the expression of the Attorney General:

> I attached no qualification or limitation whatever upon my approval, and my opinion in this regard remains unchanged. I believe that each of the plans fully conforms to the letter and spirit of the Reorganization Act of 1945.

That letter was written by the Attorney General on June 26, 1946, after the Wigglesworth incident.

Mr. President, I now yield the remainder of the time I have, if I have any, to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I hope I will not use all the remaining time, although when we get on our feet we always find that time slips away more rapidly than we anticipate.

Mr. President, I feel about plan No. 2 just as I felt about plan No. 3. There will never be any reorganization in the departments of the Government of the United States except under such a program and procedure as that which we have adopted in the law which Congress passed a few months ago, under which the President has sent to us these three reorganization plans.

I take it for granted that it is not necessary to belabor that point. Congress cannot, in the very nature of things with all the complexities of its duties, and with the multiplied problems it faces all the time, not only now but at any given time that might be mentioned in the past few years, or in the foreseeable future, set itself down and work out any sensible, logical reorganization of the various sprawling, disconnected, interrelated agencies and bureaus of the Government of the United States.

We created them one at a time and set them up, but when we created them one at a time we did not stop to consider where they belonged or whether they should have been allocated to some other agency or department. So we have put it off from time to time, and nature has taken its course, and the Government dragged on without any effort on the part of Congress itself to reorganize the departments.

We complain about extravagance, and we beat our breasts in behalf of economy, but if we wait until Congress consolidates departments, if we wait until Congress steps on the toes of some bureau that does not want to go somewhere else, we shall never have either economy or efficiency.

The main objection to plan No 2, as it has come to me, has been on account of the transfer of the United States Employees' Compensation Commission to the Social Security Agency. There is no law changed as to the rights of Federal employees to compensation. Their rights are just the same. The same law that has existed since 1916 applies to them, except insofar as it has been amended by the Congress. There will be no difference in the assertion of their rights and in the attainment of their rights and the decisions upon their rights.

I have received several letters from postmasters and from postal employees about this subject. Someone, I imagine, I do not know who, inspired the writing of the letters. The average postal employee, performing his duties on rural routes or on city routes or in the post offices of the United States, would not have thought of writing a letter to me about the matter unless someone had suggested that he do so. I daresay that whoever suggested it did not explain what the reorganization plan proposes to do. There will be no difference under the reorganization. There will not be a single right which a postal employee now enjoys, so far as compensation is concerned, that he will not enjoy if this plan is put into effect. The same is true of all other Government employees.

I should like to call the attention of the Senate to a chart which I have received, showing what this plan does in regard to the consolidation of agencies under the Federal Security Agency. First, we have a Federal Security Administrator. Then we have an Assistant Federal Security Administrator. They direct and supervise the activities of the Agency.

Then we have what are called staff offices. We have the Office of Executive Assistant. He is responsible to the Administrator for the direction and supervision of all business management functions of the agency. Is there anything wrong with that? That is in the interest of efficiency. There is a man in charge of the business of the agency, directly responsible to the Administrator.

We have the Office of the General Counsel. The General Counsel is responsible to the Administrator for the direction and supervision of the legal activities carried on within the agency. Of course, that is recognized by everyone as proper. That is the function of a legal adviser or general counsel.

We have the Office of Federal-State Relations, over which there will be a director, and the Director of the Office of Federal-State Relations is responsible to the Administrator for studying and advising the Administrator on all phases of Federal-State relations carried on within the agency.

There are many such Federal-State relations with respect to the payment of old-age pensions in which the Federal Government puts up dollar for dollar for the amount contributed by each State for the payment of old-age pensions. I mention that merely as an example of the sort of Federal-State relationships that now exist, and that will be under the coordination and supervision of the Director of Federal-State Relations under this reorganization.

We have also an office known as the Office of Inter-Agency Relations. The Director of this Office is responsible for studying and advising the Administrator on relationships with other Federal agencies, representatives of foreign governments, international agencies, and organized groups active in the fields of health, education, and social security.

Then we have the Office of Research, still responsible to the Administrator. The Director of the Office of Research is responsible to the Administrator for the direction, supervision, and coordination of all research activities of the Federal Security Agency.

Then we have also the Office of Information, with a director, who is responsible to the Administrator for the direction, supervision, and coordination of all information activities of the agency, for the benefit and information of the public.

Then we come down to a program of supervisory offices, and we have the Social Security Administration. The Commissioner of Social Security is responsible to the Administrator for the direction and supervision of the activities of the following: Bureau of Old Age and Survivors Insurance; Bureau of Employment Security; Bureau of Public Assistance; Children's Bureau; Office of Appeals Counsel.

Then we have also the Office of Education and Training, with the Commissioner of Education and Training at the head. That takes the place of the Bureau of Education. The Commissioner of Education and Training is responsible to the Administrator for the direction and supervision of the activities of the Office of Education, which has been in existence for a long time.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Kentucky yield to the Senator from Ohio?

Mr. BARKLEY. I yield.

Mr. TAFT. Can the Senator tell me why the Office of Assistant Director of Education is abolished under the plan?

Mr. BARKLEY. I suppose it was because it was not needed.

Mr. TAFT. I find under the new plan in the Department of Education there are two Assistant Directors of Education. Apparently it seems that one office has been abolished in order that two offices may be created.

Mr. BARKLEY. I do not know why it was abolished. I suppose it was considered not to be necessary.

The American Printing House for the Blind comes under the Office of Education and Training. The Columbia Institution for the Deaf comes under it. Also Howard University. These are the activities that come under the Commissioner of Education and Training under this program.

We come now to the Office of Public Health The Commissioner of Public Health is responsible to the Administrator for the direction and supervision of the following activities· Public Health Service, Freedmen's Hospital, St Elizabeths Hospital.

Something was said a while ago about socialized medicine. I should like to take time to say that, in my judgment, the use of the term "socialized medicine" with respect to this activity is a complete misnomer It does not contemplate anything that approaches what a great many people are pleased to call socialized medicine. There is not a county in the United States which does not have a county health officer, and it is his duty to look after the health of the people It is made his duty by law and by order of the county government to go into the homes of people who are unable to provide medical assistance or attention for themselves. It is his duty to go into the homes of those who are indigent in the county, and are in part supported by the funds of the county. That is not socialized medicine. That does not socialize the medicine in the particular county. The same is true of every city in the United States which has a city health officer and a city health department. The same is true of every State board of health in every one of the 48 States, all of which have State boards of health. It does not socialize medicine for the government of the State or the city or the county or even for the Government of the United States to interest itself in the health of the people. So that when we call any of these activities on the part of the Federal Government a form of socialized medicine which would tend to abandon and abolish the medical profession, to take over the care of the people by the Government of the United States, it seems to me that we are building up a bogeyman without the slightest foundation for doing so either in the law itself or in the intention of the Congress in enacting it.

We now come to the last subdivision, the Office of Special Services——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield, but I have only a limited time.

Mr. TAFT. The Senator does not mean to say, does he, that anyone has said that this plan has anything to do with socialized medicine? I have not heard any objection based upon that ground.

Mr. BARKLEY. A while ago the Senatôr from Michigan [Mr. FERGUSON] made an argument against it and used the objection that it squinted toward or started toward, or in some way leaned toward socialization of medicine.

Mr. TAFT. What it does is to concentrate all medical powers in the Federal Security Administrator, but it does not change those powers.

Mr. BARKLEY. I understand that; but I mentioned it only because the Senator from Michigan alluded to it and used the term "socialized medicine" in connection with it.

Coming now to the Office of Special Services—

The Commissioner for Special Services is responsible to the Administrator for the direction and supervision of the activities of the Food and Drug Administration.

For a long time the Food and Drug Administration has been in the Department of Agriculture. There was never any logical reason why the Food and Drug Act should be administered in the Department of Agriculture, but the Food and Drug Administration was placed there when it was established.

Bureau of Federal Employees' Compensation
Office of War Property Distribution.
Office of Community War Services
Office of Vocational Rehabilitation
Employees' Compensation Appeals Board.

The strongest objection which has been raised to reorganization plan No. 2 grows out of the transfer of the Bureau of Federal Employees' Compensation into the subdivision of the Office of Special Services provided for in the plan

Mr President, I ask unanimous consent that this chart may be printed in the RECORD as it has been prepared, showing the outline of the reorganization.

(The diagram referred to was omitted from the RECORD)

Mr. BARKLEY. As I said a while ago, there is no change in the law regarding the rights of Federal employees who are entitled to compensation for injury or for any reason under the law which Congress enacted many years ago. It is true that we have a compensation board, and we shall have one under the new organization, the difference being that the Federal Security Administrator will name the board to administer the Federal employees' compensation law; and the law will be the same as the law which is now administered by an independent board.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. DONNELL. Does not the Senator overlook the fact that the function of the board which the Federal Security Administrator is to appoint is not to administer the compensation law, but to make decisions on appeals from the Federal Security Administrator? That fact appears on page 7 of the reorganization plan.

Mr. BARKLEY. Under this plan there is also an appeal board, which is different.

Mr. DONNELL. There is only one board, I will say to the Senator.

I read from page 7 of the President's message:

SEC. 3. United States Employees' Compensation Commission: The functions of the United States Employees' Compensation Commission are transferred to the Federal Security Agency and shall be performed in such manner and under such rules and regulations as the Federal Security Administrator shall prescribe Such regulations shall provide for a board of three persons to be designated or appointed by the Federal Security Administrator with authority to hear and, subject to applicable law, make final decision on appeals taken from determinations and awards with respect to claims of employees of the Federal Government or of the District of Columbia. The United States Employees' Compensation Commission is abolished

Mr. BARKLEY. Granting that the Senator's statement in that regard is accurate, the board finally acts upon the matter of compensation. It has the final voice.

Mr. DONNELL. It is the appellato board.

Mr. BARKLEY. It does not make any difference whether it is an appellate board or whether it looks into the question de novo. It has the final voice in determining what any Government employee shall receive under the law.

Mr. DONNELL Mr. President, will the Senator yield for a further inquiry?

Mr. BARKLEY. I yield.

Mr. DONNELL. Does the Senator regard as wholesome a law which gives to the man who makes decisions on compensation claims the right to designate the persons who shall occupy membership on the board which is to pass upon appeals taken from his own rulings?

Mr. BARKLEY. I do not regard it as unwholesome. We have a similar situation in many departments of our Government. We have a Supreme Court whose members are appointed by the President. The Supreme Court may pass upon acts of the President. Are we to say that the President should not have the right to appoint members of the Supreme Court merely because the Supreme Court may review his acts and declare them constitutional or unconstitutional? I do not see anything wrong with giving the Administrator under whose jurisdiction all these social-security functions are to be performed authority to name the members of a board. These functions are correlated and coordinated. They are all akin one to the other. They ought to come under one head, and that head ought to be the Administrator of the Federal Security Agency.

Mr. DONNELL. I invite the attention of Senators to the fact that members of the Supreme Court are appointed by and with the advice and consent of the Senate, whereas the members of this board are to be appointed solely by the Federal Security Administrator.

Mr. BARKLEY. I do not think that makes the slightest difference. Members of the Supreme Court are appointed by the President. It has been rare that the nomination of one of them was not confirmed by the Senate. So the analogy still applies.

Therefore I do not see why the Federal employees have any right to complain because in the interest of economy and efficiency, under a law which Congress itself has enacted giving the President the power to do so, he has combined and consolidated certain agencies so as to bring about some semblance of order in the Government of the United States. There is not a single Federal employee in the United States who will lose any rights under this consolidation. Certainly they ought not to be more powerful than the President and the Congress combined in determining to what extent we shall consolidate these agencies. Certainly they ought not to have the right to veto an act of the President in bringing about consolidation merely by objecting to being placed under a general scheme of administration which puts them in with other equally worthy and equally important agencies of the Federal Government.

Mr. President, I do not wish further to delay consideration of the concurrent resolution. I shall vote against it, and by so doing I shall vote to support reorganization plan No. 2, which is now before the Senate.

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the following communications:

A letter of June 25, 1946, from Ernest Thompson, executive secretary of the Hudson County Industrial Union Council, endorsing reorganization plan No. 2.

A telegram, dated June 26, from Robert G. Sproul, of the University of California, Los Angeles, Calif., endorsing plan No. 2.

A telegram dated July 3 from Mr. Richard S. Bachman, managing director of the Council of Social Agencies of Metropolitan Detroit, endorsing plan No. 2.

A telegram dated New Haven, Conn., June 26, from C. E. A. Winslow, professor emeritus of Yale University, endorsing plan No. 2.

A telegram dated June 20, from J. W. Edgar, chairman of the State-Federal Relations Committee of the Texas State Teachers Association, and superintendent of Orange, Tex., schools, endorsing plan No. 2.

A telegram dated July 5, from Isabel P. Kennedy, executive secretary of the Federation of Social Agencies of Pittsburgh and Allegheny County, Pa., endorsing plan No. 2.

A telegram dated June 16, from Raymond E. McDermit, president of the Greater Johnstown Industrial Union Council of Johnstown, Pa., endorsing plan No. 2.

A telegram dated July 3, from Louis W. Horne, executive secretary of the Lincoln Community Chest, Lincoln, Nebr., endorsing plan No. 2.

A telegram dated July 4, from H. B. Dowell, president of the Tulsa (Okla.) Council of Social Agencies endorsing plan No. 2.

A telegram dated June 24, from Bradley Buell, executive director, Survey Mid-Monthly, New York City, endorsing plan No. 2.

A telegram dated July 8, from Edward S. Godfry, Jr., New York State Commissioner of Health, endorsing plan No. 2.

A telegram dated July 11, from the West Side Community Center, Harrison and Racine, Chicago, Ill., endorsing plan No. 2, together with certain other telegrams from Illinois, and a number of letters and telegrams from various States.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

HUDSON COUNTY INDUSTRIAL UNION COUNCIL OF THE CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Jersey City, N. J., June 25, 1946.

McCARRAN-MANASCO COMMITTEE,
Senate Building, Washington, D. C.

GENTLEMEN: President Truman's plan No. 2 for the reorganization of health, education, and welfare departments into one coordinated agency is of vital importance to the people of the United States. The efficiency produced by such a plan would lead to the greatest improvement in general public health and education services.

The Hudson County Industrial Union Council, CIO, representing 30,000 workers in the Hudson County, N. J., area, strongly endorses this move and urges you to take action immediately.

Thank you for your cooperation.

Sincerely,

ERNEST THOMPSON,
Executive Secretary.

WEST LOS ANGELES, CALIF., *June 26, 1946.*

Senator PATRICK MCCARRAN,
United States Senate, Washington, D. C.:

In my considered judgment the adoption of President Truman's Reorganization Plan No 2 will accomplish improvement in governmental administration transcending in importance criticisms aimed at it. I believe it will bring about vitally needed coordination both between Federal agencies concerned and between Federal Government and the States. As an educator interested in child welfare, I request that this telegram be put on record.

ROBERT G SPROUL,
University of California.

DETROIT, MICH., *July 3, 1946.*

Senator PATRICK MCCARRAN,
Chairman, Judiciary Committee,
United States Senate Building,
Washington, D. C.:

Sincerely urge your support of President's reorganization plan No. 2 consolidating governmental health and welfare programs. Plan is sound and logical and would help Detroit social agencies in their future relationships with Federal agencies.

RICHARD S. BACHMAN,
Managing Director, Council of Social Agencies of Metropolitan Detroit.

NEW HAVEN, CONN., *June 26, 1946.*

Senator P. H. MCCARRAN.

I should like to place myself on record in favor of the President's reorganization plan No 2.

C. E. A. WINSLOW,
Professor Emeritus, Yale University.

ORANGE, TEX., *June 20, 1946.*

Senator PAT MCCARRAN,
Chairman, Senate Committee on Expenditures in the Executive Departments, Senate Office Building,
Washington, D. C:

Please record my support of legislation establishing a department of health, education, and welfare with Cabinet status. If the Federal Government is to fulfill adequately its obligation to the general welfare and at the same time guarantee the preservation of the constitutional concept of State and local responsibility for education, it will be necessary that national leadership in education be given a more favorable spot in Government structure. In addition, the social nature of modern education requires careful correlation with related services. All this can best be achieved by coordinated leadership at the Federal level.

J. W. EDGAR,
Chairman, State-Federal Relations Committee, Texas State Teachers Association; Superintendent, Orange, Tex., Schools.

PITTSBURGH, PA., *July 5, 1946.*

Hon. PAT MCCARRAN,
Chairman, United States Senate Judiciary Committee, United States Senate, Washington, D. C:

President's reorganization plan No. 2 provides for more efficient public service for all citizens. On behalf of nearly 200 health and welfare agencies, we urge you to support it.

ISABEL P. KENNEDY,
Executive Secretary, Federation of Social Agencies of Pittsburgh and Allegheny County.

JOHNSTOWN, PA., *June 16, 1946.*

United States Senator MCCARRAN,
United States Senate,
Washington, D. C.:

We will appreciate your support for President's plan No 2 for reorganization of health, education, and welfare.

GREATER JOHNSTOWN INDUSTRIAL UNION COUNCIL, CIO.,
RAYMOND E. MCDERNIT, *President.*

LINCOLN, NEBR., *July 3, 1946.*

Senator PAT MCCARRAN,
Chairman, Judiciary Committee,
United States Senate,
Washington, D. C.:

Council of Social Agencies wishes to recommend that your committee does not disapprove to the Senate the consolidation of governmental health and welfare functions in the Federal Security Agency.

LOUIS W. HORNE,
Executive Secretary, Lincoln Community Chest.

TULSA, OKLA., *July 4, 1946.*

Senator PAT MCCARRAN,
Chairman, Senate Judiciary Committee, United States Senate Office Building, Washington, D. C.:

Believe President's reorganization plan No. 2 for consolidation health and welfare function under Federal Security Agency necessary for improved administration. Earnestly request you and your committee take no action against it.

H B. DOWELL,
President, Tulsa Council of Social Agencies.

NEW YORK, N. Y., *June 24, 1946.*

Senator PAT MCCARRAN,
Senate Office Building,
Washington, D. C.:

Will appreciate your putting on the record my support of President Truman's reorganization plan No. 2, effecting the consolidation of Federal health and educational agencies. I believe this is an important step forward in the interests of greater efficiency and coordination of these vital services.

BRADLEY BUELL,
Executive Editor, Survey Midmonthly.

ALBANY, N. Y., *July 8, 1946.*

Senator PATRICK MCCARRAN,
United States Senate,
Washington, D. C.:

Based upon long experience in the State administration of public health, including programs supported by funds allocated through the United States Public Health Service and the Children's Bureau, I strongly

recommend complete approval of the President's reorganization plan now before the Senate Judiciary Committee.

EDWARD S. GODFREY, JR.,
New York State Commissioner of Health.

CHICAGO, ILL., *July 11, 1946.*
Senator PATRICK MCCARRAN,
Chairman, Judiciary Committee,
Senate Office Building:

For the welfare of American children and for social progress of entire Nation we urge you do all possible to pass President's reorganization plan No. 2.

WEST SIDE COMMUNITY CENTER.

CHICAGO ILL, *July 11, 1946.*
Senator PATRICK MCCARRAN,
Chairman, Judiciary Committee,
Senate Office Building,
Washington, D C.:

We urge you to do all in your power to help pass the President's reorganization plan No. 2 It is vitally necessary for the right to preserve the dignity of man for the welfare of millions of American families

LEWIS SCHOOL OF AERONAUTICS
LOCKPORT, ILL.

CHICAGO, ILL, *July 11, 1946.*
Senator PATRICK MCCARRAN,
Chairman of Judiciary Committee,
United States Senate,
Washington, D. C.:

The Back of the Yards Neighborhood Council representing 120,000 people is convinced that it is essential to the social progress of the country to pass the President's reorganization plan No. 2 The welfare of the Nation's workers is largely dependent upon the passage of this bill.

JOSEPH B MEEGAN,
Executive Secretary,
SOL ALINSKY,
Technical Adviser, Back of the Yards Neighborhood Council

CHICAGO, ILL., *June 14, 1946*
Senator PAT MCCARRAN,
Senate Office Building,
Washington, D. C.

Two hundred thousand Chicago CIO members in complete accord with President's plan No 2 for the setting up of health and welfare department with Director of Cabinet status Health and welfare needs of America inadequately served by present uncoordinated programs Carefully planned and integrated program imperative Only organization of complete department with Director of Cabinet status can effectively do necessary job. Urge you give plan every possible support

MICHAEL MANN,
Secretary, Chicago Industrial Union Council, CIO

CLEVELAND, OHIO, *July 3, 1946.*
Chairman PAT MCCARRAN,
Senate Judiciary Committee,
Washington, D. C.:

Cleveland Welfare Federation legislative committee urges consolidation of health and welfare functions in Federal Security Agency in interest of sounder planning and administration Urge your strong opposition to steps to nullify Executive order which should take effect July 16

E D. LYNDE,
Executive Secretary, Welfare Federation.

CANTON, OHIO, *June 15, 1946.*
Senator MCCARRAN,
Senate Office Building:

We urge you to support President's plan No. 2 for reorganization of health education and welfare.

J. E. MASON,
Treasurer, Sixteenth Ohio Congressional District, CIO Political Action Committee.

WARREN, OHIO, *June 17, 1946.*
Senator MCCARRAN,
Senate Office Building,
Washington, D. C.:

Respectfully request your support for President's plan No. 2 for reorganization of health education and welfare.

JAMES H. CULVER,
Secretary, Trumbull County CIO Council.

COUNTY OF CUYAHOGA,
JUVENILE DETENTION HOME,
Cleveland, Ohio, July 9, 1946.
Senator MCCARRAN,
Washington, D C.

MY DEAR MR. MCCARRAN: We are writing you in behalf of President Truman's reorganization plan to create a Federal department of health and welfare.

We are heartily in favor of this plan and trust that you will do all in your power to see that it succeeds.

Very truly yours,

FLOYD Y RUSSELL,
Assistant Superintendent, Cuyahoga County Detention Home.

BELLEFAIRE REGIONAL CHILD CARE SERVICE,
Cleveland, July 9, 1946.
Senator PAT MCCARRAN,
Chairman, Senate Judiciary Committee,
Senate Office Building,
Washington, D. C.

DEAR SIR According to the newspapers, the House has voted against President Truman's reorganization plan, part of which is to create a Federal department of health and welfare wherein the Children's Bureau and retain all of its present activities. That bill is now under consideration of your committee

I strongly urge you to report the bill out favorably

For a long time it has become very evident that a separate Federal department of health and welfare was essential to coordinate and organize the health and welfare program of our country. Our past experience is good evidence of the fact that had we had such a department, we could have planned more wisely Particularly in the field of children's services would such a department be of great benefit

I, therefore, respectfully suggest that this bill be acted upon favorably in the best interests of effective Federal services to children as well as the rest of the communities

Sincerely yours,

DAVID BRODY,
Head Resident.

THE WELFARE FEDERATION OF CLEVELAND,
Cleveland, Ohio, July 9, 1946.
Hon PAT MCCARRAN,
Senate Office Building,
Washington, D C.

DEAR SENATOR MCCARRAN: The case work and children's councils of the Welfare Federation of Cleveland comprised of 60 agencies serving families and children in Greater Cleveland is very much interested in President Truman's reorganization plan for health and welfare services.

The councils favor the creation of a Federal department of health and welfare; that the transfer of all activities pertaining to health and welfare to the Federal Security Agency is the first step in the creation of this department; and in making this transfer of activities it is urged that everything be done to preserve and safeguard the high standards of Federal services to children which have been developed by the United States Children's Bureau.

We understand this matter is being considered by the Judiciary Committee of the United States Senate. We strongly urge you to lend your support in putting this reorganization plan into effect. Thank you for your cooperation.

Sincerely yours,

DANIEL R. ELLIOTT.

CARSON CITY, NEV., *July 5, 1946.*
Hon. P. A. MCCARRAN,
Chairman, Judiciary Committee,
Senate Office Building,
Washington, D. C.

Respectfully urge that Judiciary Committee give favorable consideration to President's reorganization plan which contemplates transferring both the Children's Bureau of the Department of Labor and the Vital Statistics Division of the Census Bureau to the United States Public Health Service. These transfers will greatly improve health services on both the Federal and State levels and will eliminate overlapping of activities between separate Government bureaus Reorganization plan has backing of State health departments who are vitally interested in bureaus included in transfer plans.

JOHN J SULLIVAN,
Acting Secretary, Nevada State Board of Health.

AMERICAN PUBLIC WELFARE ASSOCIATION,
Washington, D. C , May 3, 1946.
Senator PAT MCCARRAN,
Senate Judiciary Committee,
United States Senate,
Washington, D. C

DEAR MR MCCARRAN: In behalf of the American Public Welfare Association, organization of State and local public welfare departments and of public welfare officials, workers, and board members, I am writing to urge that the Senate Judiciary Committee support reorganization plan No. 2 by reporting unfavorably Senate Concurrent Resolution 65, introduced by yourself to oppose the plan.

This association, representing those who administer the child welfare and assistance aspects of the Social Security Act, has long been concerned by the difficulty, waste, and barrier to progress in the States presented by the necessity of dealing with two separate agencies, namely, the Children's Bureau and the Social Security Board, on programs as inherently interrelated as child welfare and aid to dependent children We have been officially on record for 3½ years as urging that the administration of those two programs be brought together in one agency and were, therefore, particularly gratified by the provision of reorganization plan No. 2 to transfer the Children's Bureau to the Federal Security Agency It is the firm conviction of those who administer children's programs in the welfare field that these programs would be greatly strengthened by bringing their Federal administration into closer relationship within one agency.

Should hearings on this matter be scheduled we would appreciate the opportunity to present our views in more detail.

Very truly yours,

HOWARD L. RUSSELL, *Director.*

Mr. TAFT. Mr. President, I should like to ask the Senator from Nevada a question regarding section 10 of the plan, which reads as follows:

SEC. 10. Coordination of grant-in-aid programs. In order to coordinate more fully the administration of grant-in-aid programs by officers and constituent units of the Federal Security Agency, the Federal Security Administrator shall establish, insofar as practicable, (a) uniform standards and procedures relating to fiscal, personnel, and the other requirements common to two or more such programs, and (b) standards and procedures under which a State agency participating in more than one such program may submit a single plan of operation and be subject to a single Federal fiscal and administrative review of its operation.

I express the fear that that would permit the Federal Security Administrator to change the law with regard to the standards prescribed in these plans,

What is the Senator's view on that question?

Mr. McCARRAN. It would not permit the changing of the law. I read from our own report, which I think is an answer to the Senator:

SECTION 10

Under this section the Federal Security Administration would be authorized to establish uniform standards and procedures for the coordination of grant-in-aid programs.

(Attention is directed to the testimony with respect to the difference in language between this section, which provides that "the Federal Security Administrator shall establish, so far as practicable," and the President's message (p. 5, H Doc. 595, 79th Cong.), which states that "the plan provides that, insofar as practicable and consistent with the applicable legislation," etc This testimony was to the effect that the language of the President's message was both explanatory of, and controlling with respect to, the interpretation of the language of the plan itself so that it could not be assumed the plan granted any authority not consistent with applicable legislation, or conveyed to the Federal Security Administrator any authority with regard to establishing uniform standards and procedures which he does not now have under existing law.)

Mr. TAFT. What I do not understand is how we can take two laws and make them uniform without changing one of them.

Mr McCARRAN. I do not catch the significance of the question.

Mr. TAFT. The plan provides that the Federal Security Administrator shall establish, insofar as practicable, uniform standards and procedures. If one law prescribes one standard and another law prescribes another standard, how can he prescribe a uniform standard without changing one of those laws?

Mr. McCARRAN. Is it not possible for the Administrator to establish uniform standards to reconcile and bring together the operations under two laws?

Mr. TAFT. Does the Senator feel that this is merely a procedural matter, and could not change the substance of any law?

Mr. McCARRAN. That is my theory and my position.

Mr. TAFT. That is what I wanted to know.

Mr. McCARRAN. Mr. President, let me read from the hearings, at page 324, Mr. Sourwine's questioning of Mr. Lawton, of the Bureau of the Budget, who appeared before the committee representing the Bureau of the Budget:

Mr. SOURWINE. Mr. Lawton, will you look at section 10 of plan No. 2, sir? That refers to the coordination of grants-in-aid programs. You will note that it provides that the Federal Security Administrator shall establish, insofar as practicable; whereas the President's message on this plan, on page 5 says the plan provides that insofar as practicable, and consistent with the applicable legislation, and so forth. Do you know whether that language differs because it assumes that any action taken will have to be consistent with existing legislation, or is there any possibility that the language might be construed as conveying to the Federal Security Administrator any authority with respect to the establishing of uniform standards and procedures which he does not now have under existing law?

Mr. LAWTON. No; it will not confer any such authority upon him. One reason for the omission of those words in the plan itself of course is that the point is covered by section 9 (a) (1) of the Reorganization Act itself which reads:

"Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed, in respect of or by any agency or function transferred to, or consolidated or coordinated with any other agency or function under the provisions of this act, before the effective date of such transfer, consolidation, or coordination, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law, have the same effect as if such transfer, consolidation, or coordination had not been made."

Mr. TAFT. I thank the Senator.

Mr. LANGER. Mr. President, will the Senator yield, to permit me to insert a telegram in the RECORD?

Mr. McCARRAN. I yield if I have time to do so. We must vote in a minute.

Mr. LANGER. I ask unanimous consent to have printed at this point in the RECORD a telegram received by me from William C. Doherty, president of the National Association of Letter Carriers, asking support of Senate Concurrent Resolution No. 65.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BETHESDA, MD., *July 13, 1946.*

HON. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

Implore you to support Senate Concurrent Resolution No. 65 which comes before the Senate on Monday, July 15. An affirmative vote will protect 70,000 letter carriers and all other Government employees whose rights will be jeopardized and impaired through the abolition of the United States Employees Compensation Commission. Letter carriers are employed in one of the most hazardous occupations in the United States. Proportionately more letter carriers are injured in line of duty each year than in any other branch of the Government. Those responsible for drafting reorganization plan 2 positively did not consult experienced representatives of this association who could have acquainted them with highly successful and efficient manner in which the United States Employees Compensation Commission has conducted its business down through the years. Plan 2 of the President's reorganization of executive departments should be defeated. An affirmative vote on Senate Concurrent Resolution 65 will accomplish that objective.

WILLIAM C. DOHERTY,
President, National Association of Letter Carriers.

Mr. McCARRAN. Mr President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cordon	Hayden
Andrews	Donnell	Hill
Austin	Downey	Hoey
Ball	Eastland	Huffman
Barkley	Ferguson	Johnson, Colo.
Bilbo	Fulbright	Johnston, S. C.
Brewster	George	Kilgore
Bridges	Gerry	Knowland
Brooks	Gossett	La Follette
Capehart	Green	Langer
Capper	Guffey	Lucas
Carville	Gurney	McCarran
Chavez	Hart	McClellan
Connally	Hawkes	McMahon
Magnuson	Pepper	Thomas, Okla.
Mead	Radcliffe	Thomas, Utah
Millikin	Revercomb	Tunnell
Mitchell	Robertson	Vandenberg
Moore	Russell	Wagner
Morse	Shipstead	Walsh
Murdock	Smith	Wherry
Murray	Stanfill	White
Myers	Stewart	Wiley
O'Daniel	Swift	Wilson
O'Mahoney	Taft	Young
Overton	Taylor	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Under the unanimous-consent agreement, the time has arrived when the vote is to be taken.

Mr McCARRAN. The time has arrived for the vote on plan No. 2. A vote "nay" will be a vote to carry the plan. In other words, Senators who approve the plan will vote "nay" on the resolution now pending.

The PRESIDING OFFICER. Under the Reorganization Act, the Chair announces that House Concurrent Resolution 151, of the same title, heretofore received from the House of Representatives, will automatically be substituted for Senate Concurrent Resolution 65.

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 151), as follows:

Resolved, by the House of Representatives (the Senate concurring), That the Congress does not favor the reorganization plan numbered 2 of May 16, 1946, transmitted to Congress by the President on the 16th day of May 1946

The PRESIDING OFFICER. The question is on agreeing to House Concurrent Resolution 151. Those who favor reorganization plan No. 2 will vote "nay." Those who oppose the plan will vote "yea."

Mr. WILEY. I ask for the yeas and nays

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED], who, if present and voting, would vote "yea." I transfer that pair to the Senator from New Mexico [Mr. HATCH]. I am not advised as to how the Senator from New Mexico would vote on this question. Being at liberty to vote, I vote "nay."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Missouri [Mr. BRIDGES] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senators from Virginia [Mr. BURCH and Mr. BYRD] are absent on official business.

The Senator from Tennessee [Mr. MCKELLAR] is detained on official business in an important committee meeting.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in

connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

On this question the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from Delaware [Mr. BUCK]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Delaware would vote "yea."

On this question the Senator from Arizona [Mr. MCFARLAND] is paired with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. TOBEY], who would vote "yea," has a pair on this question with the Senator from Arizona [Mr. MCFARLAND], who would vote "nay."

The Senator from Delaware [Mr. BUCK], who would vote "yea," has a pair on this question with the Senator from South Carolina [Mr. MAYBANK], who would vote "nay."

The Senator from Kansas [Mr. REED], who would vote "yea," has a general pair with the Senator from New York [Mr. WAGNER], who would vote "nay."

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. If present he would vote "yea."

The result was announced—yeas 37, nays 40, as follows:

YEAS—37

Aiken	Gurney	Robertson
Austin	Hart	Shipstead
Ball	Hawkes	Smith
Brewster	Knowland	Stanfill
Bridges	La Follette	Taft
Brooks	Langer	Vandenberg
Capehart	McClellan	Wherry
Capper	Mead	White
Connally	Millikin	Wiley
Cordon	Moore	Wilson
Donnell	Morse	Young
Ferguson	O'Daniel	
Gerry	Revercomb	

NAYS—40

Andrews	Green	McCarran
Barkley	Guffey	McMahon
Bilbo	Hayden	Magnuson
Carville	Hill	Mitchell
Chavez	Hoey	Murdock
Downey	Huffman	Murray
Eastland	Johnson, Colo.	Myers
Fulbright	Johnston, S. C.	O'Mahoney
George	Kilgore	Overton
Gossett	Lucas	Pepper
Radcliffe	Taylor	Wagner
Russell	Thomas, Okla.	Walsh
Stewart	Thomas, Utah	
Swift	Tunnell	

NOT VOTING—19

Bailey	Ellender	Saltonstall
Briggs	Hatch	Tobey
Buck	Hickenlooper	Tydings
Burch	McFarland	Wheeler
Dushfield	McKellar	Willis
Butler	Maybank	
Byrd	Reed	

So the concurrent resolution (H. Con. Res. 151) was rejected.

The PRESIDING OFFICER. Without objection, Senate Concurrent Resolution 65 will be indefinitely postponed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4590) to authorize the use by industry of silver held or owned by the United States; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

ADMINISTRATION AND LIQUIDATION OF FEDERAL RURAL REHABILITATION PROJECTS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows.

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following

"That, notwithstanding any other provision of law the Secretary of Agriculture, in order to assure the maximum preferential disposition for a period not to exceed three years from the date of this Act to veterans of the present war and present project occupants to whom previous commitments to purchase have been made, is hereby authorized and directed to dispose of lands hereinafter described as expeditiously as possible, and within such three-year period such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of such lands and all other lands or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this Act.

"SEC. 2. The Secretary, during the period specified in section 1 of this Act, shall sell or cause to be sold, units not to exceed six hundred and forty acres in any one sale, those of such lands as are suitable for disposition in economic farm units at the earning capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Congress), and present project occupants to whom previous commitments to purchase have been made or who have existing contracts to purchase and who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U S. C. 1000-1006), as amended.

"SEC 3 There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this Act, including and making betterments and improvements deemed necessary to accomplish the purposes of this Act: *Provided*, That no expenditures shall be made for improvements on any farm unit in excess of one-third of the earning capacity value.

"SEC 4 Any conveyance by the Government of title to land under this Act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights."

And the House agree to the same.

ELMER THOMAS,
HARLAN J BUSHFIELD,
GEORGE D AIKEN,
CLYDE R HOEY,
Managers on the Part of the Senate.

JOHN W. FLANNAGAN, JR.,
STEPHEN PACE,
CLIFFORD R HOPE,
J ROLAND KINZER,
HAROLD D COOLEY,
Managers on the Part of the House.

Mr. THOMAS of Oklahoma. Mr. President, this bill provides for the administration and ultimate liquidation of Federal rural rehabilitation projects, and I ask unanimous consent for the immediate consideration of the conference report.

There being no objection, the report was considered and agreed to.

INDEFINITE POSTPONEMENT OF HOUSE BILL

The bill (H R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, heretofore received from the House of Representatives for concurrence, was indefinitely postponed.

ESTATE OF WILLIAM EDWARD OATES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 78) for the relief of the estate of William Edward Oates, which was, on page 1, line 5, to strike out "$6,453" and insert "$5,453."

Mr. O'DANIEL. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'DANIEL, Mr. JOHNSTON of South Carolina, and Mr. WILSON conferees on the part of the Senate.

USE BY INDUSTRY OF SILVER HELD OR OWNED BY THE UNITED STATES

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4590) to authorize the use by industry of silver held or owned by the United States, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appomt the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WAGNER, Mr. BARKLEY, Mr. MURDOCK, Mr. TAFT, and Mr. MILLIKIN conferees on the part of the Senate.

REORGANIZATION PLAN NO. 1

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of Senate Concurrent Resolution 64.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution (S. Con. Res. 64) which had been reported adversely by the Committee on the Judiciary, and which reads as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress does not favor the reorganization plan No. 1 transmitted to Congress by the President on May 16, 1946.

Mr. WILEY. Mr. President, while the majority leader is on the floor, I should like to ascertain whether we cannot have an understanding as to a limitation of debate, assigning so much time to each side, and agree, as we have done in relation to plan No. 2, on an hour when we may vote on plan No. 1. I make the suggestion that each side take 1 hour, which would permit us to vote at 5 o'clock.

Mr. BARKLEY. Mr. President, I do not think we can enter into an agreement now, before we have even started on the debate. I have no desire to delay the debate, but this is one of the most controversial of all three of the plans. I do not think the Senator from Nevada knows who desires to speak on it. I should think it might be well to permit the debate to run along a while before we agree on a time for voting. I would not agree now.

Mr. McCARRAN. Mr. President, as to section 101, there were no legal objections offered to the plan during the hearings, and no nonlegal objections.

Section 101 of the plan transfers to the Secretary of State the functions of the Office of Inter-American Affairs, and of the Director thereof, with respect to certain corporations; and abolishes all other functions of the Office of Inter-American Affairs and the Director thereof.

Testimony by Government witnesses before the committee was emphatic that this section involves no intent to continue the existence or functions of any of the affected corporations beyond the time when they would otherwise expire, or to give to the Secretary of State, through the transfer to him of control over these corporations, any authority or power which he does not otherwise possess or which has not been legally provided for such corporations. It was also made clear that the President's plan intends that the corporations shall continue their legal existence as corporate entities.

SECTION 102

This section abolishes the Office of the United States High Commissioner to the Philippine Islands, in recognition of the fact of achievement of independence by the Philippine Republic.

To this there were no legal objections, and no nonlegal objections.

SECTION 103

This section provides for winding up by the Secretary of State of the outstanding affairs of the Office of Inter-American Affairs and the Director thereof, other than those respecting the corporations specifically transferred.

To this there were no legal objections, and no nonlegal objections.

SECTION 201

This section transfers to the Commissioner of Internal Revenue the functions of the Attorney General and of the Department of Justice with respect to the determination of, and the compromise of, liability for taxes and penalties arising out of violations of the National Prohibition Act.

To this there were no legal objections, and no nonlegal objections.

SECTION 301

This section transfers to the Secretary of Agriculture the functions of the Bureau of Animal Industry; the Bureau of Dairy Industry; the Bureau of Plant Industry, Soils, and Agricultural Engineering; the Bureau of Entomology and Plant Quarantine; the Bureau of Agricultural and Industrial Chemistry; the Bureau of Human Nutrition and Home Economics; the Office of Experiment Stations; the Agricultural Research Center; and the office of Agricultural Research Administrator.

Testimony before the committee by Acting Secretary of Agriculture Dodd and other Government witnesses indicated that the purpose of the proposed transfers is to facilitate consolidation and more effective administration, within the Department, of the duties and functions of the agencies affected.

Attention is directed to the testimony of the Acting Secretary to the effect that the office of Agricultural Research Administrator presently exercises no functions except functions temporarily transferred to that office from one or another of the bureaus specifically affected by this section; and that, therefore, the effective consolidation of all these functions in the Secretary of Agriculture would be accomplished under this section even if the office of Agricultural Research Administrator had not been specifically named. It was clearly stated, however, that the mention of the Agricultural Research Administrator in this section would not be construed as a Presidential mandate that such office should be continued, though such continuance would be possible at the discretion of the Secretary of Agriculture.

To this there were no legal objections and no nonlegal objections.

SECTION 401

This section transfers functions of the Office of Contract Settlement, and of the Director thereof, to the Office of War Mobilization and Reconversion, and the Director thereof.

Testimony before the committee indicated it is not contemplated that this transfer would operate to make the Office of War Mobilization and Reconversion a permanent agency; but rather, that the transfer is regarded as part of a process of gradual liquidation, based on the assumption that while the Office of War Mobilization and Reconversion will itself be wound up and liquidated within the period provided by statute, the functions of the Office of Contract Settlement and the Director thereof can be sooner liquidated; and that such liquidation can be more efficiently accomplished by the proposed transfer.

There were no legal objections to this and no nonlegal objections.

SECTION 501

This section deals with the agencies and functions which are now, temporarily, components of the National Housing Agency, established by Executive Order No. 9070 under the First War Powers Act, and consolidates them to form a permanent agency. Subsequent sections of this part of reorganization plan No. 1 deal with further provisions respecting the permanent agency so established.

It should be noted that testimony by Government witnesses stressed the point that the President's intent was to deal with such agencies and functions as they legally exist on a permanent basis and that the reorganization plan is not intended to, and cannot under law, have the effect of granting any new powers or creating any new functions, or of extending any agency or function beyond the time when it would otherwise have expired under the law. Considered on this basis, the plan does not deal with the temporary National Housing Agency as such, and therefore the time when that temporary Agency will expire is immaterial.

Attention is directed to the memorandum of the Acting Assistant Solicitor General—hearings, pages 241 to 242—with respect to the legality of part V of this plan, which covers its subject competently and which contains the positive statement that—

> The provisions of the plan do not in any way affect, or purport to affect, the nature of the functions vested in the National Housing Authority or the officers or constituent units thereof; nor does it in any way affect the life of such functions. The nature and longevity of the functions remain the same as they are at the present time.

Mr. DONNELL. Mr. President, has the Senator at hand the page of the record on which the opinion is set forth?

Mr. McCARRAN. It appears to be on page 241, but my attention is drawn to

the fact that there is a misprint on page 241, and I respectfully invite the Senator's attention to pages 235 and following.

Mr. DONNELL. I thank the Senator.

Mr. McCARRAN. To section 501 this legal objection was raised: Since the Reorganization Act authorizes the President to create a new agency, it may be considered that objections to sections 505 (d), 506 (d) and (e) should be considered to apply to this section by implication.

There were no nonlegal objections.

SECTION 502

This section provides for a permanent head of the proposed National Housing Agency, to be known as the National Housing Administrator, at a salary of $10,000 per year, to be appointed by the President by and with the advice and consent of the Senate. I emphasize the words "by and with the advice and consent of the Senate."

Attention is directed to the testimony of Government witnesses that appointments under the classified civil service, provided for in the reorganization plans, will be subject to such rules and regulations, with respect to qualifications and otherwise, as the Civil Service Commission may prescribe.

Mr. DONNELL. Mr. President——

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. McCARRAN. I yield.

Mr. DONNELL. May I ask the Senator from Nevada, with respect to the provision that the appointment shall be made by and with the advice and consent of the Senate is it not, in his opinion, an important and salutary provision?

Mr McCARRAN. To my mind, it is very important and very salutary.

To section 502 there were no legal objections, and there were no nonlegal objections.

SECTION 503

This section provides for appointment of a Deputy National Housing Administrator, under the classified civil service, at a salary of $10,000 per annum.

To this section there were no legal objections and no nonlegal objections.

SECTION 504

This section provides for three constituent units of the National Housing Agency, namely, the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority, each to be headed by a Commissioner to be appointed by the President by and with the advice and consent of the Senate, at a salary of $10,000 per year.

It should be noted these are primarily administrative provisions; if the provisions of part V in other respects should be found illegal, this section would, of course, fall; but the provisions here contained do not otherwise appear to present any separate problems.

To this section there were no legal objections and no nonlegal objections.

SECTION 505 (A)

This subsection places under the Federal Home Loan Bank Administration the functions of the Federal Home Loan Bank Board and its members, of the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and of the Board of Directors of the Home Owners' Loan Corporation.

Government witnesses maintained that the President's proposal in this regard does not contemplate liquidation of either the Federal Savings and Loan Insurance Corporation or of the Home Owners' Loan Corporation, but rather that both Corporations will continue to exist as corporate entities, but will become, in fact, corporations sole.

This view necessarily comprehends the assertion that the Executive order issued by the President—Executive Order 9070—under the First War Powers Act did not disturb the corporate existence of either Corporation though it did temporarily abolish the Board of Trustees of the Federal Savings and Loan Insurance Corporation and the Board of Directors of the Home Owners' Loan Corporation

It should be noted that the Home Owners' Loan Corporation is in process of liquidation. However, the functions of the Federal Home Loan Bank Board, particularly with respect to supervision of Federal home loan banks, and the functions of the Board of Trustees of the Federal Savings and Loan Insurance Corporation, particularly with regard to supervision of Federal savings and loan insurance corporations, are permanent functions which will be continued in peacetime

There were no legal objections except as implied by objections to other sections of the plan.

There were no nonlegal objections except as implied by objections to other sections of the plan.

SECTION 505 (B)

This subsection provides for administration of the functions of the Federal Housing Administrator, under the National Housing Act, by the new Federal Housing Administration which would be created under this reorganization plan.

As to legal objections, aside from general and special objections treated elsewhere in the discussion of part V of plan 1, witnesses adverse to the plan raised a separate question with respect to the mutual mortage insurance fund, contending it is not legally available to help pay administrative costs of NHA.

Under section 205 (a) of the National Housing Act all mortgages accepted for insurance are required to be classified into groups in accordance with risk characteristics and actuarial practice. Premium charges and other income received in connection with mortgages in a group, and the proceeds of the sale of properties taken over in exchange for debentures after foreclosure, are credited to the group; and all interest and principal of such debentures, the cost of handling and selling such property, and the group's proportionate share of the general expenses of operating the Federal Housing Administration, are charged to the group.

Under section 205 (c) the insurance in connection with any group is terminated when all the outstanding mortgages in the group have been paid or when there is enough reserve in a group to pay off the balance due on all unpaid mortgages in the group, and the Administrator is directed then to distribute such balance to the mortgagors in such group equitably and in accordance with sound actuarial and accounting practice. It is understood that the amount of these reserves which either have been or will be paid to mortgagors in the form of dividends is approximately $16,000,000.

It can thus be seen that the Federal Housing Administration operates the major part of its mortgage insurance business on a wholly mutual basis. Notwithstanding this fact, FHA has been required, since 1942, to contribute substantial sums from this mutual fund to the support of the National Housing Agency. The testimony before the committee shows that this contribution for the fiscal year 1946 amounted to $119,988 and the estimates for the fiscal year 1947 called for a contribution of $180,000.

As to nonlegal objections, opponents of the plan challenged the wisdom and equity, as well as the legality, of charging the mutual mortgage insurance fund for administrative costs of NHA.

SECTION 505 (C)

This subsection provides for administration by the new Federal Public Housing Authority—a constituent unit of the new National Housing Agency—of the functions of:

First. The Administrator of the United States Housing Authority.

Second. The Federal Works Administrator, with regard to provision of housing for persons engaged in national defense activities, and their families; the present National Housing Administrator and National Housing Agency, with respect to the operation, management, and administration of national defense housing; the National Housing Administrator and the National Housing Agency, with respect to provision of housing in or near the District of Columbia for employees of the United States whose duties are determined to be essential to national defense and to require them to reside in or near the District of Columbia; the Federal Works Administrator, with regard to the construction of temporary housing facilities for distressed families of servicemen and for veterans and their families who are affected by evictions or other unusual hardships, and the National Housing Administrator in the same connection.

It should be noted that the various functions here proposed to be transferred from the old National Housing Administrator and National Housing Administration to the new agencies created by the President's reorganization plan were specifically vested in the National Housing Administrator and the National Housing Agency by the provisions of the act of April 10, 1942, chapter 239, paragraph 4 (56 Stat. 213), which implies at least some statutory recognition of the existing National Housing Agency.

Third. The War and Navy Departments with respect to defense or war housing—other than housing located on military or naval reservations, posts, or bases.

Fourth. All agencies designated, under various cited acts, to provide temporary shelter in defense areas

Fifth. The Federal Loan Administrator with respect to the Defense Homes Corporation.

Sixth. The Farm Security Administration with respect to housing projects for families not deriving their principal income from operating or working on a farm.

While there have been objections to placing social housing functions such as those here comprehended under the same control as fiscal functions concerned with private housing, there has been no objection to the centralization of social housing functions under single control.

To this section there were no legal objections and no nonlegal objections.

SECTION 505 (D)

This subsection provides for vesting of the functions allocated to various constituent units of the new NHA, under this plan, in the respective Commissioners, to be administered subject to the authority of the National Housing Administrator.

As to legal objections, it has been contended that the provisions of this subsection are not in compliance with the Reorganization Act of 1945, for the reason that such provisions violate the requirements of section 5 (a) (6) of the Reorganization Act, which reads as follows:

> No reorganization plan shall provide for, and no reorganization under this act shall have the effect of imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function.

The committee have been satisfied, by testimony of witnesses, by memoranda from Government legal authorities, and by its own examination of the statute, of the legality of the provisions of this subsection.

Nonlegal objections as to this provision involve the creation of a single centralized authority over all phases of both social and private housing activities of the Federal Government, to which objections already noted presumably apply.

SECTION 505 (E)

This subsection is a merely technical provision subjecting the preceding provisions of section 505 to the provisions of section 506.

Legal objections: There was the same objection as was noted to subsection 505 (d). I refer also to the objection to section 506, noted hereafter.

With respect to the nonlegal objections, I refer to the notations in connection with subsection 505 (d) and section 506.

SECTION 506

This section stipulates the functions to be performed by the National Housing Administrator. For purposes of simplification, each subsection of this section will be separately considered.

SUBSECTION (A)

This subsection gives the National Housing Administrator the functions of the Secretary of Agriculture, the Secretary of War, the Secretary of the Navy, the Federal Loan Administrator, and the Federal Works Administrator, relating to functions vested in the National Housing Agency, or any constituent unit thereof, under this plan.

To this subsection there were no legal or nonlegal objections offered to the committee.

SUBSECTION (B)

This subsection gives the National Housing Administrator control over any research or statistical activities relating to any function of the National Housing Agency or of any of its constituent units.

Government witnesses testified this subsection involves no intent to extend the authority of the National Housing Administrator in the research or statistical field, but is intended only to transfer to him functions and authorities in that regard already established by law.

To this subsection there were no legal or nonlegal objections offered to the committee.

SUBSECTION (C)

This subsection can be construed, under the provisions of the Reorganization Act of 1945 and on the basis of testimony by Government witnesses, only as a restatement of various functions and authorities authorized under the cited statutes, and transferred to the National Housing Administrator by other provisions of this reorganization plan. It cannot, and does not, create any new authority in the National Housing Administrator.

To this subsection there were no legal or nonlegal objections offered to the committee.

SUBSECTION (D)

This subsection gives the National Housing Administrator "the responsibility of assuring consistent execution of policy as outlined by law with respect to the program of the National Housing Agency and the constituent units thereof" (which responsibility certainly would be his in any event if this plan should become effective, even without this subsection); and the responsibility "of devising and applying methods and practices conducive to a unified housing program."

Legal objections: It has been argued that the responsibility of "devising and applying methods and practices conducive to a unified housing program" involves the creation of functions not authorized by law, or at least an extension of existing authority, and therefore constitutes a provision not in compliance with the Reorganization Act. In response to this criticism, it is pointed out that the devising and applying of methods and practices is a normal part of the functions of any administrator, and that the language quoted is therefore merely a restatement of functions which the Administrator would legally exercise. Testimony before the committee indicated it was not the intent of the plan to convey any new authority or to extend any authority already granted by law; and it does not appear to be sound reasoning to construe the language of the President's plan in a way which it has been testified was not intended, for the purpose of using such construction as a basis for disapproving the plan.

To this subsection there were no nonlegal objections.

SUBSECTION (E)

This subsection states specifically that the National Housing Administrator shall have "general superintendence, direction, coordination, and control of the affairs of the National Housing Agency and its constituent units" (which, it is submitted, he would have in any event, under the plan, even without this subsection); that he shall have authority to promulgate "such rules and regulations as (he) deems necessary to carry out his responsibilities under the provisions of this plan"; and that he shall have the power to review and approve "to such extent as he deems necessary" the rules and regulations made by the Commissioners.

With respect to the promulgation of rules and regulations, it is obvious that a certain authority in this regard has been created by statute, and would be transferred to the Administrator under the President's plan. If the words "such rules and regulations as the Administrator deems necessary" are to be construed as granting authority, with respect to rules and regulations, not sanctioned by any existing law, then this provision is a granting of new authority and therefore invalid. However, such construction is not necessary, and a more reasonable construction (which was supported by testimony before the committee) is that what is here intended is simply a centralization in the Administrator of all authority to issue rules and regulations which is now by statute vested in any of the agencies or functionaries whose powers and functions are transferred to the National Housing Administrator under this plan.

With respect to the review and approval of rules and regulations made by the Commissioners, it must be borne in mind that this plan transfers all affected functions to the Administrator, to be exercised through the Commissioners but subject to the authority of the Administrator. Therefore, review and approval by the Administrator of rules and regulations made by the Commissioners constitutes only an effectuation of the transfer provided for, rather than a curtailment of any power of independent action possessed by the Commissioners, since no such power is conveyed under the plan.

Legal objections: It has been argued that the authority to promulgate rules and regulations, and to review and approve, referred to in this subsection, constitutes new functions, and that the provisions of this subsection, in that respect, are therefore illegal. It has also been argued that the grant to the National Housing Administrator of the authority to review and approve rules and regulations made by the Commissioners is an interference with their independent exercise of a quasi-legislative function. As indicated above, this contention appears to overlook the fact that the transfer of functions under this plan is, basically, to the Administrator rather than to the Commissioners.

Nonlegal objections: The provisions of this subsection are among those attacked by the general objection to bringing private-housing and public-housing functions under a single head.

SUBSECTION (F)

This subsection places the reporting functions of the Commissioners, as well as of the other components of National Housing Agency, in the National Housing Administrator.

To this subsection there were no legal or nonlegal objections offered to the committee.

SECTION 507

This section abolishes the Office of Federal Housing Administrator; the Federal Home Loan Bank Board, and the offices of the members thereof; the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the offices of the members thereof; the Board of Directors of the Home Owners' Loan Corporation, and the offices of the members thereof; and the Office of Administrator of the United States Housing Authority. It also provides for dissolution and abolition of the United States Housing Corporation, and for the winding up of the affairs of that corporation by the Federal Home Loan Bank Commissioner, subject to the authority of the National Housing Administrator.

Legal objections: It has been urged, as a legal objection to this section, that abolition of the Board of Trustees of the Federal Savings and Loan Insurance Corporation and of the Board of Directors of the Home Owners' Loan Corporation, without abolition of the two corporations, is a "legal monstrosity." Contra, it is contended this allegation cannot be considered properly under the heading of "legal objections" in connection with consideration of this plan, since only such objections deserve consideration under this heading as go to the question of compliance of the plan or its provisions with the Reorganization Act of 1945. A majority of the committee favor the latter view.

Nonlegal objections: It has been strongly contended that abolition of the Federal Home Loan Bank Board is administratively unwise because centralization of the functions of the Bank Board in a single individual is a move toward unduly arbitrary control (with the implication that such individual, if he also was charged with administration of the Government's social housing program, could not discharge with fairness and equity his functions as alter ego for the Board); and similar contentions have been made with respect to the functions of the Board of Trustees of the Federal Savings and Loan Insurance Corporation and the Board of Directors of the Home Owners' Loan Corporation.

The committee could not overlook the fact that the changes here proposed are not untried, but have been in effect, on a temporary basis for more than 4 years, without impairing the satisfactory functioning of the agencies concerned.

SECTION 508

This section provides for temporary designation by the President of officers of the existing National Housing Agency, to perform the functions of any officer provided for in the plan, prior to the appointment—and, impliedly, where confirmation is required, the confirmation—of the officer in question.

Testimony before the committee was that the only reason why the provision limits such temporary appointments to officers of the existing National Housing Agency is the normal expectation that only such an officer would be designated to perform such functions.

It was also testified that if the President should appoint an officer to one of the new posts, and Senate confirmation should thereafter be refused, the officer so appointed would not be permitted to continue to function under a temporary designation.

Government witnesses further testified that it is the intention under this section that it should be mandatory upon the President to make permanent appointments to the new offices within a reasonable time, and that the President would not use the authority contained in this section to vest functions indefinitely in officers of the existing National Housing Agency without Senate confirmation

There were no legal objections to this section.

Nonlegal objections: It has been objected that the President should not be restricted, in his designation of temporary officers, to officers of the existing National Housing Agency. The answer to this objection appears to be that if it is the intention of the President to select from such officers for the temporary appointments in question, he certainly has the right to exercise such discretion, and there would seem to be no harm in his provision, in the plan, for such exercise of discretion. In other words, since this is the President restricting himself, why should anyone else object?

SECTION 601

This section transfers the functions of the Farm Credit Administration, and the Governor thereof, and the functions of the Secretary of Agriculture with respect to the Farm Credit Administration, to the Federal Deposit Insurance Corporation.

Under the Reorganization Act, any transfer of a function from FDIC would have to be done in a separate reorganization plan; but transfers of functions to the FDIC are property includible in a reorganization plan which also deals with other matters.

To this section there were no legal or nonlegal objections.

SECTION 701

This section provides for the transfer of records, property, personnel, and funds affected by this reorganization plan. Some such provision is required by the Reorganization Act.

There were no legal or nonlegal objections.

SECTION 702

This section limits the transfer of personnel under section 701, from the Office of Inter-American Affairs to the Department of State, to such personnel as the Secretary of State shall determine to be required by the Department—this section should be read together with section 704.

There were no legal or nonlegal objections.

SECTION 703

This section provides for disposition of the records, property, personnel, and unexpended balances of appropriations of the United States High Commissioner to the Philippine Islands, and directs such disposition as the Director of the Bureau of the Budget shall determine.

There were no legal or nonlegal objections.

SECTION 704

This section provides for retransfer to other positions in the Government, or separation from the service, of personnel found to be in excess of the personnel necessary for the administration of the functions of any transferred agency.

There were no legal or nonlegal objections.

SECTION 705

This section directs that "such further measures and dispositions as the Director of the Bureau of the Budget shall determine to be necessary in order to effectuate the provisions of this part or in order to wind up the outstanding affairs relating to agencies or functions abolished by this plan shall be carried out in such manner as the Director may direct and by such agencies as he may designate."

Testimony at the hearings indicated this language was included in the plan to comply with the requirements of the Reorganization Act respecting provision for winding up the affairs of agencies reorganized or abolished.

Legal objections: It has been argued that the Reorganization Act requires the President to make provision for winding up the affairs, and so forth, and that this means he shall himself, in his plan, stipulate the various steps in such winding-up process; therefore, that a grant of authority to the Director of the Bureau of the Budget to make the discretionary decisions involved is not in accordance with the act. In rebuttal to this contention, it is argued that the act does not require the President to "stipulate," or to "set forth," but only to "make provision for," and therefore that the provisions of section 705 are fully in compliance with the act.

Representatives of the Budget Bureau testified before the committee that this section was not deemed to convey any authority to require any transfers or retransfers, or to make any other provisions not necessarily corollary to the putting into effect of the President's reorganization plan. It was also testified that section 705 is not regarded as a delegation of Presidential authority.

There were no nonlegal objections.

CONCLUSION

The committee considers Reorganization Plan No. 1 of 1946 to be a legal exercise of the President's powers under the Reorganization Act of 1945.

Mr. President, I do not think it is necessary that what I said in regard to the other plans should be repeated at this point.

To this plan probably more comments and perhaps more temporary objections have been directed than to any other of the plans. But this plan presents something which to my mind goes a long way toward progressive reorganization. It brings together a number of parts of the executive agency system which, up to now, have, if I may use the vernacular of the street, been floating around in the Federal Government. In connection with some of the housing matters it has been difficult for us to determine into what groove certain problems fall. I have had a great deal of difficulty in ascertaining whether a certain housing problem was subject to jurisdiction of the FHA or to that of some other housing agency until I made particular inquiry and definitely found out about it. I am sure other Senators have had similar experiences.

This plan provides for uniformity of action; and if any economy at all is possible, it can be effected. Under this plan, the life of any agency which is terminated will not be extended. We are assured that no attempt will be made to set them up again after they have expired by law

Mr. President, I hope plan No. 1 will, like plan No. 2 and plan No. 3, be agreed to by the Senate.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Andrews	Hawkes	O'Mahoney
Austin	Hayden	Overton
Ball	Hill	Pepper
Barkley	Hoey	Radcliffe
Bilbo	Huffman	Revercomb
Brewster	Johnson, Colo	Robertson
Bridges	Johnston, S C	Russell
Brooks	Kilgore	Shipstead
Capehart	Knowland	Smith
Capper	La Follette	Stanfill
Carville	Langer	Stewart
Chavez	Lucas	Swift
Connally	McCarran	Taft
Cordon	McClellan	Taylor
Donnell	McKellar	Thomas, Okla
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tunnell
Ferguson	Mead	Vandenberg
Fulbright	Millikin	Wagner
George	Mitchell	Wherry
Gerry	Moore	White
Gossett	Morse	Wiley
Green	Murdock	Wilson
Guffey	Murray	Young
Gurney	Myers	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

Mr. McCARRAN. Mr. President, I have concluded my presentation. The time is now at the disposal of the Senator from Wisconsin.

The PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. WILEY. I yield 10 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. TAFT. Mr. President, I wish to speak briefly with regard to plan No. 1, relating to the National Housing Agency. That plan consolidates permanently in one National Housing Agency all the various housing activities of the Government.

The Wagner-Ellender-Taft bill, Senate bill 1592, was passed by the Senate on April 15, and in that bill the various housing activities of the Government were consolidated in a single National Agency. But the two plans are very different. I think that in itself is of some significance The Senate of the United States deliberately goes about the consolidation of the housing activities in a National Housing Agency. Our subcommittee spent nearly a year in dealing with that problem. There were all sorts of groups.

This is the problem. There are three main constituent units dealing with housing. There is the Federal Public Housing Authority which builds public housing There is the Federal Housing Agency, which insures mortgages for individuals on private homes, new homes, and it has been a very important factor in developing the construction of homes by private agencies and private individuals. There is, third, the Federal Home Loan Bank Administration, which was formerly a board. That bank system finances building and loan associations, which in turn lend money to people so that they may build houses.

The last two agencies are concerned with private building. The Federal Public Housing Authority is concerned with public housing, and there is an intense feeling in the different groups as between public and private housing. I think that feeling is unjustified. As I explained to the Senate heretofore, I think that of our total housing program about 90 percent should certainly be private housing, and there is a place and necessity for a public-housing program, to cover perhaps 10 percent, to take care of low-rent housing.

Nevertheless, to consolidate these under one man creates the fear on the part of one group that they will be dominated by the other group. The objection to putting them together was based on the opposition of the FHA, the private builders, the real-estate boards, the building and loan associations, and the savings and loan associations, who had the fear that if they were consolidated the man who dominated the whole thing would be a public-housing man. That was essentially the reason. I do not think that was a sound reason. I thought they should be together, but I felt it was important to maintain the independence and the autonomy of each of the agencies as created by law.

There is a Federal Housing Commissioner who directs the FHA. There was a Board, now one individual, Mr. Fahey, who directs the Home Loan Bank System, which finances the building and loan associations as the Federal Reserve banks finance the private banks.

I felt it important that those agencies should be practically autonomous, that the functions should be grouped in one agency so that there would not be an overlapping and conflict, that all conflicts might be settled inside the agency; and that the man at the head should be a coordinator, who should try to smooth out the differences and develop a single and unified Government housing policy.

In the Wagner-Ellender-Taft bill we expressly provided for these constituent units, and provided that the National Housing Administration should be responsible only for the general supervision of the Administration and the coordination of the functions.

Furthermore, we expressly provided in the bill, in section 108, as follows:

> In carrying out the respective responsibilities, functions, powers, and duties the Administrator and the Commissioner, respectively, may—
>
> * * * * *
>
> Appoint such officers and employees as they may find necessary.

So that the FHA head would appoint all the employees of the Federal Housing Administration, the man at the head of the Federal Home Loan Bank would appoint all his employees, and the head of the Federal Housing Agency would appoint all his employees.

So also it was provided that each of them, respectively, should make certain contracts and should make expenditures, and have all the administrative powers which are set forth at length on pages 10 and 11 of the original Wagner-Ellender-Taft bill. In other words, Mr. President, these are three autonomous groups.

The President now comes along and completely disregards what the Senate has already passed on the subject of housing and sets up a National Housing Administration, in which the National Housing Administrator is made the king pin. He is to be the Federal Housing Administrator, the head of the Federal Home Loan Bank, the head of the Federal Housing Authority, and he is to have complete power of appointment of all the employees. He could operate all these agencies as he saw fit to operate them, and he would thereby deprive the private agencies completely of their autonomous status, which we very carefully, after long study, worked out in the subcommittee on housing and in the Committee on Banking and Currency and, in great detail and at length, wrote into the Wagner-Ellender-Taft bill.

Mr. President, it is provided that there shall be these constituent units, and that certain functions shall be performed by the National Housing Administrator or, subject to his authority under the provisions of this plan, through such officers and employees of the National Housing Agency as he shall designate. In other words, it provides for the general superintendence, direction, coordination, and control of the National Housing Agency and its constituent units. It is exactly as if he were the Federal Housing Administrator or the head of the Federal Home Loan Bank. The plan further provides for "the promulgation of such rules and regulations as the Administrator deems necessary to carry out his responsibilities under the provisions of this plan, and the review and approval, to such extent as he deems necessary, of the rules and regulations made by the Commissioners."

The private agencies have been specified even in the provisions of the Wagner-Ellender-Taft bill; but I have said they should all be together, and I have said, "We will protect your autonomous status. Your people, appointed for your particular purposes, your FHA and your building and loan purposes, shall have complete direction and control of the agencies to which they are appointed to be the heads. Appoint your employees; you have the right to appoint them." A private housing agency cannot be built up with a lot of public-housers. Mr. President, I cannot now say to them, "After all, this is of no importance, and I am perfectly willing to have the Government come in and wipe out these agencies and put them all under the control of a man who may or may not be a public-houser."

Mr. President, most of these individuals will have a public housing outlook. I may say furthermore that it seems to me that when the Congress of the United States has deliberately outlined a plan, the President should not come to Congress a few months later, without paying any attention to what the Senate has done, and proceed to submit another kind of a plan, with a different effect. I think that for that reason alone the plan should be rejected.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Ohio yield to the Senator from New Jersey?

Mr. TAFT. I yield

Mr. SMITH. I have received from a great many associations in my State very urgent telegrams and letters on this subject. They take the position that for some years they have been endeavoring to develop the home loan policy, they are afraid that under this plan their autonomy and their operations will be very much undermined, and that Government control of housing will take the place of what they are trying to do in fixing the responsibility on the individual, in helping him to obtain a loan in order that he may have his own home.

They make the point that there is a very important question of public policy involved in this matter I wonder if the Senator agrees that this is one of the important things in this whole picture and that we are acting to take the initiative away from and discourage these associations, which are set up in every county, I think, in my State. I believe I have received 50 or 60 letters and telegrams explaining their position. They explain that their purpose is to help those in the lower income brackets who are endeavoring to own their own homes. They appear to be unanimously against this particular control program.

Mr. TAFT. Mr. President, I think there can be no difference of opinion that the bulk of the housing program must be private housing, carried on through the building and loan associations, or through the FHA insurance of mortgages, and that that is the only program which will develop individual homes. I believe that those who are for this plan do not question that. As I said, 90 percent of this is private housing. The only fear the private organizations have—and I do not know how justified is their fear—is that more than likely the man appointed head of this organization will be a public houser. Mr. Blandford was. I do not think Mr. Wyatt is today. But it is felt that perhaps he is acquiring somewhat that point of view. These organizations are afraid that he will not permit them to exercise their functions. I do not much share that view. If the man who is the head of the home loan bank system, who is appointed by the President, confirmed by the Senate, and who has the statutory power, is able, as he would be under the Wagner-Ellender-Taft bill, to retain his own independence, appoint his own employees and carry out his own policies in accordance with the act, so long as he does not trespass on the policies of other agencies, in other words, so that the man at the head is a coordinator rather than an administrator of the public-houser type, then I think their fears are unwarranted.

On the other hand, if as in this plan, a new man with no sympathy for building and loan associations, can take over the system, I feel that he may hamstring and hamper the development of private-housing agencies. It would be possible. Certainly I see no reason why we should undertake to do this. The bill dealing with this situation is before the House. There is every reason to think that there will be some disposition made of it by Congress before the expiration of 6 months after the termination of hostilities, whenever that may be declared. We are dealing with this subject and can deal with it by legislative action.

Mr. WAGNER. Mr. President will the Senator yield?

Mr. TAFT. I yield.

Mr. WAGNER. Under plan No 1, just as under the Wagner-Ellender-Taft bill, the Commissioners of the three constituents units are appointed by the President, by and with the advice and consent of the Senate. To this extent their relative independence of the National Housing Administration is preserved. And also under the plan, just as under the Wagner-Ellender-Taft bill, the Commissioners of the three constituent units appoint their own personnel, rather than the personnel being appointed by the National Housing Administrator.

Mr. TAFT. I disagree with the Senator because it seems to me that when it is said that the National Housing Administrator shall have the general superintendence, direction, coordination, and control of the affairs of the National Housing Agency and its constituent units, he can step in to the individual unit and say, "I want these people appointed in your agency. I have no doubt about that. That is what the language must mean. It cannot mean anything else.

Mr. WAGNER. The appointment may be made by the FHA Administrator.

Mr. TAFT. Yes; the appointment may be made by the FHA Administrator, but it must be made under the direction and control of the new head of the National Housing Agency. I would like to go along with this proposal, but I cannot read that language to mean anything else than I have stated it to mean It seems to me to violate the very principle contained in the Wagner-Ellender-Taft bill.

Mr. BARKLEY. Mr. President, will the Senator from Nevada yield time to me?

Mr. McCARRAN. Mr. President, I yield to the Senator from Kentucky.

Mr. BARKLEY. I regret that I feel compelled to take a little time in discussing the reorganization plan No. 1, but, inasmuch as I served on the Committee on Banking and Currency in connection with the Wagner-Ellender-Taft bill and the veterans' emergency-housing bill and have had some part in and have taken some interest in the housing situation generally, I feel that I ought to say a few words before the vote is taken.

One of the constant complaints in Washington for several years has been over the different independent housing agencies, the different bureaus and agencies that have been set up to deal with housing. I dare say that two-thirds of the Members of the Senate have from time to time complained and criticized because of the inability of the average American citizen to know where to go, and I might even say, the average Senator does not always know where to go amid the multiplicity of housing functionaries to find what the law is, what he can do, what his constituents can do, and what can be accomplished by any or all of them. That situation has resulted in as much complaint, I dare say, as any other, and has contributed to confusion in the administration of the Government. We have undertaken to correct that situation by the enactment of legislation by the Senate, a part of which has not as yet been passed by the House, though a part of it has been passed by the House.

In an effort to coordinate the various housing agencies, and to bring about permanent law on the subject of housing, the Committee on Banking and Currency has held hearings on the entire housing situation, off and on, mostly on, for a year and a half, I should say.

In 1941, the housing agencies and activities of the Government were scattered among the following—and it might be interesting to call attention to the scatterment: Federal Housing Administration, Federal Home Loan Bank Board, Defense Homes Corporation, Home Owners' Loan Corporation, Federal Savings and Loan Insurance Corporation, United States Housing Authority, United States Housing Corporation.

In addition to these, certain housing functions were scattered among the Coordinator of Defense Housing, the Federal Loan Agency, the Federal Works Agency, Public Buildings Administration, Division of Defense Housing, Mutual Ownership Defense Housing Division, War Department, Navy Department, Farm Security Administration.

Those were the various agencies in the Government of the United States which has something to do with housing. I venture the assertion that any citizen who was not acquainted with all

the labyrinthian intricacies of the Government in Washington, starting out to find which was the right one, would think he was in Mammoth Cave before he was here a day.

In February 1942, by Executive order, the President consolidated the foregoing scattered housing activities into a single National Housing Agency, under the supervision and direction of a National Housing Administrator. He gathered them all together under one roof. That is the way it ought to be. One could go to that roof and be directed toward the particular agency with which he might have business, instead of having to run all over town, and probably visit nearly all of them before finding the right one.

Under this agency there were placed three contituent units, just as in this reorganization plan, and just as in title I of the Wagner-Ellender-Taft bill—the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority—into which all these divergent, scattered agencies dealing with the housing were consolidated. Reorganization plan No 1, which is the one we now have before us, simply provides for the permanent consolidation of the housing agencies and activities along the same lines as previously indicated, in order that those agencies and activities may not again become scattered and disorganized.

The Committee on Banking and Currency appointed a subcommittee, of which I think the Senator from Ohio [Mr. TAFT] was the chairman. It held lengthy hearings——

Mr. WAGNER. That was the Special Committee on Postwar Economic Policy and Planning

Mr. BARKLEY. That is correct. It was the Postwar Planning Committee, of which the Senator from Georgia [Mr. GEORGE] was the chairman, of which I was a member, and of which I think the Senator from New York was a member. I may be mistaken about that, but the Senator from Ohio was made chairman of a subcommittee which went into the question of Federal housing. That subcommittee reported to the full committee its recommendations, which were in line with what was contained in title I of the Wagner-Ellender-Taft bill, and in line with what is in reorganization plan No. 1.

The subcommittee held long hearings. The Senator from Ohio made a fight for that plan in the Postwar Committee. He led the fight for it in the Banking and Currency Committee and on the floor of the Senate, because he had been chairman of the subcommittee. I think the Senator from Ohio is to be commended for that fight, because he stated frankly that there were some real estate interests in Ohio—just as there are elsewhere—which were not in love with the plan, and he was rather swimming upstream, so far as they were concerned, in advocating the plan for which he fought, and which was included in the Wagner-Ellender-Taft bill.

The Senator from Utah [Mr. MURDOCK] informs me that he is still swimming upstream. I hope so in this case, if he is swimming at all.

The Subcommittee on Housing and Urban Redevelopment, with the Senator from Ohio as chairman, studied housing from early 1944 until August 1945 and then made a unanimous report specifically recommending the establishment of a single national housing agency to be administered by a national housing administrator, and to consist of three constituent units, just as under the reorganization plan, and just as under title I of the Wagner-Ellender-Taft bill. The three constituent agencies were: The Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority.

The Senate Banking and Currency Committee, after 2 months of comprehensive hearings, from November 1945 to January 1946, in addition to those held by the subcommittee of the Postwar Planning Committee, made the same recommendation Everyone who had any interest in housing appeared before the committee and was given an opportunity to be heard. After those hearings the Committee on Banking and Currency made the same recommendation. In April the bill was brought to the floor of the Senate. It was known as Senate bill 1592, as I recall, and is referred to as the Wagner-Ellender-Taft bill. Sometimes it is jokingly called the WET bill. We had it before us for consideration in April, and almost unanimously, under the leadership of the Senator from New York, Chairman of the Committee on Banking and Currency, and the Senator from Ohio [Mr. TAFT], who had been chairman of the subcommittee, the Senate adopted title I, which established the National Housing Authority, with the three component constituents.

Title I of the bill provides for a National Housing Agency headed by a National Housing Administrator, with three main constituent units, namely, the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority. That is what this plan does. The report of the Taft subcommittee, the report of the Senate Committee on Banking and Currency, and the Wagner-Ellender-Taft bill, as approved by the Senate, were all consistent on this one point, which is now the point of divergence and controversy in the President's plan.

All this action by the Senate has in substance already been approved in reorganization plan No. 1. In other words, the President, in working out a reorganization plan for housing, took account of all the hearings held by the Taft subcommittee and by the Banking and Currency Committee, and the action by the United States Senate. There is not enough difference between them to enable one to run a razor blade between them.

President Truman, in submitting reorganization plan No. 1, gave great weight to the previous action taken by the Senate. In the message which he sent here with plan No. 1 he said:

> I fully recognize that S. 1592, the Wagner-Ellender-Taft bill, approved by the Senate on April 12 of this year, provides for the permanent organization of the housing activities of the Government along the lines set forth in this plan. However, since the House must act before S 1592 can become law, and because of the heavy legislative schedule now facing the House, it is difficult to foretell when such action can be expected. On the other hand, action by the President, taken under the authority of the Reorganization Act, assures decision on the matter in 60 days. Moreover, the fact that S. 1592 is pending in the Congress does not relieve the President of his responsibilities under the Reorganization Act, passed by the same Congress. On the contrary, the action already taken by the Senate constitutes in effect an expression of approval of the objectives of the plan and therefore strengthens my confidence in the wisdom of the step I am taking

The President pays a great compliment to the Senator from Ohio, which I am sure he ought to appreciate. He says:

> The pioneer work done by the sponsors of the Wagner-Ellender-Taft bill, and also by other members of the Senate Committee on Banking and Currency—

That includes the Senator from Arkansas [Mr FULBRIGHT], the Senator from Utah [Mr. MURDOCK], myself, and other members of the committee, who are not named, but who are included because we are members—and we appreciate the President's statement—

> the Senate Committee on Education and Labor—

He does not name the members, but we know who they are—

> and the Subcommittee on Housing and Urban Redevelopment, plus approval by the Senate, has been highly constructive and has helped importantly to point the way for this plan.

In other words, plan No. 1 with respect to housing was patterned almost entirely from the provisions of title I of the Wagner-Ellender-Taft bill, which passed the Senate almost unanimously, and patterned after the pioneering work done by the Postwar Planning Committee, the Banking and Currency Committee, and the Senate of the United States. It seems amazing to me, in view of all that, that we should find any opposition to this plan in the Senate.

The argument has been made that reorganization plan No. 1 departs radically from the Wagner-Ellender-Taft bill, in the direction of giving the National Housing Administration much greater power over the constituent units of bureaus, the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority. I should like to point out the respects in which they are similar.

First, under plan No. 1, just as under the Wagner-Ellender-Taft bill, the commissioners of the three constituent units are to be appointed by the President, by and with the advice and consent of the Senate. In the Wagner-Ellender-Taft bill there were three component constituent parts of the housing organization. Each one was to have a commissioner. Each commissioner was to be appointed by the President with the advice and consent of the Senate. The same thing is required under the plan sent here by the

President. This, of course, guarantees their relative independence of the National Housing Administrator.

Second, under plan No. 1, just as under the Wagner-Ellender-Taft bill, the commissioners of the three constituent units appoint their own personnel, rather than having the personnel appointed by the National Housing Administrator. That is what we said we wanted when we passed the Wagner-Ellender-Taft bill. That is what we said we wanted when we wrote title I, providing for the three constituent parts. That is what the President wants in the plan for reorganization.

Third, under plan No. 1, just as under the Wagner-Ellender-Taft bill, the commissioners of the three constituent units have transferred to them directly all funds relating to their operations, rather than having such funds pooled in the hands of the National Housing Administrator. Under the reorganization plan, just as under the Wagner-Ellender-Taft bill they are independent not only in the selection of their personnel, but in the control of their funds.

Under plan No. 1, just as under the Wagner-Ellender-Taft bill, the commissioners of the three constituent units have lodged in them directly all functions arising from the laws defining the respective programs and operations of their respective constituent units, rather than having those functions lodged directly in the National Housing Administration—still perpetuating their independence.

Fifth, under plan No. 1, just as under the Wagner-Ellender-Taft bill, the commissioners of the three constituent units will issue their own rules and regulations. Under the Wagner-Ellender-Taft bill, the National Housing Administrator could review these. Under the plan submitted by the President, he could review and approve, to such extent as he deems necessary. So what is the difference? In one there is just a little more language. Under the plan, he could review them. Under the Wagner-Ellender-Taft Act, he has the same power to review, and under the plan proposed by the President, he will have the power to review and will approve to such extent as he deems necessary. There is really little distinction, because the power to review would be meaningless without carrying with it the power to approve or disapprove. Merely to look it over and say "My word," was never contemplated.

Sixth, under plan No. 1, as under the Wagner-Ellender-Taft bill, the commissioners of the three constituent units would prepare their own annual reports to the Congress. They would do that separately, and the National Housing Administrator would transmit them to the Congress, along with a report on his own activities. The President's plan and the bill are identical in this respect.

That is the outline of the similarity between the plan we now have before us, under the order of the President, and the plan which was adopted practically without opposition by the Senate, back in April. Thus, we see that the Wagner-Ellender-Taft bill and plan No. 1 are similar in the essential structure which they propose for the National Housing Agency and its constituent units.

There is some difference in language. The Wagner-Ellender-Taft bill provides for a "National Housing Administrator, who (in his capacity as the main officer within the agency responsible for executing the policies established by law) shall be responsible for the general supervision of the administration [of the constituent units] and for the coordination of their functions, activities, and program."

Plan No. 1 provides that the National Housing Administrator shall have "general superintendence, direction, coordination, and control of the affairs of the National Housing Agency and its constituent units." There is no real difference there. There is no more difference there than there is between the fact that the Secretary of the Treasury has general supervision, direction, and control of the bureaus and agencies of the Treasury Department and that the Secretary of Commerce has the same authority with respect to the bureaus and agencies of the Department of Commerce. Both under the plan and the bill there is a head, namely, the Housing Administrator. According to the Wagner-Ellender-Taft bill he supervises the other agencies. Supervision means some control. Supervision means something more than just looking at it and walking out and saying, "I don't like that, but there is nothing I can do about it." Under the plan the President has submitted, the same authority is provided, although in a little different language, to supervise and direct and control Why should not the Administrator have that authority, if he is to be held responsible for the over-all administration—although each of these units is independent within its sphere, even in regard to the making of its rules and regulations and the handling of its appropriations and the employment of its personnel. In the Reorganization Act which we passed, under which the President is acting, the President was not required to submit a plan for housing word for word the same as the bill which had passed the Senate. Of course, it did not have to be word for word the same. The constituent units do not feel that the National Housing Administrator would have too much power.

Mr. John H. Fahey, Commissioner of the Federal Home Loan Bank Administration, says this, as shown at page 365 of the hearings before the Senate Judiciary Committee:

> The views which I have here stated are the result of mature consideration and have not been arrived at lightly or without careful thought. It is my belief that the Federal Home Loan Bank System an the Federal Savings and Loan Insurance Corporation are vital instruments for the protection of our financial structure against adverse conditions which might threaten our entire economic system. In my judgment they should at all times be maintained with ample power and authority to provide the protection which they were designed to afford. It is with these thoughts in mind that I again express the view that a continuance of the National Housing Agency at this time, as proposed by reorganization plan No. 1 of 1946, would be desirable and in the public interest.

That is what Mr. Fahey, long the head of the Home Owners' Loan Bank Corporation and the Home Owners' Loan Bank and the Home Loan Bank Board of Directors, thought of the proposed consolidation and the provision for the coordination of the various provisions of law with respect to building and loan organizations. That is what Mr. Fahey thought, and no one can doubt the administrative ability or administrative integrity of Mr. John H. Fahey.

Mr. Raymond M. Foley, who is Commissioner of the Federal Housing Administration, and who succeeded Mr. Abner Ferguson, who, in turn, succeeded Stewart McDonald at the FHA, had this to say about the plan. Incidentally, we all knew those gentlemen, and our constituents had dealings with them. Mr. Foley is now the head of the Federal Housing Administration, and I read what he said:

> The President's reorganization plan, setting up a permanent National Housing Agency, contemplates an organizational setup, designed and motivated to carry out the intents and policy of the Congress with respect to activities of the Government, concerning housing.
>
> * * * * *
>
> I believe the Agency can and under the present administration would be so administered as to result in no destructive limitation or constriction of the operation of the Federal Housing Administration.

Mr. Philip M. Klutznick, recently Commissioner of the Federal Public Housing Authority, had this to say:

> Based upon my experience with housing, it is my firm conviction that the establishment of a single national housing agency under reorganization plan No. 1 of 1946 is good business and sound administration.

I believe that Mr. Klutznick has separated himself from the Federal Public Housing Authority and has gone into private activity.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Both Mr. Ferguson and Mr. Fahey were very much opposed to having their organizations consolidated, even under the Wagner-Ellender-Taft bill. What may have brought about their change of position, I do not know. But when I talked with them before, to try to work out some plan which would meet with the general approval of all, they were opposed; and I do not think it is unfair to say that both those gentlemen were opposed to that consolidation, which was a very much more protective one.

Let me inquire from what testimony the Senator from Kentucky has been reading.

Mr. BARKLEY. I am reading from the hearings before the Judiciary Committee.

Mr. TAFT. The Senate Judiciary Committee

Mr. BARKLEY. Yes; I think that is it.

Mr. TAFT. I thought the hearings before the Senate Judiciary Committee contained no evidence by Mr. Foley or Mr. Fahey.

Mr. BARKLEY. I have read from page 365 of the hearings before the Senate Judiciary Committee. I suppose the testimony was on this reorganization plan. It may have been on the bill itself.

Mr. TAFT. The Senator has been reading, I find, from letters written by

them. They did not appear personally before the committee.

Mr. McCARRAN. They sent statements to the committee.

Mr. BARKLEY. Yes; each of them sent a statement. I believe they did not appear in person. However, their statements are just as forceful as if they had appeared in person and had made personal statements in the presence of the committee.

Mr. President, I should like to call attention to the fact that this reorganization plan is endorsed by the American Veterans Committee, the American Veterans of World War No. 2, the Veterans of Foreign Wars of the United States, and the American Federation of Labor. I hold in my hand a letter from Mr. Harry C. Bates, chairman of the housing committee of the American Federation of Labor, dated July 15, in which he says:

On behalf of the American Federation of Labor, we ask for your support of the President's reorganization plan No. 1, designed to create a permanent, unified National Housing Agency

The plan is identical in its purpose and all basic provisions with title I of S 1592 approved by the Senate by an overwhelming vote on April 15. There are two minor differences, neither of which can have any substantive effect on the operation of the permanent agency.. One difference is that the President's plan, in order to conform to the Reorganization Act, does not modify the salary of the National Housing Administrator beyond the now established figure The other difference is that under the President's proposal the National Housing Administrator would control instead of supervise the constituent agencies The line of distinction between the two is indeed minute and provides no valid ground for disrupting the continuity in the vital work of the NHA

Rejection of plan No. 1 by the Senate would repudiate its previous action taken in the same session of Congress, after extensive study, in response to an almost universal plea on the part of veterans' organizations, labor organizations, and millions of others who depend upon the coordinating work of the NHA for a complete and permanent solution of the chronic housing shortage

It is labor's hope that you will lend your full support to the approval of the President's Reorganization Plan No 1, whose provisions have been conceived, developed, and previously approved by the Senate.

Sincerely yours,

HOUSING COMMITTEE,
AMERICAN FEDERATION OF LABOR,
HARRY C BATES, *Chairman.*
BORIS SHISHKIN, *Secretary.*

Attached to that is a statement given out on July 28 by Mr. William Green, president of the American Federation of Labor. In more detail it endorses plan No. 1 and in more detail it calls attention to the provisions of this plan and also the provisions of title I of the bill which has been passed by the Senate Senate bill 1592.

Mr. President, I ask unanimous consent that Mr. Green's statement, together with a letter addressed by Mr. Harry C. Bates, chairman of the housing committee of the American Federation of Labor, to the Senator from Utah [Mr. MURDOCK], but which I understand has been sent to all Senators, may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter and attached statement were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., July 15, 1946.

Hon. ABE MURDOCK,
United States Senate,
Washington, D. C.

DEAR SENATOR MURDOCK: On behalf of the American Federation of Labor we ask for your support of the President's reorganization plan No. 1, designed to create a permanent, unified National Housing Agency.

The plan is identical in its purpose and all basic provisions with title I of S. 1592 approved by the Senate by an overwhelming vote on April 15. There are two minor differences, neither of which can have any substantive effect on the operation of the permanent agency. One difference is that the President's plan, in order to conform to the Reorganization Act, does not modify the salary of the National Housing Administrator beyond the now established figure The other difference is that under the President's proposal the National Housing Administrator would "control" instead of "supervise" the constituent agencies The line of distinction between the two is indeed minute and provides no valid ground for disrupting the continuity in the vital work of the NHA.

Rejection of plan No. 1 by the Senate would repudiate its previous action taken in the same session of Congress, after extensive study, in response to an almost universal plea on the part of veterans' organizations, labor organizations, and millions of others who depend upon the coordinating work of the NHA for a complete and permanent solution of chronic housing shortage.

It is labor's hope that you will lend your full support to the approval of the President's reorganization plan No. 1, whose provisions have been conceived, developed, and previously approved by the Senate.

Sincerely yours,

HOUSING COMMITTEE
AMERICAN FEDERATION OF LABOR,
HARRY C BATES, *Chairman.*
BORIS SHISHKIN, *Secretary.*

STATEMENT OF THE AMERICAN FEDERATION OF LABOR IN SUPPORT OF A PERMANENT UNIFIED NATIONAL HOUSING AGENCY PRESENTED TO THE SENATE COMMITTEE ON THE JUDICIARY IN THE EXECUTIVE DEPARTMENTS, JUNE 26, 1946

The American Federation of Labor strongly and whole-heartedly supports the proposal to establish a permanent National Housing Agency responsible for the coordination and general supervision of the main activities of the Government relating to housing Congress must not retreat to the confusion and diffusion of Government housing activities which existed prior to the establishment of the temporary National Housing Agency in February 1942. Before consolidation, prompted at that time by the emergency of war, a multiplicity of Federal agencies concerned in housing engaged in rivalry, competition, and open strife Housing administration was in a state of chaos. Wartime reorganization, placing the various Federal bureaus dealing with housing under a single National Housing Agency, brought harmony in place of confusion, economy in place of waste, and efficiency in place of disorderly government. To destroy the unity of administration and to return the administrative conflict bred of multiplicity will indefinitely postpone the solution of our present housing emergency and make impossible the postwar housing goal of a decent home for every American family.

Wartime housing experience taught us the vital need for the coordination of housing activities of the Government. For 2 years during the defense period we tried to get along without a single National Housing Agency. We found it impossible. Insufficient, poorly planned, and badly located housing slowed down essential war production Proper housing for families of war workers and servicemen became essential in the wartime national emergency. We would not have solved this problem without the efficiencies and economies made possible by the creation of a unified National Housing Agency.

Today the housing emergency facing the Nation touches every person in the country—on the farms, in the towns, and in the cities alike. As early as 1944 the American Federation of Labor, realizing that housing would be a primary peacetime problem, formulated a postwar housing program to meet our national housing needs. We felt then and we feel now that the primary initiative in housing must come from local communities and the major responsibility for home building from private enterprise. But Federal aid, guidance, and coordination of housing activities are essential Labor played a vital part in carrying out the wartime housing program with utmost possible speed. Working closely with the agencies responsible for housing, we learned from experience that a divided housing administration in the Federal Government breeds interagency jealousies and costly competition is inefficient and wasteful of public funds. The Wagner-Ellender-Taft general housing bill, S 1592, embodies the major provisions of our postwar housing program S 1592 would provide sound coordination of the major housing activities of the Federal Government by a permanent National Housing Agency while relying predominantly on local action and private enterprise.

President Truman has soundly stated the need for a permanent National Housing Agency and his reasons for including this proposal in reorganization plan No. 1. But this is not an action originated by the Chief Executive. The proposal for a permanent National Housing Agency originated in Congress and has had the repeated endorsement of congressional committees both in the House and in the Senate

A permanent National Housing Agency is the indispensable foundation for the permanent national housing program embodied in the general housing bill, S 1592 Special subcommittees of the House and Senate Committees on Postwar Economic Policy and Planning held exhaustive hearings on housing over a period of almost 2 years The framework of S 1592, and the proposal for a unified permanent National Housing Agency embodied in S 1592 is the outgrowth of these hearings The Senate subcommittee strongly recommended the creation of a permanent National Housing Agency The House subcommittee concurred in that recommendation

After extensive hearings on this very question the Senate Banking and Currency Committee gave its strong and specific approval to title I of S 1592, which is embodied in every detail in the reorganization plan. The Senate as a whole approved the proposal by an overwhelming vote. The view of the Senate committee is indeed conclusive·

"The various housing activities of the Government should not be competitive; they should be reconciled through a well thought out, well administered, and unified housing policy laid down by the Congress. If various types of undertakings are needed, it is only because they are supplementary to one another in the effort to meet the whole housing needs of all the people And if they are supplementary to one another, they should be fitted together under a unified direction

"The argument that this unified direction would result in favoring one aspect of the housing problems as against its other aspects overlooks and depreciates the functions of the Congress itself. It is the function of the Congress to define the size and scope of the

various housing programs undertaken by the Government. No matter what may be the leanings of a particular Administrator—and there has been no evidence and practically no claim that either of the two National Housing Administrators thus far has shown bias—no National Housing Administrator can administer a larger public housing program, or a larger program of insuring privately financed mortgages, or a larger program of rural housing, than the Congress itself authorizes. The main difference between one housing agency and many housing agencies is that, in the case of the former, the Congress has much better opportunity and facilities for knowing fully and promptly what is being done, and, therefore, it is much better enabled to execute its own prime function of determining basic policy and vigilantly scrutinizing the nature of its administration." (S. Rept No 1131, 79th Cong, 2d sess.)

On behalf of the American Federation of Labor I call on your committee to support the President's reorganization plan creating a permanent National Housing Agency. Such a permanent agency is an essential tool for solving effectively and efficiently America's staggering housing problem It is an indispensable instrument for speedy execution of the housing policy written by the Congress itself.

Respectfully submitted

WM GREEN,
President, American Federation of Labor.

Mr. BARKLEY. Mr. President, as I have said, reorganization plan No. 1 is favored by the American Federation of Labor; the Amalgamated Clothing Workers of America; the Brotherhood of Maintenance of Way Employees; the Brotherhood of Railroad Trainmen; the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; the Building and Construction Trades Department, A. F. of L.; Congress of Industrial Organizations; Industrial Union of Marine and Shipbuilding Workers; International Federation of Architects, Engineers, Chemists, and Technicians; International Federation of Technical Engineers, Architects, and Draftsmen's Unions; National Women's Trade Union League; Office Employees International Union; Textile Workers Union of America; United Automobile Workers of America; United Cement, Lime and Gypsum Workers International Union; United Electrical, Radio and Machine Workers of America; United Transport Service Employees of America; United Steel Workers of America; American Association of University Women; American Federation of Women's Auxiliaries of Labor; General Federation of Women's Clubs, National Association of Women Lawyers; National Council of Catholic Women; National Council of Jewish Women; National Council of Negro Women; National Council of Women; National League of Women Voters; National Association of Rural Housing; National Farmers Union; American Association of Social Workers; American Public Welfare Association; Christian Science Monitor; Council for Social Action of the Congregational Christian Churches of the United States of America; Department of Christian Social Relations, Board of Missions of the Methodist Church; Family Welfare Association of America; Federal Council of the Churches of Christ of America; National Conference of Catholic Charities; National Federation of Settlement; and United Neighborhood Houses.

Those are some of the national organizations which have endorsed plan No. 1, which the Senate is now considering.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TUNNELL. The Senator has given the names of many organizations and individuals. I wonder if the Senator remembers whether the senior Senator from New York [Mr. WAGNER], the junior Senator from Louisiana [Mr. ELLENDER], and the senior Senator from Ohio [Mr. TAFT] endorsed the plan when it came to a final vote.

Mr. BARKLEY. The record of the Committee on Banking and Currency and of the United States Senate is full of endorsements by those three outstanding Members of the Senate.

Mr. TAFT. The organizations which the Senator has read have endorsed the Wagner-Ellender-Taft bill. I have tried to point out that the plan proposed, which is now before the Senate, is utterly inconsistent with the Wagner-Ellender-Taft bill.

Mr. BARKLEY. Mr. President, I believe I have shown that it is not different.

Mr. TAFT. The difference is that it abolishes, for all practical purposes, the FHA and the Federal Home Bank System and creates a National Housing Administrator with full control and direction of the functions of those agencies.

Mr. BARKLEY. It does not do anything of the kind. It does not even squint at it or approach it.

Mr. TAFT. How does the Senator construe the words "control and direction in the making of regulations"?

Mr. BARKLEY. How does the Senator construe the word "supervise"? How can I supervise him unless I control him? No one more than I wishes that I could do that

Mr. TAFT. As a matter of fact, the words "supervision and coordination" do not mean that supervision can take place such as is provided for in the Wagner-Ellender-Taft bill. It provides that each of the persons referred to in the bill may appoint his own personnel He is not subject to supervision in that respect. He administers his own agency under the law. Under this proposal the respective agencies are subject to the direction and control of the National Housing Administrator.

Mr. BARKLEY. The Senator from Ohio has asked the Senate to reject the only plan that has been sent to the Senate by the President of the United States for the coordination of all the staggering and sprawling housing agencies in Washington, merely because of some supposed difference between the meaning of the word "supervise" and the word "control."

Mr. TAFT. Not at all. The plan has in it nothing like the provisions of section 108 of the Wagner-Ellender-Taft bill which gives to the Administrator and the Commissioners each the power in his own field to operate his own agency. General supervision and coordination mean nothing more than what they say. After those agencies have acted, if the action of one agency differs from that of some other agency, the Administrator may coordinate the activities. He may object to what they are doing, but, so far as the day-by-day administration is concerned, he cannot control or direct what they are doing.

Mr. BARKLEY. Each one of the Commissioners is appointed by the President and is confirmed by the Senate. Each one of them is wholly independent in the appointment of its own personnel. He is wholly independent in the control of the funds for his agency. I do not suppose that anyone would expect an overall head of a department who had several other persons in supervisory capacities to have nothing to do with them. So long as the head of the department supervises, he may do something about what the subordinate heads are doing. To that extent there is an exercise of control, but the heads of the respective agencies are just as independent under the pending plan as they would be if appointed under title I of the Wagner-Ellender-Taft bill.

Mr. McCARRAN. Mr. President, I find on page 375 of the committee hearings that the Senator from Ohio [Mr. TAFT] was a member of the group which, under the subhead "Powers to be exercised by the National Housing Administrator" agreed to the following language:

> The Administrator should have the power to approve the regulations of the agencies, so that they may conform to congressional policies.

Mr. TAFT. That is correct. That power is recommended not only in the report, but it is provided for in the Wagner-Ellender-Taft bill

Mr. BARKLEY. That means a certain degree of control. If one has the power to approve, one must have the power to disapprove. Of course, we cannot enjoy the right to approve or disapprove something without exercising control.

Mr. TAFT. Under this plan, the National Housing Administrator has the power of general superintendence, direction, coordination, and control of the affairs of the National Housing Agency and its constituent units, and the promulgation of such rules and regulations as the Administrator deems necessary to carry out his responsibilities in directing and controlling each of these agencies. So he may make the regulations. He can supersede, under this plan, the Federal Housing Authority. In my opinion, under the Wagner-Ellender-Taft bill the autonomy of these agencies is protected. Under the pending plan there is no protection afforded. The plan is a thousand miles away from the proposal contained in the Wagner-Ellender-Taft bill.

Mr. BARKLEY. The Senator's statement is a thousand miles from being accurate. We know that the building and loan associations never did want to come under the control of any board. When the Congress passed the Home Owners' Loan Corporation Act and set up a board to take the loan associations out of bankruptcy and put them on their feet, those associations wanted to control the

agencies of the United States which would take them out of their difficulties. They came before the committee and opposed those agencies time and time again. They were willing to accept the benefits which the Government would afford them, but they did not wish to be refused the right to control the agencies which granted the aid.

There are many building and loan associations in my own State, and I know what I am talking about. They are fine organizations, and they have done a very creditable job in aiding people to buy and build homes. But they have no more right to control the agency which must regulate them or assist them than do the national banks have the right to control the Federal Reserve Board or the Secretary of the Treasury.

Mr President, I do not wish to consume any more time of the Senate. I have said all I wish to say with regard to this plan. I think the plan should be approved. I think it is a good plan. I think it is a constructive plan. I do not believe that anyone is justified in being afraid that if we approve this plan someone will be appointed as an administrator who will be in favor of public housing to the exclusion of all other kinds of housing. I do not know who will be appointed, but whoever he may be, his appointment will come before the Senate for confirmation. We will then be enabled to inquire into his qualifications and his past experience. We will be in position to inquire into his viewpoints and his opinions with respect to housing problems

In this time of reconstruction and reconversion the Government of the United States cannot wash its hands of the deplorable and tragic housing situation. One of the reasons why the Senate was urged to act with promptness and decision on the Wagner-Ellender-Taft bill was the lamentable and terrible housing conditions existing in the United States, in order that we might coordinate and consolidate all the housing agencies, and have one place to which people would know they could resort in order to ascertain their rights, and to get the assistance to which they might be entitled under the law.

If we reject this plan I have not the slightest idea when another plan will come to us, and meanwhile time is running, the housing shortage is still acute and tragic, the Government needs to coordinate these agencies, and needs to facilitate and speed up the building of houses and the control of the agencies which are interested.

I am not frightened by the scarecrow that is put in the watermelon patch because somebody is afraid that someone will be appointed to head the Administration who may be in favor of public housing. I myself want to see private housing; I want all the private housing for which there is money available, and I want that private housing to be built by individuals. But if we need some Government coordination and Government assistance in this time of stress and tragedy, why should we turn a plan down which is constructive and wise and well thought out, which is suggested after consultation with those who had an interest in the subject, merely because someone outside the Senate is afraid that there may be appointed an individual who will have a slant toward public housing in this great field of social and human welfare?

Mr. President, I hope the plan will be agreed to.

Mr. McCARRAN. Mr. President, the report of the subcommittee of which the Senator from Ohio was a member seems to me to be worth while listening to, in part. I read from it:

> The first requirement for the postwar establishment, therefore, is that it be sensitive to rapid changes in the economy and flexible in its adjustment to new demands. In order to achieve such adaptability, it is essential that all the housing activities of the government be subject to a common policy and, to assure the consistent execution of policy, that the agencies operate under some form of unification.

Again, the subcommittee of which the Senator from Ohio was a member said:

> While recognizing that reasonable argument may be made for other proposals, the subcommittee is convinced that the case for continuing the association of the housing activities in a single agency is stronger than that for any suggested alternative.

Again the subcommittee said:

> Moreover, the excellent performance of the temporary National Housing Agency during the trying conditions of wartime has been demonstrative of the value of unification and coordination. A similar close-working relationship between the several forms of governmental activity seems no less desirable as a means of maintaining an efficient and adaptable use of our resources in period of restoring and expanding a peacetime economy.
>
> The subcommittee, therefore, rejects the suggestions that the three principal agencies be restored to the independent status that existed before the acceptance of the second reorganization plan or that the agencies serving privately financed homes (the Home Loan Bank Administration and the Federal Housing Administration) be returned to the general supervision of the Federal Loan Agency (as stipulated by the reorganization plan) and the public housing function be returned to the Federal Works Agency or placed in the Federal Security Agency. Either of these moves, it appears to the subcommittee, would render more difficult the development of a policy looking to the widening of the scope of private enterprise and to the creation of harmonious and effective relationships between local and Federal Governments

Again the subcommittee said:

> These considerations not only reinforce the argument for unification but indicate as well the form under which unification might most advantageously be effected

Again the subcommittee said:

> The actual operation of the several methods for achieving a total housing program are properly lodged in separate constituent agencies, each charged with a definite responsibility.
>
> The functions delegated to the unifying agency as described above, would be more satisfactorily performed by a single administrator than by other means. The subcommittee is convinced that, as against other types of organization such as a board or commission, the single administrator provides the Congress with the more certain means of placing responsibility and obtaining accountability.

Then, concluding, the subcommittee said:

> The Administrator should have the power to approve the regulations of the agency so that they may conform to congressional policy.

Mr. President, I hope the plan may now come to a speedy vote. As in the case of the former plan submitted to the Senate, a vote "no" is a vote to approve plan No. 1.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Radcliffe
Barkley	Hoey	Revercomb
Bilbo	Huffman	Robertson
Brewster	Johnson, Colo.	Russell
Bridges	Johnston, S C	Shipstead
Brooks	Kilgore	Smith
Capehart	Knowland	Stanfill
Capper	La Follette	Stewart
Carville	Langer	Swift
Chavez	Lucas	Taft
Connally	McCarran	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McMahon	Thomas, Utah
Downey	Magnuson	Tunnell
Ellender	Mead	Vandenberg
Ferguson	Millikin	Wagner
Fulbright	Mitchell	Wherry
George	Moore	White
Gerry	Morse	Wiley
Gossett	Murdock	Wilson
Green	Murray	Young
Guffey	Myers	
Gurney	O'Daniel	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present.

Mr. WILEY. Mr. President, I ask to have placed in the RECORD a brief statement by myself in relation to these reorganization plans.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PART I BRIEF HISTORY OF REORGANIZATION PLANS

Mr President, I should like to state a brief word regarding the history of these reorganization plans. Time has, of course, been of the essence in connection with them, and I believe that we should have a full understanding of the dates involved in these plans.

On December 20, 1945, the President signed Public Law 263, known as the Reorganization Act of 1945, authorizing reorganizations of the executive agencies for specified purposes

On May 16, 1946, the President submitted three reorganization plans in accordance with the authority granted him under Public Law 263

The House of Representatives Committee on Expenditures in Executive Departments held hearings on each of these reorganization plans, and on three House concurrent resolutions disapproving these plans On June 24, 1946, the House Executive Expenditures Committee favorably reported the three disapproval resolutions

On June 28, 1946, the House passed the three disapproval resolutions, as I have previously indicated.

The Senate Judiciary Committee held hearings on these plans and on three disapproval resolutions relating to them.

On July 9, 1946, the Judiciary Committee reported the three disapproval resolutions to the Senate unfavorably.

Unless the Senate had taken action one way or the other, the three reorganization plans would have gone into effect by default

tonight, at midnight, July 15, 1946, 2 months having passed since the President's introduction of these plans. However, the last two plans have already been approved by Senate action. The Senate rejected the disapproval resolution on reorganization plan No. 2 on Saturday and rejected the disapproval resolution on reorganization No. 2 early today. Reorganization plan No. 1 alone remains for definitive Senate action.

PART 2. CONGRESS' INTENTIONS FOR GOVERNMENTAL REORGANIZATION

Mr. President, we can view these three reorganization plans only in the light of the manner in which they fulfill the intentions of Congress when it passed Public Law 263 (79th Cong.) We, of course, respect the President's views and his suggestions, but we are confronted here with the fact that the House of Representatives, after due and deliberate consideration, has rejected these three plans. Why?

I believe it is because these plans do not fulfill the intentions of Congress with regard to governmental reorganization

What were those plans of the Congress?

I quote from section 2 of Public Law 263:

"SEC 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"(1) to facilitate orderly transition from war to peace;

"(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected."

DESIRE OF CONGRESS FOR A BUSINESSLIKE REORGANIZATION

Mr. President, it is obvious from the above quotation that what Congress wants is a businesslike reorganization of the bureaucratic mess that is the executive branch of the United States Government. What would a businesslike reorganization do?

(1) It would result in the saving of men, money, materials, and time to the taxpayers of the United States.

(2) It would streamline operations by sloughing off all obsolete parts, by demobilizing all unnecessary bureaus and bureaucrats, by slashing red tape—useless forms, regulations, and questionnaires.

In other words, a business-like reorganization would increase the efficiency and economy of the Federal Government's executive branch.

Why is this so necessary?

SIZE OF GOVERNMENT'S EXECUTIVE BRANCH

It is necessary because at the present time, April 1946, all agencies of the executive branch of the United States Government have a total of 2,817,396 employees Seven years ago, in April 1939, all agencies of the executive branch of the Government had 896,139 employees. In other words, the present executive establishment is triple the size of the prewar establishment.

COMPARISON OF BRANCHES OF GOVERNMENT

Mr President, it might be instructive to note that as of April 1946 the executive branch of the Government had 2,817,396 employees, including 236,724 in Washington.

In contrast, the legislative branch of the Government has only 6,480 employees and the judicial branch of the Government has only 3,070 employees. Government corporations have 33,442 employees.

Let's compare pay rolls. In April 1946, the total pay rolls of the executive branch of the Government are $514,000,000. The total pay roll of the legislative branch of the Government for this month is $1,780,000. The total monthly pay roll for the judicial branch is $939,000, and for Government corporations during this month is $5,562,000

This, then, is the background on why Congress wants to effect a businesslike reorganization of the Federal Government. These, then, were the clear intentions of the United States Congress: To make for efficiency and economy in the inefficient and uneconomical executive branch of the United States Government.

PART 3. GENERAL OBJECTIONS TO PRESIDENT'S REORGANIZATION PLANS

Mr. President, I should like now to state my general objections to all three of the President's reorganization plans even though two are now law.

My general objections are as follows:

1. These plans do not make for businesslike reorganization of the Federal Government. They do not demobilize useless bureaucratic empires, eliminate unnecessary units, slash red tape, speed up operations.

2 These plans do merely transfer units from one agency to another, as if on a checkerboard, accomplishing little, if anything, but adding to the power of particular bureaucrats

3. These plans provide for the perpetuation of temporary bureaus set up by the Congress.

4. These plans are in violation of the principle of bipartisan boards, substituting instead partisan centralization of power

5 These plans, as brought out in Judiciary Committee hearings, will result, not in a saving of men, money, materials, and time, but in the increased expenditure of men, money, materials, and time. One witness estimated that the additional cost to the Government alone on housing features of reorganization plan No 1 would be from three to eight million dollars.

6. These plans promote public ownership in the United States and increase the collectivist trends of recent years—the trends to more centralization of power in the Federal Government and for the discouragement of private enterprise in America.

MY POSITION ON THE PLANS

In view of these facts, I have opposed all three of these plans, and I have favored the three disapproval resolutions

If the Senate rejects all of these plans, the President would give consideration to the reasons for which Congress rejected them. He has the right to resubmit reorganization plans, allowing for Congress' objections and incorporating Congress' recommendations—the recommendations for demobilizing bureaucracy for increased efficiency and economy.

Moreover, it should be noted that the President has always had the power to demobilize useless bureaus and to save men, money, materials, and time through the issuance of Executive orders and through the action of his own Bureau of the Budget.

That is what the President should do. Let him take independent action, consistent with his legal authority to cut out waste of the Federal Government, and let him, if he is so inclined, resubmit reorganization plans which incorporate Congress' suggestions and which omit the objectionable features which I hope Congress will refuse to accept.

PART 4 SPECIFIC PROVISIONS OF PRESIDENT'S REORGANIZATION PLANS

Mr President, only a brief reading of the respective reorganization plans shows the very wide variety of units and agencies covered by them I do not want to take the time of the Senate to cite in detail all of the elements of these plans, as they have already been discussed fully.

PART 5. SPECIFIC OBJECTIONS TO SPECIFIC PROVISIONS OF PRESIDENT'S REORGANIZATION PLANS

Mr. President, the House Committee on Expenditures in Executive Departments, after extensive hearings, submitted three reports on the three disapproval resolutions. In these reports the committee stated its objection to certain specific provisions of the President's reorganization plans

From my own experience in the hearings of the Senate Judiciary Committee, from my questions to witnesses at those hearings, from my study of all other pertinent reports on this matter, I believe that the specific objections raised by the House committee are entirely valid.

In view of these facts, I should like now to submit the specific objections which the House committee has made against several of the detailed provisions of the three reorganization plans.

I quote from the three House committee reports:

"The committee bases its objection to part V of plan No. 1. The committee is of the opinion that the plan attempts to make permanent the National Housing Agency, a war agency, created by Executive Order No. 9070 under the First War Powers Act of 1941. The committee believes that there should be a permanent consolidation and grouping of all related housing agencies and functions thereof, but the committee does not believe that lending agencies, such as the Federal Housing Administration, which insures loans for private builders and private home owners, should be placed under the administrative control of the National Housing Agency or any other Federal agency whose primary function is to build houses with Federal funds and manage federally owned housing projects. The committee is strongly in favor of private ownership of homes and does not believe that private construction of homes for private ownership would be encouraged or protected by an agency whose policy favors Federal building and Federal control of homes

"The committee believes that the Congress, and the Federal Government, should encourage private home ownership and discourage Government ownership. The committee believes that home ownership is the foundation of our democracy.

"The committee bases its objections to section 3 of plan No. 2, which abolishes the United States Employee's Compensation Commission. The United States Employees' Compensation Commission was established by an act of Congress. It is a bipartisan Commission composed of three members, and it is recognized by the Congress as a quasi-judicial body. The committee is of the opinion that abolition of the Commission, and the transfer of its functions to the Federal Security Agency, violates section 5 (a) (6) of the Reorganization Act of 1945, which has been referred to in this report.

"The committee believes that Federal employees who have claims under the United

States Employment Compensation Act are entitled to appeal to a bipartisan commission that is not subject to the administrative control of another executive agency or department head."

Mr. President, I have just quoted the reference in the House committee's report to section 5 (a) (6) of the Reorganization Act of 1945, which the House committee believes was violated in the President's reorganization plan No. 2 Now, just what does section 5 (a) (6) of Public Law 293 (79th Cong) provide? It reads as follows:

"(a) No reorganization plan shall provide for and no reorganization under this act shall have the effect of—

* * * * * *

"(6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function."

Mr President, I now continue in my reading from the House committee's reports. I quote the committee's objection to one of the specific provisions of reorganization plan No 3 abolishing the functions of St Elizabeths Hospital.

"The committee disapproved section 201 of reorganization plan No 3, which would transfer or abolish the functions for which St. Elizabeths Hospital was originally established, namely, for the care and treatment of mentally ill enlisted men and officers of the Army, Navy, and Marine Corps. It would take the outstanding mental hospital in the United States and make it the equivalent of the ordinary county insane asylum, serving only the District of Columbia. St Elizabeths has been a pioneer in the investigation and treatment of mental diseases, due largely to the great variety of psychiatric cases coming to it and to the extraordinary high standards of its research and teaching. It has become, according to the testimony of officers of the American Psychiatric Association, 'a unique teaching hospital. There is no other like it' It is the only mental hospital in the United States approved for rotating internships by the Council of Medical Education of the American Medical Association. It provides about 20 approved residencies, which are highly sought after by physicians desiring to take graduate training in order to become psychiatric specialists There is a more urgent need for such specialists now than at any other time in our history, coupled with a more acute shortage of psychiatrists than of any other type of physician. For example, 50 percent of all pensions paid by the Veterans' Administration for disability are because of psychiatric disorders. Sixty percent of all hospitalization by the Veterans' Administration is for psychiatric ailments Yet our country has only 4,000 experienced psychiatrists, including those in the armed forces. It has been estimated that we now need at least four times that many, with a proportionate increase in number of trained psychiatric nurses, psychiatric social workers, and psychiatric attendants.

"St Elizabeths Hospital has no superiors and few, if any, peers in providing such urgently needed training facilities. Since VJ-day its patient load has fallen so that it is not crowded. There is no valid medical reason for transferring elsewhere the functions it has performed with such outstanding success. Reorganization plan No. 3 would inevitably bring a certain amount of demoralization and reduction of its effectiveness at the very time when its services are most urgently needed It seemed to the committee that to impair the teaching facilities at St Elizabeths at this particular time would be on a par with splitting up and disorganizing West Point and Annapolis in the midst of a hard war.

"It may be that those laymen who planned this reorganization without consulting, so far as we were able to determine, any leading members of the psychiatric profession are assuming that the proposed National Institute of Mental Health to be established by pending legislation will be able to exercise the teaching functions heretofore lodged in St. Elizabeths Hospital. However, it is certain that such a new institution cannot within one or two decades be built and equipped, acquire a staff, and, above all, develop a professional standing, morale, and reputation that would enable it to approach St Elizabeths as a training center for psychiatrists and psychiatric workers."

PART 6. THE ISSUE BEFORE THE SENATE

Mr President, the Senate has approved reorganization plans Nos. 2 and 3. Plan No. 1 now confronts it The issue is drawn. Let each man vote according to his convictions.

The PRESIDING OFFICER. Under the Reorganization Act, the Chair announces that House Concurrent Resolution 155, of the same title, heretofore received from the House of Representatives, will automatically be substituted for Senate Concurrent Resolution 64.

The Senate proceeded to consider the concurrent resolution (H. Con. Res. 155) as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the reorganization plan No. 1 of May 16, 1946, transmitted to Congress by the President on the 16th of May 1946.

The PRESIDING OFFICER. The question is on agreeing to House Concurrent Resolution 155. Those who favor reorganization plan No. 1 will vote "nay." Those who oppose the plan will vote "yea."

Mr. WILEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED], who, if present and voting, would vote "yea". I transfer that pair to the Senator from New Mexico, [Mr. HATCH]. I am not advised how the Senator from New Mexico would vote on this question. Being at liberty to vote, I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS] and the Senator from Arizona [Mr. MCFARLAND] are detaine on public business.

The Senators from Virginia [Mr. BURCH and Mr. BYRD] and the Senator from Massachusetts [Mr. WALSH] are absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

On this question the Senator from South Carolina [Mr. MAYBANK] is paired with the Senator from Delaware [Mr. BUCK]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Delaware would vote "yea"

If present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Massachusetts [Mr. WALSH] would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. TOBEY] who would vote "yea," is absent on official business.

The Senator from Delaware [Mr. BUCK] who would vote "yea," has a pair on this question with the Senator from South Carolina [Mr. MAYBANK] who would vote "nay."

The Senator from Kansas [Mr. REED] would vote "yea" if present. His general pair and its transfer have been stated heretofore.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The Senator from South Dakota [Mr. BUSHFIELD] is unavoidably detained. If present he would vote "yea."

The result was announced—yeas 45, nays 31, as follows:

YEAS—45

Ball	Gurney	Robertson
Bilbo	Hawkes	Russell
Brewster	Hoey	Shipstead
Bridges	Johnson, Colo	Smith
Brooks	Johnston, S. C	Stanfill
Capehart	Knowland	Stewart
Capper	Langer	Swift
Carville	McClellan	Taft
Cordon	McMahon	Thomas, Okla.
Donnell	Millikin	Vandenberg
Eastland	Moore	Wherry
Ferguson	Morse	White
George	O'Daniel	Wiley
Gerry	Radcliffe	Wilson
Gossett	Revercomb	Young

NAYS—31

Aiken	Hayden	Murray
Andrews	Hill	Myers
Austin	Huffman	O'Mahoney
Barkley	Kilgore	Overton
Chavez	La Follette	Pepper
Connally	Lucas	Taylor
Downey	McCarran	Thomas, Utah
Fulbright	Magnuson	Tunnell
Green	Mead	Wagner
Guffey	Mitchell	
Hart	Murdock	

NOT VOTING—20

Bailey	Ellender	Saltonstall
Briggs	Hatch	Tobey
Buck	Hickenlooper	Tydings
Burch	McFarland	Walsh
Bushfield	McKellar	Wheeler
Butler	Mcybank	Willis
Byrd	Reed	

So House Concurrent Resolution 158 was agreed to.

ORDER OF BUSINESS

Mr. McCARRAN. Mr. President, I move that the Senate proceed to consideration of Calendar 1284, House Joint Resolution 225, known as the tidelands bill.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A joint resolution (H. J. Res. 225) to quiet the titles of the respective States, and others, to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. I ask the Senator from Nevada not to press his motion. I had planned, and the Senator from Tennessee [Mr. McKELLAR] had planned, to make the deficiency bill the unfinished business, to be disposed of tomorrow, after which we had hoped that we might call the calendar.

The joint resolution which is the subject of the Senator's motion is a very controversial measure. It would require some time to discuss it and dispose of it. I do not think it ought to interfere either with the appropriation bill or with the call of the calendar. I hope the Senator will not insist on his motion. If he does insist on it, I hope the Senate will not agree to it until we can take up the appropriation bill and call the calendar.

Mr. McKELLAR Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. I express the hope that we can take up the third deficiency bill. I am very anxious to get the appropriation bills out of the way.

Mr. McCARRAN. Mr. President, I think I have the floor. I know that I have made the life of the leader miserable over this measure for the past several months, in an attempt to have the joint resolution brought before the Senate for a vote. I realize that the Senator from Kentucky is opposed to the joint resolution. I do not believe that he would use his position to keep the measure from coming before the Senate, but the time is approaching when the Congress will adjourn. At least we hope it will adjourn. I am determined to get this measure before the Senate and have a vote. If I may have some understanding with the Senator from Kentucky that within a few days we may be able to bring the joint resolution before the Senate, I certainly shall not attempt to make myself unpleasant by trying to bring it forward now. But I must have some understanding. Otherwise we shall have to go to a vote on the question of whether or not it shall be considered.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. First let me say that the Senator from Nevada has not made my life miserable in regard to this matter.

Mr. McCARRAN. I have tried to do so. [Laughter.]

Mr. BARKLEY. He has been very diligent—I was about to say persistent—in urging that the joint resolution be considered. I am sure that the Senator from Nevada and all other Senators will agree that there certainly has been no appropriate time up to the present when it could have been brought up.

I have no desire to prevent the Senate from voting upon the joint resolution. I am very much opposed to it, and I intend to express my opposition when it is taken up. But I have no disposition to prevent the Senate from voting on it if it wishes to vote on it. I cannot say what day it might be brought up, but I have no desire to take advantage of any parliamentary situation to prevent the consideration of the joint resolution. There are other bills on the calendar which are also controversial. I should like to have the calendar cleared of bills which can go through the Senate promptly, rather than take up this measure, which will require some time, and leave other measures undisposed of.

I do not know when the Congress is going to recess or adjourn, but I hope it will be within the next 10 days or 2 weeks. I think that is possible. The Senator knows that we can do a great many things—good, bad, and indifferent—in that length of time. I will not take advantage of any parliamentary situation to prevent the Senator from moving at any appropriate time to bring up the joint resolution.

Mr. KNOWLAND. Mr President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from California.

Mr. KNOWLAND. I should like to say to the distinguished Senator from Nevada that the State of California and all the other coastal States—and I believe most of the other States in the Union—are vitally interested in this proposed legislation.

We are coming to the close of the Seventy-ninth Congress If action is not taken on this measure soon it probably cannot be acted upon at this session.

I should like to address an inquiry to my able friend from Nevada If the joint resolution were made the unfinished business would it be possible then temporarily to lay it aside to take care of the deficiency bill, which would leave the joint resolution in a position to be acted upon immediately thereafter?

Mr. McCARRAN. That was exactly the program which I hoped to be able to arrange. I knew that the Senator from Tennessee, chairman of the Committee on Appropriations, had an important bill in his hands. It was my hope that the joint resolution could be made the unfinished business and then temporarily laid aside so as to take care of the important third deficiency bill. Then we could proceed with the joint resolution.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. Let me say to the Senator from Nevada, and also the Senator from California, that I do not think it is good legislative practice to make a measure the unfinished business with a view of laying it aside for a great deal of other legislation, which ought to be taken up in order.

Let me say to the Senator from Nevada that the joint resolution has already passed the House. It does not have to go back to the House unless it is amended. There are important measures on the calendar which have not passed the House, and which must go to the House to be considered before the Congress can adjourn. Therefore the joint resolution has an advantage over other important legislation on the calendar which, if enacted at this session, must be passed by the Senate and sent to the House for action.

Mr KNOWLAND. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr KNOWLAND. Let me say to the able majority leader that in my brief experience in the Senate the unfinished business has been temporarily laid aside on numerous occasions.

Mr. BARKLEY. It has been done on numerous occasions, but it has not been done deliberately in advance. Frequently when we are considering legislation which requires several days we must temporarily set it aside in order to consider measures which must be considered at once. But it is not customary to announce in advance that we will make a certain measure the unfinished business with a view of laying it aside and considering other important legislation.

The Senator from Nevada has the right at any time—as he has now done—to move that the joint resolution be made the unfinished business. I hope he will not insist on his motion today. I hope that he will let us proceed in the way in which we have planned. I do not think the Senator will lose any rights in that regard

Mr. McCARRAN. Can the Senator see any way whereby we can arrive at an understanding that the joint resolution will be taken up on a day certain?

Mr BARKLEY. It is a little difficult to do that. The OPA legislation is still pending.

Mr. McCARRAN. That will be acted upon tomorrow in the House.

Mr. BARKLEY. It is expected to go to conference. I suppose I shall have to be one of the conferees.

Mr. McCARRAN. Perhaps it will not go to conference.

Mr. BARKLEY. Perhaps not; but we are assuming that it will. The conference report on the OPA bill may be brought before the Senate. The Senator can move the consideration of the joint resolution at any time. I do not like to agree now to take it up on a certain day. The Senate can act upon the Senator's motion at any time. I shall not place any obstacles in the way of the Senator in making the motion to have the joint resolution considered.

Mr. McCARRAN. The Senator is doing so now.

Mr. BARKLEY. I am doing so now because I think I am justified in doing it. The Senator had not advised me that he was about to make his motion. I had already conferred with the Senator from Tennessee about the appropriation bill. No less than 40 Members of the Senate

have asked me when we are to have a call of the calendar, and I have told them as soon as we get the appropriation bill out of the way. I had not contemplated that the Senator from Nevada would rise as soon as we had completed consideration of reorganization plan No. 1 to move to take up the joint resolution.

Mr. WHITE and Mr. MORSE addressed the chair.

The PRESIDING OFFICER. Does the Senator from Nevada yield, and if so to whom?

Mr. McCARRAN. I shall be glad to yield to the Senator from Maine in a moment.

The tideland measure has been through the House of Representatives. It was passed in the House by an overwhelming vote. It was before the Committee on the Judiciary of the Senate, and before the House Judiciary Committee. Hearings have been held upon it. It has been on the calendar of the Senate for several months. I have repeatedly attempted to have the leader join with me in fixing a day on which we could bring the joint resolution before the Senate. I do not know what to do except to move, as I did today, to have it made the unfinished business, or to have it brought before the Senate. If the Senator will agree with me that after the call of the calendar, which I understand he contemplates within the next day or so, I may move to take up the joint resolution, and he will not then object to the motion, I am perfectly willing to desist at this time.

Mr BARKLEY. I have no right to object to the Senator's making a motion. I do not like to agree at this time that the joint resolution may be made the unfinished business. I do not know whether the Senate wishes to make it the unfinished business. It is entirely agreeable to me to have the Senator move, to take up the joint resolution whenever he sees fit to do so after we have cleared up the calendar and are cruising around to see what other measures should be taken up

Mr. McCARRAN. Mr. President, that is not the nature of the joint resolution. It is much more important than something to be picked up on a cruise.

Mr. BARKLEY. I am told that it involves maritime matters; and cruises on the water are not altogether inappropriate

If the Senate wishes to make the joint resolution the unfinished business at this time, in view of the statement which I have made about it, it can do so. I do not feel that I should be compelled to agree.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. REVERCOMB. Mr. President, I invite the attention of the Senate to the great importance of the joint resolution, not only to those States which have tide lands, but to other States as well. If the joint resolution is enacted into law, it will forever settle the controversial question as to who owns and who may control the soil beneath navigable streams. Every State in the Union wherein there is a navigable stream is interested in the joint resolution and the settlement of this question. I hope it will be brought up at the earliest possible time for the consideration of the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. Let me say to the Senator from Nevada and other Senators that while it has been generally known that I had set my sights for adjournment on the 16th of July, which is tomorrow, that is now utterly impossible. I am not sure that we can adjourn this week. I doubt it. I think we may be able to adjourn by a week from Saturday. So we have practically 2 weeks remaining of this session.

Of course, we have sent to the House a number of bills upon which the House has not acted. We have sent to the House the atomic energy bill and the minimum wage bill. We have sent over the congressional reorganization bill, and other measures which are pending in the House, and on which action should be taken before final adjournment. At least I hope action will be taken on them. So we are not going to adjourn in the next day or two. I am quite sure that we will not adjourn this week.

Mr. McCARRAN. Mr. President, I am mindful of legislative conditions. The very statement just made by the Senator from Kentucky reminds me all the more of the legislative situation. I do not want the joint resolution to be placed in a position where it may be subject to a pocket veto or something of that nature.

Mr. BARKLEY. Many other measures which others consider important may be placed in the same situation. We cannot avoid that.

Mr. McCARRAN I am trying to avoid it so far as the joint resolution is concerned, if I can.

Let me say, in fairness to the majority leader, that there is an appropriation bill in the hands of the chairman of the Appropriations Committee which he now wishes to dispose of. If the joint resolution were made the unfinished business, it would have to be laid aside temporarily.

While I do not propose to persist in my motion at this time, I serve notice that at every opportunity from now on, when I can get the attention of the Chair, I shall persist in my effort to make the joint resolution the unfinished business and to proceed with its consideration.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. MORSE I simply wish to say that I am very anxious to support the majority leader in his plan to proceed with the business upon the calendar. I was interested in the comment he made when he pointed out that some of the measures on the calendar have been passed by the House of Representatives and some have not. As to the latter, I judge that it was implied in his remarks that we certainly should proceed at an early date with proposed legislation which has not been passed by the House. I hope that when the calendar is called, we shall go back to some of the old measures, and I particularly recommend now that we go back as far as Calendar No. 628, the anti-poll-tax bill, because I think it is earnestly desired to have a record vote taken on that bill before the Congress adjourns.

THIRD DEFICIENCY APPROPRIATIONS, 1946

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. The Chair is trying to ascertain the parliamentary situation.

Mr. McKELLAR. Mr. President, the parliamentary situation is that the Senator from Tennessee is trying to be recognized, and he was first on his feet. That is the parliamentary situation, if I may explain it to my young friend.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. McKELLAR. I move that the Senate proceed to the consideration of House bill 6885, the third deficiency appropriation bill for 1946.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. BARKLEY. Mr. President, it is not the purpose to have the Senate proceed with the bill today.

Mr. McKELLAR. That will be all right.

LEGISLATIVE PROGRAM

Mr. BARKLEY. I desire to give notice that at the conclusion of the consideration of the third deficiency appropriation bill I shall ask the Senate to consider the measures on the calendar.

SALARIES OF CERTAIN JUDGES OF THE UNITED STATES

Mr. McCARRAN. Mr. President, in order that I may make an amendment of a bill which is now on the calendar, and for no other purpose, I ask unanimous consent that Senate bill 920, Calendar No. 1662, may be taken up at this time, solely for the purpose of enabling me to amend it. The bill was reported by me, and it has to do with the salaries of certain judges of the United States.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 920) to fix the salaries of certain judges of the United States.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? Without objection, it is so ordered.

Mr. McCARRAN. I now move that section 3 of the bill, which now is on the desk, be stricken out.

The PRESIDING OFFICER. The section proposed to be stricken will be read, for the information of the Senate. The Chief Clerk read as follows:

SEC. 3. This act shall take effect on the termination of the Stabilization Act of 1942.

Mr. McKELLAR. Mr President, I assume that the action proposed by the

Senator from Nevada will not displace the unfinished business, the third deficiency appropriation bill.

Mr. McCARRAN. No; it will not. Moreover, I think I have a right to make such a request in regard to a bill which came from my committee.

Mr. President, the language which has just been read is entirely unnecessary and will only delay the bill, if the Senate passes it. As I have said, I do not call up the bill to be acted upon by the Senate at this time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada, to amend the bill by striking out section 3

The motion was agreed to.

Mr. McCLELLAN. Mr. President, do I correctly understand that consideration of the bill has not been requested at this time?

Mr. McCARRAN. That is correct. I moved to strike out section 3 of the bill, and that has been done; and now the bill is returned to the calendar.

CONTROL OF THE ATOMIC BOMB

Mr. BRIDGES. Mr. President, I should like to take the time of the Senate for a few minutes this evening to speak upon a subject of general interest.

Americans like healthy competition. We like to see competition at a ball park and we like to see it in business. As a nation, we are interested in the best boxer, the fastest car, the first-place team—yes; and the heaviest hog and the best peach preserve at the county fair. An event which promises any kind of competition captures our imagination. I believe I am safe in saying the spirit of competition is in part responsible for America's greatness.

Occasionally, however, this great dynamic force causes us to lose sight of the real issue behind an event that bears any resemblance to a game. I refer specifically to a portion of the public reaction to the first atomic-bomb test at Bikini lagoon on July 1. There was an understandable tendency to make the test into a contest. The contestants were an atomic bomb and 73 target ships. The early superficial results of the bomb's explosion were 5 ships sunk, 9 seriously damaged, and 45 damaged to a lesser degree. America read these results as a box score. The destructive power of the bomb was deprecated by people who did not know what they were talking about or who were trying to pull the wool over the eyes of America for their own purposes. Public opinion, which held an exaggerated notion of the potency of the atomic bomb, has begun to swing in the opposite direction. This is a dangerous tendency. Some straight talk is needed to correct it.

There are two reasons why the tendency to talk down the effectiveness of the atomic bomb is dangerous:

First, the American people and their elected Representatives, placing a lower value upon their new and mighty weapon, might be more easily persuaded to relinquish their control of it.

Second, if we foolishly refuse to credit the atomic bomb with the destructive power it most certainly possesses, we shall be unable correctly to evaluate the immense importance of our Air Force to our national defense.

Past experience indicates that the cessation of hostilities is always followed by a wave of sentiment, often approaching the hysterical, favoring disarmament. We are told with a persistent lack of logic that if we deny ourselves the weapons with which to fight a war, we shall never be required to fight a war. We know the bitter absurdity of this argument. Yet we are being asked to internationalize the control of the atomic bomb, the weapon which gives to the traditionally peace-loving peoples of the world an assurance of continued peace until the complex and tragic problems of the postwar world are closer to a solution.

Do not misunderstand me, Mr. President. I am fully in accord with the aims of the American plan for the control of atomic energy. But I feel most strongly that some precedents of international agreement should be established and some clear indications of international good will should be visible before we commit our Nation to so grave a course of action

I shall dwell no further upon this first possible result of our being hoodwinked as to the effectiveness of the atomic bomb. My primary purpose in speaking to you is to restate and reemphasize the role of the Air Force in providing for our national defense.

We are all a little numb from being pelted with statistics and comparative figures, but let us focus our minds for a moment on some sobering facts. During the course of the entire war the Army Air Forces dropped a rough total of 2,060,000 tons of bombs in sorties against the enemy. This sustained effort cost us 118,000 casualties and 22,000 aircraft. Today any nation possessing atomic bombs of the type dropped on Hiroshima could direct this same effective weight of explosive against 100 enemy cities by dispatching 100 aircraft, each carrying one atomic bomb. Such an attack could well cause a loss of life approaching 10,000,000, and defeat at one stroke the nation against which it was directed. All that would remain necessary would be for an army, such as the one with which General MacArthur occupied Japan, to march across the prostrate nation and impose upon it the will of the victor. To assure the success of such an attack, hundreds of long-range fighters could accompany the bombers whose strength, instead of the mere hundred cited for comparative purposes, could be increased to the size of the thousand-plane armadas which darkened the sky over Germany during the last year of the war in Europe. The end result would be the utter destruction of the urban population of a country the size of ours. It is a starkly terrifying thought. I mean it to be.

An aerial attack employing atomic bombs is unquestionably the only kind of an attack which could be launched against the United States within the foreseeable future. Our retaliatory power to carry an atomic air counter-attack against an aggressor would prevent an enemy from initiating military action against us with conventional weapons. Such an act of aggression, therefore, would come unannounced and in as great strength as the enemy dared commit to accomplish his strategic aim. Since the mission of the Army Air Forces is to provide for the air defense of our country we must plan with the realization that international organization to preserve the peace might conceivably fail, and that international anarchy, with all its grisly implications, might prevail in a hostile world.

We must be prepared to thwart at its inception an atomic aerial attack directed against the United States from any quarter. We must be prepared to smash it not in a matter of days or even hours. Our successful reaction must be undertaken within minutes. If we are unable to achieve such an aerial defense the employment of any of the other forms of our armed strength will be unnecessary. If we are subjected to a full scale atomic bombing we will cease to exist as a Nation.

Obviously, the logical arm of the service to be charged with the responsibility for maintaining such a defense is the Army Air Forces. To accomplish its mission the Air Force needs a system capable of giving immediate warning that an attack has been mounted against us, it needs the personnel necessary to man its installations, and it needs the best air weapons in the world in adequate quantities. In a word, we are confronted with the necessity for maintaining an air force in being.

It is significant that the Army Air Forces has designated a Deputy Chief of Air Staff whose sole duty is to guide and control a vigorous program of research and technical development. It is undeniable that in the future a fantastic robot warfare, directed from subterranean control rooms will be possible. The implications of atomic warfare waged with the weapons at our immediate disposal should be sufficiently horrible to point out the absolute necessity of the world learning to resolve its difficulties peaceably. To comprehand the nature of robot war is to understand that such a conflict would be truly the end of everything we value in the civilized world. Fortunately, such weapons exist only in the realm of the future. While military technology strives to bring itself abreast of the revolutionary product of nuclear physics, the Army Air Forces will continue to need superbombers and jet fighters of a design similar to those now in use. In this connection, it should be borne in mind that during the twilight period separating the use of military air power as we know it, and the full scale utilization of rockets and guided missiles, certain targets, because of their size and other considerations, will be susceptible to attack only by combat aircraft.

While research to develop an adequate means to detect and track the progress of a rocket weapon goes forward, the radar equipment now available is capable, if properly disposed, to provide an early warning system for any type of aerial attack employing conventional aircraft or guided missiles of the V-1 variety. To be effective our radar would have to be installed at peripheral bases far from our continental boundaries to

give our interceptors, drawn from the 25 fighter groups incorporated in the projected 70 group Air Force, time to destroy the attackers.

I have indicated the terrible implications of atomic warfare, and have described the need for an adequate air defense. In addition, we must back a strong Army and Navy to hold the threat of invasion over any nation whose aggression forces us to hit back in the air. We fervently pray for the success of the United Nations. Our Government will give it solid support. But until the storm clouds have vanished from the world's horizon a strong air force will not only provide us with defense for our Arctic Frontier, but will provide air contingents for the United Nations, and help keep might on the side of right.

The Army Air Forces has occasionally been subjected to irresponsible attacks which questioned its competency to provide the air defense we need. Since the achievements of the AAF, which contributed so heavily to our victory in Europe and which was such a decisive factor against Japan, have been so outstanding few have dared raise their voices against it. Most of these attacks have been indirect, and designed to obscure the issue of the desirability of a coequal status for the Air Forces. One of my colleagues, the Senator from Utah [Mr THOMAS] raised his voice, however, in an argument at once plausible and incorrect In an article appearing in a popular nationally circulated magazine the Senator attempted to show that the Army Air Forces won the air war against Germany with muscle rather than mind. I will not attempt to demolish the Senator's arguments point by point, but speaking from my vantage point gained by 10 years' experience as a Member of the Senate Military Affairs Committee and the Senate Appropriations Committee, I can indicate the speciousness of his article.

Overlooking the fact that we had in production a jet fighter which was faster and twice as efficient as the Germans could produce, the Messerschmitt 262, the Senator from Utah claimed that the Army Air Forces were caught flat footed by the enemy plane. On the contrary, the Messerschmitt 262, a fighter which would have been useless to the Allies because of its short endurance, had a very unimpressive record in combat. In stating that the German jet was faster than our fighters, the Senator forgot to mention that it went out of control at a speed below the maximum speed of the Thunderbolts and Mustangs For a loss of 10 of our own, we shot down 157 Messerschmitt 262's.

The Senator from Utah spoke of the "Viper" as another super German aircraft. Claiming that its initial rate of climb was 37,000 feet per minute and that its speed was above 600 miles an hour, the Senator again overlooked an important fact, that of the 30 of these craft which were built, only 1 was ever flown by a pilot. That pilot was ordered aloft against his will by the SS. All that can be said for this one piloted flight is that it was spectacular. I quote from an eyewitness account:

> The plane ascended vertically to 300 feet. At this altitude the pilot's canopy flew off. The plane turned on its back and climbed at a 15-degree angle to 1,500 feet. From this point it dived into the ground and was completely destroyed in the resulting explosion.

As opposed to the spectacular but relatively ineffective German super weapons, the United States was responsible for many world-leading developments which were deadly in their effectiveness. I gloss over our leadership in developing turbo-superchargers which permitted our aircraft to operate at high altitudes over long distances, water injection to increase the efficiency of fighter engines, the gyro-stabilized fluxgate compass, gyro-stabilized bombsights, central fire-control for bombers, and many others, to dwell for a moment on the leadership we shared with Great Britain in the vital field of radar. Radar is credited with winning the North Atlantic antisubmarine campaign, the naval war in the Pacific, and is given major credit by the Twentieth Air Force for winning the Battle of Japan. To quote Professor Vilbig, a well-known scientist and a Nazi active in German high-frequency research:

> In the current war in the air the enemy has employed two methods lying in the field of radar which mainly can be thanked for the destruction of our cities by obscuring our defenses One means is the application of radar bombsights which make it possible for the enemy to orient himself even in complete cloud cover which makes him almost completely invisible The other means is the dispensing of "window" (a radar countermeasure) • • • The awful destruction of our cities which the enemy often carries out with negligible losses are an eloquent proof of the effectiveness of the jamming means used by the enemy

In short, the alleged German superiority in air weapons simply did not exist. The spectacular and inefficient V-1, the even more spectacular and even more inefficient V-2, and the various premature jets and rockets were the evidence of a desperate German attempt to compensate for the fact that they fought the war with obsolete strategy and obsolete weapons. Our development of the long-range bomber and the long-range fighter and their joint application in daylight precision bombing of strategic German targets caused the impartial, civilian-constituted United States Strategic Bombing Survey to state, after nearly a year of study and 6 months of investigation in Germany, that Allied air power was decisive in the war in western Europe.

The significance of air power in our national defense scheme is a story which peace-loving America deserves to be told. It is an outspoken story which arrives at down-to-earth conclusions about a vital subject.

We are a Nation of good will, and we deeply desire that the United Nations shall succeed in their efforts to achieve international understanding and cooperation in a warless world. We are a Nation, too, of realistic and commonsense thinkers. We know that permanent peace can only be attained by surmounting countless obstacles. To be successful we must display high intelligence, patience, far-seeing vision, and great imagination. To be successful the United Nations must work together in a spirit of cooperation.

Unfortunately, our attempts to solve the world's postwar problems have been marked by bitter debate. We can point to real progress only in minor issues. The peace remains brittle. To insure its preservation we must remain strong in air power. We must maintain our leading position among the air forces of the world.

In the past our industrial centers lying between the Rockies and the Alleghenies have been entirely justified in feeling secure from attack. Today the possibility of air attack arriving from over the roof of the world—the polar regions—makes every community in America equally vulnerable to destruction. Our ocean frontiers are no longer an adequate bulwark against attack on our seaboards. Our interior is no longer protected by natural defenses. Our traditional lines of resistance are no longer valid, because air power has quietly opened our back door and made the defense of our Arctic frontier our primary defensive requirement. To the north is ice. You cannot sail a ship through it and you cannot drive a tank across. But you can very well fly an aircraft over it. The defense of the Arctic frontier is, therefore, the job of the Air Forces.

To insure its air defense let me state again that America must have an Air Force in being, equipped with adequate personnel and aircraft, and provided with sufficient bases properly disposed. Our support of a vigorous program of research and development is essential if we are to have available for our defense the best air weapons in the world

Until permanent peace is assured peace-loving people must maintain the world's stability by remaining strong in arms. We know that, if war comes, our national survival depends on the close cooperation of a well-prepared Army and Navy and on our vitally essential Air Force. That is my message. It is a message every American should remember.

PRICES OF LIVESTOCK AND OTHER COMMODITIES ON PRINCIPAL MARKETS

Mr WHERRY. Mr. President, I have been placing in the RECORD each day the American Meat Institute reports on livestock receipts and sales on the 12 principal markets of the country. I have before me a report which I have been unable to place in the RECORD today up to the present moment because of the parliamentary situation which has prevailed. I invite attention to the fact that the average price of good-grade steers at Chicago last Friday, according to the Department of Agriculture, was $19.38 a hundred pounds, which is only 12 percent above prices on the same grade of steers for the last week in June, which was the week before the Price Control Act was terminated.

Prices of sheep and lambs also went up. The market supply at 12 markets was 50,300 head. The top price on some of the markets was as high as $19 a hundred pounds, as compared with $18 25 during the last week of June.

Mr. President, I ask unanimous consent to have the complete report printed

in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The market supply of cattle and hogs today was somewhat less than a week ago and prices are up slightly. However, marketings still are much larger than at this time a year ago, and the distribution pipe lines gradually are being filled up and more meat will be available for consumers this week than at any time in many months.

Cattle receipts at 12 markets today amounted to 96,600 head, which is 5 percent less than receipts at those markets on Monday a week ago, but 37 percent larger than the corresponding Monday a year ago The cattle market opened at Chicago this morning somewhat higher. The available supply of well-finished cattle was very small and, with the continuing strong demand, prices of the few loads of the "upper crust" type of cattle sold at $25, as compared with $23.25 which 11 head sold here for last Friday The bulk of cattle, of course, are selling for prices substantially below this so-called top price.

Moreover, notwithstanding the increase in the price of the top grades, the fact remains that the increase in price of most grades of cattle during the past 2 weeks has been much less than the change in prices of the very small proportion of the top-grade cattle. For example, the average price of good-grade steers at Chicago last Friday, according to the Department of Agriculture, was $19 38 which is only 12 percent above prices on the same grade of steers for the last week in June—the period immediately prior to the removal of price control and the elimination of substantial amounts of subsidies on livestock and meats. The average price of medium-grade steers last Friday was $16 63, or only 4 percent above the average price of such steers at Chicago in the last week in June Prices of cows today, which represented a major portion of receipts, and also prices of the lower grades of other cattle were reported steady to possibly lower than last Friday.

Receipts of calves at 12 markets this morning amounted to 16,800 head, which is 5 percent larger than market supplies at those markets a week ago, and 35 percent above supplies Monday a year ago.

Receipts of sheep and lambs also were up today The market supply at 12 markets being 50,300 head, which is substantially larger than receipts a week ago, and 20 percent above Monday a year ago.

Hog receipts at the 12 markets this morning amounted to 52,400 head, which is 32 percent less than the market supply of last Monday and 26 percent larger than receipts for the same day a year ago.

The Chicago hog market opened somewhat higher this morning. The top price was $19 per hundredweight as compared with $18.25 here last Friday, and as compared with $18 50 here two weeks ago today, the first day after the removal of price control.

The Department of Agriculture, in its review of the situation last Friday, regarding the New York dressed beef market—the largest of the country, stated, "Supplies of most classes were fully normal in wholesale houses, and the largest for Friday in months. Trading slowed up sharply, indicating those customers recently paying top prices were fairly well supplied at least for the present. Some carry-over of beef, veal, and pork was anticipated by wholesale interest. Top prices were barely steady to weak all through the list, with possible exception of boning type bull beef, and canner to utility cow beef."

Regarding the retail meat situation, numerous newspaper advertisements through many sections of the country last Friday quoted a wide assortment of meat products at prices well in line with former OPA ceiling prices after allowance was made for appropriate adjustments in subsidies, which are no longer being paid and, of course, much less than black-market prices for such cuts prevailing generally prior to the removal of price controls.

The experience of the first 2 weeks without restrictive and artificial price control indicates that this industry rapidly is readjusting itself notwithstanding the fact that many abnormal and temporary conditions which developed during the many months of price control and which beset this industry at the time price controls were removed, have not had an opportunity as yet to become entirely corrected. One of the healthiest correctives which is already well under way is increased market supplies. Livestock marketings have been unusually large for this season of the year during the past 2 weeks and the meats produced from such marketings are now on their way to retail food markets, and it is anticipated that consumers this week will have an opportunity to buy more meat than they have had a chance to buy for many, many months. This is what everybody wants.

Mr. WHERRY. Mr. President, I have received information from the Dairy Industry Committee to the effect that on the New York produce and dairy market this morning butter was down 3 cents on 92 score, 2 cents on 90 score, and 1 cent on 89 score.

I ask unanimous consent to have inserted in the RECORD at this point a report from the National Association of Retail Grocers showing that they have held the line in a very admirable fashion throughout the 48 States of the Union.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF NATIONAL ASSOCIATION OF RETAIL GROCERS, CHICAGO, ILL

Retail grocers are holding the line on prices in all sections of the country, according to a Nation-wide survey made today (July 10) by the National Association of Retail Grocers

Mrs. R. M Kiefer, secretary-manager of the association, after receiving telegrams from association secretaries in all parts of the Nation, announced that only where removal of subsidies or increased suppliers costs have made advances necessary have the retailers increased their prices. In no instances have they increased their own profits and in many cases certain foods are selling at under ceiling prices while improved supplies of scarce commodities are already forcing prices down to normal levels, she declared.

"There will undoubtedly be some radical advances in price but they will be the work of unscrupulous operators," Mrs Kiefer said "The legitimate operators are determined to hold the line and thus far have done a splendid job."

Butter, which has advanced in price in nearly all parts of the country reflecting the removal of the subsidy formerly paid directly to farmers, is now backing up in some retail stores the telegraph survey revealed.

Large oranges which also show an advance in price have shown historically the same advance in price as the supply has decreased at this season.

Other fruits, vegetables, and dry groceries remain at the same price levels or lower and no advances are shown in stock already on retailers' shelves, the survey showed.

Typical telegrams received from secretaries are as follows:

Clyde Bennett, Texas Retail Grocers Association, Waco, Tex.:

"Retail prices on meat, butter, milk, fruits, and vegetables have advanced in some cases. Ninety percent of these advances due to removal of subsidies. Suppliers holding line in practically all cases. OPA margins maintained by all local suppliers."

Ralph E. Kittinger, Iowa Retail Grocers and Meat Dealers Association, Des Moines, Iowa:

"Meat and butter prices advancing gradually only at amounts necessary to replace all or part of subsidy payments No material advances on dry groceries reported, except those on grain products authorized prior to June 30 by OPA and not previously taken. Most perishable foods now below former OPA ceilings. Meat supplies materially increased"

J. B. Vogler, secretary, North Carolina Food Dealers' Association, Charlotte, N. C.:

"Native beef steady at 35 to 36 cents. Butter retailing at 88 to 90 cents. Fruits and vegetables, no material change. Milk up 2 cents a quart retailing at 20 to 21 cents. Retailers holding the line admirably Supplies increasing with expected reductions in meat prices when big packers resume full-scale operation."

R W. Scales, Michigan Retail Grocers and Meat Dealers Association, Lansing, Mich :

"Retail food price increases generally reflect only wholesale increases Meats are up 15 to 25 percent, with small packers showing largest increase Supply about same. Butter prices, irregular, ranging from 69 cents to 80 cents depending on locality. No appreciable supply gain in butter Milk price same as before. Fruits and vegetables about the same, except large oranges, up about $2 a crate."

W. D. Hadeler, secretary, California Retail Grocers and Merchants Association, San Francisco, Calif.:

"Prices in California are as follows: Meats have advanced considerably, due to increased cost at supplier level Butter ceiling at 80 cents a pound Milk advanced slightly above subsidy. Fresh fruits and vegetables at regular or only normal increase. Throughout State all retailers holding the line and following association recommendations. Complete check was made and only advances were those where higher costs brought into effect at wholesale level. We are proud of the credible manner in which retailers have maintained orderly price situation when they could have taken full advantage of existing condition"

J. M. Lansinger, Oregon Food Merchants Association, Portland, Oreg.:

"Fruits and vegetables under former ceilings and are cheaper than year ago. Large oranges up, small oranges down, about equalizing price of oranges. Dairy products advances exactly cover former subsidies. Butter backing up in small stores. Meat supply plentiful and well under former hidden black market prices. Oregon is holding the line."

Sherman Lloyd, Utah Retail Grocers Association, Salt Lake City, Utah:

"Meat up 10 cents to 15 cents a pound. Butter up 12 cents a pound. Milk up 2 cents a quart. Little change in fresh fruits and vegetables. Most retailers passing on increases to them but not increasing their own profits. Prices are at top in their opinion and meat has already started down here. Meat supplies plentiful."

Don Lyon, Oklahoma Retail Grocers Association, Oklahoma City, Okla.:

"Meat prices up averaging about 8 cents a pound. Butter up 14 cents. Much of this is subsidy coverage. Milk no change. Fresh fruits and vegetables unchanged except large size oranges up 2½ a crate with small size lower. Retailers holding the line virtually 100 percent. Nothing alarming in the Oklahoma market as far as retail price advances are concerned."

Milton Durett, Alabama Food Council, Birmingham, Ala.:

"Local slaughterers only source of meat supplies last week. Thirty-eight and 40 cents a pound charged for beef in carcass. Situation improving now. Butter retailing

at former ceilings to 10 cents the increase. Milk advanced 2 cents per quart or amount of subsidy Fruits holding the line. Vegetables plentiful and cheap with tomatoes 81 a basket, pole beans 6 to 8 cents a pound, corn 4 cents an ear; and peaches 81 a basket. Staple canned goods no change. Flour no change but will increase due to subsidy loss."

H. W. Walker, Independent Retail Food Distributors of Maryland, Baltimore:

"Line holding well on groceries, fresh fruits, and vegetables. Butter 80 to 90 cents. Milk up 3 cents a quart. Meat, wholesale sides of beef vary, 35 to 40 cents, retail accordingly, with steaks 75 to 85. Promised considerable meat this week-end."

Mr. PEPPER. Mr. President, immediately following the close of the remarks of the distinguished Senator from Nebraska, I ask to have printed in the RECORD a press release issued by the United States Department of Labor, Bureau of Labor Statistics, dated July 13, 1946, entitled "Basic Commodity Prices Rising as Rapidly as After First World War."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BASIC COMMODITY PRICES RISING AS RAPIDLY AS AFTER FIRST WORLD WAR

Prices on basic commodities traded on organized exchanges have jumped one-third since the end of the war, it was announced today by the Bureau of Labor Statistics of the United States Department of Labor This rise from mid-August 1945 to mid-July 1946 is, roughly, equivalent to the total rise which occurred in the same commodities from the end of World War I to the peak of speculative prices in January 1920

A major part of the rise since last August has occurred in the first 2 weeks of July, when prices rose 23 percent after removal of controls A further increase of 10 percent above present levels would bring the total rise for the entire period of World War II (since August 1939) to a total equal to that of the rise in the entire war period of World War I, including the postwar inflation of 1919-20

In both wars an important part of the rise in speculative commodity markets occurred during the period between the outbreak of the war in Europe and the time of the entry of the United States By April 1917, basic commodity prices were 85 percent above July 1914 levels At the time of Pearl Harbor in December 1941, prices of these commodities were 58 percent above August 1939 levels. During both periods of the United States' actual participation in war, the rise was relatively slow, with much of the price stability in this war attributable to price control, which did not exist in World War I From Pearl Harbor to VJ-day, prices of basic commodities rose only 16 percent, with price increases generally confined to those agricultural commodities not brought under effective price control until relatively late.

At the post-World War I peak in January 1920, the basic commodity index was 262 percent of the prewar (July 1914) level. In little more than a year after the break in 1920, it lost the entire amount of the rise and by early 1921, in the midst of depression, was at the same level as before World War I broke out in 1914.

The table below compares percentage changes in basic commodity prices in selected periods of World Wars I and II.

Prices of 28 basic commodities—percent of change [1]

WORLD WAR I	
July 1914–April 1917	+85
April 1917–November 1918	+5
July 1914–November 1918	+95
November 1918–January 1920 (peak)	+35
July 1914–January 1920	+162
WORLD WAR II	
August 1939—December 1941	+58
December 1941–August 1945	+16
August 1939–August 1945	+84
Aug. 14, 1945–July 12, 1946	+38
Sept. 2, 1939–July 12, 1946	+134
June 29, 1946–July 12, 1946	+23

[1] Based on monthly figures except for recent periods.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TAYLOR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. Reports of committees are in order. If there be no reports of committees, the clerk will call the nominations on the Executive Calendar.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations be confirmed en bloc

The PRESIDING OFFICER Without objection, the nominations are confirmed en bloc. That concludes the Executive Calendar.

Mr. BARKLEY. I ask unanimous consent that the President be notified at once of the nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m) the Senate took a recess until tomorrow, Tuesday, July 16, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 15 (legislative day of July 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Curtis C. Jordan, of California, now a Foreign Service officer of class 3 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

John J. Macdonald, of Missouri, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

Jule L Goetzmann, of Illinois, now a Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

Alfred T. Wellborn, of Louisiana, now a Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the United States Public Health Service:

TO BE ASSISTANT SANITARY ENGINEERS, EFFECTIVE DATE OF OATH OF OFFICE

John R. Thoman
Richard J Hammerstrom

TO BE SENIOR ASSISTANT SANITARY ENGINEERS, EFFECTIVE DATE OF OATH OF OFFICE

Richard S. Green	Charles T. Carnahan
Leonard B. Dworsky	Ralph C. Palange
Francis B. Elder	Graham Walton
Conrad P. Straub	Howard W. Chapman
Elroy K. Day	Gerald W. Ferguson
Richard S. Mark	

CONFIRMATIONS

Executive nominations confirmed by the Senate July 15 (legislative day of July 5), 1946:

IN THE NAVY

APPOINTMENTS IN THE UNITED STATES NAVY

The nominations of Thomas F. Cullen et al., officers for appointment in the United States Navy, which were received by the Senate on July 10, 1946, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Thomas F. Cullen appearing on page 8583, and ending with the name of Arnold M. Wheelock appearing on page 8584.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 15, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C, offered the following prayer:

Almighty God, by whose mercies we are spared and by whose power we are sustained, may we begin, continue, and end this new week with a determination to set ourselves more resolutely to the high vocation of achieving a better manhood and a nobler social order.

We pray that our country and its chosen representatives may be in the vanguard of those who are seeking to kindle and keep alive within the soul of men and nations the spiritual ideals and principles of justice and good will, without which civilization crumbles into chaos and without which there can be no peace, no security, no happy and fruitful progress of human society.

Grant that our leaders may be richly endowed with wisdom and courage in this great adventure of bringing mankind under the sovereignty of the Prince of Peace. May nothing undermine or weaken our faith and our moral stamina, but may we steadfastly believe and proclaim that righteousness is common sense and that brotherhood is the secret of a united and happy world.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Saturday, July 13, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 161 Concurrent resolution providing for the compiling, printing, and binding of the address of the Honorable John G.

Winant and other proceedings in commemoration of the life, character, and public services of the late President Franklin D. Roosevelt.

The message also announced that the Senate failed to pass a concurrent resolution of the following title:

H. Con. Res. 154. Concurrent resolution against adoption of Reorganization Plan No. 3, of May 16, 1946.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H R. 4590. An act to authorize the use by industry of silver held or owned by the United States.

THE LATE JOHN H SMALL

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, it is my sad duty to announce to the House the passing of a former Member, the Honorable John H. Small, who represented the First Congressional District of North Carolina for 11 consecutive terms. Mr. Small came to the Fifty-sixth Congress from the First Congressional District of North Carolina and served through the Sixty-sixth Congress. He was born at Washington, N. C., August 29, 1858, and attended Trinity College, which is now Duke University. He was an outstanding political and civic leader, and while in Congress demonstrated particular interest in inland waterways. His death occurred at his home in Washington, N. C, Saturday morning, July 13. He was loved and respected by all who knew him.

He was an outstanding American.

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD on the subject of housing and include a letter from the president of the Southwest Louisiana Institute, located at Lafayette, La.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in three instances and to include in each a newspaper article.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

ATOMIC ENERGY

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr THOMAS of New Jersey. Mr. Speaker, this afternoon I am sending the following letter to each Member of the House:

JULY 15, 1946.

MY DEAR COLLEAGUE: S 1717, the atomic-energy bill, will come before the House Tuesday of this week. It is undoubtedly the most dangerous bill ever presented to the Congress in the history of the United States Should we enact it into law and should it not live up to the high ideals of its sponsors, it could destroy America A vote in favor of it, therefore, may be a vote to give a potential aggressor nation the atomic-bomb secret

It is important that we vote down the rule.

Sincerely.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include newspaper excerpts.

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an article by Carlos W Huntington.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of communism. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $435, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. McMILLEN of Illinois asked and was given permission to extend his remarks in the RECORD and include an article entitled "Newspapers of France" written by Edward Lindsay, editor of the Decatur Herald and Review.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include an address by William Jackson.

SPECIAL ORDERS GRANTED

Mr. MUNDT. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 20 minutes, and I also ask unanimous consent that on Wednesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes on the subject of un-American activities in government.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. KEARNEY. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INDUSTRIAL USE OF SILVER

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk, the bill (H. R. 4590) to authorize the use by industry of silver held or owned by the United States, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. KEEFE. I object, Mr. Speaker.

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remark.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. PHILLIPS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an editorial from the Washington Post of this morning relative to the Foreign Service Board which will be established by the Foreign Service Act just reported to the House.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Springfield (Mass.) Union of July 12.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include excerpts.

Mr JENKINS asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times dealing with the price of food in restaurants.

PERMISSION TO ADDRESS THE HOUSE

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. HAGEN addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. MUNDT. Mr. Speaker, when I was given permission to address the House on Wednesday next I overlooked the fact that that day is Calendar Wednesday. I ask unanimous consent that that order be vacated and that I be given permission to address the House for the same length of time on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

TERRITORY OF HAWAII

Mr. LARCADE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6918) to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, has this bill the approval of the entire legislative committee?

Mr. LARCADE. It has the unanimous approval of the committee.

Mr. MICHENER. This is the bill that was before the Committee on Rules?

Mr. LARCADE. Yes. A rule has been granted, but time is so short for the consideration of the bill before Congress adjourns that we thought it would be better to try to speed it up by asking unanimous consent for its approval this morning.

Mr. MICHENER. It is coming up under a rule anyway. The Committee on Rules felt that it is a meritorious bill. The committee reported the rule, and was unanimously for it. If it is coming up, I know of no reason why it should not be disposed of.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. This matter has been taken up with me on two or three occasions. I understand it was cleared in the regular way with the members of the committee on both sides of the aisle and the leadership on both sides. Is that correct?

Mr. FARRINGTON. That is correct.

Mr. McCORMACK. The Speaker has been consulted This bill is of great importance to Hawaii. While a rule has been reported on it, if it can be passed by unanimous consent it will be very helpful.

Mr. MICHENER. I think it is advisable.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

Whereas the Territory of Hawaii is suffering from the effects of violent seismic waves of extraordinary force and unexampled violence which struck the Territory in April 1946; and

Whereas as a result of said seismic waves 200 lives were lost and approximately $25,000,000 in damages caused to property; and

Whereas the damage to Territorial and county piers, waterworks, sewer works, and other structures and facilities is estimated at $4,250,000; and

Whereas a total of 397 homes and 160 business concerns were completely destroyed, including furniture and personal effects, and 961 homes and 40 business concerns were seriously damaged causing an estimated total loss of $18,000,000 and rendering over 1,300 families homeless; and

Whereas the devastation caused in the Territory has been so great as to make it impossible for the Territorial government or the Red Cross to give adequate relief in the emergency; and

Whereas the Territory of Hawaii has indicated a willingness to assume one-half of the cost of providing emergency relief for the victims of the seismic waves and of aiding in the restoration and reconstruction of the devastated area: Therefore

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,300,000, to be immediately available and remain available until expended, which shall be used in the discretion and under the direction of the Federal Works Administrator for the making of grants for the repair and reconstruction of any territorial, county, or municipal structures or facilities, other than roads, highways, or bridges, damaged or destroyed by the seismic waves which struck the Territory in April 1946 (including but not confined to piers No. 1 and No 2 at Hilo, the Hilo ship berths, the pavilion and hall of the Hawaiian Homes Commission at Hilo, the school buildings at Laupahoehoe, the waterworks and the sewer works at Hilo, and the county public parks), and for the removal of debris and other clean-up operations necessitated by said seismic waves: *Provided*, That no grant shall exceed 50 percent of the cost of the work financed in part therewith as determined by the Administrator: *And provided further*, That in the event that any amount shall be allocated pursuant to law out of any existing appropriation for any of the purposes herein specified, then the amount herein authorized to be appropriated shall be reduced by the amount so allocated

SEC. 2 There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000,000 to be expended by the Commissioner of Public Roads, Federal Works Agency, for the necessary rehabilitation or repair of roads, highways, and bridges in the Territory of Hawaii, which he finds, after investigation, have been substantially damaged by the Army or the Navy, or both, or by any person or contractor employed by or contracting with the Army or Navy in the performance of contract work in connection with the prosecution of the war or national defense, and for the restoration or reconstruction of roads, highways, and bridges on the system of Federal-aid highways or the system of secondary Federal-aid highways which he finds, after investigation, have been damaged or destroyed by the recent seismic waves in the Territory of Hawaii: *Provided*, That in the case of war damage the Territory of Hawaii shall match the funds authorized to be appropriated by this section to the extent that may be required by the Commissioner of Public Roads, and that in all other cases the Territory shall make a contribution equal to that of the Federal Government: *Provided further*, That no part of the funds authorized to be appropriated by this section shall be expended for any abandoned railroad right-of-way or part thereof that may be used in the restoration or reconstruction of any such road, highway, or bridge, or for any construction features on any such abandoned railroad right-of-way that may be used for or be incorporated in such restoration or reconstruction work: *And provided further*, That the sum herein authorized to be appropriated by this section shall constitute full and complete provision for the relief of the Territory of Hawaii for all damages that may have been caused to roads, highways, and bridges therein by the Army or the Navy or their contractors in connection with prosecution of the war or the national defense or caused by the recent seismic waves and no further claims on account of damage from such causes shall be made by said Territory or its subdivisions.

SEC. 3. For the purpose of facilitating the rebuilding or repair of private homes, stores, or other structures damaged or destroyed by said seismic waves, the Secretary of the Interior (hereinafter called the "Secretary") is authorized to make loans to persons in the Territory of Hawaii in such amounts and upon such terms as the Secretary shall by regulation prescribe, including an agreement by the borrower to use the loan for the purpose herein prescribed; except that no such loan shall be made for a period of more than 20 years or in an amount in excess of $25,000 to any one borrower. The rate of interest upon each such loan shall be 3 percent per annum, except that the Secretary may, in his discretion, defer the payment of interest upon any such loan for such a period not to exceed 3 years All such loans shall be made, administered, and collected by the Secretary in such manner and through such agencies as he shall designate. For carrying out the purpose of this section there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000,000, to be immediately available, and remain available until expended, of which not to exceed $25,000 shall be available annually for the payment of administrative expenses. All moneys received during a period of 5 years from the date of approval of this act as repayment of any loan or interest on any loan made under the provisions of this section shall constitute a revolving fund from which loans may be made for the purpose and upon the terms herein provided, and all moneys received after said 5-year period as payments of interest and principal on loans made under this section shall be covered into the Treasury as miscellaneous receipts.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 706 was laid on the table

FEDERAL RURAL REHABILITATION PROJECTS

Mr. FLANNAGAN. Mr. Speaker, I call up the conference report on the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be

inserted by the House amendment insert the following:

"That, notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition for a period not to exceed three years from the date of this act to veterans of the present war and present project occupants to whom previous commitments to purchase have been made, is hereby authorized and directed to dispose of lands hereinafter described as expeditiously as possible and within such three-year period such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units Nothing contained herein shall be deemd to authorize retardation of the expeditious liquidation of such lands and all other lands or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this Act.

"SEC. 2 The Secretary, during the period specified in section 1 of this Act, shall sell or cause to be sold, units not to exceed six hundred and forty acres in any one sale, those of such lands as are suitable for disposition in economic farm units at the earning capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, Seventy-eighth Congress), and present project occupants to whom previous commitments to purchase have been made or who have existing contracts to purchase and who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U S C 1000-1006), as amended

"SEC. 3 There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this Act, including and making betterments and improvements deemed necessary to accomplish the purpose of this Act· *Provided*, That no expenditures shall be made for improvements on any farm unit in excess of one-third of the earning capacity value

"SEC 4 Any conveyance by the Government of title to land under this Act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights "

And the House agree to the same.

JOHN W. FLANNAGAN,
STEPHEN PACE,
CLIFFORD R HOPE,
J ROLAND KINZER,
HAROLD D COOLEY,
Managers on the Part of the House.

ELMER THOMAS,
HARLAN J. BUSHFIELD,
GEORGE D AIKEN,
CLYDE R. HOEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The amendment of the House strikes out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same

Except for the differences noted in the following statement, the conference substitute is the same in substance as the House amendment.

The language contained in the first section of the House amendment which fixes a 3-year period after the termination of the war as a period for preferential disposition of project lands under the act has been changed to a period of 3 years from the effective date of the act and has been shifted to make it clear that it is a period for preferential disposition and a period within which such project lands shall be disposed of

The House amendment provided for preferential disposition of project lands to present occupants who have entered into contracts to purchase the lands. The conference agreement provides for such disposition also to present occupants to whom previous commitments to purchase have been made

Section 1 of the House amendment included in the category of projects to which the act would apply the "lands in the so-called water conservation and utility projects" The conference agreement eliminates these projects which are constructed and operated jointly by the Department of the Interior and the Department of Agriculture The inclusion of such lands in this act would amend existing authority for the disposition of water conservation and utility project lands, some of which are not ready for disposition because irrigation water is not yet available

Section 2 of the House amendment directed the Secretary to make sales under the act from time to time The conference agreement deletes the words "from time to time" and substitutes language which directs the making of such sales during the period, referred to in section 1 of the act, expiring 3 years after the act becomes law

JOHN W FLANNAGAN, JR.
STEPHEN PACE,
CLIFFORD R HOPE,
J. ROLAND KINZER,
HAROLD D COOLEY,
Managers on the Part of the House

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. HAYS. Mr. Speaker, I am very grateful to the conference committee for this action regarding this bill which it was my privilege to introduce in the House. When the measure is put into effect it will establish immediately a preference for veterans of World War II in the purchase of rural rehabilitation lands being sold under the provisions of the Tarver amendment. The bill accomplishes two things: First, it reserves these lands for homesteads for veterans with a farm background; and, secondly, provides that the land will be sold to them at its earning capacity value and not at the present inflated market value. It will set the pattern for future sales of Government lands so that in the establishment of farm homesteads we avoid the great injustice of imposing a burdensome debt upon the veteran and causing him to lose his home through later foreclosure. It represents an important policy declaration against land speculation and offers the young farm veterans an assurance of home ownership under favorable conditions.

RETIREMENT OF GOVERMENT OFFICERS AND EMPLOYEES

Mr. JOHN J. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 709, Rept. No. 2520), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 30 years of service. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address made by Rear Admiral Davison yesterday on the occasion of the commissioning of the U. S. S. *Saipan*.

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include a table from the hearings on the third deficiency appropriation bill showing price increases in the last 90 days.

Mr. BEALL asked and was given permission to extend his own remarks in the RECORD.

USE BY INDUSTRY OF SILVER HELD BY THE UNITED STATES

Mr. KEEFE. Mr. Speaker, when the request was made by the distinguished chairman of the Committee on Banking and Currency the gentleman from Kentucky [Mr. SPENCE] for unanimous consent to take the so-called silver bill from the Speaker's table for the appointment of conferees, the gentleman now addressing the Chair interposed an objection. Mr. Speaker, I desire to withdraw that objection at this time with the assurance that the conferees will bring that bill back to the House and that the gentleman from Wisconsin will have an opportunity at that time to express the convictions which I hold on that subject, having been one of the conferees on the Post Office and Treasury appropriation bill.

But I do this, Mr. Speaker, for the reason that unless that appropriation bill is passed and signed, the postal authorities and the Treasury Department

will not have any money with which to pay their people.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4590) to authorize the use by industry of silver held or owned by the United States, with Senate amendments, disagree to the Senate amendments, and request a conference with the Senate and the appointment of conferees.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD.

COINAGE OF 50-CENT PIECES TO COMMEMORATE THE LIFE OF BOOKER T. WASHINGTON

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 704 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H R 6528) to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Coinage, Weights, and Measures, the bill shall be read for amendment under the 5-minute rule At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

I yield myself 5 minutes.

Mr. Speaker, this is a bill to authorize the coinage of 50-cent pieces commemorating the birth of Booker T. Washington. The object of it is to enable the Booker T. Washington Birthplace Memorial Association to obtain funds for the erection of a memorial to him at his birthplace in Franklin County, Va.

It seems to me, Mr. Speaker, this is a very fine gesture for the Congress of the United States to make. Booker T. Washington was an outstanding American citizen and an outstanding representative of his race of people, an example that we should encourage his people to emulate. The fact is about the Negro, I believe everyone will agree, that they have made greater progress in civilization and in the ways of civilized people during their residence in this country than any other race of people ever in the history of the world. When we look back upon the fact that only 80 years ago they were in slavery and then we find today in this Nation such fine characters as Booker T. Washington, when we find the descendants of these people who were held in slavery, practicing the professions of medicine and law, prominent in the fields of education and business; sitting in the Halls of Congress and the legislatures of the States, holding offices and places of responsibility in civilian life throughout this the greatest Nation in the world, I think that race of people is to be congratulated upon the progress which it has made.

We have in this country and in all countries of the world at this time, great distress and too much race prejudice. I think that merit is where you find it, and good citizenship is where you find it, whether it is Christian, Jew, or Negro. We have fine citizens in all our minorities in this Nation—citizens whose services we need and whose cooperation we need in this hour of the greatest trial of the civilization of the world.

It is a great mistake to criticize or persecute any minority race. Those who indulge in that nefarious practice sooner or later find retribution, and there is no more striking example of that retribution than what is now happening to the Nazis of Germany for their inhuman treatment of the Jewish race.

In the Negro race we have splendid citizens who ought to be encouraged, who ought to be educated, who ought to have their opportunity, their place in the sun in this Nation.

The Jewish people in this country, minority though they be, have furnished some of our finest citizens, some of our most useful patriots, many of them in large communities and in small communities, devoting their time and energy to the welfare of the Nation and the welfare of their communities. I believe gestures such as that contained in this bill to laud the progress of minorities in this Nation is one of the finest things this Congress can do, particularly in this time of great stress and trial.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HENRY. I wish to congratulate the distinguished gentleman from Virginia for the fine statement he has made with reference to the Negro race, and to ask him this question: Is it not true that the profits from the sale of this memorial coin will be used to further the education of the Negro race?

Mr. SMITH of Virginia. I so understand it; yes.

Mr. MICHENER. Mr. Speaker, there is no opposition to this bill or this rule, so far as I know.

I yield to the gentleman from Kansas [Mr. CARLSON] such time as he may desire.

The SPEAKER pro tempore (Mr. GORE). The gentleman from Kansas is recognized.

Mr. CARLSON. Mr. Speaker, I think it is most fitting that Congress should authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington.

This God-fearing colored man endeavored through his example and teachings to uplift the members of his race and fit them for the social and industrial conditions in which they must live. His life was devoted to an educational program that would make the Negro an intelligent, God-fearing, and industrious citizen.

During the past few decades great progress has been made in this regard. Bigotry and intolerance, which have been a blight on our Nation, are gradually being removed.

I want to urge immediate approval of this resolution.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, we have before us a resolution to strike a new silver coin of 50-cent value upon which shall appear the likeness of Booker T. Washington. As a member of the board of the Tuskegee Institute which was started by him and is being continued in his name, I am particularly happy that such action is to be taken by this House.

Booker T. Washington's life was one of dramatic demonstration of what can happen in this great Nation of ours. Son of a slave, he became one of the most respected of our citizens, holding a position of importance in the educational world.

One of his greatest contributions not only to the Negro but to the life of America as a whole was his unshakable belief in the dignity of work, the beauty of hand labor. He believed that self-respect is necessary to every man and he set about building an institution which should give to the sons and daughters of slaves opportunity to prove themselves in many fields.

The simple directness of his approach to life and living gave him the strength with which to attain the unattainable. Tuskegee Institute today radiates the fine, strong sanity of its founder. The Negro youth that passes through its indoor and outdoor classrooms feels the spirit of him even to this day. We who serve upon the board of trustees are stimulated and inspired by the life of courage, determination, and vision that he lived. It is therefore with sincere pleasure that I join with the other Members of this body in unanimous agreement to have the new silver 50-cent coin bear the likeness of this respected and honored citizen of these United States, Booker T. Washington.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, it is with a great deal of pleasure that I rise in support of this bill to honor the memory of Booker T. Washington. I commend the gentleman from Virginia [Mr. SMITH] for everything he said regarding him and reiterate and echo the same sentiments.

It was my privilege to know Booker T. Washington. He came on a number of visits to the city of Detroit. Long ago I chose the life of this distinguished man as the subject of addresses, delivered by me to high schools. I speak this morning solely from memory.

Booker T. Washington was a great man. He was not only a leader of his own people but he was a great leader in the things that make for the dignity of honest toil and a better human existence.

There comes to my mind this morning the fact, as the gentlewoman from Ohio [Mrs. BOLTON] has already suggested, that the beginning of Tuskegee Institute was started in a chicken coop by him. It came to be and is one of the foremost educational institutions of the South for the people of his race. He became its genius and directing head. I also remember in reading his book Up From Slavery, the scene that took place at a log-cabin door on the morning that Booker T. Washington left his parental roof to go to Hampton Institute, Virginia. He walked the distance of 500 miles. As he left his lowly home his mother, a slave mother, illiterate and uneducated, said to him, "My boy, always try to be a little more than you seem to be." That is good advice for all of us. We find this boy on his way to Hampton Institute sleeping beneath sidewalks. When he arrived at that place he swept the rooms and dusted the desks in a manner before unknown and earned the right to be janitor and work his way through that school.

He believed in the only thing that works in this world, and that is work. He taught his people that by precept and example and did much to lead them upward and forward. They started from scratch. We commend and applaud the colored people of our country for the progress they have made during the last 80 years.

So I reiterate in closing by saying that I raise my voice with pleasure in support of the pending bill to honor the memory of a great American and his noble deeds—Booker T Washington.

Mr. JENKINS. Mr. Speaker will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. JENKINS. I had the good fortune also to read that book. It is not altogether fresh in my recollection, but I remember distinctly that in the book he gave himself the name of Washington when he first went to school, the first chance he had to go to any kind of a school. His name up to that time had always been Booker. They called him Booker because he read books at every opportunity he had, so they nicknamed him "Booker." They asked him what his name was when he went to school. He did not know what other name to assign to himself so he said "Washington," and after that they called him Booker Washington.

Mr DONDERO I thank the gentleman for his contribution and his memory of that incident is correct.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I wish every schoolhouse in the country could have the story of his life because certainly no one gave more or suffered more to secure an education.

Mr. DONDERO. The gentlewoman from Massachusetts is quite correct and I agree in every way with her sentiments.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, it is most appropriate to issue a special coin in commemoration, as provided by the pending bill, "to perpetuate the life, ideals, and teachings, of Booker T. Washington." This action is a tribute to his service as a great man and a great American.

In a communication I received recently it was stated:

> The passage of this measure will be a testimonial to American democracy.

I agree with that observation. I think that nothing we can do or have done in my period of service here is more wholesome and more symbolic of the spirit and the traditions of our institutions of government than the bill now before us.

Mr SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr Speaker, I desire to add my commendation to this effort to commemorate the memory of this great American, Booker T. Washington, and to advise the Members of the House that Booker T Washington spent his early boyhood days in the Kanawha Valley of West Virginia. He lived at a small place about 6 miles from the State capital.

The State of West Virginia, through its State legislature, has appropriated money to buy a site there and is now in the process of erecting a monument to this great, noted Negro educator. West Virginia joins her mother State of Virginia in this effort to further honor the memory of Booker T. Washington.

Mr. SMITH of Virginia. Mr Speaker, I yield 1 minute to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I want to say that I have been a great admirer of Booker T. Washington, and I have summed up his life and his activities with this conclusion, that while he left a great impression on the colored people of this Nation and the world, he also left a profound impression on the white people because of his fine approach to all the problems of everyday life.

I shall support this resolution to stamp one of our coins with the image of this very distinguished American.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, I rise in support of H. R 6528 which proposes to authorize the minting of 5,000,000 50-cent silver coins to be turned over to the Booker T. Washington Memorial Commission, to be sold by them and the proceeds used to purchase land and construct memorials to Dr. Washington at his birthplace in Franklin County, Va.

This memorial will be a most fitting recognition of the great character and work of this very outstanding American citizen. Mr. Speaker, measured by great intellectual attainments, nobility of character, great achievements, loyalty to his race, and patriotic devotion to our country, Booker T. Washington was one of the really great men, white or colored, that this country has ever produced. In honoring him today, we honor ourselves.

His name is also coupled with two other very great American Negro citizens. I refer to Fred Douglas, the statesman, orator, and citizen, and also to that great scientist, George Washington Carver. All three have reflected unusual honor upon themselves and their race, and have been a great blessing to our country and to mankind. Their lives and their achievements now are and will continue to be an inspiration and benediction to their race and to our country and especially the young people, both colored and white.

Douglas and Carver were slaves. Each of these three great men overcame great handicaps and suffered many disappointments, but in the end their lives were crowned with the fullest measure of success. Neither of them sought the easy way of life. They learned early in life that there is no excellence without great labor. Their highest ambition was to be of service to their race and to our country. No other race in all history has made such wonderful progress in every walk of life as has the Negro race since they were freed a little over fourscore years ago They have made this progress insofar as they have followed in the footsteps of these three great colored citizens and others. Our colored boys and girls must realize that their progress and success will depend largely to the extent that they, like all other groups, train their minds, hands, and hearts for useful service to their own people and our beloved country. How can any boy or girl, white or black, fail to be inspired by the industry, ambition, and nobility of character of these distinguished colored citizens any less than they have been by the life and sacrifice of another great American who gave so much to the colored race and to his country, Abraham Lincoln. Lincoln and these three colored leaders were not carried away by the "isms" of foreign lands. They believed in the traditions and institutions of our country. They knew that it was the finest and best in all the world and it was their high purpose to be an honor to their country.

In setting up this memorial for Dr. Booker T. Washington, it is our hope that it will lead tens of thousands of boys and girls of his race, as well as the white race, to emulate his beautiful and splendid life.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I rise to support House Resolution 704, which provides for the authorization of the coinage of 50-cent pieces to commemorate the life and to perpetuate the ideals and teachings of Booker T. Washington. He was a great American and he was a great educator.

While this great and distinguished American was born in abject poverty, he made his way, by exerting his supreme effort, to the pinnacle of fame. His efforts in behalf of his own race have expanded to all races—because the influence of this great and good man has extended to all peoples. All have benefited by reason of his supreme efforts—

regardless of race, creed, or color. The people of this Nation have reason to be proud of the life and the record of that great educator, that outstanding American citizen, and that great leader of his race, and I am happy to lend my voice and vote to the passage of this legislation to commemorate the life and services of this good man.

I am happy to lend my assistance in this very just tribute. It is deserved, and it is earned. Booker T. Washington's name is treasured in every American home.

Mr. MICHENER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the fact that there is complete unanimity on the part of the House in passing this legislation honoring this distinguished man, Booker T. Washington, who had so lowly a beginning, is the highest tribute that can be paid to him and the things for which he stood. Booker T. Washington, because of the life he lived, the good he did, and the example he set, will live in the memory of all so long as time endures.

Mr. Speaker, I have no further requests for time.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Speaker, I rise to support the pending bill.

Booker T. Washington is one of the great figures in American history. His life work did more to make the Emancipation Proclamation a permanent, effective force in the American way of life than was accomplished by any other American save Lincoln himself. The memory of Booker T. Washington will always be revered by those who believe that there is no place in America for racial discrimination, and that the doctrine of equality among men is a fundamental tenet in a free civilization.

It is eminently fitting that the life of Booker Washington should be commemorated to our Government in the manner proposed by this bill, and I am happy to record myself as enthusiastically in favor of its enactment.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it was my good fortune to know this great American and educator, Booker Tallaferro Washington, for many years, because my late friend Julius Rosenwald cooperated with him several years in a successful endeavor to advance the colored people. I am indeed gratified to hear of the great services that have been rendered not only to the colored people but to the whole country, due to the advisory and financial assistance given by Mr. Julius Rosenwald to this great American teacher and reformer, who was born in Franklin County, Va., in 1859 and died November 14, 1915, as the result of overwork.

Soon after the Civil War he went to Malden, W. Va., where he worked in a salt furnace and then in a coal mine. He obtained an elementary education at night school, and became a house servant in a family where his ambition for knowledge was encouraged. In 1872 he traveled 500 miles to the Hampton (Va.) Normal and Agricultural Institute, where he remained 3 years, working as janitor for his board, and graduated in 1875. For 2 years he taught at Malden, his former home, and studied for 8 months in 1878–79 at the Wayland Seminary, in Washington, D. C. In 1879 he became instructor at the Hampton Institute, where he developed the night school, which became one of the most important features of the institution. In 1881 he was appointed organizer and principal of a Negro normal school at Tuskegee, Ala., for which the State legislature had made an annual appropriation of $2,000. Opened in July 1881, in a little shanty and church, the Tuskegee Normal and Industrial Institute became, under Washington's presidency, the foremost exponent of industrial education for the Negro. In the first 19 years of the school's existence 40 buildings were erected, all but 4 largely by student labor, and student labor also provided other necessities. To promote the interests of the school and to establish better understanding between whites and colored, Washington delivered many addresses throughout the United States, notably a speech in 1895 at the opening of the Atlanta Cotton States and International Exposition. In 1900, at Boston, Mass., he organized the National Negro Business League. Harvard conferred upon him the honorary degree of master of arts in 1896 and Dartmouth that of doctor of laws in 1901.

During his long and useful career he found time to write 13 scholarly books.

Human hands may continue to erect memorials to honor this great leader, marble and brass may continue to keep alive an appreciation of his good, altruistic work, but the Tuskegee Institute for practical training of Negroes in trades and professions, with, at the time of his death, 100 buildings, extensive real estate holdings, a faculty of 200, a student body of 1,500, an endowment of $2,000,000, and an annual budget of $300,000, all of which have been increased very much, and the great influence he continues to exercise through the useful lives he helped to mold, will continue to be his greatest monument and renew our faith in the opportunities of America, where anybody may, by diligent and intelligent effort, break birth's invidious bar and rise to reward and renown.

I wish time allowed me to give a more exhaustive recital of this useful man's accomplishments, but it will not, and moreover, scholars and those who are especially interested know more or less what I would say if time afforded.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I gladly yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think we also ought to incorporate in the RECORD, because the CONGRESSIONAL RECORD is one for all time, that the committee to which this bill was referred reported out the bill only a few days ago, on July 12. The Committee on Rules reported on Saturday last, July 13, a rule making the consideration of this bill in order, and this is the first order of business on July 15. This shows the appreciation and respect the Members have for the memory of this man. I have never known a bill other than emergency legislation to be acted on so quickly after it was reported out of committee.

Mr. SABATH. I am indeed pleased that the committee reported the bill, being extremely desirous of obtaining early action. The committee authorized me to report a rule for this bill even before its author or the chairman of the legislative committee appeared before our committee. I hope that in the future we will be as unanimous on other legislation affecting minority groups, including the colored, as we have been in this instance.

May I say also that four colored men have in my time been Members of the House. I recollect with a great deal of pleasure the activities of the gentleman from Illinois, Mr. Mitchell, and the present Representative from the First Congressional District of Illinois [Mr. DAWSON]. Mr. DAWSON had hoped to be here in time to speak on this resolution, and although he has not arrived, in urging a hearing and favorable action on this resolution, he expressed a desire to be heard in order to express his appreciation of this action.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that all Members speaking on the rule be permitted to revise and extend their remarks.

The SPEAKER pro tempore (Mr GORE). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. MATHEWS].

Mr. MATHEWS. Mr. Speaker, as a member of the committee which reported this bill out, I add my endorsement, not only to the bill but to the hope that it will pass the House unanimously. I enthusiastically endorse the bill.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

THE BRITISH LOAN AND THE UNITED STATES GOLD RESERVE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on Saturday, July 13, 1946, a majority in the House of Representatives approved the $3,750,000,000 loan to the British. On that day the United States Treasury reported amongst its assets 579,156,610 9 ounces in gold valued at $35 per ounce for a total of $20,270,481,380.29. Since congressional action on the loan has now been completed, I want the Congress and the people of the United States to watch what happens to the gold assets of our country. Remember these figures as reported in the latest Treasury report dated July 11, 1946: Gold—ounces 597,156,610.9—$20,270,481,380.29, and read my speech on the British loan delivered in the House of Representatives July 12, 1946. The question is, Will the British use the dollar credit loaned to them by the United States to purchase American farm and manufactured products, or will they use such dollar credit to purchase our gold? The next 3 years will give the answer.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, I am happy to report that the Committee on Coinage, Weights, and Measures, of which I have the honor to be chairman, reported the bill unanimously. It not only commemorates the life and activities of Booker T. Washington but will help to carry on a great work.

H. R. 6528—COMMEMORATIVE COIN, BOOKER T WASHINGTON

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COINAGE,
WEIGHTS, AND MEASURES,
Friday, July 12, 1946.

The committee met at 9:30 o'clock a. m., Hon. COMPTON I. WHITE, chairman, presiding.

Chairman WHITE The committee will come to order

This hearing is called for the purpose of considering H. R. 6528, a bill to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington.

The committee has with it this morning Mr Howard, of the Bureau of the Mint. Will you please give your full name for the record?

STATEMENT OF LELAND HOWARD, ASSISTANT DIRECTOR OF THE MINT, WASHINGTON, D. C.

Mr HOWARD My name is Leland Howard, and I am the Assistant Director of the Mint.

Chairman WHITE. Mr Howard, are you familiar with the past record of the Bureau of the Mint in minting commemorative coins?

Mr HOWARD Yes.

Chairman WHITE Will you give the committee an outline of what has been done in the past, starting first with the Columbian half dollar, commemorating the World's Fair of 1892, and give us information as to how that was handled

Mr. HOWARD The first commemorative coin was for the Columbian Exposition in 1892, and since that time we have had quite a few commemorative coins During the period of the early thirties we had a terrific number of coins that were authorized by the Congress, reaching the peak in about 1935.

Chairman WHITE. What the committee would be interested in, and particularly what I would like to know, is something of the mechanics of how these operations are handled, the financial aspects of the different operations of the Mint

It occurs to the chairman that silver was considerably higher, the bullion price of silver, in 1892, when this Columbian Exposition coin was authorized What was the plan followed then with the use of silver, how was the silver paid for and what price did the beneficiaries of the Columbian commemorative coin pay in cost of minting? Just how was that handled, what was the actual cost?

Mr HOWARD. The coins are turned over to the committee designated by the act at face value The committee designated by the act furnishes to the Mint the design, the sculptured model of the coin, usually a symbol of something relative to the event that is being commemorated

Chairman WHITE. They make the selection?

Mr HOWARD. As a rule, Mr. Chairman, they appoint an outside sculptor and pay him to sculpture the design, they pay for that and turn over to us the sculptured model From then on we make the master die and the working dies, and strike the coin in accordance with the law

Chairman WHITE. What do you call these men? You have a staff of designers.

Mr. HOWARD. We call them artists and engravers.

Chairman WHITE And when you get the sculpture figure, the design for the coin, it is turned over to the artists-engravers and they proceeded to make the model?

Mr. HOWARD The master die.

Chairman WHITE That is used for the die.

Mr HOWARD. And from the master die the working die is made and the coin is struck.

Chairman WHITE Who pays for that work?

Mr. HOWARD. We pay for that

Chairman WHITE That is not charged to them?

Mr HOWARD No

Chairman WHITE As a separate charge

Mr HOWARD. The only cost to the committee is furnishing the sculptured model On second thought, Mr. Chairman, the mint does charge for the master die but not the working dies or cost of coinage.

Chairman WHITE And the Government provides the bullion that is manufactured, or minted into coins

Mr HOWARD That is correct, the coins are turned over at face value

Chairman WHITE. At face value

Mr HOWARD Fifty cents apiece.

Chairman WHITE Fifty cents apiece for the coin

Mr HOWARD Yes

Chairman WHITE Would there not be a large element of profit to the Government and to the mint in this operation, if the provisions of this pending bill were carried out?

Mr HOWARD There would be seigniorage on the coin, the same as in other coinage, the difference between the cost value of the silver and the value of the coin

Chairman WHITE It has been the practice in recent years, has it not, to do a considerable amount of coining, or minting of coins for other nations?

Mr HOWARD For foreign governments

Chairman WHITE For Cuba, and other countries

Mr HOWARD Yes, a terrific number We reached the peak of about 1,400,000,000 in the fiscal year 1945. I think that was about the highest

Chairman WHITE How much?

Mr HOWARD 1,400,000,000 pieces

Chairman WHITE. That takes into consideration everything, dimes issued, including coppers?

Mr HOWARD Copper alloys and everything.

Chairman WHITE In other words, standard silver means silver with an alloy of 10 percent copper?

Mr HOWARD. We call that coin silver.

Chairman WHITE. The word "standard" and "coin silver" are synonymous? In other words, standard silver appears in all the statutes of the United States.

Mr. HOWARD It does, yes.

Chairman WHITE In defining silver.

Mr HOWARD It does, yes

Chairman WHITE And when you define standard silver it has a copper alloy?

Mr. HOWARD Yes.

Chairman WHITE. And no other alloy is used in silver coins except copper?

Mr HOWARD No.

Chairman WHITE. And that runs around 10 percent?

Mr. HOWARD That is right

Chairman WHITE And all silver put out by the mint in the form of coin carries what fineness?

Mr. HOWARD. It is 900 fine with the exception of the wartime nickel, which, under the provisions of the act, was not called a silver coin. That coin used silver. We had 35 percent silver in that coin.

Chairman WHITE. For all coins that are in circulation the only other alloy is nickel?

Mr HOWARD The 5-cent pieces containing silver are not being minted any longer.

Chairman WHITE What is minted in their place?

Mr. HOWARD. We are using our old prewar alloy of 75 percent copper and 25 percent nickel.

Chairman WHITE. And no other alloys such as zinc?

Mr HOWARD. No longer in the 5-cent piece.

Chairman WHITE I think the statute, some of the old laws, showed the nickel piece as a combination of alloys

Mr. HOWARD. That is right—copper and nickel

Chairman WHITE. It was my idea they had others

Mr HOWARD. No. The 1-cent piece is a composite alloy.

Chairman WHITE. As a general proposition in minting coins, the coins minted by the Treasury only use copper and silver, generally 900 fine.

Mr HOWARD. Yes; in silver coins

Chairman WHITE The procedure or operation is to take Treasury silver and mint into commemorative coins, 50-cent pieces, that would be delivered to the beneficiary under the bill, the Treasurer, or whoever it would be, at their face value

Mr. HOWARD. Yes; and they have to pay the transportation costs.

Chairman WHITE. They are delivered at the mint

Mr HOWARD. Yes

Chairman WHITE. Where do you expect these would be minted, at Philadelphia, San Francisco, or at what mint?

Mr HOWARD We would like to mint them at Philadelphia

Chairman WHITE. You have the facilities for them there?

Mr HOWARD Yes.

Chairman WHITE And the seigniorage, in the form of a profit or a toll, if you please, in this case, would be the element of copper added to the silver in the form of seigniorage and the difference in the established price that the Treasury puts on the silver bullion stocks on hand and the face value of the coin delivered to the beneficiary of this legislation

Mr HOWARD That is correct Seigniorage is the difference between the cost value of the silver bullion and the face value of the coins.

Chairman WHITE. Could you give us some idea from your experience of what the copper amounts to in taking it at face value?

Mr HOWARD It is negligible, as far as the value of the coin is concerned. We purchase copper at around 12 cents per pound and a pound of copper will alloy a lot of silver coins.

Chairman WHITE You do not mean there is a negligible profit, but the cost is negligible?

Mr HOWARD No. The cost of the copper is negligible

Chairman WHITE And you arrive at the profit made on the copper and silver through that means.

Mr HOWARD. If you want the true profit that would be made you would have to take the cost of the silver and the cost of the copper and the cost of the minting and deduct that from the face value

Chairman WHITE. Do you know that the records of the mint disclose for silver purchased at a dollar an ounce under the Bland Act that the Government made $63,000,000 profit before that act was changed to the so-called Sherman Purchase Act?

Mr. HOWARD. I do not know the exact amount The profit would be the difference between the purchase price of the silver and the monetized price.

Chairman WHITE (interposing). The purchase price—not only the purchase price of the silver, that is, the difference in the purchase price and the coinage value, but there would also be the element of profit, on the copper, that went into the silver dollar; there would be the element of profit, or seigniorage, if you do not like the term of profit

Mr. HOWARD. It does not make any difference; the gain.

Chairman WHITE This bill calls for 5,000,000 50-cent pieces of standard size, weight, and fineness. That would be the equivalent of $2,500,000 which the Treasury Department

would receive for the silver. Could you break down the seigniorage into what would be the difference on the cost of the copper and also on the price of silver that is going into the coin?

Mr. HOWARD Yes. And there would also be the manufacturing costs We in the mint talk of seigniorage on silver coins as the difference between the cost of the silver bullion and the face value of the coin.

(The information requested follows:)

Comparison of the cost of producing 5,000,000 half dollars with the face value of such coins

Five million pieces at legal gross weight of 192 9 grains and 900 fineness—1,808,438 ounces of silver

Copper alloy—13,779 average pounds.

Cost of silver, 1,808,438 ounces by $0 466	$843, 912
Cost of copper, 13,779 average pounds by 12 3 cents	1, 695
Manufacturing cost, 5,000,000 at $7 per 1,000 pieces	35, 000
Total cost to produce	880, 606
Face value of 5,000,000 50-cent pieces	2, 500, 000
Cost to produce	880, 606
Excess of face value over cost	1, 619, 394

Chairman WHITE. The estimate by Secretary Morgenthau of silver purchased over the years under the Silver Purchase Act of 1934 of foreign silver, at 35 cents an ounce, and domestic silver at that time was bought at 64 64 cents an ounce. It got up to 71 cents and dropped back to 64—was it under the purchase of both foreign and domestic silver that the average at the Treasury end was about 50 cents an ounce?

Mr HOWARD. Approximately

Chairman WHITE. The half dollars do not have the same percentage of bullion in them as does the full silver dollar.

Mr. HOWARD. No.

Chairman WHITE How much would the half dollar be as compared with the dollar?

Mr HOWARD. Two half dollars contain about 0 72 ounce of silver and the dollar about 0.77 ounce.

Chairman WHITE That would be a difference of about 0 05 ounce?

Mr. HOWARD. Yes. The monetary value of silver in 2 half dollars is $1.38 plus. And the dollar, $1 29 plus

Chairman WHITE. Just a moment, for the record, you say that the monetary value of the silver in the subsidiary coins, that is, the dimes, the quarters, and the half dollars, is 0.72 ounce to the dollar.

Mr HOWARD. Not the monetary; no. There is 0.72 ounce of silver in two half dollars; the subsidiary coins do not have as much silver in them as the dollar.

Chairman WHITE. Will you give us the figures representing the monetary value?

Mr HOWARD. The monetary value is $1 38 an ounce in half dollars.

Chairman WHITE. $1.38.

Mr. HOWARD Approximately.

Chairman WHITE. That is the figure I wanted to get.

Mr. HOWARD Yes; $1.38 plus.

Chairman WHITE. Yes.

Mr. HOWARD. And for the silver dollar it is $1 29 plus

Chairman WHITE. If and when this bill is enacted, the Government will mint and deliver to beneficiaries the coins, and the Government will actually sell the silver for $1.38 plus per ounce?

Mr. HOWARD. That is right.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the bill (H. R. 6528) to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington, may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That to commemorate the life and perpetuate the ideals and teachings of Booker T Washington, a great American, there shall be coined by the Director of the Mint not to exceed 5,000,000 silver 50-cent pieces of standard size, weight, and fineness and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury; but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage

SEC. 2 The coins herein authorized shall be issued at par, and only upon the request of the Booker T. Washington Birthplace Memorial established at his birthplace in Franklin County, Va.

SEC. 3 Such coins may be disposed of at par or at a premium by banks or trust companies selected by the Booker T. Washington Birthplace Memorial of Franklin County, Va., and all proceeds therefrom shall be used to purchase, construct, and maintain suitable memorials to the memory of Booker T. Washington, deceased, as may be decided upon by the Booker T. Washington Birthplace Memorial of Virginia.

SEC. 4 That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

SEC. 5 The coins authorized herein shall be issued in such numbers, and at such times as shall be requested by the Booker T. Washington Birthplace Memorial and upon payment to the United States of the face value of such coins: *Provided*, That none of such coins shall be issued after the expiration of the five-year period immediately following the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMEMORATIVE COIN FOR THE ONE HUNDREDTH ANNIVERSARY OF ADMISSION OF IOWA INTO THE UNION

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2377) to authorize the coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the admission of Iowa into the Union as a State.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the one-hundredth anniversary of the admission of Iowa into the Union as a State, there shall be coined not to exceed 100,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury; but the United States shall not be subject to the expense of making the necessary dies and other preparations for such coinage.

SEC 2 The coins herein authorized shall bear the date of the year in which they are minted, shall be legal tender to the amount of their face value, and shall be issued only upon the request of a duly authorized representative of the State of Iowa, upon the payment by it of the par value of such coins. Such coins shall be issued in such numbers and at such times during the calendar year 1946 as shall be requested by such State of Iowa and may be disposed of at par or at a premium, and the net proceeds shall be used for the observation of the centennial as directed by the Governor of the State of Iowa.

SEC 3 All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purpose, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

Mr. LECOMPTE. Mr. Speaker, this bill, H. R. 2377, provides for the coinage of a special half dollar to commemorate the centennial of statehood of Iowa, which occurred 100 years ago this year. The bill will not cost the Federal Government a cent since it provides specifically that the cost of the dies and other preparations are not to be paid by the Government but by the party interested. Under the terms of the bill, 100,000 coins will be minted which will be legal tender at face value. They will be purchased by the State of Iowa and resold at par or at a premium.

Many times the Federal Government has put out special memorial coins. In view of the important place our State holds in the Nation, this bill has been given unanimous approval by the Committee on Coinage, Weights, and Measures, and we have had valuable assistance from the chairman of the committee, and I trust will have approval of the House.

The bill was ordered to be engrossed and read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

ASSISTANCE TO STATES IN MATTERS RELATING TO SOCIAL PROTECTION

Mr. SABATH. Mr. Speaker, I call up House Resolution 686 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes. That after general debate, which shall be con-

fined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield to the gentleman from Michigan [Mr. MICHENER] the usual 30 minutes.

Mr. Speaker, this bill makes in order the bill H. R. 5234, of which the gentlewoman from Ohio [Mrs. BOLTON] is author. I feel the House will act just as the Committee on Rules has acted, favorably on this bill like it did on the last one. It is a bill to authorize the Federal Security Administration to assist the States in matters relating to social protection from loathsome, contagious diseases.

In view of the alarming reports about this emergency, I feel that there can be no oppostion to the adoption of the rule or the passage of the bill.

The bill seeks to set up a cooperative effort to deal with this prevailing condition. In view of the fact that the rule provides for 1 hour of general debate, which I understand will not be used, in order not to delay the proceedings of the House, I shall conclude my remarks and reserve the remainder of my time.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this bill was considered by the Committee on the Judiciary, of which I happen to be a member, and a rule was granted by the Committee on Rules, of which I also am a member. The members of the subcommittee who held the hearings underderstand the bill better than I do and can explain it much better than I can. Mr. Speaker, I do not have any requests for time on the rule on this side.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution

The resolution was agreed to.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GWYNNE of Iowa. Mr. Speaker, reserving the right to object, I believe nothing will be gained by that. There is opposition to the bill.

Mr. WALTER. Mr. Speaker, I withdraw the request.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5234, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WALTER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I do not think any resolution considered by the Committee on the Judiciary has had as widespread interest shown in it as the Bolton bill. This legislation is recommended by civic groups, law-enforcement groups, the Army, the Navy, all of our military authorities, because for the first time public-spirited people have had the courage to talk about what heretofore has been unmentionable, namely, venereal diseases and prostitution and the control of them.

I want to take this opportunity to congratulate the gentlewoman from Ohio [Mrs. BOLTON] for her vision in attempting to keep in motion those steps which have been so successful in combatting prostitution and venereal diseases.

This morning I received a letter from the mayor of the city of Peoria, Ill., which in my judgment sums up the attitude of public officials throughout the Nation. It is one of literally dozens of similar letters that our committee has received. Because it is the latest one and, as I said, sums up the situation pretty well, I want to read it to the committee:

> Peoria was a wide-open city as far as prostitution was concerned just a year ago. In this past year, we have accomplished a great deal. The staff from the Chicago office of the Social Protection Division has been most helpful in assisting with information and guidance.
>
> I am informed that the bill for the continuation of the division may come before the House of Representatives on Monday or Tuesday From the experience which we have had here, I would consider it advantageous to the country to have this agency continue its activities If this letter can be of any assistance, please feel free to make use of it
>
> Sincerely yours,
>
> CARL O TRIEBEL,
> *Mayor.*

Mr. Chairman, I wonder how many other local officials are today worrying because of the possibility that Congress will suddenly stop those activities that have meant so much to the future of America. Of course, there are those who argue that matters of prostitution are purely local matters. The bill detracts in no way from the responsibility or autonomy of local communities. By collecting and passing on information about successful techniques social-protection representatives provide important and valued assistance to local officials. Through this cooperative effort prostitution was eliminated from 700 cities during the war.

I yield to no one in my desire to see that the political subdivisions of our States perform their usual and normal activities, but there are cases where guidance is needed, there are cases where a centralized service points up those measures which are tried and found best suited to meet purely local situations. This bill provides such a service.

I do not believe it is necessary for me to call to the Committee's attention the names of those groups that have enthusiastically supported this measure; suffice to say that the Committee is in receipt of letters from the governors of practically every State in the Nation, all of them interested in retaining the powers that they should exercise, none of them willing to surrender any of those powers to the Central Government, but significantly enough in this Nation-wide program they are enthusiastically endorsing this bill and desire to receive the service which it makes available.

True it is that there are white-slave laws, and the Mann Act meets a phase of this situation. Prostitution of itself, however, is not the kind of thing that can be dealt with under the usual laws, and it seems to me that we can ill afford suddenly to remove the activity which has gone such a long way and has made such a great contribution to the stamping out of this major cause of venereal disease; and I trust that the House will permit this activity to continue.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, on January 24 of this year, I introduced H R. 5234, a bill to authorize the Federal Security Administration to assist the States in matters relating to social protection, and for other purposes. On June 17 this bill was committed to this Committee of the Whole House on the State of the Union and ordered to be printed. On June 26 the Rules Committee granted a rule—House Resolution 686—which was filed on June 28. Recognizing the grave nature of the problems that are always the aftermath of war and desirous of doing all possible to protect our youth from a floodtide of underground as well as blatantly open vice in which prostitution plays so large a role, the leadership has called this bill to the floor.

May I take this opportunity to express to the distinguished gentleman from Massachusetts [Mr. MCCORMACK] and to those closely associated with him the appreciation of all Americans most concerned with young people, the influences brought to bear upon them and the temptations facing them in a postwar period. Indeed, I would like to take another moment to say to the members of the Committee on Rules a sincere word of thanks in recognition of their part in the progress of this bill from January 24 until this moment. Most of all do I want to thank the gentleman from Pennsylvania [Mr. WALTER] for his continuing determination to see to it that this Congress have presented to it for passage this exceedingly important piece of legislation.

The Judiciary subcommittee, of which the gentleman from Pennsylvania [Mr.

WALTER] is chairman, heard full testimony, not only from eminent citizens but also from police chiefs, sheriffs, welfare workers, medical men, and so forth, interested in having the waiting vice industry know that Uncle Sam is not going to turn his back now the fighting war is said to be over and close his eyes to their return to power. On the strength of this evidence the subcommittee reported it to the full committee, which, in its turn, considered it of vital importance and reported it out. We now have it before us for passage

The purpose of the bill is to enable the Social Protection Division to continue its purely technical, informational, and advisory services to States, communities, and local organizations in a continuing fight on prostitution and sex delinquency, which inevitably result in venereal disease, corruption in both high and low places, adult crime, and juvenile delinquency. The issue which the bill presents is whether the gains of the last few years in this fight are to be consolidated and extended now while organized vice is still not fully reestablished, or whether our efforts are to be suspended, prostitution is to become reintrenched, and we are to leave to some future time the necessity and responsibility for starting again the fight against this enemy of youth and civic decency.

One of the most important contributions of the Federal Government during the war in this field of social protection has been its ability to assist the States and others to foster cooperation among the community law-enforcement, welfare, and other related public and private agencies and groups. No doubt was left at the hearings that many great steps forward, which would never have been attempted even without Federal advice and assistance, were accomplished by these agencies and groups working together. That these should be continued through this period of confusion would seem not only advisable, but imperative.

During the fighting war the Social Protection Division of the Federal Security Agency upon request collaborated with the armed forces and the States. Again upon special request from appropriate State officials they cooperated with local agencies in suppressing prostitution, particularly in areas surrounding military establishments. Progress was also made, with Federal cooperation and aid, in the elimination of conditions contributing to sex delinquency and in the rehabilitation of sex delinquents. Unfortunately, ample evidence is already available to show that these conditions are beginning, and will continue, to increase.

A hopeful note in the dark picture is that we now know that contrary to what has been heretofore thought true girls who have subjected themselves to the trade are not hopeless but that a goodly percentage of them can be returned to clean living. If we are to continue the progress we made during the war toward the rehabilitation of these wayward boys and girls, the enactment of H. R. 5234 under which the Federal Government could continue to render assistance to the States and other interested units and agencies in accomplishing this important rehabilitation, is essential.

It has been said that the war being over Federal intrusion into the States must come to an end. The war emergency has not been declared over, Mr. Chairman, indeed, war conditions in this important field have but recently been reemphasized by the extension of Public Law 163, the wartime antiprostitution law, giving the Army continued jurisdiction for the suppression of prostitution within camp areas. It is my understanding that the Army problem is being made more difficult by the lessening of controls in the towns outside of these camp areas.

Those of us who follow these matters as part of our daily responsibilities have been deeply concerned as we have seen the reopening of some 50 of the vice centers closed by the combined efforts of the States and the Federal Security Agency. We have known that shady real estate dealers have not disposed of closed resorts, that questionable beer halls, roadhouses, and so forth, which have merely changed the nature of the activity in their upper rooms for the war, are waiting for the failure of passage of H R 5234 to open up at full swing. This gives us much concern, Mr. Chairman. War conditions are not over—and postwar demoralizations are building in with strength. Assurance that the Federal agencies are still to be reckoned with will be a strong bulwark against this tide.

I am in complete agreement with those distinguished gentlemen who feel that this is a moment when we should make every effort to return to the several States responsibilities taken over by the Federal Government I am one of those who feels strongly the need of putting an end to the federalizing program, to the intrusion of Federal controls into areas of State and local responsibility. But withdrawals of Federal assistance must be timed carefully lest State unpreparedness lose every gain the mutual cooperation has made. The work of the Social Protection Division of the Federal Security Agency is an outstanding example of a Federal activity which assists and supports State and local government without in any way encroaching upon them. The operation of this Division includes the collection and passing on of successful experiences: the development of recommended standards in cooperation with leading operators in the fields of health, jurisprudence, and law enforcement. It includes work with national, professional, trade, and membership organizations which assures increased support for local officials. It gives the bit of moral support for local efforts which often turns defeat into victory. Its continuance for just a little while is of great importance.

Another effort we as Members of this House are making is to decrease Government expenditure, which we must do without being penny wise and pound foolish. It has been estimated that only $460,000 will be required to continue this program. I am convinced, Mr. Chairman, that withdrawal of this Federal assistance would not be an economy, rather would it put upon both local and Federal agencies an increased burden of costs for caring for the resulting venereal spread greater than the amount saved. To discontinue this Federal encouragement of and help to local agencies struggling with the overwhelming problems of a war and postwar period at this moment, would be tragic in the extreme. To give the prostitution industry with all its subsidiaries the green light would be as uneconomic action as this body could possibly take. In addition to health costs, there would be an equal if not a greater amount involved in the apprehension, care, and correction of increased numbers of sex delinquents, nor is there any way of measuring the human costs of broken and degraded youth, as well as the tragic aftermaths to oncoming generations.

Mr. Chairman, it is my earnest hope that this House will recognize the vital factors involved in this legislation and declare itself unequivocally against the most vicious of all industries—that which lives upon the demoralization of our youth, the traffic in women, the lowering of all standards of human living.

For the protection of our homes and for the future of America I ask the passage of this bill.

Mr. CURTIS. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Nebraska.

Mr. CURTIS. I have studied the proposal now before the House offered by the gentlewoman from Ohio, and I am sure that its objectives are very worth while, and for the record I would like to ask a question or two. Is it the intent that we relieve the States and their subdivisions of their moral and legal and financial responsibility in solving this problem?

Mrs. BOLTON. Not only is that not the case but we do not anticipate going, and, indeed, we never, as a Federal agency, go into any State except at the request of the State, and then only to bolster what is being done by the State.

Mr. CURTIS. The States and the cities and other municipalities understand that this is still their burden, and this is just added assistance to them?

Mrs BOLTON. Very definitely so.

Mr. WALTER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr Chairman, I do not profess to be an expert in this field; I suppose nobody would But I do know a little about the contrast between the situation of today and the situation of a few years ago in regard to the attitude of people toward the problem of venereal disease and toward some of the things that will and are being done about the matter.

I can remember very vividly the days when it was something that no one discussed in polite society; that nobody did anything about; that conditions that were created by the prevalence of venereal disease were "just too bad"; and that was about all there was to it. There is little doubt about the source whence came the primary impetus which awakened America to the dangers involved, and, above all, taught America that there was something that could be

done about it. The person and the agency more responsible for that than any other individual by far was the Surgeon General of the United States, Dr. Thomas Parran.

If I understand this bill correctly—and I want to be corrected if I do not—the passage of the bill will mean that any State or local community which wanted the cooperation of the Federal Security Agency in developing a program against venereal disease could call for that help. It would mean that the opportunity of the whole Nation to call upon the help of Dr. Thomas Parran and the Public Health Service would be definitely present and authorized in law by the Congress. I am impressed by not only the desirability but the good sense of such an arrangement.

There is no Member of the House for whom I have a higher respect than I do for the gentlewoman from Ohio [Mrs. BOLTON]. I think she has rendered an outstanding service in her term of service in this House, and I think she is doing so in bringing this bill before us.

I am deeply impressed by the list of organizations and people who are in support of this measure. It does not seem to me that they are a list of people who are in any way hostile to States' rights. It seems to me, on the other hand, they are a list of people who are concerned about the problem of venereal disease and want to see something done about it. Just at random I ran down the list of people that testified in support of the bill I find there the National Catholic Welfare Conference, the auxiliaries of the American Federation of Labor, the National Congress of Parents and Teachers, the American Social Hygiene Association, the General Federation of Women's Clubs, and the Surgeon General of the United States Navy. There are two full pages of people of equal standing and importance, representing the whole gamut of our national life, who say that they are in favor of this bill.

The fact of the matter is, of course, that unless you have a Nation-wide drive on this matter, unless you have a wide dissemination of knowledge, unless, in a nutshell, the work of Dr. Parran is carried on in every nook and cranny of this Nation, you are going to continue to have the problems that have beset and plagued this Nation for a long time.

Thankful we may be that these conditions have never become as serious in the United States as they have in certain other countries of the world, but the reason they have not become so serious is precisely because of the effort that has been made to stop them. As I said in the beginning, that effort has stemmed more from the office of the Surgeon General than any place else. It seems to me it would be utterly illogical for the Congress to fail to put its stamp of approval upon that assistance, guidance, and cooperation with local agencies that this bill will afford.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from New Jersey.

Mr. MATHEWS. I am in hearty accord, as is the gentleman from California, with eliminating or preventing sex delinquency and the spread of venereal disease; but there is one question I should like to ask. On page 2 of the bill, line 10, it reads "and providing services for the rehabilitation of sex delinquents." Will the gentleman tell me how much that will cost and how far it will go?

Mr. VOORHIS of California. No; I am sorry I cannot answer that question. I doubt that anybody could answer it. But the cost would not be to the Federal Government at all. I call the gentleman's attention to the fact that this section provides for assistance from the Federal Security Agency to nongovernmental organizations in trying to help those private organizations to develop programs for the purpose which the gentleman indicates. It is my understanding, under those circumstances—and I should like to ask the gentlewoman from Ohio and the gentleman from Pennsylvania [Mr. WALTER] if I am correct in this assumption—that this assistance will not involve Federal expenditure, except for advice and counsel, that since it is private organizations that are concerned here, the entire expense of carrying out whatever program is agreed upon will be borne by those private organizations. Is not that right?

Mr. WALTER Yes; that is correct.

Mr. MATHEWS. That is satisfactory.

Mr SMITH of Ohio Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio Will the gentleman define the term "sex delinquency"?

Mr. VOORHIS of California. I will say to the gentleman from Ohio that he is a physician himself and I think he could define that term better than I. I have been a school teacher a good deal of my life. I have raised a good many boys I am thankful to say that that problem has never been serious among the particular group of young men with whom I have been associated Certainly the results of sex delinquency are altogether easy to see, are they not?

Mr. SMITH of Ohio. I know. But what is sex delinquency? We ought to know. What does the gentleman mean by that, people who have venereal diseases?

Mr. VOORHIS of California. Not necessarily, as the gentleman very well knows.

Mr. SMITH of Ohio. People who engage in illicit sexual intercourse? Is that what the gentleman means?

Mr. VOORHIS of California. I should think that would probably be what the bill meant, yes.

Mr. SMITH of Ohio. This advice is to be given along that line, to prevent people from engaging in those illicit practices?

Mr. VOORHIS of California. The advice and counsel is to be given to local governments and nongovernmental bodies. It is to be given to such local groups to enable them to carry on effectively a program to discourage that sort of thing, to prevent it from happening to the extent possible, and to take care of its ill effects if it does happen. It seems to me it is quite evident what the bill is trying to do in that respect.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am not for this bill and before we vote on it I would like the Committee to know exactly what is involved. This is not an attempt to control venereal disease throughout the country. We already embarked upon that program some time ago, and I believe we are now making appropriations for that purpose. The Federal Government some time ago in its desire to aid local communities in the control of vice so far as great organized rings are concerned passed the Mann Act. It is true that the law was broad enough as interpreted by the Supreme Court to cover the transportation of any person across State lines for any kind of immoral purposes. However, the Department of Justice realizing that much of this should be left to local communities has never attempted to enforce that law except in cases where there was a definite showing that a commercial ring was in operation.

This bill provides for the creation of another bureau at a time when we do not need any more bureaus. We should be reducing rather than creating bureaus. The program contemplates, and the bill which passed the Senate has the provision written in it, I believe, for an authorization of $700,000 for the first year. I appreciate that that is not a large amount of money, judging from the way we appropriate money here, but you may be sure that this will grow. Now, what does this proposal come from? During the war we did create an organization which was set up by Executive order to protect morals around Army camps and places where young people were brought together in war work. As to whether or not they did a good work I am not prepared to say. This is an attempt to perpetuate that organization and to take over work which has heretofore been thought to be and which is under the Constitution the sole responsibility of the local communities. I maintain this bill is unnecessary. I have had some experience as a prosecuting attorney and I would like to tell you what can be done in my own State to stamp out prostitution. We have laws imposing criminal penalties for such acts. We have an injunction law. Injunctions may be secured to close up houses where prostitution is engaged in. We may assess heavy taxes against property used for that purpose. The Federal Government has no authority under the Constitution to come into your local community and attempt to clean up your community. If they had any authority, it would be because your State gives it to them under some grant-in-aid program. Of course, I agree with those who tell you about the evils of prostitution and sex delinquency. I agree that every effort should be made to stamp it out. But should it not be done by the local people who can attend to it so much better?

The more the communities or States undertake to put their problems off onto the Federal Government, the worse the result is going to be. I, for one, refuse to

say that in my home town of Waterloo, Iowa, we have fallen so low that we cannot go into the courts and stamp out prostitution without the aid of any advice from the Federal Government. You may be sure there never would have been a bill here if it had not been for the fact that a bureau was built up during wartime, which may have been justified, but the principal support for the bill and the motivating forces back of this bill come from the people who have already built up this Bureau and who wish now to see that it is maintained. How much further are we going in this sort of thing?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GWYNNE] has expired.

Mr. SPRINGER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. GWYNNE of Iowa. If the local communities wish to turn over to the Federal Government their powers and their responsibilities in things of this sort, how much further shall we go? How about disturbing the public peace? How about parking problems? Are we going to confess our inability to handle those things locally, and ask the Federal Government to come in? The great issue before this country, it seems to me, is to reduce bureaucracy, not to add to it. Let the Federal Government look after its responsibility given to it in the Constitution and let the local communities look after those things that were given to the local communities under the Constitution.

I appreciate the fact that this is one of those bills that appeals to many people. I know you can go to groups and get them to endorse it, not understanding the full implications of it. But I think it is our duty, at least I construe it to be my duty, to advise the people that this is another opening wedge to creating a new bureau that will not only be useless but which will eventually hinder law enforcement as now being accomplished by the local communities and by the States.

I yield back the remainder of my time, Mr. Chairman.

Mr. KEEFE. Mr. Chairman, a point of order. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and ten Members are present, a quorum.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER].

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes.

Mr. SPRINGER. Mr. Chairman, the pending bill is another attempt to set up an agency to supervise activities in our own States and in our own local communities. The question of preventing prostitution, the question of eliminating conditions which lead to sex delinquency, is certainly not a national problem. It is a community problem.

I have had some experience in these and kindred matters because I served one term of 6 years on the bench. We have our judges; we have our prosecuting attorneys; we have our city health officers; we have our county and State health officers; we have our attendance officers and our welfare boards, our boards of children guardians, and these are now handling the problems here involved.

We also have police officers; and all of these officers are working to the same end that is here proposed. They are in the local communities; they see and know what is happening there. They are handling these problems in the local communities; that is their job. And now to slap the local officers in the face, which would occur if a bill of this kind should be passed, because it means that we will have an additional group of people going into the local communities, we will have snoopers looking and hunting around, all at the cost and expense of the people who live in these communities; and the people who are controlling those things will have to pay the bill, and their control is perhaps more efficient than the control will be if this bill passes.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend from Pennsylvania, a member of the Judiciary Committee.

Mr. WALTER. Certainly the gentleman from Indiana would not think that his Governor would be in favor of unloosing the kind of snoopers he talks about. The Governor of the gentleman's State wrote under date of February 4 to the Administrator of the Federal Security Agency assuring him of the continued interest and cooperation of the officials of the State of Indiana in this program.

Mr. SPRINGER. Of course, he would show his continued interest; he would not do otherwise; but in the State of Indiana we have State health officers, with a great group of people in that department, and then we have the officers in the cities and the counties. All of those are still functioning; yet today we are seeking to set up an additional group that would go out in the local communities and embarrass the people who are trying to do the very things that are mentioned in this particular legislation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. AUGUST H. ANDRESEN. I am inclined to agree with the gentleman in his interpretation of the bill because I can see that if this is passed it becomes a national problem.

Mr. SPRINGER. May I say to the gentleman from Minnesota, that the Senate has already provided a fund of $700,000 to set up this agency for the first year. This would merely be another agency or bureau; yet the people are now bowed down with the cost and expense of bureaus, boards, and agencies at this particular moment. We do not need this legislation. The Public Health Service now has the power, the funds, and it is rendering the same service that would be rendered if this measure should pass.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Pennsylvania, a member of the Judiciary Committee.

Mr. GRAHAM. It is my understanding that in the Commonwealth of Pennsylvania we have about 31,000 State employees but over 241,000 Federal employees. Can the gentleman tell me how many more Federal employees will be installed in the State of Pennsylvania to help us enforce our local laws?

Mr. SPRINGER. I cannot of course answer that question, but I may say to the gentleman that it will add a number of additional employees who will go into the State of Pennsylvania and who will go about directing what your officers who are now handling these matters should do.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WALTER. I yield the gentleman from Indiana 2 minutes.

Mr. SPRINGER. I yield to my friend from Pennsylvania.

Mr. WALTER. The gentleman from Pennsylvania [Mr. GRAHAM] wanted to know how many employees of the Federal Government would be added. I may say that none will be added. No new agency will be created under this legislation. The only time this agency will function in the State of Pennsylvania will be if and when the Governor requests that it take some action.

Mr. SPRINGER. But may I say to my friend from Pennsylvania that the Senate has set up $700,000 for the first year of operation of the group which is provided under this piece of legislation. That is an additional burden upon our taxpayers, for a service which is not needed, and which would be a positive duplication.

May I say further that in our States and in our local communities we have laws which provide penalties for the maintenance and operation of houses of prostitution; we have laws which provide penalties against associating with prostitutes; we have laws which provide penalties for the operation of houses of assignation, and we have white-slave laws; and these are all laws with penalty provisions consisting of both a fine and imprisonment. The local officers have the duty of enforcing these laws. They are doing that now. This legislation will not aid in any respect in solving these problems. Every community is combatting this situation and each one is combatting the question of vice. You can pass all the laws you want, all of the laws of the character of this one now before the House, and you will never stop it by law. When it is stopped, when it is prevented, the local officers in the local community will accomplish that result.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, this is not a new matter. There was established in the Federal Security Agency during the war a division which had two parts. One was known as the Division of Community War Services and the other was known as the Division of Social Protection. The Division of Community War Services was eliminated at the conclusion of the war. The other Division of Social Protection was eliminated from the appropriation this year.

The Appropriations Committee of the House did not make an appropriation for this function because there was no authority in law for it. It was operating

theretofore purely under Executive order. The Senate restored the requested appropriation when the appropriation bill went over there, providing some $400,000 to continue this social protection organization. When the matter went to conference, the Senate conferees receded and the other body has approved their action.

This bill proposes to make permanent the Division of Social Protection. The gentleman from Pennsylvania has stated that it does not add any more employees. It will add whatever employees the authority under this bill permits an appropriation to be made for, may I say to him At the present time it is very doubtful that there is any legal authority unless you indulge in a tortured interpretation of the May Act for any appropriation for this purpose

Mr Chairman, if this bill is passed we are creating a Federal agency to administer the functions set forth under this law, which means that the Federal Government not only can go into your State and mine at the request of the Governor or the local officials but it may do so very clearly under the provisions of this bill as found in lines 7 and 8 on their own initiative. The bill would be impotent in my opinion, unless it did permit that because that is the way in which they are operating at the present time.

Mr. Chairman, I am just as much against sin as any one else and I am just as much in favor of controlling the ravages of venereal disease as anybody in this House. I want you to know, however, that your Subcommittee on Appropriations that has been dealing with this subject for a long time has very diligently protected the Federal-State relationship in the matter of administering funds under the authority of the Public Health Service in connection with the stamping out of venereal disease The Federal Public Health Service is making an allocation of millions of dollars to the States throughout this Nation to be expended not by the United States Public Health in the first instance but to be expended by the States themselves and the State public health services under regulations provided by the United States Public Health Service. That is a wonderful relationship. We are spending millions and millions and millions of dollars in research in this field and we are spending this money in the form of grants to the States so that they can, in cooperation with the Federal Government, control the venereal-disease problem. But we went one step further than that this year.

You will recall that during the war as an aid to the war effort the States, using the funds provided by the Federal Government, established certain rapid treatment venereal-control centers. Those were State operations but the funds were furnished largely by the Federal Government.

This year it looked as though those venereal-disease-control centers would have to close because of the lack of funds. In the bill which you passed a few days ago, providing funds for the Federal Security Agency, the United States Public Health Service takes over all of the operation of these rapid-treatment centers throughout the country.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WALTER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. KEEFE. They have taken over all these rapid-treatment centers, may I say to the distinguished gentleman from Pennsylvania, whom I thank for this additional time, and the Federal Government is conducting these rapid-treatment centers now so that we will be able to administer the treatment that is provided in the venereal-disease-control program.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman think, in view of the experience that the Public Health Service has had or the knowledge that it has gained as the result of the medicinal side of this problem, that it would be well to make funds available so that the information thus gained can be disseminated throughout the Nation?

Mr. KEEFE. May I say to the distinguished gentleman, I know what he probably will say, because I have discussed this matter at length with the officials of the Public Health Service. They have always approved this program. Dr. Parran has approved it. He naturally would. He is part of the United States Public Health Service. But does not the gentleman know that much of the research into the field of venereal disease control is now being carried on by the United States Public Health Service, and that every discovery and every bit of knowledge or information that they have under the program as it is now set up, is conveyed to the States by the Public Health Service and placed in the hands of the State health authorities as they may be set up in the various States?

If you take this step, it seems to me you are inviting the establishment of another bureau to go into the question as to whether or not sale and drinking of alcoholic liquor is a contribution to the delinquency that is alleged to exist in the country. Why not set up a Bureau to go in and examine gambling as a contribution? It seems to me that we are embarking on a very broad field. The problems arising out of prostitution, gambling, or any of the many things that contribute to delinquency are reserved for State and local control. At this time all punitive action in these fields is in local hands except for violation of the Mann Act. I do not think that the Federal Government should enter this field beyond the work now being done by the Public Health Service in its splendid relationship with the State agencies. The appeals that have properly been made against prostitution, and so forth, ought properly to be addressed to State and local officials who have the exclusive power to act. I cannot support legislation transferring a strictly war function into a permanent agency of Government.

Mr. WALTER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. GRAHAM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After a counting.] One hundred and one Members are present, a quorum.

Mr. SUMNERS of Texas. Mr. Chairman, this proposed legislation to have the Federal Government extend itself into the State and local governmental structure of our system is far more important than is the importance which arises out of the particular matter with which it deals and the method of its dealing. We all have very much appreciation for the distinguished Member who introduced this bill, and the fine motive which prompted its introduction. However, if I understand our system of Government, it is by this process that we are destroying our system of Government. We propose to have an agency of the Federal Government going into communities of the States dealing with a matter that it seems to me is clearly within the governmental capacity of the States and of their communties. It is just another one of the extensions of Federal responsibilities relieving the citizen of the States and communities of their present exclusiveness of responsibility dealing with a condition in their own territory. It is another instance of our putting the Federal Government and the United States to work at the same governmental job, with the extra burden upon the taxpayers of two sets of public officials—another movement toward centralizing governmental power in Washington.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. The Constitution reserved to the States the right of public health and police protection. Are we not invading the rights of the States in passing this legislation?

Mr. SUMNERS of Texas. Of course, I should like to state it this way: It is not the right of the State to do these things within their capacity that is of primary importance. The thing of primary importance is the necessity of the State and the necessity of the local communities to do the things within their governmental capacity if we are to preserve enough capacity on the part of the private citizens to maintain a democratic system of government. We know by actual experience that when the Federal Government moves in there is the tendency of the States and communities to ease up. Unless I am mistaken—and I give it to you for whatever it is worth—this magnifying the Federal Government, this concentrating of power in Washington, where it operates from the top down, is the most destructive influence that can operate in a democracy, because a democracy is an association of private people engaged in the common enterprise of governing themselves. If they cannot take care of problems like this in their communities and in the States, then they

have lost the capacity to maintain a system of democratic government. That is the first proposition, and relieving them of the necessity to do a thing is the way to destroy that capacity to do it. When the people are relieved of the necessity to do a thing, the tendency is for them to quit doing it; and as they quit doing it, they lose the power to do it.

The basic philosophy that governs in a democratic system of government is expressed in the old fable of the larks. The bird's nest was in a wheat field. The wheat was getting ripe. The mother bird said to the little birds, "Tell me tonight what you hear today." The little birds reported that the farmer and his sons came out and said, "This wheat is getting ripe. We are going to invite our friends to help us harvest it." The old bird said, "We don't have to go yet." They came the next night and reported that the farmer had said he was going to invite his kinfolk to help him. The old bird said, "We don't have to go yet." The next day they reported that the farmer said, "Our neighbors have failed us, our kinfolk have failed us, we are going to cut this grain ourselves." The old lark said, "It is time to get out."

When are the American people in these communities going to quit hollering for Uncle Sam? These governors that are crying out for Uncle Sam to help do things within the capacity of the State are a disgrace to the sovereign States. What we need is a people fit to govern, willing to take care of their jobs. When some problem arises, in the goodness of God Almighty to make them do something, to develop their governmental muscles by governing and thereby increase their capacity to govern, we call in Uncle Sam and Uncle Sam increases his official personnel, increases the tax burden, the people decrease their governmental capacity, the States reduce their sovereignty, and we move toward the absorption of all primary governmental power in the Federal organization. What we need is for the people themselves to do the job in their communities and regain their self-respect and self-confidence and their love for liberty and the pride of individual citizenship. That is what we need. We need to have the Federal Government attend to the Federal business and the State governments attend to the State business, instead of moving governmental power and responsibility away from the States and communities into this great overloaded, unwieldly, confused Federal governmental organization.

Mr. SPRINGER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, with all possible respect for my colleague the gentlewoman from Ohio [Mrs. BOLTON], whose name is on this bill, I must oppose it.

I fear this may be going just a little too far. It would virtually make the Federal Security Administrator adviser to and censor of the grown-ups and adolescents of this country in all matters pertaining to sex life.

The bill provides that the Federal Security Administrator is authorized to collect and publish information to assist the States and their political subdivisions to develop and carry out in nonmilitary as well as military areas, measures designed to prevent prostitution, eliminate "conditions contributing to sex delinquency, and provide services for the rehabilitation of sex delinquents; and to foster cooperation in communities between law enforcement, welfare, and other public and private activities for the purpose of preventing prostitution, eliminating conditions contributing to sex delinquency, and providing services for the rehabilitation of sex delinquents."

The bill does not define the term "sex delinquency." This could relate to matters that come within the scope of criminal acts, violations of statutes pertaining to prostitution, and so forth. Those matters are already taken care of by the States and the local governments.

But the term "sex delinquency" could also be interpreted as having reference to deeds that lie wholly outside the realm of criminal acts. It could be made to cover all abnormal sexual relations, all sex perversions.

The many and varied abnormal sexual practices that the genus homo indulges in, with comparatively few exceptions, are carried out in the most secretive manner. I think this is generally understood by the laity. Certainly any physician who has had much experience in the practice of medicine knows how impossible it would be to do anything about this matter.

The Federal Government has already departed from the true principles of government to such an extent that it will be very difficult to restore it to the position where it really belongs. We have Federal agencies interfering with and regulating the affairs of almost all of our activities. But I repeat, when the Government undertakes to do what is proposed in this measure, I earnestly feel that we should call a halt. I believe the less we think of things of this kind and the more we attend to the business that we are sent here to perform, the better it will be for our country.

Mr. WALTER. Mr. Chairman, I yield myself 2 minutes and I do so only for the purpose of clarifying some of the misstatements that have been made in the debate. I am sure that the gentleman from Ohio, Dr. SMITH, has missed entirely the purpose of this legislation. Certainly the Committee on the Judiciary is not attempting to legislate in the fields that he has indicated. What this bill does in a word is to combine all of the activities and the agencies engaged in the dissemination of valuable information. There is no invasion of the rights of the States. There is nothing here that could possibly be construed as affecting the police powers of the States. As a matter of fact, the Federal Government never takes any action under the provisions of this measure until requested to do so by communities that feel that the great amount of knowledge acquired by those Federal agencies ought to be made available for a particular community. Certainly the only way that we can possibly make any headway in the fight against the things that we hope by this bill to eradicate ultimately is through an enlightened people, and it certainly seems to me that in view of the experience that my friend the gentleman from Wisconsin [Mr. KEEFE] has so well described, we ought to make available for every community in the United States the tremendous amount of very valuable information the Public Health Service and other interested agencies have acquired.

Mr. SPRINGER. Mr. Chairman, I yield myself 1 minute.

May I say, Mr. Chairman, I agree entirely with the statement which was just made by the distinguished gentleman from Texas [Mr. SUMNERS] that when you take away the power to determine what shall be done with respect to matters of this particular character, then you cause law-enforcement officers to become careless and lax in their effort to carry out their duties. In every community the judges, prosecutors, city health officers, county health officers, and police officers are all cooperating fully to stop the various things which are especially mentioned in this particular legislation. If, by this act, we slap those officers—because that is just what this legislation will do—then we are treading upon the duties and responsibilities which devolve upon those officers who represent the communities and the States. Let the States continue to assume their governmental responsibilities.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk read as follows:

Be it enacted, That the Federal Security Administrator, through such officers or employees or units of the Federal Security Agency as he may designate, is authorized, by means of technical and professional advisory services and the collection and publication of information, to assist the several States and, through or at the request of appropriate State officials of the respective States, their political subdivisions, and to assist nongovernmental organizations (a) to develop and carry out, particularly in areas where such measures are of importance to military or naval personnel, measures designed to prevent prostitution, eliminate conditions contributing to sex delinquency, and provide services for the rehabilitation of sex delinquents; and (b) to foster cooperation in communities between law enforcement, welfare, and other public and private activities for the purpose of preventing prostitution, eliminating conditions contributing to sex delinquency, and providing services for the rehabilitation of sex delinquents.

Mr. KEEFE. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. KEEFE moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. KEEFE. Mr. Chairman, this bill has been quite thoroughly explained, and the distinguished gentleman from Texas [Mr. SUMNERS] has indicated his opposition to this bill, because of its interference with the proper State-Federal relationship.

May I say to you now what I wanted to say a few moments ago? If the arguments for this bill are sound, that it is an attempt to set up a Federal agency that will disseminate information to the various States and to communities and to nonpolitical organizations with re-

spect to venereal diseases as they affect juvenile delinquency, we may properly expect that there will be another program urged by which we may set up a bureau to disseminate information to the various States of the Union as to the terrors of alcoholism, and another bureau set up to disseminate information as to the contribution that gambling is making to the curse of juvenile delinquency.

Now, as a matter of fact, it seems to me that the argument which was made by the distinguished gentleman from Pennsylvania [Mr. WALTER] is an anomalous one, because this Congress is appropriating millions of dollars to the United States Public Health Service now. For what purpose? To make all of the research into this field that is possible, and to disseminate that information to the States. Not only that, but to appropriate money in the form of grants to all of the State public-health services so they may carry out under State auspices the recommendations of the United States Public Health Service.

Here we have an agency that is proposed to be set up. For what? Are they going to duplicate the work of the United States Public Health Service? I know what the evidence showed before the subcommittee on which I have the honor of serving, the subcommittee that has appropriated the money heretofore that this agency has spent. I know what that evidence showed I know that representatives of the social protection bureau go to places hundreds of miles removed from any military establishment, and actually make secret investigations. Later they may talk to enforcement authorities or to civic clubs, and so forth. Generally, they discover nothing that is not known to local authority. I agree it is stimulating to have the information. After all, however, it is a problem for the State and local authorities. Local public opinion will force action and if it does not then the agents of the bureau from Washington, who have no authority, will not force authorities to act. That is a local problem. Any time the sheriff of any county wants to take action he is armed with State law that will not only permit the arrest of anybody engaging in prostitution and send them to jail for a year, but he can padlock the building in which they operated. I did both those things when I had the honor of being prosecuting attorney in my county; and every man in the House who comes from the States of this union knows that that is a local problem. I had no trouble in closing such places. We are not going to go out to the State of Nevada and tell the people of Nevada that they are wrong in legalizing gambling. Are you going out to Illinois and tell the people of Illinois that they are contributing to juvenile delinquency by permitting gambling on horse races when my State does not permit gambling of that character?

Where is this thing going to end? We established it as a war measure. If you authorize it now you are setting up a permanent agency of Government and taking a step in the direction that the distinguished gentleman from Texas abhors. This is a chance to prove by your vote that you intend to practice economy in the affairs of Government.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. BOLTON Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, the distinguished gentleman from Wisconsin [Mr. KEEFE] insists in no uncertain terms that the war is over. May I remind the gentleman that we have voted on no motion in this House nor has any declaration been made by the President of the United States indicating that the war emergency is over.

My interest in these influences to which our youth and our adult population as well is subjected is not new. When I was a young woman I worked as a volunteer with the Visiting Nurses of Cleveland, I came in direct contact and had to cope with the results of postitution, brothels, and "houses" of all kinds. During the intervening years my interest in youth has kept me in very close contact with these tragic matters. 'I have watched the industry flourish and grow in strength with a sad heart. I have watched the youth of this country exposed to an increasing amount of this form of temptation with growing anxiety.

This is a vital moment. Organized vice of every sort awaits the signal at the crossroads. Is it to be the green light or the stop signal?

Objection has been made to the measure on the basis that it fastens upon the States additional Federal controls. May I say to those who hold this view that it is this immediate moment that is of such vital importance, that will hold the line against the reopening of these centers of vice. Failure to act will be interpreted as giving congressional sanction to "open cities."

This body will be doing itself and the people that it represents an incalculable wrong if it agrees to this preferential motion. It is inconceivable to me that men should not see clearly the point that is involved. I am astonished and very much disheartened, Mr. Chairman, because the bill is designed to protect the youth of this country and this youth is the riches of our country, it is our future, and this House should stand foursquare to continue this small, but vitally important, assistance to the States during this period of confusion and reorganization in which we now are, before all the difficult results of war begin to make themselves felt. Are we not going to continue to give protection to our young, to the decencies of living in the confusions of readjustment?

Mr. Chairman, the pending preferential motion should be voted down.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Wisconsin [Mr. KEEFE].

The question was taken; and on a division (demanded by Mrs. BOLTON) there were—ayes 62, noes 41.

Mr. WALTER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WALTER and Mr. KEEFE.

The Committee again divided; and the tellers reported that there were—ayes 67, noes 53.

So the motion was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes, had directed him to report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. WALTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RETIREMENT OF GOVERNMENT OFFICERS AND EMPLOYEES

Mr. JOHN J. DELANEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 709

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 25 years of service. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JOHN J. DELANEY. Mr. Speaker, I yield one-half of the time to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, the purpose of this bill is to provide relief for those men who have been 25 years or more in the navy yards and arsenals around the country and who have been disassociated from the Government service. These men have rendered valued service to the Government in the production of torpedoes and ammunition. They are men 55 or 60 years old. They cannot secure employment in private concerns because these concerns are not producing war material. There is not much more to explain about the resolution.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. JOHN J. DELANEY. I yield to the gentleman from California.

Mr. JOHNSON of California. How does this bill change the existing condition of the navy yard men?

Mr. JOHN J. DELANEY. That will be brought out in general debate after the rule is adopted.

Mr. SASSCER. Mr. Speaker, will the gentleman yield?

Mr. JOHN J. DELANEY. I yield to the gentleman from Maryland.

Mr. SASSCER. Does this apply to only one navy yard or to all navy yards?

Mr. JOHN J. DELANEY. All navy yards. We cannot single out one particular navy yard and apply this law to it. The law must be general in scope.

Mr. JOHN J. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Speaker, I hope this legislation, H. R. 4718, will be enacted. There is an extremely unstable work program in the established navy yards and powder factories. I am daily experiencing this, as I am constantly being contacted by employees of the naval gun factory here in Washington and the naval powder factory at Indian Head, Md., who are now being laid off after years of faithful service, which in most instances reached in continuity over a number of years prior to this war. I think it is unfortunate that the policy has been formed of channeling so much of the work that could be performed at these old established installations into the new factories that were started up just for war purposes. In the installations that were running for many years before the war we have trained and experienced workmen, and in many instances these employees own their homes and have local ties, and it would make it impossible for them to move to the distant factories, even though employment would be available there. The passage of this legislation permitting the retirement benefits after 25 years' service will be a great help to those employees who have served 25 years and through no fault of their own were separated from the service.

Mr. JOHN J. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. D'ALESANDRO].

Mr. D'ALESANDRO. Mr. Speaker, on June 18, 1946, the Maryland Senators and Congressmen were petitioned to secure more work and a more stabilized work program for the navy yard employees. This bill, if enacted into law, will go a long way to aid the unfortunate individuals and their dependents who have or will be separated. In order to reduce the hardships and suffering during any transition period to an absolute minimum, remedial legislation is an absolute necessity, therefore the bill we are now discussing is of paramount importance and I urge the House for its immediate adoption.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this morning.

The SPEAKER pro tempore (Mr. GORE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MICHENER. Mr. Speaker, I have no requests for time on this side. Therefore, I hope that we may proceed in the Committee to discuss the bill.

Mr. JOHN J. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 4718) to provide optional retirement for Government officers and employees who have rendered at least 25 years of service, may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GORE). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc, That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is hereby amended by inserting after the first paragraph of subsection (d) a new subsection as follows:

"(e) Any officer or employee of the United States to whom this act applies who shall have been voluntarily or involuntarily separated from the service between August 14, 1945, and August 14, 1947, after having rendered at least 25 years of service computed under the provisions of section 5 hereof, shall be paid an annuity computed as provided in section 4 of this act."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) Any officer or employee to whom this act applies who, after having rendered at least 25 years of service computed as prescribed in section 5 of this act,

"'(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between August 14, 1945, and August 14, 1947; or

"'(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service or the first day of the month following the date of enactment of this subsection, whichever date is the later. Such annuity shall have a value equal to an annuity computed as provided in section 4 of this act reduced by one-sixth of 1 percent for each month (or fractional part thereof) any such officer or employee is (A) under the age of 60 years if he has rendered at least 30 years of service computed as prescribed in section 5 of this act, or (B) under the age of 62 years if he has rendered less than 30 years of service computed as prescribed in section 5 of this act.'"

Mr. RANDOLPH. Mr. Speaker, this legislation is reported unanimously from the Committee on the Civil Service. The gentleman from Kansas [Mr. REES] and perhaps other members on both the minority and majority sides of the committee may desire to be heard. I have no wish to go into an explanation of the measure. In view of the fact that our very distinguished colleague the gentleman from Rhode Island [Mr. FORAND] is on the floor and this being the bill that he has introduced and sponsored in cooperation with other Members, I am sure he is going to seek time. Therefore, Mr. Speaker, with the thought expressed on my part that the measure is meritorious and that this optional retirement bill which is presented does have merit, I yield back the balance of my time.

Mr. FORAND. Mr. Speaker, I move to strike out the last word.

Mr Speaker, I do not believe there is any opposition to this bill. In fact, I know there is no opposition to it. The bill has merit for the reason that as a result of cut-backs following the war many long-term employees of the Government have been displaced and have been separated involuntarily. The bill is a very short one. The amendment offered by the Committee on the Civil Service is a minor one. It changes slightly the bill as introduced. The bill makes eligible for immediate retirement those employees of the Government who have served at least 25 years in the civil service and through no fault of their own have been separated involuntarily or will be separated between the dates of August 14, 1945, and August 14, 1947, which we considered to be the readjustment period. The Civil Service Commission suggested that the clause be put into the amendment providing that those employees who have been involuntarily separated must be employees who have not been removed for cause or because of charges of misconduct or delinquency. It is a very, very meritorious bill to take care of a certain group of people who have been displaced not only by reason of the cut-backs but as a result of the law which all of us voted to give priority of employment to our veterans upon their return home. As a part of this amendment there is a proviso whereby employees who take their annuity before the normal age for retirement will have deducted, from that annuity 2 percent per annum for each year they lack of the age required for retirement under existing law. That in a nutshell, Mr. Speaker, is the bill, and I will now be very happy to answer any questions that anyone may care to ask.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from California.

Mr. SHEPPARD. I want to pay my compliments to the gentleman for his interest in these displaced governmental personnel, to which this bill refers. I would like to ask him what particular difference of treatment, insofar as retire-

ment compensation participation is concerned, does it give to these people all compared with the over-all retirement of civil-service employees.

Mr. FORAND. I do not quite understand the gentleman's question.

Mr. SHEPPARD. How much differential is this particular group granted under this bill than is enjoyed by others of like character?

Mr. FORAND. According to the actuaries of the Civil Service Commission, it will mean about $4,000 per employee over the period of time he will be drawing his annuity.

Mr. SHEPPARD. I thank the gentleman. It is very worth-while legislation and I hope it will be passed.

Mr. FORAND. I thank the gentleman for his interest.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield.

Mr. JOHNSON of California. I have a large navy yard in my district, and I am very much interested in knowing something about the specific provisions of the bill.

Suppose a man has served for 25 years. That is less than the normal retirement period, is it not?

Mr. FORAND. Yes. Normally he would have to serve 30 years and be 60 years of age, or have reached the age of 62 and have served 15 years before he becomes eligible.

Mr. JOHNSON of California. A man who is 50 years old and had served 25 years, what ratio would he get as compared with having served 30 years?

Mr. FORAND. He would get 80 percent of his retirement annuity.

Mr. JOHNSON of California. Does it work in a similar ratio as a man's age steps up, or does he get a larger proportion?

Mr. FORAND. No. If he serves 25 years and is 55 years old, under the present law he would have 5 years yet to go. There is 2-percent deduction in his annuity for each of those 5 years. That means he would get 90 percent of his annuity.

Mr. JOHNSON of California. I appreciate the gentleman's information.

Mr. JACKSON. Mr. Speaker, will the gentleman yield?

Mr. FORAND. I yield.

Mr. JACKSON. Is the proposed legislation limited to navy-yard workers?

Mr. FORAND. No. It applies to any Federal employee, but in practice it would apply to these people mostly who were in the service of the Army and the Navy, in the arsenals, the shipyards, torpedo stations, ammunition plants, ordnance plants, and the like.

Mr. JACKSON. I understand, but it is uniform in its treatment?

Mr. FORAND. Oh, yes; it applies to anybody in the Government.

Mr. Speaker, so that the membership of this House may have an opportunity to realize the type of cases that will be affected by this legislation I include the following excerpts which were taken from the hearings held by the House Committee on Civil Service. There are many more cases that I could cite that I consider equally deserving but I believe that these four will give the House membership a pretty good picture of the injustice that has been visited upon these faithful, long-time-service employees of the Government.

STATEMENT OF RAYMOND M. LEARY, NEWPORT, R. I.

Mr. LEARY. Mr. Chairman and gentlemen of the committee, I am Raymond M. Leary, of 73 Roseneath Avenue, Newport, R. I.

On October 27, 1906, I started employment at the naval torpedo station, Newport, R. I. March 1, 1946, I was separated due to the curtailment of naval activities.

During that long period time—39 years and 4 months—I worked up through the various grades to the rating of shop planner

On September 24, 1945, I was diarated from shop planner to first-class machinist due to the reduction in force

On March 1, 1946, I was separated as a first-class machinist. I was then offered the position of general helper which I found it necessary to accept at a reduction of 25 percent.

Many of the skilled help that have been separated have taken jobs at a reduced rating, only to find that in most cases they are of a temporary nature, and in a short time find themselves separated again.

My age is 54, and under the present civil-service laws I am too young for a pension, but too old to get a job elsewhere

During my long period of service, close to 40 years, I have had no delinquency, have taken no sick leave, and my last efficiency mark was excellent.

In view of the foregoing I feel that the treatment afforded me, and many other old-time employees of the Navy Department, is pretty shabby and all due to a law that was fitting in 1906 but certainly should be changed in 1946

I earnestly request that you give H. R. 3718 your serious consideration, for if this bill were to be enacted into law it would tend to alleviate a sad situation that many old-time civil-service employees now find themselves in through no fault of their own.

STATEMENT OF JOSEPH A SULLIVAN, FORMER QUARTERMAN ORDNANCEMAN, PORTSMOUTH, R. I.

Mr. SULLIVAN. Mr. Chairman and members of the Civil Service Committee, I am Joseph A. Sullivan, former quarterman ordnanceman, of Brownell Lane, Portsmouth, R. I. I wish to submit a brief statement in regard to my status as a Government employee.

From May 1917 until May 1946, I was employed at the Naval Torpedo Station, Newport, R. I. I entered the Government service at the age of 18 years and up to the time of my separation I worked up from ordnanceman to quarterman ordnanceman.

For the last 10 years I was a supervisor on all kinds of explosives for the Navy Department, also in the manufacturing, storing, and shipping of same

For 2½ years as quarterman ordnanceman I had complete charge of the explosives division during night shifts, having charge of 200 employees and supervisors.

In order to hold employment I was one of those forced to accept a demotion on January 2, 1946. This work was cleaning up and handling of heavy machinery.

On January 26, 1918, I was seriously injured in the explosion at the torpedo station in which 18 persons were killed. While confined to the naval hospital, Captain Beach, who was captain of the station at that time, with the Assistant Secretary of the Navy, visited me and assured me that I would always be taken care of.

Since my demotion I have tried to obtain employment elsewhere but not at the age of 47. I have not been successful.

Through no fault of my own, after 29 years of faithful and conscientious service to the United States Navy I am now separated from the United States Government service as of May 10, 1946

I am asking you, gentlemen, to help me and others in my status by your support of legislation for full retirement after our long years of faithful and conscientious service.

Mr. MILLER. Were you offered employment at Forest Park, Ill.

Mr. SULLIVAN. No, sir; we were all called down and they were to select one man and they never did. That was at reduced rating, too

Mr. MILLER. Are there any further questions?

Mr. REES. How many were employed in this particular work in which you were engaged at the Newport plant?

Mr. SULLIVAN. Five hundred; and we did have 1,000 at the height of the war.

Mr. REES. I have no further questions

Mr. MILLER. How many people did you say were killed in that explosion?

Mr. SULLIVAN. Thirteen were killed. I might say I have been disabled all my life, but not enough to collect disability.

I think we ought to support the Forand bill, as there are many cases like this.

Mr. MILLER. Thank you, Mr. Sullivan.

STATEMENT OF WILLIAM PREECE, NEWPORT, R. I., NAVAL TORPEDO STATION

Mr. PREECE. Mr. Chairman and gentlemen of the committee, I am William Preece, of the Newport (R. I.) Naval Torpedo Station. At the present time I have 30 years and 4 months service in the naval torpedo station. I went there as a boy, like some of my colleagues, and we started to learn the explosive trade. That is the only trade we know. Now we are around 48, 49, 50, 51, and 52 years of age, and all under 55. We reached the grade of quarterman, and we all have had about 300 employees under our jurisdiction. We went there before the First World War, and have worked all through the Second World War. Then we have been demoted to first-class ordnance men. We held that rate for about 8 months and then were demoted to general helper and we held that rate for about 4 months; and then they gave us our notices of separation for the third time on May 10, in the explosives division. I find that we have about 15 supervisors, and they all range from 25 years to about 35 years; and of that group there is no possibility of anyone retiring

We do not know any other work; the only work we know is explosive work. I have made three trips down to Washington with the postwar commission and took our case before the Navy Department, Secretary Forrestal, Admiral Halsey, and all his aides, and they say they are sorry and that there is nothing they can do that they are closing down the torpedo station. They tell us they appreciate our skill, and they say there is nothing they can see in the future for us, but they were heartily in accord with a liberalization of the pension laws to take care of us in our old age. Secretary Forrestal stated that on September 24, 1945.

I was down here again last week before the Appropriations Committee and Admiral Clapp informed the Appropriations Committee that there was a bill in Congress to take care of these men, meaning the Forand bill.

So, in closing, gentlemen, I not only include myself but the group from Newport with me, and I just want to go on record to say we favor the Forand bill.

Thank you, very much

STATEMENT OF PETER F. SULLIVAN, FORMER QUARTERMAN ORDNANCEMAN, NEWPORT, R. I.

Mr SULLIVAN. I am Peter F. Sullivan, former quarterman ordnanceman, 4 Bliss Road, Newport, R. I. I wish to submit a brief statement in regard to my status as a Government employee.

On April 5, 1911, at the age of 17, I received employment at the naval torpedo

station, Newport, R. I. My employment was as ordnanceman on all types of explosives work for the United States Navy. I was promoted to the position of quarterman ordnanceman with the responsibility of a force of 150 employees.

On December 29, 1945, in order to hold employment, I was forced to accept a demotion as a general helper, my duties being sweeping floors and other menial jobs. On May 10, 1946, after 35 years and 1 month service with the United States Government, and at the age of 53, I was separated for the second time.

Having been separated from my employment through no fault of my own, I appeal to you, gentlemen, to help others as well as myself by your support of legislation for full retirement, after our long years of faithful service.

Mr. MILLER. Thank you for your statement.

The SPEAKER pro tempore. The time of the gentleman from Rhode Island has expired.

(Mr. FORAND asked and was given permission to extend his remarks and include certain excerpts from the hearings.)

Mr. CLASON. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, if the time of the gentleman from Rhode Island [Mr. FORAND] had not expired, I had intended to take time to congratulate him for the fine work he has done in behalf of thousands of men who have been employees of the United States Government over a period of many years and who would undoubtedly have gone forward for 30 years of employment in the arsenals, armories, and navy yards in the country if it had not been for the war. As a result of the great production during the war period, their jobs ran out, which ordinarily would have continued. As a result, many thousands of them found themselves, late in life, out of a job. In my own city of Springfield, Mass., the armory which is famous for the manufacture of Garand rifles went down from 13,000 to 2,400 in employment. Strangely enough, a great many of those who lost their jobs were the senior employees.

I therefore feel that this is good legislation, and I only wish that thousands of others who have served the Government as well as they have served it could have been given an opportunity to come in under this bill.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. REES of Kansas. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I think the House should be advised that this is new legislation. It is the first legislation we have had come before us under which civil-service employees may retire for a shorter period of service than heretofore established.

This is temporary legislation designed to take care of a few special groups. I do not want it misunderstood in the belief that it is general legislation. We do have an extremely acute situation in the navy yards. We are trying to take care of a large group of navy employees who have been employed for a good many years but who, through no fault of their own, are now being taken out of service and are unable to get any other kind of work because most of them are trained specialists for a particular kind of work in these torpedo plants or whatever it may be. So I think under the circumstances the legislation is fair. It is equitable. We ought to pass it. I do want to say, however, that the question of optional retirement is one that is bound to receive the consideration of the Civil Service Committee and of the House probably in the near future. When the times comes to consider permanent legislation we should give the whole subject matter careful consideration dealing with people who want to retire before the period of 30 years' service, as provided under present law.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota, who has taken an active interest in this matter.

Mr. MUNDT. I want to say to the gentleman that the Civil Service Committee expects to take up the consideration of permanent general legislation on optional retirement in the near future. I introduced a bill some time ago to bring that about. It seems to me it has considerable merit, especially as we work toward the time when there may be more unemployment. Many of the GI's of this war would like to affiliate with the Government service. Many of the present employees would be happy to vacate their positions if optional retirement were made available to them.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentlewoman from Massachusetts, a former ranking minority member of our Civil Service Committee.

Mrs. ROGERS of Massachusetts. There are many workers in the Boston Navy Yard who have had to leave their work, also many workers have lost their jobs in the Watertown Arsenal, which is located in my district.

I heartily favor this legislation and congratulate the gentleman from Rhode Island [Mr. FORAND], the gentleman from Kansas [Mr. REES], and the gentleman from West Virginia [Mr. RANDOLPH], for bringing this bill out. It is an extremely worthy measure and I am sure it will go through unanimously.

I am glad to learn there will be further legislation of a permanent nature to allow other Federal employees to retire after shorter service.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from West Virginia, the chairman of the Civil Service Committee.

Mr. RANDOLPH. I desire to reinforce for the information of our colleagues the statement made properly by the gentleman from Kansas [Mr. REES] and also to direct the attention of the gentleman from South Dakota to my observation that we do hope within a reasonable period of time to make a very thorough study of the retirement picture as it applies to Federal employees, and also to the other matter of cut-backs in employment to which the gentleman from South Dakota has directed our attention.

Mr. REES of Kansas. We are hopeful that in the near future permanent legislation will be submitted for consideration and action in this House on this matter.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield further?

Mr. REES of Kansas. I shall be glad to yield again.

Mrs. ROGERS of Massachusetts. In Massachusetts, Mr. Speaker, I believe there have been more cut-backs—in fact, all through New England—in arsenals and navy yards, than any other section of the country. For this reason we are particularly interested in this legislation.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

By unanimous consent, the pro forma amendments were withdrawn.

The committee amendment was agreed to.

Mr. RANDOLPH. Mr. Speaker, I move the previous question on the bill to final message.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include a newspaper article and two editorials.

Mr. JENNINGS asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cincinnati Enquirer under date of July 13, 1946.

NATIONAL AIR MUSEUM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5144) to establish a National Air Museum, and for other purposes and, may I say, Mr. Speaker, if this request is granted I have an amendment which the author of the bill and the members of the committee have no objection to. I shall offer this amendment if my unanimous consent request is granted. I may say too that it is a joint amendment of the gentleman from Massachusetts [Mr. MARTIN] and myself, providing that within the National Air Museum the Smithsonian Institution may receive as a gift a statue of Brig. Gen. William L. Mitchell, which shall be placed in the Air Museum. I want to advise the House that if it agrees to this unanimous consent request I shall offer the amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not, I am heartily in favor of the resolution itself and also the amendment which will be offered by the gentleman from Massachusetts. If any one man ever blazed the trail for America reaching the high point that it did in aviation it is the late Billy Mitchell and this tribute is well deserved.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That (a) there is hereby established in the Smithsonian Institution a bureau, which shall be directed by a board to be known as the Trustees of the National Air Museum whose duty it shall be to maintain and administer the National Air Museum and site thereof and to execute such other functions as are vested in the board. The board shall be composed of the Commanding General of the Army Air Forces, or his successor, the Chief of Naval Operations, or his successor, the Secretary of the Smithsonian Institution, and two citizens of the United States appointed by the President from civilian life who shall serve at the pleasure of the President.

(b) The members of the board shall serve as such members without compensation. The board may appoint and fix the compensation and duties of a Director of the National Air Museum whose appointment and salary shall not be subject to the civil-service laws or the Classification Act of 1923, as amended, and may employ such other officers and employees as may be necessary for the efficient operation and administration of the museum.

SEC 2 The National Air Museum shall memorialize the national development of aviation; collect, preserve, and display aeronautical equipment of historical interest and significance; serve as a repository for scientific equipment and data pertaining to the development of aviation; and provide educational material for the historical study of aviation.

SEC 3. The board is hereby directed to investigate and survey suitable lands and buildings for selection as a site for the National Air Museum and to make recommendations to Congress for the acquisition of suitable lands and buildings for the National Air Museum

SEC. 4. (a) The board is authorized to adopt an official seal which shall be judicially noticed and to make such bylaws, rules, and regulations as it deems necessary for the administration of its functions. The board may function notwithstanding vacancies and three members of the board shall constitute a quorum for transaction of business.

(b) The board shall submit to the Smithsonian Institution an annual report of its operations including a detailed statement of all public and private moneys received and disbursed.

SEC. 5. The board is authorized to accept for the Smithsonian Institution and to hold and administer gifts, bequests, or devises of money, securities, or other property of whatsoever character for the benefit of the National Air Museum, including the loan of property for exhibition purposes. Unless otherwise restricted by the terms of the gift, bequest, or devise, the board is authorized to sell or exchange and to invest or reinvest in such investments as it may determine from time to time the moneys, securities, or other property composing trust funds, gifts, bequests, or devises for the benefit of the National Air Museum. The income if and when collected shall be placed in such depositories as the board shall determine and shall be subject to expenditure by the board.

SEC. 6. The heads of executive departments of the Government are authorized to transfer or loan to the National Air Museum without charge therefor aircraft, aircraft parts, instruments, engines, or other aeronautical equipment or records for exhibition, historical, or educational purposes.

SEC. 7. There is hereby authorized to be appropriated the sum of $50,000 for the purposes of this act and there are hereby authorized to be appropriated annually hereafter such sums as may be necessary to maintain and administer the National Air Museum including the salaries of the Director and of other necessary officers and employees.

With the following committee amendments:

Page 1, line 4, after the word "bureau", strike out the balance of the line and lines 5, 6, 7, 8, and the word "shall" in line 9, and insert "a national air museum, which shall be administered by the Smithsonian Institution with the advice of a board to."

Page 2, line 5, after "President", insert "The members of the board shall serve as such members without compensation."

Page 2, strike out lines 7 to 14, inclusive, and insert the following:

"(b) The Secretary of the Smithsonian Institution with the advice of the board may appoint and fix the compensation and duties of the head of a national air museum whose appointment and salary shall not be subject to the civil-service laws or the Classification Act of 1923, as amended. The Smithsonian Institution may employ such other officers and employees as may be necessary for the efficient operation and administration of the museum."

Page 2, line 23, strike out "The National Air Museum" and insert "said national air museum."

Page 3, line 5, strike out lines 5 to 9, inclusive, and insert:

"SEC. 3 The Secretary of the Smithsonian Institution with the advice of the advisory board is hereby directed to investigate and survey suitable lands and buildings for selection as a site for said national air museum and to make recommendations to Congress for the acquisition of suitable lands and buildings for said national air museum."

Page 3, strike out lines 22 to 25, inclusive, and insert the following:

"(b) The Smithsonian Institution shall include in its annual report of its operations to Congress a statement of the operations of said national air museum, including all public and private moneys received and disbursed."

Page 4, strike out lines 5 to 18, inclusive.

Page 4, line 19, strike out "6" and insert "5"

Page 4, line 20, strike out "the National Air Museum" and insert "said national air museum."

Page 4, like 25, strike out "7" and insert "6."

Page 5, line 4, strike out "the National Air Museum, including the salaries of the Director and of other necessary officers and employees" and insert "said national air museum including salaries and all other necessary expenses."

The committee amendments were agreed to.

Mr. McCORMACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 4, line 19, insert "(a)" before the word "The", and after line 24 insert the following:

"(b) The Secretary of the Smithsonian Institution, with the advice of the Commission of Fine Arts, is authorized (1) to accept as a gift to the Smithsonian Institution from George H. Stephenson of Philadelphia, Pa., a statue of Brig. Gen. William L. Mitchell of such character as may be deemed appropriate, and (2) without expense to the United States, to cause such statue to be erected at a suitable location on the grounds of the national air museum."

The SPEAKER. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the author of this bill, the gentleman from West Virginia [Mr. RANDOLPH] may be permitted to extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AIR MUSEUM IS NEEDED NOW

Mr. RANDOLPH. Mr. Speaker, the passage of H. R. 5144, which I introduced January 15, will be a forward step in our aviation development and will, in a very real sense, memorialize the national growth of this great industry from military and commercial standpoints. We will collect and preserve, under the appropriate sponsorship of the Smithsonian Institution, aeronautical equipment which will be on display for the education and study of the peoples of the world—especially the youth.

I desire to say to my colleagues that General Arnold, until recently the Commanding General of the Army Air Forces, has been a moving spirit for the purposes of this legislation. This outstanding airman said during testimony on the bill before the House Library Committee, February 13, 1946, the following:

Today we have available for a museum, first, every type of airplane used in this war by not only the United States, but also by all of the other warring nations. Tomorrow most of those airplanes will have been destroyed Therefore, for that reason alone, it is essential to get action on this museum now if you ever want to get a complete exhibit of all the types used in this war

The second thing of interest is that we have today in the Army Air Forces and in the industry men who are acquainted with and can reproduce airplanes used during the past. They soon will go by the boards and we will not be able to reproduce those airplanes—another reason for early action.

WRIGHT AIRPLANE TO BE INCLUDED

I am convinced in my own mind that this museum should start with the first Wright airplane and carry through every other type of airplane up to and including the very latest—the B-29. It should include all Navy types. It should include all commercial types. It should include the outstanding foreign types. This would make the size of the museum such that it would probably only be housed in one of the plants in which we produced airplanes during this war that are now Government-owned, unless we wanted to go to some tremendous expense to reproduce such a thing. Those plants are available today. They can only be made available for a museum by an act of Congress.

I think that a museum should include all gadgets and developments in connection with the airplane, so that people could see not only the airplanes themselves with all of their historic interest, but also the gadgets, such as radar, blind-flying equipment, and so forth, that made the airplane what it is today.

There is a definite interest in this museum as illustrated by the fact that before I ever brought it out in public I circularized organizations from probably every walk of life throughout the United States—the Kiwanis,

the Rotary, chambers of commerce, the different schools, the aeronautical institutions, every kind of industry I could think of, and I have yet to receive a letter from any one of them against such a museum. They are all for it. That is the story.

ACTION SOON IS DESIRABLE

And I want to emphasize again the necessity for early action, while you have this equipment available and the men available who are able to reproduce the equipment used in former years. If possible, we can take the matter up with Orville Wright and see if we cannot get that first airplane in there to show the line of development through the years.

Mr. Speaker, I hope Members will find time to read the hearings on this legislation. They will be interested in observations set forth by General Arnold in reference to the atomic bomb and the future use of air power. Representatives of the National Advisory Committee for Aeronautics and the National Aeronautic Association were heard in approval of the proposal. The amendments placed in the measure by members of the Library Committee are acceptable.

"BILLY" MITCHELL TO BE HONORED

I am pleased to support the amendment offered today by Representative MCCORMACK, on behalf of Congressman MARTIN of Massachusetts and himself. Mrs. ROGERS, of the same State, joined these gentlemen and others in desiring an appropriate memorial in the museum to the memory of the late Gen. William L. "Billy" Mitchell. I am also gratified to acknowledge the interest of veterans' organizations in the passage of this bill and desire especially to mention the Military Order of the Purple Heart and the Massachusetts department of the Veterans of Foreign Wars.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

EXEMPTION OF OFFICERS AND EMPLOYEES OF BUREAU OF INTERNAL REVENUE FROM PROVISIONS OF SECTION 14 (a) OF THE FEDERAL EMPLOYEES PAY ACT OF 1946

Mr. RANDOLPH. Mr Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 380.

The Clerk read the resolution, as follows:

Resolved, etc, That the provisions of section 14 (a) of the Federal Employees Pay Act of 1946 (Public Law 390, 79th Cong.) shall not supply with respect to officers and employees of the Bureau of Internal Revenue.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF EFFICIENCY RATINGS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5590) to provide for the uniform administration of efficiency ratings.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no employee in any civilian positions in the executive branch of the Government of the United States shall be rated as to efficiency except under a system of efficiency ratings approved by the Civil Service Commission, and that the provisions of section 9 of the Classification Act of 1923, as amended, or as may be hereafter amended, shall apply to all efficiency ratings under rating systems approved by the Civil Service Commission

The Civil Service Commission is hereby authorized to make and publish rules and regulations for the administration of the provisions of this act.

With the following committee amendment:

Page 1, line 4, after the comma, insert "other than an employee in or under the field service of the Post Office Department"

Mr. JACKSON. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr JACKSON: Page 1, line 6, after the word "Department" and before the comma, insert "or any employee of the Tennessee Valley Authority."

Mr. JACKSON. Mr. Speaker, the purpose of this amendment is to exempt the employees of the Tennessee Valley Authority. I understand that this exemption is in accordance with the program of the President. The amendment would have been offered at the committee meeting on Saturday, but I was unable to attend the meeting at that time. I have taken it up with the ranking minority Member of the committee, the gentleman from Kansas [Mr. REES]. It is agreeable with him and the chairman of the committee.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I have no objection to the amendment. I do, however, want the Chairman of the Committee on the Civil Service or someone on his behalf to explain the amendment to the House.

Mr. RANDOLPH. Mr. Speaker, the Committee on the Civil Service of the House of Representatives has reported this bill favorably with the amendment offered as a committee amendment. As far as I am concerned, and I believe the gentleman from Kansas [Mr. REES] and others, we are ready to adopt the amendment offered by the gentleman from Washington [Mr. JACKSON], because in both instances, in the Post Office Department as well as in the Tennessee Valley Authority, there are certain programs that have been set up that are functioning which would be disturbed by this legislation as written. This bill is presented by the gentleman from Massachusetts [Mr. MCCORMACK]. It is the purpose to extend the principles which govern in the ratings of employees and positions subject to the pay scales in the Classification Act to all other efficiency rating plans for the employees in the executive branch of the Federal Government.

This is legislation which the gentleman from Massachusetts has studied at considerable length. In effect, if this bill is enacted into law, the Civil Service Commission would be empowered to review and revise such efficiency-rating plans as are used in any department or agency in rating civilian employees, every employee who is rated would be advised of his rating and could inspect the lists of final ratings of his coworkers, action adverse to any employee based on efficiency ratings would be subject to the approval of the Civil Service Commission, and each employee would be entitled to appeal his rating to an impartial board of review. It would eliminate confusion in many offices and field stations where some employees now enjoy the protective features provided by the Classification Act, as amended, in connection with their efficiency ratings, while the same protective features are denied to other employees whose pay rates are not subject to the Classification Act It would aid the Commission in guarding the preferential status of war veterans under the Veterans' Preference Act of 1944. We have a favorable report from the Civil Service Commission.

I now yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I think the best observation to make is what the Civil Service Commission said in its letter to Chairman RANDOLPH of the Committee on the Civil Service on June 28:

The Commission has frequently noted the increasing number of complaints concerning various types of rating systems used for rating the service, performance, or efficiency of civilian employees in positions excluded from the provisions of the Classification Act, as amended. This is particularly true during a period of drastic personnel readjustment, such as that which now faces many Government agencies which are obliged to reabsorb a steady stream of returning war veterans while curtailing forces from a wartime to a peacetime basis.

I am in agreement with the amendment excluding the Post Office Department, because they stabilize employment there and there is no drastic reduction. I also favor the amendment relating to the Tennessee Valley Authority.

It is very pleasing to me to note the action taken by the Committee on the Civil Service, and I want to congratulate the chairman and the members of that committee for the action they took on this bill.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter sent to the gentleman from West Virginia [Mr. RANDOLPH] by Harry B. Mitchell, President of the Civil Service Commission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. The letter reads as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., June 28, 1946.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on the Civil Service, House of Representatives.

DEAR MR. RANDOLPH: In response to the request expressed in your letter of February 28, 1946, which we acknowledged on March 6, 1946, we are submitting herewith a statement of our views concerning H. R. 5590, a bill "to provide for the uniform administration of efficiency ratings."

This bill is designed to extend the same principles which govern efficiency ratings for employees in positions subject to the pay scales of the Classification Act, as amended, to all other efficiency rating plans for civilian employees in the executive branch of the Federal Government. In effect, if this bill is enacted into law, the Civil Service Commission would be empowered to review and revise such efficiency rating plans as are used in any department or agency in rating civilian employees, every employee who is rated would be advised of his rating and could inspect the lists of final ratings of his coworkers, action adverse to any employee based on efficiency ratings would be subject to the approval of the Civil Service Commission, and each employee would be entitled to appeal his rating to an impartial board of review. It would eliminate confusion in many offices and field stations where some employees now enjoy the protective features provided by the Classification Act, as amended, in connection with their efficiency ratings, while the same protective features are denied to other employees whose pay rates are not subject to the Classification Act It would aid the Commission in guarding the preferential status of war veterans under the Veterans' Preference Act of 1944.

The Commission has frequently noted the increasing number of complaints concerning various types of rating systems used for rating the service, performance, or efficiency of civilian employees in positions excluded from the provisions of the Classification Act, as amended. This is particularly true during a period of drastic personnel readjustment such as that which now faces many Government agencies which are obliged to reabsorb a steady stream of returning war veterans while curtailing forces from a wartime to a peacetime basis. The most serious complaints are received from employees whose compensation rates are fixed by local wage boards and which constitute the largest group of employees who would be affected by this bill. Another large group of employees that would be affected, if placed under an efficiency rating plan, would be those in the field services of the Post Office Department. Serious consideration has been given to recommending to the Congress the enactment of legislation substantially similar to H. R. 5590 and the Commission has delayed making such recommendation on its own motion for the sole reason that it would require a substantial addition in appropriations to properly administer such a provision of law.

We believe that the proposed legislation would be desirable in order that we could focus greater attention on standards of performance as a means of increasing efficiency in the Federal Government service, and also to afford greater protection to employees who feel that they are penalized by arbitrary and unfair efficiency ratings. We think the subject is of sufficient importance that regulations published under authority of the legislation, if enacted, should have the approval of the President. This could be accomplished by inserting a comma after the word "authorized" on line 11, and adding immediately thereafter the phrase "with the approval of the President." With this amendment, the Commission recommends that this bill be enacted into law.

The Commission has not been advised of the relationship of the proposed legislation to the program of the President.

By direction of the Commission
Sincerely yours,
HARRY B MITCHELL,
President.

The SPEAKER. The question is on the amendment offered by the gentleman from Washington to the committee amendment.

The amendment to the committee amendment was agreed to.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUMP-SUM PAYMENT TO CERTAIN OFFICERS AND EMPLOYEES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 2523) to provide for lump-sum payment of compensation for accumulated annual leave and current accrued annual leave to certain officers and employees, and authorizing the appropriation of funds for that purpose.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. REES of Kansas. Reserving the right to object, Mr. Speaker, may I ask that the chairman of the committee explain this legislation?

Mr. RANDOLPH. This bill is reported unanimously from the Committee on the Civil Service. It would provide a lump-sum payment for accumulated and accrued annual leave to employees of the Bituminous Coal Division of the Department of the Interior. We understand that that Division is no longer in existence. Enough of its employees would be covered under this legislation to make the cost of putting it into effect approximately $17,000. We felt it was an oversight that they had not been given the benefits that others have received. For that reason, we thought this was remedial legislation. That is the purpose of its being reported at this time.

Mr. REES of Kansas. Mr. Speaker, I withdraw my reservation of objection.

Mr. PACE. Reserving the right to object, Mr. Speaker, while the group in this situation is being taken care of, why can we not have some legislation about those civil-service employees who after 2 or 3 years of service terminate their employment and cannot get a refund of the payments made to the retirement fund?

There are thousands, probably hundreds of thousands, of employees who were war-service appointees during the war and whose employment has been terminated. They have from $5 to $50 or more in the retirement fund. Many of them are from my congressional district or from my State, and I presume they come from every other State. Many of these employees have been seeking for a year now to get the deposits they made with the retirement fund but have been unable to get them. The gentleman has presented here legislation to take care of a particular group in a certain part of the Government. I am trying to call the gentleman's attention to a group that is in every department of the Government. When a war-service employee terminates his service he has to file an application for his retirement-fund payment. That has to be sent right back down to his place of employment for a record of the amount due him.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. That is a problem that is very bad and is growing worse. I agree with the gentleman as to that. It is one of those problems we have in Government where we have a terrific amount of red tape to go through in order to get anything done. We have had two pieces of legislation that I know of to try to help solve that problem. The committee does have that under consideration now and we are trying to figure out some way we can solve that by legislation much simpler than this. Because so many people have been displaced during wartime there are hundreds of thousands of individuals who want their money and they are way behind in that work. I do not know whether we need more employees to get a good job done or not.

Mr. PACE. I would not have brought the question up now but I see here two bills, one to take care of a particular group in the navy yards and one to take care of a particular group in the Bituminous Coal Commission I have no criticism to make of the distinguished chairman of the committee or the ranking minority member but I did think it was timely to bring to the attention of the committee the fact that there are thousands of employees in every department sitting by after having lost their jobs. They need this little money and I hope it can be arranged for them to get it.

Mr. RANDOLPH. What the distinguished gentleman from Georgia says is true. We are not critical of him for directing our attention to this as a committee. We are working on it, and I trust we may bring out legislation which will satisfy those who are in need of this sum of money.

Mrs. ROGERS of Massachusetts. I do not know whether it has been the experience of the gentleman, but it has been my experience that many veterans have a hard time trying to secure positions in the Post Office Department. Many of them have not been notified when the examinations are to take place. I do not know whether that is true all over the country but I know it is frequently true in Massachusetts. There has been a great injustice done to the veteran.

Mr. DONDERO. I notice the report speaks of a lump sum necessary to carry

out the purpose of this bill. What would the amount be in total?

Mr. RANDOLPH. Approximately $17,000. I believe that is the correct figure, but if it is not exactly correct, I will correct it for the RECORD—$17,036.10. Under the provisions of the bill, in order to be entitled to payment, employees must file notice of election to receive such payment within 180 days after the enactment of the bill into law. The amount due the officer or employee is to be certified by the Department of the Interior. The benefits of the bill are limited to those officers and employees who have not been at the time of filing their notice to elect such compensation, granted, credited with, or compensated for the accumulated or accrued annual leave due them immediately prior to the expiration of the Coal Act.

Mr. Speaker, before I take my seat I desire to say that when we had House Joint Resolution 380 before us earlier in the day I did not take the opportunity at that time to explain the reasons for the passage of the legislation. We found upon the request of the Secretary of the Treasury, also upon the request of the Bureau of Internal Revenue, that we should raise the ceilings in connection with the Internal Revenue Bureau because the Bureau felt that we would lose in collection of the so-called black-market money and illicit withholding of justifiable taxes more than a billion dollars if we cut off the rolls these Internal Revenue Bureau agents who have been specifically trained. In other words, it would disrupt this program of getting into the hands of the Government this huge sum of money if we attempted to save some $10,000,000 in salaries. Mr. Speaker, I did want the RECORD to show that.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That any officer or employee who was involuntarily separated from the active service of the United States of America as a result of the expiration of the Bituminous Coal Act of 1937 (50 Stat. 72), as amended, and who has not been granted, credited with, or compensated for all accumulated or current accrued annual leave due him immediately prior to the date of expiration of said act shall be entitled to receive compensation in lump-sum payment for the leave not so granted, credited, or compensated for upon filing a notice of his election to receive compensation in lump-sum payment for such leave with the Department of the Interior, Washington, D. C., within 180 days following the enactment of this act. Upon notification of such election the amount due such officer or employee shall be determined and certified by the Department of the Interior, and paid out of any appropriation currently available for salaries under the Department of the Interior, or appropriated for the purposes of this act, which appropriation is hereby authorized to be made.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESEARCH IN AGRICULTURE

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6932) to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I shall not object, I take this time to compliment the distinguished chairman of the Committee on Agriculture and those who have been associated with him in formulating this legislation. I have had occasion to give it a great deal of thought and attention. I think it is worthy of the vote of every Member of this body, because it has for its purpose the best interests of the American people and the great industry that we call agriculture. It has for its purpose the best interests of the consumers of this country. It should be passed without any opposition.

Mr. Speaker, this bill originated in the Republican congressional food study committee. It puts into statute a program that was outlined and reduced to writing by reason of the studies made by the committee to which I referred. The distinguished gentleman from Kansas [Mr. HOPE] and the distinguished gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] have been very active in their advocacy of this bill. I and several others of that committee have also advocated this legislation very actively, and I should not fail to say that the distinguished gentleman from Virginia [Mr. FLANNAGAN], the chairman of the Agriculture Committee of the House, has done a fine job in introducing this bill as the chairman of the Agriculture Committee. Without his aid this bill could not have been advanced to this advantageous position where it is about to pass this Congress.

Mr. REED of New York. Mr. Speaker, reserving the right to object, I am in accord with what the distinguished gentleman from Ohio just said in regard to this legislation. I am heartily in favor of it.

Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. FLANNAGAN]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

TITLE I

Title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act), is amended as follows.

(1) By substituting for section 1, title I, the following section:

"SECTION 1. It is hereby declared to be the policy of the Congress to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of full employment and national prosperity. It is also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and by-products as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand, research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals and equipment than those to which they are now, or may hereafter be, devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes, research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power, research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm, research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry, including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories. In effectuating the purposes of this section, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish."

(2) By adding at the end thereof the following new sections:

"SEC. 9. (a) An order to carry out further the purposes of section 2 of this title, there is hereby authorized to be appropriated in addition to all other appropriations authorized by this title the following sums:

"(1) $2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional $2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional $5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional $5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) An additional $5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

"(6) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

"The moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construction or acquisition of buildings necessary for conducting research provided for in this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available for agricultural experiment stations. The said agricultural experiment stations are authorized to plan and conduct any research provided for under this title in cooperation with each other and such other appropriate agencies and individuals as may contribute to the solution of these problems and sums appropriated in pursuance of this title shall be available to meet the necessary expenses of such research

"Unexpended balances of allotments to experiment stations from appropriations made under this section during the first five fiscal years may remain available for expenditure by the same experiment stations at which the unexpended balances occurred for the purposes specified in section 1 and for the following periods Unexpended balances of the first year's allotments, 5 years; of the second fiscal year's allotments, 4 years; of the third fiscal year's allotments, 3 years; of the fourth fiscal year's allotments, 2 years; and of the fifth fiscal year's allotments, 1 year; and any unexpended balances of allotments to any experiment stations from appropriations made under this section of any subsequent fiscal year shall be deducted from the next succeeding annual allotments to such experiment stations

"(b) Not less than 97 percent of the sums appropriated for any fiscal year under this section shall be available for the purposes of section 2 to be allotted to Puerto Rico, each State and Territory as follows·

"(1) Twenty percent of the sums appropriated for any fiscal year under this section shall be allotted equally to Puerto Rico, each State and Territory: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico or the State or Territory makes available for such fiscal year out of its own funds, for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary.

"(2) Not less than 52 percent of the sums appropriated for any fiscal year under this section shall be allotted to Puerto Rico, each State and Territory as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of Puerto Rico or the State or Territory bears to the total rural population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of Puerto Rico or the State or Territory bears to the total farm population of Puerto Rico and all the States and Territories as determined by the last preceding decennial census: *Provided*, That no allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which Puerto Rico, or the State or Territory makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If Puerto Rico or any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary

"(3) Not more than 25 percent of the sums appropriated for any fiscal year under this section shall be allotted to the States for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State The funds available for such purposes shall be designated as the 'Regional research fund, Office of Experiment Stations' and shall be used only for cooperative regional projects recommended by a committee of nine persons elected by and representing the directors of the State agricultural experiment stations and approved by the Secretary of Agriculture or his authorized representative The necessary travel expense of said committee of nine in performance of their duties may be paid from the regional research fund, Office of Experiment Stations, provided for under this subsection

"(c) Three percent of the sums appropriated for any fiscal year under this section shall be available to the Office of Experiment Stations of the United States Department of Agriculture for administration of research under this section, including participation in planning and coordinating the cooperative regional research "

"SEC 10. (a) In order to carry out further research on utilization and associated problems in connection with the development and application of present, new, and extended uses of agricultural commodities and products thereof authorized by section 1 of this title, and to disseminate information relative thereto, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated the following sums:

"(1) $3,000,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional $3,000,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional $3,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year

"(4) An additional $3,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) An additional $3,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

"(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

"The Secretary of Agriculture, in accordance with such regulations as he deems necessary, and when in his judgment the work to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture, may enter into contracts with such public or private organizations or individuals as he may find qualified to carry on work under this section without regard to the provisions of section 3709, Revised Statutes, and with respect to such contracts he may make advance progress or other payments without regard to the provisions of section 3648, Revised Statutes. Contracts hereunder may be made for work to continue not more than 4 years from the date of any such contract. Notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. Research authorized under this subsection shall be conducted so far as practicable at laboratories of the Department of Agriculture. Projects conducted under contract with public and private agencies shall be supplemental to and coordinated with research of these laboratories Any contracts made pursuant to this authority shall contain requirements making the results of research and investigations available to the public through dedication, assignment to the Government, or such other means as the Secretary shall determine.

"(b) In order to carry out further the purposes of section 1, other than research on utilization of agricultural commodities and the products thereof, and in addition to all other appropriations authorized by this title, there is hereby authorized to be appropriated for cooperative research with the State agricultural experiment stations and such other appropriate agencies as may be mutually agreeable to the Department of Agriculture and the experiment stations concerned, the following sums:

"(1) $1,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

"(2) An additional $1,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year.

"(3) An additional $1,500,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year.

"(4) An additional $1,500,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

"(5) In addition to the foregoing such additional funds beginning with the fiscal year ending June 30, 1951, and thereafter, as the Congress may deem necessary.

"(c) The Secretary may incur necessary administrative expenses not to exceed 3 percent of the amount appropriated in any fiscal year in carrying out this section, including the specific objects of expense enumerated in section 3 of this title.

"(d) The 'Special research fund, Department of Agriculture,' provided by section 4 of this title, shall continue to be available solely for research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and byproducts and manufacturers thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes. Such research shall be in addition to research provided for under other law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary of Agriculture may designate or establish

"SEC 11. Notwithstanding any other provision of this title, (1) not less than 20 percent of the funds authorized to be appropriated under section 9 (a) shall be used by State agricultural experiment stations for conducting marketing research projects approved by the Department of Agriculture, and (2) cooperative research projects provided for under sections 9 (a) (3) and 10 (b) shall be carried out under cooperative agreements between the Secretary of Agriculture

and the cooperating agencies and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating. Should duplication or overlapping occur subsequent to approval of a cooperative research project, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof The Secretary of Agriculture shall include in his annual report to Congress a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds "

TITLE II

This title may be cited as the "Agricultural Marketing Act of 1946."

SEC. 202. The Congress hereby declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation. It is further declared to be the policy of Congress to promote through research, study, experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past 84 years in connection with the production of agricultural products so that such products capable of being produced in abundance may be marketed in an orderly manner and efficiently distributed. In order to attain these objectives, it is the intent of Congress to provide for (1) continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products, (2) cooperation among Federal and State agencies, producers, industry organizations, and others in the development and effectuation of research and marketing programs to improve the distribution processes; (3) an integrated administration of all laws enacted by Congress to aid the distribution of agricultural products through research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for the full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner. In effectuating the purposes of this title, maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by State agricultural experiment stations and of the facilities of the Federal and State extension services.

SEC. 203 The Secretary of Agriculture is directed and authorized:

(a) To conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products: *Provided*, That the results of such research shall be made available to the public for the purpose of expanding the use of American agricultural products in such manner as the Secretary of Agriculture may determine

(b) To determine costs of marketing agricultural products in their various forms and through the various channels and to foster and assist in the development and establishment of more efficient marketing methods (including analyses of methods and proposed methods), practices, and facilities, for the purpose of bringing about more efficient and orderly marketing, and reducing the price spread between the producer and the consumer.

(c) To develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices.

(d) To conduct, assist, foster, and direct studies and informational programs designed to eliminate artificial barriers to the free movement of agricultural products

(e) To foster and assist in the development of new markets and new uses and in the moving of larger quantities of agricultural products through the private marketing system to consumers in the United States and elsewhere.

(f) To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products: *Provided*, That no money appropriated under the authority of this act shall be used to pay for newspaper or periodical advertising space or radio time in carrying out the purposes of this section and section 203 (e).

(g) To collect and disseminate marketing information, including adequate outlook information on a market-area basis, for the purpose of anticipating and meeting consumer requirements, aiding in the maintenance of farm income, and bringing about a balance between production and utilization of agricultural products

(h) To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, except that no person shall be required to use the service authorized by this subsection. Any official certificate issued under the authority of this subsection shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained.

(i) To determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural products

(j) To assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory body with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers.

(k) To collect, tabulate, and disseminate statistics on marketing agricultural products, including, but not restricted to statistics on market supplies, storage stocks, quantity quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

(l) To develop and promulgate, for the use and at the request of any Federal agency or State, procurement standards and specifications for agricultural products, and submit such standards and specifications to such agency or State for use or adoption for procurement purposes.

(m) To conduct, assist, encourage, and promote research, investigation, and experimentation to determine the most efficient and practical means, methods, and processes for the handling, storing, preserving, protecting, processing, and distributing of agricultural commodities to the end that such commodities may be marketed in an orderly manner and to the best interest of the producers thereof.

(n) To conduct such other research and services and to perform such other activities as will facilitate the marketing, distribution, processing, and utilization of agricultural products through commercial channels.

SEC. 204 (a) In order to conduct research and service work in connection with the preparation for market, processing, packaging, handling, storing, transporting, distributing, and marketing of agricultural products as authorized by this title, there is hereby authorized to be appropriated the following sums:

(1) $2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional $2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year

(3) An additional $5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year

(4) An additional $5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year.

(5) An additional $5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary.

Such sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department of Agriculture.

(b) The Secretary of Agriculture is authorized to make available from such funds such sums as he may deem appropriate for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other appropriate State agencies for cooperative research projects in marketing to effectuate the purposes of title II of this act: *Provided*, That no such allotment and no payment under any such allotment shall be made for any fiscal year to any State agency in excess of the amount which such State agency makes available out of its own funds for such research The funds which State agencies are required to make available in order to qualify for such an allotment shall be in addition to any funds now available to such agencies for marketing research The allotments authorized under this section shall be made to the agency or agencies best equipped and qualified to conduct the specific research project to be undertaken Such allotments shall be covered by cooperative agreements between the Secretary of Agriculture and the cooperating agency and shall include appropriate provisions for preventing duplication or overlapping of work within the State or States cooperating Should duplication or overlapping occur subsequent to approval of a cooperative research project or allotment of funds, the Secretary of Agriculture is authorized and directed to withhold unexpended balances on such projects notwithstanding the prior approval thereof.

SEC 205. (a) In carrying out the provisions of title II of this act, the Secretary of Agriculture may cooperate with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies and organizations, or other persons or corporations engaged in the

production, transportation, storing, processing, marketing, and distribution of agricultural products whether operating in one or more jurisdictions. The Secretary of Agriculture shall have authority to enter into contracts and agreements under the terms of regulations promulgated by him with States and agencies of States, private firms, institutions, and individuals for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relating thereto when in his judgment the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. Contracts hereunder may be made for work to be performed within a period not more than 4 years from the date of any such contract, and advance, progress, or other payments may be made. The provisions of section 3648 (31 U. S. C., sec. 529) and section 3709 (41 U. S. C., sec. 5) of the Revised Statutes shall not be applicable to contracts or agreements made under the authority of this section. Any unexpended balances of appropriations obligated by contracts as authorized by this section may, notwithstanding the provisions of section 5 of the act of June 20, 1874, as amended (31 U. S. C., sec. 713), remain upon the books of the Treasury for not more than 5 fiscal years before being carried to the surplus fund and covered into the Treasury. Any contract made pursuant to this section shall contain requirements making the result of such research and investigations available to the public by such means as the Secretary of Agriculture shall determine

(b) The Secretary of Agriculture shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this title. In his annual report to Congress, he shall include a complete statement of research work being performed under contracts or cooperative agreements under this title, showing the names of the agencies cooperating and the amounts expended thereon, segregated by Federal and non-Federal funds.

SEC 206 In order to facilitate administration and to increase the effectiveness of the marketing research, service, and regulatory work of the Department of Agriculture to the fullest extent practicable, the Secretary of Agriculture is authorized, notwithstanding any other provisions of law, to transfer, group coordinate, and consolidate the functions, powers, duties, and authorities of each and every agency, division, bureau, service, section, or other administrative unit in the Department of Agriculture primarily concerned with research, service, or regulatory activities in connection with the marketing, transportation, storage, processing, distribution of, or service or regulatory activities in connection with, the utilization of, agricultural products, into a single administrative agency. In making such changes as may be necessary to carry out effectively the purposes of this title, the records, property, personnel, and funds of such agencies, divisions, bureaus, services, sections, or other administrative units in the Department of Agriculture affected thereby are authorized to be transferred to and used by such administrative agency to which the transfer may be made, but such unexpended balances of appropriations so transferred shall be used only for the purposes for which such appropriations were made.

SEC 207. When used in this title, the term "agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured product thereof.

SEC. 208. The Secretary of Agriculture shall have the power to appoint, remove, and fix, in accordance with existing law, the compensation of such officers and employees, and to make such expenditures as he deems necessary, including expenditures for rent outside the District of Columbia, travel, supplies, books, equipment, and such other expenditures as may be necessary to the administration of this title: *Provided*, That the Secretary of Agriculture may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed 6 months in any fiscal year to perform research, inspection, classification, technical, or other special services, without regard to the civil-service laws or the Classification Act of 1923, as amended

TITLE III

SEC 301 In order to aid in implementing the research and service work authorized under titles I and II of this act, and to assist in obtaining the fullest cooperation among Federal and State agencies, producers, farm organizations, and private industry, in the development of and in effectuating such research and service programs, and in order to secure the greatest benefit from the expenditure of funds, the Secretary of Agriculture shall establish a national advisory committee The functions of such advisory committee shall be to consult with the Secretary of Agriculture and other appropriate officials of the Department of Agriculture, to make recommendations relative to research and service work authorized by this act, and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and Federal and State agencies in the furtherance of such research and service programs. The membership of such advisory committee shall consist of the following: One person from each of the general national farm organizations; one person from the National Association of Commissioners, Secretaries, and Directors of Agriculture; one person from the National Association of Marketing Officials, one person to represent State agricultural experiment stations, one person to represent State extension services, to be selected by the groups which each is to represent. For each of the following commodity groups: Fruits, vegetables, and nuts; livestock and wool, grains, cotton; tobacco, dairy products, forest products; and poultry and poultry products; the Secretary shall appoint two persons to represent producers, one person to represent distributors, and one person to represent processors The Secretary shall also appoint two persons to represent retailers. In the selection of such members, due consideration shall be given to recommendations of the groups to be represented, and the representatives of producers shall be so selected as to afford cooperative associations of producers with adequate representation. One representative from the Department of Commerce, to be selected by the Secretary of Commerce, and one representative from the Interstate Commerce Commission, to be designated by the Chairman of the Commission, and such officials of the Department of Agriculture as the Secretary of Agriculture may designate shall be ex officio members The chairman of the committee shall be the Secretary of Agriculture or such other official of the Department of Agriculture as he shall designate. The committee shall meet at least once each year at the call of the chairman or of the executive committee In order to facilitate the work of such advisory committee and to increase its effectiveness, an executive committee of 11 members, 6 of whom shall be representatives of producers or their organizations, shall be created by and from the membership of such advisory committee. The executive committee shall meet at least once each quarter and at such other times as are deemed necessary. Members of such advisory or executive committees may not appoint alternates to serve in their stead. Committee members other than the ex officio members shall not be deemed to be employees of the United States and are not entitled to compensation, but the Secretary of Agriculture is authorized to allow their traveling and subsistence expenses necessary in connection with their attendance at meetings called by him for the purposes of this section.

SEC. 302. In the furtherance of the research and service work authorized by this act, the Secretary of Agriculture may, in addition to the national advisory committee, establish appropriate committees, including representatives of producers, industry, government, and science, to assist in effectuating specific research and service programs.

With the following committee amendments:

On page 4, line 19, add a period at the end of line 19.

On page 4, strike out lines 20 and 21.

The committee amendment was agreed to.

Mr. FLANNAGAN Mr. Speaker, the legislation under consideration, H. R. 6932, to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products, is a step in the right direction, and a step that should have been taken years ago.

In the beginning let me state that the word "research" as used in the bill is not restricted, as some would think, to the laboratory where scientists prove that two plus two make four, but is used in its broadest sense to cover every activity in connection with agriculture from the soil in which products grow until the products of the soil, whether in their original or processed state, reach the consumer.

Briefly stated, the bill, through research, attempts to give all phases of agriculture the opportunity of growing and developing along the line that has made industry in America so efficient and successful. We have realized for years that the dynamo back of the great industrial empire we have built up in America is industrial research. This bill is an attempt to put the same kind of dynamo back of agriculture.

That we are woefully behind in a scientific approach to our agricultural problems is beyond cavil. The whole tale is graphically told by comparing industrial research funds with agricultural research funds. The picture, as well as I have been able to put it together, is this:

FUNDS FOR INDUSTRIAL RESEARCH

The last figures I have been able to find are for the year 1940. I have been unable to find any figures for the war years, though everyone concedes that amounts spent on industrial research during the war years soared to astronomical heights. For instance, during the year 1944 the Federal Government spent on research in connection with the war effort $719,813,000.

The industrial research figures for 1940 follow:

(a) Spent by industry on research	$234,000,000
(b) Spent by research institutes endowed by industry	10,659,000
(c) Spent by universities and colleges on industrial research	24,601,000
Total	269,260,000

AGRICULTURAL RESEARCH

The estimated figures of the Department of Agriculture for agricultural research for the year 1946 are as follows:

(a) Research funds available for 1946	$24,716,000
(b) Payments by U. S. Department of Agriculture to State Experiment stations	7,206,000
(c) Non-Federal funds of State experimental stations	21,080,778
Total	53,002,778

It is doubtful, extremely doubtful, if all of the above funds can be properly charged to agricultural research, as it has been very hard to segregate from the appropriations to the Department of Agriculture the funds that actually go to research. Of these funds, only $4,450,000 are set aside for the four regional agricultural research laboratories provided for under the act of 1938. And, also, of these funds only $1,193,000 go to the special agricultural research work provided for in the Bankhead-Jones Act of 1935, which is amended by title I of the bill under consideration, and of the $1,930,000 of Bankhead-Jones funds only $65,400 are set aside for agricultural marketing research.

To give you some idea just how far behind we are in the field of agricultural research, and the enormous task that confronts us, let me take, for example, tobacco, which, as every one knows, is the only agricultural product that is taxed, the Federal revenue from which for the fiscal year ending June 30, 1946 amounting to $1,165,900,000 and the income from which to the American farmers amounting to $851,000,000—and what I say with respect to tobacco is true with respect to every other agricultural product—and what do we find? We find that practically no research work on tobacco has been done by the Government. The only work to amount to anything that has been done by the Government is at the Oxford Experiment Station at Oxford, N. C., and here we find that the Government only contributed for the year 1945 the paltry sum of $34,450.

Contrast our tobacco research record—and we are the greatest tobacco producing Nation on earth, producing last year 1,997,808,000 pounds—with the tobacco research record in other nations and we begin to realize just how far behind we are in agricultural research work.

With respect to tobacco research in other countries the record shows:

(a) In 1939 Germany, with a tobacco production of only 7,000,000 pounds, had five or six tobacco research laboratories in the Rhine Valley staffed by some 20 competent investigators.

(b) From 1920 to 1939 Russia was doing more tobacco research in the Ukraine than is being done in America.

(c) India, that produces a lot of tobacco, some 900,000,000 pounds of low-grade tobacco principally for native consumption, but whose climate and soil are capable of producing a tobacco comparable to the flue-cured American tobacco, is embarking upon a $1,000,000 per year tobacco research program.

(d) Canada, that only a few years ago imported large quantities of American tobacco, through research and investigation has found that she can produce good tobacco, and today is producing at the rate of 100,000,000 pounds per year, a poundage sufficient to take care of her home consumption plus an export business, principally to England, of 15,000,000 pounds.

While I do not have the figures, it is a well-known fact that other countries are engaged in extensive research study of tobacco. The unvarnished truth with respect to tobacco, and what I say applies to many other farm products, is this: Unless we put on an intensive campaign covering tobacco—first, production; second, utilization; and third, marketing; we are going to wake up some fine morning and find out that we have lost, to say the least, a great deal of our export business.

Now, while I am on tobacco, let me point out a few of the important and imperative things we would be able to do under the bill for tobacco:

(a) Production: We know a great deal about producing tobacco, probably more than any other nation in the world, but we do not know enough.

To begin with, tobacco still suffers from many diseases, the most prevalent at this time being black shank, knot root, and blue mold. We have got to conquer these diseases, and if we go about the matter in the right way it will not take us 40 years, as it did with Greenville wilt, to work out the prescription.

We have got to produce better tobacco. The percentage of sorry tobacco in each crop is too great. The only way to hold our export trade is by producing a little better tobacco than other countries. It is going to take a lot of research and experimentation to raise our percentage of good tobacco in each crop.

We have got to reduce the cost of producing tobacco if we stay in the competitive foreign market. This bill would provide the funds with which to find the answer.

(b) Utilization: We should explore the field of new usages for tobacco. As a matter of fact, much work remains to be done on improving present usages. For instance, a great deal of work should be done on extracting nicotine from tobacco. The possibilities in this field are unlimited.

(c) Marketing: Our tobacco marketing system needs to be improved all the way along the line from curing and preparing for marketing to the actual selling of the tobacco. Then, too, we need to do a great deal of work on developing our foreign markets.

The research activities provided for in the bill may be grouped under three general heads, namely: one, production research; two, utility research; and three, marketing research.

Title I of the bill deals primarily with production and utility research.

Title II of the bill deals exclusively with marketing research.

TITLE I

Title I amends the act of June 29, 1935, commonly known as the Bankhead-Jones Act, by broadening the authority of the act so as to include additional research on all types of farm problems. The declared policy of Congress, as expressed in this title, is "to promote the efficient production and utilization of products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agricultural and rural life as indispensable to the maintenance of full employment and national prosperity."

The intent of Congress is expressed in these words:

It is also the intent of Congress to assure agriculture a position in research equal to that of industry which will aid in maintaining an equitable balance between agriculture and other sections of our economy. For the attainment of these objectives, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the laws and principles underlying the basic problems of agriculture in its broadest aspects, including but not limited to: Research relating to the improvement of the quality of, and the development of, new and improved methods of the production, marketing, distribution, processing, and utilization of plant and animal commodities at all stages from the original producer through to the ultimate consumer; research into the problems of human nutrition and the nutritive value of agricultural commodities, with particular reference to their content of vitamins, minerals, amino and fatty acids, and all other constituents that may be found necessary for the health of the consumer and to the gains or losses in nutritive value that may take place at any stage in their production, distribution, processing, and preparation for use by the consumer; research relating to the development of present, new, and extended uses and markets for agricultural commodities and byproducts as food or in commerce, manufacture, or trade, both at home and abroad, with particular reference to those foods and fibers for which our capacity to produce exceeds or may exceed existing economic demand; research to encourage the discovery, introduction, and breeding of new and useful agricultural crops, plants, and animals, both foreign and native, particularly for those crops and plants which may be adapted to utilization in chemical and manufacturing industries; research relating to new and more profitable uses for our resources of agricultural manpower, soils, plants, animals, and equipment than those to which they are now, or may hereafter be devoted; research relating to the conservation, development, and use of land, forest, and water resources for agricultural purposes; research relating to the design, development, and the more efficient and satisfactory use of farm buildings, farm homes, farm machinery, including the application of electricity and other forms of power; research relating to the diversification of farm enterprises, both as to the type of commodities produced, and as to the types of operations performed, on the individual farm; research relating to any other laws and principles that may contribute to the establishment and maintenance of a permanent and effective agricultural industry, including such investigations as have for their purpose the development and improvement of the rural home and rural life, and the maximum contribution by agriculture to the welfare of the consumer and the maintenance of maximum employment and national prosperity; and such other researches or experiments bearing on the agricultural industry or on rural homes of the United States as may in each case be deemed advisable, having due regard to the varying conditions and needs of Puerto Rico, the respective States, and Territories.

Three separate appropriations are authorized under this title as follows:

1. PRODUCTION RESEARCH

(a) Section 9 (a): Under this section the money goes to the State experiment stations for agricultural research work, the emphasis being placed on production problems, but 20 percent of the funds must be used for marketing.

The authorization is as follows:

1947	$2,500,000
1948	5,000,000
1949	10,000,000
1950	15,000,000
1951 and each year thereafter	20,000,000

In addition to the $20,000,000 beginning with the fiscal year ending June 30, 1952, such sums as Congress may deem necessary.

These funds, as I have stated, go to the State experiment stations and are distributed as follows:

	Percent
(a) For equal allotment to each State and Puerto Rico on a 50–50 matching basis	20
(b) For allotment to each State and Puerto Rico on a 50–50 matching basis, one-half on basis of farm population and one-half on basis of rural population	52
(c) For allotment to the States for cooperative research on regional problems	25
(d) For administrative expenses of Office of Experiment Stations, Department of Agriculture	3
Total	100

The break-down of the 52 percent of one-half on the basis of farm and one-half on the basis of rural population is in order to give a fairer distribution. Under this break-down the States would receive the following amounts:

Distribution by States of full stated amounts authorized by sec 9 (b) (1) and 9 (b) (2) of H R. 6932 and comparison of amounts each State would receive from 52 percent distributed on basis of both farm and rural population, with amount each State would receive if the 52 percent were distributed on basis of rural population only

[Rural population includes towns of 2,500 and less. Farm population limited to those actually residing on farms]

State	20 percent equally distributed	52 percent distributed as provided by bill			52 percent distributed on basis of existing formula (rural population)	Increase (+) or decrease (−) column 6 as compared with column 5
		26 percent on basis of rural population	26 percent on basis of farm population	Total		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Alabama	$278,431 36	$174,949 44	$219,060 44	$394,018 88	$349,898 88	−$45,020 00
Alaska	78,431 36	4,880 32	986 48	5,248 80	9,761 64	+4,511 84
Arizona	78,431 36	28,784 48	18,744 32	47,528 80	57,568 96	+10,040 16
Arkansas	78,431 36	134,283 76	182,363 68	316,647 44	208,507 52	−108,139 92
California	78,431 36	177,436 24	109,892 32	287,328 56	354,872 48	+67,543 92
Colorado	78,431 36	47,125 28	41,413 92	88,539 20	94,250 56	+5,711 36
Connecticut	78,431 36	48,765 52	17,165 76	65,931 28	97,531 04	+31,599 76
Delaware	78,431 36	11,244 88	7,529 60	18,774 48	22,489 76	+3,715 28
Florida	78,431 36	75,361 36	49,062 16	125,353 52	150,722 72	+25,369 20
Georgia	78,431 36	181,400 00	223,986 76	405,386 76	362,800 00	−42,586 76
Hawaii	78,431 36	14,078 88	21,293 36	35,372 24	28,157 76	−7,214 48
Idaho	78,431 36	30,859 60	33,178 88	63,988 48	61,719 20	−2,269 28
Illinois	78,431 36	184,734 40	160,325 28	345,059 68	369,468 80	+24,409 12
Indiana	78,431 36	136,284 32	133,711 20	269,995 52	272,568 64	+2,573 12
Iowa	78,431 36	128,689 92	152,442 92	281,132 84	257,379 84	−23,778 00
Kansas	78,431 36	92,658 24	99,405 20	192,063 44	185,316 48	−6,746 96
Kentucky	78,431 36	176,655 52	206,552 96	383,208 48	353,311 04	−29,877 44
Louisiana	78,431 36	122,422 72	139,586 64	262,009 36	244,845 44	−17,163 92
Maine	78,431 36	44,614 64	28,870 00	73,484 64	89,229 28	+15,744 64
Maryland	78,431 36	65,952 72	40,228 08	105,780 80	131,125 44	+25,344 64
Massachusetts	78,431 36	40,462 32	24,110 72	64,573 04	80,924 64	+16,351 60
Michigan	78,431 36	159,394 32	142,628 72	302,019 04	318,788 64	+16,769 60
Minnesota	78,431 36	124,082 96	149,796 56	273,877 52	248,165 92	−25,711 60
Mississippi	78,431 36	154,940 96	229,866 40	384,747 36	309,881 92	−74,865 44
Missouri	78,431 36	161,435 00	184,330 00	345,765 00	322,811 20	−22,953 80
Montana	78,431 36	30,780 08	29,376 08	59,622 16	61,576 16	+1,954 00
Nebraska	78,431 36	70,942 40	81,598 40	152,540 80	141,884 80	−10,656 00
Nevada	78,431 36	5,925 04	2,597 92	8,522 96	11,850 08	+3,327 12
New Hampshire	78,431 36	18,432 72	11,540 84	29,973 56	36,865 44	+6,891 88
New Jersey	78,431 36	67,730 04	23,436 00	91,166 04	135,461 28	+44,295 24
New Mexico	78,431 36	31,461 36	29,210 00	60,671 36	62,902 72	+2,231 36
New York	78,431 36	204,702 80	119,637 52	324,336 32	409,405 60	+85,069 28
North Carolina	78,431 36	229,852 00	271,786 96	501,640 96	459,704 00	−41,936 96
North Dakota	78,431 36	45,151 68	53,716 48	98,868 16	90,263 36	−8,578 80
Ohio	78,431 36	203,054 88	178,299 76	381,354 64	406,109 76	+24,755 12
Oklahoma	78,431 36	126,911 84	152,387 72	281,299 56	257,823 68	−23,475 88
Oregon	78,431 36	40,379 04	42,378 24	82,757 28	86,758 08	+3,800 80
Pennsylvania	78,431 36	293,109 12	149,825 68	443,024 80	586,398 24	+143,373 44
Puerto Rico	78,431 36	116,295 48	175,408 24	290,703 60	230,590 72	−60,112 88
Rhode Island	78,431 36	5,306 24	2,854 72	8,160 96	10,612 48	+2,451 52
South Carolina	78,431 36	126,869 60	180,172 40	276,992 00	253,738 20	−23,253 80
South Dakota	78,431 36	42,907 20	50,332 48	93,239 68	85,814 40	−7,425 28
Tennessee	78,431 36	167,128 08	208,314 64	376,042 72	334,256 16	−41,786 56
Texas	78,431 36	310,024 16	353,690 48	663,714 64	620,048 32	−43,666 32
Utah	78,431 36	21,674 24	17,140 88	38,815 12	43,328 48	+4,513 36
Vermont	78,431 36	20,883 28	17,447 76	38,331 04	41,766 56	+3,435 52
Virginia	78,431 36	153,304 40	161,500 16	314,804 56	306,728 80	−8,075 76
Washington	78,431 36	72,051 68	55,780 96	127,832 64	144,103 28	+16,300 72
West Virginia	78,431 36	121,497 60	87,537 60	209,035 84	242,995 48	+33,959 64
Wisconsin	78,431 36	129,059 76	144,607 44	273,667 20	258,119 52	−15,547 68
Wyoming	78,431 36	13,907 76	11,938 24	25,846 00	27,815 52	+1,969 52
Total	3,999,999 36	5,200,000 00	5,200,000 00	10,400,000 00	10,400,000 00	

(b) Section 9 (b): The money authorized under this section would go to research conducted by the Department of Agriculture, other than utilization research, in cooperation with the State experiment stations and other agencies agreeable to the experiment stations.

Funds authorized under section 9 (b) do not have to be matched.

The authorization is as follows:

1947	$1,500,000
1948	3,000,000
1949	4,500,000
1950 and each year thereafter	6,000,000

In addition to the $6,000,000, beginning with the fiscal year ending June 30, 1951, such sums as Congress may deem necessary.

The administrative expense under this section is limited to 3 percent.

UTILIZATION RESEARCH

(c) Section 10 (a): Under this section the money goes for utilization research conducted by the Department of Agriculture in its own laboratories or under contracts with other agencies, State or private.

Funds authorized under this section do not have to be matched.

The authorization is as follows:

1947	$3,000,000
1948	6,000,000
1949	9,000,000
1950	12,000,000
1951 and each year thereafter	15,000,000

In addition to the $15,000,000, beginning with the fiscal year ending June 30, 1952, such sums as Congress may deem necessary.

Utilization research, I am sure everyone will agree, is of great importance. In this great field we have not, in my opinion, even scratched the surface. In the report filed by the House Committee

on Agriculture on this bill we had this to say:

The most significant difference in the means employed by title I of this bill, from that used in the act of June 29, 1935, to effectuate the research authorized, is the provision (sec. 10 (a)) which authorizes the Secretary of Agriculture, in connection with research on utilization and associated problems concerning the development and application of present, new, and extended uses of agricultural commodities and the dissemination of information relative thereto, to enter into contracts with public or private organizations or individuals, as he may find qualified to conduct the work, if he determines that it would be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision will enable the Secretary of Agriculture to utilize the best facilities and personnel available for utilization research. Utilization research requires laboratories with various types of equipment and scientists with many different fields of specialization. These are available, to some extent, in the regional research and other laboratories of the Department of Agriculture and these facilities should be expanded as rapidly as possible and used to maximum capacity However, the need for utilization research exceeds the capacity of these existing facilities and, in recognition of this fact, provision is made to augment departmental facilities by authorizing the Secretary of Agriculture to enter into contracts with public and private agencies and individuals The authority to carry on utilization research through contracts is, however, subject to the over-all limitation that such research shall be conducted so far as practicable at laboratories of the Department of Agriculture The authority to conduct research in connection with the application of present, new, and extended uses of agricultural products and the dissemination of information through the use of contracts with public or private organizations or individuals, will enable the Secretary of Agriculture to stimulate the rapid adoption of new uses and methods developed through research

From the hearings on this bill it is apparent that agricultural research is lagging far behind research in other fields, and that additional research is urgently needed This is easily demonstrated by comparing two fibers—cotton and rayon Rayon, a product of the laboratory, has rapidly been overtaking and supplanting many of the former uses of cotton It has made such enormous strides, it now seriously threatens to supplant completely some of the major outlets for cotton This increased use and advancement of rayon over cotton is not due solely to any inherent qualities or advantages of rayon over cotton In fact, the converse appears to be true, namely, that cotton inherently has many advantages over rayon Rayon's advancement and expanded use has been due primarily to research—research which developed its qualities, and adapted it to an increasing number of new uses The same kind of research is sorely needed for agricultural products. The principal deficiencies in agricultural research in the past have not been in the quality of such research, but in the lack of its scope and of the size and number of research projects under way in relation to the myriad problems confronting agriculture. It was shown, for example, that one company manufacturing rayon has 10 times more experimental spinning and weaving equipment than does the New Orleans Regional Research Laboratory of the Department of Agriculture The purpose is to discover ways of using rayon more advantageously in the machinery of the textile industry. It was also shown that the chemical industry as a whole spends approximately 2 percent of its gross revenues on research. An equivalent percentage of the gross revenues of the cotton farmer alone, if available for research, would amount to approximately $26,000,000 annually. These, and many similar facts, have made it increasingly apparent that the future well-being of agriculture depends upon a greatly expanded research program.

TITLE II

While the bill covers all types of agricultural research, and in the solution of our agricultural research problems brings into play all the research agencies of our country, Federal, State, and private, special emphasis is placed upon marketing research, and rightly so.

MARKETING RESEARCH

Title II of the bill is devoted exclusively to marketing research. There is every reason why special treatment should be given to this phase of our agricultural research program. Agricultural marketing in this country has been neglected, woefully neglected, during the past. Over the years we have emphasized production and, on the whole, have done a pretty good production job. Through conservation practices, improved strains, improved methods of cultivation, and mechanized farming, we have been able to increase our production. The sad part of the picture, however, is that while the average farmer knows a great deal about how to produce, he knows practically nothing about marketing the things that he produces.

Concretely stated, the farm-marketing problem is to bring the farmer and consumer closer together to get rid of the enormous spread between the farm and the table Hence, it is a problem that not only the farmer but the consumer is vitally interested in. I have said it before, and I now repeat, American industry would be put out of business if it had to operate under a marketing system similar to the system the farmers have been forced to operate under through the years. In order to bring to you the seriousness of our present agricultural marketing system, I call your attention to the fact that, generally speaking, for every dollar the farmer receives for a product, the consumer has to pay from two to three dollars for the same product.

Mr. Speaker, I ask permission to insert at this point in my remarks a table showing the spread from the farmer to the consumer for the years 1913 to 1943:

Year	Cash farm income (1)	Retail value (2)	Marketing margin (3)	Government marketing taxes (−) and payments (+) (4)	Marketing bill adjusted for Government taxes and payments (5)	Farmer's share of retail value, derived from columns (1) and (2) (6)
	Billion dollars	*Billion dollars*	*Billion dollars*	*Billion dollars*	*Billion dollars*	*Per cent*
1913	5.8	8.2	4.4	.....	4.4	46
1914	5.8	8.6	4.8	.....	4.8	44
1915	5.8	8.8	5.0	.....	5.0	43
1916	4.6	10.4	5.8	.....	5.8	44
1917	6.5	13.8	7.3	.....	7.3	47
1918	7.3	14.5	7.2	.....	7.2	50
1919	8.0	16.4	8.4	.....	8.4	49
1920	7.7	17.7	10.0	.....	10.0	44
1921	5.2	13.2	8.0	.....	8.0	39
1922	5.4	13.6	8.2	.....	8.2	40
1923	5.8	14.5	8.7	.....	8.7	40
1924	6.1	14.9	8.8	.....	8.8	41
1925	7.0	16.1	9.1	.....	9.1	43
1926	7.2	17.0	9.8	.....	9.8	42
1927	7.0	16.9	9.9	.....	9.9	41
1928	7.3	17.0	9.7	.....	9.7	43
1929	7.5	17.8	10.3	.....	10.3	42
1930	6.5	16.6	10.1	.....	10.1	39
1931	4.8	13.3	8.5	.....	8.5	36
1932	3.5	10.9	7.4	.....	7.4	32
1933	3.7	11.4	7.7	−0.1	7.6	32
1934	4.4	12.8	8.4	−.4	8.0	34
1935	5.3	13.4	8.1	−.3	7.8	40
1936	6.0	14.7	8.7	.....	8.7	41
1937	6.3	14.6	8.3	.....	8.3	43
1938	5.5	14.2	8.7	.....	8.7	39
1939	5.5	14.3	8.8	.....	8.8	38
1939–41[1]	5.7	14.2	8.5	−.1	8.4	40
1940	5.9	14.5	8.6	.....	8.6	41
1941	7.4	16.6	9.2	.....	9.2	45
1942	9.5	19.6	10.1	.....	10.1	48
1943	11.2	21.5	10.3	+.4	10.7	52
1944[2]	11.5	21.7	10.2	+.7	10.9	53
1945[2]	12.0	22.2	10.2	+.8	11.0	54

[1] Average
[2] Preliminary

A Special Committee on Marketing, as you know, was set up some time ago by the House to make a thorough study of our whole agricultural marketing system. It has been my high privilege to act as chairman of the committee, and I say to you a more difficult assignment was never given a committee of this House. The more your committee wrestled with the problem the more thoroughly we became convinced that we would not only have to harness, but coordinate, all our agencies directly or indirectly concerned with agricultural marketing—Federal, State, and private—and that we would have to approach the problem from a scientific rather than a haphazard angle, if we succeeded in accomplishing the great task imposed upon us by the resolution creating and setting up the committee. Now, after months of thorough and painstaking study and investigation, the best answer to our agricultural-marketing problems that your special committee has been able to work out, and this answer is concurred in by unanimous vote of the House Committee on Agriculture, is title II of the bill we are now considering.

Now, you ask, just what will title II of H. R 6932 do? This is a fair question. Now, give me your attention while I attempt to answer it.

First, let me read that part of section 202 of title II that declares, and declares for the first time, the policy of Congress with respect to distributing and marketing agricultural products:

SEC. 202 The Congress hereby declares that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation. It is further declared to be the policy of Congress to promote through research, study,

experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past 84 years in connection with the production of agricultural products so that such products capable of being produced in abundance may be marketed in an orderly manner and efficiently distributed.

That is a great statement of policy. It is a declaration that should have been made years ago. It recognizes that the problem is a national problem—a problem that affects every man, woman and child in America—and consequently will have to be dealt with from the national point of view.

In order that there may be no misunderstanding as to the declared policy of Congress, the intent of the Congress is expressed in the bill in these words:

In order to attain these objectives, it is the intent of Congress to provide for (1) continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products; (2) cooperation among Federal and State agencies, producers, industry organizations, and others in the development and effectuation of research and marketing programs to improve the distribution processes; (3) an integrated administration of all laws enacted by Congress to aid the distribution of agricultural products through research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced and the price spread between the producer and consumer may be narrowed, that dietary and nutritional standards may be improved, that new and wider markets for American agricultural products may be developed, both in the United States and in other countries, with a view to making it possible for the full production of American farms to be disposed of usefully, economically, profitably, and in an orderly manner.

But, my colleagues, the bill goes farther than simply laying down a policy and expressing a pious intent; it authorizes and directs, and in no uncertain terms, the Secretary of Agriculture to do certain specific things. I cannot present these specific things to you in a better way than by reading section 203 of the bill, because here we spell out in cold, incisive, unambiguous language, just what the Secretary of Agriculture is to do in order to bring about improvement in our agricultural marketing system. May I have your undivided attention while I read these specific things:

SEC. 203. The Secretary of Agriculture is directed and authorized:

(a) To conduct, assist, and foster research, investigation, and experimentation to determine the best methods of processing, preparation for market, packaging, handling, transporting, storing, distributing, and marketing agricultural products: *Provided*, That the results of such research shall be made available to the public for the purpose of expanding the use of American agricultural products in such manner as the Secretary of Agriculture may determine.

(b) To determine costs of marketing agricultural products in their various forms and through the various channels and to foster and assist in the development and establishment of more efficient marketing methods (including analyses of methods and proposed methods), practices, and facilities, for the purpose of bringing about more efficient and orderly marketing, and reducing the price spread between the producer and the consumer.

(c) To develop and improve standards of quality, condition, quantity, grade, and packaging, and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices.

(d) To conduct, assist, foster, and direct studies and informational programs designed to eliminate artificial barriers to the free movement of agricultural products.

(e) To foster and assist in the development of new markets and new uses and in the moving of larger quantities of agricultural products through the private marketing system to consumers in the United States and elsewhere.

(f) To conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products: *Provided*, That no money appropriated under the authority of this act shall be used to pay for newspaper or periodical advertising space or radio time in carrying out the purposes of this section and section 203 (e).

(g) To collect and disseminate marketing information, including adequate outlook information on a market-area basis, for the purpose of anticipating and meeting consumer requirements, aiding in the maintenance of farm income, and bringing about a balance between production and utilization of agricultural products.

(h) To inspect, certify, and identify the class, quality, quantity, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary of Agriculture may prescribe, including assessment and collection of such fees as will be reasonable and as nearly as may be to cover the cost of the service rendered, to the end that agricultural products may be marketed to the best advantage, that trading may be facilitated, and that consumers may be able to obtain the quality product which they desire, except that no person shall be required to use the service authorized by this subsection. Any official certificate issued under the authority of this subsection shall be received by all officers and all courts of the United States as prima facie evidence of the truth of the statements therein contained.

(i) To determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural products.

(j) To assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by initiating complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory body with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers.

(k) To collect, tabulate, and disseminate statistics on marketing agricultural products, including but not restricted to, statistics on market supplies, storage stocks, quantity, quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

(l) To develop and promulgate, for the use and at the request of any Federal agency or State, procurement standards and specifications for agricultural products, and submit such standards and specifications to such agency or State for use or adoption for procurement purposes.

(m) To conduct, assist, encourage, and promote research, investigation, and experimentation to determine the most efficient and practical means, methods, and processes for the handling, storing, preserving, protecting, processing, and distributing of agricultural commodities to the end that such commodities may be marketed in an orderly manner and to the best interest of the producers thereof.

(n) To conduct such other research and services and to perform such other activities as will facilitate the marketing, distribution, processing, and utilization of agricultural products through commercial channels.

In reporting the bill to the House the committee had this to say on farm marketing:

The principal purposes of title II of this bill are to promote through research, study, experimentation, and through the development of cooperation among Federal and State agencies, farm organizations, and private industries a scientific approach to the problems of marketing, transportation, and distribution of agricultural products, which has been utilized so successfully in connection with the production of agricultural products to the end that marketing methods and facilities may be improved; that distribution costs may be reduced; that the price spread between the producer and the consumer may be narrowed; that dietary and nutritional standards may be improved; that new and wider markets for American agricultural products may be developed; and that the full production of American farms may be disposed of usefully, economically, profitably, and in an orderly manner

It is generally recognized and admitted that many of the major and most pressing problems in agriculture lie in the field of marketing and distribution In the past, major emphasis has been placed on problems of production, and marketing problems to a large extent have been ignored. Unless intensive research is carried out to improve the processes of distributing agricultural products capable of being produced in abundance, many of the benefits and improvements developed through research in the field of production will be dissipated. Production is but half the problem It is equally important, if agriculture and the Nation is to prosper, that there be an efficient marketing system to distribute in an economical and orderly manner that which is produced

In connection with this committee's investigation of the marketing of farm products, pursuant to House Resolution 54, it has been developed that there is comparatively little information available on the costs, wastes, and inefficiencies of marketing and distributing agricultural products. Such information is fundamental in any thorough study of our marketing system. Without adequate information, no accurate analysis of the deficiencies in the distribution system can be made. Such information must be compiled if attention is to be focused on the weak spots and if ways and means for improvements are to be developed. The work involved in conducting studies, analyses, surveys, and other research and experimentations to improve the efficiency of handling agricultural products from the farm to the consume., to reduce the price spread, to improve the methods of processing, preparing for market, packaging, handling, transporting, storing, marketing, distributing, and developing new outlets for agricultural products is a continuing process which must be carried on constantly if genuine progress is to be made.

Under our economic system, most agricultural production is for market, and under such conditions tending to become specialized and concentrated in the most efficient producing areas. This specialization in production tends to separate production farther and farther from the consumer and to make the problems of marketing more complex It is, therefore, more important than ever

that all appropriate steps be taken to assist the privately operated system for marketing and distributing agricultural products to function more efficiently.

Title II of this bill is designed to provide the marketing research so vitally needed, and to give to marketing problems the same type of intensive study and attention that is given to the problems of agricultural production.

One of the significant sections of title II is section 205 (a). This section authorizes the Secretary of Agriculture, in carrying out the provisions of title II, to cooperate with other branches of the Government, State agencies, trade associations, private organizations, and individuals. It also authorizes the Secretary to enter into contracts and agreements with such agencies for the purposes of conducting marketing research or service work authorized by this title if he determines that the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture. This provision, which is very similar to a provision contained in title I, will enable the Secretary of Agriculture to utilize the best facilities and personnel available in carrying out the marketing research and services authorized under title II. There are many marketing problems which cannot be solved in a laboratory or facility of the Federal Government and in many instances the only laboratory available is the distribution system itself Therefore, much of the information necessary for effective marketing research must be done by, or accomplished in cooperation with, industry In recognition of this fact, provision is made whereby the Secretary of Agriculture may enter into contracts with public and private agencies and individuals.

MARKETING FUNDS

In order for the Secretary of Agriculture to carry out the directives with respect to agricultural marketing, the bill authorizes to be appropriated:

(1) $2,500,000 for the fiscal year ending June 30, 1947, and each subsequent fiscal year.

(2) An additional $2,500,000 for the fiscal year ending June 30, 1948, and each subsequent fiscal year

(3) An additional $5,000,000 for the fiscal year ending June 30, 1949, and each subsequent fiscal year

(4) An additional $5,000,000 for the fiscal year ending June 30, 1950, and each subsequent fiscal year

(5) An additional $5,000,000 for the fiscal year ending June 30, 1951, and each subsequent fiscal year.

(6) In addition to the foregoing, such additional funds beginning with the fiscal year ending June 30, 1952, and thereafter, as the Congress may deem necessary

Such sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to the Department of Agriculture

This means that the Secretary of Agriculture will have at his disposal for carrying out the agricultural marketing program for the years 1947, 1948, 1949, 1950, 1951, and each year thereafter, in addition to the small amount he has at present for agricultural marketing activities, the modest sums—and I use the word modest advisedly—as follows:

1947	$2,500,000
1948	5,000,000
1949	10,000,000
1950	15,000,000
1951 and each year thereafter	20,000,000

The bill, I am happy to state, authorizes, beginning with the fiscal year ending June 30, 1952, such additional sums as the Congress may deem necessary. In my opinion, the Secretary of Agriculture will need additional funds in order to bring the program to full fruitage. I believe, however, that for every dollar spent in developing and carrying forward the program the return will be a thousand fold to the American farmers and consumers.

Now, you will want to know how the funds will be spent by the Secretary of Agriculture. I am also happy to state that the Secretary is given a wide latitude in the use to which the funds are employed and the agencies with which he may cooperate. This is right and proper, because the problem we are tackling is our biggest unsolved agricultural problem, and in bringing about its solution at the earliest possible moment, every agency, Federal, State, and private, that can, in any way, contribute toward its solution, should be put to work.

Let me put my finger on just how the Secretary may employ the marketing funds:

First. Under section 204 (b) the Secretary is authorized, upon a 50–50 basis, to allocate from the marketing funds such sums as he may deem appropriate to the State departments of agriculture, the State bureaus and departments of markets, the State agricultural experiment stations, and other appropriate State agencies, for cooperative efforts in working out the solutions to all research marketing problems. The only limitations placed upon the Secretary with respect to this provision is that he shall select the State agency or agencies best equipped and qualified to do the particular research, that all allotments shall be covered by a cooperative agreement with the agency so selected, and the agreement shall include appropriate provisions for preventing duplication.

Second. Under section 205 (a) in carrying out the directive provisions of title II, the Secretary may, first, enter into cooperative agreements with other branches of the Government, State agencies, private research organizations, purchasing and consuming organizations, boards of trade, chambers of commerce, other associations of business or trade organizations, transportation and storage agencies and organizations, or other persons or corporations engaged in the production, transportation, storing, processing, marketing, and distribution, of agricultural products, and he may also, second, enter into contracts and agreements under terms of regulations promulgated by him with States and agencies of States, private firms, institutions, and individuals, for the purpose of conducting research and service work, making and compiling reports and surveys, and carrying out other functions relating thereto when in his judgment the services or functions to be performed will be carried out more effectively, more rapidly, or at less cost than if performed by the Department of Agriculture.

In order to keep a check on this cooperative and contract work, the Secretary is required to report to Congress each year a complete statement of research work performed under contracts and cooperative agreements, showing the names of the agencies and the amount expended, segregated by Federal and non-Federal funds.

COORDINATION OF WORK

The marketing program will never be a success until the marketing research, services, and regulatory work of the Department of Agriculture is coordinated under one directing head. While I believe the Secretary should be given a free hand in bringing about the proper coordination and consolidation of the respective marketing research, service, and regulatory agencies, as provided for in section 206, I am strongly of the opinion that unless this is done, the marketing program will be a failure. It is the unanimous opinion of the House Committee on Agriculture that the Secretary should carry out the intent of Congress as expressed in section 206 at the earliest date possible.

EXPERIMENT STATIONS AND EXTENSION SERVICE

In carrying out the purposes of this legislation, attention is called to the fact that both title I and title II provide that—

Maximum use shall be made of existing research facilities owned or controlled by the Federal Government or by the State agricultural experiment stations and of the facilities of the Federal and State extension Service

Before I close let me call your attention to two other provisions in the bill which I think you will agree with me are important

AGRICULTURAL PRODUCTS DEFINED

In order to cover every segment of agriculture, the term "agricultural products" is defined in the bill to "include agricultural, horticultural, viticultural, and dairy products, livestock and poultry, bees, forest products, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof"

ADVISORY COMMITTEES

In order to aid in implementing the research and service work, assist in obtaining the fullest cooperation among the Federal and State agencies, producers, farm organizations, and private industry, and in securing the greatest benefit from the funds expended, three advisory committees are set up.

The bill contains three provisions for committees, as follows:

First. A large advisory committee with representatives from the various interested groups. Appointments would be made by the Secretary with due consideration to the recommendations of the groups concerned. The advisory committee would select from its membership an executive committee of 11 members, 6 of whom would represent producers.

Second. A nine-man committee elected by and representing the State experiment stations, and approved by the Secretary. Cooperative research projects conducted by the State experiment stations on regional problems could be undertaken only upon the recommendation of this committee (9 (b) (3)).

Third. Such other "appropriate committees, including representatives of producers, industry, government, and science" as the Secretary may wish to appoint "to assist in effectuating specific research and service programs."

Mr. Speaker, in closing, let me state that, in my opinion, this legislation will do more toward solving our farm problems than any other piece of legislation ever enacted. It has the unqualified endorsement of the Secretary of Agriculture, the House Committee on Agriculture, and all the leading farm organizations, namely, the National Grange, the American Farm Bureau, the National Council of Farmer Cooperatives, the National Cooperative Milk Producers Federation, and the National Farmers Union. I hope it will pass by unanimous vote of the House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks at this point on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HOPE. Mr. Speaker, H. R. 6932 is, in my opinion, one of the most important bills on the subject of agriculture ever considered in Congress. It is really a composite of three bills: First, H. R. 6548, introduced by the gentleman from Virginia [Mr. FLANNAGAN], the chairman of the Committee on Agriculture; second, H. R. 295, introduced by the gentleman from Minnesota [Mr AUGUST H. ANDRESEN] and, third, H. R. 6692, introduced by myself. All three of these bills dealt with research along agricultural lines. The composite bill is based upon the idea of abundant production and efficient distribution and utilization of food and other farm products. Extensive hearings on the measures were held by the House Committee on Agriculture, at which time witnesses representing the Association of Land Grant Colleges, State Commissioners of Agriculture, the Department of Agriculture, and the four great national farm organizations, the Grange, the Farm Bureau, the Farmers Union, and the National Council of Cooperatives, appeared in support of the measure. In the course of the hearings, some suggestions as to amendments were made, some of which were embodied in the final form of the bill, H. R. 6932.

The bill is in part a result of studies made by the Committee on Agriculture during the present and preceding Congresses. It will be recalled that in the Seventy-eighth Congress the Committee on Agriculture was authorized to make a study of marketing. That authority was continued in the Seventy-ninth Congress. Also in the Seventy-eighth Congress, there was appointed a subcommittee of the Committee on Agriculture to make a special study of cotton problems. That committee, which was headed by the gentleman from Georgia [Mr. PACE] carried its studies over into the Seventy-ninth Congress. In both the marketing studies and the studies of the cotton committee it was clearly brought out that one of the greatest needs of present-day agriculture is research.

The Republican Food Study Committee, under the leadership of the gentleman from Ohio, Hon. THOMAS A. JENKINS, in its study of the food and agricultural situation, reached the same conclusion. It was found that agriculture was lagging far behind other industries in this regard. As a result of some of the studies of the Republican Food Study Committee, I introduced the bill H. R. 5925 sometime ago. This bill provided for the establishment of a National Food Research Institution in the Department of Agriculture. Later this bill was revised and introduced as H. R. 6692, the principal features of which were merged in the present bill. I do not know of any subject in the field of agriculture on which there is so much unanimity in thought and opinion as the matter of further research. This was clearly brought out during the hearings.

Title I of the bill amends and extends the Bankhead-Jones Act of June 29, 1935. It specifically broadens the authority contained in the original act by providing for research on all types of farm problems, particularly those which have developed during recent years and which may, in all probability, be anticipated in the future. It authorizes research to encourage the discovery, introduction, and breeding of new and useful agriculture crops, plants, and animals, both foreign and native, with particular interest in those crops and plants which may be adapted to utilization in the chemical and manufacturing industries. It also covers research relating to improving methods of production, research into the problems of human nutrition and research relating to the development of present new and extended uses of markets for agricultural commodities. It includes research relating to conservation and the development of land, forest, and water resources for agricultural purposes, as well as research relating to the design, development, and more efficient use of farm homes, buildings, and machinery.

While a considerable part of the research under title I, and possibly most of it, would be carried on through the Department of Agriculture, experiment stations and the land-grant colleges of the various States, there is also a provision that under certain conditions the Secretary of Agriculture may enter into contracts with such public or private organizations or individuals as he may find qualified to carry out research work authorized under title I of the bill. This provision will enable the Secretary to make use of any facilities in the country which he may find helpful in carrying out the research authorized by the bill.

The bill also provides for research on regional problems, common to two or more States. In such cases, the work will be carried on by the Department of Agriculture or through programs approved by the Secretary of Agriculture and the directors of State experiment stations in the area where the problem is to be studied.

Title II of the bill calls for research in what is practically a new field because up to this time research in the marketing of agricultural products has been practically nonexistent. In the past much research work has been done in the field of agricultural production. Under title I of the present bill much more can and will be done. The committee found, however, in making its marketing study that practically no work has been done by the Federal Government in the field of agricultural marketing. Because advances in the efficiency of production have outstripped progress in distribution we have in the past frequently had the paradox of simultaneous so-called "overproduction of food" while millions were hungry and undernourished, not only throughout the world but in this country. One of the methods which has been used in the past has been government control of agricultural production and marketing to mitigate the price-depressing effects of surpluses

While some arguments might be made for the temporary use of such remedies in a period of distress, that idea does not fit in with our American traditions and our spirit of free enterprise. As a permanent solution of our agricultural problems, such a policy is bound to be an utter failure. In the past we have spent almost nothing on the science of food utilization. We know more about the scientific feeding of cattle and poultry than we do about feeding human beings, or at least we apply our knowledge along those lines. Our experience during the war years shows that there is not too much food. We have used up every bit of the one-third increase in food production which we had during that time. The records of the Selective Service show all too clearly the results of undernourishment in this country in the past years. It has been estimated that in normal times one-third of our people are undernourished, and as many as two-thirds suffer definite dietary deficiencies. Nor is it true that this undernourishment is confined to those who cannot afford large expenditures for food. It permeates all income groups and shows that unsound food habits are not altogether a matter of inadequate income. They are the fruit of inadequate food education as well.

Careful analysis of the food requirements and desires of the American people leads inescapably to the conclusion that, in conjunction with a moderate export program, we can consume all of the food that American farms will produce for years to come if scientific skill and research are applied to the problems of food utilization as they have been in the past to the problems of food production.

The two keys to the door of complete and profitable use of abundant production are processing and distribution—processing to give consumers the kind of food they want in the form in which they want it or can use it most conveniently and economically; distribution scientifically geared to eliminate waste and inefficiency and give them the food they want at a price they can afford to pay.

Scientific investigation of food processing was almost completely ignored by

the Government prior to the war. It was carried on sporadically by a few bureaus of the Department of Agriculture as an adjunct to scientific investigation of production and by the larger food processing companies themselves for the functions, powers, duties, and authorities of all of the agencies in the Department whose work is along the line of the objectives and purposes of title II.

Title III of the act provides for the establishment of a National Advisory Committee to be composed of representatives from each of the National Farm Organizations, the National Association of Commissioners, Secretaries and Directors of Agriculture, the National Association of Marketing Officials, State experiment stations, the State extension services, as well as representatives of producers, distributors, and processors from the various commodity groups. It is provided also that retailers shall be represented on this committee and that in selecting the committee, the Secretary shall afford adequate representation to cooperative associations of producers. Representatives of the Department of Commerce, the Interstate Commerce Commission and of the Department of Agriculture may be designated as ex-officio members. The Secretary of Agriculture shall be chairman of the committee. The bill provides that the committee shall meet at least once a year and, in view of the fact that it will probably be difficult to have a meeting of such a large committee more often than that, there is set up an executive committee of 11 members, 6 of whom shall be representatives of producers or their organizations. The executive committee is to meet at least once each quarter and such other times as will be necessary.

It is the hope and purpose that through the Advisory Committee it will be possible to secure suggestions representing the best thought and experience of all of those who produce, process, and distribute agriculture commodities.

The entire bill is predicated upon the idea that it is the function of the farmer to feed the world and to do it adequately. Its theory is an economy of abundance—abundant production and abundant consumption.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, research for agriculture is of vital importance to the future welfare of American farmers, and I am pleased to note that H. R. 6932 is receiving unanimous approval of the entire membership of the House. The day will come when surplus farm products will present a serious problem in this country, and therefore, I feel that whatever can be done through research to find new uses for agricultural products, will be of great help in solving the surplus problem.

A new feature in research has been included in H. R. 6932, which directs the Secretary of Agriculture to conduct research and experimentation for the discovery, introduction, breeding, and testing of agricultural crops for utilization in industry and manufacturing and for replacement of surplus agricultural crops by the introduction of new crops not heretofore produced in this country. This proposal in H. R. 6932 was first advanced in H. R. 295, which was introduced by me on January 3, 1946. Several hundred thousand farmers have urged the enactment of H. R. 295, because the bill proposed research and experimentation in the production of new crops for American agriculture. If this authority in the bill is properly administered, I am convinced that new crops will be introduced for the benefit of American farmers and for the general welfare of the country.

I am including as a part of my remarks the text of H. R. 295, as it was the unanimous intent of your Committee on Agriculture and now of the House of Representatives that the purpose and authority for the research and experimentation authorized in H. R. 295 was included and fully authorized in title I of H. R. 6932:

A bill to provide for the discovery, introduction, breeding, and testing of agricultural crops for utilization in industry and manufacturing and for replacement of surplus agricultural crops through cooperation of the United States Department of Agriculture and the several State agricultural experiment stations

Be it enacted, etc.—

TITLE I

SECTION 1. To enable the Secretary of Agriculture to encourage the discovery, introduction, and breeding of plants and agricultural crops both foreign and native in a search for crops useful for replacement of surplus agricultural crops, particularly for those plants and crops which may be adapted to utilization in the chemical and other manufacturing industries, and to cooperate on problems of national and regional significance with the State agricultural experiment stations, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year 1947, the sum of $800,000.

SEC. 2. One-half of the sums appropriated for any fiscal year under this title shall be used by such agencies of the Department of Agriculture as may be designated or established by the Secretary for the following purposes.

(a) The discovery, introduction, and breeding of plants, either foreign or domestic in origin, which may prove useful as crops which may be substituted profitably for crops in which there are constant or recurrent surpluses.

(b) Conducting surveys and explorations both in foreign countries and the United States and its possessions in order to collect for study and testing valuable seeds, bulbs, trees, vines, cuttings, and plants which may prove useful in replacement of present surplus agricultural crops and for chemical and industrial uses.

(c) The discovery, introduction, and breeding of plants which may be useful as raw materials for chemical or industrial utilization.

(d) The carrying out of such tests and trials as are needed to determine adaptation of plants of the types contemplated in this title to the several regions of the United States

(e) The carrying forward of such preliminary tests and trials as will indicate possible chemical or industrial uses of plants of the type contemplated under this act, and to study the gathering and preliminary processing of such plants to fit them for transportation and for industrial or chemical use.

(f) The growing of supplies of plants of the types contemplated under this title to enable the regional laboratories authorized and established under the Agricultural Adjustment Act of 1938 to make adequate studies of the possible chemical or industrial utilization of such plants or crops.

(g) Cooperation with the several State agricultural experiment stations on studies authorized under this title and under title II. In entering into cooperative agreements with agricultural experiment stations under this section, the Secretary shall give consideration to the benefits to be derived from programs of work from a regional or national basis

SEC. 3. One-half of the sums appropriated for any fiscal year under this title shall be used by such agency or agencies of the Department of Agriculture as may be designated or established by the Secretary, and in cooperation with the State agricultural experiment stations, to establish and maintain not to exceed 12 regional plant introduction and testing centers in such different agricultural regions as the Secretary may designate. These regional centers shall be located on land provided under agreement with State agricultural experiment stations. Each center shall cooperate actively with the State agricultural experiment stations of the region. Each regional center will receive and test the various plant introductions and improved plants contemplated under this act, determine their adaptation to soil and climate, and furnish plant material for testing under diverse conditions and cooperate in such testing.

SEC. 4. The sums appropriated in pursuance of this title shall be in addition to and not in substitution for sums appropriated or otherwise made available to the Department for purposes of the kind contemplated in this title.

SEC. 5 Research authorized under this title shall be in addition to research provided for under existing laws (but both activities should be coordinated as far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish in the same manner and subject to the same administrative procedure as governs such agency or agencies

SEC. 6 The agencies designated by the Secretary to carry out the provisions of this act are empowered within the limits of the appropriation made therefor to make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services, purchase and exchange of supplies and equipment, books of reference, periodicals and press clippings, travel and subsistence expenses including the expenses of attendance at meetings and conferences; purchase, operation and maintenance at the seat of government and elsewhere of motor-propelled passenger-carrying and other vehicles; printing and binding and for such other facilities and services as may from time to time be found necessary for the proper administration of this title.

TITLE II

SEC 21. In order further to endow and encourage research on the introduction, development, breeding, and testing of plants and agricultural crops for industrial utilization and for profitable replacement of present surplus crops and to provide the necessary facilities for conducting such research and for the printing and dissemination of the results of such research by the State agricultural experiment stations now established or which may hereafter be established in accordance with the act of Congress approved March 2, 1887, there is hereby authorized to be appropriated for each fiscal year beginning with the fiscal year 1947 the sum of $1,200,000.

SEC. 22. Not more than 5 percent of the sums appropriated in pursuance of this title may be allotted by the Secretary for the administration of this title and for use in facilitating interstate and regional coopera-

tion among and between State agricultural experiment stations.

SEC. 23. After deduction of the amount herein authorized for the use of the Department the remaining sums appropriated in any fiscal year shall be apportioned to the States on the following basis:

(a) $10,000 shall be paid annually to each State without the requirement of offset.

(b) The remainder shall be allocated to the several States in the proportion that the farm population of each State bears to the total farm population of the several States. Of the amounts available to a State in any fiscal year under (b) of this section, 25 percent shall be matched by an equal amount of funds from sources within the States for research, facilities for research, and for publication of results of research of the kind authorized under this title.

SEC. 24. In the event any State fails to qualify for an apportionment or to meet the conditions governing the apportionment of funds, as set forth in this title or in the rules and regulations promulgated thereunder, the funds that would otherwise be made available to such State may be apportioned elsewhere by the Secretary in accordance with the provisions of this title

SEC. 25. If any portion of the moneys received by any agency of a State under this title shall, by any action or contingency, be diminished or lost or misapplied, it shall be replaced by the State and, until so replaced, no subsequent appropriation shall be apportioned or paid to such State

SEC 26. The sums authorized to be allotted to the several States shall be paid annually in quarterly payments on July 1, October 1, January 1, and April 1. Such sums shall be paid by the Secretary of the Treasury upon warrant of the Secretary in the same manner and subject to the same administrative procedure set forth in the Act of March 2, 1887, as amended June 7, 1888

SEC 27 The director of the agricultural experiment station in each State which conducts a program of work under this title shall furnish to the Secretary, on or before the first day of September of each year, on forms prescribed by the Secretary, a detailed statement of the receipts and disbursement of money under this act during the previous fiscal year.

SEC 28. (a) All sums appropriated in pursuance of this tittle shall be in addition to and not in substitution for sums hitherto made available for purposes of this title. Such sums may be used in cooperative studies among and between States and in cooperation with the Department on problems of interstate, regional, or national significance. Such sums shall be available for the purchase and rental of land and the construction of buildings necessary for conducting research contemplated under the provisions of this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research.

(b) Sums appropriated in pursuance of this title shall be available for securing new and basic facts which may prove useful in effectuating the purposes of this title, including—

(1) studies of native and foreign plants to determine adaptability to soils, climates, and cultivation;

(2) introduction, breeding, and adaptation of plants which may prove valuable as replacement crops or have chemical or industrial uses;

(3) determination of chemical or other characteristics of plants which may prove of industrial importance;

(4) development of suitable agronomic practices for production, collection, and marketing of such crops:

(5) development of machinery and methods for the producing and handling of such crops and for the processing necessary to prepare them for chemical or other industrial use;

(6) in cooperation with the Department of Agriculture, the production of sufficient quantities of promising crops to enable the regional laboratories established under the Agricultural Adjustment Act of 1938 to make adequate tests of industrial and commercial utilization;

(7) studies of the economic readjustments needed in agriculture and industry associated with the introduction of new crops or crops better adapted to industrial utilization;

(8) cooperation with the Department of Agriculture in effectuating the purposes of titles I and II of this act.

TITLE III

SEC. 31. The grants of money to the several States authorized in title II of this act are made subject to legislative assent of the several States to the purposes of said grants: *Provided*, That payment of such installment of the appropriations herein authorized to be made as shall become due to any State before the adjournment of the regular session of the legislature meeting next after the passage of this act, shall be upon the assent of the governor thereof duly certified to the Secretary of the Treasury.

SEC 32. The Secretary of Agriculture is authorized and directed to prescribe such rules and regulations as may be necessary to carry out this act.

SEC. 33 (a) As used in this act the term "Secretary" means the Secretary of Agriculture of the United States.

(b) The term "Department" means the United States Department of Agriculture.

(c) The term "State" or "States" includes Alaska, Hawaii, and Puerto Rico

(d) The term "farm population" shall represent a determination as shown in the last preceding Federal census.

SEC 34. In order to assist the Secretary in coordinating all activities and to secure the greatest efficiency in the expenditure of funds, there shall be appointed by the Secretary a committee on coordination which shall be requested to meet at least once each fiscal year for the purpose of reviewing all programs financed under this act, and of advising the Secretary concerning the programs for the succeeding year This committee shall consist of 14 persons appointed for terms of 3 years each, except that of the committee first appointed, 4 members shall be appointed for terms of 1 year each; 5 members shall be appointed for terms of 2 years each, and 5 members shall be appointed for terms of 3 years each. No member of the committee may be appointed to succeed himself. The appointments of committee members shall be made as follows: Two from employees of the Department, four from persons nominated by the Association of Land-Grant Colleges and Universities, one being chosen to represent each of the four major agricultural regions of the United States; four from persons nominated by the four major national farm organizations; and four chosen by the Secretary to represent industry, manufacturing, technical, or scientific organizations or societies. The committee members will not be entitled to any compensation for their services but the Secretary is authorized to allow their traveling and subsistence expenses necessary in connection with their attendance at meetings called for the purposes of this section.

Mr. VOORHIS of California. Mr. Speaker, seldom, if ever, since I have been a member of the Committee on Agriculture has a bill come before the House with stronger or more general support from all agencies affecting American agriculture than is the case with H. R. 6932.

Nor is this at all remarkable. It has been true through the years that every dollar spent on agricultural research has come back a thousandfold in benefits to the entire Nation. Furthermore, the farmers of the Nation and the Nation itself face a future fraught with great and unknown possibilities for either good or ill. If we are to meet that future we must know how to do so. That is the purpose of this bill. Improved soil conservation, improved uses of fertilizer, development of better seed, the combatting of disease of farm livestock—all these are involved. They are what might be termed the standard objectives of agricultural research.

But there are two other great objectives of this bill. The first is to develop new and beneficial uses for our agricultural crops. We know only enough now to be sure that a whole world of such new uses is possible of development. The day may come soon when it will be most vital that this be done if an adequate market for all of certain of our staple crops is to be available.

In the second place title II of the bill provides for research in the field of the marketing of farm commodities. This field is as yet barely touched. Furthermore, it is precisely here, in the distribution and marketing of farm crops, that the farmers through the decades have met their greatest problems and suffered their worst hardships. The spread between what farmers receive for their crops and what consumers pay for food at retail is perhaps the most serious problem affecting both farmers and consumers today. Research on this problem is long overdue. The experience and value of farm cooperatives need to be studied, as well as other methods of narrowing the spread and making possible better protection for farmers against the hazards of speculative manipulations and market fluctuations.

I am glad to note the complete lack of opposition to this bill in the House. I most earnestly hope and believe it will encounter a like reception in the Senate.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, recently I asked unanimous consent to have included as a part of my remarks a fine description of the Foreign Service, past, present, and future, by Fortune magazine. I am informed by the Government Printer that it will cost $270. Notwithstanding the additional cost, I ask unanimous consent that it be printed in the RECORD.

The SPEAKER. Notwithstanding and without objection, the request is granted.

There was no objection.

Mr. JUDD asked and was given permission to extend his remarks in two instances and in each to include certain excerpts.

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. GWYNNE] is recognized for 1 hour.

IOWA CENTENNIAL

Mr. GWYNNE of Iowa. Mr. Speaker, the Members of the Iowa delegation have asked for this time to call attention to an event of prime importance in the history of our State. The year 1946 is the centennial year of Iowa. In 1846, 100 years ago, Iowa was admitted as the twenty-ninth State of the Union, and the first

free State to be carved out of the Louisiana Purchase.

While it can truly be said that the history of Iowa is not marked by the tumult and disorders that have sometimes characterized frontier life in the United States, nevertheless the first century of our existence as a sovereign State has witnessed many events of substantial interest and a vast development of the resources of our commonwealth. The Iowa delegation today will present some aspects of the life and development during these 100 years, to the end that the House of Representatives and the people of the United States may know of our great State, its accomplishments and its people. It will be apparent from these discussions that we have a great and we believe a justifiable prejudice in favor of Iowa. Its resources and its people are among the finest in our country—and we yield to no State in our devotion to our common country.

We take great pride in the fact that, during World War II, Iowa contributed greatly in winning the victory. We furnished our full quota to the armed forces; for many months we stood first in enlistments in the Navy. Being the foremost agricultural State of the Union, the Government naturally looked to us to feed our armies and those of our allies. In spite of lack of machinery and of manpower, production was kept at the maximum.

We of the Iowa delegation are privileged to represent its people in the House of Representatives. It is with pride that each member of the delegation will present a special phase of Iowa's history and development, its life, its resources, and its people.

The Members from Iowa will discuss subjects as follows:

First. The People of Iowa, BEN F. JENSEN, Seventh District.

Second. Iowa, the Banner Agricultural State, CHARLES B. HOEVEN, Eighth District.

Third. Early Schools and Churches, KARL M. LECOMPTE, Fourth District.

Fourth. Transportation, Insurance, and Banking, HENRY O. TALLE, Second District.

Fifth. Industry and Commerce, JOHN W GWYNNE, Third District.

Sixth. Organizations of Labor, Business, and Veterans, JAMES I. DOLLIVER, Sixth District.

Seventh. The Political History of Iowa, PAUL CUNNINGHAM, Fifth District.

Eighth. Iowa's Military Contribution to National Defense, TOM MARTIN, First District.

Mr. Speaker, I yield to my colleague [Mr. JENSEN] who will discuss the subject of Iowa's people.

THE PEOPLE OF IOWA

Mr. JENSEN. Mr. Speaker, the State of Iowa produces corn, hogs, cattle, chickens, pearl buttons, washing machines, and many other fine material items; it also produces men and women of sterling character. Both in physical development and in mental attainments the people of Iowa have reason to be proud of themselves. Into this State the older parts of the East poured some of their finest stock and from Iowa many more in the same pioneering spirit have gone forth to people the far West and the great new industrial and commercial centers of our land.

The first people who inhabited Iowa in historic times were the Ioway and several other tribes of Indians. The Ioway Tribe was settled along the central parts of the Des Moines River Valley when the white pioneers came to settle permanently these parts. In the western and southwestern parts of the State were the Pottawattomie, Chippewas, Omaha, Oto, and Missouri Tribes. The Sac and Fox, along with the Winnebago, moved into eastern and southern parts of the State when pushed there by Indian wars. In the far southeast of the State were the Mascouten, who gave their name to the city of Muscatine.

In 1823 the Ioway Tribe was exterminated by other Indians and the Sac and Fox came to be the only important remaining Indian group. Most of the tribes were migratory buffalo hunters although a few settled groups raised crops of corn and beans.

The first white men in Iowa were the French explorers Marquette and Joliet who passed down the Mississippi in 1673. Other Frenchmen came and set up a few fur-trading posts, intermarrying with the Indians. After the Louisiana Purchase a small tract was set up in southeastern Iowa called the half-breed tract to accommodate the mixed bloods who were then important in this area. The tract included Keokuk, Montrose, and Fort Madison. Later the half-breeds and their tract disappeared, swallowed up in the white tide of immigration from the east.

In 1833 white settlement began in earnest and by 1838 there were enough white men in the area to organize the Iowa Territory. By the time of the admission of Iowa as a State in 1846 there was a swelling flood of immigration into this area. Most of these early pioneers came from Tennessee, Kentucky, Virginia, and other Southern States, and they furnished the early governors of the Territory and State. It was, however, the New England influence which first put a permanent stamp on the population of Iowa in the 1850's. Representative of this group was William Larrabee who came from Connecticut in 1853 and later became one of the greatest governors of Iowa. The New Englanders drove a wedge of population westward in the northern part of the State to Cedar River in Chickasaw County. Here they founded the village of Nashua which was made famous in the song—"The Little Brown Church in the Vale."

The Pennsylvania Quakers were also prominent among the early settlers of central Iowa and at a later date one of their descendants, Herbert Hoover—born 1874 at West Branch, Iowa—became President of the United States. The Quakers played a prominent part in the "underground railroad" during pre-Civil War days and John Brown found a congenial welcome among these folk during short stays in 1857 and 1859. Although there were a large number of early settlers from Kentucky, Tennessee, and other parts south of the Mason and Dixon's line during the 1830's and 1840's, the vast majority of Iowa's later pioneers were northern Yankees, and pronouncedly antislavery in viewpoint.

The foreign-language groups, while few at first, later came to make up a substantial portion of the pioneer population. It was composed of Irish, German, and Scandinavian elements, all of whom showed a strong tendency to merge into the generality of the population, after a generation or two.

During the period from the Civil War to the First World War the history of Iowa's people was largely contained in the immigrant tide of foreign born who poured into the State. Northern and eastern Iowa, in particular, received a heavy contingent of the foreign born and in almost all the counties of the State there is a section of the recent immigrants.

People of German descent are the most numerous in the State and in a large number of the counties form the basic substratum of the population. These people began arriving in large numbers after the revolts of 1848 in Europe. They settled chiefly along the Mississippi River at first but later spread westward across the State to its western boundary. Kanesville, now Council Bluffs, was the trading center of the new West.

In 1855 the village of Amana was founded in the Iowa River Valley by these people. The Amana Society was a communal religious group which continued for 90 years at this site and has only recently been transformed into a joint stock company. The Amana community laid great emphasis on manual skills and many of their products are valued widely throughout the United States.

Some of the Germans from Pennsylvania, the so-called Pennsylvania Dutch, formed settlements in Iowa as Amish or Amish-Mennonites in Washington and Henry counties. Wherever the Germans settled, their small rural communities emphasized the parish church, Lutheran, Roman Catholic, or Evangelical. German food, wedding parties and family reunions were frequent, as well as annual celebrations such as Sauer Kraut Day—Ackley and Lisbon, Iowa. In the cities German turnvereins or gymnastic clubs, and musical societies were organized.

The Irish contingent is, next to the German, the most important contribution to the foreign population in Iowa. The Irish first arrived in the 1840's, driven from home by famine, and settled in the larger towns. They were divided into two groups, the Protestant Orangemen, or Scotch-Irish, who constituted about one fourth of the Irish immigrants, and the Irish proper, who were Roman Catholics. The Irish played a large part in the building of bridges, roads, and railroads and in construction work generally. They were strongest in the counties of Dubuque and Clinton in the eastern tip of the State but later spread to more western counties.

In Burlington the old houses of the first Irish are still to be seen in the Hibernia

section on the sides of the hills. Here the Irish organized the West End Improvement Association, one of the first community civic associations in the United States. Annually the north Irishmen assemble at Deep River, Iowa, on July 12 to celebrate the Irish-Orangemen's Day.

The Scandinavian settlements in Iowa commenced at an early date. They formed compact communities in many of the counties of the northern and central parts of the State and at some places in the southeast and southwest. The Danes constituted more than half of these immigrants and were often found along with the Norwegians. The largest Danish settlement was established in the western part of Audubon County and in Shelby County. The Swedes settled more independently. In general the Scandinavians pressed forward to the regions with the coldest winters and the most isolated situations. They were mainly farmers and Lutherans.

In Burlington the Swedes live on West Hill with dwellings set in the midst of neat and well-landscaped grounds. Many of them still eat lutefisk—dried stockfish—imported from Sweden from November to March. In Des Moines the Swedish area is in the east of the city.

The remainder of the immigrant groups, although locally important, never came up to those above mentioned in numbers and general influence on the culture and manners of the people. However, it might be well to mention something about their coming and localization.

The Czechs, or Bohemians, settled in Spillville, Winneshiek County, in the northeastern part of the State and it was here that Anton Dvorak, the great composer, spent a summer and gathered material for his well known Symphony From the New World. Here the Czechs have their own banks, newspapers, doctors, lawyers, and business institutions. In a number of nearby rural areas Bohemian societies provide social halls for the young people and encourage Czech folk games and music. At the Bohemian Fall Festival at St. Ansgar in October many activities are carried on in the native tongue

In Cedar Rapids there were in 1938 18,000 persons of Czech origin, the majority being located in a district in the southwest end of town known as Little Bohemia Here, in their own shopping center may be purchased kolaches—tarts filled with cottage cheese, fruit, and poppy seeds—and other native Czech foods. In this district they also have their own churches, schools, clubs, and newspapers.

The Dutch first settled in Pella, some 20 miles southeast of Des Moines, in 1847. The Rev. Henry P. Scholte brought over the first contingent of settlers and others followed. The clean white buildings of Pella and the well-kept farms of the district are characteristically Dutch. An annual tulip festival is held each May and the people wear Dutch costumes and wooden shoes, dance folk dances, sing Dutch songs, and eat Dutch foods.

The Welsh originally settled in mining camps and primarily in Mahaska County near Oskaloosa. They still cling to their singing schools and church conventions. Many of the musical instructors in the schools of the State are descendants of the early Welsh settlers in this area. Church services in the Welsh tongue may still be heard. John L. Lewis, president of the United Mine Workers of America, was born of Welsh parents in Lucas County, Iowa, in 1880.

The Jewish population of Iowa is mostly concentrated in the cities, particularly Des Moines. Jews first appeared in Iowa in the 1840's and established themselves in the commercial and professional fields. The German Jews outnumbered those from all other countries in the early days but by 1936 most of the State's 20,000 or so Jewish families stem from other European nations, many from Poland. These latter have also gained leading places in business and the professions.

The Italians of Iowa are mainly concentrated in Des Moines also. The Italian quarter of that city is in the southern and eastern parts. This area was originally a Dutch and German settlement and was called Sevastopolo after a brewery built there in 1857. The first Italian came in 1879 and today little Italy has its community house, church, a newspaper, and an Italian post of the American Legion.

Approximately one-third of Iowa's 17,000 Negroes live in Des Moines where they have their own churches, restaurants, amusement centers, religious associations, as well as their own newspaper, the Iowa Bystander. In Council Bluffs and Sioux City there are sizable numbers of Negroes, largely employed by the railroads and packing plants.

Another center of Negro settlement was in the mining area near Oskaloosa where Negro miners were imported at the turn of the century. During World War I large numbers of Negroes came from the East and South in search of higher wages and for military training at Fort Des Moines and at Camp Dodge. Annually in September hundreds of Negroes meet on the abandoned site of Buxton, in Monroe County, which at one time was one of the largest Negro mining camps in the United States.

Another more recent element in the population is furnished by the Mexicans who are concentrated in Des Moines, Davenport, and several other places. They work principally in the sugar-beet fields and on the railroads.

There still remain in Iowa a small number of Indians. These are the Sac and Fox Tribe, situated on a tract of 2,300 acres on the banks of the Iowa River some 40 miles northeast of Des Moines. This group numbers about 400 and is located at Tama in Tama County. They have lived here since 1857 when they were permitted to settle by the State. In Woodbury County near Sioux City, there are also a few Indians.

Most of these Indians are truck farmers who raise corn, beans, pumpkins, potatoes, and melons on small plots of land. Some find employment as section hands on the railroads or as laborers in nearby towns. The women are often skillful at beadwork. Maple trees are tapped for their sugar in April. A few of these Indians still live in wickiups, small round-domed structures with walls of matted rushes and roofs of potato sacking. About 10 percent are Presbyterians, while the remainder are pagans who still practice their ancient rites and feasts. The tribe is governed by a council of five, who supervise pow-wows, land allotments, and house building. The annual pow-wow is held for 4 days in August, and is marked by dances and exhibitions of handiwork.

Many of the existing customs of the Iowa people can be traced to the pioneer period. Such were house raisings, hog killings, spelling bees, rug sewing—for carpets—singing schools, quiltings, and wood-chopping bees. All of these served as the basis for cooperative undertakings in the pioneer life and transmitted the spirit of cooperation to the present. The farmers in Iowa still assemble for family picnics, fairs, and Saturday-afternoon shopping. Church suppers, meetings, aids, and sociables are also important. The 4-H Clubs and the Farm Bureau groups also help in fostering social life. Threshing is a cooperative venture, the men gathering oats, wheat, barley, or rye in the fields for the threshing machines while the women gather vegetables and meat for feeding the men at the threshing dinners.

Each fall Iowa has a State corn-husking contest. Crowds of 20,000 people follow the wagons as the huskers, bareheaded and shirtless, work down the rows of corn and send the ears flying through the air against the bang boards. At the annual State fair each year there is a hog-calling contest to find the one with the most reach and volume of voice.

The spirit of the people of Iowa can be seen in their industry, their agriculture, and above all in their schools. Even before the railroads were constructed through the State many localities had their small colleges. The New England emphasis on learning has left a permanent mark on the Iowa population. The people pay high taxes for educational institutions and go into debt to send their children through college. Agricultural education is particularly stressed. In statistical methodology and mental testing Iowa has furnished the rest of the country with an eminent example of stress on learning and mental development.

The combination of Yankee ingenuity with the methodical nature of the industrious, hard-working people, most of them stemming from northern Europe, who settled there, has been of outstanding value in building up Iowa's industries such as washing machines, meat packing, cereal processing, mining, woodworking, banking and insurance operations. Even the hazards of drought and other agricultural plagues have been overcome by the greater development of industry and diversification of interests.

The immigrant heritage has also modified the New Englander to create a vigorous, artistic, and literary development

of Iowans. There are many art, literary, and music societies, small magazines, discussion groups, and other evidence of growing cultural life.

Many Iowans have migrated farther west. Large clubs have been organized in some of our far-western cities the largest club of its kind being in Long Beach, Calif., composed exclusively of Iowans. Like clubs also been formed in many of our larger cities in most every section of our Nation. But wherever they go, these emigrants carry the memory of the Iowa landscape and environments, the influence of the prairie soil; and their Christian-American patriotism is reflected in their artistic and literary expression, be it in their novels, their poems, their paintings, or their daily contacts with their fellowman.

Mr. GWYNNE of Iowa. Mr. Speaker, I yield to the gentleman from Iowa [Mr. HOEVEN].

IOWA, THE BANNER AGRICULTURAL STATE

Mr. HOEVEN. Mr. Speaker, to read the history of Iowa is to trace the growth of its agriculture, for herein lies its greatest wealth—its people's heritage. No single civilized area in the world of comparable size has such consistently rich land as Iowa. Of its total area of 56,147 square miles, 55,586 square miles is land area, and of this 99 percent is relatively fine soil. In 1943, a year of record production in total tonnage of crops, in numbers of livestock raised, in milk produced, egg products, and other farm items, the total money value of Iowa's crops and livestock reached $1,270,399,000. Iowa soil produces more wealth each year than all the gold mines of the world. The value of Iowa farm income for 1 year is more than twice as great as the value of the gold produced in Alaska since gold was discovered. One-fourth of all the number one fine land in the United States is in Iowa and three-fourths of it is within a 250-mile radius of Iowa. One-tenth of all the food produced in the United States is produced in Iowa and the per capita income of $4,322 of Iowa is the highest in the world.

Iowa has retained her unchallenged title as the outstanding agricultural State for so long that a recitation of her record in justifying her claims would seem almost commonplace. A brief study of any census report for the United States will quickly reveal the importance of Iowa to the food supply of the country.

Of the annual income in the State, one and one-half billion dollars are derived directly from agriculture.

Iowa has been rightly named the agriculture center of the world. Iowa is the real pantry and storehouse for the whole country. Not only is agriculture important to Iowa, but Iowa agriculture is of tremendous importance to the entire Nation. Here is the center of the Nation's food supply. And this State has never known a complete crop failure in its entire history.

Iowa ranks first in agricultural products produced per capita; first in cash farm income, having 8 percent of the United States total; first in cattle value, having 7 percent of the United States total; first in corn production, having 19 percent of the United States total; first in egg production, having 7 percent of the United States total; first in grade A land, having 25 percent of the United States total; first in grain crop production, having 13 percent of the United States total; first in hog numbers, having more than any other two States and 80 percent of the United States total; first in hog production, having 25 percent of the total number slaughtered under Federal inspection; first in horse numbers, having 7 percent of the United States total; first in improved farm-land percentage; first in livestock and poultry value, having 9.5 percent of the United States total; first in marketing of grain-fed cattle; first in oats production, having 15 percent of the United States total; first in poultry numbers in production, having 8 percent of the United States total; first in red clover seed production having 13 percent of the United States total; first in soybean hay production, having 3 percent of the United States total; first in timothy seed production, having 56 percent of the United States total.

Iowa has only 3.45 percent of the farm land in the United States, yet it produces 8 percent of the Nation's cash farm income. Iowa produces and markets more hogs than any other two States in the Union. In 1944, Iowa marketed 15.8 percent of the hogs, one-half of which were slaughtered by packing plants within the State. Iowa is the leading poultry State in the Nation, and in 1944, Iowa produced over 4,000,000,000 eggs. Iowa supplies the consumers of the Nation with more corn-fed beef than any other State. Iowa produced 32 percent of the popcorn raised in the United States in 1944 and is the world's center for this crop. Iowa produced more than half of the timothy seed raised in the United States. Iowa is first in the production of creamery butter. Iowa has more frozen food lockers than any other State. Iowa produces more oats than any other State. Iowa has 6 percent of the Nation's total acreage in crop. Iowa is second in the production of soybeans.

The story of the corn crop is richer and more exciting than any list of statistics, and Iowa ranks first in the production of corn raised annually, about 19 percent of the United States total. An orphan among grains, it belongs to no known family, has never been found growing wild, but has always been dependent on man's help for its survival. This is easily understandable when one considers the inability of an ear of corn to reseed itself. The revolutionary change to hybrid corn is now nearly complete in Iowa. While only seven-tenths of 1 percent of Iowa acreage was in hybrid in 1933, by 1944 the percentage had risen to 99.5 percent. Estimates for the 5-year period 1939–43 show that the relatively short hybrid increased the farmers' income by nearly $500,000,000, but the words of the State song, Ioway, That's Where the Tall Corn Grows, as a result become a bit off. Providentially, the large-scale production of hybrid corn during the war years made possible a tremendous increase in the acreage planted to vitally needed oil-producing crops, such as soybeans, because the country's corn requirements could be met from a smaller acreage with hybrid corn. Iowa's total production of soybeans for the 1940 season of 15,260,000 had been more than doubled for 1943 when 39,332,000 bushels were produced. Hemp was another war emergency crop grown in Iowa on a commercial basis for the first time and proved to be a profitable source of income to farms in the north central part of the State.

Oats is second only to Iowa corn crops both from the standpoint of acreage and income value. Although not so important a cash crop as corn, its balanced nutritive value as a feed grain for farm animals is unequaled. Iowa also produces large quantities of legumes, including alfalfa, clover, and soybeans, and raises domestic supplies of many smaller crops. Production records for grain crops while a basic factor in any consideration of the products of Iowa soil are closely allied with its records for hogs and cattle, for dairy products, and for poultry and egg production.

Iowa ranks first in numbers of registered shorthorn cattle and high among the States in the numbers of other types of pure bred cattle.

Dairy products from the pioneer period of the hand churn until the present era when 85 percent of the Nations total butter supply is produced in commercial plants have been a source of income to the Iowa farmers. In addition to leading the Nation as the banner butter producing State, since the last quarter of 1943 and up to the present time, Iowa ranks fourth in milk production. The value of all dairy products for the year 1943 was $153,518,977.

For 55 years, Iowa has led the Nation in pork production with 1943 setting an all time high for the gross number of swine ever produced by a single State in the history of America. The gross income for swine for Iowa in that year totaled $625,000,000, approximately 40 percent of the total farm income for the State.

To the phenomenal growth of the commercial hatching business may be attributed results achieved in the producing of commercial chickens on Iowa farms. Contrasting with the rate of laying in 1937 of 895 eggs per month per 100 hens, the laying rate for Iowa flocks in 1943 was the rate of 1,190 eggs per month per 100 hens. Turkey raising has also become a specialty and Iowa now ranks fifth in the Union as a producer of turkeys. The figures cited above are not inclusive but serve rather to highlight Iowa's natural agricultural resources and its almost unbelievable capacity to produce a variety of essential food products.

Iowa has 211,577 farms with a total acreage of 34,763,894 with an average acreage per farm of 164.

The division of Iowa farm land products closely follows the geographical map of Iowa. The western meat producing area follows the outline of the Missouri loess. The two cash grain areas north and north central follow the location of

the Wisconsin drift. The Iowan drift almost duplicates the northeastern dairy area excepting in the extreme northeast corner of the State. The eastern meat-producing area is located in the Mississippi loess. The two pasture areas southeastern and south follow the south Iowa loess. This comparable map gives a clear picture of Iowa's agricultural divisions and permits a better understanding of crop reports and figures. Then when you observe how evenly the population is distributed over the entire State, you realize how strong, how stable, how far reaching and how important is the picture of Iowa agriculture.

At the present moment there is a world shortage of fats and animal protein foods. These foods are urgently needed now to balance the vegetable diets of European peoples. They are needed to put health, vigor, and hope into the peoples of war-torn countries. They are also needed for the health and well-being of our people at home.

What does this mean to Iowa agriculture? It, of course, means that Iowa farmers produce the products now most needed to improve nutrition, that is, milk, meat, fats, and eggs. Iowa farmers are the largest and most efficient producers of these products Iowa farmers therefore have the best and most important food products in the world to sell. They have products which people want; products which people need for good nutrition.

Iowa farmers are interested in getting their products overseas to other people. They should be interested in the internal food and agricultural organization as a means of developing foreign markets. They should be interested both from the standpoint of need and from the standpoint of developing a taste and a desire for animal foods.

What about industrial opportunities in Iowa? In agriculture there is the greatest source of raw material in the world. There are over 1,000,000,000 tons per year of material awaiting industrial use, such as corn stalks, oat hulls, straw, and so forth—the byproducts of agriculture. From this material we can build lumber that is lighter in weight and stronger than any wood you can buy, and we can do it cheaper than you can produce and fabricate a similar quantity from the forests. We can actually press this material into any desired shape or form. A piece of ground 10 miles long and 10 miles wide will produce 200,000 square feet of this synthetic lumber per day.

When the war shut us off from tapioca, certain experiments were immediately started at Iowa State College. They found a waxy corn which produced the same kind of starch as tapioca. It produces a viscous type of starch. Here is a new industry awaiting development.

Then we have some good white corn hybrid on the way. These should be of great interest to the cereal manufacturers. It is also possible that hemp in Iowa should make way for some interesting industrial developments. The field of dehydration has an opportunity in the drying of alfalfa. The possibilities in plastics are endless.

It is indeed a great honor and a rare privilege to pay tribute to the great agricultural achievements of the State of Iowa in this, its first centennial year. The place which Iowa has attained in agriculture makes us immensely proud. Iowa will continue to lead the Nation in agriculture in the days to come. In the very heart of the bread basket of the world we will continue to produce our share of the food and more for the needs of humanity and a starving world. The Almighty has richly blessed us by giving us the glorious sunshine and the refreshing rains which are needed in maturing our crops. The fields of waving grain and the green pastures of the Iowa landscape make a picture wonderful to behold No wonder we are proud of Iowa.

You ask what land I love the best,
Iowa, 'tis Iowa
The fairest State of all the West,
Iowa, O Iowa!
From yonder Mississippi's stream
To where Missouri's waters gleam,
O fair it is, as poet's dream,
Iowa, O Iowa!

See yonder fields of tasseled corn,
Iowa, in Iowa,
Where plenty fills her golden horn,
Iowa, in Iowa
See how her wondrous prairies shine
To yonder sunset's purpling line,
O happy land, O land of mine,
Iowa, O Iowa!

Mr. GWYNNE of Iowa. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, earlier today the House gave approval to my bill authorizing the coinage of 50-cent pieces as a memorial to commemorate the centennial of Iowa, and I believe that Members of the House will be interested in a few minutes' discussion of the history and development of the State as it comes to its centennial.

SCHOOLS

Bringing Bibles and schoolbooks along with their plows and axes, pioneers of the great State of Iowa might glory in a job well begun if they could know, as we celebrate today the first 100 years of statehood, of the high place Iowa has achieved in the educational and spiritual progress of this Nation.

Iowa takes great pride in her well-earned reputation as a great agricultural State; however, her greatest pride is her children, for whose character, health, and education she has given much time, thought, and attention.

From the days of the earliest settlers, Iowa's children were given an opportunity to attend both school and church, and neither their spiritual nor mental education has been neglected through the 100 years of Iowa's statehood.

This largely accounts for the fact that literacy in Iowa is at the top. The latest census taken on illiteracy shows that Iowa has the lowest percentage of any State in the Union, eight-tenths of 1 percent.

The first schools were started in Iowa even before it was opened for white settlement and the first teacher was Mr. Berryman Jennings. He taught during the winter months of 1830 at the "head of the Rapids" in Lee County. For his service he was given room and board by Dr. Isaac Galland, who was the instigator of the school, and the use of the doctor's medical books. His schoolhouse was a log cabin, with a roof made of wide clapboards held down with wide cross poles to save both time and nails. The doors and windows were just openings in the walls, covered with oiled paper. A school was opened at Keokuk soon afterward, with Mr. J. K. Robinson as the teacher. He taught from December 1830 until the following spring. While most teachers in the early days were men, one woman, Mrs. Rebecca Palmer, began teaching at Fort Madison in 1834 and was the first woman teacher in Iowa. By 1838, when Iowa became a separate Territory, there were probably 20 schools there, but none of them public schools.

These early schools had practically no equipment. The seats were benches and the desks were planks fastened to the wall. The pupils had no regular textbooks, but brought whatever books they had at home. Among the best-known standard books used in the schools were McGuffey's Reader, Ray's arithmetic, and Smith's geography. Schools were not supported by taxes, but the parents paid according to the number of children they had in school. The school term lasted only a few months each year. Teachers received little pay and boarded around. The schools were primitive indeed, but these early days marked the beginning of the great school system of Iowa

Some free schools were established as a result of the action of the first meeting of the legislature of the Territory in 1838, whereby county officers were authorized to form a school district wherever a majority of the voters asked for a common school open to all white citizens to be supported by taxes from the district. Teachers were supposed to be examined by the district school inspector who could ask any questions he pleased. For example, on July 16, 1847, Miss Susan A. Abbe was examined "touching her ability to teach, both in regard to her education and her moral character" and was found well qualified to become the first legally certified teacher in the public schools of Cedar Rapids. The early public schools were not well-supported. In some places people felt too poor to pay the taxes for such a purpose, or wanted to save the money for land; others thought parents should pay for their children's education. When Iowa became a State in 1846, there were only about 100 public schoolhouses. By 1870, however, the proportion of people of Iowa who could read and write was greater than in most of the other States.

While Iowa was still a part of the Wisconsin Territory, the law invited the leading citizens of the larger settlements to establish academies or colleges for higher education. The only one actually built was at West Point; but soon after Iowa became a separate Territory, several more were built. These academies taught the subjects usually taught now in high schools. Among these private academies was the Denmark Academy, opened in

1845. For half a century it did much for education in Iowa and its graduates have held important places in public life. The establishment of high schools caused its demise in 1912. The first high school was opened in Tipton in 1856 and the second in Dubuque in 1858, but the movement for public high schools spread slowly. In 1911 a new State law gave the privilege of free high-school training to all children regardless of where they lived. Attendance soared and the number of schools increased.

The State superintendent of public instruction is at the head of the present school system. There is a county board of education in each county, and a district board in each district. Education is free until high-school graduation for all persons between the ages of 5 and 21 and is compulsory between the ages of 7 and 16 years.

The great educator, Horace Mann, is largely responsible for the Iowa educational system from elementary schools up to the State university. A law was passed by the State legislature in 1858 which incorporated the recommendations of Horace Mann and the other members of an educational committee.

In 1941–42, according to a report from the State department of education, there were in Iowa 9,624 elementary schools with 334,419 pupils and 15,891 teachers; 68 junior high schools with 26,263 pupils and 1,436 teachers; 127 junior-senior high schools with 23,030 pupils and 890 teachers; 50 senior high schools with 24,979 pupils and 966 teachers; and 761 regular 4-year high schools with 82,243 pupils and 3,180 teachers.

Iowa is a State of colleges and from the beginning these have been children of the church. Iowa Wesleyan College was started as Mount Pleasant Collegiate Institute in 1843, and was controlled by the Methodist Church. At first it was just an academy and the first bachelor of arts degree was given to Winfield Scott Mayne in 1856. The first girl was graduated in 1859.

Just a century ago, in 1846, Grinnell College opened at Davenport as Iowa College, and it is generally considered to be Iowa's first college. It was started by the Iowa band of 1843, made up of a group of young men from New England, representing the Congregational and Presbyterian Churches, who bound themselves together to do missionary work in the new territory. Iowa is proud of Grinnell College's enviable record of pioneering in various fields, including its being the first 4-year college west of the Mississippi and the first such college to admit women.

The land and money for a Presbyterian college at Cedar Rapids was given by an easterner who never saw Iowa, Daniel Coe. This institution is now called Coe College. Other church schools established early were Cornell College at Mount Vernon, Methodist; Central College at Pella, Baptist; and Drake University at Des Moines, Disciples of Christ.

The year that Iowa was admitted to Statehood, followers of the Church of Jesus Christ of Latter Day Saints, under the leadership of Brigham Young, were migrating west and started their trek across Iowa. Not all Mormons were in sympathy with the rule of Brigham Young and many dissenters, who frowned on the practice of polygamy, dropped out as they crossed Iowa. This group was reorganized in 1853 and in 1860 chose Joseph Smith, son of the founder, as its president, whose right they believed it to be by divine appointment. Headquarters of the church were established at Lamoni, in Decatur County, Iowa, where Graceland College was organized and where its educational work has continued since 1895. Among other colleges in Iowa largely supported by churches is William Penn College at Oskaloosa, Iowa, established in 1873 by the Society of Friends.

There are three institutions of higher learning in Iowa supported by the State; the State University at Iowa City, the Iowa State College at Ames, and the Iowa Teachers College at Cedar Falls. Congress had given two townships of land, 46,000 acres, in 1840, for the establishment of a university as soon as Iowa became a State. Therefore, the first Legislature of the State of Iowa in February 1847 passed a law establishing the State University at Iowa City, at that time the capital of the State. The university was opened in 1855 with three teachers. Tuition was $4 for a term of 16 weeks. The first degree was granted in 1858. When the university was opened women were permitted to attend, but in 1858 its board of trustees refused to let them. Later that same year they were permitted to attend the normal department. For many years the university was handicapped for want of funds. Not until 1869 did it take the form of a university. Today it consists of a number of colleges, liberal arts, law, medicine, and others. Iowa State College of Agriculture and Mechanic Arts was established by law in 1858 at Ames, but was not opened to students until October 21, 1868, women being admitted from the start. A course in home economics offered in 1871 made Iowa a pioneer in that field. An important factor in the development of the State College has been the establishment of the agriculture experiment station. In 1906 an extension service was added. A State normal school was established at Cedar Falls in 1876; the name of this was changed in 1909 to Iowa State Teachers College and a 4-year course leading to the degree of bachelor of arts in education was established.

Other colleges include: Simpson, Indianola, 1860; Luther, Decorah, 1861; Parsons, Fairfield, 1875; Buena Vista, Storm Lake, 1884; Western Union, Le Mars, 1890; Morningside, Sioux City, 1894; Kletzing, University Park, 1905; Loras, Dubuque, 1838; St. Ambrose, Davenport, 1882; University of Dubuque, Dubuque, 1852; Upper Iowa, Fayette, 1857; Briar Cliff, Sioux City, 1930; Clarke, Dubuque, 1843; Marycrest, Davenport, 1939; and Wartburg, Waverly, 1935.

Iowa also has a school for the blind and a school for the deaf, and throughout the State private educational and correctional schools and institutions are well supported.

CHURCHES

Nearly all religious societies are represented in Iowa's population. The first church building in Iowa—Methodist—was built in July 1834 at Dubuque. It was made of logs and was 20 feet square. Contributions for the church varied from 12½ cents to $25, amounting to $250 in all. Everyone was invited to give money because it was promised that when the Methodists who started it were not using the building the other denominations might do so. When completed it was dedicated by a 2-day meeting. The membership consisted of 12 persons—5 men and 7 women. In August the first Methodist quarterly meeting was held there. The dominating force behind the building of the church was Barton Randle, the first circuit rider of the Dubuque region. It is reported that the church had 40 members in the fall of 1835. St. Luke's Methodist Church of Dubuque is the direct descendant of the log church, fourth in line of succession.

One of the most interesting of the early churches is Old Zion, of Burlington. In April 1834 Barton Cartwright came from Illinois to the Flint Hills settlement, sent by his cousin, the Methodist preacher Peter Cartwright, to preach and form societies wherever practicable. For the next 2 years he preached and held his class meetings, and in 1836 the number of Methodists had increased enough so that it was decided to build a church. Money was hard to get, however, and it was 1838 before plans were made to build a brick church, 60 by 40 feet, on a stone foundation. This building was used from 1838 to 1841 as the first capitol of the Territory of Iowa, created in 1838 with Burlington as its capital. When the capital was moved to Iowa City the church was used as territorial headquarters. It first became a house of worship in 1841. It was also used for many important public meetings, including a conference with Indian chiefs. In 1851 a Burlington newspaper declared that "Old Zion needs a new roof" and since that name seemed appropriate, it stuck. In 1879 this church united with another Methodist church in Burlington, and its old building was torn down in 1881. The bell from Old Zion still calls the people to worship at the new church, built a few years later.

Roman Catholics were among the first white men to visit Iowa. In 1673, Louis Joliet, the explorer, and Father Marquette appeared at an Indian village and having received a friendly reception, Father Marquette worshiped with the Indians, holding the first Christian service in Iowa. During the next 160 years the only missionaries who came to that territory were Catholics. Between 1833 and 1835 several came, baptizing children, performing marriages, and saying mass. In August 1835 the cornerstone was laid by Father Samuel Mazzuchelli for St. Raphael's church at Dubuque, where there were 600 Catholics. In 1839 another church was completed in Davenport. The See of Dubuque was created in 1837 and Father Mathias Loras was consecrated bishop. His diocese included all of Iowa, Minnesota, the eastern half of the Dakotas, and part of Illinois and Wisconsin, within which ter-

ritory there were only two Catholic churches. Father Loras worked hard and diligently and soon many parishes were formed and churches built. He wrote very interesting letters about his experiences. The present cathedral was built in 1857. The establishment of New Melleray Abbey by the Trappist Monks in 1849 was a significant event in the history of the Catholics in Iowa. The seed planted by the pioneer priests has produced a rich harvest. For many years Dubuque has been the home of an archbishop.

Among the young men from the Yale Divinity School who formed the Yale Band to plant schools and churches in Illinois was Asa Turner. In 1838 he went on to Iowa and established the first Congregational church at Denmark. He became its pastor and preached there and in many other places. As Presbyterian and Congregational churches were formed, more ministers were needed. A group of 11 students from Andover Theological Seminary was sent out by the Home Missionary Society, which was supported by both Congregational and Presbyterian churches, and they were free to establish churches of either denomination. It happened, however, that within a short time they were all preaching in Congregational churches. Their religious and cultural influence was very great. They supported schools, led the movement for temperance, and urged abolition of slavery. The Yale and Andover groups formed the Iowa College Association to build a college, which later became Grinnell College. A famous early Congregational church is the "Little Brown Church in the Vale," located at Old Bradford, near Nashua. It was built in 1864 under the ministry of Rev. J. K. Nutting. It has been made famous by Dr. William Pitts, the organizer of a singing school in Bradford. The first verse of Dr. Pitt's famous song is as follows:

There's a church in the valley by the wildwood,
No lovelier spot in the dale.
No spot is so dear to my childhood,
As the little brown church in the vale.

The little brown church has become a shrine and thousands of tourists go to see it.

The Lutherans have been strong in Iowa since the great migrations of Germans and Scandinavians between 1850 and 1900. According to the census of 1850 there were only four Lutheran churches in Iowa. Ten years later there were 37. In the census of 1890 Lutherans held third place in number of church members, a place they still hold, being exceeded only by the Catholics and Methodists. Two years after Iowa became a State, Jacob Scherer was appointed a missionary to work among the Lutherans in Iowa. He organized a church in Van Buren County, probably the first Lutheran church in the State. In 1855 the English Evangelical Synod of Iowa was formed and in 1856 a college was started in Des Moines.

The first Presbyterian churches to be organized in Iowa were at Ion, Allamakee County, in 1834 and at Des Moines in 1836. The first Baptist church was organized at Lost Creek in 1836 and the first Quaker settlement was located at Salem in 1835. The Protestant Episcopalians, never a large group in Iowa, came in 1837 and held as one of their first services an outdoor service in Davenport. In 1854 the Reverend Henry Washington Lee was made first bishop.

The churches were pioneers in establishing hospitals. The Iowa Christian Home was established in Davenport in 1864 by the Protestant Episcopal Church for the sick and needy of all denominations. The Sisters of Mercy opened a hospital in that same city in 1869. Other hospitals were opened soon afterward by Methodists, Presbyterians, and Lutherans. From the earliest settlements, the church has been the meeting place for social affairs: bazars, ladies' aid meetings, young people's societies, and church socials. In many places it has provided the only outlet for musical expression.

As reported in 1938, almost one-fourth of the church membership in Iowa is Roman Catholic. The organization consists of three dioceses and one archdiocese. The Methodists, with three conferences, are the largest Protestant group. The third largest group, the Lutherans, predominate in the northern part of the State. Their churches are for the most part in small towns and villages. The Presbyterians and Baptists rank next in point of numbers. Congregationalists, Universalists, and Unitarians are mainly urban groups remaining close to the centers where they were founded, while the Christian Science and the Jewish congregations are largely in the cities, especially Des Moines and Sioux City. The most important denominations among the Negroes are the Baptists and Methodists.

In the century of Iowa's statehood, Iowa has maintained the spiritual and educational ideals of her pioneer forefathers—upholding freedom of speech and press, freedom of religion, the right to work and save, and the peaceful pursuit of happiness. The State continues as a place where the humble as well as the proud, the poor as well as the rich meet on common ground; this democratic ideal is well expressed in the motto of this State: "Our liberties we prize and our rights we will maintain."

Yes; Iowa men and women of the past 100 years have written glorious chapters in the history of this Republic; and in this next century of her continued progress, the fight will go on for the finer things of life in the devotion of its citizens to the ideal good.

Mr. GWYNNE of Iowa. Mr. Speaker, I yield to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Speaker, a century ago the principal economic problem in Iowa was the reverse of that which faces our Nation today. The early settlers suffered for lack of money to carry on business. Not only was the quantity short but the quality was poor. It was both scarce and inferior. Their problem was too little money. Our problem today is too much money.

In 1836 the Federal Government had no national debt. Today it is around two hundred and seventy-five billion, although that figure is an understatement if all contingent liabilities are taken into account. Since our potential inflation is measured by the amount of our national debt, the problem—too much money—is a genuinely serious problem in economics just as a hundred years ago the opposite extreme—too little money—was a genuinely serious problem in economics.

President Andrew Jackson was elected to office as a vigorous foe of the Second United States Bank. The rechartering of that institution was supported by Henry Clay and the Whigs; it was opposed by Jackson and the Democrats. Jackson won, and although the old charter did not expire before 1836 his attitude and the inferior management of the bank near the close of its life left the institution impotent to carry on as a positive force in the national banking field even before the charter expired. The result was chaotic and especially so following the panic of 1837. The farmers had invested their money in land, and many of them were "land poor." They needed working capital, the kind of capital commercial banks are designed to furnish. Lacking this service, the farmers were hard put to it, and it was but natural that substitutes for organized banks came into the picture. The services which should have been rendered by trained men of good character were left to adventurers who were lacking in both training and character.

It was a customary practice in the 1830's and 1840's for schemers to set up banks in out-of-the-way places. Some of them were located in the deep forest and with a purpose. There in some rude shack a printing press was put to work to grind out pieces of paper which were never intended to be redeemed, which had no metal backing and which bore no signature or stamp of a government official. There was a time when more than 7,000 different varieties of such currency were afloat in our country and no one could be certain of its value nor whether it had any value at all. Because these money-printing shops were so securely hid away and sometimes vanished during the night, they were called "wildcat" banks. Obviously, the pioneer came to have little or no faith in these strips of paper, but even bad currency is somewhat better than none at all and the metal money in circulation at the time was largely foreign coins. These became worn or were deliberately clipped, so that revaluation according to weight was necessary. Furthermore, since the coins, even though foreign, were better than the paper currency which circulated in so many varieties, Gresham's law—bad money drives out good—came into operation with the result that the metal money was hoarded. Sometimes the so-called banker of that day would lend his printing-press money and require the borrower to repay in metal, usually gold. Such a banker could establish himself in business for less than $100 and acquire for himself through his printing and lending operations hard money

whose value was sure. These practices gave the banker a bad name, so bad, in fact, that the dictionary was exhausted in the process when men assembled to talk their troubles over at the crossroads' general store.

The general store at the cross roads was a remarkable place of business in the early days of our country as indeed it was much later and still is in lesser degree. In addition to being a merchandise mart, it was a social center. I can recall when such a store carried stock that ranged all the way from calico, babies' shoes, and strawberry pop to neck yokes, whiffletrees, binder twine, and buggy whips in addition to the groceries sold over the counter. The farmer would bring his eggs to this store where they were candled—that is, they were held up to the light of a candle hid inside a wooden box in which two holes the size of an egg had been cut to determine whether they were fresh. The grocer would trade his wares for them and give "due bills" for the difference between the value of the eggs and the value of the goods given in exchange. These "due bills" were used for later purchases. The farmer often found, too, that merchants in the nearby cities were willing to take these substitutes for money in payment for shoes, suits of clothes, and other merchandise. These city merchants would have them redeemed by the shipper who bought eggs from the operator of the general store and the latter in turn would accept them in payment for the next lot of eggs he delivered. Thus the cycle was complete, and no legal money was used by the country storekeeper or the farmer in the process.

This general store often proved to be a profitable enterprise, and the operator lent his surplus cash to trustworthy customers. Not infrequently this lending business, which at the start was wholly incidental to the general merchandise business, became so profitable that the operator either sold the store and engaged altogether in informal banking or he let members of his family or a partner run the store while he spent his time at finance. Many a legitimate bank grew out of this kind of expansion, and the same is true of other businesses like the land offices that were common institutions in the era when public lands were being sold as the great westward movement pushed the frontier line across the prairie.

Iowa became a Territory in 1838. The population was then 22,859, and those who had settled upon the rich virgin land were located near the great highway of that day, the Mississippi River. The principal market center for surplus Iowa products was St. Louis, Mo., a city in which Daniel Boone sold his beaver skins and which, because it has enjoyed the momentum of an early start in the fur, skin, and leather business, is still a mighty factor in the leather industry. The direction of commerce at that time was north and south. New Orleans, with a population of 102,193, was the leading seaport outlet in 1840. St. Louis, with a population of 16,469, was the great center of commerce in the interior west of the Mississippi. Other centers east of the river were Chicago, 4,479; Cincinnati, 46,338; Pittsburgh, 31,201; Cleveland, 6,071; and Detroit, 9,102. In 1840, when Iowa had been a Territory for 2 years, and only 6 years before statehood was acquired, Chicago was a small town, indeed, for counting the soldiers who were quartered there and the Indians who still stalked about, as well as the horse thieves who are alleged to have operated in that city in those days—the records show that the total population in 1840 was less than that of my home town, Decorah, as of 1940. To repeat, St. Louis was the great market center in the interior west of the Mississippi and as far east as Cincinnati when Iowa became a State.

But a great transformation came when the direction of commerce shifted from its north and south direction to east and west as railroad building progressed following the Civil War. Our first transcontinental railroad was completed in 1869, and the population census of 1870 shows that by that time Chicago, with a population of 298,977, was about 12,000 persons short of equaling the population of St. Louis with 310,864. In other words, St. Louis was ahead of Chicago by the same margin as in 1840—that is 12,000—although each city had grown very much. But by the end of the next decade Chicago had outstripped St. Louis by about 150,000, and Chicago has held first place as the great inland metropolis ever since. This shift in the direction of commerce made Chicago, and not St. Louis, the great market center for surplus Iowa products. There is a measure of regret in that change, too, for life on the Mississippi was romantic to many people in addition to Mark Twain. The era of the Mississippi River steamboat around 1860 is marked for literature as well as commerce, and, although tugboats and barges ply their way over the watery highway at the present time, the romance of Mark Twain's steamboat lore cannot be generated by a tugboat or a barge. But the "iron horse" won in the race with the steamboat, and Iowa has ever since been closely tied to Chicago in commerce, including the business of banking.

There was nothing unusual about the fact that the first constitution of Iowa—1846—forbade incorporation for the purpose of banking. As late as 1852, the year the silver-tongued Daniel Webster died, banking was illegal in nine States of the Union and in the District of Columbia. Human behavior is basically pretty much the same the world over, and the early history of money and banking in Iowa had its counterpart elsewhere; indeed it is not too much to say that Iowa's story is the story of other States that were a part of the Union prior to the enactment of the National Bank Act in 1863.

It should be remembered that banking in that early day was closely associated with the privilege of issuing paper money. That was the prior function. To accept deposits and to discount promissory notes were other functions, but the function of note issue was more important to the bank management at a time when money was scarce and the practice of maintaining checking accounts had not come into common use. The borrower wanted his loan in the form of money in his pocket; not in the form of a deposit account in a bank on which he could draw at will. Obviously, since the paper money issued and lent by the banks cost them little, the profit reaped was great because interest rates were very high in those days. The temptation to issue more than could be redeemed was strong, and proper provision for redemption was not made. An attempt to correct this evil was made by the Suffolk Bank—1818—in Boston, but the system established by that institution was restricted to the New England area.

When the first Constitution of Iowa was being formed and banking was made illegal, there were those who warned that to forbid anyone to issue notes in Iowa would not prevent paper money from coming in from other States. That argument proved to be true with a vengeance for by 1856 more than 300 varieties were in circulation and two-thirds of them were below par. Much of this paper came from the State of Michigan, although several States in the Iowa region contributed their share of the wild-cat currency which circulated in lieu of that which would have been manufactured within the State had the law not made it illegal.

Colorful names were given to this out-of-State currency such as "stumptail," "bobtail," "brindle-pup," "red-horse," "rag-tag," "wild cat," and so forth. The cash till of those days contained assets of questionable value and no one knew that fact more surely than the owner of the till.

The English say in jest: "Where there is a will there is a way to break it," and it should be pointed out that there were ways of evading the law against note issue. Scrip was issued by corporations organized for other than banking purposes; it was also issued by cities, counties, and other local subdivisions of government. The so-called Nebraska-Iowa bank notes came from just across the border. Money is of such great importance to organized society that enterprising people in an area blessed with rich resources cannot be restrained from finding devices that will, for want of anything better, perform the functions of good money in some degree, however imperfect the devices may be.

The Constitution of Iowa was redrafted in 1857, and the demand of the people for revision was based largely on the recognized need for liberalizing the law pertaining to incorporation with special reference to removing the restrictions on the formation of banks. Two specific objectives were sought:

First, the enactment of a general banking law and, second, the enactment of a law permitting the establishment of the State Bank of Iowa. The State of New York passed a general banking law in 1838, prior to which banks could not be chartered there except by special acts of the legislature. That practice left wide room for favoritism and the general banking, or "free banking," law as it was called in those days was intended to correct the evil. The Iowa General Assembly enacted such a law but no banks were established under it, a fact which would suggest that the terms were not easy

to meet. It was repealed in 1870. As evidence of the people's feelings toward banks in those days, it might be mentioned that 14 members of the house of representatives in the general assembly voted to strike out the enacting clause and substitute "swindling" for "banking" when the charter of the State Bank of Iowa was being considered.

The State Bank of Iowa was, however, established promptly after having been approved by the people in a special election in 1858. Other States like Illinois, Indiana, and Ohio had established similar institutions. This bank was modeled in large degree on the Bank of Ohio. It is noteworthy that, while such banks were often owned in whole or in part by the State government in other States, the State Bank of Iowa was altogether a privately owned institution. Time and space do not permit a detailed account of the provisions of this bank, but it should be noted that it was not a unit institution but a group of nine branches, and the branches were mutually responsible for all of the paper money issued. The State Bank of Iowa required these notes to be redeemed in specie, and if a branch failed to redeem its notes during regular banking hours it was considered to be insolvent. Each branch had its "safety fund" for redemption purposes, and this provision calls to mind the safety-fund system established in New York in 1829, a sort of early forerunner of the Federal Deposit Insurance Corporation today. In the event of liquidation the State Bank of Iowa was required to pay note holders in advance of depositors on the theory that the latter were creditors by choice and the former were not. The board was made up of one director from each branch and three representatives of the State. No more than 30 branches were allowed by the law. Fifteen were actually established, and collectively they were the State Bank of Iowa. They were located at Muscatine, Iowa City, Des Moines, Dubuque, Oskaloosa, Mount Pleasant, Keokuk, Davenport, Lyons, Burlington, Washington, Fort Madison, McGregor, Council Bluffs, and Maquoketa. All were in cities located on the banks of the Mississippi River or at points on tributaries close to this great stream with the exception of the branches at Des Moines and Council Bluffs. Applications from Waterloo and Cedar Falls were denied on the ground that to locate a branch in Black Hawk County was of "doubtful expediency," indicating that this county was thought to be too far inland to warrant membership in the bank federation.

The bank was established chiefly for the purpose of providing a sound currency in Iowa. The purpose of the National Bank Act of 1863 was to provide a "uniform and sound" currency for the Nation. When this act was amended in 1865 so as to tax State bank notes out of existence, there was no further need for the State Bank of Iowa. It was discontinued on November 22, 1865, and the branches availed themselves of the opportunity to become national banks under provisions of the act of 1863.

Thus the relatively brief but eminently successful career of the State Bank of Iowa came to a close. That it was so successful is a tribute to the men who were responsible for its management. They performed a remarkable service not only in their capacity as officers of an unusually important and necessary institution, but they helped to lift the banking fraternity to a high and honorable place in society. It came into being in an atmosphere charged with doubt, suspicion, and active antagonism. That this murky atmosphere was cleared away by good management will forever be a monument to the men who bore the responsibilities that attach to true stewardship in finance.

The First National Bank of Davenport, Iowa, was the first institution in the United States to begin operations under the act of 1863. This act continued as our basic national banking law for 50 years. In 1913 the Federal Reserve System was established, and all national banks that desired to retain their Federal charters were required by law to become members of this System.

The fact that the National Bank Act of 1863 did not permit banks organized under it to lend money on real estate left this field open to State banking institutions. In a State that is blessed by nature with 25 percent of the grade-A land of the Nation, that has practically no waste land, and that can claim for its people the highest rate of literacy in the Nation, farm-mortgage lending is an unusually important enterprise. For this reason the growth of banks organized under State laws was very rapid, and by 1920 Iowa had more banks than any other State in the Union. Another distinctive feature in Iowa banking history is the large number of savings banks. Iowa law has permitted organization with relatively low capital investment and has permitted savings banks to conduct their business in large measure as if they were commercial banks. In the early twenties the State and national banks were about equal in number but nearly one-half of the total number of banks were savings banks.

Since the early twenties the total number has decreased. The sharpest drop occurred during the depression following the economic collapse that began in 1929 as a result of World War I. As of June 1945 the Federal Deposit Insurance Corporation reports a total of 651 banks in Iowa of which 97 were national banks; 10, private banks, and the remainder State and savings banks. Although there were nearly twice as many banks in Iowa in 1929 as in 1945, the total deposits in 1945 were more than twice as great. These deposits—a total approaching $2,000,000,000—increased rapidly after 1941 and represent in the State of Iowa the effect of gigantic borrowing by the Federal Government.

Mr. Speaker, I will close as I began with the statement that the early settlers in Iowa suffered from too little money. Our principal economic problem today is too much money. The pioneers solved their problem by hard work, good management, unfailing loyalty to our form of government, and deep-seated reverence for God. Is there, perchance, a better recipe for curing our ills today?

Mr. GWYNNE of Iowa. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, although Iowa is known as the State where the tall corn grows; she also has made important contributions to the national welfare in industry and commerce. A few figures demonstrate that very clearly.

For example, since 1923, Iowa has ranked fourth among the States in meat packing. The largest oatmeal factory in the world is located at Cedar Rapids. Its capacity is 9,000 barrels of oatmeal per day. The State ranks second in the production of plaster, tile, plaster of paris, and cement.

In the production of butter, Iowa now ranks first.

The value of products manufactured in Iowa in 1939 was $718,531,801. Only 15 States ranked higher. In 1940, 72,225 persons were employed as wage earners in Iowa factories. By January 1945 the figure had increased to 93,204.

As the No. 1 agricultural State in the Union, Iowa affords a great market for farm machinery. Several of the large companies have factories in the State, while there are a number of smaller plants turning out agricultural equipment of all kinds.

The planing-mills industry reached a peak of $23,500,000 in 1923. This industry makes more window sashes and doors than anything else. Ten percent of the Nation's doors are made in Iowa. In the production of sash, Iowa leads the Nation. The planing mills buy their raw materials outside the State and sell most of their materials outside the State. Crates, butter tubs, baskets, and furniture are also made in large quantities in Iowa.

The washing-machine industry is important in Iowa. A number of factories are in operation, including the Maytag Co., the largest in the world, with a capacity of 2,000 machines per day.

The most extensive mining interest in Iowa is coal mining. The average annual production of coal over a period of 50 years has exceeded 6,000,000 tons; the peak production was 9,000,000 tons in a single year.

Second in importance to coal is cement, which accounts for about 18 percent of the total value of Iowa mineral products. Limestone and clay, the basic parts of cement, are found in many areas in Iowa. Large cement plants are located in Cerro Gordo, Polk, Scott, and Jackson Counties. In 1923, 1928, and 1930, the value of the cement produced was approximately $10,000,000 annually. Clay suitable for the manufacture of clay products is widely distributed throughout the State, and particularly in Cerro Gordo, Webster, and Polk Counties. The production in a peak year amounts to about $10,000,000. Webster County is noted for its gypsum deposits. In 1939, Iowa ranked third in the Nation in gypsum production. In peak years, more than 6,000,000 tons are produced. In 1939, 68 counties reported the production of limestone of the total value of $4,385,234. The northern counties are also well supplied with sand and gravel deposits. The output had grown in 1938 to a value of $2,299,000.

The pearl-button industry has also been important. In 1929, 52 factories were operating and the annual production was valued at more than $6,000,000.

Iowa is crossed by several important transcontinental railways and a number of railway shops give employment to many workers. No part of Iowa is far distant from a railroad. Some years ago, the State embarked on a carefully planned program of hard-surfaced roads, a great deal of which has now been completed. In recent years, too, modern airports have been built in the larger cities.

Mr. Speaker, I yield to the gentleman from Iowa [Mr. DOLLIVER].

ORGANIZATIONS IN IOWA

Mr. DOLLIVER. Mr. Speaker, like every modern community, the State of Iowa has had many and variegated organizations, based upon common economic or social interests. It is obviously impossible to give a complete analysis of all the various societies which have existed in our State during the past 100 years of its statehood. Accordingly, I have chosen to allude to three types only—labor organizations, business organizations, and veterans' organizations.

I. LABOR ORGANIZATIONS

Because of the agricultural character of the State of Iowa and the dispersion of its population into many small communities, labor organizations have not attained the relative magnitude that they have reached in some parts of the United States. Nevertheless the labor movement has had an honorable record in Iowa. Iowa has produced many outstanding leaders in this field in the past 100 years.

Having a substantial mining industry, the first labor organization in Iowa was among the miners, who organized early and in a substantial manner in the coal mines of Iowa. Another first local union was No. 22 of the International Typographical Union, which was formed in 1855. Others among the early union locals were No. 56 of the Brotherhood of Locomotive Engineers, formed at Centerville in 1865 and Boone Local No. 6, in 1867; local No. 38 of the Order of Railway Conductors of America, Des Moines, 1876, and local No. 21 of the same order, Creston, 1879 The Cigar Manufacturers International Union of America organized local No. 72 at Burlington and local No. 60 at Keokuk and local No. 111 in 1880.

These are illustrations of the early interest of Iowans in labor organizations. Doubtless there are others. The fact is that from the very earliest years of statehood Iowa has had organized labor.

Members of skilled labor groups in Iowa have had a long history of interest and activity in legislative matters. After the decline of the Knights of Labor craft unions came to the fore and the miners entered the American Federation of Labor. There was rapid growth of trade-unionism from 1918 to 1920. The Congress of Industrial Organizations became active in the State of Iowa in 1937, organizing the utilities, meat packing, and light industries. Relations between the CIO and the A. F. of L. have been good, including that between the rank and file of the organizations.

Since statehood numerous laws have been passed at the sponsorship of labor groups in Iowa, including laws to regulate mines and mining; safety legislation; Bureau of Labor Statistics; requiring automatic couplers on railroad cars, which law later became the model for congressional legislation; State factory act, forbidding the employment of men, women, and children in dangerous occupations; and the child-labor bill. At about the same time compulsory education laws came into existence in Iowa.

It can fairly be said that the labor movement in Iowa has had forward looking leadership and represents a fine and outstanding section of the population of our State. We recognize the dignity of free labor which contributes so much to the economic and social welfare of all our people.

II BUSINESS ORGANIZATIONS

It is quite impossible within the scope of this discussion to take up the innumerable business organizations which have existed in Iowa during its first 100 years. Suffice it to say that many groups were brought together by their common interests and that they have worked to further not only their own individual trade or industry but have added generally to the economic well-being of all.

In recent years, nearly all communities in Iowa have organized chambers of commerce, commercial or community clubs, and service clubs. All of these organizations have contributed greatly to the welfare of our State and deserve adequate recognition for their helpfulness In promoting their own community interests they have mutually helped each other and the State generally.

There are more than a dozen national interstate organizations of business which have their headquarters in the State of Iowa, ranging from the animal and poultry foundation to the pearl button industries.

As pointed out by one of my colleagues in referring to the industrial development of the State, Iowa has a balanced economy with approximately the same dollar production of industrial products as of agricultural goods. This healthful situation makes for a contented and prosperous people.

III VETERANS' ORGANIZATIONS IN IOWA

Iowa veterans have always been active supporters of their organizations and many times have played a leading role in veterans' activities in the United States.

1. Civil War veterans: Iowa received its Grand Army of the Republic department charter on July 12, 1866, being one of the first States of the Union to organize. Its department was made permanent in 1879. During this provisional period 130 posts were chartered; and later a maximum of 520 posts were chartered, with a peak membership in 1890 of 20,324 veterans, belonging to 435 posts. Iowa has held the national office of judge advocate since 1932.

A grand reunion was held in Des Moines August 31, 1870, at which Gen. William T. Sherman and Secretary of War, Gen. W. W. Belknap were guests of honor. Some 30,000 Civil War veterans attended this gathering.

On September 9, 1875, the ninth annual reunion of the Army of the Tennessee was held in Des Moines. At this time, in addition to the two generals mentioned above, President Grant was guest of honor and made what was then considered an epoch-making speech. The President advocated extension of free schools and press, free speech, freedom of religion and "equal rights and privileges to all men irrespective of nationality, color, or religion"

Six veterans of the Civil War served as Governors of Iowa. They were:

Col William M. Stone, of Knoxville, 1864-68.

Col. Samuel Merrill, of McGregor, 1868-72.

Col. Cyrus C. Carpenter, of Fort Dodge, 1872-75.

Capt. Joshua G. Newbold, of Mount Pleasant, 1877-78.

Capt Buren R. Sherman, of Vinton, 1882-86

Lt. Col Francis M. Drake, of Centerville and Des Moines, 1896-98.

G. A. R. posts and membership gradually dwindled until by 1940 there were only 102 members. Nevertheless Iowa at that time held third place in membership in the United States. In January 1941 there were 5 posts with only 7 members and 64 members-at-large; in June 1941 the Department of Iowa had 56 members, and in 1943, 37 members. The seventy-eighth annual encampment of the G.A.R. was held at Des Moines in 1944. At present nearly all G. A. R. posts are discontinued because their members have met "on the eternal camping ground."

Iowa remembers and honors those men who shed their blood to preserve the Union. Their names are written high on the list of those who served the State Their work is now being carried on by various auxiliary organizations.

2 Spanish War Veterans: In 1941 and 1942 between 2,600 and 2,700 veterans of the Spanish-American and Philippine wars were estimated to be living in Iowa Of these, 1,700 were then members of the United Spanish War Veterans, with department headquarters at Des Moines. This organization comprises a group of men who participated in that struggle wherefrom the United States emerged as an important and deciding factor in world affairs. These men are honored citizens of nearly every community in Iowa. Iowa now has 35 posts with 1,216 members of United Spanish War Veterans. Their annual "muster day" ceremonies are of great significance.

3. Veterans of World Wars I and II: According to a report from the office of the adjutant general of Iowa, the total number of men registered in Iowa for service and possible service during World War I was 523,478, more than one-fourth the entire population of men, women, and children. Of these, more than 51 percent were farmers or farm laborers. The One Hundred and Sixty-eighth Iowa Infantry was part of the famous Rainbow Division.

A number of important veterans' organizations were formed or received impetus following the armistice of November 11, 1918, among them the American Legion, the Veterans of Foreign Wars of

the United States, and the Disabled American Veterans.

(a) The Disabled American Veterans: This group was organized on a national scale in 1920 by groups of disabled veterans taking vocational training. It was chartered by Congress in 1932. During 1920 and 1921 the first three chapters of the Iowa Department were organized at Des Moines, Iowa City, and Ames. The first State convention of the Department of Iowa, DAV, was held at Iowa City in 1922. Iowa now has 31 chapters and 1,994 members of this organization.

(b) The Veterans of Foreign Wars of the United States: This group was organized after the Spanish-American War but now includes veterans of the two world wars. It is composed of American citizens who have served honorably in the Army, Navy, Marine Corps, or Coast Guard of the United States in hostile waters or on foreign soil during any foreign war, insurrection, or expedition. The Department of Iowa was granted its charter on May 28, 1921. At present the Iowa Department has a membership of 50,000 and 183 posts.

(c) The American Legion: Thirty-eight Iowans attended the first United States gathering of the American Legion at St. Louis, May 8, 1919. Clement J. Welch, of Denison, was chosen temporary chairman, and Will L. King, of Hubbard, temporary secretary, to perfect a State organization. Two men from each of the then 11 congressional districts and 5 at large were placed on a State executive committee, which voted to establish a State headquarters in Des Moines. Matthew A. Tinley, of Council Bluffs, was named chairman, and Guy S. Brewer, of Des Moines, vice chairman.

Two Iowans have been national commander of the Legion: Hanford MacNider, of Mason City, elected in 1921, and Ray Murphy, of Ida Grove, in 1935. MacNider served as Assistant Secretary of War under President Coolidge and as American Minister to Canada under President Hoover.

James F. Barton, of Fort Dodge, was made national adjutant of the Legion in March 1925 and later became director of the national American Legion publications.

Mrs. Donald Macrae, Jr., of Council Bluffs, who served as the first president of the Iowa American Legion Auxiliary, was elected national president of the American Legion Auxiliary in 1929. Mrs. Gwendolyn Wiggin MacDowell, of Story City, was elected national secretary in 1928

Robert Murphy of Nora Springs was elected chef de chemin de fer of the Forty and Eight in San Francisco in 1923.

Iowa has had a much higher percentage of eligible veterans in the Nation as a whole; the present State membership exceeding 108,000, with 611 posts.

In 1946, Legion posts are organized in all districts and in the 99 counties of the State. The Auxiliary has a membership of 44,552, in 555 units.

Hanford MacNider, when State commander, originated the annual conference of post commanders and adjutants held the week end nearest Washington's birthday, in Des Moines. Eleven years ago, State Adjutant R. J. Laird added a service school for post service officers, and the two affairs now go 2 days, concluding with a banquet at which the national commander is headline speaker, and draw about 1,000 Legionnaires. The Auxiliary has a unit presidents' and secretaries' conference at the same time.

The Iowa Legionnaire was also established—March 1921. This is published twice a month under the slogan, "Iowa Leads the Legion."

Iowa has been a leader in Americanism work and community service, a program which was adopted nationally in 1923. Iowa has five times won, and once tied for, the national trophy awarded annually to the department whose posts combined do the most outstanding service in this field. All of Iowa's present Congressmen are World War I veterans.

A considerable number of new veterans' organizations have come into being following World War II. Many veterans also have joined the existing organizations.

The records show that there have been in our country's uniform in World War II practically 250,000 Iowa citizens. Nine percent of the population of the United States served in the armed forces, while Iowa has sent about 14½ percent of her population against the enemy. Seven Iowa men were honored in World War II by award of the Congressional Medal of Honor, and numerous other decorations attest the fidelity and courage of Iowans in war. We rejoice to believe that the ranks of all our veterans' organizations will be overflowing when all of the men and women of Iowa return to civilian life.

In this centennial year we of Iowa in 1946 rejoice in the rapid and unfaltering strides we have made from the untamed prairie territory that was admitted to the Union in 1846 to the unsurpassed agricultural area of the world. The agricultural, labor, business, and patriotic organizations, the schools and churches and centers of learning of the great State of Iowa are known the length and breadth of the land—expressions of the culture and genius of her people.

Mr. GWYNNE of Iowa. Mr. Speaker, I yield to my colleague the gentleman from Iowa [Mr. CUNNINGHAM].

POLITICAL HISTORY OF IOWA

Mr CUNNINGHAM. Mr. Speaker, the beginnings of Iowa history may be traced to old Quebec, the capital of New France, now Canada. There, in the seventeenth century, plans were made for the discovery and the exploration of the Mississippi Valley. This was the gateway through which the French entered the St. Lawrence River, crossed the Great Lakes and made their way down the Mississippi.

In 1673, the first white men set foot upon the territory now included in the State of Iowa. A young Jesuit priest named Jacques Marquette and an explorer, Louis Joliet, with several companions, left the mission of St. Ignace on Lake Michigan in the spring of 1673 to explore the Mississippi. On June 25, 1673, observing footprints on the west bank of the river, they tied up their canoes and followed a narrow beaten path to a village in the bank of the river. The Illinois Indians who inhabited the village proved to be friendly, and the explorers remained there several days before proceeding down the river.

For a century after Marquette and Joliet had discovered this new territory, few white men came there. The next white man to look upon Iowa land was probably Michel Aco, who, with the Belgian missionary, Louis Hennepin, explored the upper Mississippi in 1680. A Frenchman, Nicolas Perrot, trading along the upper Mississippi in 1685, established a trading post near the present site of Dubuque, Iowa, where lead ores were discovered. This region was known for a hundred years as Perrot's mines.

Early in 1682, Robert de la Salle began the descent of the Mississippi River with the idea of developing the fur trade of the valley on a large scale. In April he reached the mouth of the river and claimed the whole of the valley for France, naming it Louisiana for the French King, Louis XIV.

In a secret treaty signed in 1762, France transferred that part of Louisiana west of the Mississippi to Spain. By the beginning of the nineteenth century, American, Spanish, French, and English trade interests on the Mississippi were increasingly conflicting. Napoleon Bonaparte, first consul of France, demanded the return of Louisiana to France. Under terms of a treaty signed in 1800 this was accomplished, but France did not take possession until 1803 That same year Napoleon sold Louisiana to the United States for $15,000,000

Meanwhile, traders and trappers had entered the Louisiana Territory. In 1788, Julien Dubuque, the first white man to establish a home in Iowa, obtained possession of lead mines and a tract of land from the Indians near the site of the city which today bears his name. Receiving a Spanish title to his grant in 1796, Dubuque named it "Mines of Spain." Following Dubuque's death in 1810, the Indians resumed control of the mines.

In 1799, Louise Honoré Tesson received a grant of about 6,000 acres in what is now Lee County, Iowa. The first apple orchard in Iowa country was planted here. Basil Giard received a grant of approximately 6,000 acres in 1800 in what is now Clayton County. This grant was confirmed by the land commissioners in 1816 and was the earliest land claim recognized by the American Government in what is now Iowa.

In 1804, to obtain information about the newly acquired territory, President Thomas Jefferson sent Capt. Meriwether Lewis and Lt. William Clark on an exploring expedition which was to take them to the Pacific Ocean. Their route up the Missouri River in the spring of 1804 skirted the western boundary of Iowa. One member of the party, Sgt. Charles Floyd, died on August 20, 1804, and was buried on a bluff of the Missouri River—the first white man known to have been buried in Iowa soil. A monument marks his grave today, at a site near Sioux City.

In 1805, another Government explorer, Lt. Zebulon M. Pike, was sent out to make explorations similar to Lewis and Clark. In Iowa country, Pike held conferences with the Indians and also visited Dubuque.

The regions along the Mississippi and Des Moines Rivers were profitable for trappers and hunters. Trading posts in Iowa were founded under the influence of the American Fur Co. of St. Louis. Among the towns later developed from these posts were Council Bluffs, Sioux City, Eddyville, Muscatine, and Keokuk. However, the first quarter of the nineteenth century saw little occupation of Iowa country by white men. The first real settlers made their homes in the Half-Breed Tract—a small area in what is now Lee County, which had been set aside for the children of trappers and soldiers who had intermarried with the Indians. In 1820, Dr. Samuel C. Muir, a former Army surgeon who had married an Indian, built a home within the present limits of the city of Keokuk. Other settlers included Moses Stillwell, whose daughter, Margaret, born on November 22, 1829, is said to have been the first white child born in Iowa country, and Isaac Galland, who organized the first school.

TERRITORY OF IOWA

When the Louisiana Purchase was first organized by the United States, Iowa territory became a part of the area designated as the District of Louisiana. In 1804, as such, it was attached to the Territory of Indiana; in 1805, Iowa country became a part of the Territory of Louisiana; and in 1812 it was included in the Territory of Missouri. With the admission of Missouri into the Union in 1821, the remaining part of the territory north of Missouri was left unorganized. This territory was still without governmental organization when settlers began to move in. The pioneers provided a sort of governmental system for themselves, each man protecting his own rights by helping to protect the rights of others, and enforcing law and order in the same way. On June 17, 1830, some of the miners at Dubuque drew up the miners' compact, a form of written government for the group.

Settlement in the Iowa country could not legally begin until adjustments with the Indians were made. A treaty with the Sac and Fox Indians, signed in 1832, ceded a part of eastern Iowa to the whites. This area, called the Black Hawk purchase, became a part of the public domain on June 1, 1833.

In 1834 an event occurred which drew the attention of the Federal Government to the fact that some kind of established control was needed for the Iowa territory. Patrick O'Connor, a miner at Dubuque, murdered his partner and declared that he could not be punished, since there were no laws and no officers. The people provided a court, however; tried the murderer; and sentenced him to death. O'Connor was given time to appeal to the Governor of Missouri, then to the President of the United States, both of whom refused to grant a pardon on the basis that they lacked jurisdiction in that territory. O'Connor was hanged about a month later.

As a result of this event, the Iowa country was annexed to the Michigan Territory in June 1834. The two original counties of Iowa—Dubuque and Demoine—were formed in September 1834 for purposes of administration. Dubuque County contained all of Iowa north of a line running west from Rock Island in Illinois, and included portions of Minnesota and the Dakotas. Demoine County embraced the territory south of the above line and north of Missouri. The first officials for these counties were appointed by Stevens T. Mason, Governor of Michigan Territory. The people voted at their first general election on the first Monday in October 1835. Delegates elected to the Michigan Legislative Council were Allen Hill and John Parker from Dubuque County and Joseph B. Teas and Jeremiah Smith from Demoine. The Delegate to Congress chosen was George W. Jones.

During the process of Michigan's entrance into the Union in 1836, the Iowa country was again left without political protection. Consequently, on April 20, 1836, President Andrew Jackson approved the creation of the Territory of Wisconsin, which included Iowa.

It was about this time that Iowa received its name. In 1836, Lt Albert M. Lea, an officer of the United States dragoons, published his Notes on the Wisconsin Territory in which he designated the part of Wisconsin Territory west of the Mississippi as the Iowa district. Delegate George W. Jones claimed the honor of having named the State but it "is believed that he took it from Lt. Albert M Lea's book, which the author had submitted to him in manuscript form and over which he was so pleased that he wrote a letter in praise of it, which Lea published as a preface to his book." Lieutenant Lea derived the name from the Ioway River and the Ioway Indians.

During the first session of the Legislative Council of the Territory of Wisconsin in October 1836, Demoine County was subdivided into Lee, Van Buren, Des Moines, Henry, Louisa, Musquitine, and Cook Counties—Cook County being eliminated later. The following year Dubuque County was subdivided into 14 smaller counties.

At a territorial convention held in Burlington in the fall of 1937, three memorials were formulated and sent to Congress. These requested organization of a new territory west of the Mississippi, settlement of a boundary dispute with Missouri, and preemption rights for the squatters. If Delegate George W. Jones received these memorials he did not acknowledge them. In his account of sponsoring a bill in Congress to create Iowa Territory, Jones says:

> In 1837 I introduced without any petition from the people, a bill in Congress to divide the Territory of Wisconsin and to establish the Territory of Iowa

The bill encountered serious opposition in both the House and the Senate. Senator John C. Calhoun opposed it as laying the foundation for another abolition State. According to Delegate Jones' autobiography, it was necessary for him to resort to political strategy to overcome Calhoun's opposition. Relying on the friendship that had come to exist between himself and Calhoun's daughter, Anna, Jones one day requested her to call her father from the Senate at a given signal. When the Senator withdrew Jones asked that his bill be called up. This was done and the bill passed without debate or opposition. Upon learning what had happened, Calhoun told his daughter:

> You have prevented my making a speech to oppose that bill, as I would have done and done successfully, as the time for the consideration of Territorial bills has expired.

The bill creating the Territory of Iowa was approved on June 12, 1838. The organic act of 1838, or the Constitution of the Territory of Iowa, an act of Congress, provided for appointment by the President of the United States of a governor, a secretary, three judges of the supreme court, and other officials. A legislative assembly was provided for, members of the two houses to be elected by the qualified voters of the Territory. A delegate to the United States Congress was to be elected by the people for a term of 2 years. His seat in the House of Representatives entitled the delegate to participation in debate but not in the voting.

Robert Lucas, of Ohio, was appointed Governor of Iowa Territory by President Van Buren on July 7, 1838, and arrived at Burlington in August. Other officers appointed by the President included William B. Conway, secretary, and Charles Mason, Joseph Williams, and Thomas S Wilson, judges of the supreme court. Territorial elections were held September 10, 1838, at which time W. W. Chapman was chosen as delegate to Congress and 39 members were elected to the Territorial assembly—13 members to the council and 26 to the house of representatives. The first assembly met on November 12, 1838.

During the first session of the legislature, serious differences with the Governor arose. Using his power of absolute veto unsparingly, the executive often greatly offended the legislators with his veto messages. Before the session was ended, the assembly addressed a memorial to the President and asked for the immediate removal of the Governor from office. Regarding this memorial, Shambaugh says:

> In the political history of Iowa it stands as the declaration of the independence of the will of the representatives of the people as over against the will of the administration. It stands as the protest of democracy against the exercise of arbitrary power. Its significance lies not in any statement or misstatement of historical facts, but in the spirit of independence, courage, and democracy which pervades its lines

The Governor was not removed but the incident no doubt occasioned the amendments to the organic act which were approved by the President on March 3, 1839. These amendments limited the veto power of the Governor and further curtailed his powers by providing for election to certain minor offices.

Despite the controversies the first legislative assembly enacted a body of laws, many of which became models for later lawmakers. A permanent seat of government had to be chosen since Burlington had been named only as temporary

capital of the Territory. After much debate a site in Johnson County was chosen for the capital, to be named Iowa City. The cornerstone of the capitol building was laid on July 4, 1840. In the fall of 1842 the first meeting of the legislature was held in the new capitol.

Others laws passed by the first legislature provided for the construction of roads, establishment of schools, and protection of settlers' claims against speculators. In 1838, the first land offices for the sale of public lands were opened in Burlington and Dubuque. A minimum price of $1.25 per acre was set, but often a system of bidding was used.

In 1839 the dispute between Missouri and the Territory of Iowa reached a culmination. Iowa recognized the boundary line which had been established by John C. Sullivan in 1816, known as the Sullivan line Missouri claimed a line from 9 to 13 miles north of the Sullivan line which had been established by Joseph C. Brown in 1837 and which gave Missouri about 2,600 square miles of Iowa land. The dispute reached the point of mobilization of militia on both sides, but no fighting occurred. The decision on the boundary line was eventually left to the United States Supreme Court, which in 1849 established the Sullivan line as being the correct boundary.

STATEHOOD

In his message to the second legislative assembly in November 1839 Governor Lucas proposed statehood for Iowa. The assembly, however, was not willing to assume the responsibility for such a radical change in the political status of the people. No laws regarding a constitutional convention were passed at the regular 1839–40 session, but at an extra session in July 1840 Governor Lucas succeeded in having the question submitted to the people. The vote rejected a convention 2,907 to 937. The people preferred having their government financed from Washington rather than pay for it in taxes.

The second Territorial Governor, John Chambers, also favored statehood and recommended a second vote by the people. Again the voters rejected the issue in 1842. A rush of settlers into Iowa gave impetus to the movement for statehood and in 1844 the people voiced their approval by a majority of 2,745.

The constitution drawn up by the constitutional convention of 1844 was twice rejected by the people in April and August 1845, a major cause being disagreement over boundaries. In April 1846 a new constitutional convention met and formulated the constitution of 1846, which was accepted by the people on August 3, 1846, by a majority of 456 votes out of 18,528 cast.

Without waiting for admission of the State by Congress, a general State election was held on October 26, 1846. Ansel Briggs was elected first Governor of the State of Iowa. Two Representatives to the United States Congress were also elected—S. C. Hastings and Shepherd Leffler—but Whigs and Democrats were so evenly divided in the Iowa Legislature that no Senators were chosen until 1848, when George W. Jones and Augustus C. Dodge were elected to the Senate.

Governor Ansel Briggs was sworn in on December 3, 1846. Twelve days later the Constitution of Iowa was presented to the house of representatives by Delegate Augustus C. Dodge. The bill for admission of Iowa into the Union was passed by the House on December 21, and by the Senate on December 24. President James K. Polk approved the bill on December 28, 1846, and Iowa became a State.

The constitution of 1846 had not been accepted by the people of Iowa without reservations. They were anxious to become a part of the Union and had accepted the constitution as the shortest road to admission. They intended to take steps toward revision later. Prohibition of banks with power to issue paper money and of corporations found disfavor among the people. In 1856 the people voted for a new constitutional convention and on August 3, 1857, a new constitution was submitted to the people for approval. Ratification was secured by a majority of 1,630 votes. Since that time the constitution has been amended a number of times. A provision of the constitution of 1857 authorized the removal of the State capital from Iowa City to Des Moines, which was accomplished that year.

A system of government patterned on the National Government was provided by the constitution of 1857, with three branches—executive, legislative, and judicial. The counties form the units of local government. In addition to the 33 counties formed during the Territorial period, 16 were created out of the eastern portion of the State between 1846 and 1851 and on January 15, 1851, 50 "paper" counties were formed out of the northwest portion of the State. Although there have been variations in boundaries and names of the latter 50 counties, it may be said that Iowa's 99 counties existed from that day in January 1851.

Iowa's population totaled 102,388 when it was admitted into the Union. By 1850 the number had increased to 192,214 and by 1860 to 674,913. A new political course was charted by the immigration of the fifties. An influx of New England stock wrought changes in the social, educational, and political pattern, with New England influence becoming dominant. Large numbers of foreign-born immigrants, chiefly from the northern countries of Europe, were also attracted to Iowa by the rich undeveloped lands. On April 1, 1940, Iowa had a population of 2,538,268. Within the State are 21 cities with populations numbering 10,000 or more.

POLITICAL TRENDS

During the Territorial period and early years of statehood, Iowa was chiefly dominated politically by the Democratic Party. Early Iowa was in a measure a child of the South, being colonized to a considerable extent by people from the Southern States. The first Territorial governor, Robert Lucas, was a Democrat, a native of Virginia. The second, John Chambers, was a Kentucky Whig, but the Democrats controlled the Territorial legislature while he was in office. The third and last Territorial governor was James Clarke, a Democrat appointed by President Polk. In the constitutional convention of 1846 there were 22 Democrats and 10 Whigs. The Democratic candidates for President of the United States in 1848 and 1852, Lewis Cass and Franklin Pierce, respectively, received Iowa's electoral vote.

The first two Governors of the State of Iowa were Democrats—Ansel Briggs and Stephen Hempstead—as were the first two United States Senators, George W. Jones and Augustus C. Dodge, both of whom had served as Delegate to the House of Representatives. It was Senator Dodge who introduced in December 1853, the bill for organization of Nebraska territory, later accepting the substitute bill introduced by Stephen A. Douglas. Both Iowa Senators voted for the Kansas-Nebraska bill, thereby inviting national discussion. This event marked the beginning of the end of democratic dominance in Iowa. Upon their return to Iowa in the spring of 1854 the Senators found that James W. Grimes—their political nemesis—had already been nominated as the Whig candidate for Governor.

The decade, 1850–60, saw Iowa changed from a southern State into a northern State by the wave of immigration from the North. A seemingly endless stream of immigrants crossed the Mississippi into Iowa during these years. With the exception of Minnesota, Iowa's percentage gain in population was the largest of any State east of the Rocky Mountains.

In 1854, James W. Grimes, a Whig, was elected Governor of Iowa. His program opposed slavery, called for banks, internal improvements, homestead legislation, and a public-school system. It was during the administration of Governor Grimes that the constitution of 1857 was adopted.

The election in 1855 of James Harlan to succeed Senator Dodge showed a further change in political affairs. Senator Harlan was elected as a Whig, but he is known as the first Republican Senator of Iowa. In a convention called for February 22, 1856—the call being attributed to Governor Grimes—the Republican Party of Iowa was launched. The new party was a coalition of Whigs, Democrats, and Free Soilers. Grimes received the title of "Father of Republicanism" in Iowa as a result of his part in the movement. In 1858 he was elected to the United States Senate where he cast one of the seven Republican votes for acquittal of President Andrew Johnson of impeachment charges, an act which Grimes termed the "proudest act of his life."

Republican control in Iowa has remained almost unbroken since the party was organized. With few exceptions Iowa has elected a Republican State administration since 1856. In 1889 and 1891, when railroad and liquor legislation were the important issues, the Democrats won the election of Horace Boies for governor. In the congressional elections of 1890 the Democrats elected 6 of Iowa's 11 Representatives.

In the Presidential compaign of 1912, a split in the Republican Party gave Iowa's electoral vote to Woodrow Wilson, the

Democratic candidate. Also, in the Democratic landslides of 1932 and 1936, Iowa's votes went for Franklin D. Roosevelt. State offices were filled with Democrats in 1932, Clyde L. Herring being elected governor. In 1936 Herring was elected to the United States Senate. Other exceptions to an almost continuous Republican representation in the United States Senate include Daniel F. Steck, Louis Murphy, and Guy Mark Gillette.

Various third party movements have exerted considerable influence in Iowa's political history from time to time. The decade 1860–70 was one of great agricultural expansion, accompanied by a decline in prices, and followed by a period of discontent and hard times. Various remedies were proposed by the farmers. Grange societies grew in number to more than 500 between 1868 and 1873. Their influence was felt politically as well as economically. The Antimonopoly Party was organized in 1873 and in 1876 the Greenback Party in Iowa came into existence. These were followed by the People's Party which was organized at Des Moines in June 1891.

At the beginning of the twentieth century signs of a revolt within the ranks of the Republican Party were in evidence. The people were becoming more and more dissatisfied with prevailing political methods and ideals. In 1901, Albert B. Cummins was elected governor in spite of the opposition of certain corporate interests. His administration extended over three consecutive terms and was a constant challenge to the "stand pat" doctrine. The achievements of these years included a railway taxation measure, an antipass law, an act prohibiting stock watering, insurance reforms, educational reforms, and a direct primary law.

The twentieth century so-called radical movement was to a great extent the outgrowth of agricultural problems. With Iowa's interests having been preeminently agricultural, it cannot be denied that these interests have exerted considerable influence on the political trends in the State. "The tendency toward party regularity and conservatism of a farming population, when contended, the recurring waves of radicalism, so-called, when agriculture is seriously depressed, upon the part of those most directly affected; the return to old moorings with the removal of the causes of discontent; these are the outstanding characteristics of the political history of Iowa."

The Constitution of Iowa originally restricted suffrage to free, white male citizens 21 years of age or over. An amendment passed in 1868 dropped the word "white" from the suffrage section. In 1916, an amendment to extend suffrage to women was defeated but in 1920 the legislature ratified the nineteenth amendment to the United States Constitution. This rendered void the State provision denying suffrage to women. In 1926, a State constitutional amendment allowed women to be elected to the general assembly.

Iowa's contribution of National and State political figures has been outstanding. Herbert Clark Hoover, born in West Branch, Iowa, was president of the United States, 1929–1933, the first man born west of the Mississippi River to occupy that position. Fifteen Iowa men have served in the Cabinets of Presidents of the United States: James Wilson, Edwin T. Meredith, Henry C. Wallace, and Henry A. Wallace, as Secretary of Agriculture, the last-named later being Vice President and now Secretary of Commerce; James M. Harlan, Samuel J. Kirkwood, and Ray Lyman Wilbur, as Secretary of the Interior; William W. Belknap, George W. McCrary, and James William Good, as Secretary of War; Herbert C. Hoover, and Harry L. Hopkins, as Secretary of Commerce; Curtis Dwight Wilbur as Secretary of the Navy; Leslie M. Shaw as Secretary of the Treasury; and Frank Hatton as Postmaster General. Samuel Freeman Miller was Associate Justice of the United States Supreme Court. Prominent among Iowa Senators are the names of James Harlan, whose daughter married Robert Lincoln, son of Abraham Lincoln; Jonathan P. Dolliver; Albert B. Cummins, who was also Governor of Iowa; Samuel J. Kirkwood, Iowa Civil War governor; and William B. Allison, who served as United States Senator for 36 years.

Mr. GWYNNE of Iowa. I yield to my colleague the gentleman from Iowa [Mr. MARTIN].

IOWA'S MILITARY CONTRIBUTION TO THE NATIONAL DEFENSE

Mr. MARTIN of Iowa. Mr. Speaker, Iowa has made an outstanding record in the defense of our country from the time of its statehood, December 28, 1846.

I. THE CIVIL WAR

The first major test of Iowa's defense of our great Nation came in 1861. Governor Samuel J. Kirkwood received a call for one regiment of militia on April 16, 1861. Within 24 hours more than a regiment of men had volunteered, and within 10 days one regiment was ready to be mustered into the service of the United States, another had been accepted by the State, and a third was awaiting impatiently the call to arms.

Prior to the Civil War Iowa had no organized militia, but a number of military companies had been formed, and between 20 and 30 of these companies tendered their services to President Lincoln at the approach of the Civil War. In April 1861 the State legislature met in special session and pledged the "faith, credit, and resources of the State of Iowa" to the Union. Iowa furnished 968 men under President Lincoln's first call for State militia.

The First Iowa Volunteer Infantry was mustered in on May 14, 1861, and gained undying fame in the stubborn, hard-fought battle of Wilson's Creek on August 10, 1861. Shortly after that battle the survivors went home and were mustered out, and the regiment passed from history. More than 800 of its members reenlisted in other regiments.

The Second Iowa Regiment was mustered in on May 27 and 28 and the Third Regiment on June 8 and 10. Later calls of 1861 apportioned 19,316 men to Iowa but 21,397 were actually furnished. By May 1862 Iowa had 18 regiments organized and during the year 1862 Iowa raised 22 regiments of infantry. On a quota of 10,570 men assigned to Iowa for the year 1862, there were 24,438 enlistments. By the end of 1863 Iowa had supplied 40 regiments of infantry, nine regiments of cavalry, and three battalions of artillery. In 1864 eight regiments of infantry were organized including a regiment of Negroes which was first known as the First Iowa Colored Infantry. Another battery of artillery was organized and many Iowans served with troops from other States. Iowa was credited with a total of 78,059 enlistments. John E. Briggs, of the State Historical Society of Iowa, estimates that Iowa contributed nearly one-half of the men of military age in the State.

The State furnished nine officers to the Regular Navy and four to the Marines and 36 officers to the Volunteer Navy. Iowa also furnished over 800 enlisted men to the Navy most of whom served in the Mississippi Squadron.

Twelve thousand three hundred and sixty-eight Iowans died on the battlefields or of wounds received in action during the Civil War. Many others died later of wounds or of diseases incurred in service. Eight thousand eight hundred and forty-eight were wounded and 9,987 were discharged because of ill health.

The history of Iowa troops in the Civil War abounds in gallant deeds. Twenty-five Congressional Medals of Honor were awarded to her gallant sons. Fourteen Iowans received this coveted award in capturing enemy flags in combat.

Iowa troops took part in the Battles of Belmont, Donelson, Pea Ridge, Shiloh, Iuka, Vicksburg, Chattanooga, Atlanta, and other famous encounters. Gen. H. W. Halleck wrote:

> The Second Iowa Infantry proved themselves the bravest of the brave. They had the honor of leading the column which entered Fort Donelson.

At the Battle of Shiloh, 11 Iowa regiments struggled through to the ultimate victory. Most of the men of the Eighth, Twelfth, and Fourteenth Regiments were captured at the Hornet's Nest. The sacrifice of these brave men gave General Grant's army time to form a new line. The Union Army lost 10,994 men on the first day of this battle. Of these, 2,381, or nearly one-fourth of the entire losses, came from Iowa. Truly our State did her part in that encounter.

One of the most desperate conflicts of the whole war took place at Allatoona, October 5, 1864. Maj. Gen. J. M. Corse and the brave troops of the Thirty-Ninth Iowa Regiment held the rebels in a savage battle until help could be rushed to them from Sherman's army. Such deeds of valor made the name of Iowa famous on the battlefields of the Civil War.

Governor Kirkwood summed up Iowa's war record in these words:

> When this war began, ours was a new State, without a history Today, her name stands on one of the brightest pages of our country's record—graven there by the bayonets of our brave soldiers, and that page is all over glowing with the proofs of their heroism and devotion.

II. THE SPANISH-AMERICAN WAR

The next test of Iowa's contribution to the defense of our Nation on the field of battle came, of course, with the

Spanish-American War in 1898. Iowa had anticipated the outbreak of this war and before the State legislature adjourned in the spring of 1898 more than half a million dollars was appropriated to be used in aiding the Federal Government in case of war and State authorities had made preparations to fill new requisitions the Federal Government might make for volunteers. Four Iowa regiments were fully mobilized when the word came from Washington on April 25, 1898, for three regiments of infantry and two batteries of artillery. Within 24 hours after the call reached Iowa, the four regiments reported to Camp McKinley at Des Moines. Iowa requested that its quota be raised to four regiments of infantry and two batteries, and the Forty-ninth Regiment left Des Moines on June 11, 1898, for Jacksonville, Savannah, and Havana where the regiment arrived after the close of hostilities but in time to witness the evacuation of the Spanish troops. The regiment wintered in Cuba and returned to Savannah in May 1899, to be mustered out. The Fiftieth Regiment started for Jacksonville on May 21, and returned to Des Moines in September to be mustered out. The only Iowa regiment to see action was the Fifty-first. The Fifty-first Regiment left June 5 for San Francisco where it embarked for the Philippine Islands reaching there December 7, 1898. This regiment participated in eight minor skirmishes.

The Fifty-second Regiment left Des Moines May 28, for Chickamauga Park, Ga., and was mustered out October 30. The two batteries of artillery remained in Des Moines until they were mustered out September 5. A company of colored immunes was organized and became Company M of the Seventh United States Volunteer Infantry immunes at Macon, Ga., and it was mustered out February 28, 1899.

Thus Iowa answered the call to arms promptly and fully. No conscription nor even general recruiting was necessary. Iowa's losses were small. Only one man was killed in action, but 163 died of disease. The Iowa volunteers were unfortunate in not being called to participate in battle but they performed every duty in a manner that reflected credit upon the State, and exhibited a degree of patriotism similar to that of the volunteers of the Civil War.

III. WORLD WAR I

As soon as Congress declared war on April 6, 1917, enlistments from Iowa which had already steadily increased during the threat of war, rose in leaps and bounds. By July 1, 1917 it was estimated that more than 10,000 Iowans had volunteered for service.

On May 18, 1917, the first Selective Service Act was passed in order to provide sufficient men to train an expeditionary force. During the period of the first World War about 98,000 Iowa men were trained and sent into service by this method.

Iowa troops were trained at about 30 different camps. Iowa men were serving in almost every unit of the Army. So intermingled were the troops from Iowa with the troops of other States that Iowa's part in World War I is inextricably interwoven with the exploits of the whole American Expeditionary Force.

On October 15, 1917, the War Department announced the formation of a new division to be composed of the National Guard units from 26 States. This division was named the Forty-second Division and later became famous as the Rainbow Division. Iowa was represented in the Forty-second by the Third Iowa Infantry which was renamed the One Hundred and Sixty-eighth United States Infantry. This regiment left Des Moines September 10, 1917, and by the middle of December had established winter training quarters at Rimancourt, France. The One Hundred and Sixty-eighth saw action for the first time in late February and from then forward covered itself with glory. Two companies of the One Hundred and Sixty-eighth were the first American troops to take part in an offensive and the One Hundred and Sixty-eighth was frequently thrown into battle to stem the advance of the Germans and always succeeded in doing so. When the tide of war turned, the One Hundred and Sixth-eighth was leading in the counter-offensives and broke the back of the German resistance many times.

The One Hundred and Sixty-eighth served with outstanding valor on the Lorraine front, in the Champagne, at Chateau Thierry, at St. Mihiel, in the Argonne forest, and at Sedan. Gen. Douglas MacArthur said of the One Hundred and Sixty-eighth:

You can tell the people of Iowa that this regiment ranks 100 percent.

And a war correspondent wrote:

The One Hundred and Sixty-eighth has earned the name of the famous American regiment The French cheer whenever it passes The English have marked it for special praise. The Australians, the Canadians, and other colonials considered the best fighters among the Allies claim the troops of One Hundred and Sixty-eighth as their brothers.

The One Hundred and Sixty-eighth won many decorations—among them 40 Distinguished Service Crosses and 74 Croix de Guerres—but they were dearly bought. For example at Chateau Thierry one battalion in 10 days' fighting lost 1,000 of its 1,250 men. Company F at one time went into action with 280 men and 6 officers. At dawn the next day only 27 men and 1 officer reported for duty.

At the close of the war 1,550 Iowa men were reported as having been killed in action or as having died of wounds received in action, 1,890 died of disease, and 140 of accidents. But through the years following the war these casualties have increased through further deaths due to wounds received in action, so that the final total is difficult to determine.

While the victories and honors won by the One Hundred and Sixty-eighth are well known and have gone down in American history, it must be remembered that thousands of other Iowa troops served with the same devotion, loyalty, and heroism. Sometimes they changed defeat into victory, sometimes they went "over the top" when others could not make it, but mostly their numbers in units outside of the One Hundred and Sixty-eighth United States Infantry were so small that it is difficult for the historian to compile individual achievements and give credit where it is due. But this much stands out: Iowa men did more than their full share on the field of battle.

Immediately after the outbreak of war the Red Cross started a large membership drive, and practically all persons in Iowa became inspired with a desire to have a Red Cross chapter established in their particular county, city, town, or village. A large demand for Red Cross charters developed and the work of organizing chapters got under way. On May 1, 1917, there were 24 Red Cross chapters in Iowa. On May 15, there were 75. In June Iowa led all other States of the Union in the number of chapters that were formed that month. By the end of June, Iowa had 112 active chapters—more than any other State. By August, the whole State had been organized and energies were now turned toward perfecting and improving the efficiency of the existing chapters. As can be seen by the above facts, Iowa gave its full enthusiastic support to the Red Cross.

Still that was not all Iowa contributed to the Red Cross. Iowa women in the Red Cross workshops turned out fabulous mountains of surgical dressings, hospital supplies, knitted and other garments for soldiers and refugees. The Red Cross Motor Corps Service, Canteen Service, Home Service, and numerous other activities were performed by Iowa women day and night. Iowa's children were enrolled in the Junior Red Cross and thereby added their small but important share. In short, Iowa went all out for the Red Cross.

Her tremendous contribution was gratefully acknowledged by Secretary of War Baker in a letter to State Director Kepford. Mr. Baker wrote:

The United States has asked a great deal of the State of Iowa, but it has met all expectations promptly with true American spirit, and I am proud of my privilege to extend to you the congratulation and expression of appreciation of the War Department.

IV WORLD WAR II

No large Army camps were located in Iowa during World War II but Iowa's schools and colleges made a tremendous contribution to the training program for men and the WAC's maintained their principal training camp for the entire Nation at Fort Des Moines. The following colleges and universities participated in the Navy training program: Iowa State College, Ames, Iowa; St. Ambrose College, Davenport, Iowa; University of Dubuque, Dubuque, Iowa; State University of Iowa, Iowa City, Iowa; Cornell College, Mt. Vernon, Iowa. Late in the war the Navy preflight training unit that had been stationed at the State University of Iowa was transferred to the large naval air base at Ottumwa. Thirty-seven thousand seven hundred and sixty-one completed the courses of instruction offered in these units.

In the Army training program, the following colleges and universities participated: Coe College, Cedar Rapids,

Iowa; Drake University, Des Moines, Iowa; Grinnell College, Grinnell, Iowa; Iowa State Teachers College, Cedar Falls, Iowa; Iowa State College, Ames, Iowa; the State University of Iowa, Iowa City, Iowa; Iowa Wesleyan, Mt. Pleasant, Iowa; Morningside College, Sioux City, Iowa; and Marshalltown (Iowa) Junior College. I do not have the total number who completed the course of instruction in the afore-mentioned units but the number exceeded the number trained for the Navy.

The United States Army selected Fort Des Moines, Iowa, for the principal training camp for the WAC's. About 56,000 women took basic and technical training and more than 6,500 officers completed the officer training course there. All Iowans are proud that Iowa furnished the greater part of the training to this grand organization.

An illustration of the general and patriotic response of Iowa to the war program is well illustrated by the record made by the students and faculty of the University of Iowa. Nine thousand three hundred and ninety-five University of Iowa men left for active duty in the armed forces and 400 members of the faculty of the university gave up their work to take various kinds of war jobs. One hundred and ninety-five university students were killed in World War II. Scientists of the University of Iowa played a vital role in developing secret weapons. They were chiefly responsible for the development of the VT proximity fuse, the United States No. 2 secret weapon, and they contributed to the development of the atomic bomb.

In February 1942 Iowa State College began work on developing a method of quantity production of uranium metal. By August of that year not only had the school developed a new process capable of being adapted to large-scale production of high purity material, but the new process achieved a production so remarkable from a plant originally intended as only a small-scale model of large plants to be built elsewhere, that by 1943 uranium metal was being shipped in carload lots. For this contribution the State college was awarded the Army-Navy "E" flag with four stars. It is believed this was the first instance of such an award to an educational institution.

Iowa was well represented in all branches of the armed services. A total of 162,000 officers and enlisted men have answered the call to the colors and have served in the Army, and 5,870 officers and 55,979 enlisted men have served in the Navy. Marines from our State number 764 officers and 6,740 enlisted men, and 99 officers and 1,635 enlisted men served in the Coast Guard. In all, 234,087 men have served in the Military Establishment of our country.

Iowa women, too, have done their part in serving their country. In the Army, 2,709 officers and enlisted women helped defend democracy. The Navy has taken 389 officers and 2,177 enlisted personnel into its ranks. The marine call was answered by 32 officers and 438 enlisted women. The Coast Guard had the devoted services of 19 officers and 132 enlisted women. A total of 5,896 women entered the Military Establishment of our country. In addition to these, 781 of the State's registered nurses entered the service.

Many honors have come to service people from Iowa in World War II. Seven of our sons have achieved immortality by heroic conduct on the field of battle for which they received the Congressional Medal of Honor.

The rush to the colors in World War II has its darker side. Seven thousand, two hundred and thirteen Iowans lost their lives in the service of their country. For every thousand persons in the State, the number who have given their lives stands at 2.76.

In World War II Iowa men were serving in almost every unit of the Army and Navy. Again the troops from Iowa were so intermingled with the troops of other States that Iowa's part in World War II is inextricably interwoven with the exploits of the whole American Expeditionary Force.

However, Iowa's troops comprised a very high percentage of two units that made unusually outstanding war records in World War II, namely, the Thirty-fourth Infantry Division and the One Hundred and Thirteenth Cavalry Regiment which was later reorganized as the One Hundred and the Thirteenth Cavalry Group Mechanized, the One Hundred and Thirteenth Cavalry Reconnaissance Squadron Mechanized, and the One Hundred and Twenty-fifth Cavalry Reconnaissance Squadron Mechanized.

The Thirty-fourth Infantry Division was made up of National Guard units from North Dakota, South Dakota, Iowa, and Minnesota. The division was activated for World War II on February 20, 1941. The division trained at Camp Claiborne, La., and took active part in the Louisiana maneuvers. They shipped out to Northern Ireland in the spring of 1942.

The Thirty-fourth Division was the first American division to be sent to the European theater of operations, and the division's first mission as part of the Eastern Assault Force was to land near Algiers, north Africa. On November 8, 1942, it landed on the shores of north Africa. By November 11, 1942, an armistice was consummated. During the months that followed the Thirty-fourth was an emaciated division. Various units were pulled out to serve several purposes in opening of the Tunisian campaign. Though a great many of its men saw bitter fighting, the functioning was not divisional at this period.

By the middle of March 1943 the Thirty-fourth once more resumed the offensive as a division in the Sbeitla-Hadjeb el Aioun sector. This was open warfare. There were no flanks, no front, and practically no rear. Fondouk Gap was the first objective. It was a head-on assault. Losses were heavy and on April 1 the division was ordered to abandon its effort. After a few days' holding action the attack was renewed, and in cooperation with British units, the Germans were driven out.

On May 1, 1943, a brilliant victory of the Thirty-fourth—the capture of Hill 609—was completed; from then on the Thirty-fourth pushed the Germans back with comparative ease until the end of the Tunisian campaign on May 11, 1943. The Thirty-fourth was held in reserve for the landing at Salerno, Italy, on September 9, 1943. Shortly after the landing it was in action and captured Montemiletto and Benebento in rapid succession. The Thirty-fourth pushed ahead to cross the Volturno, taking undisputed possession of the east bank. By the year's end the division was given a respite, after 76 successive days of contact with the enemy.

Early in January 1944 the division was once more attacking. So successful was this effort that the enemy pulled back into the Gustav line. On January 24–25, 1944, a furious attack was launched by the division, the ultimate objective being Cassino. By mid-February an exhausted division had achieved its objective.

On March 11, the Thirty-fourth was ordered to prepare for the beach-head operation at Anzio and took much of the pounding on that sector until May, when the long-awaited break-out took place. By June 3 the enemy was in full retreat. The Thirty-fourth, along with the First Armored Division, was given the mission of an all-out pursuit of the enemy north and northwest of Rome. In mid-June came a rest, but by June 26 the unit was back in the line. Then came the crossing of the Cencina River and the battling of tough SS troops. But the Thirty-fourth captured in succession Castellina, Pastina, Fauglia, and then Leghorn, the latter city being taken July 19, 1944.

In September 1944 the Thirty-fourth was in the vanguard of the American assault on the Nazi's Gothic line. Then came the relative slackening off in activity in October when the Thirty-fourth dug into defensive positions about 8 miles south of Bologna, feeling out the enemy and waiting.

The new year brought more activity, and by February 1945 plans were under way for the drive on Bologna. In March the division began the slow but steady drive against the Germans which by April 1945, had developed into headlong retreat. At the war's end the division could take credit for having helped liberate thousands of square miles of Italy.

In recognition of the distinguished service rendered by the men of the Thirty-fourth Division, the First Battalion, One Hundred and Sixty-eighth Infantry Regiment received Distinguished Unit Citation for action on Mount Pantano November 29 to December 3, 1943; Second Battalion, One Hundred and Sixty-eighth Infantry Regiment received Distinguished Unit Citation for action January 6 to 13, 1944. Up to May 31, 1945, men of the division had won 15,000 Purple Hearts, 9 Medals of Honor, 98 Distinguished Service Crosses, 116 Legions of Merit, 1,072 Silver Stars, 1,954 Bronze Star Medals, 7 British awards, 7 French awards, 6 Italian awards, 1 Distinguished Flying Cross, 34 Air Medals, with 52 Oak Leaf Clusters. Because of the tremendous number of replacements, many of the foregoing awards were won by men from other States but Iowa men won a very high percentage of the awards earned by the men of the Thirty-fourth Division.

The One Hundred and Thirteenth Cavalry Group, known as the Red Horsemen, likewise was made up primarily of Iowa men and they also made a tremendous contribution to America's war record in World War II. The One Hundred and Thirteenth Cavalry was called into Federal service January 13, 1941, as a horse cavalry unit with one squadron mechanized. The regiment trained at Camp Bowie, the Mexican border, and Camp Hood, Tex., also at Camp Livingston and Camp Polk, and took an active part in the Louisiana maneuvers. It became fully mechanized in April 1942 and was reorganized February 6, 1944, into a group and two squadrons, the One Hundred and Thirteenth Cavalry Group Mechanized, the One Hundred and Thirteenth Cavalry Reconnaissance Squadron Mechanized, and the One Hundred and Twenty-fifth Cavalry Reconnaissance Squadron Mechanized. In August 1943 the One Hundred and Thirteenth Cavalry became Corps Reconnaissance Regiment for the Third Armored Corps, later Nineteenth Corps.

Primarily intended and trained for long-distance mounted reconnaissance, the Red Horse Cavalry has seen all kinds of action—in Normandy, northern France, Belgium, Holland, and Germany, usually in the forefront of the battle.

In its first engagement, in Normany, the Red Horse Cavalry put aside its mechanized reconnaissance tactics and cut its teeth on one of Hitler's best SS Panzer Grenadier divisions, the Seventeenth, when the group crossed the Vire et Taute Canal on July 7 and took the towns of Goucherie and Le Mesnil Veneron. For 4 days it fought in the treacherous hedgerows against what turned out to be the spearhead of a German counterattack aimed at Carentan and Isigny, and won the commendation of Maj. Gen. Charles H. Corlett, Nineteenth Corps commander.

From there they went into St Lo and after having been engaged in mounted reconnaissance near St. Lo they again went into dismounted action, working under the Thirty-fifth Infantry Division against strong forces of German paratroopers.

After passing St. Lo, the Red Horsemen operated under the Twenty-eighth Infantry Division, performing difficult mechanized cavalry reconnaissance missions, then engaged in a fast move of the type which made it famous when it established a moving screen in front of the Thirtieth Infantry Division to Domfront, where it cooperated with the Eighty-second Armored Reconnaissance Battalion in the capture of the heavily defended seventeenth-century fortress. For this screening operation this group was commended by the division commander, Maj. Gen. Leland S. Hobbs. They raced ahead to cover the detrucking of the Thirtieth Infantry Division, which was leading the Nineteenth Corps in its fast flanking move to cut off the retreating Germans who were streaming out of the Falaise Gap.

At one time the Red Horse Group spread out to fill a 35-mile gap between the Nineteenth Corps and the Fifth Corps and established the first contact with powerful British forces which had just closed the Falaise-Argentan gap. Their fighting was so effective that during a 3-day period of this operation the group captured 1,000 prisoners of war and inflicted an estimated 400 enemy casualties while clearing an area of more than 430 square miles. They then crossed the Seine River on the outskirts of Paris at St. Germain en Laye early August 28 and in 4 days routed a desperate enemy from over a 175-square mile triangular area northeast of the Seine and southwest of the River Oise. Here the Red Horse Cavalry, reinforced by Company B Engineer Company Battalion and Company B Six Hundred and Third Tank Destroyer Battalion, fought on its own, without support and separated from the remainder of the corps by the unfordable Oise, over which all bridges had been destroyed.

On September 1, the group, still reinforced, crossed the Oise River and led the infantry divisions in the Nineteenth Corps on a 2-day dash through northern France across the Belgian border, a distance of over 150 miles against enemy opposition. In this dash they crossed the River Somme, over which the retreating Germans had destroyed all bridges.

Red Horse units were among the first Allied troops to enter Belgium. Starting September 5 the Red Horse Group moved out on what is believed to be one of the most spectacularly mechanized cavalry reconnaissance missions in military history when it made its brilliant dash across Belgium 3 days in advance of the corps. All types of enemy, from Panther tanks to infantry, were encountered. Messenger service was maintained by plane and communications by long-distance radio. A more perfect cavalry mission could hardly have been imagined. On the afternoon of September 8 the objective—the Albert Canal—was reached after an advance of 128 miles across Belgium and the group set up a screen along the canal.

As soon as the group was relieved by the Thirtieth Infantry Division, they made a sweeping 35-mile end run to the south to cross the Meuse River at Liege, northward along the east bank of the river against stiff opposition, pushing the enemy to the north and securing a bridgehead which made possible the construction of a bridge and the crossing of the river by the Thirtieth Infantry Division. They moved on to Holland and were among the first American troops to enter Holland.

The One Hundred and Twenty-fifth Cavalry Reconnaissance Squadron entered Germany not long after and were among the first elements of the Nineteenth Corps to cross that frontier, while the remainder of the group remained with the Thirtieth Infantry Division protecting that division's right flank during the operation to encircle Aachen.

After extensive operations the group was brought together in late September and held a group front of over 10 miles until mid-November under the successive control of the Nineteenth Corps, Twenty-ninth Infantry Division, the Thirteenth Corps, and Guards Armored Division—British. Although the group's mission for a time thereafter was defensive, continuous and aggressive cavalry patrols harassed the enemy and gained a wealth of information.

In late November under the Eighty-fourth Infantry Division, the Red Horse Cavalrymen, with the Seven Hundred and Forty-fourth Tank Battalion Light, took over a sector within the Siegfried line, vigorously defended by German infantry, supported by tanks and much artillery. For 2 days the One Hundred and Twenty-fifth Squadron, reinforced, was subjected to intense artillery shelling in this area

The Red Horsemen captured more than 3,800 prisoners of war. Decorations won by members of group include two Distinguished Service Crosses, both posthumously awarded; 53 Silver Star Medals; 187 Bronze Star Medals; and six Oak Leaf Clusters for Bronze Star Medals; 17 battlefield commissions awarded to former enlisted men of the group.

This, then, in brief is the saga of a cavalry group which, through its willingness to undertake any task presented as well as its bold execution of far-flung missions, has proved itself a dependable element of a fighting corps and a valiant representative of a gallant army.

I have given in some detail the record of the Thirty-fourth Infantry Division and the One Hundred and Thirteenth Cavalry group because of the large number of Iowa National Guard men who made up the original personnel of those units. In no other units of the Army or Navy were so many Iowans serving side by side, but wherever Iowans served they carried on with the same dauntless determination and patriotic devotion that has been so brilliantly emblazoned on the pages of history of World War II by the Thirty-fourth Division and the Red Horse Cavalry.

All Iowans are proud of the record made by the men and women of Iowa. Their service and their individual deeds of valor will live forever as Iowa's contribution to the magnificent record America has made in the winning of the wars our Nation has fought.

It is very fitting that we pause at this Centennial of Iowa Statehood to pay tribute to the valiant sons and daughters of our great Hawkeye State for their unexcelled service in the defense of our great Nation

Mr. GWYNNE of Iowa. Mr. Speaker, I ask unanimous consent that all Members from Iowa be permitted to revise and extend the remarks they made this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENSION OF REMARKS

Mr. PHILLIPS asked and was given permission to extend his remarks and insert three statements of sales and prices of citrus fruit.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

Mr. AUGUST H. ANDRESEN asked and was given permission to extend his remarks on the research bill and to include copy of H. R. 295.

Mr. MUNDT. Mr. Speaker, under arrangements with the gentleman from California [Mr. VOORHIS] who has the next special order, I ask unanimous consent to vacate the special order I have for today and to insert my remarks at this point in the RECORD in lieu thereof.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

A BILL TO PROVIDE FOR A WORLD CALENDAR

Mr. MUNDT. Mr. Speaker, many of the subjects which come before the Congress have immediate and long-range objectives of importance. None are concerned with a more enduring subject than time and the calendar.

It would be an impropriety and misfortune were anything so basic and universal to be permitted to acquire a partisan complexion. Time, and the calendar as a standard of time, are the property of all and belong to every person. No party, no race, no religion, and no organization can claim a vested right or ask preferential treatment at the expense of the majority. In our democratic nation the greater good for the greater number must prevail.

Hence, my colleague of the Democratic Party, and I of the Republican Party, have today joined in the introduction of a bill to authorize the establishment of a world calendar. The preamble is explanatory. We commend it to your attention.

Let me undertake to summarize briefly some of the practical considerations as related to various aspects of the life of this Nation. While time is in many senses abstract, infinite, and eternal, our lives and their relation to time are concrete, limited, and of immediate importance. The calendar is our human timetable, and nothing is of more importance than time in the big and little things of life. It was Benjamin Franklin who said: "Do not waste time because that is the stuff from which life is made."

At the risk of oversimplification, but in the interest of brevity and clarity, may I contrast the defects of the present calendar with the benefits to be derived from adoption of the world calendar.

DEFECT AS TO INDUSTRY

Contracts, reports, compilations of statistics, surveys, and plans for industrial programs, as well as dividends, bond interest, tax payments, and pay rolls are difficult to coordinate, to integrate and nearly impossible to compare precisely.

BENEFIT AS TO INDUSTRY

All departments operate on units of time that are unchanging, with resultant simplification, accuracy, and coordination. Pay rolls and operating schedules are stabilized. Different time-units come together at the end of each quarter and by eliminating complex and variable adjustments enable efficient coordination.

DEFECT AS TO LABOR

Those paid by the month work more days some months than others, and those paid on a daily basis are compelled to anticipate interruption of income because of shifting holidays. Funds for food, fuel, rent, clothing, and other expenses must be stretched in months with fewer working days. Periods of interrupted employment result in losses which may be seriously aggravated by calendar variations.

BENEFIT AS TO LABOR

Pay envelopes will be considerably stabilized because each month has 26 weekdays. Fixed holidays will facilitate planning. Labor unions will be helped in comparing time units of days, weeks, months, and quarter years, and in all statistical studies. Plans and budgets will not require adjustment to a variable calendar. The Labor Conference of the American States, held in Chile in 1936, recommended approval of the World Calendar. The International Labor Organization at Geneva urged revision of the present calendar

DEFECT AS TO TRANSPORTATION

Time tables must be changed every year. Schedules for passengers and freight, labor, and other operational factors must be planned anew each year without a truly comparable basis

BENEFIT AS TO TRANSPORTATION

With a stable calendar and fixed holidays, tables of preceding years will enable timetables and operating plans and schedules to be established and maintained with minor adjustments.

DEFECT AS TO COMMUNICATIONS

The press is inherently concerned with time. Radio must operate on split seconds, and programs must be built with holidays in mind. Advertisers are no less holiday and seasonal minded. Calendar instability seriously affects all and poses recurrent problems.

BENEFIT AS TO COMMUNICATIONS

Radio has already adopted the quarter-year of exactly 13 weeks in a 12-month calendar as the basis for its contracts, reports, and calculations. So has the motion-picture industry. The newspaper and advertising fraternity have gone on record as stating adoption of the World Calendar would be advantageous. Telegraph and telephone companies would be helped by a simplified, uniform, truly world calendar.

DEFECT AS TO FINANCE

On a customary 90-day loan the borrower pays 3 months' or three-twelfths of a year's interest, predicated on a year's interest based on a 360-day year. However, if a note is made for 3 months, the interest is figured for the exact number of days in that period and the borrower pays interest for 1 or 2 days more. Property taxes, usually payable semiannually, are unequal. Quarterly payments for insurance, notes, dividends, and annual income tax due dates, fall on different days of the week.

BENEFIT AS TO FINANCE

With equal quarters of 91 days each, the quarter is actually one-fourth of a per annum rate in the 364-day year. The ninety-first day of every quarter is caused by the first month having 5 Sundays—nonworking days. Payment dates are more easily remembered and provision made therefor if they fall on the same day as well as date. The four fifteenths falling on Fridays, the last day of the business week, is less disrupting. Property taxes are equalized. Time-units being divisible into equal thirds as well as quarters and halves, are compatible with our monetary system based on 10.

DEFECT AS TO LAW

Cumbersome legal phrases such as "the first Tuesday after the first Monday in November" for election day brings it on any date from November 2 to 8. Unequal half and quarter years are also disadvantages which present legal difficulties and complications. Uncertainty vitiates many contracts and requires construction of much legislation.

BENEFIT AS TO LAW

The first Tuesday after the first Monday in November for election day brings it regularly on November 7. Whenever a specific period of days is prescribed within which legal action may be taken, the exact day and date are readily known and may be stipulated. The administration and practice of law and the work of legislators will be simplified by calendar certainty and clarity.

DEFECT AS TO EDUCATION

Much time is consumed every year by the faculties of schools or colleges in arranging the scholastic, athletic, and social programs. Semesters are variable as to day and date, and conflicting events often occur because of the annual shifting of the calendar.

BENEFIT AS TO EDUCATION

Study schedules, annual programs, vacations, and athletic events can be arranged on a permanent basis. Semesters are stable as to day and date and valuable time will thus be gained for other activities.

DEFECT AS TO MERCHANDISING

Quarterly periods are unequal because they always contain a varying number of days. Months constantly change as to four or five Sundays, Mondays, Tuesdays, and so forth. This plays havoc with dependable records and sales volume.

BENEFIT AS TO MERCHANDISING

The equal quarterly period contains exactly 91 days, or 13 weeks, or 3 months, or approximately 1 season. Months have their allotted four or five Sundays, Mondays, Tuesdays, in an unchanging pattern. This makes records more accurate and gives a clearer comparison of volume of sales.

DEFECTS AS TO GOVERNMENT

Because the year always begins on a different day of the week, records are complicated; particularly when a given date falls on a Sunday and loss is incurred by postponement of collection or payment to a Monday. Comparative statistics must introduce adjustments for calendar variations and being as variable as the calendar make many comparisons unreliable and useless. Personnel problems are complicated both by salary and wage differences, a result of variances of time units, and by questions of days off with pay, as a concom-

mitant of fluctuating holidays. Under the present calendar no government can set both the day and date a holiday is to be observed.

BENEFIT AS TO GOVERNMENT

The fiscal year always begins on the same day and date. Records of customs receipts, taxes, internal-revenue collections and interest on Government bonds are easily computed because of the regular equal quarter arrangement. Being based on the same time factors, comparative statistics are identical from year to year, and are simpler and more accurate. Administration is facilitated by fixed holidays which call for less exercise of discretion as to days off for personnel. Under the world calendar every government will be able to fixed the day as well as the date of any holiday within its jurisdiction.

DEFECT AS TO RELIGION

The continuous wandering of feast, fast, and holy days as to their day or date results in uncertainty as to observance and militates against planning for them. While such holidays are exclusively the prerogative of ecclesiastical authorities, at the present time no religion can set them as to day as well as date and must first await calendar stabilization.

BENEFIT AS TO RELIGION

Fixed feast, fast, and holy days will facilitate planning for them, prevent forgetting them, and conduce to social stability and individual tranquility. Many of the religious organizations of the world have already approved the world calendar and indicated that upon its adoption they will stabilize their movable holidays.

DEFECT AS TO THE HOME

The confusing calendar now in use has its ill effects on the home and family. Its budget and plan for vacations, holidays, and anniversaries are complicated.

BENEFIT AS TO THE HOME

Better and easier planning and budgeting for the home, social welfare, civil and church activities is made possible by the perpetual calendar.

DEFECT AS TO WORLD RELATIONS

The use of different calendars by some of the peoples of the world, and the use by many nations of the world of a calendar which is constantly changing has not helped to produce stability, a common basis in dealing, and mutual understanding and agreement.

BENEFIT AS TO WORLD RELATIONS

Adoption of the world calendar by this Nation and all peoples would enable humanity to compute its relationship to time in the same way, and to measure its practical needs and its dreams for the future on one basis. This would improve world relations.

These comparisons of defects of the present calendar and benefits from the world calendar could be applied to innumerable aspects of contemporary life. They could readily be expanded in detail. I desist from doing so.

Start with your own life, your own business, or your own profession. Ask whether a benefit would not result from adoption of the world calendar. I leave the decision to you. It will make an interesting study.

At the end of each year we discard that year's calendar. We start the new year with a new calendar. In this sense we annually adopt a calendar which differs from the preceding year. Were the people of this country to change to the world calendar on Sunday, January 1, 1950, they might generally do so unaware that the new calendar differs from the present calendar. It will appear almost identical. The transition would be hardly perceptible, though tremendously important. The proposal contained in the legislation introduced today is to provide the authority for adoption by the United States of a calendar on the 1st of January, 1950, which will ever thereafter be perpetual, and to authorize our appropriate officials to urge its adoption by the United Nations as a world calendar.

Mr. Speaker, from a study of the proposed world calendar, it will be observed that the last day of December of each year is set aside as a world holiday to provide the three hundred and sixty-fifth day in a calendar which is otherwise adjusted so that the first month of each quarter has 31 days and all the rest have 30 days, making each quarter of the year a compact, unchanging unit of 91 days.

A WORLD HOLIDAY EACH YEAR DEDICATED TO PEACE

It is my suggestion, Mr. Speaker, that this annual world holiday which occurs the last day of each year be set aside and sanctified around the world as universal peace day. I recommend that every country in the world make that day a day of prayer and of planning for peace; that it be commemorated in every city and village of the world by sermons and programs dedicated to the preservation of world peace. At the end of each year on this universal peace day, let all the people of the world lay down their tools and close their shops and offices for the universal purpose of conducting simultaneous programs around the world to assure themselves and their neighbors that permanent peace is possible and to promote the habits of thought and the codes of national and international conduct which lead to enduring peace.

DECEMBER 31 EACH YEAR TO BE UNIVERSAL PEACE DAY

Mr. Speaker, on April 9, 1945, I introduced House Resolution 215 for the purpose of bringing about the establishment of an international educational and cultural organization to help promote the methods and mechanics of peace. Out of that resolution, which was given approval by both Houses of Congress, has developed the United Nations Educational, Scientific, and Cultural Organization, now generally referred to as UNESCO. In the preamble to the constitution of UNESCO are found these significant words:

Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed.

Mr. Speaker, the universal peace day which is proposed for the last calendar day of each year would find the combined forces of UNESCO in every land setting up study programs and patriotic meetings dedicated to international good will. Publicity programs would be conducted in every land to stress the futility of war and the value of peace. Ministers of the gospel of every creed and faith would conduct religious ceremonies dedicated to peace. For the first time in human history a day would be set aside wherein all the people of this universe would simultaneously and sincerely be dedicating their thoughts, their efforts, and their prayers to the outlawry of war and the preservation of peace.

Universal peace day could do much and go far toward constructing the defenses of peace in the minds and hearts of all mankind. I realize, of course, the current Congress cannot and will not adopt the legislation I have today introduced. Time is far too short for that. My purpose in introducing it is fundamentally to provide time for its study and discussion between now and the next Congress. Let Americans generally explore its advantages. If there are disadvantages or undesirable features about the proposal, let them be reported. Then at some future time public congressional hearings can be held to determine from the evidence what course to follow. If the disadvantages are few or nonexistent, perhaps the next Congress will then take steps to approve this move toward a world calendar and to the establishment of a day of universal thanksgiving and dedicated effort in the cause of permanent peace.

The SPEAKER. Under the previous order of the House the gentleman from California [Mr. VOORHIS] is recognized for 40 minutes.

PROBLEMS IN LIQUIDATION OF GERMAN WAR POTENTIAL: SWITZERLAND AND SWEDEN

Mr. VOORHIS of California. Mr. Speaker, some months ago I addressed the House to express concern over the possibility that a certain phase of history that followed World War I might possibly be repeated at the conclusion of World War II.

The story of what happened after World War I was, briefly, that although Germany was defeated in a military sense, nonetheless, by means of clever shifting of her most important industrial assets, her financial assets, above all her patents and technological skills to foreign countries which were neutral, and also by means of her cartel agreements with corporations in other nations, even including some of the allied nations, Germany was able to rebuild her war potential in a very short period of time and to virtually overcome her military defeat before a decade had passed.

In my speeches on this subject I pointed out that unless we were extremely vigilant the same events might follow World War II. For example, we know that the I. G. Farben, the great chemical trust which dominated not only the European Continent but pretty much the whole wide world in the field of chemistry, had what they called verbindungsmaenner, a German word meaning contact men which were on the pay roll of

this huge German chemical trust in practically every country of the world but who were carefully selected in order that they might not be the type of persons who would be suspected of being the Nazi agents, which, in fact, they were.

I want to ask the question whether we are in danger today of seeing this same kind of event repeated.

On Thursday last the proclaimed list, more commonly known as the black list, was lifted against companies in former neutral nations.

I have discussed this matter with all the involved governmental agencies and I realize that there were certain difficulties about the maintenance of the proclaimed list after the means of enforcement of such restrictions as naturally would accompany it had largely been taken away; but I still wonder whether it was wise to abandon the black list until such time as this Nation and its allies had been completely satisfied that the external assets of Germany had been so sequestered, so liquidated, so removed from the possibility of manipulation by the same German industrialists who put Hitler into power and who were the bone and sinew of his war effort as to make it absolutely certain that the German war potential would not be reconstituted in a few years. Our Government has recently concluded, as you know, together with the British and French an agreement with the Government of Switzerland which was perhaps the nation which the Germans employed more than any other nation in attempting to conceal their assets or to transfer their assets for a hoped-for recovery of their military potential. Another agreement is now being negotiated with Sweden, and I cannot say less than to state that I hope very earnestly the agreement with Sweden will be a tighter one than the agreement with Switzerland is.

We know that the Germans deliberately planned to transfer assets to both of these countries more than anywhere else except perhaps to Spain. For example, I should like to ask the question, Is it likely to work out, for the Allies to depend entirely upon the Swiss themselves to discover and act with regard to the liquidation of German assets as the agreement provides, or should this have been done through participation on the part of representatives of our own Government and the other Allied governments? It is my own belief that some participation by representatives of the Allied governments should have been provided for.

It is true that the four-power commission does have power to demand an investigation of any particular German asset or individuals or companies which it believes might be a proper subject for the liquidation of German assets which has been agreed to; but unless the inter-allied commission is extremely vigilant important German property is likely to escape.

In the second place, should German governmental property have been exempted from liquidation? The agreement with Switzerland leaves this property owned by the German government, whether it be bank accounts or whatnot, entirely free as to the liquidation which is to be carried out with regard to other German militarily potential properties. I doubt personally that that was at all a wise provision. I understand, and I am glad to hear it that further negotiations on this particular point are being carried on, and I want to state that I earnestly hope that no such provision will be included in the agreements with any of the other former neutrals.

Again, the property of Germans living in Switzerland before 1939 is not to be affected by this liquidation unless the Allies can prove that a certain specific individual should be included on their so-called list of dangerous people, and thus ask for a repatriation of such person out of Switzerland and back to Germany. The Swiss will make the final decision even in these instances.

I do not believe that the date on which a person moved to Switzerland is a sensible criterion. On the contrary it seems to me the real question is, How important is the property from the point of view of preventing a revival of German war potential?

Again there arises the question of the looted gold, of the gold taken by the Nazi forces from countries which they overran and conquered. Of this gold I believe it has been accurately found that there was some $300,000,000 sold by Germany to various countries It is known that the sale of that gold gave to Germany foreign exchange which was used for purchasing the military supplies which made it possible for them to carry on the war against our country and the other countries that fought with us.

In connection with the Swiss agreement there is an admission on the part of the Swiss that $88,000,000 of this loot of gold was purchased by Switzerland, and it is provided that $58,000,000 of it will be repaid to the rightful owners. The question inevitably arises as to why at least the amount admitted to have been bought of this looted gold should not all have been restored to the people from whom it was stolen.

Fifty percent of the proceeds from the liquidation of these German properties in Switzerland are to be used to pay Swiss creditors of Germany, that is, Swiss citizens who are owed money by Germany. The other half is to be used to help with the rehabilitation of countries devastated by the Nazis in many instances by the use of the very weapons that were supplied from sources such as the Swiss munition firms.

I only ask the question as to whether in right and equity there should have been as much allowance made for any other purposes than the rehabilitation of the overrun nations.

Finally I call attention once again to the events which followed World War I and warn that no cause of peace can be adequately served unless the greatest vigilance is exercised to make certain that the German war potential is not going to be rebuilt in the same manner that happened after World War No. 1.

"Business as usual" is something greatly desired by certain forces in this and every other country and "business as usual," indeed, is not an undesirable objective, providing we are certain that it will lead to peace. But the German economy before the war was so highly controlled by monopolies and cartels, and those great monopolies and cartels were so intimately a part of the war machine of the Nazis that we have the necessity placed upon us of seeing that those people who, as I said a few moments ago, were responsible for lifting Hitler to power and who provided the very substance of his war effort, are not able once again to rebuild their industrial, their financial, and their military power and thus to become a threat to world peace once again. It is my frank opinion that the agreement with Switzerland leaves much to be desired from this point of view.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. McDONOUGH. I take it from what the gentleman has said that he is opposed to international cartels.

Mr. VOORHIS of California. I am, indeed.

Mr. McDONOUGH. Does the gentleman believe that there is any possibility of cartels developing because of the loan which was granted to Great Britain which, in my opinion, creates cartels with nations and not with corporations?

Mr. VOORHIS of California. On the contrary, I think that the loan agreement with Great Britain is calculated to render it far less likely that cartels will develop in the future than would have been the case otherwise. The circumstances under which cartels can flourish best is where trade is not being carried on freely, where artificial barriers are raised about various nations, where you have things like the sterling bloc and very high tariffs thrown around them, and where it becomes greatly to the interest of company A in nation X, which controls a very large percentage of the production of a certain commodity in country X, to make a cartel agreement with company B, in nation Y, which likewise occupies a monopolistic position, in order that both may benefit, in the only way possible under the circumstances, from their joint international monopolistic position. The more freely trade moves the greater the likelihood of competition arising to prevent such a cartel agreement being effective and the better chance there is of legitimate unhampered trade. Cartels are in essence trade restrictions. They feed on other such restrictions. The financial agreement with Britain is a step away from, not toward such trade restrictions.

Under other circumstances such as those existing between the two wars, with the domestic market fairly well already protected in many countries, monopolistic corporations can reach outside and make agreements with companies, especially monpolistic companies, in other countries for the domination of other parts of the world. There is much more incentive to do it than would be the case if trade were conducted in such a manner as to foster more general competition.

I am not sure I follow the gentleman's argument that the loan to Great Britain constitutes an international cartel unless

he means that the fact that the United States approved this loan means that the United States is doing something which will unquestionably be of help and benefit to the economy of Britain as well as to our own. I would admit that that is the case, but it is not at all what I mean by a cartel, because the essence of a cartel is this, that it is an agreement between business corporations controlling a monopolistic position in their own countries which attempts to extend their monopolistic control beyond national lines, which endeavors to maintain artificially high prices for the goods involved, which must necessarily, therefore, endeavor to restrict productive capacity for that particular type of goods, which carves up the world into areas, each one of which is reserved for a particular cartel member as its exclusive preserve for the sale of its particular type of goods, and which, above all, uses patent pools and controls over patents and know-how as a means of freezing competition out of its line of business.

I know the gentleman from California well enough to know that he is no more in favor of this kind of thing than I am. I say that to spare him the necessity of saying it, because I realize he and I will see exactly eye to eye in opposition to that type of private agreement which in effect constitutes a private treaty depriving the people of the world of their just share of the production of goods which ought to take place and would take place in the absence of such agreement.

Mr. McDONOUGH. I appreciate the explanation. The point I am making is that a cartel may develop in this way. We have loaned Great Britain $3,750,000,000. The goods produced in this country that Great Britain will buy out of these funds must necessarily be approved under license from their Foreign Office. What is to prevent certain British corporations from combining, with the use of this money, and buying exclusively from certain corporations in this country, and thereby setting up a cartel with the funds the United States has granted to Great Britain?

Mr. VOORHIS of California. In the first place, the loan is to the British Government and not to British corporations. British corporations would not be able to use the money themselves.

Mr. McDONOUGH. I beg the gentleman's pardon. These corporations that can prove to the British Government that the material they are to buy is of benefit to the rehabilitation of Great Britain may buy goods.

Mr. VOORHIS of California. They may act as agents of the British Government in negotiating such purchases.

Mr. McDONOUGH. The British Government is merely the letting or approving agency. The British Government does not use the material. It must be used through certain corporations in Great Britain, but the British Government must agree that the material they are purchasing is for the benefit of the rehabilitation of Great Britain from the war. What is to prevent certain interests in Great Britain from combining and saying, "We have proved to the Government that all these things are necessary," and creating what could be an international cartel by dealing exclusively with certain corporations in this country?

Mr. VOORHIS of California. Of course, that danger would exist whether we had made the loan to Great Britain or not. I mean we still have a situation where it is possible for a company in one country to try to make cartel agreements with companies in other countries. I might answer the gentleman in this way, however, that we now have an antitrust suit that is pending against the Imperial Chemical Corp. of Great Britain and the Du Pont Corp. of the United States. Personally, I believe the Department of Justice has a very strong case against those companies for the very kind of action that the gentleman mentions, which action took place in the absence of any loan to Great Britain. I might say further to the gentleman I believe that vigorous enforcement of our antitrust laws in these respects is decidedly called for. Furthermore, I wish that the British laws in this same field were stronger than they are. The British law is different from ours in the antitrust field.

The SPEAKER The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have a special order following, but I have no objection.

The SPEAKER Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. There are not the same prohibitions in the British law as there are in our laws against combinations in restraint of trade. Neither are there means in Great Britain whereby a company can enforce the terms of an agreement against another company in the same field. These agreements are not enforceable at all under British law. Neither is it possible in Great Britain for patents to be used as monopolistic devices for the reason that Great Britain has a law which requires the licensing of patents if it can be shown that any competitor can make proper use of a patent which is not being allowed to be used by the holder of the patent. That law is the result of tactics used by the Germans in the latter part of the nineteenth century where German firms took out patents in Great Britain for the deliberate purpose of seeing that those patents never were used by British industry. Those are the peculiar circumstances that have led to the type of law that Great Britain has at present. In final reply, however, to my colleague from California, I would point out that the danger of cartels and monopolies are evidently present in the world today but that, in my judgment, has been in no degree enhanced by the making of a loan to Great Britain. On the contrary, the terms of the financial agreement between the United States and Great Britain have gone a long way indeed toward rendering it less likely that such cartel agreements are made between companies in different countries in the future.

Mr McDONOUGH. Mr Speaker, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. McDONOUGH. I do not altogether agree with the gentleman in his general statement on the question that has been propounded. Was not the question of the cartel agreement between the British Chemical Co. and the Du Pont Chemical Co. brought about before the sterling bloc was created?

Mr. VOORHIS of California. Before, during, and after, I should say.

Mr. McDONOUGH. Then it is not true if the loan had not been granted to Great Britain since they would not have had the American dollars to buy in this country, that situation could not have existed? If the loan is granted, American dollars are available and the situation can be duplicated

Mr. VOORHIS of California. Surely my colleague would not want to suggest that we attempt to bring about a situation where Britain cannot buy anything in America?

Mr. McDONOUGH. Oh, no.

Mr. VOORHIS of California. Surely he would not suggest that in order to prevent the possibility of there being some type of agreement made between British and American companies? My point is, and the whole purpose of the financial agreement with Great Britain, or rather one of the purposes, is to enable Great Britain to purchase more goods than she is able to produce and export within the next few years and thus enable her to rehabilitate her economy and put her people on their feet. I do not think that has the slightest thing to do with the problem of cartels and monopolies possibly being built up. I think we have to be very vigilant in that regard, and I think we have to combat them in every conceivable way. I would say that the agreement to do away with the sterling bloc and the agreement to reduce Empire preferences and all of these features of the financial agreement with Great Britain were decidedly influences in the opposite direction from cartels and would go a long way toward discouraging cartels and would remove many incentives for the making of cartel agreements which did exist as long as these restrictive measures were in existence.

FURTHER MESSAGES FROM THE SENATE

A further message from the Senate by Mr. Gatling, its enrolling clerk, announced that the Senate failed to pass a concurrent resolution of the House of the following title:

H. Con. Res. 151. Concurrent resolution against adoption of Reorganization Plan Numbered 2 of May 16, 1946.

The message also announced that the Senate insists upon its amendments to the bill, H. R. 4590, entitled "An act to authorize the use by industry of silver held or owned by the United States, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WAGNER, Mr. BARKLEY, Mr. MURDOCK, Mr. TAFT, and Mr. MILLIKIN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill, S. 78, entitled "An act for the relief of the estate of William Edward Oates," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'DANIEL, Mr. JOHNSTON of South Carolina, and Mr. WILSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill, H. R. 6777 entitled "An act making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes."

The message also stated that the Senate recedes from its amendment numbered 1 to the foregoing bill; agrees to the amendments of the House to the amendments of the Senate numbered 2 and 3; and that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 4 with an amendment.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill, S. 704, entitled "An act to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes."

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and include certain information regarding the subject matter of her remarks.)

TRANSPORTATION FOR AMPUTEES AND PARAPLEGICS

Mrs. ROGERS of Massachusetts. Mr. Speaker, last week we spent four long days in debate on the loan to Great Britain and as yet we have not given 1 hour in debate on the bill for amputees and paraplegics. We gave nearly $4,000,000,000 to rehabilitate the British and not a dollar to our own amputees and paraplegics for transportation.

Now that we have voted a sum of billions of dollars in order to help rehabilitate our British neighbors, I think it is time that we once again turn our attention toward the rehabilitation of our own people.

The matter I refer to involves a sum so small as to be infinitesimal when compared to the billions for Britain, and yet it is of almost life and death importance to thousands of veterans. Yes; nearly 20,000 of those heroes to whom we promised so much when they went off to fight a winning war for us.

Twenty thousand is not, of course, a very large number, when compared to a total of fourteen and a half million vetcrans of World War II. It is a very small percentage of the whole.

Yet, when these men and women went off to war, we did not say to them, "We will see that the majority of you get adequate compensation for your efforts." What we said was, "We will see to it that you all are provided adequate compensation for your service to your country." That includes the 20,000.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield briefly

Mr. RAMEY. I am grateful that you have introduced this legislation. I am grateful that you have extended in your remarks the fact that by mass mesmerism this Congress has passed the so-called loan or gift to Great Britain and yet we have forgotten our own.

May I ask something about the history of the introduction of this measure?

Mrs. ROGERS of Massachusetts. I shall be very glad to give you the history of it. I will tell the gentleman from Ohio, who has been an unfailing supporter of the veterans and of the disabled, it is much more difficult to secure legislation for the battle-injured than it is for the men who came out uninjured as he doubtless knows.

The Walter Reed amputees came to me, I think it was in January, and asked me if I would try to secure automobiles for them because transportation was almost impossible in many cases. At first I thought the Veterans' Administration would give automobiles as a sort of leg, many of the artificial legs not having proved satisfactory. They break. They are heavy. In 2 years I hope modern invention will be made and the legs will be strengthened.

At first I thought the Veterans' Administration would agree to that. When they did not, I finally introduced a bill and then another bill which is before the House today, H. R. 6304. Petition No. 32 is on the Speaker's desk to bring the bill out of the committee if the committee does not act promptly. The committee has not acted, and the bill has apparently been put to sleep in the committee.

Gen. Omar N. Bradley, the Veterans' Administrator, himself has repeated many times—and here I quote: "There is no veterans' problem. There are only veterans with problems." He himself recognizes the fact that each of the 14,500,000 veterans has his own individual problem which he must be helped to solve.

Each veteran must in the long run solve his own problems, but there are certain aids the country must give him. The GI bill with its education and on-the-job training provisions helps most of them. Public Law 16 gives benefits to others, and a law enacted some years ago by Congress giving a seeing-eye dog to blind veterans aided another group. This latter was a very small group, there were only around a hundred men blinded during this last war, and not a large percentage in World War I.

You, who have heard me speak before on this subject must have realized by this time, that I am again presenting to you an urgent request for the early passage of H. R. 6304, a bill to authorize the furnishing of motor equipment to seriously disabled veterans, which I introduced at the request of the amputees.

The opposition that this bill has met in committee has constantly baffled me. Were there any logical reasons to be presented against it, that would be another matter. There has not been one logical argument against this bill and yet nothing has been done. While the bill languishes in committee, these men who gave their full strength and parts of their bodies to preserve this country, suffer needlessly.

What can I tell the men when they ask me as they did yesterday when I was at Forest Glen and at Walter Reed: "Why does not the bill pass? Members of Congress pat me on the back and say they are for the bill and yet nothing is done. We did not hesitate when we were called to go to save our country. We went, we kept our promises, we fulfilled our pledges, and we paid the price."

But before I again call for action on this bill, I should like to review for you, briefly, clearly, and concisely, the reasons for such a bill; the need for it and what it will accomplish.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. RAMEY. There has been no real outright opposition or reasons. The opposition has just been by stealth, quiet, letting it alone, cowardly.

Mrs. ROGERS of Massachusetts. That is right. It is the most mysterious thing I ever experienced. I cannot understand it at all. They will say: "Oh, yes; we are for the bill," but they are unwilling to do anything about it. They say there is a subcommittee considering it. But the subcommittee does not make a report. The committee has had quite full hearings They heard 60 of the amputees. We know that if the bill were reported out it would pass the House but we have not been able to get the bill out of the committee.

Mr. CASE of South Dakota. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from South Dakota. I am glad there is so much interest in this legislation.

Mr. CASE of South Dakota. Like many other Members, I am one who has signed the discharge petition, but remembering the procedure of bills under the discharge petition rule and the short time remaining before Congress will probably adjourn is it not more important that this bill be reported out of committee than to follow the discharge petition route? There would hardly be time to get action on the bill under the discharge petition if Congress is to adjourn the first of the month.

I hope the gentlewoman from Massachusetts will not be discouraged, but will be persistent in her efforts to dislodge the bill from the committee.

Mrs. ROGERS of Massachusetts. I hope the gentleman from South Dakota will help me get it out of the committee.

Mr. CASE of South Dakota. Unfortunately, I am not a member of the committee.

Mrs. ROGERS of Massachusetts. But as a member of the great Appropriations Committee the gentleman has influence. The Members know that once we can get the bill to the floor it will be passed. Even the distinguished majority leader last Saturday said that if the bill were reported from the committee he, himself, would aid in getting it called up. I wish the leaders would make this one of their must bills before Congress recesses.

Under the discharge petition, when 218 Members have signed it, after seven legislative days it could be brought up on the second or fourth Tuesdays for action. I hope therefore that every Member will sign petition No. 32 immediately which would bring it to the floor. Every Member of Congress can help if he will. I do not like petitions myself, but it is a matter of desperation.

The country is very strongly in favor of this measure. People stop me in the street to say they hope it passes. There is universal approval of it. It is only a matter of simple justice in giving our men a chance to get about.

Quite simply the bill would provide that each amputee or paraplegic would be furnished at a cost not to exceed $1,500 a car with special equipment enabling him to drive it; and aside from teaching the veterans in the use of such equipment the Government would be no further involved.

This is a very simple and comparatively inexpensive solution to a serious problem. Veterans, whose loss of limbs have made them avoid crowds because of the danger of injuring themselves by falling, or being jostled, are enabled to get around and participate in normal activities, in comfort and security. The privacy of a car of their own makes them able to avoid, partially, the horrified stares of people unaccustomed to seeing veterans with limbs missing.

And yet the hue and cry is raised, "Why give them free cars?" What is the cause of this question? Surely when you voted to give seeing-eye dogs to blinded veterans, you did not fear that all the rest of the country's veterans were going to rise up and demand free thousand-dollar pets?

When that law was passed not one veteran demanded that he be given a thousand-dollar free dog too. The hale and hearty veterans who wanted pets, knew they could work and save and buy their own.

What is the hesitancy then? Is it possible that any of you Members of the House fear that if this bill passed you would have 14,000,000 veterans rising up and demanding free cars?

Have you so little faith and trust in the men and women who won this late war for us? Men who carried the crushed forms of their buddies back to first aid stations, or saw a comrade's arm or leg and even four limbs shot off, are not going to begrudge that man any assistance he gets, to help him on the road back to a normal life. He is going to thank God that he himself can make his own way unaided.

Were this question merely a matter of free gifts to disabled veterans it would still be just and right to make an extra award to those who gave limbs, parts of their bodies, in their country's service.

But the problem is far deeper than that. It is one of medical rehabilitation, mental, and physical rehabilitation.

General Bradley also has said that the duties of the Veterans' Administration, in following out the laws passed by Congress, are to fit the veteran to resume his normal place in the life of the community. It is to facilitate that resumption that this bill was introduced.

Any doctor will tell you that you must encourage a patient, within his abilities, to exert himself toward health and strength—but you must never permit him to try to do more than he can manage. His failure and resultant discouragement tend to retard recovery and develop neuroses.

The older veterans' hospitals and domiciliary homes are full of veterans of World War I, who, discouraged by insufficient aids toward recovery, relapsed into invalidism, and will for their lifetimes be burdens to the community and even more tragic, unhappy and unhealthy persons themselves.

We must not let that happen to even one of the veterans of World War II, if it can possibly be avoided.

It was not to give "a sugar plum to our dear boys" that I introduced this bill. It was to facilitate rehabilitation and to prevent these men from becoming neurotic misfits in their own homes and communities—to give them a chance, so much of an equal chance as possible, to step out and make themselves useful and happy citizens, as they themselves want to do—as they themselves are determined to be—to give the amputees and paraplegics the equivalent equipment that we now give to the blind.

The question has been asked, "Why not give autos to cancer, TB, and heart patients?" That question, ridiculous as it is, has been asked in all seriousness. When anyone has no better argument than to suggest that sick men, TB's, and so forth, who need quiet and bed-rest, are in the same category with well men who have lost some of their mobility and need it replaced—I repeat, when arguments are so silly—then, indeed, there is no valid reason for not passing this bill. We can and should do more for these sick people in other ways.

These men, the kind that took everything the enemy could throw at them in the way of weapons, won a war, and came up smiling, are not crybabies. I wish you could see their high spirit and morale in the hospital wards. In the Army hospitals they are taught to take care of themselves, to get about alone, even to drive cars.

These men were picked from the battlefields and their lives were saved by skill and surgery and miraculous drugs. They have been cared for step by step and rehabilitated and in time have been taught to operate automobiles. All of you have seen pictures of the amputees and paraplegics driving automobiles. How ironical that the men are taught to drive the automobiles but are not able to possess them. Let me say here and now how grateful I am to the Army for its fine work in helping these men and training them to go out into the world so as to live their lives so nearly as possible like other men. Many Army doctors have asked me if I would try to help the amputees secure automobiles. If only all of the Government departments were like the Army in their efforts to help these men. That the Army wants the amputees to have the automobile is proved by the affidavits of men, as amputees, stating that it is difficult for the men to get around without autos.

Is the Congress going to let those men down when they get out of the service by not furnishing them transportation?

Two letters that I recently received illustrate most clearly, I feel, the situations faced by these veterans.

One letter comes from Oklahoma, from the mother of a young veteran who lost his right leg as a result of the battle in Aachen, Germany. After 20 months in hospitals, he was finally fitted with an artificial leg and went home After a number of severe falls, he was finally sent back to the hospital. The mother writes that he is most discouraged now. She says that she is a widow and unable to purchase special equipment for her son, but that even were she wealthy she would still feel that his needs should be taken care of by the Government for whom he gave so much.

The second letter I have read on the floor before. I want to read some excerpts again to emphasize my point.

This letter is from Washington, also from the mother of an amputee. I quote:

DEAR MRS. ROGERS: I would like to place before you the case history of my son, a 20-year-old amputee of World War II, in the belief that it will give factual aid in support of your bill advocating cars for amputees

Don was discharged from Walter Reed Hospital last December 8, 1945, after being hospitalized a year. He walked very well on his GI leg but always carried a cane, as it gave him a feeling of greater security in a crowd He had ordered an Oldsmobile Hydramatic last August when he became convinced that he could never drive a standard gear-shift car, but had given up hope of its delivery because of the strikes. Being strong and active and having many friends in Washington, he managed very well until he went back to college in February. Then he was put to the real test. Could he take his place in civilian life equipped with a pair of crutches, an artificial limb, and a pension? The answer was definitely "No."

Due to greater activity after his discharge his stump changed shape, so that his GI leg was too big. He immediately ordered his first civilian leg, although it was sooner than he had expected to do so. His stump became bruised from the ill-fitting leg. His hip became so strained that he developed a deep limp. His gait was so clumsy that he appeared to be a victim of paralysis rather than a rehabilitated amputee. In this condition he started back to college at M U. Although he had transportation from home to school, he had to make his way up three flights of stairs, between buildings, and to the lunchroom on his own. The strain was beyond endurance, but rather than give up he took off his leg and went back to crutches. This left no free hands to carry books, etc, so he tied his satchel to his crutches, always looking forward to the completion of the new leg as the hour of his deliverance, but when the new leg was ready, after 2 months, his stump had swelled from using crutches,

and he couldn't get it on—it was more hopeless than the GI leg

Don is not a boy who accepts defeat readily He goes down swinging. In a last desperate attempt to meet his new kind of life which was not of his choosing, he wrote a group of letters to General Motors Corp., Mrs. McLean, and Henry Ford, asking the first two, to aid him in buying a show-room model of the car he had ordered even though OPA had not fixed the price and asking the latter if Ford cars (which were being delivered) could be equipped with automatic clutches. He received very kind letters from the first two, but Mr Ford sent him a car equipped with an automatic clutch without further exchange of formalities This he gladly paid for with money he had saved for the Olds

I cannot express to you in words the difference the car made in this boy's life. For the first time in a year he could go where and as far and as fast as he wished to go, without depending on someone else. A whole new world opened up and best of all the strain on his hip and stump was removed because he rode every place except up the steps He shrunk his stump so that he could wear his new leg. He discarded canes entirely and from teachers, neighbors, friends, everyone came the same exclamation, "Doesn't he walk well since he has had his car " And it is true. The casual observer would never know he is an amputee, although his leg is off above the knee.

Now my son is completely satisfied, but what about the boys who, through no fault of their own, do not have $1,200 to $1,500 to buy a car? Some of my son's money was overseas pay, but some of these boys were wounded a week after getting overseas. Some have home responsibilities If they cannot be given cars when discharged, a program of supervised saving should be put into effect, because I am absolutely convinced that no amputee can take his place in civilian life without a car which he can drive

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

Mrs ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. DOYLE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California. I know of the gentleman's great interest in the cause of the veteran.

Mr. DOYLE. I wish to say to the gentlewoman that I enjoyed listening very much to her very enlightening remarks. I congratulate her upon her thorough research and study and emphasis she is placing on this subject. I have occasion to know of the worthwhileness of it.

Mrs. ROGERS of Massachusetts. I know the gentleman follows it I know he gave his own son. The cause of the veterans is dear and close to his heart and mine.

What of the boys who cannot buy their own car?

During the recent debate here in the House we heard a great deal about our moral obligation to our neighbor, Great Britain. Well and good, but what about our moral obligation to our own neighbors who fought overseas? Dare we neglect our moral obligations to our own family? I think not.

So much for that. Let us look at the problem, then, in the cold light of the business side of it.

To the blind veterans we give a seeing-eye dog, which costs $1,000. The dogs are replaced whenever necessary. It costs another full thousand dollars for each replacement, since a dead dog does not have a trade-in value like an old car.

All right. Then let us suppose that a veteran needs a seeing-eye dog every 5 years, and that he uses five of them in an average lifetime. That is an expense to the Government of $5,000. The amputees only ask for one car at expense of $1,500.

Now, let us look at the situation of the amputee or paraplegic—the one who went off to war when he was too young to have a bank account or savings. He cannot afford a car. The Government does not provide him one. He gets pushed around in the crowded traffic in busses and streetcars and falls. As a result of this fall he injures his stump—arm or leg. It becomes infected. He spends 6 months in the hospital—perhaps has to have an additional amputation.

These accidents happen regularly to amputees. It costs the Government $10 33 per day to hospitalize these men in veterans' hospitals, and the expense is going up monthly. Two such accidents to one amputee is going to cost the Government $3,718 18. A car which would prevent such accidents would cost only $1,500

Looking at it coldly you say? If people will not look at it from a sense of justice we have to look at it from a sense of economy

This bill only guarantees to provide one $1,500 car to an amputee—a car which is in a sense equipment to get a job, and earn other cars. We give him no more cars, for a worn-out car, unlike a dead dog, still has a turn-in value toward a new model.

And I say, that, economically the sooner we get cars in the hands of these amputees and get them out of crowds—the sooner the Government will cease having to pay hospitalization costs for injuries to these amputees.

We do not expect a workman to produce good work without adequate tools. When these young men went off to war we promised them a grateful Nation would restore so quickly as possible, and so fully, any losses they might suffer. Let us, at least, see to it that they are supplied adequately with the tools and equipment they want and need to forge for themselves a full and successful life.

Let us not be guilty of the sin described in Kipling's Tommy Atkins, "It's Tommy this—and Tommy that—and Tommy get behind. But it's please to walk in front, sir, when there's trouble in the wind."

We promised these veterans to give them a new start in life.

We must keep our promises.

Mr. Speaker, I do not know what more I can say than I have said in the past to try to secure the passage of this legislation. It is a matter of everybody's individual conscience, whether enough work is done to bring it about before the closing days. I suppose the Speaker can give me no indication as to when the Congress will adjourn sine die. I hear no answer to that. I suppose he does not know, because much legislation is so difficult in the closing days. But we all know that at times the Congress adjourns sine die very quickly. However, if there is any unanimous-consent request attached to it, I certainly will not give my consent until this bill be passed.

Mr. RAMEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Ohio.

Mr. RAMEY. It has been a pleasure to be on the Committee on World War Veterans' Legislation with the gentlewoman. I know of her diligence and her perseverance. I know the times she has brought these boys here, and I know the Sundays she has spent with them. I know that not only they but this country will look upon the work the gentlewoman has done and call it blessed. I do not believe there can be any adjournment until this legislation passes.

Mrs. ROGERS of Massachusetts. The boys are remarkable, they are the finest group in the world, our disabled veterans, and they have the finest viewpoint. The most sane, the most reasonable letters I receive come from our disabled veterans. They have suffered and paid a great price during the war for their country. They want to talk it over. They want to understand. They still want to help. They have not stopped their service.

In the matter that the gentleman from Ohio and I fought for when the insurance bill was up before our Committee on World War Veterans' Legislation, which was the provision that we tried in vain to get in the bill, to the effect that every veteran had the right to a jury trial, the bill was reported out of the committee with that provision deleted. It passed the House that way and I stated at the time, and I think the gentleman did also, that we hoped the Senate would change it and give the veteran the same rights to a jury trial that the civilian has. The bill that we passed said to the veterans in effect, "Every civilian and everyone else but you can have a jury trial and you cannot have it." I am glad to state that the Senate in its veterans' insurance did grant the right of the veteran to a jury trial, I appeared before the Senate Committee in favor of it. I would say to the gentleman that the Senate when it reported out the bill did not see fit to grant the double, bilateral, and triple amputees and the quadruple amputees a permanent and total rating for insurance purposes. In the First World War the insurance legislation which Congress passed entitled the men to a permanent and total rating for insurance purposes and they were able to get the sum of $57.50 a month. I tried before the Senate committee in an effort to have that retained in the bill. I understand there was a battle to have it kept in the bill but it went out. So the veterans will not have that additional money with which to purchase things. The

present automobile output is 38,000 per week and going up all the time. Probably 2 days' output would supply all the amputees and paraplegics with automobiles—even if all use them.

The SPEAKER. The time of the gentlewoman has again expired.

EXTENSION OF REMARKS

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a resolution adopted by the District Attorneys Association of the State of California, and in the other an editorial and a newspaper article.

FILING CONFERENCE REPORT ON H. R. 4590

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that the conferees on the bill H. R. 4590, may have until midnight tonight to file a conference report on that bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H R 6597. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; and

H R 6837. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER also announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J Res. 138. Joint resolution to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H R. 6597. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; and

H R 6837. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1947, and for other purposes.

ADJOURNMENT

Mr. VOORHIS of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 23 minutes p. m.), pursuant to its previous order, the House adjourned until tomorrow, Tuesday, July 16, 1946, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. on Tuesday, July 26, 1946, for consideration of H. R. 6968.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold an open hearing at 2 o'clock p. m., Tuesday, July 16, 1946, in the committee room, 219, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1459. A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated May 9, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Columbia River between Vancouver, Wash., and The Dalles, Oreg., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on April 13, 1939, and December 1, 1944, and by resolutions of the Committee on Commerce, United States Senate, adopted on December 3, 1935, April 11, 1939, and July 10, 1945 (H. Doc No 704); to the Committee on Rivers and Harbors and ordered to be printed, with six illustrations.

1460. A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated May 15, 1946, submitting a report, together with accompanying papers and an illustration, on a review of reports on Honolulu Harbor, T. H., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives adopted on October 19, 1945 (H Doc No 705), to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1461. A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated May 17, 1946, submitting a report, together with accompanying papers and an illustration, on a review of reports on Fairport Harbor, Ohio, requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on May 29, 1940, and April 5, 1946 (H. Doc No 706); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1462 A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated May 16, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on and a preliminary examination and survey of Mill Creek, a tributary of the Brazos River in Austin County, Tex., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on August 16, 1944; and authorized by the River and Harbor Act approved on August 26, 1937 (H. Doc. No. 707); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHN J. DELANEY: Committee on Rules. House Resolution 709. Resolution providing for the consideration of H. R. 4718, a bill to provide optional retirement for Government officers and employees who have rendered at least 25 years of service; without amendment (Rept. No. 2520). Referred to the House Calendar.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 5757. A bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes; without amendment (Rept. No 2521). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 7004 A bill to revise the boundaries of Wind Cave National Park in the State of South Dakota, and for other purposes; with amendment (Rept No. 2522). Referred to the Committee of the Whole House on the State of the Union

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 7020. A bill to provide for the acquisition by exchange of non-Federal property within the Glacier National Park; without amendment (Rept. No. 2523). Referred to the Committee of the Whole House on the State of the Union.

Mr. HEALY: Committee on the District of Columbia. S 2142. An act to provide for two heads of departments of military science and tactics in the public schools of the District of Columbia; without amendment (Rept. No. 2524). Referred to the Committee of the Whole House on the State of the Union

Mr. HEALY: Committee on the District of Columbia S. 2352. An act to authorize increases in the salary rates of teachers, schools, officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended; without amendment (Rept No. 2525) Referred to the Committee of the Whole House on the State of the Union

Mr. DOUGHTON of North Carolina: Committee on Ways and Means H. R. 7037. A bill to amend the Social Security Act and the Internal Revenue Code, and for other purposes, without amendment (Rept. No. 2526). Referred to the Committee of the Whole House on the State of the Union

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H R 7038 A bill to provide for the sale of certain public lands in the States for the use and benefit of the State public educational institutions; to the Committee on the Public Lands.

By Mr DREWRY:

H. R. 7039 A bill to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II; to the Committee on Naval Affairs.

By Mr HORAN:

H. R 7040 A bill to amend section 3469 of the Internal Revenue Code, as amended, so as to exempt from the tax imposed by such section the transportation of persons by certain aircraft not operated on established routes; to the Committee on Ways and Means.

By Mr MUNDT.

H R. 7041. A bill to improve the calendar by making it perpetual, by equalizing the quarters of the year, and fixing holidays; to the Committee on Foreign Affairs.

By Mr. VOORHIS of California:

H R. 7042. A bill to authorize more frequent measurement of changes in retail prices; to the Committee on Labor.

By Mr ENGLE of California:

H. R. 7043. A bill to add certain lands to the Modoc National Forest, Calif.; to the Committee on Agriculture.

By Mr. GRANT of Indiana (by request):

H. R. 7044. A bill to establish the Territory of Guam; to provide for the government thereof; and to confer United States citizenship upon certain of the inhabitants thereof; to the Committee on the Territories.

By Mr. REED of New York:

H. R. 7045. A bill to extend section 22 (b) (9) of the Internal Revenue Code for 2 years; to the Committee on Ways and Means.

By Mr. ROBSION of Kentucky:

H R 7046. A bill to revive and reenact the act granting the consent of Congress to the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a toll bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky, approved May 18, 1928; to the Committee on Interstate and Foreign Commerce

By Mr. WICKERSHAM.

H R 7047. A bill providing for the payment of direct Federal old-age assistance to citizens 60 years of age or over; to the Committee on Ways and Means.

By Mr. STIGLER (by request):

H J Res. 381 Joint resolution directing the Comptroller General to restate the account of the Eastern and Western Cherokees under the Treaty of 1846 rendered by him November 19, 1942, and give them the benefit of the law governing partial payments, to the Committee on Indian Affairs.

By Mr HAVENNER:

H Con Res 162. Concurrent resolution expressing the sense of Congress with respect to the receipt of Island bases as payment on account of indebtedness owed the United States by any nation, to the Committee on Ways and Means

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr HENDRICKS

H R 7048 A bill for the relief of Benjamin R. Gorgas, to the Committee on Claims.

By Mr. JUDD

H R. 7049 A bill to provide for the naturalization of Peter Kim; to the Committee on Immigration and Naturalization

By Mr. SADOWSKI.

H R 7050 A bill for the relief of Michael Pirog, to the Committee on Immigration and Naturalization

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2090 By Mr CLASON: Petition of the City Council of the City of Northampton, Mass, urging the House of Representatives and the Senate to continue the OPA for 1 year without crippling amendments; to the Committee on Banking and Currency

2091. By Mr. LUTHER A. JOHNSON. Petition of W. A. Selle, professor of physiology, the University of Texas medical branch, Galveston, Tex, favoring Senate bill 1850; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, JULY 16, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Edgar A. Sexsmith, D. D., minister, Rhode Island Avenue Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, father of all mercies, we, Thine unworthy servants, do give Thee most humble and hearty thanks for all Thy goodness and loving kindness to us and to all men. We bless Thee for our creation, preservation, and all the blessings of this life, but above all for Thine inestimable love in the redemption of the world by our Lord Jesus Christ, and for the means of grace and the hope of glory.

We beseech Thee to give wisdom unto all those who have to do with the planning for the well-being of this and all nations of mankind, that they may discern the right course to pursue We further beseech Thee to give us the courage nccessary to stand against every foe to the good of humanity, and that we may champion the greatest in life, liberty, and happiness for all our fellow men.

We look to Thee for divine help, that we may show forth Thy praise, not only with our lips, but by giving ourselves to Thy service and by walking before Thee in holiness and righteousness all our days.

Through Jesus Christ our Lord, to whom, with Thee and the Holy Spirit, be all honor and glory, world without end. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, July 15, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 16, 1946, the President had approved and signed the following acts:

S 1150. An act for the relief of John Leberman,

S 1517 An act for the relief of Lofts & Son,

S 1746. An act to govern distribution of war trophies and devices, and

S 2099. An act to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R 2377. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Iowa into the Union as a State;

H R. 2523 An act to provide for lump-sum payment of compensation for accumulated annual leave and current accrued annual leave to certain officers and employees, and authorizing the appropriation of funds for that purpose,

H R. 4718. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service;

H. R. 5144 An act to establish a national air museum, and for other purposes;

H. R. 5590. An act to provide for the uniform administration of efficiency ratings;

H. R. 5528 An act to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T. Washington,

H. R. 6916. An act to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes;

H R 6932. An act to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; and

H J Res 380. Joint resolution to exempt officers and employees of the Bureau of Internal Revenue from the provisions of section 14 (a) of the Federal Employees' Pay Act of 1946, relating to personnel ceilings

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, and it was signed by the President pro tempore.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on July 15, 1946, he presented to the President of the United States the enrolled joint resolution (S J Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

PERSONNEL REQUIREMENTS

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the National Mediation Board, transmitting, pursuant to law, an estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board and the National Railway Labor Panel, for the quarter ending December 31, 1946, which, with the accompanying papers, was referred to the Committee on Civil Service

DISSOLUTION OF WAR ASSETS CORPORATION

The PRESIDENT pro tempore laid before the Senate the following letter from the Secretary of the Senate, which, with the accompanying papers, was ordered to lie on the table:

UNITED STATES SENATE,
OFFICE OF THE SECRETARY,
July 15, 1946

Hon. KENNETH MCKELLAR,
President pro tempore of the Senate.

MY DEAR MR. PRESIDENT: For the information of the Senate, I desire to state that I have received from the secretary of the Reconstruction Finance Corporation a letter enclosing, pursuant to law, two certified copies of a certificate of dissolution by that Corporation of the War Assets Corporation.

Very sincerely yours,

LESLIE L. BIFFLE,
Secretary, United States Senate.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the City Council of the City of Chicago, Ill, favoring the enactment of emergency legislation providing for rent control; ordered to lie on the table.

A petition of sundry citizens of Los Angeles County, Calif., praying for the enactment of legislation to continue the Office of Price Administration; ordered to lie on the table.

ALLEGED BRITISH ATROCITIES IN PALESTINE—MEMORIALS

Mr. WALSH. Mr. President, I ask unanimous consent to present several memorials signed by sundry citizens of the State of Massachusetts remonstrating against alleged British atrocities in Palestine and requesting that the British Palestine mandate be turned over to the United Nations. I request that these memorials be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Without objection, the memorials will be received and referred to the Committee on Foreign Relations.

RENT CONTROL—RESOLUTION OF MUNICIPAL OFFICERS OF LEWISTON, MAINE

Mr. WHITE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the municipal officers of the city of Lewiston, Maine, favoring the immediate enactment of a rent control law.

There being no objection, the resolution was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

Whereas, the OPA rent-control law expired on June 30, 1946, and whereas many complaints from tenants have been received to the effect that exorbitant and unjustifiable increases in rentals have been made since the expiration date of the OPA rent-control law; and

Whereas, there exists at the present time a serious housing shortage in this community, with little prospect of relief within the near future, thus causing a situation of an emergency nature: Be it

Resolved, That the municipal officers of the city of Lewiston, Maine, in assembly, unanimously recommend to the Congress of the United States of America and urge the immediate passage of a rent-control law, for the period of the present emergency, providing for maximum rentals but with proper and reasonable adjustments in rentals, to the end that both tenants and landlords are fairly, equitably, and justly protected; and to prevent the unfair and unjust treatment of tenants which might otherwise prevail; and

That a copy of this resolution be forwarded immediately to our Maine congressional representatives in Washington, D. C.; to wit: to Senators WHITE and BREWSTER, and to Representatives HALE, SMITH, and FELLOWS.

Dated at Lewiston, Maine, this 11th day of July 1946.

ALTON A LESSARD, *Mayor.*
ARTHUR T. HOPKINS.
JOHN SPOFFORD.
ERNEST MALENFANT.
JOSEPH A. GENDRON
ROBERT W. BONENFANT.
LEO ST PIERRE.
LOUIS P. GAGNE

A true copy. Attest:
[SEAL] VINCENT FERRE,
City Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

S 2033. A bill to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes; with amendments (Rept. No 1716).

By Mr. DOWNEY, from the Committee on Military Affairs

H. R. 3993. A bill to authorize the Secretary of War to sell and convey to the Southern Pacific Railroad Co. a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif.; without amendment (Rept. No. 1717).

By Mr. GURNEY, from the Committee on Military Affairs:

H. R. 4484. A bill relating to the construction and maintenance of building and improvements for banking purposes on the Fort Ord Military Reservation, Calif.; without amendment (Rept No. 1718).

By Mr. LA FOLLETTE, from the Committee on Indian Affairs:

S 1418. A bill to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934-35, with amendments (Rept. No. 1719).

CHARLES R. HOOPER—REPORT ON VETO MESSAGE

Mr. CAPPER. Mr. President, the Committee on Claims to which was referred the message of the President of the United States dated February 21, 1946, returning to the Senate without his approval the bill (S. 1480) for the relief of Charles R. Hooper, having had the same under consideration, have authorized me to report the message back to the Senate with the recommendation that the bill on reconsideration pass, the objections of the President of the United States to the contrary notwithstanding.

The PRESIDENT pro tempore. Without objection, the report will be received.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr THOMAS of Utah:

S 2443. A bill to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France; to the Committee on Military Affairs

By Mr WALSH:

S 2444. A bill for the relief of Charles W. Yuill; to the Committee on Claims.

By Mr DOWNEY:

S 2445. A bill to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; to the Committee on Banking and Currency.

S. 2446. A bill for the relief of Myrtle B. Caldwell; to the Committee on Claims.

By Mr. GUFFEY:

S. 2447. A bill for the relief of Speros Psaros; to the Committee on Immigration.

By Mr. BUSHFIELD.

S. 2448. A bill authorizing the issuance of a patent in fee to Mrs. Estella Lawrence Thomas; to the Committee on Indian Affairs.

AMENDMENT OF RAILROAD RETIREMENT ACTS—AMENDMENTS

Mr. HOEY submitted amendments intended to be proposed by him to the bill (H. R. 7362) to amend the railroad retirement acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes, which were ordered to lie on the table and to be printed.

THE SOVEREIGN EQUALITY OF ALL NATIONS IN THE UNITED NATIONS—ADDRESS BY SENATOR AUSTIN

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an address entitled "The Sovereign Equality of All Nations in the United Nations," delivered by him on the occasion of a banquet in honor of Lt. Gen. Alexander Papagos, commander in chief of the armed forces of Greece during World War I, given by the Order of Ahepa at the Statler Hotel, Washington, D. C., on July 15, 1946, which appears in the Appendix.]

ADDRESS BY SENATOR PEPPER AT THE WIN-THE-PEACE CONFERENCE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him at the Win-the-Peace Conference held in Washington, D. C., on April 7, 1946, which appears in the Appendix.]

SECRETARY BYRNES' REPORT ON MEETING OF COUNCIL OF FOREIGN MINISTERS IN PARIS

[Mr. GEORGE asked and obtained leave to have printed in the RECORD the text of the radio report delivered July 15, 1946, by Secretary of State Byrnes on the Big Four foreign ministers' meeting in Paris, which appears in the Appendix.]

POLITICAL PARTIALITY OF RADIO—ARTICLE BY ROLF KALTENBORN

[Mr WILEY asked and obtained leave to have printed in the RECORD an article entitled "Is Radio Politically Impartial?" written by Dr. Rolf Kaltenborn, and published in the June 1946 issue of the American Mercury, which appears in the Appendix.]

SIDNEY HILLMAN'S LAST MESSAGE

[Mr. WAGNER asked and obtained leave to have printed in the RECORD the last message of the late Sidney Hillman, entitled "Political Action Is Social Work," published in PM of the issue of July 14, 1946, which appears in the Appendix.]

COMMENCEMENT DAY ADDRESS BY SECRETARY FORRESTAL AT WILLIAMS COLLEGE

[Mr WALSH asked and obtained leave to have printed in the RECORD an address delivered by Hon. James Forrestal, Secretary of the Navy, at the commencement exercises at Williams College, Williamstown, Mass., June 16, 1946, which appears in the Appendix.]

AWARD OF CITATIONS TO 13 CARRIERS OF TASK FORCES 38 AND 58

[Mr WALSH asked and obtained leave to have printed in the RECORD excerpts from the press release of the Navy Department with respect to awards by the President to 13 carriers of Task Forces 38 and 58, which appear in the Appendix.]

A PLEA FOR JUSTICE—ADDRESS BY RABBI L KAUFMAN

[Mr LANGER asked and obtained leave to have printed in the RECORD an address entitled "A Plea for Justice," delivered by Rabbi L Kaufman, at Fargo, N. Dak., on July 8, 1946, on the occasion of the national prayer for Palestine, which appears in the Appendix.]

JEWISH PALESTINE WILL FIGHT AND WILL ENDURE—ADDRESS BY WILLIAM B. ZIFF

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address entitled "Jewish Palestine Will Fight and Will Endure," delivered by William B. Ziff, at Convention Hall, Philadelphia, Pa., on June 12, 1946, which appears in the Appendix.]

REPORT ON MEETING OF COUNCIL OF FOREIGN MINISTERS AT PARIS

Mr. VANDENBERG obtained the floor.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOEY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	Overton
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Revercomb
Brewster	Huffman	Robertson
Bridges	Johnson, Colo	Russell
Brooks	Johnston, S C.	Shipstead
Bushfield	Kilgore	Smith
Byrd	Knowland	Stanfill
Capehart	La Follette	Stewart
Capper	Langer	Swift
Carville	Lucas	Taft
Chavez	McCarran	Taylor
Connally	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Downey	Magnuson	Tunnell
Eastland	Mead	Vandenberg
Ferguson	Millikin	Wagner
Fulbright	Mitchell	Walsh
George	Moore	Wherry
Gerry	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Wilson
Guffey	Myers	Young

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Wyoming [Mr. O'MAHONEY] is necessarily absent.

The Senator from Missouri [Mr. BRIGGS] and the Senator from Arizona [Mr McFARLAND] are detained on public business

The Senator from Virginia [Mr. BURCH] is detained on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies.

Mr. WHERRY The Senator from Delaware [Mr. BUCK] is absent by leave of the Senate.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

Mr. VANDENBERG. Mr. President, the Senate of the United States has a direct responsibility in respect to the peace treaties which will finally terminate World War II. The Senate will have to pass upon these treaties. The Senate and the country, therefore, should be fully informed with regard to the process from which these treaties will develop.

The treaties with Italy, Hungary, Bulgaria, Rumania, and Finland are now approaching final form in the Council of Foreign Ministers, upon which America, Russia, Britain, and France are represented. This Council has just concluded its fourth and most successful effort in this regard at Paris.

Secretary of State James F. Byrnes invited the senior Senator from Texas [Mr. CONNALLY], who is chairman of the Senate Committee on Foreign Relations, and the senior Senator from Michigan, now speaking, to join him in this Paris mission. I propose frankly to present my view of the net result, and I shall deal with the significance of what was not accomplished just as freely as I shall deal with the significance of what was.

My task is greatly simplified by the able report to the Nation which was made last night, by radio, by Secretary Byrnes. I endorse that report. Further, I present my compliments to the Secretary upon his splendid performance at Paris, which was in the finest American tradition. I also present my compliments to my able friend the Senator from Texas, who, as usual, was a tower of strength to the American position. I believe that peace has made substantial gains; but it is still far from total achievement.

At the outset, Mr. President, I wish to say that I was reluctant to accept this latest international assignment, the fourth peace mission that has taken me from my domestic duties in the Senate in the last 15 months. The choice between such obligations is not an easy one to make. I have flown the ocean five times in as many months, and I begin to get some inkling of GI Joe's nostalgia for home, sweet home.

One overriding consideration, however, has governed my decisions. Peace with justice is the supreme necessity for America and for the world. Peace is indivisible in this atomic age. The pursuit of effective, dependable peace with justice takes priority over every other human need.

It is not for an instant to be denied that our internal problems are of utterly vital concern. A sound, sane, solvent, free America is indispensable to peace itself. A weak, a broken, America will cheat the world, ourselves included, of the peace leadership which is the dearest hope of humankind. The labors in which Congress is currently engaged are of incalculable importance. I regret my temporary absence. On the other hand, Mr. President, every aspiration we pursue in behalf of life, liberty, and happiness in our own United States is finally at the mercy of another war—and what a cruel, ironical "mercy" it would be in the aftermath of Nagasaki and Hiroshima!

These peace problems on other continents may sometimes seem a long way from home. Yet they are no farther away than were our own soldier sons when they were winning the victories from whence these problems spring. Yesterday's breathless headlines from north Africa, from central Europe, from the far Pacific, and from the other seven seas, are necessarily overshadowed now by headlines from Washington, from the White House, and from Capitol Hill. Our memories notoriously are short. But the men who fought do not forget. Our Gold Star homes do not forget. And destiny, in years to come, will not permit any of us to forget—if we neglect the "winning of the peace" to effectively complete the "winning of the war." We must take over where our veterans left off. It is our greatest debt to their sacrifice.

So it was, Mr. President, that I made my choice between these rival obligations. Indeed, I felt I had no choice. I have responded to the urgent requests of two Presidents and their Secretaries of State to participate in this spadework for peace. Regardless of politics, which have no place in such considerations, I shall continue to make every contribution within my power to the effective organization of security, of peace with justice, for us and for the world. I know of no land on earth which has a larger measure of intimate self-interest in these objectives than our own. I can only express the hope that this course will have the approval of my colleagues and my constituency.

Now, Mr. President, in a preliminary way I submit a few general observations about all peace negotiations where, inevitably, national rivalries collide with peace ideals. The end product can never be perfection. What may be desired is limited by what may be attainable. The end result must be common ground or there is no peace. Failure is preferable to a pretense of success at the price of unsound compromise or appeasement. Munich forever personifies this warning, but the measure of failure is not the presence of compromise. Rather the measure of success is the preservation of essential principles in spite of compromise.

Before we went to Paris I said we could compromise within principles, but that the dignity and honor of the United States of America, and the world's hope of peace with justice, could no longer compromise with principles themselves, as was too often done, under pressure of war exigency, upon too many previous occasions. I believe the American delegation at Paris did not compromise with principle in the compositions which made possible this continuing forward march toward peace.

I repeat, that no free international negotiation ever permits anyone to have things all his own way. We did not have things all our own way at Paris by any stretch of the imagination. But that is not the test. The test is whether we sustained the American ideals, and whether the results put us closer to

peace with justice in this war-torn world. Despite our disappointments I believe that Paris meets this test.

At one stage of the proceedings, when we had bogged down in imponderable controversies which pushed patience almost to the breaking point, the French Foreign Minister uttered a memorable paraphrase of Talleyrand at Vienna more than a century before. He said, "Our aim must be an equality of dissatisfactions."

That could be misunderstood, but in its true sense it suggests the inevitable give and take in finding the middle course which approximates the attainable limits of fair play in a free forum of democracies. But an "equality of dissatisfactions" suggests its complement—an equality of satisfactions. I hope this, too, measures Paris. I say "I hope," because the stability and the permanence of peace rest in considerable degree upon the unanimity of support which a design for peace enjoys.

Ah, yes, Mr. President, there are serious disappointments here and there in the Paris record. I shall take care not to disguise them. The people are entitled to the truth. But I say again that the true test must be objective and must assess the whole.

I confess good-naturedly that I have sometimes envied the commentators, in their ivory towers, who can isolate their subjects from day to day and confine their serial wisdom within the air-tight compartments of their own untrammeled choice. But a peace conference cannot allow itself the luxury of breaking down each time some favorite passion, no matter how nobly meditated, fails of total conquest. Peace itself is too desperately important.

And so, Mr. President, now let us look at the Paris record. The greatest, fundamental controversy at the Paris council arose over the convocation of a general peace conference in which the 21 nations which fought the war together should have full opportunity to work together on the terms of peace with 5 exenemy states, namely, Italy, Hungary, Rumania, Bulgaria, and Finland. This has been the dearest dream of the Government of the United States ever since the Moscow Conference of December 1945, when such a peace conference was promised not later than May 1, 1946. It has been the American idea of developing a people's peace.

Mr. President, it is now accomplished. To be sure, the Moscow pledge was not as broad as the American Secretary wished and sought. In the face of Soviet opposition, it was impossible to lodge final, plenary power in the ultimate peace conference. I have always regretted this stricture. After the peace conference the last word again reverts to the four great powers in the Council of Foreign Ministers. But the conscience of the allied world will have spoken in the interim, and it speaks with superlative authority.

The promised date of May 1, 1946, came and went without the promised peace conference. The trouble was that the Moscow agreement had also said that the four great powers, Russia, Britain, France, and America must agree upon fundamentals in the preliminary peace drafts before the peace conference should be called. From start to finish the Soviets construed this requirement with microscopic literalism. In support of their contention it is fair to say that they were building upon the accepted theory that big-power unity is indispensable to world peace in the San Francisco pattern. In opposition to their contention, however, it is equally fair to say that their interpretation would carry this so-called unity to the point of monopoly and dictatorship in the big powers, to the utter derogation of the status of the smaller nations of this earth which stood shoulder to shoulder with us in the trenches of this late war, now victoriously concluded. It was upon this block that both recent Paris Councils nearly split.

From the first hour that the Council reconvened in April Secretary Byrnes began demanding a new date for the peace conference. At the April sessions he asked for June 15 At the start of the June session he asked for July 15 In both instances the Soviet delegation was adamant. By the end of June, however, the fundamentals were sufficiently agreed to, so that at long last, and at the end of enormous travail, we were able to celebrate the Fourth of July by a unanimous agreement to call the peace conference for July 29. I confess that I felt that it was not unlike a second Declaration of Independence.

But before the invitations could be issued by the host power, France, the able and vigorous Soviet delegation threw another road block. It insisted (1) that although China is nominally one of the Council of Foreign Ministers, it could not be one of the sponsoring powers for the peace conference because it was not a party to any of these particular treaties, and because it had not participated in their preliminary draft; (2) that the invitations could not issue until accompanied by basic rules of procedure to keep the peace conference substantially within the grip of the Big Four.

These contentions collided head-on with the attitudes of America, France, and Britain. They wanted China recognized as a matter of right, as well as a matter of courtesy. They bitterly rejected the idea that peace conference invitations to other sovereign powers, common partners with us in the sacrifices of war, should be accompanied by restraining rules of procedure which would assume to limit the liberty of action of these free governments in a vital matter of common concern. They rejected any strait-jacket upon the freedom of the peace conference. It is needless to dwell upon the details of the intervening debates between July 4 and the midnight of July 8 when the controversy was finally composed. Suffice it to say that the basic difference in viewpoint was persistently reiterated, often with such deadly earnestness upon both sides that a happy outcome began to look like a mirage. I may add parenthetically to my colleagues that unlimited debate in the Senate is quite painless when compared with unlimited debate in three languages in the Council of Foreign Ministers.

The final settlement eliminated China as a sponsor for the technical reason that China is not a party to these treaties But China sits in the Peace Conference with full voice and vote, and at American insistence China gets her place in the Chairmanship of the Conference as it rotates among the five Foreign Ministers who comprise the Council. The final settlement released the invitations without restraining rules attached. A few reasonable and mutually satisfactory suggestions in respect to rules will be subsequently circulated, but the suggestions are not binding on the Conference. The Conference, by majority vote, will adopt its own rules. Thus the 21 United Nations get the peace conference they long have sought—the Peace Conference which America has long insisted they should have—and they will enter it as free agents. Thus the world takes another long step down the thorny paths toward peace with liberty and justice.

To the citizen at a distance the points that were in controversy may seem relatively trivial; yet in the final analysis nothing is trivial which can disorganize the friendly relations of the earth. We know to our sorrow that little matches light big fires. The truth is that Paris was to stand or fall upon this one basic composition. There was a powerful lesson in it, too Given patience, fair play, tenacity, and firmness in the American attitudes, it is possible for eastern communism and western democracy to find friendly common ground.

Now I wish to speak of the problem of Trieste, because on the one hand it was the most dangerously delicate problem which the Council of Foreign Ministers confronted, and on the other hand it best typifies the extreme difficulties which are faced in mapping any sort of peace for Europe and the world.

Let it be remembered that Trieste is a key city at the head of the Adriatic Sea, that it is a major outlet for central European commerce into the Mediterranean; that its control represents political implications far beyond its intrinsic importance; and that its postwar disposition is one of the bitterest single bones of contention in the Old World. Let it be remembered that Trieste is the chief city in an area of roughly 4,000 square miles, including so-called Venezia Giulia and the Istrian Peninsula lying between Italy and Yugoslavia, and under Italian sovereignty; and that Yugoslavia, relentlessly supported by the Soviets, has demanded this complete area in the new peace. The Soviets constantly argued the justice of this claim on the basis, among others, that Yugoslavia was our ally throughout the war, whereas Italy was our Axis enemy until military defeat turned her into our belated cobelligerent—when, I hasten to add, her sacrificial contributions to allied victory were loyally immense.

Let it also be remembered that the Council of Foreign Ministers, at an earlier London meeting, decided that this critical boundary, so far as feasible, must follow an ethnic line which should represent the minimum displacement of Italian and Slav nationals. The whole area

has been part of Italy for 25 years. The city of Trieste is unquestionably 75 percent Italian. The hinterland, however, is mixed, with Slavs often predominating. American experts drew an ethnic line which, again speaking roughly, split the total area in two, with Trieste and its environs remaining on the Italian side. Russian experts drew a line which would have transferred some 500,000 Italians, and practically all of this disputed area, to Yugoslavia, and left no Slavs in Italy at all. The British and the French proposed lines which fell between these two, but both of their lines also left Trieste to Italy. Thus the matter stood when our recent Paris meeting reconvened. America, Britain, and France, though differing as to the total division, put Trieste in Italy. The Soviets put Trieste in Yugoslavia.

Unfortunately, the Council of Foreign Ministers operates on the principle of unanimity. There could be no settlement except by mutual agreement. The Soviets clung to their line in behalf of Yugoslavia. We clung to ours in behalf of Italy. If we both were still clinging to those lines, there would be no agreement and no peace. There would be no peace conference under such circumstances. Trieste is a tinder box under any circumstances. It would become sheer dynamite if the present status of uncertainty were to continue indefinitely. Therefore, the choice lay between a stalemate, which spelled inevitable disaster on the one hand and a decent composition within the ethnic principle offering reasonable elements of hope upon the other hand

The American delegation first consolidated its position with the British and French by accepting the French ethnic line, leaving 118,000 Italians in Yugoslavia and 115,000 Slavs in Italy.

The controversy thus settled down to a contest between the French and the Russian lines. Without success, we offered a plebiscite to let the people themselves decide. Without success, we offered the jurisdiction of the peace conference itself. At this point the situation was complicated by an announcement from Yugoslavia that it would never sign a treaty giving Trieste to Italy, and Italy announced that it would never sign a treaty giving Trieste to Yugoslavia. Meanwhile it was evident that no concession to either was possible.

Let me repeat that this deadlock meant no peace conference, no peace treaties, no peace; and perpetuation of the chaos in the Trieste area upon which revolutionary dogma thrives. So far as we were concerned, there could be no cession of Trieste to Yugoslavia, but neither could there be a break-down in peace.

It was under these circumstances that the plan for the free territory of Trieste was born and ultimately accepted by all concerned. It includes the city of Trieste as a free international port, and its immediate environs up and down the Adriatic coast. It will live under the authority and protection of the United Nations. It will name its governor. Upon this whole point we implacably insisted. The initial French and Soviet proposals on this score were fantastically complicated and unrealistic. They required mutual decisions by Italy and Yugoslavia, which would have perpetuated the deadlock and seriously impaired the responsibility of the United Nations. We insisted upon a clear-cut, realistic pattern. But the territory of Trieste will be self-governing, under a local legislature chosen by universal suffrage. It will have home rule. Its statute must respect human rights and fundamental freedoms, with specified guaranties for religion, language, press, schools, and access to public services.

The settlement does not cheat Italians of their ethnic rights, because if Italians predominate in this free territory, as we know they do, they can predominate in their own free elections, which are under their own free control. Certainly they would be just as free as they will be under Italian sovereignty, and certainly they will be just as safe, and probably much safer, under the wing of the United Nations. Meanwhile, since 86 percent of the area of Venezia Giulia goes to Yugoslavia, there can be no real basis of Yugoslav complaint.

Let me be entirely frank about my own view of this composition. It is far from ideal. It is my personal view that Trieste should have gone to Italy As recently as June 30, I filed a memorandum with the Secretary of State, from which I wish to quote partially for the record:

> Trieste has now become a cause célèbre—it involves so many entrenched rivalries—it is freighted with so much potential hazard to the peace of Europe and the world—that the only hope for a pacific acceptance of any decision respecting it is to have the greatest and the widest possible authority behind any decision (respecting it), no matter what it may be Four men, sitting in this council, have no business making any decision in the first instance. * * * They should seek the unprejudiced recommendation of an immediate Peace Conference of the 21 Allies who fought the war together and who have a right to make the peace together, either this or the advice of the General Assembly of the United Nations.

But when the Secretary of State found his valiant efforts unsuccessful either in keeping Trieste in Italy or in referring the issue to the Peace Conference, and when he found that this hopeful composition was the only way to get a peace conference at all, or peace itself, I think he was well justified in his approval of this design for the Free Territory of Trieste under which human rights and fundamental freedoms are preserved beneath the seal of the United Nations.

I agree that such devices are not historically encouraging. I have no illusions that this experiment is any sort of a self-succeeding panacea. On the other hand, I have no illusions as to what would happen if we could not go on with the business of at least initiating peace in Europe, and particularly in its cockpits. Furthermore, there are no true precedents for the Free Territory of Trieste because there are no precedents for the kind of United Nations which will take the responsibility. Therefore, melancholy prophets might well curb their gloom and give peace a chance. This plan is the best answer currently available to those who are charged with the awful responsibility of finding common ground for peace with justice, and getting on with the job.

Mr. President, the Italian treaty presented other formidable problems. Not the least of them was the disposition of Italian colonies in north Africa, namely, Cyrenaica and Tripolitania, which together comprise Lybia. They are now under British military occupation. Here, again, a few basic facts are to be borne in mind:

First. Russia started out by seeking the mandate in Tripolitania, later swinging over to a joint Russian trusteeship with Italy Thus she sought a Mediterranean base. From these positions she voluntarily receded.

Second. France wanted the trusteeships to be kept by Italy.

Third. Britain, having driven Italy out of Cyrenaica with the aid of the native Senusi Tribes and having promised the Senusi that Italy never again would return, could not agree to such an Italian agreement. Britain suggested independence.

Fourth. France could not sanction independence, which undoubtedly would be premature, because, among other reasons, of its psychological effect upon her other French colonies.

The United States wanted any sort of appropriate trusteeships under the trusteeship council of the United Nations.

Thus, another tangled skein required unraveling. The final agreement permanently separates the colonies from Italy, gives the Council of Foreign Ministers 1 year in which to agree upon a formula, and in the absence of any such agreement transfers the colonies automatically to the Trusteeship Council of the United Nations Thus, from our viewpoint, human rights and fundamental freedoms in these colonies are amply safeguarded. Either they pass within the year under a formula acceptable to us, or automatically they go to the Trusteeship Council of the United Nations, under all the safeguards of the United Nations Charter. Thus, again, a great principle is preserved.

A third major perplexity had to do with Soviet demands for reparations from Italy. The Soviets insisted that their right to $100,000,000 of reparations should be written in the present bond, arguing that this is a relatively small sum compared with the damage done by Italian arms in Russia, and that its modesty is a concession to Italy's good conduct after she joined the Allies. As the situation finally develops, this demand for reparations was one of the most stubborn of Moscow's preoccupations.

There was never any serious question in the Council of Foreign Ministers concerning the global sum $100,000,000, nor was there any dispute that it should come, as far as possible, from surplus war plants in Italy, from external Italian assets in Hungary, Rumania, and Bulgaria, and a few incidental sources. We figured these assets at around $60,000,000. Moscow figured them at around $22,000,000 In either event, the controversial question was, Whence comes the balance?

The Soviets demanded this balance out of Italian commodities in current

production. We and the British insisted that Italy's current economy must not be burdened in any fashion which interferes with her economic recovery, particularly since there is now a new, free, democratic Italy which is struggling back to independent life. We and the British happen to be the forces in the military occupation of these points until these peace treaties are concluded. Therefore we and the British are primarily responsible. As a result, we both are required currently to invest large sums in Italy to facilitate her resurrection. We are footing the bills. Under such circumstances, to take Russian reparations out of current production in Italy would be virtually equivalent to taking them, by proxy, out of Britain and out of the United States.

There were collateral questions—as, for example, whether this Russian balance might come from surplus Italian warships. But the issue which tied the Council in a knot for many days was this question of current production. It was finally settled by an agreement which spreads this balance of reparations over 7 years, which creates a moratorium for the first 2 years, and which subsequently provides that Russia shall furnish Italy the raw materials for the commodities ultimately to be made and paid upon this deficit in the reparations account. In other words, it will not be paid from current production. It will be paid, Mr. President, from future production and in a fashion which does not burden Italy's acquisition of the raw materials which she greatly lacks and sadly needs. The issue, I repeat, was whether the deficit in reparations could come from current production. The answer is that the deficit does not. It comes from future production. Again, our principle has been preserved.

Mr. President, I have lingered in some detail upon a few of these major disputes. There were, of course, many other important decisions before the drafts of these five treaties could be concluded. Indeed, there were literally hundreds of such decisions which involved vast research and labor. The world might take some encouragement from the fact that most of them resulted in prompt and harmonious agreement, without benefit of headlines which never bother about such accords. Within the necessary limits of my time I shall content myself with merely noting a few of these other results

Occupying military forces in Italy will be withdrawn 90 days after the Italian treaty comes into force. These are British and American forces. In return, some military forces, this time Russian, will be withdrawn from Bulgaria when the Bulgarian treaty comes into force.

This is the beginning of the exit of foreign troops. Thus it is the real beginning of real rehabilitation and real self-government.

The Franco-Italian frontier is rectified in the small Tenda-Brega area where France gains a small sector of 204 square miles which is geographically insignificant, but which involves large historic implications. It was down those slopes that Mussolini delivered his "stab in the back" of France. I confess that I was struck by the sheer self-restraint of French claims in this respect. Only a few square miles are involved and, in addition, care has been taken to protect Italian water power in those romantic hills.

The South Tyrol area remains in Italy. This is the least defensible of all these decisions on ethnic grounds, because the area is predominantly Austrian. The decision, however, actually was made a year ago at the London Conference, and Paris had no jurisdiction except over permissible minor rectifications. Defense of the decision rests upon the fact that the area has been in Italian sovereignty for 25 years, and that Italy became our ally while Austria remained our enemy to the bitter end. It is said that one does not strip one's ally in favor of one's enemy. But even here, Austrian railway services in South Tyrol are to have new protection.

The Dodecanese Islands go, rightfully, to Greece. They will be demilitarized. The Soviets retarded this decision, but ultimately agreed.

Reparations for Greece, Yugoslavia, Albania, Ethiopia, and other powers are referred to the peace conference for settlement

The limits of the new Italian Navy are agreed to. The remainder of the fleet will be divided between the major powers, as in the case of the German Fleet, with consideration for the replacement claims of Greece and Yugoslavia. There is a whimsical touch in the fact that the Bulgarian Navy also is limited—to one ship not exceeding 7,200 tons.

The problem of freedom of navigation on the Danube as it previously existed, and as insistently demanded by all the other powers against unyielding Soviet resistance, is remitted to the peace conference, where all the Danubian States will be present.

Let it be constantly remembered that all decisions are subject to review, and to new recommendations at the hands of the peace conference, where the judgment of 21 nations, rather than only 4, will be taken. Let it be further remembered that the forum of the United Nations is ever available, in years to come, to deal with untoward eventualities. If they threaten peace and security, or if they prove to undermine the purposes of the United Nations, any such situations, regardless of origin, will fall within the jurisdiction of the General Assembly under article 14 of the Charter. In other words, we are not building a static world in which only force can rectify the errors of yesterday. I may be permitted to speak with deep feeling on this matter because it was my privilege at San Francisco to initiate and develop article 14. I was happy to note that Secretary Byrnes, responding to an inquiry along these lines, confirmed this thesis when, on July 5, 1946, he wrote in part as follows:

> We all know that the world does move and that, if the use of force is to be avoided, ways must be found of facilitating changes by peaceful means.

The Secretary warned that methods of such review must not be "too readily available" lest they invite confusion; but he specifically pointed to the forum of the General Assembly as a means "of facilitating needed changes by peaceful means."

Mr. President, I come to the final chapters of the conference. They are not encouraging, but they reflect the facts of life as we find them, and not as we could wish them to be if ours were an exclusive power of direction. But they deal with our most vital peace conundrum, and they emphasize both the difficulty and the need for the most earnest and impartial efforts that can possibly be made to bridge the great gap between Soviet thinking and the rest of us respecting Germany and Austria, and French thinking and the rest of us respecting the Rhineland and the Ruhr. The lesser treaties, while indispensable in a preliminary way, are on the perimeter of the problem. Germany and Austria are at the core. Fortunately, there is one simple theme upon which all four of the major powers relentlessly agree, namely, that Germany must be denazified and demilitarized, this time for keeps, so she can never rise again as an aggressor to pillage and to plague the earth. We must cling tenaciously to this common purpose because, at this point, it is our only bond. Unfortunately, the pattern to achieve this result—involving, as it inevitably does, the social, economic, and political future of Germany—is a matter of appalling disagreement. The actual military suppression of reborn aggression is now inextricably interwoven with these other complex considerations. For example, the American offer of a long-term military contract, under the final auspices of the United Nations, to come immediately to allied military aid against any new German aggression, now seems to attract relatively little interest, although it is the maximum proof of our good faith, and the maximum assurance of the earliest feasible termination of the mass occupation of Germany by alien troops, including our own. While tentatively approved by Britain and France, it has been openly condemned by the Soviets. I shall always think, however, that if the proposal could have been actively pressed by us when it was first proposed in my Senate speech of January 10, 1945; if it, instead of power politics, could have been the Yalta inspiration, we and the remainder of the world might have avoided many of our subsequent, tragic errors and anxieties. If such plan had followed World War I, World War II never would have occurred.

As things stand today, we have both a long-range and a short-range German problem. I shall briefly dismiss the long-range problem. On the one hand, it involves the preoccupation of the French to maintain their own tight and total control, not only of the Saar but also an internationalized Ruhr and Rhineland. Marshal Foch, from World War I, is still bitterly quoted in his famous comment that unless France permanently holds the Rhine, there will never be protection for France. President Bidault asserts that it would be unthinkable to contemplate a central government for the new Germany for many years to come, and then only on a basis of confederation rather than federalization.

His allies agree with him about the Saar. They disagree with him in substantial part, about the disposition of the Ruhr. On the other hand, Mr. Molotov, speaking for the Soviets, discourages all talk of decentralization in the final German Government lest it destroy German development. He says these things must be settled by plebiscites, not only in the various states but in Germany as a whole. "Before there can be a peace treaty," he declares, "there should be set up a single German Government able to fulfill all its obligations; but it will take many years to determine whether it is trustworthy."

On the long-range side, Mr. Bevin, speaking for Britain, says there are three ways we can proceed with Germany: First, the old "balance of power" idea; second, domination by one great power or by a bloc; third, through unity and agreement between all four great powers; and he unequivocally demands the latter. He does not indicate its design. Secretary Byrnes, speaking for America, says we must avoid a peace of vengeance; that while denazification and demilitarization must be complete, we must give the new, democratic people in Germany a fair self-supporting chance ultimately to rejoin the society of nations, not only for her sake but for the sake of the world. He lays down no specifications; but he asserts that the prime need is for early agreement on a united plan; so that all of us, including the German people themselves, may know what lies in store. He asks for an immediate special commission of high-ranking deputies to comb the field, to coordinate all available information and suggestions, to explore such current experiments as the existing, successful council of states in the American zone, and to present this mobilized report for the earliest possible study and decision by the Council of Foreign Ministers.

This suggestion, long and persistently supported by the American delegation, was approved by Britain and by France. It was opposed by the Soviets. Mr. Molotov argued that it was futile to ask any sort of an inquiry by deputies until the ministers themselves had decided upon the general outline of a plan. Therefore, his proposal was that the Council of Ministers assign a subsequent special meeting to the subject. The nub of the argument is summed in this sage observation by Secretary Byrnes:

> I prefer first to get the facts and then to base my conclusions on them, rather than to reach my conclusions and then hunt for facts to sustain them.

Long debate failed to produce accord. The only available forward step was to agree that a special session of the Council shall devote itself to the German question this fall.

But, Mr. President, it was the short range, the immediate problem in Germany which disclosed the true depth of cleavage between the great powers upon this subject. Here the differences were not only acute; they were often acrimonious. The basis of trouble is the fact that the Potsdam agreement ordered Germany handled, during the occupation, as an economic unit. But it also divided Germany into four zones of military occupation—American, Russian, British, and French. The result is that Germany is being administered in four air-tight compartments, preventing the exchange of goods or communications, or even ideas. Worse, the zones are separated by intense suspicions. Mr. Molotov, speaking for Russia, flatly questions whether demilitarization is faithfully pursued in other zones, particularly the British. Mr. Bevin, speaking for Britain, replies that he has made a full public report respecting his zone, but that he understands Germany's factories are actually producing new armament in the Russian zone, and he cannot get the facts. Mr. Molotov charges that the commander, General Clay, is illegally withholding Russian reparations in the American zone in violation of the Potsdam agreement. Mr. Byrnes replies that we find it necessary in self-defense to withhold reparations until there are reciprocal relations between the zones as required by the Potsdam agreement. Mr. Molotov charges that coal production in the Ruhr is down 30 percent of prewar figures and up to 90 percent in the Russian zone. He says he cannot get the facts and demands regular public reports. Mr. Byrnes produces the printed public reports which are already issued bimonthly. Mr. Molotov quotes Yalta to prove that President Roosevelt promised Russia $10,000,000,000 in reparations from Germany. Mr. Byrnes quotes Yalta to prove that President Roosevelt did nothing of the sort; that he merely agreed to refer this claim, among others, to the Reparations Commission for examination, and that it was subsequently repudiated. And thus it went. I am simply indicating the dilemma.

Everybody wanted an investigation; but nobody could agree as to what kind of an investigation. Molotov wanted to investigate the failure to disarm German troops and to disband military organizations. Byrnes and Bevin readily agreed but wanted to add an investigation of the failure to demilitarize industrial war potentials. Molotov said this was futile until there is an adequate plan for industrial demobilization. Byrnes said there is just such a plan in the Potsdam agreement. Molotov said it lacks adequate detail. The upshot was that there will be no investigation.

I do not mean, Mr. President, to overemphasize these disagreements. I am simply reporting frankly upon the perplexities of one series of episodes to indicate that not even the Senate, wrestling with OPA, treads a more troublesome path than does an international council on the trail of unanimous consent. I am simply suggesting to those who may be impatient with diplomatic delays and futilities that it is much easier to be critical than to be correct.

The short-range German problem of greatest concern involves these four zones of occupation, each of which is substantially isolated despite the Potsdam mandate that they should be administered as an economic unit Each zone has its own surpluses and deficits of one kind or another and in varying degrees. It is because of a lack of reciprocity to balance the total German economy and because there is no unified export-import policy that the economy sadly drags in spots. America asserts this is the chief reason why the American zone will cost us $200,000,000 this year Britons assert it is the chief reason why the British zone will cost the British $320,000,000 this year. Both governments assert that this lack of reciprocity violates the Potsdam agreement between the major powers. Both governments strove at Paris to remedy this lapse The trouble is immediate. It will not await another winter because an economic crisis in Germany expands with each passing hour. I quote the blunt words of Secretary Byrnes:

> The continuation of the present situation will result in chaos, in economic paralysis, in inflation, in increased costs to the occupying powers and unnecessary suffering to the German people The Government of the United States declines to share any further responsibility for causing these events The immediate problem confronting Germany cannot be solved by speeches. It can be solved only by action.

Britain sought to heal the sore with directives specifically requiring complete reciprocity between the four zones. When this failed of Soviet consent, America proposed directives requiring specific application of the Potsdam chapters which textually call for this reciprocity. When this failed, Britain announced that, in the absence of reciprocity, Britain would be forced reluctantly to administer her own zone with an eye exclusively to making it a self-supporting unit; and Byrnes announced that the United States would join the American zone with any of the other zones which would cooperate, in the spirit of Potsdam, for reciprocity and for a unified economic program—making carefully plain that all zones will be welcome to participate.

Molotov said he would study these suggestions, and warned against unilateral activities. There the matter ended. So far as this meeting of the Paris Ministers is concerned, no progress was made, unless it is voluntary evolution in the direction of voluntary reciprocity. But by no stretch of the imagination can the blame, present or future, be laid at our door. We have pointed the way to a practical and immediate answer. Without an answer, the German problem may approach catastrophe this winter. There is nothing in the Potsdam agreement, Mr. President, or any other agreement which requires us to accept catastrophes by default. Nobody has the moral right to veto peace.

Mr. President, I regret to say that the situation regarding an Austrian treaty is no more stimulating at the moment. Austria, like Germany, is in the cockpit of Europe, where the most important and most dangerous peace factors are to be resolved. The Government of the United States has been demanding a peace treaty with Austria for many weary months. It is necessary not only for the stabilization of the new democracy in Austria, but also to effect the withdrawal of foreign troops in Austria and on long lines of communication. Secretary Byrnes asked the Paris Conference to initiate this desperately important undertaking. He presented a tentative

draft, and asked that it be referred to the Ministers' deputies for study and recommendation. France and Britain agreed. The Soviets declined.

The Soviets were willing to initiate the study, Mr. President, only if the Council of Foreign Ministers would instruct the Allied Control Commission in Austria to evacuate 437,000 displaced persons immediately. They said that many of them fought with Hitler, that most of them were pro-Nazi; and that they constituted a danger to Austria and her neighbors. They listed various categories—Chetniks, Hungarians, White Russians, and Ukranians. And they made the fatal mistake of also listing "Anders soldiers"—the utterly brave Polish troops who fought so long and so valiantly against Hitler on the Allied side, and who refused to return to Poland under its present regime, lest they be crucified for their political convictions.

"I do not know about some of your categories," said the American Secretary of State in behalf of his delegation. "We are not interested in protecting criminals or traitors. But we are troubled about patriots upon this list who gave their all to the Allied cause. They deserve something better than involuntary repatriation at our hands. We can have no part in such a plan. We are urging all displaced persons to return to their homes; and we are helping those who are willing to go But when a poor refugee—and particularly one who fought upon our side in this war—says that he is afraid to go home for political reasons lest his life be in danger—you must not ask the United States to forget its free traditions. We will not do it, treaty or no treaty with Austria."

Mr. President, we recognize the complexity of the problem of displaced persons. We have 475,000 of them in the American zone in Germany and 200,000 in the American zone in Austria. It is a tragic challenge to know what to do with them or where they can be sent. We are cooperating with the special organ of the United Nations which is dealing with this anxiety. We were entirely willing at Paris to join the Soviets in initiating an immediate special investigation through the Allied Control Commission in Vienna to explore the Austrian phase of the problem; but not in terms of prejudgment, and not as the price to be paid for initiating the studies of a long overdue peace treaty with Austria. Mr. Bevin, speaking for the British, said: "We will face the problem of displaced persons, but will not bargain with these human lives."

All efforts to separate the two propositions failed. As a result, the initiation of a peace treaty with Austria also failed. It is unfortunate. It is deeply regrettable. But it were better so than for us to have acquiesced in gutting our own ideals. There will be other councils. One day there will be agreement. Perhaps we should not expect to liquidate 5 years of war in 1.

The final major disagreement of the Council came when Secretary Byrnes unsuccessfully sought a treaty guaranty from Yugoslavia that Italians left in ceded territory should be protected in their "human rights and fundamental freedoms"—with particular reference to race, religion, color, speech, and political opinions. Mr. Molotov replied that Yugoslavia is not an enemy state; that it has its own constitution and laws and requires no external advice in respect to its domestic matters. Mr. Byrnes gave notice that the United States will seek these protections at the peace conference a few days hence.

The need for them will not be lessened in enlightened world opinion by the bitter tragedy of the current order for the legalistic assassination of General Mihailovitch.

Mr. President, those who hear me will understand that my report is confined to the nations and the treaties immediately involved in the Paris Conference. This does not mean that there are not other irksome problems. There are plenty of them. One of the most glaring, in my view, was the failure in Poland to carry out the democratic pledges which were made in the Yalta and the Potsdam agreements. I have made vigorous and repeated protests on this score, and I shall continue to do so, despite the bitter personal attacks upon me which have emanated not only from official Warsaw, but from official Moscow, and from the integrated Communist press all round the world. I have heard infinitely much in all these international conferences from other governments about the sanctity of the Yalta and Moscow and Potsdam agreements. Suffice it to say upon this score that it is long past time for those who were responsible for these agreements to make them effective in behalf of a truly free Poland.

I make this comment in connection with this discussion only because the Poles were brought into the Paris debates by Mr. Molotov in the consideration of displaced persons.

Now, Mr. President, let me briefly sum up. The major powers have agreed upon five treaties to end the war with Italy, Hungary, Rumania, Bulgaria, and Finland. It took many weary months to reach this agreement. The important point is that an agreement has been reached. Peace thus gains in stature.

The major powers have not agreed upon any phase of two other treaties to end the war with Germany and Austria. Some of the implications in this failure to even start the treaty process are unpleasant to contemplate. But the prospect is no darker than it was upon past occasions with the other five. I prefer to believe that if we could agree upon the five, we should be able to agree upon the two. But it would be self-delusion to refuse to face realities.

Someone said at Paris that if this recent council had been confined to America, France, and Britain, it would have achieved total agreement, including preliminary plans for the German and Austrian treaties, in 10 days. This is simply another way of saying that eastern communism and western democracy are the forces which confront each other in planning for a new and better world. They differ in ideas, ideals, and ideologies. For example, they certainly could not agree upon a definition of "democracy," although this is the objective to which both profess to subscribe.

The great trouble is mutual distrust and suspicion, which the "iron curtain" between us and the insatiable Soviet appetite for proselyting and propaganda do not help dispel. Yet these things must be dispelled—not in pretense but in fact—if we are to get on with the vital business of peace on earth. Particularly there must be dependably dispelled any distrust or suspicion, on the one hand, that the United States is attempting to organize the world against the Soviets; on the other hand, that the Soviets are attempting to organize the world against our western civilization. War between us would be an unthinkable calamity, which I am certain they, as well as we, abhor. But good will and good faith between us will continue to be difficult until we reorganize our mutual attitudes.

It is in this spirit that I would suggest a few simple truths to Moscow:

First. You should understand with complete conviction that we deeply respect the great Russian people and their inalienable right to rule themselves to suit themselves, precisely as we insist upon this right for ourselves and others.

Second. You should understand, with complete conviction, that we are just as determined as you are that military aggression—from any source and no matter what its guise—shall never curse the earth again; and we are enlisted in this cause for keeps. And you should understand there is no thought of conquest in our souls

Third. You should understand, with complete conviction, that we are prepared for enlightened, progressive cooperation with every land which invites and deserves our mutual good will.

Fourth. You should also understand, with equally complete conviction, that we cannot be driven, coerced, or pressured into positions which we decline voluntarily to assume; and that we will not bargain in human rights and fundamental liberties anywhere on earth.

Mr. President, in my view, peace hangs chiefly upon three factors which are inextricably interwoven:

One, the dependable and effective operation of the United Nations in behalf of justice courageously sustained by collective security.

Two, the successful outlawry of atomic bombs and kindred instruments of sudden, overwhelming mass destruction, under a tight system of total discipline which makes bad faith impossible.

Three, the development of dependable and warranted friendship between big and little nations; and particularly between the great Union of Soviet Socialist Republics and the great United States of America.

This, Mr. President, is my report to the Senate and the country regarding contemporary progress in the hard, perplexing task of doing in the name and cause of peace what our soldier sons did in the name and cause of war.

"Lord God of hosts, be with us yet, lest we forget, lest we forget."

Mr. GURNEY subsequently said: Mr. President, I believe that the report made

by the distinguished Senator from Michigan [Mr. VANDENBERG] is of such importance that it should be printed as a Senate document. When the distinguished Senator from Texas [Mr. CONNALLY] later makes his report, that also should be available. I therefore move that the report presented today by the Senator from Michigan be printed as a Senate document, in sufficient number so that copies will be available to all who desire them.

The motion was agreed to.

JUDGMENT UPON CERTAIN CLAIMS OF PATUXENT DEVELOPMENT CO.—VETO MESSAGE (S. DOC. NO. 241)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims:

To the Senate:

I return herewith without my approval the bill (S. 284) conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.

It appears that on March 3, 1942, the United States leased the Pine Needles Hotel, at Southern Pines, N. C., from the claimant for the use of the Army Air Forces Technical Training Command at a rental of $30,800 per annum. The lease gave the Government the right to make alterations, attach fixtures, and erect additions, structures or signs on the premises, and required the Government, if requested to do so by the lessor, to restore the premises at the expiration of the lease to the same condition as that existing at the time of entry under the lease, reasonable and ordinary wear and tear and damages by the elements, or by circumstances over which the Government had no control, excepted. The lease also provided that all maintenance and repair other than such major maintenance and repair as may arise from improper construction or faulty material would be the responsibility of the lessee.

On July 2, 1942, the Government entered into a supplemental contract with the claimant whereby the latter, for a consideration of $45,000 per year, agreed, among other things, to operate and keep in repair the building, grounds and related property, including, but not restricted to, repair of furniture, furnishings, fixtures, etc. The supplemental agreement modified the lease contract by providing for the elimination from that contract of the provision relating to the restoration by the Government of the property to the same condition as that existing at the time of entry.

On August 17, 1943, the Government, desiring to terminate the lease as of August 31, entered into a supplemental termination agreement with the claimant which provided for the transfer of certain designated improvements to the claimant and for the payment by the Government of the sum of $15,000 plus accrued rentals and maintenance payments to August 31, 1943. The claimant released the Government from any and all liability and claims, except for personal property evidenced by an inventory of August 14, 1943.

The premises were released to the claimant on September 1, 1943, and on April 22, 1944, the claimant presented a claim to the War Department in the sum of $39,394.75. The claim represented items for loss of and damage to personal property and cost of repairs, replacements, and alterations, amounting to $18,394.75; approximately $24,000 for cash loss sustained under the maintenance contract; and $20,000 for loss to claimant's business as a going concern; or a total of $62,394.75. Credits of $15,000 for cash received and $8,000 for the reasonable value of improvements left on the premises were deducted from the total of $62,394.75, leaving an alleged net loss of $39,394.75. The claim was investigated by the War Department and it was recommended that $400.50, representing the cost of missing items of personal property, as provided in the termination agreement, be paid to the claimant. The Comptroller General concurred in this recommendation.

The bill under consideration provides that in the determination of the claim in question, the claimant shall be entitled to receive fair and just compensation from the United States for the use and occupancy of the property, including fair and just compensation for expenses incurred by the company, and for damage done to the property by reason of its use and occupancy by the United States "notwithstanding any provision of any contract, release, or other agreement."

In its report concerning this measure the Senate Committee on Claims states that certain damage was done by the Government to the claimant's premises between August 17, the date on which the release was signed, and August 31, the date on which the Government vacated the premises. It is stated that "The bill, if passed, would grant the lessor the right to have determined in the district court the truth of its claim that the damage was inflicted on the lessor's property after he signed the release in good faith." At the time the bill was passed by the Senate it contained a provision limiting its application to losses sustained by the claimant by reason of use and occupancy by the United States "between and including August 17, 1943 and August 31, 1943." The above-quoted language was stricken from the bill when it was under consideration by the House Committee on Claims, and in its present form the measure contains no such limitation.

It would appear, therefore, that if the bill should be approved, the claimant would not be limited to filing suit for damages sustained after the release was executed, but in view of the broad terminology of the measure providing for judgment notwithstanding any provision of any contract, release, or other agreement, would be able to assert all of the matters which were included in its claim of April 22, 1944. As pointed out above, that claim contained such items as an alleged $24,000 loss sustained under the maintenance contract and an alleged loss of $20,000 to the claimant's business as a going concern.

I am aware of no reason in this case to justify the enactment of legislation subjecting the United States to suit and at the same time depriving it of its substantive defenses to such suit. Accordingly, I am constrained to withhold my approval of the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 16, 1946.*

EXTENSION OF TIME FOR FILING REPORT OF JOINT COMMITTEE TO INVESTIGATE PEARL HARBOR ATTACK

Mr. BARKLEY. Mr. President, I ask unanimous consent to submit a concurrent resolution extending the time for filing the report of the Joint Committee To Investigate the Pearl Harbor Attack, and I request its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 72) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the time for filing the report of the Joint Committee To Investigate the Pearl Harbor Attack be, and it is hereby, further extended to July 22, 1946, inclusive, and that the said committee be, and it is hereby, authorized to continue up to and including July 31, 1946, inclusive, the employment of necessary clerical assistants to complete the performance of its duties and to pay incidental expenses incurred in connection therewith.

FIRE HAZARDS IN LOCKHEED CONSTELLATION AIRCRAFT

Mr. McCARRAN. Mr. President, a very serious and dangerous situation has developed on the air lines involving in-flight fire hazards in the Lockheed Constellation aircraft. I am advised this fire hazard has repeatedly been called to the attention of the Safety Bureau of the CAB, but no action was taken until July 12 when these planes were temporarily grounded for 30 days due to the accident at Reading, Pa., resulting in the fiery and needless deaths of five people and the serious injury to a sixth person. I am advised the Air Line Pilots Association has for some time been greatly alarmed about the terrible death-dealing potentialities of the matter, and on March 24, 1946, wrote CAB's safety bureau a letter in which the following paragraph appeared.

> This is a matter that cannot be sidestepped or sloughed over casually, for should any of these planes burn up and kill its occupants it would be disastrous.

It has been reported to me that there have occurred a number of fires on Constellations with miraculous escapes which were more luck than anything else. The Safety Bureau did nothing—at least nothing effective—and now there have been people burned to death needlessly, and the number may just as well have been 50.

It is the same old story, Mr. President. I am convinced that we must have the Independent Air Safety Board back in air-line transportation, because these results have undoubtedly come about due to the elimination of that great Board. The Board, which was in the CAA bill when it was first drafted in 1938, was eliminated by a reorganization plan which unfortunately became law.

The result has been one disaster after another, resulting in the loss of many lives. This should be stopped. The Safety Board should be restored in the law, and safety should be returned to air transport.

With that in mind, Mr. President, I am sending forward a resolution which I ask to have referred to the Committee on Commerce, authorizing the Committee on Commerce to make a thorough investigation of the entire subject and to submit a report, with the view of bringing about legislation.

There being no objection, the resolution (S. Res. 304) was received and referred to the Committee on Commerce, as follows:

Resolved, That the Committee on Commerce, or any duly authorized subcommittee thereof, is authorized ahd directed to make a full and complete study and investigation of the present-day fire hazards and other defects of modern air-line equipment, and of possible action to improve safety in air transportation

The committee shall report to the Senate at the earliest practicable date not later than January 3, 1947, the results of its study and investigation, together with such recommendations as it may deem advisable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the Joint Resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. BARRY, Mr WOLCOTT, Mr. CRAWFORD, and Mr. GAMBLE were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 4 to the bill (H. R. 6777) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes.

The message further announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H. R 2200. An act to revise, codify, and enact into positive law title 18 of the United States Code, entitled "Crimes and Criminal Procedure"; and

H. R. 6515. An act to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1928.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H. R. 2377. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Iowa into the Union as a State; and

H. R. 6528 An act to authorize the coinage of 50-cent pieces to commemorate the life and perpetuate the ideals and teachings of Booker T Washington; to the Committee on Banking and Currency.

H R 2523 An act to provide for lumpsum payment of compensation for accumulated annual leave and current accrued annual leave to certain officers and employees, and authorizing the appropriation of funds for that purpose;

H. R 4718. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service;

H R 5590 An act to provide for the uniform administration of efficiency ratings; and

H J Res 380 Joint resolution to exempt officers and employees of the Bureau of Internal Revenue from the provisions of section 14 (a) of the Federal Employees Pay Act of 1946, relating to personnel ceilings; to the Committee on Civil Service

H R 5144 An act to establish a national air museum, and for other purposes; to the Committee on the Library

H R 6918 An act to provide emergency relief for the victims of the seismic waves which struck the Territory of Hawaii, and for other purposes; to the Committee on Territories and Insular Affairs

H R 6932 An act to provide for further research into basic laws and principles relating to agriculture and to improve and facilitate the marketing and distribution of agricultural products; to the Committee on Agriculture and Forestry.

H R 2200 An act to revise, codify, and enact into positive law, title 18 of the United States Code, entitled "Crimes and Criminal Procedure"; to the Committee on the Judiciary.

THIRD DEFICIENCY APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Brewster	Capper
Andrews	Bridges	Carville
Austin	Brooks	Chavez
Ball	Bushfield	Connally
Barkley	Byrd	Cordon
Bilbo	Capehart	Donnell
Downey	Langer	Robertson
Eastland	Lucas	Russell
Ferguson	McCarran	Shipstead
Fulbright	McClellan	Smith
George	McKellar	Stanfill
Gerry	McMahon	Stewart
Gossett	Magnuson	Swift
Green	Mead	Taft
Guffey	Millikin	Taylor
Gurney	Mitchell	Thomas, Okla.
Hart	Moore	Thomas, Utah
Hawkes	Morse	Tobey
Hayden	Murdock	Tunnell
Hill	Murray	Vandenberg
Hoey	Myers	Wagner
Huffman	O'Daniel	Walsh
Johnson, Colo	Overton	Wherry
Johnston, S. C.	Pepper	White
Kilgore	Radcliffe	Wiley
Knowland	Reed	Wilson
La Follette	Revercomb	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will proceed to state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was under the heading "Title I—General Appropriations Legislative," on page 2, after line 4, to insert:

SENATE

OFFICE OF THE SECRETARY

For a clerk in the Office of the Secretary at the rate of $3,380 per annum, in lieu of an assistant in the Secretary's Office provided by Senate Resolution 181, agreed to December 13, 1929, fiscal year 1947, $3,380, and the Legislative Branch Appropriation Act for the fiscal year 1947 hereby is amended accordingly.

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert:

For an amount necessary to increase the salary of one clerk under the Office of the Secretary from $2,400 to $2,700, fiscal year 1947, $300, and the Legislative Branch Appropriation Act for the fiscal year 1947 hereby is amended accordingly.

The amendment was agreed to.

The next amendment was, on page 2, after line 17, to insert:

For an amount necessary to increase the salary of the assistant to the press door from $1,900 to $2,000, fiscal year 1947, $100, and the Legislative Branch Appropriation Act for the fiscal year 1947 hereby is amended accordingly.

Mr. JOHNSTON of South Carolina. Mr. President, I have an amendment to offer on page 2.

The PRESIDING OFFICER. Is it a separate amendment or is it an amendment to the committee amendment?

Mr. JOHNSTON of South Carolina. It is an amendment to the committee amendment.

The PRESIDING OFFICER. Very well; the amendment will be stated.

The LEGISLATIVE CLERK. At the proper place, under the subhead "Senate," it is proposed to insert the following: "Public Law 479, the Legislative Branch Appropriation Act, 1947," is hereby amended by striking out, under the heading "Senate," subhead "Office of the Secretary," the

words "special officer, $2,460; special officer, $2,280" and inserting in lieu thereof the words "two special officers at $2,460 each."

Mr. JOHNSTON of South Carolina. Mr. President, I offer that to the committee amendment on page 2. The amendment would increase the salary of one of the officers by $180. It is merely a matter as between the officers.

Mr. McKELLAR. Mr. President, the amendment was rejected by the committee, so I am informed by the clerk. But if the Senator wishes us to take the amendment to conference, we shall do so.

Mr. JOHNSTON of South Carolina. I should like to have that done.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 2, after line 21, to insert:

DOCUMENT ROOM

For an amount required to increase the compensation of the superintendent of the Senate document room from $3,960 and $1,040 additional so long as the position is held by the present incumbent to $3,960 and $1,540 additional so long as the position is held by the present incumbent, fiscal year 1947, $500, and the Legislative Branch Appropriation Act for the fiscal year 1947 hereby is amended accordingly.

The amendment was agreed to.

The next amendment was, on page 3, after line 4, to insert:

CLERICAL ASSISTANCE TO SENATORS

For additional clerical and messenger services for each Senator from any State which has a population of five million or more, at the rate of $5,040 per annum, $64,680, and for additional clerical and messenger services for each Senator from any State which has a population of less than five million, at the rate of $2,520 per annum, $189,420; in all, from August 1, 1946, to June 30, 1947, fiscal year 1947, $254,100.

The amendment was agreed to.

The next amendment was, on page 3, after line 13, to insert:

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

Beginning July 1, 1946, the following salary rates shall be effective in lieu of those provided for the same positions in the act making appropriations for the legislative branch for the fiscal year ending June 30, 1947, which hereby is amended accordingly:

Assistant doorkeeper, $3,040; messengers—3 (acting as assistant doorkeepers) at $2,580 each, one at $2,140; 29 (including 4 for minority) at $1,900 each; 4 at $1,780 each; 1 at card door, $2,800 and $240 additional so long as the position is held by the present incumbent; janitor, $2,600 and $300 additional so long as the position is held by the present incumbent; radio press gallery, superintendent, $3,600, and one assistant superintendent, $2,400.

The amendment was agreed to.

The next amendment was, on page 4, after line 3, to insert:

Capitol Police force under the Sergeant at Arms: Captain, $3,300; 2 lieutenants at $2,200 each, 2 special officers at $2,200 each; 4 sergeants at $2,120 each; 60 privates at $2,000 each.

The amendment was agreed to.

The next amendment was, on page 4, after line 7, to insert:

Post office: Assistant postmaster, $3,060; chief clerk, $2,660; wagon master, $2,480; assistant, $1,940; 26 mail carriers at $1,940 each.

The amendment was agreed to.

The next amendment was, on page 4, after line 10, to insert:

For paying such increases during the fiscal year 1947, $27,440.

The amendment was agreed to.

The next amendment was, on page 4, after line 12, to insert:

CONTINGENT EXPENSES OF THE SENATE

Miscellaneous items: For an additional amount, fiscal year 1946, for "Miscellaneous items," exclusive of labor, $60,000

The amendment was agreed to.

The next amendment was, on page 4, after line 16, to insert:

Stationery For an additional allowance for stationery of $250 for each Senator and the President of the Senate, for the second session of the Seventy-ninth Congress, $24,250, to remain available until June 30, 1947

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 4, after line 21, to insert:

SALARIES, OFFICERS AND EMPLOYEES

Salaries, officers and employees, House of Representatives. To enable the Clerk of the House to carry out the provisions of House Resolutions Nos 90 and 691, adopted July 2, 1946, fiscal year 1947, $52,720.

The amendment was agreed to.

The next amendment was, on page 5, after line 2, to insert:

Salaries, officers and employees, House of Representatives To enable the Clerk of the House to carry out the provision of House Resolution No 90, adopted July 2, 1946, fiscal years 1945-46, $1,840.80.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent Expenses of the House," on page 5, after line 12, to insert:

Attending physician's office: The compensation (including retired pay) of the technical assistant in the office of the attending physician, appointed pursuant to authority contained in the First Deficiency Appropriation Act, 1946, shall not be diminished by reason of any change subsequent to such appointment in his retired status.

The amendment was agreed to.

The next amendment was, on page 5, after line 18, to insert:

JOINT COMMITTEE ON PRINTING

For an assistant clerk at $3,600 per annum, fiscal year 1947, $3,600.

The amendment was agreed to.

The next amendment was, on page 5, after line 21, to insert:

JOINT COMMITTEE ON THE ECONOMIC REPORT

For salaries and expenses of the Joint Committee on the Economic Report created by section 5 of Public Law No. 304, Seventy-ninth Congress, entitled "An act to declare a national policy on employment, production, and purchasing power, and for other purposes," approved February 20, 1946, fiscal year 1947, $50,000.

The amendment was agreed to.

The next amendment was, on page 6, after line 4, to insert:

COMMISSION TO REPRESENT THE UNITED STATES AT THE PHILIPPINE INDEPENDENCE CEREMONIES

The appropriation for traveling and other expenses of the Commission to represent the United States at the Philippine Independence Ceremonies contained in Public, No. 419, Seventy-ninth Congress, approved June 21, 1946, shall be available until August 31, 1946, and the Secretary of the Senate is authorized to make such advances therefrom to the Chairman of the Commission or his order as may be necessary.

The amendment was agreed to.

The next amendment was, under the subhead "Architect of the Capitol—Capitol Buildings and Grounds," on page 7, after line 9, to insert:

Capitol Buildings: For alterations and improvements to the barber shop in the Senate wing of the Capitol Building, including replacement of equipment, fiscal year 1947, $3,365, to be expended by the Architect of the Capitol

The amendment was agreed to.

The next amendment was, under the subhead "Government Printing Office," at the top of page 8, to insert:

Items contained in the Legislative Branch Appropriation Act, 1947, Public Law No. 479, approved July 1, 1946, which are specified as immediately available shall be available for liquidation of obligations incurred under such appropriations during the fiscal year 1946.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Emergency funds appropriated to the President—United Nations Relief and Rehabilitation Administration," on page 8, line 25, after the word "acquisition", to strike out "transportation" and insert "transportation,"; on page 9, line 4, after the word "report", to strike out "without censorship", and in line 6, after the word "country", to insert "without any deletions or modifications by censorship of their reports dealing with such subjects: *Provided further*, That none of the funds herein appropriated shall be used for the acquisition, transportation, delivery, or distribution of any supplies, commodities, or equipment to or for any recipient country until such country shall provide for the prompt distribution of such supplies, commodities, and equipment."

Mr. BALL. Mr. President, I wonder whether the Senator from Tennessee would have any objection if I offered to the committee amendment the amendment which I discussed with him, relative to the proviso regarding censorship?

Mr. McKELLAR. I have no objection.

Mr. BALL. I offer the amendment and send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 9, in line 2, after the word "fails", it is proposed to strike out "or refuses" and to insert in lieu thereof "in the determination of the Secretary of State."

The amendment to the committee amendment was agreed to.

The LEGISLATIVE CLERK. In the committee amendment, on page 9, beginning in line 3, it is proposed to strike out the word "the" and to insert in lieu thereof "a reasonable number of."

The amendment to the amendment was agreed to.

Mr. BALL. Mr. President, let me make a brief statement. The principal objection made by Assistant Secretary of State Clayton in the committee to the House proviso barring the use of UNRRA funds in any country which censors press reports on the distribution of such funds was that the Department felt that it must be interpreted to require the country concerned to agree not even to have reports dealing with UNRRA submitted to censorship. Of course, that would bar it in certain countries which have censorship as a part of their laws. The committee attempted to make it clear that the purpose of the proviso is to deny the use of the funds to a country which actually censors reports of accredited correspondents dealing with the distribution of UNRRA relief. We did that by inserting the words "without any deletions or modifications by censorship of their reports dealing with such subjects."

After the committee reported, the State Department contacted me and stated that it felt that the words "which fails or refuses" seemed to imply that there would have to be a prior agreement by the country concerned not to censor these reports, with the determination obviously having to be made by some American official, which would make it practically impossible for any sovereign nation to agree.

So my first amendment to the committee amendment struck out the words "or refuses" and inserted n lieu thereof the words "in the determination of the Secretary of State", so as to make it clear that he is the American official who will administer this particular proviso.

Then there was some question about the words "fails to permit the properly accredited representatives of the American press to enter." The words "properly accredited" mean they are accredited by their own newspaper. Of course, every nation reserves the right to deny entry to individuals whom it finds objectionable. There was an implication there that we were attempting in this proviso to interfere with that sovereign right of nations. To make it clear that we were not attempting to deny a nation the right, here and there, when it found a newspaperman objectionable, to deny him entry, we proposed to strike out the word "the" and to insert "a reasonable number of," so that the language will read "a reasonable number of properly accredited newspaper representatives", so as to make it clear that such a nation still retains this right and that it will not interfere with this proviso if it retains the right to object to the entry of newspapermen, so long as a reasonable number of newspaper correspondents are permitted to enter and report freely on UNRRA without any deletions by censorship. The violation of the proviso would come only when the Secretary of State found that the censor was actually deleting material from reports dealing with the distribution of relief supplies by UNRRA.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended, beginning on page 8, in line 25.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 10, after line 4, to insert:

SURPLUS PROPERTY, CARE AND HANDLING

Surplus property, care and handling: To enable the President, during the fiscal year ending June 30, 1947, through the War and Navy Departments, to carry out the provisions of paragraph 8 of Executive Order 9630 of September 27, 1945, in connection with the disposal of surplus property in accordance with the provisions of the Surplus Property Act of 1944, as amended, $120,000,000, of which $100,000,000 shall be for expenditure by the War Department and $20,000,000 for expenditure by the Navy Department: *Provided*, That expenses hereunder shall include pay and allowances and subsistence of military and naval personnel: *Provided further*, That current naval appropriations shall be available for the care and handling of property declared surplus to disposal agencies pending actual reimbursement from them

The amendment was agreed to.

The next amendment was, under the subhead "Civilian Production Administration," on page 13, line 13, after the word "airplane", to strike out "$18,000,000" and insert "$20,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "War Assets Administration," on page 20, line 11, after the word "sanitation", to strike out "facilities;" and insert "facilities"

The amendment was agreed to.

The next amendment was, under the subhead "Office of Price Administration," on page 23, line 20, after the numerals "1947", to strike out "$106,650,000" and insert "$56,650,000", and in line 23, after the figures "$1,750,000", to insert a colon and the following additional proviso: "*Provided further*, That no part of the funds appropriated in this paragraph shall be used to pay the salary of any person engaged in preparing or disseminating general propaganda in support of price control or any price-control program."

Mr. HILL. Mr. President, I should like to ask the Senator from Tennessee, who is in charge of the bill, a question about the committee amendment. I am not sure that I know what it means. Do I correctly assume that this provision does not prevent OPA from disseminating informative material to advise the public and the trade about its regulations? It is apparent that this is essential if OPA is to bring about the understanding necessary to obtain compliance with its regulations.

Mr. McKELLAR. Oh, no; the amendment does not affect that matter. It means just what it says, namely, "that no part of the funds appropriated in this paragraph shall be used to pay the salary of any person engaged in preparing or disseminating general propaganda."

It was claimed before the committee that such propaganda was disseminated by the OPA. That is why this amendment is included.

Mr. HILL. But would it prevent the Office of Price Administration from supplying material to inform the public about its regulations?

Mr. McKELLAR. Oh, no.

Mr. HILL. Would it prevent the Office of Price Administration from putting out factual information on prices?

Mr. McKELLAR. No.

Mr. HILL. Do I correctly assume that it would not prevent the OPA from answering requests for information from the press or from others who might be interested, and who could provide the public with information?

Mr. McKELLAR. It is confined to general propaganda. It would not interfere with the matters to which the Senator from Alabama has referred.

Mr. HILL. It would not interfere with the matters to which I have referred?

Mr. McKELLAR. No.

Mr. HILL. I thank the Senator.

Mr. BALL. Mr. President, I believe that the committee was aiming directly at the type of propaganda which the Senator from Ohio [Mr. TAFT] discussed at some length while the Senate was debating the OPA measure. The OPA had printed, for general distribution, various pamphlets and publications clearly of a general propaganda type in order to induce the public to put pressure on Congress to renew the Price Control Act in the form in which the Administration wanted it.

Mr HILL. But the amendment would not apply to the matters to which I have referred.

Mr. McKELLAR. No.

Mr. OVERTON. I believe that it would apply to radio propaganda as well as to printed propaganda.

Mr. McKELLAR. Yes.

Mr. BARKLEY. It would not prevent any person connected with the OPA from speaking over the radio if he did it at his own expense, or at no remuneration to himself would it?

Mr. OVERTON. No.

Mr. BARKLEY. I wondered if it would prevent anyone from talking about the OPA if he did it at his own expense and not at Government expense.

Mr. McKELLAR. If the OPA sent out propaganda agents to talk over the radio, they would be prevented from doing so, and they should be.

Mr. BARKLEY. They could talk over the radio if they paid for the expense of it, I assume.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HAYDEN. In the State of Arizona we had a very able State administrator who appeared before groups of businessmen, such as the Rotary Club, and so forth, and explained the problems which were involved. He said that in order to obtain proper results under price control there must be cooperation. An explanation of that kind, explanations of the problems involved, and so forth, would not be propaganda.

Mr. McKELLAR. There would be no trouble about anything of that kind.

Mr. HAYDEN. Whether the remarks were addressed to a businessmen's group, a Rotary Club, or over the radio, they would be distinct and separate from the type of speech or propaganda referred to by the Senator from Minnesota when he said that propaganda was circulated by the OPA in order to influence votes in Congress.

Mr. BALL. I was referring to the type of propaganda put out by the OPA which was intended for use in influencing the public or the Congress. I believe that the propaganda first went to the general public for the purpose of putting the heat on Congress.

Mr. HAYDEN. That is a very different matter from what I have referred to.

Mr. BALL. If the State administrator confines himself to giving straight information and facts with reference to law and price regulations, and does not try to urge his audience to write to Congress and tell the Members of Congress to renew OPA without crippling amendments or anything of that sort, I do not believe that any objection could be made.

Mr. HILL. That kind of a speech would be in order under this amendment.

Mr. BALL. Yes; if the speaker remained within those confines when making his speech.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. MURDOCK. During the OPA debate the implication was made by the Senator from Ohio [Mr. TAFT] that the OPA had been violating a criminal statute in sending out propaganda and other literature. On the statute books today there is a criminal statute which prohibits what I believe this amendment is directed at. Having such a statute, why do we need to resort again to the device and procedure of writing legislation in an appropriation bill? Every day the Senate condemns that method of procedure, but as often as the Senate condemns it, it resorts to it. This morning I attended a conference with Senate and House Members at which a discussion was had of this very question, namely, the writing of legislation in an appropriation bill. Every Senator knows that what is here proposed is writing legislation in a general appropriation bill. The amendment reads:

Provided further, That no part of the funds appropriated in this paragraph shall be used to pay the salary of any person engaged in preparing or disseminating general propaganda in support of price control or any price control program.

Again, though we decry the practice, we are attempting to write legislation in an appropriation bill. As has been pointed out by the Senator from Arizona, we leave to the General Accounting Office in Washington the question, which is a judicial one, of determining whether or not an OPA official who has spoken before a Rotary club or over the radio has violated the law, and thereby made it mandatory upon the Government to withhold his salary. I am as much opposed as is any other Senator to any officer of the Government violating the criminal statutes of the United States by sending out propaganda which is prohibited. But every time we resort to this type of legislative procedure, we make a mistake.

Mr. President, the only reason that this amendment may not be too serious is that the OPA under the pending bill terminates at the end of the present fiscal year. But nevertheless, again we are engaging in doing what we have already condemned so vigorously on the floor of the Senate, namely, writing legislation on a general appropriation bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. OVERTON. This is not legislation in an appropriation bill. It is merely a limitation on an appropriation.

Mr. MURDOCK. Yes; that is the old story. That is what the House conferees told us this morning in connection with the Labor-Federal Security appropriation bill. They maintained that it involved a limitation on an appropriation.

Mr. OVERTON. It may be an old story, but it is a correct story.

Mr. MURDOCK. I do not like to disagree with the Senator; but it is not correct in my opinion.

Mr. OVERTON. If Congress may not place a limit on an appropriation, one of the main duties of Congress is paralyzed. I refer to the exercise of its power over appropriations.

Mr. MURDOCK. Congress may strike out any amount it wishes to, and refuse to appropriate. But whenever in an appropriation bill it undertakes to write affirmative legislation, as it is doing here, it violates the Senate rules.

Mr. OVERTON. The Senator has his remedy. If the pending amendment is legislation on an appropriation bill and the Senator makes a point of order against it, the Chair will rule whether the point of order shall be sustained.

Mr. MURDOCK. I do not like to make a point of order.

Mr. McKELLAR. Let the Senator make a point of order and the Chair will settle the question now.

Mr. OVERTON. Mr. President, I make the point of order.

Mr. MURDOCK. Mr. President, I do not yield the floor for that purpose. I am calling to the attention of my colleagues the fact that this amendment is legislation on an appropriation bill. It is not a limitation on an appropriation. In my opinion, if any obnoxious or objectionable propaganda is being put out or has been put out by the OPA, the situation is fully covered by the criminal statute referred to by the Senator from Ohio [Mr. TAFT] during the course of the Senate debate on the OPA measure.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 28, beginning in line 23.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, under the heading "Independent Offices—Federal Trade Commission," on page 29, line 12, after "Salaries and expenses", to strike out "$250,000" and insert "$400,000."

The amendment was agreed to.

The next amendment was under the subhead "Office of War Mobilization and Reconversion," on page 28, line 22, after the word "Reconversion", to insert "including the Office of Contract Settlement"; in line 25, after "(Public Law 458)", to insert "the act of July 1, 1944 (Public Law 395)", and on page 29, line 14, after "(Public Law 354)", to insert "fiscal year 1947."

The amendment was agreed to.

The next amendment was, under the subhead "Public Buildings Administration," on page 31, line 22, after the word "allowances", to insert "fiscal year 1947."

The amendment was agreed to.

The next amendment was, under the subhead "Public Roads Administration," on page 32, line 13, after the word "in", to insert "Senate Document No. 226 and", and in line 15, after the word "Congress", to strike out "$64,942,28" and insert "$1,172,850.67."

The amendment was agreed to.

The next amendment was on page 32, after line 15, to insert:

BUREAU OF COMMUNITY FACILITIES

Veterans' educational facilities: For carrying out the provisions of section 504 of the act entitled "An act to amend title V of the act entitled 'An act to expedite the provision of housing in connection with the national defense, and for other purposes,' approved October 14, 1940, as amended, to authorize the Federal Works Administrator to provide needed educational facilities, other than housing, to educational institutions furnishing courses of training or education to persons under title II of the Servicemen's Readjustment Act of 1944, as amended" (S. 3085 or H. R. 6952, 79th Congress), $100,000,000, to remain available until expended of which amount not to exceed $4,000,000 shall be available for administrative expenses, including travel expenses and the objects specified under the head "Defense public works (community facilities)" in the Second Deficiency Appropriation Act, 1941, and the joint resolution approved December 23, 1941 (Public Law 871): *Provided*, That there may be excluded from the aggregate maximum personnel ceilings established by section 14 (a) of the Federal Employees Pay Act of 1946 (Public Law No. 390) in addition to other exclusions provided by law, not more than 600 positions to the extent that all or part of such number may be determined by the Director of the Bureau of the Budget to be essential to the effectuation of the provisions of said section 504. This appropriation shall not be available for obligation until the enactment into law of said S. 3085 or H. R. 6952.

The amendment was agreed to.

The next amendment was under the subhead "Philippine War Damage Commission," on page 34, line 9, after the numerals "1946", to insert "fiscal year 1947."

The amendment was agreed to.

The next amendment was under the subhead "Selective Service System," on page 36, line 6, after the word "case", to insert "fiscal year 1947"; and on page 37, line 19, after the word "of", to strike out "the component parts and within."

The amendment was agreed to.

The next amendment was, on page 38, after line 12, to insert:

UNITED STATES MARITIME COMMISSION

Receipts from operations of any functions of the War Shipping Administration which are transferred to the United States Maritime Commission under the terms of title II of

Public Law 492, Seventy-ninth Congress, second session, shall be available until March 1, 1947, for obligation by the United States Maritime Commission in carrying out any such transferred operating functions as the Commission shall deem necessary, including personnel and other administrative expenses necessary to conduct such operations.

The amendment was agreed to.

The next amendment was, at the top of page 39, to insert:

VETERANS' ADMINISTRATION

Readjustment benefits: For an additional amount, fiscal year 1947, for "Readjustment benefits, Veterans' Administration," $1,843,000,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 39, after line 4, to insert:

Operation of canteens: For all expenses necessary for carrying out the provisions of the act entitled "An act to establish and provide for the maintenance and operation of a Veterans' Canteen Service in the Veterans' Administration and for other purposes" (H R 6836 or S 2354), $5,000,000, which shall be available to provide adequate working capital for each canteen and for the Service as a whole for (a) the acquisition of necessary furniture, furnishing, fixtures, and equipment for the establishment, maintenance, and operation of canteens, warehouses, and storage depots, (b) for the procurement of merchandise, supplies, and services for sale at canteens at stations of the Veterans' Administration, in accordance with the provisions of the act, and (c) for the employment of personnel and other expenses necessary for the operation of the canteens *Provided*, That the amount appropriated and the proceeds of canteen operations shall be deposited in the Treasury or other depositaries selected by the Administrator in a special account which shall be available for the continued operation of canteens *Provided further*, That the availability of this appropriation is contingent upon the enactment of H. R. 6836 or S 2354

The amendment was agreed to.

The next amendment was, under the heading "District of Columbia—Fiscal Service," on page 40, after line 9, to insert:

For an additional amount, fiscal year 1947, for "Collector's Office", including the objects specified for this purpose in the District of Columbia Appropriation Act, 1947, $136,645 91.

The amendment was agreed to.

The next amendment was, on page 40, after line 13, to insert:

REGULATORY AGENCIES

Office of Administrator of Rent Control: For an additional amount, fiscal year 1947, for "Office of Administrator of Rent Control", including the objects specified under this head in the District of Columbia Appropriation Act, 1947, $45,200.

The amendment was agreed to.

The next amendment was, on page 41, after line 6, to strike out:

PUBLIC WORKS

No appropriation in this or any other act shall be used for the operation of a testing laboratory of the Highway Department for making tests of materials in connection with any activity of the District government, and the equipment of the existing laboratory, not adaptable to other uses, shall be declared surplus to the War Assets Administration, and such Administration shall undertake the disposal thereof in accordance with surplus property disposal procedures established by or in pursuance of law, the net proceeds of sale to be deposited in the Treasury of the United States to the credit of the general fund of the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "National Guard," on page 41, line 23, after the numerals "1947", to strike out "$35,080" and insert "$105,240."

The amendment was agreed to.

The next amendment was, under the subhead "Judgments," on page 42, line 20, after the numerals "630", to insert "Seventy-ninth Congress."

The amendment was agreed to.

The next amendment was, under the subhead "Audited Claims," on page 43, line 12, before the figures "$12.12", to insert "(payable from water fund)."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture—Agricultural Research Administration—Bureau of Animal Industry," on page 44, line 2, after the numerals "1947", to strike out "$56,000" and insert "and for carrying out the provisions of House Joint Resolution 364, Seventy-ninth Congress, $141,000: *Provided*, That $85,000 of this amount shall not be available for obligation until the enactment of said House Joint Resolution 364."

The amendment was agreed to.

The next amendment was, on page 44, after line 6, to insert:

BUREAU OF DAIRY INDUSTRY

Salaries and expenses: For an additional amount, fiscal year 1947, for "Salaries and expenses", including the objects specified under this head in the Department of Agriculture Appropriation Act, 1947, $10,000

The amendment was agreed to.

The next amendment was, under the heading, "Department of Commerce—Bureau of the Census," on page 45, after line 7, to insert:

Compiling census reports, and so forth: The appropriation "Compiling census reports and so forth" in the Department of Commerce Appropriation Act, 1946, as amended, is hereby made available for the transfer of not to exceed $300,000 to the National Bureau of Standards, to be available until expended for the objects specified under the aforesaid appropriation

The amendment was agreed to.

The next amendment was, on page 45, after line 14, to insert:

Compiling census reports, and so forth: The appropriations under the heading "Compiling census reports, and so forth," in the Department of Commerce Appropriation Act, 1947, are hereby made available for expenditure at the seat of government on and after October 1, 1946, for the Compilation of Foreign Trade Statistics within a limitation of $1,200,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior—Solid Fuels Administration for War," on page 46, line 23, after the word "services", to insert "fiscal year 1947."

The amendment was agreed to.

The next amendment was, at the top of page 47, to insert:

BUREAU OF INDIAN AFFAIRS

IRRIGATION AND DRAINAGE

Maintenance, San Carlos irrigation project, Gila River Reservation, Arizona: For an additional amount, fiscal year 1946, for operation and maintenance of the San Carlos project for the irrigation of lands in the Gila River Indian Reservation, Arizona, $50,000 (power revenues), from which total amount expenditures shall not exceed the aggregate receipts covered into the Treasury in accordance with section 4 of the Permanent Appropriation Repeal Act, 1934.

The amendment was agreed to.

The next amendment was, on page 47, after line 10, to insert:

BUREAU OF RECLAMATION

RECLAMATION FUND, SPECIAL FUND

Construction: For additional amounts for construction of the following projects including the objects specified under the head "Bureau of Reclamation" in the Interior Department Appropriation Act, 1947, to be expended from the reclamation fund, to remain available until expended and to be reimbursable under the reclamation law:

Projects:

Boise project, Idaho, Anderson Ranch, $1,612,525;

Provo River project, Utah, $1,756,980.

Total, from the reclamation fund, $3,369,485.

The amendment was agreed to.

The next amendment was, at the top of page 48, to insert:

COLORADO RIVER FRONT WORK AND LEVEE SYSTEM

For operating and maintaining the Colorado River front work and levee system in Arizona, Nevada, and California, constructing, improving, extending, operating, and maintaining protection and drainage works and systems along the Colorado River; controlling said river and improving, modifying, straightening, and rectifying the channel thereof; and conducting investigations and studies in connection therewith, as authorized by Public Law 469, approved June 28, 1946, $500,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—Naval Establishment—Office of the Secretary," on page 48, line 21, after the words "set forth in", to insert "Senate Document Numbered 222 and", and in line 23, after the word "Congress", to strike out "$1,224.89" and insert "$2,589.96."

The amendment was agreed to.

The next amendment was, at the top of page 49, to insert:

BUREAU OF SUPPLIES AND ACCOUNTS

Transportation of things, Navy: For an additional amount for "Transportation of things, Navy", fiscal year 1947, including the charter and hire of tankers and cargo-carrying vessels and including the objects and subject to the conditions specified under this head in the Naval Appropriation Act for the fiscal year 1947, $28,750,000.

The amendment was agreed to.

The next amendment was, on page 49, after line 7, to insert:

BUREAU OF MEDICINE AND SURGERY

MEDICAL DEPARTMENT

Not to exceed $50,000 of the appropriation "Medical Department, Navy," for the fiscal year ending June 30, 1947, shall be available for the temporary employment of persons or organizations by contract or otherwise, without regard to section 3709 of the Revised Statutes, civil-service or classification laws, or section 5 of the act of April 6, 1914 (38 Stat. 335), for the purpose of making a general administrative and operational survey of naval hospitals.

The amendment was agreed to.

The next amendment was, on page 49, after line 17, to strike out:

BUREAU OF YARDS AND DOCKS

PUBLIC WORKS, BUREAU OF YARDS AND DOCKS

Public works, Bureau of Yards and Docks: Appropriations heretofore made under this head shall be available for the acquisition of land, including such improvements as there may be thereon, situated at or in the areas of the following places, and at costs not exceeding those indicated after such places: Oahu, Territory of Hawaii, $798,840; Silver Spring, Md., $29,250; Key West, Fla., $60,000, Pasadena, Calif., $70,000; Inyokern, Calif., $70,000; Waterbury, Conn., $10,200, Portsmouth, Va., $4,370; Mojave, Calif., $500; Montauk, Long Island, N. Y., $63,300, Bloodsworth Island, Dorchester County, Md., $120,000, Port Hueneme, Calif., $140,000; Camp Pendleton, Calif., $17,500, Port San Pedro, Marin County, Calif., $750, San Francisco, Calif., $75,000, and Morro Bay, Calif., $12,500.

The amendment was agreed to.

The next amendment was, under the heading "Post Office Department," on page 50, after line 12, to insert:

(Out of the postal revenues)

POST OFFICE DEPARTMENT, WASHINGTON, D. C.

OFFICE OF THE POSTMASTER GENERAL

Salaries. For an additional amount, fiscal year 1947, for "salaries", $8,179.

The amendment was agreed to.

The next amendment was, under the subhead "International Obligations," on page 53, line 5, after the words "as follows", to insert "International Office of Public Health, $20,418.72"; and in line 11, after the words "in all", to strike out "$16,842.70" and insert "$37,261.42."

The amendment was agreed to.

The next amendment was, on page 53, after line 11, to insert:

For an additional amount, fiscal year 1947, for "United States contributions to international commissions, congresses, and bureaus", as follows: International Institute of Agriculture at Rome, Italy, $339,853 60, to be used only for the liquidation of the Institute by January 1, 1947.

The amendment was agreed to.

The next amendment was, on page 56, line 2, after the word "act", to strike out the comma and "nor shall any part of this appropriation be available for expanding any facility authorized by law to be replaced or rehabilited."

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department—Coast Guard," on page 58, after line 18, to insert:

The appropriation "General expenses, Coast Guard", fiscal years 1946 and 1947, shall be available for the payment of claims authorized under section 1 of Public Law 277, Seventy-ninth Congress, approved December 28, 1945, as amended by Public Law 327, Seventy-ninth Congress, approved March 20, 1946.

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division", on page 59, line 22, after the numerals "1944", to strike out the colon and the following proviso: *"Provided*, That any amount in excess of the amount required for the purposes for which this appropriation is hereby made available, shall, upon ascertainment, be carried to the surplus fund and covered into the Treasury."

The amendment was agreed to.

The next amendment was, under the heading "War Department—Office of the Secretary," on page 60, line 14, after the word "in", to insert "Senate Document No. 221 and", and in line 15, after the word "Congress", to strike out "$108,638" and insert "$398,405.94."

The amendment was agreed to.

The next amendment was, on page 60, after line 16, to insert:

FINANCE DEPARTMENT

FINANCE SERVICE, ARMY

Pay of the Army. The appropriation for "Pay of the Army" in the Military Appropriation Act, 1947, is hereby made available to pay mustering-out payments, as authorized by the Mustering-Out Payment Act of 1944, Public Law 225, Seventy-eighth Congress, second session, as amended, to members of the armed forces who were or may be denied such payments because they resigned from the armed forces to enter the United States Military Academy or the United States Naval Academy and subsequently left either of such Academies without completing the prescribed course.

Mr McKELLAR. Mr. President, in the committee amendment on page 61, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment on page 61, line 2, after the words "from the ', it is proposed to strike out "armed forces" and to insert in lieu thereof the word "Army."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, under the subhead "Civil functions, Corps of Engineers—Rivers and harbors," on page 61, line 11, after the numerals "1946", to strike out "$2,500,000" and insert "$3,-800,000."

The amendment was agreed to

Mr. McCARRAN. Mr. President, under "The Judiciary," I am wondering whether the Senator overlooked the amendment which was sent over from the Supreme Court, or does he intend to offer it later?

Mr. McKELLAR. I shall offer that a little later. We are now considering only committee amendments.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, under the heading "Title II—Surplus Appropriation Rescissions—Independent Offices," on page 63, after line 15, to strike out:

Public Roads Administration: Access roads, $641,193.

The amendment was agreed to.

The next amendment was, on page 70, line 4, after "Maritime training fund, Coast Guard," to strike out "$274,325" and insert "$199,000."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the amendments from page 74, line 6, through line 4 on page 80, be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

Under the heading "Title III—Judgments and authorized claims," on page 74, after line 5, to insert:

"(b) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent offices, under the provisions of the act entitled 'An act to provide a method for the settlement of claims arising against the Government of the United States in the sum not exceeding $1,000 in any one case,' approved December 28, 1922 (31 U. S. C. 215), as fully set forth in Senate Document No. 227, Seventy-ninth Congress, as follows

"Executive Office of the President:
"Office for Emergency Management
"War Shipping Administration, $69 10;
"Office of Price Administration, $15,
"Independent offices:
"General Accounting Office, $74 80;
"United States Maritime Commission, $60;
"Veterans' Administration, $2,977;
"Federal Security Agency, $92.50;
"Federal Works Agency, $150;
"National Housing Agency, $64;
"Department of Agriculture, $1,860 53;
"Department of Commerce, $362,
"Department of the Interior, $26 53;
"Department of Justice, $67.
"Post Office Department (payable from postal revenues), $4,149 60,
"Department of State, $40;
"Treasury Department, $385 09;
"In all, $10,452 85";

Under the subhead "Judgments, United States Courts," in section 302, on page 75, line 12, after the word "judgments", to insert "including costs of suits"; and in line 21, after the word "in", to insert "Senate Document No. 220 and";

On page 75, line 23, after "Navy Department", to strike out "$36,287 93" and insert "$36,777 93";

On page 75, line 24, after "War Department", to strike out "$10,000" and insert "$14,040 82",

On page 76, line 1, after the words "In all", to strike out "$46,287.93" and insert "$50,818 75";

On page 76, after line 3, to insert:

"(b) For the payment of final judgments, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled 'An act to provide for the bringing of suits against the Government of the United States', as amended by section 297 of the act of March 3, 1911 (28 U. S. C. 761), and which have been certified to the Seventy-ninth Congress in Senate Document No. 219, under the following agencies:

"Federal Works Agency
"Public Roads Administration, $9,999 99;
"Commerce Department, $360;
"War Department, $6,728 82,
"In all, $17,088 31, together with such additional sum as may be necessary to pay interest as and where specified in the judgments and as provided by law";

On page 76, line 19, before the word "None", to strike out "(b)" and insert "(c)";

On page 76, line 23, before the word "Payment", to strike out "(c)" and insert "(d)";

Under the subhead "Judgments, United States Court of Claims", in section 303, page 77, line 4, after the word "in", to insert "Senate Document No 217 and",

On page 77, line 7, after "Public Buildings Administration", to strike out "$91,654.67" and insert "$92,968.67";

On page 77, after line 9, to insert:

"EXECUTIVE

"War Shipping Administration, $242,500";

On page 77, line 13, after "Navy Department", to strike out "$20,325 00" and insert "$855,613.29";

On page 77, line 14, after "Treasury Department", to strike out "$34,562.51" and insert "$457,627.96";

On page 77, line 15, after "War Department", to strike out "$5,895 22" and insert "$873,577.22".

On page 77, line 16, after the words "In all", to strike out $224,838.24" and insert "$2,594,384 98".

On page 77, after line 18, to insert:

"(b) For the payment of judgment numbered 45869 rendered by the Court of Claims in favor of Alexander D Walker and Adger C. Forney, copartners doing business as A D. Walker & Co., $22,550.76, and certified to the Seventy-ninth Congress in Senate Document No 218, to be paid from funds of the Reconstruction Finance Corporation";

On page 78, line 1, before the word "None" to strike out "(b)" and insert "(c)";

Under the subhead "Audited Claims", on page 78, line 15, before the words "House Document" to insert "Senate Document No 223 and", in line 17, after the words "sum of" to strike out "$5,556,545 30" and insert "$5,964,227.41", in line 22, after the word "fund" to insert "$64 33, payable from District of Columbia revenues", in line 23, after the word "and" to strike out "$28,393 64" and insert "$33,096 06", and in line 24, after the words "in all" to strike out "$5,584,938 94" and insert "$5,997,387 82";

In section 305, on page 79, line 3, after the word "and" to insert the word "other"; in line 10, after the word "in" to insert "Senate Document No 224 and", and in line 11, after the numeral "581" to strike out "$74F 60" and insert "$23,893 93", and

On page 80, line 3, after the word "in" to insert "Senate Document No 225 and", and in line 4, after the numeral "583", to strike out "$382 12" and insert "$652 11"

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Title IV—general provisions," on page 84, after line 18, to insert:

SEC 406 Subsection (a) of section 202 of the Independent Offices Appropriation Act, 1947, is hereby amended by striking therefrom the figures "$1,050" and substituting therefor the figures "$1,300"

The amendment was agreed to

The next amendment was, on page 84, after line 22, to insert:

SEC 407 Wherever an appropriation for the fiscal year 1947 is made available for the purchase of passenger automobiles and such availability is specifically limited to used or surplus vehicles, such limitation is hereby repealed.

The amendment was agreed to.

The next amendment was, on page 85, line 2, to change the section number from "406" to "408"

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the amendments of the committee

Mr. McKELLAR. Mr. President, I have several amendments I wish to offer. The first one is on page 2, after line 17.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, after line 17, it is proposed to insert the following:

For an amount necessary to increase the salary of the assistant to the press door from $2,200 to $2,400, fiscal year 1947, $200, and the Legislative Branch Appropriation Act for the fiscal year 1947 hereby is amended accordingly

Mr. McKELLAR. Mr. President, this amendment is in behalf of Richard Riedel, whom we all know.

The amendment was agreed to.

Mr. McKELLAR. I offer an amendment to the committee amendment on page 4, line 3.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to is reconsidered, and the clerk will state the amendment to the amendment.

The CHIEF CLERK. In the committee amendment on page 4, line 3, after the figures "$2,400", it is proposed to insert a semicolon and the words "laborer in charge of private passage, $1,800, and $320 additional so long as the position is held by the present incumbent; laborers—two at $1,700 each, one at $1,580"

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McKELLAR. Mr. President, in connection with this amendment, we will have to have the total altered in order to accord with this increase.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Without objection, the clerk is directed to make the correction.

Mr. McKELLAR. Mr. President, on page 52, after line 17, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 52, after line 17, it is proposed to insert:

The limitations under the appropriation "Foreign Service uarters, fiscal year 1947," on the amounts which may be used for allowances for living quarters shall not apply to Foreign Service posts in Turkey, Switzerland, Union of Soviet Socialist Republics, Venezuela, and the Netherlands possessions. This provision shall be effective as of July 1, 1946

The amendment was agreed to.

Mr. BALL. Mr. President, what was the last amendment made?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 52, after line 17, it is proposed to insert

The limitations under the appropriation "Foreign Service quarters, fiscal year 1947," on the amounts which may be used for allowances for living quarters shall not apply to Foreign Service posts in Turkey, Switzerland, Union of Socialist Soviet Republics, Venezuela, and the Netherlands possessions. This provision shall be effective as of July 1, 1946

Mr. McKELLAR. That is an unusual provision and I am not surprised that the Senator suggested that an explanation be made of it. I desire to place in the RECORD at this point, fully explaining the item, a letter from Mr. H. M. Kurth, budget officer, Department of State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, July 13, 1946.

The Honorable KENNETH MCKELLAR,
Chairman, Committee on Appropriations, United States Senate.

MY DEAR SENATOR MCKELLAR: An act of Congress approved March 26, 1934 (5 U. S. C. 118c) authorized payment of losses sustained by officers and employees in the Foreign Service due to appreciation of foreign currencies. Under Executive Order No. 9687 dated January 26, 1946, authority to make payments for this purpose was terminated effective at the close of the pay period ending or current on January 31, 1946. Adjustments to cover such losses were to be made subsequently through increased allowances for cost of living and for living quarters. At the time these allowances were terminated this Department was paying currency appreciation losses in five areas, namely, Switzerland, Turkey, Union of Soviet Socialist Republics, Venezuela, and the Netherlands possessions "he appropriation for Foreign Service quarters, 1946, from which allowances for living quarters were being paid at the time payments for foreign currency appreciation losses were terminated, contained limitations on the amounts which could be paid for living quarters allowances. Accordingly, a provision waiving these limitations for the countries in which foreign currency appreciation losses were sustained was granted in the First Deficiency Appropriation Act, 1946, approved December 28, 1945, to permit equitable adjustment of allowances for living quarters in those countries for the remainder of the 1946 fiscal year.

In the submission to Congress of the budget for 1947 the Bureau of the Budget recommended that the limitations on allowances for living quarters be deleted from the appropriation for Foreign Service quarters. However, the House did not delete the limitations and in restoring them failed to except therefrom the posts in those countries in which losses were sustained because of the appreciation o foreign currencies. This action the House failed to continue for 1947 the authority approved by Congress for 1946. Accordingly, the Department requested the Senate to amend the bill as passed by the House to except from the limitations the Foreign Service posts concerned (amendment No 11). The amendment, however, failed to receive approval by the conferees It is believed that this action was due to the fact that the purpose of the amendment was not entirely clear and that the essentiality of such a provision had not been given proper emphasis at the time it was requested.

The Appropriation Act for 1947 places the same ceiling on the allowances for living quarters which may be granted to Foreign Service officers and employees in countries where they are required to pay higher rents because of foreign currency appreciation as it does on allowances payable to Foreign Service officers and employees in other countries. This is obviously inequitable. Personnel at the posts affected are under contract to meet rental obligations entered into in good faith under the terms of the quarters allowance program which, until currency appreciation was terminated last February, permitted payment of the maximum plus the currency appreciation factor which in some instances amounted to 60 percent of the maximum allowed under the law Unless this situation is corrected our officers in these former currency appreciation countries will be required to pay the excess over and above the ceilings wholly out of their own personal funds, a result which would be wholly inequitable and most unfortunate. It would mean that, in addition to being shouldered with this unjust financial burden, they would undoubtedly have to give up the present quarters they are occupying and seek to obtain smaller and less expensive quarters which would be wholly unsuitable.

It is urgently requested, therefore, that an amendment be offered to the third deficiency appropriation bill, now pending in the Senate, to remedy this situation There is enclosed herewith a draft provision which the Department would appreciate having you offer to the bill. Anything you can do in this connection will be greatly appreciated.

Sincerely yours,

For the Acting Sec etary of State:

H. M KURTH,
Budget Officer.

Mr. McKELLAR. Mr. President, the currencies of the various countries enumerated in the amendment have gone so high and have become so involved that there is no way to figure them, and we have to provide a certain latitude in order to provide properly for our representatives in the several countries mentioned.

Mr. BALL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BALL. I strongly favor the amendment. I may say to the Senator that we placed the same provisions in the State, Justice, and Commerce bill, but unfortunately we could not hold it in the bill in conference. I hope the Senator from Tennessee will have better luck.

Mr. McKELLAR. I do not know whether we can hold it in the bill or not.

Mr. McCARRAN. Mr. President, we face a peculiar situation in that the conferees on the part of the House who refused to go along with the Senate conferees on this very provision in the other bill will not be the conferees on this particular bill. So what was defeated by the conferees on the former bill, the State, Justice, and Commerce measure, may possibly be adopted in this case. So we have that unfortunate and rather peculiar situation to deal with all the time.

Mr. McKELLAR. I am sure the matter will have to be corrected some time, and I hope the conferees on this particular bill will agree to the amendment. We will certainly do everything we can to have the amendment agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have another amendment that affects the Supreme Court. The Senator from Nevada, I believe, asked me about it. It is an amendment which I think should, by all means, be placed in the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 61, after line 19, it is proposed to insert the following:

UNITED STATES SUPREME COURT

Salaries: For an additional amount, fiscal year 1947, for "salaries, United States Supreme Court," $15,116.

Mr. McKELLAR. That amount is for an administrative assistant to the Chief Justice, and should be allowed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I want to offer two minor amendments to the bill. On page 7, at the bottom of the page, there is an item of the Government Printing Office. I thought when we had it under consideration before the committee that it was an amount of money to be expended in the future, but it seems that it is a true deficiency, and that an additional $4,681.06 is required in order to meet the actual cost of printing the Federal Register. I therefore offer an amendment increasing the amount in the bill by the amount of $4,681.06.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, line 25, it is proposed to strike out "$550,000" and insert in lieu thereof "$554,681.06."

Mr. McKELLAR. Mr. President, I have no objection to the amendment, but I want to say that I thought the Senator offered that amendment in committee.

Mr. HAYDEN. No; it was my suggestion to leave it out. I am now correcting that mistake.

Mr. McKELLAR. I know the matter was discussed, and I thought the Senator wanted to put it in the bill at that time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr HAYDEN. Mr. President, if Senators will turn to page 34 of the bill, in lines 15 to 19, they will find these words, under the heading "Philippine War Damage Commission":

Provided, That no payment shall be made under the provisions of such title of such act to any person the Commission is not convinced did not collaborate with the enemy or commit any act involving disloyalty to the United States or the Commonwealth of the Philippines

That makes a material change in the basic act authorizing the appointment of the Commission. The Philippine Rehabilitation Act of April 30, 1946, reads:

SEC 103 The Commission shall make no payment under the provisions of this title—

(a) to any enemy alien;

(b) to any person who, by a civil or military court having jurisdiction, has been found guilty of collaborating with the enemy, or of any act involving disloyalty to the United States or the Commonwealth of the Philippines.

The President recently appointed, and the Senate confirmed, Mr. Frank Waring, Mr. John S. Young, and Mr. Francisco Delgado as the Philippine War Damage Commission They arrived in Manila just prior to the 4th of July, when the Philippine independence went into effect

Today there came to the Secretary of State this cablegram from Mr. McNutt, who is now, I believe, Ambassador to the Philippines, and was formerly the High Commissioner. It reads as follows:

For Ely, from Waring, Young, Delgado·

Reported language third deficiency bill regarding Commission's obligations to define collaboration would create grave administrative problem and greatly increased costs of operations. Additional difficulties would be created by Commission in effect superseding local courts Commissioners unanimously opposed believing such action contrary to provisions of War Damage Act. Would appreciate your contacting Senator HAYDEN urging deletion of House's language if possible. Advise.

MCNUTT.

My own judgment is that in passing the law we adopted too narrow a construction in that the claimant had to be found guilty of collaboration before he could be denied payment. But the language of the bill goes too far in the other direction by imposing the duty upon the Commission of determining whether or not he was a collaborator.

What I suggest is that the Senate strike out this provision, and take it to conference. The State Department can then give advice to the conferees as to what action should be taken. The amendment might be modified in conference to provide that if anyone has a a claim before the Commission, and a charge is made that he collaborated with the enemy, or committed an act involving disloyalty to the United States or the Commonwealth of the Philippines, the Commission may have authority to withhold payment until his guilt or innocence is determined by a civil or military court, but that such a formal charge against the claimant must be promptly made.

Therefore, I move to strike out the proviso, and that the item be taken to conference to see if improvement can be effected.

Mr. McKELLAR. I have no objection to that request, for the reason that I think what the Senator has said about the matter clearly shows that we should have clarifying language as to this proviso. Therefore, I have no objection to the matter going to conference.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 34, in line 15, after the word "services:", it is proposed to strike out the following:

Provided, That no payment shall be made under the provisions of such title of such act to any person the Commission is not convinced did not collaborate with the enemy or commit any act involving disloyalty to the United States or the Commonwealth of the Philippines.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. HOEY. I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK On page 41, after line 1, it is proposed to insert the following:

DAY-CARE CENTERS

For all expenses necessary for the establishment, maintenance, and operation of a system of nurseries and nursery schools for the day care of children of school or under school age, including personal services, as authorized by H. R. 5933, Seventy-ninth Congress, fiscal year 1947, $344,000: *Provided*, That this amount shall not be available for obligation until the enactment of H R. 5933.

Mr. HOEY. Mr. President, I desire briefly to call the attention of the Senate to this matter. Since the committee has passed upon it the President has signed the House bill which is referred to in the amendment. I was advised by the White House this morning that the bill had already been signed. When I drew the amendment, the bill had not been signed.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. McKELLAR. This matter was brought up in the committee and was rejected, not because of the fact that the House bill had not been signed, but because the members of the committee did not think the appropriation should be made.

Mr. HOEY. I realize that, and I wanted to make a brief explanation.

Mr. McKELLAR. Very well. I shall answer the Senator when he shall have concluded.

Mr. HOEY. The bill authorizing this system of day-nursery care was considered very carefully by the District Committee. The House passed it as a permanent measure establishing day-care centers or nurseries and nursery schools in the District of Columbia in conjunction with the public-school system. The District Board of Education was opposed to that, and came before the Senate committee. Our committee was opposed to establishing it as a permanent policy and opposed to making it a part of the public-school system of the District of Columbia. In lieu of that, however, the committee, after thorough study, decided that something ought to be done to take care of the immediate future.

This is the situation in the District: During the past 4 years day-nursery-care centers have been maintained. They were established in order to enable women to work in the war agencies and to have some place to leave their children. A great many women located in the District of Columbia are widows who have children to support, and the only means of support is their own salaries. So in order that they could have full-time work during the war period the war agencies here cooperated with other agencies and these day-care centers were maintained.

During the period until March 1 of this year there were 23 of these centers in the District. They were taking care of approximately 750 children. It was decided that a change should be made, and on March 1 of this year the centers were reduced in number and all children were excluded except those for whom it was essential to provide care in order that their parents might be enabled to make a living for them. So the number was decreased to 14, and the number of children attending to 450.

Our purpose was not to make this form of child care a permanent thing, but to extend it merely for 1 year. That provision expired on June 30. At this time there is no way in the world for many women to work except to have their children in these day centers, which take them at 7 o'clock in the morning for 6 days in the week and keep them until 7 o'clock in the evening. Unless this appropriation is made there will be no funds to operate the centers. It will immediately leave the 450 children with no one to take care of them, and these women will have to cease their employment and lose their only means of support.

The committee thought, after diligently considering the question, that what we ought to do was to undertake to reduce the program as rapidly as possible and let other arrangements be made as soon as that could be done, but that we ought to continue it for not to exceed one year. So we struck out the provision which the House had inserted as a permanent measure. We removed day nursery care from the control of the public-school system and placed it under the Public Welfare Agency. We allowed the use of the same facilities in the public schools which are used today, which was agreeable to the Board of Education. We limited the number of centers to 14, and provided for the reduction as rapidly as possible.

The appropriation asked for is $344,000. Parents who place their children in the centers would pay 40 percent, so this amount would be reduced to approximately $200,000. Until March 1 the parents were paying only a third, but now they will pay 40 percent of the cost.

If this provision is not made, and women, especially widows, have no way to take care of their children, they will be compelled to give up their jobs, and a great many of them will go on relief. The cost to the District will be far greater if we do not do something immediately to provide for these children.

I understand the arguments made against the program. It is expensive. I do not think it ought to be continued permanently; but it is now being continued by the workers who have gone ahead without any pay since June 30, because they realized the necessity for these centers, and that some way ought to be provided to take care of these children.

The program is only on a temporary basis. The bill which we passed, and which the President signed this morning, provides for continuing it only until June 30 of next year, at which time it will terminate. Under those conditions I believe that the Senate ought to include this appropriation. I believe that the District will save more money through these programs than without them. Otherwise it would be required to spend a great deal of money on relief through another agency of the Government.

The Committee on the District of Columbia went into the matter very thoroughly. Unless this appropriation is made, the bill authorizing the program will be a law, but no funds will be provided with which to carry it out.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HOEY. I yield.

Mr. LUCAS. Does this item cover only centers of this character in the District of Columbia?

Mr. HOEY. That is all.

Mr. LUCAS. Or does it cover the entire United States?

Mr. HOEY. Nowhere except the District of Columbia; only for a period of 1 year; and only the fourteen centers now in existence. The amendment provides that no more shall be established and that the 14 now in existence shall be reduced in number as rapidly as possible.

Mr. LUCAS. There must be other centers of this character in existence throughout the United States.

Mr. HOEY. There are a number of them. They exist in a number of States. The District Committee did not wish to undertake to try to force the Congress to establish a policy of making this program permanent, but it felt the necessity of doing something to meet the immediate emergency.

Mr. McKELLAR. Mr. President, I dislike very much to disagree to any proposal made by my distinguished friend from North Carolina. I admire him so much that I do not like to disagree with him; but this is a matter with respect to which I am compelled to disagree with him.

Everyone has a kindly feeling toward children. Even such an incorrigible old bachelor as I am likes children. We all like children. That is perfectly natural. But we have a peculiar situation confronting us. I cannot better present it to the Senate than by reading an editorial in the Evening Star, a newspaper published in Washington. On Friday, July 5, 1946, the Star published an editorial entitled "A Luxury Service." I believe the Senator from North Carolina stated that about 400 children were involved.

Mr. HOEY. Four hundred and fifty.

Mr. McKELLAR. An appropriation of $344,000 would mean more than $800 apiece to take care of 400 children. That seems to me to be a pretty substantial sum. My mother brought up several children on probably less than $800 apiece.

Mr. HOEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I know that she did not have any such luxurious sum as that to bring up the six boys and two girls whom she brought up. It seems to me that the Star is correct when it says, "A luxury service."

Mr. HOEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HOEY. The Senator is correct in describing it as an expensive service. That was the reason why the committee did not wish to perpetuate it. But the Senator will find that, according to the representations made, the cost averages about $603 a year. Of that amount the parents formerly paid a third, but will now pay 40 percent. Therefore the amount which the Government would be contributing would be very considerably reduced.

Mr. McKELLAR. But it is proposed to appropriate $344,000, which would be more than $800 apiece for these children.

Mr. HOEY. However, all the money which is collected goes back into the Treasury.

Mr. McKELLAR. I do not know about that. I would not expect a great deal of money from that source, under the circumstances.

I ask Senators to listen to this editorial from the Washington Evening Star:

A LUXURY SERVICE

Final congressional approval of the bill for another year's operation of day nurseries for the children of some working parents is a tribute to the persistence of its small group of determined advocates. But it is a defeat for common sense and a strange commentary on the way Congress runs the local government

Begun as a war project—

How many projects begun as war projects are still using every force of persuasion, of propaganda, and of influence with various Senators and Representatives, to perpetuate their existence?

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. PEPPER. Yesterday I had an opportunity to see one of these propagandists, and one of the so-called pressure groups. A mother came to the Capitol with a committee to talk about this program. She works in Washington. She has her own means of support. She has two minor children, the elder of which is 11. She explained that if she had not had access to the child-care centers for her children she did not know how she could have provided for them and made a living for herself.

That is a part of the propaganda which is behind this program. The propagandists are working women, every one of whom must show that she is otherwise unable to care for her children. It is working women and women seeking an opportunity to work and have their children cared for who are the propagandists in this case. I am sure the Senator would not call this propaganda.

Mr. McKELLAR. That particular case is probably one of the few deserving cases. But is the Senator in favor of the state raising the children of the country? This is the beginning of Government rearing of children, managing and controlling them and paying for their education. Heaven knows what kind of children will be reared when the mother is told to do something else, and that the Government will take care of her children. If it is right to do such a thing in Washington, why is it not right for the Government to establish similar centers in Miami and Tallahassee, Fla., Wilmington and Raleigt, N. C., New Orleans, La., Reno, Nev., Louisville, Ky., and in Wisconsin, Maine, and every other State in the Union? We ought to have one in Reno by all means. The center in Reno should be the leading one. Think how many poor mothers must go to Reno. What becomes of their children? They ought to be looked after by the Government while the are there obtaining divorces. Surely Reno should be the first on the list if the Government is to carry on this kind of program in time of profound peace—and we have profound peace at this time——

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. Just a moment. If the Government is going into the business of rearing children in time of profound peace, it seems to me that we are entering into a very doubtful program.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McCARRAN. I should like to say to the able Senator from Tennessee that the State of Nevada and the city of Reno take care of their own business and their own people. They do not ask the Federal Government for assistance.

Mr. McKELLAR. I am glad to know it. I thank the Senator for those kind words. I wish we could find people all over the country taking care of themselves, and not asking the Federal Government to do it. The Washington Evening Star, the leading newspaper in this city, which probably has more influence than any other Washington newspaper—perhaps more than any three or four other newspapers—published an editorial, the first on the editorial page, calling this a luxury service. It is a luxury service.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. Just a moment. That is not all. When it is found that the Government is going to rear all the children born in this country, and that the parents will not have to look after them, why should they be concerned over how many children they have if the Government is to look after them and furnish $1,000 or $1,500 for the care of each child—and this amount will grow, just as all these things grow. I do not know where the program will lead. It will grow in respect of the numbers to be looked after, and in the amount of money we shall have to pay to look after them.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. PEPPER. How does the able Senator distinguish between the care and education of these children under the Department of Education and the ordinary case of education of children by provision of public funds for that purpose?

Mr. McKELLAR. In the first place, most of these children are babies.

Mr. PEPPER. No——

Mr. McKELLAR. And ordinarily babies do not go to school. If the Government is going to rear them, who knows whether they will ever go to school or not? We do not know anything about it. Sometimes people are very careless with other people's children. But let me continue the reading of this editorial. I shall yield to my friend in a moment. The editorial further reads as follows:

> Begun as a war project, financed by a Federal grant, the centers were designed to enable parents to fill war jobs But when the money ran out after the war, Congress refusing to renew the grant, the centers suddenly became a welfare project. The Community War Fund, which had failed to meet its goal during each year of its war appeals, was somehow able to find $30,000 with which to finance the centers to the end of the fiscal year, June 30.
>
> The Commissioners opposed adding the expense to the District budget, as the District is now spending more money than it is collecting in revenue.

Let me digress long enough to comment for a moment. If the service is such a fine thing for the local government, why does not the local government take care of it?

The editorial further states:

> The school authorities opposed saddling the day nurseries on the school system, one reason perhaps being that the nurseries require some 70 teachers for 410 children.

Four hundred and ten instead of four hundred and fifty—

> in a system which frequently must assign the education of 40 and more children to a single teacher. The Board of Public Welfare tried to dodge the day-care center, for the Board of Public Welfare is at the moment engaged in seeking to reduce the number of children for whom it is legally responsible, the reason being that it lacks adequate facilities for their decent care.
>
> Yet the Board now has the day centers to operate, no money to operate them with and no seat for the job. The service offered in these centers is, in reality, a luxury service, well enough, perhaps, for a community that can afford it, basically wrong as an undertaking for a community that is falling down in the discharge of far more important functions. It is no wonder that the Commissioners are going to ask the President for a veto.

Mr. President, my good friend the Senator from North Carolina [Mr. HOEY], in a very persuasive way which is natural to him, says, "But we are not going to have this for more than a short time." My heavens, Mr. President! How often have we heard that same plea in the Appropriations Committee: "Oh, we are just going to have it for this year." I ask the two Senators who sit near me now, the Senator from Louisiana [Mr. OVERTON] and the Senator from Oklahoma [Mr. THOMAS], if they have not heard that statement made hundreds of times in the committee since these war agencies have been established.

Mr. OVERTON. I have heard it many a time.

Mr. McKELLAR. Yes. We are told, "They will not be allowed to go on." But once they fasten themselves on the Government, they are there for good. Then, after this project fastens itself on us from Washington, D. C., we shall have applications from New York, from New Jersey, from Memphis, perhaps, and perhaps from Nashville, although I shall try to keep them from making such an application. We shall have applications from Philadelphia, perhaps, and from Rhode Island, perhaps from the city of Providence and other cities there. We shall have applications from Miami, perhaps and from every other city in America If the people of Washington, D. C., are entitled to have the Federal Government rear their children, why are not the people in all the other cities and States of the Union entitled to the same service? Why should we make fish of one and fowl of the other? If we are going to begin the task of rearing children for mothers, why do not we do it all along the line and have a general bill for the subject, so as to take care of the children everywhere, including those in the State of Wyoming and in the city of Cheyenne, for instance?

Mr. ROBERTSON. Mr. President, let me say that I appreciate the Senator's reference to Wyoming. I thought he was sidetracking us.

Mr. McKELLAR. No, sir; I do not wish to sidetrack Wyoming under any circumstances. I am quite sure that if children are to be reared and educated by the Government in Washington, D. C., they should be reared and educated in Cheyenne and in all other American cities.

Mr. President, what is our Government coming to? I doubt very much whether we have any authority whatsoever to appropriate money for this purpose, and I hope the amendment will be rejected.

Mr. PEPPER. Mr. President, I wish to reply to that argument. The first part of it is that any district in the country or any State is entitled to this service just as much as is the District of

Columbia. That part of the argument is well founded. However, I wonder whether the Senator from Tennessee would support a bill which would provide the same service to every State of the Union.

Mr. McKELLAR. Indeed, I would not.

Mr. PEPPER. Mr. President, that indicates that it is not that argument which is actuating the Senator in taking his present position.

Mr. McKELLAR. I am against this proposal for Washington, I am against it for Memphis, I am against it for Miami, I am against it for any city in the United States, because I think the principle of having the Government rear children for mothers is all wrong. It is an injury to the mother, it is an injury to the child, and it should not be indulged in in Washington or anywhere else.

Mr. PEPPER. Mr. President, all my life I have heard that if you want to find out just exactly how to raise children, ask an old bachelor how to do it. [Laughter.]

Mr. McKELLAR. Mr. President, I may not know anything about rearing children, but I have seen a lot of them reared, and in all my life I never saw one who was reared by a government get anywhere.

Mr. PEPPER. Mr. President, the Senator from Tennessee says now that it is wrong in principle to have these day-care schools; yet I should like to have him or anyone else distinguish in principle between the kindergartens and these child-care schools, conducted by regular personnel under the supervision of the school system, including school teachers from the kindergartens, and the elementary and secondary schools who are supported all over the land by public funds. Of course, there is no difference between these child-care schools and the kindergartens.

Mr McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr McKELLAR. This measure takes them away from the schools and puts them under the welfare organizations. The nurseries are to be handled under the public welfare systems. It is not a schooling proposition. It is a nursery proposition. I do not know whether the Senator from Florida has reared any children or not.

Mr. PEPPER. No, I have not; no more than the Senator from Tennessee has.

Mr. McKELLAR. O Mr. President, so the Senator from Florida and I are on an equality. [Laughter.] I feel very proud of the fact that in one matter at least I am on a basis of equality with the Senator from Florida.

Mr. PEPPER. However, I am 30 years under 75

Mr. McKELLAR. When the Senator from Florida grows older he will come to the conclusion, I think, that the National Government is not a good mother to rear children.

Mr. PEPPER. It is better than a bachelor.

Mr. McKELLAR I doubt that very much. [Laughter.]

Mr. PEPPER. No, Mr. President; laying levity aside, this may be a philosophical matter to the Senate of the United States, it may be a speculative theoretical matter to Senators; but to a mother who has to work to live honorably, it is not a theoretical matter; it is a stern fact.

I should like to have the Senator from Tennessee suggest to the mother who it is who is going to take care of her little children if she has to work, if she is a widow, if she is ill, if she cannot look after her own children all the hours of the day. Who is going to look after them, Mr. President? Is she going to turn them loose to wander in the alleys of the city? Is she going to turn them loose to be a prey to disease or the victim of an accident, and is she to pick them up, mangled in body, from beneath an automobile, because she was trying to earn an honest living? That is not a theory; it is a dead child, I would say to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the Senator has asked me to give my opinion. Some of the greatest men of this country were reared by poor mothers, by mothers who were hard up for money, by mothers who had to work, by mothers who loved their children and loved to teach their children and loved to bring up their children in a right and a manly way, if they were boys, or, if they were girls, to bring them up in the right and proper way. If the records are examined, I have no doubt that it will be found that the children of poor mothers have been just as well reared as the children of richer mothers.

Mr. PEPPER. Mr. President, that is not the question which is involved here. My mother raised some children, too, and many other mothers in this country have; but I do not know what my mother would have done with little children if she had been without other means of support, if she had had to leave her home and go to work in a factory, or in a store, or in a shop. I do not know what the best mother would do with her children if she had to meet that kind of obligation.

Our society has so changed in character, Mr. President, that today mothers, except in a minority of cases, do not work in their homes. They work away from their homes; and in order to do so, they have to leave their children somewhere, or else they do not work.

Yes; there are some mothers in America who have to subsist by doing piecework in their homes, and for that work they receive the lowest pay of any kind of work they could do. But in modern times, most mothers have to go out of the home to work; and if they are left with little children, the children have to be cared for somewhere while the mothers work.

Yesterday I talked in the Senate reception room with some ladies who came to speak to me in favor of this amendment. One of them said, "Take my case. I have two little children." I believe the elder was 11 and the other was about 7 or 8 years of age. She said, "I work. These child-care centers have meant everything to me and my children. In the past they have been conducted by school authorities. School teachers look after the children and teach them while they are under their care."

Mr. President, that statement was true. Such work has been a part of the regular educational system of the District of Columbia, or wherever mothers have been required to work during the war. The facilities of such schools or child-care centers are limited to mothers who are working and to widows or persons who are so ill or who are in some way so handicapped that they must secure help in caring for their children. As the able Senator from North Carolina [Mr. HOEY] has said, those persons pay from $3 to $11 a week for the care of their children. Some of them pay more than the cost of the care. The cost of the care during the past has been approximately $11 per child. Those who could afford to pay that much have paid it. Those who could not afford to pay that much paid a lesser amount, but each of them has paid at least $3 a week for the care of each child.

Mr. President, that is not the rearing of children by the state. The lady to whom I have referred said, "I take my children to the child-care center in the early morning when I go to work. I leave them with the custodians of the center. The children are taught during the day and receive proper food. When my day's work is completed I call for the children and take them home." I repeat, Mr. President, that is not the rearing of children by the state. The mother may withdraw the children from the child-care center whenever she wishes to do so. To call that kind of a system state education is to call the public-school system and the kindergarten schools of this country state education.

Mr. McKELLAR. Mr. President, does any other government in the world rear children along the line which is here being proposed?

Mr. PEPPER. Mr. President, I do not know except by hearsay, but I understand that in the Scandinavian countries this system has existed for several decades. I am not basing my advocacy of the system upon whether any other country has adopted it or not. I am saying that the finest kind of Americanism lies in helping a mother in looking after her children, especially when, contrary to what is done under the public-school system, she pays at least half of the cost of the care of the child.

Mr. McKELLAR. Is it not true that instead of being Americanism it is Russianism? We are aping the Russian Government when we undertake a system of this kind. Is that not true?

Mr. PEPPER. Mr. President, what the Senator has said is about the cheapest argument of which I can imagine.

Mr. McKELLAR. It may be cheap, but it is true.

Mr. PEPPER. If the Senator wishes to try to discredit and to disparage a practice and a system which has grown up and has received approval through experience, and which is of a character and help such as that which is associated with the child-care centers, and the Senator wishes to try to influence the Senate against it by saying that it came from

Russia, without any person knowing whether Russia ever had such a system, I say that it reflects on the intelligence and capacity of the able Senator from Tennessee.

Mr. President, we do not have to disparage this system by comparing it or contrasting it with the system of any other country. The Senator from North Carolina, who has sponsored the amendment, is no more of a Communist or a devotee of the Russian economy than is the Senator from Tennessee, I, or any other Member of this body. I believe that the Senator from North Carolina should be commended because he is trying to help working mothers find a way by which they may continue their honorable work and be assured that their children will be properly cared for. If there is anything in America which is finer than that, I would like to know what it is.

Mr. McKELLAR. A while ago the Senator from North Carolina said that this proposal would be effective for only 1 year. I take it that the Senator from Florida does not agree with him. He believes that it should apply permanently, and should be a permanent institution.

Mr. PEPPER. Mr. President, the Senator from Florida hopes to live long enough to see the day when it will be possible for every working woman in America to have available the service and help which it is proposed to afford under the pending amendment. I hope I live long enough to see it come to pass in America I will fight for it for the rest of my life, and I hope the Senator from Tennessee will change his mind with regard to it. When he speaks about such cities as Memphis, Tenn., and others, I may point out that the record of the Senator has not been one of great diligence in preventing Government money from flowing into his State.

Mr. President, the Government is now giving vocational aid in the education of boys and girls in America. It has been giving it in Tennessee as well as in other States. But such activities on the part of the Government do not, in an obnoxious sense, entail the rearing of children by the State. The Government is trying to afford aid to boys and girls who would like to become better citizens.

Mr. McKELLAR. Vocational aid in education is different from rearing children in day nurseries.

Mr. PEPPER. It is not different from giving care to young children.

Mr. President, I rose to voice my individual protest against a policy and an attitude in the Senate which would appropriate billions of dollars for flood control, hundreds of millions of dollars for rivers and harbors, billions of dollars for an atomic-bomb test, and billions of dollars for other projects, when, if a Senator tries to help a few mothers in seeking care for their children while they are away at work, his effort becomes unconstitutional or communistic.

Mr. President, I make that statement out of my heart, because I know that the policy to which I refer results, in many cases, in children and mothers dying when they should live. Here is a proposal for a small appropriation of $200,000 or $300,000. I agree that it should be applied to every State in the Union, but the reason it will not apply to every State in the Union is that Congress has killed the Lanham Act under which the system was possible during the war. The proponents of the amendment would be no more able to have it adopted by the Congress than they could fly to the moon.

Mr. President, I maintain the thesis that the most valuable asset America has is its people, its grown men and women, and its children. All the Federal appropriations which have been made for the construction of dams, rivers, and harbors, and other projects, have come out of the Appropriations Committee headed by the distinguished Senator from Tennessee, and all those projects are not worth the lives of two children. Yet, if it proposed to appropriate money for the purpose of helping children, we are told that it will cost too much. I have heard the able Senator from Tennessee oppose health legislation, because he honestly believed that the prospect of success was not sufficient to justify the proposed expenditures. Later the able Senator came to the support of the National Science Foundation bill, and I commend him for it. I am glad that he came to its support. But, if the Senator will look back over the record of his committee in this very Congress he will find that billions of dollars have been appropriated for every imaginable purpose, including the treatment of animal diseases. Yet, when we talk about caring for the children of working mothers we are told that it is socialism and communism.

Mr. President, I shall not be able to reverse the trend or change the policy, but I shall have the satisfaction of a clear conscience in what I am trying to accomplish, and will know that I have raised at least one humble voice in protest against the continuance of such a dangerous and disastrous policy as we have seen followed in the Senate.

Mr. TAYLOR. Mr. President, I should like to speak in behalf of the proposed amendment. I wish to congratulate the Senator from North Carolina [Mr. HOEY] for submitting it. I think it is worth while, and personally I think it is in the interest of economy. A mother and child on relief cost about $70 a month. Under the child-care program it has been figured out that the cost per child in child-care centers has been approximately $50 a month. The mothers have paid about $20 a month of that amount, making the net cost per child about $30 a month.

The Senator from Tennessee quoted a figure of $800 a year for 450 children. The appropriation requested is approximately $344,000. It amounts to $755 per child. However, the appropriation is intended to take care of possibly 560 children, which would then bring the cost down to $607 per child. As I have already said, the mother pays approximately 40 percent of the cost.

Mr. President, I do not feel that the question before us is one of whether the State shall rear the child or whether the child shall be raised by its mother. The question boils down largely to whether we are going to have child-care centers provided so that children may be taken to them and properly cared for, or whether the children shall be allowed to grow up as alley rats with no care whatever. The question is one of whether the child shall be permitted to be reared and trained by its mother in the home and in the child-care centers, or be refused such assistance and care and be required to play on the streets, where other children can point the finger of scorn at him and say, "Well, you are on relief."

It is unfortunate, Mr. President, for children especially to have to be raised in such an atmosphere, and have other children scorn them for being on relief. So I think this is a very good investment.

I might say that the child-care centers sprang up generally during the war, because during the war we would do anything to get people to work. So we took care of the children in order that the mothers might work in defense plants. Since the Federal contribution has expired, I may say that the States of New York, California, and Washington have enacted legislation to perpetuate the child-care centers in those States. They are no burden on the Federal Government, but the Federal Government is responsible for what goes on within the District of Columbia, and I think certainly we should not lag behind the rest of the country and the progressive States, which are making provision for the welfare of children whose mothers have to work.

Mr. President, I hope the amendment will be agreed to.

Mr. HOEY. Mr. President, I was very much interested in the remarks of my distinguished friend the Senator from Tennessee [Mr. McKELLAR]. I may say that I agree with so much of his philosophy and with so many of the things for which he stands in the Senate that I always hesitate to disagree with him about anything.

I note he bases his argument largely on the fact that he does not want to establish the activity which is the subject of the amendment as a permanent policy. Nor do I. When the bill which made the day-care provision permanent came over from the House, the Committee on the District of Columbia changed it and made it apply for just 1 year. The committee did that because of the emergency which now confronts the District, with more than 450 children whose mothers are at work, and no place to which they can go. The bill was changed.

The Senator says it is easy, when a project is first established, to continue it as a permanent activity. I know that is the disposition; I know that has been the practice. But in this instance I do think we will do irreparable damage to the mothers of these 450 children in the District of Columbia if we stop now, when there is no place to which these children can be taken care of, and no way by which the mothers can support themselves if they have to give up their positions.

The District Committee, in considering the matter, gave notice that in its judgment this activity should be termi-

nated at the end of this fiscal year, and earlier if possible. Therefore the appropriation was made not to exceed the sum mentioned.

The figures have been given. I said before, and I repeat, it is an expensive program. I for one do not agree with the philosophy that we should go into this as a permanent matter, and that is why the committee made the law to apply for 1 year only, and provided that it should expire automatically; and that is the law the President signed this morning.

I think we will be doing a great injustice if we cut off this entire appropriation and stop the movement now, when there will be nowhere these children can be sent.

The Senator read a very impressive editorial from the Evening Star. If he had taken the trouble to read it, there was a column editorial in the Washington Post which controverted every statement made in the other argument. It said this had been one of the most valuable institutions in Washington, and that by no means should the Congress permit it to expire suddenly, and without any way to take care of these children.

Mr President, I am not going to argue for this as a permanent policy; I am not accepting it as a philosophy of government; but I say to the Senate that we will do a great injustice if this movement is ended, and if these children have nowhere to go, and the mothers are forced to give up their jobs

Mr. President, on that basis I feel we should agree to the amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOEY I yield.

Mr. AIKEN I was out of the Chamber when the Senator began his discussion. How many children would be affected?

Mr HOEY Presently, approximately 450 Originally, during the war, there were 750 The policy has been to screen them wherever possible. If the parents could take care of them, or if the mother could make any other arrangement to take care of them, that has been required, and care has been provided at the day nursery centers only when the mother could make no other arrangement. It is arranged to have 14 centers only. The whole object is not to cut off the service suddenly, but to afford an opportunity during the year to work out some other plan by which to take care of the children.

Mr. AIKEN. What has it been costing?

Mr. HOEY. An average of $603 a year.

Mr. AIKEN. Per child?

Mr. HOEY. Yes. The parents, with the exception of a few who paid more, formerly paid only about one-third, but now all of them pay 40 percent, and some of them who are able pay more than that. So that the entire appropriation will be $344,0000, but all the money collected will go into the Treasury, and they collect at least 40 percent.

Mr. AIKEN. This is to provide for the children of working mothers?

Mr. HOEY. Yes, and they are screened through the Welfare Department. No child can be admitted unless its mother is at work, and has to work in order to make a living for the child.

Mr. AIKEN. And they work at private employment and Government employment?

Mr. HOEY. Private employment and Government employment, most of them in Government work.

Mr. McKELLAR. Mr. President, this amendment does not provide for working people at all. The amendment reads:

> For all expenses necessary for the establishment, maintenance, and operation of a system of nursery and nursery schools for the day care of children of school or under school age, including personal services, as authorized by H R 5933, Seventy-ninth Congress, fiscal year 1947, $344,000 *Provided*, That this amount shall not be available for obligation until the enactment of H. R 5933.

Mr HOEY. The bill which passed the House provides for the matter It prescribes the regulations, and directs the Welfare Authority to promulgate them.

Mr. HILL. Mr. President, will the Senator from North Carolina yield?

Mr HOEY. I yield.

Mr. HILL. The Senator said these funds would be used only for the care of children of mothers who had to work.

Mr HOEY. That is true.

Mr HILL What is the test?

Mr. HOEY. The welfare officers prescribe the tests It must be that the mothers have no funds outside, nowhere else to place the children, and no means of livelihood if they have to give up their jobs.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair) The question is on agreeing to the amendment of the Senator from North Carolina [Mr. HOEY].

Mr McKELLAR I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from New Mexico [Mr. HATCH]. I am not advised how the Senator from New Mexico would vote on this question. Being at liberty to vote, I vote "yea"

Mr. WAGNER. I have a general pair with the Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the Senator from Missouri [Mr. BRIGGS]. I am not advised how the Senator from Missouri would vote on this question. Being at liberty to vote, I vote "yea."

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Montana [Mr. WHEELER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. CARVILLE], the Senator from Rhode Island [Mr. GERRY], the Senator from Idaho [Mr. GOSSETT], the Senator from Arizona [Mr. HAYDEN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Washington [Mr. MITCHELL] the Senator from Texas [Mr. O'DANIEL], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. RADCLIFFE] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS] and the Senator from Arizona [Mr. MCFARLAND] are detained on public business

The Senator from Virginia [Mr. BURCH] is detained on official business

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine independence ceremonies

Mr WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is detained on official business. He has a general pair with the Senator from Utah [Mr THOMAS].

The Senator from Kansas [Mr. REED] is detained on official business. He has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Delaware [Mr. BUCK] is absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Connecticut [Mr HART] are detained on official business.

The result was announced—yeas 47, nays 15, as follows:

YEAS—47

Aiken	Hoey	Myers
Andrews	Huffman	Pepper
Austin	Johnson, Colo	Revercomb
Barkley	Kilgore	Smith
Capper	Knowland	Stanfill
Chavez	La Follette	Stewart
Cordon	Langer	Swift
Donnell	Lucas	Taylor
Downey	McCarran	Thomas, Utah
Eastland	McMahon	Tobey
Ferguson	Magnuson	Tunnell
Fulbright	Mead	Vandenberg
Green	Millikin	Wagner
Guffey	Morse	Walsh
Gurney	Murdock	Young
Hill	Murray	

NAYS—15

Ball	Hawkes	Russell
Brooks	McClellan	Taft
Byrd	McKellar	Thomas, Okla.
Connally	Overton	Wherry
George	Robertson	Wiley

NOT VOTING—34

Bailey	Bushfield	Hart
Bilbo	Butler	Hatch
Brewster	Capehart	Hayden
Bridges	Carville	Hickenlooper
Briggs	Ellender	Johnston, S. C.
Buck	Gerry	McFarland
Burch	Gossett	Maybank

Mitchell	Reed	White
Moore	Saltonstall	Willis
O'Daniel	Shipstead	Wilson
O'Mahoney	Tydings	
Radcliffe	Wheeler	

So Mr. HOEY'S amendment was agreed to.

Mr. BARKLEY. Mr. President, I wish to call attention to the provision on pages 9 and 10 of the bill preliminary to offering an amendment. It is under the head "Defense aid—lend-lease." This is House language to which there has been no amendment added. It provides:

> Not to exceed $5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and other acts mentioned in said title for carrying out the provisions of an act to promote the defense of the United States, approved March 11, 1941—

That is the Lend-Lease Act—

> are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided*, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946

It will be observed, Mr. President, that there is no additional appropriation provided for in this paragraph. It provides that $5,500,000 shall be available during the fiscal year 1947, that is until June 30, 1947. Then it goes on to provide that no part of such amount shall be available for expenses incident to the shipment abroad of any commodities after December 31, 1946.

I have a letter from the State Department calling attention to a situation which I think should be corrected, and for the benefit of the Senate I shall read the letter, and I ask the Senator from Tennessee to give attention to it. He may have seen it.

Mr. McKELLAR. I have read it.

Mr. BARKLEY. The letter is as follows:

> DEPARTMENT OF STATE,
> OFFICE OF THE FOREIGN
> LIQUIDATION COMMISSIONER,
> *Washington, July 15, 1946.*
>
> The Honorable ALBEN W BARKLEY,
> *United States Senate*
>
> MY DEAR SENATOR BARKLEY: At the request of Mr Will Clayton I am giving you the following information regarding a small but important amendment which the Department of State would like to see made to the Third Deficiency Appropriation Act, 1946, H. R 6885. The amendment is to the section entitled "Defense Aid—Lend-Lease" appearing on pages 9 and 10 of the bill. The amendment proposed is to insert the word "agricultural" between the words "any" and "commodities" appearing in line 3 on page 10 of the bill
>
> The purpose of the section is to make available funds covering the necessary administrative expenses of the Treasury, Agriculture, and State Departments in the liquidation of the pipe-line agreements entered into under the Lend-Lease Act with various foreign nations. Under these agreements, negotiated within the 2 or 3 months following VJ-day, the United States formally contracted to sell to certain foreign nations, and the foreign nations agreed to buy and pay for, the industrial products which they had on order or in procurement as of VJ-day. It was contemplated at that time that procurement of the majority of the goods would have been completed within 9 months. However, owing to delays in reconversion, strikes, acts of God, and other situations beyond the control of governmental agencies, this expectation was not entirely fulfilled. While the bulk of the industrial pipe-line materials has been delivered, there still remain some contracts which have not yet been fulfilled Procurement and delivery are still going forward as rapidly as the Government can make them, but it is now estimated that by December 31, 1946, there will still remain undelivered approximately $54,000,000 worth of industrial pipe-line goods.
>
> Under the section of the bill as it now stands, the procuring agencies would be precluded from using the appropriated funds for payment of the necessary administrative expenses involved in completing the procurement and delivery of this $54,000,000 worth of goods This would mean that the United States would be placed in a position of violating its contracts formally entered into with foreign governments In this connection, it should be noted that section 3 (c) of the Lend-Lease Act specifically provides that although the powers of the President under that act in general terminate on June 30, 1946, any of such powers may be exercised until Jul, 1, 1949, to the extent necessary to carry out a contract or agreement made with a foreign government before July 1, 1946. These contracts were made by the United States very shortly after VJ-day and in reliance on the specific congressional authorization given in the Lend-Lease Act to carry them to completion at any time until July 1, 1949 The Department of State is most anxious not to have the United States placed in a position where it is incapable of carrying out contracts legally made with foreign governments
>
> The so-called pipe-line agreements also covered certain agricultural commodities However, the agreements contained no specific commitment to deliver any given amounts of agricultural commodities, and since continued deliveries of agricultural products would involve new procurement for an indefinite period of time, the Department of State decided to impose a deadline of December 31, 1946, on deliveries of agricultural commodities. For this reason, the Department has no objection to having included the prohibition against agricultural deliveries after December 31, 1946; but the Department feels strongly that the prohibition should be limited to agricultural commodities, and should not include delivery of industrial goods all of which were contracted for before September 2, 1945
>
> If the bill is amended as the Department proposes, it will not only be possible for the United States to meet its legal and binding contracts, but in all probability substantial savings to the United States will result This follows from the fact that if the bill is not amended the United States will be liable for procurement costs and cancellation charges on the unfulfilled contracts which cannot be passed on to the foreign governments concerned since the cancellations will not have been at their request
>
> Yours sincerely,
>
> CHESTER T. LANE,
> *Deputy Commissioner.*

So, Mr. President, the nub of the whole thing is that the bill allocates out of money already appropriated $5,500,000 for the liquidation of lend-lease, and it is available until the end of the fiscal year, which is June 30, 1947. But it goes on and provides that none of the $5,500,000 shall be used for the shipment after December 31 of these very goods that the State Department says it contracted for prior to the 2d day of September 1945. The amendment will not add a dollar to the appropriation. While the whole $5,500,000 are available it makes available for the remainder of the fiscal year administrative expenses incident to the shipment of these goods which have been contracted for now for nearly a year, and which contracts, but for strikes and slowdowns and reconversion and other conditions over which the State Department and the Government have no control, would have been fulfilled by the 31st day of December this year.

The only suggestion is that on page 10, line 3, the word "agricultural" be inserted between the words "any" and "commodities", so that deliveries to foreign governments may continue to be made, if the goods have not been delivered by December 31, under contracts which have been in existence for nearly a year. The goods are to be paid for by the foreign governments, or we are to receive credit for whatever period of time during the last half of the fiscal year it may be necessary to continue the delivery of such goods in order to fulfill the contracts. Therefore I hoped that the committee would be willing to accept the amendment on page 10, line 3, by inserting after the word "any" and before the word "commodities" the word "agricultural."

Mr. RUSSELL. Mr. President, I wish to state some of the reasons why the Senate Committee on Appropriations did not adopt the amendment suggested by the Department of State. The committee felt that if the proper diligence were exercised there would be no reason why all the deliveries under lend-lease should not be terminated by the 1st of January 1947.

We were told after the end of the Japanese war that all lend-lease had been terminated except the lend-lease which was in the so-called pipe lines. I do not know what construction other Members of the Senate place upon the term "pipe line", but I had assumed that "lend-lease in the pipe line" was a term to describe goods which were in being, goods which had been manufactured or fabricated, and which were ready for shipment overseas.

The hearing on this item developed the fact that the lend-lease operations are not confined to goods which were in existence at the end of the war, but that goods are being produced today; tractors are being turned out of the tractor factories, which manufacture farm machinery, and lumber is being sawed in the sawmills and is being shipped overseas to Europe as so-called pipe-line commodities, not to be paid for with money which has been loaned, but to be delivered under the wartime lend-lease agreements. The war ended a year ago. These are not military supplies but are commodities which are in desperately short supply in this country and for which American citizens are clamoring.

Mr. President, there is no reason why the State Department cannot wind up this business by the 1st of January 1947. I think the American people would have a much clearer understanding of our financial relations with our allies and with our late enemies if we could narrow them down to a few transactions. We

have the United Nations Relief and Rehabilitation Administration, to which we have contributed $2,700,000,000. We have the Bretton Woods Agreement. We have the Export-Import Bank making loans. We have voted a considerable credit to Great Britain. I notice speculation in the newspapers as to how much credit we expect to vote for Russia, to follow on the heels of the credit to Great Britain.

Mr. McKELLAR. The Senator did not mention UNRRA, did he?

Mr. RUSSELL. Yes. I mentioned the $2,700,000,000 for UNRRA.

Bear in mind, Mr. President, that these commodities have not yet been manufactured. An extension of deliveries into the next year, under lend-lease agreements, is asked, when the average citizen and many Senators believed that lend-lease had been terminated except for articles that were actually in existence sometime last year.

It seems to me that most of the other nations will be able to pay for these commodities without having to have them delivered under lend-lease agreements. I hold in my hand a statement submitted by those who are sponsoring the change in the language of the appropriation. The statement shows the amount of lend-lease supplies which will not be delivered by the 1st of January 1947.

The largest amount is in the case of the United Kingdom. One item is for $20,000,000 worth of lumber. We have just granted a credit to Great Britain of $3,750,000,000. Why is it necessary, in addition to that credit, to give her $20,000,000 worth of lumber on lend-lease after the 1st of January 1947?

These commodities also include $10,000,000 worth of tractors and spare parts, mining equipment, and agricultural equipment, which it is proposed to ship under lend-lease to Great Britain after the 1st of January 1947. It seems to me that these items could be exported under the loan which we have made, instead of under an arrangement continuing shipments under lend-lease into 1947.

In the case of the British colonies there is $2,000,000 worth of tools, paint, and plumbing supplies. Those commodities could be shipped before the 1st of January, or they could be handled under the British loan, or through the Export-Import Bank.

The next sizable item of lend-lease commodities which it is desired to ship after the 1st of January 1947 is to Russia.

The Senator from Kentucky has stated—I do not know whether it was in the letter which he read, or in his own remarks—that these goods were to be paid for. I point out that there is no agreement covering payment for all these commodities. As a matter of fact, they will not be paid for.

Mr. BARKLEY. Either they will be paid for or credit will be allowed to us for them. They are not to be given away.

Mr. RUSSELL. Where will credit be allowed for this $10,000,000 worth of supplies to Russia? How will they be credited?

Mr. BARKLEY. I do not have the details, but they will be credited to something. I presume we shall be buying from Russia.

Mr. RUSSELL. I did not understand that there had been a final determination, but I have no hesitancy in saying we will not receive payment in full for these items.

Shipments to Russia also involve engines to the extent of $44,000; mining equipment, $1,312,000; electrical equipment, $7,488,000; and machine tools, $325,000. I shall not deal with the small items to Latin America, which represent only about $13,000 worth of spare automobile parts.

We made a considerable loan to China. It is proposed to ship to China $2,000,000 worth of electrical equipment, power plants, and petroleum equipment under wartime lend-lease after January 1947.

To Australia it is proposed to ship $990,000 worth of wheeled tractors and agricultural equipment, all after the 1st of January 1947, under lend-lease. There are articles which have not yet been manufactured, and yet are described as being in the pipe line. I do not see how they can be referred to as pipeline articles when they are not in existence today, but are being manufactured in plants even at this hour.

There is a small item for Saudi Arabia consisting of electrical supplies and auto spares. There is an item for France of $6,758,000 worth of articles to be shipped under lend-lease in 1947, consisting of machine tools, industrial equipment, and construction equipment.

There is an item for Belgium consisting of cotton cloth and truck parts.

It seems to me that the committee was justified in telling the State Department to wind up lend-lease by the 1st of January 1947.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. Why did the committee leave the $5,500,000 available until next June 30 if it wanted it all wound up by December 31?

Mr. RUSSELL. We provided that—

> The amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

Mr. BARKLEY. Why does the language make the appropriation available for the next fiscal year, up to next June? What else is there to do with it except to wind up lend-lease?

Mr. RUSSELL. The Senator from Kentucky was in the Senate when I was a little boy. He knows that we never do away with any of these agencies of Government without allowing an appropriation to wind up and liquidate its activities. Any number of agencies have come before us for appropriations for the purpose of liquidation, and appropriations for such purpose have been contained in several appropriation bills. I assume that the remainder of the appropriation is to allow time for the liquidation of lend-lease and for the making of a final report.

Mr. McKELLAR. That was the evidence before the committee. That is why the appropriation was allowed.

Mr. RUSSELL. That was the evidence before the committee. The appropriation was for the purpose of liquidation.

It seems to me, Mr. President, that in view of the many ramifications of international finance we might at least be able to conclude lend-lease shipments by the 1st of January 1947; and that is all that the committee has recommended to the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. Mr. President, I do not wish to prolong this discussion. I have read into the RECORD the letter from the State Department. We all know Mr. Will Clayton. We know his responsibility, his ability, and his administration. Mr. Clayton's department is intimately connected with this activity. He feels that the limitation in this appropriation would handicap the Department in carrying out the contracts which have already been made, and would place the Government of the United States in the attitude of violating a contract with a foreign country. He feels that in the long run the Government will make money by complying with its contracts, because otherwise it might be liable for damages. While damages could not be recovered in an action, if there were a violation on our part, not due to any request by a foreign country, we might be involved in greater expense than is involved in this appropriation.

Mr. RUSSELL. I do not see how that could possibly be the case, and I am sure it cannot be the case. Of course, I wish to keep faith in connection with every contract that has been made; but there is no hard-and-fast contract in these matters. The thing that makes me apprehensive about it all—and I say it with due deference to Mr. Clayton—is that I have the very distinct impression that it depends entirely on Mr. Clayton as to how long we shall continue to send lend-lease, and how much we are to send. I believe that the Congress ought to call a halt on lend-lease, inasmuch as we have passed many other bills for the international financing of our Allies and their purchases in this country.

Mr. McKELLAR. Mr. President, I wish to show to the Senate what we have done in connection with lend-lease. I read from page 640 of the House committee hearings on the third deficiency appropriation bill for 1946:

> There have been six lend-lease appropriations totaling $30,697,498,000 made to the President beginning with the first appropriation of March 27, 1941.

Think of it, Mr. President. More than $30,000,000,000 worth of lend-lease supplies, and we shall never get anything back.

I read further from the House committee hearings:

> Of this amount a total of $898,000,000 has been transferred at the direction of Congress to other appropriations including that for UNRRA.

Of course, that is merely channeling it into another division.

I read further from the hearings:

> Two rescission acts have resulted in a further reduction of $2,684,561,000 and there

has, accordingly, been available for obligation and expenditure a total of $27,114,937,000. Obligations reflected on the books of account through March 31, 1946, totaled $26,793,801,000 The unobligated balance as of March 31, 1946, was $321,136,000, after taking into consideration the second rescission of $1,080,000,000 (including the $135,000,000 transferred to UNRRA) which was subsequently approved by the President.

Mr. President, that $30,000,000,000 would buy a great many goods. We sent food of every kind, as well as machinery, farm implements, steel, nails, various kinds of building materials, and, indeed, almost everything that our people and our communities are so anxious to have today, and which they do not have. This morning I received a letter from a constituent of mine who cannot find lumber for the housing which he must build; and, even if he had the lumber, he could not find the nails he will need. He could not find many of the other necessary building materials. Yet we have a pipe line to foreign countries by which we are sending this enormous amount of supplies.

I read now from page 87 of the Senate committee hearings on the third deficiency appropriation bill:

PIPE LINE TO BE SHIPPED SUBSEQUENT TO JUNE 30, 1946

The approximate value of nonagricultural commodities in the pipe line to be moved after June 30, 1946, will amount to $76,000,000, of which the greater portion will be shipped by the end of the calendar year.

June 30 was about 2 weeks ago.

Mr. President, that is the testimony. Why should we continue these shipments for another year? Have we not done enough already? In Heaven's name, as the Senator from Georgia [Mr. RUSSELL] has suggested, have we not done enough in the way of giving all of our machinery and materials which our own people here at home need so badly? Have we not done enough in the way of lend-lease? We shall never get a cent of it back from anyone. I asked to see the contracts, but they were not furnished. We were told that there is some sort of contractual relation which should be continued, and so we should furnish these other supplies. But the contracts have not been submitted to us. There are no contracts set forth in the record. The record contains nothing to show that we are obligated to continue to give away farm machinery, engines, automobile machinery, and practically all other kinds of machinery at a time when our people need it very badly. We have agreed by law that lend-lease should be stopped, but here we are continuing it if we adopt this amendment.

Mr. President, I hope the amendment will be rejected. Under the circumstances, I think we have done enough. Why should we continue this bounty, when, as the Senator from Georgia so aptly suggested awhile ago, we have just given Great Britain $3,750,000,000? Why should we put up these additional sums of money in the form of machinery and other supplies during the next fiscal year? The committee went into the matter very carefully and voted down the amendment, and I hope it will be rejected by the Senate.

Mr. President, I think Mr. Clayton is a very fine man; I admire him very much; he is from my State, and on his account, I should like to help him out. But why should we do this just to please Mr. Clayton? I do not think we should. The Senator from Kentucky referred to Mr. Clayton.

Mr. BARKLEY. Mr. President, I certainly would not urge it just for that reason, much as I admire Mr. Clayton.

Mr. McKELLAR. The record contains no contract.

Mr. BARKLEY. I take the State Department's word for it, when it informs us that it has such contracts.

Mr. McKELLAR. When Mr. Clayton appealed to me, I told him that I did not think the amendment should go to conference; but I told him that if the amendment did go to conference, I would ask him to come before the conference committee with any contracts he might have.

However, as I have said, I do not think the amendment should go to conference. My committee instructed me to vote against the amendment, and I intend to do so. Although the Senate does not always follow my views, I think, by all means, the Senate should do so in this case; and I urge the Senate to reject the amendment.

Mr. HAYDEN. Mr. President, when this matter was under consideration by the committee, I expressed the thought that we have already expended on lend-lease the very large sum of money the Senator from Tennessee has stated, namely, a total sum of approximately $27,000,000,000. As the Senator has correctly stated, there was available shortly after the beginning of this year approximately $321,000,000, which was the unobligated balance as of March 31, 1946, after taking into consideration the second rescission, which was subsequently approved by the President.

Mr. President, $57,000,000 is all that is left under any circumstances to go into lend-lease. So the question is whether we shall wind the thing up, as we started out, with good will, or whether at the last moment we shall cut off a very small slice.

Mr. RUSSELL. Mr. President, I am sure this amendment does not cut off anything that will be shipped prior to the 1st of January. These shipments can be made to Russia and to England prior to the 1st of January. The amendment would end lend-lease shipments by the 1st of January. It does not prohibit them by law prior to that time.

Mr. HAYDEN. It has the effect of prohibiting them by law, because on account of strikes and delays in reconversion it has been impossible to complete the job by the end of the year. That is all there is to the matter.

So the question is the perfectly simple proposition of whether we wish to comply with all we have agreed to do, or whether we wish to adopt the arbitrary date proposed and not permit the job to be finished.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was rejected.

Mr. McCARRAN. Mr. President, I send to the desk an amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 46, after line 2, it is proposed to insert the following new paragraph:

The penultimate paragraph of the appropriation for the Department of Commerce for 1947 is amended to read as follows: "The appropriation 'Maintenance and operation of air navigation facilities,' Office of the Administrator of Civil Aeronautics Administration, 'Salaries and expenses,' Civil Aeronautics Board, and 'Salaries and expenses,' Weather Bureau, shall be available, under regulations to be prescribed by the Secretary of Commerce (a) for furnishing to employees of the Civil Aeronautics Administration, Civil Aeronautics Board, the Weather Bureau, and their dependents, in Alaska and other United States territories and possessions where in the judgment of the Secretary furnishing of such supplies and services is necessary, medical supplies and emergency medical services by contract or otherwise, such supplies to be furnished without charge and the total medical supplies purchased for this purpose not to exceed $2,500, and food and subsistence supplies for sale to employees of the Civil Aeronautics Administration, Civil Aeronautics Board and the Weather Bureau at the reasonable value thereof as determined by the Secretary; (b) for furnishing meals to Civil Aeronautics Administration, Civil Aeronautics Board, Weather Bureau, and United States military personnel and their dependents in Alaska and other United States territories and possessions in accordance with section 3 of the act of March 5, 1928 (5 U. S. C. 75a), where such service is not otherwise available, the furnishing of such meals to military personnel to be considered as 'services'-rendered to 'any executive department or independent establishment of the Government,' within the meaning of section 601 of the Economy Act of June 30, 1932 (31 U. S. C. 686): *Provided*, That meals may be furnished to such personnel when in a travel status on a cash basis at a reasonable value, the proceeds derived from the sale of food and subsistence supplies to be credited to the appropriation from which the expenditure for such food and supplies was made, a report of which shall be made to Congress annually showing the expenditures made for such food, supplies, and services and the proceeds therefrom, and (c) not to exceed $20,000 for furnishing food, clothing, medicines, and other supplies for the temporary relief of distressed persons in remote localities, reimbursement for such relief to be made in accordance with regulations prescribed by the Secretary."

Mr. McCARRAN. When the Appropriations Committee was considering the appropriation for the Department of Commerce, the Department appeared, through its representatives, and requested the committee to expand the language so as to allow the use of sums appropriated for the Department as a whole to be used for the purposes set forth in the amendment, and without geographical limitation.

The justification which was presented convinced the committee of the propriety of such a change, and as a result thereof the amendment was accepted by the Senate covering the Department's request.

At the conference between the Senate conferees and House conferees, the House conferees thought the amend-

ment was too broad and induced the Senate conferees to recede. The amendment which is offered now is designed to include the limitation authorized by the committee, in that the services will be limited to the United States and its Territories and possessions. I am informed that such language is acceptable to the House. I request the chairman of the committee to take the amendment to conference.

Mr. McKELLAR. Mr. President, I have no objection to taking the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

Mr. CORDON. Mr. President, I offer the amendment, which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized to purchase surplus potatoes produced during the year 1946 and to process and sell, give, or otherwise dispose of such potatoes to any foreign country or to the United Nations Relief and Rehabilitation Administration for the relief of hungry people.

Mr. OVERTON. Mr. President, does the Senator's amendment include sweetpotatoes?

Mr. CORDON. The amendment refers to "potatoes" as such, and includes sweetpotatoes.

Mr. President, the sole purpose of the amendment is to put the Government in a position where, if a situation is reached such as that which developed last year when there was a vast surplus of potatoes, a portion of them, at least, may be used for relief purposes and thereby reduce the necessity of diverting for relief use the more valuable cereal crops of this country. Last year there was a great surplus of potatoes. Under the present law the Government is required, and will be required for 2 years following the declaration by the President of the end of hostilities, to support the price of potatoes during an emergency. That means that the Government must bail out the farmer for a certain period. Doing so will represent a dead loss unless the potatoes so purchased can be put to some use. Last year millions of bushels of potatoes were lost because of the type of storage which was provided, such as trenches or pits in the ground. It is hoped, Mr. President, that a similar loss will not recur this year.

The best information now obtainable is that there will be a surplus of from 75,000,000 to 85,000,000 bushels of potatoes at the end of the current year. So far as the farmers are concerned, there will be no loss because the Government will support a price of approximately 2 cents a pound for potatoes, but if they cannot be utilized there will be a real food wastage. If the potatoes can be utilized for foreign relief we can reduce the use of our cereals for such purpose. We will not only provide use for the surplus potatoes, but we will help this country maintain an adequate cereal supply. Only this year, due to the fact that we were not prepared last year to utilize our potato crop to its ultimate, and because that in midspring there was a terrific drain on our own cereals for foreign relief, the Government was compelled to increase the price of wheat and corn some 30 cents a bushel. A chronic condition existed in the poultry and dairy areas of the northeastern and northwestern sections of the United States. The cause of the condition was solely the fact that the cereal crop was not sufficient to take care of our own feed requirements for livestock, including dairy cattle and poultry.

Mr. President, it is hoped that if the requested authority is given to the Commodity Credit Corporation, which may or may not be exercised, depending on whether the use of surplus potatoes is indicated during the year, we shall be able to avoid not only another waste of potatoes but also the chronic situation which has faced our people during the past few months as a result of the terrific drain on all cereal supplies.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. OVERTON. In view of the Senator's statement that, in his opinion, the word "potatoes" includes sweetpotatoes, does he have any objection to modifying his amendment in line 4 after the word "potatoes" by inserting "(including sweetpotatoes)"?

Mr. CORDON. No; not at all. I will accept the modification.

Mr. President, in line 4 of my amendment, after the word "potatoes", I modify it by inserting "(including sweetpotatoes)."

The PRESIDING OFFICER. The Senator from Oregon has a right to modify his amendment.

Mr. OVERTON. I thank the Senator.

Mr. BALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BALL. Has the Senator from Oregon offered his amendment, or has he moved to suspend the rule?

The PRESIDING OFFICER. He has offered the amendment.

Mr. BALL. I make the point of order that the amendment is clearly legislation on an appropriation bill, and cannot be offered except after a suspension of the rule.

The PRESIDING OFFICER. The point of order is sustained. The amendment is legislation on an appropriation bill.

Mr. CORDON. Mr. President, I express the hope that the distinguished Senator from Minnesota will not insist on his point of order, but will give the Senate an opportunity to consider the amendment on its merits rather than under the handicap of a motion to suspend the rule. As the Senator knows, a notice of the intention to suspend the rule is on file. The Committee on Appropriations, after consideration of the proposal, voted to permit the procedure which has now been initiated. I express the hope that the Senator from Minnesota will permit the Senate to vote on the amendment on its merits.

Mr. BALL. The vote in the committee was five to four, with very few members of the committee present. I am afraid that I shall have to insist on my point of order. I believe the amendment is very objectionable, and I shall state my reasons for so believing if the Senator wishes to move to suspend the rule.

The PRESIDING OFFICER. The point of order raised by the Senator from Minnesota is sustained.

Mr. CORDON. Mr. President, pursuant to the notice heretofore filed, I move that paragraph 4 of rule XVI be suspended for the purpose of permitting the Senate to consider the amendment which I have just offered. I hope that my colleague from Minnesota will afford the Senate an opportunity to consider the amendment. I recognize that the amendment is legislation on an appropriation bill. I assert to the Senate that the only reason the amendment is in its present form is that it was impossible to know until substantially at the midyear what position this country would be in with respect to this season's potato crop. The last estimate which I was able to obtain was to the effect that there will be a surplus of about 75,000,000 bushels of potatoes. We know at the present time that there will probably be an extraordinarily good crop of grain. We cannot know the extent to which our country will be called upon for relief assistance both with respect to grain and other types of food. As I view the situation, the pending amendment is an insurance measure. Authority would be given to the Commodity Credit Corporation to move in, in case it would be helpful under the circumstances to do so, and I hope the Senate will agree to suspend the rule for the purpose of considering the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to suspend paragraph 4 of rule XVI.

Mr. BALL. Mr. President, I wish to oppose the motion of the Senator from Oregon. The proposed amendment came before the committee at the very last minute when the committee was considering the bill. The amendment was supported by the Senator from Idaho [Mr. TAYLOR] who told us about the prospect of a 75,000,000-bushel surplus of potatoes this fall. At that time he was proposing, as I recall, an appropriation of $15,000,000 to be used by the Commodity Credit Corporation in making contracts for the dehydration of surplus potatoes. Later the amendment was modified by the Senator from Oregon [Mr. CORDON] who was authorized, by a vote of the committee of five to four, to offer it in the Senate. So the authorization is a wide-open one. The Commodity Credit Corporation may, under the amendment, expend any portion of its funds to contract for the dehydration of potatoes.

Mr. President, this matter was gone into thoroughly last fall when the War

Department canceled a number of its large contracts for dehydrating potatoes.

UNRRA had tried shipping raw potatoes, and they had to pump them out of the hold; they would not stand shipment in that form. A number of Senators and Representatives from potato-producing States, of which my State is one, tried their best to get UNRRA to take over some of the canceled War Department contracts for dehydrated potatoes, because we had a surplus that year and we wanted UNRRA to use them. It was going to cost the War Department quite a bit to cancel the contracts in any event. UNRRA would not take them. They thought then it would be too difficult to train their people in Europe and Asia in the methods of preparing them so that they would be palatable. I think now, under the experience of the War Department, they could overcome that particular argument against them.

The main reason why they did not want to buy them is that dehydrated potatoes are about ten times as expensive as cereals for the amount of nutrition and calories in a pound of food.

I checked with the experts of the Department of Agriculture on dehydrated potatoes this morning. They told me they still have on hand some dehydrated potatoes which they bought for the War Department, but the War Department never wanted them, and they have not been able to get rid of them. They have contacted UNRRA officials many times trying to get them to take over the dehydrated potatoes, and UNRRA will not buy them.

The current market quotation on dehydrated potatoes is 38.9 cents a pound, and they contain about the same amount of food value as a pound of beans, peas, wheat flour, or wheat, which costs UNRRA, or whatever the buying agency is, from 3 to 6 cents a pound, as compared to 39 or 40 cents a pound for dehydrated potatoes. That is the main reason why UNRRA will not buy them under any circumstances.

It takes about 8 or 10 pounds of raw potatoes to make one pound of dehydrated potatoes, and the cost of dehydrating, processing, and packaging is around 8 or 10 cents a pound of dehydrated potatoes, finally achieved, which is about twice as much as buying wheat or wheat flour would cost, which has exactly the same food value.

It seems to me that this amendment would not help the potato producer. He has a support price regardless of whether or not this amendment is adopted. It would not help the starving people of Europe, because they can get more food value for the money, if the money is spent buying cereals or beans or peas.

The only people it would help are those who own potato dehydrating plants, and I do not think this is the time or place to authorize the expenditure of millions of dollars merely to bail them out.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. CORDON. The Senator has both effectively and fairly presented his views on this matter. I would only ask him this question: If we had had potatoes in any processed form this year which we might have used in lieu of wheat, for which we had to increase the price 30 cents a bushel, resulting in a terrific loss to our own people throughout the New England States and down the Atlantic Coast, and in my own area in Oregon, Washington, and California—does he not think that if we could have used potatoes for that purpose, there would have been in this country a value far in excess of the value of the potatoes, either raw or processed, plus the value of the wheat itself, if we could have foreseen and had the opportunity to use the potatoes for that purpose?

Mr. BALL. No; I do not think so, and, as I have just suggested, the Department of Agriculture informed me this morning that they still have on hand dehydrated potatoes left over from war contracts made by the Department for the Army and Navy. They have not been able to sell them to UNRRA even during this period of famine, because UNRRA can get so much more food value for its money by buying grains and cereals.

I think the same situation will prevail during the next year It seems to me that paying 10 cents a pound to dehydrate potatoes, if we can get the same value in wheat or wheat flour or beans or peas for from 3 to 6 cents a pound, simply does not make sense

Mr. TUNNELL. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield to the Senator from Delaware

Mr. TUNNELL. I wish to corroborate what the Senator from Minnesota is saying. When our subcommittee were in Cairo there appeared before us the representatives of UNRRA, and they made exactly the statement the Senator has just made, that they were having a great deal of difficulty in getting the countries to which they wanted to furnish food to take dehydrated potatoes. While they attempted to make a distinction between potatoes from one section and potatoes from another, they were having trouble with potatoes, and they stated just what the Senator from Minnesota is now saying, that they could not get rid of them.

Mr BALL I thank the Senator from Delaware I should like to add, in reference to grains and cereals, that all the predictions today are that we will have one of the best crops of wheat and corn and potatoes in our history. The food value of the grain crops per pound and per dollar is so much greater that we should not use the available relief funds in buying a more expensive food that does not give the people who are starving as much food value.

Mr. TOBEY. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield.

Mr. TOBEY. I shall not take any position as to the wisdom of adopting this amendment or not adopting it, but I have a little evidence to throw into the picture, which is collateral evidence, but which might be interesting to the Senate.

During the First World War, back in 1917, I came to Washington under Mr. Herbert Hoover, the Food Administrator, and was put in charge of dehydration and the procuring of machinery for dehydration all over the country. One of the assignments I was given in the investigation of dehydration was to visit a man named John Graham, in Belleville, Ontario So I took the train and arrived at approximately half past nine, and went out to his farm. He had five sons, and he was in the business of dehydrating potatoes, operating a large farm with that as his specialty.

During the Boer War, which was about 1900, if my recollection of history is correct, he had a contract with the British War Office for an unlimited amount of dehydrated potatoes, as many as he could produce; he could go the limit. He went the limit, and dehydrated all he could He had never examined the contract with the British War Office and, as so often happens in the case of our insurance policies, he had not read the fine print, and there was a very cleverly concealed clause which said that in the event of an armistice or a cessation of hostilities the contract was terminated. He did not know that.

The armistice came after Ladysmith, and he received a cablegram from the British War Office saying that the contract was terminated. He had so many of the potatoes on hand that he was ruined financially. He could not sell those he had left. He had worked hard. There was a community spirit in that part of Canada, so he got together with his neighbors, put the dehydrated potatoes in barrels and casks, sealed them with paraffine, and held them in cold storage for 14 years, until the First World War broke out. Then he entered into another contract with the British War Office, and he at once plugged the dehydrated potatoes which had been in his barn for 14 years at $70,000.

Mr. President, I cite that as evidence that dehydrated potatoes can be used even after 14 years, according to the good judgment of the British War Office.

Mr. BALL. He sold them, but I do not think the Senator has any evidence that any British soldiers ate them.

Mr. TOBEY. They helped win the war, anyway.

Mr. BALL. The only testimony before the committee on this amendment came from the Senator from Idaho (Mr. TAYLOR) and the Senator from Oregon (Mr. CORDON). There was no testimony from UNRRA that they wanted dehydrated potatoes, there was no testimony from the Department of Agriculture that the plan was feasible or economical. All the information I have been able to obtain by communicating directly with the Department of Agriculture indicates that any funds spent pursuant to such an amendment would be wasted.

Mr. BREWSTER obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment? I have to go to a conference of the Committee on Banking and Currency.

Mr. BREWSTER. I yield.

Mr. BARKLEY. I had hoped we might call the calendar this afternoon, but obviously it is not possible to do that, in view of the time taken on the appropriation bill.

I ask unanimous consent that when the Senate concludes its business today it stand in recess until 12 o'clock noon to-

morrow, and that immediately on the convening of the Senate tomorrow the Senate proceed to consider measures on the calendar to which there is no objection, beginning with Calendar No. 1529, which is the first measure after the last call.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BREWSTER. Mr. President, I have been much interested in the statement made by the Senator from Minnesota [Mr. BALL]. I must confess this is the first time I have heard that the shipment even of raw potatoes abroad had not been practicable, as we shipped a great many of them last year, and apparently with great satisfaction, to the countries where they were received, particularly France and Belgium.

I may also say a word with regard to UNRRA. Governor Lehman, when head of UNRRA, was interested in dehydrated potatoes, and said he would allocate $500,000 for the purchase of dehydrated potatoes. I had not followed the matter further, because I had assumed that whatever undertakings were entered into were carried out. I have been advised that Mr. LaGuardia would be very happy to use any dehydrated potatoes which might be made available.

There has been a serious question of authority. That is the problem we have faced during the past year. The Commodity Credit Corporation was only authorized to support the price, and was not authorized and is not now authorized, except by the adoption of the proposed amendment, to convert potatoes into a form which may make them available for shipment abroad. That was the difficulty we faced this last year. The Government, in any event, is obliged to pay from $1.50 to $2 a bushel for the potatoes. We are then faced with the same extraordinary dilemma, as I think the Senator from Minnesota is aware, which we faced this last year, that the potatoes might have to be plowed under. The Government could do nothing with them. It arranged that they be placed in windrow storage with full knowledge that because of the surplus there would be no further use for them, and those potatoes would be absolutely plowed into the ground in the face of the fact that millions of people in the world were starving. Such action certainly to the average person can make no profound appeal.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr MORSE I desire to stress the point which the Senator from Maine is now making, because I think it is very important in this discussion. I may say I want to give complete support to the statements made not only by the Senator from Maine, but by my colleague, the senior Senator from Oregon. I think the point the Senator from Maine has just made ought to receive further consideration. The Senator from Minnesota [Mr. BALL] pointed out that after all, the adoption of the amendment proposed by the senior Senator from Oregon would not help the potato producer. It will do so in this sense, that, after all, the support money which the Government pays for these potatoes, as the Senator from Maine points out, will be wasted as to the potatoes which are plowed under unless there is authorization for converting them into a form in which they may be used for food purposes abroad; and with this authorization they could be dehydrated and could be used for food if UNRRA would use them.

The Senator from Minnesota has pointed out that UNRRA prefers some other types of food, particularly grain.

I am aware that they prefer other types of food, but they have preferred other types of food, in the form of grain, to the detriment of large groups of American producers, such as dairymen and poultrymen. The Senators from the northeastern and northwestern sections of the country have pleaded for the sending abroad of substitutes to take the place of certain kinds of foods, grains at least, so that some of the grains could remain in this country to save our dairy and poultry industries. It seems to me that here, as the senior Senator from Oregon has said, is one insurance way of doing it. If there were authorization to make use of potatoes in their dehydrated form for human food they could be sent abroad, instead of sending away so much wheat which may be needed for feed purposes here. Therefore I think the authorization requested by the senior Senator from Oregon would be very appropriate and helpful.

Mr. BREWSTER. I thank the Senator from Oregon very much.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. AIKEN. As I understand the emphasis has been placed upon the use of grain for shipment to the foreign countries, because grain could be shipped so much more easily, and shipping was not available for bulkier foods. The reason we have had to concentrate on the use of grain in the famine-stricken countries has not been because the people of those countries would not use other foods, but because grain was the most concentrated form in which we could send them calories to keep them alive until shipping might be available to send them other kinds of food. Now it appears that very shortly, or at least within a few months, there will be plenty of shipping available to transport potatoes or other bulkier foods to countries that will use them, and, of course, most of the countries of Europe will use potatoes if they can get them. Up to this time we have not had refrigeration ships or the means of getting them over there in sufficient quantity. Inasmuch as the Government is under obligation, according to the Steagall amendment, to support the price if there is a surplus causing the price to break, it seems to me that we should support the price in such a manner as to make the best possible use of the product or of the crop which is being supported.

Mr. BALL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. BALL. The Senator was saying a few moments ago that this amendment was necessary because the Commodity Credit Corporation did not have authorization now to process foods or agricultural products or crops which it bought under the support-price legislation. Does not the Senator believe, however, if UNRRA asked the Department of Agriculture, through the Commodity Credit Corporation, to procure for it so many thousand or million pounds of dehydrated potatoes, and made the funds available which UNRRA has for that purpose, that the Commodity Credit Corporation could then go ahead and dehydrate them as the agent of UNRRA?

Mr. BREWSTER. I think that is the case. We went over that very clearly with UNRRA, and, as I said, Governor Lehman agreed with us last year to allocate $500,000 for this purpose. This is the first time that I had heard any question about his having carried it out. If he has not carried it out, I assume that he determined that there was no necessity for doing so. But he made that agreement in connection with our conference, and he repeated it two or three times subsequently, and I have never before heard it questioned.

Mr BALL. It is not the purpose of this amendment, is it, to have UNRRA pay for the dehydrating?

Mr. BREWSTER. No.

Mr. BALL. The Commodity Credit Corporation would pay for the dehydrating, and give the dehydrated potatoes to UNRRA

Mr. BREWSTER. The amendment goes a little beyond that. It provides for selling or giving. In other words, it does not limit the Commodity Credit Corporation in their disposition, but it would authorize them to sell the potatoes, either for the cost or for some lesser figure in case they could make arrangements of that character.

Mr BALL. But if UNRRA, out of its funds, of which we provide 70 percent, would be willing to allocate or set aside any amount up to $10,000,000 for dehydrating potatoes, this amendment would not be necessary?

Mr. BREWSTER. That is correct.

Mr. BALL. It is because UNRRA will not allocate any of its funds for dehydrating potatoes that it is necessary for the Commodity Credit Corporation to have authorization to spend money if the potatoes are to be dehydrated?

Mr BREWSTER. I think it goes a little beyond that. UNRRA, as I stated before, agreed that they would allocate a certain amount of money for this purpose. I do not know whether the Senator from Minnesota was present when I made the statement. As I said, this is the first time I have ever heard any question regarding that attitude of UNRRA. I have been advised that Mr. LaGuardia was very agreeable to the use of potatoes, but he had in mind the question which the Senator raised, regarding the proportionate cost. Of course, UNRRA, as an international organization, is not concerned with the fact that we might have $15,000,000 worth of potatoes which must be dumped

That does not affect them at all. They are not concerned with whether the potatoes are thrown away or whether they are used. But if it comes to the question of utilization, we then make

available the additional $12,000,000 or $15,000,000 to enable the potatoes to be converted into food value. So I think the figures which the Senator from Minnesota has used do not properly present the situation from the standpoint of the Government, which is obligated to pay one-half of this expense in any event, so that certainly it is not all chargeable to the cost of the operation.

Mr. BALL. But we pay $1.75 a hundred support price, and then we pay——

Mr. BREWSTER. One dollar and seventy-five cents more, or two dollars——

Mr. BALL. Yes; $1.75 or $2 more to produce dehydrated potatoes, and we could buy the same food value for $1. It seems to me a bad bargain.

Mr. BREWSTER. It does on the assumption that there is more food in the world than is needed, and yet we have been told for the past year, and in the very eloquent language, I think, of the Senator from Minnesota himself, that the whole world was faced with starvation, and on the assumption that for the next year or two there will be a shortage of food, it certainly seems unfortunate that we should confront the probability of millions of bushels of available foodstuffs being simply thrown away, and meanwhile enter into the competition, as we have been compelled to do during the past year, for the very limited supplies of the other products from the State of the Senator from Minnesota and other States. So it seems to me that until we are clear of the famine conditions in the world, any refusal to make available food values for the people who need them is not in accord with sentiments which I think the Senate would wish to express.

Mr. MORSE. Mr. President, will the Senator yield?

Mr BREWSTER. I yield.

Mr MORSE Again I think that is a point which needs emphasis. What was the situation last year? We did not have sufficient food available for sale in this country to take care of the foreign needs and also our domestic needs, and we were confronted with an UNRRA which the Senator from Maine has pointed out is not, after all, an American UNRRA; it is an international UNRRA. We cannot stand here and tell UNRRA what it must take. But we should put ourselves in such a position that when the choice has to be made as to whether or not we are going to ship grain to Europe, to the detriment of large segments of our American people, or ship dehydrated potatoes to Europe, the answer will be to UNRRA, "There are the potatoes. Take them. But you are not going to take all of our grain." We also have an obligation to protect our own industry and our own people to some degree.

I recognize of course, that as in war, so in famine, there will be a certain amount of waste, and I realize that if he wants to add up the figures, the Senator from Minnesota can take this particular item and say that in a sense it is a bad bargain, unless he takes into account at the same time the value of the bargain to that segment of the American people constituting our poultry and dairy producers who need the grain which UNRRA otherwise insist shall go into the foreign market or into foreign shipment. What we are seeking, as the senior Senator from Oregon has said, is an authorization that will put the Commodity Credit Corporation in such a position that they can spend their funds for dehydrated potatoes to meet that type of situation should it arise again in 1947. We know that we shall have this famine problem ahead of us for at least another year.

Mr. BREWSTER. I think the Senator has very well stated the problem. It is true that in other sections of the world there has been some hesitation about accepting potatoes. Some people prefer wheat or other things.

Suggestion has been made as to the edibility of dehydrated potatoes, but in view of the history of recent years, when our soldiers in all sections of the world have been maintained on dehydrated potatoes, I cannot believe that there can be a valid challenge of their edibility or suitability. I have eaten them in all climates and temperatures, and I have found them entirely suitable for food. I think it is time for our foreign friends to be perhaps a little less discriminating. Instead of demanding the foodstuffs so vitally needed here at home for the maintenance of our domestic economy, they should be willing to eat the very food which our soldiers have eaten throughout the war. I cannot believe that people anywhere in the world who are starving will reject the food which we have found so usable during the war

I hope that the pending proposal will prevail

Mr. SWIFT. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. SWIFT. In the potato growing section of Alabama, where a great quantity of potatoes are produced, the crop has been harvested and is gone. I should like to ask the Senator a question. If this provision had been the law 60 or 90 days ago, when hundreds of thousands of bushels of surplus potatoes, for which there was no market, went out of southern Alabama at a very nominal price to the distilleries, could those potatoes have been converted into human food for starving people?

Mr. BREWSTER. They could have been. That is the purpose of this amendment.

Mr. WHITE. Mr. President, will my colleague yield to me?

Mr. BREWSTER. I yield.

Mr. WHITE. One can go into all sorts of refinements in arguing this question; but it seems to me that there are only two or three fundamental facts involved The first is that Europe has heretofore been calling for, and we have been shipping, grain which we sadly need in America in order to meet the needs of our own people.

Mr. BREWSTER. And which we are going to need next year.

Mr. WHITE. Second, dehydrated potatoes have been proved to be a proper and a fit food. They have been used by our American soldiers and sailors all over the world. It may be true that Europe and other parts of the world may prefer grain; but there is no reason why, when we have these potatoes, they should not be accepted as food, because if they are not, the alternative is wasted food in this country. The potatoes will go into the windrows. They will be frozen and destroyed. They will rot either in or on the ground, all through the potato-producing States of this Nation. It seems to me that we are making a choice between giving to the world a proper food, which may not be the first choice as a food, while preserving for our own people what we need, and finding a market for hundreds of thousands of bushels of surplus potatoes.

Mr. BREWSTER. I thank my colleague very much.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. AIKEN. I should like to point out that the Commodity Credit Corporation is not restricted to turning over these potatoes or processed products to UNRRA as a method of disposal; but under this amendment it may dispose of them to any foreign country, or to the United Nations Relief and Rehabilitation Administration. They can be sold to any government or any agency of any government for use in whatever form they may be for relief purposes. They may be given to the Chinese Government, or to India, or to South America, or any other part of the world where there may be need of them at a particular time.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. REVERCOMB I believe that the discussion between the Senator from Maine and the Senator from Minnesota cleared up the point which I had in mind. Today, without this provision in the law, UNRRA could buy potatoes if it so desired. I understand the Senator to say that the value of his proposal is that if the potatoes were bought by the Commodity Credit Corporation they might be given or sold to UNRRA. UNRRA does not have to take the potatoes unless it wishes to do so, even from the Commodity Credit Corporation.

Mr BREWSTER. That is true; but I would hope that there would be an administration of UNRRA which would not indefinitely demand the use of supplies very much needed here at home, in substitution for other supplies which were made available. That is the point.

Mr. REVERCOMB. After the Commodity Credit Corporation had bought the potatoes and offered them to UNRRA, if the administration of UNRRA should say, "We do not want potatoes," it would not have to take potatoes, would it?

Mr. BREWSTER. But I do not believe that it could very long justify before the American people the rejection of food values of that character if they were made available. Up to this time it has had the argument regarding selection, and it is that which we wish to avoid.

Mr. REVERCOMB. There is nothing in the bill which would require UNRRA to accept potatoes.

Mr. BREWSTER. When the next UNRRA appropriation is under consideration, if attention is called to the

fact that it has refused to accept supplies of this character which were made available to it at reasonable figures, or as a gift, I do not think there will be much doubt as to the attitude of this body.

Mr. REVERCOMB. Would the situation be different if, when UNRRA's appropriation were to come before us again, there were many potatoes in the land, and they could avail themselves of them at a low price?

Mr. BREWSTER. No; because we would then get into the argument regarding costs. We are concerned with something more than costs. We are concerned with the destruction of the poultry and dairy industries of the Northeast and Northwest. That is the problem which we faced last year, and that is what we would like to avoid. I point that out because the discussion has centered around disposing of them to UNRRA, whether UNRRA wants them or not. But that is not what the amendment provides.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. HILL. As I read the language of the amendment, it is merely a permissive amendment.

Mr BREWSTER. That is correct.

Mr. HILL. It does not direct, instruct, or order the Commodity Credit Corporation to buy a single potato. However, it gives to the Commodity Credit Corporation the authority to purchase surplus potatoes. I believe the senior Senator from Maine has summed up the situation, as has the junior Senator from Maine, who ably presented the question in the first instance. We know that grain can well be stored and preserved, and kept for long periods of time, but that is not true of potatoes.

Mr. BREWSTER. That is correct.

Mr. HILL. The fact is that many surplus potatoes, unless they are bought and used, will rot on the ground. They will go to waste, whereas they might well be used to feed the hungry people of the world.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. REVERCOMB. As I see it, the hungry people of Europe, while they make a great appeal, do not enter into the question at all. UNRRA is feeding the hungry people of Europe.

Mr. BREWSTER. What is it feeding them with? With grain which we vitally need in this country. That is the issue.

Mr. REVERCOMB. Yes; and it will continue to feed them with grain, because it has the right of selection.

Mr. BREWSTER. It will not continue to feed them with grain if the Senate will exercise the authority which it possesses next January when the question then arises. During the past year we have faced that issue. We do not need to face it further if we will enact the proper law.

Mr. REVERCOMB. I do not think the Senator is going to say "Feed them potatoes." Is not the idea to sustain the price of potatoes?

Mr. BREWSTER. Not at all. This issue does not affect the potato situation in that respect one iota. The Government is obligated for the next 2 years to maintain the price of potatoes, and I assume that the Government will fulfill its obligation. The only question is whether, having bought 10,000,000 bushels of potatoes, it will dump them on the ground, or whether we shall enact this provision permitting the potatoes to be converted into food values to feed the starving people of the world, in substitution for the vitally needed grain supplies of this country. That is the only issue.

Mr. REVERCOMB. Let me put this question: Do I correctly understand the Senator to take the position that the same amount of potatoes will be bought by the Commodity Credit Corporation whether this provision is enacted into law or not?

Mr. BREWSTER. Absolutely. That is the law.

Mr. REVERCOMB. And the Senator states his position to be that, once having bought the potatoes, the Commodity Credit Corporation should find an outlet for them.

Mr. BREWSTER. My soul revolts at the proposals presented to us last winter by the Department of Agriculture, when it was alleged that it was necessary to leave potatoes in windrows and permit them to be destroyed. With millions of people in the world starving, I do not believe that any real American would like to see that situation occur.

Mr. REVERCOMB I heartily agree with the Senator. I do not wish to see any foodstuffs destroyed.

Mr. BREWSTER. That was the only solution which the Department could present last winter.

Mr. REVERCOMB. Is it the sole object of this amendment—and I ask the question earnestly—to see that the potatoes are put to use?

Mr. BREWSTER That is correct.

Mr. REVERCOMB. Does the Senator take the position, judging from what has occurred, that otherwise the potatoes will be wasted?

Mr. BREWSTER. The Department of Agriculture stated that there was no other solution.

Mr. BALL Mr. President, will the Senator yield?

Mr. BREWSTER I yield.

Mr. BALL. We faced the same situation last fall, when there was quite a surplus of potatoes. Has the Senator any facts as to how many bushels of potatoes were actually destroyed last fall?

Mr. BREWSTER. I have not had a report on that situation. I have the figures as to the quantity which it was anticipated would be destroyed. It was several million bushels. Whether such actual destruction occurred, I cannot say. Up in Maine we avoided it because, notwithstanding the representations by UNRRA as to the lack of need, I took the matter up personally with the authorities of France. That Government indicated its very great interest in receiving potatoes, which we shipped in the raw condition. On that basis we shipped between 5,000,000 and 10,000,000 bushels. I believe it is entirely practicable to ship raw potatoes to the northern countries of Europe. I know that they have been shipped from there over here, so I believe it is entirely feasible. I do not believe that it is practicable to ship raw potatoes to the temperate zones or the Mediterranean countries. I do not believe it is practicable to ship them to China, where millions are starving today. Having just returned from that part of the world I can testify that if dehydrated potatoes, which are so convenient for shipment, could be made available, it would mean the saving of thousands of lives.

Mr. BALL. Are there not also several other outlets for surplus potatoes, particularly in connection with the manufacture of industrial alcohol? In this country today there is a shortage of industrial alcohol. The use of grain, sugar, and molasses has been restricted. The use of potatoes in the manufacture of industrial alcohol would not involve the cost of 10 cents a pound for dehydrating.

Mr. BREWSTER. I am sure that the Senator does not intend to prefer industrial alcohol to starving people. Our object is to use the potatoes to the greatest extent possible for starving people, making it possible to use some of our grain for our starving chickens.

Mr. BALL. Mr. President, I think we shall have plenty of grain to go around, and I think industrial alcohol is just as essential as dehydrated potatoes, and is likely to be used a great deal more.

Mr. AIKEN and Mr. TAYLOR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maine yield; and, if so, to whom?

Mr. BREWSTER. I yield first to the Senator from Vermont.

Mr. AIKEN. Mr. President, I believe that potatoes for the manufacture of industrial alcohol are worth approximately 5 cents a bushel. If they have to be shipped any great distance, that price will not pay the cost of handling them. I believe that I am correct in saying that last year thousands of bushels of potatoes were given away for livestock-feeding purposes, but the recipients had to sign an agreement that they would not permit any of the potatoes to be used for human consumption. As a matter of fact, potatoes are not very high-grade livestock feed. But that was done in order to keep from throwing them into the river or destroying them in some other way.

Mr. BREWWSTER. I now yield to the Senator from Idaho.

Mr. TAYLOR. Mr. President, let me say that my interest in this matter is almost wholly philanthropic, not only because I wish to see this food item preserved for the starving people of Europe, but also because Idaho is not seriously affected in this matter, because Idaho potatoes are so good that all of them will be sold. Nevertheless I do not wish to see potatoes which are grown anywhere else—I shall not mention any particular areas or localities—go to waste. I want them to be saved. The question is whether we shall process these potatoes so that, as has been pointed out, they can be preserved for perhaps 14 years, for the lean years, if necessary, and in that

way we can postpone using them, and eventually take the pressure off our grain supplies and help keep some of our people from losing millions of dollars. Certainly if we could have used such potatoes this year to feed livestock instead of using grain for that purpose, the cost of processing the potatoes would have been saved many times over to the United States. Of course, the major cost this year came to those who had to liquidate their flocks. But all of us are Americans; and if we help others save their flocks this year, possibly at another time they will help us to save something which otherwise we would lose. I know that millions of bushels of potatoes have been lost. I do not have the exact figures at hand. This item would prevent the loss of millions of bushels of potatoes this year, also. It is simply an authorization. If the service is found to be as necessary as is anticipated, it can be provided.

I have personally talked to Mr. LaGuardia, who said he would be glad to have the potatoes, if available. But, as the Senator from Minnesota has quite correctly pointed out, the cost of dehydrating potatoes, as compared to the cost of grain, is prohibitive insofar as their use by UNRRA is concerned. But Mr. LaGuardia said that if the potatoes were available, he certainly could dispose of them to the hungry people of Europe.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. REVERCOMB. I understood the Senator to say that the Commodity Credit Corporation is now authorized to purchase all surplus potatoes.

Mr. BREWSTER That is correct.

Mr. REVERCOMB. Is there any significance or reason for the provision of the amendment that—

The Commodity Credit Corporation is authorized to purchase surplus potatoes.

Is that merely a repetition of already existing authority?

Mr. BREWSTER. I do not think it is necessary at all. What is necessary is the additional language, "and to process and sell, give, or otherwise dispose of such potatoes to any foreign country."

Mr. REVERCOMB. In other words, the language I have read does not create any additional authority; is that correct?

Mr. BREWSTER. That is correct.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. YOUNG. I should like to have a little more information. In the Red River Valley of the North, of which Minnesota is a part, about 12,000,000 bushels of potatoes spoiled last year. In a meeting with the Secretary of Agriculture a few days ago, he expressed himself as being in favor of this item.

Mr. BREWSTER. I so understood.

Mr YOUNG. Mr. President, I hope the amendment prevails.

Mr. BALL. Mr. President, has the Senator from North Dakota anything in writing from the Secretary of Agriculture on the point he has just made? The people to whom I have talked in the Department of Agriculture, who are the experts on dehydrated potatoes, certainly did not seem to be friendly to this proposition.

Mr. YOUNG. Did the Senator from Maine talk to Mr. Dodd?

Mr. BALL. I asked if the Senator had any written recommendation.

Mr. YOUNG. My information was verbal.

Mr. TAYLOR. Mr. President, I may say we had a conversation with Mr. Dodd, at the Department of Agriculture, and with a number of other potato experts. They said if we could get this authorization to help them get all of these surplus potatoes "out of their hair," they certainly would be in favor of it, and would appreciate it very much.

Mr. BREWSTER. Mr. President, I ask for a vote on the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to suspend paragraph 4 of rule XVI in order that the amendment may be considered.

Mr. BALL. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to suspend the rule. [Putting the question.] The "ayes" appear to have it.

Mr. BALL. I ask for a division

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. AIKEN and Mr. BARKLEY answered to their names when called.

Mr. MORSE. Mr. President, I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, a point of order.

The PRESIDING OFFICER The Senator will state it.

Mr. LUCAS. After a quorum call has been begun, can it be withdrawn?

The PRESIDING OFFICER. By unanimous consent, that may be done.

Mr. BALL. Mr. President, the Senator from Oregon withdrew his suggestion of the absence of a quorum. He did not ask unanimous consent for that purpose.

The PRESIDING OFFICER. However, the Chair asked whether there was objection.

Mr. LUCAS. Mr. President, was unanimous consent given?

The PRESIDING OFFICER. Unanimous consent was granted.

Mr. BALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. I understand that the rule has been suspended, and that the amendment is now before the Senate.

The PRESIDING OFFICER. No; the question now is on agreeing to the motion of the Senator from Oregon to suspend the rule in order that the amendment may be considered.

Mr. MAGNUSON. Mr. President, I distinctly heard the Chair say, on that motion, that "The 'ayes' have it."

The PRESIDING OFFICER. The Chair stated, "The 'ayes' appear to have it."

Then, before the Chair could proceed any further, a division was requested. In order to obtain a division, a two-thirds majority in favor of having a division is required. The Chair started to order a standing vote on the question of having a division, and at that point the absence of a quorum was suggested.

Mr. MAGNUSON. Mr. President, I distinctly heard the Chair, "The 'ayes' have it."

The PRESIDING OFFICER. The Chair merely said, "The 'ayes' appear to have it." The Chair did not state, "The 'ayes' have it." The Chair had not positively stated that the "ayes" have it.

Mr. MAGNUSON. Will the Chair rule whether the "ayes" or the "noes" have it?

The PRESIDING OFFICER. The Chair has not ruled on that matter.

Mr. WILEY. Mr President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILEY. Is the pending question a hot potato or a cold potato?

The PRESIDING OFFICER. The Senator's point of order is not in order.

Following the vote on the motion of the Senator from Oregon, a division was requested, but immediately thereafter the absence of a quorum was suggested. The suggestion of the absence of a quorum takes precedence, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Pepper
Andrews	Hill	Revercomb
Ball	Hoey	Robertson
Barkley	Huffman	Smith
Brewster	Johnston, S C	Stanfill
Brooks	Kilgore	Stewart
Capper	La Follette	Swift
Carville	Langer	Taylor
Chavez	Lucas	Thomas, Okla
Connally	McCarran	Thomas, Utah
Cordon	McClellan	Tobey
Donnell	McKellar	Tunnell
Eastland	McMahon	Vandenberg
Ferguson	Magnuson	Walsh
George	Moore	Wherry
Gossett	Morse	White
Green	Murray	Wiley
Gurney	Overton	Young

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present.

Mr. BALL. Mr. President, perhaps I should not ask for a yea-and-nay vote on the pending motion at this time of the evening. However, I have asked for a division.

This amendment will not help any potato producer. The Commodity Credit Corporation is compelled by law to support the price of potatoes. The amendment will not result in any additional quantity of food being sent to the starving people of Europe and Asia. All the amendment does is to authorize the Commodity Credit Corporation to undertake the dehydrating of surplus potatoes which it must buy under the price-sup-

port program. The dehydration will cost from about 8 cents to 10 cents a pound. A pound of dehydrated potatoes contains approximately the same food value as a pound of wheat or a pound of wheat flour which can be bought for almost the cost of dehydrating and packing the potatoes. The proposal, Mr. President, does not strike me as being an efficient or economical way to conduct the business of the Government.

I hope the motion to suspend the rule will be defeated. The only persons who would be benefited by the amendment are the dehydrators who built plants during the war and undertook contracts with the War Department.

Mr. BREWSTER. Mr. President, I appreciate the liquidation of the Senator's figures down to 10 cents a pound, because I believe that to be a much fairer basis of comparison. We must assume that the Government will have the surplus potatoes. The only question is whether to throw them away or use them.

I do not understand the Senator's figures in respect to wheat. I recognize his capacity to speak as an authority. I have before me figures which show that wheat is selling for $2 10 a bushel. Is that an approximate price?

Mr. BALL. The price is a little over $2 now.

Mr. BREWSTER. According to the figures I have, that would be 3½ cents per raw pound.

Mr. BALL. That is correct.

Mr. BREWSTER. Then there is the milling, packaging, and freight, which, according to my figures, are 3 cents a pound, which makes a total of 6.5 cents for the comparable figure as against the 8 to 10 cents a pound for the potatoes.

Mr. BALL. I remind the Senator that raw wheat can be run through a coffee grinder, and it makes an excellent cereal in that form. I have tried it many times, and there is no cost of processing in that case I imagine it is used that way often in Europe.

Mr. BREWSTER. I have gotten together some comparative costs which indicate that the disparity is not so large as I have indicated.

I have before me the report of the Department of Agriculture on the food value and nutritive value of 1 pound of wheat in calories, 16.33; dehydrated potatoes. 16.47. In other words, dehydrated potatoes are a little higher in calories. In carbohydrates the figure for wheat is 328, and for dehydrated potatoes, 372.

Mr. BALL. That is what I said, that they have approximately the same food value.

Mr. BREWSTER. The figures are not so seriously disparate as indicated in the original statement of the Senator from Minnesota.

Mr. BALL. When we wipe out entirely the cost of the raw potatoes——

Mr. BREWSTER. Which, as the Senator agrees, is a cost we must bear in any event.

Mr. BALL. Something might be realized if the potatoes were sold to alcohol plants, or if, as the Senator suggested, they were shipped in the raw state to the countries of Europe.

Mr. BREWSTER. Which, of course, they can do.

Mr. BALL. They can do it without this amendment.

Mr. BREWSTER. They cannot do it without an amendment, because they have not the authority at the present time.

Mr. EASTLAND. Mr. President, the Senator from Maine speaks of shipping raw potatoes to the countries of northern Europe. My understanding is that they would not keep. That information comes from the man in charge of the Army program, who says potatoes have to be dehydrated before they can be shipped to Europe.

Mr. BREWSTER. We shipped a good many million bushels last year successfully to Belgium and France.

Mr. EASTLAND. That was from certain areas.

Mr. BREWSTER. From Maine.

Mr. EASTLAND. But potatoes produced in other areas must be dehydrated.

Mr. BREWSTER. I think that is true.

Mr. EASTLAND. As to the argument comparing wheat and potatoes, my information is that we do not have wheat supplies adequate to relieve starvation.

Mr. BREWSTER. That is the point. I believe the Senator was not in the Chamber, but that is what we have been arguing. The point is that when we have an inadequate supply of wheat here for our own needs, it is much better to substitute the dehydrated potatoes in order to conserve our own wheat supply. That is the basis of our position.

Mr. BALL. The prospects this year are for the second largest wheat crop in our history, considerably over a billion bushels.

Mr. EASTLAND. That is a prospect.

Mr. BALL. Certainly, but the whole prospect as to potatoes is merely a prospect.

Mr. EASTLAND. No; we have a great surplus of potatoes in this country today.

Mr. BALL. The main surplus will come along in the fall.

Mr. EASTLAND. But we are legislating for the entire country, and there is a surplus at this time. As I understand—and I should like to have the Senator inform me if I am in error—under the law the Commodity Credit Corporation must purchase these potatoes. Is that true?

Mr. BALL. Yes; under the support price program they must buy them if there is no market for them otherwise.

Mr. EASTLAND. Then does not the Senator think the potatoes should be dehydrated and used to save human life, rather than sold to an alcohol plant to be turned into a product on which people could get drunk?

Mr. BALL. No. It is commercial alcohol that is made from them. I think it is bad business for the taxpayers of this country to force the Commodity Credit Corporation to pay 10 cents a pound for dehydrating when they can get the same food value for 5 or 6 cents a pound.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. CORDON] to suspend paragraph 4 of rule XVI. A division has been demanded. Those in favor of the motion will rise.

On a division, the motion was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6885) was read the third time and passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House still further insisted upon its disagreement to the amendment of the Senate numbered 39 to the bill (H. R 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes.

EXTENSION OF THE SUGAR ACT OF 1937

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1584, House bill 6689, to extend for an additional year the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

Mr. President, when the bill came over to the Senate from the House it provided for an extension of 1 year only. The Senate Finance Committee recommended an extension of 3 years. But the proponents of the legislation and all others interested have agreed that the Senate amendment in that respect should be rejected so that the bill will call for an extension of only 1 year.

The State Department and the Department of Agriculture are most anxious that the law be not extended for more than 1 year, and that has been agreed to.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHITE. During the day a Senator on the minority side indicated some hostility to the proposed legislation, but he has since told me that he has no further objection, and I think he approves the passage of the bill in its amended form.

Mr. SMITH. Mr. President, if the Senator will yield, I have raised a question, because I understood the act was to be extended for 3 years, and my objection was only on that basis. To the act

being extended for 1 year I have no objection.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McMAHON. I might say that I am very happy to hear that the change has been made. After the action of the committee I received a number of letters from constituents suggesting that the program should be renewed for 1 year and not for 3. I am delighted that the change has been made.

Mr. OVERTON. Mr. President, I have been absent from the Chamber for a moment. Has a change been made in the time for extension of the Sugar Act?

Mr. GEORGE. I have moved the consideration of the Sugar Act extension bill, and propose to ask the Senate to disagree to the Senate committee amendment extending it for 3 years, so that it will be extended for only 1 year.

Mr. OVERTON. I am very happy to know that.

Mr. PEPPER. Mr. President, I am very much pleased that the able Senator from Georgia contemplates a modification of the bill so that the act will be extended for 1 year only.

I also have been discussing this matter with the able chairman of the Finance Committee, and he has said that he will take up the new sugar bill in January of the coming year. I mention that because the people in my State, have during the war, while the sugar quotas have been in suspense, added some new facilities, and they are desirous of adding a few other facilities, which are generally small in character. They were being installed, and others will be installed when it becomes possible to put them in, in order more adequately to meet the demand for sugar in the United States.

The Everglades of Florida comprise an immense territory ideally adapted to the production of sugar from sugarcane. Because of the peculiar historical reason for the regulation of sugar quotas, Florida is one of the areas which has never been able to approach anything like its capacity in sugar production. So when the bill comes up in January I am sure I shall be joined by my colleague from Florida in making an effort to provide that the facilities which are installed during the time sugar quotas are in suspense shall be recognized, and shall not be squeezed out should the quota system go into effect again under the law.

I desire to say for the RECORD, and also as notice to those who are interested in the subject of sugar quotas in the Nation at large, that if areas such as ours in Florida, ideally adapted to the production of sugar cane, are not protected in the installation of facilities while the quotas are in suspense, we shall have no other recourse except to support any effort to reconsider the whole base for the quota system in sugar. But with the assurance I have received from the able Senator from Georgia, and with this limitation to a year, I am quite pleased to let the matter go along until January.

Mr. GEORGE. I am pleased to say to the Senator from Florida that we will undertake a revision of the Sugar Act early in January, after the beginning of the next session.

Mr. President, I now ask unanimous consent for the present consideration of House bill 6689.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 6689) to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, I ask that the committee amendment on page 1, line 7, after "December 31," to strike out "1947" and insert "1949" be rejected.

The PRESIDING OFFICER. Without objection, the amendment is rejected.

Mr. GEORGE. I also ask that the committee amendment in line 9, after the word "year", to strike out "1947" and insert "1949" be rejected.

The PRESIDING OFFICER. Without objection, the amendment is rejected.

Mr. GEORGE I ask that the committee amendment on page 2, in line 7, after "June 30", to strike out "1948" and insert "1950" be rejected.

The PRESIDING OFFICER Without objection, the amendment is rejected.

Mr. GEORGE. I ask the Senate to agree to the remaining committee amendment, on page 2, beginning in line 8, to strike out all of section 3 because when the House passed this particular bill, the Philippine independence bill had not been passed, and therefore it is necessary to strike section 3 out of the bill, in order to prevent confusion between the Philippine independence bill and this particular bill.

The PRESIDING OFFICER. Without objection, the committee amendment is agreed to.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill (H. R. 6689) was read the third time and passed.

The title was amended so as to read: "An act to extend, for three additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar."

PERSONAL STATEMENT

Mr. McKELLAR. Mr. President, what I am going to say is in self-defense. I read from last Sunday's Washington Post an article under the heading "The Washington Merry-Go-Round," as follows:

M'KELLAR TURNS TVA SUGAR-DAD

(By Drew Pearson)

Politics makes queer bedfellows and election time brings queer changes in politicians. Witness today the sudden fierce championship of TVA by its old foe, Senator KENNETH MCKELLAR.

MCKELLAR is fighting a desperate battle for reelection and is conducting his campaign from Washington. His advisers don't want him to appear in person.

Last month MCKELLAR added to the Government corporations appropriation bill funds to complete two TVA dams in east Tennessee The House had voted down the TVA request for funds to complete the Watauga Dam, but MCKELLAR not only got the Senate to vote funds for Watauga but also for the South Holston Dam

However, because of the shortage of materials and manpower, TVA had proposed finishing the Watauga Dam before resuming work on South Holston It planned to move machinery and temporary housing from the first site to the second—at a saving of around $2,000,000

So, when the bill went into joint conference last week MCKELLAR got the shock of his life Able young Representative ALBERT GORE, of Tennessee, had the nerve to amend MCKELLAR'S language. GORE simply proposed that the dam construction be accomplished "consistent with economy and construction efficiency."

MCKELLAR was furious. The Gore amendment meant that he could boast of putting only half as many people to work and of having started only one dam by the time of the primary next month.

MCKELLAR flatly declared the Senate could not accept the Gore amendment Representative JAMIE WHITTEN, of Mississippi, told him the House would stand by GORE, however, and reluctantly MCKELLAR yielded

Two days later, however, MCKELLAR proposed that the will of Congress be ignored. He actually wired TVA proposing that it go ahead and build the two dams simultaneously, despite the Gore amendment.

Mr President, as I said a while ago, what I now have to say is in self-defense.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McKELLAR. I decline to yield.

Mr. LUCAS. I was only going to say to the Senator that if he would address his remarks occasionally to the Democrats on this side as well as to the Republicans, we also would enjoy them.

Mr. McKELLAR. Thank you. I hope all can hear my statement. I am going to talk loud enough so all may hear. I am obliged to defend my own character. I am speaking of Drew Pearson, who has assailed it.

On Sunday this miserable, lying, corrupt, dishonest scoundrel, Drew Pearson, claiming to be a newspaperman but with a dishonest and disordered mentality and a putrid and corrupt morality, wrote and published another lying article about me. This is not the first time. Silliman Evans, of the Nashville Tennesseean, another lying scoundrel, was in Washington last week. The two liars evidently got together.

Pearson states in this article:

MCKELLAR is fighting a desperate battle for reelection and is conducting his campaign from Washington. His advisers don't want him to appear in person.

This is a lie out of the whole cloth, known to be a lie when Pearson wrote it, known to be a lie when Silliman Evans bought and paid for it, and no person with character sufficient to sleep with a hog or to associate with dogs or polecats would write such an article or would print such an article. Indeed, Pearson in his mental make-up is a cross between a ranting maniac and a drunken Silliman Evans.

Again Pearson says:

Witness today the sudden fierce championship of TVA by its old foe, Senator KENNETH MCKELLAR.

In writing this falsehood he is attempting to deny the statements of some of the leading men of the United States and of the world. He is attempting to deny the CONGRESSIONAL RECORDS all of which show that his whole article is an asinine perversion of the truth.

Pearson's next statement is equally false, with one exception, and that was that the House turned Lilienthal down when he asked the House for an appropriation for the Watauga Dam. Incidentally, that is merely what has happened every time. The House turned down all these Tennessee Valley dams and I put the amendments on in the Senate Appropriation Committee. And I have always been able to keep them in the bills in conference committee. Of the 15 or 20 or more dams which have been built in Tennessee, the House first turned them all down, and they were added by virtually a 13 to 12 vote in the Senate Committee on Appropriations. That is the way all the dams were built.

When the present bill came to the Senate I had placed in it an amendment providing for the completion of both the Watauga and Holston Dams, which dams had been partially built and were stopped by the war. My amendment for both dams was put into the bill. The Gore amendment, about which Pearson has so much to say and which was added in the House to my amendment providing for both dams, is as follows—these words seemed to me meaningless until I found out that they were part of the scheme not to build the dam—"consistent with economy and construction efficiency." Those words do not appear in the conference report and are not a part of the bill as passed by both the Senate and the House. Every word of the amendment agreed upon was prepared by me. The Gore amendment, or any part of it, is not in the bill and will not be in the bill, and yet this liar for money, Pearson, has half a column about GORE's amendment being a part of the bill. This is absolutely false.

The article has no resemblance to truth, but is simply the result of a disordered and corrupt mind working only for money paid for it by Silliman Evans.

I am informed that Sunday night this same paid, low-lived skunk, Pearson, gave out a statement over the radio that I had tried my best to get President Truman to write a letter endorsing my candidacy for the Senate and that Mr. E. H. Crump, one of the most honorable of men and a former Member of the House of Representatives and a leading citizen of Memphis and Tennessee had told me that if I did not get a letter from President Truman my election was lost. What a lie!

It is needless for me to tell the Members of this body—and I do so only to keep the record straight—that this unmitigated liar and mercenary money-making crook Pearson was making a lie out of the whole cloth in uttering this statement. President Truman and Mr. Justice Burton, of the Supreme Court of the United States, were both members of the Appropriations Committee when I had so many of my fights to have the East Tennessee dams built over the "yardstick" opposition of Lilienthal and A. E. Morgan. Both President Truman, then a Senator, and Justice Burton, then a Senator, were on my side in building the dams. And, while I asked other members of the committee to tell the facts, I purposely never mentioned the matter to either of these former members of the committee because of their present positions in the Government. I did not want to embarrass either one in the performance of his high duties by asking for a statement about a former committee action.

The statement that I have directly or indirectly, openly or covertly, or in any other way, asked President Truman for a statement of any kind about my candidacy is damnably false. I am just as sure that Mr. Crump has never made such a statement as Pearson has attributed to him. He has never made it to me or to anyone else, so far as I know. Pearson has been such a gorgeous liar in Washington that many people have denounced him as a liar and a debased creature seeking to make money out of his lies. But when these two mammoth liars, Pearson and Silliman Evans, got together last week it is easy to see how they could write and publish lies about me. They are both despicable money-grabbing liars.

Drew Pearson, the biggest liar in Washington, and Silliman Evans, the biggest liar in Tennessee! What a conference that must have been last week. Silliman being utterly discredited in Tennessee, and Pearson knowing it, how Pearson's hands must have itched and his mouth watered for Silliman's money in that happy situation for Pearson.

Silliman had Colonel Browning, now in the Army in Germany, nominated for governor, but Browning would not come back and run. It was published that Silliman, finding that Browning was going to be overwhelmingly beaten by Governor McCord, sent a confidential agent over to Germany to get Colonel Browning to secure a leave of absence and come back and run against Governor McCord. I believe the name of the agent was Joe Hatcher. He sent his confidential agent, Joe Hatcher, to Germany to get Colonel Browning to secure leave of absence and come back and run against Governor McCord.

Governor McCord and I are running on the same ticket. Mr. Taylor is running for office on the same ticket for State utilities commissioner. The three of us are together on the ticket. Mr. Evans, not being satisfied with his own ticket, sent this agent to Germany to get Colonel Browning to come back and run against Governor McCord. But the agent came back empty-handed. Browning did not succumb to Silliman's blandishments. They are both my warm friends. He knew that he would be beaten whether he came or not.

As to the senatorial race, I have had practically nothing to say about it up to date. However, there is no question about my overwhelming nomination. It is not a question of how many counties I will carry but only a question of what county, if any, I may lose. Many write me and say that I will not lose a county. It was this situation that caused the biggest liar in Tennessee to turn for help to the biggest liar in Washington—conceded to be the biggest liar not only in Washington, but in the entire country. Indeed, I doubt if there is such a huge liar in all the world as this man Pearson. He has been called a liar by Senators. I am not the only one who has called him a liar. He has been called a liar by two Presidents, if I remember correctly. He has been called a liar by everyone he ever wrote about, unless some consideration passed. But fortunately the good people of Tennessee will not be misled by Silliman's lies or by Pearson's lies I believe that I will be overwhelmingly nominated on August 1, the lying writer, Pearson, and the lying publisher, Silliman, to the contrary notwithstanding.

Mr. President, I am sorry to have had to bring my political affairs before the Senate, but with such a publication as Pearson made on Sunday, and with such a statement as he made on the radio Sunday night, which was even worse than that which was published, there was nothing for me to do but to take the course I have followed in self-defense. I thank Senators for listening to what I have had to say.

Mr. STEWART. Mr. President, I am moved by the remarks made by my colleague to make a very brief statement of my own accord in connection with what he has had to say regarding the unwarranted and utterly unfair attack which has been made upon him, and which has been described by him in such eloquently descriptive terms that I would not undertake to improve upon his description. I could not do it.

I am sure that the statements which have been made concerning the senior Senator from Tennessee have not hurt his reputation in the Senate or in Tennessee. I simply wish to add to what he has had to say that the information given to Mr. Pearson about the political situation in Tennessee as respects the senior Senator from Tennessee is just about the worst information he has ever had. There is no question about my colleague's election. There is no need for him to go to Tennessee. That is the reason why he has not gone. His friends know it, and they have advised him to that effect. I have been keeping in touch with the situation as well as anybody could. His position here is not even seriously threatened, because there is practically no one running against him He has practically no opposition.

Today his reputation stands as firm in Tennessee as it has ever stood. He has been elected in every campaign in which he has ever participated. This time he will be renominated and reelected to the Senate by just as great a majority as he has ever received, if not by a larger majority. There seem to be influences at work which have for their purpose an effort to hurt him politically.

I remember when the same prognosticator, Drew Pearson, stated that the Senator from Louisiana [Mr. OVERTON], was making the race of his life. He beat the daylights out of everything in sight, without even stumping the State.

The duties of my colleague are here. He is staying here and attending to them. He does not need to go to Tennessee. I ask the people of the country to watch

the returns when they come in. The people of the State of Tennessee will elect the senior Senator from Tennessee by a greater majority than any by which he has ever won—and that will be a considerable majority.

Mr. McKELLAR. Mr. President, I thank my colleague. I did not know that he had intended to say anything. I thank him with all my heart.

WAR CONTRACT HARDSHIP CLAIMS

Mr. LUCAS. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1477, Calendar No 1703.

Mr. AIKEN. Mr President, may I ask what the bill is?

Mr LUCAS. It is Senate bill 1477. It was reported from the Committee on the Judiciary.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1477) to authorize relief in certain cases where supplies or services have been furnished for the Government during the war.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, I should like to have the Senator explain to the Senate what the bill is

Mr. LUCAS. I shall be glad to do so.

Mr. President, this is a bill which seeks to amend section 201 of the original War Powers Act. Without going into the language of that act, I may say to the Senate that when VJ-day came a great number of contracts were in the process of being negotiated between the War and Navy Departments and contractors. When VJ-day arrived the War Department took the position that under a strict interpretation of the language of the War Powers Act it was impossible for the War Department to continue toward an equitable arrangement or negotiation with the contractors with respect to contracts which were then in process of being negotiated. At that time the Navy Department believed the law to be sufficient, and continued to make equitable arrangements with contractors.

As I understand the matter, the Maritime Commission took practically the same position as that taken by the Navy Department. In order to meet the objections of the War Department, the Senator from Illinois submitted the amendment which was immediately referred to the Judiciary Committee, and the Judiciary Committee held hearings upon the amendment. The committee had before it the contractors and representatives of the War Department and the Navy Department and other officials of Government, who testified regarding the matter.

I merely give the Senate one example of how important this matter is to the small contractors who were caught in between when VJ-day came. For instance, I cite the one case of the Lake States Engineering Co., of Chicago, which has a claim on account of the construction of the Island Creek Dam at Paducah, Ky., and its proceedings and negotiations for the settlement of that contract after VJ-day came. The War Department admitted that it was obligated to pay the contractor $173,000. There was no dispute at all about that amount. There was a dispute regarding the remaining amount of $75,000. The additional amount of approximately $75,000 was approved by some of the war offices in Washington, but there were differences in other offices which could not be reconciled at that date. Even the payment of the $75,000 had been approved by some of the offices in Washington, but others had not approved it as of VJ-day. The War Department took the position that the War Powers Act was created to apply only during the time when we were actually engaged in war, and no longer; in other words, that these contracts were made in the interest of the war effort, and that the moment the war ceased, if such a contract were continued, it would not then be for that purpose. Consequently, the War Department said it could not pay this claim. This argument seemed specious and fallacious, but nevertheless, they were adamant in their position. The War Department has not paid the $173,000, although every agency of the War Department having anything to do with this contract says the company is entitled to it, and practically all the agencies say that the company is entitled to the additional $75,000. However, the company will not be paid any part of this money until Congress provides the additional legislation that is requested.

I may say that all members of the committee, except the distinguished Senator from North Dakota, approved of the bill, and since that time I have talked to the Senator from North Dakota, and he advises me that he has no objection to the bill.

I have cited this one case out of many cases which were presented to the distinguished chairman and other members of the Judiciary Committee.

Mr. McCARRAN. Mr. President, after this bill was sent to the Senate Committee on the Judiciary, extensive hearings were held by the committee. We went into a great many phases of the question. Many persons came before the committee and recited the circumstances surrounding their particular cases. The General Accounting Office raised some questions as to the language of the then existing bill. After the hearings were concluded, we submitted the matter for reconsideration from the standpoint of redrafting the language of the bill. The language was carefully redrafted so as to limit it in every respect and to protect it in every respect. The language now contained in the bill is what was approved and is approved by the General Accounting Office.

If there ever was a bill in which there was merit and justice and for which there was a need on the ground of fair play and an attempt to render justice to these groups who have tried to serve and have served the Government during the war, this is one bill which in its present form is in that category.

I respectfully suggest that the bill should be considered and passed at this time. I am glad it is to be taken up ahead of the consideration of the measures on the calendar, so that it may be passed by the Senate and may go to the House of Representatives and may receive approval by the House before there is a final adjournment of the Congress.

Mr. LUCAS. Mr. President, I thank the Senator from Nevada for his statement. I agree with him that this is one of the most meritorious bills that I have ever seen presented to the Senate. A great many small contractors throughout the Nation are still suffering because of the technical position which was taken by the War Department thereby denying the payment of these just claims to these unfortunate contractors.

Mr. McCARRAN. Mr. President, let me say that this matter shows the difference between one department which approves and goes forward with adjustments and another department which disapproves and says that after VJ-day it has no right to go forward with adjustments. Those were the two horns of the dilemma. In other words, one group was paid and another group was not paid; and those who suffered had to come to Congress and obtain specific provision for their relief, as set out in this bill.

Mr. LUCAS. Mr President, perhaps that is another fine example of why the Army and the Navy should be merged. In other words, the Navy is paying the contractors, under the law as it exists at the present time, whereas the War Department takes the position that it cannot pay. If there were a merger of the Army and the Navy, there would be only one lawyer who would advise the Army and the Navy in regard to a question of that kind.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. REVERCOMB. As one of the members of the subcommittee of the Judiciary Committee which considered this measure, Senate bill 1477, I wish to urge the consideration and passage of the bill. I have never known of a bill which has received more careful attention. As stated by the able chairman of the committee, it was rewritten in the committee.

There is one particular feature of it to which I wish to call attention, because some Members of the Senate spoke to me about this phase of it. The bill as originally written would have permitted the agencies to have made a settlement, and the matter would have ended there. The bill as now written and as now before the Senate permits the agencies to effect the settlement, and then permits an appeal to be made to the district courts, and it permits either the contractor or the United States to appeal from a decision of the district court.

With respect to the Navy's construction, under the present War Powers Act, of the right to make settlement, let me say I hope this bill supersedes in every respect any right derived from the War Powers Act for such settlements, so that in the future any one of these settlements, as to which there is complaint on behalf of the contractors, to begin with, and as to which, after a decision by a district court, there is complaint by either the Government or the contractor, may

be reviewed by the court, as in other cases of equity.

Mr. McCARRAN. Mr. President, let me ask the able Senator about the amendment he has discussed, for I know he has responsibility for it. Do I correctly understand that there is to be no appeal by the Government from the decision of the district court, in the event the contractor desires to accept the agreement which is made with respect to the negotiation for damages?

Mr. REVERCOMB. On the contrary, Mr. President, after it gets to the district court and the court makes its decision, either the Government or the contractor may appeal from the decision of the district court.

Mr. McCARRAN. Either one may appeal?

Mr. REVERCOMB. Yes.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent for the present consideration of Senate bill 1477?

Mr. WHERRY. Mr. President, in view of the statement which has been made by the able Senator from Nevada [Mr. McCARRAN], chairman of the Judiciary Committee, and in view of the statement made by the able Senate from Illinois [Mr. LUCAS] and the able Senator from West Virginia [Mr. REVERCOMB], there is no objection on my part.

There being no objection, the Senate proceeded to consider the bill (S. 1477) to authorize relief in certain cases where supplies or services have been furnished for the Government during the war, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause, and insert:

That where work, supplies, or services have been furnished between December 7, 1941, and August 14, 1945, under a contract or subcontract, for any department or agency of the Government which prior to the latter date was authorized to enter into contracts and amendments or modifications of contracts under section 201 of the First War Powers Act, 1941 (50 U S C., Supp. IV, app., sec. 611), such departments and agencies are hereby authorized, in accordance with regulations to be prescribed by the President within 60 days after the date of approval of this act, to consider, adjust, and settle equitable claims of contractors, including subcontractors and materialmen performing work or furnishing supplies or services to the contractor or another subcontractor, for losses (not including diminution of anticipated profits) incurred between December 7, 1941, and August 14, 1945, without fault or negligence on their part in the performance of such contracts or subcontracts. Settlement of such claims shall be made or approved in each case by the head of the department or agency concerned or by a central authority therein designated by such head

SEC 2. (a) In arriving at a fair and equitable settlement of claims under this act, the respective departments and agencies shall not allow any amount in excess of the amount of the net loss (less the amount of any relief granted subsequent to the establishment of such loss) on all contracts and subcontracts held by the claimant under which work, supplies, or services were furnished for the Government between December 7, 1941, and August 14, 1945, and shall consider with respect to such contracts and subcontracts (1) action taken under the Renegotiation Act (50 U. S. C., Supp. IV, app, sec. 1191), the Contract Settlement Act of 1944 (41 U. S. C., Supp. IV, sec. 101–125), or similar legislation; (2) relief granted under section 201 of the First War Powers Act, 1941, or otherwise; and (3) relief proposed to be granted by any other department or agency under this act. Wherever a department or agency considering a claim under this act finds that losses under any such contract or subcontract affected the computation of the amount of excessive profits determined in a renegotiation agreement or order, and to the extent that the department or agency finds such amount was thereby reduced, claims for such losses shall not be allowed under this act.

(b) Every claimant under this act shall furnish to the department or agency concerned any evidence within the possession of such claimant bearing upon the matters referred to in subsection (a) of this section.

SEC 3. Claims for losses shall not be considered unless filed with the department or agency concerned within 6 months after the date of approval of this act, and shall be limited to losses with respect to which a written request for relief was filed with such department or agency on or before August 14, 1945, but a previous settlement under the First War Powers Act, 1941, or the Contract Settlement Act of 1944 shall not operate to preclude further relief otherwise allowable under this act.

SEC 4 Appropriations or funds available for work, supplies, or services of the character involved in the respective claims at the time of settlement thereof shall be available for payment of the settlements: *Provided*, That where no such appropriations are available appropriations for payment of such settlements are hereby authorized.

SEC. 5. Each department and agency shall report to the Congress quarterly the name of each claimant to whom relief has been granted under this act, together with the amount of such relief and a brief statement of the facts and the administrative decision

SEC. 6 Whenever any claimant under this act is dissatisfied with the action of a department or agency of the Government in either granting or denying his claim, such claimant shall have the right within 6 months to file a petition with any Federal district court of competent jurisdiction, asking a determination by the court of the equities involved in such claim; and upon the filing of such a petition, the court, sitting as a court of equity, shall have jurisdiction to determine the amount, if any, to which such claimant and petitioner may be equitably entitled (not exceeding the amount which might have been allowed by the department or agency concerned under the terms of this act) and to enter an order directing such department or agency to settle the claim in accordance with the finding of the court; and thereafter either party may appeal from the decision of the court as in other equity cases

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize relief in certain cases where work, supplies, or services have been furnished for the Government under contracts during the war."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HUFFMAN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Albert L. O'Bannon, an officer in the United States Naval Reserve, to be an ensign in the line of the Navy.

By Mr GEORGE, from the Committee on Finance·

Sundry candidates for appointment in the Regular Corps of the United States Public Health Service

By Mr THOMAS of Utah, from the Committee on Military Affairs:

Oliver Harold Polk for appointment as administrative officer, national headquarters, Selective Service System;

John E Tracey for appointment as assistant Chief, Appointments and Personnel Division, National Headquarters, Selective Service System;

Sundry officers for appointment in the Regular Army of the United States, and

Sundry officers for temporary appointment in the Army of the United States, under the provisions of law

By Mr WAGNER, from the Committee on Banking and Currency:

James E Isleib, of Texas, to be Land Bank Commissioner in the Farm Credit Administration

RECESS

Mr. HILL. Mr. President, under the order previously entered, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

There being no objection, the Senate (at 5 o'clock and 46 minutes p. m.), took a recess, the recess being under the order previously entered, until tomorrow, Wednesday, July 17, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 16 (legislative day of July 5), 1946:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotion in the Regular Corps of the United States Public Health Service:

SURGEON TO BE TEMPORARY MEDICAL DIRECTOR

William F. Ossenfort

SURGEONS TO BE TEMPORARY SENIOR SURGEONS

Frederick J. Brady
George L. Fite
Arthur W. Newitt

DENTAL SURGEONS TO BE TEMPORARY SENIOR DENTAL SURGEONS

Ralph S Lloyd — William P. Kroschel
George E Jones — Bruce D Forsyth

IN THE NAVY

The following-named officers of the line of the Navy to be assistant paymasters in the Navy with the rank of ensign:

James E. Brown — Karl W. Fischer, Jr.
William S. Benson 2d — Arthur E Linder
John J. Caporaso — Wesley J. McClaren
Sherman F. Drake

POSTMASTERS

ALABAMA

Walter R. Warrick, Marbury, Ala. Office became Presidential July 1, 1946.

Luther B. Sprott, Sprott, Ala. Office became Presidential July 1, 1946.

Lucy Vance, Vance, Ala., Office became Presidential July 1, 1946.

Mamie K. Gunlock, Wilton, Ala. Office became Presidential July 1, 1946.

ARKANSAS

William C. Mayfield, Hindsville, Ark. Office became Presidential July 1, 1946.

Foster B. Dowell, Tuckerman, Ark., in place of C. K. Coe, resigned.

CALIFORNIA

Mary P. Henck, Skyforest, Calif. Office became Presidential July 1, 1946

Rienne A. Stubbs, Twin Peaks, Calif. Office became Presidential July 1, 1946

COLORADO

Minnie H. McCullough, Ouray, Colo., in place of A. L. Grabow, resigned.

FLORIDA

Cary P. DeBusk, Homosassa, Fla., Office became Presidential July 1, 1946

Luella Campbell, Loughman, Fla. Office became Presidential July 1, 1946

Catherine P Ladd, Melbourne Beach, Fla. Office became Presidential July 1, 1946.

Mary L. Godfrey, Yulaha, Fla. Office became Presidential July 1, 1946.

GEORGIA

Robert J. Singleton, Clayton, Ga., in place of L. M. Bleckley, resigned.

IOWA

Ferdinand J. Ruff, South Amana, Iowa, Office became Presidential July 1, 1946

KANSAS

Helen Oliverius, Timken, Kans Office became Presidential July 1, 1946.

LOUISIANA

Marie Carmadelle, Barataria, La Office became Presidential July 1, 1946.

MARYLAND

C. Vernon Jarvis, Huntingtown, Md., in place of D G King, transferred.

MASSACHUSETTS

Charles H. Baldwin, Norwell, Mass., in place of J F. Totman, deceased.

MISSISSIPPI

John A. Gerard, Bude, Miss., in place of J A Gerard, resigned

Hugh R. Varnado, Pickens, Miss., in place of R. B Linn, retired

MISSOURI

Kenneth E Logan, Hurley, Mo. Office became Presidential July 1, 1946

MONTANA

Esther M. Evans, Colstrip, Mont., in place of Bernice Gregory, resigned

Thomas S Walshe, Pompeys Pillar, Mont Office became Presidential July 1, 1946

Cecil F MacDonald, St Regis Mont Office became Presidential July 1, 1946

NEW JERSEY

Joseph J Polonka, Fluckemin, N. J. Office became Presidential July 1, 1946.

Eva Case, Three Bridges, N J Office became Presidential July 1, 1946

NEW YORK

Marcus D. Sternberg, Depauville, N. Y. Office became Presidential July 1, 1945.

May A Cupernall, Thousand Island Park, N Y. Office became Presidential July 1, 1946.

NORTH CAROLINA

Fate Brown, Ashford, N. C Office became Presidential July 1, 1946.

OREGON

Enid M McAboy, Deer Island, Oreg Office became Presidential July 1, 1946

Laurie K. Marriott, Goshen, Oreg. Office became Presidential July 1, 1946.

Margaret E Sheehan, Lakeside, Oreg. Office became Presidential July 1, 1946.

George E. Edmiston, Rieth, Oreg. Office became Presidential July 1, 1946.

Arden S. Jordan, Rufus, Oreg. Office became Presidential July 1, 1946.

Bessie M. Hopper, Wolfcreek, Oreg. Office became Presidential July 1, 1946.

PENNSYLVANIA

Hans K Schmid, Callery, Pa. Office became Presidential July 1, 1946.

Genevieve W Allen, Elkland, Pa., in place of E. R. Smith, resigned.

M. Norman Warner, Reeders, Pa. Office became Presidential July 1, 1946.

Darius H Broadwater, Salisbury, Pa., in place of C. S Lichliter, retired.

Samuel M Braybrook, White Haven, Pa., in place of F. G. Staples, resigned.

SOUTH CAROLINA

Sybil H. Pate, Dorchester, S C. Office became Presidential July 1, 1946.

Willie Mae Arant, Fort Motte, S. C., in place of L. M. Smith, retired

Ruth C. Cox, Rowesville, S. C., in place of T. G. Robinson, deceased.

Homer Griffith, Salem, S. C., in place of J. C. Nicholson, transferred

Russell F Jones, Wedgefield, S. C. Office became Presidential July 1, 1946.

TENNESSEE

Truman Barret Snowden, Brunswick, Tenn. Office became Presidential July 1, 1946.

Della Douglas, Elk Valley, Tenn., in place of E L Lay, transferred

Edna B Snodgrass, Kyles Ford, Tenn. Office became Presidential July 1, 1945.

Sidney C. Roberts, Whitesburg, Tenn Office became Presidential July 1, 1943.

TEXAS

J Maxwell Holder, Nolan, Tex. Office became Presidential July 1, 1946

Robert M Carson Reklaw, Tex. Office became Presidential July 1, 1946.

Minnie D Moore, San Perlita, Tex Office became Presidential July 1, 1946.

VIRGINIA

Walter A Blane, Alton, Va. Office became Presidential July 1, 1946

Ada R Fristoe, Bentonville, Va Office became Presidential July 1, 1946.

Pearl J. DeBord, Chatham Hill, Va. Office became Presidential July 1, 1946

Effie L Godman, Coles Point, Va Office became Presidential July 1, 1946

Marion C Sowder, Elberon, Va Office became Presidential July 1, 1946

Augustus M Raney, Freeman, Va. Office became Presidential July 1, 1946

Blondell L Larrick, Gore, Va. Office became Presidential July 1, 1946

Annie L Barton, Hardy, Va. Office became Presidential July 1, 1946

Milton I Albert McCoy, Va Office became Presidential July 1, 1946

Hiram H Vernon, Mendota, Va. Office became Presidential July 1, 1946

Albert S Will, Quicksburg, Va Office became Presidential July 1, 1946.

Arthur W Sommer, Skippers, Va Office became Presidential July 1, 1946.

William T. Brittingham, Temperanceville, Va Office became Presidential July 1, 1946

WASHINGTON

Georgia I Clark, Twisp, Wash., in place of H A Mykrantz, retired.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 16, 1946

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art the creator and benefactor of all mankind, grant that in the sphere of human relationships our minds and hearts may be pervaded and ordered by a nobler and more magnanimous spirit and a wiser and wider vision. We pray that we may understand more clearly that, as members of the family of men, we are united with one another in nature, in duty, and in destiny. Help us to see that each life is a thread in the seamless robe of humanity, and that our personality and our individual life only find their meaning, their worth, and their fulfillment in fellowship and in service.

Inspire us with a passion to have a larger share in lifting men everywhere into a more joyous and radiant level. Enable us to triumph over the spirit of selfishness and personal aggrandizement, and to reach out to the suffering and needy with sympathy and helpfulness. May we realize that we have never fully discharged our duties, our obligations, and responsibilities until all who wander in darkness and distress have been brought into the clear light of a new and better day.

To Thy name we ascribe the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr Gatling, its enrolling clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H Con Res 155 Concurrent resolution against adoption of reorganization plan No 1 of May 16, 1946

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested

S Con Res 72 Concurrent resolution further extending the time for filing the report of the Joint Committee To Investigate the Pearl Harbor Attack, and authorizing the temporary employment of clerical assistants thereafter, and payment of incidental expenses

The message also announced that the President pro tempore has appointed Mr BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of the Navy.
4. Department of the Treasury.
5. Department of War.
6. Post Office Department.
7. Federal Communications Commission
8. Federal Power Commission.
9. Federal Security Agency.
10. National Archives.
11. Veterans' Administration.

EXTENSION OF REMARKS

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include an article entitled "Opportunity for 5,000,000 Dirt Foresters."

Mr. HEALY asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. RICH asked and was given permission to insert in the Appendix of the RECORD a statement with regard to Mr. Frank J. P. Cleary, an employee of the Department of Agriculture for 54 years, and include a poem.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include a news item from the St. Joseph News, of St. Joseph, Mo.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix in three instances and include excerpts.

Mr. SCRIVNER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances on matters relating to benefits for veterans.

Mr. H. CARL ANDERSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a letter from Mr. Gordon C. Sween, of Granite Falls, Minn., relative to OPA.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article on OPA booby-traps.

SPECIAL ORDER GRANTED

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from West Virginia [Mr. KEE] may address the House for 10 minutes today at the conclusion of the legislative business for the day and the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE SOCIAL PROTECTION BILL

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, during the debate on H. R. 5234, statements have been made about Federal intrusion and the extension of Federal authority, which indicate lack of information as to the provisions of the bill and are in direct contradiction to the unanimous testimony of governors, mayors, and chiefs of police, health commissioners, and other officials about how the Social Protection Division operates and about the value of its services. H. R. 5234 poses no such problems. The issue which it raises is more simple and more clear. A vote for this bill is a vote against prostitution, against the commercialized traffic in women, and against the exploitation of youth.

PERMISSION TO ADDRESS THE HOUSE

Mr. KELLY of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. KELLY of Illinois addressed the House. His remarks appear in the Appendix.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

RAILROAD CORPORATIONS

The Clerk called the bill (H. R. 5924) to enable debtor railroad corporations, whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structure without further proceedings under section 77 of the Bankruptcy Act, as amended.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COAST GUARD ENLISTMENTS FOR DUTY AT LIFEBOAT STATIONS

The Clerk called the bill (H. R. 6219) to authorize the Commandant of the United States Coast Guard to accept enlistments of certain individuals for duty at lifeboat stations during the year 1946.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. BLAND. Mr. Speaker, reserving the right to object, I wish to ask the gentleman if he would not be agreeable to it if an amendment were included in this bill striking out section 1? In the appropriation bill for the Coast Guard provision has been made for something over $1,000,000, I think very nearly the amount covered by section 2, but the essential and the desirable portion of the bill is to give authority to enlist or reenlist for a less period than a year. That is really the desirable portion.

Mr. COLE of New York. Mr. Speaker, if the gentleman will yield, I will say in reply to the gentleman it is my recollection that the gentleman from New Jersey, Mr. Kean, was interested in this bill. He is not present now, but will be here in a very short while, and I suggest that we pass it over and then we can work out the differences after the call of the calendar.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REGULATING TRANSACTIONS IN EXEMPTED SECURITIES

The Clerk called the bill (H. R. 3129) to amend the Securities Exchange Act of 1934 so as to limit the power of the Securities and Exchange Commission to regulate transactions in exempted securities.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I raise a point of order against the bill. According to the calendar it is indicated that this bill was objected to on June 17 and also objection was registered on July 2. It may be that the calendar is in error.

The SPEAKER. On the call of the calendar on July 2 the bill was passed over. The Chair will object to the present consideration of the bill.

Mr. McCORMACK. I object, Mr. Speaker.

Mr. MADDEN. I object, Mr. Speaker.

FREE HIGHWAY BRIDGE ACROSS THE SUSQUEHANNA RIVER

The Clerk called the bill (H. R. 5537) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at a point between the Borough of Plymouth, in Plymouth Township, and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice

Mr. FLOOD. Reserving the right to object, Mr. Speaker, may I inquire of the gentleman from New York [Mr. COLE] whether or not this is the same bill that I tried to explain a week ago? Since that time I may say to the gentleman from New York that the gentleman from Pennsylvania who was instrumental in introducing the bill with me is present in the House, and he told me he had no objection to this matter. I discussed this with the minority leader the gentleman from Massachusetts [Mr. MARTIN], and I understood that there was to be no problem. May I inquire if there is anything further that I could say to the gentleman from New York?

Mr. COLE of New York. As far as I am concerned, the matter was rather thoroughly discussed the first time on the call of the calendar that this bill was considered, and I see no reason for repeating what had already been expressed at that time. I know of no development which would justify us changing our position, and that is the reason I asked that the bill go over without prejudice.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I should like to know what objection there can be to permitting a State to build a free bridge across a river?

Mr. COLE of New York. I can assure the gentleman that, if I were to repeat my discussion of it, it would be rather prolonged.

Mr. RANKIN. I think we ought to have it. If we are going to prevent the various States from building bridges to be used free of toll across the various rivers of the country, I think it at least ought to be discussed. I think we ought to know what the objections are.

Mr. COLE of New York. There was rather full and free discussion 2 weeks ago when this bill was called up, and it is only to save the time of the House that I do not undertake to repeat the discussion that was had then.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FLOOD. I regret, Mr. Speaker, that I must object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York, Mr. SCHWABE of Oklahoma, and Mr. CUNNINGHAM objected.

CONSERVATION OF THE FISHERY RESOURCES

The Clerk called the bill (H. R. 3230) to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the Territory of Hawaii and of adjacent waters of the Pacific Ocean, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That it is the policy of the United States to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the Territory of Hawaii and of adjacent waters of the Pacific Ocean for the benefit of the residents of the Territory in particular and of the peoples of the United States in general.

SEC. 2 The Secretary of the Interior, through the Fish and Wildlife Service of the Depaitment of the Interior, is authorized and hereby directed to conduct such oceanographic, biological, fish cultural, technological, engineering, statistical, economic, and market development studies and demonstrations, and fishery explorations necessary to insure maximum development and utilization of the fishery resources of the Territory of Hawaii and of adjacent waters of the Pacific Ocean as may be consistent with sustaining such fishery resources at maximum levels of production in perpetuity and to provide for the best possible utilization thereof.

SEC. 3. In carrying out the purposes and objectives of the foregoing sections the Secretary of the Interior may cooperate with appropriate agencies of the Territorial government and with such educational, industrial, or other organizations, enterprises, and individuals as may be expedient.

SEC. 4. In conjunction with the investigations, demonstrations, and explorations authorized in section 2 and through the cooperative action authorized by section 3 hereof, the Secretary of the Interior shall sponsor the establishment and maintenance at an appropriate place or places in the Hawaiian Islands of a vocational school or schools of fisheries for the purpose of providing practical training and instruction in the construction and operation of fishing gear and craft and in the capture, preservation, manufacture, and marketing of fishery products

SEC. 5. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed the following: $350,000 for the construction, furnishings, and equipment of a fishery research and experiment station and a fishery school and necessary substations at suitable locations in the Hawaiian Islands, together with suitable dock and storehouse facilities to be used in conjunction with the operation of research and experimental fishing vessels, with the understanding that suitable sites therefor are to be provided without cost to the United States Government; $500,000 for the construction and equipment of a multiple-purpose oceanographic and fishery research vessel, together with all necessary gear and appurtenances; $175,000 for the construction and equipment of an experimental fishing vessel, together with all necessary gear and appurtenances; and such sums, from time to time, as may be necessary to enable the Fish and Wildlife Service of the Department of the Interior to carry out the provisions and purposes of this act, including personal services; traveling expenses; transportation of things, miscellaneous equipment and supplies; communications; other contractual services; necessary printing locally; purchase, operation, and maintenance of motor vehicles; and maintenance, repair, improvement, equipment, and operation of vessels and buildings or other structures.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Interior, through the Fish and Wildlife Service of the Department of the Interior, is authorized and hereby directed to conduct such oceanographic, biological, fish-cultural, technological, engineering, statistical, economic, and market-development studies and demonstrations, and fishery explorations necessary to insure maximum development and utilization of the fishery resources of the Territory of Hawaii and of adjacent waters of the Pacific Ocean as may be consistent with sustaining such fishery resources at maximum levels of production in perpetuity and to provide for the best possible utilization thereof.

"SEC 2 In carrying out the purposes and objectives of the foregoing section, and in order to provide practical training and instruction in the construction and operation of fishing gear and craft and in the capture, preservation, manufacure, and marketing of fishery products, the Secretary of the Interior may cooperate with appropriate agencies of the Territorial government and with such educational, industrial, or other organizations, enterprises, and individuals as may be expedient.

"SEC 3. There is hereby authorized to be appropriated, from time to time, such sums as may be necessary to enable the Fish and Wildlife Service to carry out the purposes and provisions of this act"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING WAR VETERANS BURIAL ALLOWANCE TO $150

The Clerk called the bill (H. R 571) to increase deceased war veterans burial allowance to $150.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, for the reason that this bill authorizes the sum of $4,000,000, I ask that it be passed over with prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

COAST AND GEODETIC SURVEY

The Clerk called the bill (H. R. 6644) to increase the efficiency of the Coast and Geodetic Survey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act of January 19, 1942 (56 Stat. 6), is hereby amended to read as follows:

"That the authorized number of commissioned officers on the active list of the Coast and Geodetic Survey at any time shall be distributed in rank relative with officers of the Navy in such proportion as results from the operation of the promotion system hereinafter prescribed."

SEC. 2. Section 2 of the said act of January 19, 1942, is hereby amended to read as follows:

"(a) Except as otherwise provided in this act, commissioned officers shall be promoted to the grade of lieutenant (junior grade) after 3 years' service, to the grade of lieutenant after 10 years' service, to the grade of lieutenant commander after 17 years' service, to the grade of commander after 23 years' service, and to the grade of captain after 28 years' service: *Provided*, That lieutenants (junior grade) with not less than 7 years' service and lieutenants with not less than 14 years' service may be promoted to the grade of lieutenant and lieutenant commander, respectively, at any time in such numbers as will not cause the resulting number of officers in each of the grades of lieutenant and lieutenant commander to exceed 28 percent of the total authorized force of commissioned officers on the active list: *Provided further*, That lieutenant commanders with not less than 20 years' service and commanders with not less than 26 years' service may be promoted to the grades of commander and captain, respectively, at any time in such numbers as will not cause the resulting number of officers in the grades of commander and captain to exceed 8 percent and 5 percent, respectively, of the total authorized force of commissioned officers on the active list.

"(b) For officers in the service on June 30, 1922, there shall be credited for promotion purposes all service which was then counted for promotion purposes For officers appointed after June 30, 1922, there shall be credited for promotion purposes only active commissioned service in the Coast and Geodetic Survey and service authorized in the proviso hereto: *Provided*, That for purposes of pay, longevity pay, allowances, promotion, or retirement, which are now or hereafter may be authorized for officers appointed after June 30, 1922, there shall be counted in addition to active commissioned service, service as deck officer and junior engineer in excess of 1 year

"(c) All promotions, when made, shall be effective from the date of completion of the required service, and promotions to all grades shall be made by the President, by and with the advice and consent of the Senate

"(d) Each officer shall be assumed to have for promotion purposes, at least the same length of service as any officer junior to him on the lineal list hereinafter authorized, except that an officer who has lost numbers on the lineal list shall be assumed to have for promotion purposes no greater service than the officer next above him in his new position on the lineal list.

"(e) Whenever a final fraction occurs in computing the authorized number of officers of any grade, the nearest whole number shall be regarded as the authorized number"

SEC 3. (a) Section 6 of act of January 19, 1942 (56 Stat. 6), is hereby amended by inserting, after the word "act" in the first line, a comma and the words "except where specific provision is made otherwise,".

(b) The word "physical" in the first line of section 7 of the said act of January 19, 1942, is hereby amended to read "physical."

SEC 4. Section 1 of the act of December 3, 1942 (56 Stat. 1038), is hereby amended by inserting after the comma in the ninth line the words "or as hereafter amended,".

SEC. 5. The third paragraph of section 16 of the act of May 22, 1917 (40 Stat. 88), is hereby amended to read as follows:

"When serving with the Army or Navy, commissioned officers of the Coast and Geodetic Survey shall rank with and after officers of corresponding grade in the Army or Navy of the same length of service in grade."

SEC. 6. Section 1 of the act of June 4, 1920 (41 Stat. 788), is hereby amended by inserting after the words "Marine Corps", the words "and Coast and Geodetic Survey."

SEC. 7. The act of February 25, 1946 (Public Law No. 306), is hereby amended by inserting after the words "Coast Guard," the words

"and of deceased commissioned officers of the Coast and Geodetic Survey."

SEC. 8. Ships' officers and members of the crews of vessels of the Coast and Geodetic Survey, and their dependents, shall, in addition to any benefits heretofore authorized, be entitled to all benefits of rehabilitation, education, training, preference in employment, and loans now or hereafter authorized for officers and seamen of the merchant marine and their dependents: *Provided*, That the duties and obligations imposed by any act relating to benefits upon the Chairman of the United States Maritime Commission, the Administrator of the War Shipping Administration, or any officer of those agencies, in regard to personnel under jurisdiction of those agencies, is hereby imposed upon the Director of the Coast and Geodetic Survey in regard to personnel of the Coast and Geodetic Survey.

SEC 9. (a) Any commissioned officer of the Coast and Geodetic Survey transferred in accordance with the act of May 22, 1917, to the War Department, or to the Navy Department to duty in the Marine Corps, shall be granted an allowance of $250 for uniforms and equipment, payable from the current appropriations of the department to which the officer is transferred

(b) An allowance of $250 for uniforms and equipment is authorized to be paid to each commissioned officer of the Coast and Geodetic Survey who has been appointed to the rank of ensign since December 7, 1941, or who hereafter may be so appointed during time of war and for 6 months thereafter, payable from funds currently available for pay of commissioned officers.

(c) Except as may be authorized by regulations of the Secretary of Commerce the insignia and uniform of commissioned officers of the Coast and Geodetic Survey, or any distinctive part of such insignia or uniform, or any insignia or uniform any part of which is similar to a distinctive part thereof, shall not be worn, after the promulgation of such regulations, by any person other than a commissioned officer of the Coast and Geodetic Survey, and any person violating this section shall be subject to the penalties provided by the act of June 3, 1916, as amended (U S C, title 10, sec 1393), in the case of unlawful wearing of the uniform of commissioned officers of the Navy.

SEC 10. The Secretary of Commerce is authorized to permit commissioned officers of the Coast and Geodetic Survey, including those in the District of Columbia, to make allotments from their pay under such regulations as he may prescribe.

SEC 11. The Secretary of Commerce, in prescribing per diem rates of allowance in accordance with law for commissioned officers of the Coast and Geodetic Survey traveling on official business and away from their designated posts of duty, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders

SEC. 12 All laws or parts of laws inconsistent with the provisions of this act are hereby repealed, and the provisions of this act shall be in effect in lieu thereof.

With the following committee amendment:

Page 4, line 18, strike out "section 1" and insert "article 4 of chapter 2."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROPOSED MISSISSIPPI PARKWAY

The Clerk called the bill (H. R. 6809) to authorize the survey of a proposed Mississippi River parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING THE FIRST WAR POWERS ACT, 1941

The Clerk called the bill (H. R. 6890) to amend the First War Powers Act, 1941.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VETERANS' CANTEEN SERVICE IN THE VETERANS' ADMINISTRATION

The Clerk called the bill (H. R. 6836) to establish and provide for the maintenance and operation of a veterans' canteen service in the Veterans' Administration, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, may I inquire of the gentleman from Mississippi if, in the operation of the canteen service, it is intended that this shall be without cost to the Federal Government; in other words, that the operation shall be on a self-sustaining basis?

Mr. RANKIN. That is my understanding. In the report the gentleman will find a letter from General Bradley. The gentleman from Kansas [Mr. SCRIVNER] is a member of the committee. I think he will bear me out that these canteens will be self-sustaining.

Mr. SCRIVNER. Mr Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Kansas.

Mr. SCRIVNER. This bill, with purchase limitations, arises as one of the results of the investigation of veterans' hospitals made by the Committee on World War Veterans' Legislation. We found in these hospitals that the canteen services are let out to individuals under contract. The Veterans' Administration has little or no control over them except possibly as to sanitary conditions. On the whole, the canteens are fairly well operated, although some charge higher prices than we thought should be charged. With the Veterans' Administration having so little control, it was felt that to give the veterans in our hospitals the best possible service the canteens should be set up much the same as they are in the Army, under Veterans' Administration operation, and that the prices that are charged should be sufficient to make the canteens self-supporting. This action was deemed necessary despite our opposition to the Government entering into activities approaching competition with private enterprise.

Mr. COLE of New York. I would appreciate it if the gentleman would assure us that the canteens are to be operated on a self-sustaining basis and at no cost to the Federal Government, so that the Federal Government will not underwrite any deficit in the operation of the canteens.

Mr. RANKIN. That is the case; these canteens will be self-sustaining. May I say further that it is not the intention of the Veterans' Administration to discriminate against those individuals who have been operating these canteens in the right way. They will be considered in supplying places in these canteens. In my opinion, this will not cost the Federal Government a dollar.

Mr. COLE of New York. May I inquire further if it is going to be possible for persons who are not otherwise qualified to receive the benefits and the advantages of the service to do so? Are they to be permitted to go in and make purchases of groceries and other services and commodities that the canteen service may have?

Mr. RANKIN. My understanding is that these canteens are going to be on the grounds of the veterans' hospitals, under the control of the Veterans' Administration, and run for the benefit of the people connected with the hospitals and the ones in the hospitals.

Mr SCRIVNER. A study of the report will show that purchases by nonhospital residents are strictly limited.

Mr. COLE of New York. Limited, as I understand, to the extent that the only services a nonveteran or nonemployee can have in the canteen service are those which are consumed on the premises. It would not be possible for a resident in the community where a canteen service is located to go in there and load up with groceries and take them back to his home, so that the canteen would then be in competition with the local stores.

Mr. RANKIN. In other words, we are not putting the Veterans' Administration into the grocery business.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The canteens are to be run the way the Army canteens are run. Outsiders are not allowed to go in there. This is a revolving fund, and self-supporting.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Texas.

Mr. POAGE. What assurance have we that the family of every man who works for the Veterans' Administration and all of their friends will not do all their trading in these canteens? That happens at Army posts, as the gentleman well knows. What assurance have we that the same thing will not happen wherever there is a veterans' facility?

Mr. RANKIN. I cannot see that it would hurt anything if they did.

Mr. POAGE. Does the gentleman believe the Government should set up store selling at cost, without paying taxes

to the States, without paying cigarette taxes, or any of the taxes the States levy on ordinary products, even including gasoline? Does the gentleman believe the Federal Government should establish those stores everywhere there is a veterans' facility and sell to the public? The gentleman says he does not see that it would do any harm if they sold publicly to everyone. Does the gentleman believe that should be done?

Mr. RANKIN. No; I did not say that. I said it would not do any harm so far as the people connected with the veterans' hospital are concerned, especially the veterans and their families.

Mr. POAGE. I have no objection to the veteran who is in the hospital buying at cost, of course, but I want to know what assurance there is that everybody who *alleges* some remote connection with the institution will not be able to evade State taxes.

Mr. RANKIN. Has the gentleman read the law?

Mr POAGE. I am asking the gentleman.

Mr. RANKIN. They will be just exactly the same as the canteens that are run at the various Army posts.

Mr. POAGE. Then that is no assurance whatsoever because at every Army post in the United States they are selling to people who are not entitled to buy and they are evading the State taxes on cigarettes and almost everything that they sell.

Mr. RICH. Is it not a fact that at these canteens now it is the practice of friends of those who are in the Army to go to those canteens and purchase commodities?

Mr. RANKIN. No.

Mr. RICH. That is what they are doing right here in the District of Columbia.

Mr. RANKIN. This measure would not apply to that situation.

Mr. RICH. They are doing it. You ought to be very careful.

Mr. RANKIN. May I say to the gentleman from Pennsylvania this is necessary in my opinion in order to protect the men in these various hospitals.

Mr. RICH. All I think that you ought to do here is to have your legislation in such shape that it is not going to be for the general public.

Mr. RANKIN. This is not for the general public.

Mr. RICH. Well, they are getting around the law now and you ought to make it watertight so that they cannot get the benefit of it. The veterans are the ones who ought to receive the benefit and not the general public.

Mr. RANKIN. The veterans are the ones who get the benefit.

Mr. RICH. The general public ought not to get the benefit at the expense of the taxpayers of this country.

Mr. RANKIN. The veterans get the benefit under this bill.

Mr. RICH. The general public is getting the benefit right now.

Mr. RANKIN. But if you read the bill you will find that the veterans are well protected.

Mr. RICH. You ought to do something about these canteens to prohibit everybody from patronizing them.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established in the Veterans' Administration an instrumentality of the United States to be known as the Veterans' Canteen Service, hereinafter called the Service, for the primary purpose of making available to veterans of the armed forces of the United States who are hospitalized or domiciled in hospitals and homes of the Veterans' Administration at reasonable prices articles of merchandise and services essential to their comfort and well-being.

SEC. 2. The Administrator of Veterans' Affairs, hereinafter called the Administrator, is authorized and directed—

(a) To establish, maintain, and operate canteens where deemed necessary and practicable at hospitals and homes of the Veterans' Administration and at other Veterans' Administration establishments where similar essential facilities are not reasonably available from outside commercial sources.

(b) To establish, maintain, and operate such warehouses and storage depots as may be necessary in operating the canteens

(c) To furnish the Service, without charge, rental, or reimbursement, for its use in connection with the establishment, maintenance, and operation thereof, such space, buildings, and structures under control of the Veterans' Administration as he may consider necessary, including normal maintenance and repair service thereon.

(d) To furnish the Service for its use such equipment, utilities, and service, including light, water, and heat, as may be available and necessary for such use without charge, rental, or reimbursement except that reasonable charge shall be paid by the Service for electricity and gas furnished for purposes of cooking, refrigeration, and power.

(e) To employ such persons as are necessary for the establishment, maintenance, and operation of the Service. Personnel necessary for the transaction of the business of the Service at canteens, warehouses, and storage depots shall be appointed, compensated from funds of the Service, and removed by the Administrator without regard to civil-service laws and the Classification Act of 1923, as amended: *Provided*, That such employees shall be subject to the Veterans' Preference Act of 1944, the Civil Service Retirement Acts, and laws administered by the United States Employees' Compensation Commission applicable to civilian employees of the United States Personnel, other than those employed at canteens, warehouses, and storage depots, shall be employed and paid from Veterans' Administration appropriations for salaries and expenses as normal Veterans' Administration employees and assigned, detailed, or loaned to the Service without reimbursement by the Service.

(f) To make all necessary contracts or agreements to purchase or sell merchandise, fixtures, equipment, supplies, and services, without regard to section 3709 of the Revised Statutes of the United States (41 U. S. C. 5), and to do all things necessary to carry out such contracts or agreements, including the making of necessary adjustments and compromising of claims in connection therewith.

(g) To fix the prices of merchandise and services in canteens so as to carry out the purposes of this act.

(h) To accept gifts and donations of merchandise, fixtures, equipment, and supplies for the use and benefit of the Service.

(i) To make such rules and regulations not inconsistent with the provisions of this act as he considers necessary or appropriate to effectuate its purposes.

(j) To delegate such duties and powers to employees as he considers necessary or appropriate, whose official acts performed within the scope of the delegated authority shall have the same force and effect as though performed by the Administrator.

SEC. 3. (a) The canteens at hospitals and homes of the Veterans' Administration shall be primarily for the use and benefit of veterans hospitalized or domiciled at such hospitals and homes. Service at such canteens may also be furnished to personnel of the Veterans' Administration and recognized veterans' organizations employed at such hospitals and homes and to other persons so employed, to the families of all the foregoing persons who reside at the hospital or home concerned, and to relatives and other persons while visiting any of the persons named in this subsection: *Provided*, That service to any person not hospitalized, domiciled, or residing at the hospital or home shall be limited to the sale of merchandise or services for consumption or use on the premises.

(b) Service at canteens other than those established at hospitals and homes shall be limited to sales of merchandise and services for consumption or use on the premises, to personnel employed at such establishments, their visitors, and other persons at such establishments on official business.

SEC. 4. The Service as a whole, including its franchise, its assets, its income, and its canteens, shall be entitled to all of the immunities from taxation accorded to instrumentalities of the United States Government and shall not be subject to sales, use, or other taxation, either directly or indirectly, by any State, Territory, possession, or subdivision thereof, or the District of Columbia: *Provided*, That the immunity from taxation shall not apply to Federal excise taxes

SEC. 5. To finance the establishment, maintenance, and operation of the Service there is hereby authorized to be appropriated from time to time such amounts as are necessary to provide for (a) the acquisition of necessary furniture, furnishings, fixtures, and equipment for the establishment, maintenance, and operation of canteens, warehouses, and storage depots; (b) stocks of merchandise and supplies for canteens and reserve stocks of same in warehouses and storage depots; (c) salaries, wages, and expenses of employees; (d) administrative and operation expenses; and (e) adequate working capital for each canteen and for the Service as a whole. Amounts appropriated under the authority contained in this act and all income from canteen operations become and will be administered as a revolving fund to effectuate the provisions of this act.

SEC. 6. The revolving fund shall be deposited in a checking account with the Treasurer of the United States: *Provided*, That such amounts thereof as the Administrator may determine to be necessary to establish and maintain operating accounts for the various canteens may be deposited in checking accounts in other depositaries selected by the Administrator.

SEC. 7. The Service shall prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act which shall contain an estimate of the needs of the Service for the ensuing fiscal year including an estimate of the amount required to restore any impairment of the revolving fund resulting from operations of the current fiscal year Any balance in the revolving fund at the close of the fiscal year in excess of the estimated requirements for the ensuing fiscal year shall be covered into the Treasury as miscellaneous receipts.

SEC. 8. The Service shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act. No other audit shall be required.

SEC. 9. It is the purpose of this act that, under control and supervision of the Administrator, the Service shall function as an independent unit in the Veterans' Administration and shall have exclusive control over all its activities including sales, procurement and supply, finance, including disbursements, and personnel management, except as otherwise herein provided.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 3, line 25, strike out the period and insert the following: "and to maintain the operation of the services on a self-sustaining basis."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFERRING A VESSEL TO THE AMERICAN ANTARCTIC ASSOCIATION, INC.

The Clerk called the bill (S. 2291) to authorize the Secretary of the Navy to transfer a vessel to the American Antarctic Association, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, the Secretary of the Navy is authorized to transfer to the American Antarctic Association, Inc., a nonprofit scientific corporation duly organized and existing under the laws of the State of Maryland, for use in a projected scientific expedition to the Antarctic one naval vessel and related and necessary equipment on such terms and subject to such conditions as are deemed appropriate by the Secretary: *Provided, however*, That such transfer shall be for purposes of carrying out the projected Antarctic expedition only, and that prior to the transfer the American Antarctic Association, Inc., deposits with the Secretary a bond with good and sufficient sureties to guarantee payment to the United States Government of such charge as is determined by the Secretary as is reasonable for the use of the vessel and to reimburse the United States in the event of the loss of the vessel or its return to the Navy in a damaged condition

SEC 2 The vessel transferred to the American Antarctic Association, Inc., under this act shall be returned to the Navy if the projected scientific expedition has not departed from the continental United States within six months after the date of the transfer of the vessel and, subject to unforeseen circumstances, shall be returned to the Navy at a port within the continental United States no later than July 1, 1948.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINERAL LEASING ACT

The Clerk called the bill (S. 1236) to amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 181 and the following), as amended be amended to read as follows:

"That deposits of coal, phosphate, sodium, potassium, oil, oil shale, or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the act known as the Appalachian Forest Act, approved March 1, 1911 (36 Stat. 961), and those in incorporated cities, towns, and villages and in national parks and monuments, those acquired under other acts subsequent to February 25, 1920, and lands within the naval petroleum and oil-shale reserves, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this act to citizens of the United States, or to associations of such citizens, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, or in the case of coal, oil, oil shale, or gas, to municipalities Citizens of another country, the laws, customs, or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this act.

"Lands, the jurisdiction over which has been transferred to the Department of the Interior by Executive order for Indian use, which are not subject to disposition under applicable law, shall be subject to disposition in the form and manner provided in this act: *Provided*, That receipts from leases or permits for minerals in such lands shall be disposed of in the same manner as receipts from such leases or permits in other public lands covered by this act The United States reserves the ownership of and the right to extract helium from all gas produced from lands leased or otherwise granted under the provisions of this act, under such rules and regulations as shall be prescribed by the Secretary of the Interior: *Provided further*, That in the extraction of helium from gas produced from such lands it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof."

SEC. 2 Section 16 of the act is amended to read as follows

"SEC. 16 That all leases of lands containing oil or gas, made or issued under the provisions of this act, shall be subject to the condition that the lessee will, in conducting his explorations and mining operations, use all reasonable precautions to prevent waste of oil or gas developed in the land, or the entrance of water through wells drilled by him to the oil sands or oil-bearing strata, to the destruction or injury of the oil deposits. Violations of the provisions of this section shall constitute grounds for the forfeiture of the lease, to be enforced as provided in this act"

SEC 3 Section 17 of the act is amended to read as follows:

"SEC. 17 All lands subject to disposition under this act which are known or believed to contain oil or gas deposits may be leased by the Secretary of the Interior When the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations, in units of not exceeding 640 acres, which shall be as nearly compact in form as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary and of such royalty as may be fixed in the lease which shall be not less than 12½ percent in amount or value of the production removed or sold from the lease. When the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making application for the lease who is qualified to hold a lease under this act shall be entitled to a lease of such lands without competitive bidding. Such leases shall be conditioned upon the payment of the lessee of a royalty of 12½ percent in amount or value of the production removed or sold from the lease. Leases issued under this section shall be for a primary term of 5 years and shall continue so long thereafter as oil or gas is produced in paying quantities.

"Any lease issued under this act upon which there is production during or after the primary term shall not terminate when such production ceases if diligent drilling operations are in progress on the land under lease during such period of nonproduction.

"Upon the expiration of the primary term of any noncompetitive lease maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not on the expiration date of the lease within the known geological structure of a producing oil or gas field or withdrawn from leasing under this section. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior thereto and were being diligently prosecuted on such expiration date. No withdrawal shall be effective within the meaning of this section until 90 days after notice thereof shall be mailed, registered mail, to each lessee to be affected by such withdrawal Such extension shall be for a period of 5 years and so long thereafter as oil or gas is produced in paying quantities and shall be subject to such rules and regulations as are in force at the expiration of the initial 5-year term of the lease. No extension shall be granted unless an application therefor is filed by the record titleholder within a period of 90 days prior to such expiration date. Any noncompetitive lease which is not subject to such extension in whole or in part because the lands covered thereby are within the known geologic structure of a producing oil or gas field at the date of expiration of the primary term of the lease, and upon which drilling operations are being diligently prosecuted on such expiration date, shall continue in effect for a period of 2 years and so long thereafter as oil or gas is produced in paying quantities.

"All leases issued under this section shall be conditioned upon the payment by the lessee in advance of a rental of not less than 25 cents per acre per annum. A minimum royalty of $1 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased. *Provided*, That in the case of lands not within any known geological structure of a producing oil or gas field, the rentals for the second and third lease years shall be waived unless a valuable deposit of oil or gas be sooner discovered.

"Whenever it appears to the Secretary of the Interior that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he is hereby authorized and empowered to negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage, such agreements to be made with the consent of the lessees affected thereby and the primary term of an lease for which compensatory royalty is being paid shall be extended by adding thereto a period equal to the period during which such compensator royalty is paid"

SEC. 4. The act is hereby amended by adding a new section to read as follows:

"SEC. 17. (a) The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of 20 years, or any renewal thereof, or any lease heretofore issued in exchange for a 20-year lease, such new lease to be for a primary term of 5 years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than 12½ percent in amount or value of the production removed or sold from such leases, except that the royalty rate shall be 12½ percent in amount or value of

the production removed or sold from said leases, as to (1) such leases, or such part of the lands subject thereto, and the deposits underlying the same, as are not within the known productive limits of any producing oil or gas deposit, as such productive limits exist on the effect date of this act, and (2) each oil or gas field or deposit discovered after May 27, 1941, which is entitled to the benefits of the act of December 24, 1942, or which is included in any approved unit or cooperative agreement."

SEC. 5. The act is hereby amended by adding a new section to read as follows:

"Sec. 17. (b) For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool, field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this act shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States.

"Any plan authorized by the preceding paragraph, which includes lands owned by the United States, may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, or State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this act

"When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

"Any lease issued for a term of 20 years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this act which is committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed so long as the lease remains subject to the plan, provided oil or gas is discovered under the plan prior to the expiration date of the primary term of such lease. The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approved or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term thereof, but for not less than 2 years, and so long thereafter as oil or gas is produced in paying quantities

"The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations, whenever, in his discretion and regardless of acreage limitations provided for in this act, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby.

"The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this act Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas, or, in lieu of such fee or rental, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities."

SEC 6 Section 27 of the act is amended to read as follows:

"Sec. 27. No person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases in any one State, exceeding in the aggregate acreage 2,560 acres for each of said minerals; and no person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate 15,360 acres granted hereunder in any one State. No person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of minerals hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this act. For the purpose of this act, no contract for development and operation of any lands leased hereunder, whether or not coupled with an interest in such lease, nor any lease or leases owned in common by two or more persons, shall be deemed to create a separate association under this section between or among such contracting parties, or the persons owning such lease or leases in common. The interest of an optionee under a nonrenewable option to purchase or otherwise acquire one or more oil or gas leases (whether then or thereafter issued), or any interest therein, when taken for the purpose of geological or geophysical exploration, shall not, prior to the exercise of such option be a taking or holding or control under the acreage limitation provisions of any section of this act. No such option shall be entered into after June 1, 1946, for a period of more than 2 years, without the prior approval of the Secretary of the Interior, and no person, association, or corporation shall hold at one time such options of more than 100,000 acres in any one State: *Provided, however*, That nothing in this section shall be construed to invalidate options taken prior to June 1, 1946, and on which such geological or geophysical exploration has been actually made, and which are exercised within 2 years after the passage of this act Each holder of any such option shall file with the Secretary within 90 days after the 30th day of June and the 31st day of December in each year a statement under oath showing as of said dates (1) name of optionor and serial number of lease or application for lease, (2) date and expiration date of each option, (3) number of acres covered by each option, and (4) aggregate number of options held in each State and total acreage subject to said options in each State. If any interest in any lease is owned or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest in any appropriate proceeding instituted by the Attorney General. Such a proceeding shall be instituted in the United States district court for the district in which the leased property or some part thereof is located or in which the lease owner may be found, except that any ownership or interest forbidden in this act which may be acquired by descent, will, judgment, or decree may be held for 2 years and not longer after its acquisition. Nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this act: *Provided*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same. Except as in this act provided, if any of the lands or deposits leased under the provisions of this act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in anywise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of

lands provided in this act, the lease thereof shall be forfeited by appropriate court proceedings."

SEC. 7. The act is hereby amended by adding a new section to read as follows:

"SEC. 30. (a) Notwithstanding anything to the contrary in section 30 hereof, any oil or gas lease issued under the authority of this act may be assigned or subleased, as to all or part of the acreage included therein, subject to final approval by the Secretary and as to either a divided or undivided interest therein, to any person or persons qualified to own a lease under this act, and any assignment or sublease shall take effect as of the first day of the lease month following the date of filing in the proper land office of three original executed counterparts thereof, together with any required bond and proof of the qualification under this act of the assignee or sublessee to take or hold such lease or interest therein. Until the required bond is so filed, the assignor or sublessor and his surety shall continue to be responsible for the performance of any and all obligations as if no assignment or sublease had been executed; and in the event that the Secretary shall disapprove the assignment or sublease for lack of qualification of the assignee or sublessee or for lack of sufficient bonds; the lessee and his surety shall remain liable for the continued performance of all of the terms and conditions of the lease Any partial assignment of any lease shall segregate the assigned and retained portions thereof, and, to the same extent as in the last preceding sentence provided, release and discharge the assignor from all obligations thereafter accruing with respect to the assigned lands; and such segregated leases shall continue in full force and effect for the primary term of the original lease, but for not less than 2 years after the date of discovery of oil or gas in paying quantities upon any other segregated portion of the lands originally subject to such lease. Assignments under this section may also be made of parts of leases which are in their extended term because of production, and the segregated lease of any undeveloped lands shall continue in full force and effect for 2 years and so long thereafter as oil or gas is produced in paying quantities."

SEC. 8. The act is hereby amended by adding a new section to read as follows:

"SEC 30. (b) Notwithstanding any provision to the contrary in section 30 hereof, a lessee may at any time make and file in the appropriate land office a written relinquishment of all rights under any oil or gas lease issued under the authority of this act or of any legal subdivision of the area included within any such lease. Such relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the lands to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations; thereupon the lessee shall be released of all obligations thereafter accruing under said lease with respect to the lands relinquished, but no such relinquishment shall release such lessee, or his bond, from any liability for breach of any obligation of the lease, other than an obligation to drill, accrued at the date of the relinquishment."

SEC 9. Section 31 of the act is amended to read as follows:

"SEC 31. Except as otherwise herein provided, any lease issued under the provisions of this act may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property, or some part thereof, is located whenever the lessee fails to comply with any of the provisions of this act, of the lease, or of the general regulations promulgated under this act and in force at the date of the lease, and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof

"Any lease issued after August 21, 1935, under the provisions of section 17 of this act shall be subject to cancellation by the Secretary of the Interior after 30 days' notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the land covered by any such lease is known to contain valuable deposits of oil or gas. Such notice in advance of cancellation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered, such notice shall also be posted for a period of 30 days in the United States land office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such district, then in the post office nearest such land."

SEC. 10. Section 39 which was added to the act by the act of February 9, 1933 (47 Stat. 798, 30 U S, sec 209), is amended to read as follows:

"SEC. 39 The Secretary of the Interior for the purpose of encouraging the greatest ultimate recovery of oil or gas and in the interest of conservation of natural resources is authorized to waive, suspend, or reduce the rental, or minimum royalty, or reduce the royalty on an entire leasehold, or on any tract or portion thereof segregated for royalty purposes, whenever in his judgment it is necessary to do so in order to promote development, or whenever in his judgment the leases cannot be successfully operated under the terms provided therein. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and production under any lease granted under the terms of this act, any payment of acreage rental or of minimum royalty prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period thereto. The provisions of this section shall apply to all oil and gas leases issued under this act, including those within an approved or prescribed plan for unit or cooperative development and operation "

SEC. 11. Section 5 of the act approved February 7, 1927 (44 Stat 1057, 30 U S. C., sec. 285), is amended to read as follows:

"SEC. 5. That the general provisions of sections 26 to 38, inclusive, of the act of February 25, 1920, entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain', as amended, are made applicable to permits and leases under this act, the thirty-seventh section thereof being amended to include deposits of potassium."

SEC. 12 From and after the effective date of this act, the royalty obligation to the United States under all leases requiring payment of royalty in excess of 12½ percent, except leases issued or to be issued upon competitive bidding, is reduced to 12½ percent in amount or value of production removed or sold from said leases as to (1) such leases, or such part of the lands subject thereto, and the deposits underlying the same, as are not within the known productive limits of any oil or gas deposit, as such productive limits exist on the effective date of this act, and (2) each oil or gas field or deposit discovered after May 27, 1941, which is entitled to the benefits of the act of December 24, 1942, or which is included in any approved unit or cooperative agreement.

SEC. 13. Nothing in this act shall be construed as affecting existing leases within the borders of the naval petroleum reserves, or agreements concerning operations thereunder or in relation thereto, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreements such as those provided for in section 17 (b) of the act of February 25, 1920, as amended by this act, which agreements shall not, unless expressed therein, operate to extend the term of any lease affected thereby.

SEC. 14 The act of July 8, 1940 (54 Stat. 742; 30 U S. C, sec 226a); section 1 of the act of July 29, 1942 (56 Stat 726; 30 U S C., sec 226b), as amended; and section 2 of the act of August 21, 1935 (49 Stat 679; 30 U S C., sec. 223a), are hereby repealed

SEC. 15 No repeal or amendment made by this act shall affect any right acquired under the law as it existed prior to such repeal or amendment, and such right shall be governed by the law in effect at the time of its acquisition, but any person holding a lease on the effective date of this act may, by filing a statement to that effect, elect to have his lease governed by the applicable provisions of this act instead of by the law in effect prior thereto.

With the following committee amendments:

Page 2· Strike out the sentence commencing with line 16 and ending with the words "covered by this act", in line 23; and insert quotation marks prior to the word "The" in line 23.

Page 4: In line 3, correct the word "fory" to read "forty"

Page 7: In line 13 insert the words "believed to be" after the word "not" and strike out the word "known"; in line 15 insert the words "are found by the Secretary to" after the word "limits"; in line 16 strike out the words "field or deposit discovered" and insert in lieu thereof the words "lease on which a discovery is made"; in line 18 strike out the word "approved"; in line 19 strike out the period and quotation marks and insert after the word "agreement" the words "approved prior to said discovery." and close quotation marks

Page 13: In line 2 change the period to a comma and insert the words "but the proportionate interest of each such person shall be charged against the total acreage permitted to be held by such person under this act."

Page 16· In line 10 strike out the words "the required bond is so filed," and insert in lieu thereof the words "such approval, however,"; in line 13 change the semicolon to a period and strike out the words "and in"; in line 14 strike out the words "the event that" and initial capital the word "The" preceding the word "Secretary"; in line 15 insert the word "only" after the word "sublease"; in line 16 insert a semicolon after the word "bond" and strike out the remainder of line 16, all of line 17, and line 18 to the period after the word "lease", and insert in lieu thereof the following: "*Provided, however*, That the Secretary may, in his discretion, disapprove an assignment of a separate zone or deposit under any lease, or of a part of a legal subdivision."; in line 20 strike out the words "to the same extent as in" and in line 21 the words "the last preceding sentence" and in lieu thereof insert the words "as above"

Page 19: In line 10 insert the word "coal", after the words "recovery of."

Page 20: In line 22 insert the words "believed to be" after the word "not" and strike out the word "known"; in line 24 insert the words "are found by the Secretary to" after the word "limits."

Page 21: In line 1 strike out the words "field or deposit discovered" and insert in lieu thereof the words "lease on which a discovery is made"; in line 3 strike out the word "approved"; in line 4 strike out the period and insert the words "approved prior to said discovery." after the word "agreement."

The amendments were agreed to.

Mr. BARRETT of Wyoming. Mr. Speaker, this bill passed the other body

unanimously. It represents the first revision of the Mineral Leasing Act since 1935. At that time there was an overproduction of oil. Since then, the Nation has fought two wars. They were highly mechanized operations and required immense quantities of oil. Everyone knows of the acute shortage of oil products not only here at home but on several occasions to our fighting forces in the prosecution of the war effort. Before the war our normal production was 3,800,000 barrels a day and during the war it was necessary to produce in excess of 5,000,000 barrels each day. We produced at a rate beyond good business practices.

During the war we furnished the oil not only for our own forces but also were required to supply oil for those nations that were fighting with us, because they were shut off from their supplies. All of this constituted a severe drain on our known petroleum reserves. While the demands of war required such action, nevertheless the depletion of our known reserves has seriously threatened their future stability. In years gone by this Nation was the world's greatest source of oil, but today we hold only about 32 percent of all the known reserves of oil.

Under the 1935 act, the United States received royalties on oil produced on Government lands on a step-scale basis ranging from 12½ percent up to 25 percent. In order to provide an incentive for new production, the Congress passed an act in 1942 which provided a flat 12½-percent royalty on all production for a period of 10 years following discovery of a new oil deposit, if the discovery was made during the period of the emergency. About a year ago, the Under Secretary of the Interior, in discussing that legislation, made the following statement:

> The passage of the act has resulted in possibly 45 new discoveries on public-land leases or units; of new pools, horizons, or stratigraphic traps, and providing an increase in the public-land reserves conservatively estimated at 85,000,000 barrels.

It is estimated that more than 90 percent of all privately owned lands in the United States are leased for oil and gas development on the basis of 12½ percent royalty. Most of the State lands are leased on the same basis. It is the accepted royalty in wildcat areas throughout the country. The main change in the law made by this bill is to provide a 12½ percent royalty on lands which are not within a known geological structure and which are commonly known as wildcat operations. The Department states that the average royalty received by them at the present time is only eight-tenths of 1 percent above 12½ percent. However, practically all of the oil structures on the 500,000,000 acres of the public domain which could be mapped from surface evidences have been drilled. The average depth of wells drilled on these structures was less than 3,000 feet. Most of the surface structures were on the rims of the great basins of the West, where the rocks outcropped and the structure could be readily ascertained. Now it is necessary to enter the center of these great basins and this can be done only by extensive geophysical work. The structures to be drilled in the future will be found in the main by such geophysical work. It will require the drilling of wells ranging from 5,000 feet to 15,000 feet deep. The expense of drilling in some cases is more than a quarter of a million dollars.

It has been reliably reported that our demand for oil in the postwar will be equal to that during the war. We will have a tremendous increase in our Navy and shipping facilities. The demands of our Air Force and of civilian aviation will be constantly mounting. The mechanization of our farms and the gasoline requirements of the country will continue to steadily increase. If we are to maintain our economy, we must increase our oil and gas reserves within the continental United States.

About 85 percent of all of our great oil discoveries has been made by independents. About 19 out of 20 of these exploratory wells end up as dry holes. In order to maintain our petroleum supply it has been estimated that it will be necessary to drill around 400,000 wells in the next 20 years and possibly as many dry holes, at an estimated cost of $40,000,000,000. For that reason, it is imperative that the United States provide the same incentive for the future as that provided during the war, and give a flat 12½ percent royalty, which is the same as practically all the other landowners receive. There are some other changes in this bill, but in the main the purpose of the bill is to provide an incentive for bringing in new oil deposits.

I trust this legislation will be passed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL PARK SERVICE

The Clerk called the bill (H. R. 6629) to provide basic authority for the performance of certain functions and activities of the National Park Service.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, included among the authorizations for appropriations covered by this bill is an authorization for the payment by the Federal Government of tuition incurred by employees of the National Park Service for their children attending the local public schools. I should like to inquire of any of the members of the committee if that is in conformity with the established Federal policy and practice. Is it true that the Federal Government pays tuition of the children of all Federal employees who live on Federal reservations?

Mr. PETERSON of Florida. Not in all cases, but in recent times there have developed situations where it is felt that that was the proper thing to do The Irrigation and Reclamation Act has somewhat a similar provision. For instance, in Yellowstone Park where the park itself was in existence before the State entered the Union, it was felt that it would be fair to provide tuition or the use of vehicles to take the children to school. The gentleman from Montana is familiar with the situation, and it was his amendment.

Mr. COLE of New York. Unless the gentleman can assure us that this amendment is in conformity with the established Federal practice, I think it is a mistake for the Federal Treasury to underwrite the education of children of certain Federal employees and to require other Federal employees to pay for the schooling of their children.

Mr. PETERSON of Florida. It has been done where the public school is not available by reason of great distance.

It has been done. It is the established policy in the reclamation areas. It is also done under the Flood Control Act, and certain river and harbor acts and we are modeling this after the Reclamation Act. It is the established policy where there is no established school in the immediate vicinity. We have a peculiar situation in one or two areas only and we are trying to do what other agencies have done.

Mr. COLE of New York. Mr. Speaker, I feel that the bill should be passed over in order that whatever the Federal policy is or may be determined to be should apply with equal force to all Federal employees and not apply to a particular group of Federal employees.

I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. PETERSON of Florida. Mr. Speaker, reserving the right to object, would the gentleman allow the gentleman from Montana to make a statement?

Mr. COLE of New York. Certainly.

Mr. D'EWART. Mr. Speaker, the wording of this amendment follows very closely the wording of the amendment placed on the authorization bill for the Reclamation Service. That amendment was passed without objection. This follows that wording very closely. It is to take care of a situation in the national parks where there are a large number of children and no schooling of any kind is provided for the children. At Monmouth and Yellowstone Parks there are some 50 children, and we are hoping that this can be adopted as it was adopted in the case of the Reclamation Bureau, where the precedent was established, so that these children may be taken care of.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

Mr. PETERSON of Florida. Mr. Speaker, reserving the right to object, will the gentleman not object if we strike that provision and we will try to cover it by a special act?

Mr. COLE of New York. If that amendment is removed from the bill, my objection to it is withdrawn.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That appropriations for the National Park Service are authorized for—

(a) Necessary protection of the area of federally owned land in the custody of the National Park Service known as the Ocean Strip and Queets Corridor, adjacent to Olympic National Park, Washington, necessary repairs to the roads from Glacier Park Station through the Blackfeet Indian Reservation to the various points in the boundary line of Glacier National Park, Montana, and the international boundary; repair and maintenance of approximately two and seventy-seven one-hundredths miles of road leading from United States Highway 187 to the north entrance of Grand Teton National Park, Wyoming; maintenance of approach roads through the Lassen National Forest leading to Lassen Volcanic National Park, California, maintenance and repair of the Generals Highway between the boundaries of Sequoia National Park, California, and the Grant Grove section of Kings Canyon National Park, California; maintenance of approximately two and one-fourth miles of roads comprising those portions of the Fresno-Kings Canyon approach road, Park Ridge Lookout Road, and Ash Mountain-Advance truck trail, necessary to the administration and protection of the Sequoia and Kings Canyon National Parks; maintenance of the roads in the national forests leading out of Yellowstone National Park, Wyoming, Idaho, and Montana; maintenance of the road in the Stanislaus National Forest connecting the Tioga Road with the Hetch Hetchy Road near Mather Station, Yosemite National Park, California; and maintenance and repair of the approach road to the Custer Battlefield National Cemetery and the road connecting the said cemetery with the Reno Monument site, Montana.

(b) Administration, protection, improvement, and maintenance of areas, under the jurisdiction of other agencies of the Government, devoted to recreational use.

(c) Necessary local transportation and subsistence in kind of persons selected for employment or as cooperators, serving without other compensation, while attending fire-protection-training camps

(d) Administration, protection, maintenance, and improvement of the Chesapeake and Ohio Canal.

(e) Educational lectures in or in the vicinity of and with respect to the national parks, national monuments, and other reservations under the jurisdiction of the National Park Service; and services of field employees in cooperation with such nonprofit scientific and historical societies engaged in educational work in the various parks and monuments as the Secretary of the Interior may designate.

(f) Travel expenses of employees attending Government camps for training in forest-fire prevention and suppression and the Federal Bureau of Investigation National Police Academy, and attending Federal, State, or municipal schools for training in building fire prevention and suppression.

(g) Investigation and establishment of water rights including the acquisition thereof or of lands or interests in lands or rights-of-way for use and protection of water rights necessary or beneficial in the administration and public use of the national parks and monuments.

(h) Acquisition of rights-of-way and construction and maintenance of a water supply line partly outside the boundaries of Mesa Verde National Park.

(i) Acquisition of lands or interests therein within any of the national parks, monuments, or other permanently established areas administered by the National Park Service.

(j) Official telephone service in the field in the case of official telephones installed in private houses when authorized under regulations established by the Secretary.

With the following committee amendments:

On page 2, line 21, strike out the word "Cemetery", and insert in lieu thereof the word "Monument."

On page 2, line 22, strike out the word "cemetery", and insert in lieu thereof the word "monument."

On page 2, line 25, delete the period at the end of line and add "pursuant to cooperative agreement."

On page 3, line 20, after the word "rights", insert the words "in accordance with local customs, laws, and decisions of courts."

On page 3, line 21, after the word "acquisition", strike out the word "thereof", and insert in lieu thereof "of water rights"

On page 4, lines 3, 4, and 5, strike out all of paragraph (i).

On page 4, line 6, strike out (j) and insert in lieu thereof "(i)."

The committee amendments were agreed to.

The Clerk read as follows:

Committee amendment: On page 4, after line 8, add the following:

"(j) Payment to the school district, or districts, serving the areas in and about National Park Service areas as reimbursement for the cost of instruction, in elementary and secondary schools, of dependents of employees of the United States living on federally owned property in, or in the immediate vicinity of such areas and of their transportation to and from school or for the expense involved in the use of Government transportation facilities."

The committee amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA

The Clerk called the bill (S. 141) to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the proviso contained in section 2 (a) of the act approved May 24, 1940, entitled "An act to provide for the appointment of additional district and circuit judges" (54 Stat. 219), as amended, is amended to read as follows: "*Provided*, That the first vacancy occurring in the office of district judge in each of said districts, except the district of New Jersey and the eastern district of Pennsylvania, shall not be filled."

With the following committee amendment:

Page 2, insert a new section, as follows:

"SEC. 2. The President is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the eastern, middle, and western districts of Pennsylvania. The judge so appointed shall at the time of his appointment be a resident and a citizen of the State of Pennsylvania: *Provided*, That when a vacancy occurs in said office it shall not be filled: *Provided further*, That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania, and to provide for the appointment of an additional United States district judge for the eastern, middle, and western districts of Pennsylvania."

A motion to reconsider was laid on the table.

ASSISTANCE TO STATES IN MATTERS RELATING TO SOCIAL PROTECTION

The Clerk called the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The SPEAKER. Is there objection to the request of the present consideration of the bill?

Mr. WALTER. Mr. Speaker, reserving the right to object, in view of the fact that this bill is under consideration now, I think it should be stricken from the calendar. I ask unanimous consent that it be stricken from the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDING PARAGRAPH (1) OF SECTION 73 OF THE HAWAIIAN ORGANIC ACT

The Clerk called the bill (H. R. 3361) to amend paragraph (1) of section 73 of the Hawaiian Organic Act, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of section 73 of the Hawaiian Organic Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That in case any lands have been or shall be sold pursuant to the provisions of this paragraph for any purpose above set forth and/or subject to any conditions with respect to the improvement thereof or otherwise, and in case any said lands have been or shall be used by the United States of America, including any department or agency thereof, whether under lease or license from the owner thereof or otherwise, for any purpose relating to the national defense or the prosecution of the present war and such use has been or shall be for a purpose other than that for which said lands were sold and/or has prevented or shall prevent the performance of any conditions of the sale of said lands with respect to the improvement thereof or otherwise, then, notwithstanding the provisions of this paragraph or of any agreement, patent, grant, or deed issued upon the sale of said lands, such use of said lands by the United States of America, including any department or agency thereof, shall not result in the forfeiture of said lands and shall result in the extension of the period during which any conditions of the sale of said lands may be complied with for an additional period equal to the period of the use of said lands by the United States of America, including any department or agency thereof."

With the following committee amendment:

Page 2, line 3, after the word "to", insert "war or"

Page 2, line 4, after the word "defense", strike out "or the prosecution of the present war."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAIVING CERTAIN RESTRICTIONS OF THE HAWAIIAN ORGANIC ACT

The Clerk called the bill (H. R. 6610) to waive certain restrictions of the Hawaiian Organic Act, relating to land exchanges, for the acquisition of certain lands at Hilo, Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the provisions of section 73 (1) of the Hawaiian Organic Act, prohibiting exchanges by which the Territory of Hawaii shall convey lands exceeding either 40 acres in area or $5,000 in value, and the like provisions contained in section 4553 of the Revised Laws of Hawaii 1945, shall not apply to any exchanges made for the acquisition by the Territory of land at Hilo, Island of Hawaii, within the area bounded on the north by the sea, on the south by Kamehameha Avenue, on the east by Wailoa River, and on the west by Wailuku River.

With the following committee amendment:

Page 1, line 7, strike out "4553" and insert "4533"

The committee amendment was agreed to

Mr. FARRINGTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr FARRINGTON: On page 1, line 8, strike out "73 (1)" and insert in lieu thereof "73 (L)."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PREDATORY SEA LAMPREYS OF THE GREAT LAKES

The Clerk called the resolution (H. J. Res. 366) authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes.

There being no objection, the Clerk read the resolution, as follows:

Whereas the sea lamprey, Petromyzon marinus, is increasing greatly in abundance throughout the Great Lakes and is causing injury to and destruction of the fishery resources of the Great Lakes through its predatory activities; and

Whereas the commercial fishing industry of the Great Lakes is of concern not only to the States bordering on the Great Lakes as a means of livelihood for their citizens, but also to the people of the United States in general, since the fisheries of the Great Lakes constitute an indispensable and irreplaceable source of food; and it is in the public interest to insure that the fisheries of the Great Lakes continue to produce food in the maximum amounts consistent with sound conservation principles: Therefore be it

Resolved, etc., That the Director of the Fish and Wildlife Service of the Department of the Interior is hereby authorized and directed to prosecute, for a period of not to exceed 10 years from the date of approval of this joint resolution, investigations of the abundance and distribution of sea lampreys, experiments to develop control measures, and a vigorous program for the elimination and eradication of sea lamprey populations of the Great Lakes.

SEC. 2. In carrying out the foregoing purposes and objectives the Director of the Fish and Wildlife Service is authorized to cooperate with the official conservation agencies of the States bordering on the Great Lakes, with the commercial fishing industry, and with other governmental or private agencies, organizations, or individuals having jurisdiction over or an interest in the fisheries of the Great Lakes.

SEC. 3. There is authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes and objectives of this joint resolution.

With the following committee amendments:

Page 1, strike out all the whereases

Page 2, line 20, after the word "necessary", insert "not to exceed $20,000 per annum"

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE BONNEVILLE PROJECT ACT

The Clerk called the bill (S. 1516) to amend section 12 of the Bonneville Project Act, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the act entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes," approved August 20, 1937, as amended, is amended to read as follows

"SEC. 12. The Administrator may, in the name of the United States, under the supervision of the Attorney General, bring such suits at law or in equity as in his judgment may be necessary to carry out the purposes of this act; and he shall be represented in the prosecution and defense of all litigation, affecting the status or operation of Bonneville project by the United States attorneys for the districts, respectively, in which such litigation may arise, or by such attorney or attorneys as the Attorney General may designate as authorized by law, in conjunction with the regularly employed attorneys of the Administrator."

With the following committee amendments:

Page 1, line 3, after the figure "12", insert "(b)."

Page 1, line 7, strike out "SEC. 12." and insert "(b)."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING CERTAIN PROPERTY TO THE COMMONWEALTH OF PENNSYLVANIA

The Clerk called House Joint Resolution 370, granting certain property to the Commonwealth of Pennsylvania and relinquishing jurisdiction therein.

There being no objection, the Clerk read the bill, as follows:

Whereas the Commonwealth of Pennsylvania by its governor conveyed to the United States of America by deed dated October 19, 1917, and recorded in the office of the recorder of deeds of Delaware County, Pennsylvania, in deed book No. 387, page 581, on April 22, 1918, a parcel of land under water in the Delaware River, in Delaware County, Pennsylvania, comprising one and eight hundred thirty six one thousandths acres, more or less, for the purpose of erecting lighthouse facilities thereon, on which site the United States later erected the Chester Range Front Light, and which deed also ceded to the United States jurisdiction thereof, all of which more fully appears from said deed, and

Whereas it became necessary during the Second World War, in connection with the war effort and war activities, to relocate, and there was relocated, in the Delaware River, in the Commonwealth of Pennsylvania, said Chester Range Front Light approximately three hundred ninety feet southwest of its original location on a parcel of land under water acquired by the United States February 7, 1944; and

Whereas the Commonwealth of Pennsylvania by act of its General Assembly, Numbered 282, approved May 18, 1945, consented to the acquisition by the United States of America of the site upon which said light was so relocated and, upon certain conditions set forth in said act, ceded jurisdiction thereover to the United States. Now, therefore, be it

Resolved, etc., That, in consideration of the premises, the United States of America does hereby relinquish and quitclaim to the Commonwealth of Pennsylvania all that tract of land conveyed by said Commonwealth by its governor to the United States by said deed dated October 19, 1917, and the cession of jurisdiction therein granted by the Commonwealth of Pennsylvania is hereby relinquished.

SEC. 2. The cession of jurisdiction made by the Pennsylvania Act No. 282 of May 18, 1945, is hereby accepted.

SEC. 3. Within 60 days after the effective date of this joint resolution the Commandant of the Coast Guard shall file with the Department of State of Pennsylvania notice of the enactment of this joint resolution.

With the following committee amendments:

Pages 1 and 2, strike out paragraphs beginning with the word "Whereas."

Page 2, line 3, strike out "in consideration of the premises"

Page 2, line 7, strike out the word "said."

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE RIO GRANDE AT DEL RIO, TEX.

The Clerk called the bill (H. R. 6406) authorizing the State of Texas, acting through the State Highway Commission of Texas, or the successors thereof, to acquire, construct, maintain, and operate

a free bridge across the Rio Grande at or near Del Rio, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes, the State of Texas, by and through its State highway commission, or successors of said commission be, and is hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Rio Grande, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at or near Del Rio, Tex., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in the Republic of Mexico. The State of Texas likewise is authorized to negotiate and enter into any agreement, or agreements, between the governments of said State and the Republic of Mexico relating to the acquisition, construction, and maintenance of any such bridge or bridges

SEC 2. The authority granted herein for construction of the bridge shall cease and be null and void unless the actual construction be commenced within three years and completed within 5 years from the date of the passage of this act unless otherwise authorized by the Congress of the United States

SEC 3. The right to alter, amend, or repeal this act is hereby expressly reserved

With the following committee amendments:

Page 2, strike out all of lines 7 to 12, inclusive, and in lieu thereof insert:

"International Boundary and Water Commission, United States and Mexico Construction of said bridge shall not be undertaken until an agreement relating to the bridge shall have been effected between the Government of the United States and the Government of the United Mexican States"

Page 2, after line 18, insert a new section as follows:

"SEC 3 Authority is hereby granted to permit the State of Texas, through its State highway commission, in its discretion, to acquire the existing toll bridge across the Rio Grande at or near Del Rio, Tex, upon such terms and at such time as may be mutually agreed upon as equitable to the present owners of such bridge and to the State of Texas"

Page 2, line 19, after "Sec.", strike out "3" and insert "4."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER BETWEEN WASHINGTON COUNTY, NEBR., AND HARRISON COUNTY, IOWA

The Clerk called the bill (H. R. 6515) to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr, and Harrison County, Iowa," approved March 6, 1928.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, and of course I shall not, for the mere fact that there has been objection to one bridge bill would not cause me to react and object to another; but I want to call attention to the danger of just what would happen when objections are thoughtlessly made, and I speak with reference to the bill the gentleman from Pennsylvania [Mr. FLOOD] has introduced. The facts are very simple. Another Member of the House, the gentleman from Pennsylvania [Mr. GILLETTE] introduced a bill covering this same bridge. This bridge is entirely within the district of Mr. FLOOD. Now we are all Members of the House. Let us put ourselves in that position. The gentleman from Pennsylvania [Mr. GILLETTE] introduced the bill I assume without an understanding as to the custom and the practice. We know what the practice is, that when a bridge is exclusively within the congressional district of a Member, whether he be Republican or Democrat, he is allowed to introduce the bill covering the bridge. If this bridge were exclusively within the district represented by the gentleman from Pennsylvania [Mr GILLETTE] and the gentleman from Pennsylvania [Mr. FLOOD] had introduced it I would not let the gentleman from Pennsylvania [Mr. FLOOD] put his bill through

This is a simple proposition, a simple matter of justice. I hope my friends on the Republican side will do this thing from the right angle and let the bill as introduced by the gentleman from Pennsylvania [Mr FLOOD] go through.

Mr. RANKIN Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield

Mr. RANKIN There is all the difference in the world between these two bills. The bridge covered by the bill introduced by the gentleman from Pennsylvania, is a free bridge. This is to be a toll bridge owned by a corporation that will charge every human being that crosses it a toll. I am in favor of free bridges. I just call this difference to the attention of the majority leader and the Members of the House

Mr. McCORMACK. I think there is a little misunderstanding which we ought to clarify. I want to be frank in stating that if the position were reversed I would be just as fair, I would not permit a Member on my side to do it. I hope that this thing will be allowed to take care of itself in the right way.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JENSEN. I hope the gentleman will not inject into this bill the controversy he speaks of about the bridge in Pennsylvania.

Mr. McCORMACK. I stated at the outset of my remarks I would not object to this bill.

Mr. JENSEN. As far as the bill which I introduced is concerned there is no controversy in any way, shape, or form, and I hope I will not suffer and my people suffer because of this controversy over the Pennsylvania bridge.

Mr. McCORMACK. Not at all; I said I was not going to object.

Mr. JENSEN. I understand.

Mr. RANKIN. I am not objecting. I take it for granted that the people of Iowa probably have found this the only way to get a bridge across the river at this point. I am not kicking, and I am not going to object; but I do think the other bill ought to have gone through.

Mr. JENSEN. Since my good friend the gentleman from Mississippi brought it up, I will explain this bill. It is a bill to extend the time to 10 years which will make it possible to pay the bridge out, and there is no controversy whatever.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COLE of New York. Will not the gentleman agree that when the bill was called up 3 months ago covering this bridge which the gentleman from Massachusetts is now discussing, that it would have been better for those on the majority side interested in it to have stated the bases of their objections?

As indicated before, I quite agree with the policy that bridge bills should be sponsored by the representatives of that district, irrespective of party?

Mr. McCORMACK. I understand the reason for that. From the gentleman's angle, he is justified in asking that question, but on a matter of that kind you prefer not to state what the reason is, hoping that it will be adjusted in private conversation among Members. I know I stated it privately, and I have no hesitancy in saying that. And I want to say this, it is not because anybody on this side of the aisle appeared to have the opposite view. I would protect the Member just the same. If the bridge was exclusively within the district represented by one of my Republican colleagues, and if one of my Democratic colleagues introduced a bill on the same subject matter, due to a misunderstanding of the custom, and it was called to my attention, you can rest assured that I would protect the interest of my Republican colleague under those circumstances. I am not going to object to this; you need not worry about that I am merely calling attention to the objectives, and I hope that between now and the end of the Consent Calendar that the gentleman from Pennsylvania [Mr. FLOOD] will be allowed to go back and bring the bill up. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second sentence of section 4 of the act entitled "An act authorizing the Nebraska-Iowa Bridge Corporation, a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1928, is amended by striking out the word "twenty" and inserting in lieu thereof the word "thirty."

SEC. 2. The second sentence of section 5 of such act is amended to read as follows: "After a sinking fund sufficient to pay the cost of acquiring the bridge and its approaches shall have been so provided, such

bridge shall thereafter be maintained and operated free of tolls."

SEC. 3 Said act is further amended by adding thereto four new sections to be numbered 9, 10, 11, and 12, respectively, as follows.

"SEC. 9. Approval is hereby granted, insofar as such approval by the Congress is required, of the agreement entered into on the 9th day of May 1945, by and between the Nebraska-Iowa Bridge Corporation and the State of Iowa, acting by and through its State highway commission, and the State of Nebraska, acting by and through its department of roads and irrigation, which agreement provides for the liquidation of all indebtedness outstanding against said Nebraska-Iowa Bridge Corp, on account of said bridge on the date that said agreement was entered into, for the acquisition by said States and liquidation in like manner of said corporation's equity in said bridge over and above such outstanding indebtedness (the total amount of such outstanding indebtedness and the amount of value of the equity which said corporation shall have in said bridge after liquidation of said indebtedness having been heretofore determined and agreed upon and set forth in said agreement), and for the said Nebraska-Iowa Bridge Corp on and after the date thereof to continue in control of and to maintain and operate said bridge as trustee for all of the parties to said agreement for the purpose of carrying out the terms thereof

"SEC 10. When the revenues derived from the operation of the bridge, after meeting reasonable annual maintenance, repair, and operation costs, shall have provided funds sufficient to pay all outstanding indebtedness and pay the equity of said Nebraska-Iowa Bridge Corp in said bridge, pursuant to the terms of the hereinabove-mentioned agreement, th Nebraska-Iowa Bridge Corp shall by deed or other suitable instrument of conveyance transfer to the State of Iowa all right, title, and interest held by said corporation in and to that portion of said bridge and its approaches, rights, rights-of-way, and appurtenances located in the State of Iowa and shall likewise transfer to the State of Nebraska all of the right, title, and interest held by said corporation in and to that portion of said bridge and its approaches, rights, rights-of-way, and appurtenances located in the State of Nebraska Upon acceptance by each of said States of the portion of said bridge and its approaches located therein the trusteeship of said Nebraska-Iowa Bridge Corp under the terms of the afore-mentioned agreement shall cease and the corporation shall thereupon cease the collection of tolls and release the respective portions of said bridge and approaches thereto, rights, rights-of-way, and appurtenances to the States of Iowa and Nebraska pursuant to the terms of said agreement and as provided in this act Said States shall thereafter maintain and operate said bridge and approaches free of tolls.

"SEC 11 The corporation shall at the close of each year during its trusteeship file with the highway departments of the States of Nebraska and Iowa a sworn financial statement of its operation of the said bridge during such year Such statement shall show funds on hand and indebtedness at the beginning and at the end of the year, receipts, disbursements, indebtedness retired during the year, and any other information required by either of said departments to show the true and complete accounting of revenues, expenditures, and financial status and operation of such bridge and approaches thereto.

"SEC 12 The Nebraska-Iowa Bridge Corp. shall prepare and submit an annual budget of estimated operating and other expenditures for or on behalf of said bridge and approaches at the beginning of each year, and such budget shall be subject to approval by the highway departments of the States of Nebraska and Iowa before becoming effective. Expenditures during any year shall not exceed the approved budget unless an increase in the annual budget be likewise approved by said departments."

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr COLE of New York: Page 5, after line 3, insert a new section, section 13.

"No toll or other charge shall be levied against any official or employee of the United States, civil or military, or any vehicle or conveyance of the United States for the use of such bridge in the performance of official duties"

Mr. JENSEN Mr Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Iowa.

Mr. JENSEN. This is the exact language which the committee has insisted be incorporated in every toll bridge bill?

Mr. COLE of New York. It is not the language that the committee is insisting be incorporated but it is the language which has been incorporated in every toll bridge bill by the House.

Mr. HARNESS of Indiana Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Indiana

Mr. HARNESS of Indiana. Does that mean that with reference to all toll bridges heretofore approved, a similar provision has been placed in the bills?

Mr. COLE of New York. It only means that as toll bridge bills come up from time to time, this provision is going to be sought to be added.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table

HUNTER SCHOOL DISTRICT

The Clerk called the bill (H. R. 6141) to provide funds for cooperation with the school board of Hunter School District for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis., to be available to both Indian and non-Indian children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $80,000 for the purpose of cooperating with the school board of Hunter School District, Sawyer County, Wis., for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *And provided further*, That any amount expended hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the building, through reducing the annual Federal payments for the education of Indian pupils enrolled in public or high schools of the district involved or by the acceptance of Indian pupils in said schools without cost to the United States, and in computing the amount of recoupment, interest at 3 percent per annum shall be included on any unrecouped balances

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table

YAKIMA RESERVATION INDIANS

The Clerk called the bill (H. R 6165) to provide for the preparation of a membership roll of the Indians of the Yakima Reservation, Wash., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed with the advice and consent of the Yakima Tribal Council, to prepare a roll showing the members of the Yakima Tribes living on the date of the approval of this act, which roll shall be kept current and shall constitute the official membership roll of the Yakima Tribes for all purposes No person who is enrolled with any other tribe of Indians or who has received an allotment of land on any other reservation shall be enrolled under the provisions of this act. The following shall be placed on the roll

(a) All living persons who received allotments on the Yakima Reservation, except by fraud

(b) All living persons who are of the blood of the 14 original Yakima Tribes, parties to the treaty of June 9, 1855 (12 Stat 951), and who have received allotments on the public domain within the area ceded to the United States by the Yakima Tribes by the treaty of 1855

(c) All living persons who have maintained a domicile continuously from January 1, 1941, until the date of approval of this act on the Yakima Reservation or within the area ceded by the treaty of June 9, 1855 (12 Stat. 951), and who are (1) descendants of persons who received allotments on the Yakima Reservation, except by fraud, or (2) descendants of persons of the blood of the 14 original Yakima Tribes who received allotments on the public domain within the area ceded by the said treaty of 1855 All living children born after January 1, 1941, but prior to the date of approval of this act to a person entitled to enrollment under this subsection shall likewise be entitled to enrollment hereunder

(d) All children of one-fourth or more blood of the Yakima Tribes born after the date of approval of this act to a parent who is an enrolled member and maintains a domicile on the Yakima Reservation or within the area ceded by the treaty of June 9, 1855, at the time of the birth of the child.

SEC 2 Any person of one-fourth or more of the blood of the Yakima Tribes who may be excluded from enrollment under the provisions of section 1 of this act may apply for membership at any time and be enrolled upon the approval of the application by a two-thirds vote of the Yakima Tribal Council. Applications for enrollment under this section on behalf of minors and persons mentally incompetent may be filed by any enrolled member of the Yakima Tribes

SEC. 3. Corrections in the roll prepared hereunder, by striking therefrom the name of any person erroneously placed on the roll or by adding to the roll the name of any person

erroneously omitted therefrom, may be made at any time by the Yakima Tribal Council.

SEC. 4. Every person whose name appears on the roll prepared hereunder who holds no vested right, title, or interest in or to any restricted or trust land on the Yakima Reservation or within the area ceded by the treaty of June 9, 1855, and who has failed to maintain any tribal affiliations or a residence on the reservation or within the ceded area for a period of five consecutive years, shall no longer be considered a member of the Yakima Tribes, and his name shall be removed from the rolls. It shall be the duty of the Yakima Tribal Council to determine, subject to review by the Secretary of the Interior, loss of membership in each case

SEC. 5. The Yakima Tribal Council may adopt and enforce ordinances, subject to review by the Secretary of the Interior, governing the expulsion of members for any cause deemed by the council to be sufficient.

SEC 6. No person whose name shall hereafter be placed on the roll of the Yakima Tribes shall be entitled to any back annuities or per capita payments made to the members of the tribes out of tribal funds which were authorized to be paid to the members of the tribes before such person's name shall have been placed upon such roll.

SEC 7. Hereafter only enrolled members of the Yakima Tribes of one-fourth or more blood of such tribes shall inherit or take by devise any interest in that part of the restricted or trust estate of any deceased member of such tribes which came to the deceased member through his membership in such tribes, or which came to the deceased member by virtue of an allotment of land on the public domain within the area ceded by the treaty of June 9, 1855 (12 Stat 951), except that the surviving spouse of less than one-fourth of the blood of the Yakima Tribes may receive by inheritance or devise the use for life of one-half of any restricted or trust lands of the deceased member located on the Yakima Indian Reservation or within the area ceded by the treaty of June 9, 1855

With the following committee amendment:

Page 4, line 14, strike out all of section 7 and insert·

"SEC 7 Hereafter only enrolled members of the Yakima Tribes of one-fourth or more blood of such tribes shall take by inheritance or by will any interest in that part of the restricted or trust estate of a deceased member of such tribes which came to the decedent through his membership in such tribes or which consists of any interest in or the rents, issues, or profits from an allotment of land within the Yakima Reservation or within the area ceded by the treaty of June 9, 1855 (12 Stat 951), except that a surviving spouse of less than one-fourth of the blood of the Yakima Tribes may receive by inheritance or devise the use for life of one-half of the restricted or trust lands of the decedent located within the Yakima Reservation or within the area ceded by the said treaty of June 9, 1855."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF THE SALISH AND KOOTENAI TRIBES OF INDIANS

The Clerk called the bill (H. R. 6983) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims, with the right of appeal by either party to the Supreme Court of the United States to hear, examine, adjudicate, and render judgment in any and all legal and equitable claims of whatsoever nature which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation of Montana, or any tribe or band thereof, may have against the United States, including, but not limiting the generality of the foregoing, claims arising under or growing out of the treaty of July 16, 1855 (12 Stat. 975; 2 Kappler 722), or any subsequent treaty or agreement, act of Congress, or Executive order, or by reason of any lands taken from said Indians by acts of Congress or otherwise, including lands lost to them by erroneous surveys, or lands opened to settlement, or used for dam, power, and reservoir sites and irrigation projects, or loss of lands by submergence by erection of reservoirs, without compensation and without their consent given in the usual manner, or for the failure or refusal of the United States to protect the interests of any of said Indians in lands as to which they had or claimed possessory right of use and occupancy, or because of any mismanagement or wrongful handling of any of the funds, lands, properties, or business enterprises belonging to or held in trust for said Indians

SEC. 2 That suit or suits under this act may be instituted by the Confederated Salish and Kootenai Tribes of Indians, or any tribe or band thereof, either separately or jointly, as party or parties plaintiff, against the United States as party defendant, by filing within 5 years after the approval of this act a petition or petitions in the Court of Claims and serving with respect to each suit a copy thereof on the Attorney General of the United States, who, either in person or by some attorney from the Department of Justice to be designated by him, shall appear and defend the interests of the United States. Such petition or petitions shall set forth the facts upon which the claim or claims for recovery is or are based and shall be verified by the attorney or attorneys employed by said Indians, under contract approved in accordance with existing law, to prosecute said claims, which may be made upon information and belief, and no other verification shall be necessary. The petition or petitions shall be subject to amendment at any time prior to final submission of the case to the Court of Claims Such petition or petitions may, in addition to alleging specific claims, demand a general accounting of all funds and property expended or used by the United States for the account of said Indians, in which event the General Accounting Office shall within a reasonable time from date of filing said petition or petitions make a complete audit of said accounts, and, in addition to the usual copies furnished the Attorney General, shall furnish a copy thereof to the attorney or attorneys for said Indians; and the court, after full hearing, shall state the account and render judgment in accordance therewith

SEC 3. That at the trial of any suit instituted hereunder the court shall apply as respects the United States the same principles of law as would be applied to an ordinary fiduciary and shall settle and determine the rights therein, both legal and equitable, of said Indians against the United States, notwithstanding lapse of time or statutes of limitation. In the determination of the validity of any claim asserted or defense interposed hereunder, the court shall have the full power and authority of a court of equity.

SEC. 4. That the court shall have authority, by proper orders and process, to make parties to any suit or suits instituted hereunder any other tribe, band, or group of Indians deemed by it necessary or proper to a final determination of the matters in controversy.

SEC. 5. That in any suit instituted hereunder any letter, paper, document, map, or record in the possession of any officer or department of the United States (or certified copies thereof) may be used in evidence, and the departments of the Government of the United States shall give full and free access to the attorney or attorneys for said Indians to such letters, papers, documents, maps, or records as may be useful to said attorney or attorneys in the preparation for trial or trials of such suit or suits.

SEC. 6. That no payment or payments which have been made by the United States upon or in satisfaction of any claim or claims asserted in any suit brought hereunder, or expended for any of the said Indians, shall operate as an estoppel against any suit brought hereunder, but there shall be set off against any recovery obtained by said Indians hereunder any payment made by the United States on any claim asserted by said Indians, together with such gratuity expenditures as are directed to be set off by the act of Congress, approved August 12, 1935 (49 Stat 596)· *Provided*, That no moneys expended for the benefit of said Indians under the Wheeler-Howard Act, approved June 18, 1934 (48 Stat 984), shall be applicable as set-offs

SEC 7 That upon the final determination of any suit or suits instituted hereunder, the Court of Claims, in the event of judgment for said Indians shall determine such fees or compensation to be paid the attorney or attorneys as said court shall find reasonable or equitable, and in addition thereto such actual and necessary expenses as shall have been incurred by the attorney or attorneys in the prosecution of said claims. In no case shall the fees or compensation decreed by said Court of Claims be in excess of the amount stipulated in the contract or contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and in no event to exceed 10 percent of the amount of the recovery, and shall be paid out of any money appropriated by Congress for the benefit of said Indians pursuant to any judgment hereunder.

With the following committee amendments:

Page 1, line 4, after the comma, strike out down to and including the words "United States" in line 5, and insert "subject to review by the Supreme Court of the United States on writ of certiorari as in other cases."

Page 4, line 5, after the word "court", strike out down to and including the words "fiduciary and" in line 7.

Page 5, line 4, strike out "or in satisfaction"

Page 6, line 7, insert a new section reading as follows:

"SEC 8 That the amount of any judgment recovered for said Indians, less attorneys' fees and expenses, shall be placed to the credit of said Indians in the Treasury of the United States and shall draw interest at the rate of 4 percent per annum from date of judgment and shall thereafter be subject to appropriation by Congress and used for the benefit of said Indians, including, but without limitations, the purchase of lands, livestock, farming implements, erection of buildings and improvements, and for productive enterprises,

with the approval of the Secretary of the Interior and the consent of said Indians."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS ST. LOUIS RIVER

The Clerk called the bill (H. R. 6889) to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the times for commencing and completing the construction of a toll bridge across the St Louis River, between the States of Minnesota and Wisconsin, authorized to be built by the city of Duluth in the State of Minnesota by an act of Congress approved August 7, 1939; which act was heretofore amended and extended by an act of Congress approved August 30, 1940, and further extended and amended by an act of Congress approved May 9, 1941; and further revived and reenacted, and extended and amended by an act of Congress approved October 16, 1945, the same being Public Law No. 196, Seventy-ninth Congress, are hereby extended 1 and 3 years, respectively, from October 16, 1946.

SEC 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 1, line 9, after "approved", strike out "August" and insert "April"

The committee amendment was agreed to.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York. Page 2, after line 6, insert a new section as follows:

"SEC. 2. Public Law No 333, Seventy-sixth Congress is hereby amended by adding a new section to read as follows.

"'SEC. 3a. No toll or other charge shall be levied against any official or employee, civil or military, or any vehicle or conveyance of the United States for the use of such bridge in the performance of official duties'"

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the able.

INDIAN SERVICE IRRIGATION PROJECT

The Clerk called the bill (S. 115) to modify sections 4 and 20 of the Permanent Appropriation Repeal Act, 1934, with reference to certain funds collected in connection with the operation of Indian Service irrigation projects, and for other purposes.

Mr. COLE of New York. Mr. Speaker, inasmuch as the report on this bill does not comply with the rule, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

USE OF FUNDS OF ANY TRIBE OF INDIANS FOR INSURANCE PREMIUMS

The Clerk called the bill (S. 1235) to authorize the use of the funds of any tribe of Indians for insurance premiums.

Mr. COLE of New York. Mr. Speaker, because the report on this bill does not comply with the rule, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASED PENSIONS IN SPANISH-AMERICAN WAR CASES

The Clerk called the bill (H. R. 6900) to grant increased service pensions in certain Spanish-American War cases not included in recent legislation providing increases to other Spanish-American War veterans and their dependents, and for other purposes.

Mr. COLE of New York. Mr. Speaker, since this bill authorizes the appropriation of over $5,000,000, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. LARCADE. Mr. Speaker, reserving the right to object, I think this bill ought to be considered. It is a very important bill. It was introduced by the gentleman from New York [Mr. BUCKLEY] the chairman of the Committee on Pensions, who is absent today. It has to do with Spanish-American War veterans. I should like to make this explanation of the bill

The bill H. R. 6900 provides increases in service pension—non-service-connected—to veterans and widows of veterans of the Spanish-American War, including the Philippine Insurrection and China Relief Expedition, who were not included in increases granted under recent enactments by the Congress.

As to all veterans of this war group who are partially disabled—less than total—and under the age of 65 an increase in service pension—non-service-connected—by 20 percent is provided.

As to those veterans who had 70 days or more but not less than 90 days of active service an increase from $30 to $50 per month is provided for total disability and the $50 rate is made payable for age 65. Veterans of the 70-day group who are in need of the regular aid and attendance of another person are increased from the present rate of $50 to $65 per month.

The minimum rate of service pension—non-service-connected—for widows of veterans of this war group is increased under the bill from the present rate of $30 to $40 per month—the $40 rate is now payable only at age 65.

Those veterans of this war group who had at least 90 days service or if less than 90 days were discharged for disability incurred in service in line of duty and are totally disabled, 65 years of age, or in need of the regular aid and attendance were increased in their rate of service pension—non-service-connected—by the acts of May 24, 1938 (Public Law 541, 75th Cong.) and March 1, 1944 (Public Law 242, 78th Cong.). This group had their service connected rates of pension increased by 15 percent under Public Law 469, Seventy-eighth Congress, approved December 7, 1944. This bill proposed to give those veterans and their widows who were not included under those recent acts above mentioned a justifiable proportionate increase in non-service-connected pension.

The bill has the endorsement of the interested veterans' organizations and is a composite bill embracing the provisions of several bills considered by your committee on these subjects.

Approval of this measure is earnestly requested.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. LARCADE I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I wonder if the gentleman thinks the bill would take care of the widows of Spanish-American War veterans who receive their pensions by special acts of Congress.

Mr. LARCADE. No

Mr CASE of South Dakota. Does not the gentleman think they ought to be taken care of, too?

Mr. LARCADE. Yes; I do. Provision is made in separate legislation for this group.

Mr CASE of South Dakota. The difficulty is that the committees of Congress for the last few years have adopted the policy of not reporting special acts. The gentleman is undoubtedly aware that it was the custom of Congress for some period of time to pass special acts. I think under the Roosevelt administration the policy was adopted of vetoing special acts on the ground that the persons concerned could come under general acts.

Mr. LARCADE. That is what this bill proposes to do. It is not special legislation, it is general legislation that amends a general law on that subject covering this special group of Spanish-American War veterans. They are fast disappearing. There are not many of them left. I certainly think they are entitled to the same consideration which is accorded veterans of other wars.

Mr. CASE of South Dakota. Certainly; and so do I, but I also think that those who are widows of Spanish-American War veterans who have received their pensions by special acts should receive consideration. As far as I know, they are the only class of widows who have not received any increase whatever.

Mr. LARCADE. I agree with the gentleman.

Mr. CASE of South Dakota. The class I had in mind are exemplified by this particular case, a widow who was the second wife of a Spanish-American War veteran. She was married to him and lived with him for over 20 years and was with him at the time of his death. It was impossible, however, for her to find the proof of her husband's divorce from the first wife, even though the first wife

had remarried, also, and executed a waiver of any entitlement to a pension. So, the second wife was authorized to receive a pension by special act but that was years ago and she has received no increase as have those who come under the general law. There are not many in this situation but there are a few.

It is a very small group, but it certainly seems to me that legislation of this sort should embrace these people who, because of some little technicality, are receiving their pensions by a special act.

Mr. LARCADE. I agree with the gentleman thoroughly That is the purpose of this bill—to liberalize the general law so that it will take in many of the cases and persons that the gentleman has referred to.

Mr. CASE of South Dakota. Would the gentleman have any objection if the bill were amended to insert the words "and to widows of veterans of the Spanish-American War by special acts"?

Mr. LARCADE. No; I would personally have no objection, but objection would be made on account of inserting the special class or special legislation with respect to one group, whereas this bill provides for general coverage and liberalization of the present law which will automatically take into account many of the cases which the gentleman has referred to.

Mr CASE of South Dakota. The trouble is that the general law does not do that. The fact is that these people had to get their pensions by special act or special acts were considered, which means that they are not covered by general law, and if a limitation is made in an amendment limiting it to widows of veterans of the Spanish-American War, it seems to me that the amendment ought to be accepted.

Mr. LARCADE. I think the gentleman should cover the group that he has reference to in a special law.

Mr. CASE of South Dakota. The gentleman from South Dakota has introduced legislation on that subject. But the unfortunate thing is that the administration took a position against special acts and has applied that principle to the amendment of existing special acts.

Mr. LARCADE. I am in favor of taking in all of those who are entitled to consideration. However, this act provides the amendment of the general law and by that amendment it will give additional benefits to those who come under it.

Mr. CASE of South Dakota. And I favor the enactment of the bill for its justice to those who will benefit, but I would like to wipe out the disparity between these people who receive their pensions under a special act and those who receive under the general law.

Mr. LARCADE. That is right, but I still say it takes legislation to cover the cases which the gentleman has in mind.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. LARCADE. I yield.

Mr. REED of New York. I would just like to make the observation that I see no reason for quibbling over these matters at all in view of the fact that we are going to make a gift of $3,750,000,000 to the socialistic government of Great Britain.

Mr. LARCADE. I thank the gentleman from New York for his observation. I voted against the alleged loan to Great Britain, and I stated in my weekly letter to my constituents that I thought it would be better to give this amount to our war veterans who were so deserving, and that if this had been done we would be certain that the money would be spent in the United States.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. LARCADE. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, for the reason that the bill carries an authorization of $5,000,000, I object to the immediate consideration of the bill, although I agree with the purposes of the bill itself.

AMENDING ACT OF FEBRUARY 15, 1929

The Clerk called the bill (H. R 2893) to amend the act of February 15, 1929.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the act of February 15, 1929 (45 Stat L 1185), is hereby amended so as to authorize the proper State officers to invoke the penalties of State compulsory school attendance laws against Indian children, their parents, or other persons in loco parentis, under such regulations as the Secretary of the Interior may prescribe: *Provided, however*, That this provision shall not apply to Indians under the jurisdiction of any tribe that has adopted an ordinance providing for compulsory school attendance of its members.

With the following committee amendment:

Strike out all after the enacting clause and insert "That the act of February 15, 1929 (45 Stat L 1185), is hereby amended to read as follows. "The Secretary of the Interior, under such rules and regulations as he may prescribe, shall permit the agents and employees of any State to enter upon Indian tribal lands, reservations, or allotments therein (1) for the purpose of making inspection of health and educational conditions and enforcing sanitation and quarantine regulations or (2) to enforce the penalties of State compulsory school attendance laws against Indian children, and parents, or other persons in loco parentis except that this subparagraph (2) shall not apply to Indians of any tribe in which a duly constituted governing body exists until such body has adopted a resolution consenting to such application' '

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIAN DESCENT CODE

The Clerk called the bill (H. R. 2294) to provide a uniform code of descent of trust or restricted Indian estates, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Indian Descent Code."

DEFINITIONS

SEC. 2. As used in this act:

(a) "Issue" means lineal descendants, and the terms "issue," "child," and "children" include lawfully adopted and posthumous children.

(b) "Ancestor" means any person related to the intestate by blood and from whom the intestate acquired lands or interests therein by descent or devise.

(c) "Secretary" means the Secretary of the Interior.

INTESTACY

SEC 3. When any Indian having restricted or trust title to any lands dies intestate, such lands shall descend or be disposed of by the Secretary in conformity with the provisions of this act

SURVIVING SPOUSE; ISSUE

SEC 4. (a) If the intestate leaves a surviving spouse and—

(1) only one child living, or the issue of one deceased child, the lands shall descend in equal shares, one-half to the surviving spouse and one-half to the child or to the issue of such deceased child by right of representation;

(2) more than one child living, or one or more children living and the issue of one or more deceased children, the lands shall descend one-third to the surviving spouse and the remaining two-thirds in equal shares to the children and to the issue of any deceased child by right of representation;

(3) if the intestate is not survived by any child but is survived by the issue of more than one deceased child, the lands shall descend one-third to the surviving spouse and the remaining two-thirds to the issue of the intestate If all of the issue are in the same degree of kindred to the intestate, they shall share the remaining two-thirds equally. If all of the issue are not in the same degree of kindred to the intestate, those who are in the nearest degree of kindred shall take the same shares they would have taken if the deceased issue of that degree, who left issue surviving the intestate, were living, and the shares that would have been taken by such deceased issue of the nearest degree if they had survived the intestate, shall descend to their issue by right of representation.

(b) If, however, the surviving spouse is not the parent or the grandparent of any of the surviving children or other issue referred to in subsection (a), the share taken by the spouse shall be limited to a life estate with the remainder to go to such children or other issue, or both, as provided in that subsection. If the surviving spouse is the parent or grandparent of one or more but not all of the surviving children or other issue, such spouse shall take only a child's share computed in accordance with the provisions of section 5.

NO SURVIVING SPOUSE; ISSUE

SEC 5 If the intestate leaves no surviving spouse but leaves issue, the lands shall descend to such issue. They shall take in equal shares if they are all in the same degree of kindred to the intestate. If such issue are not in the same degree of kindred to the intestate, those who are in the nearest degree of kindred shall take the same shares they would have taken if the deceased issue of that degree, who left issue surviving the intestate, were living; and the shares that would have been taken by such deceased issue of the nearest degree, if they had survived the intestate, shall descend to their issue by right of representation.

SURVIVING SPOUSE, NO ISSUE

SEC. 6. If the intestate leaves no issue but leaves a surviving spouse and a father and mother, the lands shall descend one-half to the surviving spouse and one-half to the father and mother of the intestate in equal shares; but if either parent is dead, the entire one-half shall descend to the other, and if

there is neither father nor mother, all of the lands shall descend to the surviving spouse

INHERITANCE BY NON-INDIAN SPOUSE

SEC. 7. In all cases in which the surviving spouse is not of Indian blood, the share which the surviving spouse would otherwise be entitled to take under the provisions of this act shall be limited to a life estate in such share; and the remainder shall vest in the heirs of the intestate as set forth in this act, as if the intestate had died without leaving a surviving spouse; but if there be no heirs of the intestate, as limited in this act, the remainder upon the termination of such life estate shall escheat in the manner provided in section 14 of this act.

NO SURVIVING SPOUSE OR ISSUE; PARENTS

SEC. 8. If the intestate leaves neither a surviving spouse nor issue, but leaves a father and mother, the lands shall descend to the father and mother in equal shares, and if either is dead, all of the lands shall descend to the surviving parent.

NO SURVIVING SPOUSE, ISSUE, OR PARENTS

SEC. 9 If the intestate leaves neither a surviving spouse, nor children, nor issue of deceased children, nor father nor mother, but leaves one or more brothers or sisters, the lands shall descend in equal shares to the brothers and sisters of the intestate, and to the children of deceased brothers and sisters by right of representation.

NO SURVIVING SPOUSE OR IMMEDIATE FAMILY

SEC. 10. If the intestate leaves neither a surviving spouse, nor children nor issue of deceased children, nor father nor mother, nor brother nor sister, the lands shall descend to the children of the deceased brothers and sisters of the intestate in equal shares.

GRANDPARENTS

SEC 11 If the intestate dies under the age of 21 years, unmarried and without issue, parents, brothers, sisters, or children of deceased brothers or sisters, but is survived by a grandparent or grandparents, the lands shall descend to the grandparent, if only one survive, or if there be more than one, to the grandparents in equal shares.

INHERITANCE BY HALF-BLOOD KINDRED

SEC. 12 Kindred, as limited in this act, of the half-blood, shall inherit equally with those of the whole blood in the same degree, except that if the lands came to the intestate by descent or devise from an ancestor, such kindred of the half-blood who are not of the blood of the ancestor shall not inherit unless they are in closer relationship to the intestate than kindred of the blood of such ancestor, in which case they shall inherit as though they were of the blood of the ancestor.

ANCESTRAL ESTATES

SEC. 13. If the intestate leaves several children, or one child and the issue of one or more other children, and any such surviving child of the intestate dies under 21 years of age, unmarried and without surviving issue, all of the lands that came to the deceased child by inheritance from such decedent shall descend in equal shares to the other children of the same parent and to the issue of any such other children who are dead, by right of representation Any interest so acquired by a child of the intestate, who also dies under 21 years of age, unmarried and without surviving issue, shall likewise descend in equal shares to the other children then surviving of the same parent, and to the issue of any other children who are dead, by right of representation.

If at the death of such child of the intestate, who dies under the age of 21 years, unmarried and without surviving issue, all the other children of his parents are also dead, and any of them have left issue, the lands that came to such child by inheritance from his parents, together with such interests therein as came to him from predeceased brothers or sisters who died under the age of 21 years, unmarried and without issue, shall descend to the issue of all other children of the same parent, and if the issue are in the same degree of kindred to the child, they share equally, otherwise they take according to the right of representation.

ILLEGITIMACY

SEC 17. For the purposes of this act, Indian children born out of wedlock shall be entitled to inherit to the same extent as legitimate children. The mother of an Indian child born out of wedlock and the lineal and collateral kindred of the mother of such a child shall inherit as if the child were legitimate The father of an Indian child born out of wedlock and the lineal and collateral kindred of the father shall not be entitled to inherit from the child unless the father, during the lifetime of the child, acknowledged paternity of the child and assumed toward the child the responsibility of a father.

ESCHEAT TO THE TRIBE

SEC 14. If the intestate leaves no spouse or kindred as limited in this act, the land or interest therein held by trust patent or by patent containing restrictions against alienation, together with all accumulated rents, issues, and profits therefrom held in trust for the intestate, shall escheat in accordance with the provisions of the act of November 24, 1942 (56 Stat. 1021). If the restricted land or interest therein is held by deed containing restrictions against alienation, the title to such land or interest, together with all accumulated rents, issues, and profits therefrom, shall revert to the United States to be held in trust for such Indians as the Secretary may designate within the State or States wherein the land is situated or, if the Secretary determines that the land or interest therein cannot appropriately be used by or for such Indians, it shall be sold and the Secretary shall cause to be executed a patent in fee or other appropriate instrument of conveyance to the purchaser, subject to all valid agricultural, surface, and mineral leases and the rights of any person thereunder, and the proceeds of such sale, together with all accumulated rents, issues, and profits from the land or interest, shall be held in trust for the benefit of such Indians as the Secretary may designate

LIMITATION ON INHERITANCE OR DEVISE

SEC 15. When an Indian dies seised of less than a one-thirty-second interest in any trust or restricted lands, that interest in such lands shall not be further subdivided by inheritance or devise, but shall escheat as if the Indian had died without heirs, except that if those persons to whom the land would otherwise descend under the provisions of this act or to whom it may be devised already own an undivided interest in the same land, nothing herein shall prevent such persons from taking the part inherited by or devised to them, and in such event only that part of the fractional interest which would not increase the interest of a present owner of an undivided interest in the land shall escheat. Nothing contained in this section shall be construed to permit a devise to any person not qualified under section 22 of this act, nor shall anything in this section prevent the descent or devise of any fractional interest to a sole heir or to a sole devisee who is otherwise qualified.

CURTESY, DOWER, AND HOMESTEAD RIGHTS ABOLISHED

SEC. 16. No person shall be entitled to curtesy, dower, or homestead rights in the trust or restricted land of any Indian dying after the effective date of this act.

FORFEITURE FOR FELONIOUS KILLING

SEC. 18. No person convicted of having taken, or convicted of causing or procuring another to take, the life of an Indian shall inherit from or receive any interest in the trust or restricted estate of the decedent, regardless of where the crime was committed and the conviction was obtained; and the trust or restricted estate of the Indian decedent shall descend or be disposed of as if the convicted person had predeceased the Indian decedent.

INHERITANCE RIGHTS FOR WHICH NO PROVISION IS MADE

SEC 19. Any right of inheritance within the limitations of this act for which provision is not made by this act shall be determined by application of the laws of decedent of the State in which the lands are situated.

AGREEMENT AMONG HEIRS OR DEVISEES

SEC. 20. In the conduct of any probate proceeding by the Secretary, he shall give consideration to any agreement of compromise entered into between or among the heirs, devisees, or the authorized representatives of the tribe where the tribe is a party in interest. Such an agreement may include provisions for the sale, partition, gift, or exchange of the lands. If he approves such an agreement, the Secretary may cause title to the lands involved to be transferred to the parties entitled thereto by appropriate trust or restricted patents, or the Secretary may, in his discretion, cause title to be transferred by final order of distribution. Such final order of distribution, when entered, shall be competent and conclusive evidence that title to the lands involved is vested in the parties designated in the order. Nothing contained in this section shall operate to terminate the trust or restrictive period resting against any Indian lands. Guardians ad litem appointed in the probate proceedings for minors or Indians non compos mentis shall have authority to execute any instrument necessary to the consummation of a settlement agreement.

CLAIMS AGAINST INDIAN ESTATES

SEC 21. (a) The Secretary may allow the following claims against trust or restricted Indian estates, according them priority in payment in the order listed:

(1) Claims for expenses of last illness and funeral charges.

(2) Claims for indebtedness to the United States or any of its agencies

(3) Claims for indebtedness to the tribe of which decedent was a member or to any of its subsidiary organizations

(4) Claims authorized in writing by the superintendent during the lifetime of the Indian

(5) Claims by the State on account of social security or old-age assistance payments.

(b) No claims other than those enumerated in subsection (a) of this section shall be allowed if the value of the estate, both real and personal, does not exceed the sum of $1,500, and the decedent is survived by a spouse or by one or more minor children. If the estate is valued in excess of $1,500 or if the estate is valued at $1,500 or less and the decedent is not survived by a spouse or by one or more minor children, claims of general creditors may be allowed in the discretion of the Secretary. If the income of the estate is not sufficient to permit the payment of allowed claims of general creditors within 3 years from the date of allowance, the unpaid balance of such claims will not be enforceable or constitute a lien against the estate or any of its assets.

INDIAN WILLS

SEC. 22. Except as limited in section 15, any Indian who by existing law is entitled to

make a will, may devise his trust or restricted lands, but only to his heirs at law as limited by this act, or to a person who is a member of the tribe having jurisdiction over the lands devised, or to the tribe having jurisdiction over the lands devised. A devise to a surviving spouse who is not of Indian blood shall be limited to a life estate and if the remainder after such life estate is not disposed of by the will of the decedent, such remainder shall vest in the heirs at law of the testator in accordance with the provisions of this act.

RULES AND REGULATIONS

SEC 23 The Secretary is authorized to promulgate rules and regulations for the purpose of carrying out this act.

OPERATION

SEC 24 This act shall not apply to the Five Civilized Tribes or the Osage Indians in the State of Oklahoma. Nothing in this act shall be construed to limit or abrogate the rights or powers of the tribes organized under the act of June 18, 1934 (48 Stat. 984), and acts supplementary thereto or amendatory thereof

Nothing contained herein shall be construed as a repeal of the Klamath Act of June 1, 1938 (52 Stat. 605). All other acts and parts of acts in conflict herewith are repealed to the extent of such inconsistency

This act shall become effective 6 months after the date of its approval

With the following committee amendments:

On page 2, after line 3, add a new section, which is entitled "Jurisdiction", as follows:

"SEC 3. Exclusive jurisdiction is hereby conferred on the Secretary to determine the heirs and to probate the will of any Indian dying possessed of any right, title, or interest in any lands held by trust patent or by patent or other instrument containing restrictions on alienation. *Provided, however,* That the approval of a deceased Indian's will and the death of the testator shall not operate to terminate the trust or restrictive status of the testator's lands The jurisdiction of the Secretary to determine the heirs of such Indians, and to probate their wills, under this act, with the right and duty of determining all questions of fact necessary thereto, including determinations of the status of persons claiming as heirs, shall be final and conclusive "

On page 3, section 4 (b), line 18 through line 22, delete the sentence beginning with the words "If the surviving spouse * * * with the provisions of section 5 "

On page 4, after line 17, insert a new section, entitled "Homestead Right of Surviving Spouse", as follows:

"SEC 8. In all cases in which the intestate leaves a surviving spouse of Indian blood the surviving spouse shall be entitled to a homestead right, which shall consist of the right to continue to use and occupy not to exceed 160 acres of land actually used by the intestate as a home place The homestead right shall terminate upon the cessation of actual use of the land by the surviving spouse as a home place. The homestead right provided by this section shall be in addition to any other rights conferred upon a surviving spouse by other sections of this act."

On page 5, line 3, change "14" to "19."

On page 5, lines 24 and 25, delete the words "under the age of 21 years."

On page 7, after line 16, insert a new section, entitled "Inheritance by Adopted Persons", as follows:

"SEC. 16. A lawfully adopted person and his issue shall inherit from his natural parents and from his kindred by blood in the same manner and to the same extent as though an adoption had not occurred. A lawfully adopted person and his issue shall inherit from his parents by adoption and from their kindred in the same manner and to the same extent as though such person had been born in lawful wedlock to his parents by adoption, except that if the adopted person is related by blood to his parents by adoption he and his issue shall inherit from his parents by adoption and from their kindred only as the issue of his parents by adoption and not as relatives by blood."

On page 7, after the insertion of this previous new section, insert a new section, entitled "Inheritance From Adopted Persons", as follows:

"SEC. 17. If the intestate had been lawfully adopted and leaves neither a surviving spouse nor issue, the lands shall descend to the parents by adoption or to their kindred as if the intestate had been born in lawful wedlock to the parents by adoption, except that any lands which came to the intestate by descent or devise from any of his kindred by blood other than his issue shall descend as though an adoption had not occurred."

On page 7, after the insertion of the two new sections 16 and 17, insert the present section 17 of page 9, as amended.

On page 9, line 3, change "and" to "an"

On page 9, line 5, change "22" to "26."

On page 9, line 9, change the present section title to read "Curtesy and Dower Rights Are Abolished "

On page 9, line 10, after the word "curtesy", strike out the comma and insert the word "or", and, after the word "dower", strike out the comma

On page 9, line 11, strike out the words "or homestead "

On page 9, lines 20 and 21, strike out the words "lineal and collateral kindred of the father shall not be entitled to inherit from the child unless" and substitute therefor the words "kindred of the father of such a child shall inherit as if the child were legitimate only when "

On page 12, line 16, strike out "15" and substitute therefor "20."

On page 13, line 8, after the words "shall not", insert the words "affect any vested rights or interests nor shall this act "

On page 13, after line 17, insert a new paragraph, as follows.

"In the event one or more sections or provisions of this act should be held by a court of competent jurisdiction to be unconstitutional or otherwise invalid, the remaining provisions of this act shall not thereby be impaired or affected "

The sections shall be renumbered to conform to the following:

Section 2: Definitions.
Section 3: Jurisdiction.
Section 4: Intestacy.
Section 5 Surviving Spouse, Issue.
Section 6 No Surviving Spouse; Issue.
Section 7: Surviving Spouse; No Issue.
Section 8: Homestead Right of Surviving Spouse.
Section 9: Inheritance by Non-Indian Spouse.
Section 10: No Surviving Spouse or Issue; Parents.
Section 11 No Surviving Spouse, Issue, or Parents.
Section 12: No Surviving Spouse or Immediate Family.
Section 13: Grandparents.
Section 14 Inheritance by Half-Blood Kindred
Section 15: Ancestral Estates.
Section 16: Inheritance by Adopted Persons.
Section 17: Inheritance From Adopted Persons.
Section 18: Illegitimacy.
Section 19: Escheat to the Tribe.
Section 20: Limitation on Inheritance or Devise.
Section 21: Curtesy and Dower Rights Abolished.
Section 22: Forfeiture for Felonious Killing.
Section 23 Inheritance Rights for Which no Provision Is Made.
Section 24: Agreement Among Heirs or Devisees.
Section 25: Claims Against Indian Estates.
Section 26: Indian Wills
Section 27: Rules and Regulations.
Section 28: Operation.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMISSIONED OFFICERS IN THE REGULAR ARMY

The Clerk called the bill (H. R. 6817) to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That Public Law 281, Seventy-ninth Congress, approved December 28, 1945, is hereby amended as follows.

(a) Section 2 of the said act is amended by deleting therefrom the words "twenty-five thousand" and substituting therefor the words "fifty thousand."

(b) Section 4 of the said act is amended by deleting therefrom the words "At any time not later than a date 8 months following the date of enactment of this act."

(c) Section 8 of the said act is amended by deleting therefrom the words "One thousand and fifty-four" and substituting therefor the words "two thousand one hundred and eight."

With the following committee amendment:

After line 14, page 1, of the bill add the following:

"SEC 2. There is hereby established in the Medical Department of the Army, a corps to be known as the Optometry Corps. The Optometry Corps shall consist of 60 commissioned officers in grades from colonel to second lieutenant, inclusive.

"SEC. 3. To be eligible for appointment in the Optometry Corps, a candidate must be a graduate of a recognized optometry school or college approved by the Surgeon General, and have been engaged in the practice of his profession for at least 2 years subsequent to graduation; or be eligible for appointment in the Regular Army in accordance with the provisions of Public Law 281, Seventy-ninth Congress, approved December 28, 1945, as hereby amended.

"(b) Persons appointed in the Optometry Corps of the Regular Army who are credited with less than 3 years' service, shall be appointed in the grade of second lieutenant. Such persons who are credited with 3 or more years' service * * * but less than 6 years' service * * * shall be appointed in th grade of first lieutenant. Such persons who are credited with 6 or more years' service * * * but less than 12 years' service * * * shall be appointed in the grade of captain; and such persons who are credited with 12 or more years' service * * * but less than 20 years' service * * * shall be appointed in the grade of major.

"SEC. 4. Officers of the Optometry Corps shall be assigned to optometrical duty or to administrative duty in connection therewith by the Surgeon General.

"SEC. 5. An officer of the Optometry Corps shall, subject to the provisions of subsection (b), be promoted to the grade of first lieutenant after 3 years' service, to the grade of captain after 6 years' service, to the grade

of major after 12 years' service, to the grade of lieutenant colonel after 20 years' service, and to the grade of colonel after 26 years' service.

"(b) Officers of the Optometry Corps shall be examined for promotion in accordance with section 5 of the act entitled 'An act to increase the efficiency of the Medical Department of the United States Army,' approved April 23, 1908 (U. S. C., 1940 ed., title 10, secs. 101 and 102), and with the proviso in the paragraph providing for the pay of officers in the Medical Department of the Army contained in the act entitled 'An act making appropriation for the support of the Army for the fiscal year ending June 30, 1910,' approved March 3, 1909 (U. S. C., 1940 edition, title 10, sec. 103), and such examination shall be conducted by examining and review boards consisting of one officer of the Medical Corps and two officers of the Optometry Corps.

"SEC. 6. The right of officers of the Optometry Corps to command shall be limited to the Optometry Corps and the Medical Administrative Corps.

"SEC 7. The first and second provisos of section 47c of the National Defense Act of June 6, 1916, as amended (U. S. C., 1940 ed., Supp. III, title 10, secs. 353, 384, and 387a), are amended to read as follows: *'Provided*, That any medical, dental, pharmacy, veterinary, or optometry student may be admitted to a Medical, Dental, Pharmacy, Veterinary, or Optometry Corps unit of the Reserve Officers' Training Corps for a course of training at the rate of 90 hours of instruction per annum for the four college years, and if at the end of 3 years of such training he has been selected by the professor of military science and tactics and the head of the institution for advanced training, and has agreed in writing to continue in the Reserve Officers' Training Corps for the remainder of his course at the institution, and has agreed in writing to pursue the course in camp training prescribed by the Secretary of War, he may be furnished, at the expense of the United States, with commutation of subsistence at such rate not exceeding the cost of the garrison ration prescribed for the Army, as may be fixed by the Secretary of War, during the remainder of his service in the Reserve Officers' Training Corps, not exceeding 2 years: *Provided further*, That any Reserve officer who is also a medical, dental, pharmacy, veterinary, or optometry student may be admitted to such Medical, Dental, Pharmacy, Veterinary, or Optometry Corps unit for such training, under such rules and regulations as the Secretary of War may prescribe.' "

Mr. COLE of New York. Mr. Speaker, I make a point of order against the committee amendment on the ground that it is not germane to the bill.

The SPEAKER. The Chair holds that the point of order made by the gentleman from New York is well taken and sustains the point of order.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AIR PARCEL POST SERVICE

The Clerk called the bill (H. R. 6970) to provide for an air parcel post service, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That effective on the first day of the third month following the enactment of this Act, the rate of postage on mailable matter exceeding 8 ounces in weight, but not weighing more than 70 pounds nor measuring more than 100 inches in length and girth combined, when carried by air and including other transportation to and from air mail routes, shall, except as otherwise herein provided, be determined on the basis of the eight postal zones established for fourth-class matter as follows:

(1) For delivery within the first or second zone, 45 cents for the first pound or fraction thereof over 8 ounces plus 4 cents for each additional pound or fraction thereof.

(2) For delivery within the third zone, 50 cents for the first pound or fraction thereof over 8 ounces, plus 8 cents for each additional pound or fraction thereof.

(3) For delivery within the fourth zone, 55 cents for the first pound or fraction thereof over 8 ounces plus 14 cents for each additional pound or fraction thereof.

(4) For delivery within the fifth zone, 60 cents for the first pound or fraction thereof over 8 ounces, plus 24 cents for each additional pound or fraction thereof.

(5) For delivery within the sixth zone, 65 cents for the first pound or fraction thereof over 8 ounces plus 33 cents for each additional pound or fraction thereof.

(6) For delivery within the seventh zone, 70 cents for the first pound or fraction thereof over 8 ounces plus 45 cents for each additional pound or fraction thereof

(7) For delivery within the eighth zone to points not exceeding 2,400 miles from point of mailing, 75 cents for the first pound or fraction thereof over 8 ounces, plus 55 cents for each additional pound or fraction thereof: *Provided*, That when the distance to points of address exceeds 2,400 miles, an additional charge shall be required for the excess mileage, as follows:

One to one hundred and fifty miles, 4 cents per pound or fraction thereof.

One hundred and fifty to three hundred miles, 8 cents per pound or fraction thereof.

Three hundred to six hundred miles, 14 cents per pound or fraction thereof.

Six hundred to one thousand miles, 24 cents per pound or fraction thereof.

One thousand to one thousand four hundred miles, 33 cents per pound or fraction thereof.

One thousand four hundred to one thousand eight hundred miles, 45 cents per pound or fraction thereof.

Over one thousand eight hundred miles, 55 cents per pound or fraction thereof.

(8) *Provided further*, That in all cases mailable matter of light weight in relation to size shall be subject to such surcharge as may be determined by the Postmaster General to be warranted by reason of the extra space and care required in handling and transporting such mail matter.

(9) The Postmaster General is authorized and directed to make such rules and regulations, not inconsistent with the Civil Aeronautics Act of 1938 (52 Stat. 973), as amended, or any order, rule, or regulation made by the Civil Aeronautics Board thereunder, as may be necessary for the safe and expeditious transportation by air of mail matter weighing in excess of 8 ounces.

(10) The Postmaster General is further authorized and directed for the period of 1 year, notwithstanding the provisions of paragraphs (1) to (9), inclusive, of this section to adjust from time to time the weight limit, size, rate of postage, zone or zones or conditions, or either, in order to promote the service to the public and assure the receipt of revenue from such service adequate to pay the cost thereof: *Provided*, That the postage rates may not be adjusted upward in excess of the rates shown in this section.

SEC. 3. (1) The Postmaster General is hereby authorized, in the disbursement of the appropriation for domestic all mail service, to apply a part thereof to the purpose of leasing suitable quarters at public airports for use in the handling and distribution of air mail at a reasonable rental to be paid quarterly or monthly.

(2) Whenever the Postmaster General shall determine that suitable quarters for use in the handling and distribution of air mail are not available at any public airport, or that suitable quarters cannot be leased at a reasonable annual rental, the Federal Works Administrator is hereby authorized and directed, upon request by the Postmaster General, to acquire, by purchase, condemnation, or otherwise, such sites and additions to sites as the Postmaster General may deem necessary, and to cause to be constructed thereon adequate and suitable buildings for the foregoing purposes: *Provided*, That safety requirements prescribed by the Civil Aeronautics Administrator shall be complied with in the erection of buildings at airports for use as quarters for the handling and distribution of air mail.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN POSTMASTERS

The Clerk called the bill (H. R. 6642) for the relief of certain postmasters.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit for payments of per diem made by postmasters acting under direction of the First Assistant Postmaster General to postal employees detailed to postal units at camps, posts, or stations to handle military mail or at civilian plants devoted to war production at rates not to exceed that provided and authorized by the act of December 7, 1945, Public Law 249, the credit to be allowed notwithstanding that the payments were made on orders issued retroactively by the Postmaster General.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OVERTIME COMPENSATION OF CIVILIAN EMPLOYEES OF THE UNITED STATES

The Clerk called the bill (H. R. 4720) to amend the act of December 7, 1944, relating to certain overtime compensation of civilian employees of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of December 7, 1944 (58 Stat. 796, ch. 620), is amended by making the proviso at the end thereof read as follows: *"Provided*, That in no case shall there be validated aggregate payment to an employee in excess of six-twelfths of $5,000."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That is the last eligible bill on the Consent Calendar.

DECEASED WAR VETERANS' BURIAL ALLOWANCES

Mr. RANKIN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 571) to increase deceased war veterans' burial allowances to $150.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraphs II and III of Veterans Regulation No. 9 (a), as

amended, are amended by striking out the sum "$100" wherever it appears and inserting in lieu thereof "$150."

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

INCREASED SERVICE PENSIONS IN CERTAIN SPANISH-AMERICAN WAR CASES

Mr. LARCADE. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6900) to grant increased service pensions in certain Spanish-American War cases not included in recent legislation providing increases to other Spanish-American War veterans and their dependents, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc, That the monthly rates of pension payable to veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, under service pension laws reenacted by the act of August 13, 1935 (49 Stat 614; U. S C, title 38, sec 368, Public Law 269, 74th Cong); not included in the act of May 24, 1938 (52 Stat. 440; U S. C, title 38, sec. 370, Public Law 541, 75th Cong.); or the act of March 1, 1944 (58 Stat. 107; U. S C, title 38, secs 365, 370, Public Law 242, 78th Cong); or sections 2 and 3 of this act, are hereby increased by 20 percent.

SEC. 2. That the rate of pension for total disability under section 3 of the act of June 2, 1930 (46 Stat. 492, U. S C., title 38, sec 365b, Public Law 299, 71st Cong), is hereby increased by striking out "$30" and inserting in lieu thereof "$50": *Provided*, That all persons entitled to service pension under the said section 3 of the act of June 2, 1930, upon reaching the age of 65 years, shall, upon making proof of such fact, be entitled to receive a pension of $50 per month.

SEC. 3 Section 4 of the act approved June 2, 1930 (46 Stat 493, U S C, title 38, sec. 365c, Public Law 299, 71st Cong.), is hereby amended by striking out "$50" and inserting in lieu thereof "$65."

SEC. 4 The $30 monthly rate of service pension payable to widows and former widows under the provisions of section 2 of the act of May 1, 1926, as amended (44 Stat 382; 58 Stat. 107; U. S C, title 38, sec. 364a), is hereby increased to $40 monthly.

SEC. 5. The increases provided by this act shall be made effective the first day of the first calendar month following the date of enactment hereof.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit during the remainder of the week during the hours of general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

DISPOSITION OF SYNTHETIC RUBBER PLANTS BY WAR ASSETS ADMINISTRATION

Mr. MANASCO. Mr. Speaker, I ask unanimous consent for the immediate consideration of (S. J. Res. 174) prohibiting the War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program has been submitted to Congress.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. MANASCO]?

Mr. MARTIN of Massachusetts Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. MANASCO. Mr Speaker, under the provisions of the Surplus Property Act, section 19, certain war plants costing over $5,000,000 cannot be sold until the War Assets Administration submits a report to Congress and it has been before the Congress for 30 days. Mr. W. L. Batt, chairman of the Inter-Agency Policy Committee on Rubber of the Office of War Mobilization and Reconversion, has recommended the passage of this resolution because it will postpone for another 6 months the disposal of synthetic rubber plants.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from Mr. Batt, and also a letter from General Gregory, Administrator of the War Assets Administration.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

(The letters referred to are as follows:)

OFFICE OF WAR MOBILIZATION AND RECONVERSION,
Washington, D C., July 13, 1946.

The Honorable CARTER MANASCO,
House of Representatives

MY DEAR MR. MANASCO: Recently you discussed with members of my staff Senate Joint Resolution 174, which has been approved and passed by the Senate and now awaits action in the House of Representatives. You have asked for the view of the Inter-Agency Policy Committee on Rubber in regard to the pending resolution.

At the time this resolution was before the Surplus Property Subcommittee of the Committee on Military Affairs in the Senate, I addressed a letter (a copy of which is enclosed) to the Director of the Office of War Mobilization and Reconversion, setting forth the position of the Inter-Agency Committee. Inasmuch as Senate Joint Resolution 174, as finally passed by the Senate, provided for the exceptions raised in my letter, I feel that there is no present reason for the Inter-Agency Policy Committee on Rubber to oppose its acceptance by your committee.

The opportunity which you afforded us to express this view is very much appreciated.

Sincerely yours,

W. L. BATT,
Chairman, Inter-Agency Policy Committee on Rubber.

OFFICE OF WAR MOBILIZATION AND RECONVERSION,
Washington, July 1, 1946.

The Honorable JOSEPH C. O'MAHONEY,
Chairman, Surplus Property Subcommittee, United States Senate.

MY DEAR SENATOR O'MAHONEY: I am advised that Mr. W. L. Batt and certain of his associates on the Inter-Agency Policy Committee for Rubber have discussed with the staff of your Surplus Property Subcommittee a certain resolution which it is proposed to be offered to the Senate in the next few days and that as a result of this conference Mr. Batt has worked out with your staff a certain procedure.

I transmit to you herewith Mr. Batt's letter to me which deals with this problem and which has my approval.

Sincerely,

JOHN R STEELMAN,
Director.

OFFICE OF WAR MOBILIZATION AND RECONVERSION,
July 1, 1946.

The Honorable JOHN R. STEELMAN,
Director, Office of War Mobilization and Reconversion

DEAR MR STEELMAN: The staff of the Surplus Property Subcommittee of the Committee on Military Affairs has discussed with your Inter-Agency Policy Committee on Rubber the situation with which it is confronted in view of the pending adjournment of Congress which will foreclose effective review by the Congress of the reports submitted by the War Assets Administration on June 10 and June 18, 1946, respectively.

To obviate their difficulty, the staff of the Surplus Property Subcommittee have discussed with us a proposed resolution which states as follows:

"That notwithstanding the provisions of Section 19 of the Surplus Property Act of 1944, War Assets Administration shall not dispose of any synthetic rubber plants and facilities costing the Government in excess of $5,000,000 until 6 months after the submission to Congress by the Director of War Mobilization and Reconversion of a report and recommendations with respect to the establishment of a national rubber program designed to protect the United States against complete dependence for rubber upon foreign sources."

After discussion with the staff of the Surplus Property Subcommittee, we have reached the conclusion that in all likelihood there is no substantial divergence of opinion existing; that your committee has not contemplated the possibility of disposing of the "basic" butadiene and copolymer plants before the Congress has been afforded adequate time to examine the entire disposal pattern.

There are, however, certain plans which the committee has recognized will play no part in all probability, in any future rubber program and as to which, it believes, disposal should be effected in the ensuing months. Insofar as the proposed resolution, as now drafted, would bar such disposal it is our opinion that it would be appropriate to amend the language.

The committee believes that the resolution should exempt from the prohibition upon general disposal that small segment of the copolymer facilities which is in excess of the basic synthetic rubber industry required in the national interest The Government-owned copolymer plants have a rated capacity of 705,000 long tons per year, and a demonstrated actual capacity of 900,000 long tons per year. Since these amounts exceed the potential demand for this material, the resolution could properly exempt from the prohibition upon general disposal of around 20 percent of the rated capacity of the

copolymer facilities without affecting the national defense or the economic future of the industry. Such plants could be sold for uses other than synthetic rubber, and would be prohibited from manufacturing such rubber for private sale until general disposal of the basic plants had been effected.

In addition to the copolymer capacity mentioned, there also exist certain styrene facilities the disposal of which will not prejudice the Nation's future synthetic rubber program, and should be excepted from the foregoing resolution The capacity for styrene production in excess of rubber needs now is in Government hands, and this excess capacity is currently being operated to assist in meeting the heavy demands of the plastic industry. Government-owned facilities constitute over 85 percent of the national manufacturing capacity, there being but one private producer. Early disposal would distribute production among several manufacturers, which is desirable in the national interest.

The Inter-Agency Policy Commitee on Rubber recognizes the importance of affording Congress an ample opportunity to study the recommendations and the reports submitted by this committee but it believes that it would be unfortunate from the standpoint of the national interest to forego the disposal to private industry of the aforementioned facilities which represent a small segment of the Government-sponsored synthetic rubber program.

Therefore the committee recommends that the Surplus Property Subcommittee of the Committee on Military Affairs amend their proposed resolution as follows.

"*Resolved*, That notwithstanding the provisions of section 19 of the Surplus Property Act of 1944, War Assets shall not complete disposal of synthetic rubber plants and facilities, with the exceptions hereinafter provided, which cost the Government in excess of $5,000,000, until 6 months after the submission of a report and recommendations by the Director of War Mobilization and Reconversion with respect to the establishment of a national rubber program designed to protect the United States against complete dependence for rubber upon foreign sources. This resolution shall not be deemed to prohibit the disposal of the Government-owned facilities for the production of styrene nor disposal of copolymer facilities amounting to around 20 percent of the total present rated capacity This resolution also shall not be deemed to conflict with the principle of ultimate private ownership of the synthetic rubber industry. Immediate development by the appropriate agencies of negotiations directed toward disposal is herewith encouraged in order more clearly to define for the Congress the probable ultimate synthetic rubber industry pattern "

Sincerely yours,

W L BATT,
Chairman, Inter-Agency Policy Committee on Rubber

Mr. MARTIN of Massachusetts All this does is to give a 6-months' extension to sell that plant?

Mr. MANASCO. Yes

Mr. WALTER Mr. Speaker, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. WALTER. Does not the gentleman feel that if we pass this bill we should consider the advisability of including in it final disposition of the Big and Little Inch pipe line?

Mr. MANASCO. I will be glad to, if the gentleman will introduce a resolution. We will consider it.

Mr. WALTER. Will the gentleman consider an amendment to this bill?

Mr. MANASCO. I would not want to do that, because I have discussed this matter with the members of the Senate Military Affairs Committee. Tomorrow is the last day that this resolution can be effective.

Mr. WALTER. Further reserving the right to object, Mr. Speaker, all this bill does, as I understand it, is to defer final disposition of certain plants for a period of 6 months?

Mr. MANASCO. That is right.

Mr. WALTER. Why can we not defer final disposition of facilities that mean a great deal in the economy of certain sections of our country?

Mr. MANASCO. If I am not mistaken, the report has already been submitted and the time has expired on the Big and Little Inch pipe line.

Mr. WALTER. No. A general report was submitted, but not a report in accordance with the law.

Mr. MANASCO. If it was not in accordance with the law, the time has not yet started to run.

Mr. WALTER. I am afraid, however, that some of the bureaucrats will take the position that this broad, general report does comply with the provisions of the law. If they do, there is very little that can be done about the disposition of this facility. I certainly see no reason why the pipe lines cannot be treated as are these other large assets.

Mr. MANASCO. I just do not want to jeopardize the possibility of getting this resolution through, because if it does not pass without amendment and we have to go to conference with the Senate committee it might be too late.

Mr. WALTER. I am going to be compelled to object unless the gentleman will agree to an amendment which will include the pipe lines.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the regular order.

Mr. MANASCO. If the gentleman is going to offer an amendment, Mr. Speaker, I will withdraw the request because this does not really make too much difference to me

The SPEAKER. The gentleman withdraws his request.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

RALEIGH B. DIAMOND

The Clerk called the bill (H. R. 2132) for the relief of Raleigh B. Diamond.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Raleigh B. Diamond, the sum of $15,000, in full settlement of all claims against the Government of the United States for damages for permanent injuries sustained on February 6, 1944, while riding in a jeep attached to the naval mine-warfare test station, Solomons, Md.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", insert "the sum of $6,539.10."

Page 1, strike out lines 6 and 7 and through the word "injuries" in line 8 and insert in lieu thereof "of Washington, District of Columbia, in full settlement of all claims against the United States for personal injuries, and loss of earnings."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

QUALITY ELECTRIC CO, LTD

The Clerk called the bill (H. R. 4592) for the relief of the Quality Electric Co., Ltd.

Mr McGREGOR. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. SPRINGER. Mr. Speaker, reserving the right to object, will the Chair advise me what disposition was made of Calendar No. 1019, the first bill called?

The SPEAKER. That bill was passed.

Mr. SPRINGER. I wanted to be certain that Calendar No. 1019 was passed over without prejudice.

The SPEAKER. It was passed. Is there objection to the request of the gentleman from Ohio that H. R 4592 be passed over without prejudice?

There was no objection.

DIXIE MARGARINE CO.

The Clerk called the bill (H. R. 5279) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.

Mr. SPRINGER Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

W. S. BURLESON

The Clerk called the bill (S 437) for the relief of W. S. Burleson.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on Claims.

HAROLD H. RHODES

The Clerk called the bill (S. 661) for the relief of Harold H. Rhodes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Harold H. Rhodes is hereby relieved of all liability for the payment of transportation expenses incurred by him in traveling from Lisbon, Portugal, to Washington, D. C., in January 1944 while in the employ of the Foreign Economic Administration, and the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Harold H. Rhodes (1) a sum equal to the aggregate of the amounts deducted or withheld from his subsequent pay or allowances by reason of the disallowance by the Comptroller General of such transportation expenses, and (2) the sum of $219.62, in full satisfaction of his

claim against the United States for payment of per diem allowance for subsistence expenses incurred for the period from December 10, 1943, to January 9, 1944, while traveling on official business as an employee of the Foreign Economic Administration: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AERONAUTICAL TRAINING CENTER, INC.

The Clerk called the bill (S. 1132) for the relief of Aeronautical Training Center, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Aeronautical Training Center, Inc., of Hollywood, Calif., the sum of $1,978, in full satisfaction of its claims against the United States for compensation or damages which it sustained and for reimbursement for expenses which it incurred as a result of being forced by the Army Air Forces to move its facilities from Kern County Airport, Calif., to Imperial County Airport, Calif., on January 3, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVOR E. NICHOLAS

The Clerk called the bill (S. 1748) for the relief of Ivor E. Nicholas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ivor E. Nicholas, of Tukwila, Wash., the sum of $4,000, in full settlement of all claims of said Ivor E. Nicholas against the United States for personal injuries and loss of earnings sustained by him as a result of an accident involving a United States Army vehicle which occurred at the intersection of Primary Highway No. 5 and Secondary Highway No. 1-L, near Renton, Wash., on March 5, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. L. HARRIS

The Clerk called the bill (H. R. 2222) for the relief of J. L. Harris.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered to pay, out of any money in the Treasury not otherwise appropriated, to J. L. Harris, the sum of $400 in full settlement of his claim against the United States for the loss of time between September 1, 1944, and October 30, 1944, the said J. L. Harris having lost this time from his employment by reason of injuries received in an automobile accident on September 1, 1944, his automobile being hit by a War Department truck and the said injuries being sustained in the resultant collision, the accident occurring on the highway between Wetumpka and Talladega, Ala., about 17 miles east of Wetumpka: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the word "the" through the word "Wetumpka", line 8, page 2, and insert the following "of Montgomery, Ala., the sum of $400 in full settlement of all claims against the United States for personal injuries and for loss of earnings incurred resulting from a collision with an Army truck about 17 miles north of Wetumpka, Ala., on September 1, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOYAL F. WILLIS

The Clerk called the bill (H. R. 4406) for the relief of Loyal F. Willis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Loyal F. Willis, of Waterford, Conn., the sum of $490, in full settlement of all claims against the United States for loss of earnings sustained from January 28, 1942, through May 11, 1942, as a result of suspension during investigation by the War Department, into the causes of an accident to the steamship *Ordnance*, following which, although entirely exonerated from blame, Captain Willis was not reinstated as master until May 11, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$490" and insert "$90."

Page 1, line 8, strike out "January 28, 1942, through May 11, 1942," and insert "March 16, 1942, to May 10, 1942, inclusive."

Line 9, strike out "as a result of suspension during investigation" and insert "representing balance of salary due him upon reinstatement."

Line 10, after "Department", insert the following: ", after investigation."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAXTER CAMPBELL AND GLESTIE CAMPBELL JONES

The Clerk called the bill (H. R. 1268) for the relief of Baxter Campbell and Glestie Campbell Jones.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HEMPSTEAD WAREHOUSE CORP.

The Clerk called the bill (H. R. 1349) for the relief of the Hempstead Warehouse Corp.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

W. G. MAGRUDER

The Clerk called the bill (H. R. 5368) for the relief of W. G. Magruder.

The being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. G. Magruder, of La Grange, Ga., the sum of $5,000, in full satisfaction of all claims against the United States as compensation for the death of his wife, Mrs. Eunice Russell Magruder, who was killed when the automobile in which she was traveling, driven by A. C. Johnson, was involved in a collision with a United States Army truck-trailer on Troup Factory Bridge over Long Cane Creek, on United States Highway No. 27, approximately 10 miles south of La Grange, Ga., on or about January 24, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN E. PETERSON, ET AL.

The Clerk called the bill (H. R. 6472) for the relief of John E. Peterson, James

M. Hiler, Vivian Langemo, Floy Sibrie, and Ross Lee Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Comptroller General of the United States is hereby authorized and directed to remove from the records of his office the debt which has been raised therein against employees of the Federal Public Housing Authority in the amounts and with respect to housing projects as follows: John E. Peterson, $2,153.52; Los Cerritos Trailer Courts, project CAL-4811, Long Beach, Calif.; James M. Hiler, $341 90; Marine View Terrace, project CAL-4745, Eureka, Calif.; John E Peterson, Vivian Langemo, and Floy Sibrie, $476; Los Cerritos Trailer Courts, project CAL-4905, Long Beach, Calif.; Ross Lee Brown, $227.50, Sahara Trailer Park, project UTAH-42151, Layton, Utah, together with the interest due on said amounts from the date of the loss of public funds for which they are accountable and which were stolen without their fault from the premises of the aforesaid housing projects: *Provided*, That the aforesaid employees are hereby relieved of pecuniary responsibility for the loss of said public funds.

SEC. 2. The Comptroller General is authorized and directed to allow credit in the settlement of the accounts of Guy F. Allen, former chief disbursing officer, Treasury Department, in such amounts, not exceeding the sums stated in section 1 hereof, as may be necessary to relieve such former disbursing officer of financial liability on account of the loss of such sums

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILTON A. JOHNSON

The Clerk called the bill (H. R. 6593) for the relief of Milton A. Johnson, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Milton A. Johnson, formerly superintendent and special disbursing agent, Yakima Indian Agency, Toppenish, Wash., for the sum of $2,119 34, representing land rentals and irrigation operation and maintenance charges collected from lessees of Indian lands and embezzled by a former employee of said Indian agency.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,119.34, which shall be deposited by the Secretary of the Treasury to the accounts diminished as a result of the embezzlements, as follows:

1. Official trust fund checking account of the special disbursing agent of the Yakima Indian Agency, $310.

2 147473 1 Deposits, proceeds of labor, Yakima Indians, Washington, $60

3 144777 Maintenance charges, irrigation system, Wapato-Satus project, Washington, $1,704.34.

4. 144788 Maintenance charges, irrigation system, Toppenish-Simcoe project, Washington, $45

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA VALIDA ANTONIA MICHAUD

The Clerk called the bill (H. R. 1063) for the relief of Maria Valida Antonia Michaud.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ROGER EDGAR LAPIERRE

The Clerk called the bill (H. R. 5620) for the relief of Roger Edgar Laplerre.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the alien, Roger Edgar Laplerre, of Lewiston, Maine, and is directed not to issue any further such warrants or orders in the case of such alien, insofar as such future warrants or orders are based on any unlawful entry of such alien into the United States prior to the enactment of this act. Hereafter, for the purpose of the immigration and naturalization laws, such alien shall be considered to have been, at Island Pond, Vt., on the date of his entry in 1927, lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHARLES C. LEE

The Clerk called the bill (H. R. 5704) for the relief of Mrs. Charles C. Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the alien Mrs. Charles C. Lee (maiden name Suh Hahk Nahn) of Korea, who married S1c Charles C. Lee, United States Naval Reserve, on Saipan, Mariana Islands, October 27, 1945, shall be admitted to the United States for permanent residence. As used in this act the term "United States" means the several States, the District of Columbia, and the Territories and possessions of the United States.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That notwithstanding the provisions of law excluding persons of races ineligible to citizenship from admission to the United States, Mrs Charles C. Lee (Suh Hahk Nahn), Korean wife of Charles Chur Choo Lee, a United States citizen who served honorably in the armed forces of the United States during World War II, may be admitted to the United States for permanent residence under the act approved December 28, 1945 (Public Law 271, 79th Cong.)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELMER C. HADLEN

The Clerk called the bill (H. R. 1070) for the relief of Elmer C. Hadlen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, to Elmer C. Hadlen, of Oakland, Calif., in full settlement of all claims against the United States for personal injuries sustained and expenses incurred by him when he was struck by a United States Marine Corps vehicle at the intersection of MacArthur Boulevard and West Street, in the city of Oakland, Calif., on July 18, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$2,500" and insert "$730 62."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COY C. BROWN

The Clerk called the bill (H. R. 3099) for the relief of Coy C. Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Coy C. Brown, Big Bear Lake, Calif., the sum of $15,000 The payment of such sum shall be in full settlement of all claims of the said Coy C Brown against the United States on account of personal injuries and property damages sustained on February 1, 1943, when an automobile owned and driven by him collided with a United States Army truck on United States Highway No. 66 at Devore, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$15,000" and insert "$3,500"

Page 1, lines 8 and 9, strike out "and property damages."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM F. PATCHELL, JR

The Clerk called the bill (H R. 3197) for the relief of William F. Patchell, Jr

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to William F. Patchell, Jr., of Malden, Mass., in full satisfaction of all claims against the United States for compensation for personal injuries, hospital and medical expenses inci-

dental thereto, property damage, loss sustained in maintenance of business, present continued suffering and permanent disfiguration, all as a result of the collision which occurred on May 5, 1944, on the public highway known as the Pulaski Skyway in Jersey City, N. J., when a GMC 2½-ton truck attached to the Second Service Command Unit and owned by the United States Government in the United States Army service, operated by Private Leslie Stewart, Army serial No. 32997300, struck the automobile owned by said William F. Patchell, Jr., and operated by Chauncey M. Lewis (now deceased): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William F. Patchell, Jr., of Malden, Mass., the sum of $4,000 in full settlement of all claims against the United States for medical and hospital expenses incurred, for wages paid in connection with his business, and for property damage and personal injuries sustained, all resulting from a collision involving an Army truck which occurred on the Pulaski Highway in Jersey City, N. J., on May 5, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EASTERN CONTRACTING CO., INC.

The Clerk called the bill (H. R. 1088) for the relief of the Eastern Contracting Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Eastern Contracting Co., Inc., of Quincy, Mass., the sum of $170,097.82, in full settlement of all claims against the United States as the result of damages occasioned by reason of delays of the United States Government in connection with the contract awarded on June 8, 1934, for the construction of highway approaches to the Bourne Bridge, Cape Cod Canal, Bourne, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$170,097.82" and insert "$86,545."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALGERNON BLAIR

The Clerk called the bill (H. R. 2161) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Algernon Blair, his heirs or personal representatives, against the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction be, and the same is hereby, conferred upon the Court of Claims of the United States, notwithstanding any prior determination, any statute of limitations, release, or prior acceptance of partial allowance, to hear, determine, and render judgment upon the claims of Algernon Blair, his heirs or personal representatives, against the United States, as described and in the manner set out in sections 2 and 3 hereof, which claims arise out of the construction by him of the Veterans' Administration facility, Roanoke, Va.

SEC. 2. The Court of Claims is hereby directed to determine and render judgment upon the claims of Algernon Blair for damages resulting from unreasonable delays to and interference with his work caused by the mechanical-equipment contractor engaged by the United States to install the plumbing, heating, and electrical work at said facility or caused by employees or agents of the United States, and to render judgment for such damages as the Court of Claims shall find resulted from the failure of the United States, its agents, employees, or independent contractors to reasonably cooperate with Algernon Blair in his plan to complete such contract in less than the maximum time provided therein, and without regard to the fact that such contract stipulated a longer period within which Algernon Blair could have completed such contract without incurring penalties.

SEC. 3. The Court of Claims is further directed to determine and render judgment upon the claims of Algernon Blair for loss and damage resulting from unauthorized acts, rulings, and instructions of employees of the United States which the court may determine were so unreasonable, arbitrary, capricious, and grossly erroneous as to imply bad faith on the part of such Government employees, and upon the claims of Algernon Blair for payment for extra work, labor, and materials ordered by such Government employees; the amount of such losses and damages to be determined and allowed without regard to whether Algernon Blair appealed in writing, in accordance with article 15 of the contract, to the superior or superiors of said employees in such instances as the court shall find that the right of appeal was interfered with, hindered, or rendered ineffective by the acts or conduct of such Government employees, and the amount for such extra work, labor, and materials to be determined and allowed without regard to the failure of such Government employees to order the same in writing, if the court finds that such employees failed or refused, in bad faith, to give such orders in writing.

SEC. 4. Any suit brought under the provisions of this act shall be instituted within 1 year from the date of the enactment of this act, and the court shall consider as evidence in such suit any or all evidence heretofore taken by either party in the case of Algernon Blair, individually and to the use of Roanoke Marble & Granite Co., against the United States, No. 42548, in the Court of Claims, together with any additional evidence which may be taken.

SEC. 5. From any decision or judgment rendered in any suit presented under the authority of this act, a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIOLA McKINNEY

The Clerk called the bill (H. R. 3833) for the relief of Viola McKinney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Viola McKinney, Annapolis, Md., the sum of $1,969. The payment of such sum shall be in full settlement of all claims of the said Viola McKinney against the United States on account of personal injuries sustained by her on March 15, 1945, when the automobile in which she was riding was involved in a collision at the intersection of Generals Highway and Bestgate Road, near Annapolis, Md., with a United States Naval Academy bus: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,969" and insert "$899 11."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES B. McGOLDRICK

The Clerk called the bill (H. R. 4341) for the relief of James B. McGoldrick

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James B. McGoldrick, Silver Creek, N. Y., the sum of $150. Such sum represents attorney's fee and other expenses incurred by the said James B. McGoldrick on account of an action for slander (later discontinued) brought against him because of statements with respect to a former postmaster at Silver Creek, N. Y., made by the said James B. McGoldrick in May 1944, as an employee of the Silver Creek

Post Office, upon the request of the postoffice inspector: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES MARTIN

The Clerk called the bill (H R. 4375) for the relief of Charles Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Martin, Hilo, Territory of Hawaii, the sum of $5,476 50, in full settlement of all claims against the United States on account of the death of his son, Edward Walter Martin, who was killed in an accident involving a truck of the United States Army on Kamehameha Avenue, Hilo, Hawaii, on May 27, 1944· *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,476.50" and insert "$3,976 50 "

Page 1, line 9, after the word "involving", strike out down to and including the word "Avenue" on line 10 and insert "a one-and-one-half-ton wrecker of the United States Marine Corps at the intersection of Manono Avenue with Hualani Avenue "

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY WRIGHT

The Clerk called the bill (H. R. 4686) for the relief of the estate of Harry Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $15,000 to the estate of Harry Wright, deceased, of Clifton Heights, Pa., in full settlement of all claims against the United States for the death of the said Harry Wright, deceased, sustained as the result of being struck by a United States Army truck on the Baltimore Pike near Glenwood Avenue, in Clifton Heights, Pa., on July 16, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$15,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ETHEL GUENTHER

The Clerk called the bill (H. R. 4947) for the relief of Ethel Guenther.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ethel Guenther, Clarinda, Iowa, the sum of $5,768.51. The payment of such sum shall be in full settlement of all claims of the said Ethel Guenther against the United States on account of personal injuries and property damage sustained by her as the result of a collision, on December 6, 1944, on United States Highway No 71, about 1 mile south of Clarinda, Iowa, involving the automobile which she was driving and a United States Army truck· *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

With the following committee amendment:

Page 1, line 6, strike out "$5,768 51" and insert "$3,268 51."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARJORIE B. MARABLE

The Clerk called the bill (H. R. 5198) for the relief of Marjorie B. Marable.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marjorie B. Marable, of Newport News, Va., the sum of $723.35. The payment of such sum shall be in full settlement of all claims against the United States on account of property damage sustained by said Marjorie B. Marable when an automobile owned by her was struck and completely wrecked by an Army ambulance on the reservation at Camp Adair near Corvallis, Benton County, Oreg., on August 25, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$723.35" and insert "$91."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID WEISS

The Clerk called the bill (H. R. 5261) for the relief of David Weiss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David Weiss, Kalamazoo, Mich , the sum of $3,003 35. The payment of such sum shall be in full settlement of all claims of the said David Weiss against the United States on account of personal injuries and property damage sustained by him on April 4, 1945, when a truck owned and driven by him was struck by a United States Army truck at the intersection of King Highway and Mill Street, Kalamazoo, Mich.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,003 35" and insert "$2,503 35 "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JESSIE WOLFINGTON

The Clerk called the bill (H. R. 5372) for the relief of Jessie Wolfington.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jessie Wolfington, of Fresno, Calif., the sum of $2,081. The payment of such sum shall be in full settlement of all claims of the said Jessie Wolfington for personal injuries sustained by her, as the result of an accident on January 16, 1945, when the automobile she was driving on Palm Avenue, near Brown Avenue, Fresno, Calif , was struck by a United States Army truck.

With the following committee amendments:

Page 1, line 8, after the word "injuries", insert "and loss of earnings."

At the end of the bill insert ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and

the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE GORAK

The Clerk called the bill (H. R. 5414) for the relief of Marie Gorak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marie Gorak, Los Angeles, Calif., the sum of $11,136.79. The payment of such sum shall be in full settlement of all claims of the said Marie Gorak against the United States for damages sustained by her as a result of being struck, on May 10, 1945, at the intersection of Third and Plymouth Streets, Los Angeles, Calif., by a vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$11,136.79" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SADIE FREY AND THE ESTATE OF MARIE HVIDING

The Clerk called the bill (H. R. 5725) for the relief of Sadie Frey and the estate of Marie Hviding.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sadie Frey, of Lynbrook, N. Y., the sum of $10,632.91, for personal injuries, medical and hospital expenses, and to the estate of Marie Hviding, the sum of $5,552, for the death and burial of the said Marie Hviding, in full settlement of all claims against the United States, growing out of an accident involving a United States Coast Guard vehicle occurring in Valley Stream, N. Y., on January 23, 1945: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,632.91" and insert "$2,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPITAL OFFICE EQUIPMENT CO.

The Clerk called the bill (H. R. 6248) for the relief of Capital Office Equipment Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Capital Office Equipment Co., Sacramento, Calif., the sum of $125.02, in full settlement of all claims against the United States, for the value of an adding machine destroyed in a fire at the Office of Price Administration in Sacramento, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 10, after "on", insert "September 16, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO D'EMILIO

The Clerk called the bill (H. R. 6307) for the relief of Francesco D'Emilio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,002.13, to Francesco D'Emilio, of 1639 South Carnac Street, Philadelphia, Pa., in full settlement of all claims against the United States for personal injuries and expenses incident thereto sustained as the result of an accident involving a United States post office truck, near the intersection of Fifteenth and Locust Streets, Philadelphia, Pa., on December 21, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAXINE ESTELLE BOYLE, MAX W. BOYLE, AND E. B. ROSEGARTEN

The Clerk called the bill (H. R. 1351) for the relief of Maxine Estelle Boyle, Max W. Boyle, and E. B. Rosegarten.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated—

(1) To the guardian of the property of Maxine Estelle Boyle, Los Angeles, Calif., minor daughter of Estelle Daniel Boyle, deceased, the sum of $75,000, in full settlement of all claims of the said Maxine Estelle Boyle arising out of the death of her mother as a result of a collision, on November 13, 1943, near Madera, Calif., between the vehicle in which her mother was riding and a vehicle in the service of the United States Navy;

(2) To Max W. Boyle, Los Angeles, Calif., husband of Estelle Daniel Boyle, deceased, the sum of $50,000, in full settlement of all claims of the said Max W. Boyle arising out of the death of his wife as a result of such collision; and

(3) To E. B. Rosegarten, Los Angeles, Calif., husband of Frances May Rosegarten, deceased, the sum of $50,914.38, in full settlement of all claims of the said E. B. Rosegarten arising out of the death of his wife, and for the destruction of his automobile, as a result of such collision.

With the following committee amendments:

Page 1, line 6, strike out the remainder of page 1 and lines 1 to 9 on page 2, and insert the following:

"(1) To the estate of Estelle Daniel Boyle, deceased, the sum of $5,851.55, in full settlement of all claims of the estate of Estelle Daniel Boyle, deceased, against the United States, arising out of her death, as a result of a collision on November 13, 1943, near Madera, Calif., between the vehicle in which she was riding and a vehicle in the service of the United States Navy."

Page 2, line 17, strike out "(3)" and insert "(2)." Line 19, strike out "$50,914.38" and insert "$5,822.95."

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Estelle Daniel Boyle, deceased, and E. B. Rosegarten."

A motion to reconsider was laid on the table.

WILLIAM TOLAR SMITH

The Clerk called the bill (H. R. 1631) for the relief of William Tolar Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Tolar Smith, Hialeah, Fla., the sum of $10,000.

The payment of such sum shall be in full settlement of all claims of the said William Tolar Smith against the United States for personal injuries sustained by him on January 19, 1944, while acting as engineer on the Seaboard Air Line Railway train designated extra 822 south, West Palm Beach-Hialeah local, as the result of a collision between such train and a United States Navy tractor and two gasoline tank trailers attached thereto on the Seaboard Air Line Railway crossing at One Hundred and Sixty-seventh Street, Miami, Fla.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000 "

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FELIX NAPIORKOWSKI

The Clerk called the bill (H. R. 2850) for the relief of Felix Napiorkowski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Felix Napiorkowski, Holyoke, Mass., the sum of $992 Such sum represents that portion of the aggregate amount of monthly compensation checks for disability issued in favor of the said Felix Napiorkowski by the Veterans' Administration during the period August 31, 1939, to July 31, 1943, which was covered into the Treasury as miscellaneous receipts under the provisions of section 2 of the act entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes," approved October 9, 1940. The said Felix Napiorkowski was held as a prisoner by the Germans during such period. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH MAEZER

The Clerk called the bill (H. R. 5874) for the relief of Joseph Maezer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Joseph Maezer, residing at 13706 Benwood Avenue, Cleveland, Ohio, in full settlement of all claims against the United States for personal injuries and loss of earnings, sustained as a result of an accident involving a United States Post Office truck at St. Clair Avenue, in the city of Cleveland, Ohio, on July 4, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, but the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in the sum of not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$1,196.60."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNE ROBINSON NORWOOD

The Clerk called the bill (H. R. 4496) for the relief of Anne Robinson Norwood.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection

DR. THEODORE A GEISSMAN

The Clerk called the bill (H. R. 6321) for the relief of Dr. Theodore A. Geissman.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

J P. KERR

The Clerk called the bill (H. R. 2093) for the relief of J. P. Kerr and Robert P. Kerr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. P. Kerr and Robert P Kerr, both of Versailles, Ill., the sum of $11,126. Such sum represents the amount of damages claimed, against the United States by the said J. P. Kerr and Robert P Kerr, in the form of loss of income from crops, pumping costs, costs of an abstract of title and a guaranty of title, travel and legal expenses, and interest carrying charges, to have resulted in 1942 and 1943 from the failure of the Illinois Defense Relocation Corporation, organized by agents of the United States, to comply with the commitment of said corporation to acquire certain lands of the said J. P. Kerr and Robert P. Kerr: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the name "J. P Kerr", strike out everything through the name "Robert P Kerr", line 4, on page 2, and insert in lieu thereof the following: ", the sum of $9,618, and to Robert P Kerr, the sum of $900, both of Versailles, Ill., in full settlement of all claims against the United States Said sum of $900 is to compensate Robert P. Kerr for operating a pump in the years 1942 and 1943, and said sum of $9,618 is to compensate J. P Kerr for damages he suffered from the loss of income from crops, costs of an abstract of title and a guaranty of title, due to the failure of the Illinois Defense Relocation Corporation, an agent of the United States Government, to comply with its contract to purchase from J. P Kerr certain lands owned by him in Brown County, Ill."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT JUNE

The Clerk called the bill (H R 228) for the relief of Robert June.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That in the administration of the act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, Robert June, Detroit, Mich., shall be held and considered to have been employed for 3 years by the Isthmian Canal Commission on the Isthmus of Panama during the construction period of the Panama Canal, from May 4, 1904, to March 31, 1914, inclusive The said Robert June was compelled to leave such employment after serving for 2 years, 11 months, and 21 days on account of a serious injury to his leg sustained while in the performance of his duty

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W C JONES

The Clerk called the bill (H. R. 2663) for the relief of W. C. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. C. Jones, of Coquille, Coos County, Oreg., the sum of $7,353, in full settlement of all claims against the United States for the damage to three residence properties of the said W C. Jones and for personal property damaged therein as a result of an airplane in the service of the United States Navy crashing and setting fire to said residences, on October 15, 1944: *Provided*, That no part of the amount appropriated in the act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "Jones", insert "Myrtle M. Jones, and W. W. Tilghman, all."

Page 1, line 6, after the word "Oregon", insert "as their respective interests may appear."

Page 1, line 6, strike out the figure "$7,353" and insert the figure "$6,004 08."

Page 1, line 8, after the word "properties", strike out the words "of the said W. C. Jones."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of W. C. Jones, Myrtle M. Jones, and W. W. Tilghman."

A motion to reconsider was laid on the table.

MRS. MARY D. JOHNSON

The Clerk called the bill (H. R. 4608) for the relief of Mrs. Mary D. Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mary D. Johnson, Florence, S. C., the sum of $180, for the purpose of repairing damages to her car caused by an Army truck from the Florence Army Air Base, driven by Pvt George Stevens, hitting the back of Mrs. Johnson's car while parked.

With the following committee amendments:

Page 1, line 6, after the words "sum of", strike out everything through line 9, and insert the following: "$43.80, in full settlement of all claims of the said Mrs. Mary D. Johnson against the United States for the damage caused to her automobile in an accident which occurred at or near the intersection of Dargan and Evans Streets in Florence, S. C., on March 9, 1943."

Also insert the following clause: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK A. GORMAN

The Clerk called the bill (H. R. 6231) for the relief of Frank A. Gorman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank A. Gorman, of Lance Creek, Wyo., the sum of $5,359 86, in full settlement of all claims against the United States for damages sustained by the said Frank A. Gorman, as a result of the action of the military authorities at the Black Hills Ordnance Depot, Igloo, S. Dak., on or about April 1, 1943, in requiring him to move a certain theater building which had been constructed by him on said military reservation, to another site on the reservation about 400 feet from the original location of the building, and of the action taken by said military authorities on or about January 11, 1945, in taking from the claimant certain personal property located in said building: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

With the following committee amendments:

In line 6 of said bill strike out the sign and figures "$5,359.86" and insert in lieu thereof the sign and figures "$5,590 50 "

Strike out the language in line 4, page 2, of said bill which reads "January 11," and all of line 5 and that part of line 6 which reads "located in said building:" and insert in lieu thereof the following: "February 1, 1945, in taking from the claimant said building and certain personal property located therein:"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALICE SCOTT WHITE

The Clerk called the bill (H. R. 4114) to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Alice Scott White, a Crow Indian, allottee No. 953, a patent in fee to the northeast quarter of the southeast quarter, section 33, township 5 south, range 28 east; the northwest quarter of the northeast quarter, section 7, township 4 south, range 33 east; lot 3 of the southeast quarter of the northwest quarter, section 8, township 4 south, range 33 east, and the north half of the north half of the south half, section 10, township 6 south, range 28 east, containing 640.48 acres.

With the following committee amendments:

Delete the heading and the context of the original bill and substitute therefor the following:

"A bill to authorize the Secretary of the Interior to sell certain lands of Alice Scott White on the Crow Indian Reservation, Mont.

"*Be it enacted, etc.*, That, upon the written application of Alice Scott White, Crow Indian allottee No. 953, the Secretary of the Interior is hereby authorized to sell to the highest bidder, under such terms and conditions as he may prescribe, that part of the homestead land of the said allottee described as the northeast quarter of the southeast quarter, section 33, township 5 south, range 28 east; the northwest quarter of the northeast quarter, section 7, lot 3, and the southeast quarter of the northwest quarter, section 8, township 4 south, range 33 east, Montana principal meridian, containing 160.48 acres."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Interior to sell certain lands of Alice Scott White on the Crow Indian Reservation, Mont."

A motion to reconsider was laid on the table.

WALTER J. BARNES ELECTRIC CO. AND MARITIME ELECTRIC CO., INC.

The Clerk called the bill (H. R. 5398) for the relief of Walter J. Barnes Electric Co. and Maritime Electric Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter J. Barnes Electric Co. and Maritime Electric Co., Inc., joint adventurers, the sum of $6,179.65. The payment of such sum shall be in full settlement of all claims of the said companies against the United States for the installation of electric wiring in three booster stations at Camp Livingston, La., and one sewer lift station at Camp Beauregard, La., as subcontractors under contracts No. W-6942-qm-21 and No W-6942-qm-27, both dated July 5, 1941, between the United States Army and Pittman Bros. Construction Co., and which stations were not shown on drawings forming a part of the respective contracts, but which were shown and required by revised drawings dated December 23, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOUTHEASTERN SAND & GRAVEL CO.

The Clerk called the bill (H. R. 6536) for the relief of Southeastern Sand & Gravel Co.

There being no objection, the Clerk read the bill, as follows:

Whereas the Southern Bitumen Co. heretofore contracted with the United States to build an outfall sewer in the city of Anniston, Ala., the contract being designated as Federal Works Agency project No. Ala. 1-160 (F); and

Whereas Roberts Blount became the guarantor on said contract; and

Whereas the Southern Bitumen Co defaulted on its contract and Roberts Blount arranged for the completion of said contract by the Southeastern Sand & Gravel Co., and the same was so completed in 1943; and

Whereas the Federal Works Agency withheld from the contract price the sum of $13,685 on account of liquidated damages for delay in completion, and on account of an alleged defect in workmanship resulting in excess seepage of water into the sewer main, which said defect has since proved in actual use for nearly 3 years to be of no material consequence; and

Whereas the sum of $3,053 88 has been paid to the Southeastern Sand & Gravel Co. as assignee of the Southern Bitumen Co. in part payment of the sum of $13,685 due under said contract: Therefore

Be it enacted, etc., That the Administrator of the Federal Works Agency is hereby authorized and directed to pay to the Southeastern Sand & Gravel Co., or its assignee, the sum of $10,631.12 in full satisfaction of all claims of the Southern Bitumen Co, the

Southeastern Sand & Gravel Co., and Roberts Blount arising out of the construction of the afore-mentioned sewer at Anniston, Ala., under project No. Ala. 1-160 (F).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALEIGH B. DIAMOND

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 1019, the bill (H. R. 2123) for the relief of Raleigh B. Diamond, the first bill on the Private Calendar today, and I ask unanimous consent that the proceeding had on that bill be vacated and that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FREE HIGHWAY BRIDGE ACROSS SUSQUEHANNA RIVER IN LUZERNE COUNTY, COMMONWEALTH OF PENNSYLVANIA

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5537) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at a point between the borough of Plymouth, in Plymouth Township, and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr GRAHAM. Mr. Speaker, reserving the right to object, and I do not intend to object, at the request of the gentleman from Pennsylvania [Mr. GILLETTE], I am authorized to withdraw his objection to the erection of this bridge. The gentleman from Pennsylvania (Mr. GILLETTE) introduced the original bill through a misunderstanding, but in the interest of the public and the good it will accomplish he is withdrawing all objections, and he asked that I request of you that this bill be passed unanimously.

Mr. McCORMACK. I thank the gentleman very much.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc, That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge, and approaches thereto, across the Susquehanna River, at a point suitable to the interests of navigation, between the borough of Plymouth, in Plymouth Township and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CRIMES AND CRIMINAL PROCEDURE

Mr. KEOGH. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 2200, a bill to revise, codify, and enact into positive law, title 18 of the United States Code, entitled "Crimes and Criminal Procedure."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. KEOGH]?

There was no objection.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the reading of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, this bill, H. R. 2200, will enact into law a Federal Criminal Code which would comprise, in one place, all existing law dealing exclusively with crimes and criminal procedure. These laws are now scattered through numerous volumes of the statutes at large. The bill is a culmination of more than 2 years' work by a staff of experts under the supervision of the Committee on Revision of the Laws.

I am happy to say at the outset that the bill has the unanimous support of both the Committee on Revision of the Laws and the Committee on the Judiciary. I want to express the sincere gratitude of the Committee on Revision of the Laws to the House Committee on Judiciary and its able chairman, the gentleman from Texas [Mr. SUMNERS], and its subcommittee under the chairmanship of the distinguished gentleman from New York [Mr. CELLER], who gave unstintingly of their time and efforts in considering the bill after it was reported by the Committee on Revision of the Laws.

A complete statement of the background of this codification is contained in House Report 152, and it is my intention to make only a brief explanation at this time.

The need for a comprehensive codification of the criminal laws has been recognized for many years by members of the bench and bar. This bill is intended to supply that need for the first time since 1909. When the Committee on Revision of the Laws undertook this task it obtained the services of the West Publishing Co., of St. Paul, Minn., and the Edward Thompson Co., of Brooklyn, N. Y., two leading law publishing firms who have been engaged in codification of Federal laws since the first United States Code was adopted in 1925. These companies in turn assembled a staff of experts and a distinguished advisory committee of leading members of the bench and bar, all of whom have worked in close cooperation with the Committee on Revision of the Laws and its counsel. Several preliminary drafts of the codification were prepared and considered in detail by the advisory committee and wide distribution was given to two such drafts. The codification received the endorsement of the then Attorney General of the United States who had designated a member of his staff to attend the advisory committee sessions. The bill has also been endorsed by the Criminal Law Section of the American Bar Association.

It has been our aim in preparing this bill to furnish a modern, simple and understandable code of the Federal criminal law, in keeping with our motto, "Making the laws understandable is as important as making the laws." To accomplish this, it was necessary to make a complete reclassification and renumbering of the existing statutes so that these laws could be found in a convenient form by the lawyer and judge and the public. Not only were we concerned with existing law but we have endeavored to provide for future legislation by our alphabetical and numerical arrangement.

In analyzing existing statutes for the purpose of consolidating them in this code, it was found that there were many inconsistencies in punishment provisions. These have been reconciled and each change in punishment has received the complete and unanimous approval of the Committee on Revision of the Laws and the Committee on the Judiciary.

The enactment of this bill now is peculiarly timely because of the recent adoption of the Federal Rules of Criminal Procedure by the Supreme Court. Our treatment of the subject matter covered by the laws has received the endorsement of the Supreme Court Advisory Committee on Rules of Criminal Procedure

The codification has been accorded widespread distribution to members of the judiciary and United States attorneys and marshals, as well as to executive departments and agencies, to all of whom we are indebted for helpful suggestions and criticisms during the course of our work.

Simplification and improvement in existing law has been effected in this bill through the adoption of an alphabetical arrangement of crimes and through the use of a clear and uniform style and elimination of verbose, ambiguous, and archaic expressions. The consolidation of sections is also the source of great improvement. A distinctive feature is the specific repeal of the statutes incorporated in the bills which is an essential element in codification bills but which too often has been omitted from this type of bill in the past.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOVERNMENT CORPORATIONS AND INDEPENDENT EXECUTIVE AGENCIES APPROPRIATION, 1947

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6777, an act making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes, and concur in the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 4.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. TABER. Reserving the right to object, Mr. Speaker, will the gentleman explain what that is?

Mr. WHITTEN. It has to do with the housing appropriation in the low-rent housing projects. The House placed a restriction in the original bill. When it went to the Senate this provision was stricken out. It came back to the House and we provided only $500,000 of a requested amount of $4,300,000, for rent subsidies on the 641 projects after an opinion was filed with the committee from the Solicitor General's office, that we would be violating a Government contract unless such provision was made. We then provided that in the use of this money only persons within the lower 25 percent based on income within the respective communities would be the only ones that would be able to go into these projects. We found that would not fit into the general law; that it would not be enforceable, for the reason that no figures were available to show those in the 25 percent income bracket. For that reason, we have yielded to the Senate's position, which was to strike out such restriction.

The Senate agreed in all the action of the House on the bill the other day, including several matters in which the gentleman from New York was interested, with the exception of this provision. If this is accepted by the House now, it will finally close the corporation appropriation bill for the next fiscal year.

Mr. TABER. Did all the conferees on the part of the House sign the report?

Mr. WHITTEN. All the conferees have agreed to the report.

Mr. TABER. And are they agreeable to this action?

Mr. WHITTEN. They are.

Mr. SMITH of Ohio. What is the amount involved here?

Mr. WHITTEN. The question involved is not a question of amount, it is a question of a provision in the House bill dealing with low-cost housing and the matter of their rental in the next fiscal year to those falling within the lowest 25-percent-income group in the different communities. There are no figures available by which it can be determined what is the lower 25 percent and for that reason the provision is unworkable and the House has receded from its position.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield further?

Mr. WHITTEN. I yield.

Mr. SMITH of Ohio. How does this relate to S. 1426?

Mr. WHITTEN. To what does the gentleman have reference?

Mr. SMITH of Ohio. The slum-clearance bill for the District of Columbia.

Mr. WHITTEN. It has no relationship whatever to the District of Columbia bill, as I understand it.

Mr. SMITH of Ohio. It has no relationship to S. 1426?

Mr. WHITTEN. It does not.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Senate amendment to House amendment to amendment of Senate No. 4. Strike out ": *Provided further*, That no part of the funds herein shall be used to pay rent subsidy accruing after the date of this act with respect to any family whose gross annual family income exceeds the maximum family income falling within the lowest 25 percent of the number of all gross family incomes in the municipality where the public-housing project in which such family resides is located."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur in the same.

Mr RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. RICH Have we eliminated the fertilizer plant?

Mr. WHITTEN. That is correct.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BARDEN. I see that it restricts the use of funds to subsidize rents for a particular group. Is there any provision in there for using a part of those funds to subsidize rents?

Mr. WHITTEN. The matter in disagreement is the restriction from which the House would withdraw under this motion.

The other funds come about under laws previously passed and in connection with contracts that have been executed by the Government already.

Mr. BARDEN. I wonder if the gentleman can say how much money is involved in this bill to be used to subsidize rents?

Mr. WHITTEN. Approximately $14,000,000; and that appropriation becomes necessary under commitments for the low-rent housing projects which were authorized by Congress, I believe in 1936. Contracts were executed with local housing authorities, and under the 1936 law and the contracts, the Federal Government has committed itself to pay these subsidies over a period of 60 years.

I am glad the gentleman raises the point, for it should be brought to the attention of the Congress, but as far as this committee was able to see there was nothing we could do about that because the contract had been executed under the authority of the law, and the contracts entered into under the authority of the law, and the Solicitor General has held that unless the contracts are carried out the Government is subject to suit.

I would like for the gentleman to press his views on the matter when we get to the consideration of the Wagner-Taft-Ellender bill, which would further extend this type of project and commit the Federal Government to annual payment of millions of dollars in rent subsidies. The present appropriation is necessary because of prior authority granted for this sort of housing which was already set up and going.

It is not in disagreement here.

Mr. BARDEN. As I understood it when we passed this law, the reduced rents or charges for these living quarters were to be fixed at such rate that it would not be necessary to use the subsidy so long as things were moving along normally. If they are not going to be able to pay their rents on wages that are now being paid I wonder when we can ever expect them to.

Mr. WHITTEN. I might say to the gentleman that that problem did not fall within the jurisdiction of the conference committee on this amendment. We must provide for the carrying out of those contracts that have been entered into That has to 'do with the basic law and not with the action of the committee.

Mr. BARDEN. The wrong should be remedied by those charged with the responsibility of fixing the rents by fixing them at such point that they would carry themselves without expense to the Government. And without expense to others, who in many cases live in much less expensive, convenient, and comfortable homes and apartments.

Mr. WHITTEN. I am in thorough agreement with the gentlemen. Our committee tried to make such provision for the 641 projects, only to find that the Government was liable for such funds and that suit could be sustained for such funds, or so the Solicitor General's office held. The basic law, of course, could be changed to take care of that proposition and in my judgment should be so changed.

Mr. BARDEN. I understood that the subsidy was only to be used when the income from the project was insufficient to provide the carrying charges.

Mr. WHITTEN. Under the basic law, as I understand it, they must take these lower income folks into such projects. This they haven't done. If they take or keep people in such projects whose income is sufficient to pay higher rent, they are supposed to let them out and take in others. If persons not within the lower income group are retained within such projects, no subsidy is to be paid for such family.

Mr. BARDEN. I want to say to the gentleman they have done everything except that, in many instances.

Mr. WHITTEN. But they are not paying any subsidies for those who are in the income classification who are able to pay their rent.

Mr. PLOESER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. PLOESER. I think either the gentleman from Mississippi or the committee should make it clear that an agreement to this amendment does not mean that the committee is satisfied with the method by which these subsidies have been handled or are we satisfied with the method in which these

housing projects have been rented, but we are not in position to add a specific criticism at this time. The committee does plan a thorough investigation and when it comes back again next year we will be able to give you a detailed report and make specific recommendations.

Mr. BARDEN. The reason this is so fresh in my mind is because I had a report from one of the housing projects in my district in which there are now some 300 vacant living quarters. They are restricted to the use of veterans, first, and civilians who work on a certain project. I have a report from the manager of that project that there are not enough veterans and will not be to use 300 vacant living quarters and there are not enough and will not be enough civilian employees to use them, yet the Housing Administration says those 300 living quarters must remain idle. There is a loose wheel somewhere. And this foolish situation should be corrected at once.

Mr. WHITTEN. I may say to the gentleman, if I might add to what the gentleman from Missouri has stated, the committee has directed a special investigator to investigate this entire set-up during the coming summer and we hope to have available for the House in further consideration of this matter next year detailed information on how these projects are being operated. So far as the matter that is now pending before the House is concerned, it does not reach what the gentleman has in mind. I will cooperate with him in reaching it in every way that it is possible to do so.

Mr. PLOESER. I think it should be explained to the House that the committee, being a new Committee on Appropriations and having considerable difficulty even getting a budget program until late in the season, was not able to apprehend the urgent need for this investigation, or we might have had it done this year. We have worked as rapidly as possible. We do not condone these practices and we promise you if there is anything that the committee can do to correct them we will take every step to do it

Mr. BARDEN. I am not criticizing the committee and have no intention of doing so or the work it has done.

Mr. PLOESER. I know that.

Mr BARDEN. I knew there was something lurking in this particular item that would be of considerable interest to the House. I hope we will take it upon ourselves to attempt to remedy it in the early future.

Mr. PLOESER. I am most grateful for the gentleman's contribution because it has given us an opportunity to somewhat clear up the committee's intention so that there will be no misunderstanding when we agree to this Senate amendment.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. The figure of $14,000,000 was mentioned. That represents what the total amount of annual contributions is to be in 1947 for all low-rent housing?

Mr. WHITTEN. That is my understanding.

Mr. SMITH of Ohio. I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to, and a motion to reconsider was laid on the table.

EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED

Mr SABATH. Mr. Speaker, I call up House Resolution 707.

CALL OF THE HOUSE

Mr. THOMAS of New Jersey Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No 222]

Allen, La.	Gallagher	Mason
Anderson, Calif	Gibson	Miller, Calif
Andrews, N Y.	Gillespie	Norrell
Baldwin, Md.	Gossett	Norton
Beckworth	Gwinn, N. Y	O'Toole
Bell	Hall,	Peterson, Ga
Bennet, N Y	Edwin Arthur	Powell
Boren	Harless, Ariz.	Priest
Boykin	Harris	Randolph
Bradley, Pa	Hébert	Reece, Tenn
Brumbaugh	Hendricks	Risley
Bunker	Hollfield	Robinson, Utah
Clippinger	Holmes, Wash	Roe, N Y.
Cochran	Hook	Sasscer
Coffee	Johnson,	Sheridan
Colmer	Lyndon B	Slaughter
Cooper	Johnson, Okla	Sparkman
Dix	Kerr	Stewart
Cravens	Kilday	Taiver
Crawford	Ludlow	Tolan
Curley	McGehee	Torrens
Daughton, Va	McMillan, S C.	Vinson
Davis	Mahon	Welch
Dingell	Mankin	West
Earthman	Mansfield,	Wickersham
Eberharter	Mont	Wolfenden, Pa
Engel, Mich.	Mansfield, Tex	Wood

The SPEAKER. On this roll call 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. HALE submitted a conference report and statement on the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1947, and for other purposes.

EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED

Mr. SABATH. Mr. Speaker, I renew my request to call up House Resolution 707.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the joint resolution (H J. Res. 371), extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, with the Senate amendment thereto, be, and the same is hereby, taken from the Speaker's table; that the Senate amendment be, and it is hereby, disagreed to by the House, that the conference requested by the Senate on the disagreeing votes of the two Houses on the said bill be, and hereby is, agreed to by the House; and that the Speaker shall immediately appoint conferees without intervening motion.

WE NEED PRICE CONTROL

Mr. SABATH. Mr. Speaker I yield myself 5 minutes and later on I shall yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, this resolution complies with the request of the Senate to send the OPA bill, our original House Joint Resolution 371, to conference I am of the opinion that most of the Members, having the interests of the people at heart and desirous of seeing that the public shall not be mulcted and held up by excessive prices which have been going up since July 1, will adopt this resolution in the hope that the conferees will be able to agree on a bill which will safeguard and protect the consumers from the extortionate and outrageously high prices they are now obliged to pay due to the fact there is no law in effect.

NEWSPAPERS SUPPORT PRICE CONTROL

I have in my hand many clippings and articles from newspapers that formerly were opposed to price control that now realize something must be done and that a decent price control law should be enacted without delay. These newspapers include the New York Times, the Chicago Sun, Baltimore Sun, Chicago Times, Washington Post, Philadelphia Record, and other outstanding newspapers of the country.

Mr. Speaker, in view of what has been going on throughout the Nation recently, I feel that the conferees of the House will be able to convince the Senate conferees that the changes must be made and that the exemptions provided in the Senate bill, which place the burden of the high cost of living on those who can least afford it will be stricken and that an agreement will be reached that will be in the interest of the people. I fear unless something is done we will have a situation in this country that will be troublesome because laboring people cannot exist on the present scale of wages with the increase in the cost of living, from 20 to 30 percent, that has taken place in the last few weeks, especially since July 1. In fact, the prices now are higher than ever before. It is manifestly unfair, unjust, and unreasonable for the producers and manufacturers of this country to be permitted to charge the people of the Nation exorbitant prices for the purpose of enhancing and increasing the already tremendous profits which they have made and which they do not need. People need food.

PEOPLE CANNOT FEED FAMILIES PROPERLY

The common people cannot feed their families properly at the present high prices. I hope, therefore, that many of you who voted for the crippling amend-

ments to OPA and forced the President to exercise his veto will now realize the vital need for effective price control, and the alarming conditions, and will be willing now to change your vote on this measure, just as I changed my own position a few days ago on another bill, as you will recollect. I feel that effective and impartial price control is in the best interest of our country and of the American people.

In that connection I wish to call attention to the outrageous increases in the price of foodstuffs in the last 2 weeks; yet in the face of this the Senate bill would strip price controls from nearly all foodstuffs.

VOTERS WILL PROTEST

I fully appreciate the influence, Mr. Speaker, and the persuasive power, of these economic blocs formed by growers and producers and processors of livestock, grains, dairy products, meat, poultry, eggs, cottonseed, soybeans, tobacco, petroleum and petroleum products; but what of the 140,000,000 consumers in the United States? Do they deserve no consideration? Will they accept this raid on their incomes without a word or vote of protest?

I hope the Senate will not insist upon protecting these special and regional interests at the expense of the American consumer, who has been finding it increasingly difficult to make ends meet under these unjustifiable rigged-up food prices.

Our failure to adopt a decent price-control bill, as I have said many times on this floor, is almost certain to bring about a dangerous spiral of inflation with its train of reduced real wages, the wiping out of savings and of equities in annuities, pensions, and insurance policies, reduction in standards of living, strikes, consumer resistance, and eventual swift deflation with its ruinous consequences.

SHOULD CONSIDER FUTURE

If the pressure groups—the manufacturers, growers, and packers—instead of giving way to their avaricious desire for big, quick profits, would give consideration to the future and their continued welfare, they would realize that deliberately inviting inflation will bring greater eventual loss than they can possibly make now in immoral profits.

There has been so much said about the unfair bill which the President was forced to veto, and so much more about the present Senate bill, that the country is up in arms. I have no doubt that since the other body adopted this still more unjust measure they have heard from home in no uncertain terms, and are coming to realize that it is not only in their country's interest but in their own to present a bill to the President which he can sign.

CONSIDERS RISES CRIMINAL

Every report indicates bumper crops of every kind in 1946. What possible justification can there be that some foods should skyrocket—not just 20 or 30 percent, but 50 and even 60 percent in just 2 weeks' time?

I consider this criminal.

Mr. Speaker, I desire to insert at this point some headlines of the last week, selected from daily newspapers received in my office; and I want to draw attention to the fact that, regardless of editorial policy on OPA of a few weeks ago, daily newspapers all over America, with only a few exceptions, now support the principle of price control.

From the Washington Post: "Menus reflect increased costs—Many restaurants boost prices 25 percent and up; others will be forced to follow."

From the Christian Science Monitor: "Capital deadlock on OPA controls threatens Nation with price crisis."

From the Washington Star: "Bumper harvest seen for sixth year in latest crop report."

From the New York Times: "Riddled OPA bill passed by Senate."

From the Chicago Sun—In Stokes' Column: "Senate walls soundproof to public roar over OPA."

From Philadelphia Record: "Present food costs make it impossible to raise family, says $38-a-week worker—Only profiteers happy over Senate's OPA bill."

From Chicago Sun: "Individual savings drop in quarter to $2,900,000,000."

From Washington Times-Herald: "Food prices hit new high; cattle at $23—Buyer strikes urged in New York, Philadelphia."

From Chicago Times: "Mass meetings hit OPA foes—OPA's scuttlers peril 3,000-home vet town."

And finally, Mr. Speaker, I desire to insert from today's Washington News a round-up story on retail prices in Washington:

RETAILERS "STRIKE" ON MEAT PRICES

The first 2 weeks without OPA already had put some dents in District pocketbooks today as meat prices continued to skyrocket and dairy products clung to their higher levels.

Fruits, vegetables, and other perishables appeared to be holding the line, although normal market fluctuations brought increases of a few cents on some items

MEAT ARRIVES

Arrival of 80 carloads of meat here yesterday added to a greatly increased supply already in warehouses and gave the District its largest quantity of meat since OPA expired. However, little of it had reached retail showcases today because most retailers have been unwilling to pay the high wholesale price and pass it on to their customers.

Said the proprietor of a District Grocery Store at 1169 Florida Avenue NE.: "Meat at that price? I won't fool with it. My customers wouldn't stand for it."

A butcher at Chiapini's Market, Fifth Street and Florida Avenue NE.: "We can get plenty of meat if we'd meet the wholesale price. But we couldn't sell it."

Mrs. Anna Gusinsky, owner of the Tip Top Market, 208 Florida Avenue NW.: "If I wanted to pay the wholesale price I could load the store with meat. But my customers wouldn't buy it—I give them credit for that. They're cooperating nicely."

"The OPA was good for a little store like me," she said. "It kept prices down and gave us a chance to buy what we wanted from the wholesalers. Now tie-in sales are flourishing again, and the wholesale price has gone sky high. Even hog liver was at 35 cents a pound last Saturday. Used to be 17 cents. Some people will pay anything, but my customers aren't that kind."

SAMPLE PRICES

Here are prices on 14 commodities sampled throughout the city yesterday by a News reporter. They show what's happened to prices since OPA's death:

Milk: Up 3 cents at all stores.

Pint of cream: Up 6 cents (from 33 to 36 cents a half pint).

Potatoes (10 pounds): Were 35 cents at chain stores. Now selling for 33 cents

Onions: Were 7 cents a pound at chain stores. Now down to 4 cents.

Fresh peas: Range from 14 cents a pound at chain stores to 20 cents at some open-air markets The wholesale price has gone up from $1.50 a bushel to $2.50, one dealer said, but the raise hasn't been passed on to consumers.

TOMATOES UP

Tomatoes: Prices ranged from 20 cents at one Giant store to 25 cents at others. On the average they were up about 2 cents a pound

Oranges: There were almost no large oranges in town. A few sold 2 pounds for 29 cents. Small juice oranges are plentiful and are selling at OPA ceilings or below. Grocers estimated the wholesale price on large oranges has gone up 50 cents to $1 per box, while small oranges have dropped as much as $2 a box

Lemons (3): Range from 9 to 12 cents, depending on size. No change in price since July 1.

Bread: No change.

BEEF UNAVAILABLE

Butter. Price has soared anywhere from 58 to 90 cents. One grocer now buys it for 80 cents wholesale, sells it at a 1-cent loss to attract trade. Most stores now carry plenty of it, but some stores still refuse to pay the wholesale price

Rump beef (4 pounds): Practically none in the District. Safeways—if they had it—would charge $1.96

Ground beef (1 pound): Averages 33 cents at chain stores. One retailer reported the wholesale price of beef had jumped from 26 to 55 cents a pound.

Rib pork chops: Pork and ham are still practically nonexistent at retail stores. Wholesale prices, up as much as 30 percent, have discouraged buying, some retailers said

Eggs (1 dozen): Safeway grade A eggs have risen 1 cent to 52 cents a dozen, but grade B eggs dropped 2 cents to 43 cents a dozen. Other stores reported slight increases. At one DGS, eggs were up to 60 cents.

Most chain stores were still attempting to hold the line—even on meats— but agreed it was questionable how long they could keep from passing wholesale increases on to the consumer Open-air markets were, for the most part, meatless. Small independent stores appeared to be resisting wholesale price jumps by refusing to buy. Most expressed fears that their customers would not meet the new prices.

Following is a table of comparative chain-store meat prices at various cities, the first figure being the old OPA price and the second yesterday's quotation.

	4 pounds rump beef	1 pound ground beef	3 medium pork chops
		Cents	*Cents*
Cleveland	$1.08-$2.20	29-37	36-43
Pittsburgh	1.48-1.96	23-34	36-42
Columbus	1.17-2.40	26-43	38-38
Cincinnati	1.64 1.92	28-35	18-21
Indianapolis	.85-1.54	27-39	23-40
Evansville	1.02-1.26	26-34	36-42
Memphis	1.00-1.28	28-35	36-44
El Paso	1.12-1.40	27-35	39-45
Albuquerque	.92-1.12	24-30	35-42

I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I shall not go into the merits or demerits of price control. I shall not discuss in

any way the bill passed by the House or the amendments of the Senate. I go right to the heart of the matter so far as the business now before the House is concerned, and it is this: The House passed the bill extending OPA "as was" for 20 days. The Senate, after mature deliberation, amended the bill and messaged it back to the House with the request that the House concur in the Senate amendments. That bill, passed by the House and amended by the Senate, is now on the Speaker's desk, and under the rules of the House it can only be taken from the Speaker's desk and given consideration by the House, or sent to conference, by unanimous consent, or by a rule.

The leadership has been unable to get unanimous consent. Therefore, a rule has been reported which does just one thing. It takes the bill from the Speaker's table and sends it to conference; that is all. If the resolution carries, the OPA bill goes to conference. There can be no instructions to the conferees under this rule, because there are no conferees until the rule is passed. If anyone in the House does not desire to send this bill to conference as provided in the rule, the parliamentary option would be to vote down the previous question, whereupon the Committee on Rules, having charge of the rule, would lose control, and whoever was recognized by the Speaker to offer an amendment to the rule would be recognized for 1 hour. The same would be true so far as any other Member of the House desiring to offer an amendment is concerned. He would have an hour, and so on, as long as the House desired to discuss the matter. That is the situation presently before the House.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr MICHENER. I yield to the gentleman from Ohio.

Mr. JENKINS. The gentleman stated that the rule was so worded now that no one could give the conference committee any instructions. But that does not mean, of course, that after the conference is in session that the conferees cannot come back and ask for instructions then.

Mr. MICHENER. No. This rule is perfunctory. It is a rule that comes in very often when some individual objects to sending a bill to conference. I repeat that all this does is to send this bill to conference.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I should like to know if a vote to take this bill from the Speaker's table and send it to conference in any way could be construed as voting for or against on the merits of the controversy.

Mr. MICHENER. No. This is very important. A vote to send the joint resolution to conference is simply an expression of the person who votes, that he wants some definite conclusion reached, he wants some final action taken, and he is willing to send the bill to conference to see if some agreement cannot be reached between the House and the Senate. On the other hand, if the previous question is voted down—let us be fair and understand this—then the resolution is open to amendment, and the amendment might be that the House agree to the Senate amendments. So if that should happen and the vote should be on the amendment, it would necessarily follow that one who voted for the amendment favored adopting everything that was in the amended bill. If I were in complete agreement with everything found in the Senate bill I would be justified in voting against the rule. Otherwise I should have to give the conferees a chance to make the bill better.

Mr. JENKINS. I got the impression that when the bill went to conference the conferees could not come back.

Mr. MICHENER. Oh, no. I used clumsy language if I conveyed any such impression If this bill goes to conference, then the conferees will meet. They may agree if they do, they will so report and the House can then approve or disapprove. If they do not agree, they will report back to the House and the House will then have full control of everything that was before the committee of conference. The House may then instruct the conferees. The House then can deal as it sees fit with the situation. The House will be permitted to work its free, untrammeled, and unhampered will as to this whole legislation It seems to me that is the fair and the sensible course to follow

Mr. JENKINS. The gentleman said if we voted the previous question down the Committee on Rules would lose control of the resolution. What would the individual who gained control ordinarily do, then? What would be the next procedure?

Mr. MICHENER. I thought I explained that. The individual would be recognized ordinarily to offer an amendment to the rule, whereupon the control of the rule would rest in that individual. He could move the previous question any time he saw fit or he could use an hour in debate, and he could yield time during that hour. However, when he finished, if there was someone else with an amendment, the whole matter would be open for discussion and amendment in the House. This would continue until the previous question was ordered.

Mr. JENKINS. He would have to talk about the rule and not about the bill? His discussion would have to deal with the rule and not with the matter in the bill?

Mr. MICHENER. The same rule would apply as applies right now.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Illinois.

Mr. SABATH. In view of the seriousness of the condition which confronts the Nation, does not the gentleman think we should not waste any more time but should give the conferees a chance to see what they can do?

Mr. MICHENER. My time is limited. I did not yield for a speech, I yielded for a question.

Mr. SABATH. That is a question.

Mr. MICHENER. Ask it, then.

Mr. SABATH. Is it not best that we should agree to the rule and let the conferees see if they can work something out? If they do not, they will have to come back to the House. Whether they do or not, they will come back to the House, and the House can then vote on it.

Mr. MICHENER. The gentleman has stated a conclusion. Some Members think one way, other Members think another. We are all sincere and we all respect one another's views. Personally, I shall vote to send this bill to conference because I think it is the best way and the most orderly way of proceeding—not that I agree with everything that is contained in the Senate amendments. I may vote against the conference report when it comes back. That will be the final vote on what goes to the President.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr MICHENER. I yield for a question.

Mr. PLUMLEY. Then I understand the situation to be that if you want to send this bill to conference you will vote for the previous question to be ordered?

Mr. MICHENER. Yes.

Mr. PLUMLEY. Since that is so I shall vote for the previous question in order that the conferees may try to work out a compromise price-control bill which will be satisfactory to me.

If they do not do that I shall vote against their report.

I am ready to assume responsibility for legislating, as is my duty. I need no threat of veto by the Executive to impel me to vote as I think is right and in the interest of the country. As a matter of political partisan strategy, the Republicans should send the bill to conference, await the result thereof, and then vote for or against the report.

In my opinion any partisan political action taken by the Republicans at this time is poor political strategy, ill considered, ill advised, and premature. The time for us to act is if and when the conferees report and the compromise is or is not satisfactory Then the last word may be said so we can then talk and vote understandingly more so today.

Mr. MERROW. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield for a question.

Mr. MERROW. As I understand it, if the previous question is defeated here this afternoon, then the House could work its will directly on this bill today?

Mr. MICHENER. The House could do what it saw fit for the rest of the day and for the rest of the week. I think the gentleman has been here when some of these things have happened. If he has, he knows that the usual result is confusion if we attempt to write a bill of this type on the floor.

Mr. MERROW. The House could defeat it or amend it, could it not?

Mr. MICHENER. Of course.

Mr. WILSON. The gentleman from Michigan made the observation that if a Member votes for the proposition which would send this bill to the White House as is, he favored everything in the bill. I think the gentleman might say that the bill as is, is probably the lesser of the evils which we will have to send to the White House at some future time.

Mr. MICHENER. Yes; that is just the question—whether it is the lesser of the evils. For my part, there are some things in it that I do not like, and I am willing to try to make it better before I cast my final vote.

Mr. WILSON. We may get something worse.

Miss SUMNER of Illinois. If you want the Senate bill, is not the quickest way to vote down the previous question and then offer the amendment to accept the Senate bill?

Mr. MICHENER. Yes; if the lady is satisfied in every way with the Senate bill, that is the thing to do.

Mr. PHILLIPS. The gentleman has made a statement which is not entirely in accordance with the facts.

Mr. MICHENER. If I am incorrect, I hope the gentleman will correct me.

Mr. PHILLIPS. The gentleman said something about the place of rewriting the bill. May I ask the gentleman if this is not the only place that anything can be done to the bill in view of the way it came back?

Mr. MICHENER. The gentleman is quite right. Final action must always be taken in the House. What I meant to say, and I repeat, you cannot write a tax bill on the floor. You could not write an OPA bill from the beginning on the floor of the House. You must take the handiwork of a committee that has worked and considered the matter and then make such changes as the House desires on the floor.

Mr. SABATH. Mr Speaker, I yield 5 minutes to the Chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, Blackstone said the common law which was founded upon the experience of mankind throughout the ages was the perfection of human reason. The parliamentary law has been built up by the same processes—it is the experience of the legislative bodies through the years. One of the great devices that has been adopted to adjust disagreements between the two bodies is the conference. I do not see any reason why this resolution should not be sent to conference. The conferees may work something out that will be acceptable to both Houses as well as to the President. Possibly they may not accomplish that result. But certainly we would be negligent if we did not make the effort. The House, as the distinguished gentleman from Michigan has told you, does not lose control of the measure by sending it to conference. If you send it to conference both sides will be fully represented. The gentlemen on my left need have no apprehension that they will not be well represented from their standpoint, because some of the most able members of the Banking and Currency Committee will be members of that conference.

The conditions that confront us now are perilous conditions—perilous to the individual and perilous to the Nation. It is no longer a theory that confronts us; it is a condition. We do not have to argue about what will result if all restraints are taken off and all controls are eliminated. The President has appealed to the people to exercise self-restraint, but cupidity is one of the strongest instincts of human nature. You cannot rely upon men not charging everything they can get for the products they make because they want to be of service to their Government and to the people. The pressures that make for inflation are as great now as they ever have been. While we recognize many inequities and inequalities and injustices that may have resulted in the operation of price control, to take away all these restraints at this time would be imperiling the very future of the Nation and the happiness of the people. I do not feel there is any doubt as to what you will do. I know some of you have very strong opinions about OPA. Some of you believe that controls should be removed on most things, but certainly there are few Members here who believe that we should abandon price control entirely now in the light of what we have seen in the last few weeks I do not have to cite statistics to you. You go to the grocery store or the meat market and I know what you will discover. I know what I have discovered.

There has been a rise in the cost of living. The train of attendant evils that will follow is indescribable and inconceivable. That was a time when the laboring man accepted his dollar. The dollar was sufficient. He was not looking for purchasing power. But today he is asking for a dollar that will purchase the things he needs. If you reduce by one-third, reduce by one-fourth, or a lesser amount, the value of his dollar, you will have industrial unrest. You will have a train of evils that I do not want to be responsible for, and I know you do not want to be responsible for them without making every effort to prevent it.

The SPEAKER. The time of the gentleman from Kentucky has expired.

BILL SHOULD BE SENT TO CONFERENCE

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr Speaker, I have only 2 minutes and, therefore, I cannot yield to anyone.

A vote against the previous question is a vote against price or rent control. A vote against this resolution is a vote against price or rent control.

I have two charts here showing that the cost of living went up 13.1 percent during the 3 years preceding June 28, 1946. Since that time it went up to 22.7 percent to July 12, 1946, and 2 percent additional since July 12 to July 15. That shows what will happen to scarce goods and commodities out of control. On July 1, 1946, the rise was up to 3.6 percent from the preceding day; July 12, 22.7 percent; yesterday, July 15, 24.3 percent. The figures include 28 basic commodities. If we do not have controls on scarce goods and commodities, they will get out of line. We know that. We will be called upon to raise the pensions, compensation, and benefits of all veterans and their dependents first, and we should. We will be called upon to raise that $65 for educational purposes for single veterans and $90 for married couples to go to school and college. We will be called upon to raise all salaries and wages, because the people who live on fixed incomes, retirement benefits, or fixed amounts of any kind, will be the first to suffer. They cannot stand it. All except the very rich in this country will be wiped out without some kind of price and rent controls. We are now facing the critical issue: Will we in time of peace do what we did in time of war, when we saved a hundred billions on the cost of the war machine alone? Our national debt today would be a hundred billion dollars more had it not been for the fixing of prices on steel, copper, zinc, and all other critical materials that went into the cost of the war. This rule should be adopted and the bill sent to conference.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MICHENER. Mr. Speaker, just one observation about the remarks of the gentleman from Texas. If I understood him correctly he said that if a certain vote were cast a certain way it would be against rent control.

Mr. PATMAN. Price control.

Mr. MICHENER. I think the gentleman said rent control. I wish to call his attention to the fact that the only vote that has counted against rent control was the veto of the President of the United States when he killed rent control by his veto of all OPA controls.

Mr. PATMAN. Did the gentleman ask me a question?

Mr. MICHENER. No; I made a statement, which is factual. The Congress voted to continue rent control and President Truman vetoed the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, it seems to me that the sensible thing to do is to send this bill to conference. I do not think it is necessary to discuss the merits of price control here at this particular time, because it has been debated for months and everybody knows how he thinks about whether price control should be continued or should not be continued.

A vote for or against sending this bill to conference is not a vote for or against price control; it keeps the position, it keeps the House, it keeps the legislation practically in status quo and it enables the Congress to have exhausted all parliamentary processes for the orderly consideration of this very important subject. It makes it possible for the conferees at least to meet and see what can be done.

I think that we owe a duty to the Congress; and to the country in this crisis

because it might develop into a very serious crisis, to at least exhaust every parliamentary process available to see if something cannot be done and at least assure the country that when we have taken final action it has been the result of calm and exhaustive deliberation.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JOHNSON of California. Is it not a fact that if this bill goes to conference the rewriting will be in the hands of men who are on the Committee on Banking and Currency, who have attended all the hearings and who have a lot of experience and discussion of the matter?

Mr. WOLCOTT. I assume that is true; also that the conferees are in the embarrassing position of not knowing just what the House position is at the present time. So we are going to be rather cautious in all respects, I can assure you.

It does not seem to me that it is possible for any price control to be written unless the Senate is willing to yield considerably from its position. So undoubtedly those who are on the conference committee will propound the inquiry to the Senate conferees as to what they are willing to do toward a compromise, and it is theoretically possible that this bill will come back to the House in disagreement very shortly and at that time the matter will be open, fully open; every question can be discussed at that time in a motion to instruct the conferees.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MILLER of Nebraska. I am wondering if conditions have not changed so in the country in the last 3 or 4 weeks that the conferees cannot do much without some instruction from the House.

Mr. WOLCOTT. I think conditions have changed materially. Even if we were to send back to the President the same bill he vetoed, the administrative problems which confront us now would be so tremendous as to be almost impossible of solution.

This bill at the present time is in worse condition than it ever has been in the history of OPA legislation, and, frankly, I do not know what to do with it any more than you know what to do with it, but at least we should talk about it a little bit, because there is no price control at the present time. We are going to do no harm by taking a matter of 2 or 3 days talking about it, and possibly in that time the situation will crystallize sufficiently throughout the country so that our position will be different from what it is at the present time.

Mr. VORYS of Ohio Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is it not true that the House has never voted for a consumers' subsidy when there were not subsidies already in effect; so that on this one item the conferees do have some judgment from this House in that it has always disapproved of consumer subsidies? Now that they are off and the shock of taking them off is gone, the conferees could well eliminate subsidies from the bill.

Mr. WOLCOTT. That is one of the incongruous things that we find in the Senate bill. There are several of them. That is why I say that I think the Senate has got to yield from its position in order to get any kind of a price-control bill. We do not know how far it will yield, and how far it yields depends on whether we will ever get a satisfactory price-control bill.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, it has been stated here this afternoon that a vote for this rule is not a vote for the continuation of price control. That is true, since we today have no means of knowing what type of bill will come from the conference of the two Houses. However, it is true that a vote against this rule is a vote against the continuation of price control since no measure of consequence can be enacted unless we send the Senate bill to conference. Consequently it is vitally important that all Members who favor a decent, fair, price control program vote in favor of this rule; it is the only possible course to take if we are to have even a chance of saving the price control line.

In view of the pending discussion on price control, I think it is pertinent to look at the results of a survey on the meat situation right here in Washington made recently by the executive director of the New Council of American Business, Mr. H. L. McCarthy. Mr. McCarthy, making a survey personally, has discovered that retail meat prices last week were 73 percent above OPA ceiling prices.

On the first dates they reported meat selling on an average 16 percent over ceilings. On the latter dates it was selling at 25 percent above ceilings. The average on both dates was 19 percent.

Unless my division is bad, 73 percent is almost four times 19 percent.

Mr. McCarthy said—

That is how far the American Meat Institute misled the Senate committee in seeking to end price control on meat.

In mid-April the OPA made an enforcement check and found meat selling an average of 3½ percent over ceilings. My guess is that consumers will notice the difference between that and 73 percent.

We made this survey—

Mr. McCarthy said—

because in the belief of the manufacturers, wholesalers, and retailers who are members of the New Council of American Business, inflation and the inevitable collapse and depression that will follow it will be disastrous to the public and to business. Nothing illustrates more effectively the terrific inflationary pressures we are living under than what has happened to meat prices. We think Congress should know the truth before it is too late.

Here are the purchases made by housewives during the New Council survey. All told, about 60 stores were visited, but many of them were out of meat.

	Ceiling price	Recent prices	Percent over ceiling
Chuck roast	$1.27	$3 39	159
Boneless sirloin steak	.68	1.68	147
Chuck roast	1 49	3.55	120
Fresh ham	1.85	4.40	138
Sirloin steak	.98	1 87	112
Fresh pork belly	26	.55	110
English cut beef roast	1.22	2.59	112
Rib[illegible]	.76	1 59	109
Pork [illegible]			
sliced	.33	.63	91
Fresh sliced	.72	1 34	86
Veal cutlet	1.44	2.05	83
Pork shoulder, fresh sliced	.74	1.35	82
Beef roast (shoulder) boneless	1 96	3 52	80
Boston butt, fresh ham	1 28	2 25	76
Fresh ham	1 45	2 49	72
Pork chops	.31	.52	68
Do	35	58	66
[illegible]	1 90	2 95	55
[illegible]	.61	94	54
[illegible]	.38	58	53
[illegible]	49	.74	51
[illegible]	.61	85	41
[illegible]	.15	20	33
[illegible]	90	1 12	24
[illegible]	1 28	1.45	13
Pork roast	1 22	1 20	−2
Spiced ham	.61	.60	−2
Do	.27½	.25	−10

Average charge above ceilings:	Percent
Beef	88
Pork	68
Both	73
Charges over ceiling prices:	
Wednesday, July 10	57½
Friday, July 12	80
Both days	73

We hear much about removal of subsidies being responsible for increases in prices—

Mr. McCarthy said:

They account for about 18 percent of the increase That leaves 55 percent of the increase coming directly out of the pocketbooks of the people.

His statement was based upon purchases of meat in 28 chain and independent Washington stores, some purchases being made on Wednesday, July 10, most of them being made on Friday, July 12 Washington housewives cooperated with the new council by doing the buying.

Beef sold 88 percent over ceilings; pork at 68 percent.

Prices were a little more reasonable on Wednesday, being 57.5 percent over ceilings. On Friday—housewives' big shopping day—they were 80 percent over ceilings.

Only three stores sold below ceilings—two being on sales of luncheon meat. The top charge above OPA ceilings was 159 percent, on purchase of a grade A chuck roast.

These facts—

Mr. McCarthy said—

completely discredit the estimated price advances in the event of decontrol made by the American Meat Institute. On May 1, in testifying before the Senate Banking and Currency Committee, Mr. Robert Eggert, of the American Meat Institute, agreed with Senator BUTLER of Nebraska that if price controls on meat were removed the price of meat would increase from 5 to 15 percent; with an average of 10 percent. He agreed that consumers were because of black market overcharges, paying more than they

would be paying if meat controls were removed.

On February 27 and 28 and again on March 26 and 27, the American Meat Institute made surveys of meat prices in Washington, D. C.

This survey illustrates, Mr. Speaker, the trend that we are finding all over the country. It will continue to worsen if we in this Congress do not live up to our responsibilities and enact a price control law that can hold the line against inflation. None of us wish to continue wartime controls. All of us are sick and tired of such controls, and are anxious to get back to our traditional American way of life. But for our own selfish interests, in our own self-defense, it is imperative that we do hold the line a little while longer. I hope that this rule will be passed with a tremendous majority, and that the conferees will bring to us a bill for which we can conscientiously vote and which the President can sign.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I was very glad to hear the remarks made by the gentleman from Michigan [Mr. WOLCOTT], because this is the usual course that is followed of sending a bill to conference where there is substantial difference between the two branches. Unlike my friend, however, I have a feeling of optimism, I feel confident if the bill goes to conference that out of the conference will develop a bill which will be acceptable. I make that observation with a strong feeling of confidence. I repeat, I believe that if the bill goes to conference that will emanate from the conferees an acceptable bill

It is very important and highly imperative, in my opinion, that we pass some kind of a bill before we adjourn. This is a matter of extreme importance to all Members, without regard to party

Mr. Speaker, I have before me, and I received it only this morning, a list of the increases that have taken place to date, and, may I say, that these are wholesale prices.

For example, boneless chuck in March this year, 28½ cents was paid; May, 29 cents; June, 29½ cents; July, 40 cents.

Bacon in March was 34 cents; May, 34 cents, June, 36 cents; July, 48 cents.

Butter in March was 51½ cents; May, 51¼ cents; June, 62 cents; and July, 68 cents.

Chicken (friers) in March was 35 cents; May, 44 cents; June, 45 cents; July, 55 cents.

Beef tenders in March, 60 cents; May, 60½ cents; June, 60½ cents; and July, $1.10.

Calves' liver in March, 64 cents; May, 64 cents; June, 64 cents; and July, 85 cents.

There are others. These are wholesale prices that I obtained this morning from a purchasing agent who lives in Washington and buys at wholesale prices, which demonstrates that this bill should go to conference and that some kind of effective price-control legislation should be enacted into law.

I yield to the gentleman from Michigan.

Mr. MICHENER. In commenting upon the price list to which my distinguished friend the majority leader, the gentleman from Massachusetts, has just referred, first, those items are all covered by subsidies which have been removed; they were items on which the Government paid part of the consumer cost.

Mr. McCORMACK. That is true.

Mr. MICHENER. In the second place, does not the gentleman agree with me that since the increase in wages and production costs that there has been a gradual increase in the costs of consumer goods, even under the OPA, and that there are bound to be additional increases in costs, with or without OPA?

Mr. McCORMACK. That may be so; but the fact is that next November the consumers are not going to think in terms of that Congressional contests are district contests. You just cannot gauge a congressional campaign based on national psychology, and I think the people would be justified, if we adjourn without some kind of effective price-control legislation, in putting into operation some kind of control of their own next November

As a matter of consideration from a practical angle for all of us, the commonsense thing to do is for us to take the regular course and send this bill to conference. The important thing I wanted to say in a noncontroversial way is that if the bill goes to conference, with the information that I have, and a feeling of confidence, the conferees will be able to get together and report back to both branches a bill that will be acceptable and that will not be vetoed.

Mr BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Nebraska.

Mr. BUFFETT. If the bill goes to conference, what position of the House will the conferees work from?

Mr. McCORMACK The conferees will have complete authority. They have heard the evidence. One thing is certain, that the majority leader of the other branch introduced a bill, and it is fair to assume that the conferees on the part of the House would take cognizance of that fact.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. MICHENER. Mr. Speaker, I yield the remainder of my time to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, this is a rather unusual legislative situation in which we find ourselves. Certainly it is not the usual procedure or the usual situation. Neither is this the usual rule which we have before us.

In the first place, the House has not had before it any legislation relative to price control since the President's veto was sustained, except a simple joint resolution to extend price control "as is" for 20 days in order to give, as we were told then, the House and the other body an opportunity to work out some sort of semipermanent or permanent price control legislation. During that 20-day period, when the Congress was supposed to be working out some kind of semipermanent or permanent price control legislation, the House Committee on Banking and Currency has not held any meetings on any price control legislation that I know of. They have not considered any permanent or semipermanent price control legislation of any kind since the Presidential veto of the former price control bill was sustained.

Such was not the situation in the Senate, however. Instead of passing our simple resolution to extend price control temporarily for 20 days, the Senate amended it so as to make it constitute an entirely new price control bill based, it is true, upon the old vetoed measure, but nevertheless new legislation which the House has not had the opportunity to consider at any time. So now today we are being asked to consider a rule which will give to seven individuals, the conferees appointed from the House, full power and opportunity to legislate for us.

The House itself will not be doing any actual legislating on price control at this time except to pass a resolution sending this bill to conference.

The rule we have before us is not the usual rule The usual procedure is to adopt a simple resolution to send the measure to conference, without any limitation as is contained in this special rule. Under the usual rule, there is an opportunity given for any Member to make a motion to instruct the conferees as to the position the conferees should take on the controversial legislation to be considered by them

I want to say very frankly and very plainly that this limitation provision of the rule was not discussed before the Committee on Rules but was prepared, I presume, after the Committee on Rules had acted on what I, at least, believed was to be the ordinary or regular type of rule. I want you to read the last part of this rule, lines 10, 11, and 12, "and that the Speaker shall immediately appoint conferees without intervening motion." This simply means that if this rule is adopted—I want to present this to you clearly if I can—there will be no opportunity for any intervening motion to be made to instruct the conferees to do anything. Therefore, the conferees will go into the conference with the Senate without any instructions from the House of any kind whatsoever, and they will be free to do exactly as they please.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. SABATH. I know the gentleman does not desire to leave any implication that I submitted anything against the wishes of the Rules Committee.

Mr. BROWN of Ohio. I make no implication against the chairman.

Mr. SABATH. That rule was prepared by the Parliamentarian.

Mr. BROWN of Ohio. At the time the rule was before the Rules Committee this particular provision of the rule was not discussed, and I as one member of the committee knew nothing of it.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. BARRY. Is not this the same bill that came out of conference and was vetoed by the President, with the exception of special decontrols and a modification of the Taft amendment?

Mr. BROWN of Ohio. It is an entirely new bill. It was introduced as a substitute for our resolution in the Senate. It is true that a part of the framework of this bill is the same as that of the bill vetoed by the President, but any other bill would partially require the same framework.

I have been very much interested in a statement of the gentleman from Texas [Mr. PATMAN], who, by the way, will be one of the members of the committee of conference, undoubtedly, if the usual procedure is followed. Of course, the statement of the gentleman from Texas made on the floor today demonstrated very plainly how he feels on price-control legislation and probably the position he will take as a member of the conference. I think he will take that position because he believes in it, and probably, without instructions from the House, he has the right to take such a position. But the gentleman from Texas [Mr. PATMAN] says that a vote against the previous question is a vote against price and rent control. I am sure he did not mean to make that statement, because it is absolutely incorrect. It is not true at all.

The statistics and the figures he gave, that chart—and I could just see the spirit of that great bureaucrat, Chester Bowles, hovering overhead as the gentleman from Texas spoke, smiling benignly down upon him and saying, "Well done, Brother PATMAN, well done," because—well, it is the old story of figures and figures, but I will not go into that.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from North Carolina.

Mr. BARDEN. In the interest of fair play and accurate information, referring to the chart displayed by the gentleman from Texas, on which I saw in big letters "Bureau of Labor Statistics," late yesterday afternoon I called the Labor Department and got the Bureau of Labor Statistics and asked for the man in charge, and I asked him if he had any figures for the last 2 weeks on the cost of living.

He said he did not have complete figures. I said, "Where did the newspaper announcement come from?" He said, "Well, we did survey 15 articles in 12 of 55 cities." I said, "What is the tendency in the State of North Carolina?" He said, "Well, we do not have a thing on the State of North Carolina."

Now, that beautiful chart with all the writing at the bottom of it and looking as authoritative as a statute book is based upon 15 articles in 12 of 55 cities and he specifically told me he did not take into consideration the subsidies. "Of course," he said, "on subsidies you take them out of one pocket and put them into another pocket." I found the gentleman at the Labor Department very cooperative, and showed a desire to be absolutely fair, and to show a chart of that kind is not being fair to the Department of Labor.

Mr. BROWN of Ohio. I want to thank the gentleman. Of course, I am not going to inquire where the chart came from, or where those beautiful figures were prepared, but they certainly resemble charts and figures I have seen before, and I have my own opinion as to where they were prepared, and by whom.

Mr. JENKINS. I appreciate that the gentleman does not have much time but if the gentleman would get permission to extend in his remarks this chart containing the figures that I have set down on the basis of Department of Agriculture figures he will find some very illuminating figures which clearly indicate that the price of the Department of Agriculture market basket was less yesterday than it was 2 weeks ago. I will not take the time to give these figures but I would like to have them go in the RECORD.

Mr. BROWN of Ohio. I ask permission to extend my remarks at this point and to include the figures submitted by the gentleman from Ohio.

The SPEAKER pro tempore (Mr. MILLS). Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

WASHINGTON, D. C.

Republican Congressional Food Study Committee Weekly "market basket" based on Department of Agriculture studies for a family of three average consumers:

Commodity	Unit	Price on July 15, 1946	Price on June 29, 1946	Subsidy	Total
				Cents	
Round steak	1 pound	$0 49	$0 40	9 1	$0 491
Rib roast	1½ pounds	.55	.48	12 0	.670
Pork chops	1 pound	.41	.37	6 0	.430
Ham	do	.55	.50	8 5	.585
Bacon	do	.46	.42	6 8	.488
Butter	½ pound	.46	.33	9 8	.428
Evaporated milk	14½-ounce can	.11	.10	1 4	.114
Fresh milk	5 quarts	.775	.625	6 5	.690
Eggs	1 dozen	.62	.51		.510
Bread	4 loaves	.36	.36	4 0	.400
Flour	4 pounds	.22	.22	3 5	.255
Oranges	1 dozen	.72	.72		.72
Onions	1 pound	.4	.06		.06
Green beans	do	.145	.145		.145
Sweetpotatoes	do	.15	.12		.12
Cabbage	1½ pounds	.45	.45		.45
Potatoes	5 pounds	.165	.145		.145
Corn (No. 2 can)	1	.13	.13	.9	.139
Sugar	3½ pounds	.284	.227	4 9	.276
Coffee	¼ pound	.15	.15	1 5	.165
Total		6 624	6 063	74 9	6 812

Total price for "market basket" as above set forth shows that a market basket that cost $6 81 on June 29, 1946, under OPA could be purchased on July 15 without OPA for $6.62.

Mr. BROWN of Ohio. I want to conclude by saying I do not know how much more it would have cost the American people if we had not had price control. Maybe it would have been $100,000,000,000, as the gentleman from Texas [Mr. PATMAN] has claimed, but what is the difference? The gentleman from Texas has a method of taking care of such a contingency by just printing more paper money, and I am sure he will agree that is all that would be necessary.

The question now before the House is whether you want to send this resolution to conference. I am not going to tell you what to do, and I am not going to make any motions to take any specific action. That is up to you. But the question before us is whether you want to send this bill to conference by your votes and given seven men the power and authority to do all your thinking for you, and thereby not legislate on price control ourselves, as a direct measure now, but instead wait to see whether we will have any opportunity to legislate on it after the conferees get through. Or, to put it another way, the question is whether you want to vote down the previous question, and then amend the rule as you may see fit. If the previous question is voted down, you may amend the rule so as to send this bill, as the Senate returned it to us, directly to the White House, "as is," or you may amend it so as to instruct the conferees on different parts of the bill. For instance, you can instruct the conferees to agree to the Senate decontrol amendments; to agree to any or all of them, or to disagree to any or all of them—whatever you might wish to do, and then send the bill to conference. You may vote to bring this bill up on the floor and consider it section by section, or to even send it back to the Committee on Banking and Currency for full consideration and hearings. These are the questions you must pass upon by your votes. Of course, anyone who wants to vote down the previous question has a right to do so, or anyone may vote in favor of ordering the previous question.

Personally, I think the conferees of the House are going to be in a rather sad position when they go into the conference without any instructions whatsoever. They are going to be in a position where the Senators can say, "Well, what makes you take this position? Why do you argue this or that point? The House has not even passed upon this bill. You have no instructions of any kind from your House colleagues. They have not voted upon the issues we are considering here in this conference. And the House conferees in all honor and honesty, and I am sure they are hon-

orable men, will have to admit that they do not know what the House thinks about the issues involved, and that they are simply expressing their own personal opinions. And, of course, we have an idea what those personal opinions are, and will be.

Mr. SABATH. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, I merely want to briefly state my position on this resolution. It is obvious that if we defeat it the result will be submission to the will of the Senate, which means nullifying all price controls on the food our people must have in order to live.

The run-away prices which already are being placed on the necessities of life verify what we who have for months been trying to hold the price line predicted would happen if OPA were eliminated. And the price rise is just beginning.

If we have any feeling for the poor, for the old-age pensioners, for those who have been retired on small incomes, and for all those on fixed salaries and wages we must reverse the present trend or stand accused of violating our pledge to legislate for the welfare of our people.

I feel so deeply on this subject that I shall never give way before the irresponsible and utterly heartless attacks of the profiteers who care not what happens to the great mass of Americans just so long as their own selfish ends are served.

Each special group wants its own products exempt from price control—I say retain price control at least until prices on the necessities of life are stabilized at a low enough figure so our people can enjoy a decent living. Even now the only restraint in evidence on the part of those who are taking advantage of our people is the fear that Congress may put back the controls as they were before June 30. If we once give the profiteers the impression that all controls are gone just watch the prices rise sky high, and the savings and earnings of us all will be wiped out overnight.

We are in duty bound to hold the line against rising prices, and now is the time to act, if not for ourselves at least for the folks back home whom we claim to represent.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, the following telegram received by me this morning expresses fully what is occurring in thousands of instances throughout the Nation. I spoke personally to the district attorney about this and he said he and the sheriff of the county are powerless to prevent such eviction or such unwarranted increase of rents. He pointed out that hundreds of cases such as this are being received in his office, but since rent control is out nothing can be done to protect tenants.

No doubt in many instances a modest increase in rents is justified. Many landlords were being penalized by the old law. Some provision should be made for their relief, but such merciless increase as pointed out below should be prevented.

GREENSBURG, PA., *July 15, 1946.*

Congressman A. B. KELLEY,
House Office Building,
Washington, D. C.:

Today we received a notice from our landlord, Mrs. Benjamin Miller, Lincoln Heights, dated July 12, stating unless we moved by August 1 our rent will be raised 100 percent, making it $50 plus one-half utilities for three rooms. We have lived here 3½ years, have bought all paper and paint and done all the work. Mrs Miller has complimented us on how nice the apartment looks. We are not permitted to use the laundry. The rents around our neighborhood run from $18 to $30. Mrs Miller's daughter lives on the first-floor apartment and wants more room; so her mother wants to evict us. I saw the district attorney and the sheriff, and there seems to be nothing they can do. I have searched everywhere in vain for another house. I am a crippled ex-serviceman. I can't afford $50 rent, as I am still taking treatment for my leg at my own expense. I know I am not the only one with rent difficulties, but please won't you do something for us and all people in our class, or advise us if there is anything that can be done to prevent the increase or eviction.

HARRY ROHRBACHER.

(Mr. KELLEY of Pennsylvania asked and was given permission to revise and extend his remarks and include a telegram.)

Mr SABATH. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, not one single sensible reason has been advanced why the House should not follow the usual procedure and send this legislation to conference. On the other hand, just plain, ordinary common sense tells us that the right thing to do is to send the legislation to conference and see if the representatives of the Senate and House on the conference committee cannot work out a common-sense piece of legislation that will retain controls where necessary and at the same time prevent doing those things that will slow down production. The conferees will be the top men on the Senate and House committees that have handled all OPA legislation and will be familiar with every angle of the problem. If they make the proper effort, and I believe they will, there is no reason why the right kind of bill cannot be worked out.

It would be a tragedy for the Congress to adjourn without working out a bill that will retain controls on those things that are in short supply until the supply level reaches the demand level. If we do, the cost of living is going to reach such heights that our whole economy is going to be disrupted, and the President will have to call us back to do the thing that we should do now. While the cost of living has gone up since the death of price control, we have not, as yet, gotten even a taste of what will happen if we adjourn without first passing the right kind of a control bill. Producers and sellers have been holding the brakes on as best they could in the hope, many of them, that we would adjourn without taking action. Let this happen and you will see the brakes released as soon as we adjourn, and then prices will sure enough skyrocket.

I hope it will be the pleasure of the House to vote overwhelmingly to send this legislation to conference.

Mr. DE LACY. Mr. Speaker, the plain people want OPA. They want price control that will work.

Wage earners, pensioners, salaried men and women, business people who must be able to know what their materials will cost—all know the value of OPA.

Many merchants have tried to hold the line, but here is what had already happened to people's pocketbooks by July 9 in Seattle, according to an OPA shoppers' report:

MEAT PRICES

Dressed King salmon, up to 55 cents a pound from 39 cents on June 30, an increase of 30 percent; salmon steaks, up to 55 from 43 cents, 22-percent increase; dressed halibut, up to 49 from 34 cents June 30, an increase of 30 percent; halibut steaks, up to 49 from 39 cents, 20-percent increase, round steaks up to 65 cents from 43 cents, an increase of 51 percent; pot roast, up to 40 cents from 31 cents, 30-percent increase; sirloin steak, up to 65 cents from 45 cents, 44-percent increase, porterhouse steak, up to 75 from 52 cents, 44-percent increase; pork loins, center chops, up from 48 to 52 cents, from 40 cents, an increase of 25 percent; pork shoulder roast, up to 38 cents from 33 cents, 20 percent increase

Leg of lamb, up to 47 to 50 cents a pound from 42 cents, 22-percent increase; lamb shoulder, up to 34 to 35 cents from 29 cents, 16-percent increase, lamb chops, up to 70 cents from 60 cents, 16-percent increase; shoulder steaks, up to 50 from 41 cents, 25 percent increase; milk, up to 16½ cents from 12½ cents, an increase of 4 cents; cheddar cheese, up to 60 cents from 50 cents, 20-percent increase; butter, up to 85 cents from 66 cents, 30-percent increase.

SOME PLACES HIGHER

A Post-Intelligencer reporter, taking the OPA list, checked two large downtown retail distribution centers and discovered that in some instances prices were higher than those quoted by OPA Salmon, for instance, was selling not at 55 cents a pound, but at 58 cents a pound, and one dealer said he had refused to handle it when the wholesale price went to 44 cents.

The reporter found also that lamb leg was selling not at 34 to 35 cents a pound but for 39 cents a pound, and that the price for cheddar cheese was actually 65 cents a pound in three markets rather than 60 cents.

The reporter also found hamburger selling in two shops at 46 cents a pound.

AUTO PRICES UP

OPA automobile price experts have reported to the regional office that prices for some late model cars have advanced from $50 to $222. They reported the following increases on specific cars: A 1941 Plymouth sedan, $1,100 from $869; a 1940 Packard 110 sedan, $1,239 from $1,189; a 1941 Dodge sedan, $1,376 from $1,313; a 1941 De Soto sedan, $1,770 from $1,620; a 1941 Oldsmobile hydramatic sedan, $1,312 from $1,187; a 1941 Pontiac sedan, $1,238 from $1,088; another 1941 Dodge sedan, $1,310 from $1,250; a 1941 Dodge half-ton pick-up, up $1,003 from $928.

These shocking advances in the price of food and automobiles within 9 days of the death of OPA proves the need for action now.

We owe it to the people, we owe it to the country, to act to end this uncertainty.

How can we expect manufacturers and farmers to market their products if they can make 10 percent more by holding them another day?

I hope the Members of the House will vote for this rule and refuse to adjourn until an effective OPA bill is passed.

Mr. FORAND. Mr. Speaker, I sincerely hope and trust that this rule will be adopted so that the price control bill may be sent to conference. If that is done, there is still a chance that a fair and workable price control law will be enacted.

Should the rule be voted down we must then choose either to send the bill to the White House in its present form or try to rewrite it on the floor of the House.

Neither of these alternatives would, in my opinion, result in a satisfactory price-control law.

To send the bill to the White House as it is now written is to invite another veto. To try to rewrite the bill on the floor would, in the light of past experience, result in a conglomeration of legal phraseology purporting to be a price-control law, but which would in reality not be an effective one.

Let us send the bill to conference and hope that the conferees will bring back to us a workable law.

Mr. CORBETT. Mr. Speaker, I desire to take this opportunity to urge the conferees on the OPA bill to give the proposed Decontrol Board the power to restore price controls on any commodity which may as a result of the pending legislation or later decisions of the board be decontrolled.

Currently no one is wise enough to predict accurately what will happen to prices whether price controls are reestablished or not. Certainly no one can guess with any degree of confidence what will happen if all or most of the vital provisions of the bill as it came from the Senate are retained in the eventual law.

Therefore, in order that the price gamble will go on in a boiler equipped with a safety valve I strongly urge that we retain the provisions in the bill setting up an independent Decontrol Board and that the Board be given the power to recontrol prices with or without legal limitations on its power.

This idea was embodied in a bill, H. R. 6000, which I introduced on April 4 last which provided for an independent economic council to govern prices and wages for 1 year.

Certainly with the Congress about to adjourn and with all kinds of possible economic trouble lurking around corners the creation of such an independent board or council is the only thing that could leave the Congress and the public with a feeling of security regarding the danger of price inflation. Furthermore, with all the conflicting sectional interests; and all of the conflicting producers' and consumers' interests; and with all the conflicting political interests involved in this bill compromise is necessary. In this proposed independent board to decontrol and recontrol prices with or without formula limitations we may very well find the compromise so many seek. I urge the conferees to include a board with such powers in their report.

Mr. MADDEN. Mr. Speaker, the price-control bill passed by the Senate is now being presented to the House for consideration.

When this legislation was before our body originally, crippling amendments were adopted which led to the President's veto of this legislation. On account of the situation which has arisen by reason of the President's veto, we have been without price control since July 1. Since that date the opponents of price control throughout the country have been exerting every effort to persuade producers, wholesalers, and retailers to cooperate in keeping prices down. The inferences contained in some of the full-page newspaper advertisements were that if prices are temporarily kept down, the Congress will adjourn without passing an effective price-control law. Regardless of the strenuous propaganda against high prices since July 1, the Bureau of Labor Statistics yesterday stated that prices on 20 essential items to the consumer have risen from 14 to 21 percent on the average. Considering this unreasonable rise in the cost of living during the last 2 weeks, one can imagine the skyrocketing of prices which will take place if Congress adjourns without passing a rigid price-control law.

The legislation that the Senate passed has taken control from a number of major food items. To the average consumer in America, the Senate bill is worse than no bill at all.

The Members of Congress must remember that the statistics of the Federal Reserve Board revealed that two out of every five American families have less than $40 in cash on hand, including Government bonds and every other form of liquid assets. We know that in industrial cities overtime pay has been eliminated and the average check of the workers is approximately one-fourth less than it was 6 months ago.

It is the duty of the Congress to save the economy of our country by building every barrier against an uncontrolled inflation. Congress must pass stringent price-control legislation to keep down the cost of living before adjournment or we will be called back in a couple of months to solve the problem of providing food and the necessities of life for millions of American families.

Mr. DINGELL. Mr. Speaker, I want to state briefly that I am very much disappointed in the OPA bill which was sent to us by the other body. In spite of the fact that the bill does not contain the cost-plus provisions of what was known as the Taft amendment, or the equally undesirable Wherry amendment, it is, nevertheless, not acceptable to me, to my constituents, or to consumers generally in its present form because it provides for too many exemptions and it is deficient and worse on the whole than the bill which the President vetoed.

It is a bill which favors a certain element of unscrupulous manufacturers, rent gougers, and the big overly prosperous and rapacious farmers. Of course, there are others of a nondescript character and unlimited number, all working together against the consumers, particularly against those living in the cities.

Let me say at this point, Mr. Speaker, that I have observed with great disappointment, over many years of service in this Chamber, that there is a well-defined attitude and disposition whenever the needs of the farmer are discussed, whether they are real or fancied, of many of the Members of Congress to throw to the wolves the man in the city in order to serve the farmer. This unwarranted sacrifice in spite of the fact that the consumer element living in the cities constitutes more than 75 percent of our population and, as such, is the best customer of the American farmer; three times better customer of the farmer than the farmer is of the producer in the city. I dare say there are very few districts in the United States where the farm population anywhere near approximates the total living in the cities and towns.

Under the Office of Price Administration, farm produce generally, and cattle, hogs, wheat, cotton, and a score of other commodities brought prices that were substantial and in some instances near record. Run-of-the-range cattle for example, which means mixed grades, young and old, canners and cutters, steers and heifers, good and bad, were sold at the markets at the top grade price of $17.50 per hundredweight under the OPA when as a matter of fact some of these grass-fed cattle, some of which had missed the roundup for years, were not worth more than $3 or $4 a hundred. Some of the animals shipped to market were scarcely fit for human consumption, yet the cattlemen and farmer producers were not satisfied with OPA prices, held back their shipments to the legitimate market, and frequently sold to the black-market operator, and did everything to undermine this important agency of the Government which was created to protect the country against the curse of all-consuming inflation.

We have been without the protection of price controls since the 1st of July. According to a chart issued by the Bureau of Labor Statistics, on display in the Speaker's lobby today, the prewholesale price rise for 3 years of price control, from May 1943 to June 28, 1946, amounted to 13 1/10 percent, while 10 days without price control created a jump of an additional 9 9/10 percent which some Members dispute, claiming that the rise was at least 2 percent more. This, as above stated, is the prewholesale price rise. What it amounted to in the wholesale classification and then later at the retail level, I am not prepared at this time to state, but I do know that it is dangerously near to uncontrolled inflation.

I observed in reading the market page on Friday or Saturday last that a previous all-time record for top grade cattle of $23.25 was shattered and a new high of $25 per hundredweight was established on the Chicago market. An article appearing in a Washington newspaper indicated that the family Sunday dinner has risen $1 in cost since the demise of the OPA and I believe the figure is conservative. Meats have risen to the point where the average family will have

to forego this important element of the diet unless prices are arrested and are made to recede. I doubt that this can be done without the restoration of an effective OPA, endowed with all the power necessary to roll back and hold the tide of rising prices and inevitable inflation.

Mr. Speaker, unless this Congress acts wisely, affirmatively, and promptly in this matter, I say to you that the American consumer, composed chiefly of residents of the cities, will come here to Washington and stage a demonstration such as has never been seen before. The burning of the Capitol by the British will be like a bonfire compared with the heat generated by the ire of the American housewife who has been aroused by the callous disregard of the Congress of her needs and that of her family. The people of America will not stand for this deliberate and selfish plunge into the realm of inflation in order to please the blind and selfish interests, or any minority of our people seeking to exploit the helplessness and the misery of this Nation Unless the conferees can bring back a worth-while bill, at least as good as the original OPA, it should be defeated. However, should anything less be attempted, I hope that the President will again unhesitatingly and courageously veto it, placing the blame squarely upon those who are directly responsible for the plight of the Nation.

Let me say in conclusion that the Congress should remain in session until such time as an effective price control act, with power to roll back inflated prices, is enacted into law.

Mr. MURDOCK Mr. Speaker, I want to announce myself as supporting the resolution which would send the OPA bill to conference. It has been explained by several members of the Rules Committee that this is the logical and ordinary procedure, and I am convinced that it is the wisest course of action. If we vote this resolution up and send the Senate measure to conference, it seems likely that the conferees can work out some compromise measure which is better than any bill passed by House or Senate and which will meet some of the presidential objections announced in the veto of the earlier OPA extension bill.

We must extend price control. Certainly rent controls, but there are other controls on the necessities of life which are, to my mind, as important as rent control. We have had an object lesson of what can happen and what does happen without any price control law. The first half of July has merely confirmed what I all along expected, and that is that the law of supply and demand cannot operate in the unusual circumstances of the country today where effective demand has been greatly increased by a supply of spending money and the supply of goods has been enormously inadequate to meet even ordinary demands. This condition without price control will crush the great middle class of our people as well as the poorer class if we leave them at the mercy of profiteers. We must not do it.

I know it is contended that the House ought to write a companion bill, but if we attempt to do so on the floor of the House, we will end in confusion and chaos. There will be as much log-rolling and back-scratching in writing a bill of this nature in the House as always accompanied the writing of a tariff bill in the old days, or in the writing of a revenue bill on the floor of the House at any time. I have confidence in the conferees, and they certainly know after weeks of hearings prior to the middle of April, what the economic needs of the country are shown to be in their extensive hearings, and our conferees also know quite accurately what the will of the House is, from votes taken and discussion had on the original extension bill which was passed by the House on April 18. Our conferees are in a position to demand this or give way on that, just as well as if we should attempt on the floor of the House today to write an entirely new OPA bill for the House. Therefore, I hope that this resolution is voted up and the conferees get to work at once, for haste is needed.

Mr. THOM. I shall vote for reference of the OPA extension bill as passed by the Senate to a regular conference committee, in the hope that out of the deliberations we shall receive a more workable bill.

Some of the strains that will come in the price field are now coming to light since the OPA officially died. Not only are food prices to climb, but the manufacturer is finding that his raw materials are readying themselves for a price flight.

In the steel industry, there is a decided shortage of scrap. For the time being, the users are supposed to be paying only the OPA ceiling prices. On reliable authority, I am told, however, that one of the major steel producers has been buying scrap, with the understanding that if the ceiling price remains off, he will pay for all scrap bought from July 1 at any price the seller deems just.

One small manufacturer has written me that if OPA is killed, scrap prices may go up 75 to 100 percent, with corresponding increases in the prices of finished products. The steel demand, he writes, is so urgent that it will not be difficult to add whatever costs are paid for scrap.

This gives a glimpse of how the runaway inflation will come in the manufacturing fields unless there is control.

GI IN JAPAN MAKES PLEA FOR EXTENSION OF PRICE CONTROL IN THE UNITED STATES

Mr. ROWAN. Mr. Speaker, T4g Gerald E. Fisher, a GI stationed in Yokohama, wrote me under date of July 5 making a fervent plea for the extension of price control in the United States for another year. "GI" Fisher says he has had an opportunity to witness inflation in Japan where prices, according to his letter, have risen 1,200 percent since 1939. Following is the letter from the American advocate of real price control now stationed in Yokohama, Japan:

YOKOHAMA, *July 5, 1946.*

DEAR SIR: I hope that by the time this letter reaches you something will have been done to restore the power of the OPA. I am alarmed at the rapid increase in prices and fear that a run-away inflation may develop which will end in a depression. The danger was never so great. Here in Japan prices have risen 1,200 percent since 1939. Many people have been forced to sell personal belongings and household furnishings in order to purchase food and clothing. Having witnessed the devastating effect of inflation in Japan I cannot remain complacent about the expiration of the OPA.

Please do your utmost to enact effective OPA legislation for another year.

T4g GERALD E. FISHER,
Headquarters, Eighth Army, AG Section, APO 343, Care of Postmaster, San Francisco.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the criticism of the rule under consideration by the gentleman from Ohio [Mr. BROWN] with all deference, is without foundation. This rule provides that we do by rule what is ordinarily done by unanimous consent. I quote from the pending rule:

That the conference requested by the Senate on the disagreeing votes of the two Houses on the said bill be, and is hereby, agreed to by the House, and that the Speaker shall immediately appoint conferees, without intervening motion.

I repeat, to emphasize, there is nothing unusual in the language of the pending rule. It simply provides that the House shall do by this rule exactly what the House ordinarily does on legislation by unanimous consent, to wit, agree to the conference asked by the Senate and immediately appoint conferees.

If the gentleman from Ohio opposes the rule, what is his substitute or solution?

The pending bill was largely written on the floor of the Senate There is no report from the Senate Committee on Banking and Currency. Personally, I favor a number of the provisions of the Senate bill. I oppose others. When the House conferees go to conference they will have the benefit of the bill that was passed by the House some time ago after comprehensive hearings by the House Committee on Banking and Currency, and after adequate debate on the floor of the House. The Senate amended the House bill, and after the House agreed to the amendments, the bill was vetoed by the President. The conferees of both the Senate and the House will have the benefit of the provisions of that bill.

Price control was gradually adopted. We first provided for the control of prices and after a lapse of about 9 months we provided for the control of wages.

The point is that controls were gradually adopted. In my judgment, if we are constructive, those controls will be gradually eliminated. Our neighbor to the north, Canada, still has controls. Great Britain, depending upon foreign trade, importing more than any other nation, both the largest customer and the greatest competitor of the United States in foreign trade, still maintains controls. Notwithstanding the many mistakes of price control and our experience under the recent administration of Chester Bowles, price control was by and

large effective. Consumers were protected. We must profit by the experiences following the First World War. Prices increased. As a result of the inflation following the First World War, in my judgment, we lost many of our foreign markets. We have never regained them. If, as a result of controls, we are unable to sell our products to Canada and Great Britain, the United States will be the loser. Controls were gradually adopted. Sudden elimination would be dangerous.

I extend to say I believe that a mistake was made in undertaking to increase wages without providing for increases in products. It was utterly unsound to require dealers to absorb the increased costs. We must profit by the mistakes. We must not repeat them. There must be no unbridled inflation. Controls should be eliminated, over both commodities and manufactures, when the supply equals the domestic demand. There must be production. We muffed the ball following the war. We had the greatest productive machinery in history; there was ample money; there was sufficient skilled labor; the civilian demands were the greatest in history. We undertook to increase wages without increasing prices.

The continuation of OPA and its gradual elimination must of necessity mean increased prices, but there must be no runaway prices. The House conferees are familiar with the views of the House. The House has expressed itself with respect to decontrols; with respect to reasonable profits, and with respect to the gradual elimination of controls, and the early discontinuance of food subsidies.

We have concluded the British loan. We expect to sell our commodities and our manufactures. We are making loans through the Export-Import Bank to France and other countries. If there is unprecedented increase in the prices of either commodities or manufactures, the loans that we have authorized will be curtailed and will not be productive of international commerce or of peace. We must prevent runaway inflation. We not only have the experience of the inflation following the First World War with the disastrous results not only to farming and to business, but we have the actual experience of the past 20 days to profit by. Unless some controls, including rent control, are retained, inflation will result.

The rule should be adopted. The resolution as passed by the House and the bill as passed by the Senate should go to conference. The House conferees should keep in mind the views and the votes of the House in the conference.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, the sensible thing to do here this morning is to do the normal thing and send this bill to conference.

We have a very practical question before us. Some people might use the expression that for several weeks we have been shadow-boxing with the subject of price control. It is too dangerous a question to have any such atmosphere about it.

As a practical matter, there are three parties involved in this controversy: There is the Senate, and the House, and the President. When you talk about adopting the Senate amendments, we have been given to understand that if we do that it will go to the President and meet another veto. Now, that is not the practical, that is not the sensible thing for us to do; but if we appoint conferees from the Senate and the House—I do not know whether it is the parliamentary thing, but certainly it is the practical thing to open negotiations with the White House and find out just what sort of bill can be worked out that the President will sign. Let us be sensible about the thing. Just because we are in Congress is no reason why we should not do practical things, and that, to my mind, is the practical thing to do in this instance.

Figures have been floating around here this morning and I want to read some myself. I read from the report of the Bureau of Labor Statistics showing that 28 basic commodities that rose during the war by 13 percent up to the 1st day of July have between the 1st of July and the 14th of July gone to 24 percent; and on 12 foodstuffs, while they were 14 percent higher to the 1st of July, they are now 31 percent up; and on 6 raw materials, while they were 11.9 percent up on the 1st of July, they are 19 percent up now These are figures from the Bureau of Labor Statistics.

I expressed myself as fearful of what might happen if price control were taken off, at the time we had this bill up providing for a short extension. My fears have been accentuated by what has happened and what we all know has happened. It strikes the poor people. If food prices go up at this rate—they have gone up twice as much in the 2 weeks since price control went off than they did during the 3 years previously—we can see what will happen. We have had the example of 2 weeks' experience. Let us try and do something about the problem so that the people of moderate income who are now being pressed between the upper and the nether millstone have some opportunity to live on a decent basis.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, the question today is whether we will send this bill to conference or undertake to pass it on the floor of the House. We have seen the folly of undertaking to write bills of this importance on the floor of the House. We have seen in the other body where one producer said: "Decontrol my commodity"; another said, "Decontrol mine," until finally they decontrolled all foods.

I take the position that to take controls off of all foods is by far worse than no bill at all. Food is the main necessity of life, and if you irritate the people by placing controls on other things that are not essential it simply means that you will have in every community dissatisfaction, and such unfairness will tend to drive all other commodities into the black markets. We will have chaos and trouble and it will be very difficult for anybody to go back to any community in this country and defend such a position.

You have already seen, in the last few days, much higher prices on many commodities, but, through fear of extension of the price-control law which expired recently, many individuals, corporations, and firms did their best to keep commodity prices from rising. My prediction is that if we do not have control, especially on the essentials of life, where the production is far below demand, within 6 weeks from now you will see run-away prices on these commodities and the President forced to call us back, and most of the Members eager to get back, to pass a control law that will prevent inflation on commodities that are out of balance with demand.

Mr. Speaker, whenever tax bills are brought in here for consideration, involving thousands and thousands of items, if we were to have an open rule we would never pass the bills; so the policy for years and years has been to bring in tax bills, which affect all the people, under a closed rule. That principle applies here, because this is a matter that affects all the producers, all the manufacturers, all consumers, and all American citizens. It is absolute folly to undertake to write a bill of this magnitude on the floor of the House.

As long as we have commodities out of balance with demand, we must have some kind of control, at least for a short period. In my opinion, 75 percent of the people in this Chamber agree with me. The other 25 percent do not believe in any price control at all. I have no quarrel with those who do not believe in price control, they are honest in their position, but they are wrong. One thing I admire about them is they fight every inch to carry out their views. I am asking the other 75 percent: Let us get together and fight together and bring in a bill that will be workable. If I am a conferee I want Congress, not officials of OPA, to write the bill. I want a bill that is workable, I want a bill that will control the necessities of life and at the same time will bring on full production. I stated on the floor some time ago, and I repeat now, that I believe all producers, and those engaged in business of all kinds, should have as a base period the peacetime years when we had free economy, and add to that the increased cost of labor and other items. That is sound and I am for it. I have been for that all the time. I can go to any community, large or small, in the United States, and I believe I can convince 99 percent of the people that this is fair and that it is right.

In order to have a bill that we can enforce we must have public sentiment with us. If we have such a bill the black markets will disappear, because the people in the communities will say, "That is fair, that is right; you have offered the same profits made in peace years when there was no inflation and we are going to see that it is lived up to and we will report any violators of the law."

I know this common-sense plan will work because it will curb inflation and

increase production, and will prevent black markets. The thing we want is a reasonable bill, so that the people, especially those with lower salaries can live and those engaged in business can make reasonable profits or at least make expenses. We did not pass the control law with the hope of preventing inflation altogether but expected the law to curb inflation. I hope we can secure a bill that will curb inflation and at the same time will bring on full production of everything.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. PHILLIPS and Mr. SHORT) there were—ayes 211, noes 64

So the previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER The Chair appoints the following conferees: Messrs SPENCE, BROWN of Georgia, PATMAN, BARRY, WOLCOTT, CRAWFORD, and GAMBLE.

ASSISTANCE TO STATES IN MATTERS RELATING TO SOCIAL PROTECTION

The SPEAKER. The unfinished business before the House is the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be striken from the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The question is, Shall the enacting clause be stricken out?

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 151, noes 108.

Mr. WALTER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the enacting clause was stricken out.

A motion to reconsider was laid on the table.

PRICE CONTROL BILL

Mr. SMITH of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Ohio. It is my understanding that the gentleman from Michigan [Mr. CRAWFORD] is not in Washington, that he is out of the country on official business. I wonder whether some other member of the Committee on Banking and Currency will be appointed in his place as a conferee on the price control bill.

The SPEAKER. The Chair has no information about the gentleman from Michigan [Mr. CRAWFORD].

FUNERAL AND BURIAL OF DECEASED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 706) to amend Veterans' Regulation numbered 9 (a), as amended, so as to increase the limit of amounts payable thereunder in connection with the funeral and burial of deceased veterans.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. RANKIN. This bill is identical with the bill H.R. 571, which we passed today.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc, That Veterans Regulation Numbered 9 (a), as amended, is amended by striking out the amount "$100" wherever such amount appears in paragraphs II and III thereof, and inserting in lieu thereof the amount "$150"

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table

By unanimous consent, the proceedings by which the bill H. R 571 was passed were vacated, and that bill was laid on the table.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. SABATH Mr. Speaker, I call up House Resolution 708 and ask for its immediate consideration.

Mr. THOMAS of New Jersey. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seventeen Members are present, a quorum

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the act (S. 1717) for the development and control of atomic energy That after general debate, which shall be confined to the act and shall continue not to exceed 4 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the act shall be read for amendment under the five-minute rule At the conclusion of the reading of the act for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

THE DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. SABATH. Mr. Speaker, later I shall yield the usual 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, this rule makes in order Senate bill 1717, the atomic-energy-control bill. The rule provides for 4 hours' general debate, after which the bill will be read for amendment. In view of the conditions, I will take some time to explain the importance of this legislation.

On October 29, 1945, 8 months ago, the Senate passed an unprecedented resolution not only authorizing and directing a special 11-member committee to study problems relating to the development, use, and control of atomic energy, but giving that special committee the power to report legislation on the subject

After 6 months of exhaustive hearings, both in open and secret session, and after having had the outstanding military and civilian experts of the United States before the committee, that special committee unanimously reported S. 1717, and on June 1 the Senate passed the bill without a dissenting vote.

BEST-INFORMED AMERICANS WANT THIS

The most thoroughly informed people in America, the President, the Secretaries of War, Navy, and State, Mr. Bernard Baruch, the National Research Foundation, the atomic scientists, and many other outstanding Americans agreed that the McMahon bill as unanimously passed by the Senate was the best bill that could now be devised to guide this terrific new exploration into the unknown.

It is true that in the meantime an emergency bill had been prepared and reported by the Military Affairs Committees based on information available a year ago The McMahon bill, however, as passed by the Senate, represents the ripe and considered opinions of many people, all of them qualified experts, and is the bill now recommended, without change, just as the Senate passed it.

OPINIONS VARY ON AMENDMENTS

The House Committee on Military Affairs, to whom the bill was referred, made various and sundry amendments. The experts say that none of the amendments strengthen or add to the bill. The most important amendments make it mandatory that one of the members of the Atomic Energy Control Commission shall be a representative of the armed forces, and that the director of the division of military application also shall be a representative of the armed forces.

There was no thorough agreement among the committee members.

In fact, the gentleman from Kentucky [Mr. MAY], the chairman of the committee, stated there was a wide difference of opinion in the House committee on the amendments, as did the committee in its own report—see page 4, House Report 2478. I am afraid the bill as reported by the House committee by no means represents the majority opinion of the committee. The gentleman from Kentucky [Mr. MAY] pointed out that the division of opinion was so great that nine minority Members submitted their opinions separately, although only two, the gentleman from New Jersey [Mr. THOMAS] and the gentleman from Ohio [Mr. ELSTON], appeared before the Rules Committee.

THIS BILL SAFEGUARDS SECRETS

Mr. Speaker, I hope and trust that this rule will be adopted. All of those most interested in our national welfare from the President on down feel the amendments should be disagreed to.

The Senate bill as passed unanimously provided for full civilian control of atomic energy. That is in line with the established traditions of our Nation. Our War Department is headed by a

civilian. Our Navy Department is headed by a civilian. Our Commander in Chief, the President, is a civilian. Ample provision is made in the original bill for military and naval liaison and cooperation and for preserving the secrecy of real military information.

MILITARY GOVERNMENT HERE?

The gentleman from New Jersey [Mr. THOMAS] opposed the granting of any rule and stated that the Army should control this astounding and world-shaking new knowledge, which may change the fate of all mankind, apparently because some of the civilians appointed to the Commission might believe in some kind of world government, although he did not mention that some military men might believe in military government right here.

To support his fears, the gentleman read to us what he called a report from the counsel of the Committee on Un-American Activities, Ernie Adamson. I understand that Adamson is a lawyer and not an expert on atomic fission. The gentleman stated that as a result of his brief investigation Adamson had concluded that the Army should keep permanent control over what he called the "manufacture" of atomic energy.

PROFOUND IGNORANCE DISPLAYED

It is difficult to believe, Mr. Speaker, that this so-called report should be seriously considered by anyone. It betrays a profound ignorance about the bill S. 1717 and its provisions and objectives, about the generation of atomic energy, and about the methods of adequate investigation and reporting.

It will be recalled that this man Adamson has denied that the United States has or should have a democratic form of government. If he has no more knowledge of the history and Constitution of the United States than he has of atomic fission, then that remark, too, arose from profound ignorance.

In the so-called report Adamson ascribes to a young scientist the remark that the political power of the atomic bomb was greater than its physical force. The gentleman may be astounded to know the remark is a direct quotation from an official Army report on the impact of atomic warfare on our own national defense.

WHO AUTHORIZED RELEASE OF REPORT?

I have neither time, energy, nor inclination, Mr. Speaker, to point out all the foolish and uninformed statements made by this man Adamson. I doubt very much that the chairman of the committee, the gentleman from Georgia [Mr. WOOD], who is an honorable, intelligent, and responsible representative of his State, gave any authority to the man to give publicity to these imaginings of his warped mind. If the gentleman from Georgia is on the floor, I should like to know from him if he gave Adamson any such authority.

CHARACTER ASSASSINATION BY INNUENDO

Adamson is trying to suggest that these brilliant scientists, who risked their lives every moment in the long, dangerous, and incalculably important experiments to develop the means of generating atomic energy, who worked day and night under the utmost strain, are not wholly and unimpeachably loyal to this country. It is character assassination by innuendo, by insinuation, by association of ideas.

Adamson says, for instance, the officers of the Association of Oakridge Engineers and Scientists, and I quote, "admit communication with persons outside the United States." Note how carefully this sentence is worded. There is nothing wrong, illegal, unethical, or unusual in communicating with persons outside the United States. I communicate frequently with persons outside the United States. Most of us here do. Adamson makes no charge here of any illegality; yet in the context of his absurd report the inference is conveyed that the communication is with some unfriendly power.

SECURITY OFFICERS REPUDIATE ADAMSON

One statement, however, is declared to be wholly false by the secretary of the Oakridge Scientists, E. E. Minett.

Adamson says:

The security officers at Oakridge think that the peace and security of the United States is definitely in danger.

Even that statement is ambiguous.

Minett has informed me through a telephone message that the Manhattan district engineer, Col. E. E. Kirkpatrick, authorized him to state that no such statement was made or authorized by any the security officers.

Col. David E. Shaw, security officer of the Manhattan district, also authorized the following statement:

I have not said that I consider the security of the Manhattan district in jeopardy as the result of any activity of any current group at Oakridge.

TELEGRAM FROM ATOMIC SCIENTISTS

Now, Mr. Speaker, I desire to read a telegram I received, signed by L. B. Borst, W. E. Kohn, P. S. Henshaw, and E. E. Minett for the executive committee of the Association of Oakridge Engineers and Scientists:

The testimony by Representative THOMAS before the Rules Committee of the House is typical of the delaying action of those opposing civilian control of atomic energy embodied in the McMahon bill S. 1717 as it is essential both for the national security of the United States and for the fulfillment of its foreign policies that this legislation be passed in this session of Congress. The basis of the State Department's program as carried forward by Mr. Baruch is embodied in this bill, according to Mr. Baruch's testimony before the Senate special committee on atomic energy. Furthermore the continuity of the work of the Manhattan project and the developments of atomic energy in and for this country is established by this bill. It should be pointed out again that President Truman, the Secretaries of the War and Navy Departments, the Senate of the United States, scientists generally, and the people of the country have considered the McMahon bill as passed without opposition by the Senate as completely satisfactory for the security and welfare of this country.

As far as the statement of Representative THOMAS is concerned, that the Oakridge scientist's organizations are engaged in subversive activities, it should be sufficient to point out that since their inception the actions of these groups have been within the jurisdiction and under the surveillance of the security division of the Manhattan district. At no time have the activities of these organizations been criticized or questioned as being subversive by the Manhattan district or anyone. Therefore we respectfully urge that the Rules Committee report the McMahon bill to the House for prompt action so that the Members of the House may have the opportunity to make themselves heard on the unsatisfactory amendments to the original bill which have been made by the House Military Affairs Committee.

Signed for executive committee of the Association of Oakridge Engineers and Scientists:

L. B. BORST.
W. E. KOHN.
P. S. HENSHAW.
E. E. MINETT.

REPORT INTENDED TO CREATE FEAR

The peculiar wording of the so-called report by Ernie Adamson leaves no doubt in my mind, Mr. Speaker, and I am sure it can leave no doubt in any fair-minded person's mind, that it was intended to create fear, doubt, prejudice, and foggy emotions against much more patriotic and reliable men than this lawyer. No specific charges are made against anyone. These are meaningless statements he has made; but in an atmosphere of uncertainty they may have an unfair effect.

No one in this whole world knows the full potentialities of the discovery of how to generate atomic energy. We only know that it is the greatest triumph of human mind over nature in all history. The scientists of the whole world have taken part in this long search, which began when mathematics became a science. It is true that science knows no national boundaries. Lise Meitner, who fled from Nazi Germany, contributed greatly to the creation of the first atom bomb. Others, less celebrated, came from France, England, Canada, and most of the other United Nations.

HAS ADAMSON READ REPORTS?

Although there is no connection whatever between either the American Federation of Labor and the Congress of Industrial Organizations and the Oakridge Association of Engineers and Scientists, or most of the other organized groups of atomic scientists, his prejudice against all labor organizations impelled him to drag in references to the CIO.

Is this counsel, Mr. Adamson, so uninformed and so ignorant of what can be read in the daily newspapers that he can seriously present these fantastic statements as a report of an investigation? Is he unaware of the international nature of atomic research? In fact, has he read either the McMahon bill or the Senate and House committee reports?

EVERYONE ELSE OUT OF STEP

According to his report, everyone—the United States Senate, Mr. Bernard Baruch, the world's leading scientists and great statesmen, yes, even the President of the United States—is out of step but Ernie Adamson.

These scientists from every country, men and women, old and young, in and out of uniform, who have torn out of the bowels of the earth and out of the stunning power of man-made lightning the

reluctant secrets of the sun, deserve from us, not the blackening of their names, but the highest honors we can give them; they deserve, not the unjustifiable and ignorant smearing of an Ernie Adamson, but the gratitude, the full confidence, yes, and the appreciation, of our country for what they have done.

"YOUR FLESH SHOULD CREEP"

I ask permission at this point, Mr. Speaker, to insert several paragraphs from the article in the July 13 issue of the Saturday Evening Post entitled "Your Flesh Should Creep," by Joseph and Stewart Alsop, rather than to take up the time of the House by demolishing, point by point, Adamson's superficial, meaningless, misleading and libelous so-called report:

EXTRACTS FROM YOUR FLESH SHOULD CREEP, BY JOSEPH AND STEWART ALSOP, IN THE JULY 13, 1946, ISSUE OF THE SATURDAY EVENING POST

Some months ago, in the businesslike Pentagon offices occupied by the General Staff of the United States Army, a group of young soldiers set forth on a strange adventure The individuals in the group cannot be identified, but it can be said that they were the best the Army had—practical intellectuals, thoroughly professional, yet without professional deformation, broad in concept, and with no trace of Colonel Blimp in their make-up. If one were choosing military experts on whose judgment it was necessary to rely, these were men to choose first.

Their task was nothing less than to determine the strategic situation of the United States, as revised by the new weapons of the Second World War. The bomb that dropped on Hiroshima created a situation without precedent in history. A nation's policy must be derived from its strategic situation. That has been true since the human dawn, when the first city-state erected the first encircling wall But until the year A D 1945, no nation needed to worry very much about what its strategic situation really was Instinctively, island powers built fleets, land powers with troublesome neighbors fortified frontiers, and little powers threatened from nearby sought alliances with large powers farther afield From the time of the great Pharaoh, Menes, to the time of Franklin Delano Roosevelt, it was a reasonably simple business, The bomb changed all that.

For some months the strategic meaning of the bomb could not be calculated, for the data were not available For some months, indeed, even the august Joint Chiefs of Staff, assembled at their polished table among their veiled maps and guarded documents, could not have given you an informed and final definition of the strategic situation of this Republic

Even now it is too early for any definition to be final. The task of the young soldiers was to prepare a tentative definition which should be, at least, expert and informed. To do that, they labored with a concentration and a desire to discover the whole truth, which are not often found in the recesses of any military staff They have now completed their job. They have written their studies covering the basic aspects of this incredibly complex problem, in which is bound up the life or death of our country and our world. These papers have been coordinated—to use the tired language of the staff colleges—and now represent the current thinking of the United States Army.

It has been said with reason that these young soldiers' adventure was a strange one. No duty could have been more vital. Yet the rules of the staff colleges were valueless to them. The sacred precedents of the Civil War were no more applicable than Hannibal's brilliant demonstrations of the principles of double envelopment Furthermore, the adventure itself was far less strange than its conclusion. History shows no previous case in which military experts, asked for advice on national defense, frankly confessed that adequate armed forces, adequately equipped and supplied, did not constitute a defense that could be depended upon. Until this year of very doubtful grace, any reasonably sane staff officer would have answered the question, "What must we do to be secure?" by saying simply, "Be strong." But in the present case the answer was quite different.

We have heard a good deal of ignorant rumbling about how the men of our armed services want to "keep" the atom bomb No doubt some of those who have not studied the problem in all its aspects have this atavistic desire. Yet the chosen experts of the General Staff, after careful study of all the immense mass of secret data available to the American Government, urgently advised that control of atomic energy must be internationalized, with the realistic safeguards in which all men believe. We have also heard innumerable hints that the services regard world organization and collective security as foolish, empty businesses. Perhaps some members of the services hold this view. Yet the final conclusion of the chosen experts has been summed up in the statement, "The only sure defense of this country is now the political defense "

That means a working effective internationalization of control of atomic energy, with adequate and genuine safeguards. That means collective security. That means a working, effective world organization, capable of settling any problem of world affairs by peaceful means. These things are the political defense For professional soldiers to say that these things must be insisted upon as the only way of insuring the national security—and for their dictum to be officially endorsed by their equals and superiods—marks the extent of the revolution of our time It helps to explain the new and remarkably intimate collaboration between the services and the State Department, at all levels from the weekly meetings of the three Secretaries downward, in the formulation of national policy. And it presents the curious picture of the professional soldiers stating in more hard-boiled language the same objectives as the one-world enthusiasts, although clearly seeing the difficulties of reaching those objectives. When the makers of national policy are unanimous, and when the highest professional military advice differs only in approach from the advice of the professional visionaries, it behooves every American to try to understand why this should be so.

I hope when this resolution is adopted and the bill is considered that these recommendations by outstanding Americans will be approved and the Senate bill will pass.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include some of the names of organizations and individuals throughout the United States which have endorsed and urged the adoption of the Senate bill without amendments.

Mr. THOMAS of New Jersey. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman also include the names of the three persons who wrote the bill?

Mr. SABATH. If the gentleman will give me their names, I will.

Mr. THOMAS of New Jersey. When I get up and speak I will give the names, and then I hope the gentleman will include those three names.

Mr. SABATH. May I say to the gentleman that there was a special committee of 11 Senators appointed by the Senate, and that committee has worked on it for months and months, and I think it is manifestly unfair for the gentleman from New Jersey to leave the insinuation that these 11 outstanding Members of the Senate did not possess the ability to write the bill.

Mr. THOMAS of New Jersey. Oh, I never made any such statement. That is a misstatement. I did not say that I did not think the Senators had no ability. I asked the gentleman if he would not include the names of the 3 persons who wrote the bill. Does the gentleman say that these Senators wrote the bill?

Mr. SABATH. The gentleman is, I fear, off the subject, and I think his information is not based on facts. I am not in the habit of making misstatements. You have asked, sir, if I would include the names of the three men who wrote the bill. I have replied that I would insert the names if you would give them to me. I have already stated that a special committee of 11 outstanding Senators has worked on it for months and months. I will go further. I believe that these Senators that worked on the bill, sentence by sentence, section by section, paragraph by paragraph, are familiar with the subject. They passed on every clause and phrase. It makes no difference whether they themselves held the pen and ink or operated the typewriters with their own hands, or if they had the help and advice of other men of ability. They passed upon it. They discussed and debated it. They have agreed upon it. That bill received the unanimous approval of the committee, and it was passed by unanimous vote of the Senate. That should suffice for any man who has the interest of the country at heart, who is not trying to leave the insinuation——

Mr. THOMAS of New Jersey. Just a moment. Is the gentleman insinuating that I have not the interest of the country at heart?

Mr. SABATH. I say that anyone that has the interest of the country at heart——

Mr. THOMAS of New Jersey. All right; but is the gentleman insinuating that I do not have the interest of the country at heart?

Mr. SABATH. I did not insinuate that.

Mr. THOMAS of New Jersey. The gentleman insinuated something, and it sounded like that to me.

Mr. SABATH. The gentleman always seems to me to desire to distort my remarks unfortunately——

Mr. THOMAS of New Jersey. Then what does the gentleman mean by "the best interest of the country at heart"?

Mr. Speaker, I demand that the gentleman's words be taken down.

Mr. SABATH. Mr. Speaker, if there is anything I said that would in any way offend the gentleman from New Jersey, I withdraw the words.

Mr. THOMAS of New Jersey. Mr. Speaker, the gentleman is out of order now. He has to sit down. He cannot stay in the well of the House.

Mr. SABATH. I have no objection if my words be taken down. Neither the Speaker nor anyone else can find I deliberately insinuated that the gentleman did not have the interest of the country at heart, nor that my words were exceptionable, but I am willing to withdraw them, Mr. Speaker, if they were objectionable.

The SPEAKER pro tempore (Mr. ZIMMERMAN). The gentleman withdraws the words objected to.

Mr. VOORHIS of California. Mr. Speaker, there is a unanimous-consent request pending.

The SPEAKER pro tempore. Without objection, the request of the gentleman from Illinois is agreed to.

There was no objection.

Mr. THOMAS of New Jersey. What was the request, Mr. Speaker?

The SPEAKER pro tempore. That he be allowed to place certain names in the RECORD. The Chair understood that the gentleman from New Jersey reserved the right to object but did not object.

Mr. THOMAS of New Jersey. Does that request take precedence over the demand that the gentleman's words be taken down?

The SPEAKER pro tempore. The gentleman withdrew the words complained of by the gentleman from New Jersey.

Mr. THOMAS of New Jersey. Did the gentleman ask unanimous consent to withdraw those words?

Mr. SABATH. Mr Speaker, if there are any remarks the gentleman construes as offensive to him, I am willing to withdraw them

Mr. THOMAS of New Jersey. No, the gentleman must obtain unanimous consent to withdraw them.

Mr. SABATH. I said I am willing to withdraw them.

Mr. THOMAS of New Jersey. Will the gentleman ask unanimous consent to do that?

Mr. SABATH. Yes. It is up to the Speaker to determine whether what I said was out of order. I do not know how anything I said could be construed as being out of order, or as insinuating anything objectionable; but, Mr. Speaker, if there is anything I have said that offends the gentleman from New Jersey, I ask unanimous consent that those words be withdrawn.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ORGANIZATIONS ENDORSING M'MAHON BILL

Mr. SABATH. Mr. Speaker, in availing myself of leave to insert the names of organizations and individuals which have endorsed S. 1717, to save space in the RECORD I shall limit myself to organizations of substance and standing. The following are but a fraction of all the communications and endorsements I have received:

Association of New York Scientists; more than 200 members of the National Academy of Scientists; Engineers and Architects Association of Southern California; Americans United for World Organization, Inc.; American Slav Congress; Committee of Catholics for Human Rights; Council for Democracy; Friends of Democracy; Independent Citizens Committee of the Arts, Sciences, and Professions; Methodist Federation for Social Services; National Citizens Political Action Committee; Southern Conference for Human Welfare; Union for Democratic Action; United Christian Council for Democracy; Writers Board; Association of Pittsburgh Scientists.

Federal Council of the Churches of Christ in America; Fellowship of Reconciliation; almost 500 members of the University of Illinois; Social Education and Action Committee of the Presbytery of Washington City; Cambridge League of Women Voters; Association of Cambridge Scientists; Association of Scientific Workers; Council for Social Action of the Congregation of Churches; National Committee for Civilian Control of Atomic Energy; Atomic Scientists of Los Alamos; Oberlin College faculty; Chicago Committee for Civilian Control of Atomic Energy; Emergency Committee on Atomic Energy of the University of Illinois; Illinois League of Women Voters; American Civil Liberties Union; Jewish Women's Council.

STATEMENT AND LIST OF MEMBERS OF NATIONAL COMMITTEE FOR CIVILIAN CONTROL OF ATOMIC ENERGY

Rather than insert an endless list of prominent individuals, I am offering an analysis of the effect of the House committee amendments to the McMahon bill submitted by the National Committee for Civilian Control of Atomic Energy, to which are appended the names of the members, which offer substantial evidence of the breadth of the endorsement through business and the professions:

NATIONAL COMMITTEE FOR CIVILIAN CONTROL OF ATOMIC ENERGY,
Washington, D. C., July 11, 1946.

The Honorable ADOLPH J SABATH,
House of Representatives,
Washington, D. C.

DEAR SIR Enclosed you will find some comments upon the amendments to the Atomic Energy Act (S. 1717) proposed by the House Military Affairs Committee.

The decision for civilian rather than military control of policy in the development and use of atomic energy is fundamental. The atomic bomb so strikingly dramatized military aspects of atomic energy that we forget the tremendous peacetime applications However, potentialities for far-reaching benefits, economic, social, and medical, truly stagger the imagination.

Now is no time to change a concept of our Government—that of the military as the servant rather than the master—which has been a cornerstone of the American Republic.

It was in the framework of this broad picture—peacetime development while protecting our military obligations—that these comments were drafted. The National Committee for the Civilian Control of Atomic Energy makes these recommendations in the conviction that they are in the best interest of our country and of mankind

Yours sincerely,

ALBERT CAHN,
Secretary.

DOMESTIC ATOMIC ENERGY LEGISLATION—COMMENTS ON THE HOUSE COMMITTEE AMENDMENTS

I. MILITARY MEMBERSHIP ON THE COMMISSION (PAGE 3, LINE 19, AND PAGE 8, LINE 2, NEW (D))

The House amendments require one and permit two members of the Atomic Energy Commission to be members of the armed forces. The question is raised, "What harm can this minority position cause?" The arguments against these provisions are as follows:

A. Since 1870, a statute in this country has prohibited a military officer on active duty status from occupying any position in the civilian government. This statute carried out the fundamental and traditional separation of the military and the state embodied in our Constitution. While special individual statutes have been passed from time to time to permit a military officer to occupy a civilian post, there has never been any previous instance in which a member of the military forces was permitted to occupy a civilian position with a continuing responsibility to the military department. It should be noted that the amendment does not say that the military man is relieved of military responsibility, but, to the contrary, expressly provides that he shall be a representative of the military department

B This provision is harmfully unnecessary The direct interests of the armed forces and the country's defense requirements are completely protected by the military liaison committee This committee has the right to be kept informed on all matters which it (the committee) deems to relate to the interests of the armed forces; it has the right to appeal any action or failure to act by the Commission, through the Secretaries of War or Navy, to the President Thus an entire body is studying and looking out for the military interests of the country A minority position of members of the armed forces upon the Commission would weaken the position of the liaison committee, as it would often be felt that the members on the Commission gave adequate expression to the defense needs of the country The presence of the military liaison committee has been expressly approved by the Secretaries of War and of the Navy and by General Eisenhower as the desirable treatment of military interests All are specifically opposed to having any member of the armed forces serve as a member of the Commission.

In addition, the basic decisions as to how much fissionable material shall be manufactured and how many bombs shall be built are made by the President, presumably after consulting with the military departments as well as the Commission.

C Requiring military membership on the Atomic Energy Commission compromises the United States claim of peaceful intentions with regard to atomic energy in the conduct of our international negotiations No matter how eloquent our protestation that we are interested in developing atomic energy exclusively for peacetime uses, words cannot undo the fact of military membership on the Atomic Energy Commission in the United States

D. The military departments are a claimant agency from the Commission. It is a simple principle of fairness that the group having the power of decision be independent of any of the claimant groups. It is impossible to expect and unfair to ask the military representative to disregard a preference for military requests in balancing these requests against those desirable for civilian development.

E. The military member(s) of the Commission would have a divided loyalty. They would be responsible to their military superiors. At one and the same time they would be responsible to the public as members of a Commission whose responsibilities extend beyond military considerations to civilian uses of atomic energy. This would at least enhance dissension in the Commission with a consequent reduction of efficiency. Even the best person would make a different decision if he were responsible solely to the military departments than if he were responsible to the public as a whole, including national defense responsibilities.

F. Management of the nation's atomic energy resources manifestly requires the greatest possible efficiency, particularly in obtaining the peacetime benefits of this new source of energy. Without going into the merits, there is a substantial body of opinion that military officers are not the best qualified men for directing an enterprise of this type. Whether the abuses of military officers in the conduct of economic functions are greater or less than mistakes made by civilians, the fact remains that civilian officials are responsible directly to the public through simple power of removal by the President or on demand of the Congress because these appointive officials are obliged to stand for election or reelection. Military officers appointed to represent the armed forces are not subject to loss of their commissions by any public criticism or criticism of the President or of the Congress; to the contrary, their chances of further promotion generally depend directly upon the zeal with which they discharge the orders of their superiors who bear no official connection with the Atomic Energy Commission. In short, democracy works for civilian officials, but the essential elements of a permanent military hierarchy are sharply different from democratic responsibility.

II. MILITARY OFFICER AS DIRECTOR OF MILITARY APPLICATIONS DIVISION (P. 5, LINE 23)

In many respects detailing a military officer to hold the position of Director of Military Applications Division is objectionable on the grounds cutlined above

The functions of the Military Applications Division will probably be to conduct military research and to convert fissionable material into atomic bombs.

During the war all of these activities were under the direction of a civilian, Dr. Oppenheimer; today, they are still under the direction of a civilian, Dr. Bradbury.

III PRODUCTION OF ATOMIC WEAPONS (P. 22, LINES 21, 23, AND 25)

This amendment permits the President to authorize the armed forces to manufacture atomic bombs. This amendment is undesirable for two reasons.

A. Like military membership on the Commission, permitting the armed forces to manufacture atomic bombs is a direct contradiction of the position taken by the United States in international negotiations that we are interested only in the development of atomic energy for peaceful purposes. Our integrity is certainly made questionable by statutory unwillingness to give a civilian commission exclusive authority over all atomic energy activities in the United States. In fact, the international arrangement we proposed would require that facilities for the production of atomic bombs be handled in the same way as other atomic energy resources.

B Permitting the armed forces independently to carry on actual manufacturing operations would divide the responsibility of the Atomic Energy Commission by, in effect, establishing a competitive agency performing a part of its functions. This division of authority would make it more difficult to get as Commission members the high caliber personnel which this subject matter requires.

IV. CONSULTATION BEFORE CRIMINAL PROSECUTIONS (P. 31, LINES 12–15)

This amendment strikes out the requirement that the Attorney General consult with the Atomic Energy Commission before prosecutions for violation of the control of information provisions are initiated. This provision was carefully worked out to make atomic energy research attractive to competent scientists, despite the extra obligations involved. A scientist's reputation is severely injured by the mere initiation of a prosecution, regardless of whether he is ultimately acquitted. Since atomic energy is a field of sensational publicity value, and subject to possible hysteria, this consultation division was designed to assure that prosecutions would not be initiated without review by persons having the technical and scientific background necessary to determine the significance of the acts complained of.

V. COMMISSION ATTORNEYS (P. 40, LINES 16–19)

This amendment withdraws the Commission's authority to be represented by its own attorneys in court. This authority has customarily been granted to agencies charged with major regulatory responsibilities. Since litigation involving atomic energy will be highly technical, will require broad knowledge of physics, chemistry, geology, and many other subjects, it seems peculiarly unwise to handicap the activities of this agency in the manner proposed. Even if a policy against agency attorneys were to be adopted, the very great importance of the Atomic Energy Commission and its work would justify an exemption from such a policy.

VI. MISCELLANEOUS AMENDMENTS

The remaining amendments are listed and briefly commented on as follows.

A Page 12, line 17 The meaning of this amendment is unclear. In addition, what it attempts to do is either unnecessary or is in direct conflict with other major provisions of the bill.

B Page 18, line 6 and line 10· A picayune change which loses the benefit of the statutory definition

C Page 19, line 11: The only amendment to the Senate committee bill adopted on the floor by the Senate No comment.

D. Page 21, line 20, page 26, line 5: These identical amendments are unnecessary and may open the door to abuses by the Commission which the original bill carefully avoids.

E. Page 25, line 12: To require licenses for atomic energy devices to be for at least a full year is to deprive the Commission of a great deal of flexibility and to ignore the obvious fact that atomic energy devices are in their infancy and developments will require many changes in any 1-year period.

F. Page 43, new section 14: This provision is either unnecessary or possibly capable of interpretation which would restrict the Atomic Energy Commission more than any other agency of the Government. If the amendment is merely intended to make the Administrative Procedure Act applicable to the Atomic Energy Commission, this is automatically taken care of by the provisions of that act.

G. Page 43, lines 21 and 23: Increasing the size of the Congressional Joint Committee. No comment.

H. Page 47, line 9: This amendment makes the Commission's injunction remedy in the atomic energy field less effective than the remedy available in the housing and price control programs

I. Page 47, line 19, new section e: This provision like some others, is either unnecessary or a possible source of difficulty. Since existing statutes place responsibility for enforcement in the Department of Justice and the Federal Bureau of Investigation, special statutory provision may be interpreted to restrict the Commission's activities in inspections and other information-gathering activities where it is not yet known whether violations are present.

J. Page 49, line 19: Including the Canal Zone expressly within the United States. No comment.

K. Page 49, line 19: Amendment's definition of production facilities. The amendment might narrow the definition so that it no longer applied to facilities which, in fact, are capable of producing fissionable material. The amendment is at least unnecessary and possibly harmful in this respect.

Members of the National Committee for Civilian Control of Atomic Energy: Ivan Allen, Sr., Allen-Marshall Co., Atlanta, Ga.; Stringfellow Barr, St. John's College, Annapolis, Md.; Percival F. Brundage, Prince Waterhouse Co., New York City; Cass Canfield, New York City; Mrs. John Allen Carpenter, Chicago, Ill.; Everett Case, Colgate University, Hamilton, N. Y.; Leo Cherne, Research Institute, New York City; C. A. Dykstra, University of California at Los Angeles, Los Angeles, Calif; E. R. Embrie, Rosenwald Foundation, Chicago, Ill.; Marshall Field, New York City; Thomas K Finletter, New York City; Ralph Flanders, Federal Reserve Bank of New England, Boston, Mass.; the Reverend Harry Emerson Fosdick, New York City; Mrs J. Borden Harriman, Washington, D. C.; Maurice Harrison, San Francisco, Calif.; Leon Henderson, Washington, D. C.; Palmer Hoyt, Denver Post, Denver, Colo.; the Very Rev. James T. Hussey, president, Loyola College, Chicago, Ill.; Dr. Robert M. Hutchins, chancelor, University of Chicago, Chicago, Ill; A. D. Lasker, Forty-fifth Street and Lexington Avenue, New York City; Herbert H Lehman, Washington, D. C.; Mrs Edward Macauley, Washington, D. C.; Philip Murray, president, CIO Washington, D C.; Donald Nelson, Hollywood, Calif; William I. Nichols, editor, This Week magazine, New York City; Bishop G Bromley Oxham, New York City; the Most Reverend Bernard J Shiel, Chicago, Ill.; Samuel Slotkin, president, Hi-Grade Meat Packing Co., New York City; Dr. George Thomas, president emeritus, University of Utah, Salt Lake City, Utah; William H. Vanderbilt, Williamstown, Mass.; W W. Waynack, Des Moines Register and Tribune, Des Moines, Iowa; Sumner Welles, Oxon Hill, Md; Walter White, National Association for the Advancement of Colored People, New York City; John Hay Whitney, New York City; Arthur D. Whiteside, New York City; Beardsley Ruml, Macy & Co., New York City; Alexander Sachs, New York City; Gifford Pinchot, Washington, D. C.

CHICAGO COMMITTEE FOR CIVILIAN CONTROL OF ATOMIC ENERGY

In my own city of Chicago there are scientists of world renown who contributed substantially to the development of the means of producing atomic energy and of applying it to the bombs which devastated Nagasaki and Hiroshima. As long ago as December 8, 1945, Dr. Robert S. Mulliken, professor of physics at the University of Chicago, submitted to me a memorandum subscribed to by 210 members of the National Academy of Sciences which laid down the basic principles of the bill now under consideration, as passed by the Senate. I resist the temptation to include the names of the world-renowned scientists who signed the statement, but I have them on file.

I include, and again without the long list of prominent individuals composing the committee, a more recent letter from Mrs. John P. Welling, of the Chicago Committee for Civilian Control of Atomic Energy, 1126 East Fifty-ninth Street:

HON. ADOLPH J. SABATH,
House Office Building,
Washington, D C.

DEAR MR. SABATH: You asked me last night on the telephone to send you a wire giving the personnel of this committee, which is backing you in your support of civilian control of atomic energy.

I am sending this letter on our stationery instead for I know that you know Chicago so well that this list of sponsors will tell you what a cross-section of outstanding citizens are behind you. As you can see, we have presidents of universities and industry, rabbis and bishops, labor leaders, lawyers, Negro leaders, bankers, and club women—all influential with large sections of the Chicago public.

This is sent in the hope that when your committee is asked to give a rule, it may strengthen your hands as evidence of widespread public concern for immediate action on this most vital issue for our country's safety.

Very sincerely yours,

HARRIET W. WELLING,
Mrs. John P. Welling,
Chairman, Steering Committee.

TOM STOKES ON OAK RIDGE

It is with regret that I omit many similar letters, many resolutions, many statements, from groups and individuals of the highest standing, whose integrity and patriotism and earnest sincerity are beyond any aspersions, whether or not one may agree with their views. I do insert the column by Thomas L. Stokes of the Scripps-Howard feature syndicate, United Features, which appeared in this morning's Philadelphia Record:

WASHINGTON.—Oyez! Oyez! Oyez!

Bring in the prisoners, the young men of science from Oak Ridge, Tenn., the young men with a bomb on their brains like a festering tumor Let them be shackled with chains forged of true steel, far stronger than the conscience of mankind Let them walk in slow and measured tread, lock-step, with eyes downcast to the floor

And let the crier go before them and call out in the voice of doom:

"Shame! Shame! Shame!"

And let a guard of husky young men of the Army surround them, bayonets fixed.

If you please, your honor, let Ernie Adamson, council of Representative RANKIN'S House Committee on Un-American Activities, read the indictment and proceed with this awful case

Go ahead, Mr. Adamson, with your indictment

"That these Oak Ridge societies are composed of young men classified as scientific researchers or engineers" (Shame on them, shame on science!)

OH, HORRORS!

"The activities of these societies are devoted to the creation of some form of world government" (Horrendous! That puts them in a class with Bernard M. Baruch and Owen J. Roberts, who once sat on the Supreme Court, and a man named Harry S. Truman)

"These societies are very active in support of international civilian control of the manufacture of atomic materials" (Shame on them, and shame on Harry S Truman, and Secretary of State Byrnes, and Bernard M. Baruch again, and the leaders of England and Canada and France and Russia and Australia and all the other United Nations. Shame!)

"The officers whose statements we have taken not only admit communication with persons outside the United States, but in substance say they intend to continue this practice" (Lock them away on bread and water, with no pen and ink handy.)

"The security officers at Oak Ridge think that the peace and security of the United States is definitely in danger." (The military, then, is still the military, age without end.)

"The CIO is now making a desperate effort to unionize all workers of the reservation. We took statements from the CIO and A F. of L. organizers. The CIO organizer was very militant and seems to be in close contact with the members of the scientific societies." (Throw them in the darkest dungeon, where they may ponder their pride and learn meekness)

DANGER AHEAD

"If jurisdiction and control of the Oak Ridge Reservation passes into civilian hands, the political plans for exploiting the place are well advanced and there would undoubtedly be trouble in the reservation within 6 months." (Thomas Jefferson lived not far away. Hang him in effigy, too, sires.)

"One of the most surprising comments was an expression from one of the young scientists to the effect that the power of the atomic bomb was much greater from a political viewpoint than from its physical aspect." (Something must be done, gentlemen, about James F. Byrnes and Bernard M. Baruch, too, ere this day's business is over.)

"My conclusion, based upon the investigation up to date, is that the Army should exercise permanent control over the manufacture of atomic weapons." (Bring the Senate of the United States before the bar. It must be tried, too. It voted against Army control. Traitorous)

The case is completed. Thank you, Mr. Adamson.

Take the prisoners away They are guilty. The hangman's knot, the electric chair, the guillotine are too humane. Put them to the rack and tear their limbs from their bodies and remove that great weight from their souls and their consciences.

Mr. Speaker, I now yield ?0 minutes to the gentleman from Illinois [Mr. ALLEN], a member of the committee.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 7 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, the bill, S. 1717, is, I believe, as important, if not more so, than any piece of legislation this House has ever considered. I believe this proposed bill is as vital as any legislation ever before any Congress. I am sure those Members who have studied the bill and the report will agree with that statement. Under general debate, and when the bill is read under the 5-minute rule, I do hope the Members of the House will study as much as possible the ramifications and the potentialities of this proposed legislation. It is so far-reaching, and so broad in scope, that it is almost incredible that we should consider granting such powers to a board of five men. This board would make of its five members literally the five most powerful individuals this Nation or the world have ever seen. In complete, total control of all matters concerning atomic energy, the most powerful energy, the most dangerous weapon or, conversely, the most beneficent power ever known to civilization, this Commission, in truth and fact, would hold the destiny—the lives and freedom of mankind—wholly within their discretion.

Up until the present time, we, the possessor of the know-how of atomic energy, control to a large extent these forces which the rest of the world, especially certain nations, want to know more about, and are determined to acquire. This commission, without asking anyone, could decide just what shall be done with the secrets of atomic energy. The commission would be required to ask no government, no other power, no people, for permission to do anything they might want, at any time they might desire, with this greatest secret of the ages. I venture to assert that it has never before been suggested that such gigantic, world-controlling powers be placed in the hands of any five men that I ever heard of.

It is expected, of course, that the five-man commission will be made up of good, patriotic, loyal American citizens appointed by and with the consent of the Senate. Mr. Speaker, we all have seen the appointment of supposedly good, true, tried, and tested citizens, only to learn later that they were humans and, therefore, subject to error. I make this statement, Mr. Speaker, so the House of Representatives may be alert to just what we are undertaking to do here today. I agree that some control of this vital force must be established, but, I repeat, we should realize that we are setting up the most totalitarian commission in all history—a group which will hold in its hands the means for the very life or death of every citizen in this country and in the whole world. The bill will permit this commission, I reiterate, to do anything it desires at any time. The commission could determine the policy of these United States of America as to what shall be done about atomic energy. This commission could take from you and from me any of our possessions; any of our property; any of our rights guaranteed under the Constitution; any of our patents—in truth and fact—anything any individual in this country now possesses, if the commission declared it to concern atomic power. We cannot now conceive that this will be done, but the truth should be faced by all Members. They should understand just what we are doing here today.

Some of us on the Military Affairs Committee thought it wise that the so-called McMahon bill should be amended in certain respects. In my years of service here I have never yet seen legislation passed by either body that was not subject to improvement by amendment. Therefore, amendments were added to the bill in the committee. Such amendments, I hope we can convince you, are improvements to the proposed legislation. Those of us on the committee who wanted to amend this bill have no objective in mind except that if this bill is to pass it should be in the best form possible, and with the Congress of the United States fully aware of its effects and implications.

The major change made in committee was the one regarding the five-man Commission to be established. As the bill passed the Senate, it called for a five-man civilian Commission. Our committee changed it in this respect: That it be mandatory for one member of the five-man Commission to be a military man, and that two military men could be appointed by the President, but not more than two. Now, I would like to ask the House what is wrong with such a proposal. If, up to the present time, there is any group which has a more direct interest in atomic-energy matters than the military defenders of this country, I would like to know who it is. What is wrong with placing one military man on a five-man Commission with four civilian members? If there is any one military individual so strong, so smart, so capable, and so determined that he can influence four other civilians and persuade them to do as he likes, then such a man, because of his sheer ability, should be on the Commission. I cannot understand the assertion that we are destroying a civilian Commission when there are four civilians and only one military man provided for such Commis-

sion. You will hear it said here that the War Department is opposed to the proposition of one military man being placed on the Commission. Well, they certainly have never told me so. I do not believe they are opposed to it. I hope the membership will carefully think through this proposal to have one military man on the Commission. In the best interests of the country, I believe it to be a wise and proper step to take.

While there are other parts of the bill which I would like to discuss, I do not now have the time to do so. However, I want, before I conclude, to draw your attention to the patents section of this bill. When the bill is read under the 5-minute rule an amendment will be offered to strike section 11 from the bill. At the proper time I hope to offer conclusive argument in support of such an amendment. Members of the House, do not take any steps in opposition to some of the various amendments offered until you carefully consider what you are doing. I repeat, this, in my estimation, is the most important piece of peacetime legislation you have ever been called to vote upon.

CALL OF THE HOUSE

Mr HARNESS of Indiana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ZIMMERMAN). Evidently no quorum is present.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No 223]

Adams	Fernandez	Norton
Allen, La.	Folger	O'Brien, Mich
Anderson, Calif	Gibson	O'Toole
Andrews, N Y.	Gifford	Peterson, Ga.
Bailey	Gillespie	Philbin
Baldwin, Md.	Gossett	Powell
Beckworth	Hall, Edwin Arthur	Priest
Bell		Randolph
Bennet, N Y.	Harris	Reece, Tenn.
Boren	Hébert	Richards
Boykin	Heffernan	Rizley
Bunker	Hendricks	Robinson, Utah
Cannon, Fla.	Herter	Roe, N Y.
Cannon, Mo.	Holifield	Sadowski
Celler	Holmes, Wash.	Sheridan
Chelf	Johnson, Luther A.	Slaughter
Clark		Sparkman
Cochran	Johnson, Lyndon B.	Stewart
Coffee		Sumners, Tex.
Colmer	Johnson, Okla.	Tarver
Cooper	Kerr	Thomas, Tex.
Cox	Kilday	Tolan
Cravens	Ludlow	Torrens
Crawford	McGehee	Vinson
Curley	McMillan, S C	Worsell
Daughton, Va	Mahon	Welch
Davis	Mankin	West
Dawson	Mansfield, Mont	White
Earthman		Wickersham
Eberharter	Mansfield, Tex.	Wolfenden, Pa
Engel, Mich.	Mason	Wood
Fellows	Miller, Calif.	

The SPEAKER. On this roll call 340 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentlemen from Ohio [Mr. ELSTON].

Mr. ELSTON. Mr. Speaker, I am opposed to this rule and I am opposed to the bill. I agree with what the gentleman from Illinois [Mr. ARENDS] said, that this is an important piece of legislation. Its importance, in my judgment, should be judged by the extent to which it will deprive the American people of their liberties.

I not only agree that it is an important piece of legislation but I should like to add that this is one of the most dangerous bills ever presented to Congress. I am sure that before the debate is over you will have ample proof in support of that statement.

This bill comes to us under a great fear psychology which the propagandists of the country have endeavored and are still endeavoring to create, to frighten the American people into adopting a type of legislation which will mean the surrender of more of their liberty than it is safe to surrender to any Government agency in time of peace.

What is the situation at the present time? Right now, when the world is still in a state of confusion, when the war technically is not even over, the secrets of the atomic bomb and of atomic energy are in the possession of the armed services. Some secrets may have leaked out, but the greater part of them, I hope, are still known only to this Government.

What does this bill seek to do? The President will no more than sign it, if it gets that far, than every one of those secrets, the bombs themselves, as well as the Oak Ridge plant, will be turned over to a Government bureau, and the Army will be completely divested of control and authority over such property.

When the bill first came to our committee no provision had been made for the Army and Navy to even have a representative on the commission of five, known as the Atomic Energy Commission. They said this was because of some tradition that you cannot have a man in uniform on a commission of this kind. But I submit, Mr. Speaker, that no such tradition could apply when the safety of the Nation is involved. The Army and Navy and not a Government bureau are charged with the responsibility of defending the country. You might as well transfer the Navy or the Air Forces to a Government agency. The House Committee on Military Affairs added an amendment to the bill which will give the Army representation on the commission, but every conceivable effort, I understand, is going to be made to remove that amendment from the bill. Our committee was severely criticized in some quarters because it dared to disturb any part of this bill as it came from the other body. We were urged to report the bill without any hearings. As a matter of fact, we heard only two witnesses and another witness who came in by accident. That was all the testimony that was presented to our committee on a piece of legislation of this importance. The chairman of the Atomic Energy Commission will receive $17,500 a year and the other members $15,000. Five department heads will receive $14,000 a year each, making 10 in all. However able or honest these persons may be, I submit it is a dangerous thing to take from the military authorities and turn over to bureau heads and their employees whatever secrets of atomic energy we possess.

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield three additional minutes to the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. AUGUST H. ANDRESEN. We are led to believe there are thousands of foreign agents from other countries in the United States trying to get information on the atomic bomb as well as other secrets. If that is a fact, would it not be better to let this type of legislation lie over until we get more stable conditions in the world and we know what our Allies intend to do?

Mr. ELSTON. I think the gentleman has stated the situation exactly. There is absolutely no reason for this legislation. Present conditions should not be changed until there is some stability in the world, until some of the confusion is gone and until we have entered into some international agreement which will outlaw use of atomic weapons. Up to the present moment there has not been a single agreement entered into, requiring legislation of this kind. In the brief time that I have remaining I would like to make this point. It is contended that this legislation is necessary in order to create an impression on the rest of the world that we are not militaristically inclined. It is contended that if we go on manufacturing atomic bombs, we may offend other nations. In answer to this claim, I need only to call your attention to the fact that at the present time if the President of the United States wants the War Department and the Navy Department to cease the manufacture of atomic bombs, all he has to do is to direct them to cease. We do not need this legislation. As a matter of fact, this legislation is directed at the private industry of the Nation. It deals almost entirely with domestic control. If anything ever placed shackles on private industry, it is the bill that is before you today. Private industry under this bill can not make a single experiment in the development of atomic energy for industrial purposes without a license from this Government bureau. All patents having to do with atomic energy would be immediately revoked or they would be taken over by the Government. No person could invent anything without turning his patent over to the Government. The incentives provided by our present patent laws would be destroyed. Section 11 of this bill is un-American and is contrary to the constitutional principle upon which our patent system is founded.

An amendment will be offered to strike out the patent section of the bill. The Constitution provides that a patentee has the exclusive right to his patent. Yet this bill takes away that right. Of course some provision is made to compensate an inventor but we all know that the value of a patent is determined by the future. No agency or court can determine what a patent is worth until

the patent has been tried. Yet, if section 11 remains in this bill, an inventor must submit his case to a patent compensation board, consisting of two or more employees of the Commission, and they determine what his patent is worth.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. RICH. You contend, then, that without any legislation we keep atomic secrets in the hands of a fewer number of people. Is that correct?

Mr. ELSTON. Yes. Without this legislation the secrets of the atomic bomb remain exactly where they are now. If this legislation is passed, within 24 hours every one of the secrets will be turned over to a civilian commission.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, I am opposed to the rule and I am opposed to this bill. I agree with the gentleman from Ohio [Mr. ELSTON] that it is probably the most dangerous piece of legislation ever presented to the Congress of the United States. I can see no reason why we should take it up in the closing days of this session of Congress. In my humble opinion, this is the kind of legislation that needs a large amount of thought and a large amount of debate. We have been asked to rush it through in the last days of the session. For what reason? There was never a reason told to the members of the Military Affairs Committee why we had to rush this thing the way we are doing now.

Personally, I think there is one man in the world who is more interested in this legislation than any other one human being. That is Mr. Andrea Gromyko, the Russian delegate to the United Nations organization. He is sitting in New York laughing up his sleeve, hoping that the Congress of the United States is going to pass the kind of a bill that will do the very thing he has been trying to get; that is, a bill that will make it possible for other nations of the world to get all of the atomic secrets that we have, not only in regard to atomic energy but in regard to the manufacture of the atomic bomb.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield.

Mr. HARNESS of Indiana. Is it not true that under the war emergency power security measures this Nation is afforded greater protection than this bill would afford?

Mr. THOMAS of New Jersey. There is not any question about it. If you want to know the real purpose of the bill, read subsection 2, subparagraph (b):

PURPOSE OF ACT

(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective.

Mrs. DOUGLAS of California. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. One moment and I will be glad to yield.

On a reciprocal basis I would like to know what other nations on earth, even including Canada or Britain, could give to us on a reciprocal basis anything comparable in return for the information that we could give them in connection with industrial atomic energy or in connection with the atomic bomb? What could they give us? Why, they have not got anything and they know it. The purpose of the bill is to make it possible so they will get some of the secrets so that we may get something on a reciprocal basis; but as things now stand, this is absurd for they have nothing to give.

I now yield to the gentlewoman from California.

Mrs. DOUGLAS of California. I think it is important to finish that sentence:

When enforceable safeguards against its use for destructive purposes have been achieved.

Mr. THOMAS of New Jersey. Oh, I am very glad that the gentlewoman from California brought that up, because I hope that she or someone else in the House, including a member of the Military Affairs Committee, can point out any section of the bill under which we could protect not only the present atomic bomb but protect any future actions in connection with the manufacture of an atomic bomb except in this way; and you should read section 10. Under this section when the horse has been stolen from the barn we will then take the man who stole the horse to jail. Now, would not some aggressor nation just love to pay a fine of a few dollars or $20,000 or have one of their subjects go to jail for a period of years for the atomic bomb secrets? It would be cheap.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield.

Mr. AUGUST H. ANDRESEN. I should like to ask the gentleman this question, for this is such an important matter: Considering the unsettled state of affairs in the world, does the gentleman feel that the passage of this bill would jeopardize the security of the United States?

Mr. THOMAS of New Jersey. The passage of this bill would be the quickest way possible to give the atomic-bomb secrets away, and you know what the result would be.

I want to say this to the gentleman: I am in favor of defeating this bill, keeping the status quo, keeping the secrets the way they are, maintaining Oak Ridge and the rest of the Manhattan project under military control, and wait until we see what kind of peace we are going to get in the world before we make any other move.

Mr. AUGUST H. ANDRESEN. Will it do any harm if this matter is allowed to lay over for another year?

Mr. THOMAS of New Jersey. It will do no harm whatsoever except it is going to deprive some of these people from getting some nice fat jobs; and our hearts certainly bleed over that.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield.

Mr. RICH. If we had found a new and terribly deadly poison which distributed to the people would kill them we would keep it in our hands until we knew how to handle it safely, would we not?

Mr. THOMAS of New Jersey. There is no doubt in the world about that.

Mr. RICH. Here we have what is possibly the most deadly thing in existence, yet some amongst us advocate giving it to everybody.

Mr. THOMAS of New Jersey. Look at this ad which appears in the Washington press every day. It says: "Place the control of atomic energy in civilian hands." I will bet that the people who signed that never saw this bill, let alone having read a line of it.

Look at this part of the ad. This is smearing at its worst.

I hope today we defeat this rule, and if we cannot defeat the rule, then I certainly hope we defeat the bill.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield.

Mr. ELSTON. While it is true that many well-meaning and patriotic Americans favor this legislation, it is also a fact, is it not, that every Communist organization and every Communist-front organization in the country is likewise for this bill, particularly in the form in which it passed the Senate.

Mr. THOMAS of New Jersey. If anybody has any doubt of that he should read the Daily Worker each day.

Mrs. DOUGLAS of California and Miss SUMNER of Illinois rose.

Mr. THOMAS of New Jersey. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Twenty years ago Mr. Soddy, Nobel Prize winner in chemistry in England, who had done a lot of work on this nuclear theory, said long ago that some day the secret would be solved but that when it came it would be very dangerous. It seems to me that at this very minute what we are up against is a mad rush to get control of this thing that is going to be worth fortunes for some people, and those who want to get control of it do not care a rap about the security of the United States.

Mr. THOMAS of New Jersey. I thank the gentlewoman from Illinois for her contribution.

The SPEAKER. The time of the gentleman from New Jersey has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Speaker, to listen to the discussion here you would think that no one on the Military Affairs Committee is in favor of the pending bill. As a matter of fact, the majority of the members of the Committee on Military Affairs are for this bill or a reasonable modification of it.

The talk so far has been on the assumption that atomic energy and the products of atomic power are purely matters of military and national-defense concern.

That is the assumption you are following. In my opinion, this bill might be properly called a bill to provide for our survival in the future world. If you proceed on the assumption that atomic energy can only be used for military purposes, for war purposes, you might also say that civilization itself is about ready to break, crack up, and die.

Mr. Speaker, I cannot make myself believe that we can solve this problem by looking at the development of atomic power merely as a military matter. There are other implications. If you will read the Saturday Evening Post, and I hope some of you read the article which appeared in that magazine recently, you will find where the bombings in Japan were reviewed by some young Army officers, men who are looking into the future; into the next 5, 10, or 20 years. What was their conclusion? Their conclusion was that there is no military defense against atomic bombs. The only defense is the political defense. In other words, it looks to me like we have to hope and pray that we may find some way to agree with the other nations of the world to outlaw this deadly weapon, otherwise we are relegated to the same old plan that we must have more bombs, swifter rockets, swifter planes, in order to win and survive

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Minnesota.

Mr AUGUST H. ANDRESEN. In view of what the gentleman has said—and I agree with him that we must find some way to outlaw the use of this atomic bomb—can there be any reason why the matter should not lie over until we can reach that agreement?

Mr. JOHNSON of California. In my opinion, it would be better to handle it on a broader basis, because if you have it controlled or dominated by the Army, you will generate a suspicion among the nations of the world that we are preparing for the atomic war and this will prevent the international understanding that is the basis for peace.

Mr. AUGUST H. ANDRESEN. Would the gentleman give it to Russia?

Mr. JOHNSON of California. I would not give it to anybody, and the bill does not provide for giving it to anybody.

Mr. AUGUST H. ANDRESEN. You give it to the scientists.

Mr. JOHNSON of California. You give it to a commission, none of whom may be scientists, and I have confidence to think that the President will appoint men on that commission who will keep the secret the same as the Army has kept it. In the bill we find provision that we cannot give away anything until we feel secure in giving it away. In other words, that we have security for ourselves.

Let me for a moment explain something about the secrets of the bomb based on the hearings I have listened to. There seems to be the idea here, and it was stated by some of my colleagues on the committee, that we are going to give away the secret of how the bomb is made. There is nothing in the bill that will permit anyone to give away the secret of the technique of making the bomb. As a matter of fact, in the hearings we had on a previous bill covering the same subject every single scientist who testified in those hearings, and there were among them some Nobel prize winners, stated emphatically that now that a bomb had been made and exploded it is only a matter of time until the scientists and the technicians of the world will develop the technique of making a similar bomb. The general principles of atomic energy have been known and are known by scientists who have studied this matter for pretty nearly 50 years. The only problem was how could they tie atomic energy together in a bundle and explode it at will? That is a technical, industrial problem and we are the only nation that knows the secret at this time, as far as I know.

There is nothing in this bill that proposes giving those secrets away. We ought to discuss this matter. We ought to approve this rule, we ought to try to find out what we can do to control atomic energy for our own welfare and for our own survival Certainly we should be tolerant and broad enough to consider this problem, the solution of which is suggested by this bill.

The SPEAKER The time of the gentleman from California has expired

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Mrs DOUGLAS].

Mrs. DOUGLAS of California. Mr. Speaker, I hardly know where to begin because so many misstatements have already been made on the floor about this bill. But let us talk about the secrets The possibility of the discovery of making the atomic bomb was first brought to the attention of Dr. Einstein, and then to the Army and the Navy by a man named Dr Szilard and a man named Dr. Fermi, both scientists in this country, one of Italian origin and the other of Hungarian origin. They went to the Army, and the Army was not interested That is no criticism of the Army. The Army itself had never done great research work. That will also come out in the debate. They contract their work to private people or to scientific institutions.

Now about the secret of the atomic bomb. The scientists found this secret; the scientists kept this secret. They imposed their own regulations on secrecy from 1940 until the summer of 1942 when the Army took over and General Groves headed what became known as the Manhattan district.

When the Manhattan district was built and the pilot plants and the big plants were erected, all the blue prints had already been made by these same scientists without Army control. These scientists knew exactly what could be done. No major discoveries were made in the Manhattan district after General Groves took over.

Some have said, "We will give away the secret now if we turn it over to a civilian commission." Of course not. Los Alamos, where the bombs were made, where military weapon research was carried on during the war and where it will undoubtedly continue under this bill, has at all times been headed by a civilian—Dr. Oppenheimer ,of California, during the war, and now, Dr. Bradbury, also a civilian.

You cannot lock up atomic energy secrets, unfortunately. If you could, I would certainly be one of those who would advocate locking up the secret of the bomb.

The secrets that we talk about are scientific knowledge. This knowledge is in the heads of scientists and can only be understood by the scientists.

Appointing a civilian commission raises no problems. We still have to have a system of management under which the scientists keep the secrets. That is adequately provided for in this bill.

It is indeed ungrateful at this stage to question the integrity of the men who had the foresight to conceive the bomb, to have the sense of personal loyalty to impose their own rules of secrecy when the Army and the Navy spurned them and the devotion to their country to work long hours, and days, and weeks, and months, and years just in the hope that the final product would actually work. It did work and it did end the war. Dare we have the effrontery to stand on this floor now and question the integrity of these men?

So you can go on correcting statement after statement, that has been made this afternoon.

Mr SABATH Mr Speaker, I yield the remainder of the time to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I have a very great respect for the will and the wishes of the majority, and if this House by a majority vote wants to amend this bill, why, all well and good, but to say that a subject as important as this, not only national but international in character and consequences, will not even be considered and debated by this House at this critical time in the world's history, to me would be absolutely indefensible. I know there is a well-laid plan to defeat the rule and kill the bill, but I refuse to believe it will succeed. More than a year ago Secretary of War Stimson requested the President of the United States to set up an Atomic Energy Commission in order to study this powerful weapon, because he already knew what the effect on Hiroshima would be. On that committee he was named chairman, and with him were: James F. Byrnes, then a private citizen; Will Clayton, Assistant Secretary of State; Ralph Bard, Under Secretary of Navy; George Harrison, Special Assistant to Secretary of War; Dr. Vannevar Bush, Chairman of the Office of Scientific Research and Development; Dr. Karl Compton, president, Massachusetts Institute of Technology; Dr. James Conant, president, Harvard University.

The special committee was assisted by a scientific panel drawn from the most eminent scientists working on the atomic energy project: Dr. J. R. Oppenheimer, Dr. E. O. Lawrence, Dr. Arthur H. Compton, Dr. Enrico Fermi.

They unanimously agreed that it was highly important and very necessary that

this type of legislation be enacted at the earliest possible time. Pursuant to the report a special committee was set up in the Senate of the United States, and in view of the statements of my good friend, the gentleman from Ohio [Mr. ELSTON], and my good friend, the gentleman from New Jersey [Mr. THOMAS], that all the Communists are supporting this bill, and leaving the inference that they are the only ones. I would like to read for the RECORD the names of the Senate special committee:

The chairman was the Senator from Connecticut [Mr. MCMAHON]. The other Members were the Senator from Georgia [Mr. RUSSELL], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. JOHNSON], the Senator from Maryland [Mr. TYDINGS], the Senator from Texas [Mr. CONNALLY], the Senator from Vermont [Mr. AUSTIN], the Senator from Colorado [Mr. MILLIKIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Connecticut [Mr. HART], and the Senator from Michigan [Mr. VANDENBERG]. They worked 5 months on this bill, had hearings that required four large volumes to print, listened to the greatest scientists, military leaders, and businessmen in our country, and then unanimously reported this bill providing for a civilian commission with military liaison. That is only half the story, for later the Senate passed the bill unanimously.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. No.

Mr. ELSTON. The gentleman mentioned my name.

Mr. THOMASON I decline to yield, Mr. Speaker.

These distinguished and patriotic Senators unanimously reported this bill. I beg of you not to prejudge it. I beg of you not, because somebody says there are some engaged in un-American activities or there are some Communists for this bill, to say to a group of men like those on the Senate committee and that group of men named by Secretary Stimson and the President of the United States, that they have not used good judgment and prompted by what they think is for the best interests of this country.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. No, I decline to yield. There will be 4 hours of general debate. The gentleman can say all he wants to. Do not kill this rule and you will have lots of time to talk.

But to say that in these terrible days, with a weapon like this, the like of which has never been known in the scientific history of mankind——

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. No, I do not yield. You have 4 hours to talk about it. I have declined two times to yield.

To say in this critical time, with men like those I have mentioned giving hearty and unanimous support to this bill, and with its passing the Senate by a unanimous vote, that we will not even consider it under the rule, that would be preposterous and outrageous. I do not see how anybody could defend his record on such a vote. Go ahead and amend the bill if you want to but before you do it take a look at page 7, line 5, of the bill regarding the Military Liaison Committee, which Secretary Patterson testified before the Committee on Military Affairs was entirely satisfactory to him and General Eisenhower. They are both strong for the Senate bill so there are some good people for this bill besides Communists. The high command of both the Army and Navy has endorsed this bill, so it cannot be all bad. Then say to me or say to this House that by some kind of hokus-pokus and getting us off on a sidetrack or drawing a red herring across the trail you will not even consider it is out of the question. I refuse to believe you will do it, and I feel confident that the rule will be adopted by a large majority.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. HARNESS of Indiana) there were—ayes 162, noes 35.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

JOINT COMMITTEE TO INVESTIGATE THE PEARL HARBOR ATTACK

Mr MURPHY. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 72.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the time for filing the report of the Joint Committee To Investigate the Pearl Harbor Attack be, and it is hereby, further extended to July 22, 1946, inclusive, and that the said committee be, and it is hereby, authorized to continue up to and including July 31, 1946, inclusive, the employment of necessary clerical assistants to complete the performance of its duties and to pay incidental expenses incurred in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a unanimous report of the committee?

Mr. MURPHY. It is a unanimous report. The only purpose of having an extension of time is so that the report can be printed and made available to the press for study so that the Nation will have the proper coverage. It was unanimously agreed to. The gentleman from Wisconsin [Mr. KEEFE], who is one of the Members on the minority side, is here in the Chamber. I have consulted with him. It was agreed to by the full committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RICH. We had an extension of this last week for 8 days, appropriating about $25,000. Are you going to ask for any additional appropriation?

Mr. MURPHY. No. There is enough money but it is just a question of giving the people the facts.

Mr. RICH. You can give the people considerable facts without a lot of expenditure.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY APPROPRIATIONS, 1947—CONFERENCE REPORT

Mr. HARE. Mr Speaker, I call up the conference report on the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes.

The Clerk read the title of the bill.

Mr. MAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAY. Mr. Speaker, I merely want to inquire as to the length of time that might be consumed on the conference report in view of this particular situation: every Member who discussed the rule on the atomic bomb control bill stated that it was one of the most important pieces of legislation that has ever been presented to the Congress. It is vitally important. I feel that if we are compelled to wait here for another hour and then start general debate on that at 4 o'clock in the afternoon it would be unfair to the House unless they want to stay here late in the evening to do so. I believe it ought to be understood that that would be passed over until tomorrow morning.

The SPEAKER. That would be a matter for the House to determine. Of course, the consideration of bills making appropriations to run the departments of government is very important.

Mr. MAY. I realize that, Mr. Speaker.

The SPEAKER. The Chair must recognize the gentleman from South Carolina [Mr. HARE] to call up the conference report. It is a matter for the House to determine whether it wants to sit after the conference report has been disposed of.

The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 39 to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, having met

after full and free conference, have been unable to agree on Senate amendment numbered 39.

BUTLER F. HARE,
JOHN J. ROONEY,
M. M. NEELY,
FRANK B. KEEFE,
H. CARL ANDERSEN,
Managers on the Part of the House.

PAT MCCARRAN,
KENNETH MCKELLAR,
RICHARD B. RUSSELL,
JAS. M. MEAD,
ABE MURDOCK,
JOSEPH H. BALL,
WALLACE H WHITE, Jr.,
STYLES BRIDGES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on amendment numbered 39 of the Senate to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report as to such amendment, namely:

Amendment numbered 39: The conferees have been unable to reach any agreement whatever respecting the differences of the two Houses on this amendment and hence the amendment is reported in disagreement.

BUTLER B. HARE,
JOHN J ROONEY,
M M. NEELY,
FRANK B. KEEFE,
H. CARL ANDERSEN,
Managers on the Part of the House.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 46, line 23, strike out all after "1501-11)" over to and including "Code" in line 4, page 47.

Mr. HARE. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate numbered 39.

Mr. KEEFE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. KEEFE moves that the House recede and concur in the Senate amendment numbered 39.

Mr. HARE. Mr. Speaker, I yield 30 minutes to the gentleman from Wisconsin [Mr. KEEFE] to be disposed of as he sees fit.

Mr. KEEFE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is a very important matter. The entire appropriation bill for the Federal Security Agency and the Labor Department is being held up.

What we do this afternoon will determine whether or not the Congress of the United States is going to permit one of its great supply bills to get into such a state of impasse that we cannot complete the legislation.

The situation is simply this: There was written into this bill on the floor of the House what is known as the Elliott amendment. That amendment simply means that none of the funds provided for the National Labor Relations Board can be expended in the determination of collective bargaining representation by the National Labor Relations Board in the California cannery industry. In other words, it substitutes for the language defining agriculture that is found in the National Labor Relations Act, the language taken from another act, namely, the Social Security Act.

I do not care to discuss the merits of that proposal. You can continue to vote, if you want to, to keep the Elliott amendment in this bill. The thing I want my colleagues to know is that we have done everything humanly possible in the conference to carry out the expressed will of this House and to keep the Elliott amendment in the bill. We are unable to reach an agreement with the Senate. By an overwhelming vote the Senate has voted to strike that amendment from the bill. The House has told the conferees to keep that amendment in the bill. There we sit. It must either stay in the bill or come out of the bill, if there is to be any agreement. See what we are doing as a result. We are blocking the entire legislation and we are jeopardizing a most important provision in that bill. That is the agreement that has been reached to return the employment services back to the States, a matter in which I am most vitally interested as a Member of this Congress.

Now, what is the situation? I do not care whether you believe the Elliott amendment is good or bad. That is not the issue that confronts us this afternoon. Those arguments have been had on the floor. The House has voted they want to keep the amendment in the bill. The Senate has said with equal vigor that the amendment must go out This morning in the conference we as the House conferees were told in no unmistakable language that this bill will be tied up for the rest of the year, and they never will consent to recede.

Now, what is our responsibility? That compels me as a conferee to examine my responsibility and the responsibility of the House. Matters of legislation can only result from the joint action of the two Houses. We cannot always have our way as we might want to have it, and unless we can agree, legislation fails; and on an important matter of this character you are taking away from the employees of these two great Departments their pay rolls.

I have examined the record of this matter. When this original amendment was offered by the distinguished gentleman from California [Mr. LEA] to a previous bill the record discloses that no point of order was raised against that amendment. No point of order was suggested against the amendment when it was offered by the gentleman from California [Mr. ELLIOTT] this year. I am firmly convinced from a study of the rules and the decisions that had a point of order been raised against the amendment, it would have been eliminated in the House on the point of order.

The distinguished Senator from Utah [Mr. MURDOCK], a former Member of this House, in the conference committee this morning made an argument which in my opinion is infallible and unanswerable. He pointed out with very great clarity and logic the fact that this amendment is legislation on an appropriation bill. I call your attention if I may at this time to the rulings on that subject which are found on page 392 of the House Rules and Manual:

In construing a proposed limitation, if the Chair finds the purpose to be legislative and that the intent is to restrict executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail he should sustain the point of order. (Chairman Luce, January 8, 1925, 68th Cong, 2d sess)

The same ruling was made by Chairman Crisp on March 11, 1916, in the Sixty-fourth Congress.

In the argument in the conference this morning it was distinctly pointed out that the action of the House in inserting this amendment into the bill on the floor of the House constitutes legislation on an appropriation bill in violation of those two rulings that appear in the House rules. This is true because the amendment restricts executive discretion to a degree that may be fairly termed a change in policy. Is it a change in policy? Why, of course it is a change in policy. Under the terms of this amendment, if it is retained in the bill, it compels the National Labor Relations Board to completely change the policy that is set out in the established law of the land, the National Labor Relations Act.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Speaker, I yield myself two additional minutes.

Mr. Speaker, I am calling it to your attention in all seriousness and in all candor for the reason that the House conferees acting under the instructions of the House have tried as vigorously, as honestly, and as fearlessly and courageously as they know how to insist upon the position of the House. We have failed to reach an agreement. The Senate is just as adamant the other way. Now, what is our duty as legislators? It is very clear. Under the established practice of this House as found in these rules, the House that puts legislation into an appropriation bill is the one that must recede under those circumstances. That has been the universal practice.

Mr. Speaker, we have tried to carry out your wishes. We cannot do it. Yet it should be apparent to any reasonable person that this general supply bill must not be permitted to fail. It cannot be held up because of the views of any individual as to whether we should in this manner amend the National Labor Relations Act. Let us do what we did in the conference involving the silver question. What happened there? When we got to an absolute impasse, what happened? Why, they decided that was a proper matter for the legislative committees of the House and Senate to pass on; it was a legislative proposal, so the Senate passed that silver bill. It came in here for a conference and it is now in conference between the Senate and House Banking and Currency Committees. If we want to amend the National Labor Relation Act, let us amend it in the proper way.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. KEEFE. Mr. Speaker, I yield myself two additional minutes. It should be unnecessary to labor the argument any further. I am going to perform the responsibility and the duty which I as a legislator ought to perform. I say to you that we, having put this in the bill, under the rules and in the face of the impasse that has developed have the duty to yield.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. The gentleman spoke about stopping the pay roll. It will also stop all of the functions of these agencies, will it not?

Mr. KEEFE. Exactly. It stops all the functions of the agencies and stops all the pay rolls.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Was not the date fixed by one of the conferees doomsday rather than September or October?

Mr. KEEFE I think he used the term "doomsday."

Mr. Speaker, there is the situation. You can argue about the Elliott amendment if you want to, you can argue the rest of the week about it and it is not going to do any good. Either we are going to recede in this House on that amendment or we must be prepared to stay here until the other body recedes. I can see no chance of their doing that.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan Does the gentleman remember when we sent the Hobbs bill over there they were not going to do anything about it and after staying around for about 2 years they finally took it?

Mr. KEEFE. That is not a similar situation. That has no relation to the issue that is before us. That was a pure legislative proposal. This is an appropriation bill.

Mr. HOFFMAN of Michigan. It is an answer to the gentleman's argument that we will get nothing.

Mr. KEEFE. I put the proposition up to you. If the House wants to take the gentleman's version of it, the House may do so. I am being guided by what the House does.

Mr. HOFFMAN of Michigan. I thank the gentleman for the information he has given the House.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has again expired.

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Speaker, fortunately there is a rather simple way in which this matter can be resolved without all the difficulty which seems to confront the gentleman from Wisconsin. This is the fourth time that this matter has been before this House within a reasonably short time. Three preceding times the House, by overwhelming votes—which were given the other day in figures by the gentleman from Minnesota [Mr. H. CARL ANDERSEN]—by votes of approximately 2 to 1, supported the amendment.

The gentleman from Wisconsin says that he is not interested in the merits of the amendment. I am very much interested in the merits of the amendment, because it has been discovered, practically, that the adoption of this amendment has been the only way by which the National Labor Relations Board can be prevented from acting as the organization agent of the CIO. I have confidence that the House today will vote "no" upon the amendment offered by the gentleman from Wisconsin [Mr. KEEFE] and will vote "aye" to support the gentleman from South Carolina [Mr. HARE]. I am confident that the members of the conference committee will then go back to the conference with a courage supported by this four-time vote and four-time statement of the intention of this House and will say, "Gentlemen, there is a way that we can work this out"

I have read carefully the record of the Senate debate. It was apparent that our friends in the other body were not entirely sure what they were talking about when they discussed this amendment. Through that discussion ran the thread that they were afraid that the use of the expression, "a unit consisting of one or more agricultural workers," would, by that wording, make it possible to exclude any organization which had one agricultural worker in it, or even to exclude an industrial unit, which had one "agricultural worker" in it.

Certainly that is not the intent of this House, and that is not, in practice, the way the amendment previously adopted has been interpreted. So if our conferees—and I hope the gentleman from Wisconsin [Mr. KEEFE] will remain a conferee, because I think he has splendidly represented the intent of the House and will continue to do so—will only go back and say, "What we are talking about are units consisting 'largely' or 'of a majority' of agricultural workers," that is the way it has been interpreted, that is the way it should be interpreted, and perhaps our friends on the other side of the Capitol will find a way to agree.

I ask for a "no" vote upon the motion offered by the gentleman from Wisconsin [Mr. KEEFE] and an "aye" vote on the motion offered by the chairman of the committee, the gentleman from South Carolina [Mr. HARE].

Mr. KEEFE. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I share the opinion that has been advanced by the gentleman from Wisconsin, and I trust that the preferential motion which he has submitted will be adopted.

In the first place, let me say that I believe his parliamentary position is absolutely sound; and quite aside from the parliamentary position, when this matter is considered on its merits his position is also sound. The House should recede and concur in the position taken by the Senate. I hope, therefore, that when the vote recurs on the Keefe preferential motion, it will be approved by a very substantial vote.

Let me tell you why I believe that from the standpoint of merit and quite in contradistinction to the case made by the gentleman from California [Mr. PHILLIPS] the House ought to recede and concur. Let us see if we can simplify this because there has been a very considerable confusion about it.

We start with the National Labor Relations Act, namely, the Wagner Act, which in its definition of an employee has taken agricultural labor out from under the applicable provisions of that act. That has been the law for nearly 11 years, so that the Wagner Act does not apply to agricultural workers.

Now here is the question that arises, and particularly with respect to the folks in California. Is a worker in a packing shed an agricultural laborer? Is a processing laborer classified as agricultural labor? The National Labor Relations Board said "Yes." The reason they said "Yes" was that it was sufficiently removed from the incidence of the farm so that it took on an industrial cast. The fact of the matter is that the United States Circuit Court of Appeals for the Ninth Circuit in 1940 supported that position taken by the National Labor Relations Board. They tried on a writ of certiorari to take it up to the Supreme Court and the Court refused to honor the writ. That was an affirmation of the decision of the United States Circuit Court of Appeals in 1940. So you have about 100,000 people here who would normally be divested of all the protection of the Wagner Act if it were not for that. What happens? The gentleman from California [Mr. ELLIOTT] comes along with his amendment and says that the National Labor Relations Board shall not exercise any of its powers for investigation and otherwise with respect to people who are agricultural workers as defined in the Social Security Act. Who does the Social Security Act define as an agricultural worker? Those who process, those who handle, those who transport, those who do all these things that are reasonably incident to a farming operation. But the Court said in 1940 that when a commodity gets into a packing shed it takes on an industrial character. If that rider stays in the bill, I share the view of Mr. MURDOCK, of Mr. PEPPER, of Mr. MORSE, and Mr. FERGUSON, and other Members of the Senate, and I have listened to the debates in the Senate and also read the RECORD. You simply deprive 100,000 people whose employment is essentially industrial rather than agricultural of the only remedy and the only protection they would have in that employment which is what they derive from the National Labor Relations Act. I recognize the situation is not a happy one in California. I sympathize with the views expressed by the gentlemen from California [Mr. PHILLIPS, Mr. ELLIOTT, and Mr. LEA] and others, but this is not the way to do it because you

are subject to the criticism that you are disregarding a decision of the United States circuit court of appeals which has by indirection been affirmed by the Supreme Court of the United States, and I do not want to put myself in the unhappy position by means of legislation of contravening the solemn decision of a court. That is to say by attaching a legislative rider to an appropriation bill.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. HARNESS of Indiana. As I understand the gentleman's explanation of this matter, he believes that all employees in processing and packing plants, no matter how or where recruited, or how engaged, should fall under this court interpretation of the Wagner Act. But there are, in my district and State, as there doubtless are in the gentleman's State of Illinois, hundreds of smaller processing and packing plants which are in full operation only a few weeks each year during the harvest season.

These plants are totally nonindustrial in all but the most technical sense of this court interpretation. They are almost as truly a direct incidence of agricultural production as the actual harvest in the field, or the transportation of produce from the field to the plant. The same people, in fact, who produce and transport the fruits and vegetables man these plants. They recruit their workers from the local townspeople. They employ the wives and daughters of the farmers who raised the products.

Many of these plants which work on custom production are totally out of production all but a few weeks right in the packing season. The rest may employ skeleton crews for storage, shipping, and general maintenance work. But the important point is that at least 75 percent of all the employment is purely seasonal, purely temporary. And nearly 100 percent of these people are totally nonindustrial in spirit or in fact.

In the technical sense of this court interpretation these people may be called industrial workers merely because they work with processing machinery. But if they are, it is only in an incidental and purely temporary way. They are essentially farm folk and small-town people who look upon this work as a direct incidence of agricultural production in their community. Must they be brought under the broad provisions of the National Labor Relations Act and forced to join a union to work a few weeks a year just because of this court decision?

Mr. DIRKSEN. It is wholly a question of the character of the work they are doing. I share the viewpoint of the court. When you put them inside a building and they work at processing and canning and packing in a plant where they use all kinds of machinery, I leave it to you whether there is any difference between those people and people who are processing hogs and beef carcasses in a slaughtering plant in Chicago.

Mr. HARNESS of Indiana. I believe there is all the difference in the world. The Chicago meat-packing plant operates the year around. These plants operate only through short seasons. The Chicago plant lies in a concentrated industrial area, and recruits its workmen from a predominantly industrial population for year-around employment. These plants about which I speak are located in typical small-town and rural areas. They recruit their help from a predominantly agricultural population, and for purely seasonal employment. The fact is that such plants could not possibly draw their labor requirements from industrial centers or from any great distance from their home communities. That fact was demonstrated year after year through the war, when these enterprises begged in vain for sufficient help to supplement the seriously depleted farm population through the harvesting and processing season.

There is, indeed, an important distinction here, and I believe we ought to supplement the court decision in question to recognize that important distinction. We enacted the law in the first place. Can we not now change the law?

Mr. DIRKSEN. Certainly we can change the law.

Mr. HARNESS of Indiana. If we do not think this decision takes into proper account the important factors I have mentioned here, I think it is clearly our duty to change the law as it has been interpreted. This body quite plainly thinks as I do about this matter, as it has indicated by an overwhelming vote on three occasions.

The majority apparently agree with my opinion that activities of this nature should not be forced to submit to unionization clearly against the desires of the people employed, or that these people should be subjected to the harassments by union organizations all too common in activities like this where the overwhelming majority of the people have no desire to join labor organizations for the privilege of working only a few weeks each year at a purely incidental occupation.

Mr. DIRKSEN. We can change the law. Please do not misundertand me. The legislative body is the supreme lawmaking power in the governmental structure. It can modify the law if it so pleases. The point I am trying to make is from the standpoint of the merits of the argument. I have read every word of this debate, and am confident that the Senate is on good ground. They maintained that position before when we inserted the very same rider in the National War Labor Act and the House backed up. We have backed up before so it is not a question of some strange and false dignity involved here. I am trying to make an argument based on the merits.

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Speaker, both of these gentlemen, the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from Illinois [Mr. DIRKSEN], have been against this amendment from the very first. Naturally, they always find means of using terms and expressions to be against the amendment. Two years ago the House adopted this amendment when the gentleman from California [Mr. LEA] introduced it. Again the House adopted the amendment on the Case bill and at that time both of the gentlemen voted for the Case bill. If they voted for the Case bill, they voted for my amendment in the Case bill. Just recently both of those gentlemen voted against the amendment.

So their story which they put out to you today is not a helpful one, because they are just backing up their own judgment. They were against this amendment in the first place.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. Yes, I yield, briefly.

Mr. H. CARL ANDERSEN. We want the House to know, however, that the gentleman from Wisconsin [Mr. KEEFE] has fulfilled his obligation as far as the House is concerned.

Mr. ELLIOTT. That is correct. I am grateful to the gentleman from Wisconsin for the fine position he has taken with the conferees. But I do not like to see the gentleman talk about going home and quitting a job, because he is a pretty big man and we need him around here to help fight some battles.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. KEEFE. Will the gentleman not address himself to the problem that confronts the House today and not talk about the merits or demerits of the amendment?

Mr. ELLIOTT. I will use my own language in my own way. I want to thank the gentleman for advising me as to what I should do and what I should not do.

Now, Mr. Speaker, we have had this question before us and we all know that the National Labor Relations Board has been helpful in creating unions which have proved detrimental to the harvesting of agricultural crops. That is why this amendment was offered. It was to correct an evil that has not been corrected. Time and again I have spoken to the National Labor Relations Board, I have even gone so far as to call them to my office in consultation with others from California, trying to correct this evil but with no success. I am thoroughly familiar with the past record of the NLRB.

Now, there are some Members present today who were not here the other day. For their information, right in the midst of a harvest, when fruits and vegetables, which are perishable and cannot be tampered with many days, are being harvested, down comes the NLRB to help form a union in the packing house. If there are not sufficient people there to carry the vote the union brings in outside workers. After they are there 6 days they are eligible to vote to set up a union, whereas they have not lived in that county or in the State at any other time during their lives. The National Labor Relations Board permits this action.

You as taxpayers pay the bill, and the farmers suffer the loss when they cannot get their crops harvested. If the union wins the election they will not permit the packing house to call another

election for 12 months, but if they lose they will permit an election to be called within 10 days or 2 years. Is that justice? Did we write a law like that?

Mr. SAVAGE. Mr. Speaker, will the gentleman yield.

Mr. ELLIOTT. No.

Mr. SAVAGE. Well, you made a mistake.

Mr. ELLIOTT. If I made a mistake, I will correct it myself. I do not need you to tell me anything about it. I do want to correct the remarks of the gentleman from Wisconsin [Mr. KEEFE], when he said this affected the packing house. The term "agricultural labor" includes all service performed. "The provisions of this paragraph shall not be deemed to be applicable with respect to services performed in connection with commercial canning, commercial freezing, or in connection with any agricultural or horticultural commodity after it is delivered to a terminal market for distribution for consumption."

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. HARE. Mr. Speaker, I yield the gentleman one additional minute.

Mr. ELLIOTT. In closing, I will say that this House the other day voted on this issue 206 to 104. In the Senate the vote was 53 to 23. Are we in the House going to back up every time the Senate tells us that they do not want to agree with us? If we do that we had better abolish this great body and all go home and let the Senate run the country.

I hope the gentleman's motion is voted down

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

Mr. HARE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I thoroughly agree with the position taken by the distinguished gentleman from Wisconsin [Mr. KEEFE], and I shall support the pending motion to recede and concur with the Senate for the parliamentary reasons he so ably advanced. There is no point at this time in going into the merits of this legislation, and legislation it is, not a limitation of an appropriation. To be frank with you, I have opposed this so-called Elliott rider at every stage of the proceedings and on the merits.

Taking the very remarks of my distinguished friend the gentleman from California [Mr. ELLIOTT] made within the last few minutes, therein there lies absolute proof that this rider is legislation on an appropriation bill and nothing else. I will again quote to you the precedent given a while ago by the distinguished gentleman from Wisconsin that in construing a proposed limitation—and this is legislation, not a limitation—if the Chair finds the purpose to be legislative, in that the intent is to restrict executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail, he should sustain the point of order. We contend, therefore, that had a point of order been made against this legislative rider on an appropriation bill not only in the bill for fiscal '47 but when it was offered a year before in the bill for fiscal '46, it should have been sustained by the Chairman of the Committee of the Whole.

The principle is generally accepted that the House proposing legislation on a general appropriation bill should recede if the other House persists in its objection to a rider such as this. That is the precedent covering the present situation. Your conferees have met an impasse. For this House to again say to the same conferees that they should go back to conference with the Senate conferees creates an impossible situation. There can be no half-road here; there is no way in which we can sit down and give and take; we cannot compromise; we can merely say again: "The House wants the rider included in the bill." Then the Senate conferees will insist on its deletion as evidenced by the vote in the Senate 53 to 23 that they want it eliminated.

This is a serious matter. Not only does it deny collective bargaining to those entitled to the provisions of the Wagner Act, but it affects the pay checks of 60,000 employees of the Labor Department and Federal Security Agency. These pay checks should now be in the course of preparation. Are you again going to insist that your conferees go back and sit down as we did this morning with the Senate conferees, go back again tomorrow, and the next day, and the next, and arrive at no solution satisfactory to either side? Meanwhile, the plight of 60,000 employees of these departments of the Government will not be any better insofar as the matter of their getting paid on time is concerned. They may be forced to pay premiums to borrow money to live

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to my distinguished friend.

Mr. BRADLEY of Pennsylvania. Does the gentleman fear should the present situation continue, and we not recede and concur that all the activities as well as the salaries of these employees in the Department of Labor and the Federal Security Agency will be in jeopardy for the rest of the year?

Mr. ROONEY. There is no question about it. I quote from a memorandum I made during the so-called conference this morning. One of the Senate conferees said: "No pay roll—as far as I am concerned I will stay here until doomsday."

That is the situation

Mr. Speaker, I propose that we take the suggestion of the gentleman from Wisconsin and a majority of the other members of this conference committee, be reasonable and not insist on the practice of adding legislative riders to appropriation bills, thereby holding up such important annual supply bills as this one for the Labor Department and the Federal Security Agency.

I ask that the preferential motion be adopted.

The SPEAKER. The time of the gentleman from New York has expired.

Mr KEEFE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, there are no more persuasive Members of the House than the gentleman from Wisconsin [Mr. KEEFE], who offered the amendment to the motion made by the gentleman from South Carolina [Mr. HARE] that the House refuse to concur in the Senate amendment and the gentleman from Illinois [Mr. DIRKSEN] who supported that amendment. To both I am under deep obligation for help given in political campaigns, and it is with regret that I find myself compelled to differ from them on this occasion.

The gentleman from Wisconsin [Mr. KEEFE] quite frankly said that he was not arguing the merits of the provisions inserted in this bill by the House. Today, as heretofore, his argument on its face is directed at the procedure of writing what he terms legislation upon an appropriation bill. It is the same argument which he made a few days ago when the House by an overwhelming majority refused to follow him.

In considering his statement we should not lose sight of the fact that on many occasions the other body has, by rider, added provisions to bills sent over by the House which were not relevant to the bill then being considered. As a matter of fact, the other body has so long followed that practice that it has become an established custom. Quite often a rider is the only effective way of getting action on a bill which a minority has blocked.

Nor is the present position of the gentleman from Wisconsin [Mr. KEEFE] consistent with the argument which he has on several occasions made on this floor. While he asserts that this amendment is legislation on an appropriation bill, many of us contend it is nothing more than a limitation upon an appropriation which is clearly relevant and proper. Moreover, if memory serves correctly, the gentleman, when speaking upon the report of the Kerr committee, which was adopted by the House, and on other occasions, has supported amendments to, and provisions of, bills which, in the judgment of many of us, came closer to a violation of the rule prohibiting legislation upon an appropriation bill than does the provision against which he speaks.

Nor should we forget that while the gentleman says he is not discussing the merits of the amendments inserted by the House and which we are now asked by the gentleman from South Carolina [Mr. HARE] to insist upon, he has always—again, if memory serves correctly, when that amendment was before us as the Lee amendment and as the Elliott amendment, and on other occasions—opposed it because he did not believe the principles involved to be sound legislation.

The gentleman from Illinois [Mr. DIRKSEN] frankly states that he is opposing the motion to refuse to concur in the

Senate amendment because he does not like the Elliott amendment. For that opinion no one, least of all the Member from Michigan's Fourth Congressional District, is disposed to criticise him, for freedom of thought and action are just as important as freedom of speech. And the gentleman's arguments are always given great consideration by me. But the argument of the gentleman from Illinois [Mr. DIRKSEN] that we should concur in the Senate amendment because a circuit court of appeals, the decision of which was refused review by the United States Supreme Court, has held with the Department of Labor in its construction of the definition of an agricultural worker does not have real merit when we look at the record.

There was a time in the history of our country when the Congress was disposed to accept the construction placed upon legislation by the Federal courts. But that custom, since the New Deal came into power and exercised its opportunity to appoint so many members not only of the Supreme Court but of other Federal courts, can no longer be safely followed. Decisions of the Federal court and the Supreme Court are today and will in the future, so long as those courts consider their function to be one of legislation, as well as of judicial interpretation, be respected by the Congress only when they follow constitutional principles as established by prior decisions of the United States Supreme Court which have remained unchanged for many years.

That the Congress will not follow, will not accept the Supreme Court's interpretation of a statute was demonstrated when as I recall on the 22d day of January 1942, it handed down the decision which, in spite of a statute enacted by Congress permitted and legalized extortion and I quote, "robbery" when perpetrated by Members of labor unions in accordance with long established "union practices."

We all recall that shortly thereafter a drive was put on to repudiate that decision and the House, twice by more than a two-thirds vote, both the gentleman from Wisconsin and the gentleman from Illinois, voting in the affirmative, told the Supreme Court in effect that its construction of the antiracketeering law was erroneous.

That bill, known as the Hobbs bill, went over to the other body and while for four long years the other body sat back and in its wisdom or stubbornness, whichever you prefer, refused to act, public opinion finally not only led it up to the trough but forced it to drink, which it did just a few short weeks ago by accepting the Hobbs bill without a dissenting vote. All of which proves that that distinguished body is not an immovable object.

So there is nothing to the argument of the gentleman from Illinois [Mr. DIRKSEN] that because the Supreme Court by inference has defined an agricultural worker, as desired by the NLRB the Congress should accept that definition. Nor is there anything to the argument of the gentleman from Wisconsin [Mr. KERSTEN] that the procedure is wrong; that the other body will hold up the passage of this bill until the House recedes and concurs.

If once again the other body listening to labor politicians wants to pigeonhole it, it can here find the opportunity and the responsibility is not that of the House.

The people are demanding and ultimately the people will get amendments to the Wagner law which will give American citizens, American employers, "Equal justice under law"; which will take from labor politicians controlling votes, labor politicians who pick a candidate for a Vice President who later became President, the power to stifle remedial legislation.

The issue in this case is simple and it is clear. Shall this House, by supporting the Keefe amendment, issue a new license, or, more accurately, renew the license now exercised by Murray, by the CIO-PAC, and by a few others, to levy tribute not only upon American workers who in factory, mill, and mine faithfully served the Nation in wartime, but upon returning veterans who fought that these same labor politicians might live in a country supposedly free?

The issue here is whether the National Labor Relations Board, which, according to the testimony of the leaders of the three great unions, has been unfair and which has maladministered the law, shall be given further opportunity to aid certain unions, in their effort to extend their tribute-exacting empire or whether farmers and farm workers shall remain free.

In my humble judgment, the amendment of the gentleman from Wisconsin should be rejected. The motion of the gentleman from South Carolina should be adopted and thus notice served upon the other body that it can stay here as long as it wishes, but that the House intends to follow public demands, and if it must do it by rider on appropriations bills, amend the Wagner law by striking out at least one of its most objectionable provisions.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. HARE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Mr. Speaker, I just want to point out that trouble may develop in the fruit-packing industry whether the Elliott rider carries or not; but if it carries there will be no way of settling those disputes; as it is now the NLRB can hold an election. The workers can vote. If they do not want to belong to a union the majority will vote "No," and they do not have to belong to a union. That is democracy. If they vote for a union, then they may have it, the employer is not allowed to interfere.

The gentleman from California [Mr. ELLIOTT] said that the NLRB hires men so that they can get a majority. That is not true, because the employer hires the men.

Mr. ELLIOTT. Yes, it is true.

Mr. SAVAGE. The employer hires the men and the NLRB has nothing to do with the hiring of the men who go on the job. He also said if they have been on the job 6 days they can vote. That is not true either, because the NLRB decides each case on the circumstances as to when the trouble started, they set a date sometimes as much as 6 weeks or more ahead of the time of the election as the date when the worker must have been on the job in order to be eligible to vote.

Enemies of working people have been struggling for years to deprive agricultural labor of the protection of the Wagner Act, of the benefits of the minimum wage law, the Social Security Act, and the Unemployment Compensation Act. Conditions in that great industry are just so intolerable in comparison with conditions in other industries that we are compelled to ship in foreign labor, Mexican labor, to do the job, even when we have workers in our own country who need jobs.

Now you are trying to deprive more workers of these benefits. You are attempting to spread those intolerable working conditions into more industries to deprive more workers of the opportunity of earning a decent American standard of living.

So I think not only because of procedure but also on the merits of this issue we should support the motion of the gentleman from Wisconsin.

Mr. KEEFE. Mr. Speaker, I yield the balance of my time to the gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Speaker, it should be understood that while we continue to quibble about the comparatively unimportant Elliott legislative rider with which the pending appropriation bill has been improperly encumbered, we are, among many other unfortunate consequences, endangering the prompt and proper distribution of social security aid and relief in every State in the Union.

Notwithstanding the fact that three of the five House Members of the conference committee are unalterably opposed to the Elliott amendment, they diligently cooperated with the two Members who favor it in a vigorous effort to prevail upon the Senate conferees to grant the approval of the amendment which the House had, in effect, instructed its conferees to obtain. But the naked, unblushing truth of the matter is that the task which the House has assigned its conferees cannot possibly be performed. My long and intimate association with such of the Senate's distinguished members of the conference committee as Senator MCCARRAN, of Nevada, Senator MCKELLAR, of Tennessee, and Senator MURDOCK, of Utah, convinces me that they will never stultify themselves by agreeing to the Elliott amendment, which was made in notorious violation of the rules of the House and with utter disregard of the flagrant impropriety of attempting to make or modify the law of the land by means of riders on appropriation bills. Statesmen such as these will, in my opinion, refuse until doomsday to degrade the right and exalt the wrong by yielding to the illogical and indefensible importunities of the House for approval of the Elliott rider.

In brief, the House will eventually be forced to abandon its manifestly untenable contention and agree to the elimination of the Elliott amendment in order to make it possible for the bill to become a law.

In the circumstances, it is my sincere hope that the preferential motion of the able gentleman from Wisconsin [Mr. KEEFE], upon which we are about to vote, will be unqualifiedly approved by the House.

Mr. HARE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I think that many of us are laboring under a misapprehension about this particular provision in the bill. I am either mistaken or else some of the other Members are. As I understand, when the National Labor Relations Board was created by an act of Congress, the law provided that agricultural labor would not be under its jurisdiction. That is, agricultural labor should not be under the jurisdiction of the National Labor Relations Board. The trouble now is in determining what is agricultural labor.

Under the act creating the Board, the Congress undertook to define agricultural labor, but apparently the Board has undertaken to put its own definition on what constitutes agricultural labor, and here is where the trouble arises.

I want to read for the benefit of the House what the Congress said in the passage of the act creating the National Labor Relations Board, because I think a proper understanding of this definition will enable us to decide what the merits are in this controversy. I quote:

Agriculture includes farming in all its branches and, among other things, includes the cultivation and tillage of the soil, the production, cultivation, marketing—

Let us get that word. Marketing is put on the same basis as cultivation—

and harvesting of any agricultural or horticultural commodity, including commodities defined as agricultural commodities in section 1141 (J) (g) of title 12 as amended, the raising of livestock, bees, fur-bearing animals, or poultry (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations—

Here is the crux of it—

including preparation for market, delivery to storage or to market or to carriers for transportation to market.

In the fruit- and vegetable-growing sections of the country they have packing sheds where farmers carry their produce from the fields to be prepared for market. Some of these sheds are patronized by half a dozen farmers or more. They carry the produce to these packing sheds and there prepare and crate it. After it is graded, prepared otherwise, and crated it is then carried to the carrier for shipment or placed in storage.

Under the definition read, all persons employed would be included as agricultural labor, because the act says "including marketing, including preparation," and so on. But, according to the proponents of this item, the National Labor Relations Board takes the position that the people who work in these sheds are not farm laborers. The act says they are, however.

I can best illustrate my idea by referring to the situation in my own section of the country, where we grow large quantities of peaches. It takes only a few people to cultivate 50 or 100 acres of peaches, apply fertilizer, and do the spraying. The demand for additional labor comes at harvesting time, when they pick the fruit from the trees and prepare it for market. These peaches are taken off by one man, conveyed by another to a truck, and then carried to a shed or packing house. There the peaches are graded in the process of preparation for market. When they are graded an employee takes them and places them in a basket or crate. Another employee puts a lid or cover on and a wire on the crate, and then another hauls the crates to market or to the carrier. From the time that peaches are plucked from the tree to the time they get to the carrier or to the market the employees are not covered by the law; they are exempt by the law, and it would seem to me that the National Labor Relations Board would have no jurisdiction of these particular employees. I have no particular interest in this amendment, but I am anxious for us to act intelligently and see whether or not the National Labor Relations Board is acting in accordance with the law. I do not find where the Board has the privilege or the authority to go in and organize these people, as has been alleged, particularly with Government funds. I do not know that this allegation is correct, but if it is true, there is a greater problem involved here than the item in controversy.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HARE. I yield.

Mr. H. CARL ANDERSEN. It has been stated here this afternoon that these various agencies will be without funds if we do not recede on the former triple action of this House.

Mr. HARE. That will be the responsibility of the Senate and not of the House.

Mr. H. CARL ANDERSEN. Certainly; because the Senate in the first place struck out these particular items of the bill.

Mr. HARE. Yes.

Mr. H. CARL ANDERSEN. Is it not a fact also, Mr. Speaker, that if the House will uphold my position and your position in this case there is every possibility that we can secure a compromise from the Senate and perhaps secure the insertion of the major feature that we discussed previously.

Mr. HARE. It is not my purpose to try and influence any Member of the House one way or the other. But I am anxious that every Member should know what the issue is and for every Member to exercise his own judgment and state whether or not he or she is prepared to insist upon the action of the House or whether we will recede and concur in the action of the Senate.

In short, the issue, as I understand it, is whether the National Labor Relations Board has jurisdiction over persons employed in grading, packing, and delivering fruits or vegetables in the ordinary packing sheds used by farmers in preparing such fruits and vegetables for market and delivering same to market or to a carrier for transportation. My interpretation of the definition as provided by the Congress is that it exempts these workers from the jurisdiction of the National Labor Relations Board, but after such fruits or vegetables have been marketed or sold by the farmer or delivered to the carrier, persons handling them are no longer agricultural laborers and they come within the jurisdiction of the National Labor Relations Board. Some reference has been made to canneries. Under the definition referred to by the Congress, if these canneries are a part of the farm operations and the fruits and vegetables grown on the farm are being canned in preparation for market or for storage, the persons so employed are classed by statute as agricultural labor, regardless of whether they ever had dirt in their shoes, plowed a furrow, operated a tractor, or used any farm implement or equipment whatsoever. That is, they are classed as farm labor by statute and not by interpretation of any individual. The Congress said upon enactment of the law who should be classed as agricultural labor and undertook to define it in the language I have used. These people have a right to organize and form a union if they wish and select their own collective bargaining agents, but the statute says they are exempt from the jurisdiction of the National Labor Relations Board and my position is that if the National Labor Relations Board is following the statute the controversial provision in the bill is not necessary and if the National Labor Relations Board is enlarging its functions and violating the statute I personally do not think this is the procedure to correct the violations. However, the House, by a large majority, inserted this provision in the bill and so long as the House insists on keeping the provision in the bill I do not, in fairness to the actions of a majority of the membership, feel justified in receding and concurring in the Senate amendment. This is the second time we have brought the matter back to the House for its consideration and instructions, and as one member of the committee, I shall be guided by the directions of the House. As I have already stated, I am not undertaking to advise the Members of this House as to their responsibility in the premises.

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. NEELY. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the pending question may revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin [Mr. KEEFE] that the House recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 72, noes 117.

Mr. ROONEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 136, nays 213, not voting 83, as follows:

[Roll No. 224]

YEAS—136

Adams	Geelan	Morgan
Angell	Gordon	Murdock
Auchincloss	Gorski	Murphy
Bailey	Granahan	Murray, Wis.
Baldwin, N. Y.	Green	Neely
Barrett, Pa.	Hale	O'Brien, Ill.
Barry	Hand	Outland
Bates, Mass.	Harless, Ariz.	Patterson
Bender	Hart	Philbin
Biemiller	Havenner	Pittenger
Bishop	Healy	Ploeser
Bloom	Hedrick	Price, Ill.
Bradley, Pa.	Herter	Quinn, N. Y.
Buchanan	Heselton	Rabaut
Buckley	Hoch	Rabin
Bunker	Holmes, Mass.	Ramey
Butler	Hook	Rayfiel
Byrnes, Wis.	Huber	Reed, Ill.
Canfield	Hull	Rees
Carnahan	Izac	Robsion, Ky.
Case, N. J.	Jackson	Rogers, N. Y.
Celler	Judd	Rooney
Clements	Kean	Rowan
Cole, Mo.	Kearney	Ryter
Colbert	Kee	Sabath
Crosser	Keefe	Sadowski
D'Alesandro	Kefauver	Sasscer
De Lacy	Kelley, Pa	Savage
Delaney, James J.	Kelly, Ill.	Smith, Maine
	Keogh	Smith, Wis
Delaney, John J.	King	Somers, N. Y.
	Kirwan	Spence
Dingell	Klein	Starkey
Dirksen	Koppelmann	Stigler
Douglas, Calif.	Kunkel	Sullivan
Douglas, Ill.	LaFollette	Thom
Doyle	Lane	Thomas, Tex.
Ellis	Lesinski	Thomason
Fallon	Link	Traynor
Feighan	Luce	Voorhis, Calif
Flood	Lynch	Vorys, Ohio
Fogarty	McCormack	Walter
Forand	McGlinchey	Wasielewski
Fulton	Madden	Wigglesworth
Gallagher	Marcantonio	Wolverton, N. J.
Gardner	Monroney	Woodhouse

NAYS—213

Abernethy	Chiperfield	Gamble
Allen, Ill.	Church	Gary
Almond	Clark	Gathings
Andersen, H. Carl	Clason	Gavin
	Clevenger	Gearhart
Andrews, Ala.	Clippinger	Gerlach
Arends	Cole, Kans.	Gifford
Arnold	Cole, N. Y.	Gillette
Barden	Cooley	Gillie
Barrett, Wyo.	Courtney	Goodwin
Beall	Cunningham	Gore
Bell	Curtis	Graham
Bennett, Mo.	D'Ewart	Grant, Ala.
Blackney	Dolliver	Grant, Ind.
Bolton	Domengeaux	Gregory
Bonner	Dondero	Griffiths
Bradley, Mich.	Doughton, N. C.	Gross
Brehm	Drewry	Gwinn, N. Y.
Brooks	Durham	Gwynne, Iowa
Brown, Ga.	Dworshak	Hagen
Brown, Ohio	Eaton	Hall, Leonard W.
Brumbaugh	Elliott	
Bryson	Ellsworth	Halleck
Buck	Elsaesser	Hancock
Bufferis	Elston	Hare
Bulwinkle	Engle, Calif.	Harness, Ind.
Camp	Ervin	Hays
Campbell	Fellows	Henry
Cannon, Mo.	Fenton	Hess
Carlson	Fernandes	Hill
Case, S. Dak.	Fisher	Hinshaw
Chapman	Flannagan	Hobbs
Chelf	Folger	Hoeven
Chenoweth	Fuller	Hoffman, Mich.
Hoffman, Pa.	Morrow	Schwabe, Okla.
Hope	Michener	Scrivner
Horan	Miller, Nebr.	Shafer
Howell	Mills	Sharp
Jarman	Morrison	Sheppard
Jenkins	Mundt	Short
Jennings	Murray, Tenn.	Sikes
Jensen	Norblad	Simpson, Ill.
Johnson, Calif.	Norrell	Smith, Ohio
Johnson, Ill.	O'Hara	Smith, Va.
Johnson, Ind.	O'Konski	Springer
Johnson, Luther A.	O'Neal	Stefan
	Pace	Stevenson
Jones	Patman	Sumner, Ill.
Jonkman	Peterson, Fla.	Sumners, Tex.
Kilburn	Phillips	Sundstrom
Kinser	Pickett	Taber
Knutson	Plumley	Talbot
Landis	Poage	Talle
Lanham	Pratt	Taylor
Larcade	Price, Fla	Thomas, N. J.
Latham	Rains	Tibbott
Lea	Rankin	Towe
LeCompte	Reed, N. Y.	Trimble
LeFevre	Rees, Kans.	Vursell
Lemke	Rich	Wadsworth
Lewis	Richards	Weaver
Lyle	Riley	Weichel
McConnell	Rivers	White
McCowen	Robertson, N Dak	Whitten
McDonough		Whittington
McGregor	Robertson, Va.	Wilson
McKenzie	Rockwell	Winstead
McMillen, Ill.	Rodgers, Pa.	Winter
Maloney	Roe, Md.	Wolcott
Manasco	Rogers, Fla.	Woodruff
Martin, Iowa	Rogers, Mass	Zimmerman
Mathews	Russell	
May	Schwabe, Mo.	

NOT VOTING 83

Allen, La.	Gibson	Norton
Anderson, Calif.	Gillespie	O'Brien, Mich.
Andresen, August H	Gossett	O'Toole
	Granger	Patrick
Andrews, N. Y.	Hall, Edwin Arthur	Peterson, Ga
Baldwin, Md		Pfeifer
Bates, Ky	Harris	Powell
Beckworth	Hartley	Priest
Bennet, N. Y.	Hébert	Randolph
Bland	Heffernan	Reece, Tenn.
Boren	Hendricks	Rizley
Boykin	Holifield	Robinson, Utah
Bryne, N. Y	Holmes, Wash.	Roe, N. Y.
Cannon, Fla.	Johnson, Lyndon B.	Sheridan
Cochran		Simpson, Pa
Coffee	Johnson, Okla.	Slaughter
Colmer	Kerr	Sparkman
Combs	Kilday	Stewart
Cooper	Ludlow	Stockman
Cox	McGehee	Tarver
Cravens	McMillan, S. C	Tolan
Crawford	Mahon	Torrens
Curley	Mankin	Vinson
Daughton, Va.	Mansfield, Mont	Welch
Davis		West
Dawson	Mansfield, Tex	Wickersham
Earthman	Martin, Mass.	Wolfenden, Pa
Eberharter	Mason	Wood
Engel, Mich.	Miller, Calif.	Worley

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Sheridan for, with Mr. Hartley against.

Mr. Eberharter for, with Mr. Vinson against

Mr. O'Toole for, with Mr. Edwin Arthur Hall against.

Mrs. Norton for, with Mr. Peterson of Georgia against.

Mr. Holifield for, with Mr. Wood against.

Mr. Coffee for, with Mr. Mason against.

Mr. Heffernan for, with Mr. Boykin against.

General pairs until further notice:

Mr. Cooper with Mr. Martin of Massachusetts.

Mr. Sparkman with Mr. Reece of Tennessee.

Mr. Mansfield of Texas with Mr. Crawford.

Mr. Priest with Mr. Anderson of California.

Mr. Hébert with Mr. Bennet of New York.

Mr. McGehee with Mr. Holmes of Washington.

Mr. Randolph with Mr. Stockman.

Mr. McMillan of South Carolina with Mr. Rizley.

Mr. Byrne of New York with Mr. Simpson of Pennsylvania.

Mr. Miller of California with Mr. Engel of Michigan.

Mr. Powell with Mr. Gillespie.

Mr. Wickersham with Mr. Andrews of New York.

Mr. O'Brien of Michigan with Mr. Welch.

Mr. Beckworth with Mr. August H Andresen.

Mr. Colmer with Mr. Wolfenden of Pennsylvania.

Mr. WHITE and Mr. LARCADE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the motion offered by the gentleman from South Carolina that the House further insist on its disagreement to the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MARITIME COMMISSION AND WAR SHIPPING ADMINISTRATION INVESTIGATION

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, on January 23, 1946, I inserted in the CONGRESSIONAL RECORD copies of audits by the Comptroller General of the United States for the Maritime Commission and War Shipping Administration up to and including June 30, 1943, showing among other things the failure to properly account for over $8,000,000,000 of the people's money.

Today or tomorrow the Committee on the Merchant Marine and Fisheries is starting an investigation of the alleged accounting irregularities of the two agencies.

In this connection, Mr. Speaker, I sent yesterday to the distinguished chairman of that committee, the gentleman from Virginia [Mr. BLAND], a letter urging the completion of a searching investigation, conducted without fear or favor, as promptly as possible in fairness to those primarily concerned and to the people as a whole.

Under leave to extend my remarks I include at this point in the RECORD a copy of the letter referred to.

I urge careful consideration of its contents by the members of the committee and by the Members of the House as a whole.

JULY 15, 1946.

Hon. SCHUYLER OTIS BLAND,
Chairman, Committee on Merchant Marine and Fisheries, House Office Building, Washington, D. C.

DEAR MR. CHAIRMAN: Thank you for your recent letter telling me of the plans of the Merchant Marine and Fisheries Committee for investigating the alleged accounting irregularities of the Maritime Commission and the War Shipping Administration in the light of the audits of these agencies by the Comptroller General of the United States up to and including the fiscal year 1943, showing

among other things the failure to properly account for over $8,000,000,000 of the people's money

I am very glad that your committee has finally decided to look into the financial operations of the two agencies under authority of H R. 281 (78th Cong.) adopted in the summer of 1941, and continuing resolutions, and funds in the amount of $179,000 which have been made available under the resolutions.

My interest in the situation, as you know, has grown out of my duty for many years to pass upon all requests for appropriations for both agencies.

I am not clear as to the scope of the investigation which you have in mind. Many pages of the CONGRESSIONAL RECORD and committee hearings in recent years, as you appreciate, have been filled with charges of irregularities and gross waste of the people's money running into hundreds of millions of dollars in connection with the financial operations of the two agencies. I have long felt that the situation called imperatively for a thorough-going, fearless, and impartial investigation, preferably by a select committee of the Senate or the House not charged with other duties.

You will, of course, inquire into the detailed charges of errors of commission and omission embodied in the audits of the Comptroller General of the United States up to January 30, 1943.

In this connection, I have in mind a report made by Edward L Kohler, certified public accountant to Deputy Administrator Douglas of the War Shipping Administration, under date of December 14, 1943, appearing in the CONGRESSIONAL RECORD of February 26, 1946 (p. 1644), in tenor similar to that of the Comptroller General and stating among other things, in respect to the War Shipping Administration, that hundreds of millions of dollars have not been adequately accounted for.

I also have in mind the testimony of the Comptroller General, based on investigations of both agencies in the fiscal year 1943, appearing in the CONGRESSIONAL RECORD of January 27, 1944 (p. 828) to the effect that he had found many irregular practices, some due in no small part to the failure of the Maritime Commission to issue proper instructions and exercise the duty of administrative control ordinarily required in the handling of Government facilities and the expenditure of public funds.

Specifically he found:

"Failure to account properly for receipts from revenue-producing activities, such as housing, cafeterias, transportation facilities, etc; abnormal increase in salaries of officers and employees of contractors operating under Government contracts; reimbursement of improper expenditures, such as for lectures on human engineering, excessive rentals, bonuses to officials and employees, cost of yard publications; assignment of contractors' employees for duty in Commission offices, thereby circumventing administrative salary limitations as well as placing such employees in a position of checking their employer; payments for land in excess of the appraised value thereof; excessive purchases of steel; excessive rentals on equipment under rental-purchase agreements and the release thereof when only small amounts remained to be paid in order to acquire title; purchases of automobiles without regard to the statutory limitations as to the amounts paid, excessive cost of telephone services and the personal use thereof; inadequate safeguard of Government property; failure to transmit all contracts to the General Accounting Office as required by law; failure to maintain adequate inventory of steel, equipment, and other supplies received at various shipyards, or to maintain proper records of transfers of such material between shipyards; the use of a cost-plus-percentage-of-cost form of contract in violation of law; excessive over-all or composite hourly billing rates for ship repairs, due in part to direct charges, also in part to overhead, thereby duplicating amounts by which the composite billing rate was based to the extent of such inclusion."

I also have in mind the following statement of the Comptroller General referred to in the CONGRESSIONAL RECORD of May 26, 1944 (p. 5021). The CONGRESSIONAL RECORD of March 28, 1944, at page 3175, quotes the Comptroller General in this connection as follows:

"The latest balance sheet available is as of June 30, 1942. A recent examination thereof was made by a representative of this office who reported that the records were in such condition—supporting documents and papers being missing—that a proper verification of the balance sheets of the War Shipping Administration and the United States Maritime Commission as of June 30, 1942, was impossible."

In this connection, it would be interesting to know to what extent, if any, officials of either agency have exerted influence to prevent the full performance of the duties of the Comptroller General or other officials or employees of the General Accounting Office.

Among other questions which I hope your committee will ultimately explore in the light of the serious charges which have been made are the following:

1 Why were apparently exorbitant sums paid for old vessels acquired for use during the war and what was the excess cost to the people?

2. Why were apparently exorbitant sums paid for charter hire on vessels acquired for use during the war and what was the excess cost to the people?

3 Why were apparently exorbitant sums allowed and paid for insurance on vessels acquired for use during the war and what was the excess cost to the people?

(You will recall that tables inserted in the CONGRESSIONAL RECORD of January 27, 1944 (p. 828, and Appendix of the CONGRESSIONAL RECORD (p. A562), show among other things:

(Sixty-nine vessels, 20 years of age or more purchased for $26,253,000 or for 700 to 800 percent of the General Accounting Office book value of the ships;

(Seven hundred and fifty-eight vessels, 20 years of age or more, having a General Accounting Office book value of $37,900,000, earning $199,767,000 in a period of 18 months;

(Six hundred and ninety vessels, 20 years of age or more, insured for $477,337,000 or about 700 percent of the General Accounting Office book value.

(The payments made would seem to have no reasonable relation whatever to the General Accounting Office book value, fair market value, or specific values fixed by Admiral Land, the Chairman of the Maritime Commission and Administrator of the War Shipping Administration)

4. Why were apparently exorbitant trade-in allowances made in respect to old vessels taken in exchange for new tonnage to be delivered after the war and what was the excess cost to the people?

(You will recall that tables inserted in the CONGRESSIONAL RECORD of January 27, 1944 (p. 832) show seven ships, 20 years of age or more, with General Accounting Office book value of $301,566, given a trade-in allowance of $4,385,000)

(A table inserted in the CONGRESSIONAL RECORD of February 7, 1945 (p. 924), shows 36 vessels, from 36 to 51 years of age, accorded trade-in allowances aggregating almost 200 percent of their original cost.)

5. Why were ships to be used during the war chartered and insured when they could have been acquired for title far more cheaply and what was the resulting cost to the people?

6. Why have not excess earnings from operations of subsidized vessels been recaptured as required by law and what has been the resulting cost to the people?

7. Why has so little money been obtained by renegotiation, why have so large profits been allowed after renegotiation, and why, and at whose insistence, were certain contracts for purchase, charter hire, and perhaps other purposes, exempted from renegotiation and what was the resulting cost to the people?

8 Why were shipping companies permitted to deposit their wartime earnings in tax-exempt funds in apparent violation of the law, and as it now appears, against the repeated explicit advice of the General Counsel of the Maritime Commission, and what was the resulting cost to the people?

(I am informed that the Treasury now estimates that as much as $80,000,000 may be repayable in taxes in this connection.)

9. What has been the ratio of private profits to private investments in shipyards financed principally with Government money?

(You recall that a statement appearing in the Appendix of the CONGRESSIONAL RECORD of 1945 (page A756), based on a letter from the Comptroller General, indicates a net profit after renegotiation for two Kaiser companies of $27,274,487 24 on an original investment of $100,000.)

10. Why in concluding contracts with Mr. Kaiser did the Maritime Commission include a clause agreeing in determining contractor's profits to allow, "all costs, charges, and liabilities incurred by contractors, including those resulting from the negligence of corporation officers, agents, and employees"? Was a similar clause included in any other contract?

11. Why were 100 ships purchased from the Canadian Government at a cost of $164,000,000 for use in the common war effort?

12 Why, apparently contrary to the view of the chairman, did the Commission embark upon and carry through a program of concrete ship construction with little anticipated or actual benefit at a cost of about $167,000,000?

13. To what extent have the Treasury and the people been safeguarded in the disposition of surplus shipyards and surplus materials?

(A recent table furnished me by the Maritime Commission shows among other things:

(The California Ship Building Corp. cost the Government $25,266,000 and apparently disposed of at an added cost to the Government of $2,500,000;

(The St. Johns River Ship Building Corp. cost $17,603,000 and disposed of to the Tampa Ship Building Co. at $1,928,000; and

(The McEvoy Steam Boat Co., costing $1,333,000, disposed of for the large sum of $10.)

14. Why did Mr. R. E. Anderson and Mr. J. A. Honsick leave the Maritime Commission and War Shipping Administration a few months ago, and why have other persons previously closely associated with them been retained in office?

15. How many former employees of the Maritime Commission or War Shipping Administration are representing private interests today before either agency and what rules, if any, has either agency in this connection?

There are many other questions which I hope your committee will ultimately go into, including numerous individual transactions with some of which I know you are familiar.

It has been reported to me recently that papers have been removed from the files of one or both of these agencies. I am loath to believe this. I hope your committee will inquire into the matter and take appropriate steps if necessary to see that the law is complied with.

Hoping that your committee will be able to complete a searching investigation, con-

ducted without fear or favor, as promptly as possible in fairness to those primarily concerned and to the people as a whole, believe me,

Sincerely yours,

R. B. WIGGLESWORTH.

SALE OF GOVERNMENT-OWNED SILVER FOR INDUSTRIAL PURPOSES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. SPENCE] may have until midnight tonight to file a conference report on the bill, H. R. 4590, relating to the sale of silver for industrial purposes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HOUR OF MEETING ON THURSDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Thursday at 10 o'clock a. m.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. MAY. Mr. Speaker, in view of the experience we have had over the past several weeks on Calendar Wednesdays and the delay in legislation resulting from the action we have taken on those days and in view of the importance of the legislation that is now pending, I believe it would be wise on the part of the Membership if we dispense with the business in order on Calendar Wednesday tomorrow and take up the atomic bomb bill for general debate. Therefore, Mr. Speaker, I move that the business in order on Calendar Wednesday be dispensed with.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. MAY].

The question was taken; and two-thirds having voted in favor thereof, the motion was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include a statement by Col. G. H. Rarey entitled "Opportunities for Service to Mankind. You and I Can Help Rid the World of Leprosy."

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a letter and a table from the Veterans' Administration.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include an address by Republican National Committeeman CARROLL REECE delivered on Monday, June 18, over a radio station.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include an address delivered by Dr. Kamel Youssel Salab, of Egypt, before the United Nations League of Lawyers on June 24.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. JOHNSON of Illinois asked and was given permission to extend his remarks in the RECORD in two instances, and include an editorial.

Mr. DWORSHAK asked and was given permission to extend his remarks in the RECORD and include some statistics from Treasury Department reports.

Mr. KINZER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mrs. DOUGLAS of California asked and was given permission to extend her remarks on two previous statements made in the House.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD and include a letter and a statement.

REAR ADM. CHARLES E. ROSENDAHL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, yesterday marked the retirement of Rear Adm. Charles E. Rosendahl, Chief of Naval Airships Training, at his old stand, the Lakehurst Naval Air Station.

His early retirement for physical reasons is regretted by all who know him for his great initiative, ability and inexhaustible energy. The passing of Admiral Rosendahl from naval to civilian life is admittedly a loss of great proportion to the Navy. He is recognized as the world's greatest living authority on lighter-than-air craft, both rigid and nonrigid.

It is hoped that his retirement followed by a deserved rest will restore him to early and full vigor and that his enterprising and resourceful mind will be harnessed to progressive advancement in the field of commercial lighter-than-air development now in the early stages of postwar planning. This great field offers lucrative, unlimited, and as yet unexplored possibilities, which today only such creative, bold and realistic minds as that of Admiral Rosendahl can see and appraise.

Admiral Rosendahl, Mr. Speaker, leaves the service he loves with the best wishes of all who know him. In this Chamber are many friends and acquaintances who know and regard him highly for his ability and expertness in his field, for his patriotism, and devotion to duty. Let us hope that separation from Naval service will open for him wider and greater vistas of usefulness in commerce and world trade.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech delivered last night by the Greek hero and great military leader, Gen. Alexander Papagos, at a banquet held at the Statler Hotel in Washington.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from New Hampshire [Mr. MERROW] is recognized for 1 hour.

AMERICAN FOREIGN POLICY AND THE REORGANIZATION OF THE DEPARTMENT OF STATE

Mr. MERROW. Mr. Speaker, I am going to discuss what I consider the most important question before the American people—the foreign policy of the United States. I shall speak in detail about the arm of our Government charged with the main responsibility for the formulation and execution of our foreign policy—the Department of State and the Foreign Service. It is unnecessary to dwell at any length upon the importance of this subject. I need only to remind the House that we stand at the beginning of the most critical period in world history.

WHAT IS THE FOREIGN POLICY OF THE UNITED STATES?

Last summer I had an opportunity to visit over 30 countries stretching from England to India. The one question I heard asked most frequently was: What is the foreign policy of the United States? Now, it would take a man of extraordinary qualities to be able to answer this question. It would require an intellectual wizard to pierce the maze of contradictions and vacillations that has characterized our relations with Franco Spain and the Argentine. It would take the wisdom of a Solomon and the patience of a Job to pull out of our confused pattern of conduct in Germany, Greece, Italy, and Balkans, the Middle East or the Far East anything that looks like a foreign policy. It would take a seer to predict with any degree of accuracy what our policy might be with respect to Palestine, the Mediterranean, or our island possessions in the Pacific.

The fact is the United States has no foreign policy. We are embarking upon the uncharted seas of the future without maps or compass to guide us. What we need more than anything else if we are to avoid running our ship of state on the shoals of destruction and war is a firm, realistic and definite foreign policy.

Just as people are asking: What is the foreign policy of the United States? So they are asking these questions: What is wrong with the Department of State? Why has it not been able to formulate a sound foreign policy to meet the conditions of the modern world? Why has it not been reorganized in such a way as to enable our Government to meet satisfactorily the new problems and the new responsibilities which we are encountering in a rapidly changing world?

WORLD PROBLEMS FACING US

In this, the beginning of the atomic age, the foregoing questions are particularly relevant. The tasks that face us

abroad are bewildering—yes, even overwhelming—in their complexity. World peace must be maintained. Devastated cities must be rebuilt. Starving peoples must be fed. Millions of refugees must be returned to their homes. Boundary lines are to be redrawn. Currencies must be stabilized and the channels of world trade opened. Perplexing international problems in the fields of transportation, communications, health and sanitation, labor, food and agriculture, raw materials, cultural relations, narcotic drugs—to mention only a few—must be solved.

WE NEED A STRONG DEPARTMENT OF STATE

Proper solutions to these problems and many others require effective international organization. This is why the United States has taken the lead in establishing the United Nations and its specialized agencies like FAO, UNRRA, PICAO, UNESCO, the International Bank and the Fund, and the projected health and trade organizations.

But before these international organizations can function well—before the task of maintaining world peace can be carried out effectively—it is essential that our own house be set in order. It is imperative that our own governmental machinery be properly organized so we can make an effective contribution to the work of the United Nations. Our Government must be able to determine what our policy is in respect to many different problems and many different countries. And it must be able to carry out here at home the decisions reached by the United Nations and its specialized agencies.

What I am saying is this: Lasting peace will depend, to a great degree, upon the ability of the states members of the United Nations—particularly the great powers—to make the necessary adjustments in their own governments so they can carry on satisfactorily the extremely complex work of conducting foreign relations in a new era.

I am aware that some progress has already been made along these lines in the United States. Under Mr. Hull and Mr. Stettinius, significant steps were taken to reorganize the Department of State. But the gap between what is and what ought to be is still exceedingly large. We must do our best to bridge this gap.

HOUSE RESOLUTION 433 AND HOUSE RESOLUTION 434

On November 29, 1945, I introduced two resolutions (H. Res. 433 and 434) calling for the creation of a select committee to conduct a comprehensive study of all phases of the foreign policy of the United States and to investigate the Department of State and the Foreign Service. It is my deep conviction that such study would clarify the fundamental aims and objectives of American foreign policy and result in much-needed changes in the Department of State. House Resolutions 433 and 434 are as follows:

House Resolution 433

Resolved, That there is hereby created a select committee to be composed of 23 Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

SEC. 2 (a) It shall be the duty of the committee to conduct—

(1) a comprehensive study of all phases, both economic and political, of the foreign policy of the United States, including a complete review of our interests in all parts of the world—such study to be made with respect to each foreign country and each geographical region, such as the Balkan States, the Middle East, Central and South America, etc., and

(2) an investigation of the Department of State and the Foreign Service of the United States.

(b) Such study and investigation shall be made for the purpose of enabling the committee to make such recommendations as it deems advisable with respect to—

(1) the formulation and execution of a realistic over-all foreign policy for the United States which will serve the best interests of the United States;

(2) improvements in the operation and administration of the Department of State and the Foreign Service of the United States;

(3) methods for securing accurate and up-to-date information concerning world conditions, and

(4) the communication of such information to the people of the United States

SEC. 3 Such recommendations shall be embodied in reports to the House (or to the Clerk of the House, if the House is not in session) which shall be made by the committee during the present Congress at intervals of not more than 90 days—the first report to be made within 90 days after the date of the passage of this resolution and the final report to be made on January 2, 1947

SEC. 4 For purposes of carrying out this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member.

House Resolution 434

Resolved, That the expenses of the study and investigation to be conducted by the select committee created by House Resolution 433, not to exceed $50,000, including expenditures for the employment of investigators, attorneys, and clerical and stenographic assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts.

THE DEPARTMENT OF STATE HAS DEFINITE WEAKNESSES

I approach the subect under discussion in no spirit of political partisanship. I firmly believe that, wherever questions of war and peace are uppermost, politics in this country should stop at the water's edge. Moreover, I have the greatest admiration for many outstanding people in the Department of State who have struggled against tremendous odds in doing their work well.

I am not interested in carping criticisms about the past. Throwing mud avails us nothing. What we must do now is to look to the future. A position of power and responsibility has been thrust upon the United States by a shrinking world. One question which we must ask ourselves as we reassess our position in world affairs is this: Is the Department of State organized so that it can conduct our foreign relations properly and efficiently? What are the changes which should be made in order to permit our country to participate more effectively in world affairs?

This House will soon be considering a bill, which has already passed the Senate, for the reorganization of Congress. Just as the legislative branch of the Government needs to be reorganized and streamlined so that its work can be done more effectively, the Department of State and the Foreign Service must be examined, improved, and reorganized to better serve the country.

One thing that impresses me deeply, Mr. Speaker, is the fact that even in these difficult times we are still conducting our foreign affairs on a woefully inadequate budget. The Department of State, which is our department of peace and our first line of defense against war, has always been the smallest of our executive departments. Yet in many respects it has the biggest task to perform. It is significant that we have often spent less on the Department of State in a year than we do in the construction of a single battleship such as the *Missouri*.

According to Navy Department estimates, the *Missouri* cost the taxpayers of this country approximately $100,000,000. Yet in 1944 the total appropriations for the Department of State were only $53,181,000. I am glad that the Department's budget for 1947 is $128,800,752. It should be noted that this includes the remaining activities of the OWI, FEA, OSS, and OIAA. We still are not appropriating money enough for the Department of State. I for one would be willing to have increases in salaries all along the line. This would ensure better representation abroad and more efficient work at home.

During the past few years the Department of State has been severely criticized by many people both at home and abroad During the time I spent in Europe last year, I heard many adverse comments. For the most part, however, these criticisms have been vague and general and often biased. In my remarks today I am going to be specific. I wish to point out in an objective and constructive way 12 concrete weaknesses of the Department of State—weaknesses which we must remedy at the earliest possible moment. The adoption of my resolutions would be the first step in removing these weaknesses because it would give an opportunity for study and investigation with the result that a bill of particulars could be presented to the Congress. The 12 points I have in mind are as follows:

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. The weakness in our Foreign Service cannot be blamed in any way to any lack of facilities or personnel, can it?

Mr. MERROW. I would like to have a thorough investigation to find out whether or not perhaps our ineffective-

ness might not be blamed to lack of facilities or personnel. I do not think our personnel is paid enough to obtain the best people and I sometimes think our facilities are inadequate. I think an investigation and study as I have proposed will give us light on that.

Mr. SMITH of Ohio. The gentleman is delivering a very able address on the subject, and I am appreciative of it. It is, in my opinion, timely. I have traveled abroad some and I lived abroad for awhile, and I had the definite feeling that Europeans do not have respect for our Foreign Service that I think is due a great Nation like ours. Am I correct in that estimate?

Mr. MERROW. The gentleman is correct, and I received the same impression during the past summer. I feel that they do not have the respect that they should have for a great Nation such as ours, and I feel that we should have more efficient representation in the Foreign Service. I believe, for one thing, that the salaries are inadequate. In trying to present a bill of particulars I am suggesting things that need to be remedied, and I think if we could have an investigation and a study of this matter for the purpose of obtaining helpful suggestions and helpful criticism, that we could remedy the situation which the gentleman has mentioned.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Ohio.

Mr. RAMEY. The gentleman spoke of higher salaries. Does the gentleman not think it would be much better if instead of increasing salaries we simplified the procedure?

Mr. MERROW. I would say that the procedure ought to be simplified, but I still maintain that in our Foreign Service we do not pay what business firms pay for work of comparable importance and we do not pay what other countries do. For instance, Great Britain's Ambassador to the United States gets far more than our Ambassador to the Court of St. James's.

Mr. RAMEY. The gentleman mentioned the bill for reorganizing the Congress, which we realize should be done. I would be for this measure with the exception of salary increases.

Mr. MERROW. In connection with the State Department, I think salaries are one phase of the whole matter of securing an efficient Foreign Service. The thing I regret is that when Americans travel abroad—and my conclusion has been confirmed by the statement of my good friend the gentleman from Ohio [Mr. SMITH]—our Foreign Service does not command the same respect as the foreign services of other powers.

Mr. SMITH of Ohio. I am not familiar with salaries paid to employees in our Foreign Service, but I believe the principle there is somewhat different from that which pertains to the salaries, for example, of the legislators. Our activity, I believe, is different from that pertaining to the Foreign Service. I have no objection, and I believe it must be done, as the gentleman addressing us now has stated, that where salaries are found inadequate in our Foreign Service they should be appropriately increased. This is an extraordinarily important subject. There is no question in the world that the Foreign Service of the United States needs a lot of trimming up and improving. I repeat that I deeply appreciate the presentation that the gentleman from New Hampshire is making this afternoon.

Mr. MERROW. I thank the gentleman for his contribution to this subject. I think this is a tremendously important matter. We will be involved in foreign affairs much more in the future than we have been in the past. My only thought in asking for an investigation and a study of the Department is to strengthen that arm of government so that our policies can be better carried out.

Mr. RICHARDS Mr. Speaker, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from South Carolina.

Mr. RICHARDS. The gentleman is delivering a very able address, and is a very influential member of the Committee on Foreign Affairs. I believe he should tell the House that a subcommittee of the House Committee on Foreign Affairs has been conducting an exhaustive study of the subject of the reorganization of our Foreign Service, that a bill has been introduced by the gentleman from West Virginia [Mr. KEE] and has been reported out of the committee after some weeks of study, and that it will shortly be before the House for consideration.

Mr. MERROW. I am glad that the gentleman has called the attention of the House to that bill. I speak of it later in this speech.

May I say to the gentleman that I believe he has done a fine piece of work as a member of the subcommittee that prepared the Foreign Service bill. I am for the bill. The only question in my mind is whether or not the measure goes far enough. It is certainly an improvement on what we have had in the past. I hope the House will pass the bill in the near future. This will help improve our Foreign Service. Of course this is one phase of the whole proposed investigation and study of our foreign policy which I believe should be conducted at the earliest possible moment.

Mr. WEICHEL. Mr. Speaker, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Ohio.

Mr. WEICHEL. The State Department as presently constituted, it is said, is honeycombed with Communists. Just how would the gentleman remedy that situation abroad?

Mr. MERROW. That is one of the reasons I am asking for a special committee to make this study and investigation. I have heard that charge many times. I am not making it here today. I do not know whether or not it is so. When one hears a charge similar to this and when one hears other charges, one wonders. I think it is the duty of the representatives of the people to find out. If we could have a special committee make an investigation and bring back recommendations to the House we would know whether or not these charges have foundation. If they have a foundation something ought to be done about it. But if they are without foundation, then the rumor should be killed so the Department can work more effectively.

Mr. WEICHEL. Does not the President appoint our representatives to foreign countries? Is he not responsible for the present situation and the large number of Communists in the State Department who now represent us in various parts of the world?

Mr. MERROW. If we have such people representing us, the responsibility ultimately rests with the President. I think it is the duty of the representatives of the people in Congress to find out. I have heard these charges but I am not in a position to say whether or not they are true. I would like to know and I think a thorough investigation would probably give us the answer.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MERROW. I yield.

Mr. SMITH of Ohio. I have a feeling that our foreign policy is more in the nature of an emotional policy than a realistic policy.

Mr. MERROW. That is right. We are too sentimental. We have been sentimental in foreign affairs for years. I submit if we do not get away from sentimentality in foreign policy, this great Nation will not be able to continue to hold the position of leadership which it holds at the present time. If America can be less sentimental in the matter of foreign relations and be more realistic and more firm, we will go farther and do much more toward building a better world.

Mr. SMITH of Ohio. That has much to do with the lack of respect for our Foreign Service.

Mr. MERROW. You are right. Now to return to the 12 concrete weaknesses of the Department of State which must be remedied at the earliest possible moment. The points I have in mind are as follows:

First. The new position of the United States in world affairs demands a redefinition of the role of the Department of State in relation to the other agencies of the Government.

Mr. Speaker, there is no longer a clear line of demarcation between domestic and international questions. Commercial relations abroad concern not only the Department of State but also the Department of Commerce. Similarly the Department of Labor, Agriculture, and the Treasury—to mention only a few—all have vital contributions, which they can make both at home and abroad, to the conduct of our foreign policy. As the Economic and Social Council and the specialized agencies of the United Nations begin to operate, the vast resources of these departments will be called into play. Clearly, however, they cannot be expected to carry out their part of the program effectively unless they have positive, dynamic leadership from the Department of State.

During the war this leadership was none too effective. There was confusion

and duplication and overlapping and interagency bickering. Very often the right hand did not know what the left hand was doing. Today it is imperative that we obtain the kind of teamwork among the different agencies which we need for the effective administration of foreign affairs. This will call for more interdepartmental committee work where our foreign policies can be forged on the anvil of interagency cooperation. It will call for better liaison among the departments concerned. Above all, it will call for a spirit of cooperation and the abolition of the petty interagency jealousies and frictions that have characterized the execution of our foreign policies up to the present time.

Second. The Department's liaison and working relations with the Congress are still woefully inadequate.

Under our constitutional system, the President is given the main responsibility for the conduct of foreign policy. I have no desire to question this principle. It is unfortunate that traditionally the Department of State has looked upon Congress as a necessary evil—an obstacle rather than a working partner. It is to the everlasting credit of Mr. Hull and Mr. Stettinius that they took important steps to bring the executive and legislative branches together in the most vital field of foreign affairs. By soliciting congressional cooperation in the conclusion of international agreements, they broke down the fiction that the two branches, like a pair of stubborn mules, have to pull in opposite directions.

Much could still be done to build good will between the two ends of Pennsylvania Avenue. Under Dean Acheson's leadership, for example, the Department's liaison with the committees of Congress was developed along healthy lines But Mr. Acheson resigned his post as assistant secretary in charge of congressional relations nearly a year ago when he accepted the under-secretaryship. Why have no steps been taken to fill this important post? Why has the Department not developed its liaison relations with the rank and file Members of Congress? There are several hundred Members who do not sit on committees dealing with foreign affairs. Today, foreign relations have a direct bearing on nearly every aspect of our Government's policy. Certainly, Members of Congress are entitled to know what the Department is doing.

The Department of State could do much more than it does to keep us all informed. I do not mean the kind of information we call upon the Department to divulge whenever some crisis arises. Nor do I mean the formal, carefully worded information hand-outs we get in reply to questions. I am talking about first-hand, background information that will help us understand the news behind the headlines. I am talking about the day-to-day relationships with small informal groups in Congress. As representatives of the people, we have a right and a duty to know what is taking place. Without the cooperation of the Department of State, we cannot do our work well. Without full information we cannot have that broad approach to world affairs which distinguishes statesmanship from petty politics.

Third. Internal procedures in the Department, like the clearance of policy papers and the handling of communications, are slow and cumbersome

Although this may sound like a matter of minor importance, it is not. It represents the difference between the horse and buggy and the modern streamlined automobile. It represents the difference between the Civil War era and the methods and procedures we need now to conduct foreign affairs in the atomic age. I do not wish to dwell on this point at any length. Why is it that the administrative services in the Department of State are so notoriously weak? Why is it that it takes so long to process the papers of new personnel? I am told that applicants for positions in the Department almost grow old waiting for their papers to be processed. Why is it that cables and other communications to and from the field take longer than they should? Why is it that the procedure for the clearance of policy papers is so tantalizingly slow?

This last point deserves special comment. It is well known in Washington that a State Department cable or memorandum often has to go through an amazing number of hands before it is finally approved. As Fortune magazine pointed out in its September 1943 issue, "An action paper may be axed by any of from one to two dozen higher officers and sent back for redrafting and for reinitialing all along the line. If it embodies a new idea or a fresh departure, it is almost certain to receive brutal treatment. If it perpetuates the old, its chances are much better. The action paper that emerges fully initialed is usually very tardy and very tired."

I admit these are technical points. But they determine the tempo of the Department. They affect vitally the Department's effectiveness in world affairs.

On May 15, James B. Reston, writing in the New York Times with respect to the delays encountered in solving the atomic energy problem, made the following observation:

> In the opinion of many competent observers and officials here, the basic reason for these delays and hesitations is that the United States is trying to play a new and vastly different role in the world with an old government machine that is neither geared nor staffed for the job As a result, the Federal Government, legislative and executive, appears to those observers to be in the same position that most active men are in today, so busy dealing with the urgencies of day-to-day events and so accustomed to the mental and physical habits of the past that it has not been able to find time to work out a careful definitive policy on all the complex issues of the reconstruction period or even to modernize its organization to deal with them.

Fourth. The Department has traditionally operated on a day-to-day basis with very little time devoted to long-range planning.

Here I point to one of the critically weak spots in the Department Our public health services and our fire departments operate on the assumption that an ounce of prevention is worth a pound of cure. Not so the Department of State. It ordinarily waits until a fire breaks out before taking any action. It waits until the patient has caught the disease before administering the vaccine. There seems to be no regular, systematic method of determining policy in advance. It operates on what I would call a crisis basis. That is why the cry has been raised, What is our foreign policy?

Of course, there are exceptions to the rule. Under the able leadership of Secretary Hull, for example, the Department did a splendid job of planning for the United Nations organization. Under Mr. Stettinius it moved rapidly toward the establishment of an effective policy committee. It is my conviction that we need more of this type of long-range planning. Can we afford to go limping along with a haphazard, hit-or-miss foreign policy when Russia, Great Britain, and other countries know exactly what they want? The comment one hears in foreign capitals is that the British and the Russians, as well as other nations, have a definite foreign policy, but the United States of America finds itself in international power politics without a policy

I had hoped, Mr. Speaker, that the research and analysis unit of the Office of Strategic Services, transferred to the Department after VJ-day, would be of real assistance in this connection. Recently, however, this unit was split up and placed in various geographic offices in the Department. Only time can tell whether it will retain its former efficiency.

My point is simply this: The personnel in the Department of State have been so busy handling day-to-day routine such as answering cables and sending instructions to the field that they have little or no time for the all-important task of long-range planning. I am not placing blame for this condition. The fact is the Department is so engaged in handling these day-to-day details that it has not time to devote to making plans for the future.

Fifth. The Department needs to develop a more dynamic information program both at home and abroad.

I am well aware, Mr. Speaker, that some of my colleagues frown upon the recent steps the Department has taken to work out an intelligent information program. Yet I am convinced that here is the crux of the matter. How we get our information abroad and what we do with it after we obtain it are extremely important factors in the conduct of foreign relations.

I think the Department has a special obligation to keep the people fully informed. In the fine White paper entitled Peace and War, United States Foreign Policy, 1931–41, the Department points out that the executive branch could not take vigorous action to stop aggression in the 1930's because of the backward state of opinion in this country. In a very real sense this admission was an indictment of the Department's policy of neglecting public opinion. Personally, I have faith enough in our people to believe that if they have the facts they will make intelligent decisions.

But we also need to let the people of the world know what we in the United States are thinking and doing. They look to us for leadership. They want to know more about us. To them, America is still the land of hope and inspiration and opportunity. Our best chance for security and peace, therefore, lies in making the values of democracy known. Ideas are exceedingly potent weapons. And unless the truth is known the United States bids fair to become one of the most hated nations on the globe. As I visited many of the countries in the old world last year, I found that other powers did a much better job in informing other countries about themselves than the United States. Great Britain, for instance, has developed a program of selling the British Empire to other nations which puts to shame the feeble efforts of the United States along this line.

There is yet another aspect to this question which I can most effectively point out by quoting a letter from Mr. Alston H. Chase written on July 1, 1946:

I served as an officer in the United States Army Air Forces from May 1942, when I was commissioned a second lieutenant, until July 1945, when I was separated as a captain. All of that time I was engaged in intelligence work, most of it in connection with the selection of bombing targets.

When I was attached to Air Forces Headquarters in Washington in 1942, I had ample opportunity to observe the state of our intelligence as to the economic resources of the enemy nations, for I was able to consult the files of both Air Forces Intelligence and G-2. I was appalled at the paucity of the information we had collected; our military attachés had restricted themselves to the most purely military information, much of it outdated and useless for our purpose. Later, in 1944, I worked in the headquarters of the United States Strategic Air Forces in England and in the Joint RAF and AAF Target Offices. I was then able to consult the British files, particularly those of the Ministry of Economic Warfare, and was interested to observe that as far back as the early 1920's British agents had been sending home full and accurate information as to all industries connected with the war potential in the enemy countries We were very largely dependent upon British Intelligence for a long period during the war.

Secondly, while I was in Washington, I observed an excessive duplication of effort between the various Government agencies. At one time certain subjects were being studied by Air Forces Intelligence, G-2, Naval Intelligence, OSS, the Bureau of Economic Warfare, the Department of Agriculture, the Department of the Interior, Department of Commerce, and a small group in the Department of Justice. Obviously, it was next to impossible to obtain the necessary materials from the Library of Congress and other such sources.

I came out of the war deeply convinced that we need an efficient Intelligence Service. I hope that these statements may lend their bit of support to your effort.

Sixth. Salaries in the State Department and the Foreign Service are far too low to attract the top-flight personnel needed for the job.

I know that I am not making any startling revelation in respect to State Department salaries. The Members of this House have known for years that in comparison with similar positions in private industry, the officers in our Department of State have been grossly underpaid. Let us look at the facts. Actually Government positions in the foreign field are just as difficult and just as challenging as any place in private business. Our Foreign Service officers and our Department of State officials must possess the highest qualities of ability and leadership. They should be able to speak two or more foreign languages fluently, they must be schooled in law and diplomacy, and they must know intimately the country in which they are stationed. These are skills for which private industries will give many times the amount our Government is willing to pay. I invite you to compare the salaries and allowances of foreign representatives of American business concerns with those of our Government representatives.

Moreover, it is generally known that Great Britain and Russia make more generous allowances for their Foreign Service officers than we do. It is nothing short of a national scandal that our Ambassador to the Court of St. James's, for example, draws a salary of only $17,500, which is taxable, plus an allowance of $13,000, which is not taxable At the same time the British Ambassador in Washington draws $70,000 in salary and allowances, all of which is tax-free Here is one place we cannot afford to be niggardly. Here is one place we cannot afford to be penurious How can we expect to compete with Russia and Great Britain by following this procedure? How can we expect to find the men of the caliber we need to fill the most important positions the Republic has to offer if we cannot afford to pay them salaries commensurate with their heavy responsibilities?

On Monday, July 8, 1946, there was introduced in the House a comprehensive bill known as the Foreign Service Act of 1946. The Committee on Foreign Affairs has acted favorably on this measure. This legislation is designed to improve, strengthen, and expand the Foreign Service. It was introduced by the gentleman from West Virginia, Congressman KEE, after a subcommittee of the Foreign Affairs Committee had given it careful study. Among other things, I am glad to say, it provides for an increase in the salaries of our Foreign Service officials. I think the Foreign Service Act is a good one, and I am heartily in favor of it.

Seventh. Progressive thinking has too often been discouraged in the Department of State.

In these days originality and imagination should be at a premium in the field of foreign relations. To the contrary, the method of selecting, training, and promoting personnel in the Department of State has tended to stifle originality and foster stereotyped thinking. I have heard many stories of young men in the Department who were actually afraid to put forth new and progressive ideas lest they jeopardize their own chance of advancement. Promotions will come more quickly, they say, if they play it safe and do not make any mistakes.

Mr. Speaker, if there ever was a hangover from nineteenth century diplomacy, this is it. We are supposed to be paying for brains; let us get our money's worth. If there remain any dark corners in the State Department where initiative and ingenuity are curbed, where men are intellectual mice, let us find out about it. This is exactly the kind of attitude that results in hesitation, inaction, and delay. For my part, I would far rather have our Government officials make a mistake now and then than to do nothing all the time.

Eighth. The Foreign Service is not organized and administered so its activities may be coordinated effectively with the rest of the Department of State.

Most people mistakenly think of the Foreign Service as an integral part of the Department of State. Actually, this is only a half-truth. To be sure, the Foreign Service is responsible to the Secretary of State. But in practice it is administered independently from the Department. It has a completely separate system of recruitment, a separate system of promotion, and a separate system of retirement. All this results in an unfortunate caste system with petty jealousies and rivalries flaring up between those who belong to the fraternity and those who do not.

I am not here to pose as an expert in administration. It does seem to me that a well-organized system would recognize that service abroad and service at home are integral parts of the same job. They are head and tail of the same coin. Accordingly, there should be full and free transferability of men to serve in Washington and in foreign lands according to the needs of the Government at a given time.

Ninth. Our representatives abroad do not have sufficient contact with the common people.

Our great country, Mr. Speaker, takes pride in the fact that it has remained the stronghold of democratic government in the world—a government of and by the people, as well as for the people. Our diplomats abroad, however, do not operate on this principle. For the most part, their associations are with the upper stratum of society. They associate with kings and queens, with higher government officials, with business and industrial leaders, and with other members of the diplomatic corps. In line with traditional diplomatic practices, they have relatively little to do with the workers, the middle class, and the peasant farmers who form the backbone of any democratic country.

As a result the reports prepared by our diplomats and our Foreign Service officers have not always reflected accurately the true state of public opinion abroad. Our "eyes and ears abroad" have sometimes suffered from myopia and deafness. The real feelings of the people in Italy, Argentina, Greece, Spain, and other countries have been misgauged. On the basis of this inaccurate information our Government at times has adopted policies completely out of harmony with the onward march of democracy in the world.

Tenth. By the same token, most of our representatives abroad do not keep in close touch with the American scene.

I know from my experience abroad that some of the members of our Foreign Service have been in the field for 20 years, returning to the United States only at rare intervals. This procedure may result in the saving of a few thousand dollars, but it is dreadfully wasteful of human resources. It simply means that our foreign service officers—recruited at an early age—cannot possibly know how the Department of State operates and how our Government functions. They cannot possibly know what the American people are thinking and feeling. They cannot possibly know what developments are taking place in the realm of labor, business, industry and agriculture. They cannot possibly know the things they ought to know in order to represent our country successfully abroad. They lose the American point of view.

This deplorable condition should be immediately changed. Perhaps the Congress itself is partly to blame for not appropriating more money for the Department of State. But this much is clear: Foreign Service officers should not only be permitted, they should be compelled to return to the United States at regular 2-year intervals in order to renew their acquaintance with the American scene. Moreover, when they come back, under no circumstances must they be allowed to confine their activities to Washington and the State Department. They should visit the West, the South, the North, and the East so they can rub elbows with the American people.

Eleventh. Provisions for the recruitment and appointment of foreign service officers at the higher levels are completely inadequate.

At the present time individuals who want to enter the Foreign Service must start at the bottom rung and gradually work their way up toward the top of the ladder. The service is thus a kind of closed corporation. If an extremely able young man of 35, let us say, wants to enter the service he could not do so even if he possessed outstanding qualifications for that type of work.

In view of the new and complex jobs our Government is undertaking abroad, this exclusiveness has proven a real handicap. What the Foreign Service needs to keep it on its toes is exactly the kind of competition which would result if outstanding individuals from other Government agencies and from private life could be freely brought in at the higher levels. What it needs is new blood from time to time in order to keep its standards high and prevent pernicious anemia from setting in. What it needs is the refreshing stimulus that comes from new ideas and new ways of doing things—ideas and techniques which are developed in every part of our great Nation.

Twelth. Our Foreign Service officers have tended to represent the Department of State rather than the United States Government as a whole.

I do not mean to confine this criticism, Mr. Speaker, to the Foreign Service. Representatives of other agencies, such as the Department of Commerce, tend to be guilty of the same grievous error. As a result, many of our family quarrels are projected to foreign shores and our dirty interagency linen is aired in the diplomatic courtyards of Europe and Asia. One of the sorriest spectacles of the whole war was the interagency squabbling that took place among American representatives in north Africa.

I realize that every one of our representatives abroad is under the general supervision of the Ambassador or the Minister in charge of the mission and are thus members of the official family. I want them to remove their departmental labels. I want them to place the stars and stripes above agency loyalty. I want a truly United States Foreign Service.

OTHER REASONS FOR STUDY AND INVESTIGATION

Under the 12 headings set forth above, I have listed a number of reasons why a thorough study should be made of the Department of State and the Foreign Service so that we as a nation can strengthen our policy-making machinery in order to better meet our responsibilities in a rapidly shrinking world. There are, of course, other reasons which I do not have time to develop now. I have said nothing about the need for an in-service training program to keep Department personnel abreast of world developments. I have not mentioned the fact that the Department still needs to coordinate its economic and political activities. I have not referred to the inadequacies of the policy-making machinery at the top level. Nor have I said anything about the many special problems which are arising as we try to gear the machinery of our Government into the United Nations and its various specialized agencies.

REPORT BY THE BUREAU OF THE BUDGET

When Mr. Byrnes was appointed Secretary of State, one of his first moves was to turn to the Bureau of the Budget and ask their experts to prepare a thorough study of the Department together with recommendations for its reorganization. That was a wise move, Mr. Speaker. Mr. Byrnes was obviously aware of the fact that the old machine which functioned fairly well in the time of Seward and Blaine and Hay and Root had to be overhauled if it were to keep up with the increased tempo of international life.

Meantime, what has happened to the report prepared by the Bureau of the Budget? I read in the press a few weeks ago that for some reason it had been pigeonholed. Does this mean that its recommendations are to be permanently ignored? Does it mean that the Department will continue to bungle along as best it can with old-fashioned techniques and old-fashioned ideas? It all reminds me of the sick man who sought out the best specialist in the country and then, after getting his prescription, deliberately refused to take the medicine necessary to make him well.

IN CONCLUSION

In conclusion, I would like to return for a few moments to the resolution I have introduced. It calls for a select committee of 23 members, to be appointed by the Speaker. The duty of this committee would be to review our foreign policy with respect to every country and every section of the world. The committee would also be given the authority to investigate the Department of State and the Foreign Service. It would then be in a position to make recommendations to the Congress with respect to:

First. The formulation and execution of a realistic foreign policy for the United States;

Second. The reorganization of the Department of State and the Foreign Service;

Third. Methods for securing accurate and up-to-date information concerning world conditions; and

Fourth. The communication of such information to the people of the United States.

Mr. Speaker, time does not permit a discussion of the merits of my resolution at the moment. It seems to me, however, that each of the points I have elaborated call for action at the earliest possible date. We must not again lay ourselves open to the charge of too little and too late. On the main battle fronts of the world the war is won. But the fight to win the peace has just begun. Let us prepare now to wage that fight with the intelligence, the imagination, and the courage that are characteristic of the American people.

SPECIAL ORDERS GRANTED

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that on Monday next after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER pro tempore (Mr. SAVAGE). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RAMEY. Mr. Speaker, I ask unanimous consent that on one week from today, July 23, after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may address the House for 30 minutes and on the following day for 40 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEE. Mr. Speaker, I ask unanimous consent that the special order I have for this afternoon be vacated and I may have permission to extend my remarks at this point in the RECORD and include a resolution of the Newspaper Advertising Executives Association, Inc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE WORLD CALENDAR

Mr. KEE. Mr. Speaker, on Monday, July 15, there was introduced in this body by the distinguished Member from the State of South Dakota, Hon. KARL E. MUNDT, a bill of far-reaching importance. Through the enactment of H. R. 7041, the measure to which I refer, the Congress of the United States would

adopt, as of January 1, 1950, a new calendar as the timetable of the Nation. It is not only hoped for, but expected, that all other nations throughout the world, when this change is effected by this Government, will soon follow our example and abandon the old order for the new.

The calendar proposed to be adopted under the provisions of the bill is known as the world calendar. It has been endorsed by learned men and women the world over and by many groups and organizations. Active in support of the new calendar is the Newspaper Advertising Executive Association, Inc., which recently adopted a resolution favoring the proposed change to the world calendar. The resolution so briefly and so clearly presents the case of the proponents of the new calendar that, with the consent of the House, I include it herewith, as follows:

RESOLUTION ADOPTED BY NEWSPAPER ADVERTISING EXECUTIVES ASSOCIATION, INC., EDGEWATER BEACH HOTEL, CHICAGO, JANUARY 16, 1946

Whereas the Newspaper Advertising Executives Association, Inc., having given serious consideration and study to the proposal that the present calendar (known as the Gregorian calendar) should be revised and simplified more adequately to fit the needs of the world, and having reached the conclusion that the World Calendar proposed by The World Calendar Association of New York City provides the desired changes:

Whereas the present calendar is undesirable because—

1. It changes every year.

2 Each year begins and ends on a different day of the week.

3 Quarters begin and end on different days of the week and are of unequal length, i. e., 90, 91, 92, and 92 days.

4. Months are of unequal length, varying from 24 to 27 weekdays.

5. Days and dates never agree from year to year, causing holidays, anniversaries, birthdays, and so forth, to wander ceaselessly.

6. The calendar's irregularities preclude comparison of monthly, quarterly, half-yearly and annual periods, and necessitate annual changes in plans, schedules, and operations, and holidays are erratic.

7. Unbalanced in structure, unstable in form, and irregular in arrangement, the present calendar is obsolete.

Whereas the perpetual world calendar is desirable because—

1. It is the same every year in perpetuity.

2. Each year begins Sunday, January 1. Business activities begin with Monday, January 2. The year ends on an extra day, the year-end world holiday.

3. Quarters are equal in length and correspond approximately to the seasons, each quarter begins on Sunday, ends on Saturday, and contains 3 months—13 weeks—91 days.

4. Every month has 26 weekdays, plus Sundays.

5. Holidays, anniversaries, birthdays, and so forth always fall on the same day and date every year.

6. This revised calendar facilitates accurate comparative statistics and tables, computations of interest, budgets, pay rolls, costs, and the like; it simplifies operating schedules, and timetables, and is a great convenience in the observance of holidays.

7. Balanced in structure, stable in form, and regular in arrangement, the world calendar is a modern calendar to meet modern needs: Now, therefore, be it

Resolved, That the World Calendar be adopted by the United States of America.

A copy of this resolution shall be sent to the World Calendar Association, 630 Fifth Avenue, New York City, N. Y.

A copy of this resolution shall be transmitted to the members of the Newspaper Advertising Executives Association, Inc., to the American Newspaper Publishers Association, and other NAEA affiliated associations, and the American Standards Association.

A copy of this resolution shall be transmitted to the President of the United States, to members of the Cabinet, and to Members of the House of Representatives and the Senate in the Congress at Washington, D. C., with the request that they take appropriate and necessary steps for the adoption of the World Calendar by the United States of America, and further that they instruct the representatives of the United States to present it to the United Nations Organization for adoption by the member states thereof.

The undersigned president and secretary of the Newspaper Advertising Executives Association, Inc., do hereby certify that the above resolution of endorsement was duly adopted at a regular meeting held on the 16th day of January 1946, in the city of Chicago, State of Illinois.

ROBERT K DREW,
President.

IRVING C. BUNTMAN,
Secretary-Treasurer.

Mr. Speaker, the resolution of the NAEA, exhibited herewith, is within itself ample proof of the opening statement in its preamble that the Association has "given serious consideration and study to the proposal that the present calendar—known as the Gregorian Calendar—should be revised and simplified to fit the needs of the world." I feel personally indebted to the association for information on the subject which could have been garnered only through extensive research. It requires widespread dissemination of information upon any issue to induce thought and discussion, and the man who passes information on to others renders a public service.

We are today witnessing the dawn of a new era. Men and women throughout the world are reexamining their institutions and their way of life. One of the oldest devices of society is its timetable of the years, seasons, months, weeks, and days: the calendar. On the face of it the calendar is simple. Among the things a child early learns is to read and use the calendar, and by this means to know the days of the week, the months and the year, and also identify holidays. This is as it should be. Were the calendar not readily understood by the least tutored as well as the most erudite it would not serve its purpose.

The simplicity of the calendar is deceptive. Probably nothing which has been produced by man represents such advanced knowledge. In order fully to understand it one must engage in abstruse astronomical research involving the furthest reaches of mathematics, and this knowledge must be translated into terms of our social organization and the most elemental needs of human beings.

Archeologists and historians agree that the first evidence of man's intelligence includes devices to measure and record time.

Gilbert Chesterton once said that it is far more important for a landlady to know the philosophy of her boarder than to know how much money he has or his income. He pointed out that if the man's philosophy were right he would be honest and not undertake obligations beyond those he could meet, and that in the long run this would be more important to her than was such a changing circumstance as his financial condition.

One of the ways by which you can judge a person is his philosophy in regard to time. It may seem an unusual index to character and personality, but surely there is nothing more basic than a man's own view of this essence of his actions. Philosophically speaking, it may profoundly affect his ethics if he regards his period of existence as eternal and infinite, or whether he regards it as limited to a mortal span. His sense of values will be determined very largely by whether he feels that the living moment contains within itself something rare and precious, and the very stuff of life itself, or whether he feels that yesterday and tomorrow are more important than today and that the present is meaningless.

There are persons who are so keenly aware of time that they drive themselves. Other persons treat the minutes as though they were stacked up fabulously as an illimitable treasure from which they may draw eternally and are indifferent about their passing.

The sense of time is important in other senses.

For instance, the timing of legislation, or introducing a new product on the market, or attempting a new service, or introducing a new style, is of great importance. Bad timing has caused many good things to fail. Many inventions, books and plays, and many new social ideas have been either in advance of the times or behind the times. In all time-consciousness has always been an important element.

We do not possess time so much as we are possessed by it. Time is obviously beyond human control. We can only regulate our lives in relation to this gift from the Creator. But the ways in which man records time are his own creations, and they are an evolutionary development.

Prehistoric man, cutting notches on wood to record the passing days, has been supplanted by modern man who uses the watch, the clock, and the chronometer, and who is not even satisfied with these imperfect mechanical contrivances, with the result that each day through the observatories he checks the true time and makes a corresponding correction. No one would have the temerity to suggest we should return to the sundial and the hourglass.

The calendar is man's attempt to project the future and provide himself with a pattern of the year, the seasons, the months, the weeks, and the holidays, as well as individual days. The year is based upon the time it requires for the earth to complete its journey around the sun. Our calendar says that this is 365 days, but in actual fact it is 365.242216 days, or, in other words, slightly less than one-quarter of a day a year. This is not a negligible factor, because, if adjustment for it is not made regularly, the

passing centuries bring the first of the year to midsummer.

In the days when mankind believed that the earth was flat—relatively not so long ago—and lacked the facilities of large observatories and present-day scientific knowledge, it is not strange that man did not believe the earth travels around the sun and that, in searching the skies for a natural phenomenon regularly recurrent, they should look to the moon, which waxes and wanes in periods approximating the month.

The Egyptians devised a calendar, in 4236 B. C., which was based upon the sun, although without any conception of the solar system and of the earth's transit around the sun, as a result of a recognition of the sun's recurrent effect upon the seasons and the crops of the earth.

Using this solar seasonal Egyptian calendar as his pattern, Julius Caesar, in 45 B. C., revised the lunar calendar then in use in the Roman Empire. His calendar, called the Julian, was followed by the Augustan calendar in 8 B. C., the Constantinian in 321 A. D., which introduced the week into the western calendar, and the present calendar, known as the Gregorian, in 1582 A. D. Not all the world accepted the Gregorian calendar at the same time. England waited until 1752, China 1912, Japan 1873, the Soviet Union 1918, and Turkey 1927. By dropping 10 days in 1582, establishing the spring equinox as of March 21, retaining the leap year every 4 years but omitting this day in centurial years not divisible on a 400-year formula, the Gregorian calendar gave to man a reasonably precise time schedule. However, the irregular lengths of the months and the shifting characteristic of the days and dates remained unchanged.

Our present calendar divides the year into 12 months and these months bear a fairly approximate relation to the phases of the moon. A month averages 29.530588 days, or, putting it another way, 29 days, 12 hours, 44 minutes, and 2.8 seconds. The present periods of time allotted to the months are thus mere approximations from the viewpoint of abstract time, albeit of adequate utility.

Reducing these highly complex physical phenomena and immutable laws of nature to a simple, uniform, practical, and reasonably exact standard of time is a very difficult undertaking.

Modern methods of production and distribution, systems of accounting and budgeting, habits of work, study, play, and worship require revision of the calendar to make our timetable more convenient and useful.

First of the requirements is that it be perpetual, or, in other words, that every year be the same. Another is that the quarter years and the half years be equal to one another and thus balanced, interchangeable, and correlated time periods. Still another is that holidays be fixed as to day and date, and cease to wander ceaselessly throughout the weeks from year to year.

To accomplish this readjustment involves and presents extraordinarily complex factors—historical, scientific, and practical. Suffice it to say that, of the hundreds of plans proposed during the last century or two, the one plan which was originated by the Italian priest, Abbot Mastrofini, published in 1834 and refined and developed largely through the World Calendar Association, has won nearly universal approval as the best, all conditions considered. Mastrofini's idea was a 364-day year with the three hundred and sixty-fifth day every year and the occasional three hundred and sixty-sixth day in leap years treated as extra days. He made no other changes. By the method of the one or two extra days, the abbot succeeded in stabilizing the calendar and retained the length of the year as provided by Pope Gregory. This prophet, like prophets of old, cried in the wilderness, unheeded and unrecognized by his own and other peoples.

Fourteen years later Auguste Comte published his positivist calendar, wherein he devised a 13-month plan with every month having 4 weeks or 28 days. He incorporated Abbot Mastrofini's idea of the extra day. Auguste Comte's plan was so cluttered with names and unnecessarily drastic changes that it defeated its own objective.

In 1887 the eminent astronomer, Camille Flammarion, president of the French Astronomical Society, offered two prizes for the best calendar revision, the two prizes going to two different types of a 12-month calendar. He was also ahead of his time; nothing more was done about it.

The International Chamber of Commerce at their biennial meetings in 1910, 1912, and 1914 recommended calendar reform without mentioning any particular plan. In 1914 the Chamber requested the Swiss Government to undertake a study of the matter in preparation for a decision to be reached in 1916. Unfortunately, World War I interfered.

With the League of Nations established in 1921, the International Chamber of Commerce renewed its efforts and requested the League to form a committee for the study of calendar reform. The League accepted the assignment and, in 1923, calendar reform was placed in the Communications and Transit Section.

In 1928 and again in 1929 the Honorable Stephen G. Porter of Pennsylvania introduced bills in the House of Representatives requesting the President of the United States to propose the calling of an international conference to consider and provide for the simplification of the calendar, or to accept, on behalf of the United States, an invitation to participate in such a conference. These two bills were referred to the Committee on Foreign Affairs. At a hearing before Congress, in 1928, the proposed 13-month calendar plan was offered but no action was taken. No 12-month calendar was mentioned at those hearings.

An International Conference on Calendar Reform under the auspices of the League was held at Geneva, October 1931, and out of more than 500 plans considered by the preparatory committee in June, three were selected and submitted to the International Conference. Two plans survived the Conference and were resubmitted to the various governments for further study and consideration. They were the 13-month calendar with months of 4 weeks and 28 days—the earlier Comte plan simplified by Moses B. Cotsworth who had eliminated the superfluous names—and a revised 12-month calendar of equal quarters, now known as the World Calendar. Both plans incorporated the basic ideas of Abbot Mastrofini for a 364-day year plus the one or two extra stabilizing days.

In 1937 the Council of the League of Nations presented to the member and nonmember states a draft resolution on the World Calendar that the Chilean Government had submitted to the League for the purpose of obtaining approval and adoption. As a result 14 nations endorsed the World Calendar and since that time it has continued to gain popular national and international support.

With the progressive deterioration of international relations, the outbreak of war, the final liquidation of the League of Nations, and the transfer of its material assets to the United Nations, we must now look to that international agency for the international fruition of the long labors of more than 100 years.

Today, out of the convulsions of war, the United Nations, the United Nations Educational, Scientific, and Cultural Organization, and many other new international organizations, have been created. Today, for the first time in history of this Republic, the United States is a member of all of these world-wide agencies. Today the United States occupies a position of unprecedented power and prestige Today the hopes and prayers of mankind search as never before for means to improve the world and to better the lot of man. Today the spirit of change is abroad in the world. A world that has witnessed unparalleled destruction has no fear of scrapping obsolete methods, including standards of time, and seeking to replace them with a new and improved calendar.

Our own Nation has a special responsibility, and our Government is charged with a trust for mankind. We are preeminent in mass production. Largely as a result thereof, our people have attained standards of living such as no other has ever known. This would have been impossible had it not been for our insistence upon progressively improved standards. These are fundamental factors in American life. The eyes of the world are focused upon this Nation and we shall be remiss in our trust to ourselves and to other peoples if we do not exert our full influence nationally and internationally on behalf of the adoption of the World Calendar.

Several months ago Commodore J. F. Hellweg requested the World Calendar Association to prepare a summary of its activities and of the World Calendar. May I call to your attention that the commodore recently was retired, but for 15 years he has been the superintendent of the United States Naval Observatory here in Washington. Such a distinguished authority as Prof. Harlow Shapley, of Harvard, has stated that under the commodore's administration the Observatory has been recognized as the final authority in the United States on questions of time, at least as to the precise hour, minute, and second. Commo-

dore Hellweg is a member of the advisory committee of the World Calendar Association.

The history, studies, surveys, publications, and other records of the 15 years of activity of the World Calendar Association are extensive, as is the story of the development of this improvement on our out-dated and out-moded calendar. The World Almanac of 1946 is fully warranted in describing this admirable organization as "the world center of calendar authority." Thirty-two bodies in foreign nations are affiliated with it.

In our study, discussion, and deliberations, this record will be very useful. It may likewise be helpful to other Government agencies, to the governments of other nations, and to those international bodies set up by the nations of the world.

It is the consensus of expert opinion that January 1, 1950, is the ideal date to adopt the World Calendar. That year starts on a Sunday, as does the proposed World Calendar, and as a consequence the change, if made then, will avoid confusion. This is also the half-century mark and a good point for future comparative statistical purposes. To this end enabling legislation is required within the next year or two, well in advance.

Our Government should assume a position of leadership in this improvement. The action we take here will not only be beneficial to this Nation but will be influential internationally and helpful to humanity.

Time is the property of no man. It affects all of us equally, the rich and poor, the mighty and lowly, and those of all races, colors, creeds, and nationality. The measurement of time is likewise a problem for each of us individually and collectively.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOOK] is recognized for 20 minutes.

THE OPA

Mr. HOOK. Mr. Speaker, I do not think any of us are deluding ourselves that we have stopped inflation by our action today on the OPA bill. I do not think that the American public is kidding itself that it is not going to have a bigger grocery bill, a bigger butcher bill, and generally tougher time all around to make things meet. Congress has made this inevitable by its delay, its procrastination, and its capitulation to special interests. Whatever final action is taken by Congress, the damage has been done. Of course, we can mitigate some of the effects of inflation with a strong bill, a bill that does control prices without fear or favor. It is a slim hope, I think we will agree, that any such bill is going to shape up.

Whatever the fight put by individual Members to maintain meaningful price control, however vigorous the protests of individual Members of Congress against legislating for profits instead of people, the fact remains that the American people, the people who are going to sweat out the higher prices we ordered for them, are going to indict all of Congress for what is happening and what is yet to come.

Mr. Speaker, as the representative of my constituents in Congress I construe my job to be that of an advocate of their interests—the interests of all the citizens in my district. I suppose all of the Members of Congress agree to this definition of what is a Congressman. As a whole, however Congress has not been serving as an advocate of the general public interest, we have been derelict in our responsibility to the general public welfare.

The people who are going to be worst hit by rising prices are the people who are in the lower-income brackets. That is so obvious that it would seem unnecessary to say it. But it must be said. And it must be understood what we are doing to millions of Americans, who, even during the so-called lush war years had to struggle to get along. We have not been true advocates for these millions of American citizens.

We now have an opportunity not to make amends, but to at least partially compensate for the disservice the Congress has rendered this great group of American working people.

Mr. Speaker, on September 5, 1945, I introduced H. R. 3914, a bill to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes. This bill would raise the legal minimum wage which could be paid by an employer to any employee engaged in commerce or in the production of goods for commerce to 65 cents an hour. It would also provide for mandatory increases in the minimum wage to 70 cents at the end of 1 year and to 75 cents an hour at the end of 2 years. At any time after the bill became law, however, the Administrator of the Wage and Hour Division could utilize the industry committee procedure established under the present act to raise the minimum wage to as high as 75 cents an hour in any industry where he finds it would be feasible to do so without substantially curtailing employment in such industry. It is high time these new minimum-wage requirements were written into the laws.

The bill would also remove from many employees exemptions which were written into the act at the behest of special interests. These exemptions have proven to be administratively unworkable, discriminatory, and unfair to many thousands of workers in the agricultural handling and processing industries, in the processing of fish, and in the maritime industry. It is high time these employees should begin to enjoy the protection against unfair wage practices by employers which the Fair Labor Standards Act affords.

Mr. Speaker, this bill would also clarify and strengthen the prohibition against shipment of goods in the production of which child labor has been employed, which is now contained in the act. It would directly forbid any employer who is engaged in commerce or in the production of goods for commerce from employing oppressive child labor in or about or in connection with any enterprises where he is so engaged. It is high time, Mr. Speaker, that we enacted into law such protection of the Nation's children.

Finally, the bill would fix a uniform 5-year statute of limitation on employee action under the act to collect unpaid minimum wages or overtime, and liquidated damages. It would put on an equal footing throughout the country the remedy available to workers who are not paid by their employers in accordance with the law. At the present time, employees in some States find their right to bring suit under the act barred after so short a time as 6 months or a year while employees in other States may have as much as 6 years or longer in which to enforce their rights. It is high time that the rights of employees to bring suit under the law were made uniform and that a reasonable period of limitation was made applicable to all such actions.

As introduced, H. R. 3914 also contained authority for industry committees to recommend and the administration to approve reasonable wage differentials above the statutory minimum between interrelated job classifications. This provision does not, however, appear to be workable and might give rise to a great many difficult problems. I do not press for the enactment of this provision.

Mr. Speaker, I do not understand the mental processes of Members of this body who think they can by legislation both prevent strikes and have inflation. If Members of this House think that strikes are due to the ambitions of labor leaders, they will have a rude awakening, I fear. Workers do not go on strike and stay on strike to satisfy the whims of power-mad labor leaders. They go on strike because their wives cannot make ends meet on the wages they bring home, because their kids are hungry, because they hope for something better if they win. So, if you are going to push up the prices of everything the worker has to buy, so that his pay envelope buys only a quarter, or a third, or only half what it buys today, then you must expect more strikes. Members of this House are badly underestimating the tenacity and drive of the American workingman for a better way of life and living standards for himself and his family if they think he, any more than the businessman, is going to knuckle down under legislative efforts to take away his rights or the protections he has won during 12 years of an enlightened administration when the whole basis of his livelihood is threatened by inflation. No, Mr. Speaker; you cannot have legislation that will guarantee inflation and at the same time expect that you can get along without strikes.

An article in the Washington Daily News, by Thomas L. Stokes, makes this point very well. This article was printed in the News on Friday, June 7. Mr. Stokes wrote, and I quote:

> Congress is often surprising with its inconsistencies, so that it appears that the left hand doesn't know what the right hand is doing.
>
> * * * * *
>
> Congress has been hell-bent to pass legislation to curb labor and try to prevent strikes.
>
> At the same time the House first, and now the Senate Banking Committee, come along with a bill that virtually will stymie

OPA in its effort to control prices for a few months longer until our economy is stabilized.

That can mean nothing but increased prices. That, in turn, is sure to bring demands for more wages to keep up with prices, and more strikes. We may look forward, if Congress has its way, to a vicious circle. In the end, some experts believe, we'll have a real inflation that will build up to a collapse that will be something—something pretty bad for all of us.

* * * * *

The people are hard to fool. They won't take this lying down. This is bread-and-meat stuff.

Mr. Speaker, the problem I have referred to, and which Mr. Stokes points up so clearly, is one to which the Congress, if it is to make even a pretense of legislating for the general welfare, rather than to please special interests, must give attention—very close attention. The record of this House, and of this Congress as a whole, in dealing with matters vital to the welfare of the people of this Nation has, aside from the field of foreign affairs, been virtually a blank. There has been before us no dearth of legislation designed to serve the general good—the administration of President Truman has outlined to us on a number of occasions a full legislative program for this purpose—increased unemployment compensation which would be of assistance in helping war workers and veterans to "reconvert," wider social security coverage, national health insurance legislation, expanded hospital facilities, grants-in-aid to schools and colleges for expanded educational opportunities, especially for veterans, a general housing program, and a program for full production and employment. The Congress, however, has failed to act favorably on any of these measures, except for passing a much modified Employment Act of 1946, which will hardly do the job claimed for the original legislation.

On the other hand, this House has voted with the Senate to put through greater tax-relief benefits for corporations, to restrict the right to strike, and to strip workers of the protection, of the Wagner Act and the Norris-La Guardia Anti-Injunction Act, and to take away from OPA its last remaining power to control price rises during reconversion. It is high time, Mr. Speaker, that the Congress started to reverse its records on these problems. It is high time that we started—even though there are few weeks remaining of this session—to consider and pass legislation that will promote the welfare of the common people of this country, not merely a chosen few. We can make a beginning, Mr. Speaker, by considering in this House, and passing legislation to amend the Fair Labor Standards Act that will raise the minimum wage to a level consistent with today's—if not tomorrow's—cost of living, to bring within the scope of the act several million workers who are now excluded from it by virtue of its narrow coverage or by artificial and unjustifiable exemptions, and to make it unlawful to employ child labor in the production of goods as well as to ship the products of child labor in commerce. This is what my bill, H. R. 3914, proposes to do.

This bill, Mr. Speaker, has been before the Congress, as I have said, since last September. It has been the subject of extensive hearings, both before the Committee on Labor and the Senate Committee on Education and Labor. The record of the Committee on Labor hearings contains 930 pages, that of the Education and Labor Committee, 1,450 pages. In the Senate, the bill, which was introduced by Senators PEPPER, KILGORE, MYERS, WAGNER, CHAVEZ, MAGNUSON, GUFFEY, MEAD, MURRAY, and THOMAS of Utah, and carried the number S. 1349, received exhaustive study by the Committee on Education and Labor in executive sessions which were held on January 18, 19, 21–24, and February 14, 1946. In reporting out a revised version of the bill on March 5, 1946, that committee filed a careful 18-page report setting forth in detail the reasons for its action and on March 14 filed a 148-page supplemental report in further support of the bill. All of these documents are available for study by the Members of this House. They should be carefully studied by every Member.

In my opening remarks, Mr. Speaker, I described briefly the provisions of H. R. 3914 as originally introduced by me. I want to say, however, that in a number of respects the bill reported by the Senate Committee on Education and Labor (S. Rept. No. 1012, pts. 1 and 2) contains important improvements over the provisions of H. R. 3914. The bill as reported by that committee would broaden the coverage of the act to the permissible limits of congressional power over interstate commerce as suggested by the United States Supreme Court in *Kirschbaum* v. *Walling* (316 U. S. 517), *Walling* v *Jacksonville Paper Co.* (317 U. S. 50), *McLeod* v. *Threlkeld* (319 U. S. 491), and *Roland Electrical Co.* v. *Walling*, decided January 28, 1946 (66 Sup. Ct. 413), and as recommended by the Secretary of Labor and the Administrator of the Wage and Hour Division, by bringing within the scope of the obligations imposed by the act every employee whose activities are necessary to or otherwise effect commerce. It would also narrow the present exemption in the law for employees in retail and services establishments by taking out of this exemption all chain stores—defined as stores making up a chain of five or more stores—and large independent stores doing an annual volume of selling or servicing. These are highly desirable improvements in the bill and should be incorporated in any minimum-wage legislation passed by this House. On the other hand, the Senate committee bill contained provisions less advantageous to maritime workers than those contained in H. R. 3914, since, although bringing these employees within the minimum-wage provision, it continued the exemption from overtime applicable to these workers. That bill also broadened the exemptions from both the minimum-wage and overtime requirements of the law applicable to employees of small newspapers and to telephone operators and reduced the proposed 5-year period of limitation to 2 years and imposed additional restrictions on employee suits to collect unpaid back wages required by the law. And it extended to 4 years after the bill becomes law the date when a 75-cent minimum hourly wage would become applicable. These amendments are unnecessary and retrogressive. They should not be a part of any minimum-wage legislation passed by this House.

Unfortunately, the Senate has not seen fit to adopt the report of its committee on this proposed legislation. It has rejected the committee's proposal to extend coverage to workers employed by employers whose activities are necessary to or otherwise affect commerce, and to bring within the law employees of chain stores and other large retail and service establishments. It has rejected the simplification of the overtime exemptions applicable under the present law to employees of fish or agricultural processing establishments and has continued the minimum-wage exemption for workers handling or processing farm commodities in the area of production. On the other hand, it has redefined the exemption from both minimum wage and overtime requirements applicable to employees of retail and service establishments in such a way as to render this exemption confused and difficult to understand. Finally, it has voted to approve a 65-cent minimum wage for employees covered by the law but to postpone its application to such employees for a period of 10 months and to abandon further increases in such minimums by periodic statutory step-ups or by industry committee action. And it has added to the bill the so-called Russell rider—known in this House as the Pace amendment—which would require the cost of farm labor to be taken into consideration in fixing parity prices of farm commodities under the Agricultural Adjustment Act of 1938, as amended. Mr. Speaker, if this Congress can do no more for the many millions of exploited workers of this country who are still being paid at substandard wage rates and who are still being compelled to work long hours without extra compensation for hours above 40 per week, and if this Congress permits the beneficial effects of an increase in minimum wages to be virtually wiped out even in the same bill in which such increase is provided, by attaching an inflationary rider such as the Pace amendment to such legislation, it will be a travesty on the hopes and expectations of millions of our fellow citizens.

We still have a chance, however, to realize their hopes, to legislate at least once during this session for the general welfare of the people.

Mr. Speaker, we hear a great deal on the floor of this House about our great democratic institutions. We think of this country as the land where all men have equal opportunity to become rich and prosperous. We all know how well this system of "free enterprise" provides for the great and powerful among our citizens. But, Mr. Speaker, neither our democratic institutions nor our "free enterprise" system can long endure unless the Congress assumes the responsibility of implementing those institutions and that system with real equality of oppor-

tunity for all our people, including the millions of workers who are now unable to realize these benefits because of low wages and the ill health, lack of educational opportunities, and insecurity which such wages means.

The Fair Labor Standards Act, passed in 1938, was a beginning step toward that assumption of responsibility by the Congress. But, Mr. Speaker, it was only a beginning step—hardly more than a tiptoe. As President Truman has said: "The goal of a 40-cent minimum was inadequate when established. It has now become obsolete."

It is high time that we took another step, Mr. Speaker, toward assuring the lowest paid of our workers at least some greater degree of economic security and opportunity.

At the present time we have a minimum wage of 40 cents an hour applicable to employees covered by the wage and hour law. It is estimated that approximately 20,000,000 workers are covered by the Fair Labor Standards Act. Restrictions on coverage and the system of exemption written into the law exclude approximately an equal number of workers. Mr. Speaker, I hope the time will come when all of these workers may be brought within the basic minimum wage, overtime, and child-labor protection which the act affords. The many millions of employees on whom the protecting arm of Congress could rest against those who would exploit them through employment for long hours at low pay or through the employment of young boys and girls, need the protection of the law. The proposed bill recommended by the Senate Committee on Education and Labor, however, does not reach many of these workers. That committee estimated that its bill would bring only another 3,500,000 employees under the act and would clarify the status of another 1,250,000 workers, mainly in industries handling and processing fish or agricultural commodities. This bill, too, Mr. Speaker, is only another small step toward giving the lowest-paid of our workers the economic opportunities and security which they need so badly.

The present 40-cent minimum applicable to employees covered by the wage and hour law means that an employee who works 40 hours a week for 52 weeks a year may receive as little as $832 a year. Can this magnificent sum of $832 a year feed, house, and clothe a family in the year 1946? Such an income cannot support even one person at present prices. Therefore, Mr. Speaker, I cannot believe that there will be many responsible Members of this House who will argue that the 40-cent minimum should not be changed. This, I think, will be true even of those Members who support restrictions on labor's rights and who have voted in the sham extension of OPA to increase the cost of living I wonder, Mr. Speaker, what $832 will buy if the Office of Price Administration ceases to function.

In 1944, a year and one-half to 2 years ago, when the cost of living was considerably lower than it is now, an annual income of at least $1,450 was required, according to the Bureau of Labor Statistics, to purchase the minimum necessities of emergency living for a family of four persons. The Works Progress Administration which formulated this budget acknowledged that it was not adequate to maintain health over a long period, but claimed that it would do for a short emergency. Just think of it—$1,450 to sustain a family of four on an emergency level. Yet, under our present law, it is lawful to pay a man barely more than one-half of that, or one-half of what he and his family need to live on. And this does not take into account recent increases in the cost of living.

The effects of having large numbers of workers paid substandard wages are dramatically shown in figures presented to the Senate Committee on Education and Labor by the Surgeon General of the United States. These figures showed that persons living on substandard incomes have more illness and are sick longer than persons with adequate incomes. Tuberculosis causes four times as much disability among families with incomes under $1,000 as among families with $3,000 or more income. Deaths from pneumonia and maternal and infant deaths are shockingly higher in the substandard income groups. The same is true of any number of other illnesses. Mr. Speaker, how can we promote the safety and strength of our Nation, not to speak of economy in government, except by assuring workers an income sufficient to maintain their health? What greater natural resource does the Nation have than the health of the workers?

Legislation to strengthen the wage-hour law is a step in the direction of conserving that natural resource and to lessen the drag on our economy through preventable illness. The bill which I advocate would provide a minimum wage of 65 cents an hour now, 70 cents an hour after 1 year, and 75 cents an hour at the end of 2 years. Such a minimum would mean an annual income for a worker who does not miss any work during the year amounting to $1,352 during the first year and $1,560 after 2 years. Even $1,352 a year will not fully provide a subsistence level of living for the worker and his family, and $1,560 will just barely reach over that level now.

The creation of purchasing power which will support an economy of full production on the farm and in the factory depends in great measure upon the minimum wage fixed by the Fair Labor Standards Act. A study conducted by the Office of Price Administration in 1943 of the annual incomes of 40,350 consumer units, including 33,360 families and 13,071 single persons, showed that 25.9 percent of the families and 61.3 percent of the single persons received an annual income of less than $1,500. Another study of urban family income in 1942 and 1943 conducted by the Bureau of Labor Statistics showed that in the first quarter of 1942, 54 percent of single persons and 15 percent of the families studied had annual incomes of less than $1,000.

Deficits of expenditures over income averaging 49.2 percent of annual income were found in the case of those receiving less than $500 annually, and averaged 16.6 percent of annual income in the case of those receiving between $500 and $1,000 annually. For persons and families in the income range of from $1,000 to $1,500, deficits over income averaged 1.6 percent. It was necessary for income to reach the range of $2,500 to $3,000 before resulting in a surplus of income over expenditures.

It can be assumed, on the basis of the rise in the cost of living during the period since these studies were made, that the proportion of workers' families who are unable to make ends meet is considerably higher now.

The failure of income to cover expenditures, it is obvious, must sooner or later result in either an increase in the former or a decrease in the latter. During the period of rising wages, deficits in family income may be carried for a considerable period of time. If, as at present, wages tend to stabilize or even to drop, deficits among the lowest income groups and narrow margins of surplus among the middle-income groups may be expected not only to restrict expansion of purchasing power among the groups but actually to curtail it. The assurance of sufficient purchasing power to support full production and full employment would therefore call for a minimum wage which will be sufficient to wipe out at least the deficits among the lowest income groups

Obviously an increase in the minimum will not be sufficient boost to purchasing power to sustain a program of full production. It will serve to put a floor under wages and by placing additional earnings in the pocketbooks of those who most need it, thereby act as a floor under national purchasing power.

An increase in substandard wage rates to 65 cents an hour will not produce sufficient income to permit presently underpaid workers to purchase even all the necessities of life. Numerous studies demonstrate that a decent family budget can only be established on the basis of an hourly wage in the range of 70 to 90 cents an hour. The provision in H. R. 3914 for automatic progression to a minimum of 75 cents an hour after 2 years is devised as a reasonable approach to the goal of permitting all who work for a living to maintain a minimum standard of health and well-being for their families.

Mr. Speaker, there may be Members of this House who will profess a desire to vote for the bill I advocate but who will declare they cannot do so because they regard it as being inflationary. But I and millions of Americans will ask whether this House can with justice and consistency deny a living wage to workers on the grounds that it would be inflationary to do so after the action taken by this House on the bill to continue the authority of the Office of Price Administration for another year from July 1. We also ask, Mr. Speaker, whether it is inflationary to provide that workers must be paid at least to permit them to eke out a hazardous subsistence. The most informed statement on the effect of the increase in minimum wages on the cost of producing goods is the statement of

Mr. Chester Bowles before the Senate Committee on Education and Labor. In that statement Mr. Bowles made an exhaustive analysis of low-wage industries which shows that the proposed revision of the minimum wage will not unduly burden industry. His testimony may be summed up in his statement that "the cases in which the proposed revision may entail increased prices are few and minor. There need be no hesitation on anyone's part because of the price consequences of this legislation." Even such few and limited price increases as might be necessary would be more than counter-balanced by reductions of public and private relief payment and improved public health.

As I have already said, the bill I advocate would extend the protection of the wage-and-hour law to additional workers who sorely need it. For instance, the present minimum wage exemptions for various activities and operations in the fish and farm products processing industries would be removed. Workers in these industries who are paid notoriously low wages and who are largely unorganized have just as much right to work at decent hours and for decent wages as their fellow workers in well-organized industries. Their need for food, clothing, and shelter is as great as that of any other group of workers. Processors whose employees are now exempt can pay wages as high as the minimum. This is demonstrated by the fact that many employers in these industries who have recognized the right of their employees to form unions and bargain collectively have raised wages. The agreements these employers have made with their employees through the unions limit the number of hours employees may be required to work without overtime compensation. How can it be claimed, Mr. Speaker, that such employers cannot conform to the minimum standards of this bill? In 1944—I do not have the 1945 figures—corporations in the food products industry showed profits amounting to 27 percent before taxes and 11.1 percent after taxes on net worth. Any claim by this industry that this Congress should treat it like a poor relation who must be subsidized at substandard wages is not supported by the facts. It can afford to pay decent wages and maintain decent working conditions. Furthermore, although H. R. 3914 would remove the minimum wage exemption for these industries there would still be available for any such industry which is seasonal, a 14 workweek exemption from the overtime provisions. In other words, for about 3 months a year an industry that is seasonal can use its employees 12 hours a day or 56 hours a week without paying overtime. Thus for the one-fourth of the year when overtime is customarily worked these industries would for practical purposes be relieved of paying overtime.

To digress for a moment, some criticism has been directed at the Fair Labor Standards Act because of its technicalities. In sections 7 (c) and 13 (a) (10) which would be eliminated under the bill I advocate there are approximately 45 terms used, all of which have to be defined. If we want to simplify this act, elimination of these exemptions named is the most notable contribution to that purpose we can make.

Mr. Speaker, the wage-and-hour law at the present time exempts from both the minimum wage and overtime requirements of that law all employees of retail or service establishments the greater part of whose selling or servicing is in intrastate commerce. More than four-fifths of these employees, or about 1,650,000 workers, representing about 30 percent of all employees in retail trade, are employed in large-scale or chain retail stores; the remainder, numbering approximately 620,000 workers, are employed primarily in service establishments, such as moving picture theaters, gas stations and the like, which are operated on a chain basis in several States. The bill would subject to the minimum wage and overtime requirements of the Fair Labor Standards Act approximately 122,000 of the 132,000 chain retail stores operating throughout the country, but only about 4,000 of the 1,650,000 independent retail establishments. Its primary effect, therefore, would be to bring within the coverage of the act the large enterprise which, either because of the far-flung disposition of its retail outlets or the size of its business, is engaged in activities which necessarily affect interstate commerce.

The present exemption for retail and service establishments which is contained in section 13 (a) (2) of the act was meant for the small corner-grocery store, the small independent gas-station operator, and the small tailor shop. Under this exemption, however, huge mercantile industrial establishments have sought and found protection from the modest requirements of the wage-and-hour law. Likewise, the great systems of chain stores have largely found protection from the act under this provision, even though their branches extend over the length and breadth of the land.

Mr. Speaker, how can an exemption for these large mercantile enterprises be justified? How can we expect the small retail or service establishment to be able to afford to pay its employees decent wages or to observe enlightened working conditions when it is constantly faced with the cutthroat competition of large low-cost, low-wage mercantile enterprises? It is obvious, Mr. Speaker, that the exemption which was meant to protect only the truly local small business must be redefined. The bill recommended by the Senate Education and Labor Committee would do just that—but only that. Under its provisions the minimum wage and overtime exemption applicable to the employees of the businessman doing a small retail or service trade would be preserved. The bill would, however, bring within the minimum wage and overtime requirements of the Fair Labor Standards Act, which are generally applicable to employers engaged in interstate business, any retail or service establishment whose business exceeds half a million dollars a year or which is part of a chain consisting of more than four such establishments.

The bill would continue to exempt the small independent tradesman who employs his friends and neighbors and whose sense of responsibility for their welfare and his position in the community are the best safeguards against his exploiting his employees. It would deny exemption, however, to the large corporation which bases its actions and policies on its own and its competitors' profit margins and ignores, because it has no responsibility toward them, the welfare of its employees.

In point of fact, Mr. Speaker, these large mercantile enterprises which the bill reported by the Senate Education and Labor Committee would bring within the coverage of the Fair Labor Standards Act are retail only in the sense that they distribute and sell goods at retail. These enterprises are quite different from the small merchant whom the present exemption is intended to assist, and whom the Congress may legitimately protect. These enterprises commonly buy as the wholesaler—whose activities are generally covered by the law—buys, and they are in many cases large-scale manufacturers of the products which they sell. It is not realistic to treat these wholesale-retail or manufacturing-retail enterprises in the same way we treat small intrastate retail establishments. To do so is to ignore the economic facts of life.

I have heard some members of this House contend that we are without power to extend the Fair Labor Standards Act to employees in retail trade. The United States Supreme Court, however, has answered that contention by denying certiorari (323 U. S 774) from a decision of the Third Circuit Court of Appeals holding that employees of a department store are within the protection of the National Labor Relations Act (*N. L. R. B.* v. *M. E. Blatt Co.* (143 F. (2d) 268)). In January of this year, the Fifth Circuit Court also had occasion to pass upon this question. In a case arising under the National Labor Relations Act it held in *N. L. R. B.* v. *McGough Bakeries Corp.* (F. (2d)), that the act applies to a firm receiving $300,000 worth of raw materials a year from outside the State, although selling entirely within the State. The court said:

> The jurisdiction of the Board is questioned because respondent ships none of its products in interstate commerce. But it imports into the State the greater part of its raw materials, the imports being of a value of about $25,000 per month. Imports as well as exports are interstate commerce and would be equally affected by a work stoppage within the meaning of the National Labor Relations Act (29 U. S. C. A. 160 (a)) and $300,000 of such commerce per year is considerable enough to warrant the Board in taking jurisdiction.

The extension of the Fair Labor Standards Act to cover employees of large independent and chain stores and service establishments is required as an act of simple justice to such employees. In January 1944, 2,614,000, or 51 percent of all employees in retail trade, received wages at rates below 50 cents an hour; 1,276,000 were paid at rates of less than 40 cents an hour. In the service trades, 1,212,000 of 1,868,000 employees were

paid less than 60 cents an hour; 125,000 were paid at rates between 60 and 70 cents an hour. Women clerks in limited-price variety stores in the spring and summer of 1943 had wages averaging only 34 cents an hour—this, Mr. Speaker, was during the height of wartime labor shortage. In New York State in 1944 82 percent of variety-store employees received less than 50 cents an hour; 92 percent were paid at rates less than 60 cents an hour. And the story was the same in department stores.

The bill proposed by the Senate Education and Labor Committee, Mr. Speaker, would also amend the exemption from both the minimum wage and overtime provisions of the Fair Labor Standards Act applicable to maritime workers. Now a seaman may be working on a ship traveling in inland waterways or on the high seas. He may be engaged in interstate commerce or in foreign commerce. But, wherever he is employed he is entitled to decent wages and working conditions. Why there should be any exemption at all for maritime workers has never been adequately explained. The bill which I advocate proposes to apply the minimum wage provisions of the act to this group of workers who perform hard work for long hours at low pay. It does not, however, apply the overtime compensation provision to these employees. This is the very least we can do for these employees. We discriminate enough against them when we do not require overtime pay for them All this bill would provide for seamen is somewhat fairer minimum rates of pay for their work. Mr. Speaker, it cannot be truthfully argued that the shipping industry cannot pay the minimum wages that would be prescribed by this bill. What are the facts? For the years 1940 through 1943 the annual average profits for all shipping before taxes were $116,000,000. Compare this with the $12,000,000 annual cost to raise seamen's wages to 65 cents an hour. Less than 10 percent of the profits of the industry would pay for the increased cost. Surely this is not an industry which cannot pay such an increase in cost. It was in the years between 1923 and 1933 when wages on American ships were lower than those on many flying foreign flags, that the American merchant marine degenerated so badly. It is not low wages, but efficient operations, which ship operators need in order to compete with foreign merchant marines.

The bill would also amend the coverage provisions of the Fair Labor Standards Act to achieve not only extended coverage but uniformity and simplicity of application. It would make the act apply not only to employees engaged in commerce or in the production of goods for commerce, as at present, but also to all employees of any employer whose activities affect commerce. "Affecting commerce" is a concept which has been well defined by judicial decisions under the National Labor Relations Act. The use of this concept as a basis for coverage under the act would bring within the scope of the act nearly all employees whose working conditions may be regulated through the commerce clause of the Constitution. Congress would under this bill be taking a step forward in meeting its responsibilities to the underpaid workers subject to Federal powers. Probably 1,250,000 employees not now protected by the act would be given protection by this amendment alone. Congress, in adopting this amendment, would be acting along lines suggested by President Truman 9 months ago for the purpose of limiting the "twilight zone in which some workers are covered and others doing similar work are not." The added employer basis of coverage proposed in this amendment would reduce the number of problems about coverage from one for every employee possibly affected to one for every employer possibly affected by the act. With coverage more certain and on a more national basis, employers would be better able to determine what are their obligations under the law. At this point I should like to emphasize what I alluded to earlier, that we would not be unduly extending the exercise of Federal power in the employment-relation field since the Wagner Act and other acts Congress has already adopted as the basis of coverage the test of whether particular activities "affect commerce." We would be merely applying to the wage-and-hour law a substantially similar basis of coverage. This will also help to wipe out competitive inequalities and discrimination between plants in the same industry and between employee groups in the same plant.

Now, Mr. Speaker, there may be those who think they should oppose this bill on the ground that it will hurt the farmer. That, of course, is utter nonsense. The farmer has never been hurt by increasing the income of wage earners. It is when wage rates go down that the farmer suffers. To quote one example, in 1929 the wholesale prices of farm products stood at almost 105 percent of the 1926 average; by 1932 the prices had fallen 50 percent, the average being 48 percent. Thereafter prices rose slowly as the industrial recovery set in. Again, during the war years, with increases in industrial wages, the prices of farm products took a spurt. Why is this? The answer is simple. When a worker earns more money he buys more food and more clothing, more of the products of agriculture. Agriculture like other industries must have customers for its goods. It has customers on an adequate scale only when the wage earners can afford to buy farm products. There is no secret about it. Prosperous customers make business prosperous and the ultimate customer of the farmer is the individual consumer, the wage earner. The best potential customer is the substandard wage earner. He is the person who is not today buying enough farm products. He is not buying them because he cannot afford them. How much more would he buy if he had the chance? A study made by the Bureau of Agricultural Economics for 1935–36, when wholesale food prices were about two-thirds of what they are now is very revealing. In families with incomes under $500 per year slightly more than $50 a year per person was spent for food. Families in the income group between $500 and $1,000 spend $100 a year per person for food. In other words when income doubled for this group food purchases almost doubled. Similarly families in the income group between $1,000 and $1,500 a year purchased about $140 of food a year. For each person, at the present price level food purchases must increase in even greater proportion. Just contemplate, Mr. Speaker, these figures for a few minutes and the conclusion is inescapable. A great proportion of the increased wages industrial employees would receive under this bill would go back to the farmer through increased purchases of farm products. I have given you only the figures on food, but the situation is similar for the other products the farmer has to sell. The farmer cannot afford to lose his market by our failure to enact a strengthened wages-and-hours law.

In the year 1946, Mr. Speaker, I do not believe there is a single Member of Congress who believes that oppressive child labor should be permitted in interstate commerce or that employers producing goods for interstate commerce should be permitted to exploit child labor. Prohibition of oppressive child labor achieves two results. First, it prevents the breaking down of the physical and mental health of our young people by keeping them away from the kinds of work which will break down their immature bodies. In other words, we protect our national health. In addition, when we stop the exploitation of these youngsters who are willing to work for the legal maximum, we not only make room for the heads of families to get jobs, but we prevent the depression of wage rates in the less-skilled jobs.

The bill which I am urging this House today to enact expeditiously would strengthen the child-labor provisions of the present law. It would do this by directly prohibiting the employment of oppressive child labor for the first time. The present act merely prohibits the shipment of goods purchased in establishments employing such labor. Under the present wording of the act it is possible for employers to avoid this prohibition merely by holding goods made by child labor in their establishment for 30 days. The bill would eliminate this loophole. It would also close another loophole in the present act which permits the employment of under-age youngsters in such direct interstate activities as transportation and communication. It would also expand the coverage of the child-labor provisions to the same extent as the minimum wage and overtime provisions. I believe, Mr. Speaker, we must attack the evils of substandard wages, excessive hours, and oppressive child labor with all the power we can constitutionally muster. This is no time for refusing to exercise our power for good to the fullest. This Nation can prosper and is likely to continue to prosper only if we eradicate the evils of substandard wages, excessive hours of work, and oppressive child labor which sap our national health and strength.

In conclusion, Mr. Speaker, let me say that now is the time for us to act on behalf of our fellow citizens who by force

of economic circumstances beyond their control are unable to eke out a living at the subsistence level. We must see to it that they are in a position to more nearly pay their own way. Mr. Speaker, is there any Member of Congress who feels that this Nation is so poor that it cannot afford to provide every person willing to work, willing to pay his own way, with the opportunity to earn enough to live on? That is all this bill attempts to provide for those falling under its protection. Mr. Speaker, I say that this Nation not only can provide that opportunity, but that it cannot afford any other course but to provide it. That is why, Mr. Speaker, I earnestly hope that this House of Representatives of the people of the United States must pass H. R. 3914 when it comes up for consideration here. There can be no other patriotic course for the Members of this body.

Mr. Speaker, I am aware that in this discussion of minimum wage legislation now pending before this House I have hit only some of the high spots of the problem with which this legislation aims to deal. The Members of this body should study the bill and the committee reports in detail. They will, I know, find the experience revealing and rewarding if they approach the task in the spirit of impartial representatives who recognize that their primary responsibility is to legislate for the general welfare.

As I have said, we have not done much in this Congress in the way of meeting this responsibility. We have passed legislation on behalf of special interests whose only thoughts seem to be motivated by greed and who are willing to risk the people's welfare on the mere hope that they can get in and make a killing first. We ourselves are willing to risk inflation, which will hit even the pocketbooks of Congressmen, in order to allow meat packers, poultry raisers, dairy farmers, car manufacturers, radio dealers, and many more special groups to attempt to reap quick profits before the inevitable collapse wipes us all out. On the other hand, we have not hesitated to strike at labor unions, whom some businessmen who have not yet learned to get along with as equal partners in collective bargaining. In the legislation to amend the Wage and Hour Law, however, we have an opportunity to put the welfare of the humblest of our citizens on a sounder, fairer basis. This legislation, Mr. Speaker, is legislation for the general welfare. It is urgently needed legislation. It is fair legislation. It will promote purchasing power, production, and employment. We should pass it with all speed.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Ohio.

Mr. RAMEY. I believe there is an opportunity and there is time and I want to commend the gentleman from Michigan. I know of his zeal for the man in the low income brackets. I am cognizant of his sincerity and of his hard work. Does the gentleman not think there is still an opportunity if we sign discharge petition No. 34 and get it to the floor? I think the gentleman from New Hampshire spoke about increasing salaries. Here is a place where there is need of more income for the man working in the lower brackets. There is still an opportunity to give labor its dignity and to give the average man whom we are here representing his place under the sun, if that is done.

Mr. HOOK. I want to commend the gentleman from Ohio. I think he is right when he says the opportunity is here. The only opportunity left is the signing of discharge petition No. 34 which makes H. R. 3914, my bill on the minimum wage, a special order of business. I want to commend the gentleman from Ohio as one of the sponsors of the bill. I know that he has done some very fine work in advocating that bill that would bring about an amendment to the Fair Labor Standards Act.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. KEARNEY] is recognized for 30 minutes.

THE VETERANS EMPLOYMENT AND NATIONAL ECONOMIC DEVELOPMENT CORPORATION ACT OF 1946

Mr. KEARNEY. Mr. Speaker, now that we have passed the British loan, which is the cornerstone of our American free enterprise system in world trade, we must also pass in this Seventy-ninth Congress another piece of legislation that is the human cornerstone of our domestic and foreign-trade economy. The Veterans Employment and National Economic Development Corporation Act of 1946, H. R. 6746, commonly referred to as the "Veterans' RFC," was introduced recently in both Houses and it is the most important business before the Congress and the President today.

Should the Congress adjourn before this legislation is acted on, I ask the President to call a special session to pass this urgent legislation, as it is of direct interest to the majority of our 20,000,000 living veterans and their families. It will aid immediately the 7,000,000 veterans of World War II who have no reemployment rights under present laws. Most have never worked before they went to war and they have no particular job of any consequence to return to now. This act will immediately aid and encourage the 500,000 disabled veterans who can work, who want to work, and who have registered for work but cannot find anyone who will employ them.

During the war these same veterans were sent by 90 percent of our people to the head of the line to face the bullets and the hardships. It is cruel irony and a reflection on our coordinating duties in Congress that millions of our veterans, who made this present phenomenal prosperity possible, find upon their return from winning the war at such terrific price in blood, disabilities, and the lives of their buddies, that they are now obliged to take their place at the foot of the employment and economic line. They now are obliged to compete with the 90 percent who had sent them away to fight the war. The Veterans Corporation will prevent this army of millions of veterans from becoming a disillusioned, lost generation. We remember that after World War I it took many veterans two decades to make the adjustment to civil life. We can save these millions of new veterans of World War II that unfortunate time loss and turn our national economic clock ahead by this act. The ramifications of this Veterans Corporation Act provide definite measures to prevent World War III. This Veterans Corporation Act has more potency than the atomic bomb as its benefits will be constructive for all men. The passing of this act requires the same determination for speed on the part of Congress now as that demonstrated by the engineers and scientists who devised the atomic bomb.

It was pointed out by General Bradley, Veterans' Administrator, on June 10 that—

> Four million veterans will be unemployed next fall unless new jobs continue to be created.

General Bradley also pointed out that—

> It is time we stopped indulging in the sacrifices of veterans and worked harder instead to fulfill their wants. It is time we took stock of the promises we made while they were overseas. The Veterans' Administration with its GI provisions can offer only a narrow foothold to veterans Although jobs are the No 1 issue, our Administration is limited to helping veterans with only the training for jobs.

The Veterans Employment and National Economic Development Corporation is the direct answer to General Bradley's warning and this "Veterans RFC" fills the gap in our governmental machinery to afford the veterans proper assimilation into our economic life without suffering losses through their war service.

Declaring that there has been too much conversation about jobs for veterans and too little action, Commander in Chief Joseph Stack, of the Veterans of Foreign Wars, on July 8, directed the VFW national legislative service in Washington, to urge Congress to take favorable action in this session on this Veterans Corporation Act. He also urged the 2,000,000 members and the 8,000 local organizations of the VFW to press for enactment of this legislation in the present session of Congress. As a Legionnaire, I urge all members of the American Legion, the Disabled American Veterans, and members of other veteran organizations to press for passage of this Veterans Corporation Act in the present session of Congress.

This act will relieve our already overburdened taxpayers of spending many billions of dollars unnecessarily as there are nearly 2,000,000 veterans drawing unemployment compensation at this moment. And this cost may increase as there are still 1,500,000 veterans to be discharged before the first of the year. The Veterans Corporation will reduce taxes, reduce inflation, and help balance the budget as no appropriations are required. This Veterans Corporation will do for millions of veterans what the RFC performed in savings banks, railroads, and industry, and which served as a prototype for the Smaller War Plants Corporation that contributed substantially to the arsenal of democracy to win

the war. To attain the objectives of this economic program, the Veterans Corporation will loan money at 4 percent and the Treasury will obtain the money at much lower rates of interest, thus providing an ample spread to defray all costs of all loans, technical advisory services, administration and costs of operation. It can, therefore, be seen that neither the Government nor the taxpayers will bear any part of the cost of this important national program.

This act has the necessary teeth in it to achieve the halfway mark in the objectives of permanent full employment for all our people as veterans and their families comprise nearly 60 percent of all the people in each community. This act will make possible now the halfway mark in full employment rather than wait for full employment in the illusive utopia of the future. We can enjoy half the loaf now which is better than our taking the chances of obtaining the full loaf later on, or none at all. What we now find by experience that we can do for veterans we can do for all the people.

The program afforded by the Veterans' Corporation will avoid the inevitable conflicts among our people for jobs, as this program will provide economic opportunity and jobs for veterans without displacing other workers or businesses.

When the British loan was first proposed I was opposed to it on the grounds that before we made a loan of $3,750,000,000 which would enable Britain to reestablish her economy and give her veterans economic opportunities, at the cost of the American taxpayers, we should first take care of our own unemployed veterans. I later reversed myself and voted for the British loan, as it is the cornerstone in our foreign relations to assure free enterprise in world trade where Americans can participate. Free trade is more assured now and new channels of opportunity are opened for our people by making the loan to Britain. Who are better equipped than our veterans to share in these new opportunities, through their patriotism, service, and experience in foreign countries? Our veterans were selected educationally, physically, and psychologically by the most modern scientific methods. Only the fit were chosen to fight. We have now aided Britain, who has proven to be our friend and ally in two world wars of survival. We have further cemented that friendship for the future by making this loan, but in this session of Congress we must promptly put our own house in order. We must put to profitable national use immediately the vast new unused human power of our own American veterans, who are the cream of the crop, to retain our place as the greatest Nation.

On his own behalf and on the behalf of the other distinguished Senators WALSH, of Massachusetts; RADCLIFFE, of Maryland; GUFFEY, of Pennsylvania; MORSE, of Oregon; and BRIGGS, of Missouri, Senator TUNNELL, of Delaware, introduced this bill to establish a veterans corporation to promote maximum employment, business opportunities, and careers for veterans in a free, competitive economy. The statements made by the Senators in introducing this legislation are highly significant:

Veterans' unemployment is the most serious problem confronting the Nation today. Not since Pearl Harbor have we faced more of an emergency. While the problem of veterans' unemployment is not as dramatic as Pearl Harbor, yet the speed and efficacy with which we meet this emergency now will determine in the long run whether or not we remain the most powerful nation on earth. It is just as simple as that, and the choice is ours

The tragedy of this army of unemployed veterans lies in the fact that the longer they remain idle and are obliged to receive relief the less likely they are to succeed in competitive free enterprise when they do find work. Idleness brings evil consequences. With millions of veterans having no jobs of any consequence, the sinister political implications could easily exceed the abuses of the Grand Army of the Republic following the Civil War For the protection of the veterans, for their welfare and prosperity, and for the good of all the people, we must act now to guide this enormous new force into productive and profitable channels.

Regardless of optimistic predictions that anyone can possibly make about veterans being fully employed in the future, the cold unpleasant facts to the contrary stare us directly in the face

On account of the time that they have lost in war service, veterans will have greater difficulty getting into and staying in business than the average businessman and professional person.

There is a wide-open gap in our economic machine that could be filled by the veterans. We have modern plants, surplus equipment, and material that we developed during wartime, and only 50 percent of these plants are now being utilized. To win World War II we created the arsenal of democracy. Are we going to let this arsenal of democracy, now adaptable for peace, slip away from us by allowing it to go to waste? Paradoxically, at the same time, we have backlogs and shortages of consumer and durable goods that will not be supplied for years Furthermore, we have an unprecedented demand for American goods and services throughout the world that staggers the imagination. Yet we allow this greatest opportunity in the history of America to increase our prosperity and to further raise the standard of living to slip through our fingers.

As a Member of the House of Representatives I was invited to introduce this bill in the House concurrently with the Members of the Senate not because I am a Republican—but as a veteran. I am an active member of the Veterans of Foreign Wars and the American Legion. I am a past commander in chief of the Veterans of Foreign Wars and at present I am chairman of the national welfare and service committee which operates the VFW National Rehabilitation Service. I mention these details because I am first an American and a veteran and then a Republican. My interest is the veteran in addition to my duty to my constituents. With that reference I will get back to the objectives of this veterans' employment program. I support this Veterans Corporation Act because veterans' economic opportunities should be the first concern of all citizens and of all political parties.

I ask President Truman, to make this act a piece of must legislation in this session; not next year but this year. I ask the gentleman from Kentucky, Chairman SPENCE, of the House Banking and Currency Committee, to which this bill has been referred, to hold immediate hearings and bring it to the floor for a vote. I ask President Truman to request the gentleman from Kentucky, Chairman SPENCE, to give this bill the very highest priority in this session as the Senate Finance Committee, to which the identical bill was referred, assures us that they will keep pace with our action in the House.

Last week Maj. Gen. Harry H. Vaughan, President Truman's military aide was given an additional assignment, as White House coordinator of matters pertaining to veterans as there are 14 Federal agencies directly involved in veterans' affairs. I am informed General Vaughan has followed the progress of this bill with special interest and I urge him also, to hasten the coordination of the Federal agencies to enable the gentleman from Kentucky, Chairman SPENCE, to complete his hearings and bring this bill to the floor for a vote. General Vaughan will render millions of our comrades in arms, and the dependents of those killed in action, a great service by expediting the cooperation of the Federal agencies to enable us to pass this legislation in this session.

Such legislation to aid our veterans should have been enacted last year, but then we still had a war to win. Now that war is won. But each month that we delay enacting this legislation we add billions of dollars unnecessarily to our already overburdened taxpayers. I repeat, each month that we delay enacting this legislation we add billions of dollars unnecessarily to our already overburdened taxpayers. The payment of unemployment compensation to veterans is running into billions of dollars. Following the passage of this act the taxpayers will be saved at least $1,000,000,000 on unemployment compensation alone. Unless this act is passed promptly the veterans intend to press for bonuses, which, according to conservative estimates will cost the taxpayers an additional $30,000,000,000. Think of it. That sum will equal the total of all costs to the United States of World War I. Veterans do not want charity. Unemployment payments and bonuses, at best, are only temporary palliatives. Based upon similar experience, this "Veterans RFC" should not cost the taxpayer one cent, but should show a profit to the Nation. The choice is ours.

The advantages of this legislation can be summed up in this one sentence, as follows: In all our legislative history, has there ever been proposed such a piece of legislation that could save the taxpayers so many billions of dollars and at the same time enable so many millions of our people to enjoy new economic opportunity and security?

It would require volumes to expound this program in detail, but this is a quick bird's-eye picture of some of the benefits. There is not a Congressman or Senator who has not, in his State, unused plants, facilities, or unused natural resources that cannot be put to work immediately.

First. Fifty percent of the marvelous new war plants, costing billions of dollars, are unused as most industrial companies expanded their own facilities during the war.

Second. We have more shipping than all the other countries of the world combined. Are we going to scrap these good ships, give them away, or sell them to other countries to become our competitors? Or shall we put our veterans to work now to develop feeder lines to increase employment in our Merchant Marine and take advantage of the great new demand for American goods and services throughout the world? Take my own State of New York which case is typical of many other States. We can increase our inland waterway traffic, our Great Lakes traffic, and our overseas trade to match our unused plant facilities, our unused natural resources, our unused shipping, and, above all, utilize the unused veteran skills. It is just like adding unused 2 and 2 to make 4. This will develop a new segment of our economy and increase the standard of living for all our people. This veterans' national program will help my State of New York enormously by adding the power of the Federal program to the State veterans' program. This national program will aid over 1,000,000 veterans of World War II in the State of New York. When multiplied by 3½ people to a family, these benefits represent a benefit to several million people in my State alone. This national plan will likewise aid the constituents of every other Member of Congress.

Third. After other American wars, the veterans have opened new frontiers. The veterans who returned from the War of 1812 opened up the plains beyond St. Louis. Veterans of the Civil War built western railroads and developed the mountain valleys along the Pacific seaboard. The veterans of World War II have no remaining frontier in the old sense. But they have a far greater frontier in the new sense—a business frontier—a technological frontier—an industrial frontier, and a vast new frontier in overseas trade. Our veterans have a higher educational, physical and technical level than any other large group of people in the history of civilization before them. However, no frontier has ever developed without some sort of Federal assistance.

We have hundreds of thousands of enemy patents, processes, and trade secrets that we have captured at great cost of lives. Now, who are more entitled to the benefit of this new stock in trade? Are we going to give these assets to the large corporations or monopolies who do not need them? Or should our veterans have first call on these business and professional assets?

In support of this bill Commander-in-Chief Stack of the Veterans of Foreign Wars stated, "We agree with President Truman when he said recently that he would rather see a thousand small plants than one mammoth steel or automobile company."

Fourth. We have untold natural resources within the 48 United States and in our possessions that are still untapped and not developed. We have over 11,000,000 acres of good land in 17 States that are ready to be opened up. In some of our possessions we have barely scratched the surface to develop our fabulous natural wealth to create employment. For example, take the case of Alaska. Veterans who have served in Alaska, or who know of Alaska, would like to go there to develop its abundant wealth, business, and industry. In that vast territory there are only 40,064 whites and 32,458 aborigines. Alaska has more natural resources than Scandinavia, a better climate than Scandinavia, yet the Scandinavian countries support 12,000,000 people in a smaller area than Alaska. Yet their people have brought their civilization to a very high and most prosperous level.

The ranking military men state that Alaska is the most strategic stretch of geography in this new age of atomic bombs and 10,000-mile planes. Gen. Billy Mitchell, the air prophet, said before his death, "He who controls Alaska controls the world." Our economic and military security will depend upon the type of economy and character of the people who settle there. Who are better guardians of our liberty, prosperity, and our form of government, in that strategic region, than our veterans?

At the time of his last visit to Alaskan waters, the late President Roosevelt said to the Nation over the radio, "I am going to set up a study of Alaska as a place to which veterans of this war, especially those who do not have strong roots, can go to become pioneers. Alaska is a land with a small population, but I am convinced that it has great opportunities for those who are willing to work and to help build up all kinds of things in new lands."

The Veterans Corporation is designed to fulfill President Roosevelt's plan.

Most authorities believe that Alaska, with its vast undeveloped natural resources, can accommodate several million people in the near future, providing the development is properly sponsored and guided. Dr. Alfred H. Brooks, first head of the Alaskan branch of the United States Geological Survey, long ago predicted that "Alaska will be the home of 10,000,000 persons."

Fifth. While it may seem out of scale in my summary here to speak of the minority groups, it is only fair and just that I do so. Few employers are as interested in employing them as they are other veterans. However, when in a foxhole all soldiers are alike. Now what are we going to do with the unemployed veterans of our minority groups? There will be thousands of projects and new businesses afforded by this act where veterans of the minority groups will have jobs and new economic opportunities.

Sixth. Let us examine how our veterans can help prevent World War III. And this, my colleagues, is really a most important point in our national position and one reason for the British loan.

Among the features of this bill are provisions to enable veterans to trade abroad to supply the great new demand for American goods and services. They have helped liberate many of the countries where they can now trade. They can promote friendship and confidence in countries such as China, Korea, India, Iraq, Iran, and Turkey as we have in the Philippines to make the Filipinos our friends and customers. As an example of how the Veterans Corporation could strengthen the United Nations to prevent World War III, consider the case of China. The government of China is now interested in having our discharged veterans, who are capable of serving as technical and business missionaries, to aid in the modernization and economic strengthening of their country. In China and other countries that are open to Americans and to our veterans we can open vast new and perpetuating markets for American goods and services. This will create fuller employment for veterans and for all American workers, businessmen and professional people. This peaceful economic approach to China and to other countries would eliminate promptly many of the serious trouble centers and secure the peace.

Many soldiers are returning disillusioned; in most cases the very nations they helped to free are now fearful that we are going to let their nations down by not assisting them with American technical know-how to modernize their countries. It is a dangerous phenomenon. Our money alone will not buy the respect and support of other nations.

It is a matter of historical record that in the course of history every nation preceding us which attained world leadership, reached its zenith, and then subsequently lost its position of leadership. We need not abdicate our leadership. We can demonstrate to the world that we can retain our leadership now in peace as we did in war. If we put our own house in order promptly, by this act, we are more likely to continue that world leadership for which we fought at such frightful cost in lives, blood, tears, and treasure.

Our veterans who won the battles were trained and equipped by the best organizational methods known to modern science. That organizational genius gave us the Army, Navy, Air Force, and atomic power beyond the capacities of any other people. Now our veterans have earned their right to benefit from this same science of organization and to participate in establishing a prosperous peace.

Through this act, more of our veterans will number among the leaders of the next generation and will become the backbone of our Nation.

The science of organization is one of the many unique contributions America has given the world in war and in peace for the benefit of mankind. Organization and the spirit of our people won the war. If we apply this same genius for organization and business enterprise promptly through the "Veterans RFC" to assist our veterans in their assimilation into civil life, it will prove to be our Nation's best insurance. This program will go far in securing our economic stability. This program will assure an ever-expanding prosperity; and it will help secure the peace of the world. This program will demonstrate to our

fellow Americans and to other nations that our free enterprise, that our form of democracy, and that the American form of government is most successful.

I call upon every Member of Congress, who is sincerely interested in the welfare of veterans, to support the passage of this Veterans Employment and National Economic Development Corporation Act of 1946 in this session of Congress.

WIND CAVE NATIONAL PARK, S. DAK.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7004) to revise the boundaries of Wind Cave National Park in the State of South Dakota, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the boundary of the Wind Cave National Park is hereby changed so as to read as follows:

Beginning at the southeast corner of section 13, township 6 south, range 5 east; thence west to the southwest corner of section 15, township 6 south, range 5 east; thence north to the west quarter corner of section 10, township 6 south, range 5 east; thence to the north quarter corner of section 10, township 6 south, range 5 east; thence to the west quarter corner of section 2, township 6 south, range 5 east; thence north to the northwest corner of the southwest quarter of the northwest quarter of section 11, township 5 south, range 5 east; thence to the north quarter corner of section 11, township 5 south, range 5 east; thence to the northeast corner of the southeast quarter of the southeast quarter of section 2, township 5 south, range 5 east, thence east to the northeast corner of the southwest quarter of the southwest quarter of section 6, township 5 south, range 6 east; thence in a southeasterly direction to the southeast corner of the northeast quarter of section 7, township 5 south, range 6 east along a line to be mutually acceptable to the South Dakota Game, Fish, and Parks Commission and the Secretary of the Interior; thence from the southeast corner of the northeast quarter of section 7, township 5 south, range 6 east; east to the northeast corner of the southwest quarter of section 12, township 5 south, range 6 east; thence south to the northeast corner of the southeast quarter of the southwest quarter of section 12, township 5 south, range 6 east; thence east to the northeast corner of the southwest quarter of the southwest quarter of section 7, township 5 south, range 7 east; thence south to the southeast corner of the southwest quarter of the southwest quarter of section 18, township 5 south, range 7 east; thence west to the northeast corner of section 24, township 5 south, range 6 east; thence south to the southeast corner of section 24, township 5 south, range 6 east; thence west to the southwest corner of section 24, township 5 south, range 6 east; thence south to the southeast corner of the northeast quarter of the southeast quarter of section 35, township 5 south, range 6 east; thence west to the southwest corner of the northwest quarter of the southwest quarter of section 35, township 5 south, range 6 east; thence south to the southeast corner of section 34, township 5 south, range 6 east; thence west to the southwest corner of the southeast quarter of the southwest quarter of section 33, township 5 south, range 6 each; thence north to the northeast corner of the northwest quarter of the southwest quarter of section 28, township 5 south, range 6 east, thence west to the northwest corner of the southwest quarter of section 29, township 5 south, range 6 east; thence south to the southeast corner of section 7, township 6 south, range 6 east; thence west to the southwest corner of section 7, township 6 south, range 6 east; thence south to the southeast corner of section 13, township 6 south, range 5 east; the point of beginning, and all of those lands lying within the boundary above described are hereby included in and made a part of the Wind Cave National Park and shall be subject to all laws and regulations applicable thereto.

SEC. 2. All those lands excluded from the Wind Cave National Park as heretofore constituted and those lands of the Custer Recreational Demonstration Area lying in section 2, township 5 south, range 5 east, Black Hills meridian, are hereby included in and made a part of the Harney National Forest, subject to all laws and regulations applicable to the national forests.

SEC. 3. All those lands heretofore within the Custer Recreational Demonstration Area and which are not included within the Wind Cave National Park by virtue of section 1 hereof, except those lands of the Custer Recreational Demonstration Area lying in section 2, township 5 south, range 5 east, Black Hills meridian, which are included within the Harney National Forest by virtue of section 2 hereof, shall be conveyed by the Secretary of the Interior to the State of South Dakota for addition to the Custer State Park for public park, recreational, and conservation purposes (subject, however, to a proviso that the State of South Dakota will allow a minimum of 10,000 gallons of water per day to pass from springs or streams in these lands into the lands of Wind Cave National Park as herein described) as soon as all lands owned by the State of South Dakota lying within the boundaries of the Wind Cave National Park as described in section 1 hereof are conveyed to the United States; and the southwest quarter of the southwest quarter of the southwest quarter of section 2, township 5 south, range 5 east, Black Hills meridian, owned by the State of South Dakota, is conveyed to the United States to be included in the Harney National Forest as provided in section 2 hereof: *Provided, however*, That section 25, township 5 south, range 6 east, of the Custer Recreational Demonstration Area shall be conveyed by the Secretary of the Interior to the State of South Dakota as State school lands.

With the following committee amendments:

Page 1, line 4, strike out "changed so as to read" and insert "established"

Page 3, line 25, after "lands", insert "which by section 1 hereof are."

Page 4, line 5, after "Forest," insert "and hereafter shall be."

The committee amendments were agreed to.

Mr. PETERSON of Florida. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON of Florida: On page 3, at the end of line 21, insert "together with the south half of the northeast quarter and the west half of the northeast quarter of the northeast quarter of section 32, township 5 south, range 5 east."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, the courtesy of the Chair and the cooperation of the chairman of the Committee on Public Lands in calling up the bill H. R. 7004 for passage at this time is appreciated. The bill represents the outgrowth of numerous conferences extending over a series of years, in Washington, in Chicago, and in the field between representatives of the National Park Service, the United States Forest Service, the South Dakota Park Board or Fish, Game and Parks Commission, as it is now named, and many individuals and public officials.

It seeks to effect an exchange of publicly owned lands and an adjustment of boundaries in such a way as to achieve the best possible use of public lands in the southern part of the Black Hills by assigning to that public agency the lands which seem most useful for carrying out its basic purposes.

The bill retains for Wind Cave National Park the lands within its present boundaries and the lands of the so-called recreational demonstration area, already federally owned, which national park officials regard as essential to the maintenance and development of its North American bison herd.

The bill transfers to the State of South Dakota for addition to Custer State Park approximately 6,000 acres of land immediately south of the present State park boundary, which will facilitate administration of State game areas and also afford an opportunity for development of a fish hatchery and rearing ponds on waters within the area transferred.

In return, the State transfers to the Federal Government some tracts of land within the boundaries of Wind Cave National Park and Harney National Forest as established in the bill. This will facilitate administration by consolidating the Federal areas.

There is also an exchange between the national park and the national forest which further facilitates administration, the park getting some scenic areas and the forest getting some lands primarily valuable for their timber.

The total effect is to bring together the national and State parks, so that the highway running through the central Black Hills will become a parkway from the time it is entered at the southern side of Wind Cave National Park until it emerges at the north side of Custer State Park.

The enactment of this bill, it is believed, will achieve economies in administration for the Forest Service, the Park Service, and the State park. Holdings are consolidated, and roadways are unified for the agency administering a particular area. No money is appropriated or authorized to be appropriated by the bill. Not an acre of privately owned land is involved in transfers or acquisition.

The bill will make possible development of a timber area by the United States Forest Service, preservation of a scenic area and a natural wildlife area

by the National Park Service, and a fish-culture station by the South Dakota fish, game, and park commission.

Two sections of State-owned school land are set outside the boundaries of the federally owned land and will be readily available for lease to stockmen under the customary lease regulations of the State school-lands department.

As I have said, the bill is an outgrowth of negotiations and conferences over a period of years, interrupted somewhat by the war. Final negotiations were concluded at a conference held in the forest offices at Custer, at which representatives of the three agencies owning the land were present. I flew out from Washington July 4 to attend the conference in order that the matter might be concluded at this time.

The bill represents an adjustment or compromise like most legislation that we pass, but, all things considered, it seems to be the best solution which could be worked out. All agencies have joined in its endorsement, and it was unanimously reported by the Committee on Public Lands. A subcommittee, headed by the chairman, visited the area and conducted hearings out there 3 years ago.

I hope that with the action taken here today, the bill can be promptly acted upon in the other body and approved by the President before this Congress adjourns.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'TOOLE (at the request of Mr. CELLER) for an indefinite period, on account of illness.

To Mr. TALBOT, for 4 days, beginning July 17, on account of important business.

SENATE ENROLLED BILL SIGNED

The Speaker announced his signature to an enrolled bill of the Senate of the following title:

S 704. An act to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes.

ADJOURNMENT

Mr. PETERSON of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 17, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. on Wednesday, July 17, 1946, for consideration of H. R. 6968.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1463. A letter from the Acting Secretary of the Interior, transmitting the annual report of the Governor of the Virgin Islands for the fiscal year ended June 30, 1945; to the Committee on Insular Affairs.

1464. A letter from the Archivist of the United States, transmitting lists or schedules or parts of lists or schedules, covering records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1465. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 139 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers House Report No 2528. Report on the disposition of certain papers of sundry executive departments Ordered to be printed.

Mr. O'TOOLE: Committee on the Library. H. R 6455. A bill to amend the act entitled "An act to provide books for the adult blind", without amendment (Rept No. 2529). Referred to the Committee of the Whole House on the State of the Union

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VOORHIS of California:

H R 7051. A bill to amend the Criminal Code of the United States; to the Committee on the Judiciary.

By Mr. DOUGHTON of North Carolina:

H. R. 7052. A bill to amend the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. ROE of New York:

H R. 7053. A bill to amend the act entitled "An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department," as amended; to the Committee on Military Affairs

By Mr. JACKSON:

H R. 7054 A bill to extend to veterans of World War II preference with respect to the sale of lands disposed of under section 4 (a) of the Columbia Basin Project Act of 1943 (57 Stat 14); to the Committee on Irrigation and Reclamation.

By Mr. LARCADE:

H. R. 7055. A bill to provide free mailing privileges for war-veteran patients in United States veterans' hospitals; to the Committee on the Post Office and Post Roads.

By Mr. MANASCO:

H. J. Res. 382. Joint resolution providing for the taking effect of Reorganization Plan No. 1 of 1946, except certain parts thereof; to the Committee on Expenditures in the Executive Departments.

By Mr. BELL:

H. J. Res. 383. Joint resolution to authorize the Secretary of the Treasury to render financial aid to the Republic of the Philippines, and for other purposes; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCHANAN:

H. R. 7056. A bill for the relief of Speros Psaros; to the Committee on Immigration and Naturalization

By Mr DE LACY:

H. R. 7057. A bill for the relief of Roy J. Kennedy; to the Committee on Claims.

By Mr. LANE:

H. R. 7058. A bill for the relief of Quan Dong Gee, alias Quan Yew Moon; to the Committee on Immigration and Naturalization.

By Mr. MARCANTONIO:

H. R. 7059. A bill for the relief of Enrico Lascala; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2092. By Mr. ARNOLD: Petition of citizens of Laredo, Mo., petitioning Congress to pass the Voorhis resolution (H. J. Res. 325), which provides that as long as famine conditions exist, no grain shall be allowed for the manufacture of liquors or other nonessential purposes; to the Committee on Agriculture.

2093. By Mr. LUTHER A. JOHNSON: Petition of Mr Eugene Butler, editor, the Progressive Farmer, Dallas, Tex., favoring Senate bill 191; to the Committee on Rules.

2094 By Mr. LYNCH: Petition of the Council of the City of New York, condemning statement of Foreign Secretary Bevin of Great Britain in regard to Jews in Palestine, to the Committee on Foreign Affairs.

2095. By Mrs. SMITH of Maine: Petition signed by Mrs Letitia F. Jordan, of Augusta, Maine, and other citizens of surrounding cities, urging an investigation of the treatment of dogs as practiced in research laboratories; to the Committee on the District of Columbia.

2096. Also, petition of Alton A. Lessard, mayor of the city of Lewiston, Maine, and other municipal officers of that city in assembly, unanimously recommending to the Congress of the United States of America and urging the immediate passage of a rent-control law for the period of the present emergency, providing for maximum rentals but with proper and reasonable adjustments in rentals, to the end that both tenants and landlords are fairly, equitably, and justly protected, and to prevent the unfair and unjust treatment of tenants which might otherwise prevail; to the Committee on Banking and Currency.

2097. Also, petition of the Maine Department of the American Legion, Waterville, Maine, recommending certain resolutions at the annual convention at Lewiston, Maine, to be adopted on the part of the Federal Government; to the Committee on World War Veterans' Legislation.

2098. Also, petition signed by Mrs. Marjory L Ripley, Augusta, Maine, and other citizens of surrounding cities urging an investigation of the treatment of dogs as practiced in research laboratories; to the Committee on the District of Columbia.

2099. By the SPEAKER: Petition of Cassius M. McDonald, petitioning consideration of his resolution with reference to redress of grievances; to the Committee on the Judiciary.

2100. Also, petition of the city council of the city of Chicago, petitioning consideration of their resolution with reference to the emergency existing in the metropolitan area of Chicago for lack of proper rent control; to the Committee on Banking and Currency.

2101 Also, petition of the Consumers Guild of America, petitioning consideration of their resolution with reference to black-market operations, and lines for food, clothing, and necessities of life; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JULY 17, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Edward Gardiner Latch, D. D., minister, Metropolitan Memorial Methodist Church, Washington, D. C., offered the following prayer:

O God our Father, who are the creator and the sustainer of life, in whom we live and move and have our being, we pause in Thy presence and unto Thee do we lift our hearts in prayer.

Keep us restless until we find our rest in Thee. Leave us dissatisfied until our meager lives are gathered up into the sweep of Thy eternal purposes for mankind. Save us from putting our trust where moth and rust doth corrupt, and help us to put our trust in Thee, that we may be steadfast, unmovable, always abounding in Thy work and in Thy service.

By the might of Thy Holy Spirit, make us equal to our experiences, ready for our responsibilities, and adequate for the tasks of this day.

Bless Thou our Nation. As a people and as the leaders of a people, grant us wisdom; grant us courage that we fail not man nor Thee

In the name of Jesus Christ we pray. Amen.

THE JOURNAL

On the request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, July 16, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 15, 1946, the President had approved and signed the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S 661. An act for the relief of Harold H. Rhodes;

S 706. An act to amend Veterans Regulation No 9 (a), as amended, so as to increase the limit of amounts payable thereunder in connection with the funeral and burial of deceased veterans;

S. 1132. An act for the relief of Aeronautical Training Center, Inc.;

S. 1748. An act for the relief of Ivor E. Nichols, and

S 2291 An act to authorize the Secretary of the Navy to transfer a vessel to the American Antarctic Association, Inc.

The message also announced that the House had agreed to Senate Concurrent Resolution 72, further extending the time for filing the report of the Joint Committee To Investigate the Pearl Harbor Attack, and authorizing the temporary employment of clerical assistants thereafter, and payment of incidental expenses.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R 228. An act for the relief of Robert June,

H R. 1070 An act for the relief of Elmer C. Hadlen;

H R. 1068 An act for the relief of the Eastern Contracting Co., Inc;

H R 1351. An act for the relief of the estate of Estelle Daniel Boyle, deceased, and E B. Rosegarten;

H R 1631 An act for the relief of William Tolar Smith;

H R. 2093 An act for the relief of J. P. Kerr and Robert P Kerr,

H R 2161 An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Algernon Blair, his heirs or personal representatives, against the United States,

H R 2222. An act for the relief of J. L Harris;

H. R 2294 An act to provide a uniform code of descent of trust or restricted Indian estates, and for other purposes,

H R 2893 An act to amend the act of February 15, 1929,

H R 2663 An act for the relief of W C. Jones, Myrtle M Jones, and W W Tilghman,

H. R 2850 An act for the relief of Felix Napiorkowski,

H. R 3099. An act for the relief of Coy C. Brown,

H R 3197 An act for the relief of William F Patchell, Jr,

H R 3230 An act to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the Territory of Hawaii and of adjacent waters of the Pacific Ocean, and for other purposes;

H R 3361 An act to amend paragraph (1) of section 73 of the Hawaiian Organic Act, as amended,

H. R 3833. An act for the relief of Viola McKinney,

H. R. 4114. An act to authorize the Secretary of the Interior to sell certain land of Alice Scott White on the Crow Indian Reservation, Mont;

H. R. 4341. An act for the relief of James B. McGoldrick;

H. R. 4375. An act for the relief of Charles Martin;

H R 4406 An act for the relief of Loyal F. Willis;

H. R 4608. An act for the relief of Mrs. Mary D. Johnson;

H. R. 4686 An act for the relief of the estate of Harry Wright;

H. R. 4720. An act to amend the act of December 7, 1944, relating to certain overtime compensation of civilian employees of the United States;

H. R. 4947. An act for the relief of Ethel Guenther;

H. R. 5198. An act for the relief of Marjorie B. Marable;

H. R 5261. An act for the relief of David Weiss;

H. R 5368. An act for the relief of W. G. Magruder,

H. R. 5372. An act for the relief of Jessie Wolfington;

H R 5398 An act for the relief of Walter J. Barnes Electric Co. and Maritime Electric Co., Inc;

H R. 5414 An act for the relief of Marie Gorak,

H R. 5537. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at a point between the borough of Plymouth, in Plymouth Township, and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania;

H R 5620 An act for the relief of Roger Edgar Laplerre,

H R 5704 An act for the relief of Mrs. Charles C Lee;

H R 5725. An act for the relief of Sadie Frey and the estate of Marie Hviding;

H R 5874 An act for the relief of Joseph Maezer,

H R 6141 An act to provide funds for cooperation with the school board of Hunter School District for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis, to be available to both Indian and non-Indian children,

H R 6165 An act to provide for the preparation of a membership roll of the Indians of the Yakima Reservation, Wash, and for other purposes.

H R. 6231. An act for the relief of Frank A Gorman,

H R 6248 An act for the relief of Capital Office Equipment Co;

H R 6307 An act for the relief of Francesco D'Emilio;

H R 6406 An act authorizing the State of Texas, acting through the State Highway Commission of Texas, or the successors thereof, to acquire, construct, maintain, and operate a free bridge across the Rio Grande at or near Del Rio, Tex;

H. R 6472. An act for the relief of John E Peterson, James M Hiler, Vivian Langemo, Floy Sibrle, and Ross Lee Brown,

H. R. 6536 An act for the relief of Southeastern Sand & Gravel Co,

H R. 6583. An act for the relief of Milton A Johnson, and for other purposes,

H R 6610. An act to waive certain restrictions of the Hawaiian Organic Act, relating to land exchanges, for the acquisition of certain lands at Hilo, T H;

H R. 6629. An act to provide basic authority for the performance of certain functions and activities of the National Park Service;

H R 6642 An act for the relief of certain postmasters;

H R 6644. An act to increase the efficiency of the Coast and Geodetic Survey;

H. R. 6817. An act to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes,

H R. 6836. An act to establish and provide for the maintenance and operation of a Veterans' Canteen Service in the Veterans' Administration, and for other purposes;

H R. 6889. An act to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin, and for other purposes;

H. R. 6900. An act to grant increased service pensions in certain Spanish-American War cases not included in recent legislation providing increases to other Spanish-American War veterans and their dependents, and for other purposes;

H. R. 4970. An act to provide for an air parcel post service, and for other purposes;

H. R. 6983. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes;

H. R. 7004. An act to revise the boundaries of Wind Cave National Park in the State of South Dakota, and for other purposes;

H. J. Res. 306. Joint resolution authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes; and

H. J. Res. 370. Joint resolution granting certain property to the Commonwealth of Pennsylvania and relinquishing jurisdiction therein.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 139 individuals whose deportation has been suspended for more than 6 months by the Commissioner of Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with an accompanying report); to the Committee on Immigration.

AUTHORIZATION FOR CERTAIN OFFICERS OF PUBLIC HEALTH SERVICE TO ACCEPT SPECIFIED FOREIGN DECORATIONS

A letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation granting permission to Thomas Parran, Surgeon General of the Public Health Service, Rolla E. Dyer, Assistant Surgeon General, Public Health Service; Howard F. Smith, Assistant Surgeon General, Public Health Service, Herbert A. Spencer, medical director, Public Health Service, Vance B. Murphy, medical director, Public Health Service, and Gilbert L. Dunnahoo, medical director, Public Health Service, to accept and wear certain decorations bestowed upon them by France, Cuba, Mexico, Chile, Finland, and Luang-Prabang (with an accompanying paper); to the Committee on Finance.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Consumers' Guild of America, Boston, Mass., relative to black market operations, and the diversion of food, clothing, and housing through proper channels, which was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2367. A bill to authorize the Secretary of the Navy to construct aviation facilities at the United States Naval Academy, Annapolis, Md., and for other purposes; without amendment (Rept. No. 1721); and

S. 2401. A bill to amend the act of May 4, 1898 (30 Stat. 369), as amended, to authorize the President to appoint 250 acting assistant surgeons for temporary service; without amendment (Rept. No. 1730).

By Mr. REVERCOMB, from the Committee on Military Affairs:

H. R. 6703. A bill to clarify the rights of former owners of real property to reacquire such property under the Surplus Property Act of 1944; with an amendment (Rept. No. 1722).

By Mr. McCARRAN, from the Committee on Commerce:

S. Res. 304. Resolution to investigate the present day fire hazards of modern air-line equipment and possible action to improve safety in air transportation; without amendment (Rept. No. 1723), and, under the rule, referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

By Mr. RADCLIFFE, from the Committee on Commerce:

H. R. 1751. A bill to authorize the course of instruction at the United States Merchant Marine Academy to be given to not exceeding 20 persons at a time from the American Republics, other than the United States; with amendments (Rept. No. 1724).

H. R. 5280. A bill to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy, without amendment (Rept. No. 1725);

H. R. 6148. A bill to exempt certain vessels from filing passenger lists; without amendment (Rept. No. 1726);

H. R. 6268. A bill to amend the act of June 23, 1943, so as to authorize inclusion of periods of education and training in an Army Transportation Corps civilian marine school as "service in the merchant marine"; without amendment (Rept. No. 1727);

H. R. 6408. A bill to authorize the War Shipping Administration and the Maritime Commission to make available certain surplus property to certain maritime academies, without amendment (Rept. No. 1728); and

H. R. 6468. A bill to amend the act to provide for the issuance of devices in recognition of the services of merchant sailors; without amendment (Rept. No. 1729).

By Mr. PEPPER, from the Committee on Foreign Relations:

S. 1875. A bill to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer, with amendments.

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. 2432. A bill to enable the Department of State more effectively to carry out its responsibilities in the foreign field by means of (a) public dissemination abroad of information about the United States, its people and its policies, and (b) promotion of the interchange of persons, knowledge, and skills between the people of the United States and the peoples of other countries, with an amendment (Rept. No. 1730).

ROBERT McGOWAN LITTLEJOHN TO BE WAR ASSETS ADMINISTRATOR—REPORT OF A COMMITTEE

Mr. MAYBANK. Mr. President, as in executive session, from the Committee on Military Affairs, I ask unanimous consent to report favorably the nomination of Robert McGowan Littlejohn, of South Carolina, to be War Assets Administrator.

I may say that the nomination has met with the full approval of the Surplus Property Subcommittee of the Military Affairs Committee, and of the Military Affairs Committee itself.

The PRESIDENT pro tempore. Without objection, the report will be received and the nomination will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MITCHELL:

S. 2449. A bill to extend the veterans of World War II preference with respect to the sale of lands disposed of under section 4 (a) of the Columbia Basin Project Act of 1943 (57 Stat. 14); to the Committee on Public Lands and Surveys.

By Mr. CONNALLY:

S. 2450. A bill to establish the Office of Under Secretary of State for Economic Affairs; to the Committee on Foreign Relations.

(Mr. CONNALLY also introduced Senate bill S. 2451, to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration, which was referred to the Committee on Foreign Relations and appears under a separate heading.)

By Mr. YOUNG:

S. 2452. A bill to provide for the construction of a highway bridge across the Bois de Sioux River to replace the Blackmer Bridge which was destroyed by fire; to the Committee on Commerce.

IMPROVEMENT AND ADMINISTRATION OF FOREIGN SERVICE

Mr. CONNALLY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to improve, strengthen, and expand the Foreign Service of the United States.

There being no objection, the bill (S. 2451) to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Subsequently, Mr. CONNALLY, from the Committee on Foreign Relations, to which was referred the foregoing bill, reported it without amendment, and submitted a report (No. 1731) thereon.

AMENDMENT OF RAILROAD RETIREMENT ACTS—AMENDMENTS

Mr. HOEY submitted an amendment and Mr. HAWKES submitted two amendments intended to be proposed by them, respectively, to the bill (H. R. 1362) to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes, which were severally ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred, as indicated:

H. R. 228. An act for the relief of Robert June;

H. R. 1070. An act for the relief of Elmer C. Hadlen;

H. R. 1088. An act for the relief of the Eastern Contracting Co., Inc.;

H. R. 1361. An act for the relief of the estate of Estelle Daniel Boyle, deceased, and E. B. Rosegarten;

H. R. 1631. An act for the relief of William Tolar Smith;

H. R. 2093. An act for the relief of J. F. Kerr and Robert F. Kerr;

H. R. 2161. An act to confer jurisdiction upon the Court of Claims to hear, determine,

and render judgment upon the claims of Algernon Blair, his heirs or presonal representatives, against the United States;

H R 2222. An act for the relief of J. L. Harris;

H R 2663 An act for the relief of W. C. Jones, Myrtle M. Jones, and W. W. Tilghman,

H. R. 2850 An act for the relief of Felix Napierkowski,

H R 3099 An act for the relief of Coy C. Brown,

H R. 3197. An act for the relief of William F Patchell, Jr.;

H R 3633. An act for the relief of Viola McKinney,

H R 4341. An act for the relief of James B McGoldrick,

H. R 4375. An act for the relief of Charles Martin,

H R 4406 An act for the relief of Loyal F. Willis,

H R 4608 An act for the relief of Mrs. Mary D Johnson;

H R 4686 An act for the relief of the estate of Harry Wright,

H R 4947 An act for the relief of Ethel Guenther;

H R 5108 An act for the relief of Marjorie B Marable,

H R 5261 An act for the relief of David Weiss,

H R 5368 An act for the relief of W. G. Magruder,

H R 5372. An act for the relief of Jessie Wolfington;

H R 5414 An act for the relief of Marie Gorak,

H. R 5725 An act for the relief of Sadie Frey and the estate of Marie Hviding;

H R 5874. An act for the relief of Joseph Maezer,

H R 6231 An act for the relief of Frank A. Gorman,

H. R 6248 An act for the relief of Capital Office Equipment Co;

H R. 6307. An act for the relief of Francesco D'Emilio,

H R 6536 An act for the relief of Southeastern Sand & Gravel Co;

H R 6593 An act for the relief of Milton A Johnson, and for other purposes; and

H R 6642. An act for the relief of certain postmasters, to the Committee on Claims.

H R 2294 An act to provide a uniform code of descent of trust or restricted Indian estates, and for other purposes,

H. R 2893. An act to amend the act of February 15, 1939;

H R. 4114. An act to authorize the Secretary of the Interior to sell certain land of Alice Scott on the Crow Indian Reservation, Mont;

H R 6141. An act to provide funds for cooperation with the school board of Hunter School District for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis, to be available to both Indian and non-Indian children; and

H R. 6165. An act to provide for the preparation of a membership roll of the Indians of the Yakima Reservation, Wash., and for other purposes, to the Committee on Indian Affairs.

H. R. 3230. An act to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the Territory of Hawaii and of adjacent waters of the Pacific Ocean, and for other purposes,

H. R. 5537. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at a point between the borough of Plymouth, in Plymouth Township and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania;

H R 6406 An act authorizing the State of Texas, acting through the State Highway Commission of Texas, or the successors thereof, to acquire, construct, maintain, and operate a free bridge across the Rio Grande at or near Del Rio, Tex;

H R. 6644. An act to increase the efficiency of the Coast and Geodetic Survey;

H. J. Res 366 Joint resolution authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes; and

H. J. Res. 370. Joint resolution granting certain property to the Commonwealth of Pennsylvania and relinquishing jurisdiction therein, to the Committee on Commerce.

H R 3361. An act to amend paragraph (1) of section 73 of the Hawaiian Organic Act, as amended; and

H. R 6610. An act to waive certain restrictions of the Hawaiian Organic Act, relating to land exchanges, for the acquisition of certain lands at Hilo, Hawaii, to the Committee on Territories and Insular Affairs

H R 4720 An act to amend the act of December 7, 1944, relating to certain overtime compensation of civilian employees of the United States; to the Committee on Civil Service

H R 5620. An act for the relief of Roger Edgar Lapierre, and

H. R. 5704. An act for the relief of Mrs Charles C Lee, to the Committee on Immigration.

H. R. 6817 An act to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes, to the Committee on Military Affairs.

H R. 6900. An act to grant increased service pensions in certain Spanish-American War cases not included in recent legislation providing increases to other Spanish-American War veterans and their dependents, and for other purposes, to the Committee on Pensions.

H R 6970 An act to provide for an air parcel post service, and for other purposes, to the Committee on Post Offices and Post Roads.

H R 7004. An act to revise the boundaries of Wind Cave National Park in the State of South Dakota, and for other purposes; to the Committee on Public Lands and Surveys.

INDEPENDENCE DAY ADDRESS BY SENATOR AUSTIN

[Mr AUSTIN asked and obtained leave to have printed in the RECORD an address delivered by him on July 4, 1946, at Highgate, Franklin County, Vt, which appears in the Appendix]

FUTURE OF THE NEW ITALIAN REPUBLIC—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him on the occasion of the celebration of the establishment of the Republic of Italy at the Mayflower Hotel, Washington, D. C., July 16, 1946, which appears in the Appendix]

SEVEN REMEDIES FOR STRIKES—ARTICLE BY ERIC JOHNSTON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "Seven Remedies for Strikes," written by Eric Johnston and published in the July 1946 issue of the Reader's Digest, which appears in the Appendix.]

AN INTERPRETATION OF CHINA'S CONFLICT—ARTICLE BY GUNTHER STEIN

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "An Interpretation of China's Conflict," written by Gunther Stein, and published in the summer, 1946, issue of the Yale Review, which appears in the Appendix]

PAY OF OVERSEAS CIVILIAN PERSONNEL—EDITORIAL FROM THE BUFFALO COURIER-EXPRESS

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Suggestion for Congress," published in the Buffalo Courier-Express of July 12, 1946, which appears in the Appendix.]

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	Overton
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Revercomb
Brewster	Huffman	Robertson
Brooks	Johnson, Colo	Russell
Burch	Johnston, S C	Shipstead
Bushfield	Knowland	Smith
Byrd	La Follette	Stanfill
Capehart	Langer	Stewart
Capper	Lucas	Swift
Carville	McCarran	Taft
Chavez	McClellan	Taylor
Connally	McKellar	Thomas, Okla
Cordon	McMahon	Thomas, Utah
Donnell	Magnuson	Tobey
Downey	Maybank	Tunnell
Eastland	Mead	Vandenberg
Ferguson	Millikin	Wagner
Fulbright	Mitchell	Walsh
George	Moore	Wherry
Gerry	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Wilson
Guffey	Myers	Young

Mr HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Montana [Mr. WHEELER] is absent by leave of the Senate.

The Senator from Wyoming [Mr. O'MAHONEY] is necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from West Virginia [Mr. KILGORE], and the Senator from Arizona [Mr. MCFARLAND] are detained on public business.

The Senator from New Mexico [Mr. HATCH] is absent on official business, having been appointed a member of the President's Evaluation Commission in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Maryland [Mr. TYDINGS] are absent on official business, having been appointed to the commission on the part of the Senate to participate in the Philippine Independence ceremonies.

Mr. WHERRY. The Senator from Delaware [Mr. BUCK] is absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent on official business, being a member of the commission appointed to attend the Philippine independence ceremonies.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business as a member of the Special Committee on Atomic Energy.

The Senator from Massachusetts [Mr. SALTONSTALL] is absent on official business, having been appointed a member of the President's Evaluation Commission

in connection with the test of atomic bombs on naval vessels at Bikini.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. WILLIS] are necessarily absent.

The PRESIDING OFFICER (Mr. HOEY in the chair). Eighty-one Senators having answered to their names, a quorum is present.

THE CALENDAR

The PRESIDING OFFICER. It was ordered yesterday by unanimous consent that the Senate should proceed today with the call of the calendar for the consideration of measures to which there is no objection, beginning with Order of Business No. 1529. The clerk will state the first order of business on the calendar.

BILLS PASSED OVER

The bill (H. R. 5311) to amend Revised Statutes 4921 (U. S. C. A., title 35; Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement was announced as first in order.

Mr. REVERCOMB. Mr President, this bill, as well as the following bill, deal with the patent laws, and I think the Senate should have an explanation of them.

The PRESIDING OFFICER. Does the Senator desire to have the bill passed over?

Mr. REVERCOMB. Yes, temporarily.

The PRESIDING OFFICER. The bill will be passed over temporarily.

The bill (H. R. 5223) to extend temporarily the time for filing applications for patents, was announced as next in order.

The PRESIDING OFFICER. On request of the Senator from West Virginia, this bill also will be passed over temporarily.

CODE OF LAWS FOR THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2125) to amend the act entitled "An act to establish a Code of Laws for the District of Columbia," which had been reported from the Committee on the District of Columbia with an amendment, on page 2, after the word "service", to strike out "and by striking therefrom the following words: '(nor two hundred and fifty dollars per annum)'", so as to make the bill read:

Be it enacted, That section 198 of the act to establish a Code of Law for the District of Columbia, approved March 3, 1901, and the acts amendatory thereof and supplementary thereto, constituting the Code of Law for the District of Columbia, as amended, is hereby further amended by striking out therefrom the following sentence: "No person who has served as such Commissioner shall be eligible for reappointment within 2 years of the date of the expiration of his term of service."

Mr. REVERCOMB. Mr. President, is this a bill merely to codify laws which now exist?

The PRESIDING OFFICER (Mr. HOEY in the chair). The present occupant of the chair will, as a Senator, take the liberty of saying that it does less than that. The present law requires that jury commissioners shall serve one term. The amendment recommended strikes out a provision limiting the compensation to $350 a year. It also permits a jury commissioner to continue for a longer term in the District of Columbia. It is recommended by Chief Justice Bolitha J. Laws and the other justices of the United States District Court for the District of Columbia.

Mr. REVERCOMB. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT ANNUITIES FOR CIVILIAN TEACHERS AT THE NAVAL ACADEMY

The Senate proceeded to consider the bill (S. 2253) to further amend the act of January 16, 1936, as amended, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy," which was read, as follows:

Be it enacted, etc, That the act of January 16, 1936 (49 Stat. 1092, 34 U. S. C 1073–1073e), entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy," as amended by the act of November 28, 1943 (57 Stat. 594), is hereby further amended by inserting therein two new sections Nos. 4B and 4C, reading as follows:

"SEC 4B Any civilian member of the teaching staffs to whom this act applies who shall have served for a total period of not less than 5 years, and who, before becoming eligible for retirement under the conditions defined in the preceding sections hereof, becomes totally disabled for useful and efficient service in his position, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the civilian member of the teaching staffs, shall upon his own application or upon the request or order of the Secretary of the Navy be retired on an annuity computed in accordance with provisions of section 4A of this act. The annuity which the Government pays to a civilian teacher who is forced to retire under this section shall be the difference between his total annuity as computed under section 4A of this act and the immediate life annuity to which he is entitled at the time of such retirement under the annuity policy provided by the act. Every annuitant retired under the provisions of this section, unless the disability for which he was retired be permanent in character, shall at the expiration of 1 year from the date of such retirement and annually thereafter, until reaching retirement age as defined in section 3 hereof, be examined by a board of medical officers appointed by the Superintendent of the Naval Academy. If the annuitant is found to be sufficiently recovered for useful and efficient service in his position and if he is offered reemployment by the Superintendent of the Naval Academy, the annuity being paid him by the Government shall cease immediately. If an annuitant who has been retired under the provisions of this section is subsequently reemployed by the Government, the annuity being paid to him by the Government shall be terminated. If the annuitant is reemployed as a civilian teacher at the Naval Academy, the annuity which the Government will pay him at the time of subsequent retirement shall be the difference between the total annuity, computed under section 4A of this act, and the immediate life annuity which the total premiums, paid on his annuity contracts provided by this act, would purchase. No person shall be entitled to receive an annuity under the provisions of this act, and compensation under the provisions of the act of September 7, 1916, entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' covering the same period of time; but this provision shall not bar the right of any claimant to the greater benefit conferred by either act for any part of the same period.

"SEC. 4C. Any civilian member of the teaching staffs retiring under the provisions of this act, as amended, may at the time of his retirement elect to receive in lieu of the life annuity to be paid by the Secretary of the Navy under the provisions of this act a reduced annuity payable to him during his life, and an annuity after his death payable to his beneficiary, duly designated in writing and filed with the Secretary of the Navy at the time of retirement, during the life of such beneficiary (a) equal to or (b) 50 percent of such reduced annuity and upon the death of such surviving beneficiary all payments shall cease and no further annuities shall be due or payable. The amounts of these two annuities shall be such that their combined actuarial value on the date of retirement as determined under the provisions of the Civil Service Retirement Act shall be the same as the actuarial value of the single life annuity provided by this act."

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill?

Mr. WALSH. The Senator from Oregon [Mr. MORSE] is in charge of the bill, but I can explain it.

The purpose of the bill is to add two new sections, 4B and 4C, to the act approved January 16, 1936:

The purpose of 4B is to bring the retirement annuities of civilian professors at the Naval Academy who retire because of disability into conformity with those provided for civil-service employees in the professional grades 3 to 6, inclusive.

The purpose of 4C is to give such civilian professors the same choice of actuarially equivalent retirement annuities as is allowed under the Civil Service Retirement Act, as amended.

To gain a proper perspective of the legislation before analyzing it in the light of existing law, it should be noted that S. 2253 would involve a small number of individual professors and a comparatively small cost to the Government. The Navy Department drafted the legislation with the purpose of effecting a remedy for persons not adequately provided for under present law. The act of January 16, 1936, was enacted for the purpose of providing a method by which civilian members of the Naval Academy teaching staff could obtain a retirement annuity at the age of 65, or at an earlier age if forced to retire for physical incapacity.

The act of January 16, 1936, was amended by the act approved November 28, 1943, which added a new section, 4A, to the original law. The purpose of this amendment was to bring the retirement annuities of the civilian teachers who retire because of age into conformity with those provided by a new law for civil-service employees in the professional grades 3 to 6, inclusive—Civil Service Retirement Act (56 Stat. 16).

S. 2253 would (1) by section 4B bring the retirement annuities of Naval Academy civilian teachers who retire because of disability into conformity with those provided for civil-service employees of comparable position, and (2) by section 4C, give such teachers the same choice of actuarially equivalent retirement annuities as are now allowed under the Civil Service Retirement Act. It was prompted by the desire of the Navy Department that retirement benefits of civilian professors at the Naval Academy keep pace with new benefits accorded other civilian Government employees.

Mr. REVERCOMB. What teachers in other colleges receive retirement annuities under the Federal Government?

Mr. WALSH. Under the Federal Government?

Mr. REVERCOMB. Yes.

Mr. WALSH. Only those who are in Federal institutions.

Mr REVERCOMB. Does the provision sought to be adopted by the bill apply to West Point?

Mr. WALSH. Yes; it does to all in the same civil-service grade

Mr. REVERCOMB It does apply to civilian teachers at West Point?

Mr. WALSH. Yes; it applies to teachers in Government institutions who are in the same grade.

Mr. REVERCOMB. This is merely to bring the teachers on the staff at Annapolis within the same rights other civilian teachers have in Federal institutions or schools?

Mr. WALSH The Senator has stated the situation exactly.

The committee feels S. 2253 should be enacted in order to provide retirement annuities to the civilian teachers at the United States Naval Academy, comparable with benefits provided for civil-service employees of similar position. It is also felt that enactment will insure procurement of teachers of high professional standing for the Naval Academy.

Mr. REVERCOMB. It puts them upon an equality, but gives them no special advantage?

Mr. WALSH Yes.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EASEMENT TO THE GEORGIA POWER CO. AT FORT BENNING, GA.

The bill (S. 2306) to authorize the Secretary of War to grant to the Georgia Power Co. a 100-foot perpetual easement across Fort Benning in the State of Georgia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as he may deem advisable, to grant to the Georgia Power Co., its successors and/or assigns for transmission-line purposes, a 100-foot perpetual easement over, across, in, and upon Fort Benning in the State of Georgia.

Mr. THOMAS of Utah subsequently said: Mr. President, I was detained and was not able to be present when the Senate considered Calendar 1538, Senate bill 2306. There are two corrective amendments which must be made to that bill. I therefore ask unanimous consent that the votes by which Senate bill 2306 was ordered to be engrossed for a third reading, read the third time, and passed, be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. THOMAS of Utah. I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The CHIEF CLERK. On page 1, line 8, it is proposed to strike out "Fort Benning in the State of Georgia" and insert in lieu thereof "certain land in the State of Alabama constituting a portion of the military reservation designated as Fort Benning, Ga."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. THOMAS of Utah. Mr. President, I offer an amendment to the title of the bill

The PRESIDING OFFICER. The amendment to the title will be stated.

The CHIEF CLERK. It is proposed to amend the title so as to read: "A bill to authorize the Secretary of War to grant to the Georgia Power Co. a 100-foot perpetual easement across certain land in the State of Alabama constituting a portion of the military reservation designated as Fort Benning, Ga."

The amendment to the title was agreed to.

BILL PASSED OVER

The bill (H. R. 2536) to amend the Interstate Commerce Act, with respect to certain agreements between carriers, was announced as next in order.

Mr. HILL. Over.

The PRESIDING OFFICER. The bill will be passed over.

LIABILITY FOR ESCAPE OF PRISONERS

The bill (S 2265) to make criminally liable persons who negligently allow prisoners in their custody to escape, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That section 138 of the Criminal Code (35 Stat. 1113; 18 U. S. C. 244) be, and it hereby is, amended to read as follows:

"Whenever any marshal, deputy marshal, ministerial officer, or other person has in his custody any prisoner by virtue of process issued under the laws of the United States by any court, judge, or commissioner, and such marshal, deputy marshal, ministerial officer, or other person voluntarily suffers such prisoner to escape, he shall be fined not more than $2,000, or imprisoned not more than 2 years, or both. Whenever any marshal, deputy marshal, ministerial officer, or other person has in his custody any prisoner by virtue of process issued under the laws of the United States by any court, judge, or commissioner, and such marshal, deputy marshal, ministerial officer, or other person negligently suffers such prisoner to escape, he shall be fined not more than $500 or imprisoned not more than 1 year, or both."

STATUS OF CERTAIN FUNDS AT THE UNITED STATES NAVAL ACADEMY

The bill (H. R. 5640) to establish the status of funds of the midshipmen's store, barber shop, cobbler shop, and tailor shop at the United States Naval Academy, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF BUILDINGS AND GROUNDS IN FOREIGN COUNTRIES

The bill (H. R. 6627) for the acquisition of buildings and grounds in foreign countries for the use of the Government of the United States of America, was announced as next in order

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill?

Mr. GEORGE. Mr. President, this bill is designed to carry out the policy heretofore adopted by the Congress looking to the construction of suitable and adequate buildings for our Foreign Service officers in foreign countries. The provision is very largely an authorization for the use of lend-lease credits. While the appropriation is for $125,000,000, at least $115,000,000, as I recall, is to consist of credits which can be made available to our Government by countries which receive benefits under lend-lease.

The bill does not authorize the appropriation of very much money. Primarily it authorizes our Government, for instance, to take over any property which is offered by a foreign government in the way of lands or building sites or buildings, in cases in which they wish to liquidate their lend-lease liability to us. It is a highly important bill. The general policy of having adequate housing facilities for our Foreign Service officers in the various countries of the world has already received the approval of Congress.

Mr. REVERCOMB. Am I to understand from the statement of the Senator that it may give us credit and avail us of credit for lend-lease sent abroad in those countries where the buildings are located?

Mr. GEORGE. Exactly; all of it, I think, but about $10,000,000.

Mr. BREWSTER. Mr. President, can the Senator advise whether there is any present limitation on the power of acquisition of buildings for our Foreign Service officers?

Mr. GEORGE. I think there is a limitation upon the authority, and the power to acquire or construct buildings is of course limited by appropriations. This bill is intended to supplement the appropriations available for that purpose.

Mr. BREWSTER. Would it be primarily an amendment of the State Department's authority or of the lend-lease adjustment authority?

Mr. GEORGE. It is not technically so, but actually that is what it is.

Mr. BREWSTER. So that any lend-lease adjustments may be used for the acquisition of such property?

Mr. GEORGE. For property or facilities which we desire to acquire for our foreign representatives for housing in various countries.

Mr. BREWSTER. Would it extend the power of the Government, so far as the acquisition of property is concerned, aside from the matter of appropriation or lend-lease adjustment?

Mr. GEORGE. Yes.

Mr. BREWSTER. The matter came to my attention in connection with the Philippines, where, as the Senator may recall, a few years we built a rather impressive residence for the High Commissioner. While I was there during the past month I was told that it was now contemplated that we would not use this very impressive building but would acquire other property and construct another building. I had some serious qualms about the matter, and I discussed with the Senator from Nebraska [Mr. BUTLER] and the Senator from Louisiana [Mr. ELLENDER] the question whether we should not use the building which we have there. We went through that building. We discussed whether the Executive has the power to determine a matter of that character, or whether it would have to be referred to the Congress. I was not clear about it. I think there should be some check on this situation. While we have every desire to get all we can out of lend-lease, and while in general our embassy buildings and other structures of that character are utterly inadequate, and I think we are all in favor of making far better provision in such matters, I had some doubt, which I think the Senator from Louisiana and the Senator from Nebraska shared, whether, having spent a million dollars or $2,000,000 on this very impressive structure for the High Commissioner, it was not entirely adequate to serve the purpose of our embassy there. I should be interested to know whether this measure would affect the authority which the State Department would enjoy in a situation of that character.

Mr. GEORGE. I am not familiar with the situation so far as the Philippines are concerned. I should simply like to call the Senator's attention to the express provision of the bill as follows:

That for the purpose of further carrying into effect the provisions of the Foreign Service Buildings Act of May 7, 1926, as amended (22 U. S. C 291–297), there is authorized to be appropriated in addition to the amount authorized by such act, and the act of May 25, 1938, an amount not to exceed $125,000,000, of which $110,000,000 shall be available exclusively for payments representing the value, in whole or in part, of property or credits of whatever nature acquired through lend-lease settlements, the disposal of surplus property abroad, or otherwise, and held abroad by the Government or owing the Government by any foreign government or by any person or organization residing or situated abroad, which property or credits may be used by the Department of State for sites, buildings, equipment, construction, and leaseholds, such payments to be made to the agency of the United States administering the property—

So that it is an extension of existing authority, and while the additional appropriation is for $125,000,000, $110,000,000 of the amount must be absorbed in the taking over of lend-lease properties in foreign countries.

Mr. BREWSTER. Did the committee give any consideration to the question whether there should be reference to an appropriate committee of the Senate, presumably the Foreign Relations Committee, finally to approve these acquisitions? I refer to that because in the Committee on Naval Affairs we have such a limitation, that in connection with land acquisitions and dispositions there shall be reference to the committee, so that, while rather broad authority is given to the Executive, the committee does consider such questions.

I fully agree with the idea that we need a very great expansion of our buildings abroad for our ministers and ambassadors. On the other hand, I think we must be careful that in our recognition of that situation we do not go to the other extreme. In this Philippine situation it seems to me I saw an immediate indication of that because the reasons which were advanced why the present $1,000,000 structure should not be used seemed to us to be utterly inadequate. It was said that the rooms were unsuitable, and so on.

Mr CHAVEZ. Mr. President, will the Senator from Georgia yield to me for a statement respecting the Philippine matter?

Mr. GEORGE. Yes, I shall be glad to yield to the Senator. I merely desire to state that the bill came before the Foreign Relations Committee and was handled by the committee in the absence of the chairman of the committee, who was away on his recent trip to Paris. The bill merely provides an extension of the authority contained in the Foreign Service Buildings Act of May 7, 1926.

I am now glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I desire to inform the Senator from Maine of the situation in this respect: Philippine independence became a reality on the 4th of July. Due to difference in time, the 4th of July in Manila was the 3rd of July in the United States. The State Department was most anxious to have passed a bill which had been reported by the Committee on Territories and Insular Affairs, which would take care of the item which I understand the Senator from Maine has in mind. It seems that under the original act which we passed for the relief of the Philippines, all the property belonging to the United States, including houses and homes, and so forth, would be turned over to the Philippines. The bill in question, however, provided that so long as we had agencies of the United States in the Philippine Islands which which had to do with the rehabilitation of the Philippines, the transfer could not be made until those agencies actually concluded their work. Therefore the State Department was most anxious that the United States be protected in retaining the occupancy and the use of the property of the United States until such time as the United States would no longer need the structures. That bill was passed by Congress on the 3rd of July of this year in order that it take effect before the Philippines received their independence.

Mr. BREWSTER. Mr. President, will the Senator yield further?

Mr. GEORGE. Yes.

Mr. BREWSTER. I am very much interested in what the Senator from New Mexico has said. The matter came to our attention, and it presents precisely the point that gives me concern, as we recognize the desirability of holding this property for the use of our Ambassador. It seemed to the three Senators who were there that it was entirely feasible to use this building. The building had been slightly damaged by bombing, but our boys were actually occupying it when we were there. While we were there the trials of Japanese accused of war crimes, and of the Philippine collaborators were being conducted in that structure. It was a magnificent building. It had an extensive foyer and a large annex. We were told when we were there that the present intention is to abandon this building, not to use it as an embassy building, but to buy land and construct another embassy building some distance off. That is what caused me concern. I do not believe it would be prudent, therefore, for the executive to go forward and build another structure there and use any lend-lease or other funds for that purpose, if it is feasible to use the present structure.

Mr. CHAVEZ. I believe the State Department agrees with the contention of the Senator from Maine, because the State Department was most anxious that Congress pass the legislation protecting United States property prior to the actual taking effect of Philippine independence.

The PRESIDENT pro tempore. The time of the Senator from Georgia has expired.

Mr. BREWSTER. Mr. President, may I be recognized?

The PRESIDENT pro tempore. The Chair recognizes the Senator from Maine.

Mr. BREWSTER. I think this situation should be clarified. Whether or not this Philippine situation is typical, I believe that careful consideration should be given to the question of whether or not the acquisition of embassies should be referred to the Committee on Foreign Relations for final approval. The $110,000,000 may seem to us rather illusory. We might think that if we do not get this, we will not get anything. I still feel that we should be careful not to go too far toward the other extreme. I have serious qualms about building another embassy in Manila. It may well be that that situation is typical of others. So I ask that the bill go over until some consideration can be given to that matter.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FULBRIGHT subsequently said: Mr. President, I wish to ask the Senator from Georgia a question as a technical matter of information. How do we appropriate a credit in a foreign currency? I am curious as to the procedure. Suppose we are to use a credit of 10,000,000 francs. How do we proceed to appropriate that amount? I have been interested in this subject for some other purposes.

Mr. GEORGE. I have no knowledge of the procedure; but the $110,000,000 authorized in the bill would be available ex-

clusively for payments representing the value in whole or in part of property or credits of whatever nature acquired through lend-lease settlements. I do not know what procedure would be followed.

Mr. FULBRIGHT. I was curious, because I have been interested in learning how we could convert it. If we should sell something and receive a credit in foreign currency, how would we go about utilizing that credit as a matter of appropriation by the Congress? I was interested not so much in connection with this bill as in connection with some other matters.

Mr. GEORGE. I regret that I cannot give the Senator any specific information on that subject.

Mr. TAFT. Mr. President, am I to understand that any credits could be used without appropriation, or must there be an appropriation before anything is spent?

Mr. GEORGE. I understand that the Senator from Maine [Mr. BREWSTER] objected to consideration of the bill. The bill has gone over. I thought it was not necessary to continue its discussion.

Mr. TAFT. I feel that it is important that the department be not entitled to take credits and use them without appropriation, in addition to the appropriation. The language of the bill is such that I am not clear on that question.

Mr. GEORGE. The bill simply increases the appropriation for the construction of foreign buildings by $125,000,000, but $110,000,000 of that amount must be used exclusively by way of credits to us for property acquired by other countries under lend-lease, or in settlement for surplus property belonging to the United States in other countries.

Mr. TAFT. What I cannot understand is the words "such payments to be made to the agency of the United States administering the property or credits and be treated by such agency as though made by the foreign government, person, or organization concerned." I cannot understand the fiscal effect of that provision.

Mr. GEORGE. Since the bill has gone over, I have dismissed it from my mind. I have sent for the original act, which I think properly safeguards the interests of the United States; but I do not have it before me at the moment.

Mr. GEORGE subsequently said: Mr. President, in reference to calendar No. 1548, House bill 6627, I merely wish to say that I have no desire to insist on the bill if there is objection to it, but I wish to invite the attention of the Senator from Maine, the Senator from Ohio, and the Senator from Arkansas who raised some question regarding the bill, to the basic law under which the appropriation is merely to be increased. That law was approved May 7, 1926. It provided for the creation of a commission. The commission was to be known as the Foreign Service Buildings Commission, and to consist of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, the chairman and ranking minority member of the Committee on Foreign Relations of the Senate, and the chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives. The Commission has complete and absolute control of all the plans and specifications of buildings to be constructed, and the sites to be acquired in any foreign country. The Commission is required to make a report annually to the Congress. It seems to me that the interests of the United States are amply safeguarded. This requested appropriation would be made subject to the limitations and the same restrictions as those which were contained in the basic law under which this particular appropriation would be made

It stands to reason, of course, that the Commission would not acquire a site or authorize the construction of a building in the Philippines or elsewhere if the Government of the United States had a suitable building already available. On the Commission are represented not only the officials whom I have named, but both political parties, and the Commission is required to make an annual report to the Congress.

I hope that with that explanation the Senator will allow the bill to be passed, because I believe that he must agree that our present housing facilities in many foreign countries are inadequate and are not in keeping with the dignity and importance of the United States.

Mr. BREWSTER. Mr. President, there is no question regarding that fact, and I think the proposal is a prudent one. The only question in my mind is whether or not it is in the nature of an appropriation. How does the Senator construe the act?

Mr. GEORGE. It is in the nature of an appropriation; $110,000,000 of the appropriation must be used exclusively in the settlement of any lend-lease claims which the United States Government may hold.

Mr. BREWSTER. The language, in part, reads, "There is authorized to be appropriated."

Mr. GEORGE. It is not an appropriation: it is an authorization.

Mr. BREWSTER. Does the Senator understand that further congressional action will be required in order to make the sum of $110,000,000 available?

Mr. GEORGE. I think that further congressional action will be required. The total appropriation would be $125,000,000 and, as I construe the bill, it is in the nature only of an authorization.

Mr. BREWSTER. So the Senator believes there will be subsequently an actual appropriation bill before the Congress for the purpose of appropriating the money?

Mr. GEORGE. Yes.

Mr. BREWSTER. I think the explanation which has been given by the Senator is entirely adequate.

Mr. GEORGE. Mr. President, I ask unanimous consent for the present consideration of the bill.

Mr. BREWSTER. Mr. President, I have only one further question. As I understand, if it was contemplated to build a new Embassy in, for example, Manila, its construction would require the approval of the Commission to which the Senator has referred?

Mr. GEORGE. Yes; undoubtedly.

The PRESIDENT pro tempore. Is there objection to the consideration of House bill 6627?

There being no objection, the bill (H. R. 6627) for the acquisition of buildings and grounds in foreign countries for the use of the Government of the United States of America, was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF JOAN ESTHER HEDIN

The PRESIDING OFFICER. The clerk will state the text order of business on the calendar.

The bill (H. R. 4996) for the relief of the legal guardian of Joan Esther Hedin, was considered, ordered to a third reading, read the third time, and passed.

DANIEL S. BAGLEY, JR., ET AL.

The bill (H. R. 2130) for the relief of Daniel S. Bagley, Jr., and Daniel S. Bagley, Sr., was considered, ordered to a third reading, read the third time, and passed.

MRS. LIM SHEE CHANG

The bill (H. R. 5030) for the relief of Mrs. Lim Shee Chang was considered, ordered to a third reading, read the third time, and passed.

JANE O'MALLEY

The bill (H. R. 4215) for the relief of Jane O'Malley was considered, ordered to a third reading, read the third time, and passed.

SUPERIOR COACH CORP.

The bill (H. R. 1673) for the relief of the Superior Coach Corp. was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF JASPER A. MEALER

The Senate proceeded to consider the bill (H. R. 5053) for the relief of the estate of Jasper A. Mealer, which had been reported from the Committee on Claims, with an amendment on page 1, line 6, after the words "the sum of" to strike out "$5,000" and insert in lieu thereof "$7,500."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

MR. AND MRS. WALTER KEATON

The bill (H. R. 5872) for the relief of Mr. and Mrs. Walter Keaton was considered, ordered to a third reading, read the third time, and passed.

WALTER R. NEWCOMB AND OTHERS

The bill (H. R. 4862) for the relief of Walter R. Newcomb, Sr., Corbin A. Newcomb, and Walter R. Newcomb, Jr., was considered, ordered to a third reading, read the third time, and passed.

ESTATES OF KATHERINE DELORES BOOTH AND AGNES JANE TRUE

The bill (H. R. 4834) for the relief of the estates of Katherine Delores Booth and Agnes Jane True was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF DRURY LEE JORDAN

The bill (H R. 5026) for the relief of the estate of Drury Lee Jordan was considered, ordered to a third reading, read the third time, and passed.

HATHEWAY PATTERSON CORP.

The bill (H. R. 1331) for the relief of the Hatheway Patterson Corp. was considered, ordered to a third reading, read the third time, and passed.

ANDREW M. HALVORSEN

The bill (H R. 5539) for the relief of Andrew M. Halvorsen was considered, ordered to a third reading, read the third time, and passed.

MAE MAXINE STONE

The bill (H. R. 5538) for the relief of Mae Maxine Stone was considered, ordered to a third reading, read the third time, and passed.

CHARLES BOOKER

The bill (H. R. 5351) for the relief of Charles Booker was considered, ordered to a third reading, read the third time, and passed.

STEPHEN LISAY

The bill (H R. 5228) for the relief of Stephen Lisay was considered, ordered to a third reading, read the third time, and passed.

ETTA YOAKUM

The bill (H. R. 5806) for the relief of Etta Yoakum was considered, ordered to a third reading, read the third time, and passed.

FRANCES FITZGERALD

The bill (H. R. 5739) for the relief of Frances Fitzgerald was considered, ordered to a third reading, read the third time, and passed.

GAYLON DHU

The bill (H. R. 2489) for the relief of Gaylon Dhu, was considered, ordered to a third reading, reading the third time, and passed

NEWTON WILLIAM LOWERY

The bill (H. R. 5510) for the relief of Newton William Lowery was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN POSTMASTERS

The bill (H. R. 5792) for the relief of certain postmasters was considered, ordered to a third reading, read the third time, and passed.

ARCHIBALD J. ALCORN

The bill (H R. 4919) for the relief of Archibald J. Alcorn was considered, ordered to a third reading, read the third time, and passed.

CLAUDE S CROUSE

The bill (H. R. 3397) for the relief of Claude S Crouse was considered, ordered to a third reading, read the third time, and passed.

CHATHAM M. TOWERS

The bill (H. R. 3455) for the relief of Chatham M. Towers was considered, ordered to a third reading, read the third time, and passed.

FRED W. GRANT

The bill (H. R. 3827) for the relief of Fred W. Grant was considered, ordered to a third reading, read the third time, and passed.

MISS RUTH LOIS CUMMINGS

The bill (H. R. 3480) for the relief of Miss Ruth Lois Cummings was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ALBERTO LOPEZ RAMOS

The bill (H. R. 4357) for the relief of the estate of the late Alberto Lopez Ramos was considered, ordered to a third reading, read the third time, and passed.

WALTER J BARNES ELECTRIC CO. AND OTHERS

The bill (S. 1775) for the relief of Walter J. Barnes Electric Co. and Maritime Electric Co., Inc., and for other purposes, was announced as next in order.

The PRESIDING OFFICER. House bill 5398 is an identical bill. Is there objection to the substitution of House bill 5398 and its present consideration?

There being no objection, the bill (H. R. 5398) for the relief of Walter J. Barnes Electric Co. and Maritime Electric Co., Inc., was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1775 will be indefinitely postponed.

MRS MARY FRANCOLINE AND MRS ROSE WALLACE

The bill (H. R. 5324) for the relief of Mrs. Mary Francoline and Mrs. Rose Wallace was considered, ordered to a third reading, read the third time, and passed.

JESUS LASSALLE AND MRS AMERICA BONET MEDINA

The bill (H. R. 4247) for the relief of Jesus Lassalle and Mrs. America Bonet Medina was considered, ordered to a third reading, read the third time, and passed.

JOHN E. PETERSON AND OTHERS

The bill (S. 2224) for the relief of John E. Peterson, James M. Hiler, Vivian Langemo, Floy Sibrle, and Ross Lee Brown was announced as next in order.

The PRESIDING OFFICER. A bill coming over from the House, House bill 6472, is an identical bill. Is there objection to the substitution of the House bill and its present consideration?

There being no objection, the bill (H. R. 6472) for the relief of John E. Peterson, James M. Hiler, Vivian Langemo, Floy Sibrle, and Ross Lee Brown was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2224 will be indefinitely postponed.

ELSIE ELMHORST

The bill (H. R. 5878) for the relief of Elsie Elmhorst, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM A PIXLEY

The bill (H. R. 3623) for the relief of William A. Pixley was considered, ordered to a third reading, read the third time, and passed.

FRANCES KRZYS

The bill (H R. 5884) for the relief of Frances Krzys was considered, ordered to a third reading, read the third time, and passed.

KARL E. BOND

The Senate proceeded to consider the bill (H. R. 783) for the relief of Karl E. Bond, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "the sum of", to strike out "$7,500" and insert in lieu thereof "$2,464.28."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time

The bill was read the third time and passed.

TRIBUTE TO GEN. ALEXANDER PAPAGOS

The PRESIDENT pro tempore. The Chair desires to announce that there is at this time in the diplomatic gallery of the Senate, Gen. Alexander Papagos, commander in chief of the Greek forces in the late war, and also of the British forces in Greece. He led an army that fought very vigorously the Italians and the Germans. The Chair desires to make this announcement about the commander in chief, and asks him to stand for a moment.

(General Papagos rose from his seat in the gallery, amid applause, Senators rising.)

WALTER S. FAULKNER

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

The bill (S 162) for the relief of Walter S. Faulkner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Walter S Faulkner, of Lebanon, Tenn , the sum of $1,576, in full satisfaction of his claims against the United States for (1) compensation for personal injuries and property damage sustained by him when his personally owned automobile which he was driving was struck by a United States Army truck near Martha, Tenn., on September 13, 1943, and (2) for reimbursement of medical and other expenses incurred by him as a result of such injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CLASS 4 AND LARGER AIRPORTS—BILL PASSED OVER

The bill (H. R. 6741) relating to the operation of section 8 of the Federal Airport Act with respect to the fiscal

year 1947 was announced as next in order.

Mr. BALL. Mr. President, may we have an explanation from the Senator from Nevada?

Mr. McCARRAN. Section 8 of the Federal Airport Act of 1946 provides as follows:

SEC. 8. At least 2 months prior to the close of each fiscal year, the Administrator shall submit to the Congress a request for authority to undertake during the next fiscal year those of the projects for the development of class 4 and larger airports, included in the then current revision of the national airport plan formulated by him under this act, which, in his opinion, should be undertaken during that fiscal year, together with an estimate of the Federal funds required to pay the United States share of the allowable project costs of such projects. In determining which projects to include in such a request, the Administrator shall consider, among other things, the relative aeronautical need for and urgency of the projects included in the plan and the likelihood of securing satisfactory sponsorship of such projects.

We passed the act too late in the year to have that function carried out by the Civil Aeronautics Authority. Hence, we now propose to pass this measure, so that the Authority may file its estimate. Then, after Congress reconvenes in January, if it takes no action to prevent the operation of the provision of the original statute, the plan proposed by the Civil Aeronautics Authority will go forward.

That is the object of the bill, namely, simply to make up for what we lost in passing the bill too late to permit the request to be filed with Congress in time.

Mr. BALL. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. BALL. As I read the bill, it requires the Administrator to file the estimates on the projects he wishes to take up with the funds we provided for in the bill recently passed. Then he cannot undertake them until 60 days have elapsed.

Mr. McCARRAN. Under the original bill it is provided that Congress must pass a negative act.

Mr. BALL. Under the original bill, as I understand it, he would submit the estimates to the Appropriations Committee, and the Congress would pass on them in connection with the appropriations bill.

Mr. McCARRAN. That is correct.

Mr. BALL. But I am wondering how, under this measure, the Congress would act. What committee would handle it? Would it be the Appropriations Committee or the Commerce Committee?

Mr. McCARRAN. It would be the Appropriations Committee.

The Senator will note that the concluding part of section 8 of the act reads as follows:

In granting any funds that thereafter may be appropriated to pay the United States share of allowable project costs during the next fiscal year, the Administrator may consider such appropriations as granting the authority requested unless a contrary intent shall have been manifested by the Congress by law or by concurrent resolution, and no such grants shall be made unless so authorized.

This bill now provides that the authority may file the plan if, after Congress convenes, 60 days elapse and the Congress takes no action either by way of concurrent resolution or otherwise. Then the matter is approved, subject to the approval of the Appropriations Committee.

Mr. BALL. No, Mr. President; the Appropriations Committee has already made the funds available for this year.

Mr. McCARRAN. The Senator from Minnesota is correct about that.

Mr BALL. So the only way we could disapprove the projects would be by adopting a concurrent resolution.

Mr. McCARRAN. The Senator is correct about it.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CORDON. Referring to page 2 of House bill 6741, we find the following:

(2) Unless, on or before the sixtieth day after the day so fixed, a contrary intent shall have been manifested by the Congress—

And so forth. On page 1, two times are provided for. I take it that that reference is to the day fixed for the convening of the new Congress

Mr. McCARRAN. That is correct

Mr. CORDON. So the Congress will have 60 days after reconvening in which to take affirmative action on any plan which may be filed at any time during a recess or adjournment; is that correct?

Mr. McCARRAN. That is correct.

Mr. BREWSTER Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield.

Mr. BREWSTER I am a little at a loss to understand this situation. The only difference, so far as I can understand, between the original bill and the proposal which is here presented is that it is recognized that an opportunity should at least be afforded for congressional action. What is the difference between our allowing Congress, when it reconvenes in January, affirmatively to approve these projects, if they seem desirable, within the 60-day period, and the provision in the negative form which is presented by the bill? The only difference is that it is sometimes very much easier to delay action than it is to secure affirmative action.

As the Senator from Nevada knows, one of the great problems in this connection has been what is going to happen to class 4 airports and larger airports, and whether one particular city which already has $50,000,000 with which to build an airport will obtain $100,000,000 with which to build another airport, while other cities all over the country are crying for funds for airport construction. If one or two Senators could delay any action of a negative character, then the whole thing would be consummated. That is the procedure.

The proposal here merely puts the Congress in the position of requiring negative action, rather than permitting the Congress to take affirmative action if it so desires.

Mr. McCARRAN. Mr. President, the able Senator from Maine made the same argument in relation to the original bill. The language of this measure is the language of the original bill itself. The Senator made the same argument in opposition to that language, but the language of the original bill is in the negative. In other words, under the original bill if Congress does not act, then the plan submitted becomes effective.

Mr. BREWSTER. Mr. President, I ask the Senator to wait a minute, please. If the Congress does not appropriate the money, nothing can be done. The plan would have to be submitted, so as to enable the Appropriations Committee of the Senate to consider whether such an allocation of funds to airports over the country would be in accord with what is considered fair and wise.

This measure would convert the arrangement, and would place it in the negative. However, no action could be taken by the Civil Aeronautics Authority without the approval of the funds, on the submission of the plan.

Mr. McCARRAN. Mr. President, the Senator from Maine overlooks the fact that the original bill is in the negative.

Mr. BREWSTER. The original act requires that 60 days before any appropriation the Senate shall have information about the plan.

Now it is proposed by this bill that, having received the information, there shall be no necessity for approval, except by negative action.

Mr. McCARRAN. It is 60 days before the end of the fiscal year.

Mr. BREWSTER. The Senator is correct. It will be 60 days before the appropriation will be made.

Mr. McCARRAN. Of course, the Senator's statement is theoretically correct. But under the provisions of the law we could not have the plan go into effect because the law was passed too late for the plan to be made effective. This measure merely puts into effect the provisions of the original act, but presents the matter to the Congress in a different form.

Mr. BREWSTER. Why does the Senator object to allowing the Congress to take affirmative action, as was contemplated under the original provision?

Mr. McCARRAN. For the same reason that I objected in the first instance to the Senator's proposal.

Mr. LUCAS. Mr. President, I ask for the regular order.

Mr WHERRY. Mr. President, I should like to have the Senator from Nevada explain to me what has delayed the consideration of this bill.

Mr. LUCAS. Mr. President, I request the regular order.

The PRESIDENT pro tempore. The regular order has been asked for. Is there objection to the present consideration of House bill 6741?

Mr. BREWSTER. I object.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

DES MOINES RIVER BRIDGE AT OR NEAR EDDYVILLE, IOWA

The bill (H. R. 6081) granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near the town of Eddyville, Iowa, was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE BETWEEN NEBRASKA AND IOWA

The bill (S. 2225) to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1928, was announced as next in order.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill coming over from the House of Representatives which is identical with the Senate bill and deals with the same subject matter.

The bill (H R 6515) to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1928, was read twice by title.

The PRESIDENT pro tempore. Without objection, the bill just laid before the Senate will be substituted for Senate bill 2225, and will be immediately considered.

There being no objection, the bill (H. R. 6515) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 2225 will be indefinitely postponed.

RIO GRANDE BRIDGE NEAR RIO GRANDE CITY, TEX.—BILL PASSED OVER

The bill (H. R 6751) authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex., was considered, ordered to a third reading, and passed.

BILL PASSED OVER

The bill (H. R. 1212) authorizing the State of Texas, acting through the State Highway Commission of Texas, or successors thereof, to construct, maintain, and operate a free bridge across the Rio Grande at or near Laredo, Tex., was announced as next in order.

Mr. CONNALLY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WABASH RIVER BRIDGE NEAR MONTEZUMA, IND

The bill (H. R. 6041) authorizing the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Montezuma, Ind., was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE NEAR CANNELTON, IND.

The bill (H. R. 6065) authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Cannelton, Ind., was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE NEAR CAHOKIA, ILL.

The Senate proceeded to consider the bill (H. R. 6004) to provide authorization for the village of Cahokia, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cahokia, Ill., and for other purposes.

Mr. LUCAS. Mr. President, I send forward an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. On page 3, line 15, after the word "Illinois", it is proposed to insert the words "or Missouri"; and on the same page, in lines 15, 18, and 24, to strike out, wherever it occurs, the word "State" and in lieu thereof to insert the word "States."

Mr BROOKS. Mr. President, I inquire what is the purpose of the amendment?

Mr. LUCAS. The amendment would simply permit the city of St. Louis or any subdivision of the State of Missouri later to join, for example, with someone in Illinois in undertaking the operation of the bridge.

Mr. BROOKS. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time

The bill was read the third time and passed.

EDITH FRANCES DE BECKER SEBALD

The bill (S 1478) to record the lawful admission to the United States for permanent residence of Edith Frances de Becker Sebald was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General be, and is hereby, authorized and directed to record the lawful admission for permanent residence of Edith Frances de Becker Sebald, who entered the United States at San Francisco, Calif., on June 23, 1939, and that she shall, for all purposes under the immigration laws, be deemed to have been lawfully admitted as an immigrant for permanent residence

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (H. R. 3492), to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended was announced as next in order.

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. DOWNEY. This bill is desired very much by the Treasury Department and some of the other agencies of the Government. There is on the statute books a rather strict technical law under which, if a fiscal officer, through inadvertence or even in good faith, improperly disburses any funds, the amount of the disbursement must be charged against his civil-service retirement annuity until the matter is adjusted. The Treasury has found that is a harsh and unworkable rule. The purpose of the bill, more technically speaking, is explained in the paragraph I shall now read from the report of the committee:

The purpose of this legislation is to prevent withholding or set-off of amounts in the civil-service retirement fund to the credit of fiscal officers of the United States on account of suspensions or disallowances raised by the General Accounting Office when such officers have acted in good faith in the discharge of their official duties

I should like to say to the distinguished Senator that all these officers are bonded, and it is not a question of protecting the Government against any ultimate loss. As the law is written it raises many technical questions and accounting difficulties, and the General Accounting Office and the Treasury Department and the Civil Service Commission desire to have the change made.

Mr. RUSSELL Mr President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. RUSSELL. Who passes upon the question of whether there was embezzlement or whether the disbursement was made in good faith? Is that left to the Treasury Department or some other department?

Mr DOWNEY. I suppose that is a question for the Treasury Department. I might say to the distinguished Senator that if they thought there was a question of embezzlement or that the money was paid improperly, it would be for them to determine.

Mr. CORDON. Mr. President, if the officer were bonded, would the bond be available to the United States if the loss resulted from an illegal payment by the Federal employee, made in good faith and with no intent to violate the law?

Mr. DOWNEY. If the employee himself could not be held, the bonding company could not be held; if the employee could be held the bonding company could be; but in the event the employee himself was not responsible there would be no reason it seems to me for offsetting the fund.

Mr. CORDON. One other question. Did the General Accounting Office report on the bill?

Mr. DOWNEY. Yes, they had a representative present at one of the meetings of the committee who expressed himself as desiring the passage of the bill.

Mr. CORDON. I did not know that there was in the committee report any written report from the General Accounting office, and I did not know that hearings were held.

Mr. DOWNEY. At the last meeting witnesses were heard.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3492) was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF CLASSIFICATION ACT OF 1923

The bill (S. 2083) to amend section 6 of the Classification Act of 1923, as amended, was announced as next in order.

Mr. WHERRY. Mr. President, may we have an explanation of this bill?

Mr. DOWNEY. This bill is designed to protect the rights of the employees of private factories or industries which were taken over by the Government and to provide the same rights for those employed as if they had theretofore been employed by the Government in positions not covered by the Classification Act rather than by the private industry. I shall read one paragraph from the report describing the heart of the bill.

The purpose of the bill is to prevent or minimize certain injustices in the fixing of the initial salary rates of persons who become employees of the Government when the Government takes over the privately operated plants in which they are employed.

The Army, the Navy, and the Civil Service Commission favor this bill. All it does is to allow the Government to make adjustments in fixing the initial salary rates of the employees of private plants which have been taken over by the Government.

The distinguished Senator from Connecticut, Admiral HART, participated in the deliberations on this bill, and his wide experience in governmental affairs, of course, gave him familiarity with and knowledge of the subject.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the Classification Act of 1923, as amended, is amended by inserting before the period at the end of such section a colon and the following: "*Provided*, That in any case in which a public or private organization is made a part of a department or independent establishment of the Federal Government, the initial compensation of any person employed by such organization, who, without break in service, becomes an officer or employee of such department or independent establishment in a position subject to the provisions of this act, shall be established in accordance with rules 2, 3, 4, and 5, of this section."

SEC. 2. The amendment made by the first section of this act shall take effect as of September 2, 1945.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (H. R. 4651) to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. WHERRY. Mr. President, I should like to have an explanation of this bill.

Mr. DOWNEY. Mr. President, this, too, is a rather technical bill. It affects only a very limited number of persons. I shall read a paragraph from the report describing the technical situation:

The purpose of this bill is to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide eligibility for retirement for persons who have been retired for disability and who recover before reaching retirement age, but fail to again become employed in a position subject to the Retirement Act.

Under existing law, the annuity of an employee who retires for disability, and who is found to have recovered from such disability prior to attaining retirement age, is discontinued upon the expiration of 1 year following the date of the examination showing recovery. Unless the employee becomes reemployed in a position within the purview of the Retirement Act, he has no right to a future annuity based upon age.

In other words, through a miscarriage in the law, as I view it, an employee of the Government having the right to an annuity who retires from the Government because of disability and then has an annuity dependent upon such disability, if he recovers from the disability loses that annuity and forfeits his rights in the annuity he would have had upon attaining retirement age. This bill is designed to reestablish his right to future annuity and thus correct that situation.

Mr. BALL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BALL. If an employee had a disability annuity for 2 or 3 years and then recovered, by reason of this proposed act would the disability annuity which he received be deducted from his total rights to a retirement annuity?

Mr. DOWNEY. Let me say to the Senator that during that period of his disability his rights by way of his contributions and the passage of years are in abeyance; his annuity ceases to increase in amount, and he would go back only to the amount of the annuity he would have had if he had not been working during those years when he was retired by reason of disability.

Mr. BALL. Would his disability annuity be approximately the same as the retirement annuity?

Mr. DOWNEY. Yes; dependent upon the age factor it would be about the same. Of course, most disability annuities are much smaller, because generally the worker has not had credited to his fund what he would have if he had served longer.

Mr. WHERRY. Mr. President, how many employees would this bill affect?

Mr. DOWNEY. I think the number is comparatively small. On page 3 of the report appears this heading over the table:

Disability annuitants dropped because of disability ceased and reemployment.

The total for a 6-year period was only 769.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4651) was considered, ordered to a third reading, read the third time, and passed.

ABOLITION OF SANTA ROSA ISLAND NATIONAL MONUMENT

The bill (H. R. 4486) to abolish the Santa Rosa Island National Monument and to provide for the conveyance to Escambria County, State of Florida, of the portion of Santa Rosa Island which is under the jurisdiction of the Department of the Interior, was considered ordered to a third reading, read the third time, and passed.

EXCHANGE OF LAND IN EAGLE COUNTY, COLO.

The bill (H. R. 5840) to authorize an exchange of land in Eagle County, Colo., was considered, ordered to a third reading, read the third time, and passed.

SILVER CREEK RECREATIONAL DEMONSTRATION PROJECT, OREGON

The bill (H. R. 2423) to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

TITLE TO CERTAIN LANDS IN KERN COUNTY, CALIF.

The bill (S. 1602) to confirm title to certain railroad-grant lands located in the County of Kern, State of California, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all right, title, and interest of the United States in and to the land hereinafter described, which was patented by the United States to the Southern Pacific Railroad Co. on December 1, 1891, recorded at Kern County, Calif., January 15, 1892, and is now held and occupied by the Summit Lime Co., a California corporation, as successor in interest of the said railroad company through successive conveyances, and as grantee in a quitclaim deed from the said company executed December 21, 1937, is hereby released, relinquished, and confirmed to the said Summit Lime Co., the said land, situate, lying, and being in the east half of section 21, township 32 south, range 33 east, Mount Diablo base line and meridian, county of Kern, State of California, described as follows:

Commencing at a point in the west line of the east half of said section 21, distant 50 feet northerly measured at right angles from the center line of the Southern Pacific Railroad Co.'s eastward main tract; thence south 80 degrees 23 minutes east parallel with said center line a distance of 1363⅙ feet to the point of beginning of the parcel of land to be described, thence continuing south 80 degrees 23 minutes east parallel with said center line a distance of 260 feet; thence north 9 degrees 37 minutes east 50 feet to a point in the northerly line of the right-of-way of said railroad company; thence north 80 degrees 23 minutes west along said northerly line of right-of-way a distance of 260 feet, thence south 9 degrees 37 minutes west a distance of 50 feet to point of beginning, containing an area of two hundred and ninety-eight one-thousands of an acre, more or less: *Provided*, That there shall be reserved to the United States all oil, coal, or other minerals in the land, and the right to prospect for, mine, and remove the same under such rules and regulations as the Secretary of the Interior may prescribe.

NATIONAL PARK SERVICE

The Senate proceeded to consider the bill (S. 1839) to provide basic authority for the performance of certain functions and activities of the National Park Service, which had been reported from the Committee on Public Lands and Surveys with amendments.

The first amendment was on page 3, at the beginning of line 6, to insert "pursuant to cooperative agreement."

The amendment was agreed to.

Mr. WHERRY. Mr. President, before we proceed to another amendment, I notice the Senator from New Mexico [Mr. HATCH] who introduced the bill and reported it is not present. Can some other Senator give us an explanation of what the authority is that is asked for?

Mr. REVERCOMB. I ask the bill go over.

Mr. HAYDEN. Mr. President, there are certain post roads leading into the national parks. The Secretary of the Interior addressed a letter to the Senator from New Mexico [Mr. HATCH], the chairman of the committee, saying that the authority to expend national park funds outside the national parks would have to be extended in these cases. The Senator will find by looking at the bill that it starts out with this language:

That appropriations for the National Park Service are authorized for—

(a) necessary protection of the area of federally owned land in the custody of the National Park Service known as the Ocean Strip and Quents Corridor, adjacent to Olympic National Park, Wash; necessary repairs to the roads from Glacier Park Station through the Blackfeet Indian Reservation.

The bill relates to certain specific projects leading into the national parks which enable the public to enter and leave the parks. That is all there is to the bill.

Mr. WHERRY. I understand, but how much roadway does it affect? What is the difference between this authority and that already granted? What is the change?

Mr. HAYDEN. The National Park Service has no authority now to expend money outside of the park boundaries. This affects approach roads to the parks.

Mr. REVERCOMB. Mr. President, will the Senator from Arizona yield?

Mr HAYDEN. I yield.

Mr REVERCOMB. I call the Senator's attention to subsection (i) on page 4 of the bill, which contains blanket authority. The provision is that appropriations for the National Park Service are authorized for "acquisition of lands or interests therein within any of the national parks, monuments, or other permanently established areas administered by the National Park Service."

Mr HAYDEN. That establishes authority of law for a budget estimate to be submitted. Take, for instance, the Grand Canyon National Park in Arizona. At the time the park was created there were certain patented lands on which people had homesteads. One person I know had 160 acres of land, which were entirely surrounded by the national park. It is desirable, if possible, to have all the land inside a national park owned by the Park Service, because a private owner may conduct some kind of a nuisance, or other objectionable activity. If the Secretary of the Interior could make an arrangement to buy such a piece of land inside a park, and a budget estimate were submitted to Congress, it would not be subject to a point of order if the amount of money necessary to pay for the purchase were included in an appropriation bill.

Mr. REVERCOMB. As I see it, this is a blanket authority.

Mr HAYDEN. The Senator understands that all the national parks have been created by act of Congress, prescribing certain areas of land which shall be parks. It is not possible to establish a park without some private land being inside it. In many instances the Government has no need for the land, and would not acquire it, but upon a showing that it is necessary, there is no authority of law for its purchase unless a special bill is introduced to cover each individual purchase. I think the Government is properly safeguarded, because there would have to be a recommendation by the Secretary to the Bureau of the Budget.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. Not long ago the Senator introduced a bill for the purchase of a well near one of the parks. Does the Senator recall that?

Mr. HAYDEN. That was on the public domain.

Mr. WHERRY. That is a good illustration. This would give the Park Service authority to buy the well, even though the special authority were refused. Am I correct?

Mr HAYDEN. If this particular tract of land were already inside a national park, and privately owned, we would have to proceed as we do in other instances.

Mr. WHERRY. By specific legislation?

Mr. HAYDEN. Yes.

Mr. WHERRY. Why not do that?

Mr. HAYDEN. Because it would be a cumbersome procedure since none of the private tracts of land inside the parks are large

Mr. WHERRY. We would not have brought to our attention the acquisition of land inside a park unless it came up in a special bill, or in an appropriation bill.

Mr. HAYDEN There would be a budget estimate authorizing the purchase of land inside the park

Mr. ROBERTSON. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr ROBERTSON. Does this include the Jackson Hole Monument?

Mr. HAYDEN. It provides for the performance of certain functions, and then it states specifically where the purchases may be made.

Mr. ROBERTSON. It mentions national monuments as well. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

COMPENSATION OF CERTAIN EMPLOYEES OF GOVERNMENT CONTRACTORS

The Senate proceeded to consider the bill (S. 1561), to amend the act entitled "Compensation for injury, death, or detention of employees of contractors with the United States outside the United States," as amended, for the purpose of making the 100 percent earning provisions effective as of January 1, 1942, which had been reported from the Committee on Education and Labor with an amendment, to strike out all after the enacting clause and to insert the following:

That the act entitled "An act to provide benefits for the injury, disability, death, or enemy detention of employees of contractors with the United States, and for other purposes," approved December 2, 1942 (42 U. S. C. 1701), is amended by adding to the final proviso in the last paragraph of section 101 (b) (1) thereof, as added by title I of the act approved December 28, 1943 (57 Stat. 626), upon changing the final period to a semicolon, the following: "and in such cases benefits for detention shall accrue from January 1, 1942, unless the beginning of absence occurred upon a later date in which event benefits shall accrue from such later date, and for the period of such absence shall be 100 percent of the average weekly wages, determined as herein provided: *And provided further*, That compensation for disability under this title (except under allowance for scheduled losses of members or functions of the body, within the purview of section 102 (a)) shall not be paid in any case in respect to any period of time during which benefits for detention may accrue under this title in the same case, and should a person entitled to benefits for detention also be entitled to workmen's compensation or similar benefits under any other law, agreement, or plan (except allowances for scheduled losses of members or functions of the body), where such other benefits are paid or to be paid directly or indirectly by the United States, the amount thereof accruing as to the period of absence shall be taken into account and the benefits credited to the account of the detained person reduced accordingly: *And provided further*, That where through mistake of fact, absence of proof of death, or error through lack of adequate information or otherwise, payments as for detention have in any case been erroneously made or credited, any resulting overpayment of detention benefits (the recovery of which is not waived as otherwise provided for in this section) shall be recouped by the Commission in such manner as it shall determine from any unpaid accruals to the account of the detained person, and if such accruals are insufficient for such purpose, then from any allowance of compensation for injury or death in the same case (whether under this title or under any other law, agreement, or plan, if the United States pays, or is obligated to pay, such benefits, directly or indirectly), but only to the extent of the amount of such compensation benefits payable for the particular period of such overpayment, and in cases of erroneous payments of compensation for injury or death, made through mistake of fact, whether under this title or under any other law, agreement, or plan (if the United States is obligated to pay such compensation, directly or indirectly), the Commission is authorized to recoup from any unpaid benefits for detention, the amount of any overpayment thus arising; and any amounts recovered under this section shall be covered into such compensation fund, and for the foregoing purposes the Commission shall have a right of lien, intervention, and recovery in any claim or proceeding for compensation."

SEC. 2 The provisions of section 1 of this act shall apply in all cases coming within the purview of section 101 (b) of such act of December 2, 1942, and shall be applied retrospectively to January 1, 1942; and the United States Employees' Compensation Commission is authorized to review any case affected by such provisions, and to make the adjustment of benefits which they require. In cases in which claims for benefits under such section 101 (b) have been adjudicated, and the detained person has died since such adjudication, any amounts found to be due upon such review shall be paid to his legal representative.

The amendment was agreed to.

Mr. BALL. Mr. President, I do not think there is any objection to this bill, but it is an important measure, and I think there should be a brief explanation.

Mr. DOWNEY. Mr. President, this measure grows out of the rather complicated and involved set of facts arising when the Japanese struck at Pearl Harbor. At that time certain contractors were doing work for the Navy on Wake Island, and I think also on Guam. About 1,500 men were employed by the naval contractor. Some of them were killed on Wake Island, some died from torture and starvation there, some died in China, and some died in Japan. Nearly all of those who returned, perhaps a majority, had their health seriously affected. Serious eye trouble has resulted, and they have suffered from malnutrition and other afflictions.

We passed a temporary law in 1942 to provide for their wives, but the Government was in a very difficult situation in dealing with the wives, because they might have become widows, and in dealing with the children, and with the amount of pay to which the men might be entitled, it not being known whether they were alive or dead. In 1943 another law was passed which was somewhat more generous.

I read the first paragraph of the report:

The object of the bill S. 1561 is to amend section 101 (b) of the act of December 2, 1942 (42 U. S. C. 1701), so as to provide the same level of benefits for the years 1942 and 1943 as the statute provides for subsequent to 1943 in the cases of employees of Government contractors who were captured and detained by the enemy while engaged in their employment outside of continental United States

I skip now to page 2:

The purpose of the amendment is—

1. To make the benefits for detention uniform from the date of capture rather than at a reduced rate for the first 2 years, as is now the case.

2. To prevent dual payments to captured employees during the period of their detention without impairing their rights to compensation for disability which continues after repatriation.

3. To provide for the adjustment of overpayments made under a mistake of fact.

The conclusion of the report of the committee states:

The committee recommends that the bill as it has been modified by the committee be passed as soon as possible. The additional benefits for the 2-year period are necessary to enable the repatriated employees to rehabilitate themselves in civilian life, after a long and arduous period of capture in the Japanese prison camps; an experience which has not only left its mark physically and mentally upon such employees; but has made it difficult for them to reestablish themselves financially. The provisions dealing with administration, which are designed to prevent dual payments of benefits, are urgently needed to enable the Employees' Compensation Commission to make final and just settlement of pending claims.

The PRESIDING OFFICER (Mr. EASTLAND in the chair). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1920) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities, was announced as next in order.

Mr. BALL. Over.

The PRESIDING OFFICER. The bill will be passed over.

SCHOOL BONDS IN ALASKA

The bill (H. R. 5800) to authorize school districts in Alaska to issue bonds for school construction and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ISSUE OF BONDS BY THE CITY OF ANCHORAGE, ALASKA

The bill (H. R. 5112) to authorize the city of Anchorage, Alaska, to issue bonds in a sum not to exceed $5,000,000, was considered, ordered to a third reading, read the third time, and passed.

CORRECTION OF PHILIPPINE REHABILITATION ACT OF 1946

The Senate proceeded to consider the bill (S. 2259) to amend the Philippine Rehabilitation Act of 1946, for the purpose of making a clerical correction, which had been reported from the Committee on Territories and Insular Affairs with an amendment at the end of the bill to add a new section 3, as follows:

SEC. 3 Section 201 of such act is amended on page 8, lines 12 and 17, after the word "Philippines", by addition of the following. "(Republic of the Philippines)."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That section 104 (c) of the Philippine Rehabilitation Act of 1946 is amended to read as follows:

"(c) All of the provisions of this title shall be subject to the requirement that, to the fullest extent practicable, the Commission shall require that the lost or damaged property be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this title: *Provided*, That if the Commission determines it is impossible for any reason beyond the control of the claimant, or is impractical to rebuild, replace, or repair the lost or damaged property, the Commission may make payment to the claimant without making said requirement: *Provided, however*, That as a condition to the making of such payment, the Commission shall require that the whole of such payment shall be reinvested in such manner as will further the rehabilitation or economic development of the Philippines: *And provided further*, That nothing in this subsection shall preclude the partial payment of claims as the rebuilding, replacing, or repairing of the property progresses."

SEC. 2. Section 105 of such act is amended to read as follows:

"SEC. 105. Not later than 6 months after its organization, and every 6 months thereafter, the Commission shall make a report to the Congress concerning operations under this title."

SEC. 3. Section 201 of such act is amended on page 8, lines 12 and 17, after the word "Philippines", by addition of the following "(Republic of the Philippines)"

ACCEPTANCE OF DEPOSITS FROM THE PHILIPPINE ISLANDS

The bill (S. 2348) to authorize the continuance of the acceptance by the Treasury of deposits of public moneys from the Philippine Islands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of June 11, 1934 (48 Stat. 929; U. S. C., title 48, sec. 1157), is hereby amended by inserting after the words "Government of the Philippine Islands" the words "or the Republic of the Philippines."

SEC. 2. This act shall be effective on the date the independence of the Philippine Islands is proclaimed by the President of the United States.

BILLS PASSED OVER

The bill (S. 1178) providing equal pay for equal work for women, and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1908) to provide for the maximum and most effective utilization of surplus agricultural commodities through increased industrial and other uses and through the development of improved methods of storing and marketing such commodities was announced as next in order.

Mr. WHERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

WEST POINT RIGHT-OF-WAY

The bill (S. 2020) granting a right-of-way at a revised location to the West Shore Railroad Co., the New York Central Railroad Co., lessee, across a portion of the military reservation at West Point, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That the consent of the United States is hereby given to the relocation requested by the Secretary of War, of the railroad of the West Shore Railroad Co, the New York Central Railroad Co. being the lessee, across the property belonging to the Government at West Point, in the State of New York, and to the maintenance and operation of said railroad upon such relocated line, subject to such conditions and regulations as may be approved by the Secretary of War.

MARIAN ANTOINETTE McCLOUD

The bill (S. 2351) for the relief of Marian Antoinette McCloud was announced as next in order.

Mr. KNOWLAND. Mr. President, an identical House bill is on the calendar, which should be substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, the House bill (H. R. 5178) will be substituted for the Senate bill; and, without objection, the House bill will be considered as having passed through the necessary parliamentary stages, and passed.

Without objection, the Senate bill will be indefinitely postponed.

DELEGATION BY SECRETARY OF NAVY OF AUTHORITY TO SETTLE CERTAIN CLAIMS

The bill (S. 2349) to permit the Secretary of the Navy to delegate the authority to compromise and settle claims for damages to property under the jurisdiction of the Navy Department, and for other purposes, was announced as next in order.

Mr. WHERRY. Mr. President, will the distinguished Senator from Massachusetts explain the bill?

Mr. WALSH. Under the present law the Secretary of the Navy has authority through one of his subordinates to compromise claims against the Navy for damages caused by naval vessels when the amount is under $1,000. He has no authority through an agency to settle claims when the amount is under $1,000, if the claim is for the Government. This measure would give him authority to settle this class of claims, whether they are against the Government or whether they are for the Government. He now has authority to settle claims against the Government.

Mr. OVERTON. With the $1,000 limitation continued?

Mr. WALSH. Yes; with the $1,000 limitation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2349), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of December 5, 1945 (Public Law 246, 79th Cong.), is hereby amended by adding another section thereto as follows:

"SEC. 4. Where the net amount received in settlement does not exceed $1,000, the authority of the Secreary of the Navy as set forth in section 1 may be exercised by such person or persons as he may designate."

PETER KIM

The bill (S. 1607) to provide for the naturalization of Peter Kim was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon compliance with all other provisions of section 701 or 702 of the Nationality Act of 1940, as amended (56 Stat. 182–183, 8 U. S. C. 1001–1002), Peter Kim, Army of the United States, Army serial No. 10500015, may be naturalized pursuant to either of said sections as may be applicable, notwithstanding the fact that at the time of his enlistment or induction into the armed forces of the United States, he had not been lawfully admitted to the United States and was not a resident thereof.

BILL PASSED OVER

The bill (H. R. 5654) to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation, was announced as next in order.

Mr. HILL. Over.

The PRESIDING OFFICER. The bill will be passed over.

ROSELLA J. MASTERS

The bill (H. R. 4458) for the relief of Rosella J. Masters was considered, ordered to a third reading, read the third time, and passed.

EDWIN DOYLE PARRISH

The Senate proceeded to consider the bill (H. R. 1754) for the relief of Edwin Doyle Parrish, which had been reported from the Committee on Claims, with an amendment on page 1, line 6, after the words "sum of", to strike out "$3,500" and insert "$5,000."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

DECATUR COUNTY, IND.

The bill (H. R. 3988) for the relief of Decatur County in the State of Indiana was considered, ordered to a third reading, read the third time, and passed.

DOLORES JOYCE

The bill (H. R. 4577) for the relief of Dolores Joyce was considered, ordered to a third reading, read the third time, and passed.

S. G. LEOFFLER OPERATING CO.

The bill (H. R. 1480) for the relief of the S. G. Leoffler Operating Co., of Washington, D. C., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MARINE ENGINE WORKS & SHIPBUILDING CORP.

The bill (H. R. 1322) for the relief of the Marine Engine Works & Shipbuilding Corp., of Tarpon Springs, Fla., was considered, ordered to a third reading, read the third time, and passed.

JOSEPH IPPOLITO

The bill (H. R. 5352) for the relief of Joseph Ippolito was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4466) for the relief of Francis T. Lillie and Lois E. Lillie was announced as next in order.

Mr. TUNNELL. Over.

The PRESIDING OFFICER. The bill will be passed over.

POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The bill (H. R. 3484) for the relief of the Poultry Producers of Central California, was announced as next in order.

Mr. BALL. Mr President, may we have an explanation of why it is proposed by this bill to relieve the Poultry Producers of Central California?

Mr. BARKLEY. I thought we had done that under the OPA.

Mr. BALL. Then why do we have to do it in this measure?

Mr. DOWNEY. Mr. President, I am not familiar with the bill. I cannot make the explanation. I wish I could. I should like to have the bill passed over temporarily, if that is satisfactory. The bill was reported by the Senator from Iowa [Mr. WILSON.]

Mr. BALL. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. DOWNEY subsequently said: Mr. President, I should like to have the attention of the Senator from Minnesota and ask consent of the Senate to return to Calendar No. 1629, House bill 3484, an act for the relief of the Poultry Producers of Central California. I hope the distinguished Senator and the others of my colleagues, in view of the inconsequential amount of money involved, and the enormous number of eggs involved, will agree that this is a proper bill, from the reading of the second paragraph of the report alone, which is as follows:

The purpose of the proposed legislation is to pay the sum of $1,860 to the Poultry Producers of Central California, San Francisco, Calif., in full settlement of all claims against the United States, for the balance due them under contract No. N220S–66500, dated January 2, 1942, entered into by the Poultry Producers of Central California with the Navy Department for furnishing and delivering 600,000 dozen of eggs to the naval supply depot, Oakland, Calif.

I may say to the distinguished Senator that quite a long report is made, justifying the award of $1,860, because of that contract. I hope there will be no objection to the bill.

Mr. BALL. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3484) for the relief of the Poultry Producers of Central California was considered, ordered to a third reading, read the third time, and passed.

LOUISE ZERWECK

The bill (H. R. 1850) for the relief of Louise Zerweck was considered, ordered to a third reading, read the third time, and passed.

MRS ELIZABETH J PATTERSON AND OTHERS

The bill (H. R. 6442) for the relief of Mrs. Elizabeth J. Patterson, Joy Patterson, and Roberta Patterson was considered, ordered to a third reading, read the third time, and passed.

J E AND MINERVA MITCHELL AND ROSIE MONROE

The bill (H R. 3341) for the relief of J E and Minerva Mitchell and Rosie Monroe was considered, ordered to a third reading, read the third time, and passed.

ROY HESSELMEYER

The bill (H R 4090) for the relief of Roy Hesselmeyer was considered, ordered to a third reading, read the third time, and passed.

ARTHUR A GUARINO

The bill (H. R. 2243) for the relief of Arthur A Guarino was considered, ordered to a third reading, read the third time, and passed.

MRS. W H (AGNES) HOLMES

The bill (H. R. 3360) for the relief of Mrs. W. H. (Agnes) Holmes was considered, ordered to a third reading, read the third time, and passed.

HERBERT W. ROGERS

The bill (H. R. 3400) for the relief of Herbert W. Rogers was considered, ordered to a third reading, read the third time, and passed.

JUSTIN P. HOPKINS

The bill (H. R. 2962) for the relief of Justin P. Hopkins was considered, ordered to a third reading, read the third time, and passed.

JAMES LEMUEL MUZZALL AND JAMES M. MUZZALL

The bill (H. R. 1151) for the relief of James Lemuel Muzzall and James M. Muzzall was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act for the relief of the legal guardian of James Lemuel Muzzall, a minor."

MRS. MINNIE JENKINS WARD

The bill (H. R. 4673) for the relief of Mrs. Minnie Jenkins Ward was considered, ordered to a third reading, read the third time, and passed.

JAMES H. WILKINSON

The Senate proceeded to consider the bill (S. 1573) for the relief of James H. Wilkinson, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "sum of", to strike "$20,000" and insert "$8,000"; and in line 10, after the word "him", to insert "and for any and all property damages sustained by him."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. Wilkinson, of Weymouth, Mass., the sum of $8,000, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him, and for reimbursement of hospital, medical, and other expenses incurred by him and for any and all property damage sustained by him, as a result of an accident which occurred when the automobile which he was driving was struck by a United States Navy vehicle, at the intersection of Quincy Avenue and Mount Pleasant Avenue, in Braintree, Mass., on February 5, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

GEORGE D. KING

The Senate proceeded to consider the bill (S. 1910) for the relief of George D. King, which had been reported from the Committee on Claims, with amendments, on page 1, line 7, after the word "injuries", to insert "and loss of earnings"; and in line 8, after the word "sustained", to insert "and medical expenses incurred", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George D. King, of Phoenix, Ariz., the sum of $500, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained and medical expenses incurred by him as a result of an accident which occurred when the automobile in which he was riding was struck by a United States Army airplane, near Phoenix, Ariz., on June 22, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DUANE N. THOMPSON, A MINOR

The Senate proceeded to consider the bill (S. 1549) for the relief of Duane N. Thompson, a minor, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "sum of", to insert "$3,753.70"; and in line 9, after the name "Thompson", to insert "and for medical expenses incurred", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Duane N. Thompson, a minor, of Berkeley, Calif., the sum of $3,753.70 in full satisfaction of all claims against the United States for compensation for personal injuries sustained by the said Duane N. Thompson, and for medical expenses incurred as a result of an accident which occurred when he was struck by a United States Government vehicle, at the intersection of Ninth Street and University Avenue, in Berkeley, Calif., on December 28, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An act for the relief of the legal guardian of Duane N. Thompson."

E. D. WILLIAMS

The bill (H. R. 247) for the relief of E. D. Williams was considered, ordered to a third reading, read the third time, and passed.

SUSAN S. WISEMAN

The bill (H. R. 2287) for the relief of Susan S. Wiseman was considered, ordered to a third reading, read the third time, and passed.

WESTERN UNION TELEGRAPH CO.

The bill (H. R. 4917) for the relief of Western Union Telegraph Co. was announced as next in order.

Mr. BALL. May we have an explanation of that bill?

Mr. EASTLAND. Let the bill go over temporarily. The Senator from Connecticut [Mr. MCMAHON], who reported the bill, is not present in the Chamber at the moment.

Mr. BALL. Very well, let the bill be passed over temporarily.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). The bill will be passed over temporarily.

Mr. BALL subsequently said: Mr. President, I have looked over House bill 4917, calendar 1645. The purpose of the bill is merely to pay a bill of the Western Union Telegraph Co., which is apparently authentic, but which it was unable to substantiate to the satisfaction of the General Accounting Office because the original message had been lost. I ask unanimous consent to recur to House bill 4917, calendar 1645.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 4917) for the relief of Western Union Telegraph Co. was considered, ordered to a third reading, read the third time, and passed.

CORRECTION OF NAVAL RECORD OF CREWS OF "ALGONQUIN" AND "ONONDAGA"

The bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*, was considered, ordered to a third reading, read the third time, and passed.

SHEPPARD FLOODWAY, NEAR SAN BERNARDINO, CALIF.—OFFICIAL NAME

The bill (S. 1372) to officially name the flood control project authorized by Public Law 534, Seventy-eighth Congress, approved December 22, 1944, on Lytle and Cajon Creeks near San Bernardino, Calif., the Sheppard floodway, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the enactment of this act, the flood control project which impounds the waters of Lyle and Cajon Creeks near San Bernardino, Calif., the construction of which was authorized by Public Law 534, Seventy-eighth Congress, approved December 22, 1944, shall be known and designated upon the public records as the Sheppard floodway.

SAKONNET RIVER HIGHWAY BRIDGE, R. I.

The bill (S. 2036) granting the consent of Congress to the State of Rhode Island to construct, maintain, and operate a free highway bridge across the Sakonnet River between the towns of Tiverton and Portsmouth in Newport County, R. I., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Rhode Island to construct, maintain, and operate a free highway bridge and approaches thereto across the Sakonnet River, at a point suitable to the interests of navigation, between the towns of Tiverton and Portsmouth in Newport County, R. I., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

CALCASIEU RIVER BRIDGE, LAKE CHARLES, LA.

The bill (H. R. 6222) to extend the times for commencing and completing the construction of a bridge across the Calcasieu River, at or near Lake Charles, La., was considered, ordered to a third reading, read the third time, and passed.

AUTHORIZATION OF CERTAIN ADMINISTRATIVE EXPENSES IN POST OFFICE DEPARTMENT

The Senate proceeded to consider the bill (H. R. 5186) to authorize certain administrative expenses in the Post Office Department, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads

with an amendment on page 3, line 20, to strike out:

SEC 10 The actual and necessary expenses of officials and employees of the Post Office Department and postal service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed, including per diem allowances in lieu of actual expenses of subsistence, and appropriations for each fiscal year shall be available therefor.

SEC 11 The Postmaster General is authorized to establish and maintain mail-equipment shops for the manufacture and repair of mail bags, mail locks, and other necessary equipment He is also authorized to expend not exceeding $15,000 annually from appropriations made for the maintenance of the equipment shops in Washington, D. C., for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions

And insert:

SEC. 10. The actual and necessary expenses of officials and employees of the Post Office Department and the postal service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed, including per diem allowances in lieu of actual expenses of subsistence, and appropriations for each fiscal year shall be available therefor.

SEC 11. The Postmaster General is authorized to establish and maintain mail equipment shops for the manufacture and repair of mail bags, mail locks, and other necessary equipment. He is also authorized to expend not exceeding $15,000 annually from appropriations made for the maintenance of the equipment shops in Washington, D. C., for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, and other island possessions.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 5186) was read the third time and passed.

MAIL SERVICE ON LAKE WINNEPESAUKEE, N. H.

The bill (H. R. 5820) relating to mail service on Lake Winnepesaukee, N. H., was considered, ordered to a third reading, read the third time, and passed.

ELEANOR McCLOSKEY

The bill (H. R. 271) for the relief of Eleanor McCloskey, also known as Evelyn Mary Mikalauskas, was considered, ordered to a third reading, read the third time, and passed.

TRAINING OF OFFICERS FOR THE NAVAL SERVICE

The bill (S. 2304) to provide for the training of officers for the naval service, and for other purposes, was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of this bill? It seems to be of importance.

Mr. WALSH. Mr. President, this bill is of considerable importance because it is the Navy plan for future education of officers of the postwar Navy.

As is probably known, the V-12 program which was established during the war has terminated. The ROTC program terminated on July 1, although the Navy Department has sufficient funds to carry it on until January 1.

The Navy has been confronted with the problem of how to train its future young naval officers. By reason of the fact that the postwar Navy is to be composed of 500,000 enlisted men, as against a prewar enlistment of 150,000, the Navy will be required to educate and train three times as many younger naval officers to take the places of officers who are promoted as it had to educate and train as before the war.

The bill would establish two methods of training: First, the ROTC method; and, secondly the maintenance of the Academy for the training of younger officers. The bill provides that the future younger naval officers shall consist of 50 percent from the Naval Academy and 50 percent from the ROTC. Those who are selected to take the ROTC training will be sent to 52 different colleges, each college having about 300 or 350 students. They will be selected on a competitive Nation-wide basis.

After their training they will be commissioned as ensigns in the Navy or second lieutenants in the Marine Corps, just as though they had graduated from the Naval Academy. During the period of their training at the various colleges their tuition will be paid for; their books will be paid for; and they will be given the same amount of money, $50 a month, that is now given to midshipmen at the Naval Academy. The idea is to develop through the colleges the same training and the same preparation as is given at the Naval Academy.

In addition to this program there is a slightly different program so far as selecting those who are to take the aviation course and become aviators are concerned. In the event that the plans for the extension of the Academy are carried out, the bill provides that the number of appointees by Members of Congress shall be increased from five to eight. That will represent the increase in the Naval Academy after the expansion of the Naval Academy takes place.

The number of students enrolled in the Naval Reserve will be approximately 14,000. I think the bill provides for 15,400. So there will come from the Naval Academy each year approximately the same number of graduates as from the ROTC. That is supposed to be the nucleus for the future Navy.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. WALSH. I yield.

Mr. TAFT. As I understand, hereafter half of the Regular Navy officers will not go to Annapolis but will go to the 52 colleges.

Mr. WALSH. That is correct.

Mr. TAFT. When they finish their college training, will they go to the Naval Academy for graduate work?

Mr. WALSH. Not immediately. But it is expected that their training will be equal to the training at the Naval Academy, or at least comparable to it.

After all the graduates from the Naval Academy and from the 52 educational institutions have had a year or two experience at sea, or in aviation, they will then be sent to a postgraduate school, which now exists at Annapolis, and for which an expansion is planned on the west coast. There is no immediate plan for the education of the ROTC college students, other than the 4 years they will receive at college, in a course of study approved by the Navy Department, and which is assumed to be comparable to the course at the Naval Academy. Of course, they will not be trained in disciplinary standards, under the conditions at the Naval Academy.

Mr. TAFT. The Senator stated that those who would be sent to college at the expense of the Government would be selected on a competitive basis What sort of competitive basis? Would the number be in any way allotted among the different States?

Mr. WALSH. On a Nation-wide competitive basis.

Mr. TAFT. By competitive examination?

Mr WALSH. Yes.

Mr. TAFT Are they to be allotted to the various States in proportion to population?

Mr. WALSH. In proportion to the number of high-school students in each State because they must have a high-school education. The number is proportioned in that way.

Mr. TAFT. As to those men, Members of Congress would have no appointments to make?

Mr. WALSH. No.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAGNUSON. Let me say to the Senator from Ohio that all the graduates would be siphoned in from the Academy and the various schools to a 2-year seaduty period and whatever postgraduate work they might wish to take. They could even be siphoned in during the last year, if it were so desired. They would all have the same rank.

This bill would also abolish the designation "USNR." There would be no such thing after the enactment of the bill. The men would all be naval officers. The only difference would be that some would have their basic training at Annapolis and others in various naval ROTC courses throughout the country. They would all be siphoned into sea duty and postgraduate work, and would all come out with the same designation. I think this is a very important step forward in our postwar Navy plans.

Mr. WALSH. As the Senator says, the purpose is to eliminate, so far as is humanly possible in our future Navy, the designation of officers as coming from the Naval Academy or as coming from civilian life.

Mr. TAFT. Mr. President, will the Senator yield for a further question?

Mr. WALSH. I yield.

Mr. TAFT. If the job is to be properly done, should not the bill require the establishment of a graduate Naval Academy on a somewhat larger scale than anything we have today?

Mr. WALSH. It will require an expansion from about 3,000 students, as at present, to 4,000 students at the Academy.

The Navy will need between 8,000 and 10,000 younger officers each year, and half of them, as I previously stated, will have to come from the Academy.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr BALL. Am I correct in understanding that all the students who qualify for the naval ROTC training at 52 colleges will be commissioned in the Regular Navy when they graduate or will some of them go into the Reserve?

Mr. WALSH. Every one of them will be commissioned as an ensign in the Regular Navy or a second lieutenant in the Marine Corps, and they must make a contract and agree to remain in the service for 2 years, somewhat as repayment for the cost of their education. They can then resign, if the Navy Department does not need them. It is assumed that they will make a choice during their period of training and education, as to whether or not they wish to be permanent naval officers.

Mr. BALL Mr. President, will the Senator further yield?

Mr. WALSH. I yield.

Mr. BALL. The Government will pay them $50 a month for subsistence; will it? I assume that the Government will not provide barracks or dormitories for the young men who will be trained under this ROTC program.

Mr. WALSH. No. The Government will make a contract with the 52 colleges, and will pay them for tuition and food and lodging and other facilities which the young men will receive. In addition, they will receive what the midshipmen at the Naval Academy receive, namely, $50 a month, which is spending money.

Mr. BALL Will those who will be under the ROTC program be virtually on a par with those who go to the Naval Academy at Annapolis?

Mr. WALSH. Yes.

Mr. BALL Will they be in uniform?

Mr WALSH. Yes; the same as the ROTC is now. There will be a small unit at each college.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. MAGNUSON. Mr. President, I do not wish to object. I simply wish to add, for the benefit of the Senate, that the Senator from Massachusetts contemplates that such persons will be siphoned into a postgraduate school of the Navy which is yet to be constructed. Plans have been formulated. The Senator is a member of a subcommittee which has been examining possible sites for a postgraduate school, where all of them will be siphoned, after sea training.

Mr. CORDON. Mr. President, I believe I must object to further consideration of the bill. Perhaps at a later time I shall be able to withdraw objection. But I have not had an opportunity to study it.

Mr. MAGNUSON. Mr. President, I hope the Senator will ask only that the bill be temporarily laid aside.

Mr. BREWSTER. Mr. President, I think I can clarify the matter somewhat. I wish to ask the Senator from Massachusetts whether the bill will enable an increase of 60 percent in the number of midshipmen at the Naval Academy due to the fact the appointments allowed Members of Congress are increased from five to eight.

Mr. WALSH. That is correct.

Mr. BREWSTER. Has it yet been determined whether there will be an expansion of the existing facilities at the Naval Academy, or whether there will be an alternate academy, which has already been discussed?

Mr. WALSH. Expansion will not take place until the plans are submitted to the Congress and approved, and until Congress also appropriates the amount of money needed for the expansion.

Mr. BREWSTER. So that even though this authorization exists, the plan will not actually be carried out immediately?

Mr. WALSH. Yes. As a matter of fact, the Appropriations Committee may not appropriate the needed money.

Mr. BREWSTER. Yes. I thought that might clarify the question the Senator from Oregon has in mind. I hope it may be clarified.

Mr. WALSH. Mr. President, I sincerely hope the Senator from Oregon will not object to present consideration of the bill, because it will be disastrous if we do not obtain action at this time. The V–12 program has ended. The ROTC has gone. We have only the Naval Academy graduates, and they constitute only one-third of the officers who will be needed next year.

Mr. BREWSTER. Mr. President, I feel very confident that this matter may be worked out shortly. If the bill may be temporarily laid aside, as has been requested, I think we may clear up the difficulty.

The PRESIDING OFFICER. Without objection, the bill will be temporarily laid aside.

The clerk will state the next bill on the calendar.

ESTABLISHMENT OF AN OFFICE OF NAVAL RESEARCH

The bill (H. R. 5911) to establish an Office of Naval Research in the Department of the Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power, and the preservation of national security; to provide within the Department of the Navy a single office which, by contract and otherwise, shall be able to obtain, coordinate, and make available to all bureaus and activities of the Department of the Navy world-wide scientific information and the necessary services for conducting specialized and imaginative research; to establish a Naval Research Advisory Committee consisting of persons preeminent in the fields of science and research, to consult with and advise the Chief of such Office in matters pertaining to research, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. WALSH. Yes. The Navy Department now has a research department. It exists under Executive order. This will legalize it or make the existence of that office a matter of law. The bill provides that that office shall cooperate with the Department of Research which will be set up under the bill we passed a few days ago, and the naval officer who is head of this office of Naval Research will be a member of the general Research Commission.

Mr. BALL. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with amendments.

The first amendment of the committee was, on page 2, in line 6, after the word "initiation", to insert "and"; and in line 7, after the word "coordination", to strike out "and control", and after the word "of" to strike out "all."

The amendment was agreed to.

The next amendment was, on page 2, in line 25, after the word "shall", to strike out the comma and the words "in addition, report to the Chief of Naval Operations, and shall."

The amendment was agreed to.

The next amendment was, on page 4, in line 19, before the word "There", to insert "(a)."

The amendment was agreed to.

The next amendment was, on page 5, after line 5, to insert:

(b) Any funds appropriated to enable the Office of Naval Research to carry out its functions as provided for herein shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for four years following the expiration of the fiscal year for which appropriated After such a four-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

The amendment was agreed to.

The next amendment was, on page 5, in line 17, after the words "Navy Department", to strike out "(acting through and under the Chief of Naval Research)."

The amendment was agreed to.

The next amendment was, on page 6, after line 9, to insert:

SEC. 7 The Secretary of the Navy is authorized to transfer to the Office of Naval Research, as in his judgment may be necessary and appropriate, such research and development functions as are now assigned to the various bureaus and other agencies and offices of the Navy Department, together with any or all personnel, buildings, facilities, and other property used in the administration thereof, including without limitation the Special Devices Division and the Naval Research Laboratory.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

ASCERTAINMENT OF DAMAGES IN PATENT INFRINGEMENT SUITS

Mr. PEPPER. Mr. President, I ask unanimous consent that the Senate revert to Calendar No. 1529, House bill 5311, a patent bill, which has previously been passed over. I was out of the Chamber when that measure was reached during the call of the calendar,

and I understand that objection to consideration of the bill was made because no explanation of it was made at that time. I should like to explain the bill.

Mr. President, this is a House bill. It has the unanimous support of the Senate Committee on Patents, and also of the Commissioner of Patents. Essentially it only changes somewhat the basis of recovery in patent infringement suits.

If Senators will examine the committee report, they will see in italics the new language which is proposed to be inserted. The essential change proposed is that the court may award general compensatory damages and lawyers' fees, where the court considers it proper to award lawyers' fees, whereas, under the present law, the court has to determine the profits which may have been made by the infringer, as well as compensatory damages. Except for changing the word "decree" to "judgment" in several places in the act, that is the only change which will be made.

I believe the Senator from West Virginia [Mr. REVERCOMB] made the objection. If any further explanation is desired, I shall be glad to try to give it

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REVERCOMB. I should like to ask for an explanation of House bill 5311 and House bill 5223, both of which deal with proposed changes in the patent law.

Mr. PEPPER. That is correct, and I was just explaining House bill 5311. I am afraid I did not make it clear to the Senator from West Virginia that there is carried in the committee report a statement of the change which is proposed to be made in the existing law. The measure is a House bill, and it has been reported unanimously by the Senate Committee on Patents, and is recommended by the Commissioner of Patents, Mr. Ooms.

Let me state what the bill does: Under the present law, if a suit is maintained for the infringement of a patent, the measure of damages is the profit made by the alleged infringer, and also general compensatory damages which might have been suffered by the claimant.

Experience has proven that it is such a difficult accounting matter to determine what the profit of the alleged infringer has been that there is almost always an interminable delay in connection with the recovery sought.

Consequently, the basis laid down by this bill is general compensatory damages which the plaintiff in the suit sustains. Of course, that may include profits, but it is not limited to profits; and it is not necessary to prove profits, if the plaintiff does not find it appropriate to do so.

The bill will also permit opinion and expert evidence to be received by the court. In addition, it awards to the court discretionary power to allow plaintiffs to recover attorneys' fees, if the court considers it proper to allow such recoveries.

Mr. REVERCOMB. Mr. President, do I correctly understand that the explanation the Senator has made covers all the changes which the bill proposes to make?

Mr. PEPPER. That is correct, except for the changing of the word "decree" to the word "judgment."

Mr. REVERCOMB. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5311) to amend Revised Statutes, 4921 (U. S. C. A., title 35, Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement, which has been reported from the Committee on Patents with amendments

The first amendment was, on page 2, line 1, after the words "upon a", to strike out "decree" and insert "judgment."

The amendment was agreed to.

The next amendment was, on the same page, line 5, to strike out "royalty therefor, together with his costs and reasonable attorney's fees to be fixed by the court and interest from the time the infringement occurred", and insert "royalty therefor, together with such costs, and interest, as may be fixed by the court. The court may in its discretion award reasonable attorney's fees to the prevailing party upon the entry of judgment on any patent case."

The amendment was agreed to.

The next amendment was, on page 3, line 13, after the words "or a", to strike out "decree" and insert "judgment"

The amendment was agreed to.

The next amendment was, on the same page, line 19, after the word "wrapper", to strike out "and for each notice required to be furnished to the Commissioner of Patents in compliance herewith a fee of 50 cents shall be taxed by the clerk as costs of suit."

The amendment was agreed to.

The next amendment was, on the same page, line 25, after the word "concluded", to insert *"Provided, however,* That pending causes of action in which the taking of the testimony has been concluded are to be governed by the statute in force at the time of approval of this act as if such statute had not been amended."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

NAMING OF LITTLE MISSOURI RIVER DAM IN PIKE COUNTY, ARK.

The Senate proceeded to consider the bill (S. 669) to name a dam on the Little Missouri River in Pike County, Ark., and the reservoir created by the same, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That the dam to be constructed on the Little Missouri River in Pike County, Ark., at a site known as the Narrows, under authority contained in the Flood Control Act of August 18, 1941, shall be named "Whiteside Dam", and the reservoir or lake created by the said dam shall be named "Greeson Lake."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALARIES OF CERTAIN JUDGES

The Senate proceeded to consider the bill (S. 920) to fix the salaries of certain judges of the United States

Mr. McCARRAN. Mr. President, I send forward two amendments which I ask to have stated.

Mr. BARKLEY. Mr. President, are the amendments to which the Senator from Nevada refers, the amendments in which the Senator from Illinois and the Senator from New York are interested?

Mr. McCARRAN. The Senator from New York and I have conferred with regard to the amendments.

Mr. BARKLEY. I understand that the Senator from Illinois was also interested in them.

Mr. McCARRAN. Mr. President, I ask that the amendments be considered.

The PRESIDING OFFICER. The first amendment offered by the Senator from Nevada will be stated.

The CHIEF CLERK. On page 2, line 11, after "Hawaii" it is proposed to insert "the Virgin Islands."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the Senator from Nevada.

The CHIEF CLERK. It is proposed to strike out the words "the sum of", wherever they appear in the bill, and to insert in lieu thereof the words "at the rate of."

The amendment was agreed to.

Mr. EASTLAND. Mr. President, I send forward an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi will be stated.

The CHIEF CLERK. On page 2, after line 16, it is proposed to insert a new paragraph as follows:

To each of the judges of The Tax Court of the United States, the sum of $15,000 per year

Mr. McCARRAN. Mr. President, as I heard the Senator's amendment read, it seemed to me that the words "the sum of" should be changed to read "at the rate of", because then the judges could be paid by the month.

Mr. EASTLAND. Mr. President, the modification suggested by the Senator from Nevada is perfectly agreeable to me.

The PRESIDING OFFICER. The Senator from Mississippi modifies his amendment accordingly.

The amendment, as modified, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following salaries shall be paid to the several judges hereinafter mentioned in lieu of the salaries now provided by law, namely:

To the Chief Justice of the United States at the rate of $25,500 per year.

To each of the Associate Justices of the Supreme Court of the United States at the rate of $25,000 per year.

To each of the judges of the several circuit courts of appeals, including the chief justice and the associate justices of the United States Court of Appeals for the District of Columbia, at the rate of $17,500 per year.

To the presiding judge of the United States Court of Customs and Patent Appeals, and to each of the associate judges thereof, at the rate of $17,500 per year.

To the chief justice of the Court of Claims, and to each of the judges thereof, at the rate of $17,500 per year.

To each of the judges of the several district courts, including the associate justices of the District Court of the United States for the District of Columbia and the judges in Puerto Rico, Hawaii, and Alaska exercising Federal jurisdiction, at the rate of $15,000 per year. To the chief justice of the District Court of the United States for the District of Columbia at the rate of $15,500 per year

To each of the judges of the United States Customs Court at the rate of $15,000 per year

To each of the judges of The Tax Court of the United States, at the rate of $15,000 per year.

That all of said salaries shall be paid in monthly installments.

SEC 2 It is authorized that there be appropriated annually such sums as are necessary to carry out the provisions of this act.

SEC 3. This act shall take effect on the termination of the Stabilization Act of 1942.

LARCENY IN INTERSTATE OR FOREIGN COMMERCE

The bill (H. R. 4180) to amend the law relating to larceny in interstate or foreign commerce, was considered, ordered to a third reading, read the third time, and passed.

CHANGE OF NAME OF CHEMICAL WARFARE SERVICE

The bill (S. 2375) to change the name of the Chemical Warfare Service to the Chemical Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That the Chemical Warfare Service, created by the act of June 4, 1920 (41 Stat. 768), shall hereafter be known as the Chemical Corps.

ADMINISTRATIVE EXPENSES IN GOVERNMENT DEPARTMENTS

The Senate proceeded to consider the bill (H. R. 6533) to authorize certain administrative expenses in the Government service, and for other purposes, which had been reported from the Committee on Expenditures in the Executive Departments with amendments.

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. HILL. Mr. President, this bill was prepared jointly by the General Accounting Office and the Bureau of the Budget. It was passed by the House of Representatives without opposition. It has been reported favorably by the Senate Committee on Expenditures in the Executive Departments.

The purpose of the bill, as the report states, is to eliminate a great deal of Government red tape. We have been operating under statutes some of which were enacted 60 or 65 years ago. In order to meet the conditions of those statutes it has been necessary, in some cases, for the Appropriations Committee to attach legislation to appropriation bills. The chairman of the House Appropriations Committee [Mr. CANNON] stated that he will no longer permit the indulgence of such practice and that substantive legislation will have to be passed. The General Accounting Office and the Bureau of the Budget then went to work to prepare this bill in order that we might put an end to legislating on appropriation bills. The bill deals with the administration of the departments, with the question of mileage, with the question of the movement of goods of employees where they are transferred from one point to another, and with the question of foreign travel.

Mr. BYRD. Are any rates to be increased under the bill?

Mr. HILL. An amendment which the Senate will consider would increase the rate with regard to traveling However, I may say that, in view of the fact that there is some opposition to the amendment, particularly on the part of the House committee, and in view of the fact that the General Accounting Office and the Bureau of the Budget are very anxious to have the bill passed at this Congress, a request will be made that the amendment be rejected.

Mr. BYRD. Then no increases are provided for in the bill?

Mr. HILL. There is an increase, I may say to the Senator from Virginia, *in connection with the matter of poundage* allowed a Government employee. That is provided for by an amendment. The Senator will notice on page 2 of the bill that the amount of poundage for household goods and personal effects would be increased from 5,000 pounds to 7,000 pounds, uncrated, and from 6,000 pounds to 8,750 pounds for household goods and personal effects, crated. It has been shown that mechanical equipment, such as refrigerators, and so forth, of the average household bring the poundage up to a figure much greater today than it was in the old days. The amendment was recommended by the General Accounting Office and by the Bureau of the Budget

Mr BYRD. That is the only increase provided for in the bill?

Mr. HILL. It is the only increase provided for in the bill.

I may say to the Senator from Virginia, because I wish to give him complete information, that, under an old statute which was passed in 1842, no department could expend more than $100 a year for the purchase of newspapers. The provisions of that statute have been removed by legislation in appropriation bills. It was my intention to make sure that that provision was removed so that the Treasury Department could expend more than $100 a year for subscriptions to newspapers and periodicals, which it felt it should have, by offering an amendment accordingly. There is also the matter of mileage for the Chief Executive, the President of the United States. That increase would be from $25,000 to $40,000.

Mr. BYRD. That would be for traveling expenses?

Mr. HILL. It includes traveling expenses. There may be some other items in the provision.

This bill has been very carefully worked out by Mr. Warren, the Comptroller General, and by the Bureau of the Budget. They both feel that the passage of the bill will do much to clarify the situation.

Mr. BYRD. Does the Comptroller General approve the bill?

Mr. HILL. I may say, Mr. President, that this is really the Comptroller General's bill. The Comptroller General wrote the bill, and it was concurred in by the Bureau of the Budget.

The PRESIDING OFFICER The amendments reported by the committee will be stated.

The first amendment was, in section 1, on page 2, line 6, after the word "exceed", to strike out "five" and insert "seven"; on line 7, after the word "or", to strike out "six" and insert "eight"; and on line 7, after the words "eight thousand", to strike out "two" and insert "seven."

The amendments were agreed to.

The next amendment was, in section 3, page 4, line 17, after the word "engaged", to strike out "in necessary travel", and after the word "official", to strike out "trips from their designated posts of duty or places of service, or 2 cents per mile for the use of privately owned motorcycles or 4 cents per mile for the use of privately owned automobiles when used on official business wholly within the limits of their official stations or places of service" and to insert "business."

Mr. HILL Mr. President, I ask that the amendments on page 4, in line with what I previously said to the Senator from Virginia, be rejected. I think the amendments are good amendments, but I am afraid they would endanger the passage of the bill, and I think it is very necessary to pass the bill at this session of Congress. I, therefore, ask that the amendments in lines 17 to 22, on page 4, be rejected

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, in section 9, page 8, line 12, after the word "or", to strike out "(4) when the services are to be performed by the contractor in person, under Government supervision, and paid for on a time basis" and to insert "(4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis."

The amendment was agreed to.

The next amendment was, on page 8, line 20, before the word "otherwise", to strike out "or unless" and to insert "(2) when"; and after the word "law" and the comma, to strike out "sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising, except when the reasonable value involved in any one case does not exceed $100" and to insert "or (3) when the reasonable value involved in any one case does not exceed $100,

sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising."

And on page 9, after line 4, to insert:

(c) In the case of wholly owned Government corporations, this section shall apply to their administrative transactions only.

The amendments were agreed to.

Mr. WHERRY. Mr. President, I have been absent from the floor of the Senate for a few moments. I should like to ask the distinguished Senator from Alabama whether the purpose of the bill is to transfer employees from one office to another.

Mr. HILL. No. That is not the purpose of the bill. As I stated earlier, the purpose is to clear up some confusion in existing law with reference to the administration of various bureaus and departments of the Government. As I said, some of the bureaus have been operated under laws which have been on the statute books for 75 years, or even longer. We came across one statute that had been passed in 1842, long before people ever dreamed of automobiles or airplanes, or modern facilities such as those we have today.

The practice has been for the appropriation committees to take care of various matters in appropriation bills which had been provided in these old statutes. A year ago the distinguished chairman of the House Committee on Appropriations, Representative CANNON of Missouri, announced that he was not going to carry legislation in appropriation bills, and that such matters would have to be taken care of in legislative bills As a result, Mr. Warren, the Comptroller General, with the General Accounting Office, prepared the bill we are considering, and it was concurred in by the Bureau of the Budget.

The purpose of the bill is to eliminate red tape and to endeavor to make the bureaus more efficient. There are two or three increases provided in the bill, which I have explained to the Senator from Virginia. For instance, we just agreed to an amendment covering the case where an employee of a department or bureau is transferred. The bill permits him to have a little bit more leeway in the movement of his household goods and personal effects than is provided in the basic law as it stands today.

Mr. WHERRY. Is that the main purpose, to provide for one who is temporarily employed?

Mr. HILL. No. We deal with permanent employees who are transferred. If the Treasury Department moves an employee from Washington to an office in Omaha, Nebr., for instance, of course, the Government allows him a certain amount for moving his household goods and personal effects.

Mr. WHERRY. Why is any more authority needed than is now provided?

Mr. HILL. The bill increases a little the amount allowed. If the Senator will look on page 2, line 6, he will find that the present authority will permit a man to move household goods and personal effects, if uncrated, up to 5,000 pounds. The bill increases that to 7,000 pounds. The evidence before the committee showed that in this day and time, with modern refrigerators and other modern equipment to be found in a household, the poundage runs higher than when the original statute was passed.

Mr. WHERRY. Really, the main purpose of the bill is to provide for an employee's transfer from one department to another temporarily or when persons are employed intermittently that they be permitted per diem salaries and also expenses, so that it can be cleared with the Comptroller. Is not that the purpose?

Mr. HILL. Oh, no. The bill is reported not with the idea of dealing with temporary employees who might be on the pay roll on a per diem basis.

Mr. WHERRY. Will the Senator please explain section 5 to me, then?

Mr. HILL. The section to which I was referring was section 2, which deals with permanent employees. Section 5 does deal with the question of per diem employees. Section 5 would enact permanently provisions which have appeared in appropriation acts in recent years, to permit consultants or experts employed intermittently and paid a per diem, when actually employed, to be allowed travel expenses while away from their homes or regular places of business, including a per diem while at the place of their Government employment.

Mr. WHERRY. That is the point I was making

Mr. HILL. When I referred to the fact that it did not apply to temporary employees, I was speaking of the moving of household goods and personal effects.

Mr. WHERRY I understand. In the main, the bill provides legislative authority so that the departments can, without coming to the Appropriations Committees and getting clearance, make per diem payments.

Mr. HILL. The Senator is exactly correct. This authority has been carried in appropriation bills, and this bill would eliminate the necessity of having to carry it in such bills

Mr. WHERRY. Very well. The clerk may proceed to state the amendments.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was in section 12, page 9, line 23, before the word "law", to insert the word "other"

The amendment was agreed to

The next amendment was, in section 14, page 10, line 17, after the words "for use", to insert "and to incur necessary expenses for the honorary recognition of exceptional or meritorious service"; and on page 11, line 12, at the beginning of the line, to strike out "Effective July 1, 1946, all" and to insert "All."

The amendment was agreed to.

The next amendment was, in section 15, page 11, line 21, after the word "but" in the parenthesis, to insert "as to agencies subject to the Classification Act."

The amendment was agreed to.

The next amendments were in section 18, page 16, line 9, after the word "establishments", to strike out the comma and to insert "and"; on line 10, after the word "agencies", to insert "in or under the executive branch of the Government"; and on line 13, after the word "Act", to strike out "except that section 9 shall apply to their administrative transactions only."

Mr. HILL. Mr. President, I ask that the amendments in section 18 be rejected, and I shall offer an amendment in lieu of them.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were rejected.

Mr. HILL. Mr. President, in lieu of the amendments which have been rejected, I move on page 16, in line 15, to strike out the period after the word "Columbia" and to insert a comma and the words "but shall not include the Senate, House of Representatives, or Office of the Architect of the Capitol, or the officers or employees thereof."

The amendment was agreed to.

Mr. HILL. Mr. President, on page 15 I move to strike out lines 7 to 15, inclusive, and to insert in lieu thereof the following:

Sections 1779 and 192, as amended, of the Revised Statutes (5 U S C. 102).

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time

The bill (H R 6533) was read the third time and passed.

JOHN T. HAYES AND ESTATE OF EDWARD P. McCORMACK

The bill (H R 844) for the relief of John P Hayes, postmaster, and the estate of Edward P. McCormack, former postmaster, at Albany, N. Y., was considered, ordered to a third reading, read the third time, and passed

COTTON MARKETING QUOTAS

The joint resolution (H. J. Res. 336) relating to cotton marketing quotas under the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. WHERRY. Mr. President, will not the distinguished Senator from Oklahoma give us an explanation of this?

Mr. THOMAS of Oklahoma. Mr. President, under existing law, the Secretary of Agriculture is authorized and directed to prescribe quotas for cotton production for the year 1947. The cotton crop this year is exceedingly short. We are short of fats and oils and protein feed, so he does not want to prescribe quotas next year for cotton production. He wants to use all the cotton possible, and this will permit that to be done.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

PEANUT MARKETING QUOTAS

The Senate proceeded to consider the joint resolution (H. J. Res. 359), relating

to peanut marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

Mr. WHERRY. Will the Senator from Oklahoma explain this joint resolution?

Mr. THOMAS of Oklahoma. The same argument and the same request by the Secretary of Agriculture apply. He asks that there be no quotas imposed on peanuts for 1947.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

STATE APPORTIONMENTS UNDER THE ACT OF SEPTEMBER 2, 1937

The Senate proceeded to consider the bill (H. R. 3821) to amend sections 4 and 8 of the act of September 2, 1937, as amended.

Mr. WHERRY. Mr. President, will the distinguished Senator from Oklahoma give us an explanation of the bill?

Mr. THOMAS of Oklahoma. Mr. President, some years ago Congress passed a bill providing for soil conservation. It was a cooperative program. It was to be managed by the Government, but the program was to be handled in cooperation with the States, provided the States would pass State cooperative laws. From that time until this only about 23 States have passed cooperative laws relating to soil conservation, and the Department thinks it would be well to extend the time for three more years for the passing of laws by the States so that they may get the benefits of the law.

Mr. WHERRY. Very well.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

TWO ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE

The bill (S. 1923) to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes, was announced as next in order.

Mr. WHERRY. Over.

Mr. THOMAS of Oklahoma. Will the Senator withhold the objection for a moment in order that I may make an explanation favorable to the bill?

Mr. WHERRY. Certainly.

Mr. THOMAS of Oklahoma. The Department of Agriculture was created, as I recall, about 1884. Since that time the Department has grown rapidly, and at the present time it is more than a billion dollar concern. The last time Congress provided for a special assistant secretary for the Department was in 1934, at which time Congress created the Office of Under Secretary of Agriculture. Since that time Congress has added additional bureaus and imposed additional work and additional responsibilities on the Department.

Secretary Anderson, in a personal letter to the committee, asked for two additional Assistant Secretaries of Agriculture. He hopes to group the branches in his Department, and put one high-type man at the head of each group and depend upon that man to manage that group. Then all these men will come together in a sort of board of directors, and he will be the chairman of the board. That appears to me to be the plan of organization. The Secretary asks for two additional Assistant Secretaries to help him carry on this work.

I shall read just one line from the Secretary's letter:

I think that this proposed legislation is necessary to make the Department an efficient and businesslike organization. I, therefore, strongly urge its immediate favorable consideration

That is the basis for the proposal.

Mr. WHERRY. I ask that the bill go over at this time.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, WITH RESPECT TO PEANUTS

The bill (H. R. 5958) to amend the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. WHERRY. Mr. President, may we have an explanation of the bill?

Mr. THOMAS of Oklahoma. Mr. President, under existing law peanut quotas have to be established each year. We have just passed a bill relieving the Secretary from imposing such quotas for the year 1947. This bill proposes to increase the quota. At the present time each grower of peanuts is allowed 95 percent of what was allowable in 1941. The growers want the 95-percent limitation removed and to be permitted to plant 100 percent of the 1941 quota and an additional amount, if they so desire.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5958) to amend the Agricultural Adjustment Act of 1938, as amended, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The bill (H. R. 6459) to extend the period within which the Secretary of Agriculture may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers, was announced as next in order.

Mr. WHERRY. Mr. President, may we have an explanation of this bill from the distinguished chairman of the Committee on Agriculture and Forestry?

Mr. THOMAS of Oklahoma. As I understand, Mr. President, the purpose of the bill is simply to extend the life of the Soil Conservation and Domestic Allotment program. I think the bill only strikes out the dates which are now in the law and extends the law for 2 years. That is my recollection of the bill.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 6459) was considered, ordered to a third reading, read the third time, and passed.

ESTABLISHMENT OF AN INTERNATIONAL ANIMAL QUARANTINE STATION ON SWAN ISLAND

The joint resolution (H. J. Res. 364) to provide for the establishment of an international animal quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the United States, and for other purposes, was announced as next in order.

Mr. WHITE. Mr. President, in what State is Swan Island?

Mr. THOMAS of Oklahoma. Let me say first that the bill is based on the following facts: South of us is Mexico. We have prohibitions against the importation of cattle and livestock from Mexico. We cannot get cattle from countries to the south of us through Mexico. It is proposed to establish a quarantine station on Swan Island, which is located in the Caribbean Sea, to which animals from Mexico, Central America, and South America may be brought, there examined and inspected, and if they are found to be without disease, come into this country.

The bill has two purposes. The first purpose is to prevent diseased cattle from entering the United States. The second purpose is to enable the importation of certain desirable strains of South American cattle by providing a place where they can be inspected, and if found to be free from disease allow them to come into the United States.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. I wish to confirm and reenforce what the Senator from Oklahoma has said about this matter. Cattlemen all over the United States are very much interested in the establishment of this quarantine station. They find it is necessary to have it established because of the provisions of the tariff law which will not permit the cattle to be brought into the United States, even after they are inspected, unless this station is established.

Mr. WHERRY. Does the measure in any way break down the barrier now erected against the importation of cattle from the Argentine? We do not now import any cattle from the Argentine, do we?

Mr. CONNALLY. We do not import any cattle from any country in which it is found that the foot-and-mouth disease exists. This quarantine station is designed to detect the foot-and-mouth disease. No cattle are permitted to be imported into the United States who are affected by the foot-and-mouth disease, whether they are from the Argentine or from any other country.

Mr. WHERRY. Is the proposed importation of stock primarily for breeding purposes?

Mr. CONNALLY. That is one of its aspects, but the measure covers the whole field.

Mr. WHERRY. What I am trying to find out is this: Would the passage of

this measure in any way increase the importation of cattle from countries from which cattle are already precluded from being imported into the United States?

Mr. CONNALLY. No.

Mr. THOMAS of Oklahoma. The purpose is twofold. First, to keep out cattle which should not be imported, and, second, to permit the importation of cattle which are thought to be desirable because they are of certain breeds and strains

Mr. CONNALLY. Cattle which have no disease.

Mr. THOMAS of Oklahoma. Yes; cattle which have no disease.

Mr. WHERRY. Are the cattle in question pure-bred cattle?

Mr. THOMAS of Oklahoma. There may be certain little impurities.

Mr. WHERRY. Will they came into direct competition with the cattle produced in the United States?

Mr. THOMAS of Oklahoma. That is not the intent of the bill.

Mr. WHERRY. That is what I am trying to find out.

Mr. THOMAS of Oklahoma. There is supposed to be a limitation. At the same time it is proposed to erect this station so that importation of desirable cattle into the United States may be permitted for breeding purposes.

Mr. BROOKS. Mr. President, I may explain to the Senator from Nebraska that in a strain of cattle in the Southern States, there has been no new base stock for several years. There are some sires already in Mexico, which are desired for breeding purposes. The purpose of this measure is to establish on Swan Island an inspection center, not only to keep diseased cattle out of America, but to inspect cattle for countries around our border, in order, if possible, to help other countries keep diseased cattle out of their borders, because if they import cattle having foot-and-mouth disease and they came to the border of the United States, invariably the disease will wash over the border.

Mr. WHERRY. Mr. President, I have no objection to the joint resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 364) to provide for the establishment of an international animal quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the United States, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

TRAINING OF OFFICERS FOR THE NAVAL SERVICE

Mr. CORDON. Mr. President, when calendar 1659, Senate bill 2304, was reached I voiced objection to the bill, simply to afford me some time to look into the matter. I am now satisfied to withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2304) to provide for the training of officers for the naval service, and for other purposes, which had been reported from the Committee on Naval Affairs, with amendments.

The first amendment was, on page 3, line 3, after the word "appointed", to strike out "misdhipmen" and insert "Midshipmen."

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "Navy", to insert "to insure that the precedence of the officers shall be in accord with their demonstrated performance regardless of the source from which prescribed, and giving due consideration to whatever differences may exist in the methods of assigning grades between the various education institutions at which the officers have been educated."

The amendment was agreed to.

The next amendment was, on page 8, line 9, after the word "service", to strike out "An officer who accepts a commission in a reserve component pursuant to this section, when released from active duty, shall receive a lump sum payment of $500 if he shall have served satisfactorily as a commissioned officer for a period of 2 years or a lump-sum payment of $1,000 if he shall have served satisfactorily as a commissioned officer for a period of 3 or more years."

The amendment was agreed to.

The next amendment was, on page 9, line 24, after the word "act", to strike out "and, upon the satisfactory completion of such instruction, he shall receive a lump-sum payment of $500."

The amendment was agreed to.

The next amendment was, on page 10, line 17, after the word "Corps", to strike out "Upon acceptance of such commission in the Naval or Marine Corps Reserves, each such officer shall receive a lump-sum payment of $1,000."

The amendment was agreed to.

The next amendment was, on page 11, after line 7, to strike out:

SEC. 12. The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer of the rank of ensign of the Regular Navy or of second lieutenant of the Regular Marine Corps and each officer whose commission is so revoked shall be discharged from the service without advance pay or allowances.

And insert:

SEC 12. The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer of the Regular Navy or the Regular Marine Corps who at the date of revocation has had less than 6 years of continuous service as a commissioned officer, and each officer whose commission is so revoked shall be discharged from the service without advance pay or allowances.

The amendment was agreed to.

The next amendment was, on page 13, line 14, after the word "Reserve", to insert "by the Secretary of the Navy under similar conditions so far as applicable as prescribed by law for appointments from enlisted men of the Navy."

The amendment was agreed to.

The next amendment was, on page 14, after line 13, to strike out:

SEC. 20. Section 1379, Revised Statutes, is hereby amended by striking out the word "twenty-six" and substituting in lieu thereof the word "twenty-five."

And insert:

SEC. 20. No person shall be appointed assistant paymaster in the Navy who, on July 1 of the calendar year in which appointed, will not be less than 21 or more than 25 years of age, nor until his physical, mental, and moral qualifications have been established to the satisfaction of the Secretary of the Navy.

The amendment was agreed to.

The next amendment was, on page 15, after line 10, to insert:

(f) Section 1379 of the Revised Statutes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That a naval and Marine Corps officer candidate training program, supplementary to existing programs, is hereby established, which shall be administered by the Secretary of the Navy in accordance with the provisions of this act and with such regulations as the President may prescribe.

SEC. 2. No individual shall be enrolled in the training program which this act establishes unless (a) he be a male citizen of the United States, (b) with the consent of his parent or legal guardian in the case of a minor, he shall have entered into a contractual agreement with the Secretary of the Navy, acting for and on behalf of the United States, in which said individual obligates himself to the United States for such periods as may be necessary to effectuate the purposes of this act; and (c) he signs an agreement to accept a commission in the Navy or Marine Corps if offered and, having accepted such commission, he will, in the event of termination thereof, accept such commission in the Organized Naval or Marine Corps Reserve that may be offered him and thereafter will not resign from the Reserve prior to the sixth anniversary of the date of rank stated in his original commission in the Regular Navy or Marine Corps. The Secretary of the Navy may release any individual from such obligation and separate the individual from the training program at any time that, in the opinion of the Secretary of the Navy, the best interest of the naval service requires such action.

SEC. 3 The Secretary of the Navy is authorized to enroll in the training program—

(a) any person (1) who, on May 1, 1946, was a member of the Naval Reserve Officers' Training Corps or (2) who subsequent to such date may be admitted to such corps and who will not be more than 25 years of age on July 1 of the calendar year in which eligible for appointment to commissioned ranks pursuant to subsection 6 (a). Upon enrollment such persons shall be appointed midshipmen in the Naval Reserve.

(b) as a naval aviation officer candidate (1) any high-school graduate or person of equivalent educational level, or any person who has completed satisfactorily less than two scholastic years' work in an accredited college or university, and who will not be more than 21 years and 6 months of age on July 1 of the calendar year of his appointment as midshipman as hereinafter prescribed; each such candidate shall be enlisted as an apprentice seaman, United States Naval Reserve and shall, following enrollment, be required to attend such accredited college or university as may be authorized by the Secretary of the Navy as a regular student until he shall have satisfactorily completed

not less than two scholastic years of work and in addition shall be required to participate in such military or civil aviation training activities as may be prescribed by the Secretary of the Navy, following the satisfactory completion of such scholastic work and aviation-training activities, such candidates shall be appointed midshipmen in the Navy and ordered to duty for flight training; (2) any member of the Naval Reserve Officers' Training Corps who has satisfactorily completed two scholastic years' training in such corps and any other person who shall have satisfactorily completed not less than two scholastic years' work in an accredited college or university, and any enlisted man of the Navy or Marine Corps who shall demonstrate by a test the attainment of an educational level equivalent to that of two scholastic years of work in an accredited college or university; such candidates shall be not more than 21 years and 6 months of age on July 1 of the calendar year of enrollment as an aviation officer candidate and, upon enrollment, shall be appointed midshipmen in the Navy and ordered to duty for flight training

SEC 4 Except as otherwise provided in this section, each midshipman appointed pursuant to part (a) of section 3, while continuing in such status, and each apprentice seaman enlisted pursuant to part (b) of section 3, until the completion of scholastic instruction, shall, except while on active duty, receive retainer pay at the rate of $600 per year and shall, in addition, be entitled to the benefits provided for him by section 10· *Provided*, That such benefits and retainer pay may be received by midshipmen appointed pursuant to part (a) of section 3 for a period not exceeding four academic years. Each midshipman and apprentice seaman enrolled pursuant to this act shall be entitled to an allowance for (a) initial travel to the college or university in which matriculated, (b) travel while under orders, and (c) travel upon discharge while in a noncommissioned status, in the manner and to the same extent provided for midshipmen at the United States Naval Academy· *Provided further*, That no allowance for travel upon discharge shall be paid if the dischargee continues his scholastic instruction at other than Government expense in the same college or university in which matriculated While in flight training or on other flight duty midshipmen appointed under part (b) of section 3 shall be entitled to the pay and allowances now or hereafter provided by law for midshipmen under instruction at the United States Naval Academy and to the same percentage increases of their pay as are now or hereafter provided by law for officers of the Navy assigned to duty involving flying, and shall be issued at Government expense necessary uniforms and equipment as directed by the Secretary of the Navy.

SEC. 5 All midshipmen appointed under part (b) of section 3 may, upon satisfactory completion of flight training, be designated naval aviators and assigned to duty involving flying.

SEC 6. (a) Midshipmen appointed pursuant to section 3 (a) may be commissioned as ensigns in the line of the Navy, second lieutenants in the Marine Corps, or with the rank of ensign in the appropriate commissioned grade in such staff corps of the Navy in which the rank of ensign is now or may hereafter be authorized, following the satisfactory completion of all the academic and naval science requirements of the established 4-year Naval Reserve Officers' Training Corps course.

2. Midshipmen appointed pursuant to section 3 (b) may be commissioned as ensigns in the line of the Navy or second lieutenants in the Marine Corps following the satisfactory completion of 2 years' flight training and flight duty as midshipmen as prescribed in part (b) of section 3 and in section 5.

(b) There may also be commissioned as ensign in the line of the Navy or second lieutenant in the Marine Corps, or with the rank of ensign in the appropriate commissioned grade in such staff corps of the Navy in which the rank of ensign is now or may hereafter be authorized, any male citizen of the United States who is not more than 26 years of age on July 1 of the calendar year in which appointed. (1) Who shall have satisfactorily completed a 4-year course at an accredited college or university, or (2) who is an enlisted man of the Navy or Marine Corps who shall demonstrate by a test the attainment of an educational level equivalent to that of an individual who has satisfactorily completed a 4-year course at an accredited college or university

(c) Officers commissioned pursuant to this act in the rank of ensign in a staff corps shall be selected for appointment by a board of commissioned officers of the staff corps concerned

(d) The date of rank stated in the commissions of officers commissioned in any year pursuant to the foregoing subsections of this section shall be the date of graduation of midshipmen from the Naval Academy in that year and all ensigns of the line of the Navy and second lieutenants of the Marine Corps of the same date of rank, upon being commissioned, shall have precedence among themselves in such order as may be determined by the Secretary of the Navy to insure that the precedence of the officers shall be in accord with their demonstrated performance regardless of the source from which prescribed, and giving due consideration to whatever differences may exist in the methods of assigning grades between the various education institutions at which the officers have been educated Each officer commissioned in a staff corps of the Navy pursuant to the foregoing subsections of this section shall, upon being commissioned, have assigned as his running mate such line officer of the same rank and same date of rank as the Secretary of the Navy may determine

SEC 7 Any officer commissioned under subsection 1 of subsection 6 (a) or under subsection 6 (b) may, upon his own application, after not less than 15 months or 2 years, respectively, of satisfactory service as a commissioned officer, have his commission in the regular service terminated and be commissioned in the Naval Reserve or the Marine Corps Reserve and in the discretion of the Secretary of the Navy, be released from active duty The date of rank in such commission in a reserve component shall be the same as that of the commission previously held in the regular service

SEC 8 The Secretary of the Navy shall in each calendar year cause to be examined (a) the records of all ensigns of the line of the Navy and second lieutenants of the Marine Corps commissioned pursuant to subsection 2 of section 6 (a) who apply for retention in the regular service as permanent officers and who in the then current calendar year will reach the first anniversary of the date of rank stated in their respective commissions, selecting from among such officers the number that he may determine necessary for retention, and (b) the records of all other officers appointed pursuant to this act who apply for retention in the regular service as permanent officers and who in the then current calendar year will reach the third anniversary of the date of rank stated in their respective commissions, selecting from among such officers the number that he may determine necessary for retention.

SEC. 9. (a) The commission of each officer commissioned pursuant to subsection 2 of section 6 (a) who, prior to June 1 of the calendar year following that in which commissioned, shall not have applied for retention in the regular service and of each officer not selected for retention under clause (a) of section 8 shall be terminated on June 30 of the appropriate calendar year Upon termination of commission, each such officer who thereupon accepts appointment to commissioned rank in the Naval or Marine Corps Reserve may apply for and receive retainer pay at the rate of $100 for each calendar month or part thereof during which, while an officer of the Naval or Marine Corps Reserve, he pursues full-time instruction in an accredited college or university but not to exceed a total of $2,000, such instruction to commence not later than a date to be determined by the Secretary of the Navy; in addition, each such officer shall be entitled to the benefits provided for him by section 10 of this act

(b) The commission of each officer commissioned pursuant to subsection 1 of section 6 (a) and pursuant to section 6 (b) who, prior to June 1 of the third calendar year following that in which commissioned, shall not have applied for retention in the regular service and of each officer not selected for retention under clause (b) of section 8 shall be terminated on June 30 of the appropriate calendar year. Upon termination of commission, each such officer may be commissioned in the Naval or Marine Corps Reserve in the grade of lieutenant (junior grade) or first lieutenant, as the case may be (if in a staff corps, with the rank of lieutenant (junior grade) in the grade appropriate to that rank), and to rank from a date 3 years after the date of rank stated in his original commission in the Regular Navy or Regular Marine Corps.

SEC 10. The Secretary of the Navy may provide, by contract or otherwise, for payment of all expenses incident to the administration of this act, including but not limited to, payment for tuition, fees, books, and laboratory expenses of midshipmen in the Naval Reserve Officers' Training Corps, naval aviation officer candidates, and of officers released under subsection 9 (a) of this act

SEC 11. The Secretary of the Navy may, in his discretion, give to any enlisted man in the naval service or any male citizen who has had active military or naval service such advance standing in any program provided by this act as he may deem education and training of such person justifies

SEC 12 The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer of the Regular Navy or the Regular Marine Corps who at the date of revocation has had less than 6 years of continuous service as a commissioned officer, and each officer whose commission is so revoked shall be discharged from the service without advance pay or allowances.

SEC. 13 National service life insurance in the amount of $10,000, the premiums for which shall be paid at Government expense, shall be issued to the following persons (a) Apprentice seamen, United States Naval Reserve, enrolled as aviation officer candidates, at the commencement of flight-training activities and until the termination of their status as aviation officer candidates; (b) midshipmen, United States Navy, upon enrollment as aviation officer candidates and until the termination of that status; (c) midshipmen at the United States Naval Academy, at the commencement of flight-training activities and until the termination of their status as midshipmen. Upon being commissioned in the Regular Navy or Marine Corps such persons shall have the option of continuing such insurance at their own expenses.

SEC. 14. In the event that the quota of midshipmen authorized by law to be appointed annually to the Naval Academy from (1) enlisted men of the United States Navy and

Marine Corps, (2) enlisted men of the Naval Reserve or Marine Corps Reserve, or (3) by the President at large, is not filled, the Secretary of the Navy may fill the vacancies in such quota by appointing other candidates from any other of such sources who were found best qualified on examination for admission into the Academy and not otherwise appointed.

SEC. 15. Each midshipman hereafter appointed to the Naval Academy shall be required to sign an agreement that, in the event of the acceptance of his resignation from a commissioned status in the Regular Navy or Marine Corps prior to the sixth anniversary of his graduation from the Naval Academy, he will accept such commission in the Organized Naval or Marine Corps Reserve to which he may be appointed and will not resign from the Reserve prior to such sixth anniversary

SEC. 16 (a) The act of December 20, 1917 (40 Stat. 430), as amended, is hereby further amended to read as follows: "There shall be allowed at the United States Naval Academy eight midshipmen for each Senator, Representative, Delegate in Congress, and Resident Commissioner from Puerto Rico, and from the District of Columbia, 160 appointed annually from enlisted men of the Navy and Marine Corps, and 160 appointed annually from enlisted men of the Naval Reserve and Marine Corps Reserve by the Secretary of the Navy under similar conditions so far as applicable as prescribed by law for appointments from enlisted men of the Navy."

(b) Until the necessary additional physical facilities and teaching personnel at the Naval Academy are available in the opinion of the President, the latter may, in each year, specify the number and sources of additional appointments as midshipmen herein authorized which may be made for the ensuing academic year.

SEC. 17. The President may appoint annually 75 midshipmen to the United States Naval Academy from among the sons of Army, Navy, and Marine Corps personnel.

SEC 18. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this act.

SEC. 19 (a) Subsection (a) of section 22 of the act of March 4, 1925 (43 Stat. 1276), as amended by the act of February 13, 1945 (Public Law No 1, 79th Cong), is hereby further amended by substituting for the words "fourteen thousand" in the last proviso thereof the words "fifteen thousand four hundred."

(b) Of the number of Naval Reserve Officers' Training Corps members authorized by subsection (a) of this section, not more than fourteen thousand shall at any one time be enrolled in the training program established by this act.

SEC. 20. No person shall be appointed assistant paymaster in the Navy who on July 1 of the calendar year in which appointed will not be less than 21 or more than 25 years of age, nor until his physical, mental, and moral qualifications have been established to the satisfaction of the Secretary of the Navy.

SEC. 21 The following acts and parts of acts are hereby repealed:

(a) Section 2 of the act of May 6, 1932 (47 Stat. 149).

(b) Subsection (a) of section 14 of the act of June 23, 1938 (52 Stat. 951).

(c) Section 307 of the act of June 25, 1938 (52 Stat. 1182).

(d) Sections 2 and 3 of the act of January 30, 1941 (55 Stat. 4).

(e) Section 8 of the act of February 28, 1925 (43 Stat. 1082).

(f) Section 1379 of the Revised Statutes.

METHOD OF PAYMENT OF OVERTIME, LEAVE, AND HOLIDAY COMPENSATION

The Senate proceeded to consider the bill (H. R. 6532) to provide a method for payment in certain Government establishments of overtime, leave, and holiday compensation on the basis of night rates pursuant to certain decisions of the Comptroller General, and for other purposes, which had been reported from the Committee on Expenditures in the Executive Departments with amendments.

The first amendment was, in section 3, on page 2, line 18, after "March 28", to strike out "1943" and insert "1934."

The amendment was agreed to.

The next amendment was, in section 6 on page 3, line 19, after the word "agencies", to strike out the colon and the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000" and to insert:

SEC. 7 No part of any moneys appropriated for payment of amounts certified under this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with claims so appropriated for and the same shall be unlawful, any contract to the contrary notwithstanding Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. CORDON. Mr. President, I should like to have this measure explained.

Mr. GREEN. This bill comes from the other House. It is very extraordinary in the respect that it proposes to save the Government of the United States about $4,000,000, estimated, more or less, because of improvements in the method of calculating the claims which it covers. It seems that for some 10 years there were differences of opinion among the various agencies as to how overtime should be calculated on the daytime basis and nighttime basis and different differentials, and mistakes were made, according to the Comptroller General, who finally was called upon to make a decision. Under that decision there are some 1,000,000 to 2,000,000 claims which ought to be settled. If the claims go through the usual course, through the Comptroller General's office, a great deal of time and a great deal of unnecessary work will be required, whereas if they are left to be adjusted by the respective agencies a great deal of red tape will be cut out. It is plain that it will save the Government, as I have said, some $4,000,000, probably.

Mr. CORDON. I thank the Senator for the explanation. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed for a third reading and the bill to be read a third time.

The bill (H. R. 6532) was read the third time and passed.

RESTORATION OF CERTAIN CURRENCY DESTROYED IN THE PHILIPPINE ISLANDS

The joint resolution (H. J. Res. 321) to authorize the making of settlement on account of certain currency destroyed at Fort Mills, Philippine Islands, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 2070) to authorize the Federal Security Administration to assist the States in the development of community recreation programs for the people of the United States, and for other purposes, was announced as next in order.

Mr. CORDON. Over

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF THE FEDERAL CREDIT UNION ACT

The Senate proceeded to consider the bill (H. R. 6372) to amend the Federal Credit Union Act, which had been reported from the Committee on Banking and Currency with an amendment, on page 3, after line 20, to insert a new section 8, as follows:

SEC 8. Subsection (b) of section 16 of such act is amended to read as follows.

"(b) (1) The Governor may suspend or revoke the charter of any Federal credit union, or place the same in involuntary liquidation and appoint a liquidating agent therefor, upon his finding that the organization is bankrupt or insolvent or has violated any provisions of its charter, its bylaws, or of this chapter, or of any regulations issued thereunder.

"(2) The Governor, through such persons as he shall designate, may examine any Federal credit union in voluntary liquidation and, upon his finding that such voluntary liquidation is not being conducted in an orderly or efficient manner or in the best interests of its members, may terminate such voluntary liquidation and place such organization in involuntary liquidation and appoint a liquidating agent therefor.

"(3) Such liquidating agent shall have power and authority, subject to the control and supervision of the Governor and under such rules and regulations as the Governor may prescribe, (i) to receive and take possession of the books, records, assets, and property of every description of the Federal credit union in liquidation, to sell, enforce collection of, and liquidate all such assets and property, to compound all bad or doubtful debts, and to sue in his own name or in the name of the Federal credit union in liquidation, and defend such actions as may be brought against him as liquidating agent or against the Federal credit union; (ii) to receive, examine, and pass upon all claims against the Federal credit union in liquidation, including claims of members on shares; (iii) to make distribution and payment to creditors and members as their interests may appear; and (iv) to execute such documents and papers and to do such other acts and things which he may deem necessary or desirable to discharge his duties hereunder.

"(4) Subject to the control and supervision of the Governor and under such rules and regulations as the Governor may prescribe, the liquidating agent of a Federal credit union in involuntary liquidation shall (i) cause notice to be given to creditors and members to present their claims and make legal proof thereof, which notice shall be published once a week in each of three successive weeks in a newspaper of general circulation in each county in which the Federal credit union in liquidation maintained an office or branch for the transaction of business on the date it ceased unrestricted operations: *Provided*, That whenever the aggregate book value of the assets and property of a Federal credit union in involuntary liquidation is less than $1,000, unless the Governor shall find that its books and records do not contain a true and accurate record of its liabilities, he shall declare such Federal credit union in liquidation to be a 'no publication' liquidation, and publication of notice to creditors and members shall not be required in such case; (ii) from time to time, make a ratable dividend on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction and, after the assets of such organization have been liquidated, shall make further dividends on all claims previously proved or adjudicated; and the liquidating agent may accept in lieu of a formal proof of claim on behalf of any creditor or member the statement of any amount due to such creditor or member as shown on the books and records of the credit union: *Provided*, That all claims not filed before payment of the final dividend shall be barred and claims rejected or disallowed by the liquidating agent shall be likewise barred unless suit be instituted thereon within 3 months after notice of rejection or disallowance; (iii) in a 'no publication' liquidation, determine from all sources available to him, and within the limits of available funds of the Federal credit union, the amounts due to creditors and members, and after 60 days shall have elapsed from the date of his appointment, shall distribute the funds of the Federal credit union to creditors and members ratably and as their interests may appear.

"(5) Upon certification by the liquidating agent in the case of an involuntary liquidation, and upon such proof as shall be satisfactory to the Governor in the case of a voluntary liquidation, that distribution has been made and that liquidation has been completed, as provided herein, the Governor shall cancel the charter of such Federal credit union. *Provided*, That the corporate existence of the Federal credit union shall continue for a period of 3 years from the date of such cancellation of its charter, during which period the liquidating agent, or his duly appointed successor, or such persons as the Governor shall designate, may act on behalf of the Federal credit union for the purpose of paying, satisfying, and discharging any existing liabilities or obligations, collecting and distributing its assets, and doing all other acts required to adjust and wind up its business and affairs, and it may sue and be sued in its corporate name

"(b) After the expiration of 5 years from the date of cancellation of the charter of a Federal credit union the Governor may, in his discretion, destroy any or all books and records of such Federal credit union in his possession or under his control."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

UNITED STATES MEMBERSHIP AND PARTICIPATION IN UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

The joint resolution (H. J. Res. 305) providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor, was announced as next in order.

Mr. WHERRY. I should like to ask the distinguished Senator from Montana [Mr. MURRAY] for an explanation of this measure.

Mr. MURRAY. This joint resolution provides for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, which is one of the specialized organizations provided for at the San Francisco Conference setting up the United Nations Charter. The joint resolution was passed by the House, and has the full support of the President, the Department of State, and the Secretary of State, Mr Byrnes. Heretofore a measure was passed by the Senate urging participation by the United States in this organization. I made a report several months ago and the matter was discussed on the floor at considerable length, several Senators participating in it.

My understanding is that three of the four great powers have already joined this organization. They fully accepted membership in it, and the governments are withholding action until they see what the United States does. It seems to me that this is universally recognized as an important thing for our country to do. Representatives of various educational and cultural organizations of the United States who appeared as witnesses at a hearing which was held by a subcommittee of the Senate Committee on Foreign Relations supported the joint resolution.

Mr. WHERRY. I thank the Senator for his explanation. While he is on his feet, and before action is taken on the committee amendments, I ask him if he will explain the difference between the House language, which is stricken out, and the language of the Senate amendment.

Mr. MURRAY. In the House bill section 3 provided for a commission to be appointed by the Secretary of State. At the hearings that provision was criticized, and it was proposed that the Secretary of State name 50 organizations of the United States and permit them to elect their own representatives on the Commission. The Commission is an important body, because it will advise the Secretary of State with reference to the programs which will be placed in effect under this Organization.

At the hearing a compromise was reached, in which the number on the Commission was increased to 100, 60 to be appointed by the organizations in the United States interested in this program, and 40 to be appointed by the Secretary of State. That compromise was agreed upon by everyone concerned.

Mr. WHERRY. Were the members of the Foreign Relations Committee unanimous in the adoption of the amendments?

Mr. MURRAY. They were.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 305) providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor, which had been reported from the Committee on Foreign Relations with amendments.

The first amendment of the Committee on Foreign Relations was, in section 2, on page 2, line 9, after the word "citizen", to strike out "and must have been such for at least 15 years."

The amendment was agreed to.

The next amendment was, in section 3, on page 3, line 7, after the word "Cooperation", to insert "of not to exceed 100 members."

The amendment was agreed to.

The next amendment was, in section 3, on page 3, line 8, after the amendment just agreed to, to strike out "such Commission shall consist of officials of the United States and of State or local educational systems and representatives of the principal national voluntary organizations interested in educational, scientific, and cultural matters. The Secretary of State shall be authorized to name in the first instance not more than 50 of the principal national voluntary organizations which shall be invited to nominate representatives for appointment to the National Commission. Two representatives of such principal national voluntary organizations shall be nominated by the organizations which they represent, and one of these shall be appointed to the National Commission by the Secretary of State. Thereafter, the National Commission shall be authorized to develop procedures for inviting additional principal national voluntary organizations to nominate representatives for appointment to the National Commission by the Secretary of State: *Provided*, That not more than 10 percent of the membership of the National Commission shall consist of persons holding office under or employed by the Government of the United States," and insert "such Commission shall be appointed by the Secretary of State and shall consist of (a) not more than 60 representatives of principal national, voluntary organizations interested in educational, scientific, and cultural matters; and (b) not more than 40 outstanding persons selected by the Secretary of State, including not more than 10 persons holding office under or employed by the Government of the United States, not more than 15 representatives of the educational, scientific, and cultural interests of State and local governments, and not more than 15 persons chosen at large. The Secretary of State is authorized to name in the first instance 50 of the principal national voluntary organizations, each of

which shall be invited to designate one representative for appointment to the National Commission. Thereafter, the National Commission shall periodically review and, if deemed advisable, revise the list of such organizations designating representatives in order to achieve a desirable rotation among organizations represented."

The amendment was agreed to.

The next amendment was, in section 3, on page 5, line 3, after the word "executive", to strike out "committee not exceeding 15 persons" and insert "committee, and may designate such other committees as may prove necessary."

The amendment was agreed to.

The next amendment was, in section 3, page 5, line 7, after the word "to", to strike out "it" and insert in lieu thereof "them."

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 17, after the word "citizen", to strike out "and must have been such for at least 5 years."

The amendment was agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

RELIEF OF FORWARD COLUMBUS FUND, OF COLUMBUS, NEBR.

The bill (S. 357) for the relief of the Forward Columbus Fund, of Columbus, Nebr., was announced as next in order.

Mr. OVERTON. Mr. President, may we have an explanation of the bill?

Mr. WHERRY. Mr. President, the bill is for the reimbursement of a civic organization known as the Forward Columbus Fund, of Columbus, Nebr., in the sum of $1,960. This organization underwrote a railroad spur from the Union Pacific Railroad tracks to a project which we thought the Government would build at Columbus, Nebr. The proposed project was an aluminum extrusion plant. The Government bought the land, and the track was built, but the building was never erected. Aluminum became so plentiful that the plant was not needed. The purpose of the bill is to reimburse the civic organization for underwriting the cost of the spur. When the building was not erected, the civic organization asked that it be reimbursed, because the Government did not go through with its plans.

Mr. OVERTON What became of the railroad spur? Does it belong to the civic organization?

Mr. WHERRY. I presume that the tracks were taken up. The land was not used. That question was not gone into in the hearing, but I presume the tracks were taken up. The sum of $1,960 represents the amount which the civic organization had agreed to pay.

Mr. OVERTON. Does the able Senator from Nebraska consider this sound legislation?

Mr. WHERRY. I consider it very sound.

Mr. OVERTON. I raise no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 357) for the relief of the Forward Columbus Fund, of Columbus, Nebr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Forward Columbus Fund, of Columbus, Nebr , the sum of $1,960, in full satisfaction of its claim against the United States for reimbursement of expenses incurred by it in securing easements for a right-of-way for a spur track from the main line of the Union Pacific Railroad to a tract of land acquired by the Defense Plant Corporation for the construction of an aluminum extrusion plant, such corporation having subsequently abandoned plans for the construction of such plant: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ROY M DAVIDSON

The bill (S. 2260) for the relief of Roy M. Davidson, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy M. Davidson, of Atlanta, Ga., who was suspended from active duty as an investigator for the Office of Price Administration, Atlanta Regional Office, during the period beginning on August 24, 1944, and ending on October 16, 1944, in contravention of the provisions of section 14 of the Veterans' Preference Act of 1944, a sum equal to the amount of compensation he would have received had he not been suspended, less the amount of any compensation which he may have received from the United States for any part of such period: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

SEC 2 The Price Administrator of the Office of Price Administration is authorized and directed to restore to the credit of the said Roy M. Davidson the total amount of annual leave with which he was charged during the period of the above-described suspension.

WAYNE PARKER

The Senate proceeded to consider the bill (S. 1751) for the relief of Wayne Parker, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "the sum of", to strike out "$5,000" and insert in lieu thereof "$1,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wayne Parker, of Portland, Oreg., the sum of $1,500, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him as a result of having been accidentally shot by a member of the United States naval forces who was acting as an armed guard on a naval vessel, at the Willamette Iron & Steel Corp., in Portland, Oreg., on May 7, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COL. S. V. CONSTANT

The bill (S. 2369) for the relief of Col. S. V. Constant, General Staff Corps, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Col. S. V. Constant, General Staff Corps, the sum of $1,179.27, public funds for which he is accountable, and which represents payments made under the act of March 26, 1934 (48 Stat. 466), which have been disallowed by the Comptroller General: *Provided*, That the payees thereunder shall not be held pecuniarily liable.

MICHAEL JOSEPH BENNETT

The Senate proceeded to consider the bill (S. 1674) for the relief of Michael Joseph Bennett, a minor, which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "the sum of", to strike out "$500" and insert in lieu thereof "$149"; and on page 2, line 1, after the word "November", to strike out "23, 1945" and insert in lieu thereof "24, 1943."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Michael Joseph Bennett, a minor, of Dover, N. H., the sum of $149, in full satisfaction of all claims against the United States for compensation for personal injuries sustained by the said Michael Joseph Bennett when he was accidentally shot by a member of the United States Marine Corps who was searching for escaped naval prisoners, in Dover, N. H., on November 24, 1943, and for reimbursement of medical expenses incurred as a result of such injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CROSBY YACHT BUILDING & STORAGE CO.

The bill (S. 1880) for the relief of the Crosby Yacht Building & Storage Co., Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That the Secretary of the Treasury is authorized and directed to

pay, out of any money in the Treasury not otherwise appropriated, to the Crosby Yacht Building & Storage Co., Inc., of Osterville, Mass., the sum of $2,238.27, in full satisfaction of its claim against the United States for compensation for work performed by it in the removal of certain boats from temporary shelters and in the removal of such shelters, pursuant to an agreement entered into by such company with the Engineer Amphibian Command, Camp Edwards, Mass., on or about July 2, 1942 *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

DESMARK WRIGHT

The Senate proceeded to consider the bill (S. 1733) for the relief of Desmark Wright, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "the sum of", to strike out "$2,389.95, in full satisfaction of his claim against the United States for property damages sustained by him, and for reimbursement of funeral expenses incurred by him, as a result of an accident which occurred when a United States Army airplane crashed into his home in Little Rock, Ark., on September 12, 1945; (2) to Desmark Wright, of Little Rock, Ark., as administrator of the estate of Alberta Wright, the sum of $5,000, in full satisfaction of the claims of such estate against the United States for compensation for the death of the said Alberta Wright as a result of such accident; (3) to Desmark Wright, of Little Rock, Ark., as administrator of the estate of Harold Evans, the sum of $5,000, in full satisfaction of the claims of such estate against the United States for compensation for the death of the said Harold Evans as a result of such accident; (4) to Desmark Wright, of Little Rock, Ark., as administrator of the estate of Desmark Wright, Jr., the sum of $5,000, in full satisfaction of the claims of such estate against the United States for compensation for the death of the said Desmark Wright, Jr., as a result of such accident; (5) to Desmark Wright, of Little Rock, Ark., as legal guardian of Bobby Dennis Wright, a minor, the sum of $5,000, in full satisfaction of all claims against the United States for compensation for personal injuries sustained by the said Bobby Dennis Wright as the result of such accident, and for reimbursement of medical expenses incurred as a result of such injuries; and (6) to Desmark Wright, of Little Rock, Ark., as legal guardian of Irvin Lee Wright, a minor, the sum of $5,000, in full satisfaction of all claims against the United States for personal injuries sustained by the said Irvin Lee Wright as a result of such accident, and for reimbursement of hospital and medical expenses, incurred as a result of such injuries" and insert "$2,325.09; to the estate of Alberta Wright, deceased, the sum of $5,000; to the estate of Desmark Wright, Jr., deceased, the sum of $1,000; to the estate of Harold Evans, deceased, the sum of $1,500; to the legal guardian of Bobby Dennis Wright, a minor, the sum of $500; and to the legal guardian of Irvin Lee Wright, a minor, the sum of $750, in full settlement of all claims of each of the said named persons and estates against the United States on account of damages sustained by them as the result of the crash of an Army airplane near Adams Field, Little Rock, Ark., on September 12, 1945", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, (1) to Desmark Wright, of Little Rock, Ark., the sum of $2,325.09; to the estate of Alberta Wright, deceased, the sum of $5,000, to the estate of Desmark Wright, Jr., deceased, the sum of $1,000; to the estate of Harold Evans, deceased, the sum of $1,500; to the legal guardian of Bobby Dennis Wright, a minor, the sum of $500; and to the legal guardian of Irvin Lee Wright, a minor, the sum of $750, in full settlement of all claims of each of the said named persons and estates against the United States on account of damages sustained by them as the result of the crash of an Army airplane near Adams Field, Little Rock, Ark., on September 12, 1945: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

Mr. McCLELLAN. Mr. President, on behalf of the committee I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas will be stated

The CHIEF CLERK. On page 3, line 4, in the committee amendment, after the words "the sum of", it is proposed to strike out "$1,000" and insert in lieu thereof "$2,000"; and in line 5, after the words "the sum of", to strike out "$1,500" and insert in lieu thereof "$2,000."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Desmark Wright; the estates of Alberta Wright, Desmark Wright, Jr., and Harold Evans; and the legal guardians of Bobby Dennis Wright and Irvin Lee Wright, minors."

STANDARD DREDGING CORP.

The bill (H. R. 3065) for the relief of Standard Dredging Corp. was considered, ordered to a third reading, read the third time, and passed.

COX BROS.

The bill (H. R. 1469) for the relief of Cox Bros., was considered, ordered to a third reading, read the third time, and passed.

ARCADIO SALDANA AGOSTO

The bill (H. R. 1797) for the relief of Arcadio Saldana Agosto, was considered, ordered to a third reading, read the third time, and passed.

DR. WILLIAM A. SCHUMACHER AND MAGDALEN M SCHUMACHER

The bill (H. R. 2269) for the relief of Dr. William A. Schumacher and Magdalen M. Schumacher, was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF JOHNNIE POLLOCK

The bill (H. R. 3848) for the relief of the legal guardian of Johnnie Pollock, a minor, was considered, ordered to a third reading, read the third time, and passed.

F. B SWEAT

The bill (H. R. 5541) for the relief of F. B Sweat, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL-AID ROAD ACT

The bill (H. R 6324) to amend and supplement the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, to provide for the design and construction of dams so that they will serve as foundations for highway bridges, to provide for the design and construction of highway bridges upon and across such dams, to authorize the granting of easements and rights-of-way in connection therewith, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2359) to close the office of the recorder of deeds on Saturdays was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

OBSERVANCE OF BICENTENNIAL OF JOHN PAUL JONES

The Senate proceeded to consider the joint resolution (S. J. Res. 153) providing for the comprehensive observance of the bicentennial of John Paul Jones, which had been reported from the Committee on the Library with an amendment, on page 4, after line 2, to strike out:

SEC. 5. Such sums as may be necessary to enable the Commission to carry out its functions are hereby authorized to be appropriated.

So as to make the joint resolution read:

Resolved, etc., That there is hereby established a commission to be known as the John Paul Jones Bicentennial Commission (hereinafter referred to as the "Commission") and to be composed of 19 members, as follows: The President of the United States; the President pro tempore of the Senate; the Speaker of the House of Representatives; eight persons to be designated by the President of the United States, four Members of the Senate to be designated by the President pro tempore of the Senate; and four Members of the House of Representatives to be designated by the Speaker of the House. The members of the Commission shall serve without compensation and shall select a chairman from among their number.

SEC. 2. The Commission is authorized and directed to—

(1) arrange for memorial meetings and exercises in the year of 1947 in the city of Washington and other cities and places in the United States particularly associated with the memory of John Paul Jones, and in universities, schools, and colleges throughout the United States;

(2) to prepare 100,000 photolithographic prints of an approved portrait of John Paul Jones and deliver in tubes ready for mailing 100 copies to each Senator, Representative in Congress, Delegate, and Resident Commissioner,

(3) to prepare and distribute booklets and pamphlets relating to John Paul Jones, including such illustrations, facsimiles, indexes, and other material as the Commission deems appropriate, and

(4) to procure a bust of John Paul Jones to be placed in the United States Capitol

SEC 3 (a) The Commission is authorized, without regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of a historian, an executive secretary, and such other assistants as may be needed for stenographic, clerical, and other services in carrying out the functions of the Commission.

(b) To the extent deemed by the Commission to be necessary in carrying out its functions, the Commission is authorized to have printing, binding, lithographing, and other work done at establishments other than the Government Printing Office.

(c) The Commission is authorized to procure advice and assistance from any Government agency, including the services of technical and other personnel in the executive departments and independent establishments, and to procure advice and assistance from and to cooperate with individuals and agencies, public or private. The Superintendent of Documents shall make available to the Commission the facilities of his office for the distribution of the portraits, pamphlets, and booklets herein authorized

SEC 4. The members and employees of the Commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties. All expenses of the Commission shall be paid by the disbursing officer of the Commission upon vouchers by the chairman of the executive committee of the Commission.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2085) to amend title V of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

UTILIZATION OF WATER RESOURCES OF CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate proceeded to consider the resolution (S. Res. 296) relating to the utilization and disposition of the water resources of the Central Valley project in California, which has been reported from the Committee on Irrigation and Reclamation with an amendment to strike out all after the resolving clause and insert:

That the Committee on Irrigation and Reclamation, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the terms and conditions of contracts offered by the Department of the Interior for the disposition of the water resources of the Central Valley project of California, including, but not limited to, (a) the basis of the water rights claimed by said Department; (b) the character of the water rights offered by the Department to water users' organizations; (c) the control asserted or possessed by the Department with respect to both surface and underground waters; (d) the collection and application of taxes, assessments, and other revenues; (e) the provisions for limitation of acreage in single ownerships which may be served under said contracts; (f) the specific legal authority for said contracts and the several provisions thereof; (g) any other factors relating to the proper utilization and disposition of the water resources of the Central Valley project, and the policies of the Department of the Interior with reference thereto. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable concerning additional legislation.

For the purposes of this resolution, the said committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee or subcommittee thereof under this resolution shall be paid, upon vouchers approved by the chairman of the committee, from the funds available to the committee under Senate Resolution 155, Seventy-eighth Congress, agreed to June 26, 1943 (relating to an investigation with respect to the supply and distribution of hydroelectric power), as amended and supplemented by Senate Resolution 304, Seventy-eighth Congress, agreed to June 5, 1944, Senate Resolution 313, Seventy-eighth Congress, agreed to September 5, 1944, and Senate Resolution 31, Seventy-ninth Congress, agreed to January 29, 1945.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I wonder if the Senator who submitted the resolution will give us an explanation.

Mr. DOWNEY. Mr. President, in our Central Valley project in California for 10 years we have had great difficulties and complications in attempting to apply the 160-acre limitation to our underground waters and to a great replenishment district. The Bureau of Reclamation is now submitting a proposed contract which, in my opinion, is unworkable, and I have asked that a subcommittee of the Committee on Irrigation and Reclamation conduct an investigation. That is the purpose of the resolution.

Mr. WHERRY. I have no objection.

Mr. LA FOLLETTE. Mr. President, I ask that the resolution be passed over.

Mr. DOWNEY. Mr. President, will the Senator withhold his objection? Our entire situation in that area is very involved and complicated.

Mr. LA FOLLETTE. I shall be glad to look into it. I do not find any report accompanying the resolution.

Mr. DOWNEY. Yes; a report was filed.

Mr. LA FOLLETTE. It is not in my book.

Mr. DOWNEY. Let me say to the distinguished Senator that all that is called for is an investigation.

Mr. LA FOLLETTE. If the Senator will be kind enough to let the resolution go over so that I may have an opportunity to look into it, I shall appreciate it.

Mr. DOWNEY. Very well.

The PRESIDING OFFICER. The resolution will be passed over.

HOUSING FOR VETERANS ATTENDING SCHOOLS

Mr. MORSE. Mr. President, I should like to suggest that the Senator who objected to Senate bill 2085, Calendar No. 1700, withhold his objection at least long enough to have an explanation of the bill made. I know of no bill on the calendar of greater importance to the veterans of this country than Senate bill 2085. The bill simply provides that temporary housing may be moved to college campuses and used for classroom purposes, so that a greater number of veterans may attend school this fall. Veterans by the thousands will not be able to go to school this fall unless Senate bill 2085 is passed. The bill comes to us with the unanimous approval of the Committee on Education and Labor. It is one of the most important veterans' bills on the calendar. The operation of the educational provisions of the GI bill of rights depends upon the passage of Senate bill 2085, and I cannot believe that any Senator would wish to object to it if he was aware of the purposes of the bill.

The PRESIDING OFFICER. Does the Senator from Nebraska [Mr. WHERRY] withhold his objection?

Mr. WHERRY. Reserving the right to object, let me say that I have been asked to have the bill passed over. If the distinguished Senator will withhold his request until the Senator who asked to have the bill passed over, returns to the floor, I shall be glad to have an explanation of the bill made, and that will expedite the matter. I, myself, have no objection to the bill, but I was asked to have it passed over until the Senator who made the request could reach the floor.

Mr. MEAD. Mr. President, our committee meets at 2:30 p. m. I do not know whether I shall be able to be here at the time when the Senator who desired that the bill go over is present. The situation is most urgent. Yesterday the Appropriations Committee, after considering the matter, approved an appropriation of $100,000,000 for this item. The Senate passed the appropriation in that amount, and it has now gone to the conference committee. We are left in this situation: If objection is made to the pending bill, we shall be placed in the position of objecting to the legislation, although we have approved the appropriation.

Mr. President, 500,000 GI's will not be admitted to the colleges of the United States this fall, as we promised them under the GI bill of rights, unless we extend the facilities of the colleges. This bill was considered by the Committee on Education and Labor. It was reported by that committee, I understand, to the

Senate, and it was recommended to the committee by the President of the United States. It was recommended by Mr. John Snyder, and it was recommended by General Fleming, who is the head of the Federal Works Administration.

The entire program is coordinated with the various agencies which have to do with the utilization of training centers and surplus materials and houses. The installation of larger buildings on the campuses of the universities for facilities other than housing is necessary in order that our colleges may accommodate a larger number of GI's than would otherwise be the case.

Under this bill the colleges are required to provide the sites and to install the facilities and the utilities which are necessary. This they will do at their own expense, even though under the GI bill-of-rights program the colleges are losing money in connection with the education of returning servicemen.

So, Mr. President, in view of the fact that this measure was approved unanimously by both committees, in view of the fact that every agency of the Government which has to do with the matter has heartily recommended the bill, and in view of the further fact that the appropriation has been approved by the Senate, it occurs to me that we shall only be consistent with our previous action if we allow this bill to receive the approval of this body while the calendar is being called

Mr WHERRY. Mr. President, I should like to have it strictly understood that an explanation of the bill was desired. Now that the explanation has been made, there is no objection to the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, the bill is Senate bill 2085, and, as I have stated, there is no objection to it at this time. So I should like to have the bill considered immediately, for the distinguished Senator from New York

Mr. MEAD. I thank my colleague from Nebraska.

There being no objection, the Senate proceeded to consider the bill (S. 2085) to expedite the provision of housing in connection with the national defense, and for other purposes, which had been reported from the Committee on Education and Labor with amendments.

The PRESIDING OFFICER. The amendments reported by the committee will be stated.

The first amendment was, on page 2, after line 2, to insert:

(b) Subsection (b) of section 502 of such act, as amended, is amended by inserting after the word "institutions" the words "or for members of faculties (including the families of such members) of educational institutions furnishing education and training to veterans under title II of the Servicemen's Readjustment Act of 1944, as amended"

(c) Subsection (c) of such section is amended by inserting after the word "institutions" the words "or for members of faculties (including the families of such members) of educational institutions furnishing education and training to veterans under title II of the Servicemen's Readjustment Act of 1944, as amended"

The amendment was agreed to.

The next amendment was, on page 2, in line 15, to strike out "(b)" and insert "(d)."

The amendment was agreed to.

The next amendment was, on page 2, line 20, after the word "institution", to insert "including any educational facility operated by the Indian Service"; and in line 22, after the word "the", to strike out "Federal Works Administrator" and insert "Commissioner of Education."

The amendment was agreed to.

The next amendment was, on page 3, line 2, after the word "amended", to strike out "said" and insert "The Federal Works."

The amendment was agreed to.

The next amendment was, on page 3, line 4, after the word "facilities", to insert "(1)"; in line 6, after the word "including", to strike out "lands"; and in line 7, after the word "furnishings", to insert "but not including site acquisition and preparation or the installation of streets and utility mains."

The amendment was agreed to.

The next amendment was, on page 3, line 12, after the word "facilities", to insert "and which, in the determination of the War Assets Administrator are available for such use or reuse and (2) by connecting utilities from buildings to mains"

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the word "of", to strike out "said" and insert "the Federal Works"; and in line 18, after the word "may", to insert "with the approval of the War Assets Administrator."

The amendment was agreed to.

The next amendment was, on page 3, line 20, after the word "to", to strike out "said" and insert "the Federal Works"; in line 23, after the word "authorized", to strike out "and directed"; and in the same line, after the word "institution", to strike out "without consideration."

The amendment was agreed to.

The next amendment was, on page 4, in line 5, after the word "act", to strike out the period and insert: "*Provided*, That nothing herein shall exclude the Indian Service from participation in the educational benefits provided by this act"

The amendment was agreed to

The next amendment was, on page 4, after line 12, to insert:

(d) Nothing in this section 504 shall affect the transfer to the National Housing Administrator of any structures or facilities requisitioned by him pursuant to section 502 (b) of this act, for housing for veterans and distressed families of servicemen prior to any request therefor made by the Federal Works Administrator pursuant to the authority contained in said section 504

(e) Except with respect to contracts previously entered into and court proceedings then pending, this section shall cease to be effective on the last date on which courses of education or training may be provided under title II of the Servicemen's Readjustment Act of 1944, as amended.

(f) As used in this act the term "educational institution" shall mean (a) any public educational institution or (b) any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) subsection (a) of section 502 of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, is amended by striking out "this title V" and inserting in lieu thereof "sections 501, 502, and 503 of this title."

(b) Subsection (b) of section 502 of such act, as amended, is amended by inserting after the word "institutions" the words "or for members of faculties (including the families of such members) of educational institutions furnishing education and training to veterans under title II of the Servicemen's Readjustment Act of 1944, as amended."

(c) Subsection (c) of such section is amended by inserting after the word "institutions" the words "or for members of faculties (including the families of such members) of educational institutions furnishing education and training to veterans under title II of the Servicemen's Readjustment Act of 1944, as amended"

(d) Subsection (e) of section 502 of such act, as amended, is amended by striking out "title V" and inserting in lieu thereof "section"

SEC. 2 Title V of such act, as amended, is amended by adding at the end thereof the following new section.

"SEC 504 (a) At any educational institution including any educational facility operated by the Indian Service where the Commissioner of Education shall find that there exists or impends an acute shortage of educational facilities, other than housing, required for persons engaged in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944, as amended, the Federal Works Administrator is authorized, upon request of such educational institution, to provide such educational facilities (1) by the use or reuse (including disassembling, transporting, and reerecting) of structures or facilities (including improvements, equipments, materials, or furnishing, but not including site acquisition and preparation or the installaton of streets and utility mains) under the jurisdiction or control of any Federal agency which are no longer required by such agency and which, in the determination of said Administrator can be utilized to provide the needed educational facilities and which, in the determination of the War Assets Administrator are available for such use or reuse and (2) by connecting utilities from buildings to mains. Upon request of the Federal Works Administrator any Federal agency having jurisdiction or control of any such structures or facilities may, with the approval of the War Assets Administrator, notwithstanding any other provisions of law, transfer such structures or facilities to the Federal Works Administrator, without reimbursement, for such use or reuse. Without regard to the provisions of any other law, said Administrator is authorized to transfer to any educational institution any educational facilities provided for such educational institution under this subsection.

"(b) In carrying out the provisions of this section, said Administrator is authorized to exercise all the powers contained in sections 202 (a) and (b) and title III of this act, subject to all the limitations contained in sections 203 (a) and (b) and title II of this act: *Provided*, That nothing herein shall exclude the Indian Service from participation in the educational benefits provided by this act.

"(c) To carry out the provisions of this section, and for administrative expenses in connection therewith, any funds made available under title II of this act are hereby made available, and for such purposes there is also

authorized to be appropriated the sum of $100,000,000.

"(d) Nothing in this section 504 shall affect the transfer to the National Housing Administrator of any structures or facilities requisitioned by him pursuant to section 502 (b) of this act, for housing for veterans and distressed families of servicemen prior to any request therefor made by the Federal Works Administrator pursuant to the authority contained in said section 504.

"(e) Except with respect to contracts previously entered into and court proceedings then pending, this section shall cease to be effective on the last date on which courses of education or training may be provided under title II of the Servicemen's Readjustment Act of 1944, as amended.

"(f) As used in this act the term 'educational institution' shall mean (a) any public educational institution or (b) any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual."

INCORPORATION OF THE AMVETS—BILL PASSED OVER

The bill (S. 2326) to incorporate the AMVETS, American Veterans of World War II, was announced as next in order.

Mr. BILBO. Let the bill be passed over.

Mr. MAGNUSON. Mr. President, I hope the Senator from Mississippi will not object to present consideration of the bill.

Mr. BILBO. I object, because I am making an investigation of the organization.

Mr. MAGNUSON. That organization is a very fine one.

Mr. BILBO. I understand, and I do not object to having the veterans organized; but I am making an investigation about this matter.

Mr. McCARRAN. Mr. President, let me say that there are two groups. This group has been thoroughly investigated by the committee, and I hope the Senator will see fit not to object to present consideration of the bill.

Mr. BILBO. I assure the Senator that I shall make a very thorough investigation.

Mr. MAGNUSON. I hope the passage of this bill will not be delayed, but that the Congress will pass it promptly. The AMVETS is a group of young World War II veterans who are organizing, as they have a right to do, and they are requesting a charter. If the bill is passed over, they will be seriously handicapped in their work, because it will be difficult to have the bill reached at a later time, before the adjournment of Congress.

I hope the Senator from Mississippi will use due dispatch in the matter.

Mr. BILBO. I assure the Senator that I shall expedite it as much as possible.

Mr. MEAD. Mr. President, in view of the fact that we have a complete report on the organization, in view of the fact that the proper committee has made a complete examination of it, and in view of the further fact that we may not have another opportunity to have a call of the calendar before Congress adjourns, I think the investigation which has been mentioned should be expedited. If not, I shall move to have the measure taken up at an early date, or I shall ask the chairman of the committee to move to have it taken up.

Mr. McCARRAN. Mr. President, let me say that this group of veterans has complied in every respect with the requirements, and its request for the granting of a charter has been passed on favorably by the committee.

Mr. MEAD. Mr. President, that is my understanding of the situation. The record has been complete, and the committee has gone into the matter in detail.

I hope the measure will not be delayed longer.

Mr. MAGNUSON. Mr. President, there are established organizations in the United States which furnish the right kind of guidance to veterans. Let me say that many of us who belong to the American Legion or to the Veterans of Foreign Wars also belong to this organization. I think it should be permitted to become established.

Mr. MEAD. I agree with the Senator, and I hope the matter will not be delayed.

CONSTRUCTION OF LEWISTON ORCHARDS PROJECT, IDAHO

The Senate proceeded to consider the bill (S. 2372) to authorize the Secretary of the Interior to construct the Lewiston Orchards project, Idaho, in accordance with the Federal reclamation laws, which had been reported from the Committee on Irrigation and Reclamation, with an amendment, on page 1, line 10, after the word "Interior", to strike out the period and insert: "*Provided*, That, notwithstanding any recommendations to the contrary contained in said report, all costs of said project allocated to irrigation and all costs of said project allocated to municipal water supply shall be reimbursable under the Federal reclamation laws but within repayment periods to be fixed by the Secretary of the Interior and not to exceed 50 years", so as to make the bill read:

Be it enacted, etc, That for the purposes of irrigating lands and for purposes incidental thereto, there is hereby authorized to be constructed, operated, and maintained the Lewiston Orchards project, Idaho, substantially in accordance with the recommendations of the regional director of the Bureau of Reclamation, region No. I, in his report dated December 3, 1945, as concurred in by the Commissioner of Reclamation and the Secretary of the Interior: *Provided*, That, notwithstanding any recommendations to the contrary contained in said report, all costs of said project allocated to irrigation and all costs of said project allocated to municipal water supply shall be reimbursable under the Federal reclamation laws but within repayment periods to be fixed by the Secretary of the Interior and not to exceed 50 years.

SEC. 2. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required for the purposes of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UNIFORM ADMINISTRATION OF EFFICIENCY RATINGS

The bill (S. 1835) to provide for the uniform administration of efficiency ratings was announced as next in order.

Mr. BALL. Mr. President, may we have explanations from the Senator from California [Mr. DOWNEY] of the next three bills?

Mr. DOWNEY. Yes.

Mr. President, let me say that there has come from the other body a House bill which deals with the same subject.

The PRESIDING OFFICER. Without objection, House bill 5590 will be substituted for Senate bill 1835, and will be considered at this time.

There being no objection, the Senate proceeded to consider the bill (H. R. 5590) to provide for the uniform administration of efficiency ratings, which was read twice by its title, as follows:

Be it enacted, etc, That no employee in any civilian position in the executive branch of the Government of the United States, other than an employee in or under the field service of the Post Office Department or any employee of the Tennessee Valley Authority, shall be rated as to efficiency except under a system of efficiency ratings approved by the Civil Service Commission, and that the provisions of section 9 of the Classification Act of 1923, as amended, or as may be hereafter amended, shall apply to all efficiency ratings under rating systems approved by the Civil Service Commission.

The Civil Service Commission is hereby authorized to make and publish rules and regulations for the administration of the provisions of this act.

Mr. DOWNEY. Mr. President, I desire to have one section from the Senate bill added as an amendment to the House bill. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add the following:

SEC. 2. The provisions of this act shall be effective upon enactment, except that, with respect to employees in the field services whose positions are not subject to the Classification Act of 1923, as amended, such of the provisions of section 9 of the Classification Act of 1923, as amended, as require the Civil Service Commission to approve reductions in compensation and dismissals for inefficiency, or confer the right to a hearing and review of efficiency ratings by boards of review, shall not become effective until such boards of review in the field services are established as provided in section 7 of the act of November 26, 1940 (54 Stat. 1215), under regulations prescribed by the Civil Service Commission, with the approval of the President.

The amendment was agreed to.

Mr. DOWNEY. Mr. President, I may say to the distinguished Senator that in many of the agencies of the Federal Government methods of determining employee efficiency ratings have been set up. This bill merely sets up the statutory rule and applies it to additional groups, principally the Wage Board employees. It merely carries over to another group the method of establishing employee efficiency ratings which has been prevalent in the departments for a long time.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1835 is indefinitely postponed.

ANNUITIES FOR CERTAIN CIVIL SERVICE EMPLOYEES WITH 25 YEARS OF SERVICE

The bill (S. 2366) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide annuities for employees with 25 years of service, who are involuntarily separated from the service between July 1, 1945, and June 30, 1947, was announced as next in order.

Mr. DOWNEY. Mr. President, House bill 4718 is identical to the Senate bill. I desire to ask unanimous consent that the House bill be substituted for the Senate bill. However, before that is done, I invite attention to one particular point, because there is some controversy over it. I particularly invite the attention of the distinguished Senator from Rhode Island [Mr. GREEN], who was the author of the original Senate bill, and also the attention of the distinguished Senator from Connecticut [Mr. HART], who was interested in this matter when it was before the committee.

This bill provides additional rights for annuitants who may retire within the next few years under conditions where they are involuntarily separated from their employment. Because of returning veterans and because of the diminution in employment, many men who have had long-time service with the Government will lose their jobs, not voluntarily, but involuntarily. This bill would give such men who have had more than 25 years of Government service increased rates in their retirement annuities. The rights generally will be brought up to approximate those which they would receive under the same service if they were retiring at 62 years of age or at some greater age.

When the bill was before our committee it was acceptable to each member of the committee with the exception of the distinguished Senator from Connecticut [Mr. HART], who thought the bill should be limited only to those men who, first, had 25 years of service, and, second, were 55 years of age. Some of those who began to work when they were 20 or 25 years of age, and have had 25 years of service, may be involuntarily separated from their position, though not yet 55 years of age.

When passing the same kind of a bill the House did not require that the worker be 55 years of age. The distinguished Senator from Rhode Island [Mr. GREEN] is very firm in his conviction that such a provision should be contained in the law, and I understand that the House committee will not accept the Senate bill with the provision in it that the annuitant or the employee must be 55 years of age. I consulted with the members of the Civil Service Committee who stated to me that they were willing to accept the House bill without it containing that provision. I also consulted with the distinguished Senator from Connecticut, and while he did not state to me that he would be satisfied with the bill as it came from the House, he did say that he would raise no opposition to it. In any event, he is present on the floor and will speak for himself.

Mr. HART. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HART. The statement of the Senator from California is correct. He might have added that this bill would throw this particular class of men out of line with the general provisions of the civil-service laws under which the age of 55 is usually the lower limit. However, in view of the special circumstances, and the representation which was made in the committee that, after all, only a few men were excepted, I did tell the Senator from California that I would withdraw my opposition to the bill.

I wish to ask, however, one question. About how much will the proposal cost within the next 2 or 3 years, or as far into the future as the Senator can tell?

Mr. DOWNEY. I may say to the Senator from Connecticut that the Civil Service Commission gave the committee a letter in regard to the original bill which was in the same form as that which it is now proposed to pass. The letter reads as follows:

> The Board of Actuaries has estimated this proposal, if adopted, will cost a total additional cost to the Government of $4,000 for each eligible individual who is involuntarily separated. There are about 105,000 employees who have completed at least 25 years of service, but who have not attained age 60 or 62, and this would make them eligible for optional retirement under the present law. It is believed a maximum of 5 percent of this number will be involuntarily separated. On this basis, the total additional cost to the Government, if this proposal is approved, will be approximately $20,000,000.

That would be the total cost of the amendment, not annually, but for all time.

Mr. HART. My agreement with the Senator was that I would not press my objection. However, I did not realize at the time that the cost would be so great. I thought that fewer men were affected.

Mr. GREEN. Mr. President, I join heartily in the suggestion made by the Senator from California that the House bill be substituted and that no age limitation be included in the bill to be passed by the Senate. I did not quite understand the implication in the Senator's statement that I had insisted on a 55-year-age limit, because I thought I had been insisting that there be no age limit. However, a provision for 55 years of age is much preferable to one for 60 years of age, which was originally proposed.

Mr. DOWNEY. I meant to say that the distinguished Senator was in favor of the bill in the form in which it came from the House without having in it the provision for 55 years.

Mr. GREEN. The Senator is correct. Not only would the measure be in accord with actuarial practice, but it would be improved in another manner. Allow me to give one illustration of the injustice done under the existing law.

There is a man whom I know by the name of Sullivan who lives in Newport, R. I. He spent his working life in the Government torpedo station at Newport. An explosion occurred in which 14 men were involved; 13 were killed and Sullivan was the survivor. He displayed heroic qualities in connection with the explosion. High ranking officers of the Navy went out of their way to call on him and tell him that he would be assured of work such as he was capable of doing for the rest of his life. He has worked there almost 30 years. He is now 47 years old. Under the present law he is to be discharged and will receive nothing whatever in the way of retirement benefits.

Mr. President, I have cited an extreme case, but it is a sample of hundreds of cases of which I know. It represents an injustice, and the Government of the United States cannot afford to do an injustice to any of its employees.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. BALL obtained the floor.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. WALSH. I wish to inquire if this bill takes care of those employees in the navy yards who are being discharged because of a reduction in personnel, and who ordinarily would be employed were it not for the preference given to veterans. In other words, men who have been working for 30 and 35 years are now being discharged when ordinarily, they would be retained in service until they could obtain retirement. Does this measure take care of that group of men?

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr DOWNEY. I may say to the Senator from Massachusetts that the bill does take care of the group of men to whom he has referred. I understand that one of the main reasons for the bill is to protect the particular groups of men about whom the Senator has spoken.

Mr. WALSH. The law which grants preference to veterans has resulted, in some instances, in destroying the right of many men to be retained in service when ordinarily they would be retained.

Mr. DOWNEY. The Senator is correct.

Mr WALSH. And this bill would protect those men.

Mr. DOWNEY. Yes.

Mr. BALL. Mr. President, I wish to ask the Senator from California a couple of questions. First, would those employees who have served 25 years and are involuntarily separated when reaching age 62, be subject to annuities under the existing law?

Mr. DOWNEY. Yes.

Mr. BALL. This measure would give them an annuity immediately, but it would be reduced somewhat according to how much younger than 62 they happened to be. Am I correct?

Mr. DOWNEY. Yes.

Mr. BALL. I understand that the Civil Service Commission is opposed to this bill.

Mr. DOWNEY. No; the Civil Service Commission favored the bill as it was amended by the Senate committee. I do not know what was the position of the Commission with regard to the House bill in the form in which it came to the Senate.

Mr. BALL. Is it the Senator's intention to insert the 55-year provision in

the House bill which it is proposed to offer as a substitute for the Senate bill?

Mr. DOWNEY. No; the purpose of proposing to substitute the House bill was to place before the Senate a measure not containing the 55-year provision. The Senate bill has in it the 55-year provision and the House bill does not.

Mr. BALL. Is it the Senator's intention to cure the situation by an amendment?

Mr. DOWNEY. No; not unless the Senate fails to approve the bill in its present form. Otherwise, I believe that I shall present to the Senate the amendment which has been discussed by the Senator from Minnesota.

Mr. BALL. Mr. President, does the Senator know of any other instance under Federal service in which an employee would retire under the circumstances referred to by the Senator?

Mr. DOWNEY. No. I know of no other right given under any law by which an employee, though involuntarily separated, may obtain any annuity until he is 55 years of age. At the present time, if an employee is involuntarily separated he may receive a very much reduced annuity at 55 years of age. This measure retains that advantage.

Mr. BALL. How much does the bill increase the amount of the annuity under the present law, if any? Does it increase it?

Mr. DOWNEY. Mr. President, it increases the amount of the annuity, and the House bill would also give him the right to retire at 47 or 48, or 52 or 53. I should again like to emphasize the point made by the Senator from Massachusetts. In the Naval Establishment, because of the return of veterans and the reduction of the forces, many men who have rendered very fine service for 20, 25, or 30 years are losing their jobs. This bill would protect those who had been in the service for at least 25 years or more in additional annuities. The annuity they would now receive, even though 55 years of age, is very scanty, and under the present law they could not get it if they were not 55.

Mr. BALL. I wish to confer with some of the Members on this side before the bill is passed. I ask that it go over temporarily.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The bill will be passed over temporarily.

Mr. DOWNEY subsequently said: Mr. President, I ask unanimous consent that the Senate now return to Senate bill 2366, Calendar No. 1712, a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2366) to amend the Civil Service Retirement Act of May 29, 1930, as amended, which had been reported from the Committee on Patents with an amendment.

Mr. DOWNEY. Mr. President, I had previously stated that I wished to have the Senate permit the substitution of a House bill on the same subject, namely, House bill 4718, for the Senate bill.

I now ask for the consideration of the Senate bill so that it may be amended as has been proposed. The committee has reported an amendment to the bill, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In Senate bill 2366, on page 2, in line 1, after the word "inclusive", it is proposed to insert "after having attained the age of fifty-five and"

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, will the Senator from California yield to me?

Mr. DOWNEY. I yield.

Mr. LA FOLLETTE. I suggest to the Senator that it will facilitate action on this matter in the conference if the Senator will have the Senate consider the House bill and strike out all after the enacting clause of that bill and insert the text of the Senate bill.

Mr. DOWNEY. Mr. President, I thank the Senator for his suggestion, and I am happy to ask unanimous consent to that end

The PRESIDING OFFICER. Without objection, House bill 4718 will be substituted for Senate bill 2366 and will be considered at this time.

There being no objection, the Senate proceeded to consider the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, which was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That section 1 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection.

"(e) Any officer or employee to whom this act applies who, after having rendered at least 25 years of service computed as prescribed in section 5 of this act,

"(1) shall have been involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency between August 14, 1945, and August 14, 1947, or

"(2) shall have been voluntarily separated from the service between such dates if such officer or employee had accepted a position with a lower rate of basic salary, pay, or compensation after having been involuntarily separated (not by removal for cause on charges of misconduct or delinquency) between such dates from a position with a higher rate of basic salary, pay, or compensation, and was receiving less than such higher rate at the time of his voluntary separation,

shall be paid an immediate life annuity beginning on the first day of the month following the date of final separation from the service or the first day of the month following the date of enactment of this subsection, whichever date is the later Such annuity shall have a value equal to an annuity computed as provided in section 4 of this act reduced by one-sixth of 1 percent for each month (or fractional part thereof) any such officer or employee is (A) under the age of 60 years if he has rendered at least 30 years of service computed as prescribed in section 5 of this act, or (B) under the age of 62 years if he has rendered less than 30 years of service computed as prescribed in section 5 of this act."

The PRESIDING OFFICER. At the request of the Senator from California, and without objection, all after the enacting clause of House bill 4718 is stricken out, and the text of Senate bill 2366, as it has been amended, is inserted.

The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2366 is indefinitely postponed.

Mr. DOWNEY subsequently said: Mr. President, reverting to House bill 4718, which was passed earlier in the day, being a bill to amend the Civil Service Retirement Act of May 29, 1930, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The conferees will be named later.

Subsequently, the Presiding Officer appointed Mr. DOWNEY, Mr. GEORGE, Mr. BYRD, Mr. LANGER, and Mr. HART conferees on the part of the Senate.

LEAVE OF ABSENCE FOR SCIENTIFIC, TECHNICAL, AND PROFESSIONAL EMPLOYEES

The Senate proceeded to consider the bill (S. 2183) to authorize the heads of executive departments and independent establishments of the United States Government to grant scientific, technical, and professional employees short leaves of absence for advanced research and study, which had been reported from the Committee on Civil Service with an amendment, to strike out all after the enacting clause and to insert the following:

That the head of any executive department or independent establishment of the Government of the United States is authorized to grant to any employee of demonstrated ability a leave of absence from his regularly designated duties for the purpose of allowing such employee to carry on research or study in institutions of higher learning authorized under the laws of any State to confer degrees, and to contract with such institutions to provide such research or study.

SEC. 2. Leaves of absence may be granted and contracts may be made under authority of this act only for such research or study as, in the opinion of the head of the department or establishment concerned, will materially increase the value of the employee to the Government.

SEC. 3. Any leave of absence granted under the provisions of this act shall be granted without loss of salary or compensation to the employee and shall not be deducted from any leave of absence with pay authorized by any other law: *Provided*, That any employee shall make a definite statement, in writing, that he will return to and, unless involuntarily separated, will remain in the Federal service for a period of 2 years if the period of research or study for which he is granted such leave of absence does not exceed 6 months, or for a period of 4 years if such period of research or study exceeds 6 months. Any employee who does not fulfill any such commitment shall be required to reimburse the Government for the amount of leave granted under this act, and for any expenses in-

curred by the Government in providing for such research or study.

SEC. 4. No employee shall be granted leave of absence exceeding 18 calendar months during any 10-year period of Government service. Any employee, while absent on leave granted pursuant to this act, shall be subject to the rules and regulations applicable to other employees of his agency insofar as receipt of salary or compensation from other sources than the Government of the United States is concerned.

SEC. 5. It shall be the duty of the Civil Service Commission to issue appropriate rules and regulations, subject to the approval of the President, to carry into full effect the provisions, intent, and purpose of the act, and to report to the President for appropriate action any failure upon the part of an agency to conform with such rules and regulations.

SEC 6 As used in this act, the term "State" includes the District of Columbia

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the heads of executive departments and independent establishments of the United States Government to grant employees leaves of absence for research and study."

Mr. DOWNEY. Mr. President, the Senator from Minnesota indicated he wanted an explanation of this bill.

Mr. BALL. Yes.

Mr DOWNEY. This is a bill in which the Senator from Maryland [Mr. TYDINGS], who is not present, was very much interested It gives heads of governmental agencies the right to grant their employees what might be termed sabbatical leaves of absence to enable them to engage in research or study in educational institutions.

If an employee of the Government is granted such a leave he must sign a written agreement to stay with the Government for at least 2 years where the period of his leave of absence is 6 months or less, and for at least 4 years where the period of his leave of absence exceeds 6 months. No employee could be granted leave under the bill in excess of 18 months in any 10-year period of service.

I might say to my colleagues that there are literally thousands of technicians in the Government, and it has been found that many of them can gain added skill and information by attending a particular technical school for a few months, more or less, and they come back to the Government better experts than they were.

I invite the attention of the distinguished Senator from Connecticut, who attended the committee hearings on the bill, and who, by virtue of his technical experience, can speak with authority.

Mr. BALL. As I understand, this gives leave up to 1 year with pay?

Mr. DOWNEY. An employee could be given up to 18 months' leave with pay during a 10-year period of employment.

Mr. BALL I object to the bill.

Mr. WHERRY. Mr. President, the Senator from Minnesota objected to the consideration of the bill at this time, and asked that it go over.

The PRESIDING OFFICER. Does the Senator refer to Order No. 1713, Senate bill 2183?

Mr. BALL. Yes. Order No. 1712, Senate bill 2366, went over temporarily.

The PRESIDING OFFICER. As the Chair recalls, Senate bill 2183 was considered, an amendment was adopted without objection, and the bill, without objection, was passed.

Mr. DOWNEY. Mr. President, of course I consent that that action be set aside.

The PRESIDING OFFICER Is there objection to the request of the Senator from California that the proceedings involving Calendar No. 1713, Senate bill 2183, be set aside, and that the bill be passed over? The Chair hears none, and it is so ordered.

INCLUSION OF HEADS OF DEPARTMENTS UNDER CIVIL SERVICE RETIREMENT ACT

The Senate proceeded to consider the bill (H. R. 5831) to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930.

Mr. DOWNEY. Mr President, at the present time about the only Federal employees who are denied the benefits of the civil service retirement system are approximately 100 persons who are heads of departments and agencies. This bill merely extends to them the same rights other Federal employees have with respect to retirement benefits.

The Civil Service Commission has estimated that if the bill is enacted there will be added to the Government's cost a deficiency liability of approximately $279,000, and an annual cost thereafter of about $22,000.

The members of the committee all took the position that it would be equitable and fair to allow the heads of agencies to have the same retirement benefits other Federal employees have.

Mr. WHERRY I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed

ANNUITIES AND DISABILITY BENEFITS

The Senate proceeded to consider the bill (H. R. 6673) to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended.

Mr. WHERRY. Mr. President, I should like to have an explanation of the proposed legislation from the distinguished Senator from California.

Mr. DOWNEY. Mr President, the purpose of the bill is to permit the payment of annuities to persons entitled thereto under the Civil Service Retirement Act, concurrently with death benefits payable under the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes."

The easiest way to understand the purpose of the bill is to use as an example one of the cases which has actually arisen. The case involves a widow who is receiving benefits under the United States Employees Compensation Act because of the death of her husband as a result of injuries sustained in Government service. She also had been a Federal employee, and but for the provisions of the Retirement Act which would be amended by this bill, would be entitled to benefits under that act, based upon her own service. There probably would not be more than a handful of employees who would ever take advantage of the provision.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CIVIL-SERVICE BENEFITS TO WORLD WAR II VETERANS

The Senate proceeded to consider the bill (H. R. 6903) to provide benefits for certain employees of the United States who are veterans of World War II.

Mr. WHERRY. I should like to have the distinguished Senator from California give an explanation of the bill.

Mr. DOWNEY. Mr. President, stated very briefly, the bill is to protect the rights of persons whose names were reached on civil-service registers while in the military service, and who, at the expiration of such service, were given probational appointments, by providing that they shall be entitled to an adjustment for the within-grade promotions they would have received had they been in a position to accept appointment when their names were first reached on the register.

Mr. WHERRY. By that does the Senator mean that those who went into the military service would have the time they were in that service included in computing their time in the civil service had they remained in that service?

Mr. DOWNEY. Yes.

Mr. BALL. What is the attitude of the Civil Service Commission toward the bill?

Mr. DOWNEY. The Civil Service Commission recommends the passage of the bill.

Mr. BALL. Does it contain the provision which extended the same in-grade promotion to individuals who were not in the civil service, but had been certified for appointment prior to induction into the armed forces, giving them the same in-grade promotions they would have had had they gone into the service on the next appointment after they were certified?

Mr. DOWNEY. Yes; those individuals who were on the Federal register entitled to appointment are given the same rights as those who were actually in the Federal service.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

LEONARD J. FOX AND MILFORD G. FOX

The bill (H. R. 3158) for the relief of Leonard J. Fox and Milford G. Fox was considered, ordered to a third reading, read the third time, and passed.

CHARLES L. CANNON

The bill (H. R. 5722) for the relief of Charles L. Cannon was considered,

ordered to a third reading, read the third time, and passed.

MRS. OPAL RILEY AND ROBERT R RILEY

The Senate proceeded to consider the bill (H. R. 5025) for the relief of Mrs. Opal Riley and Robert R. Riley, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$5,578 24" and insert "$5,813.27", in line 8, after the words "sum of", to strike out "$5,578.24" and insert "$5,813.27"; on line 10 after the word "injuries", to insert a comma and the words "hospital, medical, and other expenses"; and on line 11, after the word "her", to insert, "as the result of an accident."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

A C McMEANS

The bill (H. R. 3145) for the relief of A. C. McMeans, was considered, ordered to a third reading, read the third time, and passed.

CHARLES MARVIN SMITH

The bill (H R. 4492) for the relief of Charles Marvin Smith, was considered, ordered to a third reading, read the third time, and passed.

J B. SHROPSHIRL

The bill (H. R. 2319) for the relief of J. B. Shropshire, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM S BROWN

The Senate proceeded to consider the bill (S. 1277) for the relief of William S Brown, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert the following:

That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim or claims of William S. Brown, of Greenville, S C., for any losses sustained under contracts W-38-040Q (SC IV)-4, W-38-040Q (SC IV)-10, W-38-040Q (SC IV)-14, W-38-040Q (SC IV)-29, W-2416Q (SC IV)-34, W-38-040Q (SC IV)-3, W-38- 040Q (SC IV)-9, W-38-040Q (SC IV)-13, and W-38-040Q (SC IV)-30: *Provided*, That such action may be brought in the Court of Claims within 1 year of the date of the approval of this act, with right of appellate review as in other cases.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William S. Brown."

DAVID M. MATTESON

The bill (H. R. 1345) for the relief of David M. Matteson, was considered, ordered to a third reading, read the third time, and passed.

MARYLAND SANITARY MANUFACTURING CORP. OF BALTIMORE, MD.

The Senate proceeded to consider the bill (H. R. 4616) for the relief of the Maryland Sanitary Manufacturing Corp., of Baltimore, Md., which had been reported from the Committee on Claims, with an amendment, on page 1, line 7, after the words "sum of", to strike out "$524,755" and insert "$374,755."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. GEORGIA LANSER AND ENSIGN JOSEPH LANSER

The bill (H. R. 4660) for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser, was considered, ordered to a third reading, read the third time, and passed.

WILMA E. BAKER

The Senate proceeded to consider the bill (H. R. 3043) for the relief of Wilma E. Baker, which had been reported from the Committee on Claims with an amendment, to add at the end of the bill the following proviso: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representative, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S 141 An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania;

S. 1236 An act to amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, and for other purposes; and

S 1516 An act to amend section 12 of the Bonneville Project Act, as amended.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3533) to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. O'NEAL, Mr. RABAUT, Mr. NORRELL, Mr. WHITTEN, Mr. TABER, Mr. WIGGLESWORTH, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message notified the Senate that Mr. SMITH of Ohio had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 371) extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, vice Mr. CRAWFORD, excused.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

WARREN H. THOMPSON AND MADELINE PARENT

The bill (H. R. 3857) for the relief of Warren H. Thompson and Madeline Parent, was considered, ordered to a third reading, read the third time, and passed.

LESTER A. DESSEZ

The bill (S 1731) for the relief of Lester A. Dessez was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lester A. Dessez, colonel, United States Marine Corps, the sum of $808 95. Such sum is to be in full settlement of all claims against the United States for emergency travel of dependents (less a payment of $47 08 already made) to which the said Lester A Dessez would have been entitled, if he had had the necessary orders, for the period August 1, 1941, to September 15, 1941, for travel of dependents from Tutuila, American Samoa, to Washington, D C: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BREVET FIRST LT. MARGARET UTINSKY

The bill (H. R. 6213) for the relief of Brevet First Lt. Margaret Utinsky was considered, ordered to a third reading, read the third time, and passed.

OHIO VALLEY GENERAL HOSPITAL AND OTHERS

The bill (H. R. 1957) for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J. E. Ricketts was considered, ordered to a third reading, read the third time, and passed.

UTAH, IDAHO, AND WYOMING COMPACT

The bill (H. R. 4701) granting the consent of Congress to the States of Utah, Idaho, and Wyoming to negotiate and enter into a compact for the division of the waters of the Bear River and its tributaries was considered, ordered to a

third reading, read the third time, and passed.

CONSERVATION OF WILDLIFE—RECOMMITTAL OF BILL

The bill (H. R. 6097) to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes," was announced as next in order.

Mr THOMAS of Oklahoma. At the request of the Senator from Louisiana [Mr. OVERTON], I ask that the bill be passed over.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The bill will be passed over.

Mr THOMAS of Oklahoma subsequently said: Mr. President, Calendar No. 1733, House bill 6097, was passed over because of objection, at the request of the Senator from Louisiana, who has charge of flood control and river and harbor legislation. The bill came to the Committee on Agriculture and Forestry, and the committee sent a request to the different departments for report on the bill The bill is sponsored by the Isaac Walton League The Wildlife Service is very much in favor of the bill. We sent the request to the Chief of Engineers. The Chief of Engineers prepared a report and sent it to the Budget Bureau, but because the Budget Bureau did not clear the report, we did not get it until after the bill had been reported to the Senate, which was on July 10. So no objection was made to the bill because of objections of the Chief of Engineers. In order that the committee can further consider the bill and try to harmonize its provisions with the recommendations of the Chief of Engineers, I ask unanimous consent that Senate bill 6097 be recommitted to the Committee on Agriculture and Forestry for further study and consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT OF 1944

The bill (S. 2256) to amend the Servicemen's Readjustment Act of 1944, was announced as next in order.

Mr. WHERRY. Mr. President, may we have an explanation of the bill?

Mr. GEORGE. Mr. President, the Coast Guard is of course a military organization, but during peacetime it is under the jurisdiction of the Department of the Treasury. Shortly after the beginning of World War II the Coast Guard was taken into the active military service and placed under the Navy. Section 301 of the Servicemen's Readjustment Act dealing with the establishment of boards to review discharges or dismissals of former officers and enlisted men was passed in about the Seventy-eighth Congress. The Executive order of the President issued at that time provided that a board be set up to deal with separations and discharges of men from the Coast Guard. Section 301, to which I have referred, will expire with the expiration of the First War Powers Act. The Coast Guard has now gone back to the Treasury Department and is under the Treasury Department, and it is thought desirable, when the War Powers Act expires, to permit the Treasury to appoint a board which will give to the officers and enlisted personnel in the Coast Guard the same rights to have their discharges or releases considered as they did during the war. That is the whole purpose of the bill

Mr WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2256) to amend the Servicemen's Readjustment Act of 1944, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That section 301 of the Servicemen's Readjustment Act of 1944 (58 Stat. 286), is amended by changing the period at the end of the section to a colon and by adding the following: "*And provided further*, That the authority conferred upon the Secretary of War and the Secretary of the Navy by this section shall vest in and be exercised by the Secretary of the Treasury, at such times as the Coast Guard is operating under the Treasury Department, with respect to the discharge or dismissal of former personnel of the Coast Guard, and that the findings of boards established pursuant to such authority shall be final subject only to review by the Secretary of the Treasury."

PENSIONS, ETC., WITHHELD FROM PERSONS IN COUNTRIES OCCUPIED BY ENEMY FORCES

The Senate proceeded to consider the bill (H. R 5148) to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II.

Mr GEORGE. Mr President, that bill was reported by the distinguished Senator from Colorado [Mr. JOHNSON], who is chairman of the Subcommittee on Veterans' Affairs. There is no objection to the bill. There are two amendments that it is desired now to offer to the bill. The first amendment is on page 2, in line 12, to strike out the period and insert the following: "*Provided*, That the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amounts of payments which, except for the provisions of this act, would have been made from the special deposit account, and the Secretary of the Treasury, as directed by the Administrator of Veterans' Affairs, shall reimburse from the special deposit account the appropriations of the Veteran's Administration, or cover into the Treasury as miscellaneous receipts, the amounts so certified."

I send the amendment to the desk and ask for its adoption. Let me state, Mr. President, the purpose of the amendment. The bill now authorizes the resumption of the payment of all sums administered by the Veterans' Administration, but out of the Treasury. There is a fund which was created under a special act or Executive order in the Treasury, and that fund would remain inactive and intact unless this amendment were adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. There is a further amendment which I offer at the end of the bill, that is, after the amendment just adopted, to insert the following: "*Provided further*, That no payments shall be made to German or Japanese citizens or subjects residing in Germany or Japan."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5148) was read the third time and passed.

RECOGNITION OF CIVILIAN OFFICIALS AND EMPLOYEES ENGAGED IN CONSTRUCTION OF THE PANAMA CANAL

The bill (H. R. 3748) to amend an act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, was announced as next in order.

Mr. WHERRY. Mr. President, the Senator from Tennessee [Mr. STEWART] is not present at the moment in the Chamber. I wonder if some Senator can explain the bill.

Mr. HAWKES. I am a member of the Committee on Interoceanic Canals. The bill was reported to the Senate with amendments. One amendment is, on page 1, at the end of line 7, and another amendment is on page 2, in line 3. The first amendment provides for elimination of the words "effective May 29, 1944", and the second amendment strikes out "May 29, 1944", and inserts "December 7, 1941."

The purpose of this measure is to correct an inequity that was done to certain persons who worked on the Panama Canal during the period from 1904 to 1914 On May 29, 1944, Congress passed a law which gave a pension to all American citizens engaged in and about the construction of the Panama Canal. We did not realize at that time that there were 29 persons who worked on the Panama Canal at that same time, and who had since become citizens.

The purpose of my amendment to change the date from May 29, 1944, to December 7, 1941, is simply to protect ourselves against giving a pension to someone who did not become a citizen before we went into the war, or who became a citizen after he knew the measure was likely to become law.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3748, which had been reported from the Committee on Interoceanic Canals, with amendments, on page 1, line 7, after the word "amended", to strike out the comma and "effective May 29, 1944"; and on page 2, line 3, after the word "before", to strike out "May 29, 1944" and insert "December 7, 1941."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

VETERANS' CANTEEN SERVICE IN THE VETERANS' ADMINISTRATION

The bill (S. 2354) to establish and provide for the maintenance and operation of a Veterans' Canteen Service in the Veterans' Administration, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The Chair lays before the Senate an identical bill coming over from the House.

The bill (H. R. 6836) to establish and approve for the maintenance and operation of a Veterans' Canteen Service in the Veterans' Administration, and for other purposes, was read twice by its title.

The PRESIDING OFFICER. Without objection, House bill 6836 will be substituted for the Senate bill.

Mr. JOHNSON of Colorado. Mr. President, the committee which considered the Senate bill reported an amendment to strike out section 4. That amendment should be stated, because it is a very important amendment, one which the Treasury Department objects very strenuously.

The PRESIDING OFFICER. Does not the Senator from Colorado desire that the House bill be substituted for the Senate bill?

Mr. JOHNSON of Colorado. I wanted the House bill substituted for the Senate bill, but I understood the Clerk to say there was no amendment. There is an amendment.

The PRESIDING OFFICER. There is no amendment in the House bill.

Mr. BARKLEY. Mr. President, the Senate can proceed to perfect its own bill, and then strike out all the language of the House bill and insert the Senate bill.

Mr. JOHNSON of Colorado. The amendment in the Senate bill is to strike out section 4.

Mr. LA FOLLETTE. Mr. President, section 4 in the House text is the same as section 4 in the Senate bill. I suggest to the Senator from Colorado that he simply move to strike out section 4 of the House bill. That will accomplish the same purpose.

Mr. JOHNSON of Colorado. That is my purpose.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 6836) to establish and provide for the maintenance and operation of a Veterans' Canteen Service in the Veterans' Administration, and for other purposes.

Mr. JOHNSON of Colorado. I now offer an amendment on page 5 of the House bill to strike out section 4.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, after line 5, it is proposed to strike out section 4, as follows:

SEC. 4 The Service as a whole, including its franchise, its assets, its income, and its canteens, shall be entitled to all of the immunities from taxation accorded to instrumentalities of the United States Government and shall not be subject to sales, use, or other taxation, either directly or indirectly, by any State, Territory, possession, or subdivision thereof, or the District of Columbia: *Provided*, That the immunity from taxation shall not apply to Federal excise taxes.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JOHNSON of Colorado. I also offer an amendment to renumber the sections, consequent upon the striking out of section 4.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6836) was read the third time and passed.

MISSISSIPPI RIVER BRIDGE—MISSISSIPPI AND ARKANSAS

The bill (S. 2310) to further extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ak., authorized to be built by the Arkansas-Mississippi Bridge Commission and its successors and assigns by an act of Congress, approved May 17, 1939, heretofore extended by acts of Congress, approved May 27, 1940, and July 14, 1941, and revived and reenacted by acts of Congress, approved February 12, 1944, and July 14, 1945, are hereby further extended 1 and 3 years, respectively, from the date of approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved

TERMINAL LEAVE FOR ENLISTED PERSONNEL—BILL PASSED OVER

The bill (H. R. 4051) to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave, was announced as next in order.

Mr. BALL. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSON of Colorado. Mr President, House bill 4051, calendar number 1739, is a comprehensive and very important bill. I see no reason why it should not be considered by the Senate at this time. I doubt whether there will be any objection to it. It might require a few minutes. I do not think it will require very long to explain the bill.

The PRESIDING OFFICER. Objection has been made by the Senator from Minnesota [Mr. BALL].

Mr. JOHNSON of Colorado. Has the Senator objected to the consideration of the bill?

Mr. BALL. Is this the so-called terminal leave bill?

Mr. JOHNSON of Colorado. Yes.

Mr. BALL. I think it is very controversial.

Mr. JOHNSON of Colorado. I should like to say that the bill will be brought up at the very earliest opportunity. I hope that at the conclusion of the call of the calendar today I may have an opportunity to call up the bill and discuss it, and attempt to have it passed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MAYBANK. Does the Senator expect to be able to bring it up later today?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. BARKLEY. While I am in favor of this legislation, I hope the Senator will not attempt to bring it up immediately after the call of the calendar, because it is my purpose to move to take up another matter.

Mr. JOHNSON of Colorado. I should like to bring it up at the earliest possible time.

Mr. BARKLEY. I will cooperate with the Senator.

Mr. JOHNSON of Colorado. I thank the Senator.

Mr. STEWART. Mr. President, may I inquire of the Senator from Kentucky when it will probably be taken up? I am very much interested in the passage of the bill. I should like to be present during its consideration.

Mr. BARKLEY. It is impossible to indicate just when it can be taken up. That may depend upon how long something else takes; but I will help to get it up as soon as possible.

Mr. MAYBANK. I am deeply interested in the bill, and I appreciate the statement of the Senator from Kentucky that it will be brought up, as I understood him to say, within a reasonable time. Am I correct in that statement?

Mr. BARKLEY. The Senator is correct.

Mr. STEWART. Mr. President, within the past few days I have received a great deal of mail on the subject of the terminal-leave bill. I have been strongly in favor of it all the time. I think it is gaining in importance each day as a matter which ought to be concluded before the hoped-for adjournment. Will it be possible for us to take up the bill tomorrow?

Mr. BARKLEY. I do not know. If we can dispose of the matter which is the next thing on the program, I shall be very glad to take it up; but I cannot be assured of that. I will do my best to cooperate and have it brought up some time this week.

Mr. STEWART. I should like to have it disposed of before we adjourn.

Mr. BARKLEY. Does the Senator mean before the Congress adjourns?

Mr. STEWART. I say that with the thought in mind that we hope to adjourn within a few days.

Mr. BARKLEY. We do hope to adjourn in a few days.

Mr. STEWART. I have lived on hope for several years.

Mr. BARKLEY. This is a House bill——

Mr. STEWART. I do not mean passage of the bill before December 31. I am referring to an early adjournment.

Mr. BARKLEY. If we do not adjourn before then, I am afraid the country will be in a bad fix.

Mr. JOHNSON of Colorado. Mr. President, I should like to say to the distinguished majority leader that the committee has made extensive amendments to the bill. It is a House bill, and we are offering important amendments. The bill will have to go back to the House, and there may have to be a conference. The bill ought to be pushed just as rapidly as possible.

Mr BARKLEY. I will cooperate to the fullest extent.

Mr. MAYBANK. As I understand, the purpose of the bill is merely to extend to enlisted personnel of the armed forces the same rights which have already been granted to officers. Is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. MAYBANK. I think it is about time that the enlisted men of the armed forces received those benefits.

Mr. JOHNSON of Colorado. The bill is for the purpose of equalizing benefits as between enlisted men and officers.

Mr. MAYBANK. I thank the Senator.

Mr. WALSH Mr. President, in connection with the subject under discussion, I ask unanimous consent to have printed in the RECORD a bill which I introduced on the subject. On October 2, 1945, I introduced Senate bill 1447, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, for the purposes of this act, each member of the naval forces of the United States who is not entitled under other laws or regulations to accumulate leave credit shall be entitled to leave credit at the rate of 2½ days per month for the period of all active naval service performed during the period beginning on the date of the beginning of his active service, or September 18, 1940, whichever is later, and ending on the date of his relief, discharge, or separation from active service, or the date 1 year after the termination of hostilities in the present war, as proclaimed by the President, whichever such date is earlier Such leave credit, less the aggregate period of furloughs, delays en route, and leaves actually received and used, other than those granted for sickness, convalescence, or in the interest of the public service, shall be deemed to be a period of accumulated leave credit within the meaning of this act.

SEC. 2. Each member of the naval forces of the United States relieved, retired, or separated from active service under honorable conditions not later than 1 year after the termination of hostilities in the present war, as proclaimed by the President, and who is entitled to accumulate leave credit under section 1 of this act or any other statute or regulation, may be paid upon such relief, retirement, or separation a lump-sum payment computed as provided hereinafter. No such payment shall be made at the time of any such relief or retirement to be followed by immediate recall to active duty or any such separation incident to appointment to a new enlisted, warrant officer, nurse, or commissioned officer status in active service, but the accumulated leave credit held at such time shall be included in computing the aggregate period of accumulated leave credit to which such member may be entitled upon relief or separation from active service. No such payment shall be made with respect to the service of persons separated from the service by death or with respect to any period of active service finally terminated prior to the effective date of this act.

SEC. 3. Each lump-sum payment made under section 2 of this act shall be in an amount equal to the active-service pay and allowances, as defined hereinafter, of the person entitled thereto for the period of his aggregate accumulated leave credit not in excess of 120 days. When such credit exceeds 120 days, payment shall be based upon the 120 days' credit accumulated last in point of time Payment for each day of such credit shall be made at the rate of the base and longevity pay and the allowances for quarters and subsistence received by such person at the time of final relief, retirement, or separation from active service: *Provided*, That if the leave credit upon which such lump-sum payment is based was accumulated during active service in more than one of the statuses of commissioned officer, warrant officer, enlisted person, or other status, such payment shall then be composed of increments equal to active-service pay and allowances for the period of credit accumulated in each status, computed at the rate of the base and longevity pay and the allowances for quarters and subsistence received at the time of termination of active service in each status

SEC 4 No person entitled to receive a lump-sum payment under this act shall be entitled to receive payment for terminal leave or terminal furlough under any other statute or regulation with respect to any accumulation of leave credit for which payment may be made under this act No person shall be entitled to receive lump-sum payments under this act and payment for terminal leave or terminal furlough under any other statute or regulation for an aggregate of more than 120 days of accumulated leave credit Persons who on a date 1 year after the termination of hostilities in the present war as proclaimed by the President have unused leave credit accumulated under this or any other statute or regulation and who continue in the active military or naval service thereafter, shall be entitled to have such leave credit, not in excess of 120 days, stand to their credit for future use, and the existence of such credit shall not preclude the accumulation thereafter of further leave credit under other statutes and regulations

SEC 5 The Secretary of the Navy may promulgate regulations for the administration of the provisions of this act.

SEC 6. No person who was a member of the naval forces and was relieved, retired, or separated from active service before the date of enactment of this act shall be entitled to leave credit under the provisions of this act.

The PRESIDING OFFICER. The clerk will state the next order of business on the calendar.

AMENDMENT OF NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

The bill (H. R 6371) to amend certain provisions of the National Service Life Insurance Act of 1940, as amended, and for other purposes, was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, this is another very comprehensive measure. As Senators know, we enacted a law known as the National Service Life Insurance Act of 1940, which has been amended. This bill is a further amendment of that act. The bill proposes to amend the act in a great many particulars. Some of the amendments were recommended by the Veterans' Administration. Other amendments were made in the House.

The estimated total cost of the bill as it came from the House was $1,817,100,000. The bill which comes to us from the Committee on Finance is estimated to cost $1,885,120,000, or nearly $132,000,000 less than the House estimate.

The veterans' organizations, such as the Veterans of Foreign Wars, the DAV, and the American Legion, appointed a committee consisting of one representative from each organization to consider this subject because of its tremendous importance and interest. That committee made recommendations for amendments which would have cost $2,214,820,000, but as I have already stated, the subcommittee reduced the amount. We tried to consider the subject in a most conservative manner. We tried to correct the inequities which were most glaring. I do not wish to tell the Senate now that we have corrected all the inequities. Perhaps additional legislation will be needed at a subsequent time. But we have tried to bring the act more into line with the World War I act, and to remove inequities so far as it is possible to remove them.

I should like to place in the RECORD a complete analysis of the bill, with an explanation of each section, what it does, and how it would operate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows.

ANALYSIS OF H R 6371, SEVENTY-NINTH CONGRESS

Section 1 of the bill would amend section 601 (f) of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, to include a stepparent, if designated by the insured, in the definition of the terms "parent," "father," and "mother"

Section 2 of the bill would amend section 602 (c) of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940. Subsection (c) (1) of the bill provides that any person upon reenlistment or reentrance into or reemployment in active service and before discharge or resignation therefrom, or upon discharge to accept a commission and before resignation therefrom, shall be granted insurance upon application in writing within 120 days following reenlistment, reentrance, reemployment, or discharge to accept a commission, upon payment of premiums and evidence of good health.

Subsection (c) (2) provides that all persons who have had active service between October 8, 1940, and September 2, 1945, both dates inclusive, shall be granted insurance upon application therefor in writing and upon payment or authorization for deduction of premiums from active-service pay and evidence satisfactory to the Administrator showing that such person was in good health at the time of such application It is provided that in no event shall the Administrator deny the existence of good health as used in this or any other section of the proposed enactment because of disability or disabilities resulting from or aggravated by active military or naval service and less than total in degree, if application for insurance is made prior to January 1, 1950, but when the requirement of good health is waived by virtue of this proviso, premiums shall be credited directly to the national service life insurance appropriation and any payment of benefits shall be made directly from such appropriation. The estimated cost of this subsection is $1,000,000,000.

Subsection (c) (3) provides that any person in the active service between October 8, 1940, and September 2, 1945, both dates inclusive, who, while in such service, made application in writing for insurance while performing full military or naval duty, which application was denied solely on his condition of health and the applicant thereafter continued to perform full military or naval

duty and incurred a total and permanent disability in line of duty or died in line of duty, shall be deemed to have applied for and to have been granted such insurance which shall be deemed to have been continued in force to the date of enactment of the bill. It is provided that if such person died prior to the date of the amendatory enactment, the premiums due from the date of such application to the date of death or such disability shall be deducted from the proceeds of such insurance It is further provided that this amount of insurance, when added to any other insurance in force under the War Risk Insurance Act, the World War Veterans' Act, 1924, as amended, or this act, will not in the aggregate exceed $10,000. Premiums collected under this subsection would be credited to the national service life insurance appropriation and any payment of benefits would be made directly from such appropriation.

Section 3 of the bill would amend section 602 (f) of the National Service Life Insurance Act of 1940, as amended, to authorize issue of insurance on a 20-year endowment plan, endowment at age 60 plan, and endowment at age 65 plan, in addition to the plans heretofore authorized Conversion to an endowment plan may not be made while the insured is totally disabled

Section 4 of the bill would amend section 602 (g) of the National Service Life Insurance Act of 1940, as amended, to remove all restrictions on the permitted class of beneficiaries as to national service life insurance maturing on or after the date of enactment of the bill This change has been proposed by the Veterans' Administration to place national service life insurance on a peacetime basis. Under peacetime conditions, it is anticipated that the premiums will be sufficient to cover the risk assumed, and the insured should be allowed to name any person as beneficiary he desires

Section 5 of the bill would amend paragraphs (1) and (2) of section 602 (h) of the National Service Life Insurance Act of 1940, as amended This section would authorize the present beneficiary of any national service life insurance to elect to receive a refund life income in lieu of the present mode of payment, regardless of the date when payments commenced

The National Service Life Insurance Act originally did not authorize settlement of matured insurance on a refund life income plan. Public Law 452, Seventy-eighth Congress, approved September 30, 1944, authorized a refund life income mode of settlement but provided that it would not be available in any case in which payments of insurance benefits had commenced prior to that date. This limitation was deemed necessary to avoid many administrative complications and to prevent adverse selection which would result in considerable loss to the national service life insurance fund. The refund life income mode of settlement provides for payment in such number of installments certain as will equal the face of the policy, less any indebtedness, with payments continuing throughout the lifetime of the beneficiary.

Subsection 602 (h) (2) of the National Service Life Insurance Act provided for payment of 120 installments certain with payment of such installments continuing during the remaining lifetime of the beneficiary. In case the beneficiary died or dies within the 120-month period, the total amount payable might be less than the face value of the policy. Under the provisions of section 5 of the bill, in such case, the present beneficiary would have the right to elect a refund life income mode of settlement which would result in payment of a larger amount. Attention is invited to the fact that section 5 also provides that each present beneficiary shall be sent notice of his or her right to elect the refund life income mode of settlement by registered mail addressed to his or her last known address within 1 year after the passage of the bill.

Section 6 of the bill would amend section 602 (m) of the National Service Life Insurance Act of 1940, as amended. Subsection (m) (1) retains the present provisions of section 602 (m) of the National Service Life Insurance Act relating to payment of premiums.

Subsection (m) (2) provides that when deduction of premiums from service pay has been authorized in writing by the insured, such insurance shall not lapse so long as the insured remains in active service, notwithstanding the fact that authorized premium deductions were discontinued because—

(A) the insured was discharged to accept a commission; or

(B) the insured was absent without leave, if restored to active duty; or

(C) the insured was sentenced by court martial, if he was restored to active duty, or was required to engage in combat, or was killed in combat.

It is provided under (C) that any premiums paid for insurance continued thereunder shall be credited directly to the national service life insurance appropriation and payment of benefits thereunder shall be made directly from such appropriation.

Section 7 of the bill would amend section 602 (n) of the National Service Life Insurance Act of 1940, as amended This section provides that upon application made within 1 year after the date of this enactment the Administrator shall grant waiver of any premium coming due not later than 5 years prior to the date of this act, and while the insured was totally disabled.

Section 8 of the bill would amend section 602 (p) of the National Service Life Insurance Act of 1940, as amended. An exception is made as to the effective date of insurance as specified in the application when death occurred in line of duty prior to the date of this act. Insurance will be paid from the national service life insurance appropriation.

Section 9 of the bill would amend section 602 of the National Service Life Insurance Act of 1940, as amended, by adding the following new subsections thereto: (t), (u), (v) (1), and (v) (2), (w), (x), (y) (1), and (y) (2)

The new subsection (t) provides that except as to insurance matured prior to the date of the amendatory act, the policy shall contain the following optional modes of settlement:

1. In one lump sum;

2 In equal monthly installments of from 36 to 240 in number, in multiples of 12;

3 In equal monthly installments for 120 months certain with such payments continuing during the remaining lifetime of the first beneficiary; and

4 As a refund life income in monthly installments payable for such period certain as may be required to equal the face value of the contract, less any indebtedness, with payments continuing throughout the lifetime of the first beneficiary.

Option 4 would not be available if payment in such manner would result in payments of installments over a shorter period than 120 months. The beneficiary could elect to receive payments over a longer period of time than that elected by the insured. In any case in which the amount of insurance is insufficient to pay 12 monthly installments of not less than $10, the insurance would be payable in one sum. Options 3 and 4 would not be available in any case in which a firm, corporation, legal entity (including the estate of the insured) or trustee is beneficiary, or in any case in which an endowment contract matures upon completion of the endowment period. The provisions of this subsection have been recommended by the Veterans' Administration and it is believed that the modes of settlement proposed will afford a suitable method of payment to meet the individual requirements of all policyholders.

The new subsection (u) provides that except as otherwise provided, this amendatory act shall not be applicable to insurance which has heretofore matured, and that the provisions of subsections (h), (i), (j), and (k) of section 602 of the National Service Life Insurance Act of 1940, as amended, shall not be applicable to insurance which matures on or after the date the amendatory act becomes effective. If a designated beneficiary dies before receiving all the installments payable, the present value of the remaining unpaid installments will be payable to the estate of the insured, except that if the beneficiary is entitled to a lump-sum settlement and elects to receive payment in installments, any unpaid installments at the death of the beneficiary will be paid to the beneficiary's estate It is provided that in no event shall there be any payment to the estate of the insured or of the beneficiary of any sums "which, if paid, would escheat."

The new subsection (v) (1) authorizes the inclusion in a National Service Life Insurance policy provisions for protection against total disability which continues 6 or more consecutive months upon payment of an extra premium to be prescribed by the Administrator Total disability must commence after the date of application and before the insured's sixtieth birthday, and while payment of any premium is not in default Benefits on account of total disability are at the rate of $5 for each $1,000 of insurance. Proof of good health may be waived in any case in which an applicant while not totally disabled and prior to January 1, 1946, furnishes proof satisfactory to the Administrator that his inability to furnish proof of good health is the result of an actually service-incurred injury or disease, but in such case, the extra premium for disability coverage is credited directly to the National Service Life Insurance appropriation, and any disability payments made to such insured will be made from such appropriation.

The new subsection (v) (2) provides that when benefits become payable because of total disability resulting from disease or injury traceable to the extra hazards of military or naval service, the cost shall be borne by the national service life insurance appropriation rather than the national service life insurance fund The provisions of this subsection are comparable to those contained in section 607 of the National Service Life Insurance Act, when benefits become payable because of the death of the insured as the result of disease or injury traceable to the extra hazards of the military or naval service. The provisions of this subsection are required to save the national service life insurance fund from the excessive losses due to extra hazards of active service and have been recommended by the Veterans' Administration.

The new subsection (w) provides that all policies heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issue, reinstatement, or conversion except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States. The provisions of this subsection are comparable to the provisions of section 807 of the World War Veterans' Act of 1924, as amended, and have been recommended by the Veterans' Administration.

The new subsection (x) authorizes the guardian or fiduciary of a beneficiary who is a minor or incompetent to exercise any option available to the beneficiary as to the mode of payment. Guardians are under the jurisdiction of State courts; and in the absence of statutory authority, it is doubtful, under existing law, whether State courts would hold that a guardian has the right to bind a minor or incompetent by an election. The provisions of this subsection have been recommended by the Veterans' Administration.

The new subsection (y) (1) provides that any level premium term insurance which has lapsed may be reinstated within the term upon written application, payment of two monthly premiums, and evidence satisfactory to the Administrator that the applicant is in good health, or that he is not totally disabled and in good health except for disability resulting from injury or disease incurred in active service

The new subsection (y) (2) provides that level premium term insurance may be reinstated within 6 months after lapse, or 6 months after the date of enactment of the bill, whichever is later, upon payment of two monthly premiums, if the applicant is in as good health on the date of application as he was on the due date of the premium in default, and furnishes evidence thereof satisfactory to the Administrator. This subsection further provides that the insured shall be granted an additional grace period of 60 days in any case in which he makes inquiry prior to the expiration of the grace period, disclosing a clear intent to continue insurance protection, without the requirement of a comparative health statement, if premiums are paid during the lifetime of the insured.

Section 10 of the bill would amend section 602 of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, by adding a new subsection (z) to provide that without prejudice to any other cause of disability, the permanent loss of both feet, both hands, or both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the total loss of hearing of both ears, or the organic loss of speech, shall be deemed total disability

Section 11 of the bill would amend section 607 (b) of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, to authorize calculations of the value of life contingencies and liabilities thereunder to be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate of 3 percent per annum. Experience had demonstrated that the American Experience Table of Mortality is inadequate for calculations of liability involving the payment of life annuities. The provisions of this section have been recommended by the Veterans' Administration and are needed to properly determine and calculate the cost of life annuities.

Section 12 of the bill would amend section 608 of the National Service Life Insurance Act of 1940, as amended, effective as of October 8, 1940, to make the Administrator's decisions on insurance matters subject to judicial review in any appropriate court proceedings

Section 13 of the bill would amend section 611 of the National Service Life Insurance Act of 1940, as amended, to add a proviso to the end thereof authorizing the assignment of all or any part of the beneficiary's interest to certain specified relatives of the insured, when the designated contingent beneficiary, if any, joins in the assignment. When an interest in an annuity is assigned, the insurance is payable in equal monthly installments in such multiples of 12 as are not more than 240 in number, nor less than the number of installments certain under such annuity. The provisions of this section are comparable to those provided in section 22 of the World War Veterans' Act, 1924, as amended, relating to United States Government life insurance policies, and such provisions have been recommended by the Veterans' Administration

Section 14 of the bill would amend section 617 of the National Service Life Insurance Act of 1940, as amended, to authorize suit in the event of a disagreement as to claim for waiver of premiums on account of total disability, or payment of benefits on account of total disability. In such case, the cause would be tried in the United States District Court having jurisdiction of the subject matter without a jury and the file or files of the Veterans' Administration pertaining to the claim would constitute the only competent evidence in such cause. If it should be found that relevant and material evidence is available from any person whose statement has not been submitted to the Veterans' Administration prior to the denial of the claim, further proceedings would be stayed until such statement is submitted to and reviewed by the Veterans' Administration. Upon final consideration, it would be the duty of the court to cause a written opinion to be filed, setting forth its specific findings of fact and conclusions of law and to render judgment thereon

The proposed procedure would present a decided departure from that hitherto employed in the trial of Government insurance cases.

Section 15 of the bill would add a new section 313 to the World War Veterans' Act, 1924, as amended, to provide that whenever benefits under the total-disability provision authorized by section 311 of that act become payable because of total disability of the insured due to disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Administrator, the liability shall be borne by the United States, and the Administrator is authorized and directed to transfer from the military and naval insurance appropriation to the United States Government Life Insurance Fund such amounts as become payable to the insured on account of such total disability and to transfer the reserve held on account of the total disability benefit to the appropriation. When the insured recovers from such disability, and is then entitled to continue protection under the total-disability provision, the Administrator is authorized and directed to transfer to the United States Government Life Insurance Fund a sum sufficient to set up the required reserve on such total-disability benefit.

There are many persons who secured United States Government life insurance while in active service prior to October 8, 1940, and who have since incurred disability traceable to the extra hazard of military or naval service, and the enactment of this section is deemed necessary to protect the United States Government Life Insurance Fund and United States Government life insurance policyholders in cases in which payments of total-disability benefits are payable on account of disease or injury traceable to the extra hazard of military or naval service

Mr. BALL. Mr. President, I wonder if the Senator from Colorado can tell us briefly what the major changes in the National Service Life Insurance Act are? It does not do us much good simply to place a statement in the RECORD.

Mr. JOHNSON of Colorado. I shall have to read the statement section by section, because it covers a very long bill, and discusses it section by section. It is not one of those things that can be explained in just a few words.

Mr. WALSH. Mr. President, did I correctly understand the Senator to say that he was willing to have the bill go over?

Mr. JOHNSON of Colorado. No. I should like to have it passed now. The bill will have to go back to the House. It passed the House, but our committee has made some changes in it. The subcommittee gave the matter long and serious study after holding hearings.

Mr. WALSH. I am in favor of passing the bill now.

Mr. JOHNSON of Colorado. I am sure the Senator is, because he knows how important it is. He has worked on the bill in the subcommittee and in the Committee on Finance.

If the Senator from Minnesota desires to have me do so, I can go through the bill section by section and tell him what changes are made.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6371) to amend certain provisions of the National Service Life Insurance Act of 1940, as amended, and for other purposes, which had been reported from the Committee on Finance with an amendment, to strike out all after the enacting clause and insert:

That (a) section 601 (f) of the National Service Life Insurance Act of 1940 is hereby amended effective as of October 8, 1940, to read as follows

"(f) The terms 'parent,' 'father,' and 'mother' include a father, mother, father through adoption, mother through adoption, persons who have stood in loco parentis to a member of the military or naval forces at any time prior to entry into active service for a period of not less than 1 year, and a stepparent, if designated as beneficiary by the insured"

(b) The amendment made by subsection (a) of this section to section 601 (f) of the National Service Life Insurance Act of 1940, as amended, shall not be construed (1) to require the discontinuance, for any period prior to the first day of the third calendar month following receipt of claim by or on behalf of a person brought within the permitted class of beneficiaries by such amendment, of any insurance award made prior to the date of enactment of this act, or (2) to require duplicate payments of benefits in any case

SEC 2 Section 602 (c) of the National Service Life Insurance Act of 1940 is hereby amended effective as of October 8, 1940, to read as follows.

"(c) (1) Any person upon reenlistment or reentrance into or reemployment in active service and before discharge or resignation therefrom and any person in the active service upon discharge to accept a commission and before resignation therefrom, shall be granted such insurance upon application therefor in writing (made within 120 days following such reenlistment, reentrance, reemployment, or discharge to accept a commission), and upon payment of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application

"(2) Subject to the provisions of the first proviso under the caption 'Transfer of Appropriations' contained in title II of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, 79th Cong.), any individual who has had active service between October 8, 1940, and September 2, 1945, both dates inclusive, shall be granted such insurance upon application therefor in writing and upon payment or authorization for deduction of premiums and evidence satisfactory to the Administrator showing such person to be in good health at the time of such application. In any case in which application for life or disability insurance or for reinstatement of such insurance is made prior to January 1, 1950, the Administrator shall not deny, for the purposes of this or any other section of this part, that the applicant is in good health because of any disability or disabilities, less than total in degree, resulting from or aggravated by such

active service. In any case in which insurance is granted by reason of the immediately preceding sentence, the premiums paid on such insurance shall be credited directly to the national service life-insurance appropriation and any payments of benefits on such insurance shall be made directly from such appropriation The maximum amount of insurance for which an individual is otherwise eligible to apply under this paragraph shall be decreased by the amount of any insurance which he may have surrendered for its cash-surrender value.

"(3) Any person in the active service between October 8, 1940, and September 2, 1945, both dates inclusive, who, while in such service, made application in writing for insurance while performing full military or naval duty, which application was denied solely on account of his condition of health, and the applicant thereafter shall have incurred a total and permanent disability in line of duty or died in line of duty, shall be deemed to have applied for and to have been granted such insurance as of the date of such application and such insurance shall be deemed to be or to have been continued in force to the date of death of such person. In any case in which insurance deemed to have been granted under this paragraph matures or has matured, there shall be deducted from the proceeds of such insurance the premiums payable thereon from the date of application to the date of incurrence of total and permanent disability in line of duty or to the date of death, if permanent and total disability was not incurred Any payments on such insurance shall be made directly from the national service life-insurance appropriation The amount of insurance deemed to have been granted under this paragraph, when added to any other insurance in force under the War Risk Insurance Act, as amended the World War Veterans' Act, 1924, as amended, or this part, shall not in the aggregate exceed $10,000."

SEC 3 Section 602 (f) of the National Service Life Insurance Act of 1940 is hereby amended to read as follows

"(f) Such insurance shall be issued upon the 5-year level premium term plan, with the privilege of conversion as of the date when any premium becomes or has become due, or exchange as of the date of the original policy, upon payment of the difference in reserve, at any time after such policy has been in effect for 1 year and within the term period, to policies of insurance upon the following plans Ordinary life, 20-payment life, 30-payment life, 20-year endowment, endowment at age 60, and endowment at age 65 *Provided*, That conversion to an endowment plan may not be made while the insured is totally disabled All level premium term policies shall cease and terminate at the expiration of the term period. Provisions for cash, loan, paid-up, and extended values, dividends from gains and savings, refund of unearned premiums, and such other provisions as may be found to be reasonable and practicable may be provided for in the policy of insurance or from time to time by regulations promulgated by the Administrator"

SEC 4 Section 602 (g) of the National Service Life Insurance Act of 1940, as amended, is hereby amended by substituting a colon for the period at the end thereof and adding the following "*Provided*, That the provisions of this subsection as to the restricted permitted class of beneficiaries shall not apply to any national service life-insurance policy maturing on or after the date of enactment of the Insurance Act of 1946"

SEC 5 (a) So much of subsection (h) of section 602 of the National Service Life Insurance Act of 1940, as amended, as precedes paragraph (3) thereof is hereby amended to read as follows:

"(h) Insurance maturing prior to the date of enactment of the Insurance Act of 1946 shall be payable in the following manner:

"(1) If the beneficiary to whom payment is first made is under 30 years of age at the time of maturity, in 240 equal monthly installments: *Provided*, That the Administrator, under regulations to be promulgated by him, may include a provision in the insurance contract authorizing the insured or the beneficiary to elect in lieu of this mode of payment and prior to the commencement of payments, a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of such beneficiary: *Provided further*, That in any case in which insurance benefit payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, shall have the right to elect to receive a refund life income, as provided in such optional settlement, payable in monthly installments adjusted as of the date of the maturity of such policy, credit being allowed for payments previously made on the insurance. The right of election with respect to cases in which benefit payments were commenced prior to September 30, 1944, shall terminate 2 years after the date of enactment of the Insurance Act of 1946 The Administrator is directed to send, within 1 year after the date of enactment of the Insurance Act of 1946, to each beneficiary of insurance on which payments were commenced prior to September 30, 1944, a notice explaining the right of election Any such notice shall be sent by registered mail addressed to the last known address of the addressee

"(2) If the beneficiary to whom payment is first made is 30 or more years of age at the time of maturity, in equal monthly installments for 120 months certain, with such payments continuing during the remaining lifetime of such beneficiary: *Provided*, That the Administrator, under regulations to be promulgated by him, may include a provision in the insurance contract authorizing the insured or the beneficiary to elect, in lieu of this mode of payment and prior to the commencement of payments, a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of such beneficiary: *Provided further*, That such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than 120 months. *Provided further*, That in any case in which insurance benefit payments were commenced prior to September 30, 1944, the beneficiary, whether or not the first beneficiary, shall have the right to elect to receive a refund life income, as provided in such optional settlement, payable in monthly installments adjusted as of the date of the maturity of such policy, credit being allowed for payments previously made on the insurance. The right of election with respect to cases in which benefit payments were commenced prior to September 30, 1944, shall terminate 2 years after the date of enactment of the Insurance Act of 1946. The Administrator is directed to send, within 1 year after the date of enactment of the Insurance Act of 1946, to each beneficiary of insurance on which payments were commenced prior to September 30, 1944, a notice explaining the right of election. Any such notice shall be sent by registered mail addressed to the last known address of the addressee"

(b) Subsections (i), (j), and (k) of section 602 of the National Service Life Insurance Act of 1940, as amended, are amended by adding at the end of each of such subsections the following: "The provisions of this subsection shall not be applicable to insurance maturing on or after the date of enactment of the Insurance Act of 1946"

SEC. 6 Section 602 (m) of the National Service Life Insurance Act of 1940 is hereby amended, effective as of October 8, 1940, to read as follows:

"(m) (1) The administrator shall, by regulations, prescribe the time and method of payment of the premiums on such insurance, but payments of premiums in advance shall not be required for periods of more than 1 month each, and may at the election of the insured be deducted from his active-service pay or be otherwise made: *Provided*, That an amount equal to the first premium due under a national service life-insurance policy may be advanced from current appropriations for the relief of injured persons in the active service in the Army, Navy, Marine Corps, or Coast Guard, which amount shall constitute a lien upon any service or other pay accruing to the person for whom such advance was made and shall be collected therefrom if not otherwise paid: *Provided further*, That no disbursing or certifying officer shall be responsible for any loss incurred by reason of the advance herein authorized *And provided further*, That any amount so advanced in excess of available service or other pay shall constitute a lien on the policy within the provisions of section 5, Public Law No. 886, Seventy-sixth Congress, approved October 17, 1940

"(2) In any case in which the insured provided for the payment of premiums on his insurance by authorizing in writing the deduction of premiums from his service pay, such insurance shall be deemed not to have lapsed so long as he remained in active service prior to the date of enactment of the Insurance Act of 1946, notwithstanding the fact that deduction of premiums was discontinued because—

"(A) the insured was discharged to accept a commission, or

"(B) the insured was absent without leave, if restored to active duty, or

"(C) the insured was sentenced by court martial, if he was restored to active duty, required to engage in combat, or killed in combat

In any case in which the insured under any insurance continued in force by the provisions of this paragraph died while such insurance was so continued in force, any premiums due on such insurance shall be deducted from the proceeds of the insurance. Any premiums deducted or collected on any such insurance shall be credited to the national service life insurance appropriation and any payments of benefits on any such insurance shall be made directly from such appropriation"

SEC 7 Section 602 (n) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows

"(n) Upon application by the insured and under such regulations as the Administrator may promulgate, payment of premiums on such insurance may be waived during the continuous total disability of the insured, which continues or has continued for six or more consecutive months, if such disability commenced (1) subsequent to the date of his application for insurance, (2) while the insurance was in force under premium-paying conditions, and (3) prior to the insured's sixtieth birthday *Provided*, That upon application made within 1 year after the date of enactment of the Insurance Act of 1946 the Administrator shall grant waiver of any premium becoming due not more than 5 years prior to the date of enactment of such act which may be waived under the foregoing provisions of this subsection: *Provided further*, That the Administrator, upon any application made subsequent to 1 year after the date of enactment of the Insurance Act of 1946, shall not grant waiver of any premium becoming due more than 1 year prior

to the receipt in the Veterans' Administration of application for the same, except as hereinafter provided. Any premiums paid for months during which waiver is effective shall be refunded. The Administrator shall provide by regulations for examination or reexamination of an insured claiming benefits under this subsection, and may deny benefits for failure to cooperate. In the event that it is found that an insured is no longer totally disabled the waiver of premiums shall cease as of the date of such finding and the policy of insurance may be continued by payment of premiums as provided in said policy: *Provided further*, That in any case in which the Administrator finds that the insured's failure to make timely application for waiver of premiums or his failure to submit satisfactory evidence of the existence or continuance of total disability was due to circumstances beyond his control, the Administrator may grant waiver or continuance of waiver of premiums: *And provided further*, That in the event of death of the insured without filing application for waiver, the beneficiary, within 1 year after the death of the insured or the enactment of this amendment, whichever be the later, or, if the beneficiary be insane or a minor, within 1 year after removal of such legal disability, may file application for waiver with evidence of the insured's right to waiver under this section Premium rates shall be calculated without charge for the cost of the waiver of premiums herein provided and no deduction from benefits otherwise payable shall be made on account thereof."

SEC. 8 Section 602 (p) of the National Service Life Insurance Act of 1940, as amended, is amended to read as follows

"(p) Such insurance may be made effective as specified in the application, not later than the first day of the calendar month following the date of application therefor, but the United States shall not be liable thereunder for death occurring prior to such effective date. Notwithstanding the foregoing provisions of this subsection, in any case in which prior to the date of enactment of the Insurance Act of 1946 application was made for insurance to become effective subsequent to the date of application and the applicant died in line of duty prior to the date such insurance was to become effective, the United States shall be liable to the same extent as it would have been if such insurance had been in force on the date of death of the applicant Any payments of benefits made as a result of the enactment of the preceding sentence shall be made directly from the national service life insurance appropriation "

SEC 9 Section 602 of the National Service Life Insurance Act of 1940, as amended, is hereby amended by adding at the end thereof the following new subsections·

"(t) Insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946 shall be payable in accordance with the following optional modes of settlement:

"(1) In one sum.

"(2) In equal monthly installments of from 36 to 240 in number, in multiples of 12.

"(3) In equal monthly installments for 120 months certain with such payments continuing during the remaining lifetime of the first beneficiary

"(4) As a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary: *Provided*, That such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than 120 months.

Unless the insured elects some other mode of settlement, the insurance shall be payable to the designated beneficiary or beneficiaries in 36 equal monthly installments. The first beneficiary may elect to receive payment under any option which provides for payment over a longer period of time than the option elected by the insured, or if no option be designated by the insured, in excess of 36 months If the option selected requires payment to any on· beneficiary of monthly installments of less than $10, the amount payable to such beneficiary shall be paid in such maximum number of monthly installments as are a multiple of 12 as will provide a monthly installment of not less than $10 If the present value of the amount payable at the time any person initially become entitled to payment thereof is not sufficient to pay at least 12 monthly installments of not less than $10 each, such amount shall be payable in one sum Options (3) and (4) shall not be available if any firm, corporation, legal entity (including the estate of the insured), or trustee is beneficiary, or in any case in which an endowment contract matures by reason of the completion of the endowment period

"(u) With respect to insurance maturing on or subsequent to the date of enactment of the Insurance Act of 1946, in any case in which the beneficiary is entitled to a lump-sum settlement but elects some other mode of settlement and dies before receiving all the benefits due and payable under such mode of settlement, the present value of the remaining unpaid amount shall be payable to the estate of the beneficiary, and in any case in which no beneficiary is designated by the insured, or the designated beneficiary does not survive the insured, or a designated beneficiary not entitled to choose a lump-sum settlement survives the insured, and dies before receiving all the benefits due and payable, the commuted value of the insurance remaining unpaid shall be paid in one sum to the estate of the insured. *Provided*, That in no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat

"(v) (1) The Administrator is hereby authorized and directed, upon application by the insured and proof of good health satisfactory to the Administrator and payment of such extra premium as the Administrator shall prescribe, to include in any national service life-insurance policy on the life of the insured provisions whereby an insured who is shown to have become totally disabled for a period of 6 consecutive months or more commencing after the date of such application and before attaining the age of 60 and while the payment of any premium is not in default, shall be paid monthly disability benefits from the first day of the seventh consecutive month of and during the continuance of such total disability of $5 for each $1,000 of such insurance in effect when such benefits become payable: *Provided*, That in any case in which the applicant while not totally disabled and prior to January 1, 1950, furnishes proof satisfactory to the Administrator that his inability to furnish proof of good health is the result of an actually service-incurred injury or disability, the requirement of proof of good health shall be waived, but in such case the extra premium for disability coverage paid by any such insured shall be credited directly to the national service life-insurance appropriation and any disability payments made to such insured shall be made directly from the national service life-insurance appropriation: *Provided further*, That policies containing additional provisions for the payment of disability benefits may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such benefit.

"(2) Whenever benefits under the total-disability provision authorized by section 602 (v) (1) hereof become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Administrator of Veterans' Affairs, the liability shall be borne by the United States, and the Administrator is hereby authorized and directed to transfer from the national service life-insurance appropriation to the national service life-insurance fund from time to time any amounts which become, or have become, payable to the insured on account of such total disability, and to transfer from the national service life-insurance fund to the national service life-insurance appropriation the amount of the reserve held on account of the total-disability benefit. When a person receiving such payments on account of total disability recovers from such disability, and is then entitled to continue protection under the total-disability provision, the Administrator is hereby authorized and directed to transfer to the national service life-insurance fund a sum sufficient to set up the then required reserve on such total-disability benefit.

"(w) Subject to the provisions of section 612 of the National Service Life Insurance Act of 1940, as amended, all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issue, reinstatement, or conversion except for fraud, nonpayment of premium, or on the ground that the applicant was not a member of the military or naval forces of the United States

"(x) When an optional mode of settlement of insurance heretofore or hereafter matured is available to a beneficiary who is a minor or incompetent, such option may be exercised by his fiduciary, person qualified under Public Law 373, Seventy-second Congress, February 25, 1933 (47 Stat 907; 25 U S C 14), or person recognized by the Administrator as having custody of the person or the estate of such beneficiary, and the obligation of the United States under the insurance contract shall be fully satisfied by payment of benefits in accordance with the mode of settlement so selected.

"(y) (1) Any level premium term insurance which has lapsed may be reinstated within the term upon written application, payment of two monthly premiums, and evidence satisfactory to the Administrator that the applicant, subject to the provisions of the second sentence of section 602 (c) (2), supra, is in good health

"(2) Any level premium term insurance which has lapsed may be reinstated within the term upon written application, made within 6 months after the date of such lapse or within 6 months after the date of enactment of the Insurance Act of 1946, whichever is the later, and payment of two monthly premiums, provided such applicant is in as good health on the date of application and tender of premiums as he was on the due date of the premium in default and furnishes evidence thereof satisfactory to the Administrator: *Provided*, That when the insured makes inquiry prior to the expiration of the grace period disclosing a clear intent to continue insurance protection, an additional reasonable period not exceeding 60 days may be granted for payment of premiums due, but the premiums in any such case must be paid during the lifetime of the insured."

SEC. 10 Section 602 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, by adding at the end thereof the following new subsection·

"(z) Without prejudice to any other cause of disability, the permanent loss of the use of both feet, of both hands, or of both eyes,

or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the total loss of hearing of both ears, or the organic loss of speech, shall be deemed total disability for insurance purposes."

SEC 11. Section 607 (b) of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, by inserting after the first sentence thereof the following: "Where life contingencies are involved in the calculation of the value of such benefits of insurance heretofore or hereafter matured, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate of 3 percent per annum."

SEC. 12 Section 608 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows:

"SEC 608 The Administrator, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this act, shall have power to make such rules and regulations, not inconsistent with the provisions of this act, as are necessary or appropriate to carry out its purposes, and shall decide all questions arising hereunder. All officers and employees of the Veterans' Administration shall perform such duties in connection with the administration of this act as may be assigned to them by the Administrator. All official acts performed by such officers and employees designated therefor by the Administrator shall have the same force and effect as though performed by the Administrator. Except in the event of suit as provided in section 617 hereof, or other appropriate court proceedings, all decisions rendered by the Administrator under the provisions of this act, or regulations properly issued pursuant thereto, shall be final and conclusive on all questions of law or fact, and no other official of the United States, except a judge or judges of United States courts, shall have jurisdiction to review any such decisions."

SEC 13 Section 616 of the National Service Life Insurance Act of 1940, as amended, is hereby amended by substituting a colon for the period at the end thereof and adding the following "*Provided*, That assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Veterans' Administration before any payments of the insurance shall have been made to the beneficiary: *Provided further*, That an interest in an annuity, when assigned, shall be payable in equal monthly installments in such multiple of 12 as most nearly equals the number of installments certain under such annuity, or in 240 installments, whichever is the lesser."

SEC. 14 Section 617 of the National Service Life Insurance Act of 1940, as amended, is hereby amended effective as of October 8, 1940, to read as follows.

"SEC 617 In the event of disagreement as to any claim arising under this act, suit may be brought in the same manner and subject to the same conditions and limitations as are applicable to the United States Government life (converted) insurance under the provisions of sections 19 and 500 of the World War Veterans' Act, 1924, as amended."

SEC 15 The World War Veterans' Act, 1924, as amended, is hereby amended by adding thereto a new section 313, to read as follows

"SEC. 313. Whenever benefits under the total disability provision authorized by section 311 become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Administrator of Veterans' Affairs, the liability shall be borne by the United States, and the Administrator is hereby authorized and directed to transfer from the military and naval insurance appropriation to the United States Government life insurance fund from time to time any amounts which become or have become payable to the insured on account of such total disability, and to transfer from the United States Government life insurance fund to the military and naval insurance appropriation the amount of the reserve held on account of the total disability benefit When a person receiving such payments on account of total disability recovers from such disability, and is then entitled to continued protection under the total disability provision, the Administrator is hereby authorized and directed to transfer to the United States Government life insurance fund a sum sufficient to set up the then required reserve on such total disability benefit"

SEC 16. This act may be cited as the "Insurance Act of 1946"

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time

The bill was read the third time and passed.

ST LOUIS RIVER BRIDGE BETWEEN MINNESOTA AND WISCONSIN

The bill (S. 2383) to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin and for other purposes was announced as next in order

The PRESIDING OFFICER If there be no objection, House bill 6889, an identical bill, will be substituted for the Senate bill

There being no objection, the bill (H. R. 6889) to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin and for other purposes was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER Without objection, Senate bill 2383 will be indefinitely postponed.

AUTHORIZATION FOR UNITED STATES PARK POLICE TO MAKE ARRESTS IN CERTAIN AREAS

The bill (S 2220) to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That within parks, parkways, and other Federal reservations in the environs of the District of Columbia the several members of the United States Park Police force shall have the power and authority to make arrests without warrant for any felony or misdemeanor committed in the presence or view of such members in violation of any Federal law or regulation issued pursuant to law, or for any felony that in fact has been or is being committed in violation of any such law or regulation where they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony, and shall have power to take any person arrested by them, without unnecessary delay, before the Federal court having jurisdiction over the offense or before a United States commissioner specifically designated to try and sentence persons charged with petty offenses as provided in the act of October 9, 1940 (54 Stat. 1058), or before any other officer having authority to hold or commit for the offense. Such police officers shall also have power within such parks, parkways, and other reservations to execute any warrant or other process issued by a court or officer of competent jurisdiction for the enforcement of the provisions of any Federal law or regulation issued pursuant to law.

SEC 2 For the purposes of this act, the environs of the District of Columbia are hereby defined as embracing Arlington and Fairfax Counties and the city of Alexandria in Virginia, and Prince Georges and Montgomery Counties in Maryland.

DEFINITION AND REGULATION OF UNITED STATES CAPITOL GROUNDS

The Senate proceeded to consider the bill (S 2405) to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes, which had been reported from the Committee on Public Buildings and Grounds with amendments

The first amendment of the Committee on Public Buildings and Grounds was, in section 1, on page 1, line 10, after the word "Grounds", to strike out "including responsibility for the maintenance and improvement thereof", and on page 2, line 3, after the word "map", to insert "and the Architect of the Capitol shall be responsible for the maintenance and improvement thereof", so as to make the section read.

That the United States Capitol Grounds shall comprise all squares, reservations, streets, roadways, walks, and other areas as defined on a map entitled "Map showing areas comprising United States Capitol Grounds", dated June 25, 1946, approved by the Architect of the Capitol and recorded in the Office of the Surveyor of the District of Columbia in book 127, page 8, and the jurisdiction and control over the United States Capitol Grounds, heretofore vested by law in the Architect of the Capitol is hereby extended to the entire area of the United States Capitol Grounds as defined on the afore-mentioned map, and the Architect of the Capitol shall be responsible for the maintenance and improvement thereof: *Provided*, That those streets and roadways in said United States Capitol Grounds shown on said map as being under the jurisdiction and control of the Commissioners of the District of Columbia shall continue under such jurisdiction and control, and said Commissioners shall be responsible for the maintenance and improvement thereof *Provided further*, That the Commissioners of the District of Columbia shall be permitted to enter any part of said United States Capitol Grounds for the purpose of repairing or maintaining or, subject to the approval of the Architect of the Capitol, for the purpose of constructing or altering, any utility service of the District of Columbia government.

The amendment was agreed to.

The next amendment was, in section 3, on page 2, line 24, after the words "in the," to strike out "old," so as to make the section read:

SEC 3. It is forbidden to occupy the roads in said United States Capitol Grounds in such manner as to obstruct or hinder their proper use, or to use the roads in the area of said United States Capitol Grounds, south of Constitution Avenue and B Street and north of Independence Avenue and B Street, for the conveyance of goods or merchandise except

to or from the Capitol on Government service.

The amendment was agreed to.

The next amendment was, in section 8, on page 3, line 23, after the word "against," to strike out "the six sections immediately preceding" and insert "sections 2 to 7, both inclusive, of this act," so as to make the section read:

SEC. 8. Offenses against sections 2 to 7, both inclusive, of this act shall be punishable by a fine not exceeding $100, or imprisonment, not exceeding 30 days, or by both such fine and imprisonment, prosecution for such offenses to be had in the municipal court of the District of Columbia, upon information by the United States attorney or any of his assistants: *Provided*, That in cases where public property is damaged in an amount exceeding $100, the offense shall be punishable by imprisonment for not more than 5 years.

The amendment was agreed to.

The next amendment was, in section 9, on page 4, after line 22, to strike out "Metropolitan Police force to enter such buildings to make arrests in response to complaints or (with the exception of the streets and roadways shown on the map referred to in section 1 of this act as being under the jurisdiction and control of the Commissioners of the District of Columbia) to patrol the United States Capitol Buildings and Grounds, except upon request of the Capitol Police Board" and insert "Metropolitan Police force, except with the consent or upon the request of the Capitol Police Board, to enter such buildings to make arrests in response to complaints or to serve warrants or to patrol the United States Capitol Buildings and Grounds, with the exception of the streets and roadways shown on the map referred to in section 1 of this act as being under the jurisdiction and control of the Commissioners of the District of Columbia.", so as to make the section read:

SEC. 9. The Capitol Police shall police the United States Capitol Buildings and Grounds under the direction of the Capitol Police Board, consisting of the Sergeant at Arms of the United States Senate, the Sergeant at Arms of the House of Representatives, and the Architect of the Capitol, and shall have the power to enforce the provisions of this act and regulations promulgated under section 14 thereof, and to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States or of any State, or any regulation promulgated pursuant thereto: *Provided*, That the Metropolitan Police force of the District of Columbia are hereby authorized to make arrests within the United States Capitol Buildings and Grounds for any violations of any such laws or regulations but such authority shall not be construed as authorizing the Metropolitan Police force, except with the consent or upon the request of the Capitol Police Board, to enter such buildings to make arrests in response to complaints or to serve warrants or to patrol the United States Capitol Buildings and Grounds, with the exception of the streets and roadways shown on the map referred to in section 1 of this act as being under the jurisdiction and control of the Commissioners of the District of Columbia. For the purpose of this section, the word "grounds" shall include the House Office Building parking area.

The amendment was agreed to.

The next amendment was, in section 11, on page 6, line 3, after the word "the", to strike out "above"; and in the same line, after the word "prohibitions", to insert "contained in sections 2 to 7, both inclusive, of this act", so as to make the section read:

SEC. 11. In order to admit of the due observance within the United States Capitol Grounds of occasions of national interest becoming the cognisance and entertainment of Congress, the President of the Senate and the Speaker of the House of Representatives, acting concurrently, are hereby authorized to suspend for such proper occasions so much of the prohibitions contained in sections 2 to 7, both inclusive, of this act as would prevent the use of the roads and walks of the said grounds by processions or assemblages, and the use upon them of suitable decorations, music, addresses, and ceremonies. *Provided*, That responsible officers shall have been appointed, and arrangements determined which are adequate, in the judgment of said President of the Senate and Speaker of the House of Representatives, for the maintenance of suitable order and decorum in the proceedings, and for guarding the Capitol and its grounds from injury.

The amendment was agreed to.

The next amendment was, in section 12, on page 6, at the beginning of line 22, to strike out "permission to use", and insert "authority to permit the use of", so as to make the section read:

SEC. 12. In the absence from Washington of either of the officers designated in section 11, the authority therein given to suspend certain prohibitions of this act shall devolve upon the other, and in the absence from Washington of both it shall devolve upon the Capitol Police Board *Provided*, That notwithstanding the provisions of sections 7 and 11 of this act, the Capitol Police Board is hereby authorized to grant the Commissioners of the District of Columbia authority to permit the use of Louisiana Avenue for any of the purposes prohibited by said section 7.

The amendment was agreed to.

The next amendment was, in section 14, on page 8, line 1, after the word "in", to strike out "the" and insert "The"; in the same line, after the word "Court", to strike out "of" and insert "for"; in line 7, after the word "promulgated", to insert "and become effective"; in line 13, after the word "and", to strike out "no penalty shall be enforced for any violation of any such regulation which occurs within" and insert "shall not become effective until the expiration of"; and in line 16, after the word "after", to insert "the date of", so as to make the section read:

SEC. 14 (a) The Capitol Police Board, consisting of the Sergeant at Arms of the United States Senate, the Sergeant at Arms of the House of Representatives, and the Architect of the Capitol, shall have exclusive charge and control of the regulation and movement of all vehicular and other traffic, including the parking and impounding of vehicles and limiting the speed thereof, within the United States Capitol Grounds, except on those streets and roadways shown on the map referred to in section 1 of this act as being under the jurisdiction and control of the Commissioners of the District of Columbia; and said Board is hereby authorized and empowered to make and enforce all necessary regulations therefor and to prescribe penalties for violation of such regulations, such penalties not to exceed a fine of $300 or imprisonment for not more than 90 days. Notwithstanding the foregoing provisions of this section those provisions of the District of Columbia Traffic Act of 1925, as amended, for the violation of which specific penalties are provided in said act, as amended, shall be applicable to the United States Capitol Grounds. Prosecutions for violation of such regulations shall be in The Municipal Court for the District of Columbia, upon information by the Corporation Counsel of the District of Columbia or any of his assistants.

(b) Regulations authorized to be promulgated under this section shall be promulgated by the Capitol Police Board within 6 months after approval of this act: *Provided*, That until such regulations are promulgated and become effective, the traffic regulations of the District of Columbia shall be applicable to the United States Capitol Grounds.

(c) All regulations promulgated under the authority of this section shall, when adopted by the Capitol Police Board, be printed in one or more of the daily newspapers published in the District of Columbia, and shall not become effective until the expiration of 10 days after the date of such publication.

(d) It shall be the duty of the Commissioners of the District of Columbia, or any officer or employee of the government of the District of Columbia designated by said Commissioners, upon request of the Capitol Police Board, to cooperate with the Board in the preparation of the regulations authorized to be promulgated under this section, and any future amendments thereof.

The amendment was agreed to.

The next amendment was, on page 8, after line 23, to strike out:

SEC. 15. The act entitled, "An act to regulate the use of the Capitol Grounds," approved July 1, 1882 (22 Stat 126), and sections 881 to 890, both inclusive, of the act entitled, "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (31 Stat 1189), are hereby repealed upon the approval of this act: *Provided, however*, That any violation of any of the provisions of either said act or sections hereby repealed, occurring before this repeal, may be prosecuted to the same extent as if this act had not been enacted

And insert:

SEC. 15. The act entitled "An act to regulate the use of the Capitol Grounds," approved July 1, 1882 (22 Stat 126), the second sentence of the first paragraph under the heading "Capitol Police," contained in section 1 of an act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1897, and for other purposes," approved May 26, 1896 (29 Stat 143, U S C, title 40, sec. 213), the proviso in the paragraph "Lighting the Capitol and Grounds," contained in an act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1901, and for other purposes," approved June 6, 1900 (31 Stat. 618; U S C, title 40, sec 205), and sections 881 to 890, both inclusive, of the act entitled, "An act to establish a code of law for the District of Columbia," approved March 3, 1901 (31 Stat. 1333, 1334), are hereby repealed. *Provided, however*, That any violation of any of the provisions of said acts hereby repealed, occurring before the date of this repeal, may be prosecuted to the same extent as if this act had not been enacted.

The amendment was agreed to.

The next amendment was, in section 16, on page 10, line 13, after "supersede," to insert "(1)"; in line 14, after the figure "163" and the semicolon, to insert "(2)"; in line 17, after the figures "214" and the semicolon, to insert "(3) except as provided in section 9 of this act"; in line 22, after the numerals "101" and the semicolon, to strike out "subdivision of part I of section 1, relating to the Architect of the Capitol" and insert "(4) the

second proviso in the item 'Capitol garages' under the caption 'Capitol Buildings and Grounds,'" on page 11, line 4, after the word "or", to insert "(5)"; and in line 7, after "July 8", to strike out "1945" and insert "1943", so as to make the section read:

SEC. 16. (a) The provisions of the foregoing sections of this act, except section 9, shall not be construed to extend inside the Capitol Buildings; and the words "Capitol Buildings" as used in this act, shall be construed to include the United States Capitol, Senate Office Building, House Office Buildings, Capitol Power Plant, and Legislative Garage

(b) Nothing in this act shall be construed to repeal, amend, alter, or supersede (1) section 1820 of the Revised Statutes (U S C., title 40, sec. 193); (2) an act entitled "An act to protect the public property, turf, and grass of the Capitol Grounds from injury," approved April 29, 1876 (19 Stat 41; U S. C., title 40, sec 215), (3) except as provided in section 9 of this act, section 15 of an act entitled "An act for the preservation of the public peace and the protection of property within the District of Columbia," approved July 29, 1892 (27 Stat. 325, U S. C, title 40, sec 101), (4) the second proviso in the item "Capitol garages" under the caption "Capitol Buildings and Grounds" contained in an act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," approved June 30, 1932 (47 Stat 382, 391, U S C, title 40, sec. 185a); or (5) an act entitled "An act to authorize the use of part of the United States Capitol Grounds east of the Union Station for the parking of motor vehicles," approved July 8, 1943 (57 Stat 390).

The amendment was agreed to.

Mr GREEN. Mr President, there are three amendments which I have been instructed by the committee to offer. I do not know whether they have been included in the amendments which have been stated; so, accordingly, I send the amendments to the desk and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 2, in line 1, after the word "Capitol", it is proposed to insert a comma.

The motion was agreed to.

The CHIEF CLERK. On page 2, line 3, after the word "map", it is proposed to insert a comma.

The amendment was agreed to

The CHIEF CLERK On page 4, in lines 2 and 3, it is proposed to strike out "the municipal court of the District of Columbia" and insert in lieu thereof "The municipal court for the District of Columbia."

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1362) to amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code, and for other purposes, was announced as next in order.

Mr. THOMAS of Utah. Mr. President, at the request of the Senator from Louisiana, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY. Mr. President, I did not expect that the bill could be passed on the call of the calendar. However, I wish to say that at the earliest opportunity I hope we may bring up the bill for consideration by the Senate.

REFUNDS FOR RAILROAD EMPLOYEES IN CONNECTION WITH THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The bill (H. R 3420) to provide for refunds to railroad employees in certain cases, so as to place the various States on an equal basis, under the Railroad Unemployment Insurance Act, with respect to contributions of employees, was considered, ordered to a third reading, read the third time, and passed.

GEOPHYSICAL INSTITUTE AT UNIVERSITY OF ALASKA

The bill (H R 6486) to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska was announced as next in order.

Mr WHERRY. Mr President, may we have an explanation of the bill?

Mr. MAGNUSON I shall be glad to explain the bill. During the war, the University of Alaska, in cooperation with the Carnegie Institute, carried on geophysical experiments and research. The work proved to be so highly successful in respect to aids to navigation and in respect to the study of weather and climatic conditions, that all Government departments made full use of the laboratory, and now they wish it continued. As a matter of fact, I can refer the Senate to the report, in which appear letters from the Navy Department, the War Department, the Federal Communications Commission, the Department of the Interior, and the Department of Commerce, all urging the passage of the bill, in order to continue the laboratory Mr. President, as a matter of information, I ask unanimous consent to have printed at this point in the RECORD the letters those agencies have submitted in support of the bill. Their letters give the real reasons why the bill should be passed. I refer to the letters which have been received from the Navy Department, the War Department, the Federal Communications Commission, the Department of the Interior, and the Department of Commerce.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 17, 1946

HON HUGH PETERSON,
Chairman, Committee on the Territories, House of Representatives,
Washington, D. C.

MY DEAR MR CHAIRMAN: The bill, H. R 4785, a bill to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska, was referred by your committee to the Navy Department with request for a report thereon.

The purpose of the bill is as stated in the title. The establishment of a geophysical institute at the University of Alaska would be an aid in surveying the Navy's Petroleum Reserve No. 4, an area of some 35,000 square miles and of such a nature that a survey requires geophysical instruments; it would promote the establishment of a network of gravity stations which are an integral part of a survey of land where it is desired to determine elevations with respect to sea level, it would put a seismograph station in the Arctic, the study of earthquake phenomena being important in an oil-field area for it helps explain changes in production of the various wells; it would promote the study of the earth's magnetism in this northerly location; it could undertake purely scientific studies related to geophysics, it would further the ends of trade and commerce in, through, and over Alaska, where many of the mineral deposits are covered by tundra and glacier.

The Navy Department is particularly interested in the survey of the petroleum reserve (and is presently going ahead with such a survey of its own), the location of naval bases, air fields, weather studies, and other related matters. In all of these the institute would be a valuable aid. The Navy does feel, however, that the proposed staff of the institute is not sufficient to carry out the functions which such an institute should assume

The future should give to Alaska an important place in the trade and commerce of the world With this increased importance the United States should be prepared to take advantage of all its possibilities in an orderly and methodical fashion. It is believed that a geophysical institute would be a valuable agency in the development of this territory

For the foregoing reasons the Navy Department recommends the enactment of H R 4785

The Navy Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to the Congress

For the Secretary of the Navy.

Respectfully yours,

O B COLCLOUGH,
Rear Admiral, United States Navy,
Judge Advocate General of the Navy.

WAR DEPARTMENT,
Washington, D C, April 8, 1946

HON HUGH PETERSON,
Chairman, Committee on the Territories, House of Representatives,
Washington, D C

DEAR MR PETERSON: The War Department favors the enactment of H R. 4785, Seventy-ninth Congress, a bill to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska

The bill authorizes the appropriation of $1,050,000 for the construction and establishment of a geophysical institute at the University of Alaska, College, Alaska The bill provides that the grant will be made on the following provisos (1) That a portion of the funds appropriated will be used to provide housing for the scientists carrying out the program, (2) that the facilities of the institute will be extended to qualified members of Federal bureaus engaged in field work in geophysics in Alaska; (3) that no portion of the appropriated funds shall be used for maintenance of buildings; (4) that the University of Alaska expressly agrees to furnish heat, light, water, electric power, and custodial service, and (5) that the University of Alaska expressly agrees to staff the institute with a director, whose appointment by the regents of the university upon the recommendation of its president shall be with the approval of the president of the National Academy of Sciences, a librarian, and a secretary.

The establishment of the institute would be of direct benefit to various activities contemplated by the War Department. Its

facilities would be of great use in connection with Arctic mapping and construction in Arctic regions of civil and military works. Research in the fields of meteorology, climatology, radio wave propagation, and related matters would be greatly benefited, as would the work of testing material under Arctic conditions In addition, strategic interests in the Arctic are of such a nature that the establishment of the proposed institute would be of great benefit in formulating future military programs in the light of specific Arctic research.

It is apparent that many Federal departments and agencies will be interested in research which may be conducted by the proposed institute In order to utilize the facilities of the proposed institute to the fullest extent, interested Federal departments and agencies should participate in the programing of research to be undertaken. It is submitted that in order to insure such participation the bill should be amended to include this feature

It is therefore recommended that the following clause be inserted following the colon in line 13, page 2, of the bill: "*And provided further*, That all departments and agencies of the Federal Government be invited to participate in programing the research to be undertaken by the institute'"

Finally, it is noted that Arctic geophysical research is being actively supported by other governments These geophysical institutions are as follows: Scott Polar Research Institute at Cambridge, England, the Arctic Institute at Leningrad, Union of Soviet Socialist Republics; the Commission for Scientific Research in Greenland, the Spitsbergen and Arctic Sea Research Institute at Oslo, Norway, and the Geographical Society of Finland, at Helsinki, Finland

Enactment of the bill would authorize an appropriation of $1,000,000.

In light of the foregoing, the War Department is strongly in accord with the objectives of the bill under consideration It urges, however, that the committee give favorable consideration to the amendment proposed herein.

The Bureau of the Budget advises that there is no objection to the submission of this report

Sincerely yours,

ROBERT P PATTERSON,
Secretary of War.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C , April 5, 1946

Hon. HUGH PETERSON,
House of Representatives,
Washington, D C.

DEAR CONGRESSMAN This is with reference to your letter of November 29, 1945, and our response of December 7, 1945, concerning H. R 4785, a bill to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska. In our letter of December 7, we stated that the bill would be given careful consideration, and that our comments would be submitted upon completion of such consideration.

The Commission strongly favors the establishment of a geophysical institute such as that proposed by H. R 4785 The establishment and operation of such a project would provide an excellent source of information concerning ionospheric conditions in the Arctic regions. Such information is highly important to the Commission because of the great weight which must be given data concerning ionospheric conditions in the allocation of frequencies for long-distance communication, the paths of which frequently pass through the Arctic regions, and in the allocation of frequencies for communications over shorter distances such as those to and from aircraft in the Arctic regions. Communications of the latter type have become increasingly important in recent years and will continue to increase in importance as the postwar use of Arctic routes for international airway operation expands.

Our present knowledge concerning ionospheric conditions in the Arctic regions as they affect radio propagation is quite inadequate. Moreover, it now appears certain that important sources of information in this field which have previously been available to the Commission will not continue to be available In the past such information was contained in publications of the Carnegie Institute of Washington, D C , which maintains an ionospheric observation station at the University of Alaska During the war such information from the same source was also available through various restricted and confidential bulletins of the Inter-Allied Radio Propagation Labcratory. However, the Carnegie Institute now intends to discontinue the operation of its station at the University of Alaska and to turn its equipment over to the geophysical institute proposed in H R 4785. The Commission, therefore, considers the establishment of a geophysical institute such as that proposed in H. R 4785 at an early date to be of major importance to progress in the field of radio communication

The Bureau of the Budget advises that it has no objection to the submission of these comments

By direction of the Commission.

CHARLES R DENNY,
Acting Chairman.

STATEMENT OF IRWIN W. SILVERMAN, ACTING DIRECTOR, DIVISION OF TERRITORIES AND ISLAND POSSESSIONS, DEPARTMENT OF THE INTERIOR, WASHINGTON, D. C , ON H R 4785, MAY 10, 1946

Should the Congress enact this measure, and I urge that it do so, it would provide the means for the United States to benefit from a field of research which promises a vast contribution to our permanent scientific knowledge Already the governments of several other nations, Great Britain, Finland, the Soviet Union, and Norway, appreciating the importance of geophysical research are actively exploring the many fields of that science

During the recent war many Federal and other private agencies engaged in geophysical studies in Alaska The results of that research in the fields, among others, of ionospheric, magnetic, and auroral work, were used to great military advantage. The value of the work that has been started, however, cannot be measured merely in terms of military importance What we shall be able to accomplish in air transportation, radio communications, weather reporting, and in terrestrial magnetism, oceanography, geology, and other fields of expanding significance will be materially influenced by our early and extensive investigation of geophysical phenomena

The proposed Geophysical Institute, for example, would make possible a great widening of the scope of the investigations now being conducted by the Geological Survey of this Department relating to geophysical prospecting for minerals, including oil, the application of geophysics to tectonic and volcanic problems, the advance and retreat of glaciers, and the determination of surface-water and ground-water supplies under conditions of extreme cold, heavy ice, and permanently frozen ground This Department's Bureau of Mines also would welcome the opportunity to utilize the facilities of such an institute in geophysical explorations for strategic and critical minerals. If desirable to your committee, this Department will gladly furnish additional details as to the importance of this type of research to its activities.

With the end of the war many of the wartime-sponsored projects in Alaska have ended. Continuance of research, therefore, must now depend largely on funds derived from private sources of uncertain duration. Under these circumstances, and because of the importance of geophysical research to this Nation, Federal sponsorship appears to be the only feasible method of insuring the continuity of investigations in the field of geophysics.

The establishment of the institute at the University of Alaska would make po sible the coordination of the efforts being made in this Department and many other Federal agencies to understand and utilize geophysical phenomena. The unique and ideal location of the university from the standpoint of geophysical research in the circumpolar region, and the added fact that most American research in that field has in the past been conducted from that focal point, are further compelling reasons for the location of the institution there.

I recommend, therefore, the passage of H R 4785.

UNITED STATES DEPARTMENT OF COMMERCE,
NATIONAL BUREAU OF STANDARDS,
Washington, December 7, 1945

Memorandum to Secretary of Commerce, through Office of Solicitor.

Subject Establishment of geophysical institute at the University of Alaska.

This responds to note of December 3 regarding H R 4785 The National Bureau of Standards is in hearty accord with the proposal to establish a geophysical institute at the University of Alaska It will solve a problem we face in the continuation of necessary radio observations in that region

The principal interest of the Bureau in such an institute are in the obtaining of ionospheric geomagnetic, auroral, and radio propagation data which are of immediate use in its radio propagation prediction service During the war, the department of terrestrial magnetism, Carnegie Institution of Washington, established at the University of Alaska an ionospheric observing station, including an automatic ionospheric recorder, radio field-intensity recorders, and an auroral recording camera The data obtained from these instruments have been and will continue to be of the utmost use and importance in preparing radio propagation predictions and radio disturbance forecasts for northern regions, and filled an urgent need in military operations during the war

Because of its location in the northern auroral zone (zone of greatest auroral activity), which is also the region where radio propagation abnormalities are most intense and frequent, and where ionospheric absorption phenomena are least understood, the University of Alaska is a most advantageous place for ionospheric observations. The auroral zone, in fact, can be considered as the source from which radio propagation disturbances spread out, and therefore ionospheric investigations in this region may be considered as probing into the basic causes of such disturbance.

It has long been recognized that radio communications in the Arctic are very erratic and unreliable In view of the probable postwar use of Arctic routes for international airways operations it is expected that radio-propagation studies and predictions will be urgently required, and that everything that can be done to improve the predictions will be needed.

It is understood that the department of terrestrial magnetism, Carnegie Institution of Washington, will not maintain any observations in Alaska after this fiscal year. In order to retain the advantages gained during the war through the radio-propagation work at the University of Alaska, the National Bureau of Standards considers it highly important for these observations to continue. If any related observations, such as auroral

or geomagnetic, are done by other agencies, e. g., the United States Coast and Geodetic Survey, the National Bureau of Standards will, of course, maintain close cooperation and liaison with those agencies It is particularly important that the continuity of all of these observations be maintained unbroken through any possible reconversion period.

E U CONDON,
Director.
E C CRITTENDEN,
Acting Director.

Mr. MAGNUSON. Mr. President, I may say that this is the only sub-Arctic research station we have. Many other countries have such stations That station has conducted successful experiments, for instance, in reference to the fading out of radio signals in the Arctic. The station discovered why that occurred Earthquake phenomena and other matters have also been investigated

The University of Alaska will take care of the maintenance of the station. The National Academy of Sciences is furnishing some of the teachers The project is most worthy

Mr WHERRY I thank the Senator for his explanation

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed

BONUS ON WHEAT PRODUCED AND SOLD BETWEEN JANUARY 1, 1945, AND APRIL 18, 1946

The bill (S 2118) to provide for the payment of a bonus of 30 cents per bushel on wheat produced and sold between January 1, 1945, and April 18, 1946, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows

Be it enacted, etc, That the Secretary of Agriculture is authorized and directed to pay, through the Commodity Credit Corporation, to any farmer, upon application and the furnishing of satisfactory proof within 1 year after the date of enactment of this act, a bonus of 30 cents per bushel for all wheat produced and sold by such farmer during the period beginning on January 1, 1945 and ending on April 18, 1946

SEC 2 There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr BARKLEY subsequently said Mr. President, I inquire what was done with Calendar No 1748, Senate bill 2118?

The PRESIDING OFFICER. The bill was passed

Mr. BARKLEY. Mr. President, two Senators asked me to object to that bill when it was reached on the calendar I stepped to the desk for a moment, and while I was conferring there the bill was passed. I ask unanimous consent that the vote by which the bill was passed be reconsidered.

Mr. President, that bill involves $200,000,000 or $300,000,000, and it should not be passed during the call of the calendar.

Mr. LANGER. Mr. President, I object to the Senator's request, because the two Senators to whom he refers are present. The Senator from Alabama [Mr. HILL] was present when the bill was passed, and he changed his mind. So did the Senator from Minnesota [Mr. BALL].

Mr. BARKLEY. Mr. President, I do not know about the position of the Senator from Minnesota, but one member of the Committee on Agriculture and Forestry, who was called from the Chamber, desired that the bill be passed over, and therefore I desire that that be done

Mr. LANGER. Mr President, let the Senator from Kentucky do it, and that will be all right.

Mr. BARKLEY No, I will not do that. Mr President, if I am to be taken advantage of in that respect, because I walked to the desk, I shall move to have the vote by which the bill was passed reconsidered. Probably I shall be in favor of the bill, but I do not like to have it passed under those conditions

Mr LANGER The Senator and I will talk it over

Mr. BARKLEY I am willing to talk it over; certainly; but I wish to have what I have proposed done now I do not see any reason why we should not discuss the bill a little and bring it up later on its own merits

The PRESIDING OFFICER Does the Senator from Kentucky make a motion?

Mr BARKLEY Yes, Mr President; under the circumstances, I move——

Mr WHERRY Mr President, a parliamentary inquiry

The PRESIDING OFFICER. The Senator will state it

Mr WHERRY Do I correctly understand that the majority leader requested unanimous consent that the vote by which the bill was passed be reconsidered?

The PRESIDING OFFICER. That is correct

Mr WHERRY. It is my understanding that now the distinguished Senator from North Dakota——

The PRESIDING OFFICER. Does the Senator from North Dakota object?

Mr BARKLEY Mr President, if the Senator from North Dakota will consent to have the vote by which the bill was passed reconsidered, under the circumstances, of course, as I told him here privately when he came over and sat down by me, I will cooperate to have the bill brought up But I do not think it should be passed during the call of the calendar

Mr LANGER With the understanding that the bill will be passed within the next 2 or 3 days——

Mr. BARKLEY. Well, Mr President, I shall cooperate to have the bill brought up as soon as possible and as soon as practicable. There are many other bills the sponsors of which are anxious to have considered.

The PRESIDING OFFICER. Without objection, the vote by which the Senate passed Senate bill 2118 will be reconsidered and the bill will be restored to the calendar.

Mr. WHERRY. Mr. President, before the announcement by the chair was made I wanted to suggest that, if the distinguished Senator would not object to a reconsideration of the vote by which the bill was passed, possibly the majority leader could assure him that the bill will later be taken up.

Mr. BARKLEY. I have assured the Senator that that would be done.

Mr. DOWNEY. Mr. President, if the Senator will yield, I want to say to the majority leader that all the committee members interested in agriculture were in favor, I believe, of this bill. We considered it to be a highly equitable bill, and we believed that it should be passed at this session of the Congress

Mr BARKLEY There is no controversy about taking the bill up The question is only one of whether it should be taken up on its own merits and discussed, or passed on a call of the calendar. It involves a large sum of money. It may be entirely proper, but I do not believe that it is the sort of a bill which should be passed on the call of the calendar

Mr WHITE Mr President, what is the status of the matter which the Senator from Kentucky and the Senator from North Dakota were discussing?

The PRESIDING OFFICER The discussion was with reference to Senate bill 2118 The Chair has announced that, without objection, the vote by which the bill was passed would be reconsidered, and that the bill would be placed on the calendar

Mr BARKLEY Mr. President, I inquire if the call of the calendar has been concluded?

The PRESIDING OFFICER It has not been concluded. The clerk will state the next bill on the calendar.

CLAIMS OF CONFEDERATED SALISH AND KOOTENAI TRIBES

The Senate proceeded to consider the bill (S 2428) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes, which had been reported from the Committee on Indian Affairs, with an amendment, on page 2, in line 3, after the words "United States", to strike out "including, but not limiting the generality of the foregoing, claims arising under or growing out of the treaty of July 16, 1855 (12 Stat 975; 2 Kappler 722), or any subsequent treaty or agreement, act of Congress, or Executive order, or by reason of any lands taken from said Indians by acts of Congress or otherwise, including lands lost to them by erroneous surveys, or lands opened to settlement, or used for dam, power, and reservoir sites and irrigation projects, or loss of lands by submergence by erection of reservoirs, without compensation and without their consent given in the usual manner, or for the failure or refusal of the United States to protect the interests of any of said Indians in lands as to which they had or claimed possessory right of use and occupancy, or because of any mismanagement or wrongful handling of any of the funds, lands, properties, or business enterprises belonging to or held in trust for said Indians."

So as to make the bill read:

Be it enacted, etc, That jurisdiction is hereby conferred upon the Court of Claims, subject to review by the Supreme Court of the United States on writ of certiorari as in other cases, to hear, examine, adjudicate, and render judgment in any and all legal and equitable claims of whatsoever nature which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation of Montana, or any tribe or band thereof, may have against the United States.

SEC 2. That suit or suits under this act may be instituted by the Confederated Salish and Kootenai Tribes of Indians, or any tribe or band thereof, either separately or jointly, as party or parties plaintiff, against the United States as party defendant, by filing within 5 years after the approval of this act a petition or petitions in the Court of Claims and serving with respect to each suit a copy thereof on the Attorney General of the United States, who, either in person or by some attorney from the Department of Justice to be designated by him, shall appear and defend the interests of the United States. Such petition or petitions shall set forth the facts upon which the claim or claims for recovery is or are based and shall be verified by the attorney or attorneys employed by said Indians, under contract approved in accordance with existing law, to prosecute said claims, which may be made upon information and belief, and no other verification shall be necessary. The petition or petitions shall be subject to amendment at any time prior to final submission of the case to the Court of Claims Such petition or petitions may, in addition to alleging specific claims, demand a general accounting of all funds and property expended or used by the United States for the account of said Indians, in which event the General Accounting Office shall within a reasonable time from date of filing said petition or petitions make a complete audit of said accounts, and, in addition to the usual copies furnished the Attorney General, shall furnish a copy thereof to the attorney or attorneys for said Indians, and the court, after full hearing, shall state the account and render judgment in accordance therewith.

SEC. 3 That at the trial of any suit instituted hereunder the court shall settle and determine the rights therein, both legal and equitable, or said Indians against the United States, notwithstanding lapse of time or statutes of limitation In the determination of the validity of any claim asserted or defense interposed hereunder, the court shall have the full power and authority of a court of equity.

SEC 4 That the court shall have authority, by proper orders and process to make parties to any suit or suits instituted hereunder any other tribe, band, or group of Indians deemed by it necessary or proper to a final determination of the matters in controversy

SEC 5. That in any suit instituted hereunder any letter, paper, document, map, or record in the possession of any officer or department of the United States (or certified copies thereof) may be used in evidence, and the departments of the Government of the United States shall give full and free access to the attorney or attorneys for said Indians to such letters, papers, documents, maps, or records as may be useful to said attorney or attorneys in the preparation for trial or trials of such suit or suits.

SEC 6. That no payment or payments which have been made by the United States upon any claim or claims asserted in any suit brought hereunder, or expended for any of the said Indians, shall operate as an estoppel against any suit brought hereunder, but there shall be set off against any recovery obtained by said Indians hereunder any payment made by the United States on any claim asserted by said Indians, together with such gratuity expenditures as are directed to be set off by the act of Congress, approved August 12, 1935 (49 Stat. 596): *Provided*, That no moneys expended for the benefit of said Indians under the Wheeler-Howard Act, approved June 18, 1934 (48 Stat. 964), shall be applicable as set-offs

SEC. 7. That upon the final determination of any suit or suits instituted hereunder, the Court of Claims, in the event of judgment for said Indians shall determine such fees or compensation to be paid the attorney or attorneys as said court shall find reasonable or equitable, and in addition thereto such actual and necessary expenses as shall have been incurred by the attorney or attorneys in the prosecution of said claims. In no case shall the fees or compensation decreed by said Court of Claims be in excess of the amount stipulated in the contract or contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and in no event to exceed 10 percent of the amount of the recovery, and shall be paid out of any money appropriated by Congress for the benefit of said Indians pursuant to any judgment hereunder

SEC 8 That the amount of any judgment recovered for said Indians, less attorneys' fees and expenses, shall be placed to the credit of said Indians in the Treasury of the United States and shall draw interest at the rate of 4 percent per annum from date of judgment and shall thereafter be subject to appropriation by Congress and used for the benefit of said Indians, including, but without limitations, the purchase of lands, livestock, farming implements, erection of buildings and improvements, and for productive enterprises, with the approval of the Secretary of the Interior and the consent of said Indians

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN CLAIMS COMMISSION

The Senate proceeded to consider the bill (H. R 4497) to create an Indian Claims Commission; to provide for the powers, duties, and functions thereof; and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

Mr MAGNUSON Mr. President, I should like to have an explanation of the bill

Mr. LA FOLLETTE. The Senator from Wyoming [Mr. O'MAHONEY], the chairman of the committee, is not able to be present in the Chamber today. I may say that on several occasions the House or the Senate has passed legislation creating a claims commission to hear the claims of the various Indian tribes, and to get away from the practice of passing jurisdictional-claims bills permitting the Indians to bring suit against the Government in the Court of Claims.

Quite naturally, such jurisdictional bills as have been passed on various occasions have contained provisions with regard to offsets and other matters which might be proposed as counterclaims. The result has been that there has not been a uniformity of treatment so far as the various claims of the Indian tribes were concerned.

This bill proposes to set up a claims commission and to give it jurisdiction and power to hear claims. A subcommittee of the Senate Committee on Indian Affairs went over the measure very carefully. I was not a member of the subcommittee, but it amended the bill in a number of particulars. Personally, I have some question in my own mind about some of the amendments, but, in view of the fact that we have reached this late stage in the legislative session, I think it is better to adopt the amendments and let the bill go back to the House so that if the House does not concur in the Senate amendments there will be time in which to hold a conference.

Mr. President, the idea embodied in this bill has been endorsed by the Department of the Interior. For several years the Department of the Interior has been urging the measure upon the consideration of the committee. It is my belief that if this bill can be enacted, either with the Senate amendments in it or amended in conference, it will first of all, result in a more uniform treatment of the claims of the various Indian tribes, and, secondly, it will relieve the Congress of the burden of being required to pass tribal jurisdictional claims bills.

Mr. MAGNUSON. Mr. President, I appreciate the necessity of relieving the Congress of some of these burdens. Objection has been voiced by certain people in my State who have had a great deal to do with Indian claims, to the appointment for an indefinite period of time of a commission such as would be set up under this bill.

Mr. THOMAS of Oklahoma. The period would be 10 years

Mr. MAGNUSON. Yes. There should be a definite term of office which the commissioners would serve.

Mr. LA FOLLETTE. Mr. President, Indian claims have been dragging through the Court of Claims since time immemorial. I do not believe it would be possible for the Commission to complete its work in less than 10 years. Of course, if it completes its work in less than 10 years, Congress could abolish the Commission.

Mr. THOMAS of Oklahoma. Mr. President, Indian claims have been before the Congress for 150 years and they will continue to come before Congress for another 150 years unless the Congress passes a bill providing for a definite termination of the receipt of such claims. Both political parties heretofore have gone on record in favor of the creation of a claims commission for the purpose of entertaining Indian claims and bringing them to a final adjudication.

This bill is an administration measure. It provides for the appointment of three commissioners to serve not to exceed 10 years, no more than two of whom shall be members of the same political party. It provides that no claim now pending in any court may be transferred to the Commission. The Commission will hear only such claims as are now pending in the minds of the Indian tribes and have not been officially presented.

Mr. President, I am safe in saying that the Government will never get rid of Indian claims until a time is provided within which the claims shall be filed, as well as a time within which they shall expire.

The Senate has heretofore passed a bill very similar in nature, and the House

has also passed a bill very similar in nature, but at different sessions of the Congress. We now have an opportunity, in the same session, to agree with the House and have the matter settled.

Mr. MAGNUSON. Mr. President, in view of the explanation which I have heard, I withdraw any objection which I may have announced.

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

The first amendment of the Committee on Indian Affairs was, on page 1, line 6, after the word "determine", to strike out "all claims of every nature whatsoever" and insert "the following claims"

The amendment was agreed to.

The next amendment was, on the same page, line 10, after the words "United States or", to strike out "Alaska. Such claims shall include, but shall not be confined to" and insert "Alaska."

The amendment was agreed to

The next amendment was, on page 2, at the beginning of line 2, to insert "in law or equity."

The amendment was agreed to

The next amendment was, on the same page, after line 3, to strike out "claims whether sounding in contract or tort or otherwise, with respect to which the claimant would have been entitled to redress in a court of the United States if the United States were subject to suit; (3) claims which would result if the treaties, contracts, and agreements between the claimant and the United States were revised on the ground of fraud, duress, unconscionable consideration, mutual or unilateral mistake, whether of law or fact, or any other ground cognizable by a court of equity; (4) claims on account of any breach of duty committed to the injury of the claimant by any officer or agent of the United States while acting within the apparent scope of his authority; (5) claims arising from the taking by the United States, whether as the result of a treaty of cession or otherwise, of lands owned or occupied by the claimant without the payment for such lands of compensation agreed to by the claimant; and (6) claims of whatever nature which would arise on a basis of fair and honorable dealings, even though" and insert "all other claims in law or equity, including those sounding in tort, with respect to which the claimant would have been entitled to sue in a court of the United States if the United States was subject to suit; and (3) claims based upon fair and honorable dealings that are."

The amendment was agreed to.

The next amendment was, on page 3, after line 3, to strike out:

No claim shall be excluded from consideration on the ground that it has become barred by law or any rule of law or equity, or that it is barred by any statute of limitations or by laches, but no claim shall be considered by the Commission, where a final determination upon an issue of law or fact involved has been made on the merits of such issue by any court of the United States in a proceeding with respect to such claim.

And insert:

All claims hereunder may be heard and determined by the Commission notwithstanding any statute of limitation or laches, but all other defenses shall be available to the United States.

The amendment was agreed to.

The next amendment was, on the same page, after line 15, to strike out:

The Commission, in determining whether a claimant is entitled to relief on legal grounds, shall apply with respect to the United States the same principles of law as would be applied to an ordinary fiduciary In determining the quantum of relief the Commission shall make appropriate deductions for all payments made by the United States on the claim, and for all other offsets, counterclaims, and demands that would be allowable in a suit brought in the Court of Claims under section 145 of the Judicial Code (36 Stat 1136; 28 U. S. C., sec 250), as amended Where the Commission determines that the claimant is entitled to relief, in whole or in part, solely on the grounds specified in clause (6) of the first paragraph of this section, it shall inquire into all expenditures or grants of money or property, including gratuities, made by the United States for the benefit of the claimant, and shall make such deductions on account thereof, in addition to the deductions required by the preceding sentence, as it finds the entire course of dealings and accounts between the United States and the claimant in good conscience warrants. In making such finding the Commission shall take into account the economic and social conditions of the Indians involved, the extent to which they are possessed of resources adequate to permit them to become self-supporting at a standard of living corparable to that enjoyed by the citizens of the United States generally, and their ability to support necessary public services

And insert:

Whenever the Commission shall determine that a claimant is entitled to relief, it shall inquire into and consider all counterclaims and set-offs and demands that would be allowable in a suit brought in the Court of Claims under section 145 of the Judicial Code (36 Stat 1136, 28 U S C. 250), as amended; and it may also give weight to all money or property given to or funds expended gratuitously for the benefit of the claimant.

The amendment was agreed to.

The next amendment was, on page 8, after line 1, to strike out:

SEC 11. Any suit pending in the Court of Claims or any claim for which suit in the Court of Claims has been authorized at the time of the approval of this act may be transferred to the Commission as of right upon motion of the claimant at any time prior to the final submission of the case to the court, and upon such transfer all further proceedings shall be in accordance with the provisions of this act, except that any provision of the jurisdictional act under which the suit was authorized, relating to the jurisdiction of the court, any cause of action, or any special measure of damages, shall, unless formally waived by the claimant, be equally applicable to the proceedings before the Commission. In the event of such a transfer, the claimant shall continue to be represented by its attorney or attorneys under their approved existing contract according to its terms

And insert:

SEC 11 Any suit pending in the Court of Claims or the Supreme Court of the United States at the time of the approval of this act shall not be transferred to the Commission, nor shall the Commission have jurisdiction over such suits.

The amendment was agreed to.

The next amendment was, on page 10, line 11, after the word "at", to strike out "the trial of any suit or proceeding instituted" and insert "any hearing held"

The amendment was agreed to.

The next amendment was, on the same page, in line 23, after the word "preparation", to strike out "for trial or determination of any suit or proceeding" and insert "of any claim."

The amendment was agreed to.

The next amendment was, on page 12, in line 10, after the words "any such", to strike out "compromise shall be submitted by the Commission" and insert "compromise shall have the effect of a recommendation of the parties to the controversy and of the Commission and shall be submitted by the Commission."

The amendment was agreed to.

The next amendment was, on page 16, line 9, after the words "with Congress", to strike out "such report shall have the effect of a final judgment and shall be paid in like manner as are judgments of the Court of Claims" and insert "the amount found due by the Commission shall, upon appropriation therefor by Congress, be paid in such manner as Congress shall provide."

The amendment was agreed to

The next amendment was, on page 18, line 12, after the word "thereunder", to strike out "which is not transferred to the Commission pursuant to section 11 of this act" and insert at the end of the bill a new section to read as follows:

SEC 26 If any provisions of this act, or the application thereof, is held invalid, the remainder of the act, or other applications of such provisions, shall not be affected.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I wish to ask one further question. What was the reason for striking out the word "Alaska" on page 1, in line 10 of the bill?

Mr. THOMAS of Oklahoma. Mr. President, these amendments were suggested by the Department of Justice. I was not privileged to attend the conference at which the amendments were considered, and therefore I cannot answer the Senator's question.

Mr. MURDOCK. Mr. President, I wish to ask the Senator from Oklahoma this question: Would a decision by the Commission on the facts be conclusive so far as any appeal to the Court is concerned?

Mr. THOMAS of Oklahoma. I do not believe the Senate has ever passed this kind of a bill before, and I am sure the bill does not provide for such a procedure.

Mr. MURDOCK. I am not at all familiar with the bill, but I was wondering if that was the case.

Mr. THOMAS of Oklahoma. The decisions of the Court of Claims are certainly appealable to the Supreme Court, so, while we could pass such a bill, I am sure we would not.

Mr. MURDOCK. That is true, but of course most of the appeals to the Supreme Court are exclusively on questions of law rather than fact. That is the question I have in mind now, whether the finding of the facts by this Commission would preclude a review of the facts in case of an appeal to the courts. I am not even sure that there is provided an appeal to the courts from the

action of the Commission, but I am assuming that certainly the bill provides an appeal. My question is, after the Commission has found the facts, does that preclude on appeal a reconsideration of the facts by the court to which the case is appealed?

Mr. THOMAS of Oklahoma. Speaking as one member of the committee, I do not understand it goes that far.

Mr. LA FOLLETTE. Mr. President, the way this would work would be that the Commission would hear the claim, make a decision, and then submit it to the Congress. The claims contemplated are claims against the Government, and the claimants cannot either get into the Court of Claims or get any money as a result of the Commission's finding unless Congress acts.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4497) was read the third time and passed.

BILL PASSED OVER

The bill (S. 2033) to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes, was announced as next in order.

Mr. AUSTIN. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. WALSH. Mr. President, in connection with the bill just passed over, I submit an amendment to be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

CAMP COOKE, CALIF., RIGHT-OF-WAY

The bill (H. R. 3993) to authorize the Secretary of War to sell or convey to the Southern Pacific Railroad Co. a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif., was considered, ordered to a third reading, read the third time, and passed.

FORT ORD MILITARY RESERVATION, CALIF.

The bill (H. R. 4484) relating to the construction and maintenance of buildings and improvements for banking purposes on the Fort Ord Military Reservation, Calif., was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1418) to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season of 1934-35, was announced as next in order.

Mr. DOWNEY. I object.

The PRESIDING OFFICER. The bill will be passed over. That completes the calendar.

AMENDMENT OF BONNEVILLE PROJECT ACT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1516) to amend section 12 of the Bonneville Project Act, as amended, which were, on page 1, line 3, after "12", to insert "(b)"; and on the same page, line 7, to strike out "(Sec. 12)" and insert "(b)."

Mr. MAGNUSON. Mr. President, I move that the Senate concur in the amendments of the House to Senate bill 1516

The motion was agreed to.

Mr WHITE. Mr. President, what is Senate bill 1516, and what is it that the Senator is moving that the Senate concur in?

Mr. MAGNUSON. The Senate and the House passed a bill amending the Bonneville Power Authority and there was some dispute regarding the legal provisions The House has made amendments, and I merely want the Senate to concur in them, so that the bill can be enacted.

AMENDMENT OF REVISED STATUTES RELATING TO OFFICERS AND EMPLOYEES OF THE PATENT OFFICE

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H R 4080) to amend section 476, Revised Statutes (U S. C., title 35, sec 2), providing for officers and employees of the Patent Office, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PEPPER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

Subsequently, the Presiding Officer appointed Mr PEPPER, Mr LUCAS, and Mr. HAWKES conferees on the part of the Senate.

EQUAL RIGHTS FOR MEN AND WOMEN

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1023, Senate Joint Resolution 61, proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

I wish to state, Mr. President, that this is a matter which has been before the country for a long time. Both political parties in their platforms in 1944 endorsed such an amendment by pledging themselves to submit the matter to the States for consideration. I think the committee which reported the joint resolution, and the sponsors of the constitutional amendment, are entitled to have a vote upon it. Therefore, I move that the Senate proceed to the consideration of the joint resolution. I do not know that it will take long. I realize it is not without controversy, but at the same time I think its sponsors are entitled to have the Senate vote upon it, so I am moving that it be considered.

Mr. ANDREWS. Mr. President, the equal rights amendment is one of the most far-reaching measures that has ever been presented to the Senate. I have spent a portion of 2 years examining into the background of the amendment. I would not like to see it approved this afternoon without a full discussion I have a brief on the subject which covers about 24 pages. The adoption of the amendment will absolutely obliterate a whole article of the constitution of Florida, and it will do the same for several other States. Furthermore, it will repeal many statutes which States now have for the protection of women in industry as well as their right to property. It is a subject which has always been dealt with domestically. It is purely a domestic proposition, and the Federal Government has no business dealing with it.

I did not know that the matter was coming up today. I have a brief at my apartment on the subject, and I cannot secure it now. I ask that the joint resolution go over until we can have a chance to discuss it. It does not matter that political parties in convention assembled have agreed that the measure should be passed. I imagine the question was brought up under pressure at Chicago, without looking into the background of it. I do not know what the adoption of the amendment would do to the State of Louisiana; but in my State, which was carved out of Spanish territory, we would have lawsuits without end. The same condition would also prevail in other States. I hope the joint resolution will not be taken up this afternoon and disposed of. If it is, I shall protect myself in the best way I can.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women

Mr. RADCLIFFE obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from Maryland yield?

Mr. RADCLIFFE. I yield.

Mr. BARKLEY. There are many bills on the calendar behind the place where we began the call of the calendar today. It is my purpose to ask the Senate to consider those bills on a call within the next few days, starting at the beginning of the calendar and coming down to the point where we started today. I say this so that Senators who are interested in bills which are back of the beginning of the last call of the calendar may have an opportunity to have them considered on another call within the next few days.

Mr. WHITE. Mr. President, I take it the statement just made contemplates that no consents will be given now reaching back on the calendar.

Mr. BARKLEY. No: in view of the situation, I would not want the Senate to go back now and take up individual bills.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. The Senator objected to a bill a month ago, the last bill on the calendar before the point where we started today. It is a

bill which provides for the return of a hydroelectric dam in my State. The State built the dam, the war came on, and the Government took it over, and has used the dam all through the war. The War Department is willing to turn it back, wants to turn it back. An amendment offered by the Senator from South Carolina held the bill up before. At that time I did not know of the amendment. It is entirely agreeable to accept the amendment, and the bill can go through without any objection.

Mr. BARKLEY. Did I object before?

Mr. THOMAS of Oklahoma. The Senator objected.

Mr. BARKLEY. I probably did so at the request of the Senator from South Carolina. In view of that, I shall not object to the consideration of the bill, but I ask that no further requests be made.

GRAND RIVER DAM PROJECT

Mr THOMAS of Oklahoma Mr. President, I call up Calendar 1527, House bill 5508.

The PRESIDING OFFICER. The clerk will state the bill by title

The CHIEF CLERK. A bill (H. R. 5508) to authorize the return of the Grand River Dam project to the Grand River Dam Authority

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THOMAS of Oklahoma. An amendment has been submitted by the Senator from South Carolina. I will ask that that be considered.

Mr. JOHNSTON of South Carolina. Mr. President, I call up the amendment I wish to propose to the bill on behalf of my colleague [Mr. MAYBANK] and myself, and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the proper place it is proposed to insert the following.

SEC. 6. The Administrator of the Federal Works Agency or his successor in interest is hereby authorized to reduce the rate of interest to 2½ percent on all power bonds held by such Agency issued by States, public authorities, counties, municipalities, and other subdivisions of State governments for power projects financed by the Public Works Administration

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Just what amendment was offered? We cannot hear what is going on We do not even know what bill is being considered. I should like to have an explanation of what is going on

Mr. THOMAS of Oklahoma. This is a bill which provides for the return to the State of Oklahoma of a hydroelectric dam taken over from the State during the war. The Senator from South Carolina [Mr. JOHNSTON] has an amendment in which the senior Senator from Nebraska [Mr. BUTLER] was interested when the bill was called before, which provides for a reduction of the interest rate. That is agreeable to me, as representing my State.

Mr. WHERRY. Very well.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I merely wish to say that I had an amendment to offer to the bill, and I withdrew it in favor of my colleague's amendment. I presume that is the amendment the Senator from Oklahoma referred to. I am indeed glad that my colleague's amendment has been accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK].

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time and passed.

Mr JOHNSTON of South Carolina. Mr President, I wish to thank the Senator from Oklahoma for permitting our amendment to be added to the bill, for it means much to the people of South Carolina To be more exact, the South Carolina Public Service Authority, commonly known as the Santee-Cooper development, will save annually approximately $600,000. This amendment is fair to all concerned, for a rate of interest of 2½ percent on long term bonds is high enough for the Government to charge.

INCORPORATION OF THE AMVETS, AMERICAN VETERANS, WORLD WAR II

Mr. BILBO. Mr. President, during the call of the calendar I objected to Calendar No 1709, Senate bill 2326, to incorporate the Amvets, American Veterans of World War II. I have made investigation and received the information I wanted, and I desire to withdraw the objection, and ask that the bill be now passed.

Mr. WHERRY. Mr. President, I did not object to the bill when it was reached on the call of the calendar, but a Senator stated to me that he wanted to ask some questions about the bill if it came up However, we will not object to the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (S. 2326) to incorporate the Amvets, American Veterans of World War II, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc, That the following persons, to wit. Jack W. Hardy, 7421 Beverly Boulevard, Los Angeles, Calif., Elmo Keel, 4085 Minnesota Avenue NE., Washington, D. C, William Enters, suite 1509–11, 11 South La Salle Street, Chicago, Ill; Dr. Gerald I Cetrulo, 106 Bloomfield Avenue, Newark, N J; Norman Clock, 125 South Fourth Street, Reading, Pa; Floyd Williams, C–2, 704 North Monroe Street, Arlington, Va.; Rev Joseph T O'Callaghan, United States Navy Department, Washington, D. C.; George R Porter, 1730 South Adams Street, Fort Worth, Texas; Robert E. McLaughlin, 800 South Washington Street, Alexandria, Va.; Raymond Sawyer, 609 South Walter Reed Drive, Arlington, Va; James C. Tate, Wilton Road, rural free delivery No. 5, Alexandria, Va; George E. Burke, 1126 Central Avenue, St. Petersburg, Fla; A. Ronald Button, 6331 Hollywood Boulevard, Hollywood 28, Calif.; Americus Lamberti, 515 West Seventh Street, Plainfield, N. J., Emory S McNider, Coffeyville, Ala.; Allen Hansen, 815 East Broadway, Tucson, Ariz; Edward S. Shattuck, 1400 North Hobart Boulevard, Los Angeles, Calif.; Elvon L Howell, 652 Gilpin Street, Denver, Colo; William N. Welsh, 21 Bristol Street, West Haven, Conn.; Francis D. Odell, 18 Lawson Avenue, Claymont, Del.; George Lewis, 125 State Capitol, Atlanta, Ga; Lee Witaski, 1438 Thorndale Avenue, Chicago, Ill; Dr. Clyde Longstreth, Atlantic, Iowa, Harry N. Gillig, Jr, 612 Kansas Avenue, Topeka, Kans; John H Ostertag, 955 Charles Street, Louisville, Ky.; Otto E Passman, 114–20 Walnut Street, post-office drawer 1833, Monroe, La; Dr. G E Marrone, 610 Fairview Avenue, Frederick, Md, Howard J. McDonald, 4 College Street, Lewiston, Maine; Edward J. Beauchamp, 4 College Street, Lewiston, Maine, Albert J. Reynolds, Tremont Temple Building, Boston, Mass; Neil Holland, 810 Hammond Building, Detroit, Mich; Monte M. Korn, 18041 Washburn, Detroit, Mich, Raymond D Vosburgh, 222½ West Lewis Street, Mankato, Minn, George R Gess, box 47, Mount Olive, Miss, Henry W Simpson, room 500, 119 North Seventh Street, St Louis, Mo, R. C Letcher, Billings Fire Department, Billings, Mont, Dr A D. Faier, 1102 Medical Arts Building, Omaha, Nebr.; Jay J Strode, Wells, Nev.; N. L Samaha, C–1, 1 Keeble Street, Plymouth, N H; William Hepp, 1918 Liberty Bank Building, Buffalo, N Y.; Huston W Galyen, 1121 Sixteenth Avenue North, Fargo, N Dak., Carl Freudenberg, 1298 Michigan Avenue, Cincinnati, Ohio; Fred Milligan, attorney at law, Columbus, Ohio, Joseph D Stafford, route 2, box 662, Oklahoma City, Okla; Anthony R McGrath, 609 Plaza Building, Pittsburgh, Pa, Harry M DeWitt, Jr, 2316 Fortieth Street NW, Washington, D C, Robert W Donald, post-office box 2, Ersley, S C, Dick Kelly, Shaw Insurance Co, Sioux Falls, S Dak, Alex Bullocks, 1464 Washington Street, Memphis, Tenn, Thomas J. Russell, Burlington, Vt, John E Fletcher, 806 North Eye Street, Tacoma, Wash, R. L Stubbs, Professional Building, Fairmont, W. Va, Walter L Thompson, 1316 Lombard, Everett, Wash.; Robert A Garrett, 163 Eccles Building, Ogden, Utah, Percy Johnson, 2460 16th Street NW, Washington, D. C, Hampton C Godbe, 116 P Street, Salt Lake City, Utah, Allen P Sciacia, 311 Dauphin Building, Harrisburg, Pa, George Vukaminic, 221 Martin Avenue, Pittsburgh 16, Pa; Royce C Granger, 102 East Eighteenth Street, Tulsa, Okla, Charles E Nassif, 1023 Thirteenth Street North, Fargo, N Dak, Paul D Higgins, 104½ Broadway, Fargo, N Dak, Edmund P Radwan, 906 Broadway, Buffalo, N. Y, Alexander J Matturria, 234 Mount Prospect Avenue, Newark, N J, J F Roche, Bond Building, 1015 Elm Street, Manchester, N H, Kenneth A. Van Vorst, 114 East Bonanza Road, Las Vegas, Nev, Julian E Harvey, 1731 Walnut Street, Kansas City, Mo.; John Wesley, box 452, Picayune, Miss; Claude C Morgan, 810 Hammond Building, Detroit, Mich, Edward A. Trudell, 26 Horan Way, Jamaica Plain, Mass; Vincent C Neeson, Labelle and Bellona, Ruxton, Baltimore 4, Md; R L. Huot, 106 Elm Street, Biddeford, Maine; John E Sutherlin, Sutherlin Sales Co, Industries Building, New Orleans, La; Thomas Wilkerson, 1600 Washington, Henderson, Ky.; John C. Junkins, Cherokee, Kans; Dr. C W. Hoffman, 1340 Forty-first Street, Des Moine, Iowa; Allen W. Jenkins, 1015 Cherry Street, Evansville, Ind; Edwin I. Bruder, 6837 Clyde Avenue, Chicago, Ill; Harry P. Orcutt, Fort Benning, Ga; Arthur Di Vincent, post-office box 4579, Miami 28, Fla.; Maurice B. Marholin, 176 McClintock Road, New Britain, Conn; Harry Steinberg, First National Bank Building, El Dorado, Ark.; Jess Curtiss, 807 North Third Street, Phoenix, Ariz; Edward S. Coston, 69 Ninth

Street, North, Birmingham, Ala.; Anthony C. Jones, 4828 Seventh Street NW., Washington, D. C.; Frank Dee Scriven, 8474 West Third Street, Los Angeles 36, Calif.; Allen C. Hessler, 1275 Clarkson Street, No 4, Denver 3, Colo.; Micheal Dzamki, 3012 First Street, East Chicago, Ind.; S. Howard Rudolph, Jr., Atlantic, Iowa; Fred K Greer, 427 East Market Street, Princeton, Ky.; Roy Morgan, Winnfield, La.; James C Witt, 842 Columbia Avenue, Cumberland, Md.; Chester Modzelewski, 67 Davenport Street, Chicopee, Mass.; Arthur Madar, 9166 Yorkshire, Detroit, Mich; John J. Clark, 257 Harrison Street, Biloxi, Miss.; William E. Blake, 73 Grey, Buffalo 12, N. Y; Albert Geremia, room 303, 17 Exchange Street, Providence, R I., Frank E Richter, 3, 12-14 West Sixth Street, Evansville, Ind.; Frank J. Ross, 1020 East Pleasant, Milwaukee, Wis; Conrad K Strauss, 160 Holland Avenue, Cowesett, R. I.; Paul S Limerick, 456 Catalina, Webster Groves, Mo.; Raymond O'Brien, 22 North Ryan Street, Buffalo, N. Y; Dallas P. Richeson, post-office box 2226, Phoenix, Ariz; Fred Nimz, route 6, box 815A, Phoenix, Ariz.; Tom Bulman, 240 East Fifteenth Street, Tucson, Ariz, Charles E Brode, 15 North Lee Street, Cumberland, Md.; Clyde B. Blanton, 2095 Seventh Avenue North, St. Petersburg, Fla; Floyd Cooper, 912 Poulk Street, Amarillo, Tex., Paul Moody, 548 South Spring Street, Los Angeles, Calif, Oliver A. Parabee, Lexington, N. C.; Thad Males, 329 West Valerio Street, Santa Barbara, Calif; and such persons who are members of the AMVETS (American Veterans of World War II) and their successors, are hereby created and declared to be a body corporate by the name AMVETS (American Veterans of World War II) and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions herein contained

SEC 2. That the persons above named and other persons selected from among the membership of Amvets (American Veterans of World War II), an unincorporated association as set forth in section 1 hereof, met in national convention in Chicago, Ill, on October 12, 13, and 14, 1945, and then and there, by and through duly elected delegates representing 131 posts throughout the United States, adopted a national constitution, bylaws, and declaration of principles and duly elected national officers for said organization, all as set forth in the CONGRESSIONAL RECORD, proceedings and debates of the Seventy-ninth Congress, first session, on November 6 and 7, 1945.

SEC 2 That the purposes of this corporation shall be as follows:

(1) To preserve for ourselves and our posterity the great and basic truths and enduring principles upon which this Nation was founded.

(2) To maintain a continuing interest in the welfare and rehabilitation of the disabled veterans of World War II and to establish facilities for the assistance of all veterans and to represent them in their claims before the Veterans' Administration and other organizations without charge.

(3) To dedicate ourselves to the service and best interests of the community, State, and Nation, to the end that our country shall be and remain forever a whole, strong, and free Nation.

(4) To aid and encourage the abolition of prejudice, ignorance, and disease. To encourage universal exercise of the voting franchise, to the end that there shall be elected and maintained in public office men and women who hold such office as a public trust administered in the best interest of all the people.

(5) To advocate the development and means by which all Americans may become enlightened and informed citizens and thus participate fully in the functions of our democracy.

(6) To encourage and support an international organization of all peace-loving nations, to the end that not again shall any nation be permitted to breach their national peace.

(7) To continue to serve the best interests of our Nation in peace as in war.

(8) To develop to the utmost the human, mental, spiritual, and economical resources of our Nation.

(9) To perpetuate and preserve the friendship and comradeship born on the battle front and nurtured in the common experience of service to our Nation during time of war.

(10) To honor the memory of those men and women who gave their lives that a free America and a free world might live by the creation of living memorials in the form of additional educational, cultural, and recreational facilities.

(11) To operate as a corporation not for profit and that no part of the income or assets shall inure to the benefit of any of its members, directors, or officers, nor be distributable thereto otherwise than upon dissolution or final liquidation, and that such corporation is organized and shall be operated exclusively for charitable, educational, patriotic, and civic improvement purposes.

SEC 4 That the corporation hereby created shall have the following powers: To have perpetual succession with power to sue and be sued in any court of competent jurisdiction; take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of real and personal property which may be held by, or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State; to ordain and establish bylaws and regulations not inconsistent with the laws of the United States of America or any State thereof, for the management of its property and the regulation of its affairs, to use in carrying out its purposes such seals, emblems, and badges as it may lawfully adopt, to establish State and regional organizations and local posts; to publish magazines, newspapers, or any other publications consistent with the purposes of the corporation, and to do any and all such acts and things as may be necessary and proper to carry into effect the purposes of the corporation

SEC 5 (1) No part of the activities of the corporation shall consist of carrying on propaganda,

(2) The corporation and its officers and the members of its executive committee as such shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

(3) The first executive committee shall consist of 28 members, namely, Jack W. Hardy, Title Guaranty Building, Los Angeles, Calif; Dr. Gerald I. Cetrulo, 234 Mount Prospect Avenue, Newark N. J; Dr Clyde Longstreth, Atlantic, Iowa; Henry Simpson, 506 Olive Street, St. Louis, Mo; Edward A. Trudell, 88 Tremont Street, Boston, Mass; Frank T Ross, Milwaukee, Wis; Anthony R. McGrath, 530 William Penn Place, Pittsburgh, Pa.; Jess Curtis, 807 North Third Street, Phoenix, Ariz; Carl Freudenberg, 1298 Michigan Avenue, Cincinnati, Ohio; Fred F. Nimz, Glendale, Ariz.; A. O. Jones, Phoenix, Ariz; Thad Males, 329 West Valerio Street, Santa Barbara, Calif, Harry M DeWitt, 2316 Fortieth Street NW., Washington, D. C.; George E Burke, 1126 Central Avenue, St. Petersburg, Fla; Warren Wright, 11 South La Salle Street, Chicago, Ill; Kenneth Meisenberg, 214 Bank and Insurance Building, Dubuque, Iowa; Otto E. Passman, post office drawer 1833, Monroe, La; Chester Modzelewski, 67 Davenport, Chicopee, Mass.; Claude Morgan, 401 Charlevoix Building, Detroit 26, Mich.; Paul Limerick, 418 Olive Street, St. Louis, Mo: Americus Lamberti, 515 West Seventh Street, Plainfield, N. J; Edmund P. Radwan, 906 Broadway, Buffalo, N. Y.; Oliver A. Parabee, Lexington, N C; Fred J. Milligan, Columbus, Ohio; George Yukmanic, 221 Martin Avenue, Pittsburgh, Pa; Conrad Strauss, 160 Highland Avenue, Cowesette, R. I; George R. Porter, 1730 South Adams Street, Fort Worth, Tex.; Otis G. Gomillion, 1621 North Franklin Place Milwaukee, Wis

(4) The headquarters office and principal place of business of said corporation shall be located in Washington, D C, but the activities of said organization, as set out herein, shall not be confined to the District of Columbia, but shall be conducted throughout the various States, Territories, and possessions of the United States

SEC 6. Any American citizen shall be eligible for membership in the Amvets (American Veterans of World War II) who was regularly enlisted, inducted, or commissioned, and who was accepted for, or was on, active duty in the Army, Navy, Marine Corps, or Coast Guard, of the United States, or our allies, on or after September 16, 1940, and who served between this date and the date of cessation of hostilities, as established by the Government of the United States. Service with the armed forces must have been terminated by honorable discharge or honorable separation from the service: *Provided, however*, That persons otherwise eligible for membership who are on active duty or who must continue to serve after the cessation of hostilities are also eligible for membership.

SEC 7 (1) Each member of the said corporation shall have the right to one vote in the conduct of official business at the post level. Each post shall have the right to elect delegates to national conventions of the corporation, which delegates shall each exercise one vote in the conduct of business of the respective convention to which he is elected.

(2) The executive committee of the said corporation shall consist of one member duly elected to represent each department, and, in addition, all elective officers shall be members of the executive committee ex officio

SEC 8 The said corporation may and shall acquire all of the assets of the existing unincorporated association known as Amvets (American Veterans of World War II) upon discharge or satisfactory provisions for the discharge of all its liabilities.

SEC 9 In the event of a final dissolution or liquidation of such corporation, and after the discharge or satisfactory provisions for the discharge of all its liabilities, the remaining assets of the said corporation shall be transferred to the Veterans' Administration to be applied to the care and comfort of disabled veterans of World War II

SEC 10 The corporation shall have power to—

(1) Have succession by its corporate name;

(2) Choose such officers, representatives, and agents as are necessary to carry out the purposes of the corporation;

(3) Contract and be contracted with;

(4) Transfer and convey all real or personal property;

(5) Borrow money for the purposes of the corporation, issue bonds therefor, and secure same by mortgage subject in every case to all applicable provisions of Federal or State laws.

SEC. 11. The corporation shall be liable for the acts of its officials, representatives, and agents when acting within the scope of their authority.

SEC. 12 The corporation shall maintain in the District of Columbia at all times a designated agent authorized to accept service of process for such corporation; and notice to or service upon such agent, or mail to the business address of such agent, shall be deemed notice of service upon the corporation.

SEC. 13. The following national officers of the said corporation shall be elected by the chosen delegates thereof in annual national

conventions, each official delegate casting one vote, to wit. National commander; first, second, third, fourth, fifth, and sixth national vice commander, one of whom shall be a woman; finance officer, adjutant, judge advocate, and provost marshal.

SEC. 14. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, executive committee, and committees having any of the authority of the executive committee; and shall keep at its registered office or principal office a record giving the names and addresses of its members entitled to vote; and permit all books and records of the corporation to be inspected by any member or his agent or his attorney for any proper purpose at any reasonable time

SEC 15 The corporation shall not have or issue shares of stock, nor declare or pay dividends

SEC 16 No loan shall be made by the corporation to its officers or directors, or any of them, and any directors of the corporation who vote for or assent to the making of a loan or advance to an officer or director of a corporation, and any officer or officers participating in the making of any such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof

SEC 17. The financial transactions of the corporation may be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States The audit shall be conducted at the place or places where the accounts of the corporation are normally kept The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they sh.l' be afforded full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians

The corporation shall reimburse the General Accounting Office for the full cost of any such audit of the financial transactions of such corporation as billed therefor by the Comptroller General, and the General Accounting Office shall deposit the sums so reimbursed into the Treasury as miscellaneous receipts

SEC 18 The corporation and its State, regional, and local subdivisions shall have the sole and exclusive right to have and use in carrying out its purposes the name Amvets (American Veterans of World War II), and such seals, emblems, and badges as the corporation may lawfully adopt

SEC. 19. As a condition precedent to the exercise of any power or privilege herein granted or conferred Amvets (American Veterans of World War II) shall serve notice on the secretary of state, in each State, the name and address of an authorized agent in such State upon whom legal process or demands against this corporation may be served

SEC. 20 Such provisions, privileges, and prerogatives, as have been granted heretofore to other national veterans' organizations by virtue of their being incorporated by Congress, shall also be granted and accrue to Amvets (American Veterans of World War II).

SEC 21. The right to repeal, alter, or amend this act at any time is hereby expressly reserved.

TEMPORARY EXTENSION OF TIME FOR FILING APPLICATION FOR PATENTS

Mr. PEPPER. Mr. President, while I was off the floor during the call of the calendar the able Senator from West Virginia [Mr. REVERCOMB] objected to the consideration of one of the patent bills because I was not present to give an explanation. I have since seen the Senator and explained to him the nature of the bill, and I should like to explain the nature of the bill to the Senate. It will take but a minute to do so, and then I shall ask for the immediate consideration and disposal of the bill, H. R. 5223, calendar 1530.

Mr. WHERRY. Mr. President, I understand that the Senator from West Virginia objected to the consideration of the bill.

Mr. PEPPER. I have seen the Senator privately and explained the bill to him, and he was satisfied with the explanation, I will say to the Senator.

Mr. WHERRY. Very well.

Mr PEPPER. This is a House bill. It was reported unanimously by the Senate Patents Committee, and is supported by the Patent Commissioner. Substantially what it does is to make it possible for citizens of this country who were prevented from filing applications for patents or completing patent applications because of the war, to be permitted to do so, not to exceed 12 months after the enactment of the law. It also would allow citizens of other countries who were prevented from filing their applications or from completing their applications, to do the same thing, that is, to file or complete their applications within 12 months after the passage of the act, provided their countries allowed, by reciprocity, the same privilege to citizens of our country.

Mr WHITE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHITE. I am a member of the Patents Committee, but I have to confess that I have paid very little attention to the work of the committee at this session. Am I correct in my understanding that there was an opportunity for hearings on this bill and on other bills?

Mr. PEPPER. Yes.

Mr. WHITE. And the Patent Office gave its specific approval?

Mr PEPPER. Yes.

Mr. WHITE And that the other minority members of the Patents Committee joined in the action of the committee?

Mr. PEPPER. Yes. They were present at the consideration of the measure and it was unanimously reported favorably by the Patents Committee of the Senate.

Mr. President, I now ask for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5223) to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for preventing proof of acts abroad with respect to the making of an invention, and for other purposes, which had been reported from the Committee on Patents with amendments.

The first amendment was, in section 1, page 2, line 2, after the words "from the", to strike out "passage" and insert "approval"; in line 3, after the word "citizens", to insert "and bona fide residents"; in line 12, after the word "therefor", to insert "and suitable proof of the foreign application supplied to the Commissioner of Patents"; in line 15, after the word "within", to strike out "six" and insert "twelve"; in line 16, after the word "the", to strike out "passage" and insert "approval"; also in line 16, after the word "act", to strike out the comma and the following: "which request must be accompanied by (1) a copy of the original foreign application, certified to by the patent office of the country in which it was filed; (2) a sworn translation of the same if it is not in the English language; and (3) if the foreign application was not made by the inventor himself, an affidavit by the applicant or patentee stating that such application was filed for his benefit and that such procedure is in accordance with the procedure in the foreign country"; on page 3, line 2, after the word "States", to insert "on account of the manufacture, use, or sale, during and for twelve months after the termination of the present war, of the invention covered by that patent by or for the United States, or by or for governments allied with the United States in the present war, or on account of the use or sale of articles embodying such invention so manufactured and on hand at the end of twelve months after the termination of the present war"; on the same page, line 11, after the words "right of", to strike out "any citizen of"; in line 12, after the word "any", to insert "person", in line 13, after the word "corporation", to strike out "organized or associated under the laws of the United States or the laws of any States or the District of Columbia and doing business in the United States,"; in line 21, after the words "before the", to strike out "passage" and insert "approval"; in the same line after the word "act", to strike out "and such persons" and insert "to the extent that they"; on page 4, after the word "States", to insert "more than one year"; and in line 5, after the word "application", to insert "in the United States"

The amendments were agreed to

The next amendments were, in section 2, on page 5, line 5, after the word "supply", to strike out "and" and insert "(b) In any action in a United States court or proceeding in the Patent Office involving a patent or application for patent for an invention so communicated or supplied, any use or publication of the same invention after the date of such communication or supply shall be presumed to have been in consequence of, or based upon and attributable to, such communication or supply, and the burden of proof shall rest upon any party seeking to establish a different state of facts; and"; on page 5, line 15, at the beginning of the paragraph, to strike out "(b)" and insert "(c)"; and on page 6, line 15, after the word "of", to strike out "six" and insert "twelve."

The amendments were agreed to.

The next amendments were, in section 3, on page 7, line 2, after the word "any", to strike out "other"; in line 7, after the word "Commissioner", to strike out "for a period not in excess 12 months from the date as determined by him on which the condition which prevented the timely payment of such fee or the taking of such action had ceased to exist, but in

no case later than the expiration of 12 months" and insert "to a date not later than 12 months"; in line 14, after the word "citizens", to insert "and bona fide residents."

The amendments were agreed to.

The next amendments were, in section 4, on page 8, line 6, after the word "United", to strike out "States, or of any citizen of the United States or of any country allied with the United States in World War II, or his agents or" and insert "States, or of any person, firm, association, company, or corporation, or agent or"; in line 11, after the word "him", to insert "in the United States"; in line 16, after the words "than the", to strike out "passage" and insert "approval."

The amendments were agreed to.

The next amendment was, in section 9, on page 11, line 20, after the word "was", to strike out "serving on duty with or as a member of any armed force of the United States located in a foreign country, the inventor" and insert "serving in a foreign country in connection with the prosecution of the war on behalf of the United States or its allies, inventor"

The amendment was agreed to.

The next amendment was, in section 10, on page 12, after "section 1", to strike out "and" and insert "or."

The amendment was agreed to.

The next amendment was, on page 12, to strike out section 11, as follows:

SEC 11 That no claim shall be made or action brought in respect of the use since the 8th day of September 1939, up to the passage of this act, by the United States, or by any persons acting on behalf of, or under contract with, or with the assent of the United States, or of governments or their representatives associated with the United States in World War II, under any patent rights owned in whole or in part since the 8th day of September 1939, by a national of any country with which the United States shall have been at war, nor in respect of the use of any process during such period, or the sale, offering for sale, or use, at any time, of any products, articles, or apparatus whatsoever manufactured during such period to which such patent rights applied.

The amendment was agreed to.

The next amendment was, on page 12, line 23, after "Sec", to strike out "12" and insert "11."

The amendment was agreed to.

The next amendment was, on page 13, to strike out section 13, as follows:

SEC 13. That subsection 10 (a) of the said Trading With the Enemy Act, relating to the filing and prosecution of applications for patents and the registration of trade-marks, prints, labels, and copyrights, by an enemy, or ally of an enemy, is hereby amended by repealing the last sentence thereof, so that the said subsection shall read as follows

"(a) An enemy, or ally of an enemy, may file and prosecute in the United States an application for letters patent, or for registration of trade-mark, print, label, or copyright, and may pay any fees therefor in accordance with and as required by the provisions of existing law and fees for attorneys or agents for filing and prosecuting such applications."

The amendment was agreed to.

The next amendments were, on page 13, line 18, after "Sec.", to strike out "14" and insert "12"; in line 19, after the words "favor of", to strike out "the nationals" and insert "inventions, applications, or patents made by or owned by citizens"; in line 22, after "1939", to insert "unless such citizens were bona fide residents of and at no time acted in a manner inimical to the interests of the United States or a country allied with the United States in the war, but the Alien Property Custodian shall be entitled to any of the benefits of this act to the same extent as a citizen of the United States."

The amendments were agreed to.

The next amendment was, on page 14, line 3, after "Sec.", to strike out "15" and insert "13"

The amendment was agreed to.

The next amendment was, on page 14, line 7, after "Sec.", to strike out "16" and insert "14"

The amendment was agreed to.

The amendments were ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill (H. R. 5223) was read the third time and passed.

Mr. PEPPER. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

The PRESIDING OFFICER. The Chair will appoint the conferees later.

Subsequently the Presiding Officer appointed Mr. PEPPER, Mr. LUCAS, and Mr. HAWKES conferees on the part of the Senate.

CHARLES R HOOPER

Mr CAPPER. Mr. President, on yesterday, July 16, from the Committee on Claims, I reported the veto message of the President on the bill (S. 1480) for the relief of Charles R Hooper, an employee of the navy yard in this city, allowing him $4,000 in payment of a very just claim. The bill has passed the Senate three times and the House four times, and yet was vetoed by the President. The Senate committee of which I am a member again approved the claim unanimously, and asked me to report the veto message to the Senate. I have done so in a report yesterday. I ask unanimous consent for a reconsideration of the bill, the objections of the President to the cont ary notwithstanding.

Mr. HILL. Mr. President, I notice that the distinguished acting chairman of the Committee on Claims is not present in the Senate at this time. I wonder if the Senator will withhold his request until I can speak to the acting chairman of the Claims Committee.

Mr. CAPPER. He knows more about it than I do.

Mr. HILL. I should like to have him here. At least I should like to speak to him before we take this matter up.

Mr. CAPPER. Does the Senator wish a little more time?

Mr. HILL. Yes. I should like to be able to speak with the acting chairman of the Committee on Claims.

Mr. CAPPER Every member of the committee is in favor of the bill.

Mr. HILL. If the Senator will wait until I can speak with the acting chairman of the committee, I will appreciate it.

Mr. CAPPER. Very well.

Mr. WHITE. Mr. President, will the Senator from Maryland yield to me?

Mr. RADCLIFFE. I yield to the Senator from Maine.

Mr. WHITE. Mr. President, the understanding was that there was to be a call of the calendar today, and that when the call was concluded we would take up the equal rights amendment. I believe that those two agreements contemplated the exclusion of other legislation during this afternoon. The Senator from Kentucky, the majority leader [Mr. BARKLEY] intimated only a few moments ago that there was to be objection to reaching back into the calendar and bringing forward bills which were not called under the original agreement. I feel that we ought not to be interfering with business which is a part of the program by bringing forward and requesting consideration of other matters. I shall object to the consideration of anything that is not privileged.

EQUAL RIGHTS FOR MEN AND WOMEN

The Senate resumed the consideration of the joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

Mr. RADCLIFFE. Mr. President, I now address myself to Senate Joint Resolution 61, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women. The joint resolution reads as follows:

Resolved, etc., That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States.

"ARTICLE —

"Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation

"This amendment shall take effect 3 years after the date of ratification"

Mr. President, I had the pleasure and honor of introducing this joint resolution. Associated with me at that time were the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CAPPER], former Senator Chandler of Kentucky, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Michigan [Mr. FERGUSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from New Jersey [Mr. HAWKES], the late Senator Johnson of California, the Senator from West Virginia [Mr. KILGORE], the Senator from North Dakota [Mr. LANGER], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Tennessee [Mr. STEWART], the Senator

from Oklahoma [Mr. THOMAS], the late Senator Thomas of Idaho, the Senator from Delaware [Mr. TUNNELL], the Senator from Maryland [Mr TYDINGS], the Senator from Indiana [Mr. WILLIS], and the Senator from South Dakota [Mr. YOUNG].

I do not know of anything that would be more pleasant and yet more unnecessary than to attempt to discuss at length the events which led up to the introduction of this amendment, or to attempt to set forth the reasons why it seems to me it should be adopted.

Everyone is familiar with the long fight which has gone on throughout the ages, by which woman has evolved from a status which was not much better than slavery to one in which she is almost on a level politically with man. We believe that this amendment will complete the job of political equality which was begun many years and even centuries ago. It is a forward step and a most reasonable one It is also much belated.

This amendment has not been presented without careful deliberation, and after consideration by both leading political parties in the United States in convention assembled. The Democratic platform in 1944 declared:

We recommend to Congress the submission of a constitutional amendment on equal rights for women.

The Republican platform of 1944 declared:

We favor submission by Congress to the States of an amendment to the Constitution providing for equal rights for men and women

So, Mr. President, both leading political parties in this country at their most recent national conventions came out unqualifiedly in favor of the substance of the amendment which is now before us for consideration.

I realize that what we do in this country in regard to matters of that sort lies within our own volition and discretion; but I should like to call attention to the fact that this amendment, or the substance of it, has been considered and really adopted in the Charter of the United Nations. There is a statement in that Charter containing an affirmation of—

faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women.

Further on, when an effort is made to state the purposes and principles, it is stated that—

The purposes of the United Nations are: * * * to achieve international cooperation * * * in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

So, Mr. President, both leading political parties have unqualifiedly endorsed this amendment. Furthermore, the treaty of the United Nations, which has only persuasive force with us, recognizes the fairness and justice of the proposal underlying this amendment, and states very definitely the principle that such recognition should be given to women.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr. ANDREWS. Is it not true that every right that could be conferred by this constitutional amendment can now be conferred by each State without the constitutional amendment?

Mr RADCLIFFE. The Senator from Florida may be correct in that respect; but let me remind him that in our legislation throughout the years we have not relied entirely upon such an opportunity. We have enacted a number of amendments to the Constitution from time to time It might be that in nearly every one of such instances the matter could have been covered by State action, but it has not been left there. There has been an opinion—whether it is sound or not, it is held by many persons—to the effect that certain special rights should be set forth and guaranteed by the Federal Constitution irrespective of what might have been State action

Mr. ANDREWS Mr. President, will the Senator yield for a further question?

Mr. RADCLIFFE. I yield.

Mr. ANDREWS. Is it not true that nearly all the organizations of women, and particularly the labor organizations, the American Federation of Labor and the CIO, have opposed this particular amendment?

Mr RADCLIFFE. No; but let me say to the Senator from Florida that I would certainly tax his patience if I attempted to give him a statement of the organizations which have expressed themselves either for or against the proposed constitutional amendment. There are many of them on both sides. However, if I am correctly informed, and I believe I am, the trend has been very definitely toward increased support of the amendment, rather than against it. It may be that the Senator from Florida can cite some organization which previously took a favorable view and now has reversed itself and is opposed to the amendment. I cannot say that he might not do so, but I do not recall any such action. On the other hand, it is certainly true that many organizations and many individuals who were opposed to the proposed constitutional amendment now have come around to the idea that such a step should be taken.

Mr. ANDREWS. Mr. President, does not the amendment mean the setting up of another department in Washington to send its agents into every State to look over the shoulders of the men and women there and tell them what they can do with their property and their problems? Under the Constitution of the United States and under the laws of the colonies, those matters were dealt with in a systematic way, and always to the benefit of women, not to their detriment. In my State of Florida the amendment, if adopted, would do away with one whole section of our State constitution. If the proposed amendment were adopted, we would have to change, according to my estimate, more than 100 sections of our statutes. The adoption of the amendment would throw property into litigation.

I feel that if the women are entitled to have this amendment adopted, they should ask their State legislatures to deal with the matter. The women participate in the election of a new State legislature every other year. They live close to the members of the State legislature, and they have an opportunity to know many of them, whereas the average woman does not know many Members of the National Congress. Therefore, if the women wish to have these things changed, they can do in their States as we in Florida have done, and they can make whatever changes they desire to make.

I did not intend to make a long statement on this subject, but the fact is that this question is purely a domestic one. It belongs to the States. A great many organizations have been formed because, apparently, their members did not have anything else to do, and apparently they wanted to have some kind of an organization So they have organized, and they hold conventions at which they adopt resolutions. But I guarantee that there are 5 or 10 times as many women who are opposed to the proposed constitutional amendment as there are those who favor it.

Mr RADCLIFFE Mr President, I feel sure that the Senator from Florida is quite wrong in his estimate Let me state in every case whenever action looking toward the emancipation of women has been proposed in the past, dire predictions have been made in regard to what would happen as a result of such extension The Senator is familiar with the history of the status of women in England for many years When it was suggested that certain bases of equality be extended to women, all sorts of estimates and predictions were made, as the Senator from Florida well knows, about the disastrous results which would follow. But they did not occur.

I think the Senator from Florida will also agree with me that this movement toward increased rights for women has gone forward step by step. It has not gone backward.

The Senator will also recall that when the constitutional amendment to guarantee the right of suffrage to women was adopted, over 25 years ago, again it was stated that the new power would cause confusion and various undesirable results. However, I do not recall that any of those dire prophecies ever came true.

Today, women vote. Those women who had the right to vote, as a result of State action, prior to the adoption of the Federal constitutional amendment on that subject, exercised that right freely and well. But since the constitutional amendment has been adopted, the matter of readjustment has worked itself out, and has done so very satisfactorily. I doubt very much whether any Member of this body would suggest that we return to the old status, and that therefore the constitutional amendment guaranteeing to women the right to vote should be repealed. Of course, I know that the Senator from Florida will say that is not a strict analogy. I realize that there is some difference, and that this amendment goes into matters which were not

touched by the suffrage amendment. However, I merely cite what happened as an illustration of the fact that as the movement for the emancipation of women has gone forward, prophecies have been made about the undesirable things which would happen, but they have not occurred The results have been on the other hand satisfactory to a high degree.

I shall not attempt to prophesy what the Senator from Florida will do after this constitutional amendment has been adopted by Congress and has been approved by three-fourths of the States, but I feel quite confident that after it goes into operation and really begins to function smoothly, as I believe it will, the Senator from Florida will be unwilling to have us go back to the previous status. That is pure prophecy on my part, and I do not attempt to hold the Senator from Florida to any adherence to the views I have just expressed.

Mr ANDREWS. Mr. President, I should like to ask the Senator from Maryland if he knows whether politics has been made better or whether greater men have been elected to office by reason of the adoption of that constitutional amendment. I do not mean to cast any reflection on it, because I am in favor of suffrage for women. I do not know why they were not permitted to vote even before that constitutional amendment was adopted.

Mr. RADCLIFFE. Mr. President, I think women have demonstrated that they have just as good brains as men have, and they have made, politically and in every other way, a very definite contribution to the progress this country has enjoyed.

Mr MURDOCK Mr President, will the Senator yield?

Mr. RADCLIFFE. I yield.

Mr MURDOCK I hope that during the able Senator's discussion of the matter he will discuss the effect of the amendment on laws which exist in the 48 States of the Union for the protection of women, for the protection of their property rights, and for the protection of their marital rights; and I hope he will refer to the advantages which our State laws confer upon women, and as they have done traditionally in this country.

So far as voting is concerned, and so far as granting equality to women in every way, shape, and form is concerned, I am in full agreement with the Senator from Maryland. But my State has gone further, and I am sure his State has, too. My State has not only granted equality to women, but it has taken long steps in the direction of the protection of women because of the fact that women generally are required to stay in the home. We are dependent on the mothers of the country for the protection and the rearing of children; and to protect the women in performing the functions which of necessity naturally devolve upon them, the various States of the Union have seen fit to pass laws which discriminate against men and are in favor of women.

The constitutional amendment proposes that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex. In my State we tell a husband, "You cannot dispose of your property without your wife's signature. You cannot will your property unless she is taken care of, according to the laws of wills and the laws of succession in our State."

I can think of a score of instances in my own State where, if the protection which is now granted to women is adversely affected by this proposed constitutional amendment, no one will be able to say just what will happen to the women of my State—or to the women of the Senator's State, in its case

Mr. RADCLIFFE. Mr President, I say to the Senator from Utah that, as he knows, many States have gone so far in respect to their legislation on that subject that substantially everything which would be called for by this proposed amendment has already been accomplished in those States. I think that is a reasonable statement as to the situation.

Mr MURDOCK Mr. President, if the Senator will further yield, let me say that in my State women have a right to vote and women have a right to serve on juries I can think of no respect in which women in my State are not on an equality with men

But I can think of many ways and numerous laws in my State which give extra protection, and which, in my opinion, should not be repealed, but should remain inviolate. I do not think any Federal constitutional provision should preclude my State from affording to its women and to its mothers the additional protection which, of necessity, they need and require

Mr. RADCLIFFE. Mr President, we are reminded that equality of opportunity will call also for equality of responsibility. Certainly so, but both terms in application are relative as to persons concerned, whether men or women. As individuals, whichever our sex, we can avail ourselves of our opportunities and also meet our responsibilities only as our physical fitness, special talents, other facilities, and circumstances will permit.

Some people fear that by the adoption of this amendment women may be deprived of certain necessary protective legislation now existing which was enacted for their special benefit and was so designated. Certainly we should be sufficiently resourceful to guard against injurious results occurring, bearing in mind the fact that opportunity and responsibility should be considered really from the standpoint of each individual and not from the standpoint of sex. I feel confident that with the adoption of an equal rights amendment the availability of individuals, whether they are men or women, to exercise specific duties, or to sustain successfully demands of responsibility, can be regulated with increasing success. We will continue to seek that goal at which no one, man or woman, will be forced to attempt to do that for which there is neither mental qualification nor physical fitness.

It is obvious that the adoption of an equal-rights amendment may require changes in certain existing remedial legislation. Surely adequate legislation designed to suit individual needs and limitations can be framed and passed. A period of moratorium is provided in this proposed amendment during which the most obvious requirements for enactment of legislation can be satisfied. Further legislation can and doubtless will be passed from time to time as conditions seem to warrant and to require.

Mr. President, the Senator from Utah may say that the views which I have just expressed are merely matters of opinion. We are all necessarily indulging to a certain extent in prophecy with regard to what may happen when this amendment is ratified The adoption of the amendment would not enlarge to any appreciable extent the rights which women already exercise in some of the States. The transition has been made sometimes slowly and with certain difficulties, but it has been made successfully. I do not believe there is any State today in which any serious difficulty arose from the fact that full equality for women was established in that State.

Mr MURDOCK. Mr. President, I am not afraid of the laws in my State which have accorded equal rights to women. But, certainly, according to the statement which the able Senator just read, the adoption of this constitutional amendment would mean that all the laws to which the statement refers, and under which an advantage is given to women, and under which an equality exists between men and women, with an advantage in favor of the women in order that they may be protected with regard to property rights, will have to be amended or repealed in order to conform to the proposed constitutional amendment.

Mr. RADCLIFFE What I just read was an extract from a statement which I made a short time ago on the subject of equality for women. I did not attempt to point out in it with particularity what steps should be taken I have the firm conviction that the difficulties to which the Senator refers can be mastered successfully

Has the Senator from Utah found any serious difficulties in regard to jury service by women in Utah, for example? One of the objections raised against the pending amendment is that it might result in women being required to serve on juries when, possibly, it would be unfair to ask them to serve, and when they would not be physically fitted for jury service. In many States women do serve on juries. In those States if a man or a woman is not believed to be available to serve on a jury, he or she is not accepted for such service. The decision lies within the discretion of the court as to whether such a person shall serve on the jury.

Mr. MURDOCK. The Senator seems to want to evade the question which I have asked. My question was, What would happen to the laws of my State which gave an advantage to women, and purposely established equality for the protection of women? What would happen to those laws?

Mr. RADCLIFFE. The Senator is mistaken. I have not attempted to evade his question.

Mr. MURDOCK. I do not mean that the Senator has intentionally evaded my question, but he has not directly answered me, and I wish he would do so during the course of his discussion

Mr. RADCLIFFE. I have stated that when this amendment is adopted certain changes in some laws would have to be made. It may be that certain laws which are now on the statute books will be outmoded and therefore become ineffective

Mr. MURDOCK. Does the Senator believe that a law is outmoded which provides that I may not convey my property to the exclusion of my wife, that is, that she must join with me in a deed of conveyance? If I wish to convey property within my State, for the protection of my family the law requires that I may not do so without my wife joining in the deed. Is that law to be outmoded? Does the Senator want to do away with that kind of protection for the women of my State?

Mr. RADCLIFFE. May a wife in the State of Utah convey property without her husband joining in the conveyance?

Mr. MURDOCK. Yes.

Mr. RADCLIFFE. She may not do so in my State.

Mr. MURDOCK. She may do so in my State, and she should be entitled to do so

Mr. RADCLIFFE. I do not see any reason why the wife should be given any such right which a husband is not entitled to have. In my State the wife has the same rights as to conveyance of real estate as does the husband, and no more.

Mr. MURDOCK. What the Senator wishes to do by the proposed amendment is to deny the State of Utah its sovereign right of protecting its women as it sees fit, and impose a Federal provision on the State of Utah so far as the protection of its women are concerned

Mr. RADCLIFFE. Mr. President, the same statement could be made in regard to any constitutional amendment or any proposed legislation which would restrict the right of a State to act. But, repeating what I have already said, women are justly entitled to equality but no more.

Mr. HUFFMAN. Does the Senator from Maryland assert with certainty that the adoption of this amendment would not place in jeopardy the existing labor laws protecting women in the several States?

Mr. RADCLIFFE. No, I do not make such an assertion. I certainly am not aware that I have done so. I can not forecast what would be the status of some of the laws which are now on the statute books of the various States if this amendment should be adopted. But undoubtedly, some laws now in existence would be supplanted by the amendment or rendered inoperative.

Mr. HUFFMAN. The adoption of a constitutional amendment of the kind to which the Senator has referred would open up a large field of litigation, would it not?

Mr. RADCLIFFE. No, I do not believe that it would. The adoption of the amendment giving suffrage to women did not promote very much litigation. I do not believe it necessarily follows that much litigation would necessarily follow the adoption of this amendment. I assert, however, that with the adoption of the amendment it will be necessary for many States to recast some of their laws. If they do not do so I am not in position to say whether or not much litigation would follow.

Mr. HUFFMAN. But this amendment attempts to interfere with the whole category of the rights of women, does it not?

Mr RADCLIFFE. I would certainly not say it would affect the rights of women.

Mr. HUFFMAN. The question I have in my mind is whether the amendment equalizes up to men or down to women, or vice versa.

Mr. RADCLIFFE. It does reach out in many directions.

Mr. HUFFMAN. Would not the practical operation of the equal rights amendment inevitably shift from the State to the Federal Government the functions of legislation, interpretation, and administration pertinent to the vast domain of change which we have been discussing?

Mr. RADCLIFFE. Will the Senator repeat his question?

Mr. HUFFMAN. The question is whether the practical operation of an equal rights amendment such as is here proposed, would not inevitably shift from the States to the Federal Government the functions of legislation, interpretation, and administration pertinent to the vast domain of the laws which we have been discussing?

Mr. RADCLIFFE. I cannot agree to the statement of the Senator from Ohio. If this amendment were adopted, all legislation in the various States would have to conform to the amendment insofar as applicable. Just what legislation would be repealed, or brought into being, or changed, I cannot say. But certainly, the result would be just as it would be in connection with any other constitutional amendment which has been adopted. There might have to be an adjustment in any case.

Mr. HUFFMAN. Yes.

Mr. RADCLIFFE. The people of the several States will have to recognize the purport of the amendment and be guided accordingly.

Mr. HUFFMAN. But many matters are now considered exclusively within the jurisdiction of the various States of the Union, and those matters would be shifted to the Federal Government and a new and additional burden would be added to the Federal Government.

Mr. RADCLIFFE. That is probably true with regard to any constitutional amendment. A constitutional amendment cannot be adopted without creating a certain new responsibility on the part of the Federal Government. I do not see how that can be avoided As a matter of fact, I am certainly not going to take the position that, merely because some additional responsibilities would be placed on the Federal Government, ipso facto there shall not be an amendment to the Constitution. Heretofore, we have always considered a proposed amendment to the Constitution on its merits, and then acted in accordance with our judgment, realizing that any amendment which might be adopted would call for additional Federal responsibility and greater Federal activity.

Mr. HUFFMAN. But the adoption of the proposed amendment would bring into issue many constitutional questions which would have to be resolved in the very near future. Am I not correct?

Mr. RADCLIFFE. It would perhaps bring into issue some new questions. Whether it would bring into issue any more or less than any other constitutional amendment has occasioned I do not know The fourteenth and fifteenth amendments suggested a number of questions which developed. Whether this amendment would bring more or less than either one of those, I cannot say. We have guided our course entirely in the direction of trying to decide whether we think the amendment is meritorious and should be adopted.

Mr. HUFFMAN The question, then, is whether or not a Nation-wide necessity for the amendment really exists Is not that correct?

Mr. RADCLIFFE I think it is fair to ask as to any constitutional amendment which is proposed, is there justification for it, is there necessity for it? I think those are questions which we probably have always to consider. I should like to say to the Senator from Ohio that the conventions of both the Democratic Party and the Republican Party, having the matter before them, resolved it in both cases in 1944 in favor of the adoption of the amendment.

Mr HUFFMAN. Let us recognize that both parties in times past have been wrong.

Mr. RADCLIFFE. I grant that the platforms, theoretically speaking, might have been wrong, but in this case I think they were entirely right.

Mr. DONNELL Mr President——

The PRESIDING OFFICER (Mr. McMAHON in the chair). Does the Senator from Maryland yield to the Senator from Missouri?

Mr. RADCLIFFE I yield.

Mr. DONNELL. I inquire of the Senator whether he has made any investigation as to how the women of the country have expressed themselves generally through their leading organizations on the question of the proposed amendment.

Mr. RADCLIFFE. I should like to be able to answer the Senator from Missouri categorically, but I do not think I can do so, nor do I believe he can make a statement categorically on that question. Some women's organizations have expressed opposition, many have indicated approval of the proposed amendment As I stated a few minutes ago, if my information is correct, the trend has constantly been toward a greater degree of endorsement. In other words, there are more women's organizations, both in active numbers and in percentage, today in favor of this proposed amendment than there were a few years ago. A number of them which had registered opposition have withdrawn their opposition and are now in favor of it.

Mr. DONNELL. I am wondering if the Senator has given his attention to a statement which was printed in the REC-

ORD of July 1, having been presented by the senior Senator from New York [Mr. WAGNER], in which appear the names of quite a number of organizations which are stated to oppose the equal-rights amendment. I shall not attempt to read them all, the list is quite lengthy, but among them is the American Association of University Women, the American Federation of Labor, the American Federation of Teachers, the American Federation of Women's Auxiliaries of Labor, the Congress of Women's Auxiliaries of the CIO, the Girls' Friendly Society of the United States, the League of Women Shoppers, the National Consumers' League, the National Council of Catholic Women, the National Council of Jewish Women, the National Council of Negro Women, the National League of Women Voters, the National Women's Trade Union League of America, Service Star Legion, Inc., the National Board of the Young Women's Christian Associations of the United States of America, the Women's National Homeopathic Medical Fraternity. Perhaps I have overlooked some other women's organizations. I note that in advance of this list, of which these organizations are a part, is the statement:

The following organizations oppose the equal-rights amendment

I ask the Senator if he regards the statement as set forth in the RECORD to be a correct and truthful statement of the attitude of the various women's organization to which I have referred.

Mr. RADCLIFFE. I must say to the Senator from Missouri that I am certainly not in a position to question the accuracy of the statements he has just made or the genuineness of them. I assume that what he says is a correct statement. All I can say to the Senator from Missouri is that I am not going to attempt to do it now, but I may later in the debate submit a list of women's organizations which are definitely in favor of the amendment. I am not sure that we are going to be entirely satisfied with trying to balance these lists, one against the other or to heed their relative weight. I think, after all, we in the Senate have a responsibility to consider, and that responsibility is one which is based upon what we consider to be the merits of the proposition.

Mr. DONNELL. Will the Senator yield for a further inquiry?

Mr. RADCLIFFE. I yield.

Mr. DONNELL. I call to the attention of the Senator, at page 8018 of the CONGRESSIONAL RECORD under date of July 1, an expression presented by the senior Senator from New York from numerous lawyers in support of the statement prepared by Prof. Paul Freund, of Harvard Law School. I shall not read the entire list, although perhaps an injustice might be done to some in the names I shall read, but it happens that some of them I have known, directly or indirectly, and I shall mention just a few of them. Among them are:

Mr. Silas Strawn, former president of the American Bar Association.

Mr. Charles Warren of Washington, D. C., author of the Supreme Court in United States History.

Mr. George Maurice Morris, former president of the American Bar Association, Washington, D. C.

I note with interest the name of Prof. Glenn A. McCleary, dean of the law school of my own State university, the University of Missouri.

There are numerous others who might be mentioned, among them Mr. William Draper Lewis, former dean of the University of Pennsylvania Law School, and for many years director of the Law Institute.

Mr. PEPPER. Mr President, will the Senator from Pennsylvania yield so that I may ask a question of the Senator from Missouri?

Mr. RADCLIFFE. I yield.

Mr. PEPPER. Reference has been made to Mr. William Draper Lewis. I wonder if the Senator has noted on page 2 of the report of the Committee on the Judiciary, the majority report, the following:

We wish to draw attention also to a recent survey of some of the great documents of human freedom in England and the United States, by a distinguished jurist, William Draper Lewis, director of the American Law Institute. This survey begins with Magna Carta, the Petition of Right, the Bill of Rights, and ends as follows:

"It is a comment on the immaturity of civilization that the recognition of woman's political equality with man did not come in the United States until 1920. The fight to gain for her full legal recognition as a human being has neared its culmination in the presentation to Congress of the equal-rights amendment."

In mentioning Mr Lewis, the Senator would not wish to ignore this comment.

Mr. DONNELL. I thank the Senator for his observation. May I continue?

Mr. RADCLIFFE. I was about to present the statement the Senator from Florida has just read. It is very pertinent.

Mr. DONNELL. Let me state that I am reading from the CONGRESSIONAL RECORD of July 1 of this year. I observe the name of Mr. William Draper Lewis as one of those who have subscribed to the following statement:

These lawyers and legal scholars regardless of party and regardless of political or economic views, oppose the so-called equal-rights amendment and endorse the statement set forth herein, on the legal implications of the proposed amendment, prepared by Prof. Paul Freund, of the Harvard Law School.

Then I proceed further, Mr. President, to call attention to the names of Roscoe Pound, former dean of the Harvard Law School; Everett Fraser, dean of the Law School, University of Minnesota; Monte L. Lemann, lawyer, of New Orleans, La.; and Albert J. Herno, dean of the College of Law, University of Illinois.

There are others who are of great distinction, I take it, who unite in a statement which concludes with this language:

The basic fallacy in the proposed amendment is that it attempts to deal with complicated and highly concrete problems arising out of a diversity of human relationships in terms of a single and simple abstraction. This abstraction is undoubtedly a worthy ideal for mobilizing legislative forces in order to remedy particular deficiencies in the law. But as a constitutional standard it is hopelessly inept. That the proposed equal-rights amendment would open up an era of regrettable consequences for the legal status of women in this country is highly probable. That it would open up a period of extreme confusion in constitutional law is a certainty.

I ask the Senator whether or not the names I have read are names of persons who, in his opinion, are entitled, in the United States at least, to most respectful consideration, and who stand very high in their professional attainments?

Mr. RADCLIFFE. Of course, I do not intend to take the position for a moment that all those who are opposed to the amendment are not people of real brains and ability. I realize there is a difference of opinion as to the merits of this proposed amendment. As I told the Senate a while ago, I intend tomorrow to submit for the RECORD some names of individuals and organizations in favor of the amendment. The list is a long one. But at this time let me make the statement that we will all assume, I am sure, that Representative HATTON SUMNERS, of Texas, is outstanding in this country as a jurist. I doubt if any Member of the House of Representatives or of the Senate has a higher standing as a lawyer than Judge SUMNERS. Some time ago he wrote a foreword to an address made by Mrs. Harvey W. Wiley, chairman of legislation, General Federation of Women's Clubs. I shall read the foreword at this point:

Beyond any doubt, the equal-rights amendment is one of the most important matters now under consideration by the Government and the people of this country. When the right to vote was given to our women citizens by the nineteenth amendment, enacted in 1920, very many of those who were interested in this cause believed that nothing further need be done. They were convinced that the power of the ballot in the hands of our American women would adequately implement their determination to secure full equality of rights. This belief, however, was shown by experience to be wholly mistaken. A number of State statutes and of State and Federal court decisions, subsequent to the nineteenth amendment, have perpetuated many and grievous discriminations which still exist. These inequalities are hostile to the whole spirit of our country and its institutions. For many years I have been deeply interested in this question. I have followed, and to some extent participated in the efforts of the National Woman's Party and the other great national organizations of women which are now supporting the amendment, and can speak, therefore, with personal knowledge when I say that, in my opinion, it is now conclusively established that complete equality of rights under the law for men and women can be secured only by an amendment to our Federal Constitution, and that the equal-rights amendment is sufficient and appropriate for that purpose.

Mrs. Harvey W. Wiley, chairman of the department of legislation of the General Federation of Women's Clubs, shows clearly and unmistakably that a Federal amendment is necessary and that the equal-rights amendment covers the ground.

As I have indicated, this is a matter of very great national importance, and her address should be brought to the attention of our Federal Legislature and to the officials who have to deal with the various processes leading up to the enactment of the amendment.

All those who are concerned with this matter, so vital to our liberties, will do well to

study and consider the relevant facts and law as set forth by Mrs. Wiley.

I read this statement at length because of the high standing of Judge SUMNERS—and I may truthfully say it is not only high, but it certainly ranks with that of any lawyer in the Congress and in the country. Most assuredly his opinion is entitled to great weight.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. RADCLIFFE. I yield.

Mr. DONNELL. I should like to ask the Senator if he considers that the following views expressed by several gentlemen are worthy of careful consideration.

Mr. MORSE. Mr. President, will the Senator from Maryland permit me to ask the Senator from Missouri a question before he reads that list?

Mr. RADCLIFFE. I yield.

Mr. MORSE. I missed the names in the first list he read. When the Senator was reading the list of women's organizations, did he read the name of the League of Women Voters?

Mr. DONNELL. I read the National League of Women Voters. The views to which I call attention are those set forth at page 8019 of the CONGRESSIONAL RECORD of July 1. First, those of Mr. Joseph P. Chamberlain, professor of law, Columbia University Law School, as follows:

The passage of the amendment will create uncertainty and confusion in the wide fields of the law of property, of personal status, of marriage It may destroy all labor legislation protecting women Existing evils can and should be met by legislation aimed to cure them, such as the equal-pay bill now before Congress.

May I pause to inquire of the Senator from Florida [Mr. PEPPER] and the Senator from Oregon [Mr. MORSE] as to whether they heard that observation?

Mr. PEPPER. With pleasure. With pleasure.

Mr. DONNELL. And may I have the attention of the Senator from Oregon. I read this observation by Prof. Joseph P. Chamberlain, professor of law, Columbia University Law School, who said:

Existing evils can and should be met by legislation aimed to cure them, such as the equal pay bill now before Congress.

May I inquire of the Senator as to whether he has noted that observation by Professor Chamberlain?

Mr. MORSE. May I be allowed to answer that question.

Mr. RADCLIFFE. I yield.

Mr. MORSE. I heard with the greatest of regret and disappointment when the equal-pay-for-equal-work bill was reached on the calendar, that there were objections made to it. At the first opportunity afforded the Senator from Oregon he is going to move to take up the equal-pay-for-equal-work bill, because he thinks it would be most unfortunate if the Senate should adjourn without taking it up and passing that very important bill, which can do something very specific and certain to benefit American women in industry right now.

Mr. DONNELL. I may say that I think that both the Senator from Florida [Mr. PEPPER] and the Senator from Maryland [Mr. RADCLIFFE] are sincerely convinced of the points which have been so eloquently stated by the Senator from Oregon, and I note that the Senator from Florida has risen to his feet and probably wants to concur in them.

Mr. PEPPER. I want to concur very heartily, and I want also to express the hope, and I think I may strengthen it to a confidence, that those who believe in proceeding with this subject by legislation are going to support our bill at the earliest possible opportunity.

Mr. DONNELL. Mr. President, will the Senator from Maryland permit me to continue and finish with these observations?

Mr. RADCLIFFE. Certainly.

Mr DONNELL. I was quoting from Professor Chamberlain, whose remarks appear on page 8019 of the CONGRESSIONAL RECORD. The concluding sentence of his remarks is as follows:

This proposal—

He is referring to the equal rights amendment—

is a leap in the dark and has no place in the Constitution.

Then I call to the attention of the Senator the further remarks by the late lamented Silas H. Strawn, former president of the American Bar Association:

The amendment would inevitably invalidate many of the State laws protecting the American home and which protect women in industry

Then the remarks of E. Blythe Stason, dean of the University of Michigan Law School:

Physiological facts create the absolute necessity of numerous instances of differentiation in the law between the sexes affording protection for women not required for men. The proposed amendment would certainly throw the bulk of such legislation now on the statute books into a state of confusion and uncetainty, if it did not, in fact, result in complete elimination of such legislation from the statute books.

Then the remarks of Judge William H. Holly, United States district court, Chicago:

If the proposed equal-rights amendment to our Federal Constitution should be given the interpretation of which it seems capable, it would destroy the work of the years that have been given to secure the passage of the laws for the protection of women in industry I fear that back of those who are openly advocating the amendment are the interests which desire to be rid of those laws.

And then Mr. Thurman Arnold, former associate justice of the United States Court of Appeals for the District of Columbia:

I am opposed to the so-called equal-rights amendment to the Constitution. There is no necessity for a constitutional amendment on this subject The proposed amendment would confuse existing law to an intolerable extent and lead to endless litigation.

Finally I ask the Senator's indulgence for this further very short observation by Judge Marion J. Harron, The Tax Court of the United States:

If adopted, the so-called equal-rights amendment will cause chaos in 48 States in the status of all laws relating to women. It will wipe out many laws which have established standards for the employment of women in industry.

I ask the Senator, regardless of whether he agrees with those views, if he thinks that the views I have cited from these various persons, beginning with Professor Chamberlain and concluding with Judge Harron, are entitled to very respectful and careful consideration in the course of this debate?

Mr. RADCLIFFE. Let me say to the Senator from Missouri that of course I do. On the other hand, I think the views of Judge SUMNERS, to whom I referred, and those of many others, whom I shall cite later, are also entitled to full consideration. The Senator from Missouri is a distinguished member of the Republican Party. I have not the slightest doubt in the world that those who framed the platform for the Republican Party in 1944 had these matters before them. Yet, in spite of that fact, the Republican Party of which the Senator from Missouri is a member, came out unqualifiedly in favor of an equal-rights amendment.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RADCLIFFE. I do not see the Senator from Kentucky present. I do not know what his wishes are in regard to the matter of recess.

I should like very much indeed to have the opportunity of being on my feet when the Senate recesses today, as I shall have a short statement to make tomorrow. But will the Senator from Alabama [Mr. HILL], in the absence of the Senator from Kentucky, tell me what his wishes are as to a recess now?

Mr. HILL. Does the Senator desire at this time to let this matter go over until tomorrow?

Mr RADCLIFFE. It is quite late, and I think that stopping now would be a wise thing to do.

Mr. DONNELL. Mr. President, will the Senator yield for a further matter?

Mr. RADCLIFFE. Yes.

Mr. DONNELL. I ask leave to have incorporated in the RECORD, at the close of my present remarks, an additional list I shall hand to the official reporter of the other signers of the statement to which I referred. I only read a part of them, and I think that many of them are equally entitled to have their opinions considered, and I should not like to leave any of them out.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

Clarence Manion, dean of the College of Law, University of Notre Dame, Indiana.

Marion J. Harron, judge, Tax Court of the United States.

Walter Gellhorn, professor of law, Columbia University Law School.

Dorothy Straus, lawyer, New York City.

D. W. Woodbridge, acting dean, department of jurisprudence, College of William and Mary, Williamsburg, Va.

Maswin C. Harrison, lawyer, Cleveland, Ohio.

M R Kirkwood, professor of law, Stanford University Law School, California.

Joseph Padway, general counsel for the A. F of L., Washington, D. C.

Leon Green, dean of the Law School, Northwestern University, Evanston, Ill.

Dorothy Kanyon, lawyer and former judge of municipal court, New York City.

E. Blythe Stason, dean of the Law School, University of Michigan.
Morris Ernst, lawyer, New York City.
Charles C. Burlingham, lawyer, New York City.
Patrick O'Brien, probate judge of Wayne County, Detroit, Mich.
Godfrey Schmidt, professor of law, Fordham University, New York City.
Robert H. Wettach, dean of the School of Law, University of North Carolina.
Isabel Simons, lawyer, Highland Park, Ill.
Patrick Nertney, lawyer, and chairman Detroit chapter, National Lawyers Guild, Detroit, Mich.
Walter Frank, lawyer, New York City
Harry R Trusler, dean of the College of Law, University of Florida.
Douglas B Maggs, professor of law, Duke University School of Law, and former Solicitor, United States Department of Labor.
George Burke, former general counsel, OPA, Ann Arbor, Mich
Gerard Reilly, lawyer, and member, National Labor Relations Board
William H. Holly, United States district judge, Chicago.
Lowell Turrentine, former dean School of Law, Stanford University, Calif.
Willard Hurst, professor of law, University of Wisconsin Law School
Francis Swietlik, dean of Marquette University Law School, Milwaukee, Wis
N Ruth Wood, lawyer, St Louis, Mo
Henry B. Witham, dean of Law School, Indiana University
C M Finfrock, dean of the School of Law, Western Reserve University, Cleveland, Ohio
Sayre MacNeil, dean of the School of Law, Loyola University, Los Angeles
Frank Donner, counsel for the CIO, Washington, D C
E Merrick Dodd, professor, law, Harvard Law School
Harry Shulman, professor of law, Yale University Law School.

Mr WHERRY Mr President, a parliamentary inquiry

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. I understood the Senator from Maryland to ask whether it was desired that a recess be taken now. I think that some Senators would like to make certain insertions in the RECORD, before an agreement is made to take a recess until tomorrow.

Mr. BARKLEY. If it is something good, very well

Mr. WHERRY. Mr President, will the Senator yield?

Mr. RADCLIFFE I yield.

Mr. WHERRY. I thank the Senator from Maryland I inquire of the majority leader or the assistant leader if it is desired to take a recess now until tomorrow. If it is not proposed to take a recess now, I ask the Senator from Maryland to yield for such time as will enable several Senators to place certain matters in the RECORD I should like to have the floor in my own right.

Mr. HILL. I will see to it that the Senator has the opportunity which he seeks.

Mr. MAGNUSON. Mr. President——

Mr. RADCLIFFE. I yield to the Senator from Washington.

Mr. MAGNUSON. I have approximately a 10-minute statement——

Mr. WHERRY. Mr. President, if the Senator from Maryland is to dole out his time, I would deeply appreciate it if he would yield to me for about 10 minutes for a statement.

The PRESIDING OFFICER. Does the Senator from Maryland, who has the floor, yield the floor?

Mr. RADCLIFFE. The Senator from Maryland will yield to the Senator from Nebraska for a statement.

Mr BALL. Mr. President, a point of order. Is not this business of farming out the floor out of order?

The PRESIDING OFFICER It is out of order for a Senator to parcel out the time. The Senator can yield only for a question.

Mr HILL. Mr. President, will the Senator yield to me?

Mr RADCLIFFE. I yield.

Mr. HILL. I wonder if it would be agreeable to the Senator from Maryland to yield the floor at this time so that the Senator from Nebraska [Mr. WHERRY] and the Senator from Washington [Mr. MAGNUSON] may make their statements, with the understanding that the Senator from Maryland will be recognized to complete his speech when the Senate convenes tomorrow at 12 o'clock noon.

Mr. RADCLIFFE. That is entirely agreeable to me I will yield the floor, and expect to resume when the Senate convenes tomorrow.

Mr. HILL Mr. President, will the Senator further yield to me?

Mr RADCLIFFE. I yield

Mr. HILL I understand that the Senator from Vermont [Mr AIKEN] wishes to speak.

Mr. AIKEN. Mr. President, am I to understand that unanimous consent is requested to hold the floor day after day? If such a request is made, I object

The PRESIDING OFFICER. The agreement which has just been suggested by the Senator from Maryland would require unanimous consent.

Mr. AIKEN. May I ask the Senator from Maryland how long he expects to talk tomorrow?

Mr HILL. Mr President, if the Senator will yield, I do not think it is the intention of the Senator from Maryland to hold the floor for very long tomorrow.

Mr. RADCLIFFE. That is correct; and I have no desire to ask unanimous consent in that connection. If there is any objection whatever, I will take my chances tomorrow. I was simply stating that it was my desire and intention to resume my remarks tomorrow when the Senate convenes. I will say to the Senator from Vermont that I very seldom trespass on the time of the Senate. I have not taken very long today, and I do not expect to take very long tomorrow

Mr AIKEN About 4 o'clock I asked the Senator from Maryland how long he expected to speak, and he said 15 minutes. It is now nearly 6 o'clock. Shall I judge the time he intends to take tomorrow accordingly?

Mr. RADCLIFFE. Let me remind the Senator from Vermont that the Senator from Maryland has had the honor and pleasure of being interrupted many times by Members of this body, and there has been a general discussion. So I do not believe that the time I have taken individually has been very long. However, that is purely a matter of opinion.

Mr. AIKEN. What the Senator from Maryland says is very true. The time has been taken largely by Senators who have interrupted him. But I wonder if there is any assurance that they will not continue to interrupt him for days.

Mr. RADCLIFFE The Senator from Maryland hopes that that will not be the case.

Unless the Senator from Alabama has some comment to make or some question to ask me, I will yield the floor, with the expectation and hope that tomorrow I may have the opportunity of resuming for a short time after the Senate reconvenes.

Mr. AIKEN. Mr President——

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. I am willing to grant unanimous consent that the Senator from Maryland may have the floor tomorrow, because I realize that the time has been taken up largely by interruptions

The PRESIDING OFFICER. Does the Senator from Maryland make a unanimous-consent request to be recognized tomorrow on the convening of the Senate? Apparently the Senator does not wish to make such a request.

Mr HILL Mr. President, I ask that when the Senate convenes tomorrow at 12 o'clock the Senator from Maryland may have the floor to complete the speech which he started this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered

PRICES OF MEAT AND OTHER COMMODITIES

Mr WHERRY Mr. President, yesterday I did not have an opportunity to place in the RECORD a report similar to the reports which I have been placing in the RECORD daily from the American Meat Institute. I wish to place this report in the RECORD at this time.

First, I wish to call attention to the cattle markets In the 12 principal markets of the United States yesterday there were 65,100 head of cattle, which is 7 percent larger than receipts at those markets Tuesday a week ago, and 45 percent larger than on Tuesday a year ago. The total market supply at these markets for the first 2 days of this week, amounting to almost 164,000 head, was about the same as the number received at these markets for the same 2-day period a week ago, but 40 percent larger than the market supply for the corresponding 2 days a year ago. Thus total cattle marketings for the first 16 days of July, the period since price control ended, were 24 percent larger than the market supply in the corresponding period a year ago, and substantially larger than the market supply in the last 16 days of June, when the cattle and beef situation was almost completely demoralized as a result of the widespread and rampant black markets prevailing as a result of OPA price controls.

As to the prices, there was a top established of $25.50 per hundred on a few head. Other grades were mostly steady with the close of the day before. The price of $25 was paid for a few prime cattle; and the supply of the so-called

cream of the crop at this time of the year is very limited.

I shall ask that the remainder of the report be placed in the RECORD as a part of my remarks. I should like to call particular attention to the average prices paid for the week ending July 13, compared with the week ending June 29. The AA Prime cattle, of which there are only a few loads—on one day only 11 head—brought $25 50. The average price paid for AA cattle—what we call prime beef cattle—at 12 markets for the week ending July 13, was $20.93, compared with a price of $17.87 for the week ending June 29, or an increase of 17 percent in the price of top-flight cattle.

With respect to the good-to-choice cattle—and those are the A cattle, which make up probably 90 percent of the meat we buy when we get what we call choice beef—the average for the week ending July 13 at the 12 principal markets was $19.09. For the week ending June 29 it was $17 24, or an increase of 11 percent. That is 1.1 cents a pound.

When we get to the medium cattle—and those are the cattle which furnish meat for the low income people of this country—at the 12 principal markets for the week ending July 13 the average price was $16.89 a hundred, compared with $16 for the week ending June 29 under OPA, or an increase of only 4 percent.

For the common cattle—and those are the cattle from which hamburger and similar classes of meat are obtained—the average price paid for the week ending July 13 was $14.75, compared with $14 03 for the week ending June 29. Those are what are called C grade cattle under the OPA ratings, or common cattle on the livestock market. The increase was 5 percent.

Turning to the market for calves, sheep, and lambs, the receipts of calves, sheep, and lambs continued relatively large. Receipts of calves for the first few days this week amounted to 30,900 head, and were 5 percent larger than for the same period last week, and 40 percent above a year ago.

Sheep and lamb receipts at the 12 markets this week thus far amounted to 89,500 head, 95 percent larger than receipts a week ago, and 21 percent larger than a year ago.

Receipts of hogs at the 12 markets amounted to 64,900 head. This number was 15 percent smaller than the market supply a week ago last Tuesday, but 104 percent larger than Tuesday a year ago.

The price of hogs reached $20 a hundred for top-flight hogs in Chicago, which is from $3 to $3 50 over the top ceiling price per hundredweight established under OPA. But it must be remembered that we are referring to the top price for hogs. Hogs sold as high as $20 a hundred, but most of the hogs sold under that price. They include sows, overweight hogs, and hogs which do not bring top-flight prices. The price the previous day was $19. A seasonal increase in hog prices at this time of the year is not unusual.

I ask unanimous consent that the entire report be printed in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The cattle-market supply continues moderately large. Receipts at 12 midwestern markets today amounted to 65,100 head, which is 7 percent larger than receipts at those markets Tuesday a week ago, and 45 percent larger than on Tuesday of a year ago The total market supply at these markets for the first 2 days of this week, amounting to almost 64,000 head, was about the same as the number received at these markets for the same 2-day period a week ago, but 40 percent larger than the market supply for the corresponding 2 days a year ago. Thus, total cattle marketings for the first 16 days of July—the period since price control ended—was 24 percent larger than the market supply in the corresponding period a year ago, and substantially larger than the market supply in the last 16 days of June, when cattle and beef situation was almost completely demoralized as a result of the widespread and rampant black market prevailing as a result of OPA price controls.

The cattle market in Chicago this morning opened stronger as compared with yesterday's market The extreme early top was $25 50 per hundredweight for a few head. Other grades today were mostly steady with the close of yesterday The extreme top price of cattle yesterday at Chicago was $25 but this price also was paid only for a few (161) head, and the supply of the so-called "cream of the crop" at this time of the year is very, very limited. It is believed that most of these cattle selling at these extreme high prices are being paid by buyers furnishing most of such meat to hotels and night clubs

The Department of Agriculture, commenting on the cattle market in Chicago yesterday, states, "Total cattle receipts were only a little smaller than last Monday, but there was a radical change in the make-up of the crop Grass cows were in the most liberal supply of the season by far, this class making up approximately 40 percent of the arrivals Bulls proved plentiful and the offerings of veal calves also reflected marked expansion Hence, the supply of fed steers and yearlings was much smaller than last month and in addition, quality was generally regarded as being less attractive."

Prices of the different classes and grades of cattle at current prices reflect a restoration of a more normal relationship between the less-finished grades and the well-finished grades During the period of OPA price control the full normal relationship was not permitted to exist because prices of the different grades were established at an abnormally narrow relationship. For example, this tendency for price relationship to return to a more normal situation is exemplified in a comparison of prices of the different grades of steers at the Chicago market, as reported by the United States Department of Agriculture for the week ending July 13, 1946, and for the week ending June 29, 1946—the last week under which price controls prevailed

Comparison of prices of steers in Chicago for the weeks ending July 13 and June 29, 1946

[Per hundredweight, alive]

	Week ending July 13	Week ending June 29	Percent change
Choice	$20.93	$17 87	+17
Good	19 08	17 24	+11
Medium	16.89	16.00	+4
Common	14.75	14.03	+5

It will be noted from the above prices that the greatest increase in prices has occurred mainly in the Choice grade, which at this time of the year represents a relatively small portion of the total market supply.

It should be kept in mind also that prices of the better grades of cattle at this time of the year generally reach a seasonal high The reason for this, of course, is that the market supply of well-finished steers, grading Choice and Good, generally constitutes a relatively smaller proportion of total cattle marketings in the summer and fall months of the year.

In other words, market prices of the better grades of cattle prevailing during the summer and fall periods should not be considered as representing price levels that may prevail in the other periods of the year or as representative of an average level for the entire year.

Receipts of calves and also of sheep and lambs today continue relatively large. Receipts of calves for the first 2 days this week amounted to 30,900 head and were 5 percent larger than for the same period last week and 40 percent above a year ago. Sheep and lamb receipts at the 12 markets this week thus far, amounting to 89,500 head, were 95 percent larger than a week ago and 21 percent larger than a year ago.

Receipts on hogs at the 12 markets today amounted to 64,900 head. This number was 15 percent smaller than the market supply last Tuesday, but 104 percent larger than Tuesday a year ago The hog market supply for the first 2 days of this week at the 12 markets was 24 percent less than that for the same 2-day period a week ago, but 60 percent above receipts for the comparable 2 days a year ago With some curtailment in receipts this week, as compared with last week, prices of hogs advanced. The top price at Chicago today is $20 per hundredweight, as compared with $19 yesterday. A seasonal increase in hog prices at this time of the year is not unusual, because the market supply of hogs for the summer period is much smaller than winter supply, due to the nature of the hog breeding and feeding program followed by most American hog farmers This seasonal pattern for hog prices is illustrated by the fact that normally hog prices advance about 27 percent on the average from the seasonal low, which usually occurs in the winter period, to the seasonal high, which generally occurs in the summer period The point is that the hog price level prevailing during the summer period should not be construed necessarily as reflecting the price level of hogs for the entire year. With price controls eliminated, the usual seasonal trend of hog prices may be expected to be restored as soon as normal conditions in the hog situation again prevail.

All in all, the situation may be summarized about as follows Market supplies of livestock, since price controls were eliminated, have increased substantially, and, as a result, the seriously depleted meat-distribution pipe lines are being rapidly filled and more meat will be available this week to American housewives than at any time in many weeks. This increased supply of meat now is available, notwithstanding the fact that storage holdings of meat July 1 were unusually small for that time of the year, again due largely to restrictive and artificial Government regulations Moreover, this increased supply of meat is being distributed much more equitably to consumers generally than was the case during OPA price control, and at prices generally lower than black-market prices prevailing during OPA days, after allowance is made for subsidy adjustments. This payment from the Federal Treasury is, of course, a substantial part of the real cost of meats and other commodities, which were paid for by American taxpayers. The payments of meat and livestock subsidies alone in the last fiscal year were in the neighborhood of three-quarters of a billion dollars, or about $20 for each family of this country.

Mr. WHERRY. I do not wish to detain the Senate, but I should like to call attention to another factor. A substan-

tial part of the real cost of meat and other commodities paid by American taxpayers during the past 14 days has been the amount of the subsidy, which is not now being paid to processors. In the case of cattle this amounted to $4.50 to the processor and 50 cents a hundred to the feeder. Apparently no one is giving that consideration. Yet because the subsidy is not being paid by the Government, it is now being paid by those who purchase the meat.

Mr. President, the payments of meat and livestock subsidies alone in the last fiscal year were in the neighborhood of three-quarters of a billion dollars, or about $20 for each family in this country.

At this point in the RECORD I ask unanimous consent to have inserted a statement of subsidy expenditures, showing the amount of subsidy which has been paid on meats as compared with the subsidies paid on all other foodstuffs. I have analyzed the matter under five headings, and I desire to have the statement printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Subsidy expenditures[1]

[In millions of dollars]

	Estimated actual expenditures for fiscal year of 1946
Payable through RFC.	
Meat	684
Flour	210
Butter	21
Rubber	60
Copper, lead, and zinc	87
Petroleum	60
Other domestic products and imports	125
Total payments through RFC	1,248
Payments through CCC	
Dairy products	497
Crop programs	234
Noncrop programs	105
Total payments through CCC	836
Combined payments through RFC and CCC	2,084
Total payments under specific food groups	1,751
Total payments through other groups	301
Grand total	2,052

[1] Source: Deputy Director James F Brownlee of the Office of Economic Stabilization in testimony before the House Committee on Banking and Currency, Mar. 6, 1946.

Subsidies paid by RFC on meat and livestock (excludes livestock payment on beef cattle, sheep, and lambs through CCC)

Period	Total expenditure (million dollars)	Expenditure per family
June 1943 through June 1944[1]	462	$13.25
July 1944 through June 1945[1]	482	12 20
July 1945 through June 1946[2]	684	19 55
Total	1,574	45 00

[1] Source: The Livestock at ; Wa[illegible] Bureau of Agricultural Economics, [illegible] culture, March–April 1946, p. 18.

[2] Source: Subsidy expenditures by RFC estimated for fiscal year 1946 by Deputy Director James F Brownlee, Office [illegible] Stabilization, testimony before House Committee on Banking and Currency, Mar. 6, 1946.

Subsidies paid by RFC and CCC for all foods

Period	Subsidy total expenditures (million dollars)	Subsidy expenditures per family
1942–43	795	$4 00
1943–44	970	22 50
1944–45	1,310	35 50
1945–46	1,780	50 00
Total	4,105	121 00

Source: Estimates based on data presented in hearings [illegible] Public Publication

Percent that personal Federal income taxes could have been reduced in 1946 if consumer food subsidies were eliminated and the savings passed back to individual income taxpayer

[In million of dollars]

Total amount of expenditures for food subsidies June 1, 1945, through June 30, 1946[1]	1,751
Estimated amount of income from personal income taxes in 1946[2]	10,696
Percent consumer subsidies were of personal income taxes	16 4

[1] Subsidy expenditure by RFC estimated for fiscal year 1945–46 by Deputy Director James F Brownlee, Office of Economic Stabilization in testimony before the House Committee on Banking and Currency, Mar 6, 1946

[2] The revenue bill of 1945, S Rept. No 655, 1st sess., 79th Cong.; Oct 22, 1945.

Using the Government's estimate of 36,302,000 individuals paying income taxes in 1946, food subsidies amounted to $48 25 for each Federal income-tax-paying individual in 1945.

Possible savings for various groups of personal-income taxpayers if consumer subsidies were eliminated and the savings passed on to the individual taxpayer

	Average income	Savings per taxpayer if consumer subsidies eliminated
Net taxable income (less taxes		
[illegible]	$62	$8 70
[illegible]	177	20 25
[illegible]	504	32 80
[illegible]	574	40 80
[illegible]	780	94 60
[illegible]	1,125	184 30
[illegible]	3,000	658 00
[illegible]	14,286	2,312 00
[illegible]	6,481	5,906 00
[illegible]	44,428	15,407 00
[illegible]	250,998	40,730 00
[illegible]	714,181	83,624 00
[illegible]	1,894,571	230,620 00
Average for all	1,95	48 25

Based on data from the revenue bill of 1945, H Rept. [illegible], 1945, and the 79th Cong., last [illegible] dies from Iowa

Mr. WHERRY. Mr. President, I should like to have printed at this point in the RECORD, in conjunction with the analysis of subsidy expenditures which I have previously presented, and which I think every Senator will be glad to have, a memorandum entitled "An Examination of the Government Food Subsidy Program" prepared by the Agricultural Department of the Chamber of Commerce of the United States. I know that some persons do not agree with the views of the Chamber of Commerce of the United States, but I feel that if they will analyze this memorandum, they will find it worth their time and their attention. So I ask unanimous consent to have it printed at this point in the RECORD, as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

AN EXAMINATION OF THE GOVERNMENT FOOD SUBSIDY PROGRAM

SHOULD GOVERNMENT FUNDS BE USED TO PAY PART OF THE NATION'S GROCERY BILL?

AN IMPORTANT DOMESTIC ISSUE

One of the most important domestic issues before the people of the United States is involved in the recurring proposals by administrative officials of the Federal Government to continue and perhaps enlarge the various Federal subsidy programs as a means of reducing the cost of living, preventing inflation, and, in some instances, increasing consumption, particularly as relates to food.

The subsidy issue is one which concerns every individual, whether businessman, laborer, or housewife, for the decisions now made and the policies adopted will for years to come affect the income of everyone who buys goods or pays taxes

Consumer subsidies paid from public funds result in a redistribution of individual incomes and pave the way for an expansion of Government regulation, governmental domination of private enterprise, and the eventual socialization of all industry.

COST OF SUBSIDIES

By the end of the present fiscal year on June 20, total Government expenditures for food subsidies will approximate $6,800,000,000

Total disbursements for food subsidies up to June 30, 1945, amounted to $3,038,000,000. For the year ending June 30, 1946, statutory authority has been provided for the payment of subsidies not to exceed the following amounts

Livestock and meats	$720,000,000
Dairy production	568,000,000
Flour	215,000,000
Butterfat and butter	100,000,000
Crop programs[1]	225,000,000
Noncrop programs[2]	120,000,000
Coffee	54,000,000
Total	1,802,000,000

[1] Crops subsidized include dry edible beans, prunes, grapes, raisins, peaches, pears, grapefruit juice, flaxseed, cotton linters, peanuts, soybeans, vegetable oils, sugar, canned and frozen vegetables.

[2] Commodities subsidized include peanut butter, shortening, wheat for feed, cheese, fluid milk, livestock payments not included in other classifications.

Requests for funds and authorizations for food subsidy payments for the 1946–47 fiscal year amount to $1,750,000,000.

Food supply a fundamental consideration

It must be recognized that food is basic to our individual existence and to the maintenance of our national life. It is also essential that the amount available be adequate, and if prices to consumers become excessive many individuals will not be able to obtain an adequate supply. It is equally true that if prices which appear to be high are still too low to cover the actual costs of efficient production and handling, production will be curtailed and the supply of food will become insufficient. These considerations are fundamental.

It follows, therefore, that Federal policies relating to food should be so formulated and effectuated as to insure the greatest possible assistance in the production of an adequate supply at prices fair to the farmer and within reach of the average citizen. It must also be

recognized that the means used to accomplish these objectives should be the most practical, effective, and economical that can be devised.

Problem requires careful study· Much of the talk in support of food subsidies as a means of holding in check the cost of living and controlling inflation has consisted of erroneous and misleading generalities Too little attention has been given to the prevailing high level of consumer incomes and not enough careful thinking to the dangerous consequences of consumer subsidies before conclusions are reached

A large part of the difficulty in gaining an understanding of what is involved in the consumer subsidy issue is due to the many economic, political, social, and perhaps ethical considerations that are involved. Only by taking the question apart, and carefully examining each phase of it, is it possible to obtain a better understanding of what is contemplated.

CONSUMER SUBSIDIES DESCRIBED

Subsidies a payment without return· Described in the simplest terms, consumer subsidies consist of payments of money by the Government to persons or business units, with no demand for a corresponding return of money, goods, or services.

Producer subsidies: Government subsidies in this country are not a recent development, although they have usually been designated by other names Such subsidies as those paid to railroads, air mail, merchant marine, and others were believed to be justified as a means of promoting the establishment of new enterprises in our national economy or of maintaining those which were essential to the national well-being. These were essentially producer subsidies, while those now under consideration are intended for an entirely different purpose.

Consumer subsidies: During the past decade some of the payments to farmers, such as the parity payments, have been a form of subsidy, and while being of financial assistance to the farmer have been in reality consumer subsidies, as the consumer has been the real beneficiary. Through their use the cost of certain foods to consumers has been less than it otherwise would have been had the farmer received full parity price when he sold his wheat, corn, or cotton in the marketplace

DISTINCTIVE FEATURES OF CURRENT SUBSIDIES

Relieves consumers of certain costs· The effect of current subsidies with respect to various food products is to relieve every consumer of these products of a portion of the costs which otherwise would be paid if production of these particular products is to be continued on an adequate scale. This type of subsidy should not be confused with the relief which in the past has been extended to a limited number of persons having insufficient income to maintain a standard of living.

Imposes unwelcome burdens. In the present instances subsidies may be paid to producers or to processing or distributing agencies, or to all three. These payments are associated with provisions definitely designed to bring about a reduction in retail prices corresponding to the amount of the subsidies. Such payments accomplish the same purpose as cash payments to consumers, but involve less administrative expense and effort. The fact that producers and distributors are the primary recipients of the subsidies does not change the fact that consumers are the ultimate beneficiaries by reason of a price reduction equal to the amount of the subsidy. It does, however, greatly confuse the issue and makes farmers, processors, and distributors involuntary and unpaid agents of the Government in an enterprise which offers no advantages to them but rather involves numerous and serious disadvantages.

All citizens on relief: Another and highly significant feature of the present subsidy programs is that for the first time in the history of the United States a form of relief is being given to every citizen whereby part of his cost of living is paid out of tax revenues.

Unprecedented and revolutionary: Regardless of present conditions which are being given as the reason for this action, we should not overlook or underestimate the unprecedented and revolutionary character of this program.

It is revolutionary because it is directly contrary to the basic principle on which this Nation was founded and has attained its present development; namely, that the duty of the citizen is to support the Government rather than to allow the Government to support him The only exception to this rule which has been recognized in the past has been actual incapacity on the part of the recipient. Conversely, society has expected those of us who are normal in physical and mental ability to pay our own way, and most of us have taken great pride in being able to do so Perhaps we have not always been able to have as much of certain goods as we should have liked, but we have enjoyed what we have had without loss of our self-respect.

PURPOSES OF CONSUMER SUBSIDIES

The ostensible purposes of most consumer subsidies are·

1 To lower prices to the consumer while maintaining prices to producers which will insure adequate production.

2 To avoid food-price levels which it is feared will induce demands for wage advances to the extent of creating inflationary tendencies, and

3. To relieve certain groups whose incomes have tended to advance less rapidly than living costs.

In the final analysis, the most important objective is the maintenance of production at price levels which do not reflect the actual purchasing power of consumers.

RELATION OF SUBSIDIES TO PRODUCTION OF FARM PRODUCTS

Supposed to stimulate production. It is recognized that food production costs have risen as a result of competition for farm labor, the necessity for using less efficient labor, the shortage of machinery, and the generally higher cost of commodities used in production. By means of the subsidy device it is hoped to meet these costs and provide producers with the incentive to continue production without requiring the consuming public to pay these added costs directly, in the form of higher prices By avoiding the inclusion of higher production costs in retail prices it is contended by subsidy proponents that demands for wage increases by urban laborers may be avoided and an inflationary spiral prevented Thus consumer subsidies are regarded by government officials as a means of dealing with a situation in which it is considered necessary to maintain prices to producers which will encourage production while at the same time avoiding corresponding price increases to consumers. Actually, this lower price to consumers encourages consumption at a time when the demand is already in excess of the available supply

A deterrent to production. With regard to the effectiveness of the subsidy program as a means of obtaining the desired production this much may be said: In order to obtain the fullest utilization of existing productive capacity, farmers must have the assurance, when production plans are being made, that prevailing price levels at the time products are ready for market will be sufficient to compensate fully for the expenses of efficient production, including essential labor, and in addition provide the incentive for continued production if such is necessary. In asking this assurance farmers desire no more than all other businessmen expect and get. Society has no right to demand that any industry produce at a loss out of pure patriotism.

It must be recognized, that the food-subsidy program is one of those features of the Federal price regulatory program which definitely weaken that confidence in future prices which is necessary for abundant production, and for that reason it is a positive deterrent to production.

RELATION OF SUBSIDIES TO INFLATION

Food prices a minor inflationary factor· Inflation always arises from an excess of buying power in relation to the supply of available goods and services. Our present inflation arises from the fact that the income of the average American family in 1945 was about two and one-fourth times as great as in 1939, while the amount of goods available for purchase for civilian use has been sharply curtailed.

It was estimated in 1943, when the national income was much below its present level, that this disparity between the amount of money available for spending and the supply of goods available for purchase was from thirty to fifty billion dollars. This condition was the direct outgrowth of the necessity for financing a large part of the war production with borrowed money. This tremendous expansion of Government spending of borrowed money, with an attendant increase in the earnings of nearly every class of industrial and other workers, is the real cause of inflation

In June, July, and August of 1939, all wage and salary payments in the United States were at the rate of $43,000,000,000 a year. In the corresponding months of 1945, wage and salary payments were at the rate of $112,000,000,000 a year This increase taking place in the 6-year period was equivalent to $69,000,000,000 a year, or 160 percent. In the same period, food prices rose only 46 percent This clearly indicates that wages and salaries have been factors three and one-half times more potent than food prices in causing inflation.

Increased production would check inflation Unless the American people require the Government to direct its attention to the elimination of unnecessary Federal spending and unnecessary wage increases, these two factors will contribute far more to inflation than will any probable increase in retail food prices. In fact, a moderate increase in the retail prices of certain foods, which would stimulate an increased production would have the effect of bringing buying power and supplies into a closer relationship and thereby tend to reduce inflationary possibilities.

Subsidies not an economic cure-all· Consumer subsidies are frequently urged as a means of checking inflation Indeed it is claimed by officials of the Government that if subsidies are not provided, inflation is inevitable. Accordingly, it is necessary to determine the probable effect of subsidies on inflationary tendencies.

It may be pointed out that subsidies—in the form of payments to farmers and to certain consumer groups through subsidized work projects, food distribution, and other forms of direct relief—were used in the depression years because it was recognized that their tendency to create inflation would aid in offsetting the deflationary tendencies dominant at that time. The efficacy of this same method as a cure for an exactly opposite condition, such as exists at the present time, may well be doubted.

SUBSIDIES IN RELATION TO COMMODITY PRICES

Prevention of price pyramiding claimed: It is being vigorously asserted that subsidies prevent food prices from rising and by so doing will check demands for wage increases and consequent widespread advances in production costs, further price rises, and a cor-

responding expansion of Federal expenditures. The basic means by which subsidies are expected to check inflation and make possible substantial savings, both to civilians and to the Government, is the checking of those initial increases which are supposed to be expanded into substantial amounts during the progress of commodities through the channels of trade.

It is generally recognized that some increases in the costs of food products are to be expected as a result of war conditions These costs must be met if production is to continue These are not sufficient to cause burdensome increases in the costs of food products.

No savings result from subsidies. In the main, the costs of processing and distribution have been established over a long period of years. Such costs as freight, rent, heat, light, interest, and to a considerable degree labor, do not fluctuate with the price of the commodity handled Experience shows that a considerable increase in costs of raw products often takes place without advances in retail prices This indicates definitely that costs of handling, processing, and distribution are not definitely related to increased prices of the primary product Under such conditions, there can be no significant increases in margins as a result of increases in prices at the point of origin. Consequently the saving which would result from preventing the initial rise in price could be but little if any more than the amount of the initial increase

Quite definite evidence of the absence of any undue expansion of profit margins as a result of price increases at the point of origin is indicated by a comparison of price movements between January 1940 and October 1943. During this period prices received by farmers increased 94 percent Wholesale prices of foods increased but 46 percent, and retail prices of foods rose 45 percent. Had there been a general increase in margins as a result of the increase in farm prices, wholesale and retail prices would have risen more than farm prices.

This shows that there is virtually no opportunity for savings as a result of the use of subsidies since the effect of subsidies on prices to the consumer can be no greater than the amount of the subsidy

Weakness of claims exposed: The weakness of the claim that savings can be obtained by means of subsidies becomes evident if a practical application of the theory is attempted. For example, in view of the claims made, such questions as the following may be asked: If it is possible to prevent a rise in the cost of food, why might not the same method be used to reduce the cost of food below any existing levels? In fact, why confine subsidies to food? Why not subsidize all commodities and reduce the entire cost of living? One authority has estimated that if subsidies could accomplish all that is claimed, the cost of living would be reduced by about 85 percent. The questions has even been asked, Why not subsidize subsidies?

Subsidies actually tend to increase prices: The fact must also be recognized that the total costs resulting from the use of subsidies will be greater than the actual amount of the subsidy because administrative costs must be added. The total of these costs may be expected to be greater than if no subsidies are paid and commodity prices are permitted to reflect costs of efficient production, processing, and distribution. No higher prices than those incurred in producing an adequate supply and rendering efficient service are asked by farmers, processors, and distributors.

The obvious absence of any sound basis on which to establish the claim that subsidies effectively hold down prices in such a manner as to save the country several times their cost removes practically all valid arguments for a consumer subsidy program as a means of controlling inflation.

FOOD SUBSIDIES NOT ESSENTIAL TO CONTROL PRICES

Many people, particularly consumers, have undoubtedly been greatly disturbed by the assertions that if subsidies are not provided, prices will zoom and the country become engulfed in the horrors of an inflation such as took place in some countries during the First World War There is talk of runaway prices and assertions that subsidies are absolutely essential to the control of prices

The fact, however, is that at the present time all prices are controlled or subject to control by the OPA If difficulty is being experienced in maintaining the established price levels it can arise from only two causes

The real causes of price increases One of these causes is the lack of effective controls over wages, as they were, by special request of the President, omitted when commodity price controls were established, and as a result have continued to increase Due partly to this condition, buying power has continually expanded, as is indicated by the figures already given. Under such conditions the question arises as to whether our economy can function half controlled and half uncontrolled.

The other cause of difficulty in controlling prices is the shortage of supplies in comparison with the greatly expanded buying power of civilians and the Government With civilian buying power at a high level and foreign demand expanding, even the record food production of the last 2 years has not been fully adequate This combination of conditions has contributed to a so-called inflationary gap and to the difficulty of maintaining fixed prices

Subsidies aggravate the condition From the foregoing it should be apparent that the solution of the price-control problem is not new and larger subsidies. Rather it is the bringing of buying power and the supply of commodities into closer relation In other words, wage income must be stabilized, Government spending should be kept at the lowest practicable level, and food supplies increased through the use of well-organized measures for accomplishing this objective. None of these steps involves the use of subsidies In fact, as has already been shown, the use of subsidies have exactly the opposite effect from that desired

Production the real remedy. It is probably not possible to produce enough food to supply entirely the demand which exists or which may develop However, every effort should be made to produce to the limit. In conjunction with the stimulation of production, the practical administration and enforcement of price regulations, together with reasonable rationing, may be depended upon to keep surplus buying power from being shifted to the food supply, and effectively prevent prices from rising to undue and dangerous levels. These methods, if properly used, seem to be adequate to deal with the situation, thus obviating the need for any other device.

SUBSIDIES IN RELATION TO WAGE INCREASES

It has already been pointed out that increases in wage income are a potent force contributing to inflation. Obviously, any method which will stabilize wages will have the effect of removing important inflationary tendencies. The question, therefore, is: Will subsidies check demands for wage increases which, it is claimed, are induced by the pressure of rising costs of living?

Pressures overrated: Government statistics show that in 1941 and 1942, retail food prices rose 36 percent, but in the last 3 years food prices have been relatively stable so that the additional increase has been but 8 percent, making a total of 44 percent in 5 years. Other commodities, however, have risen less, so that the average increase in the prices of all commodities purchased by urban consumers in the middle and lower classes is less than 30 percent.

In contrast, during the period from January 1941 to October 1945 the last month for which data are available, average weekly earnings of all factory workers rose 48 percent. Similarly, the total of all salaries and wages payments rose 95 percent and the total nonagricultural income of the country rose 90 percent

It may be concluded, therefore, that the substantial margin of wages and other incomes over food and other commodity costs does not warrant the assumption that wage earners will be forced by the pressure of rising prices to demand higher wages in lieu of subsidy payments from public funds

Subsidies versus wage increases. The fundamental weakness of the consumer-subsidy idea as a means of controlling wages becomes obvious when it is realized that the net benefit of any probable subsidy could not approach the amount of the wage increases which have been demanded by labor Obviously the success of such a subsidy plan depends on a failure of the workers to comprehend the difference between the direct wage increase demanded and the indirect wage increase represented by the subsidy

Subsidy a supplementary wage: The fact that proponents of consumer subsidies would expect such an obvious deception to succeed is a reflection on the intelligence of the workers and of the American people It may be further pointed out that if this deception did succeed for a time, the original demand for wage increases would probably be renewed as soon as the real facts were observed, with the result that both a subsidy and a wage increase would be obtained. Under this condition the subsidy would be a supplementary wage.

SUBSIDIES WILL NOT SAVE MONEY

A persuasive and strongly urged reason for subsidies is that they will save money both to individuals and the Government in its huge purchases of war supplies The argument rests on the claims that subsidies will prevent price increases and check wage demands. These seemingly plausible claims have already been shown to be without foundation

At the same time these specious claims are pressed, the fact is overlooked that the money to pay subsidies must sooner or later come from the pockets of the taxpayers.

As a practical matter subsidies to reduce current food costs to consumers will be paid out of borrowed funds and will be added to the enormous public debt which is being accumulated.

Our national debt now exceeds $5,000 per family. At 2½ percent the annual interest charge on each family for this debt alone is $125.

Since there is no assurance of reductions in the national outlay if subsidies are approved, it may be stated with certainty that their use will impose a greater total cost on consumers and taxpayers than if the customary pay-as-you-go practice is followed This is due to the added interest charges, the expense of collecting taxes to pay the loans, and finally, the cost of administering the subsidy, which in some cases, it is estimated, is greater than the amount of the subsidy itself.

It is quite obvious that the aggregate of these costs will exceed any possible advantages from subsidies and will be greater than the cost which would accrue if prices were allowed to rise by an amount sufficient to bring into production an adequate food supply. This is especially true under the present system of price controls.

Moreover, the fact should not be overlooked that, if a portion of the current food

costs are deferred, they will have to be paid with accrued charges along with such costs as are current at the time of payment.

An important consideration having a bearing on the desirability of adding these inevitable costs to the national debt is the fact that the interest and principal of this debt must be borne by the taxpayers of the future, many of whom were recently in the fighting. Even now these men are saying they have fought this war and now it is over they, their children, and their grandchildren will have to pay for it. The facts which already have been presented respecting the relation of current earnings and food costs shows that

There is no basis in fact or reason to justify any plan which would mean a present saving to those at home while imposing on our returning soldiers and on their children an obligation to pay a part of the cost of the food which is being consumed at home today.

SUBSIDIES DEFINITELY INFLATIONARY

It has been shown that consumer subsidies consist of payments out of the Federal Treasury in which each individual shares in proportion to the amount of consumption As such they are equivalent to an addition to wages and salaries of workers and the income of others. The aggregate buying power of consumers is expanded and the federal deficit is increased with no evidence of compensatory savings to individuals or the Government. Finally, there is no assurance of increased production as a result of consumer subsidies. On the other hand, they must be considered a deterrent to production Thus it must be concluded that subsidies definitely contribute to inflationary conditions

SUBSIDIES PROVIDE NO AID TO FIXED-INCOME GROUPS

An argument frequently brought forward and strongly emphasized is that subsidies will aid a large segment of the population who have not received an increase in their incomes corresponding to the increase in food costs.

SIZE OF FIXED-INCOME GROUP

Recently an official of the Office of Price Administration claimed that white-collar workers and their dependents, comprising, according to his statement, more than 25 percent of the population, are receiving incomes which have not been increased to correspond with the rising cost of living, and therefore must be protected by subsidies from further advances in food costs.

Incomes of white-collar class not fixed. It is difficult to verify from Government statistics the statement that there is so large a group in the white-collar class, but obviously there are included in it a great many proprietors and executives, organization officials clerks and stenographers, professional men and women, salespersons of all kinds, Federal, State, county, and city government employees, etc. Doubtless some of these have not received increases in salaries, but is it not true that nearly every business is paying its white-collar workers, especially its clerks, stenographers, and salespersons, more than it was 3 years ago?

Opportunities for supplemental income: But, it may be asked, what about those persons in virtual retirement who are living on annuities, pensions, or income from investments? Isn't it true that for many of these people opportunities for employment to supplement a fixed income are greater than ever before and that in many families more persons are working, so that the family income as a whole is greater than ever before?

Size of group overestimated: Such a survey of conditions appears to reduce materially the number of persons who might be in real danger of distress as a result of higher food prices. But before reaching a final conclusion as to the existence of a need, the fact should not be overlooked that average food prices in December 1945, were only about 8 percent higher than in 1926 and that there was no demand for consumer subsidies in that year.

On the whole, it seems reasonable to conclude that the need for relief on the part of any segment of our population is slight and that the argument for subsidies based on the assumption of such a need is without factual basis.

AID TO SPECIAL GROUPS

Food subsidies are, in the main applied in such a manner that their immediate benefits will be received by all consumers in proportion to their consumption. They are essentially a universal distribution of Government aid regardless of the need for such aid The claim is made, however, that they will be of particular assistance to a certain fixed-income group. Granting that such aid may be necessary, it should be definitely limited to this group and not extended equally to others who are fully able to support themselves adequately.

Because consumer subsidies affect the food costs of every individual, relative incomes will not be changed. Thus, regardless of the money we have, no one will be enabled to buy any larger share of the limited supply of goods available. In terms of goods, everyone will be exactly where he was before.

At the present time it is not so much the price that determines what can be purchased as it is the supply available and the number of ration points allowed

PRICE REDUCTIONS INCONSEQUENTIAL

Even the price reductions which might result from subsidies are exaggerated It is claimed that the subsidy on butter, for example, reduced the price by the amount of the subsidy, which was 5 cents a pound. If a person were able to obtain the average prewar amount of one-third of a pound a week, the saving would be but 85 cents a year But at the present rate of consumption in the United States the average saving would be about 60 cents a year per person.

It is claimed that the subsidies on meats have reduced the cost of meats from 2 to 6 cents per pound, depending on the cut Assuming that each person is able to purchase 3 pounds of meat a week, the saving on the meat bill will be around $6 25 per person a year

In 1944 assurances were given by subsidy proponents that the total amount of Government funds needed to carry on the subsidy program would not be in excess of $1,000,000,000 [1] As previously stated, no savings to consumers beyond the amount of the subsidy will result Therefore, the reduction in food costs for 129,000,000 people would amount to approximately $7 15 per person However, this cannot be looked upon as a net saving

FURTHER DANGERS IN THE USE OF SUBSIDIES

The use of consumer subsidies is inevitably attended with certain dangers Even the Administrator of the OPA has stated that for this reason subsidies must be used carefully and to only a limited extent

The fact that the effect of consumer subsidies are difficult to appraise and may have far-reaching and dangerous consequences on our economic and political life makes their use particularly hazardous.

SUBSIDIES DEMORALIZING

It is generally recognized that the continued acceptance of charity undermines the character of the recipient. One of the demoralizing effects of subsidies is to encourage and accustom people to look to the Government not as an agent of the people themselves but as a paternalistic power. A real test of the moral stamina of a people is their insistence on paying their own grocery bill as they go along rather than having a part added to some other person's tax bill, as is the case when consumer subsidies are in effect.

SUBSIDIES TEND TO EXPAND

Once people have begun to enjoy consumer subsidies, it is human nature to seek more and more of the same kind, with no possible resultant contribution to the national wealth, with an increasing dependence on subsidies, and a progressive degeneration of moral character This is in contrast to the effect of a sound and wise use of production subsidies which enable the recipients to work themselves out of the need for subsidies while making a definite contribution to national wealth and strengthening the moral fiber of the people themselves.

SUBSIDIES TEND TO PERPETUATE THEMSELVES

It is claimed by responsible officials that the subsidy program is designed to cover wartime costs and that when the war ends, these costs will disappear and subsidies will be eased out of existence. What are these costs which are expected to disappear? Are they not largely labor costs—wages? Who can say how much wages will be lowered after the war? But if wages decline and employment falls off, will there not be a strong demand for continuation of subsidies to maintain the standard of living? On the other hand, if costs do not decline, is it to be assumed that subsidies will be continued?

But even when used as a temporary means by which adjustments to emergency conditions are avoided, consumer subsidies are dangerous because they inevitably disturb the price relationships between commodities and the economic relationships between producers The longer these subsidies are continued the more fixed artificial relations become so that when an attempt is made to eliminate them, the stronger will be the demand for their continuance. Even consumers who have become accustomed to subsidized prices might be unwilling to bear the entire cost of their own food supply

Thus the possibility is presented that consumer subsidies might become a permanent feature of our economy with the further possibility that demands for even larger subsidies might be made. In that event the subsidy system would become a permanent factor in our national economy—a parasitic element ever draining our economic lifeblood

SUBSIDIES FOSTER GOVERNMENT DOMINATION OF PRIVATE ENTERPRISE

The distribution of consumer subsidy benefits through producers, processors, and distributors provides numerous opportunities for government interference and the imposition of various regulations on the business units comprising these groups. The Supreme Court of the United States has upheld the right of the Government to "regulate that which it subsidizes."

Farmers and businessmen are coming to see that the practices of distributing subsidies from the Federal Treasury give to a centralized government extensive domination over the production, processing, and distribution of any product of any industry to which subsidies are applied.

Food subsidies provide a direct road to the socialization of the entire food industry, and if the food industry is controlled, every other industry is doomed to similar treatment.

CONSUMER SUBSIDIES A THREAT TO DEMOCRATIC GOVERNMENT

A review of historical experience shows that consumer subsidies constitute a subtle and grave threat to the preservation of a stable and democratic form of government.

This type of subsidy tends to create a body of beneficiaries which may continue in authority any group having sufficient power to perpetuate subsidies through the exploitation of other groups, until the sources of the Nation's income are depleted and the Nation

[1] Early in 1946 food subsidies were reported to be running at the rate of $1,800,000,000 a year, or about $13 per person.

itself becomes a hollow shell which eventually crumbles.

Ancient Rome is the classic example of the destructive effect of consumer subsidies. In that city consumer subsidies were first provided on a large scale by politicians who sought to win the favor of the electorate. The eventual result was the downfall of the government.

SUMMARY

Continuation of the present food subsidy program is advocated by Government officials.

The primary purpose of subsidies is to reduce living costs by lowering prices to consumers, while maintaining such prices to producers as will, it is hoped, insure adequate production. The reduction in living costs is at the expense of the Government and eventually of the taxpaying public.

The effect of consumer subsidies is to relieve every consumer of a part of his food costs This reduction in food costs releases funds for other spending and is equivalent to an addition to wages, salary, or other income This new buying power contributes to inflation by adding to an already greatly expanded purchasing power at a time when supplies of goods for civilian purchase are both limited and restricted, with the result that the so-called "inflationary gap" is increased

Consumer subsidies were used in the recent depression because their inflationary character served to offset the prevailing deflationary trend. There is every reason to believe that under present circumstances they greatly intensify the inflationary tiend already in effect.

Increased Federal expenditures arising from subsidies will expand the Federal debt without promoting further production of commodities This is inflationary

The claim that subsidies will save the country several times their cost by checking price increases is invalid The facts in the case prove that commodity prices to consumers cannot be reduced by more than the amount of the subsidy

The use of subsidies involves additional administrative costs, as well as interest, all of which must be paid from tax funds, thus increasing the net cost of government and the total tax burden by more than the amount of the subsidies.

The total costs resulting from the use of subsidies may be expected to be greater than if no subsidies a paid and commodity prices are permitted to reflect costs of efficient production, processing, and distribution

Farmers, processors, and distributors ask no higher prices than those incurred in producing an adequate supply and rendering efficient service.

Subsidies cannot be depended upon to check wage increases which are one of the primary causes of inflation This is clearly shown by the continued demands for wage increases.

Subsidies paid with borrowed money add to present spending power at the expense of future generations Many men who took an active part in World War II will have to help pay the grocery bills of those who stayed at home

An involuntary redistribution of income and economic inequalities results from the payment of subsidies, because they are paid through taxation which is not based on the amount of food consumed

A deliberate policy leading to national bankruptcy is being pursued through Federal expenditures to relieve all consumers of a part of their food costs at a time when consumer purchasing power is the highest in history, and to transfer these costs to the taxpayers of present and future generations.

The fixed-income group, said to be disadvantaged by commodity price increases, appears to be relatively small, and such aid as may be necessary should be limited to that group rather than extended uniformly to the entire population.

Price reductions to consumers resulting from subsidies are shown to be inconsequential

Subsidies to consumers reduce individual initiative and undermine character. People are encouraged to look to the Government to bear a portion of their cost of living. The original and basic principle that the people should support the Government is discarded for the pernicious doctrine that the people should look to the Government for part of their support

Subsidies tend to expand in scope and amount and to perpetuate themselves. The longer subsidies are continued, the more fixed become the artificial relationships they create, and the greater the resistance which will be encountered in any attempt to discontinue them

Subsidies involve the Government in economic conflicts An extensive use of subsidies to lower the cost of living conflicts directly with other efforts by the Government to maintain higher prices to producers as a means of encouraging production The added buying power supplied to consumers intensifies the demand for commodities and thereby tends to defeat the efforts to lower living costs

Subsidies carry with them the right to regulate Numerous opportunities for Government interference and the imposition of regulations are provided by the practice of distributing consumer subsidies through producers, processors, and distributors.

Payments of subsidies to farmers, processors, and distributors for the ultimate benefit of consumers makes farmers and other businessmen involuntary and unpaid agents of the Government, subject to its control and regulations

Subsidies afford an opportunity for political control through government interference with private enterprise, and the political support obtained through the distribution of subsidy payments

Consumer subsidies are a threat to democratic government as a result of the political control which subsidies make possible and the continued exploitation of the sources of national income necessarily associated with subsidy payments.

Mr. LANGER. Mr. President, will the Senator yield to me?

Mr WHERRY I ask the Senator to wait for a few minutes, please, until I finish presenting some of this material.

Mr. President, I now come to the situation today The reason why I did not submit the market report yesterday was that I did not have an opportunity to do so without interfering with the consideration of important legislation. I wish to have today's report considered by all Senators

I should like to say that today in the 12 principal markets 74,100 head of cattle were received Cattle receipts were 25 percent larger than they were a week ago and 61 percent larger than they were for the same day a year ago. The total cattle supplies at these markets for the first 3 days of this week were 7 percent above those of a week ago and 47 percent above the supply of a year ago for the same 3-day period.

I read from the report:

The Department of Agriculture reports the Chicago market here yesterday as follows: "All grades of slaughter steers, yearlings, and heifers enjoyed continued brisk demand, particularly on early rounds, with strictly good and choice kinds—

That is the prime cattle which are always scarce, perhaps 7 head are available at one time or perhaps two loads are available at another, in the entire market—

mostly very sharp advance At the same time, the majority of lower grade offerings, comprising greasy and warmed-up descriptions for the most part, sold fully steady although both steers and heifers grading medium to low grade of value to sell around $20 downward showed a slightly easier tendency on late rounds.

The cattle market opened here this morning with one load selling at $26. The general tone of the cattle market, however, today is steady to somewhat lower. This is the first day, incidentally, in more than 2 weeks in which sellers of cattle have been inclined even to offer cattle at steady lower prices rather than at higher prices than the previous day

The market this morning for better grades of heavier cattle is reported steady with other grades steady to lower There is some indication that the bulk of cattle today will sell at prices from 25 cents to 50 cents per hundredweight lower than yesterday's market

The report gives the following information in regard to the market on hogs:

Receipts of hogs at 12 midwestern markets amounted to 66,300 head This supply was 5 percent less than receipts last Wednesday, 144 percent larger than for Wednesday a year ago Total receipts at those markets for the first 3 days this week were 20 percent less than a week ago for that period, but 78 percent larger than a year ago for the same 3 days.

The hog market opened in Chicago this morning with a top of $22, as compared with an extreme top of $22.50 here yesterday for a load or so of sorted lightweights.

Mr President, subsequently in the report there appears a statement regarding beef carcasses as sold in New York City. Let me point out here that on last Tuesday, July 16, good to choice beef carcasses sold for from $46 to $48 at New York City, $48 is the figure for choice carcasses. On Friday, July 5, 1946, for the week ending on that date, the price of those carcasses was $55.

The report gives the comparative figures for various grades, including choice, good, commercial, and utility, and shows the prices both on yesterday, Tuesday, July 16, and on Friday, July 5, and indicates the decrease in the price.

Mr President, I should like to say in conclusion that this supplemental report was just handed to me, and it reads as follows:

The Government reported sales of beef dressed in the New York market yesterday from $10 to $12 per hundredweight lower than the upper limit quotations shown above for the same day

Mr. President, I should like to have the market report for today, to which I have just referred, printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The substantially increasing quantity of meat being made available to American housewives is reflected in the amount of meat produced under Federal inspection last week, as reported by the United States Department of Agriculture.

The increase is very pronounced, not only when compared with the production in the last week in June, just before OPA price controls were removed, but also as compared with production in the corresponding week a year ago, as the following Government figures will show

	Amount	Week ended July 13 1946		Week ended June 29, 1946	Week ended July 13, 1946
		Percent, last week of June	Change from year ago		
	Million pounds			*Million pounds*	*Million pounds*
Beef	142	+195	+9	48	130
Veal	10	+43	−23	7	14
Lamb and mutton	12	−40	−29	20	17
Pork, excluding lard	163	+284	+21	46	111
Total meat	327	+170	+21	121	271

A report on the livestock market this morning is summarized as follows:

Cattle receipts at 12 markets today, amounting to 74,100 head, were 25 percent larger than a week ago, and 61 percent larger than for the same day a year ago Total cattle supplies at these markets for the first 3 days this week were 7 percent above those of a week ago and 47 percent above the supply of a year ago for the same 3-day period.

Cattle receipts this week have consisted of a very large proportion of cows and of the lower grades of cattle and prices of these cattle have been most steady There are only relatively few cattle selling at the so-called top prices which yesterday reached $35 75 per hundredweight.

The Department of Agriculture reports the Chicago market here yesterday as follows: "All grades of slaughter steers, yearlings, and heifers enjoyed continued brisk demand, particularly on early rounds, with strictly Good and Choice kinds mostly very sharply advanced. At the same time the majority of lower-grade offerings, comprising grassy and warmed-up descriptions for the most part, sold fully steady, although both steers and heifers grading Medium- to Low-Good of value to sell around $20 downward showed a slightly easier tendency on late rounds."

The cattle market opened here this morning with one load selling at $26. The general tone of the cattle market, however, today is steady to somewhat lower. This is the first day, incidentally, in more than 2 weeks in which sellers of cattle have been inclined even to offer cattle at steady lower prices rather than at higher prices than the previous day

The market this morning for the better grades of heavier cattle is reported steady with other grades steady to lower. There is some indication that the bulk of cattle today will sell at prices from 25 to 50 cents per hundredweight lower than yesterday's market

Receipts of calves and sheep and lambs continue large this week. Receipts of calves at 12 markets thus far this week were 11 percent above those for the same 3-day period a week ago and 60 percent above the same period a year ago, while sheep and lamb receipts were 84 percent above a week ago and 31 percent above a year ago for this period

On the basis of market receipts of the different classes of livestock thus far this week, total meat production this week is continuing large—possibly not greatly different from last week's production (which was larger than that for many months), and, of course, substantially larger than production in the corresponding week a year ago, and more than two and one-half times production in the last week of June when OPA expired.

Receipts of hogs at 12 midwestern markets amounted to 65,300 head This supply was 5 percent less than receipts last Wednesday, 144 percent larger than for Wednesday a year ago. Total receipts at those markets for the first 3 days this week were 20 percent less than a week ago for that period, but 78 percent larger than a year ago for the same 3 days.

The hog market opened in Chicago this morning with a top of $22, as compared with an extreme top of $20 50 here yesterday for a load or so of sorted lightweights

If this market movement of livestock continues, the meat distribution pipe lines will soon be filled. Evidence of the filling of the pipe lines and the slashing of black market prices will be noted in comparing the upper limit quotations for dressed beef in New York for Tuesday, July 16, with Friday, July 5 (which represented lag * * * largely black market prices), in the following table.

Beef carcass prices, New York City, upper limit quotation

	Tuesday, July 16, 1946	Friday, July 5, 1946	Decrease
Choice	$48	$55	−$7
Good	46	55	−9
Commercial	43	50	−7
Utility	38	40	−2

Source U S Department of Agriculture.

It should, of course, be kept in mind that the above quotations, in spite of decrease of black market prices are still not typical of the bulk of sales. The Government reported sales of beef dressed in the New York market yesterday from $10 to $12 per hundredweight lower than the upper limit quotations shown above for the same day.

Mr. WHERRY. Mr. President, a few minutes ago I also received the following telegram:

Later in the morning, however, the hog market broke sharply with late sales $1 lower than hogs of comparable quality Prices of sows today, which sold earlier this morning up to $20 50, sold later this morning for $19 75, a decline of 75 cents per hundredweight.

Those are the prices for the bulk of the hogs which sell for use on the family table.

Mr. President, I should also like to call attention to the butter market. The following report comes from the Dairy Industry Committee, and it is for today's market:

New York: Butter weak. Likely ¼ cent lower on 92 and 93 score Unchanged on others. Four sales of 200 boxes 92 score at 71 cents. Three sales 175 boxes 92 score at 70¾ cents; 92 score offered at 70¾ cents and no bid Two sales 100 boxes of 90 score at 70½ cents; 90 score was offered at 71 cents and no bid.

In that connection, let me point out that 92-score butter is the best butter. Mr. President, the general market on butter is weak, as the statement indicates, but the price is lower, and the supplies are coming in in increasing amounts each and every day.

At this point in the RECORD I should like to have printed a letter or memorandum from the Food Distributors' Association, signed by Fred S. Davis, executive secretary. That association represents 24,000 retail food stores in New Jersey, Pennsylvania, and Delaware. The statement gives the policy of those stores in regard to the prices at which they will sell their produce.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 15, 1946.

HON GEORGE E BRUNNER,
Mayor, Camden, N J

DEAR SIR: The Food Distributors Association, at a special meeting of members of the food trade operating in the Camden area, considered very carefully and at great length, the resolution as proposed at the meeting held in your office last Saturday by the representatives of CIO local, No. 1. This resolution was as follows:

"That all food stores in the Camden area sell all food products at the OPA ceiling prices as of June 30 for a period of 3 days"

The conclusions of our members, which were unanimous, were as follows:

Much as we would like to agree with the objectives of this resolution, we cannot do so for the following reasons:

1 Immediately following the expiration of OPA, food distributors kept prices down for a week on items on which their cost had already advanced In spite of this, prices have risen on certain items and in our opinion will continue until pent-up demand is satisfied. We further believe that such a procedure proposed in the resolution would be unsound economically and would only result in acute shortages of food in the Camden area and cause great inconvenience to the public.

2. We are advised by the association's attorney, as well as attorneys for the various members of the association, that such a course as proposed in the resolution would be absolutely illegal and would be considered by the Department of Justice as fixing prices.

3 We do not believe that anything can be accomplished in so short a time and we would be in the same dilemma at the end of 3 days.

4 We cannot agree that any such group set up to adjust prices and regulate distribution of food as proposed has the basic facts, legal authority, or the official standing, or the experienced personnel, or the finances to arrive at what should be fair prices for retail food stores to charge, especially when the group would have no control over what retail food stores are paying for their supplies of food, or have any control over their expenses or costs.

5 We believe the procedure as adopted by most food stores for their operation during the period when OPA is not operating is sound and operates to the advantage of the public, even though it causes considerable sacrifice in profits for the retail food store owners

We will continue to hold the line on all food prices at OPA ceilings as in effect on June 30, except on such foods where our cost prices have increased because of the removal of subsidies and other legitimate reasons. On these items, which are few, we are compelled to increase our prices in proportion to our increased cost, only adding our mark-up as allowed under OPA regulations when they were in effect.

It must also be remembered retail mark-ups or gross profits are no greater now than they were in 1940, in spite of the fact that such expenses as wages, rents, and supplies have substantially increased the same as in other industries.

Again, let us repeat: We are in complete sympathy with the efforts to hold retail prices of food down. We do feel, however, that we have been treated unfairly by the illegal, damaging demonstrations held against retail food stores in this area. We also believe that if Camden is to secure adequate supplies of food, these demonstrations should be stopped without further delay.

Very truly yours,

FRED S DAVIS,
Executive Secretary.

(Representing 24,000 retail food stores in New Jersey, Pennsylvania, and Delaware.)

Mr. WHERRY. Mr. President, at this point in the RECORD, I should like to have printed an article by James E. Powers, published in the New York Times for Tuesday, July 16. The article is entitled "Butter and Fruits Are Cheaper Here."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUTTER AND FRUITS ARE CHEAPER HERE—VEGETABLE PRICES ALSO DROP IN WHOLESALE MARKETS, WITH SUPPLIES IMPROVING

(By James E. Powers)

The Nation's confused food situation showed no signs of improvement yesterday, with skyrocketing prices reported in some quarters and denied in others as the country went into its third week without Federal price controls.

Both wholesalers and retailers agreed that current prices for meat, although higher than former Office of Price Administration ceilings, were still far below those imposed in the black market when, as they assert, from 85 to 90 percent of the country's meat was moving through illicit channels.

Other foodstuffs appeared fairly stable, with the exception of some types of canned goods. Louis Rossi, president of the New York Retail Grocers Association said that prices on many fresh fruits and vegetables had dropped in the wholesale markets. Even citrus fruits, which are still high, he said are purchasable for less than they were in the black market under OPA and without the necessity of loading up on unwanted items in tie-in sales.

BUTTER PRICES DROP HERE

Wholesale butter prices took a drop of 3 cents a pound for grade A in the New York Mercantile Exchange, closing yesterday at 71¼ cents a pound, compared to 74½ cents last Friday. Grade B butter dropped 2½ cents to 70 cents a pound. The reduction in price was termed the largest since price controls ended, and a spokesman said that the supply was "good."

Butter was retailing at 80 cents a pound in most East Side stores. An A & P market on Fifty-seventh Street, near Third Avenue, was selling print butter for 80 cents and tub butter for 70 cents, and the Grand Union Market at 998 Third Avenue was serving customers at 78 cents a pound.

Markets Commissioner Eugene G. Schulz reported that a survey in retail stores last Friday showed price increases ranging from 10 to 50 percent on a variety of popular meat cuts since June 30, when the OPA went out of existence. The eastern office of the American Meat Institute at 551 Fifth Avenue characterized the commissioner's statement as "just guessing."

A spokesman said that the institute's Chicago office made a check of its own last week and found that in no instance did the prices charged now approximate former black-market prices. He said a check last spring showed that 85 percent of the country's meat was going through the black market.

BLACK MARKET ASSAILED

The New York spokesman for the American Meat Institute charged that "the black-market boys" were responsible for high livestock prices "because they are bidding all over the place to get the cattle."

"They want to hold their position in the hope that the OPA will be restored," he said. "They want to stay in business and are grabbing all the meat they can, but despite this the black market is rapidly becoming extinct.

"Their tactics in trying to force back price controls through a skyrocketing market tended to panic the buying public with threatened inflationary prices unless this is done and they are given a new lease on life to continue their lush and illicit business, is reminiscent of their counterpart, the bootleggers of prohibition days. The bootlegger was as anxious to see prohibition remain as the meat black marketeer is to see controls restored so he can continue to flourish."

Joseph Cohn, attorney for the New York Council of Wholesale Meat Dealers and the Meat Trades Institute, also asserted that in no instances have present prices reached anywhere near previous black-market levels for meat. The average increase now, he said, is between 15 and 20 percent over OPA ceiling prices. Fifteen percent, he continued, would approximate the difference between the $3 a hundredweight subsidy formerly paid by the Government on cattle and its elimination.

MORE MEAT REACHING CITY

A considerable quantity of meat reached the city over the week end, Mr. Cohn said, and the amount is increasing daily. He predicted that as the supply increased locally wholesale prices would level off and this would be reflected in retail sales to the consumer. When the black market was flourishing, he said meat was bringing from 50 to 100 [illegible] OPA ceilings.

The manager of Sam's Meat Market, 543 Ninth Avenue, proudly exhibited yesterday morning a refrigerator filled with meat and quoted the following prices charged, as against old OPA ceilings on several items: Porterhouse steak, 65 cents a pound against a ceiling of 53 cents, legs of lamb, 49 cents, against 44 cents, ready-to-eat hams, 58 cents, against 49 cents, bacon, 52 cents, against 43 cents. He predicted that these prices would "be forced down in a week or so by competition."

"Now we feel we're back in the butcher business again," he said.

The National Meat Industry Council, representing 18 associations of butchers and slaughterers in 8 States in the Middle Atlantic area, met here yesterday to discuss the meat situation as it will be if OPA remains out. Jack Kranis, president of the council, warned that there would be no corn-fed, fat cattle in December and January unless farmers renewed feeding now and corn was made available to them at a fair price.

He said a check in western markets showed that farmers were bringing yearlings in for sale rather than keeping them for fattening.

Mr. WHERRY. Mr. President, I should like to call the attention of the Members of the Senate to an advertisement which I read in this morning's Washington Post. It is an advertisement of the Acme Super Markets. I do not know anything about them, because my wife and I do business with a little independent grocery man in Presidential Gardens, and we are getting meat at very satisfactory prices. But here is the advertisement of the Acme Super Markets. I understand that that organization has a number of stores in Pennsylvania and Maryland and in several other States. They operate stores in Philadelphia, Baltimore, and Washington, and perhaps other cities.

The advertisement states, printed in large type: "Compare our prices."

Then it states that today's price on turkeys is 47 cents a pound, whereas the price on June 30, the OPA ceiling price, was 51 cents a pound.

The advertisement states that today's price on frying chickens is 47 cents a pound, whereas the price on June 30, under OPA, was 51 cents a pound.

From the advertisement we find that today's price on stewing chickens is 43 cents a pound, whereas on June 30 the price was 45 cents a pound; that the price for broiling chickens is 47 cents a pound today, but it was 51 cents a pound on June 30; and that today's price on young ducklings is 34 cents a pound, whereas on June 30, under OPA, it was 36 cents a pound.

The advertisement also gives the comparative figures for various grades of beef, as follows:

For short ribs, the price today is 25 cents a pound, and the price on June 30, under the OPA, was 21 cents a pound, or 4 cents less than the price today. That 4 cents is just the amount of the subsidy. The advertisement shows that today's price on boneless neck is 36 cents, whereas the price on June 30 was 30 cents. It shows that today's price on chuck roast, including the bone, is 36 cents a pound, whereas on June 30 it was 28 cents a pound. For boneless round steak, today's price is 52 cents a pound. It was 42 cents a pound on June 30. Today's price on ground beef is advertised at 36 cents a pound, as compared with 29 cents a pound on June 30.

Grade A spring lamb—breast, shank, or neck—is advertised at 25 cents a pound, as compared with 21 cents a pound on June 30.

Sliced bacon is advertised for sale today at 25 cents a half pound, as compared with a price of 21 cents a half pound on June 30.

Bologna is advertised for today at a price of 20 cents a half pound, as compared with a price of 18 cents a half pound on June 30. Mr. President, bologna is made out of the low-grade cattle which I spoke about, the price of which has increased 75 cents per hundredweight. The price increase of the finished product is only 2 cents a half pound and it sold at the Acme Super Markets in Washington, D. C., for 20 cents a half pound today, or an increase of only 2 cents a half pound over the price on June 30.

Mr. President, I shall not take any more of the time of the Senate to read the comparative prices stated in this advertisement. I should like to do so, because the advertisement also gives the comparative figures for groceries, including evaporated milk, coffee, tea, and so forth. It gives today's prices and the prices on June 30, under OPA.

I wish to state that the situation is a very satisfactory one. It is practically normal, and it does not justify all this hysteria and all these cries that prices are skyrocketing in the legitimate markets of the United States. As a matter of fact, they are not. It is the black-market operators that are causing this push-up.

Mr. President, I ask that the entire advertisement to which I have referred be printed in the RECORD at this point.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

ACME SUPER MARKETS

When OPA expired June 30 last all our organization was promptly instructed that no increases in prices were to be made except where our costs are advanced. We are holding the line, and in the few instances where prices have been advanced, the increase has only been in proportion to increased costs to us, maintaining the official OPA mark-up or less Buy only your regular requirements. Save money and help prevent inflation by shopping the Acme way

Compare our prices!

Ball "perfect" mason jars, pints, dozen 89 cents; quarts, dozen, 89 cents.

Jars, Ideal, pints, dozen, 67 cents, quarts, dozen, 76c

Mason jar rubbers, package, 5 cents.

Kwic jar clips, 12 in package, 35 cents.

Mother's Joy Pectin, 3-ounce package, 9 cents

Genuine Parawax, pound package, 15 cents

Today's prices same as June 30, OPA ceiling prices

N. B C. Shredded Wheat, 2 packages 23 cents

Wheaties, Gold Medal, package, 11 cents

Kellogg's Rice Krispies, 5½-ounce package, 12 cents.

Grapenut Flakes, 7-ounce package, 9 cents.

Soup, Phillip's pea, 3 10½-ounce cans 23 cents

Habitant pea soup, No 2½ can, 13 cents.

Ritter vegetable soup, 10½-ounce can, 10 cents.

Phillip's chicken noodle soup, 10½-ounce can, 14 cents.

Gerbers strained baby food, 3 cans 20 cents.

Clapp's strained baby food, 3 cans 20 cents

Beechnut strained baby food, 3 jars 23 cents.

Beechnut junior foods, 3 jars 23 cents.

Minute Rice, 5½-ounce package, 10 cents.

Cut beets, Asco, No 2 can, 10 cents

Vinegar, Asco cider, quart bottle, 18 cents.

Vinegar, Asco white distilled, quart bottle, 13 cents.

Princess mustard, pint jar, 10 cents

French's mustard, 9-ounce jar, 14 cents.

Asco corn, cream style, No 2 can, 13 cents.

Corn, Butter Kernel, No 2 can, 14 cents.

Niblets corn, 12-ounce can, 14 cents

Del Monte golden corn, No 2 can, 14 cents.

Peaches, California evaporated, pound, 25 cents.

Prunes, Heart's Delight, pasteurized, pound package, 18 cents

Pancake Gold Seal flour, 20-ounce package, 7 cents

Heinz tomato soup, 11-ounce can, 11 cents.

Hominy, Van Camp's No 2½ can, 14 cents.

Virginia Lee Fresh Doughnuts, package of 12, 17 cents

Snyder's potato chips, 8-ounce bag, 27 cents

Pie crust, 7 Minit, 8-ounce package, 12 cents.

Heinz peanut butter, pound jar, 29 cents.

Soup, Heinz cream of asparagus, 11-ounce can, 13 cents

Speedie Whip, bottle, 15 cents.

Red cabbage, 17-ounce jar, 17 cents.

Dried peas, green split, pound package, 12 cents

Insect sprayers, each, 25 cents,

Fly ribbons, five for 9 cents.

Fly swatters, each 10 cents.

Diaperwite, package, 25 cents.

Laundry Gems, two packages, 15 cents.

Speedup, Venetian blind cleaner, 16-ounce bottle, 39 cents.

Speedup liquid household cleaner, quart bottle, 15 cents.

Rentzit, French dry cleaner, gallon can, 65 cents.

	Today's price	OPA ceiling price June 30
	Cents	Cents
Turkeys, pound	47	51
Frying chickens, pound	47	51
Stewing chickens, pound	43	45
Broiling chickens, pound	47	51
Canvasback ducklings, pound	34	36
[illegible]	26	27
[illegible]	26	30
[illegible]	39	39
[illegible]	42	43
[illegible]	26	29
[illegible]	25	27
[illegible]	25	27
[illegible]	29	30
[illegible]	15	15
[illegible]	13	14
[illegible]	29	29
Bread	2/19	2/19
Orange juice, 46-ounce can	41	41
Ideal orange juice, No. 2 can	19	19
Blended juice, No 2 can	17	17
Blended juice 46-ounce can	29	29
[illegible] No 2 can	1/25	2/25
[illegible]	29	29
[illegible]	25	25
[illegible]	9	15
[illegible] can	15	9
Lucella butter, pound carton	79	65
Eggs, plus increase authorized by [illegible]	78	82
[illegible]	40	48
Selected eggs, dozen	43	43
[illegible]	14	14
[illegible]	2/25	12
Medium [illegible]	12	12
[illegible]	41	41
[illegible]	12	12
[illegible]	12	12
[illegible]	16	16
[illegible] can	4/35	2/19
Sauerkraut, No 2½ can	2/27	2/27
Peaches, pound (bushel basket 64 lb)	10	17
Firm Jersey slicing tomatoes, pound	2/25	
Crisp western iceberg lettuce, pound	12	14
Sweet meaty honeydews, pound	12	13
Juicy flavor filled limes, pound	2/25	
Crisp meaty carrots, bunch	09	10
[illegible]	10	13
[illegible]	09	10
[illegible]	19	20
[illegible]	2/25	19
[illegible]	10	13
[illegible]	5	
[illegible]	2/47	2/47
[illegible]	24	24
Tea ¼-pound package	19	19
[illegible]	25	25
[illegible]	25	25
[illegible]	13	13
[illegible]	11	11
[illegible]	2/21	10
[illegible]	2/21	11
Kellogg's cereals, variety packages	25	22
Kellogg's corn flakes, 11-ounce [illegible]	11	9
[illegible]	11	9
[illegible]	14	13
[illegible] can	29	29
[illegible]	24	24
[illegible]	23	24
[illegible]	29	29
[illegible]	13	13
[illegible]	2/25	14
[illegible]	68	68
[illegible]	24	24
[illegible]	64	64
[illegible]	23	23
[illegible]	19	19
[illegible]	15	15
Spaghetti, 15-ounce can	13	13
[illegible]	21	24
Quaker's brownie No 2½ can	79	81

Home style potato salad, pound, 19 cents.
Creamy cole slaw, pound, 19 cents.
Tangy pepper hash, pound, 17 cents.
Fresh, large mackerel, pound, 17 cents.
Pollock or whiting fillets, pound, 39 cents.
Fillets redfish, pound, 39 cents.
Fresh, large porgies, pound, 13 cents.
Fresh, large, Jersey croakers, pound, 19 cents.
Rokeford Royal Anne cherries, large No. 2½ can, 45 cents.
Armour's hot tamales, 16-ounce jar, 22 cents.
Peanut smack, Asco, pound jar, 30 cents.
Soup, Ritter asparagus, 10½-ounce can, 9 cents
Dinner, Swanson's chicken noodle, 16-ounce jar, 29 cents.
Mahaco old-fashioned ginger snaps, pound package, 23 cents.
Clam chowder, Snow's 15-ounce can, 24 cents.
Sauce, pure Louisiana red pepper, 2-ounce bottle, 9 cents.
Educator fruited thin cookies, 13-ounce package, 23 cents.
Beans, 10-ounce can, 12 cents
Prunes, large sweet, pound, 16 cents.
Duff's ginger bread mix, 14-ounce package, 20 cents.
Pickles, Rosedale dill, 28-ounce jar, 27 cents.
India Relish, Welbeck's, pint jar, 23 cents.
Olives, Oliver plain, 7-ounce jar, 35 cents.
Instant, beverage flavors, 1½-ounce bottle, 5 cents
Allspice, Ideal ground, 1¼-ounce package, 9 cents
Hershey Cocoa, pound package, 18 cents.
Hershey Cocoa, 8-ounce package, 10 cents.
Baker's Cocoa, 8-ounce package, 10 cents
Seedless raisins, 11-ounce package, 10 cents
Flaked fish, 14-ounce can, 38 cents
Cocoamarsh chocolate sirup, pound jar, 22 cents
Crackerettes, Weston's pound box, 21 cents.
Cinnamon, Ideal ground, package, 11 cents.
Cloves, Ideal ground, package, 9 cents
Sunrise, flavoring extracts, 1-ounce bottle, 17 cents
Morton's salt, package, 7 cents.
Table salt, 2-pound bag, 5 cents
Sterling salt, 24-ounce package, 4 cents
Silver polish, 2-ounce bottle, 10 cents.
Noxon, 8-ounce bottle, 17 cents
Sugar, 5 pounds, 23 cents
Tritzels, crisp, butter pretzels, pound package, 35 cents.
Speedup Ammonia, quart bottle, 10 cents.
Blutex Laundry Bluing, pint bottle, 10 cents
Book Matches, package 50, 13 cents
Woodbury's Facial Soap, 3 cakes 23 cents.
Matches, strike anywhere, box, 5 cents.
ScotTissue, roll, 8 cents
Waldorf Tissue, roll, 8 cents.
Camay Soap 3 cakes 20 cents
Ivory Soap, 3 regular cakes 17 cents.
Lifebuoy Soap, 3 cakes 20 cents.
Lux Soap, 3 cakes 20 cents
Octagon Toilet Soap, 3 cakes 9 cents.
Palmolive Soap, 3 cakes 20 cents.
Wilbert's No Rub Shoe White, 2-ounce bottle, 8 cents; 8-ounce bottle, 15 cents.
Black Flag Insect Spray with 5 percent DDT: pint bottle, 19 cents; quart bottle, 33 cents
Insect Powder, 10 percent DDT, carton, 10 cents.
Barbasol Blades, package of 5, 10 cents; package of 15, 25 cents.
Hinson's Cocoanut Custard Pie Mix, package, 8 cents.
Kirkman's Complexion Soap, 3 cakes 14 cents.
Kirkman's Soap Flakes, 18-ounce package, 23 cents.
Kirkman's Granulated Soap, 21-ounce package, 23 cents.
Kirkman's Soap Powder, 21-ounce package, 18 cents.
Kirkman's Cleanser, 2 cans 9 cents.
P. D. Q. Chocolate Flavored Syrup, 15½-ounce jar, 25 cents.
Old Dutch Cleanser, 2 cans 15 cents.

Mr. WHERRY. Mr. President, I wish to say that the time is here when the Senate of the United States should require an investigation to be made of the black-market operators who are trying to destroy the legitimate markets in the United States which operate under the competitive system. If we investigate the price situation today, we shall find that the black-market operators are the ones who are paying the occasional high prices which some persons seek to publicize. The legitimate dealers do not pay such prices.

Mr. President, I have also found in the newspaper an advertisement which my wife called to my attention, and I should like to have it inserted at this point in the RECORD, as a part of my remarks.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

BEGINNING TODAY, 9 30 A M—CANNON SHEETS AND PILLOW CASES

Limit. Two sheets and two cases to a customer while quantities last.

Sorry, no mail or phone orders; no c. o. d.'s.

Percale: These are luxury sheets indeed—they're woven with 180 threads to the square inch. Smooth-textured, soft-to-the-touch, lightweight—and like all Cannon sheets, marvelously thrift priced Finished with ribbon tape selvedges that are 25 percent stronger than ordinary ones. 81 by 108-inch size, $2 39; 54 by 99-inch size, $1 69, 63 by 108-inch size, $2 01, 90 by 108-inch size, $2 58, 45 by 38½-inch case, 54 cents.

Muslin: Tough-wearing sheets and cases closely woven with 128 threads to the square inch. These Cannon muslins have high tensile strength, "bear up" under constant launderings And even like the percales, Cannon muslin sheets are finished with ribbon tape selvedges. 81 by 108-inch size, $1 96, 54 by 72-inch size, $1 03, 63 by 108-inch size, $1 65, 72 by 108-inch size, $1 80, 90 by 108-inch size, $2 16, 45 by 36-inch case, 43 cents

One thousand seven hundred yards Celanese multicord fabrics, $1 29 yard

What is multicord? An ingenious rayon and cotton weave that looks like finely ribbed faille, has wonderful body that makes handling easier And it's delustered so that the deep, rich colors stand out in all their beauty See bolt after bolt in a wealth of patterns and colors See it—and your fingers will be impatient to transform yards of this superb fabric into draperies, bedspreads, slip covers—even dresses

Floral-stripe pattern A bold, lush flower design is trimly alternated with wide, important stripes Rose, red, canary, or blue on white grounds, 42 inches wide.

All-over print A trim, neat all-over print is distinguished with unusual colors: deep red, turquoise, canary, grey, and salmon, 42 inches wide.

Monotone: The beauty of the fabric stands out even more in these rich-hued colors canary, red, wine, green; and it's a full 50 inches wide.

THE HECHT CO.

Mr. WHERRY. Mr. President, this is an advertisement of the Hecht Co. I do not know that I was ever in their store. But the advertisement lists Cannon sheets and pillow cases. It advertises Cannon percale "luxury" sheets at $2.39 for a sheet 81 inches by 108 inches. My wife says this is the first time in a year and a half she has seen an advertisement of Cannon sheets. I am not a housewife and I do not go around buying sheets. But my wife says that she has not seen any Cannon sheets advertised for sale in a year and a half. Here is an advertisement of muslin which my wife says has been off the market for a long time. She can remember when, at the time we were married, muslin could be bought for $1 a yard. Today it was advertised for sale in the Hecht Co. store for $1 96 a sheet.

Mr. President, I am not pushing the interests of the Hecht store. I do not know anything about them. I am not trying to sell their merchandise for them But the advertisement is an answer to the fear peddlers who use every opportunity they can get to talk about the black-market operators, and shout, "Why, look at the price"

Mr President, it is a sad commentary on the attitudes of the people during this present acute time. If, for only a few days, we would allow foodstuffs and articles to flow in the natural way into the channels of consumption, we would soon find that it would be possible to obtain the various articles and commodities which the public require. The country is about to harvest its second largest corn and wheat crop, and prices will automatically adjust themselves if they are given an opportunity to do so. But the moment a newspaper in Washington can find a person who has paid more for an article than he should have paid, the fact is printed all over the paper.

Mr President, here is a Sears, Roebuck & Co advertisement. In it I see an announcement of 100-percent virgin wool blankets for sale at $13 95 each. I am not a wool man, but the Senator from Wyoming [Mr. ROBERTSON] is, and he has told me that the price of $13.95 is perfectly reasonable.

I ask that the advertisement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

SEARS, ROEBUCK & CO BLANKET LAY-AWAY PLAN

Buy now! A small down payment will hold them until October 1

They're Harmony House 100 percent virgin wool, extra large, 72 by 90 inch size, only $13 95 Three-tone block plaid pattern, 3-tone striped border, individually boxed, reversible

They're Harmony House and they're 100 percent virgin wool, which means that they're the warmest value in blankets Made of [illegible] 72-by-90-inch size in wool in rich, three tone block plaid with a matching three-tone striped border. Exquisitely tailored and bound with an overlocked stitched edge Say Harmony House when you want quality, remember it when you want savings.

Part wool blankets, 72 by 84 inches, $6 95 per pair "Slumbersound" blankets, 50 percent wool, 50 percent cotton, 4-pound weight, Two full blankets woven in one length, Soil resistant rayon satin binding Assorted plaids

One hundred percent new wool, 72 by 90 inches, $13 95. Of the finest long-fiber wool. The softest, thickest, most springy texture you've ever seen; 5.4 pounds of attractive beauty.

Blanket sheets, 72 by 95 inches, $1 69. Firmly woven cotton. Soft, fleecy finish. Neat overlock stitched ends. Fine quality means long wear. Easily washable. In creamy white.

Indian blanket, 66 by 80 inches, $2.79. Firmly woven cotton. Soft, napped authentic Indian motif Use it in a child's room, in the car, and on picnics. In brown, green, or blue.

Indian blanket, 72 by 84 inches, $3.45. Authentic Indian patterns on variegated striped backgrounds. Soft, fleecy cotton. Ideal in child's room. Sateen binding Blue, red, tan.

Novelty blankets, 64 by 76 inches, $1.98 Slumbersound blankets, all cotton, grand for camping, autos, and outdoor uses. Novelty designs Double-stitched edge

All-wool blanket, luxury length, $9.95 Plush deep nap with a springy texture made of 100 percent virgin wool. Four-inch rayon satin binding Choice of pastel colors, 72 by 90 inches

Five percent wool blanket, 72 by 84 inches, $3 79 pair. Downy soft, blend of 5 percent wool and 95 percent cotton. A grand all year round blanket Attractive plaid design in rose on blue and white.

Eighty percent wool blankets, 62 by 82 inches, $5.95 Superbly warm; 50 percent wool, 10 percent reused wool; 20 percent reprocessed wool and 15 percent rayon, 5 percent cotton Overlock stitched ends. Gray only

Wool comfort, 72 by 84 inches, $13 95. Top cover of solid color rayon taffeta, back of good quality sateen, in small floral print design. Fancy stitched

Part-wool comfort, 72 by 84 inches, $4 98 Flowered sateen top, solid color rose, blue, green or rust back. Filled with 5 percent wool and 95 percent fluffy cotton.

Blended wool, rayon, and cotton blanket, 72 by 90-inch luxury length, $5.95. So beautiful and warm you'll be amazed at its low price You'll find this blanket wears excellently Velvet-smooth blend of 33⅓-percent wool, 41⅔-percent rayon, and 25-percent cotton Neatly bound in lustrous rayon satin. Soft pastel shades with contrasting striped border.

SEARS, ROEBUCK & CO.

Mr WHERRY. I have before me one more advertisement which I am using in emphasizing the point which I am trying to make. This is the last exhibit which I wish to have placed in the RECORD, and after I have done that I will yield for any questions

This advertisement carries the headline "A statement of facts to the consumer about increased food prices." In the advertisement the public is told exactly what it is paying for food, and the prices are compared with last year's prices under the OPA. I think the statement should be read by every Senator. If each legitimate dealer today is trying to maintain reasonable prices, the public should give him credit for it and make it possible for him to continue in business.

Mr. President, I ask unanimous consent that the statement to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A STATEMENT OF FACTS TO THE CONSUMER ABOUT INCREASED FOOD PRICES

Wholesale costs on many foods have risen during the last 2 weeks The most important foods which have been affected include milk, butter, cheese, certain flour and grain products, meats, and sugar.

Your food retailer cannot absorb all of these increases in wholesale costs and continue to offer you the old OPA retail ceiling prices. There has never been that much profit in foods and his attempt to continue the old prices after receiving increased wholesale costs would drive him out of business.

Most of the food retailers in the Philadelphia trading area are trying to keep faith with you. They are continuing to price their merchandise on the basis of the mark-ups which were allowed under OPA. * * * The mark-ups are the same as when OPA was in effect—but the higher prices are due to the increased wholesale cost.

WHY HAVE WHOLESALE COSTS INCREASED?

For several years the Government has been paying the farmer or processor of certain basic foods a sum of money out of taxes to take care of increased costs and encourage production. These payments from the National Treasury, known as subsidies, kept retail prices down to a certain level. These subsidy payments have been discontinued since June 30. This has caused the wholesale prices to advance, therefore, the cost is still there and has been passed on to the last man in the distribution line—the food retailer

This puts the legitimate food retailer on the spot. He is on the spot in two ways. First, he is subject to the criticism of the consumer because he happens to be the front-line man for the food industry. Secondly, the retailer makes no extra profit from these price increases, for example, at the old price the profit on a quart of milk was 1 cent. With the advance of 5 cents a quart the profit is still only 1 cent for the retailer. The same is true of other major commodities.

Other factors which contribute to the general increased cost of food are higher wages, higher freight rates, and higher processing costs which must necessarily be added to the cost of producing foods.

CERTAIN INCREASES WERE AUTHORIZED BY OPA

Looking back at what might have been, we must realize that, even if OPA had been continued, certain prices would have gone up according to schedule because OPA, just before it expired, granted advances on butter and other dairy products, as well as on certain cereals, flour, and sugar and some canned foods. Yes, prices were slated to go up because these items could no longer be produced at the old OPA ceilings.

LET'S FACE THE FACTS

There has been some criticism of retail food stores on the grounds that they have increased prices on certain foods out of all proportion. Some may have. But the majority are holding the line on their prices and are maintaining the same prices which were in effect when OPA expired on June 30, with the exception of items on which they have paid increased wholesale costs. On these items they have increased their retail prices in the same proportion as the increase in wholesale costs, and are maintaining the same mark-ups which were in effect under OPA.

To secure an adequate supply of food, it is to your interest to insist that your retailer be given his right to conduct his business in an orderly and peaceful manner—that he may continue to serve you as he has in the past.

FOOD DISTRIBUTORS' ASSOCIATION,
Twenty-four thousand retail food stores in Pennsylvania, New Jersey, and Delaware who are making a sincere effort to combat inflation.

Mr. WHERRY. Mr. President, I yield the floor.

THE WOOL SITUATION—WORLD PEACE

Mr. MORSE. Mr. President, it has been some months since I have had anything to say after 5 o'clock in the afternoon about sheep. However, I will not consume much time of the Senate in talking about sheep this afternoon. I wish to say for the RECORD that I deeply regretted this afternoon, when Senate bill 2033, which is known as the O'Mahoney wool bill, reached the floor under the unanimous-consent rule of the calendar, that an objection to it was raised. I hope that at an early date the Senate will consider in due course Senate bill 2033, and at the first opportunity I shall move that it be made the unfinished business of the Senate.

I wish now to read into the RECORD two telegrams which I have received from sheep interests in the West. One of the telegrams is dated July 16, 1946, and reads as follows:

PORTLAND, OREG., *July 16, 1946.*

WAYNE L. MORSE,
Senate Office, Washington, D. C.:

Earnestly urge your support S. 2033. This necessary to prevent wiping out of domestic wool-producing industry. Endeavor secure support your friends for this bill.

PACIFIC WOOL GROWERS.

The other telegram is also dated July 16, 1946, and reads as follows:

ENTERPRISE, OREG., *July 16, 1946.*

Hon. WAYNE MORSE,
Washington, D. C.:

Imperative that Senate bill 2033 pass in original form if numbers of sheep in eastern Oregon do not further decrease. Wallowa County has dropped from 65,000 head in 1940 to 33,000 in 1945.

WALLOWA COUNTY
STOCKGROWERS' ASSOCIATION,
GARNET D. BEST, *Secretary.*
J. H. DOBBIN, *Woolgrower.*

At a later date, Mr. President, I shall debate at some length the merits of the O'Mahoney bill, because I think it is of vital importance to the wool industry that the bill be passed by the Senate before it takes a summer recess.

Mr. LANGER. Mr. President, does the bill have anything to do with Oregon spring lambs?

Mr. MORSE. The Oregon spring lamb situation would be improved considerably if we could take care of the wool of the ewes.

Mr. President, I wish to address myself for a few minutes to a subject which I believe to be of great importance to this country so far as the preservation of permanent peace is concerned.

Yesterday afternoon we heard a great speech delivered on the floor of the Senate by the senior Senator from Michigan [Mr. VANDENBERG]. I have heard the Senator from Michigan deliver many great speeches, but I believe that the one which he delivered yesterday was his greatest. It was in keeping with the major premise which he has laid down in a series of speeches by him on various phases of international relations. Running through those speeches is the crystal-clear principle that, after all, if we are going to have a permanent peace in the world it must rest on the sound foundation of international justice through law. If any man in America is committed to the proposition that we must endeavor to establish a permanent peace through law, it is the senior Senator from Michigan. I am glad to join him at all times in that commitment. As I have told him privately, I now tell him through the RECORD on the floor of the Senate that so far as the junior Senator from Oregon is concerned, the senior Senator from Michigan will always have my wholehearted cooperation in connection with any effort which he makes in seeking to establish permanent peace and international justice through law.

In my opinion the senior Senator from Michigan and the senior Senator from Texas [Mr. CONNALLY] have been performing a great statesmanlike service for the American people in cooperating with the Secretary of State during the months just past in the very difficult task of trying to iron out, through international conferences, the many conflicting points of view which exist among nations today. I believe that those two great Senators are entitled not only to the commendation of the entire Nation but also to an expression of appreciation on the part of the people of our Nation for the nonpartisan but, at the same time, bipartisan support which they have given to the President of the United States and to the Secretary of State in endeavoring to establish, through the rule of reason, world order under the United Nations organization. But the only hope of maintaining peace lies in a system of judicial procedure which will establish international peace through international justice by law.

Mr. President, with that fact in view, I wish to invite attention of all United States Senators, including the senior Senator from Michigan and the senior Senator from Texas, to a resolution which has been pending before the Senate of the United States for many months past. I refer to Senate Resolution 196 which I introduced many months ago. It seeks to have the United States file with the United Nations a declaration that it will accept the compulsory jurisdiction of the World Court over any dispute arising between the United States and any other nation of the world which likewise, by way of reciprocity, has accepted the same obligation. Senate Resolution 196, Mr. President, is in keeping with the resolution which was adopted at the closing plenary session of the San Francisco Conference without a dissenting vote, and which provided that it was the judgment of the Conference that as soon as possible—I emphasize the words "as soon as possible"—all the members of the United Nations should accept the principle of compulsory jurisdiction of the World Court.

Mr. President, about a week ago the Foreign Relations Committee of the Senate commenced public hearings on Senate Resolution 196. I hope that the Members of the Senate will read with great care the printed report of those hearings. The hearings opened with the testimony of the president of the American Bar Association, followed by the testimony of the chairman of the special committee of the American Bar Association who had made a comprehensive study of the issue and then followed by the testimony of other great authorities and experts in the field of international law. Not one dissenting voice was raised against Senate Resolution 196 in those hearings. Distin-

guished lawyers, officials of the State Department, and international-law authorities were unanimously of the opinion and so testified that the principle of compulsory jurisdiction of the World Court should be accepted by the United States now.

Mr. President, Senate Resolution 196 is not a Republican resolution. Let us pray that, in considering a proposal so vital to the future generations of the world, not the slightest undertone of partisan politics will enter into consideration of the great procedural and judicial principle of the resolution.

Senate Resolution 196 has been endorsed and sponsored by a large number of Members of the Senate on both sides of the aisle, including the present occupant of the chair. I am confident that the Democrats in the Senate are as enthusiastically behind it as am I, its author, even though I be a Republican. I am confident also that an overwhelming majority of Republicans in and out of Congress are in favor of my resolution.

If there ever was a proposition which we should approach nonpartisanly and nonpolitically it is this question as to whether or not the United States of America is now going to assume her full moral obligations under the San Francisco Charter. I say that one of those clear moral obligations is to keep faith with the resolution which was passed by the Conference at its last plenary session and which provided that as soon as possible the member nations of the United Nations should accept the compulsory-jurisdiction principle, whereby they will submit and under which they will submit to the World Court their disputes with any other nation which likewise agrees to the compulsory jurisdiction of the Court.

But we have not done it as yet, Mr President. Time in which to do it has been ample, it has been more than ample. There are nations of the world and peoples of the world—and I speak on the basis of an undeniable record—who are very critical of the fact that we as a nation have not as yet accepted the compulsory jurisdiction of the Court Discussions which have been held wherever representatives of other nations meet, such as up in New York in connection with the United Nations meetings or in other meetings in London or Paris and elsewhere, all show that the delegates to such gatherings of representatives of other nations, particularly the smaller and weaker nations, are interested in the question, When is the United States of America going to keep faith with the moral obligation of the compulsory jurisdiction resolution that was passed at the plenary session of the San Francisco Conference? How much longer is the United States of America going to reserve unto herself the right to determine what disputes she will submit for adjudication to judicial processes and what disputes she will reserve unto herself, and say to the world in effect, "Well, as to this dispute we do not propose to risk submitting it to a judicial process."

If we think we can build up good will in the world—Oh, I will put it this way, Mr. President—if we think for a moment that we are not in this hour building up bad will in the world because of our failure to accept our moral obligations under that resolution, then we are blinding ourselves to what is going on in the thinking of the peoples of the world.

I wish to say to the Committee on Foreign Relations of the United States Senate including two of the greatest statesmen of this body who are members of it, the senior Senator from Michigan [Mr. VANDENBERG] and the senior Senator from Texas [Mr. CONNALLY], and also I wish to say to the entire Senate, "Here is an opportunity to practice as well as to speak about establishing a world order of permanent peace based upon international justice through law."

I wish to say, Mr. President, that here is an opportunity now for us to demonstrate in concrete and specific form, to the millions of people around the globe, that we no longer purport to reserve to ourselves the right to determine disputes in which we are involved by the exercise of America's great might and powers of force. We have the chance through Senate Resolution 196 to show that we are willing to put our disputes before an international court, and let great, impartial international judges determine on the merits whether or not the position taken by this country in any given dispute is sound

Until we do that, Mr. President, we will never be able to convince the weaker nations of the world that there is in fact a squaring between our professions of wanting to promote international peace and our practices.

It is very well for the statesmen of America, Mr. President, to talk about America having no designs on any other nation. That is true. You and I are convinced of it. It is true, as has been said eloquently in this country for years past, that all we seek is peace and good will among the peoples of the world. But we are not going to convince other nations, Mr. President, by eloquent language We are going to convince them only by a demonstration of our good faith by way of specific action. Here is an opportunity for such action. Here is a very definite opportunity. Here is an opportunity which involves an issue in regard to which barbs of criticism have been directed toward America, and those criticisms will continue and grow sharper as long as we delay living up to our obligation in this matter.

Mr. President, let me call attention to the fact that the compulsory jurisdiction principle of Senate Resolution 196—I do not say the mechanics provided for therein, but the principle—of the acceptance of compulsory jurisdiction of the World Court by the United States, has already been endorsed and affirmed by the President of the United States in a public letter which was released some time ago.

The White House letter is in the record of the hearing. Also Senate Resolution 196 has been endorsed and affirmed by the Secretary of State of our own State Department. It has been actively supported, as I said before, by the American Bar Association. Over the past year, several editorials and several articles have appeared in the American Bar Association Journal endorsing and supporting the resolution. Likewise, many State bar associations and qualified authorities and groups in the field of international law have endorsed the proposal that the United States accept and declare itself for the compulsory jurisdiction of the World Court. Interestingly enough, Mr. President, at least as of today there is not any outstanding public figure or organization in America that has raised any protest against the soundness of that principle. Why, then, the delay? Why the hesitation?

Oh, I think it most unfortunate, speaking my own opinion, that our delegates did not come back from San Francisco with a specific recommendation calling for acceptance of the compulsory jurisdiction principle at that time. The Charter itself contained the optional jurisdiction clause rather than the compulsory clause. The reason for that was adequately explained on the floor of the Senate by the Senator from Michigan, realistically explained from a political standpoint. As I said on the floor of the Senate at the time of the explanation in July 1945, I fully understood the position taken by the American delegation. I did not share the fear that if the Charter had contained the compulsory clause it might have been defeated on the floor of the Senate of the United States. I would have been willing at least to meet that issue and defend the sound proposition that international justice through law cannot be accomplished without a World Court with compulsory jurisdiction.

There was some hesitancy, as frankly admitted by our delegation to make such a proposal at that time They felt that insisting on the compulsory clause before the Charter was ratified might make it more difficult to get the Charter ratified by the Senate of the United States. There was another reason why the Charter did not contain the compulsory clause, and that reason was Russia's refusal to agree to the proposed compulsory jurisdiction clause. Thus the United States and Russia are the only two great powers in the world which have not accepted compulsory jurisdiction of the World Court.

As we listen to reports on the development of international relationships in the councils of ministers, as we review discussions within the United Nations itself, as we read American newspapers and translations of Russian newspapers, we cannot, if we are to be honest with ourselves and the people we represent, fail to recognize that the future peace of the world depends upon the establishment of amicable relationships at all times between Russia and the United States.

If we are going to have international justice through law, if we are going to attempt to substitute rules of reason in the settlement of international disputes, in place of balance-of-power diplomacy, if we are to let the merits of international disputes be resolved through a tribunal of reasoning men rather than through the threatening use of atomic bombs, great navies, powerful armies, huge armaments, and a mad race toward another war, then I say Senate Resolution 196 gives to the Senate of the United

States and the people of the United States a great opportunity to demonstrate to Russia that we here and now are ready to take the next step in the development of amicable relations between America and Russia. Let us offer to Russia and the world the World Court with compulsory jurisdiction as the forum in which we will try and settle our disputes.

We have the opportunity now, Mr. President, by the adoption of this resolution, before we adjourn this summer, to serve international notice on Russia, to notify the peoples of the world the globe around, that our Nation here and now is ready to settle its disputes with Russia, as they arise, under international law, in the calmness, the judicial atmosphere, of the International Court set up under the San Francisco Charter. Why not? What plausible reason is there for not adopting Senate Resolution 196 before we adjourn?

I have not heard a single sound or even plausible reason for not adopting the resolution. All I have heard, Mr. President, is that old argument by way of rationalization which has whiskers on it to the ground, "Now is not the time." We heard it in 1920 when the first World Court was set up. We heard it repeated throughout this country when isolationism ran rampant through this Nation in the 1920's and 1930's. During those years the World Court was defeated in the Senate of the United States, because the spirit of isolationism controlled too many politicians of America. The people of this country in elections these days are steadily but surely giving their answer to those who would return us to any form of isolationism, be it in the political field of international diplomacy or in the form of economic isolationism as far as our national economic program in relation to other nations is concerned.

I have no question, Mr. President, as to where the people of America would stand on S. 196. I do not want to see S. 196 made a political issue. But it must be made a political issue because of its importance to the preservation of world peace, unless the Senate of the United States rises to its great obligation and passes it, casting aside that argument of 25 years ago that now is not the time. Every right of this country is protected under the resolution. It is not binding upon us unless there is reciprocity. It gives us the right to enter into any agreement with any other nation, to enter into any other type of procedure for settling any given dispute between us and that nation. But it simply says in essence that when such a special agreement does not exist, then we are bound, as we ought to be, to submit any dispute we have with another power to the Court of International Justice subject of course to the conditions and reservations of the resolution.

And so, Mr. President, out of the depth of a great sincerity, in the interest of doing all I can while I serve in this body to promote that great ideal of a one world which Wendell Willkie spoke of and worked for, and which Franklin D. Roosevelt led the people of this country toward before he died I plead here this afternoon with the Foreign Relations Committee of the United States Senate to act now on Senate Resolution 196 because now is the time. If now is not the time then, Mr. President, I ask the members of the Foreign Relations Committee before the Congress adjourns, to stand up on the floor of the Senate of the United States and tell us why now is not the time for my country and yours to accept its moral obligations under the San Francisco charter and now say to the countries of the world and the peoples around the globe that we are ready to submit any dispute we have with another power which likewise agrees to judicial processes for the settlement of such disputes, to the World Court for final determination. I think it is very fair for us to ask our Foreign Affairs Committee to make a report to us upon this resolution before we adjourn. The time has come for action in perfecting the procedures and organization for preserving world peace. A United Nations without a world court of binding jurisdiction cannot be effective. What is the answer of the Foreign Affairs Committee of the Senate to the conclusion of the students of this subject that now is the time for the United States to declare itself for the compulsory jurisdiction of the World Court?

WALTER WINCHELL

Mr. MAGNUSON. Mr. President, I do not want to detain the Senate for much longer, but I have been attempting for 2 or 3 days to speak about a matter in which I have a personal interest. It is a matter in which I in a way participated 2 years ago, when I thought there was a great injustice being done to a fellow American, and a very able and outstanding American, a man who feels his Americanism sometimes so keenly and attempts to do something about it when he does feel it so keenly, that there often have been great disputes about what he has had to say. I refer to a very well-known and able commentator and columnist of New York, whose column is syndicated throughout the United States, Mr. Walter Winchell.

Mr. President, prior to the war—it has been changed a great deal now—we had what we called in America a Naval Reserve, and many of us years ago for various reasons enrolled in the Naval Reserve. The best way I can describe it is to say that in those days it was a sort of a volunteer fire department. We had uniforms and we were to be called on when something happened, if it did. As the years went along we took active service and learned a little bit how to do a few things. Some of us had served in the First World War in the Navy. We received a little training, but many of us became a little old. When World War II broke out there were a great many individuals in this country around my age and a little bit older who were still enrolled in the Naval Reserves. As such we were called to duty.

Some of us were square pegs in round holes, but most of those individuals went to war and did the very best they knew how. I was one of them. Oh, I can name several Americans that many of us know who were somewhat of middle age. Some of us thought we were not doing anything of value, but we did do something. One such was Walter Winchell. He had served in the First World War as a seaman in the Navy and had enrolled in the Naval Reserve about the time I did, in 1932, and was still in the Naval Reserve.

Well, the fire alarm had rung, and many of us went out to our respective stations. I remember distinctly leaving the House of Representatives on December 7, and not more than 10 days later finding myself, fortunately I think for me being at the age I was, out in the middle of the Pacific. But the Navy saw fit to take some men, including Mr. Winchell, and tried to give them jobs adapted to their type of work. It was felt that perhaps his broadcasts might be of great help to Navy recruiting and to Navy relief, and that also his column might be of help. They gave him a job to do, but they told him to stay out of uniform. He was in Naval Intelligence.

In the meantime, Mr. Winchell continued his usual broadcasts, and I need not tell the Members of the Senate that he has some pretty definite ideas on certain ideologies and, I suppose, about certain people in this country. Mr. Winchell, in my opinion—some Members of the Senate may not agree with me—conducted probably the most effective campaign in this country both prior to the war and in the early days of the war against what we call American Fascists, and people of those leanings, people with the leanings of many of our enemies.

In the discussion of many of these questions certain Members of Congress were named by him. All other commentators and columnists name Members of Congress. With respect to certain things which Members of Congress do, commentators and columnists agree with them, disagree with them, mildly oppose what they are doing, or chide them. We had a good example yesterday of the extreme, when the distinguished Senator from Tennessee [Mr. McKELLAR] rose to answer what a columnist had said about him. But every day columnists talk about Members of Congress.

In 1941 and 1942 Mr Winchell, based upon what I assumed to be solid facts, mentioned certain Members of Congress, and I think many of those Members were somewhat concerned about what he said regarding their affiliations. But he said it as any American has a right to say it. I also believe that he did what he conceived to be his duty, thinking what he thought.

But it was discovered that he was a member of the Naval Reserve. Then the campaign started against this man, not because of what he had said. Perhaps I might disagree with some of that. It was on the basis of the fact that he was in the Navy It was said, "Why does he not go out and fight the war? Why is he doing what he is doing? He ought to put on a uniform and go to Samoa, Truk, or somewhere west of the Hawaiian Islands, or get out of the Navy."

All the time Mr. Winchell had these orders, which I myself have seen. Statements were made to the effect that he was a disgrace to the uniform. Certain newspapers stated, "You had better take a good look at Lieutenant Commander

Winchell. You will never see him in uniform again." Other newspapers said that he was a Broadway commando, a Stork Club admiral, and that he was hiding under the White House porch. One newspaper said, "There is something mysterious and sinister in the case of W. Winchell, who holds a commission in the Navy—a dangerous man to be in the intelligence or any similar service."

All the time this was going on, according to the Navy, he was doing his duty as well as could be expected. Several of us investigated and asked the Navy about it. I was not a Member of the Senate at that time. But the campaign of vilification became so bad that several others came to his defense, not because of what he had said, not because of his ideas, or what he said in broadcasts or in his column, but because of his Navy record. It was pretty difficult for the man himself to say anything, because he was under orders to say nothing

One of the officers at 90 Church Street in New York issued an order that all members of the naval reserve in the First Naval District should wear uniforms, and lo and behold, Mr. Winchell had to wear a uniform, and that started another tirade. It was said, "If he is wearing a uniform, what is he doing in New York broadcasting? What is he doing for the Navy? That order was revoked. It did not apply to men in the Intelligence Branch. Many members of the armed forces during the war were not in uniform But the campaign went on. When I came back from the Pacific, knowing a little about this case, I ventured to say something on the floor of the House about the man and what he had done. He was sent on two or three missions that I knew about, and did an excellent job. All during that time many thousands of dollars were raised for naval relief through benefits, broadcasts, and contributions through the medium of his columns and comments.

I felt keenly about the matter at the time because I knew that many of us were in the same position—older men trying to do the best we knew how in the war, and sometimes not being placed exactly where we thought we should be placed. But now that it is all over I wish to make the record clear once and for all. I do not suppose that any of us can expunge the remarks which were made in the CONGRESSIONAL RECORD at that time. But at least I think it ought to be made clear as to just what happened. Now that it is all over, for the benefit, perhaps, not so much of the man himself, but for the benefit of any man's family whose patriotism has been attacked during the war, the record ought to be made clear.

This is a letter sent by Vice Adm. Louis Denfeld, Chief of the Bureau of Naval Personnel of the United States Navy, to Lt Comdr. Walter Winchell on June 10, 1946:

WASHINGTON, D. C., *June 10, 1946.*

Lt. Comdr WALTER WINCHELL,
New York City:

Now that the shooting is over, I feel that the Navy would be less than thoughtful if it did not find a means of expressing to men like you its sincere gratitude for your very solid contribution to our country's cause. Your acceptance of a role of anonymity set the tone of your service.

While you worked unceasingly in the Nation's ranks, President Roosevelt thought it wise that you should not be on active duty—that you should appear, not in the uniform of the naval officer which you are but in civilian clothing. Likewise, he directed that your special duties not be publicized during hostilities You furnished confidential intelligence of great value to the Navy throughout the war. In your column and broadcasts you disseminated news which materially assisted recruiting. In addition, your assistance in the solicitation of funds for Navy Relief was significant.

For these services performed by you as an officer of the Naval Reserve on inactive duty, as well as for your active service under the commander of the South Atlantic, I, as Chief of Naval Personnel, commend you, and assure you of the appreciation of the Navy for your unswerving loyalty

Vice Adm. L. DENFELD,
United States Navy

I merely wished to have the RECORD show this letter, because so much was said in 1943 about this man's service. Much was said that was unfair. It might have been said through misunderstanding and because of misinformation. But I believe that the remarks made against him and with regard to his patriotism and naval service were too much fanned by those who did not like what he was saying and what he was trying to do Insofar as he saw his duty as an American in wartime against a hostile enemy on all sides, he did his duty.

ADDITIONAL JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S 141) to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania, which were, after line 10, insert:

SEC. 2 The President is authorized to appoint, by and with the advice and consent of the Senate, one additional United States district judge, who shall be an additional district judge for the eastern, middle, and western districts of Pennsylvania The judge so appointed shall at the time of his appointment be a resident and a citizen of the State [illegible] *Provided*, That when a vacancy occurs in said office it shall not be filled *Provided further*, That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect.

And to amend the title so as to read: "An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania, and to provide for the appointment of an additional United States district judge for the eastern, middle, and western districts of Pennsylvania"

Mr. McCARRAN. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. MAGNUSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TAYLOR in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations

Curtis C Jordan, of California, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general,

John J Macdonald, of Missouri, now a Foreign Service officer of class 4 and a secretary in the diplomatic service, to be also a consul general,

Jule L Goetzmann, of Illinois, now a Foreign Service office of class 6 and a secretary in the diplomatic service, to be also a consul,

Alfred T. Wellborn, of Louisiana, now a Foreign Service officer of class 6 and a secretary in the diplomatic service, to be also a consul, and

Sundry persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service.

By Mr GEORGE, from the Committee on Finance

Sundry candidates for promotion in the Regular Corps of the United States Public Health Service.

ROBERT McGOWAN LITTLEJOHN

Mr. MAYBANK. Mr. President, earlier in the day I reported from the Committee on Military Affairs the nomination of former Gen. Robert McGowan Littlejohn to be War Assets Administrator At that time I did not ask that the nomination be confirmed, as in executive session, because I did not desire to delay the call of the calendar.

I may say that last week the President sent this nomination to the Senate, and a week ago today the subcommittee on surplus property of the Committee on Military Affairs, headed by the Senator from Wyoming [Mr. O'MAHONEY] at my request held a special meeting at which General Littlejohn appeared. The committee unanimously reported his nomination to the full committee, and the full committee unanimously approved the nomination yesterday and asked me if I would report it today to the Senate, which I did earlier in the day. I feel certain that my colleague joins me in connection with this matter.

I ask unanimous consent for the present consideration of the nomination. I wish to have the nomination confirmed today. I make the request merely because of the fact that the War Assets Administration has been without a head since General Gregory resigned some weeks ago. I think there will be no objection to my request.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of Robert McGowan Littlejohn, of South Carolina, to be War Assets Administrator.

Mr. WHITE. Mr. President, I understand that the nomination has been reported only today and that it is not now in order for consideration, except by unanimous consent.

Mr. MAYBANK. That is correct, and I request unanimous consent for that purpose.

Mr. WHITE. Mr. President, I believe that the nomination is satisfactory to both Senators from South Carolina, and I know that it meets with the approval of the Military Affairs Committee.

Mr. MAYBANK. It has the entire approval of the committee, I may say.

Mr. WHITE. Under the circumstances, Mr. President, I have no objection to the request for present consideration.

Mr. JOHNSTON of South Carolina. Mr. President, in view of the fact that the Senate is about to act on the question of confirmation of Maj Gen Robert McGowan Littlejohn, as War Assets Administrator, I take this opportunity to call to the attention of my colleagues and to place in the RECORD a partial list of the accomplishments and achievements of this able administrator and outstanding soldier.

A native of Jonesville, Union County, S. C., General Littlejohn is a neighbor of mine and a friend of long standing. In 1906 and 1907 he attended Clemson Agricultural and Mechanical College, Clemson, S. C., one of the Nation's honor military colleges. He entered West Point on March 2, 1908, and graduated June 12, 1912; he served with the Cavalry in the Philippine Islands from 1912 to 1915, and he served on the Mexican border in 1916 and part of 1917. From September 1917 to May 1918 he was detailed as an instructor at West Point, in the departments of chemistry, electricity, and engineering.

In 1918 he commanded the Three Hundred and Thirty-second Machine Gun Battalion, and served from November 1918 to April 1919 with the Fourth Division of the Army of Occupation in Germany. From April of that year until June, he served with the Office of the Chief Quartermaster, American Expeditionary Forces.

Returning to the United States, he had ROTC duty at Raleigh, N. C., and Charleston, S. C., until July of 1920, when he transferred to the Quartermaster Corps. From January 1921 to September 1925, he was on duty with the Subsistence School of the Quartermaster Corps at Chicago, Ill. One year of that time he was a student; during the remaining years, he was in charge of the school. He was also purchasing and contracting officer at the Chicago Quartermaster Depot for most of the same period. In September 1925, he entered the Command and General Staff School, Fort Leavenworth, Kans., and graduated from that institution in 1926. He remained there 3 years as an instructor, and then attended the Army War College, at Washington, D. C., during 1929 and 1930.

From August 1930 to June 1934 he served on the War Department General Staff. During part of 1933 and 1934 he was on loan to the Department of Agriculture in connection with the disposition of surplus agricultural products. From June 1934 to March 1938, he served as Quartermaster, United States Military Academy, West Point, N. Y., and was in charge of a substantial amount of construction, in addition to the normal supply operations of quartermaster activities at that institution. In May 1938, he went to the Philippine Islands as depot quartermaster. After a year in that job, he was appointed department quartermaster, and served until May 1940.

General Littlejohn was placed in charge of the Clothing and Equipage Division, Office of the Quartermaster General, in June 1940, and he served in that position until May 1942. From June 1942 to March 1946, he was Chief Quartermaster, European Theater of Operations. During that period he was in chage of all quartermaster activities, including graves registration, for the European theater of war.

Prior to the invasion, during the invasion, and for approximately 1 year after VE-day, General Littlejohn served with honor and distinction in that position of tremendous responsibility. The peak supply load in the European theater occurred May 19, 1945, at which time he was called upon to provide for a total of 7,385,000 individuals, made up in round numbers as follows: 3,200,000 United States military and naval personnel; 3,250,000 prisoners of war. In addition, there was personnel of the French Army and other Allied military and civilian personnel.

Mr. President, I have complete confidence in General Littlejohn's ability to accomplish a superior job as War Assets Administrator. It is my hope that the Senate will immediately confirm his nomination by a unanimous vote.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from South Carolina for present consideration of the nomination? The Chair hears none and, without objection, the nomination is confirmed.

The clerk will proceed to state the nominations on the calendar.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of James R. Isleib, of Texas, to be Land Bank Commissioner in the Farm Credit Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SELECTIVE SERVICE SYSTEM

The legislative clerk read the nomination of Oliver L. Polk to be administrative officer, national headquarters, Selective Service System.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the remaining nominations on the executive calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nomination in the Selective Service System and the nominations in the Public Health Service, the Army, and the Navy will be considered en bloc; and without objection, all those nominations are confirmed.

Mr. MAGNUSON. I ask unanimous consent that the President be notified forthwith of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmations.

RECESS

Mr. MAGNUSON. As in legislative session, I move that the Senate take a recess until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 33 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 18, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 17 (legislative day of July 5), 1946:

COLLECTOR OF INTERNAL REVENUE

Henry Clifford Jones to be collector of internal revenue for the district of Oklahoma, to fill an existing vacancy.

CALIFORNIA DEBRIS COMMISSION

Col. George Mayo, Corps of Engineers, for appointment as member, California Debris Commission, provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," vice Col. Rufus W. Putnam, Corps of Engineers, to be relieved.

UNITED STATES MILITARY ACADEMY

TO BE DEAN OF THE ACADEMIC BOARD

Prof. (Col.) Roger Gordon Alexander, United States Army, to be dean of the academic board of the United States Military Academy, with the rank of brigadier general, Regular Army, under the provisions of section 3 of an act of Congress approved June 26, 1946 (Public Law No. 449, 79th Cong.).

IN THE ARMY

ADJUTANT GENERAL'S DEPARTMENT

Brig. Gen. Henry Balding Lewis (colonel Adjutant General's Department), Army of the United States, for appointment in the Regular Army of the United States as Assistant The Adjutant General, with the rank of brigadier general, for a period of 4 years from the date immediately following that upon which Brig. Gen. Thomas Jefferson Davis, the present incumbent, vacates his appointment as Assistant The Adjutant General.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 17 (legislative day of July 5), 1946:

WAR ASSETS ADMINISTRATION

Robert McGowan Littlejohn to be War Assets Administrator.

FARM CREDIT ADMINISTRATION

James R. Isleib to be Land Bank Commissioner in the Farm Credit Administration.

SELECTIVE SERVICE SYSTEM

APPOINTMENTS

Oliver Harold Polk to be Administrative Officer, national headquarters, Selective Service System, with compensation at the rate of $7,102.20 per annum.

John E. Tracey to be Assistant Chief, Appointment and Personnel Division, national headquarters, Selective Service System, with compensation at the rate of $6,623.40 per annum.

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS IN THE REGULAR CORPS

To be assistant sanitary engineers, effective date of oath of office

John R. Thoman
Richard J. Hammerstrom

To be senior assistant sanitary engineers, effective date of oath of office

Richard S Green
Leonard B. Dworsky
Francis B. Elder
Conrad P Straub
Elroy K. Day
Charles T. Carnahan
Ralph C Palange
Graham Walton
Howard W Chapman
Gerald W Ferguson
Richard S. Mark

IN THE ARMY

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be major generals

Eugene Lowry Eubank
Grandison Gardner
Thomas Dresser White
Frederick William Evans
William Donald Old
Charles Franklin Born
William Evens Hall
William Henry Tunner
Laurence Carbee Craigie
George Clement McDonald
Francis Hopkinson Griswold
Edward Sedley Bres

To be brigadier general

Herbert Norman Schwarzkopf

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals

Charles Hartwell Bonesteel
William Hood Simpson
Wilhelm Delp Styer
John Kenneth Cannon
Harold Lee George
Charles Philip Hall
Lewis Hyde Brereton
Stephen J. Chamberlin
Willis Dale Crittenberger
Geoffrey Keyes
Harold Roe Bull
Henry Spiese Aurand
James Alward Van Fleet
George Edward Stratemeyer
Clarence Ralph Huebner
William E Kepner
Willard Stewart Paul
Saint Clair Streett
Muir Stephen Fairchild
Nathan Farragut Twining
Ennis Clement Whitehead

IN THE NAVY

APPOINTMENT IN THE NAVY

Albert L. O'Bannon to be ensign in the line of the Navy.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 17, 1946

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art the sovereign ruler of the universe, grant that during this new day with its new demands and opportunities we may have the insight to discern and the heroism to follow Thy leading which transcends and transfigures all our own feeble plans and desires.

We pray that we may be encouraged in the great enterprise of building a more brotherly world on the foundation of the spiritual ideals and principles. Fill us with a dauntless faith in the wisdom and power of Thy spirit, for Thou alone canst touch to finer issues the creative and curative forces of our civilization. Thou alone canst bring to fulfillment our deepest yearnings and highest hopes.

We humbly confess that again and again our faith is eclipsed and shadowed by doubt and we become disheartened and discouraged and feel that we have been deceived by delusions. God forbid that we should ever be guilty of that pessimistic cynicism which believes that human nature is basically brutal and selfish and that we cannot expect anything better from it than greed, hatred, revenge, and war. Help us to conquer our doubts and discouragements upon our knees.

Hear us in our Saviour's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H R. 6689 An act to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H R 6685 An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr HAYDEN, Mr RUSSELL, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr BROOKS, Mr BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S 1477 An act to authorize relief in certain cases where work, supplies, or services have been furnished for the Government under contracts during the war.

APPOINTMENT OF CONFEREE ON OPA LEGISLATION

Mr. MARTIN of Massachusetts. Mr. Speaker, on yesterday the gentleman from Michigan [Mr. CRAWFORD] was named as a conferee on the so-called OPA bill. The gentleman from Michigan is now in the Pacific and unable to serve. I, therefore, ask unanimous consent that he be excused from serving as a member of the committee of conference.

The SPEAKER. Without objection, it is so ordered, and the Chair appoints the gentleman from Ohio [Mr. SMITH] to act as a conferee in place of the gentleman from Michigan [Mr. CRAWFORD] and the Senate will be notified of the action of the House.

There was no objection.

EXTENSION OF REMARKS

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the Mobile Press-Register, and in the other an article by Mr. Frank A Godchaux, president of the Louisiana State Rice Milling Co.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include a newspaper article on the subject of rice.

Mr. BARTLETT asked and was given permission to extend his own remarks in the RECORD.

Mr ELLIS asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. BLACKNEY asked and was given permission to extend his remarks in the RECORD on the subject Flint Rent Control Orders.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, after the completion of the legislative business and any other special orders, I may address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TAX REFUNDS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr BAILEY. Mr. Speaker, I take this time to call to the attention of the House the fact that I am today introducing a resolution asking the Treasury Department to furnish the House of Representatives, through its Ways and Means Committee, certain information relative to the carry-back clause, subsections (b) and (d) of subsection 122 of the revenue act, relating to excess-profit taxes.

I note in a publication of the Washington Star of yesterday that a council has been set up to begin consideration of refunds, and that out of a total of $20,348,000,000 paid in 1944 and 1945, refunds in excess of $8,000,000,000 are now pending. I think the House should know the details of who is asking for these refunds and the nature of them.

The SPEAKER. The time of the gentleman from West Virginia has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix.]

THE NATIONAL DEBT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MR. RICH. Mr. Speaker, we see by the morning's papers that the United States reduces its national debt one and a quarter billions of dollars. Trying to fool the people again. Let us cut the debt down by $10,000,000,000. There is in the Treasury now cash to the extent of $12,281,000,000. We should have done this several months ago and stopped the interest on outstanding bonds.

We had this subject up a few weeks ago You will remember that we went in the red $21,000,000,000-and-over last year You are going in the red over $10,000,000,000 this year Now, let us stop fooling the people, let us cut down our expenses and let our income equal our outgo. Then we will be doing something worth while. 'Where are you going to get the money for this great foolish spending you cont.nue to do? It is time to cut out many functions and departments now not necessary in this wild spending administration. It is time for good sound business in government. It is time to stop fooling our people Think and act for a sound financial administration.

OPA INFORMATION SERVICE

Mr. THOMAS of New Jersey Mr. Speaker, I offer a privileged resolution (H. Res. 712) and ask for its immediate consideration.

The SPEAKER. Is a similar resolution pending before any committee?

Mr. THOMAS of New Jersey. A resolution was sent to the Banking and Currency Committee. Every member of the Banking and Currency Committee received a letter from me enclosing a copy of the resolution. The resolution I introduced at that time to investigate propaganda put out by the OPA was not similar to this one. I think, Mr. Speaker, that the resolution should be read by the Clerk.

The SPEAKER. The Clerk may read the resolution, if there is no objection, but it is not a privileged resolution and the Chair will not recognize for its consideration at this time because it is not privileged.

If the gentleman desires, and if there is no objection, the Clerk may read the resolution.

There was not objection.

The Clerk read as follows:

Resolved, That the Office of Price Administration be, and it is hereby directed and required to report to the House of Representatives on or before December 1, 1946, the substance and relevant details of all radio broadcasts, press releases, magazine articles, pamphlets, booklets, and other forms of propaganda prepared or participated in, by said agency; together with a full statement of expenditures of money for the said broadcasts, press releases, and other propaganda, since February 18, 1946.

The SPEAKER. The Chair holds that the resolution is not privileged, and therefore cannot recognize the gentleman at this time for the purpose of calling it up.

EXTENSION OF REMARKS

Mr LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an editorial by Mark Sullivan

Mrs. LUCE asked and was given permission to revise and extend the remarks she intends to make in the Committee of the Whole today on the bill S. 1717, and to include extraneous matter; also to extend her remarks in the Appendix of the RECORD and include several editorials.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. MILLER of Nebraska addressed the House His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD.

Mr REED of New York asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a statement made by the Chancelor of the Exchequer in London after the passage of the British loan bill

Mr JUDD asked and was given permission to extend his remarks in the RECORD in three instances, in each to include a letter or article.

SPECIAL ORDER GRANTED

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent that on tomorrow at the conclusion of all business on the Speaker's desk and after any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, as you all know, reorganization plan No. 1, which had far-reaching consequences, did not become law because it was disapproved the other day by another body. Unfortunately, however, reorganization plans Nos. 2 and 3 do not have the force and effect of law. In my opinion, a great mistake was made when those plans were not disapproved in accordance with the provisions of the Reorganization Act of 1945. They were disapproved by tremendous majorities in this House.

It is a dangerous state of affairs when we undertake to legislate by executive decree. I have today introduced a bill to repeal reorganization plans 2 and 3

Very briefly, Mr. Speaker, it should be noted that reorganization plan No. 2 seeks to abolish the United States Employees Compensation Commission, and, in my opinion, that sort of procedure is not in the interests of proper administration of the Government. The United States Employees Compensation Commission has been an outstanding Government agency with quasi-judicial powers Its abolishment will not reduce the number of Government employees, nor will it reduce Government expenses, and these are the main factors to be considered in getting rid of Government agencies which have no functions to perform or which duplicate the work of other agencies.

Vast numbers of Federal employees are directly interested in the reorganization plan No. 2 and they are opposed to the abolishment of the United States Employees' Compensation Commission. There is more I can and will say on this subject, but I do not think the time has arrived when an Executive decree should have the effect of a repeal statute.

In connection with reorganization plan 3, the shipping interests, the marine inspectors, the people interested in the grazing problems in the far West, the people interested in the General Land Office, have all objected to this plan In addition, the merchant seamen are also opposed to reorganization plan 3. Very briefly, I think there are many and valid reasons why the Marine Inspectors Bureau, the shipping interests, and the merchant seamen should not be permanently kept under the United States Coast Guard. They were placed there merely as a war measure. Now that the war is over, they should go back to the Department of Commerce, which formerly had jurisdiction over them.

It should also be noted that there was vigorous opposition to changing the status of St. Elizabeths Hospital in reorganization plan No. 3.

I think legislation being enacted by the administration issuing reorganization plans is the wrong way to proceed about these matters. I think Congress should assert its jurisdiction and pass legislation as such legislation is needed, after the appropriate committees have had a chance to study and act on bills introduced, either at the request of the departments or by some Member of Congress who is interested. I expect to have some more to say about this bill which repeals reorganization plans 2 and 3. In the meantime, I hope the Members of Congress will have the time to look into these matters and study them, and I have no doubt that in both bodies of Congress appropriate action will be taken to restore the status of the United States

Employees' Compensation Commission and to permit the Department of Commerce to again have jurisdiction over marine matters.

When these plans were under consideration there was testimony to the effect that instead of decreasing the number of Federal employees, the sum total of the results achieved would be to increase in many instances the number of Federal employees, and that the expenditures involved would also be increased. This was not the purpose of the Reorganization Act of 1945. It seems to me that the bureaucrats who have apparently framed the proposed reorganization plans 2 and 3 are still living in a great wonderland of bureaucracy where they think in terms only of spending Federal funds and in increasing their own importance by adding to the existing cumbersome rules and regulations, additional powers and duties in a bureaucratic New Deal regimentation philosophy of government.

It is frankly admitted that the reshuffling in reorganization plan No. 2 will lead to another Cabinet position and another Cabinet officer and so the story goes. I supported the bill which resulted in the Reorganization Act of 1945 because I realized then, as I know now, that we have a lot of wartime agencies as well as some agencies that were created before the war, that ought to be abolished You are never going to get a decrease in Federal expenditures unless such steps are taken. Whoever is responsible for the blueprints of reorganization plans Nos 2 and 3 did not have in mind any reduction in Government bureaus or any saving to the taxpayers. They simply had in mind, in my opinion, the golden opportunity of reshuffling the different agencies so that they could either create new jobs and get rid of some of the present experienced employees, or else add to the number of employees in their respective bureaus.

Those of us who believed that an honest effort would be made to carry out the wishes of Congress when we passed the Reorganization Act of 1945 have been sadly disillusioned. In my opinion, only those who drew those Alice in Wonderland reorganization plans really know how far reaching they may be. Certainly, they were drawn in secrecy and submitted to Congress without any opportunity being given for those agencies that were directly concerned to make any objections, they might have against these plans, known to the committees. I charged before the Committee on Expenditures in the Executive Departments that instructions had been issued in connection with reorganization plan 3 forbidding anyone connected with the marine inspectors work to oppose permanently placing the marine inspectors under the jurisdiction of the Coast Guard.

No one denied the truth of my statements. The reason why there was no denial was because what I said was true. I saw copies of one of the orders which forbid any employee from having any opinion. I repeat that this kind of legislation is no legislation at all. Congress should not turn over to the arbitrary authority of an irresponsible Government agency the right to pass legislation merely by having the administrative official prepare a reorganization plan. It behooves Congress to look into these matters because I understand that more reorganization plans may be anticipated.

The SPEAKER. The time of the gentleman from Minnesota has expired.

HOPEWELL VILLAGE NATIONAL HISTORIC SITE, PA.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R 3533) to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, strike out all after "area" down to and including "Congress" in line 14

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. LECOMPTE Mr. Speaker, reserving the right to object, may I ask the gentleman from Florida to explain this amendment?

Mr. PETERSON of Florida. Mr. Speaker, the Senate amendment strikes out the provision whish would make this subject to the surplus-property law. It is in the form which our own Public Lands Committee had originally reported it, and we feel the amendment should be concurred in because these recreational demonstration areas do have a method of disposition provided under the act of 1942. The Congress has already provided a formula. This would leave it that way, and it would come under the regular act of 1942 instead of the Surplus Property Act

Mr LECOMPTE. The Hopewell village historic site is an effort to preserve the site of the first charcoal furnace in this country?

Mr. PETERSON of Florida Yes.

Mr. LECOMPTE. The amendment places the bill back in exactly the same form in which it came out of the Public Lands Committee?

Mr. PETERSON of Florida. Yes; by unanimous agreement.

Mr. RICH. Mr. Speaker, is this property that has been declared surplus?

Mr. PETERSON of Florida. No; it has not been declared surplus and it is not contemplated being put under the Surplus Property Act.

Mr. RICH. All of the property has to come under the Surplus Property Act.

Mr PETERSON of Florida. No. Under an act passed in 1942 there is specific provision by which demonstration areas will be offered to States and Federal agencies first. If it goes under surplus property they might destroy the trees and so forth.

Mr. RICH. It comes under the classification where the cities and States have the right to acquire it?

Mr. PETERSON of Florida. The State would have the first right; yes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection?

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. THOM asked and was given permission to extend his remarks in the RECORD and include an article by Ed O'Neal.

Mr SABATH asked and was given permission to extend his remarks in the RECORD and include an article from the Raleigh (N. C.) News and Observer, written by the Honorable Josephus Daniels, relative to the convention of 1856.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the San Francisco Call-Bulletin.

Mr. DE LACY asked and was given permission to extend his remarks in the RECORD and include a statement by six rabbis from Seattle.

COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Irrigation and Reclamation be permitted to sit for 1 hour this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

VETERANS' DOMICILIARY INSTITUTIONS

Mr McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr Speaker, I take this time to inform the Members of the House that I have filed discharge petition No 30 which, if it is signed by the adequate number of 218 Members, will bring before the House H. R. 5549, which will give you an opportunity to abolish the practice of withholding pensions from veterans in hospitals and domiciliary-care institutions. I am sure that many of the Members of the House agree that this practice should be abolished. You have an opportunity to sign this petition now. True, we passed a bill the other day which suspends this practice for a period of 7 months, but that, in my opinion, is not adequate, and I would appreciate it if every Member signed the petition.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the gentleman from California [Mr. McDONOUGH] seems to be unduly exercised. The

matter to which he refers was taken up by the Veterans' Committee, of which I am chairman, and was written into the bill that has just passed the House and is now pending in the Senate. We went into that matter thoroughly. We had before us the representatives of the various veterans' organizations. We had before us various Members of Congress. We had before us the representatives of the Veterans' Administration, and we worked out what we think is a proper solution of this problem.

Therefore it seems unnecessary to be bringing a bill out here to try to overhaul or to undo what the Congress has just done in respect to this matter.

The servicemen who are interested, and who know what it is about, seem to be satisfied with the bill we passed the other day, and which, as I said, is now pending in the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include certain letters

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr HINSHAW addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr BELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an address by ex-Senator Harry B Hawes

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BELL Mr. Speaker, I am today placing in the RECORD an address which was delivered last July 4 by ex-Senator Harry B Hawes, a great American, a great Missourian, and a great patriot. For many years during his service in the Congress of the United States he was a friend of the Filipino people. He played a major part in the bringing about of Filipino independence. I think it was largely through Senator Hawes' efforts that the 4th day of July was fixed as the date upon which they would celebrate their national independence, a day which is so dear to the hearts af all Americans. The final consummation of the dream of independence for the Philippines I know brings joy to the heart of Senator Hawes.

CARS FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts Mr. Speaker, the chairman of the Committee on World War Veterans' Legislation has just spoken of the fact that the bill with reference to not cutting the pensions of the men in the hospitals was reported out of our committee, was considered, and passed the House. I was not satisfied with the bill as it passed. I had a bill in the committee which authorized full pay for single men in hospitals, but this is the best that was done. I hope the Senate will amend the bill. I am very anxious that the Committee on World War Veterans' Legislation report not necessarily my bill, H. R. 6304, but some bill to give the amputees automobiles. It is a part of their rehabilitation program. If this bill is not approved by the Veterans' Administration, I shall feel their program for amputees a failure. A subcommittee has been appointed, and I have hoped for at least 2 weeks that the subcommittee would report to the main committee in order that the bill might be passed. There is a petition on the desk to discharge the committee from further consideration of that bill. It is petition No 32. If the committee reports out the bill, it is all right, and the leadership will bring it upon the floor for action; but if it does not, the veterans will have no relief A petition then will be necessary. I shall object to adjournment until the bill be passed.

EXTENSION OF REMARKS

Mr RYTER asked and was given permission to extend his remarks in the RECORD and include a report of the British parliamentary delegation to Poland.

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Record.

GEN. DRAZA MIHAILOVITCH

Mr DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute

The SPEAKER Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, a little more than 4 years ago—to be exact, on June 25, 1942—a young man with a delightful accent stood beside the Speaker of this House and received the plaudits of this body. It was His Majesty, King Peter II, of Yugoslavia. He was introduced by our illustrious Speaker as "the head and ruler of a great people who for centuries have stood in the forefront fighting for what they conceive to be human liberty."

The young King spoke with emotion He spoke of the sanctuary which he had found in London. He spoke of the cruel twist of fate by which he had never been able to address representatives of his own people. And then he said soldiers of the United Nations are all fighting the same battle:

They may never have seen each other or even heard of each other but they are all united by the same testimony—the warriors of General Mihailovitch who fight in our gorges, the gallant British soldiers and sailors who die in the defense of freedom, the brother people of Russia who have stirred the imagination of the entire world by their heroic resistance, and the brave American fighting men who are giving their lives in every ocean and on every continent of the globe.

And then he said:

Many who were not killed or enslaved by the Germans, Italians, Bulgarians, and Hungarians continue to fight under the indomitable leadership of my first soldier and devoted friend, Draza Mihailovitch.

Yesterday the first soldier of King Peter and his devoted friend, General Mihailovitch, was executed. What a stain upon the honor of a country.

GEN ALEXANDER PAPAGOS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order for the Speaker to declare a recess this afternoon at 3 o'clock in order that the Members may have the opportunity to meet a most distinguished visitor to our shores, one of the outstanding military leaders of the recent war and a great Greek hero, Gen. Alexander Papagos.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THIRD DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6885) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1945, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, O'NEAL, RABAUT, NORRELL, WHITTEN, TABER, WIGGLESWORTH, and DIRKSEN.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the third deficiency appropriation bill may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr THOMAS of New Jersey. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No 225]

Adams	Byrne, N. Y.	Crosser
Allen, Ill.	Camp	Curley
Allen, La.	Cannon, Fla.	Daughton, Va.
Anderson, Calif	Clements	Davis
Andrews, N. Y.	Cochran	Dawson
Arends	Coffee	Earthman
Baldwin, Md.	Colmer	Engel, Mich.
Beckworth	Cooper	Fallon
Bennet, N. Y.	Courtney	Fernandez
Boren	Cox	Gardner
Boykin	Crawens	Gibson
Bunker	Crawford	Gillespie

Goodwin	McKenzie	Rogers, N. Y.
Gossett	McMillan, S. C.	Rooney
Hall,	Mahon	Sabath
Edwin Arthur	Mankin	Sadowski
Harris	Mansfield,	Sasscer
Hébert	Mont.	Sheridan
Hendricks	Mansfield, Tex.	Slaughter
Hoffman, Mich	Mason	Sparkman
Holifield	Merrow	Stewart
Holmes, Wash.	Miller, Calif.	Stigler
Hook	Monroney	Sumner, Ill.
Johnson,	Morrison	Talbot
Lyndon B.	Norton	Tarver
Johnson, Okla.	Patrick	Tolan
Jonkman	Peterson, Ga.	Torrens
Kerr	Pfeifer	Vinson
Kilday	Plumley	Worsell
King	Powell	Weaver
LaFollette	Priest	Welch
Ludlow	Reece, Tenn.	West
McGehee	Reed, Ill.	Wickersham
McGlinchey	Robinson, Utah	Wolfenden, Pa.
McGregor	Roe, N. Y.	Wood

The SPEAKER. On this roll call 329 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING THE SOCIAL SECURITY ACT AND THE INTERNAL REVENUE CODE

Mr. CLARK, from the Committee on Rules, reported the following privileged resolution (H Res. 710, Rept. No 2530), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H R 7037) to amend the Social Security Act and the Internal Revenue Code, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate but such amendments shall not be subject to amendment At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. MAY].

Mrs. LUCE. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. Mr. Speaker, in view of the transcendent importance of the legislation before us, which quite literally will affect the destiny of nations and the security of millions of lives, it may well be that the time allotted for the debate is inadequate. Moreover, there are many Members, I gather, who would like to make remarks but cannot do so in the time as now fixed. I therefore ask unanimous consent that the time for general debate be extended two additional hours.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, if the chairman of the committee wants to ask unanimous consent to extend the time 1 hour, that is perfectly agreeable, but we have other important matters which must be disposed of.

Mrs. LUCE. There is no matter more important than this. Millions of lives may be affected by this legislation.

Mr. McCORMACK. Most Members know how they are going to vote on this matter.

Mrs. LUCE If they do, they know almost more than those of us who have been working on this matter for 6 months, because we are confused, and we have studied it thoroughly.

Mr. McCORMACK. The gentlewoman recognizes that I said we were willing to extend the time 1 hour. The gentlewoman has that concession.

Mr. MAY. Mr. Speaker, I ask unanimous consent that the time for general debate be extended 1 hour, to be equally divided and controlled by the gentleman from Missouri [Mr. SHORT] and myself.

The SPEAKER Does the gentlewoman withdraw her request?

Mrs. LUCE I accept the exceedingly gracious compromise suggested by the gentleman

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr ROBERTSON of Virginia. Reserving the right to object, Mr. Speaker, and I do not intend to object, if you look at the program for this week you will find that on Thursday, Friday, and Saturday we have a very full schedule, with the Social Security Act put as the last part of the schedule, to be considered Saturday afternoon or Saturday night. I am not going to object to the request, but I hope nobody else will try to extend the debate, because on the British loan at times there were not 40 Members on the floor to hear that important discussion.

Mr. KEOGH. I object, Mr. Speaker.

Mr. SHORT. Mr. Speaker, I hope the gentleman from New York, my good friend, will not object to having an extra hour of general debate. If the gentleman from New York will not object to this request, I think we will save time. Let us compromise on 1 hour.

Mr. KEOGH. I withdraw my objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD and include a radio program in which four Members of Congress, including himself, participated.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S 1717) for the development and control of atomic energy.

The motion was agreed to.

Accordingly the House resolved itself into the Committee o the Whole House on the State of the Union for the consideration of the bill S. 1717, with Mr. JOHN D. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Kentucky [Mr. MAY] is recognized for 2½ hours and the gentleman from Missouri [Mr. SHORT] is recognized for 2½ hours.

Mr. MAY. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, due to the great importance of this legislation and the legislative history back of it, I feel impelled today to use some of the time I have on this subject in making an explanation of some of the misrepresentations, false rumors, and reports that have been circulated throughout the city of Washington and throughout the country and in the public press with regard to my position on the legislation.

I do not think there is any member of the House Committee on Military Affairs that will accuse me of ever willfully obstructing important legislation before that committee. This legislation came up early last year. There was sent to the House of Representatives through the Speaker's office a burning, zealous message from the President of the United States asking for the prompt and effective enactment of atomic energy legislation. That message came to the Speaker and was promptly referred to the House Committee on Military Affairs, when I immediately called committee sessions in order to hold hearings. We conducted hearings on what was then known as the May-Johnson bill. That bill was no more a May bill or a Johnson bill than it was a Jones bill. It was written in the War Department after long study and very careful consideration of the subject involved. It was sent by the President to the Speaker, as I have said, with a recommendation for speed. In order to give speed I called hearings on it on October 9, 1945. The War Department sent a very able, very conscientious, and very distinguished officer as a spokesman of the Department to present the legislation to the committee. That officer was none other than the then Under Secretary of War, now Secretary of War, Hon. Robert P. Patterson, a man who has the confidence, esteem, and admiration of the entire Congress, and deservedly so. When he came to the committee he came as he always did, with a frank, open, and plain statement of where he stood and what he wanted. For the purpose of justifying the position of my committee, which has been bludgeoned, maligned, and criticized, particularly myself, and I know, falsely, and make us right with the House, with the country, and with the public in general, I am going to read Judge Patterson's opening statement. He said, and I quote:

The bill that is before your committee today reflects the views of the men who were

most responsible for the wartime development of atomic energy as to the most effective method of controlling and carrying forward development in this field within the United States. It embodies all the points on domestic policy recommended by the President in his message to the Congress last week.

The manner in which this legislation was prepared will be of interest to you. In May of this year, 2 months before the test in New Mexico showed conclusively that the atomic bomb would work, Secretary Stimson, with the approval of the President, appointed an interim committee to recommend legislation that would insure that this discovery would be controlled and developed in the best interests of the people of this country

The Secretary—

Meaning Secretary Stimson—

served as chairman of the committee, with George L Harrison, former chairman of the Federal Reserve Bank of New York and present president of the New York Life Insurance Co, as his alternate. Mr. Harrison is here today. The other members of the committee were Secretary James F. Byrnes, then a private citizen; Ralph A. Bard, Under Secretary of the Navy; William L. Clayton, Assistant Secretary of State, Dr. Vannevar Bush, director of the Office of Scientific Research and Development and president of the Carnegie Institution of Washington; Dr. James B Conant, chairman of the National Defense Research Committee and president of Harvard University, and Dr. Karl T. Compton, president of the Massachusetts Institute of Technology, and Chief of the Office of Field Service in the Office of Scientific Research and Development.

General Groves was present in an advisory capacity at all meetings of the committee. The members were also aided by the advice and experience of eminent scientists who had rendered invaluable service in the atomic bomb project—Dr. J. R. Oppenheimer, Dr E O Lawrence, Dr. Enrico Fermi, and Dr Arthur H Compton Representative industrialists who had taken a prominent part in the project also assisted the committee in its work.

The drafting of the bill, in line with the principles and policies established by the committee, was done by Brig. Gen. Kenneth C. Royall and Mr. William L. Marbury.

Let me add at this point that General Royall spent 2 weeks in the committee room working with the committee in drafting, redrafting, doctoring, amending, and changing the bill. Then on the 8th day of last November we reported that bill to the House of Representatives. We thought we had done what the armed forces wanted, and I think yet that we did. The bill provided not only for the protection of the military secret of the atomic weapon as a military weapon but it provided also for adequate facilities for the dissemination of knowledge, information, scientific research, and development on atomic subjects through colleges, universities, schools, and industrial laboratories throughout the country. We did everything we could to make it a workable bill in order that we might do two things: Carry forward the policy of the War Department in that they were to have control of all our military secrets, and at the same time to make the most possible liberal provisions for the development and research program that they outlined to us. Now, that bill has been on the House Calendar, and is still on the House Calendar, but about 8 months later the Senate Atomic Bomb Committee reported a bill that is now pending before you and debated it briefly and sent it to this House, and it was referred to the House Military Affairs Committee, of which I am chairman.

Now, here is where the rub comes, if you want to call it that. I was charged by the press, by radio commentators all over the country, with being guilty of obstructionist tactics in trying to defeat the report of Senate 1717.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. SHORT. And I was charged with you, and it is a dirty lie—a dirty lie.

Mr. MAY. I will say in answer to my colleague's plain and emphatic statement, which is not susceptible of misunderstanding, and with which I agree heartily, that I made three different proposals to my committee that this bill be reported to this House without amendment under a wide open rule, so that every man could express his views in the form of amendments and debate. I did it because I felt that the House of Representatives would do what it wanted to do with this legislation in any event. That is what I think you will do. However, the committee pursued the other course. What is that course? That is the wise legislative procedure that has been adhered to by committees of Congress from its beginning.

That way is to take the bill up and read it for amendment. While that was going on I was besieged and beset by both sides of my committee, one side charging me with rushing it too much and the other side not necessarily backing me up with attendance; and I was handicapped and crippled, and it took me a long time to get it out of committee, not a long time but a couple of weeks that we worked upon it. I wanted to justify myself before this House of Representatives as not being an obstructionist.

The committee pursuing the usual and customary procedure of reading the bill section by section for amendment did adopt several amendments. The first amendment adopted is the bone of contention. The bill sets up a commission composed of five members to be appointed by the President and confirmed by the Senate, as usual. They were all possibly to be civilian members. The Committee in an effort to give the military establishment, the armed forces, if you please, the group of people to whom when war comes again, should it come, we would run like birds for shelter, for protection and defense, the committee decided that they ought to have something to say on that commission. While I think we wrote a defective amendment, I know what it intended. The amendment merely provides that at least one of these commissioners and not more than two shall be representatives of the armed forces. A civilian could of course be a representative of the armed forces. What the committee really intended to do was to say that he should be a member of the armed forces; but the phraseology is "representative of the armed forces" and that is where the issue will come in this House. When that question is settled I believe practically everything else except section 11 relating to patents will be easy going.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. DONDERO. Inasmuch as the atomic bomb, at least at the present time, is a war instrument why should not the armed forces have something to say about it?

Mr. MAY. If the gentlemen can answer his own question in any way but the affirmative he can do more than I. I believe they should have; but I want this House to have its own say about it, and whatever this House does, of course, binds me.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. KOPPLEMANN. In view of the fact that the bill as it came from the other body contained a provision for a military advisory commission or committee, why the necessity for adding the provision which the gentleman admits is the controversial item in the bill?

Mr. MAY. You can give advice, but if you can not enforce it, the advice amounts to nothing.

Mr. KOPPLEMANN. But it does provide for enforcement.

Mr. MAY. Just a moment. It provides for a liaison committee with a director. The House Committee on Military Affairs went even further than I have already stated by providing that that director, or the member of that committee having to do with the military application of atomic energy, should be a representative of the armed forces; and that is the elaboration or extension of the provision that I first stated.

Mr KOPPLEMANN. Mr. Chairman, will the gentleman yield further?

Mr. MAY. I yield; yes.

Mr. KOPPLEMANN. I understand that this liaison committtee has a means of directive through the Secretary of the Navy and the Secretary of War applying to the President of the United States; so there is directive power in the hands of this liaison committee.

Mr. MAY. What I would say about this liaison committee is that it has no power to settle anything. It is supposed to consist of representatives of the Departments of War and Navy. The commission is required to advise and consult with the committee and keep it informed on all atomic energy matters which the committee deems to relate to military applications, and the committee can make recommendations to the commission. If the commission acts adversely to the interests of the War or Navy Departments, the liaison committee may refer the matter to the President.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. JOHNSON of California. I have read in the papers and heard it expressed on the radio that this committee wants the military people on this commission to dominate it. Was that ever expressed by anybody in our committee meetings, either executive or open?

Mr. MAY. It never was by any member of the committee and that was never the spirit or intent. All the committee had in mind was it wanted some representation of the armed forces on the commission and on the committee. If there is anyone here who can file a valid objection to that I would like to know what you are going to do when the next war occurs for relief and for protection.

Mr. GAVIN. If that idea was not conveyed to the committee it should have been conveyed to the committee.

Mr. MAY. I thank the gentleman

Mr. Chairman, another one of the things that nettled me a little bit was the fact that a distinguished Member of another body went on the radio without ever asking me a word about it during the House committee hearings and without asking about the facts and called the attention of the American people to the fact they were about to be betrayed and destroyed by the action of the House Committee on Military Affairs, just as though if a bill is passed by one body, never presumed in either body to be absolutely correct, the body receiving it must unquestionably take it, swallow it, hook, line, and sinker even without bait.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MAY I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey Is it correct to say that the person who went on the radio, as the gentleman mentioned, was the person who introduced this particular bill?

Mr. MAY. Well, I think everybody heard the radio address. I have brought this bill here as the chairman of the committee as a result of the work of that committee, after cool consideration and judgment, and I forget everything that happened in the committee, all the differences and controversies we had, because we always have them. It is proper that we should have them If everybody were of one mind there would be no issue to settle. When there are issues and they are debated, discussed, and finally concluded, I feel it is nothing more than the duty of the chairman of the committee to present the views of the committee to the House of Representatives and let the House work its will with the legislation.

Mr. Chairman, I want to appeal to the Members today, not necessarily to support my views, not necessarily to oppose my views, but to use their conscience and their judgment in the face of the responsibilities that fall upon their shoulders in these changing times. Under the law as it is today the atomic-bomb secret is protected by the War Department. Under the law as it may be changed I do not know what will happen. I hope for the best, but I believe my position on the subject is accurate and right.

Here is what it is: I think we ought to maintain and keep this military secret just as sacredly and carefully as we keep any other military secret we have, regardless of what it is, and this one in particular, until such time as diplomats, statesmen, and our representatives in negotiations with the other nations of the earth may arrive at an agreement, a treaty, compact, or whatever it is they arrive at, to eliminate the atomic bomb as a military weapon.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from North Carolina.

Mr. BARDEN. As a matter of fact, officially we are still at war, is that not correct?

Mr. MAY. That is true

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Illinois.

Mr. CHURCH The gentleman stated that under the law today this secret is definitely in the military and we are protected For how long?

Mr. MAY. Well, in my view and according to my understanding of the great War Department and our Army and its great leadership, I think it will be there just as long as they think it ought to be kept there, and it will be safe while they keep it.

Mr ROBSION of Kentucky Mr. Chairman, will the gentleman yield?

Mr MAY. I am delighted to yield to my colleague from Kentucky.

Mr. ROBSION of Kentucky Is there any provision in any law or act passed by parliament or congress of other nations, other than Great Britain or Canada, that yields any of their war secrets to us?

Mr. MAY I do not know of any

Mr. ROBSION of Kentucky. The gentleman's contention is that we ought to retain this great military secret of ours until we know what the world is going to do in settling these matters about the atomic bomb?

Mr. MAY. I think that the atomic bomb, as a weapon, ought to be outlawed, just exactly like we outlawed poison gas and other things that destroy the human race. But until that is done by a foolproof, bombproof arrangement, I am opposed to giving the secret away. However, I do favor the most extensive experimentation and research and discovery of all the civilian uses of atomic energy in every field and for every purpose for which we can better the human race That is my position.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Idaho.

Mr. WHITE. What is the term of office of those as defined in section 2?

Mr. MAY. Five members will serve 5 years each, I believe, in the Senate bill. In the May-Johnson bill we had nine members, which I thought was four too many. It was stepped up until it became nine.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Texas.

Mr. LANHAM. By the terms of the bill itself this is a matter which is going to be capable of very frequent changes because of new inventions. Does not the gentleman think that the whole act should be limited to a period of, say, 3 years, and then new legislation, if needed, could be enacted to meet the changed conditions?

Mr. MAY. There are provisions in both bills and both reports from the Senate and the House calling attention to the fact that legislative changes will, of necessity, have to be made from time to time. No longer than last Sunday one of the principal officers of the Navy called me and asked permission to see me at my home at 3 o'clock in the afternoon, which he did, and presented me with an amendment which would limit the operation of this act to 3 years. He had to leave for the Bikini experiment or he would probably have been here yet.

Mr. WHITE. Mr. Chairman, if the gentleman will yield further, the gentleman said 5 years. What interpretation can be placed on subparagraph (A) on page 4?

The terms of office of the members first taking office after the expiration of 2 years from the date of enactment of this act shall expire, as designated by the President at the time of appointment, one at the end of 3 years, one at the end of 4 years, one at the end of 5 years, one at the end of 6 years, and one at the end of 7 years, after the date of enactment of this act.

Mr. MAY. He would serve 5 years before being reappointed at the end of 5 years. That is a step-up provision.

Mr. JENKINS Mr. Chairman, will the gentleman yield?

Mr MAY. I yield to the gentleman from Ohio

Mr JENKINS. The gentleman, in giving the language of the bill with reference to who should participate on the part of the military, indicated that it was not clearly defined that the person to represent the military should be a military man; in other words, an Army man. Would there be any objection to correcting that language so that it would be clear that somebody on this Commission would be a military man? Personally, I have great confidence in the Army and the Navy, and they have kept our military and naval secrets without any condemnation, anyhow, any real condemnation, and why would it not be right to clarify that so that we would always have on that board a military man and a naval man or somebody that would be in that category without any question?

Mr. MAY. My views are that my committee really intended that the term "representative" should mean a military man.

In view of that, I would have no objection to its being changed to that extent. Of course, I am supporting the bill as reported by my committee.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New York.

Mr. REED of New York. I have seen some correspondence raising the same question in regard to patents. Would the gentleman mind clarifying that?

Mr. MAY. I would not be able to clarify that at this time. That is section 11 of the bill. It is so far-reaching and wide in its scope that the American Bar Association and many of the business

interests of the country have objected to it. The naval officer who came to see me on Sunday presented me with a new version of it, which I understand will be offered as an amendment by the gentleman from Texas who is chairman of the House Committee on Patents. If it is, we will then have a chance to debate it and understand it.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I am in thorough sympathy with the gentleman's contention that the military should be represented on this Commission. I wonder if we would be as unfortunate with the civilian board as Canada has been. The leaks that took place in Canada all came from civilians. I fail to find the name of a single officer of the armed forces who in any way betrayed his trust

Mr. MAY. We put really heavy penalties in this legislation against any man who betrays his trust or fails to do his duty, and I am sure the average military man, subject always to court martial, will be true.

Mr. KNUTSON. What do you do, shoot him?

Mr. MAY. I think the fine goes as high as $20,000, and 5 years in jail.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. As I understand, the secret of the atomic bomb is perfectly safe at the present time. Is that correct?

Mr. MAY. I would hate to think it is not. I am sure it is.

Mr. SMITH of Ohio. If that be true, just what is the need for this legislation at the present time? The war has not been declared over. That is a vast subject. I think you could debate it for a whole year and not be very much further along than you are right this moment. It seems to me this matter could wait a while. I do not see any need here under the circumstances for stirring up the matter.

Mr. MAY. It will not hurt to have the legislation on the statute books, and I think it ought to be enacted. I think the bill ought to be passed, but I doubt very much that it ought to be made permanent with the vast powers the Commission will have and the widespread facilities it will have available. This bill turns over to this Commission and takes away from the War and Navy Departments $2,250,000,000 worth of property that has been utilized in the development of the bomb and the other things in connection with it.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from North Carolina.

Mr. BARDEN. There are two things I want to mention. One is the question of penalties for turning traitor on this country and giving away the bomb secret. Instead of its being a fine of $20,000, the penalty should be death.

Mr. KNUTSON. That is correct.

Mr. BARDEN. That should be definitely known to those who handle these things.

Mr MAY. I quite agree with the gentleman, that such an act would be treason in its vilest form and ought to receive a death penalty.

Mr. BARDEN. May I ask the gentleman if the atomic bomb secrets are not now being kept just as are the secrets concerning all the rest of our military and secret weapons at this time?

Mr. MAY. I am sure they are, because if any had leaked out it would have been found out, with the publicity facilities we have in this country, because I think they are adequate, from what has been happening around here the last 10 days.

Mr. TABER Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New York

Mr. TABER Is it true that if this bill is passed and if this Commission is appointed, the general understanding is that David Lilienthal, the head of TVA, is to be the chairman of this Commission? If so, does the gentleman feel that it is in the interest of the United States that we should cut such a caper?

Mr MAY. I think my colleague understands my position and views as to that gentleman. I prefer not to reexpress them here. I would not want to see him chairman of that Commission.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield

Mr REED of New York. If this secret is perfectly safe at the present time, would you not think that if it remains where it is over a period of time it would still be as safe there as it would anywhere else?

Mr. MAY. I have no doubt in the world that the Army of the United States will never reach the low state of giving away their military secrets about anything, and I believe that any man who would give such secrets away would receive speedy, just, and severe punishment.

Mr. REED of New York. What I am getting at is that the secret is known by a rather limited number of pretty high-grade military men; is that not true?

Mr. MAY. That is correct, together with a few top scientists.

Mr. REED of New York. If you want to keep a secret, military or otherwise, are you not more apt to keep that secret when only a few people know it than you are with many knowing it?

Mr. MAY. That is correct, and that is illustrated by the old saying that if you want to keep a secret, never tell it to a woman.

Mr. REED of New York. The point I want to bring out is that by this legislation more people would know it.

Mr. MAY. Correct.

Mr. TABER. I understand there is a provision here for the setting up of an enormous propaganda organization. Is it the understanding that Elmer Davis is going to have charge of that? If so, would the gentleman warm up to that kind of proposition?

Mr. MAY. The only thing I know about is what I hear in the hearings and what I read in the newspapers, and I do not believe that part of it. I know nothing about who are to be the members, not having been consulted, and I do not anticipate that I will be consulted.

Mr. SMITH of Ohio. The thing that worries me about this whole question is the talk we hear and the things we read in the newspapers about giving this secret away. I have never been able to understand why anybody should want to give this secret away. It is safe where it is. Why turn it over to this Commission that will be set up under this bill and run the risk of losing it? That is the thing that worries me.

Mr MAY. I think that is a repetition of what we have been discussing here for the last 5 minutes. I have stated my position on that question and I would want my colleagues to take their position as to where they want to stand.

Mr. DONDERO. The gentleman made some reference about keeping the secrets of the Government in a secure place. Do you not think the secrets of this atomic bomb should be kept much more carefully than our confidential and highly secret files which were stolen out of the State Department and Naval Intelligence during wartime when they took 151 files out of the Department and found them in a Communist office up in New York?

Mr MAY. I agree with my colleague as to the necessity for keeping absolutely secret the mechanical construction of the atomic bomb and that that will be the greatest move for peace that the world has ever known.

Mr. SHORT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there is an old adage, "Fools rush in where angels fear to tread." I certainly feel like a fool today, because I frankly confess my abysmal ignorance of the pending legislation. And the more I listen to these scientists, chemists, physicists, and mathematicians the more confused I become.

I started out really in favor of this bill in spite of a lousy, dirty, stinking editorial charging me with trying to obstruct it. I voted for the United Nations organization. I think it is the only hope in this world. I want to implement it. I think we must do that.

Science is knowledge, and Francis Bacon once said, "Knowledge is power." The trouble with us today is that we have more power than we know how to use. It is misguided and misdirected. Dynamite can construct highways or it can blow men's brains into the mud. Unless we learn from human problems, all of our science, knowledge, and highly boasted twentieth-century civilization is going to destroy us. Let us wake up.

The purposes and aims of this bill, no doubt, are laudable and praiseworthy. I would like to vote for some measure to help us out of our dilemma, but it contains certain provisions that are very dangerous. I would like to vote for a measure that is not unconstitutional or threatens to destroy our Nation.

Nothing was said in the hearings or so far on this floor about the cost of this thing.

Do you know what we are going to do? We are going to set up an Atomic Energy Commission and give it the power of life and death over private industry in this country. I do not like such a blanket, broad delegation of powers run riot—taking it out of the hands of the people of our Nation. I have the highest regard, of course, and the greatest respect for our professors, our economists, and our teachers. I was one once. Thank God, I stopped before I became a member of the "brain trust."

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SHORT. Yes.

Mr. VOORHIS of California. I would like to ask the gentleman, first of all, speaking as a person who is not ashamed of the fact that he has been a school teacher, whether he believes that the provision in the bill which assures to every single American business that may arise in the future, an equal opportunity to the benefits of atomic energy, is destructive of private enterprise.

Mr. SHORT. No, but—

Mr. VOORHIS of California. That is what the bill does.

Mr. SHORT. Well, that is state socialism. I ought to be a Communist. I have nothing, and want to share it with everybody. All that is horsey, horsey stuff. I cannot use stronger language in the House.

Now, what does this bill do? It sets up a commission of five members, the chairman drawing $17,500 a year, and the others $15,000. I insisted upon that provision, because no doubt they could earn much more in private industry. But they have got a general manager who is going to get $15,000 a year They have a division of research, a division of production, a division of engineering, a divison of military application. They each get $14,000 a year. There is no end to it! The sky is the limit. Then, of course, they have got a general advisory committee. They get $50 a day, for sitting wherever they want to sit and hearing whatever they want to hear, putting a halter on you and tightening the rope around your neck. You do not want this?

The point is, we are elected by the people and we are responsible to them every 2 years. They can hire and fire us this November. You cannot hire and fire any bureaucrat down here in the OPA, the CPA, or any other bureau. They are "appointed."

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. SHORT. Mr. Chairman, I will yield myself five additional minutes.

They can hire and fire us. You cannot hire and fire them. The only way you can get rid of them is to get rid of the guy who appoints them. I think the American people will look after that little task a little later on. Destroy the New Deal—a rotten steal.

Now, the other day we voted $4,400,000,000 to Great Britain. It is not $3,750,000,000. There was an additional $650,000,000 to Great Britain. Why did we vote $650,000,000? To cancel over $25 000,000,000 worth of lend-lease, and before they can pay us the $25,000,000,000 in lend-lease we had to loan them $650,000,000 to pay us with. What suckers we are. We have given away everything except the dome of this Capitol. It is sickening to me. I faint when they laugh. I should not perhaps bring this in the debate, but I do not care. It is in the pattern and we cannot ignore it. The only thing I can say—and I do pray—is God help us.

You propose now to hand your enemy a pistol with which to shoot you. Oh! You are smart people, are you not? We will get it because we asked for it.

The United States and our people have paid, the taxpayers of this Nation have paid, over $2,000,000,000 to develop this atomic bomb. You talk about mutual transactions, intercourse, trade; we have got everything to give, we have got nothing to receive. Go on being Santa Claus, but help our people first.

Now, I want to say I do not know how I am going to vote on this bill. I never was so confused and befuddled in all my life. I mean it. Do not laugh—you are, too. We spent long days of study and we spent sleepless nights upon it.

I have always thought that science, knowledge, was international in its scope. You cannot hamstring the mind of man; you cannot corner his spirit by putting up artificial barriers. This atomic bomb was the product of many minds from many countries. I do not think there are so many secrets about it if you want to know the truth.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. DURHAM. Is not that one of the reasons why it cannot be kept a secret?

Mr. SHORT. I think the gentleman made a point; and I want to argue that science and knowledge are universal, and no people, no nation has a monopoly on the discovery of truth. This is the product of many minds from many lands. The gentleman knows it and perhaps certain supposed enemies of ours—I do not think we have any—we should not have any, although we have not a friend left on the face of the earth—our enemies perhaps know as much about this as we do, or even more; but I do not think, they have the methods of manufacture, the know-how production, as far as the integral parts are concerned. Uranium, plutonium, and the nuclear fission theory have been described to the committee. I heard words used before our committee that you cannot find in Webster's Dictionary. I think your ignorance is about as profound as mine. I admit it.

I know that this thing called science and power can save or destroy mankind.

I do not know how I am going to vote, but I am going to listen to the very charming and persuasive and delightful gentlewoman from Connecticut. After all, you have your own war departments, we all have our private war departments. They give orders and we usually obey. I have listened to the testimony in the hearings but I am going to listen to this debate today. Every seat in this Chamber should be occupied today. The future not only of this Nation but of mankind hangs in the balance.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. MAY. Mr. Chairman, I yield 12 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I am always glad to follow the gentleman from Missouri and to listen to him in debate. The chairman of our committee has outlined to you the history of this legislation. Our committee was the first one to take it up in the Congress and the first to consider it.

We devoted much time and study to atomic energy. We had extensive hearings and during the hearings we listened to practically all the scientists connected with this work. We also listened to the War Department and other officials in an effort to seek advice and to seek some way to control this weapon. Hearings began some 30 or 40 days after the first one was dropped.

Mr. Chairman, I would like to make some remarks on the subject of the atomic energy bill, S. 1717, which is before us.

We saw, nearly a year ago, the victorious conclusion of a war whose end was greatly quickened by the use of atomic bombs. To produce those bombs, a great array of scientific talent was concentrated on the problem for several years and about $2,000,000,000 of the public funds were spent. Now we are confronted with establishing through legislation a public policy with regard to the further development and control of atomic energy to the end of serving the common good of our people in peace and of assuring the common defense.

While the first use of atomic energy was a military one, our scientists have assured us that important peacetime uses of atomic energy and of the by-products of atomic power plants are already known and that others will surely be developed as research goes on in this field. The Nagasaki bomb was made of a brand new chemical element, plutonium, manufactured in the uranium pile at Hanford. We are told that for every pound of plutonium produced there were about 10,000,000 kilowatt-hours of heat energy released by nuclear fission and carried away by the Columbia River. Now work is proceeding on a pilot plant for the utilization of such energy. It is obvious that, because a power pile produces plutonium as well as power, controls are necessary in the public interest.

In the bill that came to us from the Senate after months of hearings, with the approval of both parties and of the President, it seems to me that adequate protection of the interests of the military was provided for in the Senate bill. The top policy-making body, whose task is both to provide controls and to promote the further development of atomic energy, is to be an Atomic Energy Commission of five full-time civilian members, responsible to the President. This Commission is to be advised on all matters relating to military applications of atomic energy by a military liaison committee. A proposal to give the Army and

Navy a greater degree of direct control was rejected by the Senate Special Committee on Atomic Energy after a great expression of public opinion in favor of civilian control and after the heads of our War and Navy Departments had testified that the necessities of the military, in order to discharge their responsibility for the national security, were adequately provided for.

My distinguished colleagues on the Military Affairs Committee have thought it wise to make several amendments whose aim is to increase the amount of direct military control in atomic energy development. I refer particularly to (1) the amendment requiring one and permitting two members of the Commission to be military men on active duty; (2) the amendment requiring the Director of the Division of Military Applications to be a military man on active duty; and (3) the amendment permitting the armed forces, with the approval of the President, to maintain their own facilities and manufacture atomic weapons, independently.

I wish to state now that I do not believe that the three amendments just mentioned constitute desirable changes in the bill, and I intend to vote for their removal.

Referring to the first of these amendments, it must be evident that membership on the Commission is a full-time job and that no military man could be on the Commission and have, at the same time, any other military responsibility. However, he could not have an undivided loyalty to the Commission nor could he exercise independent judgment since, as an officer on active duty, he would be responsible to his superiors in the Military Establishment It is clear that the purpose of this amendment is to increase the amount of direct military control in the top policy-making body which our military leaders tell us they do not require and which the American people do not want.

In connection with all of these amendments, we should recognize the necessity of maintaining our military strength, but we should also recognize the fact that our Government is participating in discussions about international cooperation. We should take care not to prejudice the chances of success in those discussions.

Without the discovery of new ideas and inventions there would have been no discovery of a new world. Thus we see discoveries and inventions of mechanism become the dynamic controls in our modern economic system and make it necessary for political and social adjustments in the structure of the modern world.

Speculation gave us investigation in the field of atomic energy. Experimentation and research by our scientists has given us this problem. This discovery of nuclear fission has caused man to change his conception of the earth and universe.

This is a domestic bill we are dealing with today, and our problem is to work this revolutionary discovery into a self-balancing, self-regulating economic system subject to the natural laws of supply and demand so that it will not trammel or destroy our industrial liberty or our energy that has created our private business enterprise system. After many trials and errors this system has proven to be the best system on earth.

We here in America must take the lead. As the home of the atomic bomb America has a great moral responsibility. And let us pray, we in making our choice will not fail mankind in this tragic hour but will shoulder our responsibility and opportunity and give fresh hope to the stricken world.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. In the information presented to the gentleman's committee, is it true the Army and the Navy both stated that the amendment with reference to military representatives on the Commission is not necessary?

Mr. DURHAM. I am not sure whether they made that statement or not before any committee. Our hearings were held long before the Atomic Committee was set up

Mr. THOMASON Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Texas

Mr THOMASON. It is safe to say that the record discloses that the Secretary of War in person and the Under Secretary of the Navy both stated that they favor the bill as it passed the Senate.

Mr. DURHAM. That is correct.

Mr. KOPPLEMANN That is the question I wanted answered.

Mr DURHAM. The gentleman asked me if they appeared before our committee.

Mr. SHORT. Of course, they know as much about the bill as we do.

Mr. DURHAM. I think so, yes.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is it not true that the hearings disclose that the reason the Secretary of War said he wanted the Senate bill acted on promptly was his anxiety to get some sort of legislation promptly, and he had no objection to the provision for military representation on the Commission?

Mr. DURHAM. That is correct. Of course, the President sent us his message, as the chairman stated to you, last October, urging us to enact this legislation immediately. Also at that time the War Department appeared before us General Groves himself appeared before us, and asked that we expedite this legislation. Now here we are here 9 months later.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from California.

Mr. JOHNSON of California. In those hearings they advocated a bill that provided for the very representation the gentleman from Ohio mentioned.

Mr. DURHAM. That is correct.

Mr. JOHNSON of California. The other day they repeated their confirmation of that legislation.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I have here the statement of Mr. John Kenney, Assistant Secretary of the Navy, which he made before our committee on June 12. He says, and I quote from his own testimony:

> The bill in its present form satisfactorily covers the Navy's primary interests in having a voice in the affairs of the Atomic Energy Commission and in being able to conduct its own research and development programs without undue interference from the Commission

Mr. DURHAM. That is correct.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

Mr. SHORT. Mr. Chairman, will the gentleman yield for a brief question?

Mr. HARNESS of Indiana. I yield.

Mr. SHORT. Does not the gentleman feel that until the war is officially declared ended, until the peace treaties are written, we certainly should hold onto the secret weapon we now have?

Mr. HARNESS of Indiana. I certainly do. I think there is no necessity for rushing this legislation through. I believe the security of the Nation will be better protected under the present set-up than it would be under this bill.

Mr Chairman, this measure is a threat to free government It grants more complete and sweeping power and authority to an executive agency than any other proposal ever considered in the United States Congress. The bill literally places in the hands of a five-man commission complete and absolute authority over American industry and the lives of our entire population. It is shocking and frightening that this proposal could advance as rapidly and get as far in this Congress. I implore the House to reject the bill and send it back to the committee.

Let me call your attention to section 11 (c) of the act, which provides for compulsory licensing of patents. That is to say, instead of giving the inventor an exclusive right in his inventions, in other words, the right to exclude others from the manufacture, use, or sale of an invention, a patentee's invention shall be made subject to the right of others to make, use, and sell the invention upon the payment to the patentee of a reasonable compensation.

Before considering the advantages and disavantages of compulsory licensing, it is well to point out three distinct accomplishments of the present system of granting exclusive rights to patent owners.

First. By granting to the inventor an exclusive right for a limited time, an incentive is given to him to invent and disclose, not conceal, his invention so that after such period of limited time the invention enters the public domain.

Second. A very important advantage is the encouragement of risk capital to undertake the exploitation of an invention, frequently resulting in new industries arising or old industries expanding.

Third. By granting exclusive rights for inventions there inevitably arises competition in developing inventions. That is to say, inventors get to work inventing a substitute for, or a new way of accomplishing, that which is already patented. Many important inventions have resulted from such competition.

Each of these three advantages will either be completely lost or seriously impaired if a system of compulsory licensing is adopted.

Compulsory licensing of patents has long been a controversial subject. Bills have been introduced at various times, especially since 1912, directed toward encouraging this feature in our patent system despite the fact that it is the negation of the exclusive right provided for in the Constitution. Those bills which originally included compulsory licensing of all patents were promptly amended to include only future patents, since it was realized that compulsory licensing of patents already issued was depriving the patent owner of a property right without due process of law.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. LANHAM. May I say to the gentleman that the Committee on Patents of the House of Representatives has held steadfastly to the opinion that he has expressed and has consistently refused to endorse or report anything that smacks of compulsory licensing of patents which goes to the very fundamental basis of our progress.

Mr. HARNESS of Indiana. I thank the gentleman for that comment, and would add that the Congress as a whole has steadfastly adhered to that program, because it is one of the fundamentals of a free-enterprise system under a free government.

Many and extensive hearings have been held by congressional committees to determine the advisability of legislation in one form or another for compulsory licensing. Such hearings were held in 1912 and 1914 on the Oldfield bills, in 1922 on the Stanley bills, and in 1938 on the McFarland bill. At all of these hearings, patentees, inventors, and manufacturers almost unanimously opposed compulsory licensing mainly on the grounds that it would discourage invention and that it would favor large corporations over smaller corporations and over individuals.

Mr. SHORT. Mr. Chairman, will the gentleman yield at that point?

Mr. HARNESS of Indiana. I yield.

Mr. SHORT. Here is a release that all Members of the House should listen to:

"The McMahon atomic energy bill (S. 1717) reflects the blind arrogance of bureaucracy gone mad," declared John W. Anderson, spokesman for small business, today. "The bill would drive American inventive diligence underground. It would create a vast black market in dangerous atomic inventions. Secret agents of foreign governments would find United States inventors cringing from the harsh treatment threatened by their own government. Fear and resentment would lead to secret deals in which alien agents would get the inventions for black cash."

Mr. HARNESS of Indiana. Mr. Chairman, this bill if enacted into law, will surrender the sovereignty of the people of this Nation to a five-man Commission appointed by the Chief Executive.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. VORYS of Ohio. I read the bill last night and I could not find any place where there were any criminal penalties that could be invoked against the Commission. While the Commission was given the power to make regulations, the violation of which would be a crime punishable by fine and imprisonment, I found no criminal penalties that could be invoked against the Commission for disclosures or for any other reason. How about that? What does the criminal provision provide as far as members of the Commission itself are concerned?

Mr. HARNESS of Indiana. I think this bill would remove all security provisions that we now have against disclosure of secrets that are in the national interest. There is no provision as far as I can remember in this bill that in any way prevents this Commission from disclosing any of the secrets they might get when the Manhattan Project is turned over to them. Moreover, bear this in mind: This Commission is given the authority, believe it or not, of reciprocating information with any foreign nation, and the Congress has no authority to stop it.

Mr. SHORT. Would the very able lawyer from Indiana, one of the finest Members of this House, tell us what the other nations have to give us in reciprocity.

Mr. HARNESS of Indiana. Even trying to be generous and fair in reply to that question, I believe the rest of the world has comparatively little to offer now, and that it is hardly likely to have comparatively more anytime in the next several years.

Mr. SHORT. It is all give and no take?

Mr. HARNESS of Indiana. That is right. We are habitually on the giving end. Judging from our record, this proposal would keep us there. There is no basis here for dealing, or reciprocating, quid pro quo.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. ELSTON. As far as this bill is concerned, the Commissioners would have the power and authority to turn over the secrets of atomic energy for industrial purposes, and in return get nothing but good will?

Mr. HARNESS of Indiana. That is right.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. DONDERO. The gentleman has come to the defense of the patent laws of this Nation and the competitive system under which we operate; and I commend him for it. Does he not think, perhaps, Emerson had that in mind when he wrote that when a man builds a better mousetrap than his neighbor the world will make a beaten path to his door?

Mr. HARNESS of Indiana. Absolutely.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. Let me proceed with my prepared statement; then I shall be pleased to yield if I have the time.

Witnesses testified that many worthwhile inventions require years of research and experimentation before an invention is attained; and that it ordinarily takes many years to perfect an invention even after the patent is granted. Often such research results in failure before an invention to accomplish the desired purpose is made. Therefore, for a corporation or an individual to obtain by compulsion a license from the patentee or the patentee's official backer would manifestly be unfair, since the person seeking the license does not share in the expense of unsuccessful research and development. Those willing to risk capital in the development of new enterprise would hesitate to do so if, when he is successful, others could come in and share his success by obtaining a license against the will of the patent owner. On the other hand, if the patentee is unsuccessful, he would have to bear his own loss. In short, the testimony of those familiar with the subject has been almost unanimous to the effect that such legislation would discourage invention and new enterprise. Not only would it discourage invention because of lack of incentive such as would be given by an exclusive license, but compulsory licensing would render it unnecessary to compete in making inventions since in the main those wishing to go into a new enterprise would be content to force a license for inventions already made rather than make their own inventions; that is, to create a new and different way of accomplishing the same result. Why take the risk with possible failure when by paying a reasonable royalty he can share the fruits of others' efforts?

The testimony in the above-mentioned hearings has fully brought out the fact that compulsory licensing would lessen the incentive to invent, would discourage the introduction of new enterprises, and would, to a large extent, remove competition in invention. It would, in fact, socialize our patent system.

The question of compulsory licensing, like the provision in the bill for taking away from present patent owners all rights in the field of research and development, involves a highly important constitutional question. Mind you, I have been discussing only one section of this bill. There are many other sections that infringe individual constitutional rights.

Where a serious question of constitutionality is involved, as it apparently is in this issue, there is never any valid excuse for hasty and ill-considered action. But in this question there is utterly no reason whatever for us to act in haste as though we were confronted by a critical emergency, for technically at least we continue to be in a state of war.

Under the circumstances, the President still holds in his hands extraordinary war powers. These proved adequate to provide security in the field of

atomic energy during the period of actual hostilities. They should certainly, therefore, be adequate for the temporary period until peace is formally declared, if the President will exercise them as wisely and firmly as we have the right to expect that he will.

I know it is argued that our failure to take definitive action leaves the rest of the world doubtful and suspicious of America's intentions and that it leaves the field of atomic research and development under military dominance.

Neither argument is valid. In the first place, we have time and time again gone far more than half way to prove to the world that no decent nation, large or small, has reason to doubt or fear us. The Baruch proposal for international controls, standing alone, is sufficient evidence of that. If other nations are not disposed to accept it as such, it is hardly clear how this proposed action could win their confidence and trust.

As for military dominance in the field, the simple fact remains that the President is, in fact, Commander in Chief, and as such is directly superior to this military influence which some people profess to fear. If the President is not disposed to prevent undue military influence in this field now, would you expect him to appoint civilian members to this commission who would be less favorably inclined toward the military viewpoint?

The present controls are purely temporary in nature, and can be quickly terminated or altered. This proposal would establish a permanent system of controls far less subject to change or remedy. A hasty error at this point could easily result in permanent damage.

It cannot be too strongly emphasized that these controls we are asked to adopt are sweeping and all-inclusive in character. Even if any doubts as to their constitutionality are resolved, they are still, in my opinion, too broad to impose upon a free economy without serious results.

I am just as anxious as anyone to protect atomic research and development from military domination. I am deeply concerned that this new force be turned as completely as possible from destructive purposes, and as fully as possible to creative and constructive ends.

But in seeking that end, I certainly do not want to see this new science fall under the blight of bureaucracy, which might be the surest way to defeat the very ends the proposal professes to seek.

I urge that this measure, therefore, be returned to the responsible committees with specific instructions for further and more careful study than the whole question has so far received.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from California.

Mr. VOORHIS of California. I agree heartily with what the gentleman said about the Baruch proposal to the United Nations Commission on Atomic Energy. I believe that proposition ought to prove to any nation the sincerity of the United States in seeking peace, but I think it important that our action correspond to that proposal. The gentleman will agree, I hope, those people who are responsible for the preparation of the Baruch proposition were in favor of this bill as written by the Senate?

Mr. HARNESS of Indiana. That would not influence my feeling on this bill at all. I am frightened at this proposal, I am fearful for my country and our free republican system of government. I do not want to see any commission set up with such sweeping powers over the American people's lives.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman agree with me that under the provisions of this bill which authorize the appointment of employees, servants, and agents by the commission, they could probably build as large a bureau as the Department of Agriculture if they wanted to?

Mr. HARNESS of Indiana. The Department of Agriculture would be insignificant compared with what they could do under this authority. There is one section in this bill which would give the commission the authority to set up one of the greatest propaganda bureaus we have ever heard of in this Nation. Why, we voted down funds for OWI, but this would be a super OWI with authority to establish libraries, publish communications, magazines, newspapers, and other kinds of propaganda. It simply is too sweeping and too much power for a commission to have.

The CHAIRMAN The time of the gentleman from Indiana has again expired.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Chairman, it is claimed by those proposing the amendment requiring the President to appoint a representative of the military to the Commission for the Control of Atomic Energy and the amendment permitting the President to appoint two active or retired officers of the Army or Navy to the Commission, that the amendments are necessary in order to give the military adequate representation in atomic energy matters

Now, everyone will agree that the military should have representation on atomic energy matters.

Everyone will agree that the military should have representation adequate for our national defense.

If S. 1717 as passed unanimously by the Senate does not already provide that adequate representation, then, of course, it should be incorporated into the act.

The only question, then, is: Does S. 1717 provide adequate military representation?

The bill establishes a special military liaison committee of unlimited number to be appointed by the Secretaries of War and Navy. The Commission must advise and consult with this committee on military applications of atomic energy, specifically including all matters affecting bombs, the control of information relating to bombs, and the allocation of materials for military research. Should this committee be dissatisfied with the Commission's action, proposed action, or failure to act, it may refer the matter to the Secretaries of War and Navy, who may, if either feels the matter is of sufficient importance, refer the question to the President, whose decision will be final.

The act also sets up a military applications division which will specifically carry on military research as directed by the President. This will in no way interfere with military research by the Army.

It is provided in the act that the quantities of fissionable material and bombs to be produced, and the disposition of these bombs are to be determined by the President who, presumably, will act on the recommendations of his military advisers in the War and Navy Departments.

Do these provisions give the military adequate representation in the control of atomic energy?

Who is in the best position to know?

The Commander in Chief of our armed forces?

The President has said:

A Commission established by the Congress for the control of atomic energy should be composed exclusively of civilians.

Only the other day, while this act was before our Military Affairs Committee, the President reaffirmed his support of S. 1717 and said that "it suited him exactly."

The Secretary of War?

Secretary of War Patterson testifying before the House Military Affairs Committee on this act was asked:

Would the War Department be opposed to any amendment to this bill authorizing one or possibly two members of the Commission to be representatives of the armed forces?

He replied, and I quote:

We did not advocate and we do not advocate it We believe that the national defense aspects—and they are important on atomic energy—are adequately cared for by that paragraph in section 2, providing for the military liaison committee.

The Secretary of the Navy?

Secretary of the Navy Forrestal wrote to the chairman of the Senate Special Committee on Atomic Energy:

Please accept my congratulations on the passage Saturday of your bill for the control and development of atomic energy It is well drawn and accomplishes what I know you were after from the beginning—a proper balance between civilian and military control. This is not merely my own view but that of the professional people in the naval service.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Illinois. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. Can the gentleman tell the Committee the date of Secretary Forrestal's letter?

Mr. PRICE of Illinois. It was the day after the passage of the bill in the Senate. I do not remember the exact date.

The Assistant Secretary of the Navy?

W. John Kenney, in testifying before the House Military Affairs Committee on this bill, said:

In the opinion of the Navy Department, this and the other provisions of section 2 (c) constitute an effective mechanism whereby the armed services will be informed of, and will participate in, the work of the Atomic

Energy Commission having to do with military applications in the atomic energy field. Therefore, the Navy Department strongly supports those provisions of the bill and urges that they be reaffirmed by the committee and by the House of Representatives

The Chief of Staff?

General Eisenhower has approved this act as it unanimously passed the Senate.

The Chief of Naval Operations?

Admiral Nimitz has approved this act as it unanimously passed the Senate.

I submit, gentlemen, that if the President of the United States, the Secretary of War, the Secretary of the Navy, the Assistant Secretary of the Navy, the Chief of Staff, and the Chief of Naval Operations—all men responsible for the military defense of the country—if all these military officials are satisfied that S. 1717 provides the military with adequate representation in the matter of atomic energy, who is there among us who will insist on being more patriotic than the defenders of our country?

Who is there among us who would wish to be more militaristic than the military?

There are those who have said, and who will say again, "If this is the legislation which the War Department really wants, why did Secretary of War Patterson first endorse the May-Johnson bill? Can it be he now asks for S 1717 because he is a good soldier and must follow the lead of his Commander in Chief?"

The best answer is given by Secretary Patterson himself in his testimony before the House Military Affairs Committee. He told the committee:

This bill, S 1717, was drafted after months and months of work by an able committee in the Senate. Naturally enough, with all of that study devoted to it, and with some 6 months more of development in the background for this bill, it has a number of detailed provisions of a valuable character, I believe, that neither the Stimson committee in the War Department nor this House committee had time to consider * * * This bill goes further in dealing with the national defense aspects of atomic energy than the earlier bill did There was nothing in the May-Johnson bill creating a military liaison committee no specific provision in it at all as to how the Army or the Navy would keep posted on what was going on in atomic energy This bill does, and it is better in that feature

It seems perfectly obvious that the only reason the War Department and the Navy Department ask you to pass S 1717, without any crippling amendments is because they are convinced it is in the interest of national defense to do so I want a chance to support the Senate version because I believe it is a step toward control of atomic energy. I want to see Congress do something to promote international control of atomic energy. I hope we will avoid giving encouragement to international rivalry for atomic power.

Mr. SHORT Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Chairman, much has been said here today about the history of this particular bill. The last speaker mentioned something about the various Secretaries of War and the Navy and admirals and generals who are supporting this legislation. I want to say that 8 months ago Secretary of War Patterson supported the May-Johnson bill. He said it was the best bill we could possibly get. Eight months later he came out and supported S. 1717. What happened in the meantime? I will tell you a little bit about what happened in the meantime. On January 29, Secretary of War Patterson, the Secretary of the Navy, and almost all of the leading military and naval men received a directive from the President of the United States. I checked on that directive the other day and called the Under Secretary of War and asked him if he would not give me a copy of it. He said, "No, you have to go to the President"; but a directive was received. As a result of that directive, the Secretary of War and Navy and the Under Secretaries and admirals and generals all supported this particular legislation. Something was said yesterday about who helped to draw up this legislation Naturally, we do not know the name of every person who helped draw up the legislation, but I am going to name three of them. One is James R Newman, who is now the special counsel for the Atomic Energy Committee of the Senate Another is Dr Edward V Condon. It is interesting to know in connection with Dr. Condon that he is an appointee of Henry Wallace Prior to VJ-day when the Russians invited a group of American scientists to visit Russia and attend a conference there, Dr Condon was one of those invited. It was not until the last minute—and some of these scientists were going over in a Russian plane—that Dr Condon's permission to leave America was revoked, so he did not make the trip. He is one of those who helped write S 1717

The third person is a member of a group at the University of Chicago. This third person is Dr Harold C Urey. I have here a letter that Dr Urey sent to the gentlewoman from Connecticut [Mrs. LUCE] on November 24, 1945, when we were considering the May-Johnson bill I want to quote just one sentence from this letter Dr. Urey said to the gentlewoman from Connecticut [Mrs. LUCE]:

In addition to your proposed amendment, I personally would like to see all of the penalty and security violations deleted from this bill

Now, he is one of those who helped draw up S 1717 and he wants to see all of the penalty violations taken out of the bill You can just imagine from this what would happen if this civilian commission ever got the atomic-bomb secret or if Dr. Urey became one of the commissioners

Mr VORYS of Ohio. Would the gentleman care to read further to show the reason Dr. Urey gave for wanting to have the penalties withdrawn?

Mr. THOMAS of New Jersey. Yes. He said:

I believe that the Espionage Act of the United States is sufficient to cover violations of many security regulations

S. 1717, the so-called atomic energy bill, which we are considering today, may turn out to be the most dangerous bill ever introduced in Congress in the history of the United States. Should we enact it into law, and should it not live up to the high ideals of its sponsors, it could destroy America. A vote in favor of it, therefore, may be a vote to give a potential aggressor nation the atomic-bomb secret. Believe me, it is not worth the risk. I hope, with all the strength at my command, that we can defeat this most vicious measure, and thereby delay action, at least until we have real peace in the world.

S 1717 is the creature of impractical idealists I do not say that these one-world-minded persons are unpatriotic. I say that their intense ardor for a better world has blinded them. Their faith in Russia is indicative. And yet, when they advocate a free exchange of atomic secrets with Russian scientists, they completely overlook the fact that all Russian scientists are but tools in a dictatorship of the proletariat. The starry-eyed individuals who molded S 1717 will strive just as energetically to attack the Atomic Civilian Commission, called for under this legislation. As proof of this, I quote from a document dated June 8, 1946, and picked up at Oak Ridge by the chief investigator for the House Committee on Un-American Activities. The document states, and I quote:

Our next problem is suggesting the right men for appointment to the Atomic Energy Commission

In this connection, I also desire to read a preliminary report from Mr. Ernie Adamson, chief counsel for the House Committee on Un-American Activities The report is based on a visit of our colleague, Representative JOHN WOOD, chairman of the Committee on Un-American Activities, and Mr. Adamson, to Oak Ridge, June 4 of this year.

The report is as follows:

PRELIMINARY REPORT

JUNE 26, 1946

Since about the middle of January I have been conducting an investigation concerning subversive activities at, or in connection with the operation of the Government reservation known as Oak Ridge, Tenn

It appears that scientific and engineering personnel who have been separated from Government service in connection with the Manhattan District project have organized various societies throughout the United States New York, Detroit, Pittsburgh, Chicago, and Los Angeles in turn continue to cooperate with scientific societies whose headquarters are located inside the reservation at Oak Ridge

About 4 weeks ago Chairman WOOD and I visited the Oak Ridge Reservation and interviewed the Army officers in charge of security, and other persons, including the officers of two scientific societies above mentioned We took the statements of these people but have not yet received the transcript from the stenographer. The substance of the testimony will show:

1 That these Oak Ridge societies are composed of young men who are classified as scientific researchers or engineers.

2 The activities of these societies are devoted to the creation of some form of world government.

3 These societies are very active in support of international civilian control of the manufacture of atomic materials.

4. These societies are definitely opposed to Army supervision at Oak Ridge and are just waiting for the day when military administration will be thrown out.

5. The society officers whose statements we have taken not only admit communication with persons outside of the United States

but in substance say they intend to continue this practice

6. The security officers at Oak Ridge think that the peace and security of the United States is definitely in danger.

7 I have obtained a list of active members of these two societies, also copies of literature distributed by them.

8. The CIO is now making a desperate effort to unionize all workers of the reservation. We took statements from the CIO and A. F. of L organizers. The CIO organizer was very militant and seems to be in close contact with the members of the scientific societies

9. If jurisdiction and control of the Oak Ridge Reservation passes into civilian hands, the political plans for exploiting the place are well advanced and there would undoubtedly be trouble in the reservation within 6 months.

10 One of the most surprising comments was an expression from one of the young scientists to the effect that the power of the atomic bomb was much greater from a political viewpoint than from its physical aspect.

11. Chairman WOOD has in mind a bill which would create Oak Ridge as a permanent Army reservation, separate and apart from the atomic control legislation

12. My conclusion, based upon the investigation up to date, is that the Army should exercise permanent control over the manufacture of atomic weapons

ERNIE ADAMSON, *Counsel,*
Committee on Un-American Activities.

Supposing our present President or some future President should be influenced by such a "world government—share the secrets with Russia" contingent and the Atomic Commission should have appointed to it one or more persons of the same pink stripe who in turn would influence the hiring of personnel Can you imagine the kind of personnel we would get? I want to tell you if this should happen I would not give 10 cents for our ability to retain the atomic-bomb secret another year.

Mrs. LUCE. Mr Chairman, will the gentleman yield

Mr. THOMAS of New Jersey. I yield.

Mrs. LUCE. With reference to his remarks on the difficulty of getting the proper personnel on the Commission, I would like to draw the attention of the House to the testimony, with which I am sure the gentleman is familiar, in part II of the Senate hearings, page 172, in which Dr. Shapley describes the all but impossibility of finding five men of the proper caliber to serve on this Commission.

Mr. THOMAS of New Jersey. I appreciate the observation of the gentlewoman. I am not just referring to the Commission, however. I am likewise referring to the persons who will be called upon to guard the secrets down at Oak Ridge, in that we cannot call on the Army as we call on the Army today.

Mr. SHORT. And you have got an advisory committee, a general manager, a division of research, division of engineering, and division of military application. Heaven only knows what sprawling, spawning bureaucracy will be set up if this bill is passed. The sky is the limit.

Mr. THOMAS of New Jersey. As it is now, the atomic-bomb secret is relatively safe. Anyone, from General Groves down, will tell you so. Although they may admit that attempts have been made and are still being made to get the secret away from us. If the atomic-bomb secret is safe now, then why pass a bill which goes out of its way to endanger such security?

On the question of security, section 10 of the bill, having to do with control of information, not only encourages the dissemination of scientific and technical information to foreign nations but it places emphasis on security regulations indicated by the proverb: "When the horse has been stolen, the fool locks the stable."

Is it any wonder that every Communist and every Communist-front organization is rooting for the passage, without amendment, of S. 1717. I dare say there are many good Americans also rooting for its passage, but I am likewise positive that not 1 out of every 100 Americans know what S. 1717 contains. and I am equally confident that 99 out of every 100 Americans want the atomic-bomb secret kept by us for a while longer.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr THOMAS of New Jersey. I yield.

Mr. O'HARA. Will the gentleman agree with me that there has as yet been no set-up agreed upon by the United Nations for inspection or limitation of armament, which would include the atomic bomb?

Mr. THOMAS of New Jersey. That is right. There is no doubt about that.

Mr. O'HARA Is there any great rush to give our secrets away? When it comes to the time where the nations of the world may want to agree upon a limitation of armaments, inspection of atomic energy, and so forth, can that not be arrived at by the Congress by delegating that authority either by treaty or to our representatives upon the United Nations Organization?

Mr THOMAS of New Jersey. There is no doubt about that, no question at all. I wish some Members of this House, including some of the majority members of the Military Affairs Committee, would tell the House just what this rush is all about.

If you want to get the cue of who is pushing hard for the passage of this bill, read the Daily Worker, official organ of the Communist Party in the United States, or read, in the New York papers of last week, the suggestion of the Russian delegate, Andrei H. Gromyko, that "he favors exchange of data at once" If Mr. Gromyko, the Russian, had drawn a bill for American control of atomic energy and the atomic bomb, he could not have drawn a better bill for Russia than S. 1717, under consideration by us today. Further, it is my opinion that Mr Gromyko is stalling the atomic negotiations in New York until he sees what this Congress is going to do about atomic control. Is it any wonder, therefore, that I ask you to vote "no" on the bill and let us get on to business more helpful to the welfare of this Nation?

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr LANHAM].

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

The CHAIRMAN. The gentleman from Texas is recognized for 15 minutes.

Mr. LANHAM. Mr. Chairman, the many official duties which have been demanding my time have not permitted a thorough study of all the provisions of this measure, but some time ago my attention was called to section 11, with reference to patents, and I have studied that particular section very carefully.

It would be much more than a poor pun or a facetious observation to say of the patent section in this bill for the consideration of a bomb that it is "a-bomb-inable." It would sovietize our American system of patents upon which our prosperity and our progress have been founded

In his Farewell Address, George Washington, speaking of our fundamental institutions, admonished that the time would likely come when those who were opposed to those institutions and their proper and adequate operation would seek to undermine what they could not directly overthrow I am inclined to think that these patent provisions, by whomsoever devised, go far beyond the mere mild purpose of undermining.

In our parliamentary system, unfortunately, we do not have a proper jealous regard for the functions and jurisdictions of our respective committees. It is no more the province of the Committee on Military Affairs to deal with patent matters than it is the province of the Committee on Patents to deal with military matters. The subject of patents is a very technical and detailed one I have been a member of the Committee on Patents for more than 20 years, but I do not profess to be an expert.

Here we have a provision to make obsolete our patent laws and to turn the administration of patent matters over to a commission, the identity of the members of which is still unknown, without any provision that a single member of that commission have any familiarity whatever with our patent laws or our patent system.

The founding fathers of this country were so impressed with the importance of American ingenuity and American inventive genius that for the protection of the inventors of this Nation in making their important discoveries they wrote it into our organic law that for the promotion of science and the useful arts this system should be a fundamental part of our whole governmental philosophy. Thomas Jefferson had as zealous a regard perhaps for this particular provision of the Constitution as for any other, because he realized, as did all of his compatriots of that time and as we, their governmental successors and followers, should realize, that the new republic then and the older republic now depended for its security, depended for its progress, depended for its prosperity, upon the protection of this American genius and American ingenuity which have made our country the outstanding Nation of all the world.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the distinguished gentlewoman from Connecticut.

Mrs. LUCE. Is the gentleman familiar with the testimony of Conder C. Henry, former Assistant Commissioner of Patents, which I inserted in the RECORD?

Mr. LANHAM. Yes, I am. I shall call to the attention of the gentlewoman also the testimony and the recommendations of those who from the beginning have been primarily interested in these patents as applied to atomic energy and who have had charge of the operation of atomic energy from its very beginning.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Kentucky.

Mr. MAY. I am sure the gentleman knows I am not out of harmony with his views on the subject; however, I do feel that he has criticized the House Military Affairs Committee unnecessarily in that we did not assume jurisdiction of the Patent Committee. The thing came to us in a Senate bill.

Mr. LANHAM. I appreciate that fact, but I appreciate the fact also that the Committee on Military Affairs might well have done what the Committee on Public Buildings and Grounds did on this very day in considering a bill which, among other provisions, had to do with some affairs within the jurisdiction of the Committee on the District of Columbia; we invited the District Committee or a subcommittee to sit with us in the consideration of those important provisions You are dealing here with the one fundamental thing that has to do with our progress, and our prosperity, upon which it has depended through the years.

Mr. MAY. I would like for the gentleman to tell my colleagues here and his own colleagues that I invited him to come and testify before the committee and waited on him

Mr. LANHAM. That is true, because I went to the chairman of the Committee on Military Affairs—I am not censuring the chairman of that committee—and told him we of the Committee on Patents were interested in this matter. On the day that it was heard there was a meeting of a committee of which I am chairman and I could not attend. But we did send a man to testify versed in patents, a man who has served as Assistant Commissioner of Patents for many years and also as an examiner, a man who is one of the advisory council of the House Committee on Patents to help us look after patent legislation

I want to bring to the attention of the committee how much the people who are interested in patents and who know something about them regard this patent provision. I have here a letter received just today from Mr. John W. Anderson, president of the National Patent Council. What is the National Patent Council? That, my friends, is an organization of the small manufacturers of this country; 59 different groups of industries in 38 different States. Surely, we are concerned about their protection, for let me remind you that inventions do not come, in the main, from the high and mighty; they come from the lowly and obscure, and the very thing which led to my sponsorship of the law to keep patents primarily useful for national defense secrets during the war was the filing of an application for a patent by an elderly gentleman who had never invented anything else in the course of his entire life. Eighty percent of our patents come from individuals and from small operators.

Mr. Anderson has written me as follows:

NATIONAL PATENT COUNCIL,
Washington, D C, July 17, 1946.

Hon FRITZ G LANHAM,
House Office Building,
Washington, D C.

DEAR MR LANHAM: We wish to confirm, in behalf of National Patent Council, its approval of the attached draft as a substitute for section 11 of the McMahon atomic energy bill, S 1717, which we understand will be debated in the House this afternoon.

It is understood that there are to be offered a number of other amendments to the bill. Some have been discussed with National Patent Council and seem desirable, particularly the amendment limiting the duration of the proposed law to 3 years

Section 11, the council believes, is totally bad in intent and effect. In addition to discouraging invention in the atomic energy field, we believe it would tend to drive American inventive diligence underground The harsh treatment provided for American inventors it seems certain would increase our exposure to secret disclosures of atomic inventions to undercover foreign agents This council would deplore thus forcing a black market in inventions relating to the field of fissionable materials

It is respectfully suggested that Congress examine other sections of this bill carefully to determine the extent to which the entire field of invention, and all industry, would at once be placed automatically within the conclusive control of a presidentially appointed five-man commission in the event that copper, for example, should be proven to be fissionable by any process or under any conditions whatsoever.

National Patent Council, as such, does not presume authority or competence to discuss phases of the bill not relating to research invention, patents, and the patent system We believe the bill, as it stands, is un-American and contrary to constitutional concepts which have given our country its overwhelming strength

In the interest of national security section 11 should be deleted from the bill in favor of the substitute provisions hereto attached, which provisions have been the result of many conferences.

Respectfully,
NATIONAL PATENT COUNCIL,
JOHN W ANDERSON,
President.

Mr. Anderson enumerates some of the reasons why this section should be revised and amended and modified. As a matter of fact it should, in my judgment, and I believe in the judgment of all versed in such matters, be stricken out and referred to the Committee on Patents. But I am going to offer an amendment to supplant section 11 as it is in this bill and try to provide for the protection of American ingenuity and the people primarily interested in promoting our fundamental patent system.

I have also a letter from the chairman of the patent section of the American Bar Association, Mr. Robert C. Watson, addressed to the gentleman from Alabama, the Honorable FRANK W. BOYKIN, chairman of the House Committee on Patents, calling attention, in addition to the compulsory licensing features of section 11, to the various ways in which the adoption of section 11 would affect deleteriously those who are interested in the progress of America. Mr. Watson writes:

AMERICAN BAR ASSOCIATION,
July 15, 1946.

Hon FRANK W. BOYKIN,
Chairman, Committee on Patents, House of Representatives, Washington, D. C

MY DEAR MR. BOYKIN: The section of patent, trade-mark, and copyright law of the American Bar Association of which I am the present chairman recently transmitted to the Committee on Military Affairs of the House of Representatives a resolution disapproving the principal patent provisions of the proposed Atomic Energy Act of 1946, S 1717 While this bill has apparently not been referred to the Committee on Patents of the House of Representatives, of which you are chairman, it nevertheless seems to me to be appropriate to inform you of our views and to express the hope that the members of your committee as individuals may sympathize with the position which we have taken and express their views to others when the proposed act is under discussion on the floor of the House. The resolution, which is quoted below, is applicable to the bill as it now stands since the patent provisions against which the resolution is directed have not as yet been changed

"*Resolved*, That the American Bar Association approves the principles of S 1717 to establish a civilian commission for the control of atomic energy, its materials, material sources, production, and weapons, and the dissemination of information thereof for insuring national security, and further that the association disapproves the bill: (a) insofar as it fails to provide for the review, in camera if necessary, by a constitutional court upon petition of an aggrieved party of any act, declaration, or failure to act of the Commission, and (b) furthermore disapproves the patent provisions of the bill: (1) relating to compulsory licensing, and (2) to prohibiting the creation of patent property for certain subject matter"

This resolution of disapproval originated in the 23-member committee on patent law revision of our section, was approved by the section council of 10 additional practicing patent lawyers, and was submitted with the knowledge and approval of the board of governors of the American Bar Association.

There has just been directed to my attention a draft of a proposed amendment to the pending bill which, if adopted, will have the effect of wholly removing from the bill the patent provisions against which our resolution was directed and substituting therefor a series of new provisions dealing with inventions and patents. This proposed amendment follows:

"Pages 34, 35, 36, 37, 38, 39, 40. Cancel all of the patent provisions commencing with line 7 on page 34 down to and including line 18 on page 40 and substitute in lieu thereof the following:

"'(a) The Commission is authorized to purchase, for the manufacture or use by or for the United States Government, any and all rights in and to any invention or discovery, or application for patent or patent thereon, relating to research on or the production of fissionable material or the utilization of fissionable material or atomic energy.

"'(b) The Commission is authorized to condemn, and to determine and make just compensation for, any and all rights in and to any invention or discovery relating to research on or the production of fissionable materials or the utilization of fissionable materials or atomic energy that affects the

national defense and security: *Provided, however*, That upon the determination by the Commission that the national defense or security is no longer involved, any and all rights in and to such invention or discovery shall revert to the owner, subject to a nonexclusive, irrevocable and nontransferrable license in favor of the Government.

"'(c) When any person who has made an invention or discovery relating to research on or the production of fissionable material, or the utilization of fissionable materials or atomic energy and shall have filed an application for a patent thereon and shall have tendered his invention or discovery to the Government of the United States for its use, he shall, if and when he ultimately receives a patent, have the rights to sue for compensation as provided for in this section, such right to compensation to begin from the date of any use of the invention by the Government *Provided*, That the Commission is authorized to enter into and effect an agreement with said applicant in full settlement and compromise for the use of his invention by the Government.

"'(d) If any person is dissatisfied with the determination of the Commission as to just compensation, he may have his remedy by filing a suit in the United States District Court for the District of Columbia, if filed within 6 months after such determination; and such court, on notice to the Commission and other due procedures had, may thereupon determine the amount of the compensation to be paid such person, as the facts in the case may appear, *Provided*, That in any such suit the United States may avail itself of any and all defenses, general and special, that might be pleaded by a defendant in an action for infringement, as set forth in title 50 of the Revised Statutes, or otherwise. Any final judgment rendered against the Commission under any provision of this section shall have like force and effect as a money judgment rendered against the United States by the Court of Claims in a suit in respect of which the United States has expressly agreed to be sued; and the amount of any such final judgment shall be paid out of any appropriation applicable to the case, if any such there be; and when no such appropriation exists said judgment shall be paid in the same manner as judgments rendered by the Court of Claims in cases under its general jurisdiction.

"'(e) Any party aggrieved by any final judgment in a proceeding under this section may appeal therefrom to the Court of Appeals of the District of Columbia, and upon such appeal said court shall have power to review said judgment and affirm, revoke, or modify the same as upon appeals in other action at law.

"'(f) Attorneys appointed by the Commission may appear for and represent the Commission before any Government agency or judicial tribunal with respect to any and all invention, patent, and research matters in which the Commission is involved.

"'(g) Any person who has made, or hereafter makes, any invention or discovery utilizing fissionable materials or atomic energy designed or especially adapted for use as or in a military weapon, shall file with the Commission a report containing a complete description thereof. The report covering any such invention or discovery shall be filed on or before whichever of the following is the latest: (1) The sixtieth day after the date of enactment of this act, (2) the sixtieth day after completion of such invention or discovery; or (3) the sixtieth day after such person first discovers, or first has reason to believe that such invention or discovery is especially useful as or in such a weapon.'"

The principal purpose of this letter is to state to you, on behalf of the section of patent, trade-mark, and copyright law of the American Bar Association, that the proposed amendment is, in my opinion, entirely consistent with the previously expressed views of our group and acceptable to it, and that, if the amendment is adopted, our resolution of disapproval of the patent provisions of the bill will no longer apply. The newly suggested patent clauses do not contain those provisions which we originally found to be objectionable but nevertheless appear to amply protect the interests of the public and to insure the national safety while at the same time recognizing and preserving the rights of inventors, research groups, and those who bear the financial risk involved in the exploitation of new inventions, to the end that the advancement of the art of the utilization of atomic energy will not lag behind the advancement of other arts.

Respectfully,

ROBERT C WATSON,
Chairman.

I have a similar letter—and these I shall incorporate in the RECORD—from Mr. John A. Dienner, president of the American Patent Law Association, past chairman of the patent section of the American Bar Association, and he has also held a number of other offices of importance. His letter follows:

BROWN, JACKSON, BOETTCHER
& DIENNER,
ATTORNEYS AND COUNSELORS,
Chicago, July 5, 1946.

Re S-1717, Atomic Energy Act.

Hon. FRITZ G LANHAM,
Washington, D C.

MY DEAR CONGRESSMAN: I am writing to call attention to a fundamental mistake which is being made in the patent provisions of the above bill.

It is apparent to me that those provisions were drafted on the erroneous assumption that a patent confers on the grantee the right to practice the invention, and hence it was assumed that if the Government granted a patent to someone on some phase of atomic energy, it would be conferring upon him the right to practice that phase of atomic energy

This is fundamentally wrong The patent does not confer upon the patentee the right to practice the invention covered by the patent. It confers only the right to keep others (excepting the Government and its contractors and subcontractors) from practicing the invention without the permission of the patentee.

This basic error pervades the entire section on patents and inventions (sec 11), pages 32 to 38 of the draft of June 5, 1946, and leads to numerous inappropriate provisions

The bill should be referred to the House Committee on Patents where this error and its consequences may be rectified by suitable amendment. I should be glad to appear before the House committee to assist it in its consideration of the bill.

Yours very truly,

JOHN A. DIENNER.

Let me climax this opposition to section 11 with this statement: There have been conferences in the last few days among those who are specially informed concerning the significance of patents as they relate to atomic energy. I refer primarily to Capt. Robert A. Lavender of the Navy. Now, who is Capt. Robert A. Lavender? He is the adviser on patent matters to the Office of Scientific Research and Development, and he was designated also by the War Department as the adviser to the commanding general of the Manhattan District in carrying on this atomic energy project, and he has, from the very beginning, been connected with this organization and its operation in that regard. He has recommended the adoption of the amendment which I shall offer to supersede the committee provision of section 11 with reference to patents.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Missouri.

Mr. SHORT. The very able gentleman from Texas has hit the nail right on the head because under the provisions of this bill no individual or corporation can really go ahead and work and experiment and produce until they get a license from the Commission.

Mr. LANHAM. Absolutely, and if you want to kill the goose that laid the golden egg, that hatched into our golden prosperity all through our American history, just adopt section 11 in this bill.

You have heard a good deal about black markets in recent days Of course, primarily we are all interested in food, for we need its nourishment and its sustenance to continue our lives and our activities. But from the standpoint of governmental philosophy, if you want to encourage a black market that will drive a dagger into the heart of American progress and American hopes, then adopt this section 11 as it came from the committee.

Why do I say that? Because if there is to be such regimentation as provided in section 11 of any inventor or any discoverer of something primarily useful perhaps in military affairs and also in our civilian life, he must turn it over willy-nilly to this Commission and let this Commission do whatever it may please with it. It is not unreasonable to suppose that there may be some who will be influenced to a slight extent at least by the profit motive which has characterized so much of our American life. Can you not very readily perceive that, with the destruction of our American patent system and turning it over to those absolutely unversed in this fundamental law and its important consequences, we furnish a very fertile field for the agents of foreign governments to divert the discoveries of American genius to those who are hostile to our American purposes and to our American philosophy?

In accordance with permission given to insert in the RECORD the amendments suggested by the conference hereinbefore referred to, I append these amendments, with the exception of the proposed substitute for section 11 which is included in the letter from Mr. Robert C. Watson:

Page 15, line 24, after "material" insert "owned by it."

Page 16, line 4, cancel "pursuant to a license issued."

Page 18, line 5, cancel ", are unimportant" and insert "do not constitute hazards to national health or security."

Page 18, line 11, cancel "inconsistent with the national welfare" and substitute therefor "constituting a hazard to national health or safety."

Page 18, line 21, cancel "are unimportant" and substitute therefor "do not constitute a hazard to national health or safety."

Page 19, lines 2 and 3, cancel "to the extent it deems necessary to effectuate the pro-

visions of this act" and insert in lieu thereof "upon determination that such action is necessary in the interest of the common defense and security."

Page 19, line 17, after "inspections" insert ", with or without the consent of the owner thereof."

Page 19, lines 20, 21, 22, and 23, cancel the following sentence: "Such exploratory operations may be conducted only with the consent of the owner, but such investigations and inspections may be conducted with or without such consent."

Page 22, line 7, after "materials" insert "owned by it,"

Page 24, line 23, substitute "(a) or (b)" for "(A) or (B)"

Page 25, line 2, after "device," insert "when such manufacture or use constitutes a hazard to national health or safety"

Page 25, line 17, after "facts" insert "and its opinions"

Page 25, lines 18 and 19, cancel "the Commission's estimate of the social, political, economic, and international effects of such use"

Pages 26 and 27, cancel lines 22, 23, and 24 on page 26 and all on page 27 down to and including the word "results" in line 17 on that page and substitute in lieu thereof the following: "the Commission in issuing such licenses shall grant them for such periods and under such procedures as the Commission may establish The granting of such licenses shall be in such a manner as to encourage competition, and where licenses are granted the Commission will not as a condition precedent require the licensees to disseminate technical information and data concerning activities carried on pursuant to such licenses."

Page 48, line 11, cancel "or" and insert ", or 11 (g)" after "6 (b)"

Page 50, insert the following between lines 16 and 17 "(b) The term 'nuclear-fission' shall be construed to mean that process which takes place in nuclei wherein the nucleus is split into fragments, at least two of which contain a substantial fraction of the mass of the original nucleus"

Page 50, line 17, substitute "(c)" for "(b)"

Page 50, line 24, substitute "(d)" for "(c)"

Page 51, line 8, substitute "(e)" for "(d)."

Page 51, line 11, substitute "(f)" for "(e)."

Page 51, line 18, substitute "(g)" for "(f)."

Page 51, line 25, substitute "(h)" for "(g)."

Page 53, insert a new section between lines 7 and 8, as follows

"SEC. 21. This act shall expire 3 years after the date of its approval"

Page 53, line 9, substitute "22," for "20, 21."

Mr MAY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHN J. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1717) for the development and control of atomic energy, had come to no resolution thereon.

RECESS

The SPEAKER. The Chair declares a recess of the House subject to the call of the Chair.

Accordingly (at 3 o'clock p. m.) the House stood in recess subject to the call of the Chair.

GEN. ALEXANDER PAPAGOS

The SPEAKER. The Chair designates the gentleman from Massachusetts [Mr. MCCORMACK] and the gentleman from Massachusetts [Mr. MARTIN] to escort the distinguished guest into the Chamber, who will take his place in the well of the House, where he may be presented to the Members individually.

At 3 o'clock and 2 minutes p. m., the Doorkeeper, Mr. Ralph Roberts, announced Gen. Alexander Papagos, commander in chief of the Greek Armies and the British Expeditionary Forces during the war in Greece.

The SPEAKER. Members of the House, it is my very great pleasure, and I deem it a distinct honor, to have the privilege of presenting to you this great citizen of the world, the general of the Greek Armies, Gen. Alexander Papagos.

General Papagos stood in the well of the House, where he was introduced to the Members of the Congress individually.

At 3 o'clock and 13 minutes p. m., the general retired from the Chamber.

AFTER RECESS

The recess having expired, the House was called to order at 3 o'clock and 14 minutes p. m.

EXTENSION OF REMARKS

Mr. LANHAM asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and to include therein letters and a copy of a proposed amendment.

THE ATOMIC ENERGY ACT OF 1946

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1717) for the development and control of atomic energy.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, S. 1717, with Mr. JOHN J DELANEY in the chair.

The Clerk read the title of the bill.

Mr. SHORT. Mr. Chairman, I yield 30 minutes to the gentlewoman from Connecticut [Mrs. LUCE].

Mrs. LUCE. Mr. Chairman, if a man, in order to get home safely, must walk along the brink of an abyss, he does well to take that trip with his eyes open and in clear weather. We want, if we can, to avoid the abyss of atomic warfare. It seems that the only road home does skirt that abyss; and unhappily, it is the totalitarian road of the legislation before us. Let us take it if we must. But, in the name of all our liberties, let us take it with our eyes wide open.

I arise in support of S. 1717, an act for the control and development of atomic energy, with a very heavy heart, indeed. We all remember—I believe somewhat unpleasantly—the President's recent emergency strike-control bill. Well, that bill was a tender affirmation of pre-New Deal rugged individualism compared with the socialistic character of this bill. Some sections of S. 1717 might have been written by the most ardent Soviet Commissar. Indeed, the patent provisions—section II—are paralleled nowhere except in Soviet patent law. I urge upon my colleagues, whose legal training equips them to do so, to give their sharpest attention to the amendments offered on this section of the bill.

I am not alone in my opinion of the bill's politically revolutionary character. Through the entire course of the Senate debate on June 15 the author himself, the brilliant and able Senator from Connecticut [Mr. MCMAHON] candidly stated that it was unique in American history.

> This is a distinct departure from our way of doing things—

he said, speaking of the bill's compulsory licensing provisions. And—

> included in this bill are some things which the committee accepted only reluctantly • • • I would be less than frank with the Senate if I did not emphasize that in some respects we have departed from all our former methods of handling public questions.

And again:

> This bill is full of provisions which I would not subscribe to in any other connection (but atomic energy). • • • These extraordinary measures (should) not be considered as a precedent for other legislation

A study of the McMahon committee's lengthy hearings will reveal how profoundly disturbed all the Members were by the socialistic implications of this unprecedented piece of legislation.

The deceptive language of the declaration of policy to the contrary, there is not one single provision in this bill which will be of substantial aid in promoting world peace, except as it allows for the integration of domestic with international control of atomic energy. Nor is there in it—to quote the New Deal jargon of the preamble again—anything that will increase the standard of living. And as for strengthening free competition in private enterprise—another favorite preamble phrase of the New Dealers—there is many a section which does precisely the opposite. Provision after provision muzzles free competition and depresses incentive and production in all mining, industrial, patent, and invention fields which impinge at any point on the manufacture of nuclear energy.

Why then did the Senate support it so unanimously, and why must this House support it after amendment?

We must support it because nuclear energy, still in its infancy, contains horrible powers for mass destruction. And we dare not, in these oppressive and troubled times, leave the raw materials and processes of nuclear fissions, which even if developed in all good faith for peaceful purposes, are rapidly convertible to bomb manufacture, in the hands of private citizens.

S. 1717 is a tragically necessary defense measure in a world which may again, in 5 or 10 years, flame into total war.

Let me quote a paragraph from the so-called Acheson or State Department report on the international control of atomic energy:

> Today, the United States has a monopoly in atomic weapons. We have strategic stock piles; we have extensive facilities for making the ingredients of atomic bombs and for making the bombs themselves; we have a large group of people skilled in the many arts which have gone into this project; we have experience and knowledge obtainable only

in the actual practice of making atomic weapons; we have considerable theoretical knowledge of the field which may appear inadequate in future years, but which enables us to evaluate not only the performance of the past, but also what the future is likely to hold.

The chief merit, if not the only merit of this bill, is that it allows our Government to maintain and protect our monopoly of atomic weapons by seizing, operating, and using all available source materials, stock piles, facilities, installations, information and know-how for making bombs.

Atomic energy today is preponderantly a weapon—a weapon of catastrophic character. This bill controls and safeguards for the United States of America all atomic weapons of the present, and permits the development of bigger and better—or one should say—worse ones, if this Nation should, in spite of all its sincere efforts in the direction of international control, be forced into a worldwide race in atomic armament.

It seems to me that there is nothing to be gained by this House trying to deceive itself, or the American people about the true intent of this legislation, which is to secure and promote, for so long as we can, or until international atomic control is achieved, our national monopoly of this fearful weapon. Moreover, even if we deceived ourselves today into believing that this is preponderantly a bill for the peaceful development of atomic energy, we should not in the least deceive our world neighbors who will see at once right through the sweet and peaceful language of the preamble to the explosive heart of the matter: the bill's intent is to enable our Nation to amass an adequate stock pile of bombs for the purpose of defense and attack in war—should war again be suddenly thrust upon us, and to keep pace, in the research, and experimental fields with new processes in nuclear fission. It is the latter urgency which above all requires civilian control and civilian participation. That is why we must not leave the matter in the hands of the military who, while they can preserve the atomic status quo, can never make advances in this field. Under a civilian commission alone can such advances, in this twilight peacetime be made.

I do not support the House amendments which require one, and permit two, military members on the Commission, because it seems to me that their presence there is superfluous. The Military Liaison Committee provided for in the Senate version adequately safeguards Army and Navy interests in the program of a committee, which in spite of its all civilian character, must be, until world peace is assured, chiefly devoted to military, or defense and security, considerations. Moreover, the assumption of those who offered these amendments is somewhat illogical. They seem to believe that the President may err in the choice which is his, under the bill, of five wise and patriotic civilians, but will be able to pick, among the military, with inspired wisdom.

These amendments provide a straw issue, which if too long or passionately debated here, will distract the House from a useful consideration of the sections of the bill concerning compulsory licensing and patents, and its other unique and socialistic features.

The same holds true for the argument against the committee amendment requiring a military officer to be director of the Military Applications Division. I, personally, favor for several reasons keeping an all-civilian facade on this Commission, if for no other reason than that the appearance of military men on the Commission is sure to discomfort our own people, who are traditionally alarmed when members of the armed forces are given undue prominence in peacetime. Americans are wont to view them as omens of war, and an attempt to reverse the historic American policy, which is to keep everyone visually, if not psychologically, "in civies", until a split second after the first shot is fired at us.

I am also against the amendment which permits the President to authorize the armed forces to manufacture atomic bombs. Unless we are to assume—surely a most unpatriotic assumption—that the President will deliberately choose five subversive civilians bent on leaving this country weak and defenseless, this provision may result in either an exhausting duplication of effort, or in a constant wrangle between the armed forces and the Commission, as to which shall make the bombs, and how many.

There are only two consoling features about this socialistic, though I repeat necessary, legislation:

First. It gives scientists and technologists, and those who may be able to use fissionable material in medical therapy, and other scientific investigations of Nature's beneficial secrets, every freedom consistent with its major concern: The complete control and improvement of bomb manufacture, in order to secure our country's defense.

Second. The legislation permits, though it does not promote, the integration of domestic or national control, with a world plan for atomic control.

When—or rather, if—a reliable and effective mechanism for the international control of atomic energy can be formed in the UN, the domestic controls provided by this bill can be quickly and smoothly geared into the controls of that authority.

To be sure, the best opinion, as reflected in the State Department and Baruch reports, holds that it may be several, or even many years before such a world authority can be set up, and made effective. Every provision of this domestic bill will have to be duplicated on an international scale. Any world authority to be effective must begin with world ownership of all atomic raw materials, and provide rigid international inspection and licensing systems. The acceptance of these prime conditions may call for a greater abandonment of national sovereignty than some nations will endure. Still, the creation of an effective world authority, along the lines laid down by Mr. Baruch, is not impossible, though I confess it seems to me unlikely. Nevertheless, to this noble task we must dedicate all our efforts. We must pray, in the name of survival itself, that the UN can be employed for atomic control.

But, until that day comes, it is plain that this Nation must embrace, however, reluctantly, the legislation before us, which is a complete device for domestic control of a highly expensive, highly complicated, highly industrialized, and highly dangerous process, which is rapidly convertible to the purposes of war.

And now, while I support this bill, as a defense measure in a world which is no nearer peace than it was 10 years ago, I feel that there should be laid before you the very real dangers to our American way of life involved in keeping this bill on the books as permanent legislation.

If all peace treaties had been signed and agreeably accepted; if the desperate political chaos of Central Europe and Asia had begun to resolve itself into democratic order; if Soviet Russia showed a sincere inclination to retire to her prewar borders, and to disband her Trojan horse political parties in our own and other countries, if the United Nations were really one big happy family; and if there were not, according to the State Department report, "the already launched international armament race"; in short, if we entertained the heartwarming hope of world peace, instead of the soul-sickening fear of a third world war, I should fight this bill to the last ounce of my strength. For in such circumstances, this bill could, and perhaps would, then be used as a perfect instrument for the socialization of America.

Let us for a moment indulge in an act of imagination. Let us suppose that some American scientist, in the year 1776, had not only discovered electricity, but had managed to run it through a high voltage cable. Imagine that this was the first way that electricity had ever appeared on the world scene. Let us then suppose General Washington had been able to spread this secret invention before the path of a regiment of Red Coats, who in crossing it, were filed to a cinder, every man jack of them. In short, let us imagine that the first known application of electrical energy was for the electrocution, in war, of a thousand men. The fear and horror aroused by this sizzling incident throughout the civilized world of 1776 would have been quite as great as the fear and horror caused by our bombing of Hiroshima.

"Americans discover ghastly weapon for mass destruction," every paper in the world would have proclaimed. And: "New and revolutionary form of energy threatens to destroy mankind." And so on. And then suppose we had been able to keep "the secrets of electrical energy" until the First American Congress assembled. That Congress would have been, in those circumstances, I believe quite justified in proclaiming—I now use the language of the bill before us:

The significance of electrical energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved.

And that First Congress would have been quite as justified as this one is for

patriotic and political reasons in passing a bill for the "development and control" of the new energy

Is there any need to develop this thought? If you will read this bill, imagining that it had been passed, say in the year 1800, for "electrical energy", you will see at once how totally different the economic and political development of America might have been. As to whether or not our living standards would be as high as they are now, after a hundred years of Government monopoly of electric power, is for each man to decide according to his own political philosophy. It is also any man's guess as to whether our monopoly in the electrical energy field would have promoted peace or encouraged war. But one thing is certain: That Government monopoly of electrical energy would not have encouraged free enterprise. If that legislation had remained on our books, by this time we would be a fully matured Socialist state.

Let us get this quite straight in our own minds: It is not what men discover that changes the structure of society; it is how men legislate upon those discoveries which change the structure of society.

At one point in his debate on the Senate floor, Senator MCMAHON said:

> The committee became convinced that (atomic energy) wrote its own rules. It writes them out of the sheer necessity that is inherent in this tremendous force.

Now that is, I submit, nonsense And Senator MCMAHON must have thought so himself, for at the end of this very same debate, he concluded by saying:

> Aware of their unique responsibility as molders of (atomic energy) the committee members labored long and arduously to forge in the fires of democratic action the finest instrument they could devise in the discharge of their grave assignment

Neither Senator MCMAHON, nor we, nor the scientists, nor anybody with a logical mind can have the proposition two ways: either atomic energy molds us, as he first claimed, or we mold atomic energy, as he afterwards stated. The latter is, of course, the truth The plain fact is that this man-made law will mold the use of God-given atomic energy. Nor was this bill written, as the able Senator claimed "out of the sheer necessity inherent in that"—inhuman—"tremendous force." This bill was written out of the human horror and fear that gripped the Senators when they thought of the tremendous human forces in other lands that might one day be able to hurl atomic bombs in a surprise attack on us. Human fears alone—chiefly of foreign powers—devised this law, which is—or should be—a law for keeping us supreme in the field of nuclear fission, and at the same time keeping the knowledge of how to make bombs away from our enemies. The able Senator said that this bill was forged in the fires of democratic action. It was not. It was forged in the fires of totalitarian action which are sweeping toward the West, and have already begun to burn holes in the fabric of our democratic civilization. Our fears concerning the future intentions of aggressive totalitarian nations dictated this bill; and its provisions were born of a psychological necessity, and not a scientific one: the dread of sudden attack, and the belief that one way, perhaps, to forestall it, was to be in a position to retaliate overwhelmingly.

We have devised this law, not to encourage the free enterprise system, or industrial research, or even the means of curing cancer and leukemia, but to protect ourselves so long as we can from greedy and lawless enemies.

But to return to the inherent threats in this necessary bill to our whole American way of life, in the event it should stay permanently on the books in a time of real peace in the world

In chapter I of section III of the State Department report, there appears this significant phrase, which may or may not have been written by Mr. David Lilienthal, of TVA fame, one of the reputed authors; and, according to rumor, a man slated to be one of the five atomic commissioners. I quote:

> Reactors for producing denatured plutonium will be large installations, and by the nature of the process they will yield large amounts of energy as a byproduct As the technology of power development by this method expands, ways will be found for utilizing this power both as heat and electricity. The existing plants are not designed to operate at a sufficiently high temperature for the energy to be used for the generation of electrical power One of the first research and development problems—of the Authority—would be to develop designs of reactors such that the energy released would be in form usable for the generation of electrical power.

And again, in chapter III of section II of the same report:

> We believe that the development of rather large power units for heat and conversion to electrical energy is a program for the near future; that operating units which will serve to demonstrate the usefulness and limitations of atomic power can be in existence within a few years, and that only the gradual incorporation and adaptation of such units to the specific demands of contemporary economy will involve a protracted development

If Mr. Lilienthal is correct, and I believe he is, in assuming that atomic energy could be used to generate electrical power, and if this legislation stayed on our peacetime books, the commissariat—which is what this commission would then become—could at vast public expense develop public power which could, and perhaps would, put all privately owned power plants out of business one by one, slowly or rapidly. Thus, in passing I call to the attention of the gentleman from Mississippi [Mr. RANKIN] that this bill offers the means of encompassing a cherished project of his: TVA.

I think that an awareness of the vast socialistic import, in the power field, of this legislation, may explain much of the violent left-wing enthusiasm for the bill and the fervent support that the Daily Worker has given this legislation until recently.

Here are some further clues which will perhaps help us to understand the hot-eyed support some left-wingers are throwing toward this bill:

On page 50, line 14, the definition of atomic energy is so broad that a commission of purposeful left-wingers could conceivably control practically all forms of energy now in use, which is not surely the intent of the authors.

On page 11, line 17, and on page 12, line 3, the language makes the Commission the exclusive owner of all facilities for the production of fissionable materials, other than facilities useful in certain very limited fields of research. This completely does away with private enterprise and free competition in these fields, even where the production of fissionable material does not constitute a hazard to public health or national security. No such Government monopoly exists in any other field in America today.

On page 13, line 24, and page 51, line 25, in connection with manufacture of production facilites, the term "facilities" is so broadly defined that it can include equipment which may have been designed for other purposes, by or for industries having originally nothing to do with nuclear fission.

On page 26, line 8, the licensing powers for private use of atomic energy are so arbitrary and so cramping in time, that it is impossible to imagine any person or organization willing to risk funds in any enterprise making use of atomic energy. This further increases and entrenches complete Goverment monopoly of the production of atomic energy, even where that production does not endanger public health or national security.

Under section 10, called Control of Information, there are provisions for the dissemination of information which authorizes the Commission to establish libraries, newspapers, and employ all information channels, according to its own discretion. The type of information is not clearly defined. Such information services might make the OWI look like penny pamphleteering; and it is only reasonable to suppose that a vast permanent bureaucracy might use it for the dissemination of political ideas, under the guise of helping the common man to understand the atomic age.

I have already referred to the dangers inherent in the patent provisions, section 11. This section represents a complete departure from the fundamental and basic principles of the United States patent system, for it removes patent protection in the whole field of the production of fissionable material, and in the field of the utilization of fissionable material for military weapons, as well as for all inventions, to the extent that they are used in the conduct of research or development activities in certain prescribed fields. It revokes patents already granted, and would prevent the patenting of research instruments manufactured for the conduct of research in this field.

The patent provisions alone will affect thousands of patents. One has only to reflect on the immense variety of the industrial equipment used in the Manhattan project, to understand this. There are some of the socialistic features of the bill which might change the structure of our government in the event that in peacetimes, the Commission should ever be controlled by men of the mind, say of Harold Laski.

If, in view of the needs of national security, it should prove unwise to modify

by amendment all these socialistic features, I should then support any amendment calling for the expiration of this act at the end of a reasonable time. For while I do not view this sovietizing of American power sources, and all related facilities and inventions, as an imminent possibility, if there is not adopted an amendment for the expiration of this act at the end of a reasonable time, it becomes a possibility in the next two decades.

I repeat, there is nothing in the "logic of atomic energy" which requires that atomic enegy must be used to sovietize America. Only a human mind is capable of logic, or for that matter, of illogic, as when a man speaks of the "logic of atomic energy." If America is eventually sovietized, as a result of the wartime discovery of atomic energy, it will be because the Congress, in fear and funk, allowed itself to be duped by the belief so dear to the heart of the mystical Marxian that logical matter disposes of mindless man, rather than that logical man disposes of mindless matter. Energy and matter, which we now know to be one, are both amoral Man only is moral or immoral. We have only to reflect that if all the large nations of the world were led today by moral men, instead of immoral ones, atomic energy, like all the other power sources, coal, gas, oil, electricity, which we have developed in the ways of peace before, would not require such totalitarian legislation as this for their peaceful development.

The really immoral feature of this bill is that it implies, if indeed it does not state, that in time, atomic energy itself, can and will automatically provide "the answers to the atomic age" without any mental effort on our part; that it will one day solve all our social, political, and economic problems, like some powerful, alert, conscious genii out of a bottle. Well, it will not. Not any more than coal, or gas, or oil, or electricity, or radar, or radio, or television have solved in the past the recurrent problems of war and peace.

The plain fact is, that whether we pass this bill or not, we are still going to have to face, in the years ahead, the problem of industrial unrest, the problem of famine and revolution in Europe, and, above all, the problems created by Soviet ambitions and Soviet ideologies. The discovery of nuclear fission has not changed, and will not solve, one underlying problem in the world today. At worst, in the form of bombs it can aggravate them greatly. At best, in the form of heat or electrical energy, or cancer and leukemia cures, it can ameliorate them only slightly.

Moreover, today and tomorrow we will do well to remember that every scientist who testified before our committee, or the Senate committee, said that in from 5 to 15 years Soviet Russia, and any industrial nation with access to sources of uranium and thorium can make atomic bombs—and they insisted of a destructive capacity so much greater that the present bombs will look by comparison like fire crackers. So this bill, which can never solve our domestic economic problem, except as some in this House may imagine that communism is a cure-all, gives us only a temporary respite from the fear of atomic warfare, even as a defense measure. Only a wholly effective system of world nuclear control can guarantee us for the next two decades against atomization.

And even if we do achieve international control, we will not have solved the problem of war itself. I am sorry to be so realistic, but I think that the American people are at long last hungry for truth, however painful. V–1's and V–2's and large flights of B–17's and B–29's will still suffice for greedy or frightened nations which are driven by their greeds or fears toward mutual obliteration.

We have heard little to date of the existing new and terrible discoveries in biological and chemical warfare, even more frightful than atomic bombs. Senator MCMAHON warned that this legislation must not become a precedent for new legislation. Those will require new legislation for which this legislation will possibly be a precedent.

No; we have not solved any fundamental problem of peace or war with this bill. But, nevertheless, I am for it, for its passage will give our beloved Nation a few more years in which to think through the problems of our international relations. And think hard and straight and honestly, like courageous, liberty-loving, and God-fearing Americans, is what we've all got to do, if we really hope to avoid another Armageddon

Mr. Chairman, the real problem of the age is how shall we find economic and physical security, while at the same time safeguarding our political liberties. This legislation, S. 1717, epitomizes this crucial problem of our age. It does, without any shadow of doubt, promise us at least 5 years of security from atomic attack. But its essential principle, which is state monopoly and control in the hands of a few administrative appointees, strikes near to the heart of political liberty.

Patrick Henry said, "Give me liberty or give me death."

Perhaps before this debate is over many of you may feel inclined to echo Patrick Henry's noble words.

But let me point this out: If your choice were truly a personal one, that is to say, if you, as one individual preferred death to losing your political liberties—you would be justified and even honored for making it.

But your choice is not personal, unhappily. If you vote against this bill you may be choosing death for millions of your fellow citizens by atomization.

I, for one, dare not make such a ghastly choice. I support S. 1717, because I believe it offers the best possible solution to the problem of defending countless American lives in a world which is neither at war, nor at peace.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the able gentleman from New Jersey.

Mr. THOMAS of New Jersey. The gentlewoman mentioned the witnesses we had before the committee on this bill. Of course the gentlewoman recalls that we had only two witnesses on this bill.

Mrs. LUCE. That is correct, but as they represented the Army and the Navy and one of them was the Secretary of War himself, and they expressed themselves as quite satisfied with their representation in this bill, I am willing to believe that they are satisfied, and are sincere in not wanting any more representation than that afforded by the Military Liaison Committee.

Mr. THOMAS of New Jersey. Does not the gentlewoman believe, though, that we should have more witnesses in connection with this very important matter?

Mrs LUCE. The gentleman has asked a most important question.

Let me assure my colleagues that since this atomic matter first appeared in the House as a legislative matter everybody, the War Department and all its witnesses, the scientists who appeared before our committee and the Senate committee, and every member of both committees, has changed his mind over and over as the subject unfolded before him. By that I mean that in our almost 6 or 8 months' effort to understand this evolved and still-evolving legislation, we find that every day, even every hour, that we consider it, we see some new angle or significance both in the legislation itself and in the world-wide implications of atomic warfare I just do not believe that for some miraculous reason, at the precise end of the 5 months' Senate hearings, the Senators learned, felt, understood, and knew everything they or we would ever be expected to understand on the subject of atomic-energy legislation. If the Senate committee had gone on one more month this bill would have been a different bill. And if we go on two more months or three more months, it will also be a different bill

Mr. JOHNSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to my colleague from California.

Mr. JOHNSON of California. In one of the hearings the gentlewoman tried to develop the point with the Secretary of War that it might be possible to divide the problem up into two parts, one the military aspect and one the civilian aspect. Would the gentlewoman enlighten us on her ideas on that?

Mrs LUCE. I will come to that if time permits me to develop it in my statement.

Mr SHORT. Mr. Chairman, will the gentlewoman yield?

Mrs LUCE. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, the bill itself in the first section states that this is a field in which unknown factors are involved; therefore any legislation will necessarily be subject to revision from time to time.

Mrs. LUCE. Obviously, I wish someone would tell me a field of any sort in which unknown factors are not involved. This statement, in the preamble, is naturally superfluous.

Mr. DURHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from North Carolina.

Mr DURHAM. May I call to the gentlewoman's attention that this bill permits research in weapons by the armed forces?

Mrs LUCE Yes; that is quite correct. I thank my colleague, and, as I said before, the military services appear quite satisfied with the atomic scope afforded them by the bill. What I am dissatisfied with is the socialistic scope which the bill would afford the civilian representatives in the power field in peacetime.

Mr. MAY Mr. Chairman, will the gentlewoman yield?

Mrs LUCE I gladly yield to our chairman.

Mr. MAY. I believe you stated that it gives every possible freedom to individuals in scientific research and that the Commission can prohibit the War Department from doing anything about it

Mrs LUCE. That is correct—every freedom is accorded to the scientists, as a category consistent with Government control and monopoly. In this connection, may I point out that the main element in the development of atomic energy is precisely scientific personnel It is the heart of the problem, really By the very nature of the subject all fundamental developments leading to further applications of sources of nuclear energy for war or peace must come from physicists, chemists, and mathematicians, and, to a less extent, inventors All fundamental changes in the processes must originate in the minds of men—specifically, scientists. Mind molds matter, Marxians to the contrary. This is why civilian control is necessary if we are to make progress. The two or three hundred keymen in the nuclear field will, I fear, just not work for the Army, in an Army framework, or under Army regulations, in peacetime. This bill does give them a maximum of freedom, with which they may then be able to make maximum efforts in further research.

Miss SUMNER of Illinois. Mr. Chairman, will the gentlewoman yield?

Mrs LUCE I yield to the gentlewoman from Illinois

Miss SUMNER of Illinois I think the gentlewoman's analogy about the discovery of electrical energy in 1776 was very interesting, if one thinks about it, because, after all, in 1776 Benjamin Franklin, one of the authors of the Constitution, had discovered electricity. They all realized that it was a power that would change the whole world. What did they do? They buttressed the young Government with a policy of friendliness toward all and justice toward all, and they did not give the invention to one small group of people like the Lehman Bros., or whoever will compose this commission that Mr. Truman may appoint, but they let the people use it in the interest of freedom It seems to me the way to handle this thing is to do it the way they did then. That has been proved a success. Let the Army use it for their purposes, and let the rest of the people use it for their purposes.

Mrs. LUCE. The lady will excuse me, but my own analogy somewhat breaks down when I compare electrical energy with nuclear energy, for while it is not a difference in kind, it is a difference in degree. There is no shadow of doubt that the potential destructive force of electrical energy in the year 1800, or even now, cannot be compared with the destructive potentials of atomic energy.

THE "SECRETS OF THE BOMB"

And now, Mr Chairman, under leave to revise and extend my remarks at this point, I would like to add a few words about this highly controversial question of the bomb's "secrets." Some Members speak as though there were one, or even a dozen, or 20 bits of paper containing atomic formulas which, if they could be "handed over," or "snitched," would destroy our national supremacy on atomic bombs Anyone who has studied, even as a layman, this subject knows that there is no such manageable sheaf of formulae to hand over

For the last 7 years every physicist in the world has realized that in principle, nuclear energy could be released from certain substances and practically all of them knew, broadly, how to do it. At the same time every atomic scientist realized that this would be a staggering job, many thought too immense to be practical, that there would be innumerable difficulties and hazards to overcome. Everyone knew that there were a number of ways in which the crucial materials could be made, each with its special difficulties, and that colossal efforts in manpower, brains, skills, and wealth would be required to design, lay out, and build up the vast plants necessary if success was to be achieved But as to an atomic formula or a secret which should, or should not, be "handed over" it is just as silly to talk about this as to talk in the year 1946 about "handing over" the secrets of making airplane engines to a foreign power Even I know that a mixture of gas and air explodes if ignited, and it is plain that this phenomenon is used to drive a propeller. But it is a long step from that knowledge to building a B–29, manned for action.

When this is realized, surely the silliness of cries like "Do not share the secrets" must be plain. As I say, we all know that you cannot "hand over the secret" of making even relatively simple things like airplane engines Why, even if you handed over the engine intact the users have to be trained in manipulating and maintaining it. I do not know whether the Members who talk about "giving away the secret" really mean that the Commission intends to invite a host of technicians and engineers from Soviet Russia to come to Oak Ridge and Los Alamos for a complete course of instruction and training in all the complicated processes which it has taken hundreds of scientists and thousands of engineers years to develop. But, unless this is what they do expect the Commission to do, their talk about giving away our secrets is largely meaningless.

For example, in this war there have been instances of a piece of German equipment—a dive bomber, or a V–2—falling intact into our hands. Thereafter, it might have taken many months, even years, even with these complete models, plus the essential scientific formula before us, to develop similar weapons of our own. And the machinery of Oak Ridge is infinitely more complicated. If, for example, we could conceivably export it intact to Soviet Russia tomorrow, without a thousand and one blueprints, without hundreds of skilled workers, and key scientific personnel, they might be many, many months making the equipment work to produce a bomb, and even years in duplicating or copying it

I do not for a moment dare assert there are not many, many things foreign governments might like to know about Oak Ridge, for it would certainly speed up the time it will take them to perfect their own processes But when we talk about giving away "the secret" we talk at cross purposes about this bill

I submit, Mr Chairman, it is one thing for a man to share with a married friend his "secrets of how to be happy though married", it is quite another to share his wife with his friend So long as we do not share our raw materials, our plant structure, our scientific personnel, and our skilled workers, and what might amount to a trainload of blueprints, and, above all, our bombs, with foreign powers, we need not worry too much about sharing "atomic secrets" with foreign powers.

This bill is necessary for one paramount reason: In order to facilitate the widening of our own field of atomic knowledge and know-how as rapidly as possible—in short, to get and stay well ahead in a field which several nations have already entered If we leave this thing, as so many wish, in the hands of the military, while we may succeed in retarding atomic research in other nations, we will retard it even more in our own. And by seeking to deny others any advantage, we may deny ourselves even more—thus falling behind in the end in the atomic armament race that, according to the State Department, is already under way.

Mr MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr RANKIN. Mr. Chairman, it is not my intention to even attempt to answer the powder-puff arguments of the very delightful lady from Connecticut [Mrs. LUCE].

This is one of the most dangerous pieces of legislation that has ever come before the American Congress.

Our country today is standing on top of the world. The civilized world is looking to us for leadership. Everybody with any intelligence knows that America is not going to use the atomic bomb to destroy other nations. Then why shou'd we plunge from the highest pinnacle to which we have ever ascended or ever climbed, at the expense of the toil and sweat and blood and tears of the American people and throw away the most powerful weapon on earth, which the enemies of this country are striving day and night to get into their hands?

This is one of the saddest days in the history of the world, when communism, the enemy of Christianity, the enemy of our form of government, the enemy of our way of life, murdered Mikhailovitch, that patriot that we heard praised on

this floor of this House by the head of his own country.

As you know, I am the ranking Democrat on the Committee on Un-American Activities. I offered the resolution that created that committee. I have taken more abuse from the Reds, the Communists and their fellow travelers in this country than any other man who has been in public life in my day, and I am going to speak so plainly that you and they can understand it.

Mr. MAY Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kentucky.

Mr. MAY. I want to challenge that last statement. I do not think the gentleman has had as much of it as somebody else.

Mr. RANKIN. The gentleman from Kentucky has merely had the first dose.

Mr DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. DONDERO. Permit me to say to the House that that committee is the only committee that Congress has to which it can go and find out information on these subversive activities in this country.

Mr. RANKIN. The gentleman from Michigan is correct.

I put the safety of my country first. My country comes first at all times, and I am opposing this entire resolution because I think it is one of the most dangerous measures that has been proposed since I have been a Member of Congress.

Leave this atomic energy, this atomic bomb, in the hands of our military authorities for 5 years. Why all this smear of our military authorities? You have never seen a traitor who graduated at West Point or Annapolis, and I don't believe you ever will. They have the interest of this country at heart, and they are protecting it from these alien spies who are after it, and holding it so that it may be used in case of attack.

You know that little Canada, glorious Canada, arrested those spies that had been down here, down to Oak Ridge, stealing the secrets of the atomic bomb, in order to use it against you and me and the rest of the American people.

There are spies down there now, and the investigators of the Committee on Un-American Activities are down there on their trails. Here you are proposing to do what they want us to do, proposing to do by legislation what they are attempting to do by stealth.

I am not criticizing the Committee on Military Affairs. I am not questioning the patriotism of any Member of this House. But, so help me God, I would rather see this bill defeated than anything else that could occur at this time. I suggest that we send it back to the Committe and say to the world, "We are going to keep this atomic bomb where it is today." We already have a plant built at Oak Ridge that cost us $2,000,000,000. That plant covers 70 square miles. We know how to make these bombs. We have a supply already made. We know how to distribute them. We have the planes already built for that purpose. We have the trained aviators, and if you do not believe it, go down to Trans Lux tonight and see that demonstration. Do not let anybody tell you that was a flop. You will not come back here with that impression.

Let us say to the world, "Behave yourselves, quit murdering innocent people all over the world. Quit raping the helpless Christian innocent women of Europe. Stop the robbing and murder of the helpless people of Europe."

A minister of the gospel in New Jersey wrote me and said, "Is there nothing that America can do to stop the raping of the innocent Christian women of occupied Europe by the Communists that are dedicated to the overthrow and destruction of everything we stand for?"

If the Communists had this bomb and we did not, this Capital would not last 60 days, and you know it. If the Communists had this atomic bomb and we did not, London would not last 60 days, nor would New York or Pittsburgh. They would use it to destroy everything that Christianity has built in the last 1900 years.

So I say the thing to do is send this bill back to the committee, stand where we are, go back to the American people and find how they feel about it, talk to those boys who fought and won this war.

I talked with a young man who had been to Nagasaki. I wish every Member of this House could talk to that young man and just find what he saw, and picture Washington if this bomb was in the hands of the gang that murdered Mihailovich today, and we had none.

This is my country. I have taken all the abuse I am going to take. I am going to answer back from now on, I can tell you that. I have taken all the abuse from these Reds that I am going to take I propose to call a spade a spade. You are not going to wreck my country if I can prevent it; you are not going to take the only weapon we have now to protect ourselves and give it to our enemies. God forbid.

Jefferson warned us, and Washington warned us that our policy should be "peace, commerce, and honest friendship with all nations, entangling alliances with none." Let us say to the world, "We will lead the way into an era of peace, everlasting peace, but we are not going to hand you the gun with which to destroy the civilization of mankind."

Send this bill back to the committee, and you will be doing the will of the vast majority of patriotic Americans ir every State in this Union.

You will be saving America for Americans and preserving the peace of mankind.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I notice the language on page 30 of the bill provides that the Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources, a reservation of certain materials to the United States. I wonder if it was not an oversight in drafting the bill to place that requirement simply upon the Secretary of the Interior. The Secretary of Agriculture issues a great many permits dealing with the location of mining claims; in fact, all the mineral lands in the national forests are under the control of the Secretary of Agriculture. If this is really intended to control those things, it would seem to me it would be necessary to include the Secretary of Agriculture in the language of the bill.

Mr MARTIN of Iowa. I appreciate the question, but I am not prepared to answer it now. I would rather reserve the answer until later in the debate, and proceed now with my own discussion of the bill.

Mr. CASE of South Dakota. I understand the gentleman wishes to discuss the bill, but I thought that question should be raised so that somebody could check up on it.

Mr. MARTIN of Iowa. I thank the gentleman. Mr. Chairman, I have attended every session of the committee on this bill and I have a few observations to make that I think are important to bring out at this time.

ARMED FORCES REPRESENTATION AND PARTICIPATION

The bill, S. 1717, if enacted into law will be known as the Atomic Energy Act of 1946 This legislation has to do with the development and control of atomic energy both for civilian purposes and for military purposes. In both fields so many unknown factors are involved that we can hardly generalize or advocate fixed policies without tremendous risk of overlooking some factor or factors that may lead to the very destruction of the thing we are striving to defend or protect.

Because of my membership on the Committee on Military Affairs and because of the responsibility of that committee to the Congress and to the Nation in the matter of guarding and supporting the defenses of our Nation, I have given particular attention to the impact of the atomic bomb in the field of our national defense.

Every person in the United States who has heard about the atomic bomb is deeply impressed with its potential role as a weapon of aggression, and those people most closely connected with the development of atomic energy have displayed greatest concern over the danger to all life in any country upon which atomic energy is hurled as a weapon of attack.

America is not aggressor-minded, and the United States has proven to the world in both World War I and World War II that her people do not covet the assets or the territorial possessions or the form of government or any other nation on this earth. On the basis of our own conduct in international affairs during the past few decades we will have very little difficulty in convincing other nations that we will not likely start any war of the future. On the other hand, our con-

duct at the outset of World War I and World War II is ample proof to the world that we will very likely be drawn into any major war that is started anywhere on this earth, and of course there is always the possibility that we may be the first one attacked. It is, therefore, exceedingly important that we who are charged with the defense of our Nation give full consideration to the development of any possible defense against any potential weapon in any future war. The most important single duty confronting those of us who are charged with the responsibility for our national defense is to develop a defense against the possible use of the atomic bomb by any other nation against us in such a war.

Scientists have stated quite emphatically that there is no known defense, but if our Nation is to survive any future war those of us who carry this responsibility must not fold our hands and give up without trying to the utmost of our ability to develop a defense that will save our Nation from such disaster.

I have never looked to the inventors of potential weapons nor to the manufacturers of potential weapons as best qualified to govern or direct the military application of such weapons We have approximately 1,500,000 professional soldiers and sailors in our Nation today who are devoting their entire talent and service to the defense of our Nation. At no time in history have the armed forces of our Nation been confronted with a greater challenge than confronts the armed forces today in the matter of the atomic bomb. I cannot subscribe to any program that disqualifies each and every one of our armed forces from active responsible participation in the control of this greatest of all known potential weapons in the face of the challenge the atomic bomb has created.

I do not advocate military control of the Commission, unless you assume that one or two members of a five-man Commission would control the Commission. I offered the amendment which the Military Affairs Committee adopted—section 2 (d) on pages 8 and 9 of the bill—to remove the disqualification of members of the armed forces from serving on such Commission and to limit the number serving on such a five-man Commission to not more than two members. This limitation is a guaranty against military control of the Commission. Another amendment offered by the gentleman from Ohio [Mr. ELSTON]—section 2 (a) on page 3 of the bill—makes the appointment of one representative of the armed forces on the Commission mandatory, but my amendment leaves the appointment of the second member entirely within the discretion of the President.

My amendment also qualifies any member of the armed forces for appointment as Director of Military Application of Atomic Energy. You will find by reading the bill that this executive position is one of the four positions placed under the general manager, who is charged with the administrative and executive functions of the Commission. My amendment, section 2 (d), leaves the matter of appointment of a representative of the armed forces to this position to the discretion of the President, but the committee adopted an amendment to section 2 (a), which you will find at the top of page 6 of the bill, requiring that the Director of the Division of Military Application of Atomic Energy shall be a representative of the armed forces. I supported this amendment which was offered in committee by the gentleman from Ohio [Mr. ELSTON] because I feel very strongly that military application of atomic energy should be under the direction of a person who has given much study and thought to military science and tactics. I sincerely hope and believe that the Director of Military Application of Atomic Energy can and will keep uppermost in mind his responsibility to our Nation in his direction of military application of this superweapon and especially the strategic plan of defenses against its use by any future enemy.

Opponents of my view will argue that the armed forces do not have highly qualified men available to serve as members of the Commission or as Director of Military Application, but I call your attention to page 11 of Senate Report No 1211, about the middle of the page, as follows:

> While the commissioners need not be scientists or technical experts, they must combine clear judgment with imagination and courage, and they must, like the members of the judiciary, be so divorced from private and competing concerns as to give complete, disinterested, and undivided attention to their tasks

On that same page the Senate committee recognizes legitimate and important areas of atomic energy development and control touching on the responsibilities of the military departments and they state that—

> Throughout the bill, wherever these areas are involved, provision is made for full military participation, and independent activities of the military departments, especially in research and development, are not infringed but expressly encouraged.

In what way could this objective be better achieved than by placing a man qualified in military science and tactics as Director of Military Application?

Some opponents to military membership on the Commission itself will cry out for the elimination of confusion that they claim such membership will create. But I believe I know the Army and Navy well enough to guarantee that the President by judicious selection from the armed forces can find men highly qualified to serve on the Commission and men who will not create confusion in such service. These same opponents of my view would probably predict dire results following the appointment of a member of the armed forces to head any governmental agency dealing with business matters, but a very distinguished constituent of mine, Maj. Gen. Philip B. Fleming, has served with outstanding ability in many important assignments of this kind and is today serving with great credit as Federal Works Administrator. They would also predict chaos and confusion if any member of the armed forces were appointed to an important post in our State Department, and yet I need only call your attention to the distinguished service that is being rendered today by Gen. George C. Marshall in China, by Gen. Douglas MacArthur in Japan, by Lt. Gen. Walter Bedell Smith as Ambassador to Russia, and by Maj. Gen. John H. Hilldring in his recent appointment as Assistant Secretary of State. Where do these critics of the armed forces suggest that we get men better qualified for such assignments than these members of the armed forces? We have a lot of talent today in our Army and Navy and we need them and we must use their talents in various fields of endeavor, but nowhere do we need them more than we do in the field of atomic energy that brings to our Nation the greatest challenge of the ages in the matter of its defense and its very survivorship.

We will rue the day that we blindfold ourselves by disqualifying all members of the armed forces from active, responsible participation in the defense of our Nation against the greatest potential weapon yet known to mankind.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa I yield.

Mr. SHORT. Certainly it is not unfair or unreasonable that one of the members of this five-man Commission be appointed from the armed forces of the country

Mr. MARTIN of Iowa. That is exactly right.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. JOHNSON of California. The gentleman might have added a number of admirals who have rendered very distinguished and outstanding service in various civilian posts, including ambassadorships.

Mr. MARTIN of Iowa. Yes, indeed; I did not give a complete list of the Army or the Navy

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. VOORHIS of California. Is it not true that these distinguished men the gentleman has pointed out concerning which no one will disagree were all retired at the time of their service in civilian capacities?

Mr. MARTIN of Iowa. Not all were retired. In many instances the gentleman will remember we passed laws which authorized them to serve in such capacity. The special authorization here in question is needed for members of the armed forces who are retired, as well as for those on the active list.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, in reading Senate Report 1211 on the bill for the control of atomic energy, S. 1717, it is interesting to note that in the summary of the testimony which was given before the McMahon committee the members state that—

> The peacetime benefits of atomic energy promise to be great, indeed, particularly in medicine, biology, and many branches of

research. These benefits are immediate in their promise, but will require extended and unfettered development for full realization.

Note, gentleman, that the testimony indicated that there should be "unfettered development." It was agreed that the principle of atomic energy could be kept secret only temporarily and it was further agreed that legislation should facilitate, as far as possible, "the rapid scientific development of atomic energy, which would promote both the industrial prosperity of the world and the improvement of our instruments of national defense."

S. 1717 is supposed to be the answer to this problem, and in its declaration of policy section 1 of the bill states that the objective shall be "the development and utilization of atomic energy toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

Note, especially, that one of the purposes of the bill is to strengthen free competition in private enterprise, and the Senate committee in this connection has explained that to carry out these purposes the bill provides for Government control over atomic energy and for Government programs for information, production, research, and development.

On the one hand, then, is the desire to "strengthen free competition in private enterprise," and, on the other, is the statement that to provide this there must be Government control. But there are controls and controls, and the form that this control is to take is further explained when it is said that provision is made for Government "production, research, and development." In other words, there is not to be control as we ordinarily think of control. There is to be direct Government ownership and operation. How this is consistent with the expressed desire to strengthen free competition in private enterprise in this all-important field it is difficult to see.

Let us examine the controls that are mentioned. First, the Commission which is to be created is to own all fissionable materials, but it must be remembered that under the definition of fissionable material there would be included ores only if they contain uranium, thorium, or any other material which is determined by the Commission, with the approval of the President, to be peculiarly essential to the production of fissionable materials and then only if in such concentration as the Commission may by regulation determine from time to time.

In order to exercise the control that is desired, it is further stipulated that unless authorized by a license issued by the Commission, no person may transfer or deliver, and no person may receive possession of, any source material after removal from its place of deposit in Nature. No license, however, is required for "quantities of source materials which in the opinion of the Commission are unimportant."

This provision is quite vague, for just what does unimportant mean? It is entirely proper that the bill should take into account the possible hasards to national health and safety that the use of these source materials might engender and, from a reading of the Report No. 1211 of the Senate Special Committee on Atomic Energy, this was contemplated. However, because of the vagueness inherent in the word "unimportant," it should, in my estimation, be eliminated. Hence, it is urged that the words "in the opinion of the Commission are unimportant" should be stricken out and there should be substituted for these words "do not constitute hazards to national health and safety."

If this change were made, the vagueness created by the word "unimportant" would be eliminated and this particular control would be limited to definite types of hazards which are interpretable.

There is also vagueness in connection with the provision for the issuance of licenses for source materials. This part of the section reads:

> The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this act or to prevent the use of such materials in a manner inconsistent with the national welfare.

The Commission should be empowered to establish the standards for the issuance of licenses for source materials, but when it is granted the power not to issue licenses in order to "prevent the use of such materials in a manner inconsistent with the national welfare," the Commission is given very wide latitude of interpreting a very vague phrase. It seems only proper that a bill which contains a provision as important as this should be definite in its language and, consequently, I believe that this phrase should be replaced by "not constituting a hazard to national health and safety."

It is also to be noted that in connection with reporting, the Commission is authorized to issue regulations requiring reports of ownership of source materials but may except from this requirement quantities of source materials which "in the opinion of the Commission are unimportant." Here, again, the word "unimportant" is vague and should be deleted and replaced with the wording "do not constitute hazards to national health and safety."

Further, with respect to source materials, the Commission is—

> authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this act.

The words "to the extent it deems necessary" could provide the basis for what might lead to arbitrary use of this power, a use against which the citizens of the United States might be more or less powerless, and therefore these particular words should be deleted and replaced by "upon determination that such action is necessary in the interest of the common defense and security."

But, aside from the control of source materials, the bill in section 4 further provides that—

> The Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (a) are useful in the conduct of research and development activities in the fields specified in section 3, and (b) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

It is obvious that the intent of this section is to assure the Commission control over all production of fissionable materials. This is done by making it impossible for fissionable material to be produced in any quantity except in a Government-owned plant. This is further emphasized by the fact that the Commission is authorized and directed to produce or to provide for the production of fissionable material in its own facilities and it can make contracts with persons, obligating them to produce fissionable materials in facilities owned by the Government.

However, the degree of control which it is desired that the Commission have could well be obtained without making it necessary that all production activities be limited to Government-owned factories. The incentive of private enterprise to produce at the lowest possible cost is lost to the Government when production can be undertaken only under a management contract in a Government-owned plant.

A contractual arrangement such as is envisaged in the bill does not provide the encouragement for the creation and use of new productive methods that are always being evolved when production of any type is carried on under our normal competitive processes. The committee in its report on acquisition of source materials indicated that it did not intend that the Commission would engage in mining operations in competition with private mining activity and that—

> The committee has been alive to the necessity of encouraging the activities of independent prospectors.

The committee has further explained that—

> The principle of Government monopoly which the committee has adopted as essential in reference to the production and ownership of fissionable materials is not extended to the ownership, mining or refining of source materials * * *
>
> Wherever possible, the committee endeavors to reconcile Government monopoly of the production of fissionable material with our traditional free enterprise system. * * * Prospecting for and mining of source materials are at every stage to be encouraged and supported.

It seems to me that just as prospecting for and mining of source materials are to be encouraged and supported, every phase of the nonmilitary development of atomic energy should be similarly encouraged and supported.

Section 1 of S. 1717 has as one of its objectives strengthening free competition in private enterprise, but in section 4 there is no private enterprise and there is no free competition. I appreciate and sympathize with the desires of the framers of the bill to protect the public welfare, but I believe that it is unnecessary and undesirable to have the Commission the exclusive producer of fis-

sionable materials, except where production is incident to research and development activities.

It seems to me that the country would be adequately safeguarded if the Commission were given the authority to regulate and police the production of fissionable material and private ownership or operation were forbidden except under license by the Commission. Then the Commission would have adequate control and I consequently believe that that portion of this section which reads "the Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities" should be eliminated and replaced by the following wording:

The Commission is authorized to own and operate facilities for the production of fissionable material Private ownership or operation is expressly forbidden except under license by the Commission. *Provided, however,* That no license for operation or ownership is required for facilities which (a) are useful in the conduct of research and development activities in the fields specified in section 3, and (b) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

The bill in section 4 also provides for operation of other production facilities when it states that—

Fissionable material may be produced in the conduct of research and development activities and facilities which under paragraph (1) above, are not required to be owned by the Commission.

Then in paragraph (e) of section 4, under the title of "Manufacture of Production Facilities," it is stipulated that—

Unless authorized by a license issued by the Commission, no person may manufacture, produce, transfer, or acquire any facilities for the production of fissionable material.

In view of the limitations placed on the ownership of production facilities, the definition of the word "facilities" is very important. Turning to section 17, we find that this is defined as "any equipment or device capable of such production and any important component part especially designed for such equipment or devices, as determined by the Commission."

It is obvious that a facility capable of such production might not have been originally intended for the production of fissionable material and, therefore, it seems to me that this term is entirely too broad and I recommend that it be modified as follows:

(g) The term "facilities for the production of fissionable material" shall be construed to mean any equipment or device peculiarly adapted for and capable of such production and any important component part especially designed for such equipment or devices, as determined by the Commission.

I repeat, gentlemen, that the powers conferred on the Commission and the limitations on production of fissionable material and ownership of production facilities are inconsistent with the avowed purpose of facilitating the rapid scientific development of atomic energy or of "strengthening free competition in private enterprise."

Indeed, this expression of intent is vitiated by the admission that a Government monopoly in the production of fissionable material is being created. And this cannot be reconciled with our traditional free enterprise system.

Instead of facilitating the rapid scientific development of atomic energy the proposals contained in this measure would tend to stifle them—and the free enterprise system with them.

Experience has shown that the forces of free competition do more to aid the rapid development of an art than does any other system. Let us not fool ourselves—this bill will not foster either the development of atomic energy or the free enterprise system. It tends to kill them both and it is not at all necessary, for we can attain all of our objectives of safeguarding the national health and welfare, of facilitating "the rapid scientific development of atomic energy" and "strengthening free competition in private enterprise" if by "controls" we mean not state ownership but controls through proper supervision under an adequate system of licensing This, I believe, as I have already explained, can be done and should be done.

Mr. MAY. I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD Mr. Chairman, the principles and objectives of the McMahon atomic-energy bill should receive the full and sincere support of the House. The declared purposes of the act incorporate the desired ends of progress, security, and development, as well as international accord. All these demand support and require vigilant and constant guarding of the public interest, but the technical and scientific phases of the problem make it difficult for a full, public understanding of the extent and the far-reaching effects of research and experimentation in the field of nuclear-chain reaction.

The popular concept of atomic energy to the average American is a bomb—a lethal weapon designed to lay cities in ruins, and to blot out lives of thousands of people.

The pictures of the ruins of Hiroshima, of the nuclear clouds rising above Nagasaki, of the scarred hulks in Bikini atoll, have impressed upon the American people the terrific forces which have been harnessed by science. The control of these forces is well established in the statement of powers of the Commission and the committees provided for in the bill known as the McMahon bill. That this control should be lodged in civilian hands with due provision for military advice and counsel is a principle which, in my opinion, is unanswerable and worthy of the unqualified support of the membership of this House, who are the elected representatives of the people.

Adherence to civilian control of atomic energy is demanded, because the interest of every American citizen is involved.

Fundamentally, atomic energy is a new source of power which, according to scientific testimony, is capable of industrial use and application. In fact, the pending bill directs arrangements to such use in section 3 (a). What is the anticipated result? Great basic industries, embracing many sections of this country and employing hundreds of thousands of employees, will be faced with a newcomer in the field of production of power. The great anthracite and bituminous coal industry of Pennsylvania and the tremendous source of electrical energy—all will find themselves face to face with progress. This progress, which may come and if guided and directed in the paths of peace, must march with our existing economic structure. To tear down without consideration our great basic industry of coal would bring national calamity As a result, the careful guidance, the sound thought, and deliberation which atomic energy and its uses demands should rest in civilian hands.

The bill adequately provides for the necessary safeguards to protect the public. However, in the appointment of representatives to the commission, the General Advisory Committee and the Advisory Boards, mentioned in section 2, I hope that the basic industry of coal will receive representation from its ranks of its management and of its workers. Their interest in any future program or reconversion should receive adequate hearing and competent representation. And what is more, it should be published and broadcast to the American public the fact that this bill is designed not only to give them security but, what is more, to protect them in their economic lives, so that scientific progress as it occurs in the future will not forthwith and without full determination of its effects, blot out a great basic industry which today is the greatest source of power for the wheels of American production.

I trust that the President of the Senate and the Speaker of this House will in their selections of members for service on the Joint Committee on Atomic Energy, established by section 15 of the House bill, recognize that the people's representatives from the great coal-producing areas of this country deserve representation in the work of the joint committee.

It is a fact that atomic energy demolished great industries and factories in Japan. Let us not have this same great force wipe out the economic structure of great industries in our country without the people and the Congress studying and plotting the change, if any, which may come with the advance of science. None of us know as a certainty what the full force and effect of this new form of energy will be on our way of life in the coal fields. We have never stood in the way of progress, in this matter we probably could not if we wished. But the fact remains that at this early moment I feel it is my duty as a representative of the millions of people of the coal fields to bring to the attention of the proposed Atomic Commission and to the Nation at large, the obligation owed to the coal industry and its people in the great mining area of Luzerne County, Pa., in particular, and the coal-producing areas of our Nation generally. Thought and care and planning must be given to whatever tremendous transition and reconversion problems will follow in the wake of atomic energy harnessed to our economic and industrial life. Where

would there be a better place as the center in which to develop this new potential? The livelihood, employment, and welfare of the future generations of these areas is to be affected. Then these generations must be served by and be permitted to give service to any such program. Mr Speaker, out of an abundance of caution, if for no other reason, I must insist that in this turmoil and concern and grave uncertainty filling the minds of everyone on this subject, the coal-mining areas of the country must not be lost in the shuffle of things to come. I am not an alarmist but I have seen the coal fields forgotten for years and its welfare ignored in all sorts of ways. I am making this statement now to make certain and to serve warning that we are not going to be forgotten again, if it develops that science is going to utilize atomic energy for industrial and commercial energy and power. Proper correlation of and with the coal industry is a vital factor to our national economy.

The force of this new energy may shake the sky as it is developed, I do not know; but I do know that with reference to the anthracite coal area, its patriotic workers and their families and the vast industry which is the backbone of a vast section, "let there be justice though the heavens fall."

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. VOORHIS).

Mr. VOORHIS of California. Mr. Chairman, it is quite impossible for me in 10 minutes even to begin the things I should like to have a chance to say on this bill.

I agree that this may well be the most important piece of legislation in the history of our Nation. I wish profoundly we did not have to consider anything of this sort. But I believe we would be derelict in our duty if we did not or if we failed to try our best to grapple with what is admittedly the most perilous problem our Nation has ever faced.

I disagree completely with those who have said that we do not need to pass a bill of this character at the present time. I think we very much do need to pass a bill of this character. With all my heart and soul I wish we did not. With all my heart and soul I wish it were possible to turn back the hands of time and to place atomic energy back in the sun again and in the secrets of the universe whence it came.

But that is not possible. Nor need we expect that the knowledge of the subject in this Nation or in any other part of the world is going to stop where it is now. Much as I should like to encourage Members of the House to continue to comfort themselves and falsely comfort their constituents by talking about the "secret" of the atomic bomb I must honestly say that I believe that to base the security of the United States for more than at most a short span of years upon any such alleged secret is to be guilty of the most dangerous sort of self-deception. Every single bit of scientific evidence, of testimony that has been given on this subject is to the effect first, that all the important fundamental knowledge was given to the world in the Smythe report published by the War Department itself and second that we cannot reasonably expect that other nations will not have such weapons within the course of 5 or 10 years unless something in the nature of dynamic world statesmanship intercedes to stop the whole development of such weapons everywhere. We can, if we will, legislate on the mistaken premise that America's safety will be guarded by the sole possession of certain technological manufacturing methods by scientists in this country. But we cannot legislate to make that situation permanent. It is beyond our power to do so. Our difficult duty in this critical hour is to face facts, startling, world-shaking, profoundly dangerous facts like men and women. Oratory cannot change those facts.

The fact is our choice is between world law and world control over atomic energy on the one hand and an atomic armament race ending in surprise attack and untold suffering and mass destruction on the other. We must have domestic control before we can even talk effectively of world control, let alone achieve it. So, unfortunately, we have to face a much bleaker prospect, a much more complex situation than if we could depend upon the present secrecy of atomic bomb production lasting for more than a brief space of time. So I appeal to those Members whose consideration of this legislation seems so far to be limited to reliance upon the "secret" to recognize now, before it is too late, how far beyond that tragically oversimplified solution we must go if we are to serve our children's generation and not merely our own next few years. I assure them that if I believed it possible for America to keep some such vital secret and lock it in her military archives to be dedicated to preserving peace, I should go with them with a far lighter heart than beats in my breast at this moment.

One reason we need this bill, in my humble opinion, is the fact that unless a bill of this general character is passed, the development of atomic energy which has proceeded under great difficulty in recent years cannot go forward. The fact is it is not now going forward. I submit that the great majority of the most eminent scientific workers in this field are no longer associated with the project. They have gone to other work. And it is absolutely essential if development in this field is to go forward that those scientists do the work. After all, they are the only people who can. To believe the Army can do it is another dangerous misconception. Indeed, such secrets as do exist today repose in the minds of certain scientists, who, fortunately for us, have chosen to serve America.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. The gentleman says that there are no basic scientific secrets on this bomb and I agree with him. There are only manufacturing secrets, but there are some of those.

Mr. VOORHIS of California. Yes; that is right. I believe I said so.

Mrs. LUCE. May I ask the gentleman, if there are no secrets and we are not embarked on an atomic bomb race, what is the urgency, in his opinion, for this legislation?

Mr. VOORHIS of California. That is what I was attempting to explain.

Mrs. LUCE. I did not quite follow the gentleman.

Mr. VOORHIS of California. The fact there are no secrets that we can expect to keep for any appreciable length of time, it seems to me, means more than ever that we are embarking, in essence, upon an atomic armament race at this minute which will continue and become evermore terrible and evermore an influence causing the people of all nations to live under a feeling of suspicion and distrust as time goes on. I am afraid that is the case today. One reason I am afraid it is the case is because I do not believe it is possible, as I stated, for the mind of man to stop either in this country or in any other nation, nor do I believe over a period of time that secrets can be the exclusive possession of any nation.

Mrs. LUCE. I am trying to find out from the gentleman, in view of his statement that this is an atomic-bomb race, whether the gentleman thinks this Commission, if appointed, will make more or less bombs than are being made now?

Mr. VOORHIS of California. I think they will probably make precisely the same number that would be made or not made if the Commission were never appointed. I think that will not make any difference so far as the number of bombs that are manufactured is concerned. I believe the bill is clear on that and that it lies in a decision to be made by the President. I believe that is where the decision has been made in the past, and I believe that is where it will be made in the future. I think that is where it belongs.

Mrs. LUCE. Why does the gentleman think there is an urgency for this?

Mr. VOORHIS of California. I have already given one reason. I believe that under present circumstances American development in this field must go on. I wish I did not believe that, but I do. Indeed, it is possible to secure a world control, such as the Baruch report proposes, until we can get the kind of world control that is not dependent upon any treaty but that is dependent only upon a world law of peace and the power of an international agency to inspect and control atomic energy in every nation of the world and prevent any nation from possessing weapons of this sort, precisely as the gentlewoman herself said, until we can get that kind of control I believe that American development has to go on. As I view the world situation at present, I believe American preeminence in this field is one factor which, coupled with the most persistent and relentless work for peace, might give us the leverage to bring about the conditions and the enforceable disarmament which could make true peace possible.

But I do not believe American development is or can go on successfully under present circumstances. I think it necessary that some form of civilian commission of this sort be created together with attendant changes in the circumstances under which the work will be done if we

are to get the kind of scientific progress which I believe under present circumstances is necessary to our country's safety and to the hope of future peace.

Mrs. LUCE. I agree with the gentleman on that particular need for the Commission.

Mr. VOORHIS of California. My second reason for believing it necessary is that if we are to hope for such international control as I just attempted to briefly describe, and I believe that to be the only hope of safety for the population of the United States in the future, if we are to hope for any such international control, we will have to first establish in the United States an effective control over atomic energy within our own borders. We do not have it now. There is nothing in present law to prevent any Tom, Dick, or Harry from possessing fissionable material, manufacturing miniature bombs with it, or exporting it out of the country. We are in a situation comparable to that of a bunch of children playing with TNT, and I may as well point out now the added danger that some individual could under present law seek a patent on atomic energy itself, in which case, under our patent laws he would have to present for public inspection at the Patent Office a description of his process and the United States would have to go to a public trial to protect whatever rights it may have or to attempt to protect its secrets. Surely those who, like myself, do not want to give away our present advantage do not really want such a condition Unless we have the type of control this bill provides there is every likelihood that the very circumstances which some of the opponents say they are trying to prevent, namely, the general dissemination of dangerous information, and indeed dangerous devices may well take place You may get all sorts of development here and there of a purely sporadic nature, and none of us has any possible means of predicting what the result might be.

So that my second reason is this I believe I have at least an inkling of what atomic energy is. I confront it with feelings of mingled awe and a sense of almost oppressive responsibility. For it is the energy of the sun itself, the fundamental energy of the universe, by far the most tremendous gift of God that mankind has ever presumed to take from His natural storehouse. Atomic energy is by infinite measure the most destructive force ever loosed on this earth. And not only do I know it will be our destruction unless moral and, indeed, religious and spiritual forces of corresponding strength are awakened throughout the world to meet it, but I also believe pending that time it must be controlled if mankind is to survive and to preserve any real vestige of his civilization on this planet.

Mrs. DOUGLAS of California. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentlewoman from California.

Mrs. DOUGLAS of California. I would just like to say this as another reason why the bill should be passed now. We must proceed with our basic scientific research, which is our greatest protection in the future, and, just as the gentleman said, if we do not have the knowledge, if we stay where we are in science, we will lag behind. We must keep our preeminent position in science in the world.

Mr. VOORHIS of California. That is right. I thank my colleague.

Mrs. DOUGLAS of California. And the way we can do that is by making advances in the basic sciences. The scientists are leaving these projects now because there is no set program, and we cannot make these scientific basic discoveries under military control. That is the crux of it. The statements made that the military is thrown out of this program is utter balderdash and nonsense.

Mr VOORHIS of California I think the military is not thrown out of it at all On the contrary, I think our military needs are met in the bill or I would not support the bill.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. Does the gentleman believe that this is a very important bill?

Mr. VOORHIS of California. I certainly do

Mr. THOMAS of New Jersey Then does not the gentleman think that in view of its importance, in view of the fact that we only had 2 days of hearings before the Committee on Military Affairs, and in view of the fact it is coming up in the last few days of this session of Congress, that we should delay it a little bit until we really understand what is in the bill?

Mr. VOORHIS of California. I believe this, I will say to the gentleman: I believe that every moment is precious. I believe that every moment that America still retains preeminence in this field is precious for the future chance of life of the peoples of the world. I ask the gentleman to consider what the situation would be if some great dictatorships stood in our position today. It is only so long as America is preeminent that we stand a halfway good chance of gaining the controls for peace which are our only hope, and since I believe domestic controls must precede international ones I believe there is the greatest urgency about this legislation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. VOORHIS of California. Only so long as America does retain that position is America's position half as strong as it needs to be in trying to bring, from her real desire to seek peace, the rest of the nations of the world into a position where world control over this awesome thing can be established.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Kentucky.

Mr. MAY. I would like to say to my colleague on the other side of the aisle that the statement that we only had 2 days of hearings on this legislation is not justified. We had weeks and weeks of hearings, and the gentleman from California testified before the committee at that time.

Mr. VOORHIS of California. That is true.

Mr. THOMAS of New Jersey. Mr. Chairman, if the gentleman will yield, that was an entirely different bill.

Mr. MAY. That was on the subject of atomic energy; the May-Johnson bill.

Mr. VOORHIS of California. This bill in the Senate of the United States was considered for months by a committee, whose membership the gentleman from Texas read to the House the other night, than which there could be no more distinguished or more essentially conservative membership selected in that august body, and it seems to me that the House ought to have some regard for the basic work that was done there and for the legislation that was written.

Mr THOMASON. Mr. Chairman, will the gentleman yield?

Mr VOORHIS of California. I yield to the gentleman from Texas.

Mr. THOMASON. More than that. Three or four volumes of testimony before this special Senate committee were printed, and every Member of the House was provided with a copy of those hearings.

Mr. VOORHIS of California. Indeed, that is true.

May I say, Mr. Chairman, that the provision in the bill which provides that atomic energy, the very energy of the sun itself, the energy developed at an expenditure of $2,000,000,000 of the taxpayers' money of the United States, shall not be capable of being privately patented or monopolized by some one corporation in this Nation—to say that, seems to me to be the very essence of statesmanship and the very essence of the protection of a free-enterprise system. I hope Members will consider the alternative to some of the patent provisions of this bill. That alternative is to say that atomic energy can be patented. Do you really believe that should be possible? That some private agency should be able to call this great national development, paid for by all the people, its own private domain? Do you want to expose it to the possibility of an international private cartel controlling it? Remember this thing is capable of becoming not only the overwhelming military weapon which it has been proven but possibly also the overriding economic power in our whole Nation, a power great enough to transform the whole pattern of all our production. I ask you, should that be the exclusive property of any one individual or corporation? Do you propose to let the basic energy of the sun be patented? Would such action promote free enterprise? What, may I ask, becomes of little business then? What, finally, becomes of the people who paid for all this and gave their sons in the war in addition? I wonder what would happen, indeed, if atomic energy did become the private preserve, if you will, of some private agency? I, for one, am willing to take my stand against letting it become the private preserve of any single agency.

Last of all, Mr. Chairman, let me point out with emphasis that this legislation can be changed by any Congress that sees fit. It is designed to carry us through

what I do not hesitate in saying will probably be the most difficult adjustment period mankind has ever experienced.

Fondly do we all hope that the day may come when mankind will have learned as it certainly has not yet learned to live safely with atomic energy. As that day is approached the admittedly unprecedented provisions of this bill can be changed. But for today we need it. Our country needs it. The world needs it. The fact that I wish these things were not so cannot be allowed to affect my judgment as to what I must do in supporting the bill.

Mr. SHORT. Mr. Chairman, it is very regrettable that there are not more Members on the floor at this time, because I believe there is not a member of our House Committee on Military Affairs or of this body itself who knows more about the pending legislation than the very able lawyer and distinguished gentleman from Ohio [Mr. ELSTON], to whom I now yield 15 minutes.

Mr. ELSTON. Mr. Chairman, first of all I wish to thank the gentleman from Missouri for his very much undeserved compliment.

Mr. Chairman, as I have heretofore said, this bill is both dangerous and unnecessary. It is dangerous because it sets up a Government bureau with more power and authority than has ever been granted before. This bureau, under the provisions of the bill as now written, would have life and death control over the industry of the Nation whenever we reach the place where atomic energy may become useful for industrial purposes, in fact, even before that time. Moreover, the armed forces would become subservient to this power even in matters of national defense so far as the use of atomic energy is concerned. Furthermore, it removes incentives provided by our patent laws to inventors, and adopts a patent system found only in Soviet Russia. The fact that the Constitution of the United States gives to every inventor the exclusive right to his discoveries has meant nothing to the proponents of this legislation for under the provisions of this bill patents relating to the use of atomic power are either revoked or become the property of the Government.

Although the measure relates to the use of atomic power for military as well as civilian purposes, every conceivable effort has been made to eliminate representatives of the armed forces from representation on that all powerful bureau know as the Atomic Energy Commission. In its introductory section this bill is presented to us through a series of misrepresentations. For example, section 1 provides that it is "declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

If enacted into law this bill would do exactly the reverse of these things. If the paramount objective is to assure the common defense and security, why has so desperate an effort been made to completely eliminate the armed forces from representation on the Commission or in any department under the supervision of the Commission? Even though the bill purports to deal with atomic weapons and national defense, every attempt to give the Army and the Navy some representation has been resisted to the utmost. The House Committee on Military Affairs was bitterly assailed by the supporters of the bill generally because it dared to amend the act as it came from the Senate so as to provide that at least one member of the Commission and the head of the Division of Military Application should be from the armed forces. The only argument I have heard against it is the rather specious claim that it is not in keeping with our traditions for a military man to serve on a policy-making commission—that military men are only interested in war, and that other nations might frown upon their presence on the Commission. In this connection I wonder why the civil functions of the War Department are so conveniently forgotten. If there has been any Government agency that has been free from criticism and that has been elevated above the run-of-mine Washington bureau, it has been the Corps of Army Engineers which has for so many years been responsible for our rivers and harbors and flood-control projects. In this work they have handled billions of dollars and have performed work in no way related to war. Yet I have never heard that it was not in keeping with American tradition for them to exercise these functions.

Mr. Chairman, I have heard a lot of statements today about this legislation. I think everybody agrees on one thing, that there is a lot of confusion about it.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I shall be glad to yield to the gentlewoman from Connecticut.

Mrs LUCE Is it not rather a little more correct to say we are not confused about the legislation. We understand it rather clearly. What we are confused about is what to do about it

Mr. ELSTON. That may be but I for one am not willing to turn this Nation into a totalitarian state merely because there may be some confusion about proposed legislation. Since some speakers today have indicated that they are for the legislation solely for security reasons, I would say that is all the more reason why things should remain as they are. I am not willing to substitute a politically minded bureau, such as this bill would set up, for trained military personnel, so long as we are in any danger.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I am pleased to yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. If there were a civilian commission they would be subject to penalties, but you could not court martial them the way you could the military officials, could you?

Mr. ELSTON. Civilians, of course, would not be subject to court martial.

They say that if the Army is represented on the Commission this country might go ahead and manufacture atomic bombs and atomic weapons. The answer to that I believe is that any time the President of the United States wants the manufacture of atomic bombs to cease all he has to do is to give a simple order to stop.

You will no doubt hear it loudly proclaimed that the armed services have been taken care of in the Senate bill by providing for a military liaison committee. Read the section creating this committee and you will see that it has been given no authority whatsoever. Aside from the fact that the Atomic Energy Commission shall consult with the liaison committee, and that they shall keep each other informed as to atomic energy matters in the War and Navy Departments, the liaison committee has nothing to do. Actually nothing is provided for in this section that could not and should not be done between any government departments as a matter of simple courtesy and expediency. Since the Commission must deal with matters of national defense, I do not know how it could function without consultation with the War and Navy Departments. The appeals which the services are permitted to make to the Secretaries of War and Navy, and through them to the President, would be permitted without this legislation. In a word, this section is nothing more or less than a sop handed out to convey the erroneous impression that our armed forces are given some recognition. Even this was denied in the beginning despite the fact that the atomic bomb was developed under the supervision of the Army and all secrets in connection therewith are in its custody.

Before we look into the powers of the Commission and the extent to which it encroaches upon private industry and interferes with our American way of life, you will note that section 9 requires the Army to transfer to the Commission forthwith upon the passage of the bill, all facilities, equipment, and material devoted to atomic energy, research, and development. This would include even the Oakridge plant, together with any bombs now in existence, as well as formulas and secrets in connection with the atomic bomb and other atomic weapons. So at the start, even before the war is officially over, the branches of the services charged under the Constitution with the defense of the Nation are required to turn over to a civilian Government bureau of political appointees weapons which the services may require for the defense of the country. If this does not jeopardize the security of the Nation, then the Bikini tests and the results at Hiroshima and Nagasaki were incorrectly reported.

So much for security. As to other powers of the Commission, let us examine a few of them. In the field of research the Commission may make grants-in-aid and loans to public or private institutions or persons even in connection with research for industrial purposes. Thus the Commission has the power to favor one school or university as against another, and to favor industries, companies, or individuals to the detriment of others. As no person or company would have the right to engage in research on their own part, you per-

haps begin to appreciate what is meant by the term "life-and-death control of industry."

Mr. SHORT. Mr. Chairman, if the gentleman will yield, may I say that that is why some of the college professors are so strong for this legislation.

Mr. ELSTON. I guess there is little doubt of it.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I can not understand this talk about giving this secret away. We have never done anything like that before. We have kept our military secrets to ourselves. Who are these people who want to share this secret with the world and what are they doing it for? That is the thing I can not understand at all.

Mr. ELSTON. I have an idea who some of them are.

Bear in mind, Mr. Chairman, that the Commission will become the owner of all fissionable material regardless of who may now possess it. It can be parceled out for industrial purposes only with the consent of the Commission. As the time may come when atomic energy power may supplant many other forms of power, and become vital to every industry in the Nation, it is not difficult to understand the extent to which the Atomic Commission would control the industries of the country.

If any person, industry or company should be dissatisfied with the distribution or refusal of the Commission to distribute any fissionable or by-product materials, such person or company may obtain a review of the determination of the Commission by an appeal. But let us examine into the type of appeal afforded. On a matter as important as this, one would feel the appeal should be to the courts, or at least to an unbiased or disinterested tribunal of some sort. Such is not the case, however. Section 5 (d) (2) makes the Commission the judge, jury, and executioner so far as appeals under this section are concerned. The Board of Appeals created by this section shall consist of three members who shall be appointed by the Commission. Should any person feel himself aggrieved by a decision of the Board of Appeals his only further appeal is to the Commission itself. Even this right is not guaranteed as it is provided that "the Commission may in its discretion review and revise any decision of such board of appeal." Here, I submit we see bureaucracy at its worst.

Mr. COLE of Missouri. That sounds just like the OPA.

Mr. ELSTON. Well the OPA never asked for anything more than that. And if there was ever anything that is the fulfillment of a bureaucrat's dream, I think it is this section.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I am glad to yield to my distinguished friend from North Carolina.

Mr. DURHAM. The gentleman certainly would not be in favor of exporting this material to some foreign country?

Mr. ELSTON. I certainly would not.

Mr. DURHAM. Well, at the present time that could happen if we allow the matter to run loose as it is at the present time. Any country could import this material into their country from the United States.

Mr. ELSTON. No. I am sure we have ample authority today to regulate exports and imports of dangerous commodities.

Mr. HANCOCK. Under the existing law, has the Army the power to monopolize the sources of materials and real estate containing deposits of such materials? Is there any such authority under present law?

Mr. ELSTON. The Army might have that authority in time of war under war power acts.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. JENNINGS. Does not the Government have power to condemn any property it may need, under the general law?

Mr. ELSTON. Yes. The Government has the power to condemn anything it needs for a public purpose.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mrs ROGERS of Massachusetts. It seems to me it would give that group tremendous power over other groups. I am thinking even in terms of internal disorder and strife and conflict in our own country. That is one reason I would like to have the Army in it. That would not happen if the Army was in it.

Mr. ELSTON. I do not think it would either.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. VOORHIS of California. I would like to ask the gentleman what he feels should be done, under the circumstances he alluded to himself, namely, that if some development in the field of atomic energy were made which rendered all development of power obsolete, whether he would not believe that should that happen it would be most important that some provision be made somewhere so as to assure that some such development as that could be available to be used on an equitable basis by all competent users in the country.

Mr. ELSTON. Well, I would want to wait until that happened and then regulate it.

On the question of the appeal procedure I was discussing, it may be contended that the Administrative Procedure Act would apply, but since that act makes an exception in cases where agency action is by law committed to agency discretion, the Administrative Procedure Act could not be invoked in view of the section to which I have just referred. In an effort to make the Administrative Procedure Act apply to this bill, I offered an amendment in committee to the effect that it shall apply to this act, but since the appeal section contained in section 5 still remains in the bill, it would no doubt be construed to be an exception.

One of the most objectionable features of this bill is section 7, which contains the licensing provisions. Under this section it shall be unlawful for any person to manufacture, produce, or export any equipment or device utilizing fissionable material or to utilize atomic energy except under and in accordance with a license issued by the Commission. Do not be misled by subsection (b) which requires a report to Congress before such licenses may be issued. If you will examine that section you will find that there is but one report to be made to Congress. That report will be made when, in the opinion of the Commission, any industrial, commercial, or other nonmilitary use of atomic energy has been sufficiently developed to be of practical value. In that report the Commission will set forth all the facts with respect to such use, and the report will contain the Commission's estimate of the social, political, economic, and international effects of such use. After 90 days subsequent to the making of such report, the Commission will have unlimited authority to issue licenses for the utilization of atomic energy to such persons and on such terms as it sees fit.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. McDONOUGH. After the report is made, what happens? Is it merely an informative report? Does the bill further say that the Congress shall say "Yes" or "No"?

Mr. ELSTON. They simply file a report with us whether or not the Congress wants to enact supplemental legislation. If we want to enact supplemental legislation at any time, we do not have to wait for a report from any bureau.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. DOYLE. Would you not want the Commission to give a full report to Congress on every phase of the subject?

Mr. ELSTON. Certainly, I would want them to report, but I am pointing out that this section is meaningless as far as the issuance of licenses is concerned.

Mr. DOYLE. If you want a full report, should it not cover the economic phase of the proposal?

Mr. ELSTON. I am pointing out the misleading language of the section and the effort to convey the impression that before licenses may be issued in any case the Commission must report to the Congress.

When we reach section 10 of the bill we see unfolded a strange philosophy for America. Let me read the pertinent part of this section:

> It shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:
>
> (1) That information with respect to the use of atomic energy for industrial purposes should be shared with other nations on a reciprocal basis as soon as the Congress declares by joint resolution that effective and enforceable international safeguards against the use of such energy for destructive purposes have been established.

In other words, hereafter it shall be the policy of this country, as soon as

international safeguards have been established, to share the use of atomic energy secrets and power with the other Nations of the world. When in all the history of this Nation has it been required that anything developed for the benefit of American industry shall be shared with other Nations? American industry leads the world today because of American inventive genius and our free enterprise system, but now we have a new philosophy. Do not lose sight of the fact that this sharing plan pertains to the use of atomic energy for industrial purposes only. It has no relation to the outlawing of atomic energy for military purposes which, I am sure, every thinking person favors when it can be done without endangering our own security. Judge for yourselves what this international plan will mean to American industry.

Not only must we share such information with other nations, but we must make sure they get the information. Section 10 (b) authorizes the Commission to establish such information services, publications and even libraries, as it sees fit. These may be established anywhere in the world. I know, of course, that someone will say that this sharing of information must be on a reciprocal basis, but who determines what shall be reciprocated? The Commission, of course. Since we apparently have all the information regarding atomic energy, what are we to get in return? Perhaps good will. So far as this section is concerned, the Commission would have authority to exchange atomic secrets for industrial purposes for good will as the Commission is the sole judge.

The patent section of the bill is definitely unconstitutional in its present form. Article I, section 8, clause 8, of the Constitution provides—

> The Congress shall have • • • power to promote the program of science and useful arts by securing for limited times for authors and inventors the exclusive right to their respective writings and discoveries.

This section has been interpreted on many occasions by the courts, and the leading decisions on the subject are set forth in the minority views which accompanied this bill. For example, it is said in *Solomons* v. *United States* (137 U. S 342, 346), that—

> The Government has no more power to appropriate a man's property invested in a patent than it has to take his property invested in real estate.

The only testimony presented to our committee on the subject of patents came from Mr Conder C. Henry, formerly Assistant Commissioner of Patents. He said, and I quote:

> By removing the incentives provided by our patent laws, the bill is a radical departure from anything known in our history. The only parallel I can find to it is the Soviet patent law.

He further stated that hundreds of inventions used at Oak Ridge and elsewhere in the development of the atomic bomb had previously been made by private inventors. Moreover, he pointed out that under our present patent system the interests of the Government were fully safeguarded without encroaching upon the constitutional rights of any person. This same system should and can continue, and it is my purpose to offer, as I did in committee, an amendment to strike section 11 from the bill.

Section 15 of the act creates a new congressional committee with full legislative authority, and this comes at a time when Congress is recommending fewer committees—even a consolidation of the Military and Naval Committees.

In the enforcement provisions of the act the Commission is given the broad power to make regulations and orders and enforce them by punishing offenders with a fine as high as $20,000 and imprisonment for not more than 20 years, or both This section, I believe, violates the rule laid down by the Supreme Court of the United States in the case of *Schechter* v. *United States* (295 U. S. 495), wherein it was held that Congress cannot delegate to any Government agency the power to make regulations having the force of law without laying down the policies and establishing the appropriate standards.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman from Ohio five additional minutes.

Mrs. LUCE Mr. Chairman, will the gentleman yield for a question?

Mr ELSTON. I yield

Mrs LUCE. There being very few available sources of thorium, plutonium, uranium, and so on out of which fissionable material can be got, would the gentleman also think that the world authority which would own all those materials could take our large supplies and divide them up at will?

Mr. ELSTON. I presume that might be done if we became a part of that world authority.

Mrs. LUCE Would it be possible?

Mr. ELSTON It would not be possible to distribute fissionable material outside the United States at this time, but subsequent international agreements could make it possible.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mr. McDONOUGH. With regard to the deposits of this radioactive material, certainly the commission would have control of such materials within the boundaries of the United States but would it control deposits in other parts of the world?

Mr. ELSTON. No; but it could acquire them.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. MAY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio.

Mr. SHORT. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio.

The CHAIRMAN. The gentleman from Ohio is recognized for four additional minutes.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield.

Mrs. LUCE. The gentleman spoke of the section called "Control of Information" in which there is formed a bureau to disseminate information. Would he care to comment on what type of information this $10,000,000,000 or $20,000,000,000 corporation might disseminate to the people of America?

Mr ELSTON. There would be no limitation on it, because the section I referred to authorized and directed the commission to establish such information service as it saw fit; in other words, it would be within the discretion of the commission to decide on the type and extent of information services, the number of libraries, and so forth.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr ELSTON. I yield to the gentleman for a question.

Mr DURHAM. Does not the gentleman think that if the commission did the things he points out they would be subject to the Espionage Act?

Mr. ELSTON. If the terms of the Espionage Act were violated.

Why do they say this legislation is needed? The principal claim is that it will impress the rest of the world that we have taken the matter out of the hands of the military and invested it with civilians If that be the purpose, this legislation very definitely is not needed as the President can order the military authorities to cease any of their military activities at any time, including the manufacture of atomic bombs or the use of atomic energy in any way.

Another claim is that peace of the world requires international control of atomic energy. If that be so point out a single thing in this bill dealing with international control or in any manner related to it. International control can come about only by international agreement. If any legislation is needed to augment such an agreement it necessarily would come after the international agreement was entered into.

Do we need this legislation to begin negotiations for such an agreement? The best answer is—such negotiations have begun before the duly constituted United Nations Atomic Energy Commission. Mr. Baruch submitted a proposal to this Commission a month ago. But it takes two or more to enter into an agreement, and Russia has flatly rejected Mr. Baruch's plan. Not only has she rejected it, but she has submitted a counterproposal which never could be agreed to if we have any regard at all for the security of this country.

So if we do not need this bill to remove an impression that we are militaristically inclined and we do not need it for the purpose of helping to bring about international control of atomic energy, what do we need it for? If it seeks to do anything further than to place shackles on American industry and barriers against inventive genius and ingenuity such purpose does not appear from the language of the bill

If this Nation is concerned lest the other nations of the world think we are assuming too much of a military attitude we perhaps should explain why we are spending hundreds of millions of dollars in proceeding with the Bikini tests. Is it consistent to carry on these demonstrations and at the same time try to fool the American people into believing we can pacify the world by creating another bureau and many expensive bureaucrats

to further regiment the lives of our people and further encroach upon their liberties?

If this measure were to stop with encroachment upon American freedom it would be bad enough, but not necessarily fatal, as such an invasion might be corrected by subsequent legislation, although I have found that liberty and freedom, once surrendered, are not easy to regain. There is always another emergency offered as an excuse for retaining them. On the other hand, if the security of the country is involved legislation might be helpless to correct the error.

As I see it, the bill before us today, if enacted into law, will definitely jeopardize the Nation's security. At the moment the secrets of the atomic bomb and the bomb itself are safely in the hands of the military authorities in the keeping of that branch of the Government charged by the Constitution with the responsibility of defending the Nation. That is where I submit it should remain until our safety is assured under international agreements actually entered into and until machinery has been set up in the world adequate to enforce such agreements.

Mr. MAY. Mr. Chairman, I would like to make a very brief statement for the information of the membership. Two very distinguished Members of this body are resigning this afternoon and taking their seats on the judiciary of the country. They would like a little time in which to say good-by to us. I hope that when I move that the Committee rise, all gentlemen present will retain their seats until we listen to our colleagues. The ceremonies will be very brief.

Mr Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHN J. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S 1717) for the development and control of atomic energy, had come to no resolution thereon.

RESIGNATIONS FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communications:

JULY 17, 1946.

HON SAM RAYBURN,
Speaker, United States House of Representatives, Washington, D. C.

DEAR MR SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of Texas my resignation as a Representative in the Congress of the United States from the Sixth Congressional District of Texas, effective from this date.

Cordially yours,

LUTHER A JOHNSON.

JULY 17, 1946.

HON. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D. C.

DEAR SIR: I beg leave to inform you that I have this day transmitted to the Governor of Pennsylvania my resignation as a Representative in the Congress of the United States from the Tenth District of Pennsylvania.

Cordially yours,

JOHN W. MURPHY.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Speaker, today I am resigning from the House to become a judge of The Tax Court of the United States to which I have been appointed by President Truman and confirmed by the Senate.

For more than 23 years I have had the honor to serve continuously as the Representative of the Sixth Congressional District of Texas, having first been elected in November 1922 to the Sixty-eighth Congress, and my first term began on March 4, 1923, that being the beginning date of the new Congress at that time, but since the adoption of the twenty-first amendment to the Federal Constitution the terms of Representatives in Congress begin now on January 3

In severing my relations as a Member of Congress, I wish to express my appreciation of the many courtesies and kindnesses that have been extended to me throughout the years by my colleagues and the leaders of the House, for whom I shall always have an affectionate regard.

Also, in taking leave of this body, I would like to say a few words in defense of Congress as an institution. My service here of almost a quarter of a century should qualify me to know what Congress is and how it works.

A few years ago I delivered in this Chamber a memorial address honoring some of our departed Members, in which I alluded to this subject, and I wish to repeat a few of the observations which I made at that time.

Contrary to the popular belief, membership in Congress requires constant labor. The manifold duties here require not only unremitting toil but deep thought, often vexatious worry, and this has been true at all times, but especially so during the grave crisis through which our country has been passing during the past decade.

Some years ago a well-known writer and prominent businessman was elected to membership in the House, and after serving a short time and familiarizing himself with the duties here and becoming acquainted with his colleagues, wrote an article for a current magazine entitled "What Surprised Me About Congress," in which he described his disillusionment as to the ability of Congressmen and the amount of work which they do. His conclusion was that, viewing Congress from the inside, he was surprised to find how hard they worked, how much they knew, and the conscientious manner in which they discharged their obligations.

If the American people could see Congress at close range, and follow them daily, they would reach the same conclusion as did the distinguished author of that article.

The Congress of the United States epitomizes and expresses as no other body possibly can the genuine spirit and the profound emotion of American life. To be chosen out of a population of 140,000,000 people to be the representatives of their constituents in the National law-making body is an honor.

Critics may speak in disparagement of our National law-making body, but the history of our Government reveals that, by and large, the type of men who have served here excel in character and ability the same number of men in any other similar group.

The membership of Congress, representing as it does divergent views and faiths, both political and religious, and coming from those of wealth and those of poverty, might be compared to a great mosaic, reflecting a true cross-section of the American people.

It has always been a popular pastime to ridicule any legislative body, and Congress has often been made the subject of gibe and criticism, but not only the quality of its membership but the importance of the work which Congress performs is a complete answer to those who scoff.

If some foolish and fantastic decision should ever be made that one of the three coordinate branches of the Government should be abolished, the legislative, if a democracy is to survive, would be the last to go. Whatever else may be said about the Congress of the United States, with all its faults and it foibles, it is the palladium of our liberty, and when Congress falls the Republic will die

I love the Congress of the United States where I have spent a large portion of my life in serving my country, and I want to see it continued on the same high plane that it has always occupied in the past.

Now that I am to be no longer a part of this body, and will never again be a candidate for an elective office of any kind and my motives cannot be impugned as actuated by self-interest, I wish to repeat and reemphasize what I have often said in the past as to the value of longevity of service in Congress. The Member who comes here expecting to serve only a short time, and serves only a short time, cannot do justice to himself, his constituents and his country. Service in Congress, to be at its best, should be in the nature of a career and not merely temporary. Seniority may have its abuses and objections, but it is necessary to encourage and require length of service, which is highly destrable for the country's good. The States whose delegations have served longest here always take highest rank, and rightly so. The delegation from my own State of Texas has always been outstanding, and one of the reasons has been that our State has retained its Congressmen on the average for a greater length of time than many of the other States; four of our delegation have served longer than I.

Of course, the question of ability is involved, and that should be one of the first matters of consideration in choosing a Congressman, but when a Congressman has ability, character, and devotion to duty, his constituents should keep him in Congress as long as he will serve.

While I shall not be here to vote when the measure comes up, I hope that this

House will pass the reorganization bill to increase the compensation of Congressmen and create a retirement fund for Congressmen. The passage of this legislation will be an act of justice. Soon after I became a Member of Congress, more than 20 years ago, I voted to increase the salaries of Congressmen from $7,500 to $10,000 per annum, and the newspapers in Texas carried a headline, "Three Texas Congressmen vote to increase their salary"; but never did I have a word of criticism from any of my constituents for this vote.

Congress has passed legislation providing for retirement compensation to nearly everyone in the Government except themselves. Surely the Members of Congress are entitled to the same privileges and benefits that other servants of the Government receive, and I trust that Congress does justice to itself and to the country by passing shortly an adequate system of congressional retirement. Nothing would so instill courage into the Members of the Congress as the knowledge that when they retire after long years of service they would not become objects of charity.

You will please pardon me for giving you this gratuitous advice, which I seldom do, for I am a good deal like a friend of mine who said he never gave advice, first, because it was seldom appreciated, and, second, because it was never followed.

I shall not detain you longer, for I know how busy you are in trying to complete the program of the House so adjournment can be had the latter part of this month, but I did not want to take leave of my colleagues without these few words of farewell. I have enjoyed my service here and shall always treasure in my heart the friendships which I have made on both sides of the aisle.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr MURPHY].

Mr. MURPHY. Mr. Speaker, I want to endorse fully and subscribe to the thoughts outlined by my distinguished predecessor, the gentleman from Texas [Mr. LUTHER A. JOHNSON], soon to be Judge JOHNSON, of Texas. I have not been here as long as my distinguished friend. I have been here but 4 years. I left a busy, active trial practice back home to come to Congress. But in the 4 years I have been here I have made many strong friends and lasting friendships that I shall love and revere all my life It has been a great privilege and a high honor to have worked with and under the distinguished Speaker of the House, the gentleman from Texas, SAM RAYBURN. I think he is a great American From the day I attended my first Democratic caucus when I had made my little speech and received a word of praise from our distinguished leader, the gentleman from Massachusetts [Mr. MCCORMACK], he has been my adviser and friend ever since and shall be for the rest of my life. He, too, is a great American.

I have enjoyed meeting the Members on the Democratic side and on the Republican side.

I have enjoyed close personal friendship with those on the Republican side. I do not think I have ever passed the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], without having a fine, friendly "Hello" from him I have worked with Members of the House on 11 committees.

In recent days on the Pearl Harbor Committee I have worked night and day with my good friend, the distinguished gentleman from Wisconsin [Mr. KEEFE], the distinguished gentleman from California [Mr. GEARHART], as well as the members on that great committee from the Democratic side of the House, the distinguished gentleman from Tennessee [Mr COOPER], and the distinguished gentleman from North Carolina [Mr. CLARK] So, too, I have had the pleasure of working with members of the Senate, the distinguished majority leader, Senator BARKLEY, from Kentucky; the distinguished gentleman from Georgia, Senator GEORGE; the distinguished gentleman from Illinois, Senator LUCAS, the distinguished gentleman from Michigan, Senator FERGUSON; and the distinguished gentleman from Maine, Senator BREWSTER.

I think Congress is a great institution I think Congressmen should be returned by their constituents because after 4 years of hard, diligent labor here I feel I have begun to realize what this institution means to America and to its Members I have worked hard on every committee, and yet I feel if I were here longer I could be even more useful. But back home we have a challenge. I have been named to the Federal bench in the middle district of Pennsylvania. I would like to see that court hold a place of honor, integrity, and prestige among the courts of the Nation, and I shall try as earnestly and diligently as I can to see that that objective is accomplished. In the sense that I am leaving good friends, I regret having to make this decision. However, my going on the bench means that I will be able to spend many, many more hours and to enjoy the company of my good wife and lovely family A decision has been made. The future holds a challenge. I leave here to face it.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr McCORMACK. Mr. Speaker, it is with a keen feeling of regret on the one hand and pleasure on the other that I see our two friends, the one from Texas and the other from Pennsylvania, leave this distinguished body today to assume the responsibilities in another field of Government service and in another branch of our Government. I say that my pleasure is filled with regrets. Both are human feelings. The pleasure at their continuing their service in a field for which they are both so well qualified and which they both love, and the regrets that this body is losing the services of two of its outstanding Members, and the additional regret that as far as this body is concerned, as long as I am a Member here, I am losing the assistance and inspiration of their presence and their support. In both of these friends of ours, the gentleman from Texas [Mr. LUTHER A. JOHNSON] and the gentleman from Pennsylvania [Mr. MURPHY], we have men of different names, probably different racial origin, coming from different sections of the country, but both essentially the same type. They both possess an intense love of our country. To begin with, they are outstanding Americans. But as human beings, as I have observed them, looking beneath the surface and seeing the substance, they have always impressed me as men of essentially the same type, both possessing characteristics which are, in my opinion, essentially the same. Both of them, for example, possess the quality of ability. They both have vision. They both have character. They both have courage. Both men are honorable and trustworthy. The people of America have benefited greatly by their service in this body, one for 23 years and the other for 4 years. The people of their districts can well feel proud of the service that these two outstanding men have rendered in their behalf during their service in this body.

As my mind goes back through the years, I see the gentleman from Texas [Mr. LUTHER A. JOHNSON] always at my side fighting for the passage of such legislation as our conscience and our judgment told us we should support. During the 4 years of the service of the gentleman from Pennsylvania [Mr. MURPHY], as I look back my mind sees the same type, always at my side, and that means the Speaker's side, because the majority party, of course, had the primary responsibility, loyally supporting us, and their loyal support giving inspiration to the leadership to carry on, even when it looked hopeless, to go down fighting, with the flag flying.

I know I speak the sentiments of all my colleagues when I extend to both of these distinguished friends of ours, who will soon be former colleagues of ours, our sincere best wishes in the new duties that they are to assume and perform, and in accomplishing the maximum of success and of benefit to our Government and to the branch of service that they will honor, after they are sworn into office, one as judge of The Tax Court of the United States, and the other as judge of one of our United States district courts.

I conclude by saying that my feelings are mixed, feeling of pleasure and regret, but the pleasure greatly overshadows the regret.

Throughout the journey of life, as long as it may be for both of you, and to your loved ones, I extend my very best wishes.

The SPEAKER. The Chair recognized the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, may I join in expressing my sincere regret at the retirement from Congress of these two able and distinguished Members. While both sit on the Democratic side, the entire membership is sorry to see them go. They are both men of integrity and courage who have served their State and country with great devotion. It is unfortunate when men of their type should leave Congress, particularly in these critical hours, when men of experience and patriotism are needed. However, they are entering another field where they can render important service.

I remember my first associations with the gentleman from Texas [Mr. LUTHER A. JOHNSON] with pleasure. Our friendship has extended over a period of 22 years. When I came here as a freshman Member of Congress it was my fortune to be assigned to the Committee on Foreign Affairs. Here I early became intimately acquainted with my distinguished Texan friend. During these years I have come to know him intimately and appreciate his many fine qualities. He has applied himself diligently to the public service. He has been honest, sincere, and conscientious in his efforts to make this a better land. I deeply regret his leaving the legislative branch of this Government.

The distinguished gentleman from Pennsylvania has been here but 4 years. In this short period of time, however, he has impressed us all with his fine ability and sincerity.

So I join today the majority leader and others in expressing my regret that these two good men are leaving the Halls of Congress. I wish for them long years of life, and hope for them brilliant success in their new work.

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Speaker, I suppose I should receive this news of the departure of our two colleagues with practically unmingled pleasure, first, because, of course, they are going to judicial honors that are well deserved, to duties that are possibly less arduous but are certainly highly honorable; and, second, because it reduces the Democratic majority by two. I confess, however, that I look to their leaving with a pang of regret.

I want to speak particularly about my friend, the able and distinguished gentleman from Texas. For 8 years I have served with him on the Foreign Affairs Committee. I have served with him on subcommittees He and I were members of the delegation to represent Congress at Ottawa at the meeting of the Empire Parliamentary Association. I have seen him at work on the floor, in committee, and have met him socially. His broad grasp of fundamentals and his keen study of details have made him an able and effective Member of this body, and will distinguish his work on the bench. We have had times when we disagreed and when he fought strongly for the views in which he believed. There have been other times when we joined in fighting together for causes in which we both believed. Throughout these 8 years of rather close association, however, I have never known the gentleman from Texas to lose his temper, or to do or say anything mean or dishonorable, or to take any course which was questionable in any way. Throughout his work, as I have observed it, he has in reality been "the gentleman from Texas."

And now as he leaves us, and as we feel this loss, I hope no one will call me to order for unparliamentary language when I say, "Luther, we love you. We will miss you. This country is better because you served here."

The SPEAKER. The Chair recognizes the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I take just a moment to express my sincere personal appreciation for the friendship which I have enjoyed with the gentlemen who are being appropriately honored here this afternoon.

I remember that when I came to this body almost 14 years ago I received assistance of a very helpful nature from the able gentleman from Texas [Mr. LUTHER A JOHNSON], who is now retiring from this body.

I remember also that when the gentleman from Pennsylvania [Mr. MURPHY] gained membership in the House of Representatives I came to know him very soon in his career through service on at least one committee where our activities were joined together. It was my good fortune to speak in the city from which he comes and to find out the genuine esteem in which he was held by those who reside in that community.

I can say very sincerely that I believe the poet, Longfellow, must have had in mind a man like LUTHER JOHNSON when he said, "Age is opportunity, no less than youth itself, though in another dress," and even though Luther is not as young as when I knew him 14 years ago, I find him still vigorous, with a great capacity for service to this Nation which I am sure in his new position he will give to the country.

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, I think a feeling of deep regret comes to us when we come to a parting with friends whom we have long admired and loved. For 12 years I have been one of LUTHER JOHNSON'S colleagues here in the House. I have never served on a committee with him, but day after day when I have seen him around on the floor of the House I have instinctively felt from the first time I met him that he was my personal friend. I have known and admired him for his great ability, for his sincerity, for his staunch love of the country that we all try to serve. It is with deep regret I see him leave this House, although I rejoice at the great honor that has come to him.

When Mr. MURPHY first came here I got acquainted with him as a member of the Committee on Insular Affairs. He had been a member of that committee for a very short time when I learned that he not only was a hard working Member of Congress but a man who was an able, alert lawyer. As chairman of that committee, from time to time I relied upon him when legal questions would arise. I want to congratulate the people of his State and the people of the United States on the fact he has been appointed as one of our district judges of the United States district court. I think that the courts of our land are the bulwark of American liberty, the safeguard of our American democracy. In my opinion, the President of the United States has chosen wisely in appointing these two gentlemen whose departure from Congress we all regret.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, my first reaction is that of depression when I note the departure of these two Members from the House of Representatives. Frankly, I am concerned at the number of good men who are leaving the House. These two men, added to Messrs. Woodrum and Ramspeck, as well as one or two others whose retirement has not yet been announced but who we know are not coming back, persuade me that the House is not gaining by these acts but rather is losing. Of course, in the progress of time, we will make it up, the people will make it up, but it is somewhat depressing to me, who has been in the Congress for 25 years, to see these two men leave us. We have certainly needed men of their type.

The gentleman from Texas [Mr. LUTHER A. JOHNSON] will understand perhaps that I have had a special delight in my friendship and acquaintance with him, because I rode the range for 5 or 6 years in Texas, and upon occasion called myself half Texan. Like the gentleman from Ohio [Mr. VORYS] I have served on the Committee on Foreign Affairs with Mr. LUTHER A. JOHNSON. It has been a delightful association. The committee has had some extraordinary important things to consider during the war period, and I noted, as had the gentleman from Ohio [Mr. VORYS] and the other Republicans on that committee, the patriotic, unselfish stand that the gentleman from Texas [Mr. LUTHER A. JOHNSON] took. As a matter of fact, the number of occasions upon which that committee has been divided upon a partisan basis have been very few in number. Time and again the Members on the opposite side joined hands in supporting helpful-making legislation to which Mr. LUTHER A. JOHNSON had contributed enormously.

He and his family can be proud of what he has done on that committee for his country. He is leaving us along with the gentleman from Pennsylvania [Mr. MURPHY]. They both will continue their honorable service and, after all, what is better in life than honorable service to your country.

The SPEAKER. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I think in the going from the House of our two colleagues, first of all we stress our own personal loss which is, perhaps, very selfish. These two distinguished and able lawyers are going out into the world to practice their talents in the judicial world for the benefit of the areas that they will serve. It will be a tremendous loss to us here in the House. They are both delightful men to work with. One of them I never had the pleasure of serving with in committee. The other I served with in the Committee on Foreign Affairs for 18 years. We have had very difficult legislation in that committee, legislation of far-reaching import, vital not only to our own country but vital to the world. We have had stormy sessions and differences of opinion.

I would like to say that I found the gentleman from Texas [Mr. LUTHER A. JOHNSON] able and most unselfish. He was an able leader in the Foreign Affairs Committee, just as he has been an able and loyal leader of his party on the floor

of Congress. Frequently while he was acting chairman as the acting ranking minority member of that committee, I had occasion to know some of the difficult problems that he had to face, perhaps better than some of the other members. I enjoyed my service with him when we both served as delegates and observers to the Inter-American Conference at Mexico City. There the distinguished gentleman from Texas, Judge JOHNSON, and I, saw eye to eye. It was not always easy, Mr. Speaker, to get some of the members of our own delegation to go along with measures that finally passed and that are being generally regarded as most successful. These measures, like the Act of Chapultepec, set the pattern for our inter-American relations and also the pattern for the United Nations.

I shall miss these great statesmen, Judge JOHNSON and Judge MURPHY. I wish them both Godspeed and as much success in their new positions of honor and distinction as they have achieved in the House.

The SPEAKER. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Speaker, I, too, wish to express regret at the departure from these Halls of these two distinguished Members, and to wish them Godspeed on their new journey in the Government service.

It has been said that it is impossible to gild the lily or to refine pure gold. I shall not attempt to do so here this evening. Suffice it to say that these two distinguished Members of this body have proven by their long service that they are able men, are courageous men, that they are honorable men. We hate to see them go.

It happens that since coming here 13 years ago I have been more closely associated with the gentleman from Texas [Mr. LUTHER A. JOHNSON] than with the able gentleman from Pennsylvania [Mr. MURPHY], because as a member of the Committee on Foreign Affairs for 10 years I sat by his side, I might say at his feet. I have always benefited by his advice, prized his friendship, been impressed by his great ability, and admired his many lovable qualities. Though not so big in avoirdupois, LUTHER JOHNSON has nothing little about him. I have never heard, and I do not think anybody else has, of LUTHER JOHNSON doing a little thing or saying a little thing. He is incapable of harboring animosity, he is incapable of bitterness, he is incapable of doing a mean thing. His judgment is always unbiased, his good humor never failing, his integrity unquestionable. I prize his friendship dearly.

I have found him to be a Representative in Congress with an eagle vision and a child's faith. Long before many people in this country had the vision to see that the United States had to take a major and leading part on the stage of world responsibility, LUTHER JOHNSON saw it and fought for it. His faith, his childlike faith, in humanity in general and the American people in particular has always been an inspiration to me.

Mr. Speaker, I am sure, and I believe the rest of the Members of the House will agree with me, that the people of our great country who want integrity on the bench may be assured that when the judicial ermine finally falls from the shoulders of the gentleman from Pennsylvania and the gentleman from Texas it will be spotless as when it was placed there.

The SPEAKER. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, I cannot refrain from participating in this occasion, which has almost assumed the solemnity of a memorial service. I do not approach it in that sort of a spirit at all, and I am happy to note that my distinguished friend from Texas is now bearing that gracious and infectious smile that has endeared him to me ever since I have been here as a Member of this House.

I am not going to take time to enlarge upon the fine statements and sentiments that have been expressed with respect to my dear friend from Texas, whom I have learned to love since I have been here. Needless to say, I agree with them. And I do not feel so bad about your going, sir, as some people have expressed. I am happy you have the opportunity to go into this job, because you are entitled to it and will get some relief from the situation that is plaguing some of the rest of us here, and who will have to remain in Congress and do a job here, while you are doing the same type or even a bigger job on the bench.

I want to say just a word about my good friend the gentleman from Pennsylvania, JOHN MURPHY. John is a Democrat, and I am a Republican. He is Irish and I have some Irish in me We both have the same sort of forebears. I used to think sometimes he was a little bit too much the other way and sometimes you get the wrong impressions of people whom you do not know. Sometimes you hear people say unkind things about people whom they do not know and they come to the wrong conclusions about people they do not know. I want to say to you, my colleagues, that it has been one of the great experiences in my life to have been privileged to serve upon the Pearl Harbor Investigating Committee, where I have come to know JOHN MURPHY intimately. I have grown to love the boy. He has great character and great ability. I rejoice with him, and I know down in the bottom of his heart he is rejoicing, because he has a wonderful wife and family from whom he has been separated lo all these 4 years that he has been here chasing back and forth between here and his district in Pennsylvania. I praise God that John is going to have a chance to go back into that judicial district and do the splendid job I know he is capable of and take care of his wonderful family and become an American citizen that the whole Nation will be proud of, because he will distinguish himself on the job.

I do not always agree with these men—and I do not always agree with JOHN MURPHY. He does not always agree with me. But I know that through the close association that we have had we have come to know and understand each other. Out of that association has come a friendship of which I am extremely proud. That goes for my association with some other men in the House of Representatives whom I have had the privilege of having come in intimate contact with. When you get to know people and really sit with them and find out what they are thinking and how they react, you find after all, under the skin they are honest-to-God Americans thinking the same as you are thinking. I find my good friends to be that way. I am not saying anything in memoriam—this is not a requiem with me. I want to say, "Hosanna, thank God you are relieved, you two gentlemen." Thank God you are going to a job where you can have some peace and will not receive 500 telegrams a day giving you the dickens about something every day of your life. I hope you enjoy your work. I know you will do a grand and splendid job.

The SPEAKER pro tempore (Mr. COMBS). The Chair recognizes the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, I do not want to prolong the session, but certainly I could not let this pass without saying at least a few words. Today the House of Representatives is losing two of its finest men. But, likewise, the judicial system of the country is gaining two fine judges. We have all known JOHN MURPHY during the last 4 years. I cannot express it as well as the gentleman from Wisconsin [Mr. KEEFE] has just said it, but JOHN MURPHY has exemplified to all of us that he has that thing called character as well as ability. So it is safe to say that he will adorn the great bench on which he will sit in the old State of Pennsylvania.

As for my other friend, I do not approach this with any sadness at all because I rejoice with him and his family as well as his countless friends all over the Lone Star State of Texas that he is to go to one of the high courts of the United States here in the Capital City.

I have known LUTHER JOHNSON for many years, but for the last 15 years I have known him as intimately as I know my brother. I suppose I would be safe in saying he is my most intimate friend in this body. As the gentleman from South Carolina [Mr. RICHARDS] so well said, LUTHER JOHNSON is absolutely incapable of thinking a little thought or doing a little act. He has been honored and respected by his people down in Texas all of his life. He comes of good stock. As a young man he distinguished himself as a district attorney. For quite a good many years he was an outstanding lawyer in central Texas, and 23 years ago he did something that is not often done by candidates for office. He came to this great law-making body without even an opponent. His people rose up and, as we call it in these war days, drafted him. For all of these years he has had very little opposition at any time, and he now voluntarily retires to accept this high Federal judgeship. He counts his friends by his acquaintances. Every person who knows him respects and honors him. We are going to miss both of you gentlemen but we hope we see you often. I just want to say, not only for myself but for the 20 Members from

TEXAS, that LUTHER JOHNSON will make a great judge. He is not only a man of character and great legal ability but he knows and will dispense justice. I am proud of him and happy to count him one of the nearest and dearest friends of my life.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. JARMAN] is recognized.

Mr. JARMAN. Mr. Speaker, I agree with the majority leader rather than the distinguished gentleman from Wisconsin [Mr. KEEFE], and the gentleman from Texas [Mr. THOMASON], who just preceded me, in that I listened to the remarks of these distinguished gentlemen a while ago with a feeling of mingled sadness and gladness. Sadness, because of the realization that they brought to an end their very distinguished careers, nearly 24 years in the case of the gentleman from Texas, and 4 years in the case of the gentleman from Pennsylvania. And the further realization that as the roll is called tomorrow it will not be our pleasure to hear their names included as one of us, and that as we come into this House tomorrow and in the days to come and pass around these Halls, it will not be our pleasure to enjoy a cheery hello or good morning with them. Gladness because of the realization that their congressional worries are over; that no more will it be necessary for them to worry about OPA or to reach a decision on any other controversial legislation. Never again will patronage problems arise to harass them, sometimes even in the middle of the night, they will not be bothered hereafter by the little matter of reelection each 2 years. And that hereafter their lives are destined to be ones of serenity, quietude, and complete pleasantness, we hope and believe.

They will both be greatly missed in the House. As many have said, I have been more intimately associated with the gentleman from Texas than it has been my pleasure to be associated with the gentleman from Pennsylvania.

I know that the membership of the Foreign Affairs Committee in particular will miss the fine and able services and the genial characteristics of the gentleman from Texas. The Foreign Affairs Committee will not be quite the same thing, Luther, without you.

And with you, as also with the gentleman from Pennsylvania, go the best wishes not only of the members of the Foreign Affairs Committee and the members of the 11 committees on which the gentleman from Pennsylvania has served, but also the best wishes of the entire membership of this House. We hope you are both destined to thoroughly enjoy your new service, even beyond your greatest expectation of this moment.

There is another reason for gratification with reference to the gentleman from TEXAS, which does not apply to the gentleman from Pennsylvania, in that the performance of his new duties for which he is so well qualified will not return him to TEXAS, will not even remove him from Washington, but on the contrary he will still be here in the Nation's Capital with his charming wife, which will afford those who love him as we all love them both the opportunity of seeing them frequently in the years to come.

Enjoying as both you gentlemen always will the privileges of the floor of the House we hope you will frequently avail yourselves of this right and afford us the privilege, the pleasure, and the honor of often welcoming you here during the weeks, the months, the years that are to come. Luther, there will certainly be no valid reason for you to deny us this pleasure.

And as you go we say good-by, and may God bless and keep you both.

The SPEAKER pro tempore. The gentleman from Texas [Mr POAGE] is recognized.

Mr. POAGE. Mr. Speaker, I think we should congratulate the President of the United States upon a wise selection for two important places on the judiciary. I do not recall a time when two better selections have been made.

I do not think we can cover up the fact that tomorrow morning there will be empty seats in this House and that this House will have lost in the sum total of its ability. Two of the most outstanding and able lawyers of this body are going onto the bench. It has been my privilege, as it has been yours, to know these men and to appreciate their splendid qualities. I had the privilege during the last year of watching the work of Judge MURPHY before one of the important committees of this House. He rendered a real service to the people of this Nation, and particularly to the rural people of this Nation who are interested in the development of rural electrification. I want to say that they have lost a real friend from the Congress when JOHN MURPHY goes on the bench. He has rendered outstanding service here and he will do the same thing on the bench.

The closest congressional friend I have both from the standpoint of geography and friendship has filed his resignation from this body this afternoon. LUTHER JOHNSON represents the district closest in miles and closest in spirit to the district that I represent. I have come and you have all come to respect LUTHER JOHNSON, to know him as a statesman, to believe in him as a man of outstanding integrity, and I have come to love him as I have loved few men in my lifetime.

I think that many of us on this floor can repeat what the gentleman from El Paso said, that there is probably no man in this House to whom we feel a closer attachment. I have many close friends here. We all find that we make deep friendships in this body. But there has been no man in the 10 years I have been here for whom I have developed a closer feeling than my neighbor and my friend from Corsicana. He has been more than an inspiration to me; he has been more than a mere friend of mine; he and Mrs. Johnson and their splendid children have been the kind of people, and are the kind of people, that you feel proud to call your friends.

Those of us who have had the opportunity to know these good people so well have enjoyed a privilege that we should treasure all the days of our lives. I recognize that we are not abandoning those friendships, but I know, as you know, that the daily meetings, the frequent meetings that we have enjoyed, are not going to be ours in the days to come. I know, of course, that we will have the opportunity of meeting again and we will look forward to that opportunity, but we are going to miss every day here on the floor of this House, down in the restaurant, in the cloakroom, on the way to and from the Office Building the friendship and the splendid inspiration that we have received at the hands of LUTHER JOHNSON.

Mr. Speaker, I have not the words at my command to express my feelings, and I know they are your feelings, because there is not a single man in this House who does not love and respect LUTHER JOHNSON. It is with no disrespect to the other splendid Members of the House that I say no one enjoys a wider range of friendship than does the gentleman from Texas who is today retiring from this body. We are all going to feel a sense of loss tomorrow morning; we are going to feel it for days, months, and years to come We are going to feel that there is something missing in this House that cannot be replaced.

So, along with the other friends of both of these gentlemen who are leaving, I want you to know that as you go into another line of work, whatever your degree of success may be, and I know you will both make an outstanding success, whatever fame you may attain there, you cannot make truer friends than those you have made here in the House and particularly to my friend and neighbor I want to say that while I have admired LUTHER JOHNSON as a statesman, I also cherish him as a friend and have throughout all these years. We are losing not simply a great statesman from this body; we are losing a great man.

You know, there is a greatness of character that goes far deeper than mere ability. I believe that both of these men who are leaving us today have that depth of character as well as outstanding ability.

So God bless you both.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, it has meant much to me to know and serve here in this House with the distinguished, able, democratic gentlemen who leave us today for service in the Federal judiciary. LUTHER JOHNSON and JOHN MURPHY are characterful and earnest. Both are fighters for causes they believe to be right. I shall never forget the Texan's stick-to-it-iveness and the Pennsylvanian's sincerity.

I have been drawn to these two men for another reason. In the midst of the busy, pressure-plus day, they always find it easy to indulge in a gracious smile and a warm greeting. Their heads are not in the clouds as they pass one by. They are regular.

The SPEAKER pro tempore. The Chair recognized the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT of Pennsylvania. Mr. Speaker, I come from Pennsylvania. Sometimes they call it the southern part of the State known as the First District

of Philadelphia. I should like to express my interest in the appointment made by President Truman and how it affects the people of Pennsylvania far and wide. They think in JOHN MURPHY'S appointment that the President has designated one of the finest men ever to come from that great Keystone State because of his temperament and judicial ability. JOHN MURPHY is not only admired, but he is loved by all his friends, particularly those of Pennsylvania. They admire him because of his integrity, his rectitude, and his unswerving loyalty to his friends and associates, and to know him is but to love him. I am sure he will do a courageous and worthy job in his new position.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. BRUMBAUGH].

Mr. BRUMBAUGH. Mr. Speaker, the appointment of the gentleman from Pennsylvania [Mr. MURPHY] to an important judicial post in the great Keystone State is a source of pleasure to me since he is numbered among the close personal friends I have made during my service as a Representative in Congress. While we differ in our political views that fact has never marred a friendship that I feel is destined to be of an enduring nature.

I have always found JOHN MURPHY to be upright, courteous, and, above all, sincere in his convictions. His genial personality and kindly disposition have won the acclaim of all who have been privileged to know him.

Pennsylvania is justly proud of JOHN MURPHY, and his splendid educational background and prominence in legal circles are sufficient guaranty that he is eminently qualified for appointment as a Federal judge.

The congressional district so ably represented by JOHN MURPHY has suffered a loss by his resignation but there is compensation in the fact that he is assuming important judicial duties and that his services to the Federal Government will not be terminated. May good health continue to attend him and may he enjoy a long and successful career as a Federal jurist is my sincere wish.

Similar honors have been conferred upon my good friend the gentleman from Texas, LUTHER A. JOHNSON, whom I had the pleasure of accompanying on a recent trip as a member of a congressional delegation. I have learned from his devoted wife that LUTHER JOHNSON'S ambition in life was to serve in the Congress of the United States. This objective was realized, and his years of honorable and faithful service are a testimonial of his depth of character and spotless reputation.

His distinctive service, ability as a leader, and his courage and fidelity are a few of the many attributes that qualify him for the position as a Federal judge.

We shall miss his presence in the Halls of Congress, but he will have the opportunity of serving his country in a similar capacity through his assignment as a member of the Federal courts. It is my earnest wish that he may continue to enjoy the blessing of good health and derive happiness from the realization that he has many warm friends in Congress who wish him Godspeed and a full measure of contentment.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, when I first came to Congress I had the great honor of serving on the famous Committee on Foreign Affairs, and I am glad to see here today at this hour so many of my former colleagues on that committee to pay tribute to the Lone Star Ranger, my colleague, the gentleman from Texas [Mr. LUTHER A. JOHNSON]. I want to say to the Members and to Luther here today that many times when there were momentous problems—and there were many during the early months of this session in that committee—that I listened to Luther, and I listened long, and he advised me well. Whatever little I may have done there I attribute largely to his kindness and his help and his willingness to spend a great deal of time showing me around the labyrinth of international relations that a freshman Congressman could not very easily discover. I hope, Luther, that you will devote many hours this week to the rules of evidence because of the many hours you spent in this House and in the Committee on Foreign Affairs, it probably has you a little rusty. I look forward to the day when, with the gentleman from Alabama and many of the other lawyers of this House I can appear before you and say, "If Your Honor please."

Well, as they have said, Mr. Speaker, in Pennsylvania for the last several months, "Johnny, they tell me you are going to be a judge." In the coal fields, Mr. Speaker, that is the way we express affection and high regard.

JOHN MURPHY and I were admitted to the bar on the same day, and little did we wonder, Johnny, as we walked down from the courthouse that day—and I will not tell the Speaker the first place we stopped at—that you would be sitting there and I would be standing here. For a couple of coal crackers we came a long way. Mr. Speaker, this distinguished young statesman and jurist was born and raised in my district in Pennsylvania. I hope when you grace that middle district bench you will remember on occasion who your Congressman is, Mr. MURPHY.

Johnny worked on the Erie Railroad, Johnny worked in and around the mines. The story of Congressman, now Judge MURPHY, is the story of America as it has been told in this hallowed Chamber for generations. He is the current exhibit A. Twelve children in that family, a widowed mother when MURPHY was 7. They have all become leading professional men and businessmen and mothers and housewives of the great Keystone State.

The gentleman from Wisconsin discovered that MURPHY was an Irishman. Indeed he is that; a good Christian gentleman. I know his wife. I knew Mrs. Murphy before MURPHY knew her, a lovely girl. She loves him and their beautiful children. On these trips back and forth to Pennsylvania for the past few years, week end after week end—let me tell you gentlemen from other parts of the country, the far-removed territories, that you are lucky sometimes. Oh, you say, you can get home for a week end. Well, there are some week ends we wish we could not get home so often but John would never miss 1 hour with his family. I have traveled over those Poconos with Judge MURPHY driving all hours of the day and night in every kind of weather, and I am going to miss those trips and I am going to miss MURPHY, with all the feeling of friendship of all our lives.

Only you men, Americans that you are, know how I feel standing here today. Judge, this is the Hall of Congress. We are in the House of Representatives. As school kids, do you remember how you dreamed of this? You are only leaving here for the great honor of the Federal bench.

Ah, if I were a sculptor I would chisel from the marble my ideal of a young American. I would call that statue JOHN MURPHY. If I were a poet I would stir the heart of humanity with his deeds in his home State and in these Halls Proud and eloquent would be that tribute. If I were a painter, Mr. Speaker, I would make the canvas eloquent with the deeds of this able and distinguished statesman and as capable a lawyer, district attorney, and Congressman as these great Halls have ever seen or heard. I would call that picture JOHN MURPHY.

I bring to you today, John, from Luzerne County the tribute of a half a million men and women who love you and always will. From Lackawanna County, which was carved out of Luzerne County, I am commissioned by your friends and neighbors there to reemphasize that tribute. For my colleagues of the Pennsylvania delegation and for your colleagues in the House, hail, and farewell.

The SPEAKER pro tempore. The gentleman from New York [Mr. RABIN] is recognized.

Mr. RABIN. Mr. Speaker, I want to take but a minute to extend my congratulations to my two colleagues upon their elevation to the bench. It has not been my privilege to know Mr. JOHNSON as well as some of the others who have spoken. But I will accept the summation of the lawyers who have summed up the testimony of the witnesses in his behalf, and, as a juror, I concur in their verdict.

But I bear witness myself to what was said about JOHN MURPHY. I met JOHN MURPHY on the Committee on Interstate and Foreign Commerce. It has been a privilege to know him. I take this opportunity to express publicly my thanks for the help he has given me on that committee and for the inspiration that he has been to me. When I was in doubt, I talked with JOHN MURPHY. I have never gone wrong in following his advice. I have learned to respect him. I have learned to love him. I learned to respect him as a man and as a Congressman, as well as a lawyer. I know that he is beginning a career that will be a distinguished one. I hope that even greater judicial honors are in store for him.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas, the Speaker of the House [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I would not take any time at this late hour except I do want to place in the RECORD a word about these two very distinguished colleagues of ours.

First, I want to speak of LUTHER JOHNSON because I know that God never made a better man than LUTHER JOHNSON—neighbor, friend, public servant, modest, yet bold, able, conscientious, patriotic. He leaves here a heritage of which he and his may well be proud throughout his and their years. I do not know anybody who does not like LUTHER JOHNSON. If I found somebody who did not like, honor, and respect LUTHER JOHNSON, frankly I would want him examined morally, physically, and mentally, because he is the type who attracts friendship because he deserves friendship and because he gives in turn a splendid friendship. Of course, we on the Texas delegation are going to miss him every day, and terribly, for the remainder of our tenure here. I know he will make an outstanding judge on the great court to which he has been called.

As for JOHN MURPHY, I will say that in the thirty-odd years it has been my privilege to serve here, I have not known a young man to come to this House who in so short a time has more deeply impressed me and others with his fine character, his splendid ability, and, of course, an unquestioned and great patriotic desire to serve his country When John told me that he was thinking of retiring I started to argue with him and said to him that men of his age, his physical mold, moral mold, and mental mold, should make the Congress of the United States a career. But he has the obligations of a family and they have a right and he recognized it, to have more security than a man can possibly have here.

I regret to see him go. I predict for him a wonderful career and a distinguished service on the bench.

I join with the gentleman from New York, [Mr WADSWORTH], in regretting to see so many good men leaving the Congress of the United States. Resignations during this, the Seventy-ninth Congress, have weakened the stature of the House of Representatives. And more are going soon unless this service is made more attractive and unless men can look forward to devoting a life to the public service with security for themselves and their families after they leave here.

I am sorry to see each of you go, but I know that that branch of the public service to which you go and its capability of service will be tremendously enhanced by your entering the field of Government to which you are going.

EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in two instances and include articles.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. RAMEY] is recognized.

A STRONG SPIRIT IN TROUBLED TIMES

Mr. RAMEY. Mr. Speaker, I received a letter the other day from a constituent which began by saying, and I quote only a part of it:

Hail to thee, blithe spirit, I see you voted for the Case bill, and I have been waiting this opportunity to tell you what I think.

I am not at this time going to go into any extended discussion of the Case bill. I voted for the Case bill because, in my opinion, it will gain much respect for labor unions in the future, and permit them to go ahead for what I am confident is a greater and permanent and more orderly future with the full public support their rights entitled them to receive. That, if you please, has always been my attitude to labor and labor unions. I am a workingman and I have a kinship with them individually and collectively. I am a member of Toledo Local 707, of State, County, and Municipal Employees of American Federation of Labor.

My voting record bears me out in this respect. However, I wish to point out, and other Congressmen no doubt share this view, that it is increasingly difficult for a man in Congress to go down the middle, do the right thing, and escape unjust criticism, in these times.

I think that this is true, largely because we have entered into the age of extremes. When we used the expression "follow the party line" a few months ago it was generally directed at communism, from which it was borrowed. But there are many lines today. There is the Communist line, the Fascist line, the leftist line, and the extremist line. We still have Roosevelt haters who insist every now and then on exhuming the body of the late President so that they may verbally spit upon him. We have a leftist line which judges everybody and everything in terms of Russia.

We do not have a clearly drawn Republican line or Democratic line, and that may be one of the things that is wrong with us. During the recent bitter OPA fight, it was quite clear that what we needed was continuance of OPA with certain relaxations of its rigidity. What's wrong with that? Nothing. Yet those who advocated it were pilloried as being weak-kneed compromisers. We had the irreconcilables who wanted OPA continued, and the equally adamant who wanted it wrecked without any reservation whatsoever. Between the two there was no common denominator, and we wound up by being wholly without any law at all.

In labor matters it is quite clear, at least to me, as to what we need. We need the protection and preservation of labor's gains. We need the exaction from labor of an honest day's work for an honest day's pay. We need the right to strike protected and preserved. It is labor's only effective weapon. We need the respect by both sides of the sacred character of contract. This is the case simply stated. Yet on the one hand we are branded as prolabor or as antilabor, according to how we vote on measures of such an extreme character that some of them actually have not been introduced with serious intent.

Your sincere and honest Congressman is offered all too frequently a choice of two extremes. I submit that this is not a proper choice, nor a just choice, and not a necessary one. It is a little like asking a man to choose between THEODORE G. BILBO and Earl Browder as our next President.

The honest legislator, in these circumstances, must take a course that will be necessarily unpopular. The course he will take is to support those measures which he thinks are good, oppose those which he thinks are bad, and amend those which he thinks can, by proper amendation, be made workable and fair.

We are in a period in our history when we do not necessarily try men's souls, but we do impose some rather severe choices on them. That is the aftermath of war. It has always been thus with the backwash of war. In the late sixties we could not make up our minds whether we wanted to hang Jeff Davis or enshrine him. Nobody wanted to let him go back to planting cotton. After the First World War we wanted to try the Kaiser, we wanted to change the basis of our own Government, or we wanted to restore Germany, or we wanted to stage a permanent Red hunt and crucify everybody who had opposed us or who held economic ideas contrary to our own.

The record also shows that we did none of these things. In the course of time a middle trail of progress emerged, and that trail we followed.

I opposed the Smith-Connally Act and opposed overriding the veto. I took the side of labor in the efforts to discredit labor during the GM strike. I kept labor matters away from the Military Affairs Committee and voted to send them to the Labor Committee. I opposed the May-Arends gag rule. I opposed the amendment to keep labor out of politics. I opposed the Lea rider which would have robbed some 1,500,000 workers of the rights to WLB appeal. I defended labor and fought the effort to smear labor during the steel strike. I supported the pay raises for Federal workers and the effort to give them travel allowance. I backed the minimum-wage proposal. I voted for the Case bill.

In postwar collaboration I supported the Fulbright resolution of 1943, I supported UNRRA. I supported renewal of trade agreements, I supported the Bretton Woods agreement, I defended and defend the principles of the Atlantic Charter.

In other matters I opposed making the Dies committee a permanent congressional unit. I was for the elimination of the poll tax. I introduced a bill and steadily have supported measures for old-age-pension recipients. I have supported and expect to support every measure tending to strengthen our system of social security.

I am rather proud of this record, and yet, as many another Congressman with a similar record will testify, I have been harshly criticized for it. The chamber of commerce lynched me, at least verbally, in my home town when I opposed the Smith-Connally Act. Some of my labor friends have been sharply critical of my Case bill vote. Others, in both instances, commended me. I thank my lucky stars for these moderates, these sound thinkers, who know that labor must be safeguarded and at the same time also know that every proposed law

which gets a union endorsement is not necessarily a good law by reason of that fact. "If you can keep your head when all about you are losing theirs and blaming it on you," so one verse of Mr. Kipling's poem goes. When others doubt you, be patient, explain, confer, but do not retreat from any position unless it can be demonstrated to you that you are wrong. I cannot believe that those of us who are honestly striving for what is right and fair and decent will suffer from our devotion.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized.

AUTOMOBILES FOR AMPUTEES

Mr. LANE. Mr. Speaker, I have signed the petition to discharge the Committee on World War Veterans' Legislation from further consideration of H. R. 6304 in order that the measure may be considered and acted upon in this House. The bill would authorize the furnishing of a suitably equipped automobile, costing not more than $1,500, to any veteran having a service-incurred disability due to loss, or loss of use of, one or more limbs. I endorse this measure; I urge that my colleagues add their names to the petition so that we can consider and act upon it. For it is a pressing concern, and a just proposal, yet it has been opposed.

One of the veterans' organizations of World War II declares its fundamental attitude with these words: "Citizens first; veterans second," an attitude which declares that the veterans are not looking for special privilege, that the national welfare is, in the final analysis, paramount. It has been my experience that most veterans share this attitude. However, they continue to assert, and with the same honest and knowing appraisal of their own situation, that they should be given the opportunity to get started, an opportunity to settle the accumulation of deferred business and new problems that are piled up at the border of military and civilian life and which must be cleared before they can proceed on their own and under their own powers, as they prefer.

In fact, it is the initial impediments which cause the protest and the plea from the veterans themselves. They repeat firmly and honestly that they do not want special privilege, but that they are entitled to immediate and practical assistance in getting over the first hurdle, the accumulated residue of 3 or 4 years' absence and the inevitable complications of getting started.

In many cases the initial impetus has been made, due not only to Government assistance and community action but also due to the initiative of the men themselves, an initiative always characteristic of young Americans and now spurred by this equally characteristic urge to get started, to gain security, to become, in short, an active citizen.

But we would be blind to fact and ignorant of need if we relaxed our efforts now with optimistic reassurances that all is well. For many veterans, possessed of the same initiative and the same urge, are as yet unable to get started. And not the least of these are the men to whom we must be particularly indebted, those who are physically handicapped. We are, needless to say, particularly indebted to them because, participating in the common cause, they were at the very front, and now sharing in our common life, they have suffered permanent handicap and are in danger of being relegated to the rear.

The late great President, Franklin D. Roosevelt, called on the Nation at the outset of our ordeal for equality of sacrifice insofar as is possible, acknowledging in this phrase that some must sacrifice more than others the indiscriminate abuses of war. But, while cherishing the common good, we must not permit the greater sacrifice to harden into the perpetual handicap, to become as it were a perpetual paralysis. Our physical therapy, with its concordance of wise medical treatment, mechanical aids, training in skills, is doing wonders in restoring the disabled, enabling him to stand on his own feet, move under his own power, choose his direction. A social therapy, modeled on the same thorough method and seeking the same ends, must be developed.

We have all remarked on the characteristic attitude of the veteran of the struggle shortly ended which asserts that he wants not special privilege, only the opportunity to get started. And more than one observer close to these men and knowing them has declared that the more severe and grueling was their test in war, the greater the demand on their courage and endurance, the less do they want privilege, the more do they want to stand on their own.

Consequently we must try to measure the accuracy of the inescapable conclusion of General Bradley, Administrator of Veterans' Affairs, that legislation now before Congress is "primarily a bonus for a limited group." The bill, H. R. 6304, would authorize the furnishing of an automobile, suitably equipped, to any veteran having a service incurred disability due to loss or loss of use of one or more limbs. General Bradley, because of his position and his record must be listened to. But his statement is inconsistent with our observation that the veteran, and more particularly the handicapped veteran, does not seek special privilege.

Yet the veterans who have lost the use of their legs support the proposed legislation. Are they then seeking special privilege? Let us listen to one of their spokesmen, Staff Sergeant Gillerman, of Brookline, Mass., a patient at the Walter Reed Hospital, who lost a leg in France. He spoke to the Committee on World War Veterans' Legislation at hearings on this bill with the support of 50 of his fellow lower-limbs amputees who were present. He said:

> Gentlemen, we know that we can never be restored to complete normalcy. All we ask for is a chance to once again be able to compete for a job with people who are unhampered by such hardships. * * * It—

The Government—

> assumed the all-important task of rehabilitating these men to as complete a state of normalcy as possible in order that they might resume a useful, independent position in a society for which they sacrified so much.

Sergeant Gillerman pointed out that artificial limbs and appliances have proved through experience to be insufficient to overcome the hazards and hardships of day-to-day existence. He pointed out that to men who had lost their power of locomotion, an auto was a mechanical aid, even as were crutches and the wheel chair.

Now there is no doubt that the bill has a limited application, for it is specifically designed to assist veterans who have lost the use of one or both legs in line of duty. But it must be equally apparent that the bill does not propose special privilege as distinct from the basic and fundamental necessity of enabling each veteran to be independent, "to be on his own." In fact it proposes just that. The intent of the measure, the motive that evokes the amputee's fervent support, the fundamental obligation of the Nation are here all one, namely, to avail the veteran of the opportunity to be an independent citizen, which he so earnestly wants.

What we must not ignore in considering this question is the fact, a very real and, to the disabled, even a harsh fact, that he is handicapped. Sergeant Gillerman said "We know that we can never be restored to complete normalcy." Yet this complete restoration of the veteran is the goal of all our efforts. We want him to be, first a citizen, next a veteran. Complete restoration is impossible for these men; it is of course absurd to then surrender any attempt to restore them to the independent life in society. Looked at in that light, such a negative assertion would never be made. But this negative approach is inherent in any attitude which regards the minimizing of the amputee's handicap as "special privilege."

Our society is a highly competitive one. No man, particularly one who has sweated and suffered to guarantee that our society be maintained wants to be shunted to the sidelines. He wants to take his place in society and make his way in it.

However competitive our way of life may be, we retain our sense of fair play, which probably has its basis in recognition of the essential dignity of man, the recognition, for example, of his right. We want no man crushed. We want no man relegated to the sidelines against his will. We certainly want to restore his place to the man who stepped out in khaki to fight for the retention of our society. Do we then refuse to restore his place to the man who was injured in that fight? I think not, and that is why I insist that we do our best to compensate for the serious handicap of the loss of a limb.

A man who has lost his legs has not lost his zest for life; it has rather been increased. The man whose legs are paralyzed has not therefore been paralyzed in mind and will, but quickened. There is the very immediate danger, however, that we can sacrifice the zest for living, the will to live independently of the handicapped man by ignoring his handicap.

The amputee states that artificial limbs are not sufficient to overcome the hazards of day-to-day existence. They do not restore his mobility. Public

transportation is too congested, rough terrain, snow and ice, crowds, long distances and so forth, are too much for him to contend with. An automobile is the only solution Provide them with that and the amputee and the paraplegic will make their way, maintain the car and settle the many difficulties that will be theirs.

The bill provides for a grant of $1,500 in lieu of a car. This is also the maximum provided for the purchase of a car. It is this cash provision that has led General Bradley to his "inescapable conviction" that the legislation is primarily a bonus for a limited group. It is still pertinent to point out that the group is of course limited, and it is the very fact of limitation to the veteran who has lost the use of one or two legs that is the basis for the proposal. But there are connotations in the phrase "bonus for a limited group" which can lead us away from the just appraisal. It is not a bonus to attempt to give to the handicapped veteran a place in some ways equal to the rest of his fellows. No other veteran will deny such men this equivalent opportunity.

However, Sergeant Gillerman has pointed out that the cash provision was injected into the bill to cover small groups of disabled veterans who have already cashed their bonds and used much of their life savings to purchase a necessary auto. For an automobile is a necessity to these men. Without it they become confined, lose their place in society, lose their opportunities. And beyond this loss of opportunity and active share in daily living waits a disquieting fear. Whether the source of this fear is the threat of isolation and helplessness, or the danger of further injury and hospitalization to which such men are so susceptible, or a rankling sense of injustice, matters not as much as the fact that the fear can be minimized if we are ready with the remedy. It would be cruel to add mental instability to the physical instability which now cripples these veterans.

Consequently, I urge my colleagues to add their endorsement to this measure, urge them to sign the discharge petition. Nothing can be gained by holding the bill. Hearings have been completed. We have only to make the decision. We have only to decide whether the men who suffered the loss of their legs are to be provided with the indispensable means of maintaining some measure of an active life. We have only to decide if the veterans who have sacrificed the most are to suffer permanently without appropriate compensation. I insist that we must minimize the inequality of opportunity and freedom which is the direct consequence of their sacrifice. I insist that we must preserve more than the life, which in many cases has been preserved by the skill of doctors and the will of victims, we must preserve for them active participation in life. They, too, must share to the fullest degree now available to them the indispensable concomitants of modern living.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield, but first let me say that I think we in the Congress owe a debt of gratitude to the gentlewoman for her foresight in filing this bill and bringing it to our attention, so that we can join with her in an effort to have this legislation brought to the floor and voted on so that these young men who are crippled for the remainder of their lives may have a little help to more nearly put them on a basis with others not so afflicted.

I know I voice the sentiments of my colleagues not only on my side but on the minority side, of which the gentlewoman from Massachusetts is a member, when I say we are all greatly pleased that she has seen fit to bring this to our attention. I hope she will be successful. She has put in many, many hours of work and much effort and she is to be congratulated

I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman is unfailing in his efforts for the veterans, and very successful. I know the veterans are extremely grateful—I am—for his ardent support of this measure. Does it not, however, seem ironical to the gentleman that we should spend 2 days on the atomic bomb that has destroyed so many people and yet refuse to spend any time at all trying to restore some facility to the veterans who have lost their natural functions, to enable them to walk and get about again?

Can the gentleman tell me where the opposition is? It is incomprehensible to me that there could be or that there should be any opposition. Members of the press ask me: "What is the opposition? Where is it? Why does not the bill pass?"

Mr. LANE. I take it that the gentlewoman knows best about whatever opposition there is. It exists somewhere, some place, because we are unable to bring this matter up for consideration without a discharge petition. It is on the desk for us to sign.

I join the gentlewoman in her efforts, for I feel this should be one of the "must" bills. We should take care of these young men who have these impediments, who have given their limbs for their country.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe that every Member who has signed that petition, so long as the bill does not come out of the World War Veterans' Committee, will rejoice because he has tried to give veterans without limbs an automobile? When those who have not done so are motoring away from here I think they will regret it all their lives.

Mr. LANE. I certainly do; and I thank the gentlewoman for her contribution.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. LANE I yield.

Mr. CANFIELD. I, too, wish to compliment the gentleman from Massachusetts on the fine statement he has made and to say I believe that in the many years I have served here on Capitol Hill the saddest sight I have ever seen was that of a group of these amputees going from office to office seeking support for this worthy legislation.

Mr. LANE. I join with the gentleman from New Jersey and I know that he feels like most of us, that this bill should be brought to the floor for action as soon as possible. I know his efforts have been along these lines, for his record has always been one of working for the welfare and benefit of the veterans.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Ohio.

Mr. RAMEY. I concur in the statement of the gentleman from New Jersey. I am grateful for the address the gentleman is giving us. Of course, we all know the continuity of the faithfulness of the gentlewoman from Massachusetts [Mrs. ROGERS]. I believe the gentleman will concur in the statement that it should not be necessary for these men to go around soliciting; it is something that is due them. Time is the essence and I believe this petition should be signed immediately.

Mr. LANE. I thank the gentleman for his contribution and I join with him in his sentiments. I think the sooner the better.

EXTENSION OF REMARKS

Mr. ROWAN asked and was given permission to revise and extend his remarks in the RECORD and include a letter from the Secretary of War.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1477 An act to authorize relief in certain cases where work, supplies, or services have been furnished for the Government under contracts during the war, to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S 661. An act for the relief of Harold H. Rhodes,

S. 706 An act to amend Veterans Regulation No 9 (a), as amended, so as to increase the limit of amounts payable thereunder in connection with the funeral and burial of deceased veterans;

S 1132. An act for the relief of Aeronautical Training Center, Inc;

S. 1748. An act for the relief of Ivor E. Nicholas; and

S. 2291 An act to authorize the Secretary of the Navy to transfer a vessel to the American Antarctic Association, Inc.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 16 minutes p. m.) the House adjourned, under its previous order, until tomorrow, Thursday, July 18, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1466. Under clause 2 of rule XXIV, a letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed joint resolution granting permission to Thomas Parran, Surgeon General of the Public Health Service; Rolla E. Dyer, Assistant Surgeon General, Public Health Service; Howard F. Smith, Assistant Surgeon General, Public Health Service; Herbert A. Spencer, medical director, Public Health Service; Vance B. Murray, medical director, Public Health Service; and Gilbert L. Dunnahoo, medical director, Public Health

Service, to accept and wear certain decorations bestowed upon them by France, Cuba, Mexico, Chile, Finland, and Luang-Prabang, was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CLARK: Committee on Rules. House Resolution 710. Resolution providing for the consideration of H. R. 7037, a bill to amend the Social Security Act and the Internal Revenue Code, and for other purposes; without amendment (Rept. No. 2530). Referred to the House Calendar

Mr LANHAM. Committee on Public Buildings and Grounds. Senate Joint Resolution 4. Joint resolution authorizing the erection on public grounds in Springville, Ariz., of a memorial to Gustav Becker, without amendment (Rept No 2543). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H R. 7052. A bill to amend the Internal Revenue Code, and for other purposes; without amendment (Rept. No. 2544). Referred to the Committee of the Whole House on the State of the Union

Mr HEALY Committee on the District of Columbia S 223 An act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia; with amendment (Rept No. 2545) Referred to the Committee of the Whole House on the State of the Union

Mr MANASCO: Committee on Expenditures in the Executive Departments S 1636. An act to amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories and possessions, and for other purposes, with amendments (Rept No. 2546). Referred to the Committee of the Whole House on the State of the Union

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PITTENGER: Committee on Claims H. R 1004. A bill for the relief of the legal guardian of Robert Olsen, a minor; with amendments (Rept. No. 2531). Referred to the Committee of the Whole House.

Mr PITTENGER: Committee on Claims. H R 1459. A bill for the relief of Mr. and Mrs J W. Williams, Jr; with amendments (Rept No. 2532). Referred to the Committee of the Whole House.

Mr PITTENGER: Committee on Claims. H R 1867. A bill for the relief of Mrs. Leroy A Robbins; without amendment (Rept. No. 2533). Referred to the Committee of the Whole House

Mr. PITTENGER: Committee on Claims. H R 3210. A bill for the relief of Clyde O. Payne with amendments (Rept. No. 2534). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R 3619 A bill for the relief of Harry D. Koons, with amendments (Rept. No. 2535). Referred to the Committee of the Whole House.

Mr PITTENGER: Committee on Claims. H R 3855 A bill for the relief of Martin A. Tucker and Emma M. Tucker; with amendments (Rept. No. 2536). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4815. A bill for the relief of Pittsburgh DuBois Co; with amendments (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 4827. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Pan American Petroleum & Transport Co. against the United States; with amendments (Rept. No. 2538). Referred to the Committee of the Whole House

Mr. PITTENGER: Committee on Claims. H. R. 4860. A bill for the relief of Materials Handling Machinery Co., Inc; without amendment (Rept. No. 2539). Referred to the Committee of the Whole House

Mr PITTENGER: Committee on Claims. H. R 5287 A bill for the relief of Mrs. Cecile W. McAfee, Sarah McAfee, and Haven H. McAfee, with amendments (Rept. No. 2540). Referred to the Committee of the Whole House

Mr STIGLER. Committee on Claims H. R. 5847. A bill for the relief of Watson Airfotos, Inc; with amendments (Rept No. 2541). Referred to the Committee of the Whole House

Mr. PITTENGER: Committee on Claims. H R 5848. A bill for the relief of Mrs Millicent Moore without amendment (Rept No. 2542). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr KLEIN:

H R 7060 A bill to amend section 3 of the Immigration Act of February 5, 1917, as amended (39 Stat. 875–878, 8 U S C. 136); to the Committee on Immigration and Naturalization

By Mr PITTENGER

H R 7061. A bill to restore agencies and functions to the status in effect before the taking effect of Reorganization Plans Nos 2 and 3, transmitted to Congress on May 16, 1946, to the Committee on Expenditures in the Executive Departments.

By Mr. HORAN.

H R 7062. A bill to expedite the disposition of surplus property, to the Committee on Expenditures in the Executive Departments

By Mr BROOKS

H R 7063. A bill to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes, to the Committee on Military Affairs

By Mr. BAILEY:

H Res 711. Resolution requesting the Secretary of the Treasury to furnish to the House of Representatives certain information with respect to the operation and administration of subsections (b) and (d) of section 122 of the Revenue Act of 1945; to the Committee on Ways and Means.

By Mr. THOMAS of New Jersey:

H Res. 712 Resolution to investigate dissemination of propaganda by Office of Price Administration, to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H R 7064. A bill for the relief of Amin Bin Rejab; to the Committee on Immigration and Naturalization

By Mr. COFFEE:

H. R. 7065. A bill for the relief of A. J. Sprouffeke; to the Committee on Claims.

By Mr. GEELAN:

H. R. 7066. A bill for the relief of Peter J. Geenty; to the Committee on Claims.

By Mr. HART:

H. R 7067. A bill for the relief of Louisa Russell Nipkow; to the Committee on Immigration and Naturalization.

By Mr McGEHEE.

H. R. 7068 A bill for the relief of Mrs. Martha P. Matthews, to the Committee on Claims

By Mr. MANSFIELD of Montana:

H R. 7069 A bill for the relief of Margaret Katherine Hume; to the Committee on Immigration and Naturalization.

By Mr. RUSSELL

H R 7070 A bill for the relief of W J Cross; to the Committee on Claims.

PETITIONS, ETC

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2102 By Mr GEELAN Petition adopted at the twenty-sixth annual department encampment, Department of Connecticut, of Veterans of Foreign Wars, that veterans who are employed as apprentices under Public Law 346 or 16 who are injured while working at their trade or profession should continue to receive the sustenance payments presently being made to such persons employed as apprentices under the above public laws, to the Committee on World War Veterans' Legislation.

2103 Also, petition adopted at the twenty-sixth annual department encampment, Department of Connecticut, of Veterans of Foreign Wars, endorsing the Wagner-Ellender-Taft bill and requesting its early passage, to the Committee on Banking and Currency.

2104 Also, petition adopted at the twenty-sixth annual department encampment, Department of Connecticut, of Veterans of Foreign Wars, advocating that the United States keep secret all of its military secrets until such time as international cooperation, mutual good faith, and confidence have been established, to the Committee on Military Affairs

2105 Also, petition adopted at the twenty-sixth annual department encampment, Department of Connecticut, Veterans of Foreign Wars, advocating the establishment of a depot in Connecticut for the disposal of surplus property; to the Committee on Expenditures in the Executive Departments.

2106 Also, petition adopted at the twenty-sixth annual department encampment, Department of Connecticut, of Veterans of Foreign Wars, to enact legislation which would change the Articles of Government of the Navy to provide for equal treatment of enlisted personnel in courts martial, to the Committee on Military Affairs.

2107. By Mr. HANCOCK: Petition signed by George Gronau and 50 other residents of the city of Syracuse, N. Y., protesting against the recent order of the Department of Agriculture reducing the amount of grain to be allocated to the brewing industry, to the Committee on Agriculture.

2108. By the SPEAKER: Petition of the South Tyrolese Peoples Party Bozen, petitioning consideration of their resolution with reference to aid in struggle for freedom and right of self-determination; to the Committee on Foreign Affairs.

2109. Also, petition of Vergil McMillan and others, petitioning consideration of their resolution with reference to the case of Ola May McMillan et al. against Francis W. Taylor et al., to the Committee on the Judiciary.

SENATE

THURSDAY, JULY 18, 1946

(Legislative day of Friday, July 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. C. Leslie Glenn, D. D., rector of St. John's Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, who alone gavest us the breath of life and alone canst keep alive in us the holy desires Thou dost impart, we beseech Thee, for Thy compassion's sake, to sanctify all our thoughts and endeavors, that we may neither begin an action without a pure intention nor continue it without Thy blessing.

And grant that, having the eyes of the mind opened to behold things invisible and unseen, we may in heart be inspired by Thy wisdom, and in work be upheld by Thy strength, and in the end be accepted of Thee as Thy faithful servants. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, July 17, 1946, was dispensed with, and the Journal was approved.

NOTICE OF INTENTION TO ADDRESS THE SENATE

Mr. CONNALLY Mr. President, I wish to announce that tomorrow, immediately after the Senate convenes, if I am able to obtain recognition, I expect to address the Senate on the recent Conference of the Council of Foreign Ministers in Paris and related subjects.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 661. An act for the relief of Harold H. Rhodes;

S. 706. An act to amend Veterans Regulation No. 9 (a), as amended, so as to increase the limit of amounts payable thereunder in connection with the funeral and burial of deceased veterans;

S 1132. An act for the relief of Aeronautical Training Center, Inc.;

S. 1743. An act for the relief of Ivor E. Nichols; and

S 2291. An act to authorize the Secretary of the Navy to transfer a vessel to the American Antarctic Association, Inc.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report covering the operations of that Corporation from its organization on February 2, 1932, to March 31, 1946, inclusive (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF OFFICE OF PRICE ADMINISTRATION

A letter from the Administrator, Office of Price Administration, transmitting, pursuant to law, the seventeenth report of that Administration, for the period ended March 31, 1946 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers), to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate the following petition and memorial, which were referred as indicated:

A resolution adopted by the Pennsylvania State Association of Boroughs, Reading, Pa, favoring the enactment of the bill (H R. 6680) providing for payments in lieu of taxes upon certain surplus property and the payment of taxes thereon when leased or sold to private interests by conditional sale, and authorizing the taxation and assessment thereof for State and local purposes, to the Committee on Finance.

A telegram in the nature of a memorial from Dr J P Clancy, of Hammond, Ind., remonstrating against the enactment of the bill (S 1318) to provide for the general welfare by enabling the several States to make more adequate provision for the health and welfare of mothers and children and for services to crippled children, and for other purposes, to the Committee on Education and Labor

REPORTS OF COMMITTEES

The following reports of committees were submitted.

By Mr DONNELL, from the Committee on Immigration.

H. R. 2485 A bill for the relief of Moses Tennenbaum, with an amendment (Rept. No 1732); and

H R. 5278. A bill to legalize the admission to the United States of Virginia Harris Casardi; without amendment (Rept No. 1733).

By Mr THOMAS of Oklahoma, from the Committee on Agriculture and Forestry:

H. R 4362. A bill to abolish the Parker River National Wildlife Refuge in Essex County, Mass., to authorize and direct the restoration to the former owners of the land comprising such refuge, and for other purposes; without amendment (Rept. No 1734); and

H. R 6298. A bill to protect and facilitate the use of national forest lands in township 2 north, range 18 west, Ohio River survey, township of Elizabeth, county of Lawrence, State of Ohio, and for other purposes; without amendment (Rept. No 1735).

By Mr JOHNSTON of South Carolina, from the Committee on Claims:

H. R 4608 A bill for the relief of Mrs. Mary D. Johnson; without amendment (Rept. No. 1736).

By Mr. ANDREWS, from the Committee on Public Buildings and Grounds.

S. 2412. A bill to provide for site acquisition and design of Federal buildings, and for other purposes; with amendments (Rept. No. 1737).

By Mr. O'MAHONEY, from the Committee on Public Lands and Surveys:

H. R 3593. A bill relating to the disposition of public lands of the United States situated in the State of Oklahoma between the Cimarron base line and the north boundary of the State of Texas, without amendment (Rept No 1738).

By Mr. GURNEY, from the Committee on Public Lands and Surveys:

H. R. 7004. A bill to revise the boundaries of Wind Cave National Park in the State of South Dakota, and for other purposes; without amendment (Rept No 1739).

By Mr GEORGE, from the Committee on Finance

S J. Res 166. Joint resolution to amend section 3126 of the Internal Revenue Code, as amended, and for other purposes; without amendment (Rept. No. 1740).

By Mr WALSH, from the Committee on Naval Affairs:

S 2437 A bill to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II; without amendment (Rept. No. 1741).

By Mr. FULBRIGHT, from the Committee on Immigration:

H R 434 A bill to provide that nationals of the United States shall not lose their nationality by reason of voting under legal compulsion in a foreign state; with amendments (Rept. No 1742)

INTERNATIONAL CANCER RESEARCH—REPORT OF A COMMITTEE

Mr. PEPPER. Mr. President, from the Committee on Foreign Relations I ask unanimous consent to submit a report (No. 1743) to accompany the bill (S. 1875) to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer, which was reported to the Senate on yesterday from that committee with a favorable recommendation.

I desire to state that the Senator from South Dakota [Mr. GURNEY] concurs in this report

The PRESIDENT pro tempore. Without objection, the report will be received.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ

S. 2453. A bill to provide for the carrying of mail on star routes, and for other pur-

poses; to the Committee on Post Offices and Post Roads

(Mr. WHERRY introduced Senate bill S. 2454, to amend sec. 3797 (a) (2) of the Internal Revenue Code, as amended, with respect to the definition of the term "partner", which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. McMAHON:

S. 2455. A bill to include American Veterans' Committee (AVC) among the organizations which shall be recognized by the Administrator of Veterans' Affairs in the presentation of claims; to the Committee on Finance.

(Mr. FERGUSON (for himself, Mr. MEAD, and Mr. MORSE) introduced Senate bill S. 2456, to provide for the reestablishment of the United States Employees' Compensation Commission with the same functions which it had prior to the time Reorganization Plan No. 2 became effective, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. O'DANIEL:

S J. Res. 178. Joint resolution amending the Settlement of Mexican Claims Act of 1942 to provide for the consideration of any claim decided by the General Claims Commission in which the United States filed a petition for rehearing, to the Committee on Foreign Relations.

By Mr. BYRD:

S J. Res. 179. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the settlement of Jamestown Island, Va., and in celebration of the opening of the Jamestown Drama; to the Committee on Banking and Currency.

AMENDMENT OF INTERNAL REVENUE CODE RELATING TO TAXATION OF FAMILY AND OTHER PARTNERSHIPS

Mr. WHERRY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to provide that family and other partnerships which are recognized by local law shall also be recognized equally in all States for the purposes of taxation by the Internal Revenue Department.

In other words, where a legal partnership is recognized within the State, it shall be so recognized by the Federal Government for purposes of taxation. It is not so recognized today, except in those States that are so-called community property States. If the Federal Government for purposes of revenue is to recognize a partnership between husband and wife in 11 States in the Union, it is my belief they should also recognize legal partnerships between husband and wife in the other 37 States of the Union for purposes of revenue.

Many States, in order to correct this inequity, have become community property States, and other States are taking steps to become community property States for this very reason. It is my opinion that States of the Union should not be forced to become community property States for the sole purpose of equalizing Federal taxation.

From the Internal Revenue Department, which has given considerable study to this question itself, I obtained some examples to show the preference enjoyed by partnerships in the community property States as compared with those which are not recognized as a community property State.

In the case of a partnership with $5,000 taxable income, the amount of tax in Nebraska would be $844 while in California it would be $810, or a saving of $34.

In the case of a $10,000 taxable income, the tax in Nebraska would be $2,300, and in California it would be $1,940, making a preference of $360 in favor of California residents.

In the case of a family partnership where the husband and wife both are in business, of which there are many cases, a taxable income of $50,000 would in Nebraska require payment of $26,820 Federal income taxes, while in California the Federal income tax would be $20,300, or a saving of $6,520.

There being no objection, the bill (S. 2454) to amend section 3797 (a) (2) of the Internal Revenue Code, as amended, with respect to the definition of the term "partner" introduced by Mr. WHERRY, was received, read twice by its title, and referred to the Committee on Finance.

REESTABLISHMENT OF UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Mr. FERGUSON. Mr. President, at the time when the reorganization plans were before the Senate I stated that I opposed the plans for specific reasons. I am in favor of reorganization, but I was not in favor of the plans, for specific reasons.

I now send to the desk a bill to provide for the reestablishment of the United States Employees' Compensation Commission, with the same functions which it had prior to the time reorganization plan No 2 became effective. I am of the opinion that this agency should be reestablished. The junior Senator from New York [Mr. MEAD] joins me in this bill. So in behalf of myself and the junior Senator from New York I ask unanimous consent to introduce the bill and to have it referred to the appropriate committee.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MORSE. I shall be very happy to join the Senator from Michigan in the sponsorship of the bill if he would care to have me join with him and the junior Senator from New York

Mr. FERGUSON. I shall be very glad to add the same of the Senator from Oregon to the bill.

There being no objection, the bill (S. 2456) to provide for the reestablishment of the United States Employees' Compensation Commission with the same functions which it had prior to the time reorganization plan No. 2 became effective, introduced by Mr. FERGUSON (for himself, Mr. MEAD, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENTS OF RAILROAD RETIREMENT ACTS—AMENDMENTS

Mr. HAWKES submitted two amendments intended to be proposed by him to the bill (H. R. 1362) to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF NATIONALITY ACT OF 1940—AMENDMENT

Mr. TAYLOR submitted an amendment intended to be proposed by him to the bill (H. R. 511) to amend the Nationality Act of 1940, which was referred to the Committee on Immigration and ordered to be printed.

PRINTING OF REVIEW OF REPORTS ON THE LOUISIANA-TEXAS INTRACOASTAL WATERWAY (S. DOC. NO. 242)

Mr. OVERTON. Mr. President, I present a letter from the Secretary of War, transmitting a review of reports on the Louisiana-Texas Intracoastal Waterway with a view to modification of the existing project for the Plaquemine-Morgan City route, and I ask unanimous consent that it be referred to the Committee on Commerce and be printed as a Senate document, with illustrations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTE TO THE LATE JOHN R. KISSINGER

Mr. ANDREWS. Mr. President, in these days, when so many things are happening, we are likely to forget some who have made the greatest of sacrifices for humanity, and particularly for the people of our country.

On last Saturday there died in Dunedin, Fla., John R. Kissinger, 68, who has been cited by our Government as "the man who performed the greatest single act of courage in Army annals."

When Maj Walter Reed's experiments indicated that mosquitoes were the carriers of yellow fever, Private Kissinger and John J. Moran volunteered to be bitten by infected insects. Both were stricken with the disease, thus proving the correctness of Major Reed's theory. Both recovered, but Private Kissinger was paralyzed as a result of his experience, and never recovered.

Private Kissinger was believed to be the sole survivor of several soldiers and Cubans who volunteered in different phases of the experiments.

In 1926 Paul de Kruif dramatized the voluntary offer in his best selling book, the Microbe Hunters. In his account he stated, " 'The one condition on which we volunteer, sir,' said Private Kissinger, 'is that we get no compensation for it.' "

"To the tip of his cap went the hand of Maj. Walter Reed, 'Gentlemen, I salute you,' he said."

I present a short newspaper account of the passing of Private Kissinger, which I request be placed in the CONGRESSIONAL RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMY HERO WHO RISKED HIS LIFE IN YELLOW-FEVER TESTS DIES—JOHN KISSINGER, 68, CITED FOR "GREATEST ACT OF COURAGE"

The death Saturday, at Dunedin, Fla., of John R. Kissinger, 68, cited as the man who performed "the greatest single act of courage in Army annals," was reported yesterday by the Associated Press.

When Maj. Walter Reed's experiments indicated that mosquitoes were the carriers of yellow fever, Private Kissinger and John J. Moran volunteered to be bitten by infected

insects. Both came down with the disease, and that proved it. Both recovered.

Private Kissinger, who was paralyzed by the disease, was believed to be the sole survivor of several soldiers and Cubans who volunteered in different phases of the experiments.

For years a negligent War Department and Congress allowed Private Kissinger to live on a pension of $12 a month while his wife took in washing in their home at Huntington, Ind. Finally a $200 pension was voted him, and he was given the Congressional Medal of Honor.

In 1926 Paul de Kruif dramatized the voluntary offer in his best selling book, "The Microbe Hunters." His account was: "'The one condition on which we volunteer, sir,' said Private Kissinger, 'is that we get no compensation for it.'

"To the tip of his cap went the hand of Maj. Walter Reed, 'Gentlemen, I salute you,' he said."

Yellow fever had killed thousands more than bullets in the Cuban campaign of the Spanish-American War. It had killed one-third of the officers of Gen. Leonard Wood's staff. General Wood thought cleaning up Havana and establishing sanitary conditions would help cut the ravages of disease. But it didn't, and General Wood then sent for Major Reed.

Dr. Carlos Finlay, a Cuban physician, held that the mosquito was the carrier. But his experiments had not worked out, because he did not know that it took a period for the virus to develop within the mosquito and that the mosquito had to bite a victim several days sick with the fever to become infected itself. Major Reed decided to give Dr. Finlay's idea a new test.

It was after Dr. Jesse Lazear, one of the physicians conducting the experiments, had died of an accidental mosquito yellow-fever infection that Private Kissinger and Mr. Moran volunteered. The experiments were conducted under scientific conditions. Other volunteers, sleeping in the bedclothes of yellow-fever victims, and exposing themselves to the disease in every way other than the mosquito bite, did not get it.

Mr. De Kruif's book led to the production of the play, "Yellow Jack," and the movie of that name. Mr. Kissinger, here in 1938 for the movie opening, told a Star reporter:

"I volunteered because—it's hard to explain If they'd told me to go try to bomb a regiment of Spaniards I'd have done it, even if I was sure the Spaniards would get me. And here was a chance to risk my life to save the lives of a lot of other people instead of killing them."

THE PEACE CONFERENCE IN PARIS—LETTER FROM JOSEPH M. STACK

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD a letter dated July 11, 1946, addressed by Joseph M. Stack, commander in chief of the Veterans of Foreign Wars of the United States, to the President of the United States, which appears in the Appendix]

HUMAN RIGHTS AND THE LAW—ADDRESS BY JUSTICE EDWARD S. DORE

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address on human rights and the law, by Justice Edward S. Dore, from Life magazine, which appears in the Appendix.]

SHED NO TEARS OVER OPA—ADDRESS BY ED WIMMER

[Mr. STANFILL asked and obtained leave to have printed in the RECORD a radio address on the subject of price control by Ed Wimmer, editor of Forward America, on June 29, 1946, which appears in the Appendix.]

McKELLAR ACTS IN TIME—EDITORIAL FROM THE NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "McKELLAR Acts in Time," from the Nashville Banner of July 16, 1946, which appears in the Appendix.]

INDEPENDENCE DAY ADDRESS BY WILLIAM E. LEAHY AND POEM BY JOHN CLAGETT PROCTOR

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an Independence Day address by William E. Leahy, director of selective service of the District of Columbia, before the Oldest Inhabitants of the District of Columbia, and an original poem by John Clagett Proctor, which was read on the same occasion, which appear in the Appendix]

POLITICAL ETHICS AND LIBERALISM—ADDRESS BY SENATOR MORSE

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address entitled "Political Ethics and Liberalism," delivered by him before the Cleveland Park Congregational Church, Washington, D. C., on June 30, 1946, which appears in the Appendix.]

LIBERALS ON LIBERALISM—ARTICLE BY ERIC GOLDMAN AND MARY PAULL

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article entitled "Liberals on Liberalism," by Eric F. Goldman and Mary Paull, published in the June 22, 1946, edition of the New Republic, which appears in the Appendix.]

THE OPA—EDITORIAL FROM THE DENVER POST

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "Let's Not Destroy Our Bounty," written by Palmer Hoyt, editor of the Denver Post, and published in the edition of July 11, 1946, which appears in the Appendix.]

ABOLISH THE FILIBUSTER—EDITORIAL FROM MEDFORD (OREG.) MAIL-TRIBUNE

[Mr. MORSE asked leave to have printed in the RECORD an editorial entitled "Abolish the Filibuster," written by Robert W. Ruhl, and published in the Medford (Oreg.) Mail-Tribune, which appears in the Appendix.]

PORTLAND'S HALF-PINT POST OFFICE—EDITORIAL FROM PORTLAND (OREG.) DAILY JOURNAL

[Mr. MORSE asked and obtained leave to have printed in the RECORD an editorial entitled "Portland's Half-Pint Post Office," published in the Portland (Oreg.) Daily Journal of July 1, 1946, which appears in the Appendix.]

FLIGHT OF THE JEWS OF PALESTINE

Mr. MEAD, Mr. WHERRY, and Mr. WILEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from New York.

Mr. MEAD. Mr. President, I rise to call attention——

The PRESIDENT pro tempore. The Chair wishes to state that he is advised that there was a unanimous-consent agreement entered into last evening that the Senator from Maryland [Mr. RADCLIFFE] was to proceed this morning.

Mr. RADCLIFFE. Mr. President, I appreciate very much the courtesy of the Chair, and I yield to the Senator from New York.

Mr. MEAD. I will say to the Presiding Officer that I mentioned to my distinguished colleague from Maryland my desire to speak for a few moments at this time.

Mr. President, I rise to call the attention of the Senate to what I term "unfinished business" following the approval of the United States loan to Great Britain.

It is not uncommon for statesmen to choose between the national interest and that of the group, and then vote in behalf of the greater interest.

Men like Representative BLOOM and Rabbi Stephen S. Wise deserve commendation for their demonstrated American patriotism when they favored and urged the loan to Great Britain for her economic rehabilitation at a time when the British Govergnment is engaged in cruel brutal action toward the Jews in Palestine and the persecuted and homeless Jews of Europe.

I wish to draw the attention of the Senate to the grave state of affairs which has arisen in Palestine, a country in which the Government and people of the United States have during recent years taken an ever-growing and constructive interest. I am afraid that we are witnessing in Palestine a new phase of the traditional methods of British imperialism. It is evident that the British Government, after having found itself compelled to withdraw from Syria and Egypt, has made up its mind to make Palestine its military base in the Middle East. In this scheme there is apparently no room for a Jewish national home, and so the British Government has decided to liquidate the policy to which it pledged itself 25 years ago in the Balfour Declaration and for which it was entrusted with the mandate over Palestine. It is determined to get rid of that obligation and to break the back of the Jewish national home, to deprive it of the spirit and of the institutions of self-government, and to reduce the Jews to the position of a helpless and cowed minority. There would then be, of course, need for British troops to defend them. The pattern of the policy is very old; it has been tried in many places, in Ireland, in India, in Africa, and it has everywhere produced discord, bloodshed, and hatred of Great Britain.

In order to justify its present assault upon the Jewish national home, the British Government has used the old pretext that it has to restore law and order and rid the country of terrorism. Mr. President, I think that the attention of the Senate should be drawn to the fact that the British military forces have during the last few weeks not attacked any terrorist organization, but their present exploits are directed against the responsible, democratically elected and internationally recognized organs of Jewish self-government in Palestine. The men who have been arrested and thrown into concentration camps are not terrorists, but, as Prof. Albert Einstein has just reminded us, the leaders of the Jewish community, the very men who stood by Great Britain in her darkest hour; the men who raised 30,000 Jewish volunteers for the British Army, who sent their best men—men like those now arrested and tortured—to join the British commandos on those dangerous missions from which very few returned. No, Mr. President; the British Army is not engaged in suppressing terrorism in Palestine; it is itself engaged in a campaign of terrorism. It is terrorizing a peaceful and hard-working people whose constructive achievements have aroused the admiration of the civilized world.

What irony that a labor government should send in bulldozers to destroy the great achievement of a labor community in the Middle East. What irony that it is a labor government which is clamping down on the trade-unions of Palestine.

We read a great deal in the papers of the arms which the British forces found in a Jewish colony. What are these arms—what are they for? These arms and this self-defense organization which the British Government has set out to destroy are there for the purpose of protecting Jewish life and property. These arms serve the same purpose as those which our grandfathers carried when they went forth on their perilous work of settlement in the West. These Jewish pioneer settlers have been compelled to build up their own self-defense organization because in the past the British Government could not or would not give them adequate protection against marauders and gangsters. How many times have they been attacked? How many of them have fallen victims of Arab bullets? With your permission, Mr. President, I should like to read a few sentences from the authoritative report of the Palestine Royal Commission of 1937 on this subject:

> The first of all conditions necessary for the welfare of any country is public security. It is evident that the elementary duty of providing public security has not been discharged. If there is one grievance which the Jews have undoubted right to prefer it is the absence of security. Their complaints on this head were dignified and restrained.

Mr. President, that is why Jews had to build up this self-defense organization and to collect these arms which are now being taken away from them with such ruthlessness on the pretext of a campaign against terrorism. Who will protect these settlers, their wives, and children when these arms have been taken away, when the defenders have been locked up in concentration camps? Who will protect them against Arab gangs which may at this very moment be in the process of reorganization by the Nazi-collaborating Mufti who has been brought back conveniently to the Middle East at this very moment? What is the British Government up to? Is it preparing the ground for a new Arab massacre of disarmed and unarmed Jewish pioneers? Mr. President, we have heard a great deal lately about the British Government needing an American division to help them maintain order in Palestine if the plea of our President for the admission of 100,000 Jewish refugees from Europe is answered. The British Army is not in need of American reinforcements for the purpose of breaking down the Jewish national home and handing the Jews over to the mercies of the Mufti.

What are we in America going to do about it? Are we going to stand by while men and women and children from the age of 10 upward are being dragged into concentration camps? Are we going to be silent when torture proceedings on approved Nazi lines are being set up in Palestine to break the will of free men? I say we would be betraying the trust which has been handed down to us by our forefathers from the day when they fought the same British tyranny and against the same methods.

I have stood by Great Britain during all her recent trials and in her hour of peril. I voted for the British loan in the interest of her economic rehabilitation and world peace. But I must warn the British Government that they are making it very difficult for Britain's friends to support her, if they continue this oppressive policy and these repulsive methods.

President Truman last year took the initiative in pleading for the admission of the 100,000 Jewish refugees from Europe to Palestine. His plea has now been unanimously endorsed by the Anglo-American Committee of Inquiry; but I see that the British are bent on thwarting the President's humanitarian design. They negotiate with our experts about details hoping thereby to stall, but they clearly have not the faintest intention of acting on the report of the Commission of Inquiry. Permit me to quote from a report from London which appeared in the July 4 issue of the New York Herald Tribune:

> First there will be political consultations on a "governmental level" between the two countries Then the Arab and Jewish responses to the report will have to be studied separately by each government. Then they will have to be examined in consultation. Then, perhaps, there will be a statement, but it must be remembered that the recommendation for the admission of 100,000 Jews is only one of nine recommendations, and the report must be acted upon in its entirety.

Mr. President, it is for the people and Government of our country to tell the British Government to stop this ghastly mockery. Let them carry out without further delay the recommendation for the admission of the 100,000 refugees. And, for God's sake, stop this regime of brutality and repression in Palestine, this punitive expedition against a great work of civilization; or the British will lose the respect and the moral support of this country and of the whole civilized world. I urge and pray that the British Government at once release all those peaceful Jews that are now languishing in the cruel concentration camps of Palestine.

Mr. President, I ask for immediate action.

ORDER OF BUSINESS

Mr. WILEY and Mr. AIKEN addressed the Chair.

Mr. RADCLIFFE. I yield to the Senator from Wisconsin.

Mr. AIKEN. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. AIKEN. As I understand, the Senator from Maryland has the floor.

The PRESIDENT pro tempore. He has.

Mr. AIKEN. He is not making any remarks on the pending question, but is parceling out the time, and I object. I object to the Senator from Maryland having the floor for an indefinite period of time and parceling out the time to whatever Senator he sees fit to give it to.

The PRESIDENT pro tempore. A Senator holding the floor can yield only for a question.

Mr. RADCLIFFE. Mr. President, the Senator from Maryland was very willing to accommodate the Senator from Wisconsin, but, of course, if the Senator from Vermont objects, then I cannot accommodate him.

Mr. AIKEN. Mr. President, I shall frankly state the reason. I have tried for 4 days to get the floor for a few minutes, and have been unable to do so.

The PRESIDENT pro tempore. The Senator will certainly get the floor if he rises first. The Chair will recognize any Senator who rises and addresses the Chair.

Mr. AIKEN. Mr. President, if one Senator holds the floor all the time and yields so that other Senators can make speeches, it will be impossible to do that.

The PRESIDENT pro tempore. Does the Senator object to the Senator from Maryland yielding to another Senator to put something in the RECORD?

Mr. AIKEN. No; I shall not object to that. I object to any speeches whatsoever in the time of the Senator from Maryland.

Mr. WILEY. Mr. President, there recently appeared——

The PRESIDENT pro tempore. Senators will bear in mind what the Senator from Vermont has said. As the Chair understands, the Senator from Vermont has no objection to the Senator from Wisconsin putting something in the RECORD, and he will be allowed to do that.

Mr. WILEY. Mr. President, there recently appeared in Life magazine an address by Justice Edward S. Dore, of the New York Supreme Court, on human rights and the law. What he has said has had the attention of philosophers down through the ages.

Our Nation was founded on the idea of the supremacy of law. It will be remembered that Edmund Burke said:

> There is but one law for all; namely, that law which governs all law—the law of our Creator, the law of humanity, justice, equity—the law of nature and of nations.

It was of that law that the Apostle Paul spoke when he said——

Mr. AIKEN. A point of order.

Mr. WILEY. I am merely putting an article in the RECORD.

Mr. AIKEN. I make the point of order that the rule is not being observed.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. AIKEN. Mr. President, I ask that this article be printed in the Appendix of the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The article submitted by Mr. WILEY appears in the Appendix.)

Mr. WILEY. Mr. President, I suggest that in order that we may accommodate the distinguished Senator from Vermont, the Senator from Maryland yield to him in order that he may have his own way and not upset the apple cart for the rest of us. I suggest that as an accommodation.

The PRESIDENT pro tempore. The Senator from Maryland has the floor.

Mr. TUNNELL. Mr. President, will the Senator from Maryland yield?

The PRESIDENT pro tempore. To put something in the RECORD?

Mr. TUNNELL. Yes.

Mr. RADCLIFFE. I yield for that purpose.

The PRESIDENT pro tempore. The Senator from Vermont does not object to Senators interrupting to put something in the RECORD.

(At this point Mr. TUNNELL asked and obtained leave to have a letter printed in the RECORD, which appears in the Appendix.)

Mr. WILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Wisconsin?

Mr. RADCLIFFE. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I am in the position of one who is trying to harmonize. I suggest to the Senator from Maryland, therefore, that he yield for the purpose of permitting the Senator from Vermont to have his way. I shall make no objection or point of order, because I have already released some remarks to the press, on the OPA, and I think they are very important. The Senator was kind enough to say he would accommodate me without upsetting the apple cart. Now I return the compliment, to see if we cannot get things in order.

The PRESIDENT pro tempore. The Senator from Vermont has made no such request

Mr. AIKEN. I do make such a request. I will say to the Chair that what few remarks I have to make were released Monday, and I am being called about every 5 minutes to find out whether they can be used.

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Vermont?

Mr. RADCLIFFE. I understand that the Senator from Vermont desires to make remarks which will consume about 5 minutes.

Mr. AIKEN. No, about 30 minutes.

Mr. RADCLIFFE. About 30 minutes?

Mr. AIKEN. About 30 minutes.

Mr. RADCLIFFE. Mr. President, I wish to consider the wishes of Senators, but the joint resolution is the unfinished business, and it seems to me a pity, when it is before us, to have these long digressions.

The PRESIDENT pro tempore. Under the circumstances, the Chair will have to ascertain whether there is objection to the Senator from Maryland yielding to the Senator from Vermont for 30 minutes. Is there objection? The Chair hears none, and the Senator from Vermont is recognized for 30 minutes.

THE RAILROAD LOBBY

Mr. AIKEN. Mr. President, on June 18, two of my colleagues, the Junior Senator from Montana [Mr. MURRAY] and the present Senior Senator from Alabama [Mr HILL] in addressing this body made some very revealing statements regarding the activities of the power lobby.

While referring to the propaganda efforts of the power interests against the public development and marketing of power, the Senator from Montana said:

> It is a well-planned and efficiently executed campaign highly financed and unique only in that the power interests have summoned to their aid more outside organizations than ever before.

Mr. President, this matter of having so-called "outside organizations" aid the vested interests in their propaganda campaigns has undoubtedly reached such a serious stage as to have become a new and menacing threat to the general welfare of the Nation.

I was very much impressed with what my two colleagues had to say on this point, and I have strong reason to believe that the power lobby is one of the most active lobbies in Washington.

But, there is still another lobby that, to my way of thinking, is even stronger than the power lobby. I refer to the railroad lobby.

Like the power lobby, the octopus-like railroad lobby, with its far-reaching tentacles, works through a veritable maze of organizations.

Last fall I had occasion to make a speech in Boston, before the Boston City Club, on the St. Lawrence seaway and power project. I am sure I do not need to tell my colleagues here today that I am greatly interested in this project, and have been for some time. I might add that I hope my efforts to impart some of my enthusiasm for this project to more of the Members of this body may not always be in vain.

Now, with reference to my speech in Boston, I mention this merely to point out that in it I called attention to the fact that the main opposition to the St. Lawrence project is engendered by the eastern trunk-line railroads and power companies, "both intimately connected with the higher echelons of finance in New York."

I should like to take this occasion to elaborate further on the tie-up between the big bankers and the railroads. It is common knowledge that the Association of American Railroads is one of the strongest opponents of the St. Lawrence project. Who does that association represent? Evidence is piling up in judicial proceedings and in congressional hearings and elsewhere to show that its spokesmen are the mouthpiece for certain eastern financial groups interested in the financing of certain trunk-line railroads. Among these railroads are the Pennsylvania, New York Central, Baltimore & Ohio, Erie, and the Boston & Maine.

The railroads—in concert with the Association of American Railroads, and working through nonrailroad people, chambers of commerce, traffic clubs, tax organizations, and other civic organizations—skillfully employ subterfuge to make it appear that there is country-wide opposition to the St. Lawrence. Well-meaning citizens throughout the country are being misled.

A significant fact to consider in analyzing the opposition to the St. Lawrence legislation (Senate Joint Resolution 104) now pending before the Congress, is the strange alliance against it. For example, we have the Association of American Railroads and the Brotherhood of Railroad Trainmen working hand-in-hand to defeat the project. After I show the tie-up between the railroads and the barons of Wall Street, if Senators will bear with me, I think the Members of this body will agree that this is a fair question: Does the Brotherhood, in this unholy alliance with the AAR think that it is serving the best interests of the national welfare?

With reference to the tie-up between the financial interests in the East and the railroads, there are a number of concrete examples to which I should like to call attention.

One excellent source of information in this field is the hearings on the Bulwinkle bill before the Senate Interstate Commerce Committee.

I might add that the chairman of the Interstate Commerce Committee, the Senator from Montana [Mr. WHEELER], when asked on the floor of the Senate last June 15 what percentage of the railroads of the United States he estimated are controlled by New York financial interests, replied:

> Practically all of them are controlled by New York financial interests.

He added:

> Those interests move the presidents of the railroads like one moves chessmen around upon the chessboard.

With further regard to the Bulwinkle bill, the railroads, through the Association of American Railroads, which is really the keystone in the alleged monopolistic rate fixing, seeing that their rate-fixing practices were being challenged in the courts, are now seeking to free themselves of the antitrust laws which they are charged with violating. The Bulwinkle bill would exempt the railroads from the antitrust laws.

In the hearings before the Interstate Commerce Committee on this bill, it is clearly shown that it was a definite policy of the railroads, as carried out by the AAR, to get outside bodies to present the railroad point of view. As for chambers of commerce which are supported by some large interest, whether it is a railroad, an oil company, or a steel company, the chambers are to a large extent influenced by that contribution. Here is what Governor Arnall, of Georgia, said on this point in his appearance before the Interstate Commerce Committee of the Senate to testify on the Bulwinkle bill:

> Now, let me in an effort to nail down, if I may the point that when big contributors contribute to organizations they have a lot to do with their policies by virtue of their contributions and influence, * * *. The Southern Pacific paid $10,000 to the Portland Chamber of Commerce; $35,625 to the Los Angeles Chamber of Commerce; $50,000 to the California Chamber of Commerce; $30,175 to the Industrial Association of San Francisco; $35,625 to the All-Year Club of Southern California; $53,750 to the California Taxpayers Association, and $96,000 to California, Inc.
>
> As I explained yesterday by using illustrations from the record, when these chambers of commerce in some instances come here, as was the case of the New Jersey Chamber of Commerce in another instance, a resolution was read by the railroad lawyer and they said:
>
> "Let's not let anyone know we did it. It sounds better if it seems to come from the chamber of commerce."

Further to show the extent to which railroads contribute to organizations for purposes of influencing public opinion

and legislation, I wish to quote from a report filed by the Senator from Montana [Mr. WHEELER] and former Senator Truman on October 16, 1941, for a subcommittee of the Committee on Interstate Commerce:

Between 1920 and 1936 the railroads of the United States paid in excess of $182,000,000 to over 130 National, State, and regional organizations concerned with railroad matters.

Some time ago I saved a very interesting series of newspaper articles by Thomas L. Stokes, Scripps-Howard columnist, in which he throws the spotlight on the Bulwinkle bill and the tie-up between the railroads and the banking interests. In his articles, Mr. Stokes pointed out that:

During the war and before, this railroad hierarchy (the American Association of Railroads) stretched its influence, through its banking and other connections, into other forms of transportation in the effort to get them to raise their rates to the railroad level, thus leaving the hapless shipper, in many cases no competitive recourse

Mr. Stokes also pointed out in his articles:

The AAR itself is tied in with powerful banking groups which the Government charges assists it in enforcing its decisions on members.

In the fifth and final article of the series, Mr. Stokes made this significant charge:

It is suspected that railroads are pushing it (a plan to bring together all forms of transportation under railroad monopoly) to enable them to bolster up their shaky structure, debt-laden and inefficient, and thus protect the bankers and insurance companies which have the big stake in railroads—in short, a bailing-out process. Through the years the railroad bankers and lawyers have fattened on the succession of receiverships and reorganizations, a veritable racket familiar to anyone who has covered the numerous congressional investigations of railroad finance.

While on the subject of the Bulwinkle bill, there is one very interesting development to which I should like to direct the attention of this body. It has to do with a change in the position of the Brotherhood of Railroad Trainmen on that legislation.

When their spokesman appeared before the Interstate and Foreign Commerce Committee of the House to testify on the Bulwinkle bill, he supported it very strongly. Then, 7 months later when their witness appeared before the Interstate Commerce Committee of the Senate to testify on the same bill, he did not speak in behalf of the bill, but opposed it.

What happened to bring about that change of position, I do not know. Perhaps I am too optimistic, but if the Brotherhood of Railroad Trainmen has seen the light on the Bulwinkle bill, perhaps they will be for the St. Lawrence project in the future.

As for other sources of information on the railroad-financial tie-up, I call attention to the court cases: First, the so-called Georgia case (The State of Georgia against The Pennsylvania Railroad Co. et al.) now pending before the Supreme Court of the United States; and second the so-called Western case (United States against the Association of American Railroads, the Western Association of Railway Executives et al.) now pending before the United States District Court of Nebraska. In these cases certain railroads and others are charged with a conspiracy in restraint of trade through monopolistic rate-fixing.

In the plaintiff's trial brief filed in the Supreme Court in the Georgia case, the tie-up between the railroads and the financial interests is clearly shown. The first meeting to set up the Association of American Railroads, which later became the main rate-fixing agency, was called under the sponsorship of a committee of investors. This meeting was held in the Metropolitan Club, of New York City, on November 14, 1933, and "constituted perhaps the most imposing aggregation of economic influence ever assembled." The effect of the so-called "western agreement" which grew out of that meeting was to "amalgamate the previously independent or loosely-allied western trade associations into a hierarchy of trade associations that ultimately placed private control of the western railroad industry in the hands of a committee composed almost exclusively of eastern financial interests."

Under the plan, as evolved by the committee of investors, in consultation with railroad executives, "all existing trade associations were merged into a single integrated structure, resting at bottom upon the regional associations, proceeding upward through the interregional associations, and bound together at the top by a new national association having the authority and the power to maintain the structure and enforce its mandates by the economic discipline of its members."

Mr. President, there are plenty of indications that the threat of "economic discipline" has been applied many times to bring western roads into line with the thinking of eastern bankers, against their better judgment.

The Georgia case seeks to break a rate-fixing monopoly in the South just as the Western case seeks relief from rate-fixing in the West.

Those represented on the committee of investors in 1933 were: Pierre S. du Pont, director, Pennsylvania Railroad, E. I. du Pont de Nemours, General Motors; W. A. Harriman, chairman of the board, Union Pacific System, Harriman Bros., Guaranty Trust; Philip A. Benson, president, Dime Savings Bank, president, Railroad Security Owners Association; James Lee Loomis, president, Connecticut Mutual Life Insurance; Leonard P. Ayres, vice president, Cleveland Trust; Milton W. Harrison, president, Security Owners Association; Jeremiah Milbank, director, Southern Railway, Chase National Bank, Metropolitan Life.

This membership and their financial and industrial affiliations indicate clearly the forces which the proponents of the St. Lawrence seaway are up against. Is it through working with such groups as this that the Brotherhood of Railroad Trainmen feels it can best serve the Nation by opposing all other forms of transportation and the development of natural resources?

Another very interesting source of material on the close tie-up between the railroads and the financial houses is a book by Mr. Arne C. Wiprud, "Justice in Transportation." Mr. Wiprud not only throws the spotlight on the financial tie-up between these two groups but he also makes some startling comments on the monopolistic practices employed by the railroads.

Also, in the introduction to Mr. Wiprud's book, published in 1945, Mr. Thurman Arnold, former Assistant Attorney General of the United States, refers to the "philosophy of scarce transportation, high rates, and the elimination of competing transportation—a philosophy that has dominated railroad policy since 1920."

It is pointed out that not only have the railroads impeded transportation progress by fighting the air lines before the war but during the war the railroads sought through jacked-up rate structures to keep shippers from "using inland waterways to ship grain through Chicago, and they got the approval of the Interstate Commerce Commission for such rates." The purpose of the railways, as stated by their representatives, was as follows:

We made this proposal, as I have stated several times, and filed these tariffs with the hope that we could drive this business off the water and back onto the rails where it belongs. * * * We are not in love with water transportation * * * and we believe that we are entitled to that grain business.

Mr. Arnold points out that this was at the very time when the public was asked not to travel because of the shortage of railway equipment.

Through their selfishness and utter disregard of public needs, the railroads, with their near monopoly of grain transportation, are today making it impossible to move the new crop to famine-ridden nations of the world or even to the feed-famine areas of our own country as fast as it is needed. Their motto still remains "Let the public be damned."

It is clearly shown that if we attempt to protect the railroads by making transportation artificially scarce through high rates and by refusing new enterprises access to our railroads, airfields, and waterways, we will not only strangle the transportation industry but also will impose an insuperable handicap on the development of new industry and new industrial areas of the United States as well as jeopardize our national security in the event of another war.

As for the adequacy of railroad transportation facilities, it is interesting to refer to the testimony of Mr. Martin H. Miller, national legislative representative, Brotherhood of Railroad Trainmen, before the Senate Foreign Relations Subcommittee last spring. Mr. Miller said:

We are of the opinion that the accomplishment of the railroads in the heavy wartime traffic is or should be proof sufficient that the United States has adequate transportation facilities to meet the needs for many years.

Against this statement it is interesting to note what Mr. Wiprud, who is a transportation expert, formerly with the Department of Justice, has to say:

A series of fateful triumphs of private interests over obvious public interests—and

fateful remissness on the part of Government—left the United States without adequate transportation systems for the war emergency. Railroad executives failed to estimate needs by a large margin, and neglected to provide essential equipment while productive capacity was still available. The noncompletion of the Atlantic intracoastal waterway made it possible for German submarines to effect a virtual stoppage of shipping along the Atlantic. Consequently, the East and North were left with inadequate supplies of fuel oil and gasoline, naval combat ships were diverted to the protection of intercoastal and intracoastal shipping, and an additional burden was thrown on the already overtaxed facilities of the railroads Essential pipe lines had to be completed, or built in their entirety, under the stress of wartime shortages of manpower and materials.

There have been many studies by congressional committees for the purpose of looking into railroad finance. Among those are the Pujo committee (1912–13); the Pecora committee (1933–34); the Wheeler committee (1936–40); and the Interstate Commerce Committee (1945–46). The machinations of the railroad financiers were exposed by the late Justice Louis D. Brandeis in an article in Harper's Weekly in 1913–14, before his appointment to the Supreme Court. He made reference to a letter written by J. P. Morgan & Co. to the Pujo committee, in which the statement was made that—

> Practically all the railroad and industrial development of this country has taken place initially through the medium of the great banking houses.

Here is Mr. Brandeis' reply:

> That statement is entirely unfounded, in fact. On the contrary, nearly every such contribution to our comfort and prosperity was "initiated without their aid." The "great banking houses" came into relation with these enterprises, either after success had been attained, or "upon reorganization" after the possibility of success had been demonstrated, but the funds of the hardy pioneers, who had risked their all, were exhausted.

The reaction of at least one of the members of a railroad empire to the banking influence on the railroads is very revealing, indeed. I refer to a statement made by Mr. Robert R. Young, chairman, Chesapeake & Ohio Railway Co., quoted in an AP article of Sunday, June 16, 1946, as follows:

> Bankers * * * they're the trouble with a lot of railroads.
>
> I've just figured out that 79 percent of the boards of directors of the country's solvent class I railroads are affiliated with financial institutions. Of the 10 major railroads that I call the J. P. Morgan roads, 66 percent of the directors are so affiliated Of the 6 major Kuhn, Loeb & Co. roads, the percentage is 89.
>
> Then take the 35 bankrupt roads, whose treasuries are frequently overflowing with money because they are hoarding and not paying off their debts. There you find the banker control is 100 percent by virtue of the voting trusteeships which the Interstate Commerce Commission has helped to set up in violation of the law.

With regard to the railroad opposition to other forms of transportation, it is well to bear in mind that the railroads have traditionally fought against building of strategic waterways. This campaign has, I am convinced, been largely responsible for the delay in building the St. Lawrence seaway and for the delay in the development of other waterways, both intracoastal and inland.

As I have said, even during the early years of the late war when German submarines were sinking scores of our merchant ships in the Caribbean and hundreds of our brave men were going to their death in blazing oil, the railroads still pursued their policy of opposition to the development of safe inland passages that would have saved both life and war materials.

One of the main arguments of the railroads in opposing the St. Lawrence project is that the engineering costs are underestimated and that the benefits are overestimated. I notice that the railroads are being consistent in that they use the same line of reasoning in opposing the projects in this year's river and harbor bill.

Another significant point to bear in mind is the effect of this railroad transportation monopoly upon rates. Undoubtedly, the cost of the war was increased tremendously by the excessive charges to the Government by the railroads. Here is an example: Ordinary poultry wire, when used for war purposes, was termed "camouflage nets" and the shipping rate was reported to have increased about 100 percent. New designations for well-known products resulted also in other similar increases in war shipping rates. The point has been made that by this and other devices the Government was forced to ship material to war at rates varying from 100 percent to 400 percent higher than the rates for homologous civilian commodities.

Within recent years railroad managers and financiers have been working toward a plan whereby all forms of transportation would be placed even more firmly under railroad control. This, in effect, would place all newer forms of transportation under the domination of the railroads and the bondage of the investment banking houses and insurance companies. The record shows that in the past, when the railroads have secured control of alternative forms of transportation, the development of these competing transportation facilities has been suppressed. It has been said that the railroads have used such competing forms of transportation, "first, as a sword to destroy their competitors, and then as a shield to prevent the successful establishment of new companies using the competing form of transportation."

It is significant to note that railroads, in seeking to meet truck competition, first resorted to the die-hard method of promoting the erection of "legal barriers to truck operation rather than by the improvement of railroad services. Under the guise of safety programs and working through pseudo-independent tax associations and similar bodies, the railroads sought the enactment of local ordinances and State laws limiting the size and weight of trucks," according to Mr. Wiprud.

As I have indicated, the railroads have played a dominant part in retarding the development of intracoastal and inland waterways. I think it is true that this country potentially has one of the finest systems of navigable rivers in the world. Yet, improvements on these waterways have been undertaken on a haphazard basis. The backward policy pursued by this country is in sharp contrast to the progressive policies of other countries of the world. For example, the Rhine and the Danube were literally arteries through which the life blood of the Axis economy flowed. The importance of the Volga to Russia was clearly demonstrated by her heroic stand in defense of that life line at Stalingrad.

The whole gist of the point that I am trying to make here is that railroads have put a brake on transportation progress in this country, and that their monopolistic practices should not be allowed to continue to the detriment of other forms of transportation and to the detriment of the national welfare.

There is another important phase of this question to which I should like to call your attention. Fifteen-odd years ago the western railroads were openly in favor of the development of the St. Lawrence seaway. Then, suddenly, they became silent on this subject, and are now on record in opposition to it through their national railroad organization.

When this project was before the Senate in 1944, as an amendment to the river and harbor bill, Senator LA FOLLETTE, of Wisconsin, had occasion to look into the list of stockholders of 30 of the large trunk-line railroads. He pointed out that with few exceptions the greatest majority of individuals in banking and brokerage firms which owned the largest blocks of shares are located in New York or Boston. An analysis of the principal interests and connections of the western railroads reveals that in the majority of cases they are from New York city also.

Then there is another example of a financial group which reversed its stand on the St. Lawrence project. Until about 20 years ago the financial leaders of the East were interested in, and in favor of, the development of the power facilities of this project. When it became obvious that these groups could not take it away from Gov. Al Smith or Franklin D. Roosevelt, or any of their successors, for that matter, and that the Federal Government had adopted a policy of public development, the private groups immediately turned against the whole undertaking.

However, the private groups have not dared to argue their case on this issue. Instead, they have used fantastic stratagems to divert public attention from the real issue. They have told railroad workers that they would lose their jobs, and they have told agricultural groups of the Midwest that foreign agricultural products would swamp the home market.

This strikes at the very heart of the whole idea that I have been trying to get across. Because of this diversionary propaganda it has been extremely difficult—yes; almost impossible—to get down to the main issues at stake in this project; namely, public development of it. It no longer is a question of public development against private development. The only question now is that of public development against no development at all.

Before closing I should like to focus attention anew on that all-important question of determining who represents whom.

During their campaign of misrepresentation, the opponents of the St. Lawrence development have sought to make it appear that all railroads, and particularly those in Vermont, are opposed to the project.

During the hearings on Senate Joint Resolution 104 before a Senate Foreign Relations Subcommittee, Mr. H. H. Powers, president of the Vermont State Railroads Association, appeared against this legislation. According to newspaper reports, Mr. Powers also has made many statements and speeches elsewhere against this project. The impression given by Mr. Powers was that he represented the views of the 11 railroads operating in Vermont, and that he, through the association, was speaking for all of them. In fact, Mr. Powers, in opposing the legislation before the Senate Foreign Relations Subcommittee, said:

In expressing these views, I am rehearsing the unanimous conclusions of all of the members of our association.

There has come to my attention some correspondence from Mr. J. A. Rogers, general manager of the Central Vermont Railway, Inc., which is a part of the Canadian National Railways System. Mr. Rogers writes in a letter to Mr. Watson B. Berry, of New York, that Mr. Powers in his statements against the project "did not reflect in any way the views of the Central Vermont Railway nor any of its officers." This is most significant, since Mr. Powers is attorney for the Central Vermont Railway. The general manager of the Central Vermont Railway, Mr. Rogers, states further:

The officers of this railway have not engaged in active opposition to the proposed St. Lawrence seaway and power project and will continue to refrain from public comment or action on the subject.

Furthermore, Mr. Powers stated, "organized labor stands solidly with management against this bill," referring to the St. Lawrence legislation. While that may be true of certain elements of organized labor, such as the railroad brotherhoods, this statement certainly does not apply to all of organized labor, as evidenced by the fact that labor groups, representing large memberships of the A. F. of L. and the CIO, testified before the Senate Foreign Relations Subcommittee in behalf of the St. Lawrence legislation now pending in the Congress.

At the hearings last spring Mr. John D. Babbage, president of the Rutland Railroad Co., Rutland, Vt., appeared in favor of the legislation. Here is what Mr. Babbage said:

Our trustees, who as trustees are members of the Vermont Railroad Association, authorized Mr. Powers to make the statement that the association of which the trustees, and not the company, are members, is in opposition to this project.

The owners of the property who have their money invested in it are in favor of the project. My board of directors are in favor of it; and on that board are men of substantial interests, among whom are John Jacob Astor 3d; Josiah B. Sutter, of the Monsanto Chemical Co., of St Louis; Henry P. Erwin, a director of the Riggs Bank, of Washington, D. C., etc., etc.

Thus Mr. Powers stands repudiated by his own company, the Central Vermont Railway, for which he is attorney, and by another Vermont railroad, the Rutland. These two railroads represent over 50 percent of the trackage in the State of Vermont, and are members of the Railroad Association of the State.

Therefore it is clear that many who purport to speak for others do not always have the authority to speak; neither do they necessarily represent the views held by all for whom they allege to speak. There are numerous other examples of the type of opposition to which I am here calling attention. I cite these examples now to illustrate the danger to which this opposition can lead, and to call the attention of the Members of this body to the need for being on the alert in regard to this type of misrepresentation.

I have great hope that the American people and the rank and file Members of Congress will see through this camouflage, and will see to it that this question of the St. Lawrence project will be faced fairly and squarely on its merits. When that happens I have no fear for the outcome.

The time has come when we must peer sharply through the fog of lobbying propaganda if we are to combat the greed and lust for power which are so rampant in our land today. Our future progress is at stake. We cannot—we must not—yield to the forces which seek to deceive us with their propaganda, and thereby shackle us with their monopolies.

DEPARTMENT OF LABOR, FEDERAL SECURITY AGENCY, ETC., APPROPRIATIONS—CONFERENCE REPORT

Mr. WAGNER and Mr. WILEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). The Senator from New York is recognized.

Mr. McCARRAN. Mr. President, will the Senator yield in order that I may ask that the Senate consider a conference report?

Mr. WAGNER. I understand that the consideration of a conference report is a privileged matter, but I also understand that I shall have leave to proceed with my remarks as soon as the conference report is disposed of.

The PRESIDING OFFICER. Yes.

Mr. AIKEN. Mr. President, I must say, in all fairness to the Senator from Wisconsin [Mr. WILEY], who was responsible for my obtaining the floor a few minutes ago, that I understood the Senator from Maryland was to yield to the Senator from Wisconsin if no objection was made.

Mr. WILEY. He did yield to me, Mr. President.

The PRESIDING OFFICER. The Chair has recognized the Senator from New York. The Chair is only following the rules of the Senate.

Mr. McCARRAN. Mr. President, I submit a conference report on House bill 6739, and ask for its present consideration.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate No. 39 to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have been unable to agree on Senate amendment No. 39.

PAT MCCARRAN,
KENNETH MCKELLAR,
RICHARD B. RUSSELL,
JAS. M. MEAD,
ABE MURDOCK,
JOSEPH H. BALL,
WALLACE H. WHITE, JR.,
STYLES BRIDGES,
Managers on the Part of the Senate.

BUTLER B. HARE,
JOHN J. ROONEY,
M. M. NEELY,
FRANK B. KEEFE,
H. CARL ANDERSEN,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the conference report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on a certain amendment of the Senate to House bill 6739, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 16, 1946

Resolved, That the House still further insist upon its disagreement to the amendment of the Senate No. 39 to the bill (H R 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes.

Mr. McCARRAN. Mr. President, I move that the Senate still further insist upon its amendment numbered 39, ask a further conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the same conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCCARRAN, Mr. MCKELLAR, Mr. RUSSELL, Mr. MEAD, Mr. MURDOCK, Mr. WHITE, Mr. BALL, and Mr. BRIDGES conferees on the part of the Senate at the further conference.

TRIBUTE TO THE LATE SIDNEY HILLMAN

Mr. CHAVEZ. Mr. President, will the Senator from New York yield to me for a couple of minutes?

Mr. WAGNER. I yield if the Chair will permit me to hold the floor.

The PRESIDING OFFICER. Without objection, the Senator from New York yields for 2 minutes to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I rise today to pay tribute, in my humble way, to the memory of my great fellow American, Sidney Hillman.

The task that Sidney Hillman set himself to do on behalf of the country of his adoption brought about his untimely death as surely as the night follows day. His overtaxed heart had already given

him its ominous warning, but to Hillman his life was not too much to give to this, his promised land.

Mr. President, I have frequently reflected upon the debt we owe to those who seek haven within our borders. The Bible instructs us to "cast thy bread upon the waters"—Ecclesiastes xi, verse 1. The life and death of Sidney Hillman illustrate the wisdom of that ancient Biblical teaching.

Hillman became an American immigrant at the age of 20. That is the age of comprehension, and this young man, having lived for 20 years as a victim of religious, political, and economic oppression, always remembered. Remembering and understanding, he became a veritable watchdog against the root cases of oppression wherever he found them in the country of his mature citizenship.

Mr. President, I frequently feel that we who have known nothing but the blessings of our great democracy, urgently need among us those who have tasted the bitter fruits of oppression. Too often our good fortune overlays the sharpness of our perception, and we forget that to preserve our liberties we must be forever watchful. We tend to rest upon our oars, basking in the sunshine of the accomplishments of our forefathers, and too many of us grow careless of our heritage. The undercurrents of present-day economic, political, religious, and racial oppression escape our slothful attention.

But Hillman, like the immigrant Pilgrims, never yielded to the comforts of a new-found liberty. While we turned our eyes away from the abuses of the sweatshop, he challenged and fought their existence, for he recognized their close resemblance to the oppression from which he had so lately fled. As an outstanding and far-sighted labor leader, he recognized that the welfare of business interests was closely intertwined with that of organized labor. He was in the forefront of those who taught the thesis that Government, responsive to the needs of the people, individually and in union organizations, is the direct responsibility of each and every voting citizen. He ceaselessly educated the people on their sociopolitical duties.

There were many of us who found the active conscientiousness of this immigrant labor leader an irritant and a goad. He dragged us out of our upholstered inertia and forced us to see whether or not we could understand. Hillman became a public conscience and for this he suffered angry abuse together with public acclaim. But in what good company he traveled. For from the time of Christ and before, down through to the relatively modern times of Washington, Jefferson, Lincoln—yes, and Franklin Delano Roosevelt—there has been resentment against those who persistently reminded us of our duties to our fellow men.

The immigrant Hillman treasured our democracy. He knew the great basic fundamental that our democratic system of government will stand as the Rock of Ages just so long as it does not deviate from its dedicated purpose set forth in the Declaration of Independence and the American Constitution. He knew that no other system of government—not communism nor fascism—will win a mass following within it so long as its promised freedom, individual, economic, and religious, is kept. He knew and constantly reminded us that freedom does not mean freedom to oppress one's brothers.

The haven of refuge from governmental oppression that this country has been since its founding has indeed rewarded us tenfold. Hitler, fool that he was, sent us Lise Meitner and Einstein, without whom the atomic bomb might have been held over our heads rather than in our hands. Let us then be thankful to such men as Hillman and his fellow immigrants with whom God in His grace has rewarded this country's open heart. In death, as in life, we must not forget the prodding of Sidney Hillman's social conscience which lent strength to the muscles of American democracy.

Our adopted son has come and gone. Let it be engraven upon his tombstone: "Here lies Sidney Hillman—immigrant, American patriot, and honored citizen."

Mr. WAGNER. Mr. President, I thank the Senator from New Mexico for the beautiful and fitting tribute he has just paid to Sidney Hillman, who was my great friend, and who was also a great American.

EQUAL RIGHTS FOR MEN AND WOMEN

The Senate resumed consideration of the joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

Mr. WAGNER. Mr. President, all right-thinking people agree without qualification on the broad objective of advancing the welfare and interest of women, and increasing their opportunities in their chosen fields or professions, on an equality with men. This is a fundamental American objective which I will support by every practical means at my command.

Among the practical means of realizing this broad objective, I may cite measures assuring the right of women to hold all public offices open to men, to enter and advance in the professions, to receive equal compensation for equal work, and to be free of certain discriminations still existent in a few States, for example, concerning ownership and use of property.

My objection to the pending amendment is that it departs from the sound principle of hitting each form of remaining discrimination in the manner best suited to its elimination. Instead, the bill proposes a scatter-gun approach, which, in the opinion of eminent legal authorities would "transform every provision of law concerning women into a constitutional issue to be ultimately resolved by the Supreme Court of the United States." The fourteenth amendment to the Constitution already protects every person, including every woman, in his or her right to equal protection of the laws.

Clearly the effect of the proposed amendment is to go beyond that, and to authorize the abrogation of all State and national laws which make any distinction whatever between the rights of men and women. In other words, all existing laws, as proponents of the amendment say, would have to be "adjusted" to conform with its requirements.

As a matter of sound policy and law administration, I doubt very much the wisdom of such a rigid national rule, admitting of no exceptions or qualifications, applicable to a multitude of laws and situations throughout the several States.

I sympathize, of course, with the effort to do away with State laws which give married women rights inferior to those enjoyed by their husbands in such matters as ownership of real property, contractual status, and control of children. But if a universal leveler is to be employed, would we not also deprive married women of traditional protection in such matters as alimony and support? Would not a precise, mathematical equality call for repeal of those provisions of the Social Security Act and related State laws affording survival benefits to wives, and benefits in connection with maternity care?

These and other questions show the difficulties in the way of an attempt by law to carry the conception of equality of right "to a dryly logical extreme."

Mr. President, the question that is foremost in my mind in connection with this amendment is its effect on existing laws for the protection of women employed in industry.

The late Justice Holmes once observed:

> It will need more than the nineteenth amendment to convince me that there are no differences between men and women, or that legislation cannot take those differences into account.

This philosophy, so pungently expressed by one of the most beloved of all the truly great men in our history, is shared by the overwhelming majority of our people.

The present generation has seen the movement for protective legislation for women grow into a national crusade, removed from the arena of partisan politics. Today, minimum wage laws for women are in active operation in many States and the District of Columbia, and almost every State in the Union prescribes some limitation on women's maximum workweek. Most of the States prescribe some limitations on the conditions under which women may be employed, especially at night or in hazardous occupations.

This and similar legislation has found a place upon the statute books of enlightened countries the world over. It has stood the test of time and experience. To the legion of women who toil in mill and factory, store and laundry, this legislation has provided essential aid in overcoming the many handicaps that beset them, and in achieving true equality with men in bargaining position. To these workingwomen and to the country at large, this legislation has proved its worth.

The United States Supreme Court has sanctioned such legislation in opinions which recognized that "woman's physical structure and the performance of maternal functions place her at a disadvantage in the struggle for subsistence."

The Court has reiterated that such legislation was necessary to protect women in order to secure "a real equality of right." The Court has affirmed that nothing could be closer to the public interest than the health of women and their protection from unscrupulous and overreaching employers.

Furthermore, as the minority report of the committee emphasizes, this amendment would bar future legislation designed to benefit women. This is especially important as we develop our social-insurance program in the field of maternal care, widows', old-age, and survivors' insurance, and the like. I call especial attention to a memorandum by the general counsel of the Federal Security Agency, written in his individual capacity, showing the adverse affect of the amendment on the Social Security Act. I ask unanimous consent to have printed in the RECORD at the close of my remarks the text of this memorandum, together with a statement on the legal implications of the proposed amendment, a list of lawyers, legal scholars, and organizations opposed to it, and some individual expressions in opposition.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Without objection, it is so ordered.

(See exhibits A and B.)

Mr. WAGNER. I also ask to have printed a list of the legislation in my own State that may be affected or jeopardized by the pending proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit C.)

Mr. WAGNER. Mr. President, the argument has been made that protective laws for women have forced women out of jobs and have prevented their employment in jobs affected by the regulation. These conclusions are not justified by the facts. On the contrary, there is abundant proof that such protective legislation has resulted on the whole in large benefits to them and to all the labor force.

This was the conclusion to be drawn from an official survey conducted by the Women's Bureau of the United States Department of Labor in 1926, under the direction of industrial investigators with national reputations for skill and ability.

During the depression years, the Women's Bureau gathered data on the trend of women's employment in certain States, following the application of mandatory wage orders. Figures on women's employment trends were also obtained in certain States after regulatory hour laws had been made effective. In all but one State, proportionate employment of women increased within the industries covered by the labor laws for women. I ask that tables prepared by the Women's Bureau staff in this connection may be printed at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit D.)

Mr. WAGNER. At the hearings on Senate Joint Resolution 61, held September 1945, the Amalgamated Clothing Workers of America (CIO), with a membership of 325,000 workers, of whom two-thirds are women, stated that in its experience this type of legislation does not discriminate nor raise handicaps against women, but on the other hand has materially raised working standards for them.

After citing the gain in earnings under the first New York minimum-wage order for women, issued in 1933, the union's statement, quoting an official report of the New York State Department of Labor, declares:

> In addition to providing higher wages for women and minors, the laundry minimum wage order did not result in excluding women from the industry, and that the proportion of male to female workers remained substantially the same as before these minima were established.

The union also cites the Women's Bureau report on the experience of Rhode Island under a mandatory order for women and minors in wearing-apparel industries, to the effect that women's earnings and employment had increased since a minimum rate was set for the industry. Reviewing the operation of New Jersey's 1940 mandatory minimum-wage order for wearing apparel and allied occupation, the union concludes:

> It is our experience, based both on reports of business agents and on surveys of hours and earnings made by the research department of the union, that not only has there been a considerable increase in wages of women workers in these industries since the issuance of the order, but the proportion of women workers to men workers has not changed.

The union's statement continues with this observation:

> There are women members of the Amalgamated numbering in the tens of thousands who remember the privations of the period prior to the establishment of State minimum wage legislation for women and minors, and these women are convinced that the adoption of the equal rights amendment would not obtain for them equal rights with men workers, but would instead, remove these rights which they have finally succeeded in having incorporated in State legislation after many years of effort. This is particularly true of women employed in the cleaning and dyeing, laundry, and other intrastate industries where the protection of Federal minimum-wage legislation is not obtainable.

In conclusion, the trade union urges, as the preferable method of working for equalization in rights of workingmen and women, that new beneficial legislation be drafted to liberalize existing protective legislation, and the enactment of similar laws to protect working standards of men. It vigorously opposed the adoption of the equal rights amendment as a method of legislation for the purpose.

It is significant that testimony of sponsors of the pending proposal before the Senate committee shows the merest fragment of support from any person with industrial experience.

The supporting organization which are eulogized in the majority report of the Judiciary Committee for their long continued efforts in behalf of women's interests are made up of professional, cultural, and patriotic types, many of them with very limited membership—all far removed from the problems of the majority of wage earning women whose interests are served by existing legislation.

The argument has been made that we should adopt this proposal in order that it may be submitted to the several States for action, under the Constitution. To my mind that suggests that we abandon our own individual responsibilities as members of this body. Under the Constitution, each of us must look to his own conscience and seek the counsel of his own experience in voting upon a proposal as far-reaching as this. My own experience on the need for protective legislation for women goes back more than 40 years. My own experience as a judge tells me that the amendment would bring chaos in the multitude of statutes relating to women throughout the 48 States. My own conscience will not permit me to see all of this legislation thrown into confusion or wiped off the statute books, by a misguided effort to legislate a specious equality in every condition and in all respects, without regard to reason or justice.

For these reasons, Mr. President, I am opposed to the pending so-called equal rights amendment. It should be emphatically rejected.

EXHIBIT A

In its most recent form the proposed amendment would provide that "equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex."

Because of the very general nature of this language the actual legal effect of the amendment in any given situation, until there has been some process of judicial interpretation, would be extremely difficult to predict. It would, however, in my opinion jeopardize certain of the basic and most recently adopted features of the old-age and survivors insurance program.

The 1939 amendments to the Social Security Act, adopted after a period of study of experience under the original statute, were designed to strengthen and extend the principles and objectives of the act. The changes were particularly extensive in the title providing old-age benefits. Broadly speaking, these changes expanded that program from one providing benefits only to insured wage earners to one which provides benefits for insured wage earners, for their wives and minor children, for widows and children of deceased wage earners, and for aged parents who had been dependent on an insured worker who died without leaving a widow or child. The scope of this program and its significance in terms of protection on the death or retirement of the family wage earner is suggested by the fact that over 65,000,000 persons now living have earned some wage credits in covered employment.

PROVISIONS ARE BASED ON DIFFERENCES BETWEEN MEN AND WOMEN

Under these new provisions a woman who is 65 and is not herself an insured wage earner may receive a monthly benefit equal to one-half the monthly benefit of her husband. A husband, however, is in no case entitled to benefits based upon his wife's entitlement to benefits. Again, the widow of an insured wage earner may be eligible for benefits if she is 65 or if, although less than 65, she has in her care a child of the deceased wage earner. A widower has no similar right based upon the insured status of his deceased wife.

A further differentiation involves the requirement that for entitlement to a child's benefits, the child must have been dependent upon the insured parent who has qualified for benefits or died. The definition of

the dependency of a child upon a mother differs from that of its dependency upon a father. Generally a child would automatically meet the requirements for dependency upon a father, but dependency upon the mother can arise only if at the appropriate time the father was neither living with nor contributing to the support of the child.

The variations introduced into the program in 1939 were designed, as the House and Senate committee reports show, to afford more adequate protection to the family as a unit and especially to pay benefits more in accord with the probable needs of the beneficiaries. The criteria for establishing child dependency were designed not only for the protection of the family as a unit and to accord with probable needs, but to facilitate the administration of the act by making it unnecessary to inquire in each case into the details of economic dependency.

More striking than any of the present variations based on sex is the proposal to reduce from 65 to 60 the eligibility age for a woman who is otherwise qualified for benefits whether as wife, widow, or parent, or on the basis of her own earnings. Whereas the present differentiations apply only where a marital relationship is involved, this change would for the first time make a distinction between insured men and insured women in the rights based upon their individual earnings. The Social Security Board bases this recommendation on what it believes to be differences in fact. One of these is that women when they are in their sixties have greater difficulty in getting or keeping positions than do men of the same age. The other is that wives are ordinarily younger than their husbands with the result that when a worker retires at 65 there is usually a lag before the wife reaches 65 and becomes eligible for benefits as the wife of an insured worker.

CONGRESS AND STATE LEGISLATURES WOULD BE RESTRICTED IN DEALING WITH SOCIAL-SECURITY LEGISLATION

Differences in earnings and occupation, differences in age, differences between married persons and single persons, differences between spouses and parents, differences between parents and collateral relatives, and differences between men and women are among those which Congress has hitherto been free to take into consideration in the development of the social-security program. Aside, therefore, from its effect on the present provisions of the act, the amendment might compel a drastic change in the basis on which social security legislation may be developed in the future However, the amendment is ultimately construed, its legal effect appears to be in the direction of tying rather than in freeing the hands of Congress and of State legislatures in dealing with such legislation.

ADMINISTRATION OF PROGRAM WOULD BE DISRUPTED

If the amendment should be adopted and Congress should leave the Social Security Act unchanged, litigations involving the constitutionality of these features of the old-age and survivors insurance program would seem very probable. On the other hand, if Congress acted to eliminate these differentiations, it might do so by providing the same benefits for men as are now provided for women, thereby increasing the cost of the system, by eliminating benefits now provided for women that are not also provided for men, or by decreasing the benefits for women under certain circumstances and providing equal benefits for men under the same circumstances.

The amendment would have a disrupting effect on the administration of the program also, because of the uncertainties which it would introduce into the field of State law. In determining whether an applicant for old-age or survivors benefits is the wife, widow, child, or parent of an insured person, the Board is required to apply the law which would be applied in determining the devolution of intestate personal property in the State in which the insured is domiciled. The laws involved vary greatly from State to State and embrace such matters as marriage and divorce, adoption, guardianship, and the law of interstate property, as to which there are many differentiations based on sex. It is quite impossible to estimate the effect of the amendment in this broad field.

The statements contained in this letter are my own and are not intended to represent the position of the Social Security Board or the Federal Security Agency

EXHIBIT B

These lawyers and legal scholars regardless of party and regardless of political or economic views, oppose the so-called equal-rights amendment and endorse the statement set forth herein, on the legal implications of the proposed amendment, prepared by Prof. Paul Freund, of the Harvard Law School.

Clarence Manion, dean of the College of Law, University of Notre Dame, Indiana.

Silas Strawn, former president, American Bar Association.

Charles Warren, constitutional lawyer and author of The Supreme Court in United States History, Washington, D. C.

George Maurice Morris, former president, American Bar Association, Washington, D. C.

Marion J. Harron, judge, The Tax Court of the United States.

Walter Gellhorn, professor of law, Columbia University Law School.

Glenn A. McCleary, dean of the Law School, University of Missouri.

Dorothy Straus, lawyer, New York City.

D. W Woodbridge, acting dean, department of jurisprudence, College of William and Mary, Williamsburg, Va.

Marvin C. Harrison, lawyer, Cleveland, Ohio

M. R Kirkwood, professor of law, Stanford University Law School, California.

Joseph Padway, general counsel for the AFL, Washington, D. C.

Leon Green, dean of the Law School, Northwestern University, Evanston, Ill.

Dorothy Kanyon, lawyer and former judge of municipal court, New York City.

E Blythe Stason, dean of the Law School, University of Michigan.

Morris Ernst, lawyer, New York City.

William Draper Lewis, former dean, University of Pennsylvania Law School, Philadelphia.

Charles C. Burlingham, lawyer, New York City.

Patrick O'Brien, probate judge of Wayne County, Detroit, Mich.

Godfrey Schmidt, professor of law, Fordham University, New York City.

Robert H Wettach, dean of the School of Law, University of North Carolina.

Isabel Simons, lawyer, Highland Park, Ill.

Patrick Nertney, lawyer, and chairman Detroit chapter, National Lawyers Guild, Detroit, Mich.

Walter Frank, lawyer, New York City.

Harry R. Trusler, dean of the College of Law, University of Florida.

Douglas B. Maggs, professor of law, Duke University School of Law, and former Solicitor, United States Department of Labor.

George Burke, former general counsel, OPA, Ann Arbor, Mich.

Gerald Reilly, lawyer, and member National Labor Relations Board.

William H. Holly, United States district judge, Chicago.

Roscoe Pound, former dean, Harvard Law School.

Everett Fraser, dean of the Law School, University of Minnesota.

Monte M. Lemann, lawyer, New Orleans, La.

Albert J. Harno, dean of the College of Law, University of Illinois.

Lowell Turrentine, acting dean, School of Law, Stanford University, California.

Willard Hurst, professor of law, University of Wisconsin Law School

Francis Swietlik, dean of Marquette University Law School, Milwaukee, Wis.

N Ruth Wood, lawyer, St. Louis, Mo.

Henry B. Witham, dean of Law School, Indiana University.

C. M Finirock, dean of the School of Law, Western Reserve University, Cleveland, Ohio.

Sayre MacNeil, dean of the School of Law, Loyola University, Los Angeles.

Frank Donner, counsel for the CIO, Washington, D. C.

E Merrick Dodd, professor, law, Harvard Law School.

Harry Shulman, professor of law, Yale University Law School.

The following statement on legal implications of proposed Federal equal-rights amendment has been endorsed by deans and professors of 21 leading law schools and by eminent attorneys, jurists, and constitutional lawyers, including former presidents of the American Bar Association and the general counsel for the two great labor organizations:

"The proposed amendment to the Constitution reads as follows:

"'That equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex. Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation

"'This amendment shall take effect 3 years after the date of ratification.'

"If anything about this proposed amendment is clear, it is that it would transform every provision of law concerning women into a constitutional issue to be ultimately resolved by the Supreme Court of the United States. Every statutory and common-law provision dealing with the manyfold relations of women in society would be forced to run the gantlet of attack on constitutional grounds The range of such potential litigation is too great to be readily foreseen, but it would certainly embrace such diverse legal provisions as those relating to a widow's allowance, the obligation of family support and grounds for divorce, the age of majority and the right of annulment of marriages, and the maximum hours of labor for women in protected industries.

"Not only is the range of the amendment of indefinite extent, but, even more important, the fate of all this varied legislation would be left highly uncertain in the face of judicial review. Presumably, the amendment would set up a constitutional yardstick of absolute equality between men and women in all legal relationships. A more flexible view, permitting reasonable differentiation, can hardly be regarded as the object of the proposal, since the fourteenth amendment has long provided that no State shall deny to any person the equal protection of the laws, and that amendment permits reasonable classifications while prohibiting arbitrary legal discrimination. If it were intended to give the courts the authority to pass upon the propriety of distinctions, benefits, and duties as between men and women, no new guidance is given to the courts, and this entire subject, one of unusual complexity, would be left to the unpredictable judgments of courts in the form of Constitution decisions.

"Such decisions could not be changed by act of the legislature Such a responsibility upon the courts would be doubtless as unwelcome to them as it would be inappropriate. As has been stated, however, the proposal evidently contemplates no flexibility in construction but, rather, a rule of rigid equality. This branch of the dilemma is as repelling as the other. It appears to be accepted by what is currently the most authoritative statement on this amendment—the

report of the House Judiciary Committee (H. Rept. 907, 79th Cong., 1st sess., on H. J Res. 49, dated July 12, 1945). The majority of the committee appears to recognize that under the amendment the many laws protecting the safety and welfare of women in industry would necessarily fall. The committee states: 'To say the least of the matter, many of the large organizations of women represented in hearings before the committee have expressed a sincere desire to waive the so-called preferential benefits now accorded to women by various laws so as to permit them to follow economic activities from which they are now excluded.'

"It would not be feasible to attempt to enumerate the wide variety of laws and rules of the common law which would fall under the impact of the amendment. Some conception of their scope may, however, be given by recalling the variety of relationships in which women stand in the community. These relationships may be summarized as (a) wage earner; (b) member of a family; (c) citizen; (d) individual. The law has recognized and attempted to deal with these relationships in a concrete way. Doubtless there are difficulties and anachronisms in the law which should be remedied. But the method adopted by the amendment is to ignore the basis for all that has been at the foundation of these measures, and to substitute an abstract rule of thumb. The practical effect of such a course can be suggested by referring briefly to each of the four categories mentioned above.

"(a) As wage earners: One of the most familiar forms of legislation is that which confers special protection on women in industry through the prohibition of employment in hazardous occupations and through regulation of night work and maximum hours of labor. Presumably the long struggle to place these protective measures on the statute books would be set at naught by the adoption of the amendment. Specifically, such statutes would apparently have to be held invalid as denying to women the equal right to work or as denying to men the equal right of protection under the law, for, it is noted, the amendment requires equality of rights under the law, permitting either men or women to claim exact equality. How the problem would be met can only be left to conjecture. If a State legislature failed to revise the laws giving special protection to women in certain industries, it is left uncertain whether the entire pattern of industrial legislation would be torn apart by judicial decision or whether a court would undertake to legislate by raising the same protection for men. Surely the work of generations ought not to be left to this blind hazard.

"(b) As members of the family: Legislation in the latter part of the nineteenth and early part of the twentieth century commonly known as married women's acts fairly universally in this country removed the disabilities which the common law had placed upon married women with respect to the right to sue and be sued, the right to own separate property, and the right to engage in commercial transactions. It is true that in some States certain remnants of these disabilities have persisted. In a few States, for example, a married woman may not become a surety for her husband's debts on the theory that she might otherwise be imposed upon; if the reason which had led some States to retain this disability is not a sufficient one, the disability should, of course, be removed by further legislation.

"Similarly, in a few States a married woman's earnings, while belonging to her if they result from work outside the home, are held to enure to the husband if they are produced by working inside the home. Whether this is a fair adjustment in view of the husband's primary duty to support the family may be a fairly debatable question, which again can be resolved by further legislation if further reform is thought desirable. The proposed amendment would leave no room for legislative experiment along these lines, but would impose a requirement of absolute equality in the property rights of husband and wife.

"More seriously, it would presumably abolish the common rule whereby a husband has the primary duty of support toward his family, and whereby in many jurisdictions failure to render such support is a ground for separation or divorce. Precisely how the law of support is to be transformed as a result of the amendment is by no means clear. The concept of a primary duty does not lend itself to a rule of equality.

"The very least that can be said is that the complex and delicate field of marital relationships and divorce, into which Congress has sedulously declined to enter in the past, would now be gravely affected by the tangential force of a constitutional amendment, which would not even rest on a study of the manifold problems involved.

"It is worthy of note that the community property systems of eight Western States, which have evolved differently from the common law systems and which, in general, have recognized for a longer period the coordinate status of husband and wife, nevertheless contain inequalities which would doubtless be rendered invalid under the amendment. Thus, the husband is generally regarded as a kind of managing partner with special powers not possessed by the wife in respect of community property. Legislation would doubtless be required to produce conformity with the dictates of the amendment, and the ramifications of such legislation, particularly with respect to the special tax status of persons owning community property, cannot be predicted with certainty.

"(c) As citizens. While the suffrage amendment and other legislation have generally guaranteed to women an equality of civil and political rights, there remain some gaps which it is undoubtedly one purpose of the amendment to close. One of these is the distinction drawn in some States between the obligation of men and that of women for jury service. But whether the amendment would in fact require a change in this field is itself uncertain, since it is fairly arguable that jury service is not a right but a duty, and hence not within the scope of the amendment. Indeed, the amendment opens up a whole field of potential controversy turning on distinction between rights and duties.

"(d) As individuals. A common legislative difference in the treatment of men and women concerns the age of majority, which is generally lower for the latter. This difference has long been accepted as reflecting physical realities. Presumably the distinction would no longer be valid. But if a legislature failed to change the law, the outcome would present something of a legal puzzle. If the age of majority for men is 18 and women 16, it can hardly be foretold whether equality would require a lowering of the former or a raising of the latter. If the standard be that of the greater right, it could be asserted that the lower age for women provides a greater right to marry but at the same time a more restricted right to annul on the ground of minority. How a court would solve the conundrum is, like most problems created by the proposed amendment, a matter purely of speculation.

"The basic fallacy in the proposed amendment is that it attempts to deal with complicated and highly concrete problems arising out of a diversity of human relationships in terms of a single and simple abstraction. This abstraction is undoubtedly a worthy ideal for mobilizing legislative forces in order to remedy particular deficiencies in the law. But as a constitutional standard, it is hopelessly inept. That the proposed equal rights amendment would open up an era of regrettable consequences for the legal status of women in this country is highly probable. That it would open up a period of extreme confusion in constitutional law is a certainty.

"PAUL FREUND,
"Professor of Law, Harvard Law School."

Among the views expressed on the so-called equal rights amendment, the following are of special interest:

Joseph P. Chamberlain, professor of law, Columbia University Law School: "The passage of the amendment will create uncertainty and confusion in the wide fields of the law of property, of personal status, of marriage. It may destroy all labor legislation protecting women. Existing evils can and should be met by legislation aimed to cure them, such as the equal pay bill now before Congress. This proposal is a leap in the dark and has no place in the Constitution."

Silas H. Strawn, former president of the American Bar Association: "The amendment would inevitably invalidate many of the State laws protecting the American home and which protect women in industry."

E Blythe Stason, dean of the University of Michigan Law School. "Physiological facts create the absolute necessity of numerous instances of differentiation in the law between the sexes affording protection for women not required for men. The proposed amendment would certainly throw the bulk of such legislation now on the statute books into a state of confusion and uncertainty, if it did not, in fact, result in complete elimination of such legislation from the statute books."

Judge William H. Holly, United States district court, Chicago: "If the proposed 'equal-rights amendment' to our Federal Constitution should be given the interpretation of which it seems capable, it would destroy the work of the years that have been given to secure the passage of the laws for the protection of women in industry. I fear that back of those who are openly advocating the amendment are the interests which desire to be rid of those laws."

Thurman Arnold, former associate justice of the United States Court of Appeals for the District of Columbia: "I am opposed to the so-called equal-rights amendment to the Constitution. There is no necessity for a constitutional amendment on this subject. The proposed amendment would confuse existing law to an intolerable extent and lead to endless litigation."

Judge Marion J. Harron, The Tax Court of the United States: "If adopted, the so-called equal rights amendment will cause chaos in 48 States in the status of all laws relating to women. It will wipe out many laws which have established standards for the employment of women in industry."

The following organizations oppose the equal rights amendment:

American Association of University Women; American Civil Liberties Union; Amalgamated Clothing Workers of America; American Communications Association; American Federation of Hosiery Workers, American Federation of Labor; American Federation of Teachers; American Federation of Women's Auxiliaries of Labor; Brotherhood of Boilermakers, Iron Ship Builders and Helpers Union; Brotherhood of Locomotive Firemen and Enginemen; Brotherhood of Railroad Trainmen; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees; Congress of Industrial Organizations; Congress of Women's Auxiliaries of the CIO; Food, Tobacco, Agricultural, and Allied Workers Union of America.

Girls' Friendly Society of the United States; Glass Bottle Blowers' Association of the United States and Canada; International Coordinating Committee, UAW Auxiliary; International Ladies' Garment Workers' Union; International Union United Automobile, Aircraft, Agricultural Implement Workers of America, CIO; League of Women Shoppers, Inc.; National Citizens Political Action Com-

mittee; National Consumers League; National Council of Catholic Women; National Council of Jewish Women; National Council of Negro Women; National Farmers Union; National Federation of Post Office Clerks; National Federation of Settlements, Inc; National League of Women Voters; National Maritime Union, Women's Auxiliary.

National Women's Trade Union League of America; Service Star Legion, Inc.; State County, and Municipal Workers of America; the National Board of the Young Women's Christian Associations of the United States of America; Union for Democratic Action, United Electrical Radio and Machine Workers of America, CIO; United Federal Workers of America, CIO; United Hatters, Cap, and Millinery Workers International Union; United Office and Professional Workers of America, CIO; United Packinghouse Workers of America; United Rubber Workers of America, CIO; United Steel Workers of America; Women's National Homeopathic Medical Fraternity; National Committee To Defeat the Unequal Rights Amendment, Washington, D. C.

EXHIBIT C

NEW YORK

Legislation that will be jeopardized by passage of the so-called equal rights amendment:

I. FOR WIVES AND MOTHERS

The husband's primary legal obligation to support his family (common-law rule).

Security for support required from the husband for the wife when he annuls the marriage because of her insanity (Cahill's consolidated laws, 1930, ch. 14, sec. 7; supp. 1936, ch. 14, sec. 7a).

Right to protection through legal separation when the husband neglects or refuses proper support (Civil Practice Act, sec. 1161).

Age of consent to marriage lower for females (Cahill's consolidated laws, 1930, ch. 14, sec. 15, supp. 1931-35, ch. 14, sec. 15).

II FOR WIDOWS

Right of the widow to occupy rent-free for a 40-day period her husband's dwelling, also to have her living expenses for that period from the estate (Cahill's consolidated laws, 1930, ch. 51, sec 204).

Continuance of the husband's homestead exemption to his widow for her lifetime (Civil Practice Act, sec. 674).

III. FOR WORKING WOMEN

Hours of work—8 a day, 48 a week (consolidated laws (Cahill) 1930, ch 32, sec. 173; cumulative supplement 1931-35, ch. 32, sec. 172; session laws: 1937, chs 281, 282, 283, 660; 1938, ch. 651; 1939, ch. 499; 1940, ch. 216; 1941, ch. 33; 1942, chs. 778, 554 (art. 8); 1943, chs. 171 and 315; 1944, ch 412).

Day of rest (for men also) (session laws: 1941, ch. 281).

Meal period (for men also) (session laws: 1937, chs. 84, 283).

Night work (consolidated laws (Cahill) 1930, ch. 32, secs. 173-173 (2); session laws: 1937, chs. 281, 282, 283; 1938, ch. 651; 1939, ch. 499; 1940, ch. 216; 1942, ch. 778).

Providing seats (Consolidated Code (Cahill) 1930, ch. 32, secs. 2, 150).

Prohibitory: in or in connection with a mine or quarry (ibid., ch. 32, sec. 146 (6)); conductors or guards on any type of railroad (for females under 21) (ibid., sec. 146 (9)); messenger for telegraph or messenger company (for females under 21) (ibid., sec. 146 (10)).

Lifting or carrying heavy weights (ibid., ch. 32, secs. 383, 146 (7), 147; session laws: 1938, ch. 657; Department of Labor, Industrial Code rule No. 10 (1942)).

Equal pay (session laws: 1944, ch. 793).

Minimum wage (for men also) (consolidated laws (Cahill), supp. 1937, ch. 32, secs. 550-566; session laws: 1939, chs 244, 499; 1942, ch. 693; 1944, ch. 792).

Industrial homework (consolidated laws (Cahill), supp. 1931-35, ch. 32, arts. 4, 5, and 13, secs 350-363, session laws: 1940, chs. 386, 423; 1942, ch. 669; Department of Labor, homework orders 1-4).

Employment before and after childbirth (consolidated laws (Cahill) 1930, ch. 32, sec. 148).

EXHIBIT D

Employment of women in retail trade, in States in which mandatory wage rates became effective under minimum-wage laws between October 1935 and October 1939

State	Date of order	Percent of all employees in retail trade who were women	
		1935	1939
Arkansas	1937 [1]	25.4	30 0
Arizona	Feb. 1, 1939	27.5	28 5
Colorado	June 10, 1939	31.5	33.8
District of Columbia	Feb 14, 1938	34.2	35.8
Kentucky	June 1, 1939 [2]	28 1	30.4
Massachusetts	Oct. 1, 1937	32 0	35 4
Minnesota	1937 [1]	35 0	38 2
Nevada	1937 [1]	20.8	27 0

[1] Wage fixed in law.
[2] A general order.

Source: U. S Department of Labor, Women's Bureau, Washington, D. C.

Employment of women as wage earners in manufacturing in States in which legal hours for women were materially shortened between 1929 and 1939

State	Legal hour limitations in effect in—				Percent of all wage earners in manufacturing who were women	
	1929		1939			
	Daily	Weekly	Daily	Weekly	1929	1939
Connecticut	10	55	9	48	25 1	30 2
Illinois	10	None	8	48	19 9	25.0
Louisiana	10	60	8	48	11 1	15.8
New Hampshire	10½	54	10	48	31.8	31.5
North Carolina	11	60	9	48	30 9	35 2
Ohio	9	50	8	44 5	15 3	17.7
Oregon	9	48	8	44	11 9	14 8
Pennsylvania	10	54	8	44	22.6	26.3
Rhode Island	10	54	9	48	38.3	40.7
Virginia	10	None	9	48	23 1	29 0

[1] 9 a day, 54 a week in cities of less than 6,000 population
[2] In manufacturing only.

Source: U. S. Department of Labor, Women's Bureau, Washington, D. C.

PRICE CONTROL AND REGULATION

Mr. GUFFEY obtained the floor.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Wisconsin?

Mr. GUFFEY. I yield to the Senator, who wishes to make a 10-minute speech. I yield to him for that purpose.

Mr. WILEY. Mr. President, I appreciate the courtesy of the Senator from Pennsylvania. First, I wish briefly to refer for the purpose of the RECORD to what occurred earlier in the day. The Senator from Maryland [Mr. RADCLIFFE] was very kind to yield to to me as he did. Then the Senator from Vermont objected, on the ground that the Senator from Maryland could not yield to me without losing the floor. I then suggested to the occupant of the chair, in order to harmonize the situation, that the Senator from Vermont have the floor, and it was granted him, and he spoke for 40 minutes. I assumed that I would at least be given the courtesy of having it indicated that I had yielded, but apparently that was not done. So I express my sincere appreciation to the Senator from Pennsylvania for his gentlemanly conduct and understanding of my position.

GIVE AMERICAN FREE ENTERPRISE A BREATHING SPELL FROM GOVERNMENT REGIMENTATION

Mr. President, on Tuesday the OPA bill was sent to conference by the House of Representatives. No one rejoiced over this action except the state socialists, the collectivists, the Communists, and the pinks who want to maintain and increase Government strangulation over American free enterprise and those frightened, deluded folks who have been so completely upset and unpoised by OPA scare propaganda that they do not recognize that they are being hoodwinked by these collectivists.

Mr. President, in the past several weeks, when the OPA debate was on, I made a number of points about the necessity of us having a free economy at the earliest possible date rather than continue this slow strangulation process of OPA rule. I want to enumerate some of these points and to add several points now.

NEED FOR FREE PERIOD

First. OPA is dead. The President killed it by his veto of the compromise extension bill. Let it stay dead until the American free enterprise system has had at the minimum a 60 to 90 day breathing spell. During this period, our system could demonstrate its fundamental soundness in satisfying America's needs through retailers, distributors, producers, and farmers getting the cost of production plus a reasonable profit.

May I ask this question of the Porters and the Bowleses: "How did America ever get along before OPA, before they messed up the situation?" Were not prices regulated equitably by the laws of supply and demand? Did our people allow themselves to be gouged and chiseled when there was a free market and a free economy. Of course not. The American housewife has enough sense to regulate her purcheses and the American producers, distributors, retailers, farmers, have enough decency and business sense to price things equitably.

We know we have to face this question of getting rid of Government controls sometime. Is there any politics in wanting to postpone this facing the issue? I leave the answer to my colleagues. Are we not as well situated now as we would be a year from now to return to a free economy? I believe we are better situated now, because if we have another year of Government-imposed restraints in peacetime, we will have more people confused and upset; we will have a national psychological condition that will be terribly unhealthy. The OPA is a form of vicious narcotic, and our system has literally become so drugged with it that it is hard to break our addiction to it. The time to break our addiction to this "OPA dope" is now.

If by a long chance, after the breathing-spell period without controls we find that a free economy is not adequate, then Congress can be called back into emergency session to meet the situation. I do not believe that such an eventuality will be necessary.

NO PATCHWORK BILL

Second. Let us not fashion out any new monstrosity bill containing a crazy quilt of items, immediately or later decontrolled or partially controlled, some items under Government regimentation, other items not, but every item in confusion. Let us have the courage of our convictions to rid the national scene, at least for a breathing-spell period, of the thirty-thousand-odd bureaucrats of this infernal agency who have been infesting this land with rules and regulations for the last 4 years.

RENT CONTROLS

Third. If rent controls are necessary—and they must be equitable for the property-owner as well as for the tenant, I maintain—let Congress make separate provision for them.

VITAL MINERAL SUBSIDIES

Fourth. Right now, subsidies should be continued only in the case of certain scarce and vital minerals, such as copper, lead, and zinc. Special provisions can be made for them without a general OPA bill.

ANTIDOTE FOR FEAR

Fifth. Let every pro-American commentator, every newspaperman, every editorialist, every citizen, accept the high challenge of antidoting the poisoned propaganda of fear which has been raging throughout this country, from OPA's propaganda ministry and other collectivist sources—the Communist Party, to name but one. Yes, Mr. President; that is what has been taking place. This country has been given a toboggan ride of fear, and at the head of the toboggan are the Bowleses and the Porters, using Government money to conduct this toboggan ride of fear.

This is the greatest challenge facing America today—to antidote OPA fear-mongering.

Once an American President said that "we have nothing to fear but fear itself." That is as true today as it was in 1933. Once Saint Paul said: "God hath not given us the spirit of fear, but of power and of love and of sound mind." That, too, is true and we must take it to heart.

Who then has been putting this fear into the hearts of the people? Who is it that is instilling this fear in the minds of the people of America? I issue the challenge to every newspaperman, editorialist and citizen to give heed. They will hear the facts and figures given today by my colleague the Senator from Nebraska [Mr. WHERRY], who will show the actual happenings in the markets. It is up to every one of us to counteract the insidious undermining of our national character, the destroying of our faith in the goodness of our brother, which is being stimulated by OPA terrorists.

CAREFUL BUYING

Sixth. Let every housewife, every consumer, buy with reasonable restraint, which is what we did before OPA, so that the few gougers and chiselers—and we always have them with us—who always seek to profiteer from such a situation are left with goods on their hands. Let us give a convincing demonstration that outrageous prices demanded by a few grafters and gougers can be brought down simply by the public refusing to patronize them.

CLEAR THINKING

Seventh. Let us straighten out our thinking so that we do not go "hog wild" when we see a few justifiable price increases in the case of certain vital foods and other commodities. Mr. President, we have been so miseducated that we have been ignoring the rises in luxury goods while we have magnified the few and necessary rises in certain essential food commodities. I have already drawn attention to our preoccupation with the insignificant rise in milk prices—nature's greatest food—while we ignored the huge increases in the prices of luxuries, liquors, and so forth.

I want to cite the instance of butter. There have been many complaints that the price of butter has unduly risen. Let us note the facts in this situation. To produce a pound of butter in any of the great dairy States requires around 10 quarts of milk with around 4 percent butterfat. For these 10 quarts, with his vastly increased feed and labor costs—and Senators must remember that labor costs and feed costs have increased—the farmer merely gets 7 cents a quart, that is, 70 cents for what will ultimately be the pound of butter. Then, the butterfat is made into butter at the creamery, it is sold to the distributors, from the distributor to the retailer, and from the retailer to you and to me.

Of course, there is the skim milk. Without the skim milk the price of butter would be extremely high. We have the situation of the farmer receiving about 7 cents a quart for his milk. Does that seem to be a high price to pay the farmer for a quart of milk? If anyone who hears me were to buy a cow, feed it, milk it, invest in the necessary facilities connected with dairying, how would he like it if he received only 7 cents a quart for the milk he produced? Let anyone who has any question in his mind about the adequacy of the price paid to the farmer try to produce milk. I say we must stop and think. I have spoken about gouging, but I say that the farmer is not a gouger.

In view of these facts, how can anyone complain that the farmer is mulcting the public? We know that if the farmer's average hourly pay were computed, it would average in almost every instance less than 50 cents per working hour and usually even far less than that compared to what the city dweller gets. We know too that if ever the farmer were to catch the strike mania—and he has never withheld production if he could get his cost of production plus a reasonable profit—that such a farm strike would make all these labor strikes look like schoolboy affairs.

I am satisfied, however, that if the Congress has the courage of its convictions and decontrols all agricultural products by ridding the country of OPA maladministration, the farmer will go all-out in production and that he will satisfy the food needs of our Nation and of the world.

CONSTRUCTIVE LABOR LAW

Eighth. I have pointed out the necessity for all-out production. Nothing but work will solve the present situation—not shirking, not loafing, not complaining. It is essential that Congress, before it adjourns, enact some form of constructive, pro-American labor legislation, such as the Case bill, or compulsory arbitration in key industries as a last resort.

If certain politically minded labor racketeer leaders should call a ruinous strike wave at the present time, while our free-enterprise system is trying to meet the situation, not only would we be plunged into ruinous inflation but the permanent stranglehold of state socialism would be forced on this people. It would be sheer madness in the present grave period to risk the chance of another crippling strike epidemic by allowing the one-sided Wagner Act to remain on the statute books as at present.

There is a rumor in town that some labor leaders have come to Washington to put the heat on the Chief Executive to force him to pressure Congress to restore OPA's strangulation on the economy. I hope this rumor is incorrect. I hope that these men are not being made the conscious or unconscious tools of those who want to make this a socialistic state—meaning that all the people's affairs and living are under the control and regulation of the state. That is what is implied under OPA. OPA is one phase of a socialistic state, possibly justifiable in war, but never justifiable in peace.

END OPA TERRORIZING

Ninth. Let both Houses of Congress make known in no uncertain terms that they expect the Bowleses and the Porters and their cohorts, their political kinfolk, and the left-wingers, and the Communists who want to divide this Nation into camps, who have been using Government facilities to insinuate fear into the minds of the public, to cease and desist right now from their poisonous propaganda, from their undermining of our currency and of our price structure.

We know how gravely they have affected the morale of many sections of our population, including particularly the white-collar classes who have been living on fixed incomes and who have been scared by the lack of production and the resultant rising prices.

On many previous occasions I have pointed out the serious difficulties faced by those on fixed incomes, those who have not had wage increases while industrial labor was getting wage increases, while, for example, the Federal employees were getting wage increases.

It is simple justice that this fixed-income white-collar class get a decent living wage. But I do not want the school teacher, the clerks, the professional people to be scared out of their wits by the Bowleses and the Porters and their propaganda kinfolk now to the effect that their low incomes will not be able to buy any goods unless OPA con-

trols are clamped back on. The reverse is true. The insurance policies, the bonds, the savings of this clas will be worthless unless we can get into full production. And the only way to get into full production is by giving every producer the cost of production plus a reasonable profit.

END CLASS HATRED

Tenth. Let us counteract the dangerous frictions which have been aroused between the city and the country folks. Let us point out that what is essential is a balance between our industrial economy and our agricultural economy, that the farmer is as much entitled to his cost of production plus a reasonable profit, as is the factory employer or anyone else.

If the dangerous trend of the past continues, if more and more millions of our farms are deserted—and more than 10,000,000 farmers have left the farms in the last 10 years—if the remaining millions of farmers are largely reduced to the status of a peasant class, then we shall be faced with the gravest problem we have ever faced, namely, the getting of the barest essential foods.

I am sick and tired of the smearing of the farmers of America, sick and tired of the "farmers being farmed" by bureaucracy denying them their cost of production plus a reasonable profit. The Communists and the pinks in OPA and elsewhere have every intention of reducing our farmers to peasants, of creating a landless, homeless, rootless proletariat instead of a stable, sound, prosperous agriculture. Their efforts must be counteracted and the smearing of the farmers and the "farming of the farmers" must end.

CONCLUSIONS

Mr. President, the greatest challenge of the postwar era is upon us. Let us be adequate to that challenge now by dispensing with OPA. Let us strike a blow for freedom and against State socialism. I repeat, the establishment of State socialism would mean that the State would be given the power to control the individual's business, and to handle the affairs of the average citizen. Let us dispense with that. Instead, let us have free enterprise and full production. Let us be adequate to meet the challenge. Let us strike a blow for freedom and against State socialism; for free enterprise and against OPA planned economy; for full production and against OPA limited production; for reasonable and natural prices and against artificial, bureaucratic prices.

I thank the distinguished Senator from Pennsylvania.

REPORT ON PRICES OF LIVESTOCK AND OTHER COMMODITIES

Mr. WHERRY. Mr. President, will the Senator from Pennsylvania yield?

Mr. GUFFEY. How long does the Senator from Nebraska intend to speak?

Mr. WHERRY. I should like to place in the RECORD the market reports which I have received. I shall probably require not more than 10 minutes.

Mr. GUFFEY. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, in keeping with my daily practice for the past 2 weeks since OPA ceilings have been lifted, I bring again to the Senate market reports from the 12 principal markets of the country.

This morning I read in one of the Washington newspapers an editorial to the effect that prices have been skyrocketing. I wish to say that the evidence to the contrary is most convincing. I agree that there are isolated cases of skyrocketing prices and black-market operations, but I am firmly of the opinion that if we can continue for another week we can convince the most skeptical of all the fear peddlers in the United States that prices are seeking their own level. Despite the fact that the end of price control came so unexpectedly, prices are surprisingly normal at this time.

To show what the effect has been, at 12 principal markets this morning the receipts of cattle were 67,200 head. That is 82 percent larger than the receipts a week ago and 167 percent larger than the receipts for the corresponding day a year ago. Think of that.

Total cattle supplies at these markets for the first 4 days this week were 18 percent above those of a week ago and 63 percent above the supply for the comparable days a year ago.

The United States Department of Agriculture reports the Chicago cattle market yesterday as follows:

Only strictly choice to prime cattle were still reliably wanted on the close, with common, medium, good, and even low-choice steers and heifers unevenly 25 cents to $1 lower, with extreme late sales generally 50 cents to $1 down Moreover, a moderate supply of medium- to average-good grass- and short-fed steers remained unsold late. Cows ruled unevenly steady to as much as 50 cents lower, with common and medium beef offerings showing the most decline and selling mostly 25 to 50 cents off. Even good cows weakened off in sympathy with the crumbling market on steers and heifers lacking finish, and at least a moderate supply of most grades of cows was still in first hands late

"First hands" means that they were not sold. There was nobody to buy them.

Sausage bulls lost another 50 cents, rounding out a decline of mostly $1 from the recent high time.

The cattle market opened at Chicago this morning with a top of $25 per hundredweight for the best cattle available. Those are the AA prime beef steers, and there are only a few of them sold—one day only 11 head. We do not get that kind of beef unless we go to a hotel and really pay the tariff. The good-to-choice cattle provide the meat sold in most of the butcher shops. Those shops do not buy the $25 cattle. Very few of them are sold. They are bought mostly by black-market operators. They are not bought by most of the legitimate wholesalers. This price is off $1.35 from the top of yesterday, which was paid on only about one-tenth of 1 percent of the total cattle sold. And yet the top price is used in an effort to show that prices are skyrocketing, when only one-tenth of 1 percent brought $25 a hundred. We are not told about the good-to-choice cattle which are being bought and processed, cattle which sell from $18 to $19 a hundred, which is only about a dollar above the ceiling price.

This indicates how unrepresentative top quotations for cattle can be. The market was dull and slow, with very little action, and with bids generally off $1 to $1.20 and with some bids $2 per hundredweight lower than yesterday on some kinds.

That is what occurs when there is a competitive market, and when receipts are normal. Mind you, Mr. President, receipts are 167 percent more than they were a year ago today. That shows what can be done when meat is available.

Receipts of calves, sheep, and lambs also continued large this week. For the first 4 days of the week calf receipts at the 12 markets amounted to 80,000 head. That is up 14 percent from a week ago, and it is 71 percent more than for the comparable 4 days a year ago. Think of it; an increase of nearly 75 percent. Receipts of sheep were 181,200 head, up 84 percent from a week ago, and 43 percent for the comparable 4 days a year ago.

Extremely large receipts of hogs for Thursday were in evidence this morning. There is really a story to tell in this connection. Receipts of hogs at 12 midwestern markets amounted to 94,200 head, the largest day's receipts for the week, up 53 percent as compared with last Thursday, and more than 3½ times the receipts for Thursday a year ago. The total receipts at these markets for the first 4 days of the week amounted to 272,500 head of hogs, only slightly less than receipts for the first 4 days a week ago, and up 116 percent from a year ago.

With respect to prices, hog prices at Chicago this morning opened slow, with a top of $20, which is a drop of $2 per hundredweight from the extreme top of $22 paid yesterday during the early part of the market. That is the price for the top hogs. Very few hogs sold at the top price. Choice sows, which brought $20.75 at the top yesterday, were off $2.25 per hundredweight, selling at $18 50 early this morning. Later this morning hog prices dropped another $1, and choice hogs at the close of the market sold for $3 a hundred lower than they brought yesterday. I just received this information over the telephone. In some places the hog market is demoralized, and farmers are compelled to take the hogs back to the farm. The market cannot handle them. That information was given to me a moment ago over the telephone.

This shows what can be done without OPA. We are getting meat. If we continue to allow the markets to operate under open competitive conditions, and if we have another week of liquidations such as we have had this week, the retail markets will have available all classes of meats at prices below the ceiling prices during the last week of June.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the entire market report to which I have referred.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Reports on the livestock and meat situation from various parts of the country indicate that in many areas the market is beginning to reach the saturation point with large supplies of meat and lowering prices. Temporarily following the removal of price

control, prices moved upward because buyers were filling empty distribution pipe lines and consumers hadn't had meat for so long that they have been eager buyers. The effect of increasing consumer resistance was in evidence by the fact that only a few minutes after the $22 top for hog prices in Chicago was established yesterday, prices began to tumble, and later in the day the comparable hogs sold for $21. A further $1 drop to a top of $20 today shows the effect of increased supplies and consumers backing away from high prices, in evidence as the result of the free market. A similar sharply downward trend was reflected in the early top for the best cattle available in Chicago today, of $25, which was off $1.35 from yesterday's top.

A report on the livestock market this morning is summarized as follows:

Cattle receipts at 12 markets today were unusually large for Thursday, amounting to 67,200 head, 82 percent larger than a week ago, and 167 percent larger than the same day a year ago. Total cattle supplies at these markets for the first 4 days this week were 18 percent above those of a week ago, and 63 percent above the supply for the comparable days a year ago.

The United States Department of Agriculture reports the Chicago cattle market yesterday as follows:

"Only strictly choice to prime cattle were still reliably wanted on the close, with common, medium, good, and even low-choice steers and heifers unevenly 25 cents to $1 lower, with extreme late sales generally 50 cents to $1 down. Moreover, a moderate supply of medium- to average-good grassy and short-fed steers remained unsold late. Cows ruled unevenly steady to as much as 50 cents lower, with common and medium beef offerings showing the most decline and selling mostly 25 cents to 50 cents off. Even good cows weakened off late in sympathy with the crumbling market on steers and heifers lacking finish, and at least a moderate supply of most grades of cows was still in first hands late. Sausage bulls lost another 50 cents, rounding out a decline of mostly $1 from the recent high time."

The cattle market opened at Chicago this morning with a top of $25 per hundredweight for the best cattle available. This is off $1 to $1.35 from the top of yesterday, which was paid on only about one-tenth of 1 percent of the total cattle sold. This indicates how unrepresentative top quotations for cattle can be. The market was dull and slow, with very little action, and with bids generally off $1 to $1.50 and with some bids $2 per hundredweight lower than yesterday on some kinds.

Receipts of calves and sheep and lambs also continued large this week. For the first 4 days of the week calf receipts at 12 markets amounted to 60,000 head, up 14 percent from a week ago, 71 percent for the comparable 4 days a year ago. Sheep totaled 181,200 head, up 84 percent from a week ago, and 43 percent for the comparable 4 days a year ago.

Extremely large receipts of hogs for Thursday were in evidence this morning. Receipts of hogs at 12 midwestern markets amounted to 94,200 head, the largest day's receipts for the week, up 53 percent as compared with last Thursday, and over 3½ times the receipts for Thursday a year ago. Total receipts at these markets for the first 4 days of the week now amount to 272,500 head, only slightly less than receipts for the first 4 days a week ago, and up 116 percent from a year ago.

Hog prices at Chicago this morning opened slow, with a top of $20, which is a drop of $2 per hundredweight from the extreme top of $22 paid here yesterday during the early part of the market. Choice sows which brought $20.75 at the top yesterday were off $2.25 per hundredweight, selling at $18.50 early this morning. Later this morning hog prices dropped another $1 and choice hogs now (11 a. m.) are being purchased freely at prices $3 a hundred below yesterday's top.

Sharply increased receipts today will mean even more meat for housewives in the near future. The beneficial effects of decontrol are becoming more and more in evidence as meat supplies for consumers increase and as housewives can once more assert themselves on the prices they are willing to pay. Reinstatement of unworkable and unenforceable controls would immediately dry up market supplies for consumers and would seriously discourage future production, especially in view of rapidly developing bumper feed crops.

Mr. WHERRY. In the New York Times for today, July 18, I find the following editorial:

PRICE ADVANCES

In evaluating the reports concerning price changes since the veto of the OPA bill, those increases which are general in nature and those which are not should be distinguished. It is also important to distinguish among the various factors which have accounted for these increases. Thus, for example, it seems fairly clear that to date the general increases have been confined primarily to foods. While some sporadic increases have been reported for rents and nonfood items, they have not been general in nature except in instances where OPA previously had approved price increases, such as for shoes. The widespread pledges of retailers to hold OPA price ceilings as long as possible undoubtedly have been an influential factor in holding the prices of nonfoods relatively stable. Among foods the general increases above former OPA ceilings have taken place primarily for dairy products, including milk, butter, and cheese, meat products, grain products, and, to some extent, canned foods. Fresh fruits and vegetables and eggs, on the other hand, seem to have held relatively steady.

Mr. President, I interrupt the reading of the editorial for a moment, to say that this morning a representative of one of the largest commission firms in Washington sent word to me that his firm had cabbage and beans and everything else in their place of business, and that they had them in ample quantity, and that not one of the articles they had was selling above the OPA ceiling price, except oranges. They had cabbage and beans for a dollar a basket. I suppose some of them were not acceptable in the different grades; but he said, "They are there, and you can tell the people of this country that the produce is coming in here, and in my store today there is not one that is selling above the OPA ceiling price, except oranges."

Mr. President, I resume the reading of the editorial:

The increases in the prices of these foods have been due to several factors. The higher prices for milk, cheese, and butter—

Those are the higher prices of last week. Presently I shall state the price of butter today, and, taking into consideration the removal of the subsidy, it is about where it was before the OPA ceiling price was taken off.

Mr. President, I start the sentence again:

The higher prices for milk, cheese, and butter have reflected almost entirely the elimination of the large subsidies paid on these items. The subsidy factor has also been significant for meat, grains, coffee, and canned foods. It has been estimated that the elimination of subsidies would add about 10 percent to the cost of food. Another part of the increase, though it has carried some prices above the former OPA ceiling prices, has also meant a reduction compared with the former black-market prices actually paid. The Journal of Commerce has analyzed its price index to determine the factors accounting for the recent rise. Their study concludes that if the price index prior to July 1 is adjusted upward to include subsidies and black market prices, the actual rise has been only 6.3 percent instead of the 16.2 percent shown by the published figures. Undoubtedly there have been a number of instances where sellers have taken advantage of their new-found freedom and have charged substantially higher prices. But it seems clear that these instances are comparatively rare.

Thus, while it is true that many price increases have occurred, they have not been as widespread or as large as suggested by those who have been emphasizing the sensational rather than the typical. This is not to say that prices may not rise further or that they will not rise for items which thus far have been held relatively stable. It does mean, however, that the chaos forecast by the proponents of all-out price control has not developed, and that the transition to a free price system has been much more orderly than many people dared to hope.

Mr. President, that editorial was published in the New York Times of today, July 18.

I now ask unanimous consent to have an article from today's New York Times published at this point in the RECORD. I shall not go into it in detail; but the headline reads as follows: "Prices of grains go sharply lower—Cash deliveries close at low, with wheat off 5 cents; corn 2 to 6; oats, 2 to 5."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICES OF GRAINS GO SHARPLY LOWER—CASH DELIVERIES CLOSE AT LOW, WITH WHEAT OFF 5 CENTS; CORN 2 TO 6; OATS 2 TO 5

CHICAGO, July 17.—Prices of grains declined today on the Board of Trade, and although corn and oats futures rallied from the low points, cash grains finished at the bottom prices with wheat off 5 cents a bushel; corn, 2 to 6 cents, and oats, 2 to 5 cents. Corn futures, after breaking 4¾ cents at one time, rallied to close with net losses of 1⅜ to 1⅝ cents. At the bottom they were 13 cents under the high on Monday. Oats futures finished ½ cent higher to ⅛ cent lower than yesterday, short covering being the main influence. In Winnepeg rye futures lost 5 cents, the limit, were 34 to 55½ cents higher than on July 1.

Reports from Washington that Office of Price Administration ceilings might be reimposed soon were a factor in slackening buying of cash grains. Bids for No. 2 yellow corn for 10-day shipment from the country were down to $2.21 after the close of the market, or 6 to 6½ cents lower than yesterday. Bids for August and September shipments of oats are based on the future, but brokers say the country is not interested in selling at the current low prices. Cash wheat is down 15 cents and oats over 20 cents from the recent high point.

Fears that current prices for cash corn, which are about 30 cents above the old OPA, may not be retained, resulted in country dealers selling grain freely, over 400,000 bushels changing hands.

Primary receipts of corn aggregated $1,090,000 buahels, compared with 962,000 a week ago and 1,208,000 a year ago. Shipments were 569,000 buahels, against 634,000 and 1,014,000, respectively.

Prices for the principal grains were as follows:

Chicago

CORN

	Open	High	Low	Close	Previous close	Last year
Jan	1 63	1 66¼	1 60	1.63	1.64⅝	.....
Mar	1.61⅝	1 64¾	1.60	1.63¾	1.64⅝	.....

OATS

July	0.81⅛	0.82⅛	0.80⅞	0.81⅞	0.81⅞	0.65
Aug	.77¼	.78⅜	.76⅝	.77⅝	.77⅝	.....
Sept	.77½	.77⅞	.76⅝	.77¼	.77¼	.53½
Nov	.76⅝	.77⅛	.75⅝	.76⅝	.76⅝	.....
Dec	.77	.78	.77	.77¾	.77¾	.54
Mar	.76⅞	.79⅛	.77½	.79¾	.76⅞	.....

BARLEY

Closing prices November, December, March, 1.41¾.

Minneapolis

WHEAT

	Open	High	Low	Close	Previous close	Last year
Primo red	2 [illegible]	2 [illegible]	2 [illegible]	2 [illegible]	2 [illegible]	1 [illegible]
Dark hard	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	.....

BARLEY

Closing cash price, 3 [illegible]

Winnipeg

OATS

Closing prices July, October, December, 51⅛.

RYE

	Open	High	Low	Close	Previous close	Last year
July	.....	.....	.....	2 31	.....	1 61
October	2 31½	2 31½	2 31½	2 31½	2 30⅞	1 44¼
December	2 25½	2 22⅝	2 22⅝	2 22⅝	2 27⅞	1 40

BARLEY

Closing prices July, October, December, 64⅝.

Cash prices follow:

Chicago: Wheat, No. 1 hard, $2.06 to $2.09; No. 2 red, $2.05. Corn, No. 2 yellow, $2.23 to $2.27; No. 3 yellow, $2.22½ to $2.25. Oats, No. 2 white, 83¾ cents; No. 3 white heavy, 84¼ cents. Cash lard, 24.00; loose lard, 22.87½.

Minneapolis: Wheat, No. 1 dark Northern, $2.32 to $2.35.

Kansas City: Wheat, No. 2 hard, $1.99 at $2.15.

Miscellaneous markets

WOOL TOPS

	High	Low	Close	Previous close
December 1946	140.5	140.0	140.0	140.0
May 1947	140.0	139.5	137.5	138.5
July 1947	136.5	136.5	136.0	136.5

Other closing bids (1946): July, 142.0, October, 140.0; 1947 March, 139.0, October, 135.5, December, 135.0. Spot par tops, 142.0

GREASE WOOL

	High	Low	Close	Previous close
December 1946	97.0	97.0	96.5	96.5

Other closing bids (1946): June, 98.5; October, 98.1; (1947) March, May, July, October, 97.0; December, 96.0. Spot 96.5.

COCOA

Closing bids: June, September, December, 11.88.

Mr. WHERRY. Mr. President, I now give the figures for the butter market. This information has just come off the ticker, and has been handed to me while I have been addressing the Senate:

New York butter market July 18, 1946: Weaker one-fourth cent lower on 92 and 93 score: 1 cent lower on 90 score; one-half cent lower on 89 score; 93 score, 71 to 72 cents; 92 score, 70½ cents; 90 score, 69¼ cents; 89 score, 68¾ cents.

Mr. President, if we take into consideration the subsidy and deduct the subsidy from the prices I have just quoted—or, to put it another way, if we add the subsidy to what the ceiling price was—we find there has not been any increase in the price of butter to the people who buy it.

I should also like to have printed at this point in the RECORD, and I ask unanimous consent for that purpose, an editorial from the New York Sun of Wednesday, July 17. This editorial is one of the most interesting ones I have had the pleasure of reading. The Sun refers to various commodity prices. The reporters for the Sun made a survey in New York City. They took the OPA price which was charged before OPA was lifted, and they took the black-market price which they found, and they took yesterday's price, and they have compared them with today's price. All that information is set out in four columns. An examination of the figures discloses that, in most instances, if the subsidy is subtracted from the present prices for food products, there has been no increase in price at all; and meat prices are falling today from yesterday, as reflected in the livestock markets in the principal centers. The same is true as to the butter market, to which I have just referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BOX SCORE OF CITY'S FOOD PRICES

Beef is backing up in wholesale meat houses here and a break in meat prices is imminent, a survey of trade sources disclosed today. In retail trading centers, butchers serving consumers in the lower-income brackets reported that their customers were refusing to buy and that they expected a price decline momentarily.

In a number of meat items, notably those in the luxury trade, declines from yesterday were noted. In the Bronx, along the Third Avenue shopping district, butchers were offering round steak at 42 cents per pound, down 2 cents from yesterday. Legs of lamb in that area and in Brooklyn were selling as low as 44 cents a pound again today, and the high mark was 70 cents, 5 cents below yesterday's high.

Clyde F. House, market news analyst here for the Department of Agriculture, reported that the New York wholesale markets were glutted with the largest supply of beef in years, but that it was not moving to consumers. Many wholesalers continue to deal with their old black-market suppliers, he said, and their prices are too high. These one-time black-market channels continue to control the bulk of the beef reaching the city, but the wholesalers' prices are being forced down to the prices set by the major packers. The packers' prices for choice beef, 21 8 cents per pound at wholesale before the end of price control, has increased from 36 to 42 cents a pound, House said. The wholesalers' choice beef, which sold at 50 to 55 cents a pound wholesale in the black market, is ranging downward to 40 to 45 cents a pound, he stated.

Reporters surveying the retail markets reported growing resentment on the part of retailers at the rise in meat prices. These butchers were unanimous in the opinion, however, that the rising supply would lower prices and many predicted that retail prices soon would be close to those legal under price control.

Below is a list of foodstuffs comparing OPA ceilings, black-market prices, quotations of yesterday, and what was being charged today:

	OPA price range	Black market price range	Yesterday's prices	Today's price range	Present supply
	Cents	*Cents*	*Cents*	*Cents*	
Butter	67	98	73–100	74–100	Plentiful.
Sirloin steak	40–61	75–125	55–110	73–100	Good.
Round steak	40–48	100	44–75	42–85	Do.
Rib roast	32–36	90–110	45–80	35–70	Do.
Chuck roast	27–32	85–100	35–70	32–70	Do.
Ground beef	26–30	75–100	30–60	30–60	Do.
Veal loin chops	41–48	75–85	55–85	55–85	Poor.
Veal rib chops	36–43	80–90	75–90	75–85	Do.
Veal shoulder	27–32	75–90	35–60	32–60	Do.
Lamb rib chops	44–51	75	60–75	41–50	Fair.
Leg of lamb	36–43	100–110	60–75	44–70	Do.
Loin of pork	33–36	80–100	42–55	42–66	Good.
Pork chops	31–40	85–90	40–60	45–74	Do.
Ham	35	100	35–55	40–75	Scarce.
Bacon, sliced	42–43	75–100	45–60	45–70	Fair.
Apples	13½–14½	None	10–16	10–23	Scarce.
Wax snap beans	17–19	None	15–20	15–20	Good.
Large lemons	10–13½	None	12–16	10–20	Plentiful.
California oranges	11–14	None	10–15	12–15	Do.
Bananas	10–13	None	10–15	10–15	Good.
Chickens (dressed)	51	65–80	40–62	44–62	Fair.
Fowl (dressed)	44	60–70	44–60	44–60	Do.
Milk (in store)	16	None	15–21	15–21	Good.
Eggs (grade A)	56	None	70–84	58–67	Plentiful.
Mayonnaise (8 ounces)	15–20	25–30	25–28	25–28	Very scarce.
Pepper (1 ounce)	9–11	None	10–12	10–13	Scarce.
Chili sauce	20–28	25–35	21–25	21–25	Fair.
Jelly (pound)	18–26	35	19–28	21–33	Moderate.
Jam (pound)	26–29	30–50	25–29	25–29	Very scarce.
Cream cheese (3 ounces)	12	15	12–15	12–15	Fair.

Mr. WHERRY. Mr. President, I should also like to have printed in the RECORD an article which has just been handed to me. It is also from today's New York Times. The headline is:

Farmer offered one-fifth cent a pound for cabbage, gives them away just to get fields cleared.

Mr. President, the farmers do not know what to do with all the vegetables they have raised. They have larger crops than they have had for many years.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMER OFFERED ONE-FIFTH CENT A POUND FOR CABBAGES, GIVES THEM AWAY JUST TO GET FIELDS CLEARED

WEST NYACK, N. Y., July 17.—Autumn Van Den Heuval returned home to his farm here on Monday evening, weary and disgusted. He was weary from the twenty-odd-mile trip to the New York wholesale markets, and disgusted because he had been able to sell only 120 of the 300 boxes of cabbage he had trucked to the city. The others he had been unable to get rid of at any price because the markets were glutted, he said.

Mr. Van Den Heuval reported that the highest price he was offered in the New York market was 10 cents for a 50-pound box of cabbage and the box itself cost him exactly that amount. On the other hand, he said, the cheapest price to the consumer was $2 a box, or 4 cents a pound.

Mr Van Den Heuval, a well-known Rockland County farmer and a descendent of an old Dutch family, still had a 5-acre field filled with cabbage, which he was anxious to clear so that he could plant beans. The prospect of cutting and clearing away the cabbage without any return was not a pleasant one. Suddenly Mr. Van Den Heuval had an idea.

He went to the office of the Journal-News in nearby Nyack and asked that publication to broadcast the news that anyone who wanted free cabbage could have all he wanted, merely by coming to the farm and cutting and removing it. The story was duly published. Within a few hours after publication it began to bring results.

Last night and all day today parties of motorists arrived at the farm at frequent intervals and sallied forth into the fields. As they toiled the principal topic of conversation, according to Mr Van Den Heuval, was of the delights of sauerkraut, and the relative merits of various family recipes for its preparation. By nightfall Mr. Van Den Heuval estimated that at least 150 cars had taken away thousands of heads.

"This situation," Mr. Van Den Heuval said, "is what is ruining the food-production program in the United States. It is perfectly obvious why there is a food shortage."

Mr Van Den Heuval still has 60,000 heads that may be obtained for the cutting and carting away by nondealers, but he plans to plow them under next Saturday if they are not carted away by then.

Mr. WHERRY. Mr. President, in closing, let me display to the Senate two photographs from the Kansas City Star. I do not imagine that the photographs can be duplicated in the CONGRESSIONAL RECORD, but I should like Senators to see them. One of them was published in the Kansas City Star for June 25, and it shows the cooling room of Swift & Co. during the last week of price control. In that mammoth cooling room there are just two carcasses of beef hanging. Look at the photograph, Mr. President. Just two beef carcasses are in that entire room.

On the other hand, here is a photograph taken yesterday, and there is scarcely any standing room left between all the carcasses hanging there.

Even though the photographs cannot be duplicated in the RECORD, I submit the text under them to be printed at this point.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Beef for a meat-hungry city was accumulating in quantities today in the cooling rooms of Kansas City packers. The tempting array of potential steaks, roasts, and boiling cuts pictured [omitted in RECORD] which will begin reaching tables late this week, is in one of the Swift & Co. cooling rooms. Livestock receipts yesterday and today, entrance into the market by bidders for the packers and accelerated slaughtering in the absence of OPA controls make such promising scenes possible.

Kansas City's steak and roast prospect is depicted in this photograph [omitted in RECORD] made today in the Swift & Co. cooling room—two beef carcasses left over from last week. In normal times this and other similar rooms at all the Big Four packing plants would be jammed with cooling meats, pausing on the way to the retailer. Only one of the big companies was killing cattle today and it was reduced to one-tenth its normal operations.

Mr. WHERRY. Mr. President, I read in yesterday's Washington Times-Herald that 81 carloads of meat that had arrived in Washington had not been unloaded, and that meat was backing up to such an extent that it was expected that the price of meat would decrease, not only the wholesale price, but the dressed price, which, as I showed yesterday, was lower in New York yesterday than it was the week before.

Mr. President, I thank the Senator from Pennsylvania for giving me this much time.

Mr. WILEY. Mr. President, if the Senator will yield to me for a moment, let me ask whether it is true that one of the great benefits which has resulted from getting rid of OPA is that it has done away with a great segment of unlawful business known as the black market.

Mr. WHERRY. Certainly.

Mr. WILEY. That means that we have done away with that temptation for American citizens, and now they have an opportunity to be lawful, law-abiding citizens.

Mr. WHERRY. That is correct.

Mr. WILEY. And in place of having no meat, the markets of America are being flooded with meat, and once more we are operating on the basis of a free and open economy.

Mr. WHERRY. I thank the Senator from Wisconsin for his contribution. What he has said is absolutely true. The only way we shall get rid of the black markets is by having open, competitive markets. They will finally drive the black markets out.

Mr. President, I should like to say that a member of the Senate staff—not a Senator—brought into my office today an Arrow broadcloth white shirt which he purchased at Woodward & Lothrop's department store this morning for $2.50. Just think of that!

Mr. WILEY. After 2 years of trying to buy one!

EQUAL RIGHTS FOR MEN AND WOMEN

The Senate resumed consideration of the joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

Mr. GUFFEY. Mr. President, this is a memorable occasion. We are going to give half our population their legal rights. Twenty-five years ago, in this Chamber, the Senate of the United States passed the Suffrage Amendment. That measure brought advancement to our women and great good to our country. Today we have the wonderful privilege of giving to our women the other rights they have actively sought for nearly a century. The country will long remember us for this forward step. The amendment for which we shall vote is much like the suffrage amendment. It reads:

TEXT OF EQUAL RIGHTS AMENDMENT AS NOW BEFORE CONGRESS

Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

This amendment shall take effect 3 years after the date of ratification.

This amendment will give long awaited justice to the women of this land. The women have been very patient. Had men's rights been one-tenth part as obstructed and denied as have women's rights, we all know there would have been bloodshed long ago.

Ninety-eight years ago this very week, leading American women met and framed intelligently a list of rights that women needed and merited. Of this list, only suffrage has been granted. Now is the time, and most men feel that the scales of justice should be evened up, now, right here at home.

There is no word in legal or constitutional matters that takes the place of justice. There is no substitute. However well meaning some laws may be that give so-called protection, instead of justice they deny something to the individual which cannot be compensated by all the well-intentioned measures in the world. What kept the men and women of the countries of Europe, enslaved and devastated by the Nazis, from surrendering to their oppressors? It was that eternal hope of freedom born in the heart of mankind. It is this same hope of justice for which our women will continue to fight until the equal-rights amendment is part of the Constitution. Let us, Senators, do our part in helping the women by submitting this amendment to the States now.

They will just have time, if we all do our part, to win this cause a hundred years after their start in 1848. They feel, and I agree with them, that 100 years should be long enough to fight for the justice which should have been a birthright.

In closing I wish to quote that great labor leader, Samuel Gompers, who, 33 years ago, looking ahead saw the need for equality:

EXCERPTS FROM AN EDITORIAL BY SAMUEL GOMPERS IN THE AMERICAN FEDERATIONIST, AUGUST 1913

This woman movement is a movement for liberty, freedom of action and thought, tending toward a condition when women shall be accorded equal independence and responsibility with men, equal freedom of work and self-expression, equal legal protection and rights.

We should view with apprehension present sentiment in favor of setting up public and political agencies for securing industrial benefits for wage-earning women. These agencies would constitute a restriction upon freedom of action capable of serious abuses.

Instead of aiding women in the struggle for industrial betterment and freedom, we

should be foisting upon them fetters from which they would have to free themselves, in addition to the problems that now confront them, and we should still leave unsolved the problem essential to real freedom—self-discipline, development of individual responsibility, and initiative.

The industrial problems of women are not isolated, but are inextricably associated with those of men.

Mr. President, for the first time in almost 12 years during which I have served as a Member of this body, the senior Senator from New York [Mr. WAGNER] and I differ in respect to legislation. I refer specifically to the pending measure. We have stood together on every welfare measure, every labor measure, and on all other measures for the uplift of mankind, and for the improvement of the conditions of people who work. I wonder if he is aware that the New York State Legislature, on March 24 of this year, memorialized the Congress to pass the equal-rights amendment which is now under discussion.

The following resolution was adopted by the New York Assembly on March 24, 1946, without a dissenting vote, and was concurred in on the same day by the Senate. The resolution, which had been introduced in the assembly on February 7, 1945, by Mr. Orlo M. Brees, reads as follows:

Whereas the women of America have shared equally with men in the hardships and sacrifices incident to the building of this Nation; and

Whereas they have shared equally in the pain and distress which have been involved in the maintenance of the American Republic and the ideals of free government against the aggression of tyrants and have participated, and are today participating, in the battles precipitated by the enemies of freedom; and

Whereas this Nation was "conceived in liberty and dedicated to the proposition that all men are created equal," and such declaration has no actual or implied limitations on equality before the law by reason of sex; and

Whereas the rights of women before the law are much abridged in many States, and this legal discrimination on the basis of sex constitutes an intolerable burden upon thousands of women who are solely dependent upon their own efforts for their livelihood, and is a source of irritation to many thousands of others who recognize in this discrimination a flat contradiction of the American principle of equality, wholly out of accord with the status of American women which they have reached by their achievements in other fields of human endeavor. Now, therefore, be it

Resolved (if the senate concur), That the Congress of the United States be and it hereby is respectfully memorialized to adopt and submit to the several States and equal-rights amendment to the Constitution of the United States, which amendment is now pending before the Congress; and be it further

Resolved (if the senate concur), That copies of this resolution be transmitted to the President of the United States, the Secretary of the United States Senate, the Clerk of the House of Representatives, and to each Member of Congress elected from the State of New York.

Mr. President, this amendment was favorably endorsed by the Republican National Convention of 1944 without any opposition. It was also endorsed at the Democratic National Convention in Chicago in 1944.

The merits of the case for the amendment were presented to the committee on resolutions by the Democratic national committeewoman from Pennsylvania, who happens to be my sister. Arguments were made before the same committee by Mrs. William Dick, representative of the Federation of Women's Clubs; by Mrs. Marion Marshall Mulligan, representing the National Federation of Business and Professional Women's Clubs; Dr. Bertha Van Hosen, representing the American Women's Medical Association; Miss Mathilde Fenberg, representing the National Federation of Women Lawyers; Mrs. Catherine Dobbs, representing the National Woman's Party; Mr. George Gordon Battle, nationally known attorney; Mrs. Mercedes Keely, member of the Democratic Platform Committee from Delaware, and Mrs. Perle Mesta, member of the Democratic National Committee from Arizona.

I should now like to refer to the list of governors of the States who have endorsed the equal-rights amendment. It has been endorsed by Governor Osborn, of Arizona; Governor Warren, of California; Governor Vivian, of Colorado; Governor Bacon, of Delaware; Governor Bottolfsen, of Idaho; Governor Green, of Illinois; Governor Schricker, of Indiana; Governor Hickenlooper, of Iowa; Governor Schoeppel, of Kansas; Governor Willis, of Kentucky; Governor Sewall, of Maine; Governor O'Conor, of Maryland; Governor Saltonstall, of Massachusetts; Governor Kelly, of Michigan; Governor Ford, of Montana; Governor Moses, of North Dakota; Governor Kerr, of Oklahoma; Governor Snell, of Oregon; Governor McGrath, of Rhode Island; Governor Johnston, of South Carolina; Governor Sharpe, of South Dakota; Governor Maw, of Utah; Governor Wills, of Vermont; Governor Langlie, of Washington; and Governor Hunt, of Wyoming.

I ask unanimous consent that the statements by the governors be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

GOVERNORS ENDORSE EQUAL RIGHTS AMENDMENT

ARIZONA

PHOENIX, *August 3, 1944.*

I give my endorsement to the proposed equal-rights amendment to the Federal Constitution, and I am pleased to do so, sincerely and wholeheartedly

SIDNEY P. OSBORN,
Governor.

CALIFORNIA

SACRAMENTO, *August 1, 1944.*

The national platform of the Republican Party favors a constitutional amendment providing for equal rights for our men and women throughout the land. In California we shall labor to make that plank effective.

EARL WARREN,
Governor.

COLORADO

DENVER, *July 11, 1944.*

I find myself in entire accord with the pronouncements of the Republican National platform for 1944. Consequently, I am only too glad to endorse the equal-rights amendment contained in that document.

JOHN C. VIVIAN,
Governor.

DELAWARE

DOVER, *July 18, 1944.*

I personally endorse the equal-rights amendment and on tomorrow, July 19, the Republican Party (of Delaware) assembled in convention will adopt an equal rights plank in its platform.

WALTER W. BACON,
Governor.

IDAHO

BOISE, *July 10, 1944.*

I endorse wholeheartedly the equal-rights amendment. Idaho early recognized the rights of woman suffrage and has consistently maintained its position well to the front in establishing newer fields of similar thought.

C. A BOTTOLFSEN, *Governor.*

ILLINOIS

SPRINGFIELD, *November 11, 1944.*

Passage by Congress and ratification by the States of a constitutional amendment providing equal rights for men and women as recommended in the Republican national platform would serve the just and very valuable purpose of ending discrimination against women that may now exist in certain States. As a State in which citizens of both sexes enjoy equal privileges and as a State whose general assembly enacted a law which provides equal pay for equal work for women, Illinois doubtless would ratify such a constitutional amendment.

DWIGHT H GREEN, *Governor.*

INDIANA

INDIANAPOLIS, *January 29, 1944*

I am pleased to tell you that I share your convictions on the proposed equal-rights amendment to the Federal Constitution. I have no doubt that our party will incorporate a supporting plank in both the State and National Democratic platforms this year

HENRY F. SCHRICKER, *Governor.*

IOWA

DES MOINES, *April 15, 1944.*

Relative to the equal-rights amendment, I have always been for the amendment, and, as I told you in my former letter, I was instrumental in getting it into the Iowa platform.

B B HICKENLOOPER,
Governor.

KANSAS

TOPEKA, *July 11, 1944*

As one of the Republican Governors who attended the Republican National Convention at Chicago, I want to say that I am back of the platform adopted by that great convention and you can count me in accordingly.

ANDREW F SCHOEPPEL,
Governor.

KENTUCKY

LOUISVILLE, *September 15, 1944.*

The Republican platform this year, consistently with the party's position for many years, endorsed the proposal for an equal rights amendment to the Federal Constitution. I endorsed this action at the national convention of the Federated Republican Women's Club at Louisville on September 8 of this year.

It is my hope that the Congress may submit this amendment promptly and that it may be ratified by every State in the Union. Unfortunately, I cannot predict the action of the General Assembly of Kentucky to be elected next year, but I shall endeavor to persuade that body of the justice and propriety of prompt approval.

SIMEON WILLIS,
Governor.

MAINE

AUGUSTA, *July 19, 1944.*

"I am happy to add my personal endorsement to the platform plank adopted by the Republican National Convention favoring submission to the States of an amendment to the Constitution providing equal rights for men and women.

I firmly believe that job opportunities in the postwar world should be open to men and women alike, without discrimination in rate of pay because of sex.

SUMNER SEWALL,
Governor.

MARYLAND

ANNAPOLIS, *July 31, 1944.*

It is a pleasure to me to endorse unqualifiedly the equal-rights plank in the National Democratic platform, as I believe that it is a definite step forward in respect to our consideration of woman's part in the economic, social, and political life of the Nation.

It has been my conviction that discrimination provisions which adversely affect the women of our country are un-American and entirely out of step with the times. The Democratic Party now stands four-square on this important subject, and I am highly gratified at the favorable action in this regard.

HERBERT R. O'CONOR,
Governor.

MASSACHUSETTS

BOSTON, *August 8, 1944.*

If successful in my candidacy for the United State Senate in November, I shall hope to support the platform on which I am elected, including this plank for action on an amendment for equal rights for men and women.

LEVERETT SALTONSTALL,
Governor.

MICHIGAN

LANSING, *August 4, 1944.*

The equal-rights plank adopted by the Republican National Convention June 27, 1944, has my support.

HARRY F. KELLY, *Governor.*

MONTANA

HELENA, *July 19, 1944.*

Montana is fully in accord with equal-rights amendment plank of Republican Party. In my opinion, knowing people of Montana as I do, our legislature would promptly ratify such an amendment.

SAM C FORD, *Governor.*

NORTH DAKOTA

BISMARCK, *August 2, 1944.*

I was a member of the platform and the resolutions committee of the Democratic National Convention and supported the amendment in the committee.

I believe it is fair and just, and I believe it ought to be enacted into law.

JOHN MOSES, *Governor.*

OKLAHOMA

OKLAHOMA CITY, *October 4, 1944.*

I am glad to inform you that the amendment has my unqualified endorsement. For your information, I am glad to advise you that my own State of Oklahoma adopted a constitutional amendment, voted on by the people in 1942, giving to women equal rights with men to hold any office within the State from Governor down. At that time I was candidate for Governor, and the amendment had my wholehearted support.

ROBT. S. KERR, *Governor.*

OREGON

SALEM, *July 19, 1944.*

Endorse woman's equal-rights Republican platform plank. Oregon has adopted laws in this direction, including community-property law similar to Oklahoma law, provision for the property rights of married women, protection and sole control of a married woman's separate property, and the repeal of civil disabilities. Cannot, of course, speak for legislature but believe if amendment passed by Congress, Oregon Legislature likely would look with favor upon question of ratification. Surely a Republican Congress would support the platform of the Republican National Convention.

EARL SNELL, *Governor.*

RHODE ISLAND

PROVIDENCE, *August 15, 1944.*

I am happy to endorse this measure which the Democratic Party has seen fit to include in its Democratic Party platform.

J. HOWARD MCGRATH, *Governor.*

SOUTH CAROLINA

COLUMBIA, *September 7, 1944.*

I wish to endorse fully the equal-rights plank for women in the national Democratic platform. This is a step forward in regard to the consideration of women's participation in the life of our country.

I am very pleased that the Democratic Party stands solidly in favor of this action.

OLIN D. JOHNSTON, *Governor.*

SOUTH DAKOTA

PIERRE, *July 27, 1944.*

The principle of equal pay for equal service commends itself to anyone as a matter of natural justice or equity, and really needs no endorsement. Its words and meaning carry their own endorsement.

On the broader part of the plank, specifying equal rights for men and women, will say that I favor that also and for the same reasons.

M. Q. SHARPE,
Governor.

UTAH

SALT LAKE CITY, *August 30, 1944.*

I personally very much approve of the equal-rights amendment to the Constitution, and will do whatever I can to bring about its adoption. Utah has always taken a lead in promoting equal rights for women. While it was yet a Territory, and long before most of the States in the Union realized the value of equal rights, Utah established women in their rightful place in government. Whatever we out here can do to assist the women of the Nation to enjoy the privileges they should will be done. I think we will have no difficulty in convincing the legislature of our State to support the amendment

HERBERT B. MAW,
Governor.

VERMONT

MONTPELIER, *May 3, 1944.*

I feel that the equal-rights amendment is a recognition which is past due to the women of America. I am glad to endorse this amendment. I sincerely hope that it will soon be submitted to the States for ratification. Please count on me for any support which I can lend to this very worthy cause.

WILLIAM H. WILLS,
Governor.

WASHINGTON

OLYMPIA, *July 19, 1944.*

I strongly endorse the equal rights or so-called Lucretia Mott amendment to the Federal Constitution. Our State has long occupied a forward position in the matter of granting equal rights to women, as is evidenced by our very liberal community-property laws, and also by the fact that our last legislature enacted a bill prohibiting discrimination as between sex in the payment of wages for similar services. I believe that if this amendment were to be submitted to the States by Congress our State legislature would have no hesitancy in ratifying the amendment.

ARTHUR B. LANGLIE,
Governor.

WYOMING

CHEYENNE, *March 18, 1944.*

As Governor of the equality State, which was the first to give women the right to vote, I heartily endorse the Lucretia Mott amendment to the Constitution granting equal rights to women.

LESTER C. HUNT,
Governor.

Mr. GUFFEY. Mr. President, in the Charter of the United Nations adopted in San Francisco June 26, 1945, ratified by the United States Senate August 8, 1945, there are five references to equality for women. I repeat them, as follows:

PROVISIONS ON EQUALITY FOR WOMEN

PREAMBLE

We the peoples of the United Nations determined * * * to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small * * * have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations.

CHAPTER I PURPOSES AND PRINCIPLES

ARTICLE 1. The purposes of the United Nations are:

* * * * *

3. To achieve international cooperation * * * in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

* * * * *

CHAPTER III. ORGANS

ART. 8. The United Nations shall place no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality in its principal and subsidiary organs.

CHAPTER IV. THE GENERAL ASSEMBLY

ART. 13. SEC. 1 The General Assembly shall initiate studies and make recommendations for the purpose of:

* * * * *

(b) Promoting international cooperation in the economic, social, cultural, educational, and health fields, and assisting in the realization of human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

* * * * *

CHAPTER IX. INTERNATIONAL ECONOMIC AND SOCIAL COOPERATION

ART. 55. With a view to the creation of conditions of stability and well-being * * * the United Nations shall promote:

* * * * *

(c) Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

ART. 56. All members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in article 55.

* * * * *

CHAPTER XII. INTERNATIONAL TRUSTEESHIP SYSTEM

ART. 76. The basic objectives of the trusteeship system * * * shall be:

* * * * *

(c) To encourage respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

As all Senators know, the United Nations Charter was approved in the Senate by a vote of 89 to 2. I ask that the vote be included in the RECORD.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

Yeas—69: Aiken, Andrews, Austin, Ball, Bankhead, Barkley, Bilbo, Brewster, Bridges, Briggs, Brooks, Buck, Burton, Bushfield, Butler, Byrd, Capehart, Capper, Carville, Chandler, Chavez, Connally, Cordon, Donnell, Downey, Eastland, Ellender, Ferguson, Fulbright, George, Gerry, Green, Guffey, Gurney, Hart, Hatch, Hawkes, Hayden, Hickenlooper, Hill, Hoey, Johnson of Colorado, Johnston of South Carolina, Kilgore, La Follette, Lucas, McCarran, McClellan, McFarland, McKellar, McMahon, Magnuson, Maybank, Mead, Millikin, Mitchell, Moore, Morse, Murdock, Murray, Myers, O'Daniel, O'Mahoney, Overton, Pepper, Radcliffe, Revercomb, Robertson, Russell, Saltonstall, Smith, Stewart, Taft, Taylor, Thomas of Oklahoma, Thomas of Utah, Tobey, Tunnell, Tydings, Vandenberg, Wagner, Walsh, Wheeler, Wherry, White, Wiley, Willis, Wilson, Young.

Nays—2: Langer, Shipstead.

Not voting—5: Bailey, Glass, Johnson of California, Reed, Thomas of Idaho.

Mr. GUFFEY. Mr. President, among the national organizations endorsing the amendment are the following:

American Alliance of Civil Service Women; American Council for Equal Legal Status; American Federation of Soroptimist Clubs; Alpha Iota Sorority; American Medical Women's Association, Inc; American Society of Women Accountants; American Women's Society of Certified Public Accountants; Association of American Women Dentists; Avalon National Poetry Shrine; Congress of States Societies; General Federation of Women's Clubs; Ladies of the Grand Army of the Republic; Mary Ball Washington Association of America; Mothers and Women of America, Inc.; National Association of Colored Women; National Association of School Secretaries; National Association of Women, National Association of Women Lawyers; National Council of Women Chiropractors; National Education Association; National Federation of Business and Professional Women's Clubs, Inc; National Woman's Party; Osteopathic Women's National Association, Pilot International; St. Jonn Society; We, the Mothers, Mobilize for America; Women's Auxiliary to the National Chiropractic Association; Women's National Democratic Club, Inc.; Women's National Relief Corps Auxiliary to the Grand Army of the Republic.

Mr. President, yesterday several Senators who are in opposition to the proposed amendment, especially the Senator from Missouri [Mr. DONNELL], showed much interest by way of presenting lists of individuals and societies opposed to the proposed constitutional amendment. I have a document which contains the statements of religious leaders who endorse the equal rights amendment, and from it I shall read the names of certain religious leaders, and read some statements of endorsement, and then ask that the whole document may be printed in the RECORD.

I give a few of the names as follows: The Reverend Dr. William H. Alderson, First Methodist Church, Bridgeport, Conn.; the Reverend W. Waldemar Argow, minister, Unitarian Church of Baltimore City, Md.; Dr. Henry A. Atkinson, general secretary, the Church Peace Union, New York; Dr. Roland H. Baiton, professor of ecclesiastical history, Yale University; the Reverend R. Ira Barnett, executive secretary, Methodist Board of Education, State of Florida, Lakeland, Fla.; Dr. Robbins W. Barstow, director, Commission for World Council Service, New York; the Reverend Dr. David Nelson Beach, pastor Center Church, New Haven, Conn.; the Reverend Dr. Bernard Iddings Bell, dean of the Episcopal Cathedral, Providence, R. I.; the Reverend Dr. Harold Bosley, minister, Mount Vernon Place Methodist Church, Baltimore, Md.; the Reverend Beverly M. Boyd, executive secretary, department, Christian Social Relations, Federal Council of Churches of Christ in America, New York; the Reverend Malcolm K. Burton, pastor, Second Congregational Church, New London, Conn; the Reverend Thomas H. Campbell, pastor, Westville Congregational Church, New Haven, Conn.

I read the following, published in the Churchman of September 1, 1945:

GIVE WOMEN THEIR RIGHTS

It was 97 years ago, in Seneca Falls, N. Y., that the first woman's rights convention in the world's history was held. The leaders in the movement were Mrs. Elizabeth Cady Stanton and Mrs. Lucretia Mott. A statement read by Mrs. Stanton at that meeting said:

"We hold these truths to be self-evident, that all men and women are created equal, that they are endowed by their Creator with certain inalienable rights"

I continue to read the list of church leaders endorsing the equal rights amendment:

The Reverend Dr. Russell J. Clinchy, Center Church, Hartford, Conn.; the Reverend Donald B. Cloward, executive secretary, Council on Christian Social Progress, Northern Baptist Convention, New York City; the Reverend A. Powell Davies, minister, All Souls Church (Unitarian), Washington, D. C.; the Reverend Dr. Wilbur S. Deming, The First Congregational Church, Washington, Conn.

I shall now read the endorsements that were given by three heads of different religious faiths. First, I read what Dennis Cardinal Dougherty, archbishop of Philadelphia, wrote in September 1945:

Apropos of the equal-rights amendment to the Constitution, according to which it is proposed to given women full constitutional rights, I am glad to hear from you that His Excellency, President Truman, and also the Judiciary Committee of the House of Representatives are heartily in favor of this amendment Personally I agree with them in this matter.

Then I read the statement by the Right Reverend G. Ashton Oldham, bishop of the diocese—Episcopal—of Albany, N. Y., in November 1945:

The proposed amendment to the Constitution for equal rights is so obviously right and just that I cannot see how there can be any debate on the matter. I am heartily in favor of it and should be happy to think that America might lead the world in this important step.

Then I read the statement made by the Reverend Dr. G. Bromley Oxnam, bishop of the Methodist Church, New York area, and president of the Federal Council of Churches of Christ in America, in November 1945:

I strongly favor the equal-rights amendment. It is a sad commentary upon modern society that full equality has not long since been given women. In an hour when liberty must be preserved and equality established, certain it is that both liberty and equality demand that no human being shall suffer disability of any kind because of sex We need the amendment, but more, we need the spirit essential to its practice.

Mr. President, I ask that the document containing statements by religious leaders endorsing the equal rights amendment, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

RELIGIOUS LEADERS ENDORSE THE EQUAL RIGHTS AMENDMENT

The Reverend Dr William H. Alderson, First Methodist Church, Bridgeport, Conn, November 1945:

"I always try to form my judgment on such questions as the equal-rights amendment on the basis of justice and common sense. It is therefore difficult to see how any reasonable opposition could be summoned against this proposal. I am for it and hope that it will be overwhelmingly supported"

The Reverend W. Waldemar Argow, minister Unitarian Church of Baltimore City, Baltimore, Md., November 1945:

"I am glad to add my support to the Federal equal rights amendment. We in America pride ourselves upon the fact that we have only one law of justice for all, whether rich or poor, learned or unschooled, male or female Yet this is a fiction. It is impossible to hold a person responsible if he has no rights and since women do not have equal rights with men, they should not be held accountable to the same laws. America is still in the half-free and half-slave stage—the men are the "free" and the women the slaves, for the simple reason that the absence of comparative rights with another makes one a slave. There follows close upon this the implication that those who are slaves are by that token inferior, unentitled to the same respect and consideration one offers the freeman. How long will we men continue to regard woman as a subspecies? Apparently the age of chivalry has not even begun. Since men and women have a common destiny, they must share in a common responsibility, and to this end they must have common or equal rights."

Dr. Henry A. Atkinson, general secretary, the Church Peace Union, New York, December 1945.

"I endorse the amendment. I am in favor of an amendment to the Constitution of the United States which will grant to women equal rights with men. This should mean equal economic opportunity as well as political equality. I am not satisfied, however, to pin all my hopes on such an amendment. We need a continual campaign, demanding that the laws be interpreted to mean equality for all people. Any new laws passed must help to clarify the situation and to strengthen existing laws. In addition, all our agencies—churches, social, and business—should be constantly on the alert to see that these laws are backed up by public opinion, which alone can make them effective."

Dr. Roland H. Baiton, professor of ecclesiastical history, Yale University, November 1945:

"I am in favor of any legislation aiming to given women wider opportunity, and I am glad to endorse the equal-rights amendment."

The Reverend R Ira Barnett, executive secretary, Methodist Board of Education, State of Florida, Lakeland, Fla., February 1946:

"I favor the equal-rights amendment. Thank you for writing me. Success to you in all like efforts."

Dr. Robbins W Barstow, director, Commission for World Council Service, American Committee for the World Council of Churches, New York, November 1945:

"I favor the equal rights amendment."

The Reverend Dr. David Nelson Beach, pastor, Center Church, New Haven, Conn., October 1945:

"Inertia has a strange and pervasive power to paralyze and prejudice. The growing recognition of the competence and character of women as independent citizens has always had to struggle against inertia. It will have to struggle to enact the equal-rights amendment to our Federal Constitution. And I count it my privilege to record my support, free and enthusiastic, for the amendment!"

The Reverend Dr. Bernard Iddings Bell, dean of the Episcopal Cathedral, Providence, R. I., November 1945.

"I have always believed and said that women should have by right and by law equal rights with men not only politically but economically—and equal pay for equal work. There is no sane argument against it, at least that I have heard. Of course I am for the equal-rights amendment to the Constitution of the United States."

The Reverend Dr. Harold Bosley, minister, Mt Vernon Place Methodist Chuch, Baltimore, Md., November 1945:

"I should like to place myself on record as being wholeheartedly in favor of the equal-rights resolution which is now before the Congress of the United States. I sincerely hope that it will reach the ballots of this country because, I am convinced, the justice of its cause will commend it to the overwhelming majority of the American people. There is no more room for the double standard in the economic and political life of this Nation than in the realm of morals and ethics. When the equal-rights amendment takes its place in the Constitution of the United States of America, we will have taken another long step forward away from feudalism."

The Reverend Beverly M. Boyd, executive secretary, Department, Christian Social Relations, Federal Council of Churches of Christ in America, New York, September 1945

"I regard it as just and fundamental to have the principle of legal equality for men and women as stated in the equal-rights amendment incorporated in the Constitution. I urge immediate favorable report of this amendment by the Senate Judiciary Subcommittee and wish this individual statement be laid before the committee as part of the hearing proceedings."

The Reverend Malcolm K. Burton, pastor, Second Congregational Church, New London, Conn., December 1945·

. "I favor the equal-rights amendment."

The Reverend Thomas H Campbell, pastor, Westville Congregational Church, New Haven, Conn., October 1945:

"A subservient legal status for women is an anachronism in the light of the professed ideals of our day. The passage of the equal-rights amendment is essential in closing the gap between these ideals and accepted practices. It would represent a step forward in the fulfillment of genuine democratic life in America."

The Churchman, September 1, 1945:

"Give women their rights: It was 97 years ago, in Seneca Falls, N Y., that the first woman's rights convention in the world's history was held. The leaders in the movement were Mrs. Elizabeth Cady Stanton and Mrs. Lucretia Mott. A statement read by Mrs. Stanton at that meeting said· 'We hold these truths to be self-evident, that all men and women are created equal, that they are endowed by their Creator with certain inalienable rights.'

"Since then, under the leadership of many distinguished women, enormous advances toward complete equal rights under the law have been made. For some years, led by the National Woman's Party, a fight has been carried on for an amendment to the Constitution which will read: 'Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.' With the end of the war and the universal appreciation of the efficient contribution women have made to the war effort, including the field of industry, the campaign for the amendment is receiving strong backing, even from many who were formerly opposed to its adoption We endorse the words of one of these, Dr. Worth M Tippy, secretary emeritus of the Federal Council of Churches, who has recently said:

"'Women should have wide open doors to employment Wartime industries have shown that they are equal to any jobs for which they are individually fitted by aptitude and training A full employment program should include women who desire work outside the home; also equal opportunities for night and day work, equal pay for equal work, equal opportunity for advancement, and equal protection of health, safety, and seniority These rights, as also to property, to their own children, and to democracy in the home, should have this final legal status in the Constitution of the United States to safeguard these rights, to correct unfair practices and legislation, and to set a standard before the Nation. That this should be an issue, and should be necessary, is a humiliating revelation of our social lag.'"

The Reverend Dr Russell J Clinchy, Center Church, Hartford, Conn , December 1945:

"I am very glad to add my name to the list of those who are in favor of the equal-rights amendment to the Constitution. The civil rights and duties of men and women should be equal."

The Reverend Donald B Cloward, executive secretary, Council on Christian Social Progress, Northern Baptist Convention, New York City, September 1945·

"The equal-rights amendment is a constructive measure and should be passed. Any legislation ought to protect individuals in accordance with need or the hazard of the job. And until wages and salaries are adjusted to meet basic family responsibilities, women in commerce and industry should receive equal pay with men for the same skills and performance

"Numerous laws on the statute books seemingly enacted to protect women actually discriminate against them in favor of men. Only a uniform national law such as is proposed in the equal-rights amendment will correct this inequality."

The Reverend A. Powell Davies, minister, All Souls Church (Unitarian), Washington, D. C., November 1945:

"I am in full agreement with your program for the equal-rights amendment. All this should have been done long ago."

The Reverend Dr. Wilbur S. Deming, the First Congregational Church, Washington, Conn., November 1945·

"I heartily endorse the amendment (equal rights) and trust that it may soon be written into the law of the land."

Dennis Cardinal Dougherty, archbishop of Philadelphia, September 1945:

"Apropos of the equal-rights amendment to the Constitution, according to which it is proposed to give women full constitutional rights, I am glad to hear from you that His Excellency, President Truman, and also the Judiciary Committee of the House of Representatives, are heartily in favor of this amendment. Personally I agree with them in this matter."

Dr. Frederick May Eliot, president, American Unitarian Association, Boston, Mass.:

"It has long seemed to me that the equal-rights amendment to the Federal Constitution ought to be adopted, because it simply makes explicit and definite what I think the vast majority of the American people really want. Indeed, I suspect most Americans still take it for granted that the woman-suffrage amendment guarantees equality of rights for men and women, and when they discover that this is not so I am confident almost all of them would be ready and eager to take whatever steps may be necessary to accomplish the end they have in mind. If the use of my name would be of any value in the effort to promote the campaign for the adoption of this amendment, I should be very glad to have you use it."

The Reverend Dr. E. Kenneth Feaver, minister, Union Presbyterian Church, Laramie, Wyo., December 1945:

"It is with hearty approval that I lend my full support to the equal-rights amendment. The day has come when women should be permitted and encouraged to exercise their full rights of citizenship with equal opportunity alongside the men. Anything that I might be able to do in behalf of this movement I shall be glad to do."

Rabbi Abraham J. Feldman, Congregation Beth Israel, Hartford, Conn., December 1945:

"You may put me down as one who is in favor of the amendment for the assurance of equal rights to women."

The Reverend George M Gibson, minister, United Churches of Hyde Park Congregational-Presbyterian Church, Chicago, Ill., November 1945:

"I wish to commend the equal-rights amendment now under discussion. I consider the purpose of this resolution in full keeping with the intent of American democracy, and feel that the measure is properly designed to meet the problem of inequalities on the basis of sex. Since these inequalities are a mere inheritance of the past, this measure, in my judgment, will bring the situation up to the public opinion already prepared."

Rabbi Robert E. Goldberg, Congregation Mishkan Israel, New Haven, Conn., December 1945

"I favor the equal-rights amendment"

Greater Miami Ministerial Association, Miami, Fla., W G Stancener, president, in a letter to members of the Judiciary Committee of the House of Representatives, October 28, 1945:

"At a meeting of the executive board of the Greater Miami Ministerial Association on October 28 it was passed by a unanimous vote that our association express to you, a congressional leader, that in accordance with the democratic principles of our country we desire that the equal-rights amendment be given a hearing on the floor of Congress."

The Reverend Dr. Theodore Ainsworth Greene, minister, First Church of Christ, New Britain, Conn., November 1945:

"I am heartily in favor of the equal-rights amendment to the Constitution. We need to give women wider opportunities."

Dr John L. Gregory, executive secretary, New Haven Council of Churches, November 1945.

"Equality of rights, I take it, was one of the goals of our founding fathers in the writing and approving of the Declaration of Independence. It is very definitely one of the goals of the Charter of the United Nations. As long as this just principle is ignored, we, as Americans, are living up neither to the first nor the last of our great governmental declarations Discrimination of sex, in this regard, is absolutely incompatible with either the Christian or American ideal. Unless we are to continue as hypocrites, we must see to it that the equal-rights amendment becomes the law of the land."

Dr. Hugh Hartshorne, professor, Yale University Divinity School, New Haven, Conn., November 1945:

"I favor the equal-rights amendment."

The Reverend Fred Hoskins, minister, United Church, Bridgeport, Conn., November 1945:

"The passage of the equal-rights amendment is necessary to help close the gap between our profession and our practice. I hope the amendment will be adopted. I am glad to endorse it."

The Reverend Dr. Roy M. Houghton, Church of Christ Congregational, Milford, Conn., December 1945:

"I am heartily in favor of the equal-rights amendment."

Dr. E. Stanley Jones, internationally known author and missionary of the Methodist Church, November 1945:

"I believe it is the birthright of every person, regardless of race, color, sex, or religion, to have equality of opportunity in our society. We cannot give equality. That must be earned by character and achievement. But equality of opportunity is the birthright of each person as a person. I am, therefore, in the heartiest agreement with the equal-rights amendment."

The Reverend J. Oscar Lee, field secretary, Department of Race Relations, Federal Council of Churches of Christ in America, November 1945:

"For women who have contributed so much to the building of this great Nation, I covet and urge full equality under the law. Therefore, I favor the equal-rights amendment."

The Reverend Payson Miller, First Unitarian Congregational Society, Hartford, Conn., November 1945:

"To me it seems strange that there should be any debate about the desirability of the equal-rights amendment. A scientific view of society indicates that women should be treated as individuals on the same basis as men."

The Reverend Victor Nedzelnitsky, pastor, Russian Orthodox Church, New Haven, Conn., January 1946:

"I favor the equal-rights amendment"

Dr. William Stuart Nelson, dean, School of Religion, Howard University, Washington, D. C., January 1946:

"I wish to express my hearty endorsement of the equal-rights amendment. In my judgment, it offers women the best protection against inequalities to which they have traditionally been subjected and which in a true democracy are intolerable."

The Right Reverend G Ashton Oldham, bishop of the diocese of Albany (Episcopal), New York, November 1945:

"The proposed amendment to the Constitution for equal rights is so obviously right and just that I cannot see how there can be any debate on the matter. I am heartily in favor of it and should be happy to think that America might lead the world in this important step."

The Reverend Dr. G. Bromley Oxnam, bishop of the Methodist Church, New York area, and president of the Federal Council of Churches of Christ in America, November 1945:

"I strongly favor the equal-rights amendment. It is a sad commentary upon modern society that full equality has not long since been given women. In an hour when liberty must be preserved and equality established, certain it is that both liberty and equality demand that no human being shall suffer disability of any kind because of sex. We need the amendment, but, more, we need the spirit essential to its practice."

The Reverend Dr. J. Melvin Prior, Central Baptist Church, Hartford, Conn., December 1945:

"For the life of me I can see no sound argument against the equal-rights amendment which would give women equal status before the law. What puzzles me is why we have not done it before. I hope that you will have success in your campaign."

Rabbi Jacob S. Raisin, rabbi emeritus, Congregation Beth Elohim, Charleston, S. C., September 1945:

"I heartily endorse the equal-rights amendment, for justice under the law regardless of sex is as fundamental a part of democracy as is the right to vote. Upon all of God's creatures regardless of color, sex, or creed let the divine spirit of justice rest."

The Reverend W. Glenn Roberts, general secretary, Connecticut Council of Churches, Hartford, Conn., November 1945:

"I am certain that the church would be doing violence to its own theology if it denied any person, regardless of sex or any other consideration, the fullest sort of opportunity for growth. The responsibilities of citizenship are certainly one important avenue of growth. It is time for civilized, Christian Americans to take the final step away from this idea that women are chattel and unimportant in their own right."

The Reverend John J Snavely, First Methodist Church, Waterbury, Conn., November 1945:

"I favor the equal-rights amendment."

The Reverend Theodore G Soares, professor of social ethics, California Institute of Technology:

"I thoroughly approve of the equal-rights amendment."

The Reverend Frank L. Stuck, minister, First Christian Church, Lakeland, Fla., February 1946:

"I wish to state that I favor the equal-rights amendment and look upon it as a step in the right direction for this modern day. Our nation asked women to serve in many ways during the recent war as their patriotic duty. Now it behooves our nation to see that they have equal rights as citizens."

Dr. Charles T Thrift, dean, School of Religion, Florida Southern College, Lakeland, Fla., February 1946:

"I favor the equal-rights amendment. This amendment is long overdue."

Dr. Worth M. Tippy, secretary emeritus, Federal Council of Churches of Christ in America, July 1945:

"I have reversed my point of view about the equal-rights amendment, which reads: 'Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.' I held to a widespread opinion that the amendment would break down protective legislation safeguarding women employed outside the home.

"Time and the present war have completely changed my mind. Women should have wide open doors to employment. Wartime industries have shown that they are equal to any jobs for which they are fitted by aptitude and training. Full employment must include women workers outside the home; also equal opportunities for night and day work, equal pay for equal work, equal opportunity for advancement, and equal protection of health, safety, and seniority. These rights, as also to property, to their own children, and to democracy in the home, should have this final legal status in the Constitution of the United States. That this should be an issue and should be necessary is a humiliating revelation of our social lag.

"While not involved in the equal rights amendment, the time must come when the homemaker shall have equal recognition and honor in public thinking with the so-called employed woman, and equal rights with her husband in property and income."

The Reverend Robert Leonard Tucker, First Methodist Church, New Haven, Conn., November 1945:

"I am very glad to favor the equal-rights amendment to the Constitution. The passing of this amendment will right a wrong and will complete an action which is long overdue."

Dr. Paul H. Vieth, professor of Christian Nurture, Yale University, October 1945:

"I am in favor of the proposed amendment to the United States Constitution which would seek to provide for equality of rights under the law for women. It would seem that such a law is long overdue."

The Reverend Dr. John Curry Walker, Second Congregational Church, Waterbury, Conn., November 1945:

"I am in favor of the equal-rights amendment."

The Reverend Dr. Lloyd F. Worley, First Methodist Church, Stamford, Conn., December 1945:

"Genuine democracy and vital Christianity are in agreement concerning the maintenance of basic human rights without regard to sex. The equal-rights amendment should have the support of all those who are aligned with either or both philosophies of life."

Yonkers Federation of Churches, including 55 churches, representing 12 denominations, the Salvation Army, the YMCA and the YWCA, in a letter to the Senate Judiciary Committee, December 1945:

"The assembly of the Yonkers Federation of Churches meeting on Tuesday, December 11, 1945, voted unanimously to endorse the equal-rights amendment to the Constitution."

Mr. GUFFEY. Mr. President, I also ask that a letter from the American Civil Liberties Union and one from Dorothy Kenyon, counsellor at law, New York City, together with my replies, printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD as follows:

AMERICAN CIVIL LIBERTIES UNION,
New York City, March 22, 1946.

DEAR SENATOR GUFFEY: As a national organization of over 10,000 members committed to the protection of everybody's rights without distinction, we wish to register strong opposition to Senate Joint Resolution 61, the so-called equal-rights amendment to the Constitution of the United States, which we understand is now on the calendar in the Senate and may be reached for vote very soon.

The American Civil Liberties Union has fought for many years to uphold the Bill of Rights and kindred civil liberties. It subscribes wholeheartedly to the principle that the rights of a human being are irrespective of sex, race, nationality, religion, or opinion, and that every one has the right to protection against arbitrary discrimination on any of those grounds Women most emphatically have civil liberties no less than men.

But the American Civil Liberties Union is opposed to writing into the Constitution any blanket provision for equalization of the sexes along the lines of Senate Joint Resolution 61. It believes.

First, that such an amendment, couched in vague and sweeping language, while emotionally attractive, is bound to lead to great confusion and uncertainty in its application.

Second, it can have little or no effect upon the principal discriminations from which women suffer (many of which are not legal at all, but are primarily matters of habit and custom).

Third, it is certain to jeopardize if not destroy a great body of valuable social and labor legislation without producing anything significant in the field of civil liberties in its stead. The union believes that the best and in the long run the quickest method of obtaining equal civil rights in law for women is the method of particularization which it has thus far used, the method of step-by-step itemization of the subject matter and correction of each discrimination by specific legislation appropriate to that end, such as equal pay and similar legislation

We therefore urge you with all the power at our command to vote "no" on this dangerous and misleading unequal-rights amendment, thereby disposing, once and for all, of this vexing measure and permitting us to concentrate on constructive measures of genuine value in the field of civil liberties for women.

Very truly yours,

JOHN HAYNES HOLMES,
Chairman of the Board.
DOROTHY KENYON,
Chairman, Committee on Women's Rights.

APRIL 20, 1946.

MR. JOHN HAYNES HOLMES,
American Civil Liberties Union,
New York, N. Y.

DEAR MR. HOLMES: This will acknowledge the receipt of your letter expressing the views of your union in opposition to the equal-rights amendment.

I believe your opposition is based on a misconception of what the amendment will accomplish. Women are still discriminated against in every State in the Union. Altogether there are over a thousand unjust discriminations against women, particularly married women, and it would take a century to do away with these injustices State by State. In the meantime, always bear in mind that what one legislature can do another can undo. Therefore if women are to have the strength of the Constitution behind them as men have, the only answer is a Federal amendment to the Constitution.

The amendment would raise, not lower, the dignity of women. It would not add to their hours of labor as the long work week has gone forever. She would not have to do work for which she is unfitted as each State would still retain the right to care for its citizens. Special legislation may still be passed for women such as maternity measures, the same as pensions for soldiers.

When a mother has equality under the law the same as a father, I am sure it would give her a position of added dignity both in the home and beyond.

I presume that your organization approved the United Nations Charter. Do you not realize that in at least five different sections, the Charter declares for equality of rights regardless of sex?

Finally, is not the movement for equality under the law a basic precept of democracy, for justice to be real must apply equally to all regardless of sex.

I trust you will read the enclosed literature, and I am sure that when you fully understand what the amendment actually will accomplish, you will ask me to vote for it.

Sincerely yours,

J. F. G.

NEW YORK, *April 25, 1946.*

Senator JOSEPH F. GUFFEY,
United States Senate,
Committee on Finance,
Washington, D. C.

MY DEAR SENATOR GUFFEY: Dr. John Haynes Holmes, chairman of the American Civil Liberties Union, has asked me to reply to your letter to him of April 20 in respect to the equal-rights amendment. It is quite obvious that you do not understand the position of the American Civil Liberties Union in the matter. The American Civil Liberties Union subscribes wholeheartedly to "the view that the rights of a human being are irrespective of sex, race, nationality, religion, or opinion" and that "women have civil liberties no less than men." This is precisely what is stated in the United Nations Charter, and we agree completely with it.

It is only when it comes to the means of securing equality that we part company with you. We do not believe that an amendment to the Constitution is the panacea which you apparently consider it. Furthermore, we disagree with you that such an amendment would still permit special legislation for women, such as maternity measures, etc. In fact, it is one of the strongest arguments of the proponents of the measure that all special legislation for women would be destroyed by the amendment. That is apparently regarded as desirable by them. Miss Lutz repeats that argument in her pamphlet, which you were kind enough to enclose in your letter. The American Civil Liberties Union believes that the power of Congress to enact special legislation in appropriate circumstances is an important police power which should not be abrogated by it.

Sincerely yours,

DOROTHY KENYON.

MAY 13, 1946.

DR JOHN HAYNES HOLMES,
Chairman, American Civil Liberties Union,
New York, N. Y.

DEAR DR. HOLMES: Although you did not reply personally to my letter of April 20 relative to the equal-rights amendment but put it in the hands of Judge Kenyon to answer, I am sending you a copy of my reply to her arguments against the amendment.

Trusting you will find this of interest, I am,

Sincerely yours,

JOSEPH F. GUFFEY.

MAY 13, 1946.

Honorable DOROTHY KENYON,
Counsellor at Law, New York, N. Y.

MY DEAR JUDGE KENYON: I regret that pressure of work has prevented my sending an earlier reply to your letter of April 25.

I am glad to know that the American Civil Liberties Union accepts the declaration for equality regardless of sex as stated in the United Nations Charter.

However, as a judge, you at least will recall that the late Chief Justice Stone in a celebrated decision spoke of "a tortured construction of the Constitution." It seems to me that you and the Civil Liberties Union are placing "a tortured construction" on the language of the United Nations Charter when you refuse to recognize that the charter has to do with nations as a whole and not merely with separate States.

Just recently I noted that the subcommission on the status of women, of the commission on human rights, of the economic and social council of the United Nations, adopted a resolution which declared that "the purpose of the subcommission is to raise the status of women to equality with men in all fields of human endeavor. Certainly this group of brilliant and thoughtful women did not have mental reservations regarding States or provinces, but were considering countries as a whole with constitutions accordingly.

It is apparent that you think the States should change the thousand and one legal discriminations against women who now exist throughout our Nation, oblivious to the fact that what one legislature can do another can undo. Also, you ignore the fact that special legislation may still be passed for particular classes of citizens. As you are aware, all women are not mothers, nor all men soldiers, and yet special legislation for soldiers is entirely legal. Under the amendment, the same would be true of mothers.

Although I am not a lawyer, the wording of the equal-rights amendment has been carefully studied by the best legal minds in the United States Senate, and these men agree that special legislation could still be passed for men and women, but legal injustices for one sex alone would be wiped out and the status protective laws are needed, they would apply to both sexes alike.

You will recall that when that very able organization, the WACS, was formed, the Comptroller General stated that these patriotic young women could not be paid by the Government if they were part of the Army unless special provision for the duration was made. The same applied to women doctors when they were taken into the Service. His decision may be another "tortured construction" of the Constitution, but it has existed so long because of the fact that when there is no law to the contrary, the English common law of the eighteenth century still applies. Hence, another reason for the equal-rights amendment.

The proponents of the amendment agree that legislation based merely on sex and not on justice would be done away with by the amendment. Your contention that the proponents of the amendment desire the end of special legislation for women is not well founded. What the proponents say is that a woman cannot do equal work or receive equal pay with men when she is prohibited by law from working certain hours or denied equal opportunity in the choice of her hours of work, occupation, etc.

The only so-called right that would be taken away from a woman by the amendment is one that should not exist in a democracy—the rights of one individual to say to another, "You may only work when and where I desire."

For example, in your own State of New York, there is a bill now proposed that women be forbidden to work in hotels and restaurants between 10 p. m. and 6 a. m., when, as you know, the wages and tips are usually higher and hours shorter. The advocates of this bill except cigarette girls, flower girls, chambermaids, charwomen, and so forth, who hold the less well-paid jobs.

Why should a woman not be allowed to choose her time and hours of labor the same as a man? Many women prefer night work and the war proved that it was not harmful either to their health or morals.

I do not for a moment believe that you would accept restrictions on your own hours of labor which would result in less pay the same as you wish to impose on those of working women. You have been fortunate in having equal opportunity with men in your profession but if a law is going to be passed in your State making exceptions to the rights of certain working women, it might well be possible that at some future date men lawyers, envious of women like yourself, might wish to pass a law limiting your opportunities.

Further, I can find no authority for your statement that the police power of Congress would be abrogated by the amendment any more than the police power of Congress was abrogated by the thirteenth, fourteenth, fifteenth, sixteenth, or nineteenth amendments.

I have heard many arguments by the opponents of the amendment all of which have failed to destroy my determination to vote for it. I know that many of the opponents are fearful of the competition of women in industry; others are sincere in their belief that some women are not yet capable of making their own contracts, although my experience has been that women are the mental equal of men.

One argument I have never heard from the opponents of the amendment, and that is a plea for equity or justice. Their arguments against it are based on expediency or sex, without any reference to fundamental rights. Justice to be real must apply to all alike and, therefore, the need of this amendment to make our Nation a true democracy.

Trusting you will pardon the length of this letter, I am,

Sincerely yours,

JOSEPH F. GUFFEY.

Mr. BARKLEY. Mr. President, I have conferred with the minority leader and with other Senators on both sides of the Chamber. It seems agreeable that the Senate fix a time for voting on the pending joint resolution. I ask unanimous consent that, at not later than 1 o'clock p. m. tomorrow, the Senate proceed to vote on the joint resolution. I make the request with the understanding that between now and then no other legislation shall be considered by the Senate.

Mr. WHITE. Mr. President, may I make only one or two suggestions? Could not the time be fixed at 1 o'clock instead of at some time before 1 o'clock? Otherwise, the time is left open and very indefinite so far as many Senators are concerned.

Mr. BARKLEY. The suggestion of the Senator from Maine is an agreeable one, I am willing to modify my request so that the Senate will vote at 1 o'clock. I also ask unanimous consent that the requirement of a quorum call be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky that the quorum call be waived? The Chair hears, none, and it is so ordered.

Is there objection to the request of the Senator from Kentucky for a limitation on debate?

Mr. BARKLEY. Mr. President, my request was not to fix a limitation on debate. The request was to fix the hour for voting.

Mr. MURDOCK. Mr. President, I was not present when the majority leader made his request.

Mr. BARKLEY. My request was that the Senate vote at 1 o'clock tomorrow on the pending joint resolution.

Mr. RADCLIFFE. Mr. President, I assume that I am in charge of the joint resolution. I personally have no objection to the request of the Senator from Kentucky. I realize that our time is rather limited and that the legislative program is a large one. I also realize that it is the desire of the Members of the Senate to act on all remaining matters as soon as possible. I have not been able to consult with Senators whom I know to be in opposition to the pending measure, and I have no idea what their wishes may be. But, so far as I am concerned, it is entirely agreeable that the Senate vote on the pending joint resolution tomorrow at 1 o'clock.

Mr. WHITE. Mr. President, I have conferred with as many as I could on the minority side since the majority leader mentioned the matter to me. There are two things which the minority were as insistent on as a minority can be. One was that there should be a time certain for a vote, rather than leaving the time indefinite, and the Senator from Kentucky already has met that issue. The other matter is that the minority want assurance, and I want assurance, whichever is the more appropriate way to speak of it, that the time shall not be occupied by other matters between now and 1 o'clock tomorrow.

Mr. BARKLEY. That is entirely agreeable. Of course, it is impossible to say that any Senator who gets the floor may not address the Senate on something else than the pending matter.

Mr. WHITE. I do not have that in mind.

Mr. BARKLEY. That is why I coupled with the request the understanding that no other legislative matter should intervene between now and the vote at 1 o'clock tomorrow.

Mr. WHITE. That is entirely satisfactory to me, and I believe it will be entirely satisfactory to all on the minority side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky that the Senate proceed to the consideration of the joint resolution, and to a vote on final passage at 1 o'clock tomorrow, with the understanding that no other legislative matters shall intervene during that time?

Mr. JOHNSON of Colorado. Reserving the right to object, I wish to make a motion to reconsider the vote by which H. R. 6836 was passed, before the bill goes to the House. Would that be a legislative matter which would be barred by the request?

Mr. BARKLEY. The Senator can enter his motion.

Mr. JOHNSON of Colorado. I should like to enter the motion now, if I may.

Mr. BARKLEY. The Senator may enter his motion, and that would hold the bill up.

The PRESIDING OFFICER. Without objection, the motion of the Senator from Colorado is entered.

Is there objection to the request of the Senator from Kentucky?

Mr. WHERRY. What about the introduction of bills?

Mr. BARKLEY. The request did not contemplate the introduction of bills.

Mr. WHERRY. If there is any doubt about it, I have a bill which I should like to introduce, and I can introduce it at this time.

Mr. BARKLEY. I modify the request by stating that it is the understanding that the Senate shall not proceed to consider any other legislative matter.

Mr. MORSE. Mr. President, reserving the right to object, I wish to say that I am very happy to cooperate with the majority leader in this matter, and make another exception to the general practice of mine to object to requests of this type. The Democratic side of the aisle in the past few months has demonstrated clearly to the junior Senator from Oregon that the Democratic Senators have no intention of attempting to try to discipline him again by interfering with his right to speak at length on the floor of the Senate, as they tried to do some months ago. Therefore I am very happy to join with the majority leader in the request because I think I have succeeded in the past several months in teaching the Democratic side of the aisle the importance of preserving unlimited debate in the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky, as modified? The Chair hears none, and it is so ordered.

LIQUIDATION OF STOKES RUBBER CO.

Mr. O'DANIEL. Mr. President, I wish to read a letter which has great significance. It explains how the economic life of our Nation is controlled and the production machinery of our Nation destroyed by the Communists in Moscow, by and with the aid and consent of the New Deal easy marks who are in control of our Government.

This letter was written July 12, 1946 by Walter Harvey, president of Joseph Stokes Rubber Co., of Trenton, N. J. It is addressed to all of their customers. It was forwarded to me by one of their customers, Ralph W. McCann, of the Continental Battery Manufacturing Corp., of Dallas, Tex.

The letter is as follows:

JOSEPH STOKES RUBBER CO.,
Trenton, N. J., July 12, 1946.

To All Our Customers:

It is with real regret that I inform you the board of directors decided to liquidate this business. It is difficult to say this to our many friends like you who have helped us to build this business.

It is not news to you that the plant was closed by a strike on April 24. Every reasonable effor. to settle this strike has been futile because of the attitude of the CIO International. Our offer of 18½ cents per hour increase for a 40-hour week and 13 cents per hour increase for a 48-hour week was spurned. Our employees voted in favor of the offer and to return to work, but the union agents stated they would rather see the plant closed than accept anything less than the so-called standard demands of their CIO international.

We will contact those of you who have molds in the plant so that arrangements can be made for your withdrawal in the near future.

Very truly yours,
WALTER HARVEY,
President.

In forwarding the letter to me Mr. McCann made these remarks:

The Stokes Rubber Co. is one of the best and oldest companies in their line. They build perhaps 75 percent of the big bus battery cases and where the battery industry is going now for these big cases is problematical. The liquidation of this fine old business is going to be a real handicap not only to the battery manufacturers but to the consumers of this type of battery all over the country.

CONTINENTAL BATTERY MANUFACTURING CORP.,
RALPH W. MCCANN.
DALLAS, TEX.

Here, Mr. President, is an old established manufacturing plant closing down and thus creating another serious shortage of useful and essential products. It also means throwing their employees out of jobs after the employees voted in favor of the employer's offer, and to return to work.

The letter states that the union agents stated they would rather see the plant closed than accept anything else than the so-called standard demands of their CIO international.

Thus, another American factory is closed down on orders of the CIO international, which holds its meetings in Moscow.

Incidentally, Mr. President, I think it should be here pointed out that the same CIO which is closing down our American factories on orders from Moscow, is also actively fighting for the resurrection of OPA, on orders from Moscow.

One of the main objectives of communism is to destroy production so as to create hatred and confusion and thus bring on revolution. There is no better way for the Communists to accomplish their objectives than by closing down our factories and resurrecting OPA.

EQUAL RIGHTS FOR MEN AND WOMEN

The Senate resumed consideration of the joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

Mr. PEPPER. Mr. President, I had not intended at this time to address myself to this proposed constitutional amendment, but I shall say a few words in explanation of my advocacy of it. The amendment is, of course, to be proposed to the several States, and will become a part of the Federal Constitution only in case three-fourths of the States shall, through their legislatures, ratify it.

I have always felt that the people, either through their legislatures or their conventions, as the Congress may determine shall be the method of expressing

themselves in regard to a constitutional amendment, should be given the benefit of the doubt as to whether or not a constitutional amendment is desirable. That is to say, I feel that it is the proper policy for the Congress to be liberal in its allowance to the States of the right to pass upon whether or not there shall be a change in the law of the land as embodied in the Constitution. So let it be understood that those of us who advocate this amendment are advocating the submission of the amendment to the several States. It will not be the Senate or the House of Representatives which will give efficacy to this provision as a legal instrument. It will be three-fourths of the States expressing themselves through their legislatures that will give legal efficacy to this amendment.

The amendment reads as follows:

Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation

This amendment shall take effect 3 years after the date of ratification.

It will be seen that the substantive part of the amendment is the first sentence which I read, namely:

Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Is there anything extraordinary or revolutionary in that concept? Does any one wish to stand up in the Senate or anywhere else and say that women, because they are women, should be discriminated against in respect to the enjoyment of civil rights? Is there any one who would contend that sex alone should deprive women of an equality of constitutional rights with men?

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HAWKES. I am very much interested in what the Senator is saying. The subject which the Senator is discussing is one with respect to which a person can have views which place him on one side one minute, and on the other side the next minute.

Mr. PEPPER. Of course.

Mr. HAWKES. I have been thinking it over for several years, and I shall undoubtedly vote for the submission of this amendment to the States.

Mr. PEPPER. I am pleased to hear that the Senator intends to vote that way.

Mr. HAWKES. It seems to me that almost any Senator, regardless of how he may personally feel on this subject, should be willing to submit the question to the States and to the people of the States, and let them say what they think about it.

Mr. PEPPER. I thoroughly agree.

Mr. HAWKES. That is all I wish to say, but I desire the Senator to know that I am interested in what he is saying on the subject.

Mr. PEPPER. I am very much indebted to the able Senator from New Jersey for what he has said, because it expresses exactly the point of view I have about this matter. It so happens that I favor the substantive principle which is involved, for the reasons which I shall mention. But whether I favored it or not, I certainly feel that it is a matter of such public importance and vitality that it is proper for the Congress to give the people of the country an opportunity to determine whether or not they want it in their Constitution. I am sure that what has been said by the able Senator from New Jersey will be very influential upon his colleagues, who esteem him so highly.

Mr. President, as I stated, the amendment provides for and assures, if it should become a part of the law of the land, equality of rights under the law for women. I wish to emphasize at the outset the word "rights." The amendment does not say "duties," it does not say "obligations." It says "rights." We think of rights and duties as being correlative. A right is a privilege. A duty is an obligation. What this amendment is attempting to assure to the women of the country is not that they shall always have equal obligations and equal duties with the men of the country; not that they shall not be put in a different category by law from men when the classification is reasonable, but that they shall have equal rights with men.

I emphasize that because I think there is some confusion and misunderstanding upon the subject. I refer particularly to some of the labor organizations and to some women, and some other persons solicitous of the rights and welfare of women, who are opposed to this amendment, and are even opposed to submitting it to the several States, because they say that its effect, should it ever become a part of the Constitution, would be to deprive the Congress and the State legislatures of the power to protect women because they are women, or upon any reasonable and proper ground.

I suppose no one will deny that under our Federal Constitution all men have equal rights. Certainly there is no constitutional basis for distinction in the rights of men in the United States. Notwithstanding that fact, to which I think all will agree, that all men in America have equal rights, all men in America do not by law have equal duties or obligations. For example, in time of war distinctions are made between men. In the last war some men were sent to their death on the battlefields as selectees, and other men were exempt. Some men were called upon by their country to make the supreme sacrifice, and others were excused. I think no one would question the reasonableness of the classification which was made by law. Some men of certain ages and physical condition and of certain vocational abilities and activities must go to war, and certain men, because of age, physical condition, or occupation, should be excused from going to war. Yet all those men have equal rights under the law of the land.

We have other cases. Some men by law are the recipients of pensions from the Government. Other men do not receive pensions. But no one would challenge the validity of the distinction, because the ones who receive pensions are old men, and the ones who do not receive them are younger men. One could go all through our law—laws enacted by the Congress as well as laws enacted by the legislatures of the several States—and find distinctions and classifications which have been made by both the Congress and the legislatures in respect to the obligations of men. Yet before every law in the land men stand similarly and alike.

So, Mr. President, I say in the first place that this amendment guarantees equal rights to women, but it does not of necessity deprive the Congress and the State legislatures of the power to exempt women from duties which they do not deem appropriate for women. If this amendment were a part of the Federal Constitution, it would not mean, for example, that in the future Congress could not distinguish between men and women in the selection that the Congress should make of those who should bear arms in the Nation's defense. Of course, the Congress would have power to require the service of women, as it might well do. But I am saying that this amendment, if adopted, would not deprive the Congress and the State legislatures of the power to make reasonable classifications and distinctions with respect to the duties that women may have to discharge.

For example, it would certainly be reasonable to say that as a class women are physically weaker than men. This amendment does not say that they are of equal physical strength. It does not say that hereafter no distinction shall be made by Congress or the State legislatures in regard to the cognizance they take of the physical strength of men and women. Of course not. But it says that the rights of women shall not be inferior to the rights of men. That is the important thing.

I do not have the cases before me to make a profound constitutional argument, and I am aware of the fact that many eminent legal scholars take a contrary position or suggest a contrary view. But, Mr. President, by the same reasoning I do not regard this amendment, by its language, or its effect, if it should become a part of the Constitution, as depriving the Congress or the several States of the power to protect women by reasonable classifications in regard to social legislation.

To give an illustration, Congress and the State legislatures could deal, for example, with the period of employment of mothers, and say that the number of hours a day that women who are mothers may work shall be limited, perhaps, to fewer hours a day than might be allowed either to other women or to men, on the general assumption that other women not in motherhood and men are stronger physically than women who are in the course of motherhood. Mr. President, I do not believe that such a distinction as that would be stricken down by this provision, even if it were in the Federal Constitution.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Florida yield to the Senator from Maine?

Mr. PEPPER. I yield.

Mr. WHITE. The Senator from Florida argues that this amendment provides only for equality of rights. Does the Senator contend that there can be equality of rights while there is an inequality of obligations?

Mr. PEPPER. Mr. President, I think so, and I am glad the Senator has suggested that. That is true in the case of men. I take it that all men have equal rights under our Federal Constitution, but all men do not have equal obligations, in the sense that the Congress or the State legislatures cannot make reasonable classifications. I do not mean that the Congress and the State legislatures would not have the power to draft a 10-year-old child and an 80-year-old man, and I do not suggest that Congress would not have the power to draft women, even into combat service; but Congress would have authority to make reasonable classifications as between young men and bo. . and old men in the masculine category, and as between men and women, as regards the whole population.

Mr. President, I know there are some who say that they do not want the law to contain any distinctions in regard to employment or economic position as between men and women; and they say quite rightly, as a matter of fact, that there are many women who are stronger than many men, and that sex alone is not a criterion of strength, even to work. We know that is true, physically. We know there are strong women and there are weak men. Yet, generally speaking, we consider men as a class to be stronger than women as a class. Those who take that position say that it is an unreasonable classification to say that women can work only so many hours a day and that men can work for a longer period of time. There is a great deal to be said for that position, from the physical point of view.

However, Mr. President, that is a legislative matter. If the Congress or the State legislatures make a finding that, as a classification, women as a whole are able to work fewer hours a day than men as a whole, and if they lay down that rule of thumb as to sex, and if experience shows the general reasonableness of that distinction, I do not think such action would be set aside for constitutional reasons. It might not be a good policy, but I do not believe such a distinction would be set aside for constitutional reasons, even if this amendment were a part of the Federal Constitution.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. In the community-law States the husband is the head and master of the community. Following the Senator's argument, in view of the fact that women are not as physically able to take care of world affairs as men are, and since, according to the view of many, their most appropriate sphere is motherhood and attention to domestic duties, from which they should not be divorced by having to attend to community properties and community transactions, can it be said that the State laws could continue to keep the husband as the head and master of the community?

Mr. PEPPER. Mr. President, under the principle that I was trying to suggest, it is a theoretical possibility that they might. But I doubt very seriously whether they would, if this amendment were incorporated into the Federal Constitution. I take that position for the following reasons: In spite of what the able Senator from Louisiana has said, which undoubtedly is true, namely, that, generally speaking, men as a class have more business experience than women have, nevertheless, I think in that case the position of the woman would be regarded as a position of right. That is to say, she might accord to the husband in the partnership a greater authority than she might retain or enjoy for herself. But I am inclined to believe that under this amendment, if it were enacted, the wife would be held not to be subservient to the husband in respect to the control of community property, but would share as a full partner, on a basis of equal dignity and status and right with him, in the enjoyment and management and ownership of the community property.

Mr. OVERTON. The Senator bases that argument on the ground that, in respect to managing the community, a woman has a right equal or practically equal to that of the husband. Has not she a right to labor, too, as much as man, if it is a question of right?

Mr. PEPPER. Yes; she has the right, in the sense that that is one of the privileges which she may enjoy if it is not denied to her for some interest of the public in furtherance of the public welfare, in a proper and constitutional way. Similarly, a man has a right to live; surely no one would deny that. But the Nation has the right to send him to war, and even to make him lose his life. A man has a right to live, but his right to live is subordinate to and subject to the public interest, which may deprive him of it, in a proper way.

Mr. OVERTON. I should like to give another illustration, in order that I may intelligently follow the Senator's argument. In some States, for instance, in Louisiana, women are excused from jury duty, if they desire to be excused; and in some States they are excused altogether. On the ground of physical weakness, in view of the fact that in capital cases the jury is kept together and cannot separate and is under restraint both night and day, and sometimes trials last for weeks, can it be said that the legislature in its wisdom can make a distinction between men and women, and can exempt women from jury service?

Mr. PEPPER. Mr. President, that is a very pertinent inquiry, and I am glad the able Senator from Louisiana has made it. My first answer is that none of us can tell how the United States Supreme Court would interpret this amendment. We can only conjecture as to what the decision would be, according to our own best sources of information and best knowledge. The Court might theoretically uphold such a distinction as that; but in my personal opinion the Court would not, and furthermore I think the Court should not do so. While, again, I say to the able Senator from Louisiana that there are conditions surrounding jury service which in some way might prove onerous to women, yet there, again, the dominant interest would be, in my opinion, the right of the woman to take part in all the fundamental processes of her Government; and certainly the administering of justice between man and man and woman and woman and man and woman is one of the essential prerogatives of citizenship. So I believe that under this amendment a woman would have a right, although not as an individual, to be assured a place on a jury, either a grand jury or a petit jury. She would have a right not to be excused as a class. She could be excused by the parties to the suit, in the way that other eligible jurors might be excused from selection and service. But to answer the Senator's question, I say that in my opinion, that is not a valid basis of distinction, and women would have a right, as a class, not to be excluded from eligibility to serve as a juror.

Mr. OVERTON. However, the matter is open to doubt. Following the Senator's argument, namely, that distinctions can be based on grounds of relative strength, as between men and women, there is a possibility that many exceptions would be applied. So it is very dubious what the effect of the amendment would be, if it were adopted.

Mr. PEPPER. Undoubtedly, Mr. President, nothing but experience and the repeated decisions of the courts would ever determine exactly what the effect of the amendment would be.

Mr. OVERTON. Of course, that would result in a multiplicity of litigations from every section of the Union.

Mr. PEPPER. Undoubtedly the Senator from Louisiana is correct, namely, that if this provision were a part of the Constitution, in its case, as in that of many other provisions of the Constitution which for decades or even a century or more have constantly been subject to judicial interpretation, undoubtedly from time to time the Supreme Court and the other courts of the land would be called upon to interpret the legal meaning.

Mr. OVERTON. I thank the Senator.

Mr. PEPPER. I thank the Senator from Louisiana.

Mr. STANFILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. STANFILL. I should like to say to the distinguished Senator from Florida that since he has been talking, I have tried to jot down in some notes three or four instances in Kentucky law in which women are granted an advantage over men. I should like to ask the Senator's opinion about the effect of the amendment on those privileges which are granted to women.

For instance, in my State of Kentucky, a woman cannot become surety for her husband or be responsible for paying her husband's debt unless she goes before a notary public and by means of a sealed instrument, which is acknowledged and recorded, pledges certain property for the particular debt. She is not responsible, generally, as surety or for her husband's debts. What, in the Senator's judgment, would be the effect of this amendment on that law in Kentucky?

Mr. PEPPER. Mr. President, in my opinion—again I may say that it is a theoretical possibility—the legislatures of the various States might, in view of the general business inexperience of women, at least for a time, such as for 1 year, 2 years, 3 years, or 5 years immediately following the effective date of an amendment of this kind, lay down reasonable conditions and safeguards surrounding the assumption of financial liability and responsibility of women. But I am not at all sure that the Supreme Court of the United States would uphold even a temporary safeguard of that character which might be thrown around the assumption of financial responsibility by women. I would suppose that the test would be essentially the same as that which would be applied to men. For example, in respect to the disposition of land, or an interest in land, there has been prescribed a more solemn requirement for that kind of a transaction than the transaction of, for example, passing title to a horse. If I wish to sell my horse to the able Senator from Kentucky, all I need to do is to deliver the horse to him and receive from him any consideration which he desires to give me and which I desire to accept. But if I wish to sell to the Senator my land I may not do so except through a formal instrument signed by me and signed by two witnesses and acknowledged. There, the law makes a distinction between the two types of property because there is a reasonable predicate for doing so, and the law wishes to surround land with all the reasonable safeguards which may properly be provided. The law will always be solicitous about charging even men with financial responsibility unless they have clearly indicated they desire to be charged. For example, under our statute of frauds, in certain cases no person can be charged unless there is a memorandum to that effect in writing made by the party to be charged. So the law would recognize, even in respect to men, that legal transactions may be surrounded with certain safeguards in order to make sure that the person who engages in the transaction as transferor knows what he is doing and intends to do it.

It is entirely possible that it might be legally within the province of a legislature to surround the assumption of a debt by a woman, with reasonable safeguards in respect to being required to acknowledge the debt or, certainly, to have it in writing, and so forth.

Mr. STANFILL. The point I wish to make is that in Kentucky—and the law has been upheld by the Supreme Court of the United States—a married woman may not become surety for her husband or anyone else. If the proposed amendment should finally be adopted, would it bring a woman up to equal rights with her husband, or bring her husband down to equal rights with her, or what would happen?

Mr. PEPPER. Mr. President, there might be some kind of a distinction made which would make the safeguard somewhat, although not greatly, better for the woman than for the man. But generally speaking, and I wish to be perfectly frank with the Senator, in balancing the cases in which women will be hurt by assuming such obligation, with the harm which they will experience if they are denied equality of rights, the balance falls on the side of the woman's occasional detriment rather than on the side of her occasional deprivation, and certainly, except perhaps for a short period after the effective date of such an amendment as the one proposed, my opinion is that the courts would hold that a statute appreciably distinguishing between men and women in the case the Senator has cited, would be invalid.

Mr. STANFILL. The statute to which I have referred, as I have already stated to the Senator, is in effect in Kentucky at the present time. What I am worrying about particularly is the question whether, when and if the amendment is adopted, the statute will be in contravention to the amendment.

I have also jotted down some further questions. A woman may not be deprived of her rights in her husband's property, but she may sell her own property without her husband joining. A woman may not be deprived of dower in her deceased husband's real estate. If her husband should make a will undertaking to cut her entirely off and not leaving her any property, she may renounce the will and take under the law of descent and distribution. As I understand, in the State of Kentucky, the husband does not have such right in the wife's property.

With reference to the question of jury service which the distinguished Senator from Louisiana raised, I may say that in Kentucky, we have provided for jury service on the part of women. The Senator cited a case in which the jury was confined and kept together for a number of days. In Kentucky we have separate guards for women and for men, and our courts have held the practice to be constitutional.

Another thing which occurs to me is in respect to the kinds of work which women perform. In certain classes of work the employer is required to allow women certain rest periods, and is required to pay the women for such periods just as though they had been working. What bothers me is the question whether, in the event the amendment should finally be ratified, the conditions to which I have referred would be in contravention of the amendment.

Mr. PEPPER. Mr. President, allow me first to answer the last question with reference to the rest periods. In my opinion the practice of allowing a rest period to women, which is not allowed to men, would not in any sense of the word become invalidated. In a case of that kind it is not so much a question of rights, but a question of reasonable working conditions. I believe that if a legislature were to determine that, because of the difference between men and women, it would not be an unfair privilege to grant a rest period to women and deny it to men, a holding to that effect would not be invalidated by the amendment. In other words, I do not believe that situation comes within the category of this amendment under which equal rights would be granted to women. As I have already said, the principle of equal rights does not mean that women must in every case be treated alike with men. It means only in respect to the award of rights. As a matter of law, women may not be able to compel an employer to give them a rest period. If an employer does so, I am sure there is no infringement whatever.

Mr. STANFILL. I agree with the Senator with regard to the question of a rest period, but what about property rights?

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HAWKES. I merely wish to emphasize what the Senator from Florida has been saying. Several groups of women came to my home in New Jersey to talk with me. They suggested to me that if this equal-rights amendment should become a part of the Constitution women would lose the privilege of having rest periods, as well as other privileges, I told them that, in my opinion, the equal rights amendment would in no way take away from an employer, or anyone else, the right to do the human and decent thing under a private arrangement and agreement.

Mr. PEPPER. Of course not.

Mr. HAWKES. I still so believe. I personally am of the opinion that many of the issues which are being raised are false issues, and that the belief on the part of many that the privileges already enjoyed by women will be taken away from them under the proposed amendment, is not well founded. Those matters will be left to common agreement between the parties.

I feel that law is a valuable thing up to a certain point, but the great objective which we are all striving to attain in human relationships must be reached through the heart, soul, and mind.

Mr. PEPPER. I thank the Senator. Again he has made a very valuable contribution to this subject. If I did not feel very strongly that the social gains which have been achieved over a period of more than a century in this country by and for women would be just as safe, under this amendment as they are without it, I would not under any circumstances be advocating support of the amendment.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CORDON. The Senator from New Jersey has suggested that if the amendment should eventually become a part of the Constitution, it certainly would not prohibit an employer from voluntarily granting special concessions to women because of their sex. I do not

believe that to be a good argument in favor of the amendment. If a State enacted a law requiring an employer to give certain special concessions to women, and the employer refused to comply with the law, the flat legal question would arise, Is the law in contravention to the Constitution? What is the Senator's opinion with regard to that matter?

Mr. STANFILL. That is exactly the situation in Kentucky. We have a law which requires the employer to do that very thing. It is not a matter of agreement between the employer and the employee. That was the case I was raising.

Mr. PEPPER. I meant to answer the two questions in the same way. As I said a while ago, that is based upon the reasonableness of the classification, in my opinion, and the classification being reasonable, and having been made by a State legislature, the Federal Supreme Court, under the amendment, would not in my opinion upset such a classification as that.

Mr. CORDON. Will the Senator yield for one more suggestion?

Mr. PEPPER. I yield.

Mr. CORDON. In the Senator's opinion, Would a law of that character rest substantially upon the same basis as a law which might be enacted by the same legislature which, let us say, required special rest periods for all persons working who, we will assume, had reached the age of 60 years?

Mr. PEPPER. There is no doubt about it at all; it would be upon the same basis. If the State legislature by law required a rest period or a shorter number of hours of work for men over 60 or 65 years of age, I think there would be no question about the validity of such a law as that, notwithstanding the fact that all men have the same rights under the law.

Mr. CORDON. In other words, if I follow the Senator correctly, the question would be resolved upon the reasonableness of the classification.

Mr. PEPPER. Exactly. I am very grateful for what has been said by the able Senators, and I cannot make it too clear that some of us want this record beyond any question of a doubt to be distinct that we believe that this amendment, if a part of the law of the land, would not deprive the legislatures or the Congress of the power to make reasonable classifications in the protection of women.

Mr. STANFILL. If the Senator will yield for one more question, that is the very thing that is bothering me about the amendment. In my State, by law, certain privileges are granted to women, such as the property rights I have mentioned; they have the option of serving on juries if they care to, they are not compelled to serve on juries; they have rest hours in their periods of employment. What is worrying me in connection with this proposal is what will happen, after the amendment is ratified, to the property rights of women who are now protected to a greater degree than are men.

Mr. PEPPER. Again, Mr. President, I cannot be dogmatic in my answer because it is in a field of the future, where we can only conjecture and speculate rather than inform ourselves from history, but even in the field of property rights I believe there may develop from time to time reasonable classifications. I do not know how broad they will be. I wish to say frankly that I am sure they will not be sufficiently broad to put the woman in a subordinate position to the man with respect to property.

For example, if there is property which belongs to the woman, in my opinion she will be, by the force of the amendment, automatically a free dealer, as we say in our local law, from that time, because she will have the same right to dispose of her property that she would have under the laws of the several States where she is a free dealer.

Mr. STANFILL. She has now in my State.

Mr. PEPPER. In many States she does not have.

Mr. STANFILL. What is worring me is what will happen to her property rights if the amendment is ratified. She is granted certain privileges which a man does not now have.

Mr. PEPPER. Let us take it case by case.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. PEPPER. In a moment. When I finish this point I shall yield.

Let us start off with the case of the wife's separate property. It is, we will assume, her separate property. In some of the States possibly she can dispose of it in any way she desires to. In some of the States she has to be made a free dealer if she is a married woman, even if it is her separate property, before she can dispose of it. She has to be made a free dealer before she can enter into contracts and before she can carry on any business.

If this amendment should become a part of the Federal Constitution, in my opinion, it would not be necessary for her to do anything more to become just as much sovereign in respect to her separate property, just as able to dispose of it, and just as able to enter into new contracts or to carry on business as her husband, even in case she were a married woman. She would have the same rights in respect to her property and in respect to the power of contract she would have if she were a single woman. I think that is clear. We can start with that, and perhaps reason from there to some other point.

Now I yield to the Senator from West Virginia.

Mr. REVERCOMB. I may say to the able Senator that I enter this discussion because of the statement which I believe the Senator made a few moments ago that he wanted the record to be made clear that, if this proposed constitutional amendment were ratified, it would not prevent the States and the legislatures of the several States from dealing with the rights of women and the property rights of women as they saw fit.

Mr. PEPPER. No; I did not intend to make it that broad. I said I wanted the record to be abundantly clear that those of us who were supporting the amendment did not expect that, if it were incorporated in the Constitution, it would deprive the legislatures of the several States from making reasonable classifications with respect to the protection of women. I had in mind especially with respect to working conditions, social conditions.

I hope the Senator from Kentucky will wait a moment before he leaves the Chamber. I wish to discuss this matter further.

Mr. REVERCOMB. Let me say to the able Senator that when we write an amendment into the Constitution of the United States, as I know the Senator is well aware, it has one interpretation placed upon it by the highest court of the land, the Supreme Court of the United States, which shall apply equally and alike to every State in the Union. Under that first and paramount rule, if the Supreme Court of the United States should lay down the decision that all laws must deal equally between man and woman in the rights they may have, whether it be in the protection of their labor rights, or in the protection of their property, there is no State legislature which could contravene that rule. That is absolutely basic.

The able Senator has been discussing property rights, and I wish to refer to a point which has disturbed me considerably. In the Western States there is what is known as the mutuality of ownership between husband and wife, that is, that each owns an undivided right in the properties accumulated. That is a very fair and sound rule. On the other hand, in the Eastern States, in the older States of the Union, we have followed the English law basically, under the statute of descents and distribution, which lays down the right of each in the property. I think it is true in most of the States of the East, as it is in mine, that there are laid down the laws of inheritance and the distribution of property upon an absolutely equal basis. There is no difference; and that is fair, and as it should be.

The right of courtesy, which was the right of the widower in the lands of a deceased wife, has been abolished completely, and the widower takes the same interest, under the laws of my State, and I know of a number of adjoining States, the wife takes, and the wife takes the same interest the husband takes.

If we undertake to lay down as a national policy that each shall be alike—and I may say to the Senator that I rather follow the rule that greater protection should be given to women in the case of property rights—if we lay down the rule that they must all be alike, how can it be said that a State can have it one way in its own domain and another State another way, when it is a national principle?

Mr. President, that is the problem which concerns me, and when we undertake to give equal rights I think we are establishing a principle which may deprive women of prior rights, and rights we have long recognized, not only in real property, but under the labor laws.

Some of the representatives of ladies' associations have said to me, "Why

should they not be equal?" Mr. President, there is a distinction. The labor laws should give greater concern and afford greater protection to women workers, because of sex.

Many of the States require that there must be places where women may sit down, where they may rest. What are we to do about that? We do not require that for men. We say it is not needed. Are we to wipe those things away, do away with them?

It is equality we are talking about, and when the able Senator says that he wants the RECORD to show that it shall not interfere with the particular rights given to guard women in the labor world, I know he means it, but how can we do it when we make it a national principle for every State? We cannot distinguish between the States.

Mr. PEPPER. Mr. President, I thank the able Senator for asking that question. I am anxious to have a chance to answer it.

I wish to say, in the first place, that I was speaking only of the theoretical and legal right of the legislatures in certain cases to make certain classifications and distinctions. I indicated that I intended that to relate primarily to working conditions and to social conditions. However, I do not wish to imply by that statement that I believe that it is always, in the long run, in woman's interest that some of these little frills and furbelows shall be incorporated in the law. For example, there may be women who become faint while at work, and it may be that they will need time off during the course of their work, but as a general rule, women would rather work 8 hours a day and receive a decent wage for it than to be limited to 6 hours a day, and receive an inferior and an inadequate wage.

When the Committee on Education and Labor held hearings on the bill which it reported favorably a short while ago, it was discovered that in many industrial plants in the United States women are regularly discriminated against in the wages they receive for doing equal work with men as much as 5 and 10 percent. Throughout history, man has not been any too sensitive about protecting women against work. Women have borne many of the burdens of man's long and arduous progress up the hill of civilization. Often women are working in the home while men will sit in easy chairs under soft lights and read the newspapers; the men will do that while the women have been working perhaps 15 hours a day, and the men will not be too conscience shaken about it. So the record does not show as a practical matter an oversolicitude for the women of the land if we consider the whole picture.

Mr. REVERCOMB. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Florida yield to the Senator from West Virginia?

Mr. PEPPER. I yield.

Mr. REVERCOMB. I ask the able Senator if what he has been saying is in answer to my question? I think he has digressed a little bit.

Mr. PEPPER. I will say to the Senator that I am coming to his question.

Mr. REVERCOMB. It is one thing to say that women shall be paid equal wages for equal work, which I think is a fair proposition——

Mr. PEPPER. Indeed it is.

Mr. REVERCOMB. But certainly the able Senator does not mean to say that Congress must pass a measure providing for a constitutional amendment in order to provide for women an equality which is supposed to be established by the enactment of a measure which is on the calendar.

Mr. PEPPER. No; but we will have to adopt an amendment to the Federal Constitution if we are ever going to give women anything like equal rights throughout this great Nation of ours. That will take another hundred years at the rate we have been going. I doubt if a hundred years would be sufficient time to let the ordinary evolutionary process toward equal rights for women develop to the point where women will have equal rights with men, if we do not accelerate the process by such a constitutional amendment as is proposed.

Mr. STANFILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. STANFILL. I ask the Senator if he has not digressed a great deal from the question I asked him, and whether he will answer my question about property rights and the right of a married woman to become surety.

Mr. PEPPER. I am coming to it, Mr. President, but I should like to achieve a certain amount of continuity in my argument. I shall address myself to the question asked by the Senator from Kentucky in a moment, if the Senator will indulge me to answer the Senator from West Virginia. Then I shall take up the points in connection with property rights one by one.

I said that I did not believe that this proposed amendment, if it were part of the Federal Constitution, would deprive the several States of the right to provide reasonable protection for women in work or society. I said, however, that I did not want such protection overemphasized, because I did not want women to be deprived of fair wages and equal rights for the mess of pottage of being able to sit down a few minutes in a rest room in the morning or the afternoon. The Senator from West Virginia, when I made the comment that I thought perhaps reasonable classifications might be made by the State legislatures, said, "How can the Senator reconcile that with the language of the Federal Constitution which says that women shall have equal rights with men?" I want to answer that, Mr. President, from the Federal Constitution. The fourteenth amendment, among other things, provides as follows:

> Nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Yet, Mr. President, that provision never was held to guarantee to women the right to be tried by either a jury composed altogether of women or to have a woman on it. That was never interpreted by the Supreme Court of the United States or the Federal Courts to give women the right to serve on either grand or petit juries. That was never interpreted to give women the right to vote. So that the fourteenth amendment was fitted into the background of an instrument and a history that already existed, and the Supreme Court of the United States, in its interpretation of that language, interpreted it in the light of the Nation's history and of our constitutional background.

I now turn to the sixteenth amendment, which reads as follows:

> The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Could language be any clearer than that—"from whatever source derived"? Yet the Senator well knows that the United States Supreme Court construed that language not to give the Congress the power to tax incomes derived from, I believe, the State and the local governments. So the courts in the construction of an amendment to the Constitution of the United States look at something more than the bare language, and they give it content against a background.

I shall refer to one more clause in the Constitution, the due process clause. Who ever dreamed when the due process clause was put into the fourteenth amendment that it would be interpreted to protect a corporation against the deprivation of its property? The fourteenth amendment grew out of an entirely different situation historically Yet in that case the courts have finally read content into the words based upon the conditions as they existed. The reason why I wanted what I have said in the RECORD, as well as what the able Senator from New Jersey has said and what the able Senator from Oregon has said and what the able Senator from Kentucky has said and what the able Senator from West Virginia has said and what I hope other Senators will say, is that some day, when the United States Supreme Court begin to construe this language they will look back to this time, and read what occurred, as set forth in the CONGRESSIONAL RECORD, as to the intended meaning of this amendment. Someone will be poring over the words which were uttered here and in the House of Representatives, and will read the report of the Committee on the Judiciary, and try to find what the Congress meant to do when it proposed this amendment to the several States and initiated it, possibly, into the Federal Constitution. That is the reason, I will say to the Senate, that I have made the statement which I have made, in a way, I believe, so it will be possible for the United States Supreme Court to hold that what we are trying to do is to emancipate the women of this country up to an equal rights status with the men of this country; but that we did not intend to deprive either the Congress or the State legislatures of the power to

make reasonable classifications in respect to the duties of women and the position of women in our law and in our society.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. REVERCOMB. As I understand the able Senator, he is going to read into this constitutional amendment language which is not there, and when this amendment comes before the Supreme Court he would have the Supreme Court construe the amendment to mean something it does not say, and he would have the Supreme Court do that by looking back at the RECORD of the debates in the Senate of the United States. I will say to the able Senator from Florida that there are going to be differences of opinion uttered upon this subject, and, when the Supreme Court looks at the debate upon it, it will see some different views expressed, because it will have before it the different views taken by the Senator from Florida and the Senator from West Virginia as to the meaning of the amendment, from the language of the amendment itself. The Supreme Court, in the last analysis, will look to the language that is written into this constitutional amendment. There is not one word contained in the proposed amendment to the Constitution, which covers every State, which will permit the State legislatures to classify women for one benefit and men for another. The very language says that they shall have so-called equal rights.

The Senator has answered his own question on the point of why the constitutional amendment guaranteeing equality of citizenship and the basis of voting did not include the privilege for women to vote. The Supreme Court determined that women did not come within the purview of citizenship under the fourteenth amendment. Therefore, it was necessary to adopt the amendment giving the women the right to vote. But there is nothing which can change the language of an amendment to the national Constitution to mean something that it does not say, and add language that it does not have in it, so that it may give equality. Mind you, the word "equality" carries something beyond equal privilege to women. It takes things away from them. That is the point I am trying to make to the Senator. It takes away from them protection under the law which they have today. There is the danger of the amendment.

How can the Senator argue, on the basis of the language of the proposed amendment, that the Supreme Court, in construing it, could say that it applies to every State in the Union, yet a State here may have its laws apply one way as between men and women, and a State there may classify the two of them differently. I cannot follow that argument, much as I admire the able Senator from Florida.

Mr. PEPPER. I thank the Senator very much. I now want to complete my answer or attempt to complete my answer to the able Senator from Kentucky respecting certain matters he mentioned. Again I emphasize that this is an unexplored field, and undiscovered country into which we may be entering. I do not know how the Supreme Court will regard the whole domestic law of the land as it is expressed in the several States. This amendment, I will say parenthetically to the Senator from West Virginia, is not in my opinion, if it is interpreted as I suggested, having something else added to it. On the contrary I am emphasizing that it is to me just what is says and nothing more, and that is it gives women equal rights. It does not give women equal duties or other equalities, as perhaps some might imagine. It gives women equal rights. I am trying to restrict its meaning to what its words are, namely, equal rights.

In reply to the Senator from Kentucky, let me ask him if he can give me in detail the cases respecting property which he mentioned a moment ago.

Mr. STANFILL. I should like to have the Senator answer this question: My wife could sign the Senator's note as surety, and she would not be bound. If I were to sign his note as surety, I would be bound. How does the Senator reconcile that Kentucky law with equal rights for women?

Mr. PEPPER. I am inclined to believe that in such a case the inequality would be stricken down by this amendment if it were incorporated into the Federal Constitution, and that a woman would have the same right that a man has to sign a note or to undertake an obligation. In my opinion, she would have the same legal right in that respect as if she were a single woman. As I stated awhile ago, it is barely possible that for a limited time, on the assumption that women should have a fair opportunity to accustom themselves to the new law, a State might be supported in holding up the application of the new law to a limited degree and for a limited period of time. Generally speaking, I will say to the able Senator that in my opinion if this amendment were to become law, his wife would have the same right that he has to enter into a contract or to assume an obligation. That is a right.

Mr. STANFILL. If the Senator were representing Kentucky, or any other State which had a law similar to that of Kentucky, which protected women in that instance, as well as in the four or five other instances which I narrated, would the Senator vote for this amendment to cut down the rights of women in those States?

Mr. PEPPER. Of course, my State has various laws like that. Undoubtedly my able colleague [Mr. ANDREWS] will point them out, because he has the same point of view as that of the Senator from Kentucky. He does not favor this amendment, because he thinks it would involve a deprivation of privileges and advantages which women now have. But, Mr. President, even if this amendment should take away a few so-called protections, remember that it would give women rights which they do not now have.

Mr. STANFILL. What rights?

Mr. PEPPER. The very equality which they do not now have in the Senator's State.

Mr. STANFILL. If the Senator will pardon me, a woman has every right that I have in my State, but she has additional protections.

Mr. PEPPER. I do not call it a right if someone says that I can exercise only half the authority of an adult. It is not a right to be half an adult. That is a limitation upon being an adult. I do not call it a right to be able to walk on crutches. That is a limitation against being able to walk without crutches. In the case which the able Senator put, a women is not given a right which is superior to that of a man when she has less authority to act than he has. In my concept a right is a privilege or advantage, something one has which someone else does not have. I think in terms of exercising one's full faculties as being 100 percent; and if one is given anything less than that, he is given less than what is due him. So in the case which the Senator put, the right of a woman freely to contract, to enter into business, to buy and sell, and to own, is the equality of the right involved. If she does not now possess that equality of right, and she gets it by this amendment, then something favorable is being conferred upon her.

Mr. STANFILL. Will the Senator explain what he means by being half an adult? As I understand our law, woman has all the rights which a man has, and some additional rights, which would make her an adult and a half, instead of half an adult.

Mr. PEPPER. I take it that the right to enter into a contract and to deal as one would like to deal is incident to individual sovereignty. Anything less than that is a denial of individual sovereignty. If a man can sign another man's note, but a woman cannot do so, I do not see that she has more rights than the man. I think she has fewer rights than the man. For example, in many of the States women cannot operate grocery stores. They cannot operate millinery shops. A married woman cannot establish a sewing room and enter into business for herself without going to court and obtaining an adjudication allowing her to become a free dealer. I say that that is a denial of an equality of right with her husband, or with another man. This amendment would strike down that limitation upon the full sovereignty of her person in respect to financial transactions.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. PEPPER. The able Senator from Kentucky [Mr. STANFILL] has left the Chamber. I wished to discuss this subject a little further. I yield to the Senator from West Virginia.

Mr. REVERCOMB. We are talking about advantages. They serve to bring forth the point of view of Senators who are discussing this question. The able Senator will recall that the common law once governed in many of the States. I think it still governs in some States. It does not obtain in mine with respect to tort actions. I believe there are some States—I cannot name one of them—in which a man is responsible for the wrongdoing of his wife. If she hits a

man over the head with a stick he can be sued for it and damages can be recovered from him.

Mr. PEPPER. Obviously that is not just.

Mr. REVERCOMB. Would it not be terrible if under the equal-rights amendment a woman could be sued every time her husband hit some one with a stick?

Mr. PEPPER. Fortunately women are not blamed for all the offenses of their husbands.

Mr. REVERCOMB. Would not the principle of equal rights place that liability upon her?

Mr. PEPPER. Of course not. The wife would no more be responsible for the husband's torts than one man would be responsible for another man's torts. God made them two separate individuals, separate human beings. If two men wish to be partners in business, they may do so. If a man and a woman wish to be partners without losing their individualities and their rights as citizens, they should have that privilege. When a man and a woman join together in holy wedlock and raise a family they have a right to do so, but they are still two individuals, both before God and man.

Mr. REVERCOMB. We have no debate on that point. Frequently they are too much individuals. But let me give the Senator another example. I am advised that in some of the States a man is subject to arrest for failure to meet certain obligations. I have never believed in that principle. I think it is wrong. It has never obtained in my State. A man cannot be put in jail in my State for failure to meet his obligations. But I understand that such a law still obtains in some of the States. Even in those States, however, a woman may not be put in jail for debt. Does the Senator wish through the equal-rights amendment to bring about such a condition that women can be put in jail for debt? Equal rights carry equal obligations.

Mr. PEPPER. Does the Senator claim that being put in jail is a right?

Mr. REVERCOMB. It involves the right of the person who swears out the warrant to have him put in jail.

Mr. PEPPER. I am sure that that is a right which everyone would be willing to grant to the Senator from West Virginia free of charge

Mr. REVERCOMB. The Senator from West Virginia does not desire such a right. He does not wish to put anyone in jail. No such law has ever obtained in my State. I am simply trying to point out to the Senator from Florida, when he speaks about equal rights for women, that I, too, am in favor of equal rights for women.

Mr. PEPPER. Then the Senator is going to vote for this amendment?

Mr. REVERCOMB. Women enjoy certain privileges which the law has given them because of the situation in which they have been placed throughout history. They are entitled to special rights. While the Senator talks about equal rights he seeks to deprive women of the protection which they have enjoyed under the law, both the law of labor and the law of property rights.

Mr. PEPPER. The able Senator surely has not reflected upon that statement, or I do not think he would have made it. The Senator well knows that he can investigate the laws of this land, in nearly every State, and find case after case in which some of the chains of an earlier and more archaic day are still entwined about the necks of the women of that State. There are still limitations in respect to their property, their children, and other things with respect to which they are denied equality. This amendment is directed against those restrictions and limitations.

As I pointed out in the beginning, it was never intended to give women and men equal obligations or equal duties. Although today men have equal rights before the law, the law does not impose equality of obligations and duties upon all men in all cases.

Mr. REVERCOMB. The Senator admits, then, that there is equality of obligation——

Mr. PEPPER. Just a moment until I finish this thought. In reply to the argument which the Senator from West Virginia has made, let me say to him that if he will turn back the pages of the CONGRESSIONAL RECORD, if he will turn back the dreary pages of history, he will find that that same argument has been made from the earliest day in man's history to the present time against every effort to emancipate women and place them in a position of equality with men. That argument has persisted through the years, from the time when the first proposal was made to give women rights with respect to property, with respect to their children, or with respect to contracts. The same argument was made against granting any right with respect to labor, or the right of women to have their own earnings for their own use. The same argument continued into a later day, when the question was whether or not women should have political rights. Many men opposed woman suffrage upon the sanctimonious pretense that politics were too corrupt for women. They wanted to save them from the corruption of politics, and therefore they could not let them defile their fair hands with this corrosive and contaminating experience and contact. They could not let them step down from their lofty pedestals into the coarse domain of politics, in spite of the fact that politics determined the kind of homes they had, and the kind of society and the conditions under which their children were reared.

All those arguments have been made against every such effort. It has taken time for women to gain every right which they now possess. It may take more time to get this amendment, but gradually more and more rights have been granted to women. Inferior as women's rights are today, it has taken a long time to gain them. It has taken a long time for some of our subject races to get the treatment which human beings are entitled to enjoy. It has taken a long time for the poor to be dealt with as citizens in society. But gradually, by overcoming the arguments of well-intentioned if erring people, as well as those who oppose such efforts for some other reason, these underprivileged classes have been getting more and more privileges, and today many of them are reaching for the tableland of equality. God speed the day when they shall eventually reach it.

Mr. President, I now yield to the Senator from West Virginia, and then I shall yield to the Senator from Maine.

Mr. REVERCOMB. Mr. President, I thank the able Senator from Florida for yielding to me again. I wish to assure him that I was convinced of the thorough righteousness of his statement about lifting women up to equality and giving them equal rights; but that is not the question we are discussing.

I may say that the Senator from West Virginia represents a State where the rights of women are equal. They are equal in property; they are equal in relation to the right to take part in public life. In West Virginia, in every phase of public and private life, women are equal.

Mr. PEPPER. I congratulate the Senator.

Mr. REVERCOMB. I stand for that. But that is not the question we are here arguing. The Senator from Florida is arguing that the special rights which women have today shall be taken from them because they are not on a basis of equality with men.

Mr. PEPPER. Mr. President, it might be that the Senator is correct in arguing that what we are doing by the amendment is to assure a minimum equality, and that if the law wishes to give women more than that, all well and good; but at least the law should not take that much away from them.

Mr. REVERCOMB. That is what I am arguing. The amendment which the Senator discusses would take it away from them.

Mr. PEPPER. Oh, no. We must give women at least the same rights which men have. If we wish to give them more than that, that would not be improper.

But the Senator is saying that we should not assure women equal minimum rights with men. If the Senator wishes to protect them by giving them more than 100 percent of the rights which men have, all well and good; if it is a reasonable classification, and not unfair to the men, all well and good.

But what I am interested in is that women's rights, in the sense of legal rights which could be asserted in a court and legal immunities which could be asserted, shall in no sense be inferior to those of men. We are trying to give women the minimum of equality, so that their emancipation will be complete.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. REVERCOMB. Let me say that the amendment says nothing about giving women a minimum equality of rights. The amendment uses the word "equal."

The Senator from West Virginia stands here in favor of the proposition that the rights of women should be equal to those of men. The Senator favors that. But he will not stand for having women have greater rights because of their position.

The Senator from Florida would compel the insertion into the Constitution of written language by which the rights of women would be equal to those of men. Nothing else can be read into the proposed language.

Mr. PEPPER. And, of course, it is difficult to define the word "right" in terms of law. A right is something which can be asserted in a court and can be protected and can have the assurance of judicial regard for its assertion. Everyone knows that we are not trying to take away from women what they now have.

But as I said a while ago, we know that all over the United States there are cases where the father has the legal right to the child, in preference to the right of the wife. I think that preferential right would be stricken down if this amendment becomes a part of the Federal Constitution. If the amendment is adopted, the wife will have an equal right to the child; the other will have an equal right with the father.

Of course, the amendment would not take away from the court the right of judicial review and judicial authority over the matter, but it would strike down the superior right of the father, as compared to the right of the mother, to the custody of the child. It is not desired to give an advantage to the wife, but if the wife cannot have an equal right with the husband to her own child, I do not call that an equal right.

Mr. President, all over the United States there are hundreds of cases, as I have said, where women do not have equal rights. For instance, women cannot engage in their Government as men can, they cannot serve on a petit jury, they cannot serve on a grand jury, they cannot dispose of their own property, they cannot will their own property, they cannot serve on a grand jury, they cannot make a contract, they cannot adopt a child. There are a great many things that a women cannot do because by law they are denied the privilege of doing it. That is not an equality of right with men. That kind of a limitation upon right would be stricken down by this amendment. The amendment would not deprive women of something they now have, but it would give to women something essential to which they are entitled, but which they do not have now.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield to the Senator from Louisiana.

Mr. OVERTON. I should like to ask the Senator what effect this amendment would have on the following provision of the Louisiana law: Under Louisiana law, the wife is not responsible for the debts of the community, whereas her husband is. If this equal rights amendment were to be adopted, would the wife be responsible for the debts of the community?

Mr. PEPPER. Mr. President, I say that I have never, except in a casual way, had any experience with community property. But I say to the Senator from Louisiana that I regard the community relationship as essentially a partnership, and I say that in my opinion under this amendment the wife would be equally liable with the husband for the husband's debts, if they were incurred in furtherance of the community interests.

Mr. OVERTON. Exactly. But that would be contrary to the existing law in Louisiana.

Mr. PEPPER. I think it would be.

Mr. OVERTON. That law is peculiarly beneficial to women.

Let me ask the Senator another question: Under Louisiana law, with certain exceptions, the wife's separate earnings inure to her own benefit, but the husband's earnings fall into the community relationship, again. Of course, if this amendment were adopted, that provision of the Louisiana statute would be ipso facto repealed.

Mr. PEPPER. Mr. President, I am glad the Senator has brought out the question of the marital relationship. Honestly, I think none of us could say just what would be the decision of the United States Supreme Court about every question or point in the marital domain. In the case the Senator from Louisiana has put, I think probably the situation would be as the Senator from Louisiana has suggested. I think the income of either would go into the community partnership, and it would be dealt with just as if A and B were in partnership in business, and just as if A and B were men.

Mr. OVERTON. Mr. President, I have one other question: If the wife brings into the marriage certain funds or property, which under Louisiana law are known as her separate paraphernal property, and if that property is used by the husband for the benefit of the community, the wife has a lien and privilege, under the law, against all the assets of the community, for the repayment of her separate funds which inured to the benefit of the community.

Obviously, to my mind, if this amendment is adopted, the wife's privilege will be lost. The husband has no such privilege as that. Whatever the husband expends for the benefit of the community is spent for the benefit of the community without any privilege of its return.

Mr. PEPPER. Mr. President, I shall refer to the subject further, a little later. But to answer the Senator's question, I think he is correct: namely, that the wife's relationship to the community and the husband's relationship to it would be the same, with the condition, which I shall discuss a little later, that in all probability there would be recognized by the United States Supreme Court a certain field in which the State legislatures could legislate with respect to the family relationship. I do not know how large that field would be.

Mr. OVERTON. As a matter of fact, Mr. President, what perplexes me is that if this amendment were adopted, I think it would be destructive of community law in the eight States of the Union which enjoy that law.

Mr. PEPPER. With this possible exception, I do not see anything in this language which would say to a State, "You cannot impose upon the husband, as the husband's primary duty to support the wife, if he works in an office and if she works in the home."

I do not think the court can say that the law imposes upon the husband the duty of providing for the marital expenses. I see nothing inconsistent between that and this amendment.

I am sure the Supreme Court would have to recognize the right of the States to work out a reasonable husband-wife, father-wife-child relationship that would be compatible with our conception of the essential importance and vitality of the family in our society.

So I cannot say to the Senator that in every case everything that prevails today would be set aside. But I believe that all that prevails at the present time that would be regarded as limitation of the right of the wife and that would be regarded as making her right inferior and subordinate, would be stricken down.

Mr. OVERTON. And her rights in a superior position would be stricken down, because she must have equal rights under this amendment. There is no escape from such conclusion.

Mr. PEPPER. The Senator is probably right, and I believe he has expressed the sounder view. However, as I said to the Senator from West Virginia, it may well be that all the amendment requires is that the wife's rights be brought up to an equality with those of the husband, and does not require them to be superior to his

Mr. OVERTON. There must be a perfect equality between the rights of men and women.

Mr. PEPPER. That is the sounder view. But again, as I said with reference to labor laws, I believe that the legislatures would have the right to make reasonable classifications even with respect to the female relationship.

Mr. OVERTON. I have given illustrations of a few privileges which women enjoy in Louisiana, privileges which are superior to those enjoyed by men. There are many of such privileges, and I shall not fatigue the Senator by giving further illustrations. But the adoption of this amendment would strike down all those ancient privileges which have been and are enjoyed by women in the State of Louisiana. I believe that those privileges constitute one of the great glories of Louisiana's civil law.

Mr. PEPPER. The Senator, being the able lawyer that he is, knows perfectly the situation in Louisiana. Will he tell us if, in Louisiana men have any rights which women do not have?

Mr. OVERTON. The answer to the question depends on what the Senator considers to be a right. Women do not have the right or the duty to serve on a jury. Jury service is a duty which the citizen owes to the State, and I would not consider it to be a right. I mentioned that fact a while ago in a prior colloquy with the able Senator from Florida.

Mr. PEPPER. Yes.

Mr. OVERTON. I know of no superior right which a man has in Louisiana except the one which I have heretofore mentioned, namely, of being the head and master of the community, and

having the control, management, and disposition of the community property.

Mr. PEPPER. That authority is undoubtedly superior to the authority of the wife.

Mr. OVERTON. There is no doubt about it.

Mr. PEPPER. That is a matter which must be weighed against the question of whether the wife would rather assume certain obligations and get up to the level of equality in authority in the community. In my opinion, in the long run what the woman would gain would be immensely more than what they would lose, and therefore, from the point of view of women—I do not propose to suggest that all women favor this amendment—I favor the amendment because what women would gain in the long run would be so much greater than what they would lose, I think it would be in their interest and in the interest of the public to give them this equality of right.

Mr. OVERTON. The reason for a single management of the community property is, of course, quite obvious. If the situation were otherwise it would result in much unhappiness, divorces, and separations. Ever since Louisiana has been a State its people have found that it is necessary to have one master and head of the community, and that person has been, by law, the husband.

I do not wish to direct the argument into what may appear to be a ridiculous illustration, and I hope the Senator will believe that what I am about to say is said in good faith. But first, allow me to ask the Senator if the amendment applies to minors as well as to majors?

Mr. PEPPER. The amendment makes no distinction in age. The only distinction is in sex. The amendment states, in part, "Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex." There is no distinction made on the basis of age.

Mr. OVERTON. What I am about to say will be said in all good faith, and with due apology to the Senator and other members of the Senate. But it seems to me that the proposed amendment would go far afield in the light of the laws now in existence in the various States. I refer to the age of consent. Under the amendment the age of consent would apply to the male as well as the female. It would be bound to. There could be no escape from it.

Mr. PEPPER. Does the Senator refer to the age of consent in respect to the criminal statute?

Mr. OVERTON. No.

Mr. PEPPER. In respect to marriage?

Mr. OVERTON. No; I mean in respect to sexual intercourse.

Mr. PEPPER. In respect to the criminal statutes?

Mr. OVERTON. Yes.

Mr. PEPPER. I said at the beginning that I cannot conceive of this amendment denying to a State the power, by legislation, to affect that subject, because there is a reasonable distinction between men and women. So far as the law is concerned, we think that it is the woman who consents, and not the man. Certainly, I cannot see anything in the language of the amendment which would suggest the impairment of the authority of the State to fix the age, not as between men but as between women, when the age of consent shall have been considered to be reached.

Mr. OVERTON. Mr. President, that argument would break down the practical application of the proposed constitutional amendment to anything which might be conceived of by the able Senator.

Mr PEPPER. I would say to the able Senator from Louisiana that I am a full-fledged adult male citizen of the United States, born in this country, but I may not drive my car down the street at more than a certain speed per hour without being subject to arrest. There are a great many things which I may have the physical power to do but, because of the public interest involved, I am restrained from doing them, and am compelled to limit the exercise of my faculties. It is just as reasonable to say that a flat limitation may be imposed on the exercise by women of their faculties without in any sense of the word impairing the constitutionality of such action by this amendment. I know how concerned the Senator is, and none of us would want to favor an amendment which would have the practical effect of destroying a statute of that kind. But I think that the argument goes far afield into the realm of speculation and conjecture, and that there is no appreciable likelihood of the situation to which the Senator refers ever coming to pass.

Mr. OVERTON. The question of consent is the question of right, whether applied to the male or to the female. That right is denied and abridged up to a certain age—16 years in some States and 18 years in other States—insofar as the female is concerned. It is an abridgement of her right. It is not a moral right; it is a legal right when she reaches 19 years of age. And if it is a legal right when she is 19 years of age, the Congress may not step in and say to her, "It is not a right when you are only 16 years of age, or only 18 years of age," without saying the same to the male. No distinction can be made.

Mr. PEPPER. Let us take the situation which prevails today. A man 1 day under 21 years of age is not an adult, so far as the law is concerned. In almost all States of the Union an arbitrary age of 21 has been fixed as the age which a man must reach before he can be regarded as an adult under the law. Yet all men have equal rights.

Mr. OVERTON. The Senator could not say that the male attains majority at 21 years of age and that the female attains majority at a lesser age or at a greater age.

Mr. PEPPER. I am not at all sure that that would not be possible, but what I wish to say to the able Senator from Louisiana is this: Let us take, for illustration, two persons, a man and a woman, aged 25. In many of the States of the Union those two persons may not marry until they have waited for 3 days after filing an application for a license to marry. Under such circumstances, limitation has been fixed upon the exercise of the right to get married, which right is had by the adult. However, the State has said, "You may not marry until 3 days have elapsed between the time of the application for the license and the performance of the ceremony." I cite that illustration to show that if, in the public interest, legislatures of the several States have said that the age of consent is 14 years, 18 years, 19 years, or 20 years, there is nothing in the proposed amendment which could interfere with the effectiveness of a statute of that kind.

Mr. OVERTON There is no doubt that the State has the authority, but, under this amendment the State must have the same regulation with reference to females that it has with reference to males. In Louisiana, before a male may contract marriage he must undergo a medical examination, and the issuance of the license to marry is withheld for a certain number of days. Under the Louisiana statute the women are exempt from being required to undergo a medical examination.

Mr. PEPPER. This amendment would not interfere whatever with such a statute.

Mr. OVERTON. Oh, indeed it would. There could not be one set of laws applying to the female and another set of laws applying to the male.

Mr. PEPPER. Mr. President, to be examined medically is not a right. Who may complain of not having been examined as having a right denied? Out of experience the law has determined that the man is more frequently the offender, and the law says, in effect, "We will require that the man shall be examined." It could say, and perhaps should say, that the woman also shall be examined.

Mr. OVERTON. The Senator overlooks one thing. The right to marry is a right, and the Senator would place a limitation on the right of a man to marry. When he does that he must place the same limitation on the right of the woman to marry.

Mr. PEPPER. There is no limitation on the right of the woman to marry. The Senator is putting everyone in the same class. Out of experience in the case he cites the legislatures have found it reasonable to provide that men shall be given a physical examination before marrying, and that women shall not be so required. But that is a reasonable classification, and the women have been denied no right by not being compelled to be examined.

Mr. OVERTON. The Senator would exempt a woman, and deny her a right.

Mr. PEPPER. She has not been denied any right.

Mr. OVERTON. Under the law, an exemption is a right.

Mr. PEPPER. Mr. President, in that case it is simply an immunity which has been accorded her as a gratuity by the State. There is a difference between a gift and an obligation. It does not apply to her a duty which it does apply to a man. But she is not denied any right. If she wants to be examined she has a right to be examined, and if any law kept her from enjoying that right it would be unconstitutional, not under the proposed provision, but under the present Constitution. She has a right to go to a doctor, she has a right to have him

give her a certificate, she has a right to show it to anybody. That is a right. But, Mr. President, that which is imposed upon the prospective groom is a duty, it is an obligation. There is nothing in this language which would change that situation.

Mr. MURDOCK. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. MURDOCK. If the Senator makes the distinction on the basis that the State has a right to impose a duty on the man that is not imposed on the woman—he says that can be done——

Mr. PEPPER. I think so.

Mr. MURDOCK. He then says that the man has the same right to get married the woman has. There is no reason for imposing the duty to be examined and to be found fit physically to get married unless there is further imposed the restriction on marriage in the event the examination of the man determines that he is not fit to be married. So that when the man is told, "You cannot marry until you have taken an examination and proven yourself to be fit to be married," he is denied the right which the Senator says is existent in both the man and the woman.

Mr. PEPPER. The man would be the one to complain, not the woman, and this does not deny to any man the same privileges every woman has. It is intended to grant equality of rights with the man.

Mr. MURDOCK. But if a duty is imposed on a man which, carried to a logical conclusion, denies him a right, then there is established inequality so far as the man and woman are concerned in the exercise of a right which the Senator says belongs to both of them, and that right is the right to get married.

Mr. PEPPER. Mr. President, I understand the concern of the able Senator from Utah has, and he knows I am always influenced by what he says, but this constitutional amendment would not attempt such a vain thing as to attempt to make all men and all women exactly alike. No one has any such foolish objective in view, in the support he gives to this amendment.

What it does and what it is intended to do, and what I am sure any court would hold it would accomplish, in cases where there are substantial rights—and I use the word "right" as a privilege which a woman may assert before the law and get protection for—I say, it was intended to give, and in my opinion would be construed to give, to the wife, to the girl, to the woman, the same privilege, the same right, in that sense the man has. In doing that it is simply lifting the dignity of woman up from inferiority to equality, it is raising her from a position of servility and subordination to equality, to the same plane with man.

Mr. President, that inevitably flows from the original concept of the dignity of women as well as men as being human beings, individual in character and possessing a part of the divine soul.

Mr. OVERTON. If the Senator will yield, under the proposed amendment there is no distinction between the man and the woman, between the male and the female, because the proposed amendment provides "equality of right under the law shall not be denied or abridged by the United States or by any State on account of sex." It does not say on account of being a female or on account of being a male, but on account of sex, and, therefore, it refers just as much to the man and protects the man just as much as it does the woman. They both come under that edict.

But getting back to the problem we were discussing a moment ago, the right of marriage is denied to a man because on examination he is found to be diseased, but the diseased woman has the right to marry. How can that distinction be made? It cannot be made without bringing this constitutional amendment into disrepute and twisting it from its obvious meaning, purpose, and intent.

Mr. PEPPER. Mr. President, I shall try to make two answers to that argument, and I am glad the Senator suggested it.

My first answer is that in the case put by the Senator from Louisiana there was a difference in the facts. The man in that case was found to be diseased. The woman was not examined and is presumed to be free of disease. The marriage rite is denied to the diseased person as against the undiseased person in the predicate I put. So certainly there is nothing wrong. There is no improper classification.

Mr. OVERTON. No; if the examination had been held as to both——

Mr. PEPPER. But it was not held.

Mr. OVERTON The result might have been that the man was found not to be diseased and the woman to be diseased.

Mr. PEPPER. But the examination was not held, and the presumption is that the woman was free of disease, while the man was found contaminated with disease. All the law says is that a person found to be contaminated cannot marry. I do not regard that as improper in any way.

Mr. OVERTON. But the presumption of freedom from disease would have yielded to the fact that there is no freedom from disease.

Mr. PEPPER. But in my opinion the State has made a reasonable classification out of experience.

The second argument I would like to make is that yes, the Senator is correct in saying that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex, but the fourteenth amendment provides:

> All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside.

That looks as if it applies equally to whites and blacks, yet we know, in the light of our constitutional history, that that language was put in there to lift to the dignity of citizenship the emancipated slave.

In addition to that, the fifteenth amendment provides:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

We know that was general language, but it was intended to give the right to vote to the Negro. In this case everyone knows that when we have been discussing this equal rights amendment we have been talking about giving women equal rights with men. We start off with the limitation of facts, with disfranchisement, with the impairment of women's rights, and everybody knows we are attempting to bring women's rights to equality with men's.

This proposed amendment is not intended to give denied rights to the men of this country. So, in the case put by the able Senator, it is the man who would have to complain that he had to have an examination, while the woman did not have to, and then he would have to show that the legislation under which he was required to observe that duty was unconstitutional, and there is nothing in this language which would give him authority upon which to urge that.

Mr. TUNNELL. Mr. President——

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from Florida yield to the Senator from Delaware?

Mr. PEPPER. I yield.

Mr. TUNNELL. I simply wish to make a suggestion. Questions have been asked the Senator from Florida with respect to what are apparently superior rights of women in various States. I was thinking of one who would seek a remedy. There is no woman who would go into court on the ground that she has superior rights. Therefore, the remedy would be sought by the person with the lesser right.

Mr. PEPPER. That is true.

Mr. TUNNELL. And under the proposed amendment, if there is any complaint, it would have to be on the part of the man that his rights were not superior.

Mr. PEPPER. That is correct.

Mr. TUNNELL. That would be on the ground, as I understand it, that the State did not have a right to deny or abridge his rights.

Mr. PEPPER. That is correct. I think the Senator from Delaware has made a very clear statement of exactly the differences that we have been talking about recently.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I wish to conclude my remarks, but now I yield to the Senator from Oregon.

Mr. MORSE. I think, however, there is another horn of that little dilemma which ought to be pointed out, and that is third-party interests that could come into court, such as an employer who might want to raise a question of the constitutionality of the State act which might give a superior position to women, on the ground that under the constitutional amendment the State act would thereby become unconstitutional.

Mr. PEPPER. Mr. President, there again the employer would have to show, as the Senator has pointed out in respect to men, that his own rights had been violated, and he would have to show that the legislature has not made a reasonable classification.

Mr. MORSE. That would be subject to vast litigation.

Mr. PEPPER. After all, that is one way the law grows, and that is one way society and civilization grow. I am sure the lawyers are not going to stand adamant against increased litigation. But seriously, Mr. President, of course it would have to be construed and interpreted from time to time, but I think we have gained so much in enlarged concept of women and their dignity that there would not be nearly as much litigation as is anticipated.

Mr. MORSE. Mr. President, one more question, and that will be all. It is true, is it not, that such benefits as women would seek to attain under the amendment would be by way of Federal legislation which would endeavor to give to them in certain States benefits which they do not now possess under the State law?

Mr. PEPPER. No; they would not necessarily have to wait on legislation. It would, like "the equal protection of the law" or the "due process" clause, constitute the supreme law of the land. If a citizen felt that she had been denied equality by a State, she could come in under this amendment just as she could do now in a proper case under the due-process clause and the equal-protection clause, and assert the right to be protected

Mr. MORSE. In attempting to establish rights they think they do not now have, they would have to establish them through litigation

Mr. PEPPER. Yes; but it would take but a few such cases, I think, to establish the rights.

I wish to conclude now, Mr. President. I apologize to other Senators. I did not intend to take so much time. Let me conclude by reading, as I did yesterday, from the report of the majority of the Committee on the Judiciary, the remarks of William Draper Lewis, director of the American Law Institute, as follows:

It is a comment on the immaturity of civilization that the recognition of woman's political equality with man did not come in the United States until 1920. The fight to gain for her full legal recognition as a human being has neared its culmination in the presentation to Congress of the equal-rights amendment

Mr. President, Euripides, I believe, in respect to Queen Medea, used words something like these:

Of all things upon earth that bleed and grow,
An herb most bruised is woman.

Throughout the long ages, Mr. President, woman has had to bear the burden of man's progress upward. We have gradually lifted her up. I am not talking about the beauty queen who is placed in love upon a pedestal. I am talking about the world's women—the masses of womankind. They, Mr. President, have gradually been lifted up, and lifted up by legislation that has come to their succor until today they stand nearer to the plane of equal dignity and equal right than they have ever stood in human history.

To the able Senator from Michigan [Mr. VANDENBERG], who is on the Senate floor today, having had the great part that he played in the fashioning of the United Nations Charter, I properly pay tribute, as well as to all those others who had a part in it, for having advanced us to the point of putting into the world charter the concept of equality of women with men. That shows the high plane upon which the future hopes of earth have been put and fixed, and I hope, Mr. President, that the Senate by the adoption of this constitutional amendment will continue the battle for the elevation of woman to her just place of equality before the eyes of men as she has it before the eyes of God.

Mr. AUSTIN. Mr. President, I favor the proposed constitutional amendment primarily because I believe in the principle it seeks to establish, but even if I did not believe in the principle I would favor the amendment just the same, because I know, from years of experience, how great a demand there is in the United States for a submission of the question to the people. They are entitled to consideration by the Congress when it comes to so fundamental a question as the one involved in the pending proposal, and even if I were still in the minority, as I was at one time in the history of this proposed legislation, I would favor submitting the amendment to the vote of the people.

As I have listened to the debate I have felt that there is a misunderstanding about what the amendment says. Therefore, it is worth while, I believe, to put into the RECORD some of the history, the long history, which I shall try to make brief and graphic, that throws light upon what this amendment says. We let the courts determine the meaning of an act passed by a State or a subdivision of a State whenever an attempt is made to challenge it. In the discussion of the question so far there has been clearly a misapprehension about what the amendment says. I think what I shall now present may bring out what it says. The form and substance of the amendment, known as the Lucretia Mott amendment, in the most recent form I have it in my papers here today, is Senate Joint Resolution 8, bearing the date of January 6, 1941, and note that the amendment provides:

Men and women shall have equal rights throughout the United States and every place subject to its jurisdiction

I shall not read the whole amendment. I read only this part in order to bring out the confusion there seems to be over what the amendment now says. A great many of the interrogatories have been founded upon the theory that the amendment proposed here says exactly that which I have read: "Men and women shall have equal rights throughout the United States and every place subject to its jurisdiction." But the proposal here does not say that. What I have read relates to men and women. It is like certain parts of our Constitution which deal with men and women. Whereas the amendment which is before us does not deal with men and women, but deals with States, just as certain other parts of our existing Constitution deal with States. Listen to what the amendment says:

Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

It is a prohibition. It is not a grant. It deals with government. It says to government, "You shall not do something." And it limits it very severely, because it is tied down to one thing, and that is sex; not to marriage; not to some other difference between men and women which constitutes a rational ground for classification. It is tied down solely to sex. What an apparent mystery there is over the subject of rights. The amendment does not deal with rights in the abstract. The amendment deals with certain rights, namely, rights under the law. It is only rights under the law to which it refers and says that no State shall deny equality of those rights under the law, on the sole ground of sex.

The process of evolution throws light upon this matter. There were long negotiations in subcommittees which are reflected by certain steps. I shall not put all of them into the RECORD, but only sufficient to indicate the evolution of this phrase and of the whole proposal.

Following the first proposal, from which I have read, and from which the committee struck the words "men and women shall have equal rights throughout the United States in every place subject to its jurisdiction," eliminating its personal character, this was inserted in lieu thereof:

No State shall make or enforce any law which shall discriminate between the rights of men and women, and no law making such discrimination shall be enacted by the Congress.

That was the only amendment in that proposal. The remainder of the proposal read:

Congress shall have power to enforce this article by appropriate legislation.

I suggested the following draft of the same amendment for consideration by the subcommittee:

Men and women shall have equal rights under the law within the United States and within each State, Territory, and possession of the United States, and within the District of Columbia

Senators can see what I was driving at. I was trying to avoid the national doctrine, for which I have heard claims made in the interrogatories, and to classify the subject into States, Territories, possessions, and the District of Columbia, so that we would not have to contemplate uniformity of laws among all the States and all the possessions, and so that each of these divisions of our Federal Union could control its own public policy and say what its laws would be in the future.

I continue to read:

This amendment shall not require uniformity of legislation among the several States, the District of Columbia, the Territories, and the possessions of the United States. Except as herein provided, no law of the United States or of any State, Territory, or possession thereof, or of the District of Columbia, shall have validity if it denies such equality of rights under the law on account of sex. Any such law in force on the date of the ratification of this article shall have validity during the time following such ratification and until legislation to enforce this article has been enacted by the Congress or by the appropriate legislature, but in no case shall such validity extend beyond 1 year following the next regular session of the Con-

gress or the appropriate legislature which commences after the date of the ratification of this act.

There were illustrations of what could happen if we did not preserve the operation of existing laws during the period necessary for adaptation to the policy which the State was about to adopt in order to conform.

The last phrase is:

Provided, That the Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

There were several objections to that. They are brought out in the minority views which I filed as a member of the subcommittee. The subcommittee consisted of the Senator from West Virginia [Mr. KILGORE], the Senator from Arizona [Mr. MCFARLAND], and myself. I read this report, because I think it is an important part of the history.

Mr. SMITH. Mr. President, will the Senator yield for a suggestion? May we have in the RECORD the date of that report, and the measure to which it refers? Was it the first measure which the Senator read?

Mr. AUSTIN. No. Much progress had been made. This report was dated in March 1943 and was a report to accompany Senate Joint Resolution 25. That was in the Seventy-eighth Congress, first session:

Hon FREDERICK VAN NUYS,
Chairman, Senate Judiciary Committee, Washington, D. C.

MY DEAR MR. CHAIRMAN: As chairman of the subcommittee appointed to consider Senate Joint Resolution 25 proposing an amendment to the Constitution of the United States granting equal rights to men and women, I respectfully report that by a vote of 2 to 1 it has been agreed to report this measure favorably to the full committee and to recommend that it be passed.

Sincerely yours,

H. M KILGORE.

Mr AUSTIN, from the same subcommittee, submitted the following adverse report:

Hon FREDERICK VAN NUYS,
Chairman, Senate Judiciary Committee, Washington, D. C.

DEAR MR. CHAIRMAN: The subcommittee to consider Senate Joint Resolution 25, after consideration, disagree. As the minority of the committee, I report for consideration by the standing committee the following amendments to be offered to the substitute:

"Men and women shall have equal rights under the law within each State, Territory, and possession of the United States, and within the District of Columbia."

This proposal, if ratified by the several States, would correspond to amendments which are contained in what is called the Bill of Rights. This proposal if ratified would not confer upon women any rights which they have not under the law or take away from them any rights which they now have under the law. To give it vitality State laws existing and to be enacted must not deny or abridge on account of sex the rights above declared. Moreover, Federal laws relating to rights of men and women should be limited by the same principle. Therefore I propose a second section to read as follows:

"No law of the United States or of any State, Territory, or possession thereof, or of the District of Columbia, shall have validity if it denies equality of rights under the law on account of sex."

I conceive that the rights of the several States in our Federal system are sufficiently important as guarantees of free government to avoid granting away any of the sovereignty of the States to the Federal Government in this connection. I would hold firmly the control that the States have severally over their internal police powers, over the holding and devolution of property, over domestic relations, and over all other essentially intrastate life. Therefore, I propose for a third section:

"The legislatures of the several States shall have the duty and the power within their respective States, and the Congress shall have the duty and the power within and for the District of Columbia and the Territories and possessions of the United States, to enforce this article by appropriate legislation."

Respectfully submitted

WARREN R. AUSTIN.

Mr. SMITH Mr. President, will the Senator yield for a question?

Mr. AUSTIN. I yield.

Mr. SMITH. Does the Senator feel, from the language of the amendment which is now being considered, in view of the expression "equality of rights under the law," that that includes the implication of equality of responsibility? Or am I correct in my interpretation that it does not, and that therefore a State could enact a law placing certain responsibilities on the husband with respect to care of children, and so forth, without violating this amendment?

Mr. AUSTIN. I think the distinguished Senator is correct, and that it does not represent liability at all. It represents just what it says—rights under the law, and particularly equality of rights under the law. That does not mean identical things. There is something more than a technical difference between a man and a woman, and no legislature is foolish enough to try to legislate in the face of that fact. We are dealing with equality of rights under the law, and not with the picayunish questions which I have heard discussed on the floor of the Senate as though they applied to this proposal.

In the first place, it is not necessary to have uniformity. We have had decisions of the Supreme Court which sustain that proposition. I quote from *Missouri* v. *Lewis* (101 U. S. 22). The decision reads in part as follows——

Mr. FERGUSON. Mr. President, will the Senator yield before he reads from the decision?

Mr. AUSTIN. I yield.

Mr. FERGUSON. As I understand, the Senator from Vermont distinguishes between liabilities and rights.

Mr. AUSTIN. Oh, yes.

Mr. FERGUSON. A statute might create a liability and place a liability or responsibility upon one person, even after the adoption of this amendment.

Mr. AUSTIN. Certainly.

Mr. FERGUSON. That person might be a male or a female.

Mr. AUSTIN. Quite true.

Mr. FERGUSON. But no State can deny a right under the law because of sex.

Mr. AUSTIN. On account of sex. Remember the language—"on account of sex." Apply that to the question, and it becomes perfectly clear. Certainly there is nothing about the constitutional prohibition which prohibits a State from fixing responsibility upon the husband for the care of his wife and his family—or even remote relatives, if the State wishes to enact such a law. The only thing that is prohibited is placing a responsibility or duty upon him on account of sex. The thing can be turned around, and the responsibility placed upon the wife if that is the public policy of the State. But notice that no national policy is being declared. The individual State has the right to determine what its policy shall be in that respect; and if it wishes to treat women disrespectfully, it might do so, even under this constitutional amendment, provided it is not done "on account of sex."

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. FERGUSON. I propose a hypothetical case of a State statute providing that women shall not be hired to work for more than a certain number of hours a week. After this amendment became part of the Constitution, would it be possible for the State of Vermont, for instance, to pass a law providing that employers shall not hire women to work for more than blank hours a week, or would that be a violation of this amendment? Nothing would be said in the law about men, but the provision merely would be that no one should hire a female to work for more than blank hours a week.

Mr. AUSTIN. I should say that if I were a judge trying to pass upon that question, I should have to be satisfied that an equality of rights under the law was being denied someone. That is the test. Of course, I cannot determine that without having more facts than the Senator from Michigan has provided in stating his assumption, because the classification could be grounded upon something else besides sex. It could be grounded upon the well-known difference in other physical conditions than sex.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. FERGUSON. Let us consider a State which, after the adoption of this amendment, provides that female employees shall be provided with seats at their work, as in the case of stores or in the case of elevators. Could it be required that in connection with the work of female employees, the employers must provide seats? Would that be a denial of an equal right?

Mr. AUSTIN. I do not undertake to pass upon individual cases. It will be up to the State of Michigan, if such a case arises in the Senator's State, to determine what the policy shall be, and whether it is based upon sex alone.

I would not undertake to answer the questions which have been directed at my colleague, the Senator from Florida [Mr. PEPPER]. It seems to me perfectly absurd to undertake to test the amendment by such hypothetical instances.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. OVERTON. If the law grants that privilege to women and denies it to men, obviously the distinction is made merely on account of sex.

Mr. AUSTIN. It is a question of fact. If it is granted solely to women and is denied to men, that would be a violation of that provision of the Constitution.

Mr. OVERTON. But if the privilege is given to all women and is denied to all men, the conclusion that the privilege is denied on account of sex is inescapable.

Mr. AUSTIN. The question is whether it is denied to men. Everyone of the cases must be determined on the basis of the facts. It is not for us to determine how these little, incidental examples should be decided by a court. It is not for us to pass upon the question of what should be the policy in one State as against the policy in another State.

It is for us to envisage this proposition in its broad view, with the hope that the States, no matter what their individual policies may be, will so conduct their legal business and so conduct their government that they will not discriminate on account of sex alone. A discrimination on account of sex, alone, is perfectly absurd. Such a discrimination is not civilized in these days.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MORSE. I wish to say that I have been trying to follow the Senator very closely, because of my high regard for his judgment I happen to be one in the Senate who finds himself very much in doubt as to whether to support or not to support this amendment.

So far as my thinking is concerned, my decision will have to be determined upon the basis of the effects of the amendment in relation to the rights to which I understand the Senator from Vermont has been alluding. Of course, a legal right in abstraction is no right at all. Legal rights are of significance only in relation to operative facts.

The Senator's reply to the question of the Senator from Michigan leaves me with some concern. I do not wish to dwell upon that, for I appreciate the Senator's attitude toward it. But the fact still remains that when there is a specific minimum-hour law for women, such as the Senator from Michigan referred to in his hypothetical question to the Senator from Vermont, there is raised the question of the effect of such an amendment upon that type of legislation, especially when we find, as I am sure some Senators have, that certain proponents of the equal-rights amendment, certain representatives of women's organizations, tell us that they think there should be equality of hours of work as between men and women, that the statutes which call for lesser hours of work for women should be repealed, and that the amendment will have that effect upon such legislation. In reply I have said to them, "If that is the effect of the amendment it will cause me to lean heavily against it."

Did I correctly understand the Senator from Vermont to say in answer to the Senator from Michigan that he does not know what the effect of this amendment would be in the case of the hypothetical question which the Senator from Michigan has put to him, because the hypothetical question does not give him all the facts he would need to have in order to determine whether this proposed equal-rights amendment would deny to women such protection?

Mr. AUSTIN. Of course, I do not know, and I regard it as intemperate for me to try to decide such a case here upon such an imperfect statement of the case. On the basis of the statement of the case which has been made to us there is not enough to enable us to know whether the case turns upon the vital prohibition.

Mr. MORSE. Then, is not the Senator taking the position that he does not know what effect the equal-rights amendment would have upon a multitude of statutes now on the statute books?

Mr. AUSTIN. Of course, I do not know. Those statutes are not before me, and therefore I cannot possibly pass upon them here. I would not try to do so. I do not think that is a fair way to handle this question.

At what the proposed amendment aims I have no doubt at all, namely, that equality of rights under the law shall not be denied on account of sex.

Mr. MORSE. But that depends upon what the Senator's definition of "equality of rights" is. If the Senator says he does not know what effect the amendment would have upon existing specific pieces of legislation, but insists that there shall be no inequality because of sex, I could agree with him in the abstract. But the test of that pudding is in the eating thereof in relation to its application to specific statutes.

Mr. AUSTIN. Mr. President, the Senator will have to make his own decision. He should not make it on the basis of any attempt by me to persuade him, because I would not attempt to persuade him one way or the other by undertaking upon the floor of the Senate to pass upon decisions in regard to specific cases. Much would depend upon the statute and upon the surroundings. There are many factors which I cannot assume, and which are not assumed or stated in many of the questions which have been put.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. WHITE. As I understood the Senator, he did not answer the questions asked by the junior Senator from Michigan [Mr. FERGUSON] because he said he was not in possession of sufficient facts to justify the reaching of such a conclusion by him. Yet, as a practical matter, is not that the position into which all Senators are forced in attempting to reach a conclusion in regard to how to vote on this particular amendment?

Mr. MORSE. That is exactly the point I raised.

Mr. AUSTIN. Of course, any Senator who questions the ability of the various courts of the land to pass upon the statutes of the several States would deny or challenge the declaration of policy which is contained in the proposed amendment. I would not try to change such a Senator's position at all. It is up to him.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. CORDON. Forgetting or laying aside any question as to a specific statute and all the information which it would be necessary to have in order to permit a court to interpret it, and coming to the matter of principles only, is it the Senator's view that a legislative body would be justified, on the basis of making a reasonable classification in legislating privileges to women, based upon their physiological differences from men, in granting to women by legislative enactment privileges which it denied to men or, to put it in the affirmative, basing the distinction upon physiological factors, and that such legislation would not be violative of the proposed amendment?

Mr. AUSTIN. I do not know. I cannot answer the question. I comprehend physiological differences such as sex. If the Senator will exclude sex from his question, I can answer promptly that that would be a reasonable classification, and not prohibited by the proposed constitutional amendment.

Mr. CORDON. I should like to exclude sex in order to clarify the question, but the Lord did not do so and neither do I.

Mr. AUSTIN. And neither do I, and that is why I answered the question in the way I did.

Mr. President, for a further history of the development of the language of the amendment now before the Senate, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks Report No. 267, dated May 28, 1943, on the equal-rights amendment which was then reported as Senate Joint Resolution 25.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary to whom was referred the resolution (S. J. Res. 25), having duly considered the same, now report the resolution favorably to the Senate, with amendments, and recommend that, as amended, the resolution do pass.

AMENDMENTS

(1) Page 1, line 6, strike "when" and insert in lieu thereof "if."

(2) Page 1, line 7, strike the colon at the end of the line and insert "within 9 years:".

(3) Page 1, lines 9, 10, 11, and 12: Strike out all of lines 9, 10, 11, and 12, and insert in lieu thereof:

"Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

"This amendment shall take effect 5 years after the date of ratification."

Senate Joint Resolution 25 was offered January 21, 1943, by Mr. Gillette (for himself, Mr. Barbour, Mr. Capper, Mrs. Caraway, Mr. Chavez, Mr. Clark of Missouri, Mr. Guffey, Mr. Hawkes, Mr. Holman, Mr. Kilgore, Mr. Lucas, Mr. McKellar, Mr. Nye, Mr. O'Mahoney, Mr. Pepper, Mr. Radcliffe, Mr. Reynolds, Mr. Robertson, Mr. Stewart, Mr. Thomas of Oklahoma, Mr. Thomas of Idaho, Mr. Tunnell, Mr. Tydings, and Mr. Wheeler).

It was referred to the Committee on the Judiciary, and was, by that committee, referred to a subcommittee consisting of Mr. KILGORE, Mr. MCFARLAND, and Mr. AUSTIN.

This amendment has been popularly known as the Lucretia Mott amendment, which proposed that—

"Men and women shall have equal rights throughout the United States and every place subject to its jurisdiction.

"Congress shall have power to enforce this article by appropriate legislation."

The subcommittee considered testimony contained in printed hearings of former sessions of Congress, held in 1924, 1925, 1929, 1931, 1932, 1933, and 1938.

In 1938 Mr. Burke, from the Committee on the Judiciary, submitted a report showing that the resolution had been acted upon in the following manner.

"Thereafter the matter came on for a vote in the committee, and the 16 members present divided, 8 for the adoption of the resolution, and 8 opposed thereto. On a subsequent date, with all members in attendance, the matter came on again for a vote, and the committee divided on the question, 9 members voting in favor of the resolution, and 9 in opposition to it. The subcommittee was therefore directed to report the matter to the Senate, with a statement of facts as to the action of the committee, and without recommendation."

On August 15, 1941, a Senate committee print was made of "A memorandum prepared by Stephen E Rice, assistant legislative counsel of the United States Senate, and an answer memorandum written by George Gordon Battle, attorney at law, New York City, on behalf of the National Woman's Party, concerning Senate Joint Resolution 8, the proposed equal-rights amendment to the Constitution," in which will be found, also, discussion of Senate Joint Resolution No. 7 of the Seventy-sixth Congress

Other bibliography considered by the subcommittee included a publication by the social-action department, National Catholic Welfare Conference, entitled "The Equal Rights Amendment in Relation to Protective Legislation for Women," by Rev. John A. Ryan, D D., numerous addresses by leaders of thought, both men and women, a Senate Document No. 270, Seventy-fourth Congress, second session (1936), entitled "A comparison of the political and civil rights of men and women in the United States—statement interpreting the laws of the United States with respect to the political and civil rights of women compared to the political and civil rights of men, compiled by the Inter-American Commission of women and presented for action by the Seventh International Conference of American States."

The proposed text of the Lucretia Mott amendment, as set forth above, was adhered to throughout these many years. It met resistance principally on the claims that—

(1) It envisioned geographic uniformity throughout the United States.

(2) It tended to impair the right of each of the several States to determine for itself its public policy.

(3) It surrendered to the Federal Government the power to enforce the article within the several States by appropriate legislation notwithstanding its effect upon such local statutes as those governing—

(a) The title transfer, and descent, of real estate; (b) community property; (c) domicile; (d) public morals, health, and welfare; (e) domestic relations; and (f) police power.

The subcommittee disagreed, making the following report to the standing committee:

HON. FREDERICK VAN NUYS,
Chairman, Senate Committee on the Judiciary, Washington, D. C.

MY DEAR MR. CHAIRMAN: As chairman of the subcommittee appointed to consider Senate Joint Resolution 28, proposing an amendment to the Constitution of the United States granting equal rights to men and women, I respectfully report that by a vote of 2 to 1 it has been agreed to report this measure favorably to the full committee and to recommend that it be passed.

Most sincerely yours,

H. M. KILGORE.

MR AUSTIN, from the same subcommittee, submitted the following adverse report:

HON. FREDERICK VAN NUYS,
Chairman, Committee on the Judiciary, United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: The subcommittee to consider Senate Joint Resolution 25, after consideration, disagreed.

As the minority of the committee, I report for consideration by the standing committee, the following amendment, to be offered as a substitute:

"Men and women shall have equal rights under the law within each State, Territory, and possession of the United States, and within the District of Columbia."

This proposal, if ratified by the several States, would correspond to amendments which are contained in what is called a bill of rights.

This proposal, if ratified, would not confer upon women any rights which they have not under the law or take away from men any rights which they now have under the law.

To give it vitality, State laws existing and to be enacted must not deny or abridge, on account of sex, the rights above declared.

Moreover, Federal laws relating to rights of men and women should be limited by the same principle

Therefore, I propose a second section, to read as follows:

"No law of the United States, or of any State, Territory, or possession thereof, or of the District of Columbia, shall have validity if it denies equality of rights under the law on account of sex."

I conceive that the rights of the several States in our Federal system are sufficiently important as guaranties of free government to avoid granting away any of the sovereignty of the States to the Federal Government in this connection.

I would hold firmly the control that the States have, severally, over their internal police powers, over the holding and devolution of property over domestic relations, and over all other essentially intrastate life.

Therefore, I propose for a third section:

"The legislatures of the several States shall have the duty and the power, within their respective States, and the Congress shall have the duty and the power within and for the District of Columbia, and the Territories and possessions of the United States, to enforce this article by appropriate legislation."

Respectfully submitted.

WARREN R. AUSTIN.

Subsequently, Mr. KILGORE, for a majority of the subcommittee, made a supplemental report proposing the following amendment:

"Page 1, between lines 10 and 11, insert the following:

"'This amendment shall not require uniformity of legislation among the several States, the District of Columbia, the Territories and possessions of the United States.'"

Thereupon, Senator AUSTIN, of the subcommittee, made a supplemental report of minority views, proposing an amendment in the nature of a substitute, as follows:

"Men and women shall have equal rights under the law within the United States and within each State, Territory, and possession of the United States, and within the District of Columbia.

"This amendment shall not require uniformity of legislation among the several States, the District of Columbia, the Territories and the possessions of the United States.

"Except as herein provided, no law of the United States, or of any State, Territory, or possession thereof, or of the District of Columbia, shall have validity if it denies such equality of rights under the law on account of sex.

"Any such law in force on the date of the ratification of this article shall have validity during the time following such ratification and until legislation to enforce this article has been enacted by the Congress or by the appropriate legislature, but in no case shall such validity extend beyond 1 year following the next regular session of the Congress or of the appropriate legislature which commences after the date of the ratification of this act

"The Congress and the several States shall have concurrent power within their respective jurisdictions to enforce this article by appropriate legislation."

The ultimate text of the resolution reported by the standing committee meets the objections to the proposed text of the Lucretia Mott amendment. It does not require uniformity among the several States; it does not deprive any State of its exclusive dominion over local public policy; it does not vest in Congress the power to enforce the rights therein declared through legislation which is intrastate, as distinguished from interstate and Federal in scope.

Upon consideration of the reports of the subcommittee, there was moved by Senator O'MAHONEY as a substitute for the subcommittee's recommendation, the following:

"No State shall make or enforce any law which shall discriminate between the rights of men and women, and no law making such discrimination shall be enacted by the Congress.

"Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

"This amendment shall take effect 5 years after the date of ratification."

After thorough consideration and discussion, the standing committee on April 12, 1943, voted to report to the Senate the O'Mahoney text, with an amendment suggested by Senator Danaher, that the first paragraph in the proposal be limited in duration to 9 years, by making that paragraph read as follows:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within 9 years."

Thereafter, the committee was petitioned to reconsider the vote by which the O'Mahoney substitute was agreed to.

At several regular meetings of the Judiciary Committee, held between April 12 and May 24, 1943, a substitute submitted by Mr. AUSTIN was discussed.

On May 24, the committee voted to reconsider the vote by which it had assented to the O'Mahoney amendment, Mr. O'MAHONEY concurring in that action.

Thereupon the substitute proposed by Mr. AUSTIN was agreed to in the language set forth (supra), page 1.

The committee voted to report the resolution as so amended to the Senate with a recommendation that, as amended, the resolution do pass.

Mr. AUSTIN. Mr. President, I invite attention to the following language in the report:

Thereupon, Senator AUSTIN, of the subcommittee, made a supplemental report of minority views, proposing an amendment in the nature of a substitute, as follows:

"Men and women shall have equal rights under the law within the United States and within each State, Territory, and possession of the United States, and within the District of Columbia.

"This amendment shall not require uniformity of legislation among the several States, the District of Columbia, the Territories, and the possessions of the United States.

"Except as herein provided, no law of the United States, or of any State, Territory, or

possession thereof, or of the District of Columbia, shall have validity if it denies such equality of rights under the law on account of sex.

"And such law in force on the date of the ratification of this article shall have validity during the time following such ratification and until legislation to enforce this article has been enacted by the Congress or by the appropriate legislature, but in no case shall such validity extend beyond 1 year following the next regular session of the Congress or of the appropriate legislature which commences after the date of the ratification of this act

"The Congress and the several States shall have concurrent power within their respective jurisdictions to enforce this article by appropriate legislation."

That, of course, was later changed.

The ultimate text of the resolution reported by the standing committee meets the objections to the proposed text of the Lucretia Mott amendment. It does not require uniformity among the several States, it does not deprive any State of its exclusive domain over local public policy, it does not vest in Congress the power to enforce the rights therein declared through legislation which is intrastate, as distinguished from interstate and federal in scope.

Upon consideration of the reports of the subcommittee, there was moved by Senator O'MAHONEY as a substitute for the subcommittee's recommendation, the following:

"No State shall make or enforce any law which shall discriminate between the rights of men and women, and no law making such discrimination shall be enacted by the Congress

"Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

I ask Senators to note the words "within their respective jurisdictions."

"This amendment shall take effect 5 years after the date of ratification."

The reason for 5 years was that, at that time, the sessions of the General Assembly of the State of Alabama were held only once in 4 years. Since then they are held biennially.

I continue reading from the report.

After thorough consideration and discussion, the standing committee on April 12, 1943, voted to report to the Senate the O'Mahoney text, with an amendment suggested by Senator Danaher, that the first paragraph in the proposal be limited in duration to 9 years, by making that paragraph read as follows:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within 9 years."

Thereafter the committee was petitioned to reconsider the vote by which the O'Mahoney substitute was agreed to.

At several regular meetings of the Judiciary Committee, held between April 12 and May 24, 1943, a substitute submitted by Mr. AUSTIN was discussed.

On May 24, the committee voted to reconsider the vote by which it had assented to the O'Mahoney amendment, Mr. O'MAHONEY concurring in that action. Thereupon the substitute proposed by Mr. AUSTIN was agreed to in the language set forth (supra) page 1.

The committee voted to report the resolution as so amended to the Senate with a recommendation that, as amended, the resolution do pass.

Mr. President, what I have read states practically the language of the proposal which is now before the Senate.

In conclusion, let us not become confused about what the proposed constitutional amendment provides. Let us not undertake to argue that it changes any law. It does not strike down any existing law, either Federal or State. It declares a policy. It can be called a principle when it appears in the Constitution of the United States. The principle is, equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex. That is all the amendment provides.

Every State in the Union and every subdivision of each State may have a different policy. But that policy takes a chance when it runs counter to this prohibition.

For the sake of the RECORD, I wish to invite attention to the case of Missouri against Lewis, found in 101 United States Reports, at page 22. The decision reads in part:

There is nothing in the Constitution to prevent any State from adopting any system of laws or adjudicature it sees fit for all or any part of its territory If the State of New York, for example, should see fit to adopt the civil law and its method of procedure for New York City and the surrounding counties, and the common law and its method of procedure for the rest of th State, there is nothing in the Constitution of the United States to prevent its doing so. This would not, of itself, within the meaning of the fourteenth amendment, be a denial to any person of the equal protection of the laws. If every person residing or being in either portion of the State should be accorded the equal protection of the laws prevailing there, he could not justly complain of a violation of the clause referred to. For as before said it has respect to persons and classes of persons. It means that no person or class of persons shall be denied the same protection of the laws which is enjoyed by other persons or classes of persons in the same place and in like circumstances.

The fourteenth amendment does not profess to secure to all persons in the United States the benefits of the same laws and the same remedies. Great diversities in these respects may exist in two States separated by an imaginary line. * * * Diversities which are allowable in different States are allowable in different parts of the same State. * * * It would be an unfortunate restriction upon the powers of the State government if it could not, in its discretion, provide for these various exigencies.

In the case of *Colgate* v. *Harvey, State Tax Commissioner*, a Vermont case (cited in 296 U. S. 404, at p. 429), it is said:

The Government of the United States and of each of the said States are distinct from one another. The rights of a citizen under one may be quite different from those which he has under the other. He owes an allegiance; and in turn he is entitled to the protection of each in respect of such rights as fall within its jurisdiction.

That decision cites *United States* v. *Cruikshank* (92 U. S. 542, at p. 549).

Mr. President, the object of the proposed amendment is to provide that no law shall be passed prohibiting the principle of equal rights to a man and a woman. The amendment is not self-executing. It does not strike down anything. It does not lift up anything. It does not operate itself. In order to be operative, it requires such action within the State of Vermont, for example, as its legislature may see fit to take, and within the District of Columbia such action as the Congress may take. In each instance the facts will have to be scrutinized with reference to whether the action to be taken will deny equal rights to any person on account of sex. We assert that, as a matter of principle, as a matter of sound ethics, no State should deny any person equal rights solely because of sex.

Mr. CAPPER. Mr. President, I desire to express myself very briefly in support of the proposed equal-rights amendment to the Constitution of the United States. I supported this amendment when it first was introduced by my late colleague from Kansas, the Honorable Charles Curtis. When he became Vice President of the United States, I introduced the resolution myself at succeeding sessions of the Congress. I either have introduced, or joined in sponsoring this amendment, ever since.

The proposed amendment is very brief. For the record, I will read it again at this time:

Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation

This amendment shall take effect 3 years after the date of ratification.

This proposal, Mr. President, has the unqualified endorsements of both major political parties in this country. Its essential justice, as I see it, cannot be denied by anyone. There is no more reason for denying women equality with regard to property and other rights than there was for denying them suffrage. The Charter of the United Nations calls upon all member nations to recognize the equality of the sexes before the law.

I wish to give testimony that during a longer life-span than almost any other Member of the Senate I have learned that women are just as intelligent, just as honest, just as able, just as courageous, and just as well qualified to exercise independent judgment, as are men.

I worked for equal suffrage in my younger days. I might even comment, relative to the exercise of good judgment, that the first year the intelligent and patriotic and wise women of Kansas exercised the right to vote, they helped elect me Governor of Kansas—which I thought at the time, and still think, was evidence of their good sense and discriminating judgment.

I have never been able to get the viewpoint which would relegate women to a lower place in the scheme of things than men have taken for themselves. To me, this amendment is such a simple act of justice that it hardly seems necessary to argue the point. The women of this country are entitled to equality before the law, just as they are entitled to help make the law. I do not see why long debate is necessary, especially in view of the many important pieces of legislation

now before the Congress. I am ready to vote, and express the hope that the vote will be taken, and that the resolution will be approved. It should be approved unanimously, as I hope that it will be.

Mr. ANDREWS. Mr. President, our fundamental law provides that the Constitution and all laws passed in accordance therewith shall be the supreme law of the land. That statement has never been successfully denied, and if the proposed amendment is made a part of the Constitution of the United States, then the States may be robbed of all the power they have at present and have exercised for 150 years over rights as between men and women. There is not a single authority which we would confer on the General Government by this proposed constitutional amendment that the States do not have the right to exercise at this hour, and why in the name of heaven should we surrender another most sacred right to the Federal Government. We elect our State legislatures every year or two years. We know the men and women who constitute them, and if we want changes in our law with regard to the relations of men and women, we can get them right at home and do not have to come to Washington for relief.

Mr. MURDOCK. Mr President——

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Florida yield to the Senator from Utah?

Mr. ANDREWS. I yield.

Mr. MURDOCK. The junior Senator from Florida [Mr. PEPPER] and the Senator from Vermont [Mr. AUSTIN] seemed to tell us this afternoon that the amendment means nothing in regard to what the respective States have done by way of legislating protection, and in my State, I say, privileges, for women. But we find in the very proposal itself a provision, with which the Senator is very cognizant, to this effect, "This amendment shall take effect 3 years after the date of ratification."

The Senator knows, as I know, why that was inserted. It was inserted because every member of the Senate Judiciary Committee knew that it would take at least 3 years for each one of the States to conform its laws to the proposed constitutional amendment.

I commend the Senator from Florida for the statement he is making and the position he takes. If he will indulge me for another moment, let me point out this significant statement which the junior Senator from Florida [Mr. PEPPER] made during his debate, which, in my opinion, is very significant. He said:

> But in my opinion the State has made a reasonable classification out of experience.

Mr. President, that is the very reason why this amendment should be rejected. The several States, out of their experience, due to the inequality, ordained by nature, between the male and the female, have made certain reasonable classifications to protect women, to extend privileges to them which they must have. But the proponents of the amendment want to strike down what our States have done in that line, and, instead, to impose such an obligation upon the States by a constitutional amendment that, in the opinion of the Committee on the Judiciary, it will require 3 years to conform State laws to the proposed constitutional amendment.

I thank the Senator for his indulgence.

Mr. ANDREWS. Mr. President, in the constitution of my State one entire article is devoted to the marital relations of men and women. Among other things, it provides that all the property which a wife has at the time of her marriage, and all she acquires by gift, devise, or otherwise, shall remain her separate, independent property. When a man goes to the altar he takes a vow, "With all my goods I thee endow." The result is that he cannot sell even a simple piece of real estate without his wife joining in the sale. Our State constitution further provides that the husband cannot will the homestead. Such a will is not worth the paper it is written on. I am glad that is provided.

We hear talk about equal rights. The amendment would tear the whole system to pieces. There are more than a thousand statutes I have found which the amendment would destroy. It would obliterate whole articles in the constitutions of 32 other States. Litigation would continue indefinitely. It is the most dangerous piece of legislation which has ever come before the Senate.

Mr. President, I have had to prepare myself on this proposal, because it happened that a very fine lady of my State was the chairman of the woman's organization which first presented it. She remained here 4 or 5 years, and tried to convert me to her thoughts on the subject. She was succeeded by another.

Mr. President, I have labored for 2 years in my endeavor to ascertain how far a constitutional amendment of this kind could tear into and obliterate the domestic laws of the States. I say "domestic," because it affects all laws relating to relations between father and mother, sister and brother. I have condensed by argument and ask the indulgence of the Senate while I present what I conceive to be reasons why the Senate should not vote to submit the amendment to the States.

Senate Joint Resolution 61, the so-called equal rights amendment, has been reintroduced in the Seventy-ninth Congress and again is before us for action. It reads as follows:

> Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.
>
> Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

Under this amendment, if it should ever be submitted by Congress and ratified by the States, Congress could ultimately take over all the powers heretofore resting in the States to regulate the innumerable domestic or family rights arising as between husband and wife, mother and son, brother and sister, including those rights existing between men and women of every kind, creed, and race. Congress could also ultimately usurp and take over all the present adequately established local powers now in the States to legislate for the safety and health of women in the industries.

The many State legislatures are infinitely closer than Members of Congress to the domestic and personal rights of all citizens of both sexes, and particularly the family relations which have long been accorded an almost sacred status in our American State system of local self-government.

Should such broad authority now be relinquished to the Federal Government, it would be impossible to determine in advance how many provisions of the 48 State constitutions and State statutes would be either superseded, annulled, or thrown into hopeless confusion, thereby resulting in endless and needless litigation. It would be just another step toward regimentation, which is fraught with dangerous consequences to any democracy.

A distinguished jurist, testifying before the Senate Judiciary Committee on this proposed amendment, said:

> Nature made men and women different. The law must accommodate itself to the immutable differences of nature * * * and the law must treat them as men and women and therefore subject them to different and not the same rules of legal conduct.

The irrefutable laws of nature cannot be changed by Congress. Our State laws recognize that fact and have properly given women hundreds of protective rights not accorded to men. The proposed amendment states a new and untried rule in such broad terms that it would apply in nearly all fields of law. All laws are instituted to secure or regulate the property rights and demeanor of citizens composed of both sexes as related to each other. Thus the amendment could mean the ultimate repeal of all such laws.

The first paragraph of the amendment gives Congress supervisory powers over all rights as between men and women now exercised under State constitutions and State laws without regard to State lines, origin, race, religion, traditions, or customs.

Every proposed Federal constitutional amendment implies that the States, through Congress, are undertaking to surrender to the Federal Government another important right heretofore exercised by the States. It in substance and effect implies that the States are incapable of administering such domestic laws.

Much local colonial legislation governing personal rights as between the sexes preceded our Federal Constitution by over a century. Those laws were founded upon the accumulated experience of centuries, and nearly all of them have evidently been satisfactory to the people, otherwise they would have been changed by State laws.

There are also in the 48 States many thousands of State laws which protect and safeguard women in the industries by providing for them more reasonable hours of labor, a minimum wage, greater

safety against accidents and illness, and other safeguards and working conveniences that do not apply to or seem necessary for men.

ENFORCEMENT IMPRACTICABLE

The second paragraph of the amendment provides:

Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

A similar enforcement clause was attached to the prohibition—eighteenth—amendment, which read as follows:

SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

These enforcement clauses are expressed differently but may be interpreted to mean practically the same. Following the traditional course of all laws to be enforced by divided authority this amendment, like the eighteenth amendment, would ultimately become hopelessly confused. The eighteenth amendment has the distinction of being the only one repealed. In fact, the persistent confusion between Federal and State authority in trying to enforce it under concurrent power was definitely responsible for its failure and repeal; while the real objective sought, namely, prohibition, was never really given a chance to succeed. Moral standards of both sexes have greatly suffered.

The States now have absolute power over the whole subject matter of the proposed amendment. Why should we call in the Federal power unless it be for the purpose of dominating or annulling the authority of the States? If the power be granted both Congress and the States to enforce the amendment, confusion and litigation will necessarily follow as surely as the night follows the day.

If ratified this amendment would sooner or later cause the establishing in Washington of another Federal enforcement bureau, with regional offices in the various States employing numerous inspectors, with authority to pry into the domestic affairs and business affairs and local public affairs of men and women, never exercised before by Federal authority.

Under the proposed amendment the Congress would also have authority to annul any State constitution or statute on that subject, in that under our Federal Constitution any State statute in conflict with any Federal statute or Federal Supreme Court decision would become null and void.

This proposed amendment to our Constitution unfortunately is being pushed while millions of our citizens are away in the service in foreign lands, as was the case in submitting the eighteenth amendment during World War I. Profiting by our experience with the eighteenth amendment, we should not, in this distressing time, in the absence of millions of our citizens, undertake to make such a revolutionary change in our fundamental law.

There would be in nearly every controversy arising from such change in law a choice of standards and rules to be adopted, and the amendment gives no indication whether women should have the equal status of men, or the men the equal status of women. The proposed amendment would not only authorize, but perhaps would become a temptation to Congress to enact statutes over a wide field of vital domestic legislation heretofore wholly and properly reserved to the States. It would be just another excuse to centralize more power in Washington and another long step toward bureaucracy.

One of the obvious reasons why the States should retain the power to enact all laws regulating domestice relations and industrial working conditions is that our various State legislatures are composed of many members elected from each county, and thus the members of State legislatures are more intimately advised of any desired changes in laws affecting all rights as between men and women than Representatives and Senators in Washington, who are constantly besieged by minority groups seeking special favors.

To argue that this amendment is necessary and should be adopted is equivalent to saying that members of our State legislatures, who are now clothed with all powers necessary to correct any evil conditions as between the sexes, discriminate against their mothers, their wives, their daughters, or sisters in favor of their fathers, sons, and brothers. Every legislator has a mother, living or dead, and nearly every legislator has either a sister or a daughter or a wife. State legislators will continue, as in the past, to enact State laws which discriminate in favor of and not against their mothers, wives, and sisters.

Under nearly all State laws the husband may fix the domicile of the family. The wife is the queen and keeper of the American home. For convenience and protection there must be a head of the family to safeguard its own legal, social, and economic interest in innumerable situations with which the family constantly finds itself confronted. Divided authority may disrupt the family status. The perceptible rise in divorces in America has become a national disgrace, and the proposed amendment would no doubt cause an increase.

In Christian America most of the marriage ceremonies carry the vow of the bridegroom, "With all my goods I thee endow." No such vow is required of the bride. In most States all property a women has at the time of her marriage and all she acquired during marriage by gift, devise, purchase, or bequest remains her separate property. Marriage under the common law and the church had the effect of making the husband and wife one. This was instituted to enable the family to deal with society and with the public officially as a unit, through one person, and likewise the public with the family. Many former unwise common-law impediments to the wife's property ownership and certain other civil rights in nearly all States have been changed as and when the people of the States have deemed the change advisable.

Members of State legislatures, like those of Congress, are elected by both men and women, and there are more women than men eligible to vote.

Again I insist that if the proposed amendment became part of our Federal Constitution it would automatically annul many thousands of State laws found in conflict with laws passed by Congress on that subject and we might also ultimately have to adjudicate all these domestic rights as between sexes in the Federal courts which are often located miles away from the homes of persons whose rights are being litigated with all the added expense and inconvenience to be incurred as a result.

CONFUSION AND NULLIFICATION

I will refer to some of the situations which might arise in different States as between husband and wife if this amendment is ever submitted and ratified.

In at least eight community-property States there are three classes of property: First, the separate property of the husband; second, the separate property of the wife; third, the community property of husband and wife. As a general rule, in the community-property States the husband, if competent, is accorded management and control of the community property accordingly as the husband and wife may desire.

In case of the disability of the husband, or the abandonment of the wife, or of a limited divorce, where the parties live apart, the wife under States laws at present generally has power to assume management of community property and may convey and encumber it even without the joinder of the husband. The wife is also entitled to support from her husband by virtue of the marriage and without any regard to the community of property. Under the community-property law, neither the wife's nor the husband's rights attain the dignity of ownership of an undivided one-half of the community property during the continuance of the marriage relation. Being community property, the interest of each is hard to define. Neither she nor her husband can take it; neither can they exclusively use it or dispose of it, or encumber it; nor can either will it or give it away. Their children are thus protected, as they always should be in all American homes. Family safety is the cornerstone of our democracy and safeguards the American way of life.

The proposed amendment would authorize Congress to annul or change State authority governing all such domestic and property relations which admittedly have as their main purpose the safeguarding of the family relations and especially the family home, the widow and orphans.

Among the various State laws affecting men and women which would be subject to change by Congress under the proposed amendment, I shall call attention to only a few:

First. At least four States have statutes which prohibit women from holding certain specific offices: Mississippi, Oklahoma, Rhode Island, and Wisconsin.

Second. Men only may serve as jurors in 27 States. Both men and women may serve as jurors in 14 States, but such service is permissive for women and mandatory for men. Both men and women serve on juries on the same terms in nine States.

Third. Men but not women are required to pay poll taxes in 20 States. In 22 other States both are subject to the tax. In eight States the payment of poll tax is a prerequisite for voting for both men and women.

Fourth. In two States men are preferred to women of the same degree of relationship in appointment as legal guardian of minors. In all the other 46 States they are treated the same.

Fifth. In 13 States and the District of Columbia men enjoy certain minor preferences over women with respect to appointment to serve as executor or administrator. In all the other 35 States there are no preferences.

Sixth. Men may engage in nearly all occupations, but due to long experience women are prohibited from engaging in some occupations in 26 States.

Seventh. Women are barred from mining in 17 States, from working in quarries in 5 States, and from employment as bellhops in 2 States. They are either barred from employment or have special restrictions on their work in core rooms in five States; they are barred from tasks requiring the lifting of certain weights in five States, and are barred in general terms in seven States from employment under conditions deemed detrimental to their health, welfare, morals, or safety. There are about 25 other dangerous or unhealthful occupations from which women are barred in 7 other States.

Eighth. In all but 11 States the hours of work of women in certain occupations are limited or curtailed by law. In 7 States the hours of work are not limited by law. In 16 States women are prohibited from working at night in specified industries or occupations.

Ninth. Women are subject to minimum wage laws in specified occupations in 15 States.

Tenth. The age of marriage, without consent of parents or guardian, varies from State to State. In most States the age of marriage for girls is from 2 to 3 years younger than that of boys. In only 6 States the age of marriage is the same for boys and girls.

These are just a few among the many complications that could arise under a national equal rights amendment, if it should become a part of our Federal Constitution.

In many States carved from former Spanish territory, the husband and wife each holds as separate property all that he or she acquired before marriage and all obtained by gift, bequest, or devise during the marriage, including personal earnings of each. In such States there is no community of property, but husband and wife may own property jointly or in common. In about 28 jurisdictions the husband or wife each manages and controls his or her own property and each has like powers to dispose of it, being limited to the same extent in conveying the dower or curtesy interest or the statutory share of the other, or being under no restrictions whatever in disposing of property.

The common-law rules relating to dower and curtesy have been largely modified by statute. Under the common law, dower was the life estate a widow took in one-third of all the lands which the husband possessed during the marriage, and curtesy was an estate for life which the husband took in lands his wife possessed at any time during the marriage if a child was born alive after the marriage. Statutory changes with respect to dower have limited the right of dower to lands owned by the husband at his death rather than to lands owned at any time during the marriage. Statutory changes with respect to curtesy have, in general, extended the right of curtesy to a husband though no child has been born, also restricted it to lands owned by the wife at her death rather than to lands owned at any time during the marriage, also restricted it to lands which the wife has not disposed of by will, also extended it by converting the life interest to an estate in fee or by converting it into an estate similar to dower, or abolishing the right of curtesy entirely It is observed that dower and curtesy do not apply in the community-property States where the surviving spouse takes one-half of the community property.

At common law in many States it is the duty of the husband to support his wife and family from his own property, but there was no such duty on the part of the wife. With the extension of the property rights and legal powers of married women, the common law rule of liability for support has changed in many States.

In about 30 States the husband is obliged to meet the expenses of his wife's support out of his own property whether he or his wife has contracted the expenses. In those 30 jurisdictions the wife is not obliged to pay for the expenses of her own or her husband's support unless she agrees to do so by special contract. In 11 jurisdictions the community property is primarily liable for the expenses of the family but the husband's separate property is also liable. The wife's separate property is liable after her husband's and in some States the statute provides that she must support her husband if he is unable to support himself and has no separate property and there is no community property. In 15 jurisdictions the husband and wife are jointly or separately liable for the expenses of the family. In 45 jurisdictions the husband may be required to support his wife who has asked for separate maintenance for cause, but the wife is not required to support her husband under the same circumstances. In 8 jurisdictions the husband or the wife may be required to support the other who has asked for separate support for cause. In many States provision is made for the support of the widow for a specified time from the estate of her deceased husband. A few States contain such a provision for the support of a surviving husband.

DIVORCE—CUSTODY OF CHILDREN

With respect to divorce, legal separation, alimony, and support, nearly all State laws are more favorable to the woman than to the man, and properly so.

In most States today neither the father nor the mother has a paramount right with respect to the guardianship, custody, or care of their children. Where they are living together they both act as the natural guardian of the children. Where they are living apart neither is preferred over the other, but the courts properly hold the child's welfare supreme. In most jurisdictions the mother is preferred to the father, and in a few others the father is preferred to the mother, their capabilities and requirements being equal.

In the majority of States the father is primarily liable for the support of his children, but the mother becomes liable if the father is incapacitated. In 17 States both the father and the mother are jointly and separately liable for the support of their children. And in 8 other States the father and mother contribute to the support of the children through the community property, but the separate property of each may also be liable.

This rule of the common law did not originally obtain in Florida and most of the States carved from former Spanish territory in the South and West. The Spanish law once in effect in these areas recognized the separate legal status of husband and wife for all purposes except the family relation. Property accumulated by either during the marriage was owned by them equally and was defined as community property. In Florida and other States, inheriting only portions of the common law, most of the disabilities and advantages the marriage status imposed on the wife have been removed or modified by what are known as married women's acts. These acts do not obliterate the legal unity of husband and wife nor do they affect the marital relation or the mutual social obligations that pass from one spouse to the other.

Most of the States have removed by constitutional and statutory provisions most of the wife's common law disabilities. For example, article XI of the Constitution of Florida, which is similar to provisions in many other States, provides that:

> All property real or personal of a wife owned by her at marriage, or lawfully acquired afterward by gift, devise, bequest, descent, or purchase shall be her separate property and the same shall not be liable for the debts of her husband except by her consent given by some instrument in writing executed according to law respecting conveyances by married women

The statutes of most States require that the wife join in all conveyances of the husband's real property, for the purpose of protecting her dower. The chain of record title to real property would be defective and not merchantable if this were not done. The husband, except right of courtesy, has no rights in the wife's real property, nor has he any rights in her personal property except its management with her consent. In fact, she may will or give all her real or personal property to her own family, relatives, or to charities, as she sees fit; the husband cannot will the homestead he purchased with his own funds before his marriage nor can he sell it without her joinder in the deed. The law guards the wife and the widow. There are hundreds of discriminations in her favor on account of sex. For obvious reasons it should so remain.

Under the laws of most States a married woman may prosecute any action affecting her separate property as if she were single. The husband may execute a deed to the wife and the wife may execute a deed to the husband as if they were single.

Under the statute of descents in Florida, as in nearly all States, a wife on the death of the husband without a will and without lineal descendants takes all his estate; if there be lineal descendants, she takes a child's part. If the husband dies leaving a will and the wife is dissatisfied with the provision for her or with a child's part, she may elect to take dower, being one-third of the real and personal property absolutely. Dower, however, does not include the homestead, and if the wife happens to be a stepmother she takes only a child's part. The law jealously guards the sons and daughters of the homestead. The husband cannot will against the wife's dower.

Any married woman may on a petition to the State courts have her legal disabilities removed by law at a very nominal expense. The effect is to make her a free dealer in every respect as if never married. It gives her full charge and management of her own estate, enables her to contract, and be contracted with, to sue and be sued, and bind herself in all respects as if she were single. A simple State law enabling a married woman to contract as if single with respect to her separate property, business, earnings, ventures, and undertakings, would remove the wife from all disabilities without the proposed constitutional amendment. Several such laws have been enacted in Florida and other States when popular demands seem to require it without pressure from Washington.

It is generally conceded that to safeguard the home and children that those provisions of the law with reference to estates by the entirety, dower, support, and maintenance of the family and requiring the joinder of husband and wife in all deeds and mortgages of the homestead and property in which the wife has a dower interest, should be retained permanently. Such State laws would be subject to annullment by this proposed equal-rights amendment. We need no Federal law on that subject; in fact, the States are gradually and carefully making such changes as the people of the States desire and require.

EFFECT OF AMENDMENT

The important question is, What effect would the proposed equal-rights amendment have on the various State constitutions and statutes on the future status of married women?

No one can now hazard a guess, for it would depend on Congress, since the proposed amendment by its terms gives joint powers to Congress and the States to enforce it by appropriate legislation. It is clear that if the States fail to include a field of legislation as improper, it would not preclude Congress covering such subjects, regardless of the will of the State. In that very fact lies the greatest danger evolved in this amendment.

The Supreme Court of the United States has held that the broad terms of the fourteenth amendment are ample to protect all persons against discrimination by the States. Except for the use of the word "sex," the equal-rights amendment might amount to nothing more than a duplication of the fourteenth. If Congress, through high pressure by its sponsors and other minority groups, defines a field of operation for it independent of the fourteenth amendment, it will certainly become a fruitful source of much litigation and the courts will ultimately have much to do with fixing its uncertain scope. It would, no doubt, become a competitor of the equal-protection clause of the fourteenth amendment in precipitating endless litigation. Although the fourteenth amendment was adopted relatively recently—July 1868—as compared with other portions of our organic law, it has nevertheless given rise to many times more litigation than all the other provisions of the Federal Constitution combined, and continues to be a very prolific source of litigation, as new factual situations constantly arise to invoke more and more litigation. The indefinable equal-rights amendment would, no doubt, have a similar history, as it would be a long time before there could be acquired a dependable judgment of its effects.

Considered from the standpoint of past legal history, we may expect the amendment to ultimately affect civil rights, property rights, political rights, and even delicate racial and social questions. I can see no appreciable effect that it would have on political rights because the nineteenth amendment to the Federal Constitution gives women the franchise and there is no inhibition on her holding office. There can be no doubt that voting and serving on juries are duties rather than rights but if Congress or the Federal courts should hold jury duty to be rights, then the equal rights amendment would make women eligible for jury duty whether the people or the women of the various States want it or not. The more thoughtful class of both men and women are apparently not in favor of jury service for women and for reasons which should be obvious to all. A majority of the women do not care for the equal rights amendment.

As to property rights, it is believed the main effect of the amendment would be confusion and uncertainty. This will depend on the scope given the amendment by Congress over the laws long in use in the States. It could have very serious effect on the distribution of property accumulated by husband and wife during marriage and in this way open the way to repeal or modify thousands of laws in every State regulating wills, descents, inheritances, dower, and others designed for the protection of the wife and children, and the home, including the family income.

The most revolutionary possibilities of the equal rights amendment would be its effect on civil rights. In this, it makes it entirely possible and probable for Congress to nullify State constitutions and statutory laws and thus gives Congress complete control over the civil rights of the citizen with power to enforce its will without reference to established customs, race, or color. Attempts to enforce civil rights from outside a State have never met with favor. It produced the worst and most despicable situation known to modern civilization in the South during reconstruction. The State may, when involving sex, be prohibited from segregating the races in the public schools, churches, and when traveling by common carrier, for Congress under this amendment may assume the power to prescribe the facilities that will be furnished in each case, and thus may accomplish the same results. The so-called Jim Crow laws were established for the best of motives, namely: To safeguard peace and order for both races and not for the purpose of humiliating or taking personal rights from any citizen of either color.

I do not think it out of place to call attention to the possible effect this amendment would have on the social status of those women whom gentlemen gallantly speak of as ladies. In this, I have reference to the chivalrous attitude that the Anglo-Saxon man attributes to her. In the home and in public places, she is a lady and not just a woman.

A gentleman rises when she enters the room; he lifts his hat when he passes her on the street; he stands, if he is a gentleman, and she sits if the bus or other common carrier is overcrowded; and in many other instances, too numerous to mention, he accords her preference. Common justice requires that women be emancipated from any unjust or embarrassing disabilities, but I also fear that the ultimate results will be that when she meets man as her equal either on her or his level and competes with him in the many intricacies necessarily involved in the trades, crafts, and businesses, runs for office against him, also drinks and tells off-color stories, as is too often the case, she may lose the admiration and respect of the better element of the gentleman class of men. I think she can overcome this possible result by placing a high enough value on herself and infusing her realism with a sufficient amount of idealism. Men of character intuitively sense the quality of a woman by her attitude toward approved standards of moral and spiritual integrity. Men of character have made our country and brought it thus far with the devoted assistance of their wives and mothers.

I think the equal-rights amendment as proposed has four inherent vices: First, it deals with a domestic matter that is peculiarly one that should be left to the States under our constitutional theory; second, it duplicates in substance the "equal protection of the law" clause of the fourteenth amendment; and third, it gives Congress the ultimate power and takes from the States the power to define and enforce civil rights, property rights, political rights, and fourth, it would make it possible for Congress to remove the States from a field which by every standard of the American plan of democracy they should be left to control.

Mr. SMITH. Mr. President, the equal rights amendment which is before the Senate has been a subject of great difficulty for me, not from the standpoint of its purpose or its recognition of what we feel toward our women, but because of the fact that I have not

been clear as to what its implications are; and because of the further fact that the women of my acquaintance who have come to see me or who have written me on this subject are very much divided among themselves as to the wisdom of this amendment. I have said that, so far as I was concerned, if the women of this country or the women of my State desired the amendment, I certainly would support it. But I wish that they could agree as to whether they want it or not. It has been pointed out that for this reason or that reason they cannot agree. We are faced with the problem of submitting this amendment to the States or not submitting it, without a knowledge of the real feeling of the women of the country.

Speaking from a personal standpoint, the center of gravity in my life is on the side of the women. Besides a wife I have two daughters, a daughter-in-law, and seven grandchildren. Five of my grandchildren are girls. So I have said to them in discussing this question—this is the jovial side, perhaps—that if this amendment were adopted Grandfather would have an equal chance with the bevy of beauty which is constantly around him and constantly putting pressure on him. I am very glad to get that opportunity, if this amendment will give it to me, although I doubt very much, Mr. President, whether the amendment will help any of us who are in that position.

Speaking seriously, however, there is another side to this question, namely, the tribute which we may be able to evidence to our women for the wonderful service they have rendered in the war, and the support we may be able to give them in their feeling that they have a new emancipation. Many of them feel that, through this amendment, such emancipation will be theirs—or, as has been said earlier, not only emancipation, but equality. That has been urged upon me. I never would undertake to deny to the women of the United States my respect and affection and laudation for what they have done for us during the war, whereas in previous wars they did not have the same opportunities. It has been one of the most wonderful demonstrations by our womanhood that could possibly occur, and I take pride that in my own family there is such a large representation of women. Although my son and I are in the minority, we rejoice together in having such wonderful representation among the women.

But from my own standpoint, I have come to the conclusion that under the existing circumstances it is only right for me to support this amendment. I believe it is the fair thing to do. I take that position for two outstanding reasons: One is that the Republican Party platform for 1944, the platform of the party to which I belong, and the Democratic Party platform of 1944 both took the position that this amendment should be submitted to the States. I do not think those platforms can be construed as necessarily approving the adoption of the amendment, but both of them say that they favor the submission to the States of an amendment to the Constitution to provide equal rights for men and women. As a member of the Republican Party, even though I was not a delegate to the convention which was held that year, for I was then a candidate for the Senate, I feel in my case a moral obligation, inasmuch as that statement is contained in the platform of my party, at least to vote for the submission of the proposal to the States.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. DONNELL. As I understand the matter, the Republican Party's platform for 1944 contains the following provision:

> We favor submission by Congress to the States of an amendment to the Constitution providing for equal rights for men and women.

That is a correct statement of the platform, is it not?

Mr. SMITH. That is correct.

Mr. DONNELL. I call the Senator's attention to the fact that the amendment which now is before the Senate contains a further sentence, which to my mind raises exceedingly important questions which are not even suggested by the Republican Party or the Democratic Party platforms. I call the Senator's attention to the following language of the proposed amendment:

> Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

I ask the Senator whether there is anything in either the Republican Party platform or the Democratic Party platform, so far as he knows, to the effect that the amendment favored by either of those platforms should contain a provision with reference to the power of the Congress and the several States in the matter.

Before the Senator answers that question, let me say that to my mind this proposal raises an exceedingly important question with respect to whether the power which by the amendment is undertaken to be vested in the Congress and the several States is or is not a type of power which safeguards the rights of the States, or whether it is a type of power and a type of investiture which ultimately places supervisory, supreme power in the Congress, as opposed to the States.

My basic question is whether the Senator knows of anything in either the Republican Party platform or the Democratic Party platform of 1944 which even remotely contains any promise to the people that the amendment which shall be submitted shall contain language that—

> Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

Mr. SMITH. No. I think the Senator from Missouri is perfectly correct in calling attention to the fact that the platforms of both parties do not suggest that language which is contained in the amendment. But I feel that if we do not act upon this amendment, which is the only one on the subject that is before us, then we should have an alternative amendment to consider, in order to keep faith with our pledge in the platform. This is not the first time that this matter has arisen. It has previously arisen a number of times.

Although, as I have said, I have been in doubt as to whether to support the amendment on its merits, I feel that in light of our party platforms, we are called upon to submit the amendment to the States, for their decision.

A great many questions have been raised with respect to whether the States would wish to have these changes made. Of course, if the decision is left up to the States, some risk will be taken in that connection, because if three-fourths of the States by their legislatures adopt the amendment, it will become the law of the land, and then perhaps a minority of the States will be required to comply, against their wishes.

But it seems to me that on this question, which means so much to our women, they have a right to ask us to submit to the States, for their consideration, this amendment or some other amendment which embodies this principle.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. RADCLIFFE. I am afraid the Senator misunderstood my reason for rising. It had nothing whatever to do with the question which was being discussed a few minutes ago.

The Senator from Missouri has referred to the question of the enforcement language. My recollection is not entirely clear on the subject. But is it unusual to have such a provision in a constitutional amendment? Certainly it seems to me to be unnecessary and quite out of the ordinary, in respect to deciding about the purpose of the amendment, to consider independent language regarding its enforcement, by appropriate legislation, by the Congress and the several States. Will the Senator state his view of the matter?

Mr. DONNELL. I do not have the floor.

Mr. RADCLIFFE. Then I ask the Senator from New Jersey.

Mr. SMITH. Mr. President, I shall be glad to yield to the Senator from Missouri, if he wishes to answer that question.

Mr. DONNELL. I thank the Senator, and I appreciate the courtesy of both Senators.

As I understand the proposed language, such language is not customarily found in constitutional amendments. I may say that the eighteenth amendment to the Constitution, which subsequently was repealed, contains the following language:

> SEC 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

I say to the Senator that in a few moments I shall briefly discuss the distinction between the eighteenth amendment, when it was in effect, and the amendment which now is before us.

But to answer his question as to whether it is uncommon to have implementing language in constitutional amendments, I say an answer to the

question would require considerable research. For the moment, I do not recall whether such implementing language is to be found in other constitutional amendments, although it may be.

But the point I make is that the Republican Party promised the people of the country, or gave as its statement of position and belief, that—

> We favor submission by Congress to the States of an amendment to the Constitution providing for equal rights for men and women.

The Democratic Party platform provided:

> We recommend to Congress the submission of a constitutional amendment on equal rights for women.

I call attention to the fact that the language of the Democratic Party platform is confined to "the submission of a constitutional amendment on equal rights for women," whereas the corresponding part of the Republican Party platform states that—

> We favor submission by Congress to the States of an amendment to the Constitution providing for equal rights for men and women.

But neither of those statements in the respective political party platforms touches even remotely the question of what, if anything, shall be contained in the amendment with respect to the division of powers between the Federal Government and the State governments.

Notwithstanding the suggestion made yesterday afternoon by the distinguished Senator from Maryland, who brought up the point that the Republican Party platform does contain the statement or plank which has been referred to, to my mind this amendment goes far beyond the promise contained in either the Democratic Party platform or the Republican Party platform, for the amendment provides, as I have indicated, that—

> Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

That provision raises, as to the Federal Government, a question as to who has the supreme power and a question as to legislation and a question as to jurisdiction; and those questions were not even remotely suggested by either of the political party platforms.

Therefore, Mr. President, regardless of the political party platforms, to my mind acceptance of this proposed amendment is not obligatory upon either political party by reason of the declarations which were made in 1944.

Mr. SMITH. Mr. President, it seems to me that point raises a question as to whether any moral responsibility devolves upon us in that connection, and as to whether, if we do not like this amendment, we should consider some other amendment on the subject.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. DONNELL. Is not the question whether we favor the specific constitutional amendment proposed in Senate Joint Resolution 61?

Mr. SMITH. That is correct.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MORSE. I have asked the Senator to yield, to permit me to make a somewhat facetious remark, namely, that in view of the fact that in the 1944 campaign the voters of America did not see fit to elect our party to office, perhaps we should review our 1944 party platform.

Mr. SMITH. I think that is a very relevant suggestion. At the same time, I should say that we did have the spirit of this amendment in our platform. Perhaps I have the wrong kind of a conscience, but, even though I have grave doubt about this amendment, there is a moral obligation upon me either to support it or be prepared to offer one which will carry out the spirit of both the Republican and Democratic platforms.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. ANDREWS. As a circuit-court judge over a period of several years, I had to deal with violations of the prohibition amendment

Mr. SMITH. I give the Senator my great sympathy.

Mr. ANDREWS. I believe that I can assert, without fear of successful contradiction, that the reason the prohibition amendment failed was the division of authority between the States and the National Government.

Mr. DONNELL. Mr. President, will the Senator yield to me so that I may ask a question of the Senator from Florida.

Mr. SMITH. I yield.

Mr. DONNELL. The Democratic platform of 1944 declared, "We recommend to the Congress the submission of a constitutional amendment on equal rights for women." Does the Senator believe that, by reason of the provision in the Democratic platform which I have read, there is any moral obligation, or obligation of any kind, upon him or any member of the Democratic Party to vote in favor of a proposition which includes such language as the following:

> Congress and the several States shall have power within their respective jurisdictions to enforce this article by appropriation legislation.

Mr. ANDREWS. I had thought that I was not bound by that portion of the Democratic platform or of the Republican platform to which the Senator has referred, because the proposed amendment did not conform to the promise or the declaration which was contained in either platform.

Mr. DONNELL. In other words, the amendment does something or proposes to do something which was not included in the platform of either the Democratic or the Republican Party.

Mr. ANDREWS. What the Senator has said is true. I may add, also, that platforms are made to get into office on.

Mr. DONNELL. It may have been the practice in some instances during the past to draft platforms for the purpose which the Senator has stated, and doubtless some platforms were made for that purpose. But I am sure that the distinguished Senator from Florida, as well as other Senators in the Chamber, will join me in agreeing that the time has come for the political parties to say that their platforms mean what they pretend to mean, and that their promises or expressions of opinion should not be treated merely as a means by which to secure votes, but, instead, as a solemn and honorable pledge to the public. I am sure that the distinguished Senator from Florida agrees with that view.

Mr. ANDREWS. I do.

Mr. SMITH. Mr. President, I have had a very strong feeling that inasmuch as platforms have been adopted and repudiated, perhaps I should support this amendment. However, it was stated this afternoon that the phrase "equality of rights" does not carry with it any implication of equality of responsibility. I see no reason why the responsibility of the husband in a family cannot be determined by our domestic-relations laws without in any way violating the proposed amendment. I have not made the most careful study of the amendment, but it does not seem to me that equal rights under the law means equality of responsibility under the law.

Mr. MURDOCK. Mr. President, assuming that the Republican Party in 1944 wrote its platform in all sincerity, including the reference to the pending proposed amendment, I wish to suggest to my Republican friends that the people released the Republican Party from the pledge which it made by electing the Democratic Party to power. If the Republican platform of 1944 is to be considered as a compelling reason for certain Republicans being in favor of this proposed amendment, it seems to me that they have a good alibi for voting against it.

Mr. SMITH I do not believe that the reason assigned by the Senator is the correct reason. I think there is a moral obligation to carry out what we who are members of the Republican Party said to the people we would do if we were given the responsibility. However, I believe that we should submit the matter to the people for their decision, and it could be done in a constitutional way. I have not yet heard good reasons why this particular form of amendment should be very objectionable.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MORSE. I say most sincerely that I have a great deal of respect for the judgment of the Senator from New Jersey in connection with any legislation which the Senate may consider.

Mr. SMITH. I thank the Senator.

Mr. MORSE. The Senator from New Jersey was favorably impressed by the arguments which were made by several Senators this afternoon to the effect that equality of legal rights are separate and distinct from equality of responsibility. I listened attentively, as I always do, to the distinguished Senator from Vermont; but I respectfully disagree with his legal conclusions, and believe they can not be substantiated as a matter of law.

I think the Senator from New Jersey will look in vain through the legal litera-

ture of this country to find any law that will support such a legal fiction as was discussed on the floor of the Senate this afternoon with regard to the so-called relationship and difference between equality of rights and equality of responsibilities. As I said earlier in the day, there is no legal right in the abstract. Legal rights must always be related to operative facts. When the Senator from Vermont found it impossible to answer the questions propounded to him by the Senator from Michigan, in my judgment, his case fell to the floor of the Senate.

Mr. SMITH. I can agree with the Senator on that point, but I believe that he will agree with me on this point: A law which would provide that on the husband is the responsibility for the care of his wife and family, would be entirely constitutional under the proposed amendment.

Mr. MORSE. No; it is not at all relevant to the issue involved. What we are trying to find out in this debate has not yet been revealed. The proponents of the amendment have yet to establish their case in regard to the question to which we all want an answer. I walked into the Senate Chamber today very much in doubt as to how I would eventually vote on this amendment, and unless the questions with regard to the amendment can be clarified between now and 1 o'clock tomorrow afternoon, I shall still be in doubt. I assert that, so far as I am concerned, the proponents of the amendment must show what effects it will have on specific pieces of legislation now on the statute books of the various States, designed to protect women from the type of labor conditions they would undoubtedly suffer once those rights in relation to the operative facts are taken away from them by the amendment. That is all the able Senator from Michigan asked of the Senator from Vermont, and the RECORD will not show any specific answer to the question. Instead, we were told that we should vote for the amendment without having any knowledge of what its effect would be on existing legislation. We were told, in effect, by the Senator from Vermont that the question was one which should be left to the courts. I assert that it is the legislative duty of every Member of the Senate, before voting for the amendment, to know what its legal effect will be on existing legislation.

Mr. SMITH. I agree with what the Senator has said. Such legislation as has been passed by the various States for the purpose of protecting the rights of women in industry is legislation of the type which I have always approved. The women who are the proponents of this amendment say that they want to be on a par with the men and are willing to accept the same conditions of employment. They claim that equality of rights implies equality of responsibilities.

Mr. MORSE. I am glad to hear the Senator make that statement. That is exactly what I wanted to get into the RECORD. But there again is raised a question of public policy under the amendment. If the proponents of the amendment are merely saying to us as Members of the Senate that they want to wipe the slate clean and give no protection to the women of this country under the labor laws which have been enacted, I have no hesitancy in saying now that my vote will be in the negative, because I think that, as a matter of public policy, we must see to it that the women of America are protected under any type of legislation which may be enacted. I do not care what group of women may say they are ready to cast aside their rights. That does not give them the right to say that such an attitude should become the national policy. It is our duty as representatives of the people to see to it that, in the public interest, that type of protection shall be maintained.

Mr. SMITH. Let me ask the distinguished Senator a question in that connection. I agree with everything he has said. I have taken that position right along, and if I thought this amendment meant that, if I thought the States thought it would mean that, I would oppose the amendment. But I still think we should submit the amendment to the States to decide. It is a Nation-wide question. It is a policy on which everyone in this country should have a right to pass, and I do not see why we should not submit the amendment without necessarily saying we believe it should be adopted. I would not vote for its submission saying I believed it should be adopted, but I say the women have a right to have it presented, and let the voters of the country decide the issue.

Mr. MORSE. Most respectfully I disagree with that point of view.

Mr. SMITH. I concede it is debatable.

Mr. MORSE. The first obligation of the Senate is to carry out its duty in regard to submitting amendments to the legislatures, or to the people. Certainly the Senator from New Jersey does not mean that merely because a request is made of us to submit an amendment, we should agree to submit any amendment, no matter what amendment is proposed.

Mr. SMITH. Certainly not.

Mr. MORSE. Very well. If, then, some qualification should be applied by us in exercising our duty as to the submission of amendments, is it not true that we should analyze the various amendments which are proposed for submission, and satisfy ourselves as to what the effect of such amendments will be on the general welfare and upon public policy, and if we find, or if we cannot be satisfied—and certainly no satisfaction was given here this afternoon in the debate—if we cannot be satisfied as to what the effect of the amendment is going to be upon such laws as I insist should be maintained upon the books, then I say it is our duty, in the public interest, until we have been satisfied, to vote against submitting that type of amendment.

Mr. SMITH. Is the Senator prepared with an appropriate amendment to submit? I ask that because there is nothing final in this language that I can see. If the principle behind the amendment is right, if we should put before the country the question of the equality of rights, should we not so amend the joint resolution as to protect the particular matters we are discussing? Or is it impossible of amendment?

Mr. MORSE. The Senator from Oregon is not prepared to submit an amendment. The Senator from Oregon would not hesitate to submit an amendment if an amendment could be prepared to protect the position for which he is pleading this afternoon.

Mr. SMITH. I thank the Senator for that statement.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. SMITH. I am very glad to yield.

Mr. DONNELL. The Senator stated, in substance, that before he makes up his mind as to how he will vote on this amendment, he wants to know the effect of the amendment on existing specific items of legislation now on the statute books. I ask the Senator this question: Does he not also agree that it is not only important to know the effect of the first sentence of the amendment on existing legislation, namely, the sentence reading, "Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex," but it is likewise certainly of great importance, if not even of greater importance, to know the effect, so far as possible, of the next sentence upon the respective powers and duties and responsibilities and privileges of the National and State governments, namely the sentence reading, "Congress and the several States shall have power, within their respective jurisdictions, to enforce this amendment by appropriate legislation"?

Mr. MORSE. I answer, "Yes."

Mr. DONNELL. I thank the Senator, and I thank the Senator from New Jersey.

Mr. SMITH. Mr. President, I merely wanted to present these few thoughts upon this subject. At the moment my feeling is that there is some moral obligation on us, under our Republican platform. I have not been convinced at all by the argument that the amendment presented will get us into the difficulties suggested by the Senator from Oregon. It seems to me that the language of the amendment is defensible. I shall wait for further debate on the matter, as I understand the distinguished Senator from Missouri is going to discuss that phase of it. I shall listen to him with great interest.

My feeling is that, in the light of the many years of discussion of this question, and the fact that so many of our people feel that such an amendment should be presented, we should find some way for the country to decide this matter, and not try to hold it within the Congress.

I agree with the Senator from Oregon that we should not submit any amendment which might be presented to us merely to see whether it would be adopted or not, but we should consider a proposed amendment very carefully, and in the light of its history and considering the way it is finally worded. It seems to me at the moment I am speaking, that I shall support the amendment.

Certainly we should not pass any amendment which would fail adequately to protect our people. At the moment it is my purpose to support the amendment, but I shall listen to the debate and try to do what is right in the premises.

Mr. DONNELL. Mr. President, the concluding remarks of the distinguished Senator from New Jersey are, to my mind, exceedingly wholesome, and indicative of the fact that there is, after all, importance to be attached to debate on the floor of the Senate. I still hold to the view that Members of the United States Senate come to the Senate floor many times with their minds open, indicating, as the distinguished Senators who have spoken in the past few moments have indicated, that their minds are open, determined to attempt to find what the true solution of the issue under consideration, and that debate has its place and value on the floor of the Senate. I am glad to hear the distinguished Senators from New Jersey and Oregon indicate that they have come here with open minds.

Mr. President, I did not rise today to pay myself a compliment or withhold a compliment, but I wish to say that in my view the problem before us is one very difficult of solution, and I, like other Senators, have come here with what I think is an open mind, attempting to listen to the debate and to learn from others, perhaps to participate to some slight extent myself in the discussion of the important issues which are involved, and then, when we have arrived at the point of decision, to cast a ballot to the best of my ability for what I think is proper.

Mr. President, I, like both Senators, am not at this moment able to give any assurance, nor would I regard it as advisable to give any assurance, as to how my vote will be cast tomorrow upon this subject. I am considering these problems, and in my judgment it is important that we should hold open minds, and learn all we can upon the tremendously important question which lies before the Senate.

Reference has been made this afternoon, in the latter part of the afternoon particularly, to the effect of one portion of the amendment, which is not at all included, as I see it, within the statement of the Republican platform or the statement of the Democratic platform. I realize the importance of safeguarding the interests of womanhood. I undertake to say that that question needs no discussion upon the floor of the Senate, for every Member of the Senate, knowing his mother and his other relatives who are women, or his children who are girls, must realize the importance to civilization and to our Nation of the services which are rendered to our country by women and girls.

Mr. President, as I see it, we have before us not only this question, with the various ramifications which have been mentioned as to the effect of the first sentence of the amendment—and I shall not discuss those this afternoon—but we have, in addition to that, a further question, which goes to the very foundation of the relation between the National and State Governments of the Union. That further question arises from the second sentence of the amendment.

I do not want to parade under the guise of having made an exhaustive, scholarly, thorough examination of the authorities upon this further question. I have not endeavored to come to a final conclusion this afternoon, but rather have quite hastily undertaken to bring together some thoughts which I think are proper to be considered by the Senate, so that the other Senators and I together may, by the time we cast our votes tomorrow, determine with some degree of accuracy what is the legal effect on the relationship between the National Government and the State governments of the sentence which reads:

> Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. I hesitate to interrupt the Senator before he presents his argument, but I think possibly if I submitted a question at this moment he might take up the point I have in mind a little more quickly than he otherwise would and might stress it somewhat differently.

I understand the Senator from Missouri does not like the language—or at least has some doubt in regard to it—reading as follows, "Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation." Does the Senator assume from that language that if this amendment should be adopted, either the scope or operations of the Federal Government, or of the States, as to enforcement, would be changed as a result of that clause?

Mr. DONNELL. I shall endeavor to answer to the best of my ability the substance of the question asked by the Senator from Maryland.

Mr. RADCLIFFE. I shall not interrupt the Senator any further at this time, except to say that it seems to me that the language, "within their respective jurisdictions," has been selected with great care. There is certainly nothing whatever in that language which attempts to confer any additional field of jurisdiction upon either the Federal Government or upon the States. Of course the preceding sentence does enlarge Federal authority.

Mr. DONNELL. Mr. President, with respect to the subject matter of the second sentence, I may say that the question of the distribution of powers as between Federal and State governments has been a source of important litigation in the Supreme Court of the United States in years past. We have one illustration in the case of Railroad Company against Fuller, appearing in 84 United States Reports, page 560, reported also in 17 Wallace reports, page 500. In that case the Court discussed what it termed "the complex system of policy which exists in this country," and discussed under that heading the division of the powers of the Federal Government into four different classes.

I shall not undertake at this late hour to go into great detail in the discussion of this matter, but may I say that in 11 American Jurisprudence, at page 882, appears this statement:

> In the United States the powers of government are divided between the Federal and the State Governments. By the terms of the Federal Constitution certain powers are entrusted to the Federal Government alone, while others are reserved to the States, and still others may be exercised concurrently by both the Federal and State Governments.
>
> The United States Supreme Court—

Says the writer—

> has divided these powers into four classes: (1) Those which belong exclusively to the National Government; (2) those which belong exclusively to the State; (3) those which may be exercised concurrently and independently by both; and (4) those which may be exercised by the State, but only until Congress shall see fit to act upon the subject. In the latter case the authority of the State then retires and lies in abeyance until the occasion for its exercise shall recur.

Mr. President, this statement by the author in 11 American Jurisprudence at once raises the question of the category into which the language of the proposed amendment falls:

> Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

Apparently, Mr. President, both Congress and the several States are vested with power, as the language of the amendment says, "within their respective jurisdictions, to enforce this article by appropriate legislation." And yet, Mr. President, suppose that one of our States shall enact a law with respect to the enforcement of the article by what it deems to be appropriate legislation. The query immediately arises: Suppose Congress does not agree with the propriety of that particular method of enforcement or the contents of the particular statute of enforcement; does this amendment give to Congress the right then to revise the action of the State by superimposing over it legislation enacted by Congress, or has the State itself by the exercise of the power exhausted the power which Congress otherwise might have had under the terms of this amendment?

Mr. President, questions such as this are not simple. They are questions which require the gravest thought. They are questions upon which the Supreme Court of the United States has found no little difficulty in coming to determinations with respect to previous questions presented in our history.

I desire to call the attention of the Senate to one observation in the Minnesota rate cases in the United States Supreme Court, decided in 1913, in which the opinion was written by Chief Justice Hughes. I refer to this language:

> The grant in the Constitution of its own force, that is, without action by Congress, established the essential immunity of interstate commercial intercourse from the direct control of the States with respect to those subjects embraced within the grant which are of such a nature as to demand that, if regulated at all, their regulation should be prescribed by a single authority. It has repeatedly been declared by this court that as to those subjects which require a general system or uniformity of regulation, the power of Congress is exclusive.

Then, Mr. President, I call especial attention to the next sentence:

> In other matters—

I take it that in this particular case this amendment is "another matter." It is not a matter in which Congress has exclusive power, for by the very terms used in the language of the amendment "Congress and the several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation." Then I return to the language of the Chief Justice. Mr. Hughes, in the Minnesota rate cases:

In other matters, admitting of diversity of treatment according to the special requirements of local conditions, the States may act within their respective jurisdictions until Congress sees fit to act; and when Congress does act, the exercise of its authority overrides all conflicting State legislation.

Mr. President, I am not undertaking to say here categorically what the decision of the Supreme Court would be with respect to the ultimate legal effect of this sentence in the amendment. I do say, however, that the language in the amendment raises a question which would require litigation, highly important in character and involving no little complication or difficulty to determine its effect; and I submit that among the permissible decisions which might be made by the Supreme Court of the United States is, again to quote from Mr. Hughes' opinion, that—

In other matters, admitting of diversity of treatment according to the special requirements of local conditions, the States may act within their respective jurisdictions until Congress sees fit to act; and, when Congress does act, the exercise of its authority overrides all conflicting State legislation.

Mr. President, if that conclusion should be reached by the Supreme Court of the United States, by the adoption of this amendment there would have been given, through the act of Congress, to the Federal Government, the ultimate supreme power as against State legislation with respect to the matters of enforcement of this article.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. DONNELL. Yes.

Mr. SMITH. Just to enliven the debate, I might ask——

Mr. DONNELL. I thank the Senator for the compliment as to the dullness of the debate, or, at any rate, the latter part of it.

Mr. SMITH. It was not my intention to infer such a thing, and I know that every Senator listening is much thrilled by the splendid presentation by the Senator from Missouri. But what would the Senator think of the effect if in line 7, on page 2 of the proposed amendment, the words "Congress and" were stricken out, so the paragraph would read:

The several States shall have power, within their respective jurisdictions, to enforce this article by appropriate legislation.

Mr. DONNELL. Mr. President, I am glad the distinguished Senator from New Jersey asked the question, and I might say, by the way, before commenting further, and of course I shall compliment myself to this extent, that I interpreted the remarks made a moment ago to be made jocularly and in a kindly spirit.

With respect to amending this section, I would hesitate exceedingly upon the floor of the Senate, with the scant opportunity we have had for the full, free discussion of this particular legal question, to undertake to express an opinion as to the effect of leaving out or inserting further language. I take it that, as has been suggested by another Senator, a great amount of skilled thought has been put into the preparation of this amendment, and for us upon the Senate floor, to undertake to amend the amendment upon so important a matter as the division of powers between Congress and the States, would involve far more time and thought than I have thus far given to the subject. So I would not feel competent at this time certainly to answer the question propounded by the Senator.

Mr. President, we have had in this country the eighteenth amendment, to which reference was made by the distinguished Senator from Florida. I shall read from the classic work of Willoughby on the Constitution of the United States. I am sure the Senator from Maryland will agree with me as to the high standing of Professor Willoughby, who comes from the city which is the home city of the distinguished Senator from Maryland.

Mr. RADCLIFFE I am happy to say to the Senator from Missouri that I had the pleasure of being a student at Johns Hopkins University under Professor Willoughby for a number of years.

Mr. DONNELL. Yes, and I am sure that accounts for the Senator's great legal ability.

Mr. SMITH. Mr. President, will the Senator from Missouri yield?

Mr DONNELL. I yield.

Mr SMITH. That probably accounts for the distinguished Senator's great legal erudition in part; as in part his position is due to his innate ability.

Mr. DONNELL. I have no doubt it explains in part the distinguished career of the Senator.

Mr. RADCLIFFE. All of which has been fully concealed so far, if by chance any of it is existent.

Mr. DONNELL. I call attention to the fact that in Professor Willoughby's work on the Constitution of the United States, volume 1, on page 112, appears the following:

The first appearance of the words "concurrent" in the Constitution itself is in the second section of the eighteenth article of amendment—

That was the prohibition amendment—

which declares. "The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation."

Mr. President, this language in the eighteenth amendment was the occasion of litigation in a series of cases reported under the name of *Rhode Island* v. *Palmer* (253 U. S. 250), and I quote from Professor Willoughby to indicate something of the complexity of the question and the possibility of various decisions being arrived at. Says Professor Willoughby, referring to this language dealing with the concurrent power of the Congress and the several States, as it appears in the eighteenth amendment:

In a series of cases reported under the style of Rhode Island against Palmer, were presented three possible constructions to be given to the term "concurrent power" as used in the amendment: (1) That, to be enforced, the amendment would require joint action by Congress and the States, that is, that both would have to act; (2) that the field of enforcement was to be regarded as divided between the National Government and the States along the line of distinction between interstate and intrastate commerce; and (3) that Congress and the State legislatures were empowered to act independently, but, of course, under the condition that State action should not conflict or interfere with that of the National Government.

Continues Professor Willoughby:

The Court, in its majority opinion, rejected the first two of these constructions, and, apparently, accepted the third—

And so that we may have the third before us I repeat it, namely:

(3) That Congress and the State legislatures were empowered to act independently, but, of course, under the condition that State action should not conflict or interfere with that of the National Government.

Let me interpolate that in the amendment before us obviously both Congress and the several States are empowered to act independently. The very fact that the word "concurrently," which appeared in the eighteenth amendment, has been left out of the amendment which is now before us would tend to indicate that this particular portion of the amendment is not subject to the construction that to be enforced there would be required joint action, but tends to substantiate the thought that under this language Congress and the State legislatures would be empowered to act independently; but again, to quote Mr. Willoughby, "of course under the condition that State action should not conflict or interfere with that of the National Government."

Turning to Mr. Willoughby's discussion of the case of Rhode Island against Palmer:

The Court, in its majority opinion, rejected the first two of these constructions, and, apparently accepted the third, saying, "The words 'concurrent power,' in that section, do not mean joint power or require that legislation thereunder by Congress, to be effective, shall be approved or sanctioned by the several States or any of them; nor do they mean that the power to enforce is divided between Congress and the several States along the lines which separate or distinguish foreign and interstate commerce from intrastate affairs.

"The power confided to Congress by that section, while not exclusive, is territorially coextensive with the prohibition of the first section, embraces manufacture and other intrastate transactions as well as importation, exportation, and interstate traffic, and is in nowise dependent on or affected by action or inaction on the part of the several States or any of them."

I take it that the language just used—and I say this not in criticism, because the very nature of the subject matter required that language—indicates somewhat the complexity of the problem involved in determining the meaning of language similar to or analogous to that which is contained in the amendment now before us, with the exception that the word "concurrent" has been stricken out and the words "within their respective jurisdictions" have been added.

Mr. Willoughby points out further that:

Chief Justice White, in a concurring opinion, rejected also the third construction, upon the ground that, by declaring that, in cases of conflict, the Federal laws should in

all cases prevail, the very idea of concurrency of jurisdiction provided for by the amendment was negated.

Mr. Willoughby further pointed out that—

In a dissenting opinion, Justice McKenna objected that the majority justices in the conclusions which they had stated had decided what the action of the Court would be with regard to State liquor laws which might be in conflict with those passed by Congress in enforcement of the amendment.

I shall not go into further detail. The point I am making is that the very perplexity which was illustrated in the discussion of the effect of the apparently simple language in the eighteenth amendment indicates something of the complexity which was presented to the court in analyzing, discussing, and determining the legal effect of this language.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. DONNELL. Let me complete this one thought. The question will undoubtedly be presented in due time, under some set of circumstances, as to whether or not the language in the proposed amendment gives to Congress the ultimate right as against State legislation—in other words, gives to the National Government, as against legislation enacted by a State—the power to impose the national will as against the will of the State.

I now yield to the Senator from New Jersey.

Mr. SMITH. Of course the Senator is familiar with the fifteenth amendment, which goes at the subject from a little different angle. The first section of the fifteenth amendment provides that—

The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Section 2 of the amendment provides as follows:

The Congress shall have power to enforce this article by appropriate legislation.

Mr. DONNELL. I thank the Senator; and I invite his attention to the fact—which, of course, he realizes—that every bit of ambiguity is resolved as regards the question between the Congress and the States, because the power is specifically given there to the Congress; whereas in the amendment we now have before us there is the perplexing, intricate, and difficult question as to the jurisdiction of Congress on the one hand and that of the States on the other.

Mr. SMITH. I agree with the point as to the complexity of the question. It is most important to bring it out in this debate. I was pointing out the fifteenth amendment, which gave the power to Congress.

I now come back to the question of the possible amendment of the present proposal by giving the States the exclusive power, within their respective jurisdictions. I am not suggesting that as an amendment, except for discussion. The question is whether we could surmount the difficulty by giving the power to the States to do the enforcing of the principle which might be established by such an amendment.

Mr. DONNELL. I might point out what occurs to me offhand. I thank the Senator again for bringing to us this important suggestion. It might well be that Congress would say that it would be very unwise to adopt an amendment to the Federal Constitution without any power whatsoever residing in Congress to see that the amendment was enforced. In other words, were the Senator's suggestion followed, it might well lead to a situation in which, in some parts of the country the States would enforce the amendment, and in other parts they would not. I do not see that there would be any power in Congress or anywhere else to bring mandamus proceedings against the legislature of a State or the governor of a State to require enforcement in the respective jurisdictions. While the question which the Senator has presented is a highly important and interesting suggestion, it at once at least raises the question which I have presented.

Mr. SMITH. It is conceivable that a State might enact a law which violated the provisions of this amendment, and the question might go to the Supreme Court of the United States.

Mr. DONNELL. It is entirely possible that some State might take the view that it did not care to enforce the amendment, or to enact any law. The State might well say that it was not obligatory on the State to enforce the amendment by legislation, if the only language were the State should have the power to enforce it. That, I think, illustrates specifically the difficulty of undertaking to amend this amendment, which has undoubtedly been drawn after many years of time and care have been bestowed upon it. It illustrates the difficulty of undertaking at this moment to define or pass upon what proper amendments should be submitted in this regard.

Mr. President, I rose not for the purpose of undertaking to propose an amendment, but primarily for the purpose of indicating that this amendment raises a problem which goes far beyond the question of equality of rights under the law, to be denied or abridged on account of sex. In using the expression "far beyond" I do not in any sense mean to express the view that the abridgement or denial of equality of rights on account of sex is an unimportant matter. I do not in any sense mean that; but I believe that the proposal does present a fundamental question.

Beyond the question of equality of rights and the abridgment or denial of them, there is the question of the division of powers between the National Government and the State governments, and the question as to whether or not, if the States shall enact legislation to put into effect the provisions of this amendment, and the Congress shall say, "We do not agree with those statutes, there would then come into application the language of Chief Justice Hughes, namely, that "the States may act within their respective jurisdictions until Congress sees fit to act; and when Congress does act, the exercise of its authority overrides all conflicting State legislation."

Mr. President, I apologize for interjecting these observations at such a late hour, and I thank Senators for their courage and patience in listening to this faulty and hasty presentation of the matter. I still have an open mind on this amendment. I shall undertake to decide to the best of my ability which way I shall vote tomorrow. However, I feel that the mere fact that our political parties have expressed themselves as they did in their platforms with respect to equality of rights in the language which has been presented on this floor is by no means decisive of the question as to whether or not the further provisions of this amendment are wise or proper, bearing in mind the subject of the division of powers between National and State Governments. I undertake to say that the question of the construction and meaning of the second sentence is of great importance and should occupy the thought and attention of Senators between now and the time when we cast our votes tomorrow.

Mr. RADCLIFFE. Mr. President, according to the unanimous-consent arrangement the vote tomorrow on this amendment will be at 1 o'clock. I ask unanimous consent that the period of time between 12 and 1 o'clock be divided equally between the proponents and the opponents of this measure.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland?

Mr. MORSE. Mr. President, the request is satisfactory to this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I wish to say to the senior Senator from Missouri that he has my sincere compliments for the presentation which he has just made on this very important amendment. I believe that the legal points which he has raised are points which most of us who are in doubt on the amendment are entitled to have answered before we vote for it. So far as I am concerned the Senator from Missouri has raised presumptions against the amendment which must be rebutted before I can vote for it.

Let me say further to the Senator from Missouri that this is not the only time when he has brought to bear on the floor of the Senate his profound knowledge of the law in dealing with great constitutional questions which we ought to consider in carrying out our obligations in enacting legislation. I think it is well constantly to have our attention called to the meaning of the Constitution and its legal implications. I know of no Member of the Senate during the past year and a half who has done a more effective job in calling attention to the fact that, after all, we do have the responsibility of seeing to it that the legislation which we enact meets the test of the United States Constitution.

Mr. DONNELL. Mr. President, I certainly appreciate the very complimentary expression of my good friend, who speaks of me so charitably, courteously, and generously. Coming from him, the expression is even more deeply appreciated, for I know of his profound knowledge of the law and his experience, not only in teaching but his general experience, which is so widely known and generally

recognized throughout the United States among those who are familiar with the work in which he has specialized. I thank him for his expression.

Mr. RADCLIFFE. Mr. President, when I asked unanimous consent in regard to the division of time tomorrow between the proponents and the opponents of the proposed equal rights amendment, I was not in position to request the designation of the Senator to make the allocations of time on behalf of the opponents. It seems to me that some such arrangement should be made, however, at this time; and therefore I take the liberty of suggesting that the Senator from Utah [Mr. MURDOCK] be designated for that purpose.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, that will be perfectly satisfactory.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RADCLIFFE. Mr. President, if it is agreeable, I shall control the time for the proponents of the amendments.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

S. 141. An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania, and to provide for the appointment of an additional United States district judge for the eastern, middle, and western districts of Pennsylvania;

S. 1516. An act to amend section 12 of the Bonneville Project Act, as amended; and

H. R. 6777. An act making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes.

EXECUTIVE SESSION

Mr. RADCLIFFE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CARVILLE in the chair) laid before the Senate the following messages from the President of the United States, which were read and referred to the Committee on Foreign Relations:

THE WHITE HOUSE,
July 18, 1946.

To the Senate of the United States:

In conformity with the provisions of the United Nations Participation Act of 1945, I am sending to the Senate herewith for its advice and consent nominations of the United States representatives and four alternate representatives for the second part of the first session of the General Assembly of the United Nations which is now scheduled to convene in New York in September 1946.

Section 2 (c) of the above-mentioned act provides that the President, or the Secretary of State at the direction of the President, may represent the United States at any meeting of the United Nations regardless of those provisions which call for the appointment of representatives by and with the advice and consent of the Senate. At my request, the Secretary of State will probably attend for at least a portion of this session of the General Assembly.

HARRY S. TRUMAN.

[Enclosures: Nominations.]

THE WHITE HOUSE,
July 18, 1946.

To the Senate of the United States:

I nominate the following-named persons to be representatives of the United States of America to the second part of the first session of the General Assembly of the United Nations, to be held in New York City, September 1946:

Warren R. Austin, United States Senator from the State of Vermont.

Tom Connally, United States Senator from the State of Texas.

Arthur H. Vandenberg, United States Senator from the State of Michigan.

Mrs. Anna Eleanor Roosevelt, of New York.

Sol Bloom, a Member of the United States House of Representatives from the State of New York.

In the absence of the President or the Secretary of State, Mr. Austin will be the senior representative of the United States of America to the second part of the first session of the General Assembly.

HARRY S. TRUMAN.

THE WHITE HOUSE,
July 18, 1946.

To the Senate of the United States:

I nominate the following-named persons to be alternate representatives of the United States of America to the second part of the first session of the General Assembly of the United Nations, to be held in New York City, September 1946:

Charles A. Eaton, a Member of the United States House of Representatives from the State of New Jersey.

Helen Gahagan Douglas, a Member of the United States House of Representatives from the State of California.

John Foster Dulles, of New York.

Adlai E. Stevenson, of Illinois.

HARRY S. TRUMAN.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Henry Clifford Jones to be collector of internal revenue for the district of Oklahoma, to fill an existing vacancy;

William H. Bartley to be collector of customs for customs collection district No. 33, with headquarters at Great Falls, Mont. (reappointment);

William Jennings Bryan, Jr., to be collector of customs for customs collection district No. 27, with headquarters at Los Angeles, Calif. (reappointment); and

Howard H. MacGowan, of Seattle, Wash., to be collector of customs for customs collection district No. 30, with headquarters at Seattle, Wash., in place of Saul Haas.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

The PRESIDING OFFICER. Without objection, the Foreign Service nominations are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the Public Health Service nominations are confirmed en bloc.

Mr. RADCLIFFE. Mr. President, I ask unanimous consent that the President be notified forthwith of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. RADCLIFFE. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 19, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 18 (legislative day of July 5), 1946:

GENERAL ASSEMBLY OF THE UNITED NATIONS

The following-named persons to be representatives of the United States of America to the second part of the first session of the General Assembly of the United Nations to be held in New York City, September 1946:

Warren R. Austin, United States Senator from the State of Vermont.

Tom Connally, United States Senator from the State of Texas.

Arthur H. Vandenberg, United States Senator from the State of Michigan.

Mrs. Anna Eleanor Roosevelt, of New York.

Sol Bloom, a Member of the United States House of Representatives from the State of New York.

In the absence of the President or the Secretary of State, Mr. Austin will be the senior representative of the United States of America to the second part of the first session of the General Assembly.

The following-named persons to be alternate representatives of the United States of America to the second part of the first session of the General Assembly of the United Nations to be held in New York City, September 1946:

Charles A. Eaton, a Member of the United States House of Representatives from the State of New Jersey.

Helen Gahagan Douglas, a Member of the United States House of Representatives from the State of California.

John Foster Dulles, of New York.

Adlai E. Stevenson, of Illinois.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18 (legislative day of July 5), 1946:

FOREIGN SERVICE

TO BE CONSUL GENERAL OF THE UNITED STATES OF AMERICA

Curtis C. Jordan
John J. Macdonald

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Jule L. Goetzmann
Alfred T. Wellborn

TO BE FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Quentin R. Bates	Thomas D. McKiernan
John Q. Blodgett	Cleveland B. McKnight
Thomas S Blood-worth, Jr.	Joseph A Mendenhall
Jack Bramson	Robert W. Moore
Robert A. Brand	Andrew E. Olson
Clarence T. Breaux	Arthur L. Paddock, Jr.
William S Caldwell	William Walter Phelps, Jr.
Stanley M. Cleveland	John F Root
Carroll E. Cobb	Rufus Z. Smith
John B. Crume	Clyde W. Snider
Rodger P Davies	De Witt L. Stora
Richard C. Desmond	Emory C. Swank
Richard H. Donald	Thomas T. Turner
Enoch S. Duncan	Jackson W. Wilson
William R Laidlaw	Robert L. Yost
Henry F. McCreery	

UNITED STATES PUBLIC HEALTH SERVICE

PROMOTIONS IN THE REGULAR CORPS

To be temporary medical director

William F. Ossenfort

To be temporary senior surgeons

Frederick J. Brady
George L. Fite
Arthur W. Newitt

To be temporary senior dental surgeons

Ralph S Lloyd	William P. Kroschel
George E. Jones	Bruce D. Forsyth

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 18, 1916

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty and eternal God, whose amazing goodness crowns our lives and transcends all our needs, we rejoice that each new day is radiant with revelations of Thy kind and bountiful providence.

We pray that we may have a clearer vision and a profounder sense of our responsibility to share with the suffering and the needy the blessings which we enjoy so abundantly. May our spiritual-mindedness manifest itself in public-mindedness and social-mindedness.

Grant that during these days of tension and strife we may dedicate and converge all our thoughts and energies to the high adventure of building a nobler civilization Show us how we may promote friendship and understanding among the peoples of the earth.

Fill us with a greater passion to incarnate the spirit of the Master in whose life we find the clear and commanding expression and challenge of what our own lives must be in character and conduct and in their relationship to others.

Hear our petitions in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 247. An act for the relief of E. D. Williams;

H. R. 271. An act for the relief of Eleanor McCloskey, also known as Evelyn Mary Mikalauskas;

H. R. 844. An act for the relief of John P. Hayes, postmaster, and the estate of Edward P. McCormack, former postmaster, at Albany, N. Y.;

H. R. 1322. An act for the relief of the Marine Engine Works & Shipbuilding Corp., of Tarpon Springs, Fla.;

H. R. 1331. An act for the relief of the Hatheway Patterson Corp.,

H R 1345. An act for the relief of David M. Matteson;

H. R 1469 An act for the relief of Cox Bros.;

H. R 1480 An act for the relief of the S. G. Leoffler Operating Co., of Washington, D C., and for other purposes;

H. R. 1498. An act to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*;

H R 1673 An act for the relief of the Superior Coach Corp.;

H. R. 1797. An act for the relief of Arcadio Saldaña Agosto;

H. R 1850. An act for the relief of Louise Zerweck;

H R. 1957. An act for the relief of the Ohio Valley General Hospital, Wheeling Clinic, Rosetta Snyder, Virginia Barron, Dr. Paul H. Cope, and Dr. J. E. Ricketts;

H. R. 2130. An act for the relief of Daniel S. Bagley, Jr., and Daniel S. Bagley, Sr.;

H. R. 2243. An act for the relief of Arthur A. Guarino;

H R 2269 An act for the relief of Dr William A. Schumacher and Magdalen M. Schumacher;

H. R 2287. An act for the relief of Susan S. Wiseman,

H. R 2319. An act for the relief of J. B. Shropshire;

H. R. 2423. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for other purposes;

H. R 2469 An act for the relief of Gaylon Dhu;

H. R. 2962. An act for the relief of Justin P. Hopkins;

H. R. 3065. An act for the relief of Standard Dredging Corp.;

H. R. 3145. An act for the relief of A. C. McMeans;

H R 3158. An act for the relief of Leonard J. Fox and Milford G. Fox, a partnership, doing business as Fox Co;

H. R. 3341. An act for the relief of J. E. and Minerva Mitchell, and Rosie Monroe;

H. R. 3360. An act for the relief of Mrs. W. H. (Agnes) Holmes;

H R 3397 An act for the relief of Claude S. Crouse;

H. R. 3400. An act for the relief of Herbert W. Rogers;

H. R. 3420. An act to provide for refunds to railroad employees in certain cases, so as to place the various States on an equal basis, under the Railroad Unemployment Insurance Act, with respect to contributions of employees;

H R. 3455. An act for the relief of Chatham M. Towers;

H. R. 3480. An act for the relief of Miss Ruth Lois Cummings;

H. R. 3484. An act for the relief of the Poultry Producers of Central California;

H. R. 3492. An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended;

H R. 3623. An act for the relief of William A. Pixley;

H. R. 3821. An act to amend sections 4 and 8 of the act of September 2, 1937, as amended;

H. R. 3827. An act for the relief of Fred W. Grant;

H. R. 3848. An act for the relief of the legal guardian of Johnnie Pollock, a minor;

H. R. 3857. An act for the relief of Warren H Thompson and Madeline Parent;

H. R. 3968 An act for the relief of Decatur County in the State of Indiana;

H. R. 3993. An act to authorize the Secretary of War to sell and convey to the Southern Pacific Railroad Co. a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif.;

H. R 4090. An act for the relief of Roy Hesselmeyer;

H R. 4180. An act to amend the law relating to larceny in interstate or foreign commerce;

H. R. 4215. An act for the relief of Jane O'Malley;

H R. 4247. An act for the relief of Jesús Lassalle and Mrs. America Bonet Medina;

H R 4357. An act for the relief of the estate of the late Alberto López Ramos;

H. R. 4458. An act for the relief of Rosella J. Masters;

H. R. 4484. An act relating to the construction and maintenance of building and improvements for banking purposes on the Fort Ord Military Reservation, Calif;

H. R. 4486. An act to abolish the Santa Rosa Island National Monument and to provide for the conveyance to Escambia County, State of Florida, of that portion of Santa Rosa Island which is under the jurisdiction of the Department of the Interior;

H. R. 4492. An act for the relief of Charles Marvin Smith;

H. R. 4577. An act for the relief of Dolores Joyce;

H. R 4651. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended;

H. R. 4660. An act for the relief of Mrs. Georgia Lanser and Ensign Joseph Lanser;

H. R. 4673. An act for the relief of Mrs. Minnie Jenkins Ward;

H. R. 4701. An act granting the consent of Congress to the States of Utah, Idaho, and Wyoming to negotiate and enter into a compact for the division of the waters of the Bear River and its tributaries;

H. R. 4884. An act for the relief of the estates of Katherine Delores Booth and Agnes Jane True;

H R. 4862. An act for the relief of Walter R. Newcomb, Sr., Corbin A. Newcomb, and Walter R. Newcomb, Jr.;

H R. 4917. An act for the relief of the Western Union Telegraph Co.;

H. R 4919. An act for the relief of Archibald J. Alcorn;

H R. 4996 An act for the relief of the legal guardian of Joan Esther Hedin, a minor;

H. R. 5026. An act for the relief of the estate of Drury Lee Jordan;

H. R. 5080. An act for the relief of Mrs. Lim Shee Chang;

H. R. 5112 An act to authorize the city of Anchorage, Alaska, to issue bonds in a sum not to exceed $5,000,000 for the purpose of constructing, reconstructing, improving, extending, bettering, repairing, equipping, or acquiring public works of a permanent character, and to provide for the payment thereof, and for other purposes.

H. R. 5178. An act for the relief of Marian Antoinette McCloud;

H. R. 5226. An act for the relief of Stephen Lisay;

H. R. 5324. An act for the relief of Mrs. Mary Francoline and Mrs. Rose Wallace;

H. R. 5351. An act for the relief of Charles Booker;

H. R. 5352. An act for the relief of Joseph Ippolito;

H. R. 5398. An act for the relief of Walter J. Barnes Electric Co. and Maritime Electric Co., Inc.;

H. R. 5510. An act for the relief of Newton William Lowery;

H. R. 5538. An act for the relief of Mae Maxine Stone;

H. R. 5539. An act for the relief of Andrew M. Halvorsen;

H. R. 5541. An act for the relief of F. B. Sweat;

H. R. 5640. An act to reestablish the status of funds of the midshipmen's store, barber shop, cobbler shop, and tailor shop at the United States Naval Academy, and for other purposes;

H. R. 5722. An act for the relief of Charles L. Cannon;

H. R. 5739. An act for the relief of Frances Fitzgerald;

H. R. 5792. An act for the relief of certain postmasters;

H. R. 5800 An act to authorize school districts in Alaska to issue bonds for school construction, and for other purposes;

H. R. 5806. An act for the relief of Etta Yoakam;

H. R. 5820. An act relating to mail service on Lake Winnepesaukee, N. H;

H. R. 5831. An act to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930;

H. R. 5840. An act to authorize an exchange of land in Eagle County, Colo.;

H. R. 5872. An act for the relief of Mr. and Mrs. Walter Keaton;

H. R. 5878. An act for the relief of Elsie Elmhorst;

H. R 5884. An act for the relief of Frances Krzys;

H. R 5956. An act to amend the Agricultural Adjustment Act of 1938, as amended;

H. R. 6041. An act authorizing the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Montezuma, Ind.;

H. R 6065 An act authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Cannelton, Ind.;

H. R. 6081. An act granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near the town of Eddyville, Iowa;

H. R 6213. An act for the relief of Brevet First Lt Margaret Utinsky;

H. R. 6222. An act to extend the times for commencing and completing the construction of a bridge across the Calcasieu River at or near Lake Charles, La;

H R. 6324. An act to amend and supplement the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, to provide for the design and construction of dams so that they will serve as foundations for highway bridges, to provide for the design and construction of highway bridges upon and across such dams, to authorize the granting of easements and rights-of-way in connection therewith, and for other purposes;

H R 6442. An act for the relief of Mrs. Elizabeth J. Patterson, Joy Patterson, and Roberta Patterson;

H. R. 6459. An act to extend the period within which the Secretary of Agriculture may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers;

H. R. 6472. An act for the relief of John E. Peterson, James M. Hiler, Vivian Langemo, Floy Sibrie, and Boss Lee Brown;

H. R. 6486. An act to authorize an appropriation for the establishment of a geophysical institute at the University of Alaska;

H. R. 6515. An act to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1926;

H. R. 6627. An act for the acquisition of buildings and grounds in foreign countries for the use of the Government of the United States of America;

H R 6673. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended;

H. R. 6751. An act authorizing Gus A. Guerra, his heirs, legal representatives, and assigns to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex;

H. R 6889. An act to extend the times for commencing and completing the construction of a toll bridge across the St. Louis River between the States of Minnesota and Wisconsin, and for other purposes;

H R 6903 An act to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces of the United States;

H. J. Res. 321 Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, Philippine Islands, and for other purposes;

H J. Res 336. Joint resolution relating to cotton marketing quotas under the Agricultural Adjustment Act of 1938, as amended;

H J Res 359. Joint resolution relating to peanut marketing quotas under the Agricultural Adjustment Act of 1938, as amended; and

H. J. Res 364 Joint resolution to provide for the establishment of an international animal quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the United States, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H R 783. An act for the relief of Karl E. Bond;

H R 1151. An act for the relief of James Lemuel Muzzall and James M. Muzzall;

H R 1754. An act for the relief of Edwin Doyle Parrish,

H R 3043. An act for the relief of Wilma E. Baker,

H R 3748 An act to amend an Act entitled "An Act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944;

H R 4497. An act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes;

H R. 4616 An act for the relief of the Maryland Sanitary Manufacturing Corp., of Baltimore, Md;

H. R 5025 An act for the relief of Mrs. Opal Riley and Robert R. Riley;

H. R. 5053. An act for the relief of the estate of Jasper A. Mealer;

H. R. 5148. An act to provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II;

H. R. 5186. An act to authorize certain administrative expenses in the Post Office Department, and for other purposes;

H R 5311. An act to amend Revised Statutes, 4921 (U. S. C. A., title 35, Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement;

H. R. 5508. An act to authorize the return of the Grand River Dam project to the Grand River Dam Authority and the adjustment and settlement of accounts between the Authority and the United States, and for other purposes;

H. R. 5590. An act to provide for the uniform administration of efficiency ratings;

H. R. 5911. An act to establish an Office of Naval Research in the Department of the Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power, and the preservation of national security; to provide within the Department of the Navy a single office, which, by contract and otherwise, shall be able to obtain, coordinate, and make available to all bureaus and activities of the Department of the Navy world-wide scientific information and the necessary services for conducting specialized and imaginative research; to establish a Naval Research Advisory Committee consisting of persons preeminent in the fields of science and research; to consult with and advise the Chief of such Office in matters pertaining to research;

H R 6004. An act to provide authorization for the village of Cahokia, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cahokia, Ill., and for other purposes;

H. R. 6371. An act to amend certain provisions of the National Service Life Insurance Act of 1940, as amended, and for other purposes;

H R. 6372. An act to amend the Federal Credit Union Act;

H R. 6532. An act to provide a method for payment in certain Government establishments of overtime, leave, and holiday compensation on the basis of night rates pursuant to certain decisions of the Comptroller General, and for other purposes;

H. R. 6533. An act to authorize certain administrative expenses in the Government service, and for other purposes; and

H J. Res. 305. Joint resolution providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S 162. An act for the relief of Walter S. Faulkner;

S 357. An act for the relief of the Forward Columbus Fund, of Columbus, Nebr;

S. 669. An act to name a dam on the Little Missouri River in Pike County, Ark., and the reservoir created by the same,

S. 920 An act to fix the salaries of certain judges of the United States;

S. 1277. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William S. Brown;

S. 1372. An act to officially name the flood-control project authorized by Public Law 534, Seventy-eighth Congress, approved December 22, 1944, on Lytle and Cajon Creeks near San Bernardino, Calif., the Sheppard Floodway;

S 1478. An act to record the lawful admission to the United States for permanent residence of Edith Frances de Becker Sebald;

S. 1549. An act for the relief of the legal guardian of Duane N. Thompson, a minor;

S. 1561. An act to amend the act entitled "Compensation for injury, death, or detention of employees of contractors with the

United States outside the United States," as amended, for the purpose of making the 100-percent earning provisions effective as of January 1, 1942;

S. 1573. An act for the relief of James H. Wilkinson;

S. 1602. An act to confirm title to certain railroad-grant lands located in the county of Kern, State of California;

S 1607. An act to provide for the naturalization of Peter Kim;

S. 1674. An act for the relief of Michael Joseph Bennett, a minor;

S. 1731. An act for the relief of Lester A. Desaes;

S 1733. An act for the relief of Desmark Wright; the estates of Alberta Wright, Desmark Wright, Jr., and Harold Evans; and the legal guardians of Bobby Dennis Wright and Irvin Lee Wright, minors;

S. 1751. An act for the relief of Wayne Parker.

S 1860. An act for the relief of the Crosby Yacht Building & Storage Co., Inc;

S 1910. An act for the relief of George D. King.

S. 2020. An act granting a right-of-way at a revised location to the West Shore Railroad Co., the New York Central Railroad Co., lessee, across a portion of the military reservation at West Point;

S 2036. An act granting the consent of Congress to the State of Rhode Island to construct, maintain, and operate a free highway bridge across the Sakonnet River between the towns of Tiverton and Portsmouth in Newport County, R. I.;

S. 2083. An act to amend section 6 of the Classification Act of 1923, as amended;

S. 2085. An act to amend title V of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to authorize the Federal Works Administrator to provide needed educational facilities, other than housing, to educational institutions furnishing courses of training or education to persons under title II of the Servicemen's Readjustment Act of 1944, as amended;

S. 2220. An act to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia;

S. 2253. An act to further amend the act of January 16, 1936, as amended, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy";

S 2256. An act to amend the Servicemen's Readjustment Act of 1944;

S 2259. An act to amend the Philippine Rehabilitation Act of 1946, for the purpose of making a clerical correction;

S. 2260. An act for the relief of Roy M. Davidson;

S. 2265 An act to make criminally liable persons who negligently allow prisoners in their custody to escape;

S. 2304. An act to provide for the training of officers for the naval service, and for other purposes;

S. 2306. An act to authorize the Secretary of War to grant Georgia Power Co. a 100-foot perpetual easement across certain land in the State of Alabama constituting a portion of the military reservation designated as Fort Benning, Ga.;

S. 2310. An act to further extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.;

S. 2348. An act to authorize the continuance of the acceptance by the Treasury of deposits of public moneys from the Philippine Islands;

S. 2349. An act to permit the Secretary of the Navy to delegate the authority to compromise and settle claims for damages to property under the jurisdiction of the Navy Department, and for other purposes;

S. 2369. An act for the relief of Col. S. V. Constant, General Staff Corps;

S 2372. An act to authorise the Secretary of the Interior to construct the Lewiston Orchards project, Idaho, in accordance with the Federal reclamation laws;

S. 2375. An act to change the name of the Chemical Warfare Service to the Chemical Corps; and

S. J. Res. 159. Joint resolution providing for the comprehensive observance of the bicentennial of John Paul Jones.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S 141. An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania; and

S. 1516 An act to amend section 12 of the Bonneville Project Act, as amended.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4718. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOWNEY, Mr. GEORGE, Mr. BYRD, Mr. LANGER, and Mr. HART to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R 5223. An act to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for preventing proof of acts abroad with respect to the making of an invention, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PEPPER, Mr. LUCAS, and Mr. HAWKES to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 4080) entitled "An act to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PEPPER, Mr. LUCAS, and Mr. HAWKES to be the conferees on the part of the Senate.

AMENDING INTERNAL REVENUE CODE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7052) to amend the Internal Revenue Code, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. REED of New York. Yes. It is only an extension of the act to permit railroads, hotels, and some other corporations to buy in their bonds without being subject to a penalty under the income tax laws.

Mr. DOUGHTON of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. It might be observed that this bill has the approval of the Joint Committee on Internal Revenue Taxation, the Treasury Department, and also the unanimous report of our committee.

Mr. REED of New York. Yes; from the committee and all departments concerned.

Under the existing law, railroads and other corporations may retire their bonds, notes, or other certificates of indebtedness within the taxable year without recognition of gain, if such retirement occurs in a taxable year beginning prior to January 1, 1947. This provision has materially aided railroads and other corporations whose bonds can be purchased at the present time at less than their face value, giving them an incentive to liquidate their indebtedness. This bill, H. R. 7052, has the unanimous approval of the Ways and Means Committee and of the Treasury.

Under the decision of the *Kirby Lumber Company Case* (284 U. S. 1), the Supreme Court held that a corporation realized income by purchasing and redeeming its bonds at a price less than that for which sold. This prevented many corporations from liquidating their indebtedness in order to place their affairs in a sound financial condition. Your committee believes that this relief should be continued with respect to discharges of indebtedness occurring in the taxable year 1947.

The second section relates to the time for filing claims for refund or credit in respect of war losses caused by property of the taxpayer being destroyed or seized, or damaged by the enemy. The war-loss section may require certain changes and it was therefore deemed desirable to grant a further extension of time for filing claims for refund for the years 1941 or 1942 with respect to overpayments attributable to war losses, since the period of limitation with respect to those years will expire on December 31, 1946. The bill grants an additional time for filing these claims to December 31, 1947.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objecton to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 22 (b) (9) and (10) of the Internal Revenue Code, relating to the exclusion of income from the discharge of indebtedness, be amended by striking out "1946" in each of such paragraphs and inserting in lieu thereof "1947."

EXTENSION OF TIME FOR CLAIMING CREDIT OR REFUND WITH RESPECT TO WAR LOSSES

SEC. 2. If a claim for credit or refund under the internal-revenue laws relates to an overpayment on account of the deductibility by the taxpayer of a loss in respect of property considered destroyed or seized under section 127 (a) of the Internal Revenue Code, relating to war losses, for a taxable year beginning in 1941 or 1942, the 3-year period of limitation prescribed in section 322 (b) (1) of the Internal Revenue Code shall in no event expire prior to December 31, 1947. In the case of such a claim filed on or before December 31, 1947, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in section 322 (b) (2) or (3) of the Internal Revenue Code, whichever is applicable, to the extent of the amount of the overpayment attributable to the deductibility of the loss described in this section.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts and editorials.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Indianapolis Star.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include two or three clippings from newspapers.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include a statement of policies and principles of the North Central Association of Commissioners, Directors, and Secretaries of Agriculture.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include a letter from a wholesale distributor in his district.

Mr. GRANAHAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post.

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Philadelphia Record.

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article Does Security Mean Slavery? by W. G. Montgomery.

BUTTER PRICES

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JOHNSON of Illinois. Mr. Speaker, that there is not a run-away inflation in butter prices since discontinuance of OPA is proven in actual butter markets. Yesterday in Chicago 92-score butter sold wholesale at 71 cents per pound, which is exactly the June ceiling price under OPA plus the subsidy.

For the first time in a great long period, butter sold yesterday at wholesale in New York lower than the Chicago market. There is plenty of butter and there is no run-away price.

COMMANDER JOY BRIGHT HANCOCK

Mr. HAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. Mr. Speaker, I want to pay a brief but well-deserved tribute to a distinguished woman of my district whose services to her country have been signally recognized.

On July 26, 1946, Commander Joy Bright Hancock, of Wildwood, N. J., will assume national direction of the WAVES, with the rank of full captain.

Commander Hancock is a veteran of both world wars, serving as a yeomanette in the first, and being commissioned a WAVE lieutenant in October 1942.

Public service is a tradition of her family, who have long made notable contributions to the public welfare of Cape May County.

I know the House will join me in wishing her all success in the important duties to which she is now called.

HON. CLARENCE HANCOCK

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FELLOWS. Mr. Speaker, Hon. CLARENCE HANCOCK, of New York, has announced he will not be a candidate for reelection to this body. In this decision I sense a loss to this country which cannot be measured by any expression of my personal regret, keen though it be, for I value beyond words the privilege of his friendship.

Modest, kind, clean, able, he has served his State and country with distinction for 20 years. We all have ideals, from which most of us fall terribly short, but if I were asked what qualities of brain and heart best fit a man to represent a great district of intelligent people, I could do no better than point to the gentleman from New York, CLARENCE HANCOCK.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain tables of statistics that I have had compiled.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

RURAL ELECTRIFICATION

Mr. SHORT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHORT. Mr. Speaker, I am glad that the gentleman from Mississippi [Mr. RANKIN] has spoken about the necessity for extending the use of electricity throughout the rural regions of the United States. As the gentleman well knows, I have always supported REA and have worked in cooperation with the gentleman from Mississippi in trying to bring electricity into our farm homes where it has relieved our people of so much drudgery.

Mr. RANKIN. I can testify to that fact.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. RICH. If we are to take care of everything in America, how can we take care of everything in Europe, Asia, and Africa, as the gentleman from Mississippi stated. If we do not stop spending money that way, how are we going to look after our own people?

Mr. SHORT. We must first put our own house in order.

The SPEAKER. The time of the gentleman from Missouri has expired.

REPORT OF PEARL HARBOR INVESTIGATING COMMITTEE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Speaker, the committee appointed to investigate Pearl Harbor has completed its report which will be available to the public and the membership of both Houses of Congress this week end. A lot of speculation has been indulged in by the press, some of it quite erroneous. Because of that speculation, I think it is incumbent upon me to make this short statement. I participated at great length and at a great expenditure of energy and time in assisting in the preparation of the committee report. There are many things included in the report with which I agree. Many statements in the report resulted from the efforts I made to have them incorporated in the report. But the report as a whole I find myself unable to completely agree with. If you will observe, when the report is finally released, I have

filed a very extensive statement of additional views and in affixing my signature to the report I did so with reservations as expressed in those additional views. I trust the Members of Congress will take the time to read them.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an editorial.

Mr. JOHNSON of California asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole on the atomic-energy control bill and include certain portions of testimony taken in the hearings before the Committee on Military Affairs.

Mr. JACKSON asked and was given permission to extend his remarks in the Appendix of the RECORD and to include therein two press releases.

CALL OF THE HOUSE

Mr. SHORT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 226]

Adams	Gibson	Miller, Calif.
Allen, La.	Gillespie	Monroney
Anderson, Calif.	Gillie	Morrison
Andrews, N. Y.	Gossett	Neely
Baldwin, Md.	Granger	Norton
Bates, Ky.	Grant, Ala.	Patrick
Beckworth	Gregory	Peterson, Ga.
Bell	Gross	Powell
Bland	Hancock	Price, Fla.
Bloom	Harless, Ariz.	Priest
Boren	Harris	Reece, Tenn.
Boykin	Hart	Reed, Ill.
Bunker	Hébert	Rivers
Camp	Hendricks	Robinson, Utah
Cannon, Fla.	Holifield	Roe, N. Y.
Cannon, Mo.	Holmes, Wash.	Rogers, N. Y.
Clevenger	Hook	Rooney
Clippinger	Izac	Russell
Cochran	Johnson, Okla.	Sheridan
Coffee	Johnson, Tex.	Slaughter
Colmer	Kee	Sparkman
Cooper	Kerr	Starkey
Courtney	Kilday	Stewart
Cox	Kirwan	Sumner, Ill.
Cravens	LaFollette	Talbot
Crawford	Larcade	Tarver
Curley	Lea	Tolan
Daughton, Va.	Lemke	Torrens
Davis	Ludlow	Vinson
Dawson	McDonough	Wadsworth
De Lacy	McGehee	Weaver
Domengeaux	McGlinchey	Welch
Douglas, Calif.	McGregor	West
Earthman	McMillan, S. C.	Wickersham
Elston	Mahon	Wolcott
Engel, Mich.	Mankin	Wolfenden, Pa.
Flannagan	Mansfield, Mont.	Wood
Fuller	Worley	
Gardner	Mansfield, Tex.	Zimmerman
Geelan	Mason	

The SPEAKER. On this roll call 309 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1717) for the development and control of atomic energy.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 1717, with Mr. JOHN J. DELANEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday the gentleman from Kentucky [Mr. MAY] had 55 minutes remaining, and the gentleman from Missouri [Mr. SHORT] had 36 minutes remaining.

Mr. MAY. Mr Chairman, I yield 15 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I cannot recall any bill since I have been here that has had so many red herrings drawn across its trail as the bill now under consideration. There have also been quite a number of alibis and unjust and unfair statements about the legislation. I can appreciate that there is a plan to kill the bill or amend it to death. For that reason, I invite careful reading and study of the bill before you reach any final conclusion. I am for the McMahon bill as it came from the Senate. I have the same interest in national welfare and security that you have. We are confronted with an unusual situation in that we are dealing with an unusual weapon. If I may read just one or two sentences from the declaration of the policy that is announced in the first section of the bill, it will convey my ideas about the matter far better than I can express them. I quote from that declaration:

> The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. No; I do not yield now. I will yield later.

I would just like to express the hope that there is something to this great discovery known as atomic energy and the atomic bomb besides putting it to military use to destroy the peoples of the world.

This Government spent $2,000,000,000 and employed 130,000 people to develop this bomb. It was said yesterday by a great many Members who spoke, "You cannot stop scientific research, you cannot stop scientific development any more than you can stop the normal mental processes of the human mind." Every nation in the world will, sooner or later, have the secrets of atomic energy. Other nations are working on it, and we just beat them to it. I have an idea that away back many years ago there were some people who did not know what was going to happen to electricity, or to gunpowder, or, in more recent times, to radar. But, now that our scientists have developed this terrible weapon and now that the recent war is over, we are trying to work out some plan by which we will not have another war such as this last one, which would be even worse than all prior wars. I repeat, I hope and trust we can work out some plan by which atomic energy can be put to useful peaceful purposes and the atomic bomb, as an instrument of war, be outlawed.

I have not manifested as much concern about the military as many who have talked loudest about it. I yield to no man in this House in my loyalty to the armed forces of the country, and I think the record will prove it. I want an Army, Navy, and Air Corps second to none. During the consideration of legislation which was before us recently, especially the extension of Selective Service and other pieces of legislation of somewhat like nature, we heard a lot about the brass hats and the caste system and all that sort of thing. I defended the Army but those who talk loudest today spoke contemptuously of them then. It is true, the armed forces have this secret at the present time. The real bone of contention, and I think the only one of any very great importance—at least that is the most controversial—is what part the military will have in this Commission. For that reason I again invite a careful reading of the bill, especially subsection (c) of section 2, which appears on page 7 of the bill.

To recount a little history, you will perhaps remember the House Military Affairs Committee had extended hearings on the so-called May-Johnson bill, which was reported by the committee and then came to the Rules Committee and the Rules Committee did not report it and it never reached the House. When a bill of like nature reached the Senate, there was one group that wanted the May-Johnson bill. There was another group that did not want any of the military represented on the Commission.

Now, you have heard a lot of talk about all the Communistic being for the Senate bill. I do not know anything about them, so I cannot speak for them, but there were a lot of people who are not Communists who were for this bill as it passed the Senate. The man responsible for the military liaison amendment was none other than the distinguished Senator from Michigan, Hon. ARTHUR VANDENBERG.

The Vandenberg amendment contains these words:

> There shall be a military liaison committee consisting of representatives of the Departments of War and Navy, detailed or assigned thereto, without additional compensation, by the Secretaries of War and Navy in such number as they may determine.

The Army and Navy can send to the Commission just as many of its representatives as they want, and also name

the persons who shall constitute that committee; and, more than that, they do not say that the committee may advise with them, but that the Commission shall advise and consult with the committee on all atomic energy matters which the committee deems to relate to military applications, including the development, manufacture, use and storage of bombs, the allocation of fissionable material for military research, and the control of information relating to manufacture or utilization of atomic bombs.

The amendment further provides as follows:

The Commission shall keep the committee—

Meaning the military committee, the official representatives, if you please, of the War and Navy Departments, they—

shall keep the committee fully informed of all such matters before it, and the committee shall keep the Commission duly informed of all atomic energy activities in the War the Navy Departments. The committee shall have authority—

Listen to this—this is the military and naval committee sitting around with the civilian Commission—

The committee shall have authority to make written recommendations to the Commission on matters relating to military applications from time to time as it may deem appropriate. If the committee—

Meaning the representatives of the Army and the Navy appointed by the Secretary of War and the Secretary of the Navy—

at any time conclude that any action, proposed action, or failure to act of the Commission on such matters is adverse to the responsibilities of the Departments of War or Navy, derived from the Constitution, laws, and treaties, the committee may refer such action, proposed action or failure to act to the Secretaries of War and Navy.

And listen to this:

If either Secretary concurs, he may refer the matter to the President, whose decision shall be final.

I would like for someone to tell me what is wrong about that. Here we are a civilian Government; we are not a military Government and never will be, I hope. If we were I assume you would put some distinguished general in as Secretary of War and you would take some great admiral and make him Secretary of the Navy and just let us have a military Government while we are at it. This Government was not founded under any such theory, it was not founded upon any such policy; it was never intended and it never has been the case that the Army and Navy constitute the policy makers of this Government, and they must not be. They are the servants and agents of our civilian Government. I do not therefore understand how some of those who have spoken about the Communists and these other red herrings they have dragged across the trail, can believe as they do with the amendment proposed by Senator VANDENBERG and unanimously adopted by the members of the special committee whose names I called the other day, but for the purpose of emphasis and also for the record I venture to put them in again: McMAHON of Connecticut, GEORGE of Georgia, BYRD of Virginia, TYDINGS of Maryland, CONNALLY of Texas, AUSTIN of Vermont, MILLIKIN of Colorado, HICKENLOOPER of Iowa, and Admiral HART, now Senator from the great State of Connecticut. And yet here was Senator VANDENBERG, great man that he is, Senator CONNALLY, great man that I think he is, chairman of the Foreign Affairs Committee, joining in conference after conference with our distinguished Secretary of State, in recommending this very type of legislation. There was Senator CONNALLY, chairman of the Foreign Affairs Committee, there was Senator VANDENBERG, there was Admiral HART, who had distinguished himself as an admiral of the Navy for many years before he went to the United States Senate; there was one of the greatest Americans I know who has recently gone to the United Nations, Senator AUSTIN. Every one of them joined in the passage of the McMahon bill as it came to us.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman

Mr. THOMAS of New Jersey. Is the gentleman advocating that only the Senate should have any voice in this matter?

Mr. THOMASON. When that type of men, after 5 months of hearings and consideration, unanimously agree I would say that it is not controlling but persuasive. The four large volumes of hearings that were printed were made available to the gentleman from New Jersey and every member of the committee. During those hearings they had great scientists, many high-ranking Army and Navy officers, they had outstanding businessmen of the country, including Barney Baruch, before the committee. The special committee agreed unanimously. Not only that but when the bill got to the floor of the Senate, after the Vandenberg amendment was adopted, the bill not only had the unanimous support of the special committee with those men on it whom I have mentioned, but it received the unanimous support of the Senate of the United States itself. I do not think that is necessarily conclusive, but it has great weight with me.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from California.

Mr. JOHNSON of California. Is it not a fact that our committee read this bill word for word day in and day out, and the majority came to virtually the same conclusion?

Mr. THOMASON. Absolutely. That is not all. Secretary Patterson came before our committee, likewise the Under Secretary of the Navy, and said that, speaking for themselves and for General Eisenhower, they heartily approved the McMahon bill. They do not want control of atomic energy. If they are satisfied from a military standpoint, and they are the ones charged with the defense of our country, why should not we be satisfied?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. THOMASON. Mr. Chairman, there are a lot of people for this bill. They are not all crackpots, either. Not only that, but you cannot draw a red herring across this trail by getting up and asking "Will the gentleman yield?" and then asking "Is it not a fact that Lilienthal is going to be a member of this Commission?" Well, I am sure there have been no commitments as yet. I do not know anything about Lilienthal except he has made a success of the greatest enterprise of its kind in the world. Another red herring question was "Will Elmer Davis be director of publicity?" I cannot answer, but I regard him a great American.

Mr. MAY Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman admit that there appeared before the House Committee on Military Affairs and supported strongly the May-Johnson bill and said it was essential at that time such men as Vannevar Bush, Secretary Patterson, and others?

Mr. THOMASON. Perhaps so. John R Oppenheimer, Dr. Compton, of Massachusetts Institute of Technology, and all the other great scientists are for this bill.

Some speaker quoted George Washington. We are living, Mr. Chairman, not in 1776; we are living in 1946. We are confronted with a new situation, and we must meet it from the practical standpoint.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from California.

Mr. VOORHIS of California. In reference to the Vandenberg amendment, I want to emphasize the fact it is the Military Committee that decides on all matters which the Commission must report on. The Commission does not decide that.

Mr. THOMASON. The Secretary of War and the Secretary of the Navy are not trying to form the policies of this country. They do not want that job

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Maine.

Mr. HALE. Under the Senate bill, is there any reason why the Secretary of the Navy and the Secretary of War should not sit on the Commission?

Mr. THOMASON. No; I know of no reason that they cannot sit on there. They do not want to sit on there. Does the gentleman mean could they sit themselves?

Mr. HALE. Yes.

Mr. THOMASON. Why, the Secretary of War and the Secretary of the Navy, both of whom are civilians, can appear there themselves if they want to.

Mr. Chairman, I ask the Members to read this bill carefully. It is a good bill, and the exigencies of the times demand that something be done.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, it is my opinion that action by the Congress on a law to cover our Government's activities in research and development of atomic energy is overdue.

The special committee who recommended and who aided in the draft of the May-Johnson bill are listed on page 17:

Secretary Stimson, chairman; James F. Byrnes, then a private citizen; Will Clayton, Assistant Secretary of State; Ralph Bard, Under Secretary of Navy; George Harrison, Special Assistant to Secretary of War; Dr. Vannevar Bush, Chairman of the Office of Scientific Research and Development; Dr Karl Compton, president, Massachusetts Institute of Technology; Dr James Conant, president, Harvard University.

Therefore, the May-Johnson bill was brought out on the recommendation of a group of very well known and, I think, highly respected American civilians. Hearings were held at length last October before the House Committee on Military Affairs, and I am sure that our committee has done everything possible to secure action on this type of legislation.

The bill went to the Senate. The Senators created the special committee headed by Senator McMAHON, and as a result we have this bill which is before us here today.

This bill, like the May-Johnson bill, provides for civilian control over the reasearch and development of atomic energy by the United States Government. I do not think that either bill can properly be convicted of giving the military too much control, and I do not think that either the Army or the Navy wish it. I favor civilian control.

However, I do wish to call attention to the testimony of Mr. Kenney, Assistant Secretary of the Navy, who tells us in very interesting words on page 48 that the position of the Navy in connection with this bill is unique:

The Navy is the greatest user of power and the largest power engineering organization in the world, which gives it an interest in the development and application of atomic energy for power uses. In addition, the fact that ships must carry their fuel makes it probable that the first general use of atomic power will be at sea rather than ashore.

Mr. Kenney says that he is disturbed over this bill in several of its provisions, and one of them is in regard to whether or not the Army and the Navy are going to be allowed to carry on their present research and development work without interference from this Commission. They are told by the report of the Senate committee that they will be allowed to do so. However, Mr. Kenney points out that this is only by a matter of interpretation of the words in this bill. On page 58 he indicates, as I see it, the reasons why this bill should be changed and amended, and therefore in order to make certain that an interpretation is not going to determine the future work of our Army and Navy, I intend to offer an amendment to the bill on page 11, at the end of line 2, to permit the armed services to carry on their independent military research—under the provisions of this bill, to be sure—but without any interference with what they are now doing.

Already this Congress has appropriated over $375,000,000 for the continuation of atomic-energy research and development by the War Department for the next fiscal year. About $200,000,000 is in connection with contracts already let; $175,000,000 is for contracts to be let for additional work to be done. These sums are in addition to what this Commission, if it is appointed, will ask for its work. This is big business involving over $1,000,000,000 worth of plant and equipment. I feel that we must give the Army and the Navy the protection which they seek, and at the same time give to this Commission the money they need to develop atomic research for the propulsion of merchant ships, for the development of power plants for municipalities, for light, heat, power, medicine, and other purposes.

I believe that in giving this full control to civilians we ought to take care of other issues. I believe that any five civilians of sufficient ability to belong on this Commission will be fair to civilians, to the Army, and to the Navy. If this bill proves to have faults we can amend it. In the meantime the Government will have established an organization which will be forging forward for the benefit of our American people, and, I hope, for all mankind.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, I have been very much impressed by the remarks made by the gentleman from Texas [Mr. THOMASON] both in the debate on the rule and this morning. I think he is quite correct in bringing to the attention of the House the utter absurdity of throwing red herrings across the trail of the debate on this bill. They have no place here But I do think, since these red herrings have been tossed about, it is well to pay attention to them for just a few moments.

The other day the gentleman from New Jersey [Mr. THOMAS] attacked an ad of the National Committee for Civilian Control of Atomic Energy, which urged passage of the McMahon bill without the amendments proposed by the Military Affairs Committee. He denounced the ad vigorously and said, among other things, "This is smearing at its worst." He also inferred that the signers of the ad had not even seen the bill. I know that all the signers of that ad have seen the McMahon bill.

I want to read to you a list of some of the distinguished Americans who signed that advertisement so we may see just how far afield we have gotten in this debate; men whom Mr. THOMAS charges with smearing at its worst.

For example, the Most Reverend Bernard J. Sheil, auxiliary bishop of Chicago of the Roman Catholic Church, known as one of the greatest builders of character in American youth, and widely known for his intense interest in all problems of human relations. Also on this list is the Reverend Harry Emerson Fosdick. Anyone who is familiar with religious life in this country knows of Reverend Fosdick. The Very Reverend James T. Hussey, member of the Society of Jesus and president of Loyola College, is another endorsee of S. 1717. Bishop G. Bromley Oxnam, president of the Federal Council of Churches of Christ in America, and Arthur P. Whiteside, president of Dun & Bradstreet, are among those denounced as smearers. Ralph Flanders, chairman of the Federal Reserve bank of New England and, I believe, now the Republican candidate for Senator in the State of Vermont, is still another who endorsed the ad's position for civilian control of atomic energy.

Those names are typical of the kind of individuals who are asking us to pass the McMahon bill as it left the Senate. I think the record should show clearly that very patriotic Americans, in addition to the list of distinguished Senators which the gentleman from Texas has twice read into the RECORD, are behind the bill as it passed the Senate. I intend to obtain permission later to insert the ad and all of the signers with my remarks.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. Their opinion of the need for civilian control is unquestioned. I happen to share that opinion. But would the gentleman say that any of the men whose names he has read from that list is or could consider himself a qualified expert, let us say, on the patent sections in this bill?

Mr. BIEMILLER I am not now discussing the patent sections of the bill. For that reason, I am not going to answer your question at this time. I am discussing purely the issue of military control.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. I did not particularly have in mind the names that were on this ad, I had in mind this part of the ad, "Defeat the May committee amendments to the atomic energy bill." What I had in mind particularly was the words "May committee." This happens to be the Committee on Military Affairs. The gentleman knows perfectly well why they referred to it as the May committee, just as they refer to the Committee on Un-American Activites as the Rankin committee.

Mr. BIEMILLER. I think that whether it is a good practice or not, many committees of the Congress are referred to by the names of the chairman of the committees. For example, the Senate Committee on Atomic Energy is generally called the McMahon committee, our own Public Buildings and Grounds Committee is often called the Lanham committee, and so forth. That is a matter of fact. I see nothing reprehensible in the practice.

One more point on this matter of red herrings. The gentleman from New Jersey tells us that the Daily Worker each day supports this bill; that the Communist-front organizations do. I am willing to take his word for it. I am not a reader of the Daily Worker, as the gen-

tleman from New Jersey evidently is. But the fact remains that just because the Communist organizations may support a bill it is not necessarily a bad thing. For example, the Communist Party always supports public ownership and development of power resources, but because of that fact I certainly would not say the gentleman from Mississippi [Mr. RANKIN], one of the most ardent exponents of the TVA in this House, is a Communist. These are false arguments. Let us try to stick to the bill. The calling of names will get us nowhere.

But when we are seriously considering what is probably the most important piece of legislation ever to be presented to the Congress it ill behooves us to engage in emotional appeals which endeavor to develop Red scares. Patriotic Americans are trying desperately to pass a bill they believe will help insure world peace and establish a world of plenty and freedom for their children and their children's children. Atomic energy is a frightful discovery—you and I must decide the best way to use it for good, not evil. Let us conduct this debate with dignity, decorum, and facts, not appeals to prejudice that are being presented to us. I think we ought to recognize that the bill should be discussed on its merits. There may be differing points of view. I shall be glad, for example, at a later time in the debate, to discuss the patent sections.

So that all may see the group of splendid Americans who signed the ad to which the gentlemen from New Jersey took such violent exception, I am inserting it and the list of signers at this point in the RECORD:

To the House of Representatives:

Place the control of atomic energy in civilian hands now.

Says President Truman: "A commission established by the Congress for the control of atomic energy should be composed exclusively of civilians. This is in accord with established American principles embodied in our statutes since 1870."

Says Secretary of War Patterson: "We do not advocate any amendment to this bill (the atomic-energy bill) authorizing one or possibly two members of the Commission to be representatives of the armed forces."

Despite the President, despite the Secretaries of War and Navy, despite General Eisenhower, unwise amendments are proposed to the atomic energy bill. Amendments providing for two military men on the Atomic Energy Commission and empowering the armed forces to manufacture atomic weapons independently. This, while Mr. Baruch is assuring the world of our peaceful intentions.

These amendments revive the discredited policy of military control of atomic energy.

Defeat the May committee amendments to the atomic energy bill.

The Senate Special Committee on Atomic Energy sat for 7 months and heard extensive testimony, much of it necessarily secret, in preparing the atomic energy bill. This bill, as finally written, satisfies President Truman, the War and Navy Departments, Secretary of State Byrnes, and the country's leading scientists. It was passed unanimously by the United States Senate.

National Committee for Civilian Control of Atomic Energy: Ivan Allen, Sr., President, Ivan Allen-Marshall Co.; Stringfellow Barr, President, St. John's College; Mrs. George L. Bell, Civic Leader; Percival F. Brundage, Senior Partner, Price, Waterhouse Co.; Cass Canfield, President, Harper Bros.; Everett Case, President, Colgate University; Mrs. John Alden Carpenter, Civic Leader; Leo Cherne, Research Institute of America; C. A. Dykstra, Provost, University of California at Los Angeles; E R. Embree, President, the Rosenwald Foundation; Marshall Field, Publisher; Mrs. J. Borden Harriman, Former United States Minister to Norway; Maurice Harrison, Attorney, Rev. John Haynes Holmes, Pastor, Community Church; Thomas K. Finletter, Attorney; Ralph Flanders, Chairman, Federal Reserve Bank of New England; Rev. Harry Emerson Foadick, Minister, Riverside Church; Leon Henderson, Former Director of OPA; Melvin Hildreth, Attorney; Palmer Hoyt, Publisher; the Very Reverend James T. Hussey, President, Loyola College; Robert M. Hutchins, Chancellor, University of Chicago; Albert D. Lasker, Publicist, Civic Leader; Herbert H. Lehman, Former Governor of New York, Mrs. Edward Macauley, Civic Leader; Donald Nelson, President Society of Independent Motion Picture Producers; William I Nichols, Editor, This Week Magazine; Bishop G. Bromley Oxnam, President, Federal Council of Churches of Christ in America; Gifford Pinchot, Former Governor of Pennsylvania; Beardsley Ruml, Chairman, Board of Directors, Macy & Co.; Alexander Sachs, Economist; the Most Reverend Bernard J Sheil, Auxiliary Bishop of Chicago of the Roman Catholic Church; Samuel Stolkin, President, Hi-Grade Meat Packing Co; George Thomas, President Emeritus, University of Utah; William H. Vanderbilt, Former Governor of Rhode Island; W W Waymack, Publisher, Sumner Welles, Former Under Secretary of State; Walter White, President, National Association for the Advancement of Colored People; Arthur P. Whiteside, President, Dun & Bradstreet; John Hay Whitney, President, J. H. Whitney & Co.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I have listened with interest to the gentleman from Texas [Mr. THOMASON] and the gentleman from Wisconsin [Mr. BIEMILLER] and others who have discussed the question of whether or not military men should be on this Atomic Energy Commission. I want to say to you here and now that considering the context of the bill any such discussion is poppycock. It is not relatively important in comparison with what this bill does.

If you will give careful attention to the bill you will find that, generally speaking, it divides itself naturally into two parts. The first part is that part of the bill or those parts of the bill grouped together which, in total, completely vest all rights, titles, and interests, not only of every person in the United States, but of every agency of the Government of the United States, in any property or any rights in production facilities or any raw materials and any patent rights and even any ideas, in the Commission as the sole and exclusive owner.

The second part of the bill which is of even more vital importance is section 8. I desire to call your attention to section 8 and hope you will turn to it and read it while I read it aloud.

It is entitled "International Arrangements."

SEC. 8. (a) Definition: As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement—

The committee proposes to here insert the word "hereafter", so the section will read:

hereafter approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) Effect of international arrangements: Any provision of this act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no further force or effect.

Then subsection (c), Policies Contained in International Arrangements:

In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

Now, my colleagues, the first group of provisions in this bill to which I have referred, as I said before, vests in the Commission all rights, titles, and interests, in everything having to do with atomic energy, certainly in the United States. Then it provides that when an "international arrangement" is agreed to the Commission shall give maximum effect—note carefully the words "give maximum effect"—to the policies contained in the arrangement, and that any provision of this act or any act of the Commission to the extent that it conflicts with the provisions of the international arrangements are thereafter null and void and of no further force or effect. Note that provision carefully. That is really important.

Then turn to the so-called Lilienthal report, being A Report on the International Control of Atomic Energy, made by a board of consultants of which David E. Lilienthal was chairman. In chapter 1 of section 3 on page 35 of the report, it says:

All the actual mining operations for uranium and thorium would be conducted by the Authority. It would own and operate the refineries—

Now they are speaking of an international authority here, not this American Commission we are establishing by S. 1717. I read further:

It would own and operate the refineries for the reduction of the ores to the metal. It would own the stock piles of those materials and it would sell the byproducts, such as vanadium and radium and so forth.

That says very plainly that an international authority will conduct mining operations in the United States, and own and operate the refineries in the United States, and own the stock piles of material in the United States and sell the byproducts. It implies also, of course, that the international authority would necessarily also own and operate, produce and sell those things in every other

country. That means a broad abandonment of sovereignty on our part and on the part of other nations. The report advises us very plainly that in the dawning atomic age such abandonment of sovereignty is necessary to the peace of the world and the safety and happiness of its citizens.

Then, under plant, it says practically the same thing as it does for mining. It says:

The second and major function of the international authority would be the construction and operation of useful types of atomic reactors and separation plants. This means that operations like those at Hanford and Oak Ridge and their extensions and improvements would be owned and conducted by the authority—

Meaning the international authority. In other words, this bill provides first that the Congress vest full authority in the Commission to take over, in absolute ownership, everything connected with atomic energy in the United States, including ideas; and then directs that when this proposed international arrangement is made, all of this property acquired by the American Commission shall be turned over to an international authority. Now, that is the kernel of this very hard nut. That is the thing which we must decide. All the rest of these issues are minor. They are relatively unimportant and we should not spend much time in discussing them. This is the question we must consider and consider carefully. Are we willing in the first place to vest all right, title, and interest in everything connected with atomic energy, including the bombs already manufactured, in a commission, and then give the Commission authority and even direct it to turn all this over to an international authority?

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. GRAHAM. And if an international arrangement is incorporated and one of the high contracting parties vetoed that, it is of no effect, and null and void.

Mr. HINSHAW. I thank the gentleman. I was coming to that. It seems to me, in view of the very unsettled condition in the United Nations Atomic Subcommittee, and the very difficult situation that has been brought about through lack of unanimous agreement in that committee, that this Congress and this House at this point would do very well to hold this legislation for a little while, begging the pardon of the chairman of the committee. I know he has been diligent in bringing this matter to the floor. But it seems to me that in view of the seriousness of the present situation and the flux that everything seems to be in, in the United Nations organization, it would be very well if we withheld action on this matter for a little while. I may be entirely in favor of the provisions of this bill, even including the patent sections set up in the bill, and I have no argument on the question of who should be on the Commission. I think that is a small matter. It does not matter greatly whether it is military men or nonmilitary men. I am perfectly willing that it should be nonmilitary men.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MAY. Does the gentleman have any views with respect to a possible difference in cost that would be incurred by a separate outside Commission as provided in the bill, and that which is now being carried on by the Army at Oak Ridge?

Mr. HINSHAW. I have no ideas on that, but perhaps the gentleman's committee has taken some testimony on that subject. I do not find any in the hearings. As a matter of fact, this little volume of hearings deserve to be about 3 inches thick instead of three-eighths of an inch, and to contain the complete views of everybody in the United States concerned in this vital subject, because in the very preamble of S. 1717 it sets out that this bill is liable to change the entire way of life not only of the people of the United States but of the people of the world. Therefore, it deserves long, careful, and well-published hearings. I do not find much in the hearings except glittering generalities. I understand that the committee sat in hearings only 3 days.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DONDERO. The gentleman does not anticipate that Russia would veto the turning over of this $2,000,000,000 worth of improvements that the United States has invested in this matter?

Mr. HINSHAW. If you would like to refer to it as such, this bill is one of the greatest acts of appeasement to Russia that has ever been performed by the United States, and that includes all the lend-lease sent to them. I may be in favor of this kind of appeasement. I do not yet know. The scientists all point out that you cannot keep scientific information to yourself; that the basic information that led to the development of the atomic bomb did not come from the United States, but came from various foreign sources. Those foreign sources have that information, because they brought it to us. We did not give it to them. The only knowledge we have that they do not have is some of the techniques in connection with the actual manufacture of this bomb and the release of explosive atomic energy; and it is not a question of basic facts at all.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. VOORHIS of California. I think the gentleman's analysis of the bill is very helpful. Would not the gentleman agree with me, however, that we are faced with the general risk of the unilateral development of atomic weapons by many nations on the one hand or the alternative of finding some international agreement whereby that can be prevented on the other?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman one additional minute.

Mr. HINSHAW. We may be running that risk; I do not know; but I do know that they are likewise in the position of seeing us here with this plant established and with this atomic energy know-how. That risk of unilateral development is not an immediate risk because the report states that even if we did nothing further about this bill no other nation would be able to develop anything with which to actively threaten us within about 5 years.

Mr. VOORHIS of California. I think that is true.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mrs. LUCE. Is it the gentleman's thought that if such a world authority to control atomic energy were formed that we would have to give them not only our so-called secrets but land, facilities, and raw materials?

Mr. HINSHAW. Indeed we might; this bill provides for it; and then the international authority would own all of the plants in the United States they required for their purposes and we would be required to turn everything over to them. We would be then harboring an extraterritorial authority within the United States.

Mr. Chairman, under authority granted to extend my remarks I include the following:

Mr. Chairman, I have given as careful study to the bill S. 1717 which is an act for the development and control of atomic energy, as has been possible in the limited time available to me from my other duties. I have listened attentively to the debates, read several reports, and have received a number of letters from qualified persons on this subject. It seems to me that most of those who have engaged in this debate thus far, have missed the point of this bill. I believe that in order to understand this bill, one must first read the "Report on the International Control of Atomic Energy," prepared for the Secretary of State's Committee on Atomic Energy by the board of consultants, of which Mr. David E. Lilienthal is chairman. Section III of that report contains the summary of their proposed plan. I desire to quote from that summary as follows:

The proposal contemplates an international agency conducting all intrinsically dangerous operations in the nuclear field with individual nations and their citizens free to conduct, under license and minimum of inspection, all nondangerous, or safe, operations.

The international agency might take any one of several forms, such as a UNO commission, or an international corporation or authority. We shall refer to it as Atomic Development Authority. It must have authority to own and lease property, and to carry on mining, manufacturing, research, licensing, inspecting, selling, or any other necessary operations.

Further in this summary, it states:

The proposal contemplates an international agency with exclusive jurisdiction to conduct all intrinsically dangerous operations in the field. This means all activities relating to raw materials, the construction and operation of production plants, and the conduct of research in explosives.

In chapter I of section III, it states:

The first purpose of the agency will be to bring under its complete control world supplies of uranium and thorium.

All the actual mining operations for uranium and thorium would be conducted by the Authority. It would own and operate the refineries for the reduction of the ores to the metal or salt.

Then, further quoting from chapter I, section III:

The second major function of the Authority would be the construction and operation of useful types of atomic reactors and separation plants This means that operations, like those at Hanford and Oak Ridge and their extensions and improvements would be owned and conducted by the Authority.

Under the subject of licensing activities, the report states:

The uranium and thorium which the Authority mines, and fissionable materials which it produces will remain the property of the Authority.

The entire statement should be read to be appreciated.

Now, to return to the bill S. 1717 which is before us for consideration. A most casual reading of this bill will indicate quite clearly that its purpose is to key the entire atomic energy program of the United States into the program proposed for the so-called International Atomic Development Authority.

Section 4 (b) contains the prohibition that it shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

Then section 4 (c) provides that the Commission shall be the exclusive owner of all facilities for the production of fissionable material other than certain designated facilities useful in research, and other facilities which have a low potential production rate.

Then section 5, vests all right, title and interest within or under the jurisdiction of the United States in or to any fissionable material, now or hereafter produced. Section 5 then proceeds to prohibit the export or import into the United States of any fissionable material, and to prohibit any person to engage either directly or indirectly in the production of any fissionable material outside the United States. It furthermore authorizes the Commisison and directs it to purchase, take, require, condemn, or otherwise acquire, supplies of source materials, or any interest in real property containing deposits of source materials. In fact, the entire bill, in its various applications, gives the Commission greater authority than has been given to any other agency of the Government at any time in history—and that includes in my humble opinion, any powers that may have been given to the President, and to the War and Navy Departments in the conduct of a war.

Section 9 of the bill even goes so far as to order the President to direct the transfer to the Commission of all interests owned by the United States or any governmental agency, not only all fissionable material, but all atomic weapons and parts therof; all facilities, equipment, and materials for the processing, production, or utilization of fissionable material or atomic energy; all processes and technical information of any kind, and the source thereof—including data, drawings, specifications, patents, patent applications, and other sources—relating to the processing, production, or utilization of fissionable material or atomic energy; and all contracts, agreements, leases, patents, applications for patents, inventions, and discoveries—whether patented or unpatented—and other rights of any kind concerning any such items, including the transfor of the Manhattan Engineer District to the Commission. And of course, the act turns over to the Commission irrevocably, any and every patent relating to atomic energy, and even requires that any person who has made or hereafter makes any invention or discovery along these lines, to report within 60 days to the Commission giving a complete description thereof.

Now, permit me to quote to you the exact wording of the bill and its definition of the term "person," subsection c, beginning at page 50:

The term "person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, the United States, or any agency thereof, any government other than the United States, any political subdivision of any such government, and any legal successor, representative, agent, or agency of the foregoing, or other entity, but shall not include the Commission or officers or employees of the Commission in the exercise of duly authorized functions.

Please note carefully this definition of the word "person" because for the first time to my knowledge a congressional act includes in the term "person" the United States, or any agency thereof, any government other than the United States, or any political subdivision of any such government, while at the same time this definition of the term "person" excludes the Commission or officers or employees of the Commission in the exercise of duly authorized functions. In other words, Mr. Chairman, this bill completely divests from every person, including the United States or any agency thereof, and any government other than the United States, or any political subdivision, of all their right, title, and interest in and to all property, patents, and even ideas that may have anything to do with source material, and the production of fissionable material, the material itself, and every other activity connected with atomic energy, and invests all such right, title, and interest in the Commission. In the words of the act itself it provides "that the Commission shall be the exclusive owner of all facilities."

Now for the purposes of this discussion, let us consider that the Commission has proceeded to acquire all of these rights, titles, and interests to everything in the United States that has to do even remotely with atomic energy and then let us turn to section 8, which is captioned "International arrangements." I desire to quote section 8 in full again, as follows:

As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreement hereafter approved by the Congress, during the time such treaty or agreement is in full force and effect.

(b) Effect of international arrangements: Any provision of this act or any action of the Commission to the extent that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no further force or effect.

(c) Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any such international arrangement.

Section 8 is indeed the key to the entire bill. That is the section which makes it mandatory upon the Commission in the performance of its functions under the act, to give "maximum effect to the policies contained in any such international arrangement."

Please note further, and under the assumption that all of this property, including production facilities, patents, and so forth, having already been acquired by the Commission, and title to which has been irrevocably vested in the Commission, that under subsection (b) of section 8, any provision of this act which we are here considering as S. 1717, or any action of the Commission to the extent that it conflicts with the provision of any international arrangement made after the date of enactment of this act, shall be deemed to be of no further force or effect.

In other words, Mr. Chairman, this bill carries out absolutely the intent of the report on the International Control of Atomic Energy prepared by the Lilenthal committee for the Secretary of State, from which I have already quoted, and which provides that the International Atomic Development Authority must "own and lease property, carry on mining, manufacturing, research, licensing, inspecting, selling, or any other necessary operations," and the bill provides quite definitely that when any such international authority is agreed to by the Congress of the United States that it shall be mandatory for the Commission to turn over to the International Authority all such property and rights as have been acquired by the Commission, and in turn provides for the repeal of any provision of this act to the extent that it conflicts with the provision of any such international arrangement.

That, Mr. Chairman, is the essence of S. 1717 as I read the bill.

Perhaps the provisions of S. 1717 are the same provisions that this Congress, or two-thirds of the Senate, as the case may be, will approve in years to come. Perhaps it is the only answer to the new era which is so terrible to contemplate—the atomic age. I am sure that I am not wise enough to know. The entire subject is awful to contemplate. I wish that this bill were not before us just now. I wish that every Member of the

House could have time to consider further, to study, and indeed to pray over this subject. Indeed, I am sure that even the great Committee on Military Affairs, which presents this bill, does not fully understand its implications. The members of that committee admit that fact freely.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I spent a great deal of time on the floor yesterday listening to the debate on this bill. I have been interested this morning listening to the debate and to the statement of my distinguished friend from Texas. I have great confidence and respect not only for him but for his opinions. I listened to the gentleman from Wisconsin [Mr. BIEMILLER].

I find myself in somewhat the same position I am quite sure about 90 percent of the Membership finds themselves in, and that is a state of general confusion over this bill. We have here in this bill 53 pages dealing with something that it took years and $2 000,000,000 to find, and yet we speak of it as secret, and so far as knowing anything about it is concerned, to this House it is in reality a secret.

I realize the gentleman from Texas has spent more time on the Military Affairs Committee than I have and probably while "the eagles are flitting around sparrows should seek cover," but this is one sparrow that is beginning to have the feeling that things are closing in on him. I do not know a man in the world today who has brains enough or vision enough to predict what will happen with even a fair degree of certainty within the next 60 days, and here we are about to allocate unto ourselves enough synthetic wisdom to make ourselves believe that we can plan for 5 or 6 years for the most deadly, the most dangerous, and the most potent weapon of destruction this world has ever seen. Someone referred to it yesterday as a case where the scientists have snatched something from the control of God. It is not out of His control, neither are we. I think He, by releasing it, expects all of us to proceed cautiously and wisely.

I have not heard anyone express an opinion on the floor of this House contrary to the point of view that 6 months' study and wait to see just what turn world conditions may take will do no harm. We are at war. The peace is not yet signed. It is true we have allies, but we have some allies that are even now throwing our officers in concentration camps—not a very friendly act regardless of how we may theorize upon the subject.

Mr. Chairman, I approach this matter with very little question in my mind about voting for the bill. In fact, from what I had heard of it I was almost sure I would vote for it. I listened to the statement of the Chairman of this Committee, who made a very clear and concise presentation. He gave to the House the full benefit of the information he had, but after listening to the debate I have anything but a sense of security, a sense of certainty about what I am about to do or what the results might be if I did vote for it.

Mr. Chairman, this matter should go back to this very able and fine committee for a thorough, definite, and detailed study.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman two additional minutes.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. Apart from the gentleman's natural conclusion, which we all share about the future of nuclear energy or the principles of nuclear fission, does the gentleman have any clear idea about the character of this legislation, as to what type of legislation he believes it should be as a legislator?

Mr. BARDEN. The gentlewoman only adds to my confusion.

Mrs. LUCE. I am so sorry. May I ask a direct question. Does the gentleman think, for example, that this bill, as stated in the preamble, will do anything to increase our standard of living or to encourage the free enterprise system in America?

Mr. BARDEN. My good lady, if you would strike out the words "atomic energy," not use the word "atomic" in the preamble, Hirohito or Tojo would have subscribed to the preamble and inserted the words "military organization." They would have posed and presented to their people that that was the salvation of their country. I cannot give much consideration to the preamble. We pass laws here and only God and the administrators know what is going to happen to either us or to the laws when they get downtown.

Mr. Chairman, this thing was developed as a military weapon, as a weapon of defense; it has been handled by the War Department up to this point. If they do not have the power, the authority and the funds to continue research and development until the peace is signed, then they should be given that power and we should let them alone. I have never been more confirmed in an opinion in my life. We have a provision in here that if somebody turns it over to another country we are going to fine them $20,000, and the gentleman from Wisconsin [Mr. BIEMILLER] says "pass it." I say define treason so as to include the betrayal of this Nation by giving the atomic bomb secret to a foreign nation and if any person or group of persons violate this provision line them up on the wall, and give them the bullet treatment.

I say let this bomb, and all information pertaining to its manufacture as well as the manufacture of it remain where it is at least until the peace treaties are signed. I say put the peace treaties first, and after they are signed we will have plenty of time to take it from the War Department and set up commissions and so forth. There is no need to rush. I hope 6 months from now the international fog will be cleared away and all names will be signed to the peace treaty.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, the reason I am for this bill is because of the hearings I attended and the witnesses I listened to. This is a complicated matter; it is a mighty serious matter. Maybe we ought to have some amendments. For instance, I offered an amendment in the Committee to virtually strike out the entire statement of policy, the one referred to by my colleague from Connecticut yesterday. I also intend to offer an amendment with reference to personnel so that the President may be permitted, if he wishes, to make an army or navy man a member of the Commission. I am not for this bill because any particular group or any particular nation is for or against this sort of set-up. As I say, I believe that our very future, our security, in fact, our life as a Nation is dependent upon the way we handle this atomic situation.

Why do I say that? If you will sit down and take a globe and look at the area of the earth from the 30 degree latitude, north, over the entire world, you will be looking at the area in which the great industrial nations of the world are located. You will notice that that area contains all the great military powers. You all know better than I, perhaps, that you can now span that area from any part of it to any other part in a matter of a very few hours. The distance from Chicago, from New York, from Los Angeles or from Detroit to any one of the great capitals of Europe is only a matter of hours, in time.

Just try to contemplate, if you will, what would happen to our country if we got into an atomic war. You know and I know that the next war, if we have one—and I hope and pray we never will have one—is going to be an atomic war. One fleet of airplanes could carry enough bombs to devastate every large industrial city in the United States of America in the matter of a few hours. That is the thing that we have to keep in the background of our thinking when we consider what to do about this matter.

There are some sweeping provisions in the bill, like the matter of patents. We can amend that. Perhaps it is too sweeping that we take in the property that we may use to make atomic material and to make atomic energy from. But do you not see that we have an instrument here that is the most revolutionary of anything of its kind in the whole history of the world? Therefore we have to give a different kind of medicine today than would have been applicable at any other time if we are to even pretend we want to avoid another war.

This is only an interim bill. We are only providing those things and trying to control the development of atomic energy and handle the situation for our own welfare and with no injury to ourselves until

we can find some way to outlaw atomic war. I mentioned the other day that an article recently appeared in the Saturday Evening Post, written by some young, brilliant Army officers of our Army, who had made an over-all study of the atomic problem, and they came to the conclusion, just like I have and I believe many Members of this House have, if they have studied the problem seriously, that there is only one way that we can get security in this atomic age, and that is by agreement with the other powers of the world that we effectively outlaw this bomb.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Michigan.

Mr. DONDERO. Does the gentleman think that we will have any better success on this subject than we are having under our United Nations agreement to bring about world peace?

Mr. JOHNSON of California. Frankly, I do not know, but I am hoping desperately that we will.

I want to point out that what Mr. Baruch has proposed does not give away anything. It provides explicitly that we must be assured that the arrangements we make, and whatever we give away, will not interfere with or jeopardize our security. The only way that I can see that we can avoid complete extermination of the human race is to find some way to get along with our neighbors and see that atomic energy is controlled and not used for warlike purposes. It may be a long, rocky, difficult road, but from my consideration of the problem that is the only way that the human race and the American people can be assured of security.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from California.

Mr. VOORHIS of California. I just want to thank the gentleman for what he said and to say that I agree with him. I agree with him that it may be a long, rocky road, but it is the only way in which the American people themselves can be assured of security, and the Baruch proposal would give them that security, and it seems to me that anything that can be done to advance acceptance of that proposal around the world, so that we can have enforcible assurance that no nation can have or use these weapons, would be worth doing.

Mr. JOHNSON of California. I believe that we can set up an arrangement that will protect us.

Just look at the curious situation we are in. He we are one of the great Christian nations of the world. Practically every other nation that proposes to use this weapon is a Christian nation. We traveled in Europe last summer. We saw every physical evidence of the development of Christianity, gorgeous temples, beautiful painted glass, wonderful altars. Yet right there where Christianity was born and flowered is where every single war has been generated in the last three or four hundred years. War, we must realize, is merely legalized murder. It is violative of every Christian principle.

We came out of this war as the great colossus, the great military and industrial colossus of the world. I believe we are the one that can furnish the leadership if we have patience and diligence and the continued effort to bring about leadership that will avoid the atomic war we are all looking at just across the horizon.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. I understand from the gentleman's remarks that the main reason he is in favor of this particular bill is that he is in favor of the Baruch proposal, and that this would dovetail with that.

Mr. JOHNSON of California. I do not know the details of the Baruch proposal other than what I read in the papers, but I believe the Baruch proposal is the way we have to travel if we want peace. You simply cannot get peace by defense, in the atomic age, by merely having more atomic bombs than the other party has. If the atomic war comes, I predict the human race will have to live like a bunch of gophers, under the ground, coming up only to take a look at the sunlight and to get some fresh air, so devastating is this instrument.

Mr. THOMAS of New Jersey. This is what I was leading up to. Suppose Russia does not agree to the Baruch proposal, would the gentleman then be in favor of this kind of legislation?

Mr. JOHNSON of California. No. My whole assumption is that it paves the way for world agreement among the great powers that will avoid this disastrous war that some people are already talking about. There is nothing that is going to strip us of our liberties in this bill. I predict that if atomic energy is controlled, and we do not have a war, what will happen will be this: We will use atomic energy for civilian uses. The Government will relinquish, and I think Congress will make it relinquish, rigid controls of that energy, once we have locked the bomb into the international safe, you might say, and thrown the key away. Then we will relinquish those controls, then we will use this energy for the welfare of mankind. But I tell you frankly that with the situation as it is, in my opinion that is the only approach we can take to it. We must control this and not let this devastating force get into the hands of individuals or small groups. If we do not control this force—this weapon if you please, it may destroy us.

We have heard it repeatedly on this floor that this bill will give away the "secret" of the atomic bomb. There is not one thing in the bill to warrant such a statement or conclusion. The "secret" is one of the most misunderstood things about this whole problem. There really is no secret as to atomic principles. The only secret is the industrial technique of making the bomb. In order to put the Members straight on this problem, I am inserting here, having obtained permission to do so prior to the time we resolved ourselves into the Committee of the Whole House, a statement by General Groves, who had charge of the production of the bombs. This is from the testimony taken before our committee, when we considered the May-Johnson bill:

General Groves. The big secret was really something that we could not keep quiet, and that was the fact that the thing went off. That told more to the world and to the physicists and the scientists of the world than any other thing that could be told to them It was something that we did not know until we had spent almost $2,000,000,000 and had worked about 3 years. We did not know whether it would go off or not, and that is the thing that really told them more than anything else that could be told.

The secrets, as they are loosely termed in the public discussion, are divided properly, I think, into about three classes. One class of these secrets consists of established scientific facts which were not secret at all They were well known to the best scientists of the world before this work ever started. They had been published. They had been published in odd places, but were easily collectible. Anyone who wanted to could find those secrets. Coupled with those were certain others which had been theories before the explosion confirmed them, and the deductions were what would naturally be made by competent scientists. When we speak of competent scientists in this field we mean scientists that are top-notch, not just first-class men. Those secrets could be deduced by those men knowing that the bomb had actually gone off. The extent of that information which, in fact, was public knowledge to the scientists of the world, is the limit of the Smyth report which you have heard so much about. In other words, nothing in that report discloses any secrets to the world.

The second classification of secrets is the scientific developments which went beyond this, and most of those developments were not basic. They were made up of hundreds and hundreds of problems that had to be solved before this work could be done.

They involved things such as the purification of metals and the purification of other products and the handling of certain products that are not easy to handle safely. They involved all the research work, principally that which was done in many laboratories by thousands of scientists There are other ways to do this. We hit one way. Probably there are several ways in which you can do those various items, but they require a tremendous amount of work.

This could undoubtedly be achieved by other nations if they spend the money, the labor, and the time and have the scientific organization with which to do it. In time, they can, of course, do it. It is merely a case of relative speed.

Another class of secrets falls in the industrial sphere. This contains many industrial applications which, in the course of time, will be made known in this country.

A man who has worked on this project and who is confronted with a similar problem in industrial life cannot forget the solution that was used on this project, and he is going to use that information no matter how honorable he is, and he cannot be prevented from doing it. It is just like a child who is given an arithmetic problem to solve and knows the answer in advance. He cannot help but take advantage of knowing that answer.

The other class of secret, which is the biggest field, is the ingenuity and the skill of the American worker and the American management, both the top management and the junior management, and that is a secret that I do not think any other nation has, and I do not think anyone is going to have it in a hurry.

The net effect is that we are ahead at the present time. It will take the other countries a number of years to catch up, and opinion as to that number of years will depend entirely on to whom you are talking, how optimistic he is, and how easily he forgets some of the problems that we had.

I have talked recently to engineers who told me how fast they can do certain things. Well, they never did it while the job was going despite all of the pressure that we put upon them. I am sure they cannot do it when they do not have that pressure upon them, and I do not think the foreign nations that do not work as hard as we do, both as to hours and as to industry and effort can catch up with us for some time.

That is really the secret. In other words, we are ahead. They can catch us, but it is going to take them time; it is going to take them effort, and it is going to cost them money. How fast other countries can do it I do not know. I have never been in most of them. I spent the war in Washington.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, in rising to urge acceptance by this body of S. 1717 without the military-participation amendments added in the House Committee on Military Affairs I consider it unnecessary to describe again in detail what we all know to be the almost universal approval of this measure and the principles which it represents, by everyone from President Truman through the Secretary of State, the United States Delegate to the United Nations Atomic Energy Commission, the Secretaries of War and Navy, the United States Senate, the scientists, outstanding national leaders in all fields, and national organizations, right down to the individual citizen of the United States. I would like, however, first, to clear up certain serious misconceptions which may be obscuring the issue in some minds, second, to deal briefly with those amendments which I believe constitute considerable threat to the welfare of the country, and third, to state the arguments which seem to me irrefutable in the case of civilian against military control of atomic energy.

First. I regret the implication, introduced into this discussion by certain opponents of this legislation, that those young scientists who developed this vast energy source are open to charges of disloyalty, indiscretion, or any form of unpatriotic effort. We all know their record, we know how faithfully the secret was kept through the years of development. We have seen on all sides evidence of their complete devotion to duty and their uncomplaining acceptance of regulations which denied them the one life-giving food of science—that is, the need for discussion, comparison, and stimulus resulting from free, unhampered intercourse with other men of science. Yet, now, we hear from a man, Ernie Adamson, counsel for the Un-American Activities Committee, who knows nothing of science or the scientific methods, that because of these young men, the "peace and security of the United States is definitely in danger." This charge, attributed to the Security Officer at Oak Ridge, and decisively refuted by him, nonetheless is designed to create doubt in the minds of Members of this body and of the people of the United States concerning the patriotism of our scientists.

Irresponsible as is this charge, even more fantastic is the further statement of Mr. Adamson in which he accuses these scientists of being devoted to the creation of some form of world government, of being active in support of international civilian control of the manufacture of atomic materials, and of being definitely opposed to Army supervision at Oak Ridge. One is tempted to laugh off these ridiculous accusations—but I do not. For the record, I wish to declare that I do not consider them funny. Whatever the merits of these smear techniques, I am forced to disagree violently when they are applied to the President, the Secretary of State, the Secretaries of War and Navy, the United States Delegate to the United Nations Atomic Energy Commission, the entire United States Senate, and so forth, all of whom have officially and repeatedly endorsed these principles which Mr. Adamson declares make the Oak Ridge scientists open to suspicion, enemies of the peace and security of the United States, traitors to their country.

Incidentally, it might be useful to point out that Mr. Adamson's charges are designed to imply an un-American attitude on the part of these young scientists, and un-American in this sense, we have seen, is another word for "communistic." I would only point out that the principles both of international civilian control of atomic energy and ultimate limited world government are diametrically opposed not only to the official Russian Government position (as demonstrated by Mr. Gromyko on the United Nations Atomic Energy Commission), but also to the party line of the Communist faction in this country. Thus far our chief difficulty, it seems to me, has been that we couldn't convince the Russians of the necessity for real world control of atomic energy

Let us examine the facts. The scientists, according to their constantly reiterated statements, do want international civilian control of atomic energy. They want it for a number of reasons and one of these is the national interest. The scientists know that there is no long-term secret; they know also that it is only a matter of a few years before other nations can be producing atomic bombs; and they know that there is no adequate defense against atomic attack. Therefore, they reason, the scientists of this country must be left free to continue the work they have so nobly begun, if only, and negatively, to maintain the advantage in weapon supremacy now enjoyed by the United States. But on the positive side, let us not forget that atomic energy has potentialities for peaceful uses, with political, social, economic, and human implication now impossible to conceive. It seems to me almost a truism to say that our decision now, will be a pronouncement to the world. And the world, believe me, is watching, and waiting. Do we put our hopes for peace in atomic energy as a weapon, and turn it over to the military here, thereby making certain the armament race already begun? Or do we leave the development of atomic energy in civilian hands, in scientific hands—always, obviously, with the necessary safeguards for security, with adequate provisions for proper military authority—and proclaim to the world our faith in the future of civilization? This is our choice, this is the decision.

The amendments added to S. 1717 in the House Committee on Military Affairs should be defeated. Among the numerous irrefutable arguments advanced against these amendments, I select only one or two. In connection with the personnel of the five-man commission set up by the bill, the amendment provides that one military man is required, and two may be permitted, to serve on this commission. I maintain that this is in direct defiance of the traditional practices of this nonmilitaristic country. Since 1870 a statute in this country has prohibited a military officer from occupying any position in the civilian government. This statute carried out the fundamental and traditional separation of the military and the state embodied in our Constitution. Why should we now depart, against the wishes of our people, and courting national disaster, from this long-tested principle of democratic government?

Mr. Chairman, I feel that what the House does with this legislation on this occasion may very well determine whether this Nation is going to announce to the world that we want to enter into an armament race in the making of atomic bombs and military use of energy or whether we want to make a sincere effort to see that this great invention which has been developed in this country is used to the greatest extent possible in the upbuilding of the economy of this Nation and for the benefit of mankind. If we want to invite other nations to enter an armament race with us and use this awful invention only for the purpose of making war, then let us vote this bill down.

On the other hand, if we want to state to the world that we are going to develop this release of atomic energy for the betterment of civilization—of course, we will use it for war purposes in case we are forced into a war—but that our primary purpose is to see that it is used for the welfare of civilization, then let us put it under civilian control and try to use it for that purpose. It has been said that this is a very dangerous invention that has been made, and that therefore it ought to be left in the hands of the military. Well, my friends, everything we have in this country—whether it is precious, dangerous, or what not—is, under our system of government supposed to be under civilian control. We have always followed the policy under our republican form of government that policy matters should be handled by the civil authorities. Read the Constitution of the United States and see if the protection of the great liberties we have under our Constitution are placed in the hands of anyone but civilians. Does the

Constitution provide that any Members of the Senate and the House shall be military men? We trust and admire our great and efficient military men and insisting upon civilian control is no reflection upon them. It is merely maintaining the spirit of our Constitution.

We are committed to the proposition that civilians shall control the general policy of this great Nation. There is nothing more important that should be controlled by civilians than atomic energy. Does the Constitution provide or do any of our laws provide that certain Cabinet members shall be military men? You cannot find any law or any place in the Constitution where the great policy decisions of this Nation shall be made by anyone but civilians. Unless we follow that policy today, we will be departing from the traditional concepts of the founding fathers and the principles enunciated by the Congress since our country was founded.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Arizona.

Mr. MURDOCK. I regard the gentleman now occupying the floor of the House as a keen student of constitutional government—one of the ablest of our membership.

Mr. KEFAUVER. I thank the gentleman.

Mr. MURDOCK. I endorse all that the gentleman has said with regard to civilian control of the basic policies of Government. The founding fathers intended it to be that way, and I think this proposition of civilian control of atomic energy should be included as in the Senate version of the bill.

Mr. KEFAUVER. I do not think one military man on the Commission or two military men would necessarily sway the decisions that will be made. But I do say that would be a very bad principle for us to start at this late hour in connection with this important matter when the eyes of the world are upon us to see whether we are going to follow our traditional Democratic system or whether we are going to gradually drift toward a military government. If we sanction two military men on the board today making world reaching policy decisions we will be setting the stage for an increase in their authority tomorrow. Furthermore, there is another amendment which ought to be taken out of this bill, and that is the amendment authorizing the armed services to manufacture as many atomic bombs as they desire, with the consent of the President. That is a division of responsibility. If we are going to have civilian control, let us have civilian control. If we are going to say, "We want to have an armament race," and to turn things over to the military, as so many nations have done, then let us do it and let us make it clear-cut one way or the other.

The amendment relative to the manufacture of atomic bombs by the military, with the approval of the President, places no limit on the number they can manufacture. It places no limit on their activities.

Mr. Chairman, there is no need for me to trace for this body the long and careful history of deliberation which produced this bill. There is no need for me to repeat the arguments advanced, both within the Congress and without, for civilian control. Let me say only that here, in truth, the world leadership of the United States faces its most profoundly critical test. We have the bomb; the rest of the world has not. We are responsible, as a Nation, before the tribunals of humanity for its unleashing. Our justification will and must be measured in terms of our national determination that atomic energy must never again be used to destroy. At this very moment, our delegate to the United Nations Atomic Energy Commission negotiates with the nations of the world. Mr. Baruch has made known to the war-sickened peoples of the world our official national position. And that position, from beginning to end, rests on and depends upon the principle of civilian control as the only guarantee of peaceful exploitation of this cosmic force. Is it possible that we, the representatives of the people of the United States, should betray our own Government in the eyes of the world, and deny for all time the universal longing for peace?

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. KEFAUVER] has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. ALMOND].

Mr. ALMOND. Mr. Chairman, I became a Member of the House on February 4 of this year. In point of service I am the youngest member of the Military Affairs Committee of the House. It is indeed with some trepidation that I endeavor to inflict my views upon this body with reference to this vital subject which concerns the Nation and which concerns the security of the world. Never before in all of the history of humanity has such a serious problem, fraught with more desperate potentialities, been inflicted upon humanity than was done with the discovery of the science of nuclear energy. When that atomic missile parachuted over Hiroshimo and blasted out of existence more than 62,000 human beings out of a population of approximately 85,000, this Nation and the world was catapulted generations into the future.

Now, we have this drastic, this terrible, this desperate problem, and it is incumbent upon every Member of this great body to address his or her attention carefully to the proper solution. Under our very system of government, to do anything else except to commit the control and development to a civilian agency would, in my judgment, be a mistake that would not only endanger the future security of this Nation but would endanger our standing before other nations of the world.

As a member of the Military Affairs Committee of the House, I opposed then, and I oppose now, placing this terrific force in the hands of the military. It is inconsistent with our concept of democratic government. We followed the leadership of Eisenhower during the titanic struggle from which we have just emerged. He does not want it in the hands of the military. Secretary Patterson does not want it in the hands of the military. The advice that we received from the Navy Department tells us pointedly that all of those agencies of government are satisfied with the McMahon bill.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the distinguished gentleman from New Jersey.

Mr. THOMAS of New Jersey. Does the gentleman from Virginia think that by putting one military man on a commission of five will place this whole thing in the hands of the military?

Mr. ALMOND. I answer the gentleman by saying that under the provisions of the McMahon bill, with the establishment of a military liaison committee, pursuant to the Vandenberg amendment, the military phase of this Government, charged with security and with the responsibility of protecting this Nation, is amply represented.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield to the distinguished gentleman from Ohio.

Mr. ELSTON. I would like to ask the gentleman from Virginia what the military liaison committee is authorized to do that the Army and the Navy cannot do at the present time under existing law.

The military committee is charged with the mandatory responsibility of observation of every single act of the Commission pertaining to the development of nuclear energy as it affects the national security.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman from Tennessee [Mr. JENNINGS] 5 minutes.

Mr. JENNINGS. Mr. Chairman, Abraham Lincoln once said that when he sent a man to look at a horse he did not want him to count the hairs in the horse's tail but wanted him to make a report on the horse's points.

This is a long bill. There has been a very clear explanation of it made by the members of the committee, and especially by the able gentleman from Ohio [Mr. ELSTON]. I am not going to begin to count the hairs in the horse's tail, but I do want to mention a few undisputed facts. First, we built this bomb at a cost of more than $2,000,000,000. We are the only government in the world that has it, that has the facilities to make it, the planes to fly it, and the know-how to use it. We do not intend to use it in aggressive warfare. Second, we have proposed to the world that we will outlaw its use and submit it to international control, provided we can be assured that no other nation is making it, or hereafter makes or is in possession of such a weapon. That proposal has been vetoed by the one power that has stalled every effort to make peace in the world. Our proposal has been vetoed in the face of facts that should alarm the people of this country.

We have just witnessed the judicial murder of Mihailovitch. We have just witnessed the assassination from ambush of members of our own armed forces. Russia now has two of our officers in prison. We are face to face with danger that is ominous and is imminent. Secretary of State Byrnes, Senator Vandenberg, and Senator Austin have made reports to the American people that are alarming. These facts are known to everybody, and yet we have a bill here that those who support it say is full of iniquities. They tell us it is full of socialism, that it is filled with communism, and is full of contradictions. They themselves admit they are adrift on an uncharted sea, on the dubious waves of errors tossed, their ship half foundered, and their compass lost. Yet they propose that we put the cart before the horse in the passage of this measure. We are frightened more than anybody else in the world. And this in the face of the fact that the United States is the only nation that has the bomb.

There is no imminent danger to this country from the use of atomic bombs because we are the only nation in the world that has them. Any person of intelligence who ever went through that vast plant down at Oak Ridge in my district would know that it would be years and years before a backward country like Russia could set up such a plant as that. Now, why get in a hurry about this thing? Why ask a lot of people in to help us keep a secret that up to this time has been kept? If you have a secret and wish to keep it, you keep it. You do not tell about it and ask those to whom you have divulged it to help you keep it.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HARNESS of Indiana. Does not the gentleman believe that a little more delay at least would benefit the United States and the Congress in trying to arrive at some solution?

Mr. JENNINGS. Why, of course.

Mr. HARNESS of Indiana. We are spending millions of dollars out in the Pacific today to test the effectiveness of it.

Mr. JENNINGS. That is true.

Mr. HARNESS of Indiana. And to find out the scientific results of this.

Mr. JENNINGS. I may say that down in Oak Ridge there is a plant being built at a cost of millions of dollars to explore civilian use of atomic energy.

Why get in such a hurry? The trouble is that many of our people are like a hen. When a hen lays an egg she cackles. Every time we do anything we tell the world about it. To use a Texas and Oklahoma expression, we talk too much with our mouths. What do we get from Russia? Let us take our time and not do anything foolish. Why be in a hurry about this thing. We know about it. Nobody else knows about it. Let us stand pat, keep this knowledge to ourselves, keep this bomb and use some common sense. Then when and if the nations of the world agree to our generous proposal to share the secret of the atomic bomb and to outlaw its use in warfare, will be time enough to pass a measure setting up a commission.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Chairman, to me S. 1717 is the most important piece of legislation ever to come before Congress.

Having discovered how to harness the source of the sun's energy, we must now control that knowledge if we are to live to use it.

The controls must be such that they function for peace and express the will to peace. That is what this bill S. 1717 seeks to do and did before it was amended We have heard much discussion on the floor. Unfortunately, we have heard little discussion about what is actually in the bill. I hope when we begin to read it for amendments we will discuss the bill.

In view of what has been said on the floor I want to stress the security aspect of this bill.

The bill was written to give security. Nobody wants to endanger the security of the country or to give away the technological secrets having to do with the atomic bomb. A half-dozen people on the floor keep getting up and saying, "Everybody wants to give away the secret of the bomb." I do not know to whom they refer—I have heard no one make such a statement on the floor of this House. This bill is expressly written so that these technological secrets may be closely guarded.

Mr Chairman, security is divided into three parts. There is the temporary security to be found by guarding the secrets of the technological aspects of the making of the bomb which we now possess and which at present nobody else possesses.

There is another aspect to security. We must keep our preeminent position in science. At the moment we lead the world in science. So that any bill which we write to protect ourselves, must provide for the greatest possible development in science and in nuclear fission. We must see that we do not cripple ourselves. We must see to it that we do not lose our preeminent place in science because, if we do, we are not working toward security but instead are building a scientific Maginot line which will be as fatal to us, if we do not secure peace in the world, as the Maginot line was to France.

Thirdly, everyone agrees, including the President, the Secretary of War, the Secretary of the Navy, the Secretary of State, the Chief of Staff, Mr. VANDENBERG, and Mr. CONNALLY, who have just come back from Europe, that the only completely sure, enduring protection which we have against atomic energy being used for destructive purposes in the future is peace.

I had hoped to be able to read to you the facts which the Senate committee asked for and the answers which they found before they wrote this piece of legislation. These facts are very important. They show why peace is the only sure protection that we have. Therefore, the third aspect of security is a strong and harmonious United Nations—international control of atomic energy—peace. We must not write any piece of legislation which will in any way impede the program which Mr. Baruch is presenting to the nations of the world at this moment for the international control of atomic energy, because, if we do, then we set ourselves off on a war program and the end of that no one can see.

We should not concern ourselves only with the fire-engine aspects of atomic energy. If we do, we will not have protected ourselves. We have been absolutely foolhardy. So, with reference to these three aspects, when we begin to read the bill, I ask that you read it with security, our preeminent position in science and peace in mind.

One cannot legislate in a vacuum on atomic energy. There are certain facts of which one must be aware if we are to have a bill which really protects us, if we are to have any security, if we are to have any of the benefits of this cosmic force.

What are these facts?

To get the facts the Senate committee spent six long months asking questions—going to school, studying with the Nation's foremost scientists, with the foremost civilian and military leaders in the country.

What were the questions they asked? The same questions that we are asking on the floor of the House:

First. What had been the real effects of the atomic bombs dropped on Hiroshima and Nagasaki? What are the destructive potentialities of atomic bombs at present and in the foreseeable future?

Second. How difficult has it been to make the atomic bomb? How easy would it be for other countries to make it?

Third. What defense could be devised against the atomic bomb?

Fourth. What secrets did this country hold in connection with the production of atomic bombs? Could these secrets be kept; and if so, how long?

Fifth. What peacetime benefits would come from atomic energy?

Sixth. How was the Manhattan district project run? How had it originated? Who had contributed to it? How could it best be operated in the future?

The full answers to these questions are to be found in the Senate hearings. The Senate public hearings have been printed and are available for all those who have a serious interest in atomic energy.

I only have time here to give a brief synopsis from the Senate findings:

First. The atomic bomb is a weapon of appalling destructiveness. The bomb, and the improvements on it which will certainly be made, mean that another war in which atomic bombs are used will threaten the existence not only of cities and nations but of civilization itself.

Second. Other countries of the world will be able to make atomic bombs. The monopoly which we hold at present is precarious and certain to be short lived. The degree of industrialization of a nation will determine how soon bombs can be made in quantity rather than the possibility of mastering the art of making

an atomic bomb, which might be within 5 years.

Third. No real military defense against the atomic bomb has been devised and none is in sight. The destructiveness of atomic bombs is so engulfing that any defense which is not almost literally air-tight will not protect our country against devastation.

Fourth. The secrets which we hold are matters of science and engineering that other nations can and will discover. In large part they are secrets of nature, and the book of nature is open to careful, painstaking readers the world over. We can give ourselves a certain temporary protection by retaining the secrets we now have. But that protection grows weaker day by day, and our research must be vigorously encouraged, supported, and pursued if we are to maintain our place among other nations, to say nothing of retaining our advantage.

Fifth. The peacetime benefits of atomic energy promise to be great indeed, particularly in medicine, biology and many branches of research. These benefits are immediate in their promise but will require extended and unfettered development for full realization. The vast possibilities of utilizing atomic energy as a source of power depend on (1) further research and development; and (2) study of the economic and international implications of the establishment of plants producing and using fissionable material. In this connection, the point has been repeatedly emphasized that plants which produce power also produce material which constitutes the explosive element of bombs. This fact raises domestic and international issues of profound significance. In other words, people can be producing power for seemingly peaceful purposes while they are actually preparing for war. That is why international controls are necessary.

Sixth. Military control of atomic energy development, though necessary and useful during the war, is a form of direction to which scientists in peacetime will not willingly submit. The continuation of such control will probably discourage further development and research. And on that development depends not only peaceful progress, but the maintenance of a position in the military arts essential to the national defense. On the other hand, the armed services are entitled to extensive participation in this development, insofar as it relates to the military applications of atomic energy. It is their right also to have a voice in protecting the military secrets of atomic weapons.

It turns out that the real protection against the atomic bomb lies in the prevention of war.

Since the only real solution to the whole problem lies in continued world peace, legislation should be directed in specific terms toward that end and should contain a practical expression of our desire for international cooperation.

So state the findings of the Senate hearings from which I have been quoting.

At the same time that these answers to the essential questions were being found, certain steps were being taken toward the international control of atomic energy. For example:

First. The President's message to Congress, October 3, 1945, stressing the necessity for immediate atomic energy legislation and emphasizing the need for an international policy for the control of atomic energy.

Second. The President's letter to the Special Committee on Atomic Energy urging civilian control of atomic energy. Both these messages declared to the world that it was the policy of this great nation to utilize this force toward peaceful ends.

Third. The declaration on atomic energy by the President of the United States, the Prime Minister of the United Kingdom and the Prime Minister of Canada, issued November 15, 1945, and the ratification of this agreement by the foreign ministers of the Big Three at the Moscow Conference, December 27, 1945.

Fourth. The establishment of the Atomic Energy Commission of the United Nations.

Fifth. The Committee on Atomic Energy set up by Secretary of State Byrnes. As a result of the establishment of this committee, the Acheson-Lilienthal report was written, which stands today as one of the greatest of State papers. It is in the light of this report that Mr. Bernard Baruch made his recommendations to the Atomic Energy Commission of the United Nations. The Baruch report has raised the level of peacetime international discussion to new heights. We should all be proud that it was this country from which this report came.

We have to believe that the United Nations will soon enter firm agreements for the control and development of atomic energy for peaceful purposes, no matter what the obstacles.

If we do not believe this, then we are dangerously wasting our time. We, the most highly industrialized and therefore the most vulnerable nation in an atomic world should be, in this moment, decentralizing our cities and Congress should stay in session until the blueprints are drafted for a mass migration underground—if we have no faith that international understanding will be realized.

The Senate atomic energy bill, before it was amended, contained no obstacle to our Nation's full participation in and cooperation with urgent international agreements in this field.

In fact, Bernard Baruch urged the prompt passage of the bill, before amended, feeling that it would be a catalyst in his negotiations. It would, he felt, be a pledge of this country's faith in what he was trying to achieve with the other nations of the world.

This bill is predicated on the fact that peace is the only sure protection against the atomic bomb.

Therefore, it expressly states that any international agreements, ratified by Congress, shall take precedence over any conflicting provisions of its own.

The bill modifies itself, in advance, in accordance with probable future international arrangements. This is its flexibility on the international level. This is its adaptation to the shifting shape of the future.

On the national level, likewise, this bill maintains the utmost flexibility, so that it may effectively and intelligently meet the unforeseeable changes that new developments and applications of atomic energy will bring to our lives—in medicine, in agriculture, in the building of new communities and the prolonging of human life.

By its very nature, it is temporary legislation, acknowledging what we do not know as well as what we do know, and making room for new problems, new knowledge, which no one alive can now foresee.

It does this by establishing a Joint Congressional Committee which is required to make continuing studies of problems relating to atomic energy and to keep the Senate and the House completely informed of these activities.

It is the responsibility of the Atomic Energy Commission established by this bill to keep the Joint Congressional Committee in close touch with all atomic energy developments.

As new atomic devices are developed, Congress is to be advised and has 90 days in which to enact any further legislation that may be needed.

Congress will be kept informed in this particularly efficient way of all the developments in this new field and of the legislative requirements as they occur.

Here is a general survey of the provisions of the bill, without amendments. What the bill does:

It provides for a full-time Civilian Atomic Energy Commission which is to be appointed by the President and confirmed by the Senate. Under this Commission, the President appoints a general manager who is also confirmed by the Senate.

Under this general manager are four divisions; the Department of Research, the Division of Production, the Division of Engineering and the Division of Military Application.

The heads of these divisions will be appointed by the Commission.

The bill provides for a nine-man part-time general civilian advisory committee to the Commission which is consulted by the Commission on scientific and technical matters.

Answering the needs and wishes of the military, there is a special military liaison committee consisting exclusively of representatives of the War and Navy Departments, detailed or assigned by the Secretaries of War and Navy in such number as they may determine. The Atomic Energy Commission must consult and advise with the military liaison committee on all atomic matters which the military committee deems to have military application.

If the military liaison committee objects to any proposal or action the Atomic Energy Commission makes or fails to make, the committee may report to the Secretary of War or of Navy and if either

Secretary concurs in the objection, the matter is to be referred to the President whose decision is final.

The Atomic Energy Commission alone will manufacture fissionable materials and bombs.

The amount of fissionable material which will be manufactured and the number of bombs made will be determined by the President in consultation with the Commission and the War and Navy Departments.

It is the stated objective of the bill that the Atomic Energy Commission is to stimulate scientific research in this field to maintain our present preeminent position in the world.

Since only the Government will manufacture fissionable materials the Commission has a first claim on all thorium, uranium, and any other ores from which fissionable materials may be manufactured in the future.

Private patents for inventions and discoverics which are useful solely in the production of fissionable material are expressly prohibited by the bill. This is necessary because the bill establishes a Government monopoly in the atomic energy field. To delete this prohibition on patents, as has been suggested, would actually defeat the whole purpose of the bill. The patent prohibition not only protects the Government's control of atomic energy production, but also acts as a control of atomic energy information. We must leave the patent provisions as they are if we are to have the security we require to survive.

Ample provision is made in the bill to protect information which at this time would be dangerous to disclose but simultaneously the bill allows for the fullest possible development of scientific research in which, ultimately, our security lies.

To achieve these ends, special sections of the bill are devoted to such considerations as acquisition of source materials, manufacture of fissionable materials, patents on production devices, licenses for equipment, supervision of facilities for production, and the distribution of radioactive byproduct materials so vital to medicine and scientific research.

The bill without amendments covers all the situations in the field of atomic energy that we now know anything about. There should be no amendments at all since we cannot improve the bill intelligently at this time.

If the military amendments are passed the entire concept of the bill will be destroyed.

Having military men on the Commission gives our atomic energy program a warlike character.

To place them there would be a violation of our historical democratic tradition giving control of government to civilians and establishing the Army and Navy as the instruments of civilians for carrying out national policy. Military men are not the policy makers. The President, the Secretary of War, the Secretary of Navy, the Secretary of State who, as well as the Congress, have the responsibility of forming national policy, in relation to any war situation, are all civilians. This constitutional principle is recognized in the statute of 1870, providing that military men on active duty shall not hold civilian Government posts.

The Chief of Staff of the Army, the Chief of Naval Operations, the heads of our War and Navy Departments, and the Chief Executive have expressed their preference that the Commission be composed exclusively of civilians.

Since those most directly concerned with our military security and those who know the most about it want it this way, why should we write more military control in the bill than the heads of the Military Establishments themselves desire?

The four military amendments—the one requiring one member of the Commission to be a representative of the armed forces; the second, permitting two members of the Commission to be representatives of the armed forces; the third, providing that the Director of the Division of Military Application shall be a representative of the armed forces; and the fourth, permitting the Army, independent of the Commission, to make bombs must be defeated. They must be defeated to remove the characteristics of militarism from this bill and to prove to the world our peaceful intent.

In the eyes of the world, we already have two strikes against us while we make our fervent protestations of peace. It was we who first dropped atomic devastation from the skies—without forewarning. Therefore, when we say we will never do it again, there must be evidence of the validity of our statement.

Secondly, it is we who are experimenting with the death-dealing effects of atomic energy—its uses in war, not in peace—at the very same moment that we loudly contend that atomic warfare must be outlawed.

Are our contentions as loud in the ears of our neighbors as the explosions of the bombs at Bikini?

If, after dropping the bomb in the first place and experimenting with it in the second place, we put military men in charge of our atomic energy in the third place, who is going to believe that we are dedicated to the peaceful exploitation of the greatest miracle of modern man for the benefit of all mankind?

Suppose that one of our fellow United Nations had been first with atomic warfare, had been first to make sensational warlike experimentation with it, and then passed a bill putting its generals in the key position for development and control of atomic energy, what would we think?

What would we do?

Would we believe that nation's courtly compliments to peace? Or would we gear all our science and all our technology and all our industry to the speediest possible production of atomic bombs of our own?

We know that is what we would do, in the fair names of defense or realism.

Let us then, in the names of defense and realism, admit that the extent to which we militarize the Atomic Energy Commission is precisely the extent to which we incite our friends and fellow-nations to an atomic armament race against us.

Let us not become—through fear or fascination or folly—so preoccupied with the fire-engine aspect of atomic energy that we set off the sirens of war and lose all possibility of peace—our only real protection.

As cited by the Alsop brothers in the current issue of the Saturday Evening Post, the chosen experts of the Army General Staff, after great study of the strategic situation of the United States, concluded that "the only sure defense of this country is now the political defense."

This means a strong United Nations. This means international control of atomic energy. This means collective security for peace. You cannot have collective security if you have an armaments race.

This bill—unless militarized—has the vision and the protection which would simultaneously save us from suicide and open up to us the world of which the sages and the scientists of all times have dreamed.

If we are stupid enough to militarize the bill, we can make it into a militaristic mistake, more monstrous than the most publicized blunders of World War II. We can become so frenzied with war fear, suspicion, and hate, and so fixed on a specious security at the expense of scientific freedom, that we would build a Maginot line out of our atomic energy legislation.

This is what might happen if the military guard our sciences. While we built a great fortress full of pill boxes to protect our so-called secrets and sat down behind it with our blinders on, the other nations of the world, expanding their own science and technology, would swarm around its sides and set off explosions that would make Hiroshima sound like the dropping of a pin in the tabernacle.

Security depends finally on the will to peace. The possibility of a future rests in the hearts and minds of men; in their faith in their future; in their expression of their faith to each other.

The bill before us expresses our faith in the future and our faith in each other. It does so, that is, so long as it is free from amendments which would put the precision instrument of peace into the hands of the practitioners of war.

Let us pass the bill unamended—the bill the President wants, the Secretary of War wants, the Secretary of the Navy wants, the Chief of Staff wants, the bill the scientists want because they feel they can work under it.

Let us pass the bill which gives the Army and Navy full scope for the protection of our country, which gives the scientists sufficient freedom to move forward for the security and advancement of mankind which opens the way to international understanding, and which keeps in the hands of our civilian public the traditional democratic rights to control civilian affairs.

Let us pass the bill unamended as our contribution to the peace of the world.

Mr. Chairman, the Members of this House will be interested in the views of some of our most responsible citizens concerning the use of atomic energy:

In international relations, as in domestic affairs, the release of atomic energy constitutes a new force too revolutionary to consider in the framework of old ideas. * * * Civilization demands that we shall reach at the earliest possible date a satisfactory arrangement for the control of this discovery, in order that it may become a powerful and forceful influence toward the maintenance of world peace instead of an instrument of destruction. (Harry S. Truman, President of the United States.)

Improved atomic bombs * * * will be destructive beyond the wildest nightmares of the imagination—a weapon ideally suited to sudden unannounced attacks in which a country's major cities might be destroyed overnight by an ostensibly friendly power. * * * whether we recognize that atomic bombs will rain upon us or cling to the faint hope that only standard high explosives will batter our cities, we must realize that the time is at hand for the peoples of the world to admit that their warring power is too great to be allowed to continue. Through international collaboration we must make an end to all wars for good and all. (Gen H. H. Arnold, commanding general, Army Air Forces.)

We have freely accepted the Charter of the United Nations and we recognize the paramount authority of the world community. * * *

We live in one world, and in this atomic age regional isolationism is even more dangerous than is national isolationism. * * *

Today the world must take its choice. There must be one world for all of us or there will be no world for any of us. (James F Byrnes, Secretary of State.)

It has already been brought out by all scientists who have worked in this field and have spoken about it that there is no secret of the atomic bomb which can be permanently kept * * * The laws of nature await discovery by anyone properly qualified and equipped.

If * * * an atomic race develops, I believe the Russians will produce their first atomic bomb in about 3 years. Thereafter, however, there is a definite possibility that the Russians might accumulate atomic bombs at a faster rate than we do. (Dr. Irving Langmuir, associate director of research, General Electric Co.)

Our success * * * was due to great industrial capacity, our freedom from bombing raids, and not in any way to any secret information which we had. (Dr. Reuben Gustavson, professor of political science, University of Chicago.)

The only defense is peace. (Dr. J. R. Oppenheimer, director of the laboratory at Los Alamos, N Mex.)

Atomic explosives demand not 90 percent, but 100-percent defense. This we do not know how to achieve. (Ivan A. Getting, professor of physics, Massachusetts Institute of Technology.)

There is no such thing as a specific countermeasure that will prevent the explosion of an atomic bomb or will explode such a bomb while it is still a great distance from its target. * * * There is no defense. (Dr. Louis N Ridenour, staff member, radiation laboratory, Massachusetts Institute of Technology.)

At the present time we would have to go down (underground) about half a mile to be safe from the explosion and the rays (of an atomic bomb), and would have to go deeper and deeper as more powerful bombs developed, and when we had gone underground we should run the risk of starvation and suffocation through the destruction of our systems of communication and ventilation. (Dr. Robert M. Hutchins, chancelor, University of Chicago.)

As a scientist, I tell you there must never be another war.

Because America is such an industrialized country, with such large populations concentrated into exposed cities, the effect of the atomic bomb will be to weaken America's military position. * * * The bomb is essentially cheap. Compared with the cost of other weapons and their comparative effectiveness, the bomb is the cheapest war weapon in the world. (Dr. Harold C. Urey, professor of chemistry, University of Chicago.)

Science could produce devastation beyond thinking. We must avoid war, not just control an atomic bomb. (Dr. Vannevar Bush, Director, Office of Scientific Research and Development.)

Once a nation builds an atomic-bomb stock pile large enough to demolish the major cities of potential enemies, no more military advantages result from larger stock piles. As time goes on, all nations possessing bombs will tend to become military equals. (Dr John A Simpson, metallurgical laboratories, University of Chicago.)

The cost of atomic weapons is not prohibitive. Any nation which can afford an army or navy can afford atomic bombs.

Outproducing the enemy is not much advantage in atomic warfare. Five hundred bombs may be better than 100, but 50,000 are not better than 5,000 because 5,000 would destroy all important targets in any country. Consequently, a small, relatively poor nation might defeat a larger, richer nation by attacking first.

The production of the first atomic bombs required about 3½ years. Of this time more than 1 year was spent in proving the feasibility of a bomb. Since: (a) All nations possess the basic scientific background and have the Smyth report available to them; (b) many nations possess an adequate corps of trained scientists and engineers; (c) uranium and other necessary raw materials are widely distributed on earth; (d) all industrialized nations possess an adequate plant and background of manufacturing experience; (e) any nation, if willing to make the required financial sacrifice, can afford the necessary monetary outlay; there appear to be no material obstacles in the way of any large industrialized nation, nor, indeed, of several smaller ones, to prevent them from duplicating or surpassing our effort in the production of atomic bombs in approximately the same time. Other nations may well have atomic bombs in from 2 to 5 years. (Atomic scientists of Chicago.)

* * * We are forced to the conclusion that the only defense against the bomb is political and moral, and the only solution to the bomb is a just and durable peace.

What are we to do about peace? * * * We need a three-way, triple-decker policy—long, intermediate, and short. The long-term program would be directed toward the establishment of world government; the intermediate program toward the support of the United Nations Organization; the short-term program toward the use of diplomacy, public and private, for the reduction of international tension. * * * (Beardsley Ruml, treasurer, R. H. Macy Co.)

The needless withholding of new developments is bound to delay progress in technical fields, and hence to have serious consequences for our national welfare and security.

The disclosure of a great store of new and useful information, however, will stimulate the growth and development of science and industry. It is to this end that we have primarily directed our recommendations.

The minute this information is made public at least one entire new major industry will be born. (Dr. Richard C. Tolman, dean, Graduate School, California Institute of Technology.)

Mr. SHORT. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I rise just to say that I am afflicted with indecision, as so many of us apparently are. We are not yet ready to vote for this proposed repository of the greatest and most dangerous secret ever to be entrusted to any group of men. We should postpone action. I have read the hearings, but not as carefully perhaps as I should. I agree with the gentleman from California, JERRY VOORHIS. I also wish that atomic energy could be placed back in the secrets of the universe from which it came. I am so fearful of it. I listened and read carefully the address delivered by the gentlewoman from Connecticut. It was really a remarkable address. She is usually irresistible to me both in personality and argument in how she criticized the bill throughout. She referred early in her remarks to the New Deal jargon in the very preamble. How women can say "No" and mean "Yes" we cannot fully understand.

Mr. SHORT. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. ARENDS].

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Kentucky.

Mr. MAY. I do not expect to use my 5 minutes, and I do not want to be put in the attitude of deceiving anybody. The gentleman from South Dakota [Mr. CASE] asked me for time, but at the time it was allotted to the gentleman from Texas [Mr. SUMNERS], who now says he does not intend to take it. Does the gentleman from South Dakota desire that time?

Mr. ARENDS. I want some more time, Mr. Chairman.

Mr. CASE of South Dakota. I appreciate the courtesy of the gentleman from Kentucky. I do not know that I need 5 minutes, but I want an opportunity to ask a question.

Mr. ARENDS. Mr. Chairman, I want to direct my attention to the patent section of this bill. This is probably most important to the various Members of the House, and in my estimation it is a very important part of this bill, so I hope you will give some consideration to what I have to say.

Mr. Chairman, as a member of both the Military Affairs and Patent Committees of the House, I have had occasion to give the bill, S. 1717, under discussion long and careful study. I started with the assumption that as an American I had as my primary interest the welfare of the American people, and I am confident that my colleagues on both sides of the aisle will do no less in their consideration of the measure. As Americans, then, let us examine this bill, not in a partisan spirit, but solely in an effort to determine what we are about.

This is a loaded bill. It does not merely provide for policing the production and use of atomic energy If it were so limited, I would vote for it. By section 11, the bill would also change our fundamental patent policies in a manner to remove the keystone of our technical and economic progress, that is, in a manner to insure a planned and regimented industrial economy in the United States for generations to come.

The first of these objectives is constructive; the second is utterly destructive. It can add nothing to the wealth and prosperity of our country. It can only retard, effectively, the marvelous industrial progress we have made since we were a Government by removing the incentive to invent, shift jobs from American to foreign workers, and break down the American standard of living by mingling it with the international standard of living.

It is not my purpose to defend our patent system, for it needs no defense. It needs only to be understood. Anyone who will ponder for only a moment must realize that the phenomenal industrial progress of this country is inextricably bound up in our patent system and that under it we have developed a talent for industrial growth that has stunned the world. To it we owe the automobile, electrical, chemical, and farm machinery industries which, during periods of peace, have provided jobs for more men and women and at higher wages than any other nation on earth. It has also served us in war. To it we owe the bazooka and rocket guns, either of which one man can carry and which gives him the fire power of a cannon weighing approximately 20 tons and which enable the Allies to march as on parade across a north African desert against the opposition of hostile enemies; the radar devices which enabled our pilots to hit their unseen targets, no matter how bad the weather; the instrumentalities which enable us to land huge armies on an open French beach and thus avoid the necessity of conquering strongly fortified harbor installations; and the atomic bomb itself. Our planners would change all this.

Without the benefit of any experience whatever in the practice of their theories in this or in any other country, they are perfectly willing to make the interests of our country and its people subservient to a trial of their theories at public expense and to substitute personal government centralized in Washington for our traditional democratic government. They would remake the United States as an incident to remaking the world. Apparently, they believe that their objectives transcend the objectives of ordinary human beings and, therefore, they should not be hampered by the Constitution or by any of the other ordinary rules governing free competitive enterprise. Are these statements too strong? Let us see. I will read from the testimony of Secretary of Commerce Wallace at a hearing held on January 31, 1946, by the Senate Atomic Energy Committee on the bill before the House. He said:

> With respect to patents, only the McMahon bill has any detailed provisions; the Johnson and May bills do not deal with this question at any length and presumably would permit private patents both on processes relating to the production of fissionable material and on devices for the use of fissionable material. Since atomic fission may ultimately form the basis of a large part of our economic activity, it is clear that private patent monopolies on critical and key processes should not be permitted. The McMahon bill would eliminate private patent monopolies by requiring sale to the Government of patents on all production processes, and the compulsory licensing with fair royalties to the inventor, of all patents on devices for the utilization of atomic energy I should like to suggest that with respect to devices essential to the production of fissionable materials, which will be a Government monopoly or at least carried on only under Government license and control, that another method may be preferable. It might be desirable to short cut lengthy patent proceedings by forbidding private patents in this field and authorizing the Commission to purchase inventions directly from the inventor.
>
> With respect to patents on devices for the utilization of atomic energy, the compulsory licensing provisions of S. 1717 seem to me to be essentially sound.

In other words, he would socialize inventions not yet made, as well as those which have been made for the commercial utilization of atomic energy, even those incidentally used in connection with the development of such energy. The bill itself carries out, perfectly, this purpose.

Section 11 (b) of the bill provides that—

> No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the conduct of research or development activities in the fields specified in section 3.

And section 3 includes all fields, including industrial uses.

It will be seen, therefore, that the intent is to control the future industries of America. This inevitably would discourage the making of inventions for the industrial utilization of atomic energy by private initiative, enterprise, and capital, and may well result in economic stagnation with consequent widespread unemployment. While we thus retard ourselves other countries may forge ahead in their industrial development by the utilization of this new source of power under a more enlightened policy. As I view the matter, only a country which desires to bring about our economic destruction could think of a better way of retarding our future industrial growth than the restraints we would inflict upon ourselves by the enactment of this bill.

When Mr. Wallace tries to persuade us that the compulsory licensing provisions of the bill seemed to him to be essentially sound, he would have us mire ourselves in the mud of his factless theory. Why does he think the proposal sound? What are his facts? What experiences has the country had to justify his conclusion? The answer is there are none. There has been no more experience in this country with compulsory licensing of patents than there has been with respect to the compulsory leasing of real estate, or the compulsory renting of rooms in our homes, or with forced labor of free men. This share-the-property, or collectivists, theory has been before the House Committee on Patents many times during the past 20 years, and has always been emphatically rejected, often after voluminous testimony.

The trouble with this academic precept is that it is based on the engaging theory of a never changing society. The idea is that our society is static and that whatever private property there is should be equally and freely distributed to everybody, that is, if a man by his own ingenuity and effort has made a new discovery, or has planted a crop in his field, at his own expense, the State should compel him to share it with his competitors. It is only by a little manipulation of that section of the Constitution regarding the taking of private property without due process of law, that such a thing can be done in this country, but when and if it is done, no further discoveries or crops can reasonably be expected because no man in his right mind will make further discoveries or plant new crops for the crows to eat.

There are just two ways, and two ways only, of securing new inventions or new crops. One way is the American way. That way is to provide a profit incentive—a term obnoxious to the collectivists—which makes the wheels go round in this country. The other way is to force men to make new inventions or to plant new crops, and shoot them if they don't. That is the Communists' way. Anyone who takes the trouble to read can learn that under the Soviet law, members of collectives can be punished by death for failure to carry out official orders, as by neglect to irrigate crops or refusing to plant them. As I have previously intimated, unless we are prepared to adopt a similar policy of providing penalties, we need not expect any further inventions in the field of atomic energy to be made by private initiative, enterprise, and capital when the profit motive is removed.

This insidious attack on our patent system is merely the latest of numerous attacks which have been made in the past. Such attacks are not really attacks on our patent system. They are about the type of economy, the type of government, we are to have in this country. The planners know well that in a planned economy there is no room for a patent system such as ours. They know that if democracy which permits freedom of competitive enterprises is to go, the patent system must go first.

It is no mere accident that this bill is being forced through Congress without any consideration whatever of its patent provisions by the Patents Committee of either House. No opportunity was given either of those committees to consider the measure, notwithstanding its profound implications. These implications are frightening to those best able to judge of their effects. They have been unreservedly condemned by inventors everywhere, as well as by the organized small industries of the country. Likewise, it is no mere accident that the very carefully worded and irrelevant patent provisions of this bill were superimposed on its other provisions and the entire

bill then painted the same deceptive color and handed to Congress in the hope it would develop blind spots with respect to such provisions. All that was necessary to be done, if the intent were only to police the production and use of atomic energy and to authorize the Commission to acquire patent rights, was to say so. I wish to point out that the bill itself contains ample security provisions which supplement the various laws, such as the Trading With the Enemy Act, designed to control the unlawful use of technical information, and that such security was obtained all through the war period by the laws now in force.

Mr. MAY. Mr. Chairman, I yield the balance of the time to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, of course, I would be indeed vain should I think I might be able to change your minds on any part of this bill. At the outset I want to say that as a member of the great Committee on Naval Affairs and in my position as a member of that committee I think we are breaking our necks to do something quite prematurely and something which we should not undertake at this time. This bill should be sent back to that great Committee on Military Affairs. The fact that Henry Wallace urges haste on this thing should be a red light to every Member of the Congress. The fact that he wants it is reason for me not to want it. I want to tell you of an experience that I had along with Members on both sides of the aisle. Some time ago we visited Hiroshima. We saw the terrible destruction of that city. It was totally and completely destroyed. We trod the scorched earth and touched the seared flesh of those hapless people on whom was visited this terrible, terrible implement of destruction.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I am delighted to yield.

Mr. SHORT. Then what a pity and a tragedy it is that we ever dropped the bomb—this great Christian nation that we boast of.

Mr. RIVERS. I do not agree with the gentleman there.

Mr SHORT. Japan was at our mercy and wanted to surrender a year before we ever dropped the bomb.

Mr. RIVERS. This was a good thing to bring the war to a close.

Mr. SHORT. Admiral Halsey and all the military and naval leaders said that it was unnecessary.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. CASE of South Dakota. This question has come up two or three times as to why we developed the atomic bomb. There was a time when it could have been pushed back into the test tube, as far as we are concerned. It was 18 months or 2 years before the bomb was dropped, when the Appropriations Committee was considering whether it would appropriate further money for the Manhattan project. We had provided quite a large sum of money and there was not much evidence of results. Some one expressed a fear that if nothing came of the experiment we would be blamed for putting so much into it. We went ahead, however, and the reason why we proceeded to give additional money was because General Marshall came before the committee in secret session and said it was a race against time; that if we did not find the secret and do it first, he was afraid Germany would. That is why the atomic bomb was developed and why we did not stop.

Mr. SHORT. I do not want the House to get the impression that I was against the development of the bomb.

Mr. TRAYNOR. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. TRAYNOR. Would the gentleman believe me when I say that I could name mechanical chemists in Russia now who worked for the du Ponts, who had been there since 1932, building chemical plants for the Russians?

Mr. RIVERS. I would not doubt it at all.

Now, Mr Chairman, we are breaking our necks to give away this country. It seems that philosophy has gotten hold of certain people. We want to give everything away. We have no aggressive make-up in our being. We know one thing, we are not going to drop this bomb on anybody else. We know that. We have paid for the creation of this bomb and we are today going along with experimentation. We know that. Why go along with PM and the Daily Worker and say it is a good thing to come out and share something that nobody has with them?

Mr. RANKIN. Could the world suffer at all by our keeping the bomb?

Mr. RIVERS. Not at all.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RIVERS] has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

DECLARATION OF POLICY

SECTION 1. (a) Findings and declaration: Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical. The significance of the atomic bomb for military purposes is evident. The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. Therefore, any legislation will necessarily be subject to revision from time to time. It is reasonable to anticipate, however, that tapping this new source of energy will cause profound changes in our present way of life. Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

(b) Purpose of act: It is the purpose of this act to effectuate the policies set out in section 1 (a) by providing, among others, for the following major programs relating to atomic energy:

(1) A program of assisting and fostering private research and development to encourage maximum scientific progress;

(2) A program for the control of scientific and technical information which will permit the dissemination of such information to encourage scientific progress, and for the sharing on a reciprocal basis of information concerning the practical industrial application of atomic energy as soon as effective and enforceable safeguards against its use for destructive purposes can be devised;

(3) A program of federally conducted research and development to assure the Government of adequate scientific and technical accomplishment;

(4) A program for Government control of the production, ownership, and use of fissionable material to assure the common defense and security and to insure the broadest possible exploitation of the field; and

(5) A program of administration which will be consistent with the foregoing policies and with international arrangements made by the United States, and which will enable the Congress to be currently informed so as to take further legislative action as may hereafter be appropriate.

Mr. RANKIN. Mr. Chairman, a preferential motion.

The CHAIRMAN. The Clerk will report the motion offered by the gentleman from Mississippi.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, the best thing we can do is to send this bill back to the committee and let it rest there, for the time being at least.

There is no hurry about sacrificing what America has gained in the development of atomic energy. There cannot possibly be any danger to world peace by the United States maintaining its position and holding the secrets of the atomic bomb as she has them today. Every intelligent individual knows that America is not going to use this bomb for aggressive purposes. Every intelligent individual knows that the world is safer with this weapon in the hands of the United States than it would be with it in any other hands in the world. If a vote were taken of the entire English-speaking world I dare say it would be overwhelmingly in favor of leaving this atomic bomb exactly where it is, at least for the time being.

There is no hurry about legislation of this kind. You might pick out the average American district and go to the doughboys, if you please, who fought this war, and take a vote on whether or not you should give the secrets of this atomic bomb to those enemies who are seeking to get their hands on it, and you would not get enough votes for it in the average congressional district to wad a shotgun.

We spent $2,000,000,000 building this plant. The atomic bomb is the greatest weapon the world has ever known. From this time on, marching armies will probably be a thing of the past. The entire procedure of naval warfare is now obsolete. We have this powerful weapon in our hands and it is in the hands of the Military Establishment of the United

States and is controlled by men whose patriotism cannot be questioned. We have all the materials necessary, we have the bomb, we have the planes to drop it, we have the know-how; but everybody on earth knows that if this bill is recommitted and this proposition left as it is today that the world is safer from war at our hands than it would be from any other nation on earth with this weapon in its possession.

So I am making this motion that we may send this bill back to the committee for further study.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina.

Mr. BARDEN. Does not the gentleman believe that we could well afford to put first on our objectives the securing of the peace, and second the distribution of any weapons we may have?

Mr RANKIN. Absolutely. The gentleman from North Carolina has expressed it in terms that no one can deny. We had better first let the world settle down before we begin to give them weapons to carry on the kind of warfare that some of them are trying to carry on today.

I told you yesterday of the murder of General Mihailovitch at the hands of the Communists in a country he had given his life to defend. We had the leader of his nation stand at this desk and praise him as a great patriot. All over America today there are American boys whose lives he saved when they were shot down in that country. Are we going to turn over to those who murdered him the greatest weapon the world has ever seen? Are we going to turn over to the other nations this power to blow cities from the face of the earth? No. It is in civilized hands now. Let us keep it there.

God Almighty placed this great weapon in our hands. Let us keep it there at least for the time being. Then we can protect our own country and help to perpetuate the peace of the world.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi.

Mr. Chairman, I said in the very beginning of my opening statement on this legislation that I wanted the House to have an opportunity to work its will with respect to what it wanted on atomic bomb legislation. I stated equally emphatically that I was in favor of some sort of military control with respect to the secrets of the atomic bomb. I do not think the House ought to go haywire, so to speak, and strike the enacting clause, making it impossible for the House to work on this bill and do what it wants to do about it.

As I said before, the big issue comes on the very first amendment in section 2. Let me see what this bill declares here in the very first section entitled "Declaration of Policy." After reciting the dangers of the thing involved and the seriousness of the questions involved it states:

Accordingly, it is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount—

And I emphasize that word "paramount"—

objective of assuring the common defense and security—

And so forth. Then it provides for the development and utilization of atomic energy for civilian use. You have a bill before you and if you strike out the enacting clause you simply leave things in status quo, whereas, if you continue to debate the bill and consider the amendment which puts the Military Establishment in some sort of communication with the matter, then you will have done your duty. I think you ought to retain military control to the extent that the committee has done so, but unless you go ahead with debate the bill as is will be left exactly where it is.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Missouri.

Mr. SHORT. I want to announce to the membership that if the pending motion prevails and we go back into the House, I propose to offer a motion to recommit the bill to the committee for further study, which will be voted upon before the recommendation of the committee.

Mr. MAY. I do not know what the parliamentary situation will be there.

Mr. RANKIN. Let me say to the gentleman from Missouri that if my motion prevails, the bill goes back to the committee presided over by the gentleman from Kentucky [Mr. MAY] for further consideration. The measure will be left there and we will still have the question before us at the next Congress.

Mr. MAY. It is my understanding that if the motion to strike out the enacting clause prevails it kills the legislation.

Mr. HINSHAW. That is my understanding.

Mr. MAY. That is all I care to say.

Mr. HARNESS of Indiana. Mr. Chairman. will the gentleman yield?

Mr. MAY. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana After the weeks we spent on this bill, does not the gentleman feel it would be utterly impossible to perfect the present bill in the House? Would it not be better to send this bill back to the committee and to either adopt this or any other amendment or motion than to try to perfect a bill here that has the wrong approach to this whole problem?

Mr. MAY. I would be utterly inconsistent in what I have done heretofore and in what I have heretofore said if I did not take the position that this House ought to legislate on the subject because I have said from the beginning that I felt the House of Representatives would do what it wanted to do about the bill, and would probably do the right thing when it got to it.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from California.

Mr. JOHNSON of California. Every single phrase and sentence in this bill was read thoroughly by the committee and agreed on, was it not?

Mr. MAY. It was argued, it was read and reread, it was considered and reconsidered, it was studied and restudied, and we have done the very best we could. I doubt if we can do anything else.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, if the pending motion should be adopted and the enacting clause is stricken out, would not this bill, S. 1717, be dead? Would not the number be killed?

The CHAIRMAN. If the House agrees to the recommendation of the Committee of the Whole, yes.

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. It would not be dead. It would merely go back to the committee for future legislation. The whole question would be in the hands of the Military Affairs Committee.

Mr. BARDEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARDEN. As I understand the parliamentary situation, if this motion prevails, when we go back into the House it would be proper to introduce a motion to recommit the bill back to the committee for further consideration; is that not correct?

The CHAIRMAN. That is correct.

Mr. SHORT. That is exactly what I propose to do.

The CHAIRMAN. When we go back into the House, the House will vote whether or not they want to strike out the enacting clause.

Mr. BARDEN. Mr. Chairman, instead of voting whether or not we want to strike out the enacting clause, will it not be a vote to recommit to the committee?

The CHAIRMAN. After we go back into the House, a motion to recommit would be in order.

Mr. THOMASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. THOMASON. Is it not a fact that if the Committee of the Whole adopts the motion offered by the gentleman from Mississippi, we then go back into the House, and if the House approves that motion this bill is dead?

The CHAIRMAN. That is correct.

Mr. SHORT. The bill would be dead, but I am not letting them kill the bill.

The CHAIRMAN. The question is on the motion offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 93, noes 102.

Mr. RANKIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MAY and Mr. RANKIN.

The Committee again divided; and the tellers reported that there were—ayes 102, noes 131.

So the motion was rejected.

Mr. SHORT. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri [Mr. SHORT].

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 50, noes 107.

So the motion was rejected.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: That lines 5 to 11, inclusive, on page 1 and line 1 to 4, inclusive, and the first three words of line 5, page 2, be stricken out.

Mr. JOHNSON of California. Mr. Chairman, the purpose of this amendment is to strike out all irrelevant matter in section 1. In fact, I do not believe in having any statement of policy at all. The purpose of a statute is to lay down a principle or rule of action, and the words used in the law itself indicate what you have in mind without putting in any statement of principle or purposes. However, it seems to be the custom in framing bills to set down some matters of principle or a statement of policy. These things that I refer to are absolutely irrelevant and have no place in the law. For instance, the first sentence says:

Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practical.

That has nothing to do with the principles involved in this law.

The next sentence says:

The significance of the atomic bomb for military purposes is evident.

Certainly it is evident. It has no place in this law. That is in the very background of this law and is perhaps the reason for it.

The next sentence I want to strike out says:

The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined.

Well, we all know that, and that has no place in the law.

Mrs. LUCE. Mr. Chairman, will the gentleman yield for a question?

Mr. JOHNSON of California. I yield.

Mrs. LUCE. With reference to the statement that the use of atomic energy for civilian purposes upon the social, economic, and political structure of today cannot now be determined, does not the gentleman agree that this bill will determine precisely the political effects upon our society?

Mr. JOHNSON of California. Not necessarily. It will have some effect on our society. But that refers to the effect of atomic energy in our life and in a subordinate way by virtue of the legislation our political and social life may be effected.

The next sentence reads:

It is a field in which unknown factors are involved.

Every one of those statements and the additional sentence, that I need not read, shows clearly that they are not fundamental basic statements of principles or facts. They are merely propaganda. They are merely statements of the evidence. In my opinion, they have no place in the statute at all. What I propose to leave in is a fair statement of principle, so that the section will read as follows:

It is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, and promoting world peace.

I believe those are the purposes for which this law is designed to be carried out, and they are the only ones that have any place in the preamble of this act. It is for that reason that I hope the Committee will strike out not only what is proposed in this amendment, but also two additional clauses that I propose to move to strike out in the next section.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of all the bills that have come before this House in which the statement of purposes and policies in the act was frustrated by the provisions of the act itself, this is about the worst. I do not have much time. I will hasten.

Why did we become superior with the atomic bomb? Because we were one step ahead and kept one step ahead. Now, what will this act do? I am not going into theory. I am going into actual facts. The moment this act is passed there is to be a Commission of five persons, to be appointed by the President and confirmed by the Senate. That will take some time. The President has to make a careful selection of a Commission as important as this. The Senate should, and probably will, hold hearings on those appointments. An advisory committee must be appointed. The whole organization must be set up. There must be any number of employees hired. Some of them will have to be investigated by the FBI.

I cannot go into all of the ramifications because I do not have the time, but what happens in the meantime? The moment this act goes into effect every bit of ownership of material goes into the hands of this Commission, which does not exist. What is the manufacturer, the man who has the facilities, going to do? He does not know what to do. The act is so complicated that he will not know what to do with his facilities or with his material for months and months, and probably a year, before this Commission is formed. He cannot take any chances, unless he risks going to jail for 2 years to 20 years or paying a fine of $5,000 to $20,000. The net result is that this is not going to promote the development of atomic energy. It will stop it.

As to the patent clause, that adds to the confusion. There will be no incentive for further inventions. It revokes patents even in existence. If a person wanted a new patent there is no incentive for him to get it, because the moment he gets it it will be taken from him. Mr. Chairman, this will throw the whole question of atomic energy into the most unutterable confusion and will create a situation which the very purposes of this act are said to avoid.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr ELSTON. The gentleman said it would take some time for the FBI to investigate the personnel of the Commission. Does not the gentleman recall that recently the Civil Service Commission reported that it did not have adequate funds or adequate personnel to make investigations of civil-service employees?

Mr. MATHEWS. That is right.

Mr. ELSTON. And would not the net result be that this Commission would be hiring people whose activities are not known?

Mr. MATHEWS. That is right.

Mr. ELSTON. And would that not be an exceedingly dangerous thing in itself?

Mr. MATHEWS. It certainly would, because in a proposition like this the very essence of it is national defense and national security. You must have in that vast organization that you will form only the right kind of people.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. KOPPLEMANN. Does not the gentleman know that the incentive to inventors and industry is written right in this bill?

Mr. MATHEWS. No; it is not.

Mr. KOPPLEMANN. It is. If you will read it you will see it.

Mr. MATHEWS. I have read it carefully, and I cannot agree with the gentleman's conclusion.

It takes away from all persons any title in or to fissionable materials. It also becomes unlawful for any person except under certain circumstances to manufacture, process, or transfer any fissionable material except as authorized by the Commission or export or import fissionable material or directly or indirectly engage in the production of fissionable material outside the United States.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I cannot yield further. My time is limited. If I can get further time I will be glad to yield.

This is so important, this is so obvious that the moment this goes into effect the whole atomic energy industry of this

country will be affected. Every little firm that has a small device or a small quantity of fissionable material will be uncertain as to what it can do and it therefore will do nothing without great jeopardy to itself, and that will continue until this Commission is formed, completely organized, and ready to operate. It will be months, and months, and months before it will issue a single license, and then it can only issue a license after it has made an official investigation. I say it will bring about utter chaos. I hope this bill will be recommitted to the committee.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. GAVIN. Does not the gentleman believe that this matter should be left in the hands of the War Department where it rightfully belongs?

Mr. MATHEWS. I cannot go quite that far.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield further?

Mr. MATHEWS. I yield.

Mr. KOPPLEMANN. The gentleman's fears are fears only insofar as the protection of inventors and private industry is concerned. If the gentleman will read the bill, however, he will find that inventors are to be paid for their inventions and that industry will receive a royalty on any invention. So they are taken care of and the incentive is there.

Mr. MATHEWS. I am afraid the gentleman has misconstrued my position entirely. The fact that the inventor will, at some unknown future time, have to take an unknown sum determined by a body not yet formed, unless he appeals to a court, which causes further delay, is certainly anything but an incentive to him.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. PRICE of Illinois. If the gentleman will read section 11 of the bill, he will discover that the gentleman from Connecticut [Mr. KOPPLEMANN] was right in his contentions.

Mr. MATHEWS. I have read the bill very carefully and I still cannot agree with the contentions of the gentleman from Connecticut. To say an inventor is protected when he is forced to accept an arbitrary amount for his patent, instead of what he can make from it, as was intended by the patent law, seems to me a strange view of what protection is. And it certainly will not alleviate the confusion private industry will be in between the passage of this act and the organization of the Commission to the point where it can properly issue licenses.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr Chairman, I have been trying to find some reason why there should be all this hurry in passing this bill. The nearest approach to a direct suggestion as to why the bill should be passed at this time which I have heard, was in the remarks of the gentleman from Tennessee [Mr. KEFAUVER] and I am not sure that I understood him correctly. So I raise the question. I understood the gentleman to say that if this bill should be passed that we might enter into some international agreement on atomic energy. I want to ask the chairman of the Committee on Military Affairs or some member of the committee whether or not the passage of this bill will make it possible for this Commission to turn over to an international commission some agreement with respect to our handling of nuclear energy.

Mr. MAY. There is nothing in the legislation as I understand it, that authorizes or even directs turning over the atomic bomb to any international organization; but it does provide that on a reciprocal basis there may be exchanges with respect to the civilian uses of atomic energy.

Mr. CASE of South Dakota. But the Commission does not have the power or would not have the power by this act to commit us to any exchange or to control without an approval by the Congress?

Mr. MAY. I think not, undoubtedly.

Mr. CASE of South Dakota. One thing is self-evident; Congress cannot pass any law that is going to bind the hands of other nations. We cannot determine what they do. That was the compelling factor I think when the Appropriations Committee proceeded in its appropriations for Manhattan project. There was a time back in 1944 and early 1945, when some persons were very leery about going any further with the Manhattan project. One member of the subcommittee handling appropriations for the War Department raised the question during our deliberations because he was afraid that if the thing flopped we would be severely criticized for throwing good money after bad. We had then spent over a billion dollars and at least another billion was involved.

As a result of that we had some secret sessions with Secretary Patterson and General Marshall. The one consideration that appealed to us was that if we did not do this Germany might. Everything pointed to their trying to do it, and, as I said a few minutes ago, General Marshall said it was a race for time. That is the consideration which prevailed and that is why we continued to appropriate money for the Manhattan project.

By the same token we still cannot control what other countries do. That is why I am very reluctant to vote for any legislation which may shackle the development of nuclear energy in this country.

No matter what we do here the scientists, the engineers, the resources of every other country will be devoted to the development of atomic energy. I hope we do not handcuff the United States by any legislation which we propose here.

That is why I would be opposed to any legislation that would place this matter exclusively in the hands of the War Department, or any other single group, on the evidence now before me.

Why is there any hurry right now to pass this bill? I would like to have some real reason for taking action. There may be such a reason. I ask for information.

It has been said repeatedly on the floor here that Members are confused. Several members of the Military Affairs Committee have told us during this debate that they did not know which way to vote.

How, then, can the average Member of Congress, on the basis of the debate that has developed so far, know whether or not we should vote to do anything at this time?

What is the harm in letting things ride a little while? The War Department has these projects under way. The General Electric has taken over operation of the project at Hanford, Wash. General Electric and other organizations are pursuing their research and development. What is the reason for doing anything about this now? I ask for information. We all want to do the right thing in this matter.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. If the gentleman can answer that question, I am glad to yield to him.

Mr. JOHNSON of California. My answer to that is this, and I do not like to interrupt the gentleman: On October 3 last the President wrote a letter to our committee or to the Congress in which he requested what he called interim legislation, which resulted in the May-Johnson bill, a bill somewhat like this one. He claimed in the letter and by public statements, and witnesses claimed, including the Secretary of War, that this legislation is necessary as a forerunner of the efforts that our State Department is going to make to try to outlaw atomic-bomb warfare.

Mr. CASE of South Dakota. Then the gentleman is more or less supporting the position taken by the gentleman from Tennessee.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. VOORHIS of California. It seems to me not only is that an important reason for passing the bill now, but it is also true that unless effective domestic control over this admittedly very dangerous proposition is established, there is not any assurance that the whole business will not get completely out of hand at home, rendering it more difficult to enter into an effective international agreement; furthermore, under present circumstances there is nothing in law to prevent the possession of fissionable material by any one or preventing development taking place.

Mr. CASE of South Dakota. This bill does not cover that.

Mr. VOORHIS of California. Yes, it does.

Mr. CASE of South Dakota. No. This bill on page 20 says, "except that with respect to any location, entry, or settlement made prior to the date of enactment of this act no reservation shall be deemed to have been made." That is, existing mining claims are respected. And this bill does not require that the Secretary of Agriculture in administering claims in the national forests shall make any reservation of rights.

So, if it were desirable that all private interests were extinguished, it does not seem to me that this bill does it completely. And certainly it is debatable whether all private rights in the field should be extinguished.

The arguments that have been offered do not seem to me to be persuasive. Why should we create a control commission to put handcuffs on the development of some great new force or power? That is the question I have not heard answered.

I repeat the question, seeking an answer. Why should we handcuff ourselves unless we can have some assurance that other nations are going to handcuff themselves? No law that we can pass here will handcuff development in other countries.

We do not want the United States to get behind in this procession. If private interests are going to be able to develop nuclear energy in other countries, why should they not be free to do so here? I do not think that we ought to adopt a policy of fear here but that we ought to take plenty of time in deliberating on the question.

Every page in the bill carries language giving the Atomic Commission the power to make final determination on one matter or another. Together they constitute the most complete delegation of power to a bureau or agency that has ever been proposed in this country. The character of the problem may give us no choice. Perhaps we have to go the whole way or not at all. But should we set up such a colossus of bureaucracy with all these powers until we thoroughly explore the proposition?

Again I ask, what is the reason for doing this now? I do not seek to argue; I simply want to know.

TAKE THE PROFIT OUT OF WAR—OUR NATIONAL SECURITY AND SAFETY IS PARAMOUNT

Mr. DOYLE. Mr. Chairman, on yesterday reference was made to a member of the American Bar Association as opposing some of the features of this bill, so I respectfully call your attention to the American Bar Association Journal of May 1946, at page 292 thereof, to an article entitled "One World or None" by Reginald Smith of the Massachusetts bar, "The Need for World Law," and briefly quote as follows:

A symposium on the atomic bomb has been written by 13 preeminent scientists, the Federation of American Scientists, one military man (Gen. H. H. Arnold) and one political scientist (Walter Lippmann). The foreword is by Niels Bohr and the introduction is by Arthur H. Compton, both winners of Nobel prizes.

It is the latest word, in a real sense the last word, on the subject now the most important in the world. Its emphasis is not on how to make the bomb but on how to make some protection for civilization against the bomb. The concluding words are: "Time is short. And survival is at stake."

How much time have we? The answer is given: "We are led by quite straightforward reasoning to the conclusion that any one of several determined foreign nations could duplicate our work in a period of about 5 years" (p. 46).

Being a member of the Patents Committee of this House and also having practiced civil law for about 25 years; having had the benefit and pleasure of drafting very many contracts and licenses relative to patents and patent rights during that law practice, I do not feel as though studying S. 1717 on its patent and rights provisions is entirely a new subject to me. Already in this debate, there has been much emphasis by those who oppose the bill, or by those who want to postpone action and delay legislation or even kill the bill that the business, industrial, manufacturing, and patent interests of this Nation do not favor or approve so-called compulsory license provisions of this bill's proposal as contained in section 11 of the bill.

On yesterday the distinguished gentleman from Texas [Mr. LANHAM] referred to a letter from the chairman of the patents committee of the American Bar Association. I have in my hands two letters from the chairman of the committee on patents and research of the National Association of Manufacturers from its office in New York. The first letter to me is dated June 27, 1946, and the second July 16, 1946. That portion of these letters which I here and now quote is exactly the same in both letters. So there has been no change of opinion by the National Association of Manufacturers between the dates of its letter of June 27 and the one of July 16. Furthermore, we have the official opinion of two of the distinguished executives of the National Association of Manufacturers on the same subject for the letter to me of June 27, was signed by Edward Stone, committee executive, committee on patents and research and the letter of July 16 was signed by R. J. Dearborn, chairman of committee on patents and research. I again call your attention to the fact, that both of these distinguished authorities on patents, and both of them representing this Nation-wide association of manufacturers, take exactly the same position on the same subject of the licensing provisions of this bill. First, subdivision (b) of both letters is as follows:

(b) The sections on controls of source materials, production of fissionable materials, and Government ownership of all fissionable materials should be changed so as to permit private acquisition, production by private enterprise, and use by private enterprise under adequate licensing provisions by the Commission.

I emphatically call to your attention that not only do they frankly state that the control of source materials of atomic energy should be under Government ownership, but they frankly state that Government ownership should only allow production by private enterprise under adequate licensing provisions by the Commission on Atomic Energy proposed under this bill we are now debating. So, gentlemen, under this section (b), the National Association of Manufacturers recognizes that it is sound public policy and certainly not against the interest of free enterprise or private industry to have the control of the source materials and the production of fissionable materials under Government ownership, nor the rights by private enterprise to use the same subject to adequate license by the Commission representing the American people.

And just as subdivision (b), above-quoted, is identically the same in both letters, so subdivision (c) in both letters is exactly the same, to wit:

(c) Similarly, utilization of atomic energy should be permitted by private enterprise under appropriate licensing.

Therefore, I think it is not entirely sound or accurate reasoning for anyone to claim again in this debate that American industry and American manufacturers are opposed to either Government ownership of atomic materials or of exclusive Government control of its source nor of Government licensing by the Commission proposed. These two paragraphs in these two letters make it crystal clear that the National Association of Manufacturers recognize two fundamental requirements in the interest of national security and safety and in the interests of private and free enterprise development by reason of their position stated in paragraphs (b) and (c), respectively.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. JOHNSON of California. Under the situation now prevailing, anybody could make an atomic bomb.

Mr. DOYLE. That is correct.

Mr. JOHNSON of California. We want some way to control it so that private individuals cannot make it.

Mr. DOYLE. I agree with the gentleman.

The objectives of this bill can be properly divided into two sections, to wit: First, as relates to production and development of atomic energy for military uses. And secondly, for industrial and scientific uses and purposes.

Does anyone disagree with me? Should we let the manufacturers of military arms and munitions and of weapons for use in times of war have the right and privilege of acquiring and developing this God-given energy—an asset for the world's blessing—in order to produce munitions of war for the purpose of filling their pockets with more money gained? I say "No!" It is absolutely necessary, sound, and sensible, and in the interests of self-preservation of ourselves and of our world neighbors as well, that no right to produce, control, or use this energy shall be given to any person whatsoever directly or indirectly for the purpose of developing it for arms or military use—unless it is through the Commission

proposed in this bill. In this way, we can help to begin to take the motive of money profit out of war. This I believe to be absolutely essential in sound steps to help eliminate causes of war. Under section 4, this bill provides for the exclusive ownership in the United States of all facilities for the production of fissionable material in quantities sufficient to produce an atomic bomb or any other weapon by the Commission representing our beloved Nation, while section 5 provides that any person owning any interest in any fissionable material at the time of the enactment of this act or who lawfully produces any fissionable material incident to privately financed research "shall be paid just compensation therefor." And this bill does not intend to confiscate any private property but, as is necessary for war materials and in the interest of national defense and security, the bill proposes that any person having such material at this time shall be paid a just compensation therefor. This is sound. This is sensible. This is in accordance with American principles of fair dealing. Subdivision (2) of section 5 on page 17 of the bill provides that no person shall transfer or deliver title to any "source material" from its "deposit in nature" except by permission from the Commission. And why not? Again, for purposes of "national security and safety," it is imperative that our Nation be in the exclusive control of the "source of the material" in order to assure exclusive control and access in times of war or for needs of "national security and safety." Does any Member of this House now propose that private money gain or profits shall be placed paramount and above the national security and safety by allowing private ownership and production of this dangerous material at its source?

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman is an attorney, and he knows that the manufacture of firearms or explosive materials in all States is now controlled by statute. There is law now that controls that manufacture.

Mr. DOYLE. Those laws are not adequate to cover this subject. State laws cannot do it.

Mr. McDONOUGH. But there are laws.

Mr. DOYLE. Yes, but inadequate laws—ridiculously inadequate. We must take the profit out of war. Nor is that theoretical, either. I have no objection to my Government being placed in a position of maximum immediate ability to protect the safety and security of our Nation in its new world relationships.

Now, as to section 10, which relates to control of information about atomic energy and without being disrespectful, I really believe that some of the gentlemen who have talked against this section in the bill in this debate had not recently carefully read the full text of that section 10, for it expressly states on page 30 of the bill, as follows:

SEC. 10. (a) Policy: It shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

(1) That information with respect to the use of atomic energy for industrial purposes should be shared with other nations on a reciprocal basis as soon as the Congress declares by joint resolution that effective and enforceable international safeguards against the use of such energy for destructive purposes have been established.

You will note, gentlemen, that any dissemination of any information is first restricted so as to assure the common defense and security. This, then, is the controlling policy. No; not even any information about it for industrial purposes may be shared or disseminated by the commission, excepting Congress first declares by joint resolution that effective and enforceable international safeguards against the use of such energy for destructive purposes have been established. The term "Congress," as used in this bill, Mr. Speaker, refers not only to this House of Representatives, but to the United States Senate. What chance does the Commission have to be put in a position of disseminating any atomic energy information for industrial purposes before it should, when a joint resolution of both Houses of this Congress must first be obtained, which clearly declares that enforceable international safeguards against the use of such energy for destructive purposes have been established.

Therefore, it does not appear that the arguments so far made that this Commission will be promptly releasing atomic energy information to foreign nations is well founded. It is in fact without any foundation, for under section 10 Congress controls the time and event when any such information shall be shared with other nations on a reciprocal basis. Furthermore, subdivision (c) of said section 10 on page 31 of the bill provides that the Commission is only authorized to establish information service as it may deem necessary as to nonrestricted data. And at line 10 on page 31 it further provides:

(1) The term "restricted data" as used in this section means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable matthe production of power, but shall not interial, or the use of fissionable material include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security.

Therefore, section 10 makes it clear to any who desire to see it that there can be no dissemination of any data for either war or industrial purposes until joint resolution by both of the Houses of the United States Congress has first so declared, and the basis of this joint resolution thus required is that enforceable international safeguards against the use of such energy for destructive purposes have first been established.

Mr. Chairman, this time may come after many years, or it may come before we realize it.

The matter of the patent section of this bill has frequently been mentioned on this floor. It is claimed that the provisions of section 11 will destroy the fundamentals of the American patent system. I disagree with this contention and no man in this House feels more strongly than I do that we must preserve our competitive free enterprise, principles, and economy. But, gentlemen, we cannot perpetuate or preserve that free enterprise as it relates to our patent system if we make it easier than ever for there to grow up monopoly, restraint of trade, unlawful competition, or other restraints against free enterprise and free competitive economy by reason of allowing private or individual ownership and control of this atomic energy through patents in private control. There are four primary functions of a patent system as I understand it, as follows:

A. To induce disclosure of inventions.

B. To induce the investment of venture capital.

C. To promote what has been called enforced diversity of innovation, for instance, where the improvement is already patented, B will be forced to invent a new and different improvement in order to maintain his competitive position.

D. To reward the inventor.

Right here, gentlemen, let me call your careful attention to page 27 of the bill beginning at line 6 to line 22, inclusive, wherein it is provided as follows:

Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results. No license may be given to any person for activities which are not under or within the jurisdiction of the United States, to any foreign government, or to persons within the jurisdiction of the United States where the issuance thereof would be inimical to the common defense and security.

Assuming that no Member of this Congress desires to have any control of this destructive energy in hands of private money profit for war-munitions-making purposes, it is likewise my hope that no Member is thinking that this energy is a subject of proper monopoly or cartel for purposes of peace. Yet, I do know that in our system of free enterprise the facts have proven that some men get so greedy for material gain and economic power and dominion, that they interpret free enterprise to mean that they can and should be allowed to create monopolies or cartels and restrain free enterprise or competition with their particular business. Free enterprise in the highest sense should be encouraged in this new field of peaceful endeavor. It can be under the terms of this bill. Monopoly must not fasten its hands over free enterprise in the field of peaceful pursuits to be blessed by use of atomic energy.

But slight mention has yet been made of section 15, which establishes a joint committee of the Senate and House which by the terms of this bill is expressly charged with making continuing studies of the activities of the Atomic Energy Commission and of problems relating to the development, use, and control of atomic energy. And not only is this joint committee of Congress so chargeable, but it charges the Atomic Energy Commission with keeping this very same joint committee of the Senate and House fully and currently informed with respect to the Commission's activities. Thus, Congress itself is placed in an intimate and continuing position of full and current contact with the Commission's plans and policies and actions. Furthermore, section (e), on page 47 of the bill, expressly empowers this joint congressional committee to appoint and fix the compensation of such experts, consultants, and technicians and clerks as it deems necessary. So, from our viewpoint, Congress is made a watchdog of the Commission, and in another sense a trustee in the same field as is the Atomic Commission itself—even though to a more limited degree, of course.

So much has been so splendidly said about the place and province of atomic energy from here on and forward in the life of our Nation and the world that I will not dwell at length along the same lines. But you and I are in a new era from which we cannot extricate ourselves if we would. Nor can nations withdraw from a world neighborhood, for in the twinkling of an eye whole cities can now be obliterated. Rifle bullets kill men singly, while atomic bombs obliterate hundreds of thousands of people and crush concrete buildings into dust instantly. Use of atomic energy for peaceful pursuits must come to be the first and only use from here on all over the world—else there will be no survival of civilization. World understanding and cooperation is essential for either national or international existence as civilized people.

Mr. JUDD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I should like to approach this whole subject of atomic energy from a little different standpoint than has been touched upon so far. Most of the discussion has been about the explosive, the blasting effects of the release of atomic energy. But there is a possibly even more devastating force released in nuclear fission and that is radioactive energy. It so happens I have had considerable personal experience with one form of radioactive energy and bear about in my body the marks of overexposure to it. So I have been interested in it for a great many years.

The physical and biological history of this planet has been one of decreasing radioactive energy. The earth originally was and still is at its center a ball of fire—that is a body gradually disintegrating by atomic fission. The sun supposedly is a body engaged in violent atomic fission. Gradually through the centuries the materials in this earth have been losing their radioactive energy, even as radium constantly gives off radioactive energy until it becomes exhausted through hundreds and thousands of years, and then becomes lead. From the radioactive energy standpoint, our planet so to speak, has been running down since its original formation. It was only when radioactive energy fell below a certain level that it became possible for vegetation to grow on the planet, and then after more millenniums of running down the level of radioactive energy was low enough so that animal life could exist.

As many of you know, I am sure, radioactive energy can have a special effect upon germ cells, the cells that bring into being new life, a new organism. It can cause internal changes in germ cells which produce mutations, sports, or biological monsters. Thus the period when radioactive energy became just low enough to permit animal life, but was still high enough to act on the chromosomes in germ cells, was the period when dinosaurs and all sorts of bizarre biological freaks inhabited the earth—a period when great varieties of new species appeared. Doubtless it was one of those mutations that produced the new species, man.

In the beginning, God created the heavens and the earth, and all that live therein Perhaps it was through the operation of His radioactive energy that He produced all that live.

In any case, here we now are after all the millenniums. There has been one steady process of gradual exhaustion of the radioactive energy stored in the earth in a form which was released naturally.

Now for the first time in man's history he has discovered how to release radioactive energy artificially. This is a reversal of the direction in which physical processes on the planet have been going since its formation. It involves profoundly not just this Nation but life itself from the standpoint of sheer existence.

Hitherto most of the radioactive energy we have had was that which we discovered already active in such elements as radium. We could use what existed. Now we have found a way to increase the amount in existence, a way to release new radioactive energy.

Heretofore it has been gradually dying down; now we can start building it up, in active form and at a terrible rate.

This can mean far more to us ultimately than just the blasting effect of bomb explosions, destructive as they are.

If too much radioactive energy is released in an uncontrolled form, what may it do to human life itself; in fact, to all life?

Incidentally, I have been told that the reason they had the Hiroshima bomb go off about 1,500 feet in the air instead of closer to the ground was that they wanted only the blasting effect and were afraid of the possible radioactive effect. If it exploded high in the air, most of the radioactive particles would be carried miles high and dispersed. If it went off too low down it might spread over the area so much radioactive energy that the land would not again support even plant life, to say nothing of animal life. No one yet knows. To find out is one of the great tasks with which this Commission is to be charged. That is why we want the greatest scientists and statesmen on it. We want to know the possible uses of atomic energy in military weapons, in industry and commerce, and in medicine. We also must make sure that radioactive energy is not released in such forms and quantities that the surface of the earth returns to where it was ages ago. One or the other of two things would result, extermination of all life or, in an intermediate stage, drastic effects on germ cells of species which have long been stable, so that mutations would result, and the human being as we know him be changed to a biological sport, or a freak of some sort, other than the freak he already is at times.

I do not know whether I have been able to make clear what I have in mind and my great concern lest we bungle the handling of this great power with truly cataclysmic results. This is the only reason I would consider giving any commission such monopolistic power. It is the chief reason in my own mind which requires that we set up this Commission for controlling the development of atomic energy for civilian use as well as for military use.

Several Members have said they want to have everything under military control. Others have said they do not want to have anything under military control. I do not think either of those extreme positions is tenable. This force has enormous significance for our industry and our economy. It has terrible implications for civilian life, as well as for military security. We have to deal with both of them in a reasonable sort of balance. I do not see any better way to handle this titanic power than to put it under the control of a commission of truly great men who will have available the knowledge and services both of the military and of the civilian scientists who are acutely aware of all the dangers I have mentioned and more. They developed this process; they have lived with it day and night for years; they see far-reaching implications which we in our debate as to what the Bikini explosion means to the future of our Navy do not adequately appreciate. I do not know any safer hands in which to place it.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last two words. What the gentleman from Minnesota, himself an eminent physician, just said, only underlines the importance for the time being and until people know something about what atomic energy is and will do, and until such time as nations have grown up sufficiently in their international relationships to control it, what the gentleman has said only underlines the necessity of effective controls over this thing during the period that lies immediately ahead.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield gladly.

Mr. JUDD. This is the only possible justification, if there is an adequate justification, for the patent provisions of this bill.

Mr. VOORHIS of California. I agree with the gentleman that it justifies that section.

Mr. JUDD. Because if we knew more about atomic energy, and if we knew what the effect would be on human lives as well as in war, we could not have section 11. I am not sure that we can have it even so. But this is the only justification until we do know more of what the ultimate significance is and we dare not allow anybody at their own will to begin experimenting out in their own back yards. Our very existence does not permit us to allow it.

Mr. VOORHIS of California. I agree with the gentleman. I think there is another reason for the patent provisions. At least, it will prevent the private monopolization of a thing so fundamental and so revolutionary as atomic energy. I believe that would be wrong—morally wrong and economically wrong. I am not talking about applications of atomic energy, but I am talking about the patent on fissionable material itself, on the very energy itself.

I want to make this first point, that the bill does provide, and I quote: "That the Commission is authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this act."

It will give the possibility of control over sporadic, dangerous uses of atomic energy, just as the gentleman from California suggested a while ago.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CASE of South Dakota. Assuming that that control were desirable, if it could be obtained, how does the gentleman propose to establish control in Argentina, in Spain, or in Russia, or in any other part of the world other than the United States?

Mr. VOORHIS of California. That is precisely what we are attempting to do through the Baruch proposals. Further answering the gentleman, the gentleman makes the point that he did not want us to block our own development while other nations had not agreed to any type of international control. I am in full accord with that. I would not be in support of this bill if it were not for the fact that all of the testimony of every reputable scientist that I know of is to the effect that under the terms of this bill atomic-energy development will be encouraged in the scientific field where it is all important. That testimony has been given over and over again. It is true that that development is safeguarded in certain respects. It is true there are controls more far reaching than the Congress would authorize under any other circumstances. Those who seem to feel that atomic energy is comparable to natural gas or firecrackers will find it hard, naturally, to understand. But those who have at least an inkling of what this energy is will know why it is necessary that there be control of private development and regulation of the possibility of anyone going out and dealing with fissionable material as he sees fit. I personally think such control absolutely essential for the time being if the national interests are to be effectively protected, but I am convinced that the passage of this bill will make much more possible than it is today the continuance of atomic-energy development in the United States and that it provides the only way that can be done. May I say further, it disturbs me very much to find some people who are concerned about the preservation of what they term the secret of the atomic bomb, arguing in the next breath that atomic energy itself should be patentable under which circumstances the patented devices and the patented processes have to be made a matter of public record in the Patent Office. It does not seem to me that those two things possibly can be fitted together. I think this bill goes as well as it can down the middle of the road, providing for the kind of control that is necessary under existing circumstances and on the other hand, assuring provision for the continuance of scientific development.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CASE of South Dakota. Does not the gentleman feel that the agreement for international control should precede our handcuffing of our own research and development?

Mr. VOORHIS of California. I do not think we are handcuffing our own research and development. I think that it is severely crippled for the want of legislation precisely like this. Most of our scientists have left the project. I believe they will return if this bill is passed. Obviously, it is most important that they do so. I believe further that American leadership in working for international control now is most important. Indeed, it is the only leadership there can be. I think it necessary that this Congress rise to a plane of vision where it can see that our country, after all, is the sole possessor of this thing and has the responsibility and opportunity of leadership for the possibility of peace, and unless the structure of peace is built there can, as other speakers have said, be no safety for anyone, anywhere. It seems clear to me that adequate domestic control must precede, not follow, international control.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the gentleman from Minnesota, Dr. JUDD, a question, if he will answer it, as he has had experience with overradiation. I would like to ask the gentleman if he does not feel that it is important to keep the Army, at least in a measure, in control for the time being. It seems to me the Army did an amazing job in protecting human beings during the Manhattan project. I would like to have that protection continued; also, the military forces are responsible for the security and protection of America. They are the ones who follow constantly the danger to our country.

Mr. JUDD. I think it has done a magnificent job in protecting all those who were working on that project. As you know, there was a great corps of physicians meticulously checking every process in the whole project. On the other hand, we cannot sit down and say that because we have achieved this high stage of development in atomic energy nobody else has caught up or will catch up with us. We ought to move ahead, and we are going to move ahead, in its development for civilian use, as well as military.

The two should be integrated and carried on together. The bill protects the military aspects, but does not keep it solely under the military. It will enable those working with it for civilian purposes to have the benefit of the knowledge and experience gained in the Manhattan project. It was civilian scientists who were responsible for most of this excellent protective work done by the military. I believe the military need to have their share in the work and the civilians have their share. I think on the whole the bill achieves that general integration and balance.

Mrs. ROGERS of Massachusetts. But who would have the last word?

Mr. JUDD. The last word would be with the military of course.

Mrs. ROGERS of Massachusetts. But not in this bill, as I understand it.

Mr. JUDD. Yes; it can go to the President. The Military Liaison Committee, which has access to all the information, can always appeal to the President, if it is not satisfied.

Mrs. ROGERS of Massachusetts. I am very much afraid, if the military does not have control, that the President will side with civilians. It may be hard for the military to place the security angle before him. It will give enormous power to any civilian board—power for evil as well as power for good. I am very much afraid of it.

Mr. MAY. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am glad to yield. I am seeking information.

Mr. MAY. I wanted the lady to yield to me that I might ask the gentleman from Minnesota, Dr. JUDD, a question.

Mrs. ROGERS of Massachusetts. I yield.

Mr. MAY. The gentleman from Minnesota made the statement in his most excellent address that there ought to be reasonable balance of control between the civilian and military aspects of the problem. May I ask the gentleman if the provision which the House committee wrote into the bill providing for some sort of military control, would be a reasonable balance on that subject, with the provision for letting it out to laboratories and so forth.

Mr. JUDD. Yes. I also think it is adequately taken care of in the original McMahon bill. I expect to vote to strike out the committee amendment. On

the other hand, if it stays in I do not think it makes any great difference.

All members of the Commission will be serving first of all as Americans and I cannot believe that any damage would be done by having one or two members of the military forces on this Commission. On the other hand, I cannot believe any damage would be done by having them all civilians with the Military Liaison Committee also on the job. I do not think that is the really great consideration here, although it has been made the chief bone of contention. I think the great consideration is to see that we begin to get progress in an integrated, balanced way between the military and civilian uses of atomic energy.

Mrs. ROGERS of Massachusetts. I wish to say that I have always found the Army and Navy extremely anxious to allow civilians to get the advantage of any of their developments. Recently in the matter of prosthetic appliances, Secretary of War Patterson has done a magnificent job in connection with civilians who are working with artificial arms and legs. In 2 years some of the experimental prosthetic appliances I hope will be perfected. That is one of the reasons why I am so anxious to have automobiles for the amputees to allow those veterans a couple of years in which they may get about before artificial legs are perfected. That is just one instance—and there are thousands of others—where the Army and Navy were very anxious to cooperate with civilians. They have given Army and Navy orders to many civilian firms, and have sponsored great inventions in such things as radar, robots, and so forth. I, for one, am duly grateful to the Army and Navy for their scientific work.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. I should like also to ask the members of the Military Affairs Committee if there has been anything in connection with the United Nations organization that would set up a commission, that would handle the exchange of military secrets among the nations? I think it is a very pertinent question. Why should we do it in the matter of this and not all other military secrets?

Mrs. LUCE. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am very glad to yield, for I want all the information I can get.

Mrs. LUCE. Anyone who has followed carefully the Baruch proposals and the comments in the press by experts in that field realizes that there will be set up in UN a framework for the control of all forms of heavy armaments and weapons, including the atomic bomb, which in effect does mean that if that control works, all of our military secrets will probably be shared; and as further proof of that you will find in the Lilienthal report or rather the Acheson report on the atomic bomb that such is the intention of the authorities.

Mrs. ROGERS of Massachusetts. Again I say apparently the so-called friendly nations will be given all our secrets. Truly this measure is starting an endless giving to other countries of our resources besides our loans and gifts of money. We shall be an impoverished Nation.

The following is the letter from Col. Robert S. Allen who has done such dynamic work in prosthetic-appliance development. The amputees in the service and civilian amputees owe him much. He is the chairman of the advisory board of the Prosthetic Appliance Service under Assistant Director of the Veterans' Administration Walter Bura. Both the gentleman from Pennsylvania and I are members of that board.

WASHINGTON, D. C., *July 15, 1946.*

MY DEAR MRS. ROGERS: Through the kindness of Judge Patterson, Secretary of War, I had the opportunity to attend the July meeting of the Committee on Prosthetic Devices. The meeting consisted of two sessions, a symposium in San Francisco and a visit to the Northrop prosthesis laboratory in Los Angeles. This letter is a brief report on my observations.

I was tremendously thrilled and inspired by what I saw and heard. At the San Francisco symposium I saw the artificial arm developed by Northrop, which unquestionably is the best device of its kind in existence today. It weighs about 2 pounds, with the hook, has an automatic elbow-locking mechanism, and is a great advance over existing artificial arms. It is already being distributed to Army amputees, and a project has been initiated under which the United Drug Co will undertake the marketing of these devices at cost to all arm amputees, civilian as well as military. Northrop also has begun work on a mechanical hand to replace the unsightly hook. This is still in the early stages, but on the basis of the outstanding results already achieved by the company, I am sure that in the not-too-distant future they will produce an efficient and practical artificial hand.

Northrop also has developed an artificial leg with a suction mechanism. This mechanism is a German device. The Germans have been using a suction leg for some 10 years. Northrop is now applying it to American climatic conditions and, on the basis of its preliminary experiments, is confident that it can produce a workable suction leg in a relatively short time. The advantages of such a prosthesis are obvious. It would eliminate the cumbersome and trying harness now necessary and be a great boon to the leg amputee.

In addition, several other concerns, working under contracts from the committee, have made considerable progress in developing a self-locking knee. Northrop has a device of this kind already in use by test pilots with very good results. There is no reason why in the next 12 months these projects should not develop a reliable and practical self-locking knee. This device combined with the suction mechanism should give the leg amputee an artificial limb that would be a tremendous advance on anything now in existence.

The most exciting and stirring demonstration at the meeting was an electrical arm produced by International Business Machines Corp. This was only a mock-up model; actually, only a few days old. That is, it was completed only a few days before the meeting. It is still only a promise. But it is a tangible promise that bears every hope of full realization in a matter of a year or so.

The basic essentials of this device, the motor and batteries, are available. The problem now is merely of developing the prosthesis to the point where it is durable and can be produced in quantity at a reasonable cost. The model weighed about 4 pounds and the engineers were confident that they could bring this down to 3 pounds. The whole mechanism is revolutionary in design and operation. Instead of hanging on the stump, it rests on a cradle that extends from a belt around the waist. This not only eliminates the onerous feature of dead weight hanging from a stump, but also gives the wearer complete freedom of shoulder movement.

The committee also has a number of studies under way. One of the basic motions of the leg by the University of California, and another by UCLA on the arm and hand. These studies already have been extremely useful to the contractors and I am sure will be increasingly so as they develop new facts and data.

All in all, as I said, I was tremendously inspired and heartened by what I saw and learned. I have every confidence that if this research and development work is continued without hitch for another year or so that truly modern and scientific prostheses will be evolved. The important thing now is continuity; that is, to insure that the work of the committee is continued without hitch or impairment. That is the crux of the whole situation and that is the thing on which everyone interested in this field must concentrate at this time. I have made a few recommendations to Judge Patterson toward this end and I have every belief that these suggestions will be instituted. They call for no radical departures but are implementations which members of the committee feel would greatly assist their work.

With warmest personal regards.

Sincerely,

ROBERT S. ALLEN.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am not a scientist nor do I claim to be one. We are being advised today however, by a good many individuals and groups who are not scientists but who claim to know all about atomic energy and demand from us that we should pass certain legislation on the subject. They know very little about it, probably less than we do who are seeking the true and the best solution to handle atomic energy for the general good. As I see it, the thing that should come first with all of us is the question of the security for our country.

Up to about 2 weeks ago I thought that I would support the McMahon bill. It seemed to me that was a good measure and that to turn control of atomic energy over to a civilian commission might be the best plan, but after hearing the debate and talking with members of the Military Affairs Committee and also talking to certain members of the FBI, I have come to the conclusion that it might be better for the safety of our country to delay action on the pending bill until matters among the allied countries reach a more satisfactory conclusion.

We are given some information from behind the iron curtain as to what is going on and we know that the world situation in our effort to secure peace is not progressing satisfactorily. We also learn that there are thousands of foreign agents running loose throughout the United States who are working to get all the secret information they can on the atomic bomb so they can pass it back to their respective countries. I doubt very much if our agents are having the same freedom in some of the Allied countries as we are giving foreign agents sent over here to the United States. I am not naming any countries. You may draw your own conclusions.

Mr. Chairman, I do not see any particular harm in delaying action on this legislation for 3 or 4 months or until a peace treaty is written. We have been running along from the beginning of time—I do not know how long it is, whether it is 9,000 years or 100,000,000 years—without any knowledge on atomic energy. Now, what harm can there be if we wait 3, 4, or 5 months until there is a peace conference to determine whether or not the nations of the world can work together on a peaceful basis before we go into this matter of turning deadly secrets over to any group? The larger the group the easier it will be to divulge the secrets to some of these organizations or countries that are so anxious today to get hold of them.

I have a high regard for scientists. There are many good Americans among them, probably all of them are good, patriotic Americans that will be on the commission, but I also know some scientists in our country, in the United States, who are as red as you can make them. If they were to get any information about atomic energy, I know that it would go outside the United States just as quickly as they could hand it to some agent who would be willing to pass it along.

When conditions become settled in the world, especially between the Big Three nations, we can begin talking about sharing our atomic secrets with scientists, and until that time occurs, I strongly believe that it will be in the interest of our national security to leave matters as they now stand. A few months delay in turning the handling of the secrets of atomic energy over to a civilian commission, will not retard human progress.

Speaking for myself, I am unalterably opposed to sharing the secrets of the atomic bomb with Russia or any other country. The safety and future security of the world will depend upon our retention of this destructive force and the know-how to produce it. I do not believe it will be in the interest of peace for us to make the secret available to any country.

I may support the McMahon bill for the control of atomic energy, when conditions become more settled in the world, but for the time being, I suggest that no legislation be considered until after the peace conference.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HERTER. Mr. Chairman, I move to strike out the last seven words.

Mr. Chairman, throughout this whole debate all those who have spoken have admitted very freely and very frankly that they were confused, that they were not in full possession of the so-called secrets that all of us feel should be zealously guarded in this country, and that because of this confusion and uncertainty, and in many cases a very real fear that the secret will be divulged to those who might use it badly, they argue that all legislation ought to be postponed. I cannot agree with that point of view. I have not any more information than any other Member of this House, but when reaching a final judgment on this subject it seems to me we ought to give some consideration as to where this legislation originated, and who the individuals are who feel it is desirable that we pass this type of legislation.

The individual principally involved in the drafting of the original May-Johnson bill was Mr. George Harrison, president of the New York Life Insurance Co., formerly president of the Federal Reserve Bank of New York, who worked for 2 years as personal assistant to Secretary Stimson and sat as Mr. Stimson's alternate delegate on the Board that recommended this legislation. He was representing a hardheaded, practical point of view as to why the control over this newly found power should be put into the hands of a civilian commission. Working with him were the two men who did more to develop the scientific coordination that made possible the building of the bomb than any two others, namely President Conant, of Harvard University, and President Compton, of the Massachusetts Institute of Technology, both of them very distinguished scientists in their own right

The recommendations of those gentlemen, which led to this legislation that we have before us, were, as I said, based on the fundamental thesis that we are now embarking on an era of scientific rivalry where all nations are trying to get ahead in this particular matter. Testimony has been given that the development of the bomb did not come from a single new scientific discovery; that everything scientific about it was known before the war period; that the development of the bomb came entirely through the development of technological processes for putting that scientific information into effective use.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman for that statement. That is exactly the idea that General Groves expressed to us at the very first hearing on the May-Johnson bill, only he elaborated on it a little more. But it is the same idea that the gentleman expresses here.

Mr. HERTER. There is no question in my mind about it that if we are really interested in the security of this country we have to do everything that we can to encourage our scientific people to devote their energy toward seeing what further progress can be made in this particular field until satisfactory international controls have been developed. To my mind, to delay, or not to enact any legislation—and I am not worrying too much about any amendments to be offered; I am merely speaking of some form of legislation—at this moment, is playing with our security rather than enhancing our security.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. In what way does this bill offer inducements for private research or scientific research that would not exist without the bill?

Mr. HERTER. It does this: This particular Commission will have control through license of all fissionable materials, but at the present time, under War Department controls, General Groves, or whoever the responsible official may be, cannot divulge anything that he has got, nor can he allow the scientists of the country to use fissionable material to experiment with. Today the War Department, under existing regulations, is extremely tight. But the minute the war is over, from the point of view of the realistic situation that we are up against here, the controls that the War Department has over this thing disappear like that, and you have an absolutely free field in this country which is not covered by any peacetime legislation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. THOMAS of New Jersey. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. The gentleman said that the War Department at the present time—he mentioned General Groves—did not have any right to permit any experimentation and give out any secrets. The gentleman is absolutely wrong about that. At the present time industrial experiments are being made, and much of that information has been given out.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Ohio.

Mr. ELSTON. As a matter of fact, the testimony before the Committee on Appropriations given by General Groves was to the effect that the War Department is giving out whatever may be needed by industry to develop atomic energy for industrial purposes.

Mr. HERTER. That may be very true. The War Department at the moment, under war powers, has control of this situation. The minute those war powers are over, that control is gone.

Mr. CASE of South Dakota. Mr. Chairman, if the gentleman will yield further, what would be wrong with such a situation? I am asking for information. Is that not a situation that is going to obtain in every other country? Is there any control or restriction upon the

use of atomic energy in other countries? Or at least any that we can dictate?

Mr. HERTER. There is absolutely no control that I know of.

Mr. CASE of South Dakota. Why should we have restriction in this country when it does not exist in other countries?

Mr. HERTER. I feel that this is an orderly expansion of research.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I think perhaps the gentleman excepts totalitarian countries when he says there is no control of research in other countries.

Mr. HERTER. I meant to say no restriction of research in other countries. I think certainly every country is doing everything it can to encourage its scientists to work as hard and as fast as they can in this particular field; in fact, they are making very large grants of money in every country, I think, for the development of this field.

Mr. CASE of South Dakota. I certainly would agree with the gentleman that the War Department should not have permanent control. I do not believe in that. However, we ought not to handicap ourselves when other nations do not.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on pro forma amendments to section 1 do now close, and that bona fide amendments to the section be reported for discussion.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. JOHNSON].

The amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr FULTON: On page 1, line 4, after "Section 1. (a) Findings and declaration", strike out the remainder of paragraph (a) and insert: "It is hereby declared to be the policy of the people of the United States that the development and utilization of atomic energy shall be directed toward the public welfare and increasing the standard of living of all peoples, and for the promotion of world peace, including assuring the common defense, security, and protection of all peace-loving nations."

Mr. FULTON. Mr. Chairman, this amendment is to make a restatement of the declaration of policy found at the beginning of the bill. If you look at the declaration of policy as we now have stated in the bill you will find that it is nothing but pious platitude. Read it with me:

Research and experimentation in the field of nuclear chain reaction have attained the stage at which the release of atomic energy on a large scale is practicable.

It would take a fool not to know that is true.

The significance of the atomic bomb for military purposes is evident.

If it is evident, why do we say it? To me, legislation should be passed for a particular purpose with a policy definitely stated. We should not in legislation keep repeating things that are self-evident and are mere drapings.

I read further:

The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined.

Of course that is true. If we need anybody to tell us that it surely ought not to be in a measure cluttered up with things like that.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentleman realize that the Committee of the Whole voted just a few minutes ago to retain that language in the bill and turned down the amendment I offered to strike it out?

Mr. FULTON. I am putting something else in its place.

Mr. JOHNSON of California. I wanted to put something else in its place. Let me tell the gentleman what happened

Mr. FULTON. I realize what happened, but the question is, should this be substituted when the gentleman's language was not accepted?

Mr. JOHNSON of California. I will vote for the gentleman's amendment. I think it is all right.

Mr. FULTON. I thank the gentleman. [Reading further:]

This is a field in which unknown factors are involved.

I agree with what the gentlewoman from Connecticut [Mrs. LUCE] said yesterday, that there are unknown factors in everything. Important legislation will necessarily be subject to revision from time to time. I have yet to see any legislation in this House, even the Constitution of the United States, that would not be subject to revision from time to time. Then the declaration of policy says it is reasonable to anticipate, however, that adopting this new source of energy will cause definite changes in our present way of life.

Our life is full of changes and, of course, that is to be understood. But why put it in here and clutter up the bill? Now, what we should do, of course, is to assure the people of the world and the people of this country that we are going to use atomic energy for the public welfare, not only of ourselves, but of all peoples, and also to increase the standards of living of ourselves and of all peoples. We should put that first. Then we should say we want it for the promotion of world peace and we want it for security and protection. But we should say that we want it not only for ourselves but for all peace-loving nations. That does not mean that we will let foreign nations have the secrets at this time, but it certainly says what our aims are and states them specifically, shortly, and directly.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the distinguished gentleman from Michigan.

Mr. DONDERO. The gentleman mentions world peace. Do you think we should share the secrets of this bomb if the peace conference which will convene in Paris on the 29th of this month fails because of the veto power of one or more of our allies, as it has failed up to the present time?

Mr. FULTON. I agree with the intent of the question and with the presumption made by the gentleman from Michigan that we should not share it. But because we have this stewardship and trusteeship, we should let the people of the world know that in the protections that we are throwing around the development of atomic energy and the secrets of atomic energy we will see that it is done for the good of the world. I hope we will do just contrary to what some other countries might want to do, who would keep it selfishly for themselves and then use it, not for the good of the people in raising the standards of living for the people, but for aims that they might call protection but which really were for purposes of aggression.

Mr. DONDERO. I think the whole world knows now that the secret of this bomb is in the hands of a government that does not think it is necessary for the whole world to adopt our form of government in order to insure world peace.

Mr. FULTON. I think the gentleman's remarks are very much to the point and agree with them. May I then ask the chairman of the Committee on Military Affairs two questions?

On page 3 is found this language which my Harvard training will not permit me to read and make any sense out of. The language is as follows:

A program of federally conducted research and development to assure the Government (with a capital "g") of adequate scientific and technical accomplishment.

Is the word "Government" there used in the sense of the Federal Government, or is the word "Government" used to mean the control of accomplishment?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr MAY. I might answer the gentleman's question, although I am not a Harvard man, by saying that I would understand from the language in line 13 on page 2 that it is the purpose of the act to effectuate the policies set out in section 1 (a), which is the preceding section, which provides, among other things, for the following major programs relating to atomic energy. Then when you go to subsection (3) it would be a program of federally conducted research. That means the Government would carry on the program of scientific research and

development to assure the Government of adequate scientific and technical accomplishment.

Mr. FULTON. Do you mean to assure the Government adequate scientific and technical accomplishment, or do you mean to assure the Government—meaning "control"—of adequate scientific and technical accomplishment? If you mean the Federal Government, you have to strike out the word "of."

Mr. MAY. All it does is to assure a program of federally conducted research and development. That is all.

Mr. FULTON. Then may I recommend that the conferees, when they meet, change that section (3) to read: "to assure the Federal Government" and strike out the word "of." The word "of" does not fit there according to the meaning that you have given.

Subsection (5) on page 3 refers to a program of administration which will be consistent with the foregoing policies "and international arrangement made by the United States." I ask the chairman of the Military Affairs Committee whether any arrangements already have been made internationally, by the United States. Have there been any international arrangements already made by the United States in respect to atomic energy? In this act the committee seems to assume that there have been.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FULTON. Yes.

Mr. MAY. This bill by a subsequent provision provides adequate facilities and plans, under licensed systems of authority, to research laboratories, industries, colleges, and universities. This is merely a statement of federally conducted experiments through this Commission. The Commission will determine who is licensed and under what conditions.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has again expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. But you say, "international arrangements made," not to be made, which infers they already have been made by the United States. That is international agreements with respect to atomic energy. Why do you use the statement, "made"? If they are to be made, let us say it, but if they are already made, then I ask you, What are those international arrangements already made in respect to atomic energy, by the United States? Are there any? Let me hear directly.

Mr. MAY. Let me call the gentleman's attention to section 8:

As used in this act, the term "international arrangement" shall mean any treaty approved by the Senate or international agreements hereafter approved by the Congress during the time such treaty or agreement is in full force and effect.

That is the answer.

Mr. FULTON. May I state to the chairman of the Military Affairs Committee, as a practicing attorney, that is what the definition would be if the act were passed. The act is not now in effect. So I again ask the chairman of the Military Affairs Committee, Are there any international agreements in respect to atomic matters that are now in existence? I would appreciate a yes or no answer.

Mr. MAY. Well, you are not going to get a yes or no answer out of me, because I am not on the witness stand to be cross-examined. In the second place, this bill provides what the Commission may or may not do. It does not make it mandatory.

Mr. FULTON. May I then request, Whom shall I ask to find out as to the possible existence of these international atomic agreements?

Mr. MAY. I suggest to the gentleman that he study the bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes to answer the questions of several Members now on their feet.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DURHAM. Mr. Chairman, I object.

Mr. SHAFER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. SHAFER. Mr. Chairman, the gentleman from Pennsylvania [Mr. FULTON] asked the chairman of the Military Affairs Committee if there had been any international agreements entered into in connection with the atomic energy. Apparently there have been. If my understanding is correct, we have agreements with Great Britain and Canada. Is that not true?

Mr. MAY. That is my understanding, but I do not know what they are.

Mr. SHAFER. Everyone seems to be greatly interested in what we are going to do with the atomic bomb. I hold in my hand a message from Mr. Ernest Adamson, chief counsel of the Un-American Activities Committee, and I think it should be read at this point in the debate. The message, written today, reads:

I have just learned through the State Department channels that an International Scientists Conference will be held in Paris during the month of September to discuss control of the atom bomb. The head of the conference is one Joliot-Curie, an active member of the French Communist Party. A large group of delegates from the United States is expected to attend.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. AUGUST H. ANDRESEN. Does the gentleman have any suspicions that there might be some secret agreement which was made over in Potsdam or some other place?

Mr. SHAFER. I do not know whether there are secret agreements. I have my own opinions, but I do not care to state them here.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. JOHNSON of California. Is this a conference of private individuals or an official government conference?

Mr. SHAFER. It is called an International Conference of Scientists. I do not know whether it is a government conference; it is an international conference.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. BROOKS. The gentleman knows that while this matter was under consideration by the House Military Affairs Committee we made special inquiries of the State Department as to whether or not there were any secret agreements affecting the atomic bomb that had not been published in any respect and we received definite and positive word without qualification to the effect that there was nothing affecting this legislation that had not been completely published and publicized. Is that correct?

Mr. SHAFER. That is what we were told.

Mr BARDEN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. BARDEN. That leaves me somewhat at a loss to understand why the chairman of the committee would say he does not know what they are.

Mr. SHAFER. That is the reason why I called attention to the fact that we do have agreements with Great Britain and Canada.

Mr. BROOKS. The chairman had those in mind when he referred to agreements.

Mr. BARDEN. Possibly the gentleman from Louisiana would know the contents of those agreements.

Mr. SHAFER. I will yield for him to tell us.

Mr. BROOKS. I have just told the gentleman that the State Department stated that there was no secret agreement on the subject. As to whether or not another agreement covers the subject, the gentleman is aware of what has been published in the daily press just as well as I, and I presume he has read them as carefully as I did.

Mr. BARDEN. Mr. Chairman, will the gentleman yield further?

Mr. SHAFER. I yield.

Mr. BARDEN. Would the gentleman mind giving us the benefit of the contents of the agreements that are in existence with Great Britain and Canada?

Mr. BROOKS. No. I can tell the gentleman that if he had read what has been published, he would know just as well as I do. I understood there was some sort of understanding between Canada and us because we did obtain the

original materials from Canada, but there is nothing secret at all. It was called to our attention at the time.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. RICH. Does not the gentleman believe that the House should know something about these agreements and promises that are being made with these foreign countries before we turn loose what is probably the most destructive force that the world has ever known?

Mr. SHAFER. If there are any agreements or promises, I think it is highly important to find out all about them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 5, noes 42.

So the amendment was rejected.

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAY. Are there further amendments pending at the desk with reference to section 1?

The CHAIRMAN. There are not.

Mr. MAY. Then I ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. THOMAS of New Jersey. I object.

The Clerk read as follows:

ORGANIZATION

SEC 2 (a) Atomic Energy Commission:

(1) There is hereby established an Atomic Energy Commission (herein called the Commission), which shall be composed of five members. Three members shall constitute a quorum of the Commission. The President shall designate one member as chairman of the Commission.

(2) Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate. In submitting any nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee. The term of office of each member of the Commission taking office prior to the expiration of 2 years after the date of enactment of this act shall expire upon the expiration of such 2 years. The term of office of each member of the Commission taking office after the expiration of 2 years from the date of enactment of this act shall be 5 years, except that (A) the terms of office of the members first taking office after the expiration of 2 years from the date of enactment of this act shall expire, as designated by the President at the time of appointment, one at the end of 3 years, one at the end of 4 years, one at the end of 5 years, one at the end of 6 years, and one at the end of 7 years, after the date of enactment of this act; and (B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Each member, except the chairman, shall receive compensation at the rate of $15,000 per annum; and the chairman shall receive compensation at the rate of $17,500 per annum. No member of the Commission shall engage in any other business, vocation, or employment than that of serving as a member of the Commission.

(3) The principal office of the Commission shall be in the District of Columbia, but the Commission or any duly authorized representative may exercise any or all of its powers in any place. The Commission shall hold such meetings, conduct such hearings, and receive such reports as may be necessary to enable it to carry out the provisions of this act.

(4) There are hereby established within the Commission—

(A) a General Manager, who shall discharge such of the administrative and executive functions of the Commission as the Commission may direct. The General Manager shall be appointed by the President by and with the advice and consent of the Senate, and shall receive compensation at the rate of $15,000 per annum. The Commission may make recommendations to the President with respect to the appointment or removal of the General Manager.

(B) a Division of Research, a Division of Production, a Division of Engineering, and a Division of Military Application. Each division shall be under the direction of a director who shall be appointed by the Commission, and shall receive compensation at the rate of $14,000 per annum. The Commission shall require each such division to exercise such of the Commission's powers under this act as the Commission may determine, except that the authority granted under section 3 (a) of this act shall not be exercised by the Division of Research.

(b) General advisory committee: There shall be a general advisory committee to advise the Commission on scientific and technical matters relating to materials, production, and research and development, to be composed of nine members, who shall be appointed from civilian life by the President. Each member shall hold office for a term of 6 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of the enactment of this act shall expire, as designated by the President at the time of appointment, three at the end of 2 years, three at the end of 4 years, and three at the end of 6 years, after the date of the enactment of this act The committee shall designate one of its own members as chairman. The committee shall meet at least four times in every calendar year. The members of the committee shall receive a per diem compensation of $50 for each day spent in meetings or conferences, and all members shall receive their necessary traveling or other expenses while engaged in the work of the committee.

(c) Military Liaison Committee: There shall be a Military Liaison Committee consisting of representatives of the Departments of War and Navy, detailed or assigned thereto, without additional compensation, by the Secretaries of War and Navy in such number as they may determine. The Commission shall advise and consult with the Committee on all atomic energy matters which the Committee deems to relate to military applications, including the development, manufacture, use, and storage of bombs, the allocation of fissionable material for military research, and the control of information relating to the manufacture or utilization of atomic weapons The Commission shall keep the Committee fully informed of all such matters before it and the Committee shall keep the Commission fully informed of all atomic energy activities of the War and Navy Departments. The Committee shall have authority to make written recommendations to the Commission on matters relating to military applications from time to time as it may deem appropriate. If the Committee at any time concludes that any action, proposed action, or failure to act of the Commission on such matters is adverse to the responsibilities of the Departments of War or Navy, derived from the Constitution, laws, and treaties, the Committee may refer such action, proposed action, or failure to act to the Secretaries of War and Navy. If either Secretary concurs, he may refer the matter to the President, whose decision shall be final.

With the following committee amendment:

Page 3, line 19, after the word "members", insert "at least one of whom shall be a representative of the armed forces."

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are two gentlemen who always add a lot to the best thinking of this body. One of them is the gentleman from Minnesota, Dr. JUDD, and the other is the gentleman from Massachusetts, Mr. HERTER. I share the views of the distinguished gentleman from Minnesota when he says that it is not exactly a life-or-death matter whether this amendment is adopted or not. But I go back to the statement I made earlier in the debate, that I think there is a fundamental principle involved. As he said, they are all going to be good Americans, and whether they are in the Military Establishment or in civilian life does not matter. However, if a military man goes on there he has divided interests. His first big interest is the military. You will recall that under the bill the President must give the qualifications of his nominees when he sends them to the Senate. I have an idea that the Senate will comb those nominees with a fine-tooth comb, as that body ought to do. They will have to be able and patriotic.

Mr. Chairman, I am as sincere as I know how to be about the following statement: In view of the Vandenberg amendment which sets up this liaison committee that has completely satisfied the Secretary of War, the Secretary of the Navy, General Eisenhower, and everybody in authority in our Military Establishment, there is no use going out and getting military men to set up our policy-making in this country. You might just as well put a high general in as Secretary of War or a high admiral in as Secretary of the Navy. We just have not got that kind of a government, and it is not necessary. Besides, you would have the military liaison setting around the table making their requests, and even their demands, which they would take back to their superiors, and if they were not accepted they could take them to the Commander in Chief, the President of the United States. What is there to fear from the military angle of the situation? The war is over. We are trying to work out world peace. We do not want to add to the suspicion that some of our allies have, that we are getting ready for another war. I am not willing to give our atomic-bomb secret to anybody or any nation, and we are not doing so under this bill. I want the President and Secretary of State to handle our foreign affairs and determine our foreign policy. I do not

want the Army and Navy to do that. Theirs is a different function.

Secretary Byrnes and Senators CONNALLY and VANDENBERG have been sitting around the conference table. They are back here now, but I assume they will return on the 29th. It seems to me a very appropriate time to allow this atomic-energy problem, insofar as its military application is concerned, to remain in the hands of the Army or in the hands of the liaison committee and let us devote our time and energy putting this great discovery to peaceful purposes for the benefit of mankind.

This is no time for an atomic bomb armament race. I am frank with you in saying that there are some nations in the world, particularly one, that look on us with suspicion, and that may add to suspicion on our part. I want us to stand our ground, defend our principles and assert our rights, but I want to be sure we do nothing to provoke another war.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. THOMASON. As the gentleman from Massachusetts [Mr. HERTER] so well said, we are trying to get back on the track to world peace, and if this will not do the job, will somebody please suggest some means by which we can get some kind of a commission together or somebody to place this atomic energy in the hands of that would use this for the promulgation of peace and understanding between the nations of the world?

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Illinois.

Mr. ARENDS. I agree with the gentleman from Texas that possibly the question of life and death whether this committee is constituted of civilians entirely, or of civilians and one military man, is not so important. But, will the gentleman tell me one good reason that might be advanced why there should not be one military man on this committee, or what damage would result?

Mr. THOMASON. I do not know if there would be any special damage done, but you cannot find any policy-making commission in the Government, that has generals and admirals members of it. The Army and Navy think in terms of war and national defense. They think in terms of the military, as they ought to. Perhaps they were educated at West Point, and if so, that is their business and their profession. That is commendable; I do not find fault with that, but this idea has to do with turning atomic energy into peaceful pursuits and not for use by the military. The military will take care of our military needs just as they did in the last war. They have no business on our civilian policy-making commissions.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from North Carolina.

Mr. DURHAM. Is not the main question as to the composition of this commission what they are going to be worth to the country, what they can contribute? There are very few military men who are scientists.

Mr. THOMASON. You hear a lot of criticism of scientists. Some people say they are crackpots, long-haired guys, and Communists. Nevertheless, they are the ones who discovered and developed this bomb. It is true that a good friend of mine whom I admire extravagantly, General Groves, was in charge there as the boss of the show, the physical end of it. But Dr. Oppenheimer, the president of Boston Tech, the president of Harvard, Dr. Vannevar Bush, and other great scientists are the men who developed this bomb. They are good Americans just as we are and just as the Army is. They are to be trusted and ought to be encouraged.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentlewoman from Connecticut.

Mrs. LUCE. I agree with the gentleman's viewpoint, that no particular good will come of putting a military man on this commission, but does the gentleman realize that in all the very lengthy debate and hearings on this subject in the Senate practically all the scientists themselves testified that there should not be more than one scientist on the commission?

Mr. THOMASON. Yes, I believe that is true, but I know a lot of fine businessmen in this country. I think Barney Baruch is one of our greatest Americans. I know many more great businessmen and industrialists. Their great passion is to do something for their country. Many of them would be eminently qualified for membership on this commission. I beg of you to vote down this amendment and let the military attend to their affairs.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California to the committee amendment: That the word "shall" in line 19 on page 3 of the bill be stricken out and in lieu thereof the word "may" be inserted.

Mr. JOHNSON of California. Mr. Chairman, I can see that perhaps a man who has had some military experience, and I include naval experience, might be a very valuable member of this Commission. As I see it, the Commission is not to be a group of men who are scientists; in fact, the scientists wanted to keep the number at one or possibly two. There are men with judgment, with vision, men who can take a set of facts and look at a situation and make the right determinations when the facts and information are given to them. We know there will be developed a scientific research department in the Army and the Navy following this war. It is being set up now. It may very well be that an officer who has handled such a department, who has conducted that sort of an operation for the Army or the Navy, would be a most valuable man to have on this Commission.

The way my amendment reads, it leaves it optional with the President to pick out a man of that caliber and that training if he feels that would advance the program of the Commission. I do not want to tie the President's hand, but it does give him that extra field to look to for men for this Commission. As I say, there are many men on the retired list and some on the active list of the Army and Navy who by their experience, their training, and their outlook would make a very excellent addition to such a Commission. That is the reason I offer this amendment. To me it looks like just plain common sense. It leaves the matter entirely in the hands of the President. I hope you will take my views and adopt this amendment. It does not put the stamp of approval of the military on the Commission, nor does it make it obligatory on the President to appoint military men.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from North Carolina.

Mr. FOLGER. The committee amendment reads, "at least one of whom shall be a representative of the armed forces." Does not that mean that all of them could be, if the President wanted it that way?

Mr. JOHNSON of California. Later on there is an amendment that limits it to two. In fact, I should like to limit the number to just one, and then make it permissive.

Mr. FOLGER. Why not strike out the words "at least" and say "one of whom shall be"?

Mr. JOHNSON of California. "One of whom may be."

Mr. FOLGER. Yes; "one of whom may be."

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent to modify my amendment by adding that the words "at least" shall be stricken from the committee amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: That the word "shall", in line 19, page 3 of the bill, be stricken out and in lieu thereof the word "may" be inserted and strike out the words "at least", in line 19.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to be either rude or discourteous to my genial colleague who has always been cooperative and nice to me, but I must admit that the amendment to the committee amendment as proposed by the gentleman from California seems entirely futile. It strikes out the words "at least" and changes the word "shall" to "may", so that the committee amendment would read "one of whom may be a representative of the armed forces." The purpose of the word "shall" as written in by the committee after study and consideration was that some representative of the armed forces should be a member of this Commission.

Mr. ELSTON. As a matter of fact, the amendment offered by the gentleman from California would completely destroy the committee amendment.

Mr. MAY. That is exactly what it would do because the intent and purpose of the committee was to be certain that there was one representative of the armed forces on this Commission. The argument of my colleague the gentleman from Texas [Mr. THOMASON] was to the effect that in reality there was not any trouble with this amendment if there was any idea in the minds of the membership of this body that there ought to be any representation of the armed forces on this Commission. If there is to be a balancing of responsibility, as stated by the gentleman from Minnesota [Mr. JUDD], then the only way it can be balanced is to have a balanced representation. If this amendment to the committee amendment is adopted, we might just as well eliminate the entire amendment because that is exactly what it does. I am definitely opposed to the crippling of any legislation on this vital subject that affects mankind the world over and affects the security and safety of this country

Now, what is wrong—I go back for an answer—what is wrong with letting somebody who is a military man, who knows the military workings of our armed forces, be a member of this Commission, with four civilians with him? If he wanted to do something wrong, could he do it? If he wanted to militarize the Commission, could he do it? If he wanted to set up a militaristic government under that Commission, could he do it? No. He could not do either one. I am persuaded that there must be something behind the opposition to this proposal or there would not be such persistent objection to that one thing.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. MAY] has expired.

Mrs. LUCE. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I have already expressed my opposition to the committee amendment, which requires that one member of the Commission shall be a member of the armed forces.

My opposition is not by any means heated, because I think the whole issue is unimportant compared to the many other issues which this legislation brings up, in later sections of this bill. I agree with my colleagues who say that one military man on the Commission will not make a dictatorship out of this Commission. It is a dictatorship anyway. Moreover, I am completely satisfied, having studied the legislation and read much of the McMahon committee hearings, that the military and their interests are adequately represented through the military liaison committee provided for in the Senate bill. But I am concerned, and deeply concerned, about the composition of this five-man commission. Yesterday I referred to the Senate hearings on this bill, part II, pages 172 to 174. There testimony was given on the subject of the proper composition of the Commission by a most distinguished and most important scientist, Dr. Howard Shapley. Dr. Shapley, as you know, is director of the Harvard Observatory and a member of the Harvard University faculty. When he was asked by the chairman of the committee what type of men he thought should be on this Commission he replied, "heroes." He went on to say that he meant by "heroes" "men who do see that this is an unusual situation and who are willing to sacrifice their past and their future to take positions and responsibilities on the Commission." He then went on to say that he personally could think of a dozen men in the United States who would be competent to be on this Commission, but he added that all of them, men with either industrial or scientific training, were in highly successful or remunerative positions now, and it would be a great sacrifice for them to give these up for a job on the Commission. The men who go on this Commission are going to be on it for 6 years. Four of them are going to get salaries of $15,000 and the Chairman $17,500 per year. Now, it seems to me that a man qualified to take the chairmanship or of serving on this Commission should be one of three things: A great scientist, a top-notch American industrialist, or a top-notch administrator. Now, any top-notch industrialist I can think of would surely be earning more than $15,000 a year. He might even be earning $100,000 or $200,000 a year.

Now, it has been suggested by the gentleman from Texas that we ought to have men on this Commission of the caliber of Bernard Baruch. I agree, but how many Bernard Baruchs are there in the United States? If the mold made for that great public servant is not already broken, and if there are any more Baruchs you may be well assured that they have highly satisfactory, useful, remunerative jobs now. I am concerned about this question: Where shall we find men of the caliber to run what may be a $20,000,000,000 atomic corporation exerting vast dictatorial powers? How shall we find men to fill such gigantic shoes? Is not the danger that we shall be forced to put bureaucratic peewees into jobs that should be held only by supermen?

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mrs. LUCE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

Mrs. LUCE. I assure you the danger about such a commission is not whether or not we put one military man on it, since he at least would probably be a qualified specialist. The danger is what kind of civilians competent to serve on this Commission can we get for $15,000 a year. I ask myself that every day.

Mr. O'HARA. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. O'HARA. Does not that illustrate one of the dangers perhaps of creating this Commission at this time?

Mrs. LUCE. Oh, I have been saying right along this is a very dangerous bill, insofar as it affects the political structure of our Government. But I think it is necessary for many of the reasons given by the gentleman from Massachusetts [Mr. HERTER], and I agree with my colleague the gentleman from Texas [Mr. THOMASON] that we must have some civilian control of atomic energy if we are both to control and guide further scientific developments for war or peace in the nuclear field.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. AUGUST H. ANDRESEN. I can think of a lot of men who are now in high places who should not be on the Commission.

Mrs. LUCE. I agree with the gentleman. The danger is that only $15,000 a year may be no inducement to great and able citizens, but it will be a great inducement to bureaucrats who are not fit to run a shoe factory, let alone a $20,000,000,000 life-and-death corporation.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. THOMAS of New Jersey. Who is going to appoint this Commission?

Mrs. LUCE. The President will appoint the Commission. Now, I do not doubt for a second that he will seek the best men for the job, but will the best men—men of brains and ability—give up 6 years of their life—all their past and future, as Doctor Shapley called it—to work at this salary?

Mr. JUDD. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that someone is going to control atomic energy? Is there not a better chance of getting high-grade men under this sort of bill than to let it go without any guidance or control?

Mrs. LUCE. There is no limit to the heights of patriotism men can be carried to in wartime, and I hope that even in peacetime men who could make $100,000 a year will give that up and 6 years of their life for $15,000, particularly when you consider the dead cats and tin cans

that always get thrown at even the most disinterested public servant.

Mr. GAVIN. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Would it not be better then to let this matter rest and keep it in the hands of the War Department until such time as we can find men of the character and ability to do the kind of job the gentlewoman wants done?

Mrs. LUCE. No; no; I say to the gentleman from Pennsylvania, we must not let this matter rest, we must think it through.

Mr. GAVIN. I disagree with the gentlewoman.

Mrs. LUCE. We have got to get on with controlling atomic energy.

Mr. GAVIN. Then leave it with the Army; they will take care of it.

Mrs. LUCE. The thing for us to do here is to use our brains, and perfect this legislation here, or in committee, but to get on with it.

Mr. GAVIN. We will be using our brains if we leave it with the War Department.

Mr. ARENDS. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from Illinois.

Mr. ARENDS. My understanding is that officers such as Gen. George C. Marshall when they are retired would be available. Knowing the spendid work that General Marshall has done as Chief of Staff and since the end of the war in other capacities, would not he be the type of man to sit on this Commission and one in whom we would all have faith and confidence?

Mrs. LUCE. We all have faith in General Marshall's military services. I certainly think no one in the Nation would object to General Marshall on the Commission.

The CHAIRMAN. The time of the gentlewoman from Connecticut has again expired.

Mr. ALLEN of Illinois. Mr. Chairman, I ask unanimous consent that the gentlewoman from Connecticut may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BROOKS. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. BROOKS. In reference to what my colleague from Illinois has just referred to regarding officers of the caliber of Gen George C. Marshall being appointed, even without the committee amendment referred to, there would be no objection under the bill as presently drawn to his appointment to the Commission if the President decided to make the nomination, would there?

Mrs. LUCE. I think there would be no objection. But may I continue to answer the question of postponement which has been repeatedly brought up on the floor. All during the Senate hearings, which have become required reading on this legislation, Senator MILLIKIN had one standard question he asked of every single witness. You will find it, I believe, in every piece of testimony. His question of every witness was, Would there be any irreparable damage done to the United States if this matter were "bottled up" for a year? To that question Dr. Harlow Shapley, for example, said, "No"—there would be no harm to the United States if there was no legislation for a year.

I offer that, not as final, but as a clue for those who have the time and inclination to wade through those very thick Senate hearings to see how other witnesses testified. I say no, we dare not postpone the passage of legislation unless we wish to take risks with American lives. That is why I am for the passage of a good bill and not for any bill being pigeonholed.

Mr. JOHNSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield to the gentleman from California.

Mr. JOHNSON of California. Why would not the sensible thing be then to pass my amendment and let the President place a military man on there if he wants to, but not compel him to do so? Maybe he wants Arnold or Marshall to be a member.

Mrs. LUCE. I think the gentleman's amendment is a very good compromise, but not a necessary one, because it does not matter greatly whether or not there is a military man on the Commission. You may be quite sure that, if the President wants to put General Marshall on, he may do so even under the Senate bill.

Miss SUMNER of Illinois. Mr. Chairman, will the gentlewoman yield to me?

Mrs. LUCE. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I wish the gentlewoman from Connecticut would elaborate on her statement, that has been made here two or three times, that you risk lives if you wait. I do not get the connection. I do not know how that conclusion is arrived at.

Mrs. LUCE. It seems to me that the problem of atomic energy is largely the bomb problem. How many bombs can we stock pile so that if we are attacked we can launch a conclusive reprisal? And how can we make, if we must make, more powerful atomic weapons?

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mr. ALLEN of Illinois. Mr Chairman, I ask unanimous consent that the gentlewoman from Connecticut may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. LUCE Mr Chairman, the facilities used in the atomic process are the same, I am told, whether their product is bombs, or energy, or material for cancer cures. Peacetime nuclear energy facilities and plants constructed for generating heat or electrical energy or for scientific research in cancer or leukemia can, I am told, overnight be turned over into the making of bombs and vice versa. Every single scientist in the Senate hearings, and in the old May-Johnson hearings, testified that the bombs of today, the ones that we have now on the stock pile, are going to look like firecrackers compared with the ones science of other lands may be able to make. We must keep abreast and ahead of all developments.

They say that there are two ways to make a horse run. You may give him a lick with a whip, or you can offer him a carrot. The whip is military procedure; the free-enterprise system up until now has favored carrot. This bill conserves a few carrots for the scientists. It is important to remember that a hundred or two hundred scientists are the key figures, the absolute key figures in our atomic development, and these men just will not work for brass hats. In times of peace, they will only work in civilian enterprise, and short of conscripting them forcibly, you will not be able to make them work for the Army in peacetime; therefore, you must have civilian control in order to guide induce and control scientists while they work and under conditions that are pleasing to them as civilians.

The CHAIRMAN. The time of the gentlewoman from Connecticut has expired.

Mr. ELSTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the committee amendment and in opposition to the amendment offered by the gentleman from California. We have been trying for a long time to have somebody give us one good reason why a military man should not serve on this commission, and up to the present time we have not received that reason.

There is a very good reason stated in this bill why a member of the armed services should be on the Commission. I refer to that part of the declaration of policy itself, which says:

> Subject at all times to the paramount objective of assuring the common defense and security.

In other words the paramount objective of this bill is to assure the common defense and security. Either the language I just quoted is idle words, put in the bill for the purpose of misleading somebody or they mean exactly what they say. If the language in question is given the only interpretation it is susceptible of, then this becomes a national defense measure along with its other features. If that is true, why should we not have a representative of the armed forces on the Commission? This would not create military control but would simply permit the armed forces to be represented. The cases referred to by the gentleman from Texas, [Mr. THOMASON], and others, where military men do not serve on commissions because of tradition, refer solely to commissions not dealing with matters of national defense. The contention is made that everything is taken care of by the section that sets up a liaison committee. However, if you will examine that section you will find that the liaison committee is given absolutely no authority.

Furthermore, there is nothing that that liaison committee is authorized to do that it cannot do at the present time. For example, this section requires the Commission to consult with the liaison committee. Suppose we did not have this committee and the War Department wanted to consult with another department of Government and there was a refusal to meet. It would take only an order from the President to bring about the desired meeting. Then it is claimed the liaison-committee section authorizes an appeal by members of the armed services to the Secretary of War or the Secretary of the Navy. In response to this contention I should like to ask what Army or Navy officer cannot now appeal to the Secretary of War or the Secretary of the Navy? If the Secretaries, in turn, want to appeal to the President, it is their privilege to do so. Certainly no legislation is necessary to accomplish it.

So the military-liaison-committee sections adds absolutely nothing to this bill. I contend it was inserted in the bill merely for the purpose of making it appear that the armed forces have been given recognition, when actually they are granted no more authority than already exists. If the committee amendment is not adopted, men like General Groves, for example, could not serve on the Commission, although he was the one who supervised the Manhattan project and the building of our atomic bombs. I don't believe in turning everything over to the professors and the bureaucrats.

I submit that there is no reason why the armed services should not be represented on the Commission. In fact since matters of national defense are involved there is every reason why they should be so represented.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ELSTON. The War Department is not concerned entirely with military matters. The Panama Canal, for example, was built by the Army. All of our rivers and harbors projects and all of our flood-control projects have been constructed under the supervision of the Army Corps of Engineers. They are in no sense of the word war projects.

Mr. Chairman, another reason why I submit we should have military men on this Commission is because of security. If this becomes entirely a civilian Commission, all the employees will become civilian employees. The Civil Service Commission recently announced that they did not have the personnel to examine into the subversive activities of their employees, whereas the War Department does have such facilities. The employees at Oak Ridge are today under the supervision and direction of the War Department; but even with that supervision, they are having a difficult time keeping down subversive activities. So from the simple standpoint of security it is infinitely better that at least one member of the armed services be represented on this Commission. Therefore, I submit that the amendment offered by the gentleman from California, which would completely destroy the committee amendment, should be voted down, and the committee amendment should be adopted.

Mr. MARTIN of Iowa. Mr. Chairman, I rise in support of the committee amendment and in opposition to the amendment offered by the gentleman from California removing the compulsory portion of that amendment.

The gentleman from Ohio [Mr. ELSTON] has well stated the background of his amendment, which is now the committee amendment, in that we need some military participation on the Commission. I say very seriously that I am not willing to take the determination of Secretary of War Patterson or anyone else who says the Army should pass this responsibility up. As a citizen I am primarily interested in putting on the doorstep of the War Department the responsibility of determining the use of the atomic bomb, of helping determine that policy, and of helping guard our Nation through building a defense against the atomic bomb. It is the responsibility of the Navy and the Army to defend our Nation and to look into this highly scientific and highly technical new superweapon with a view to protecting us as a national defense measure against any use of it against us by any possible future enemy. They cannot get out from under their responsibility by a mere statement of Mr. Patterson before the Committee on Military Affairs that they are satisfied with this bill, which does not give them that responsibility.

I call the attention of the gentleman from North Carolina [Mr. DURHAM], who spoke about the need for scientists on this Commission, to the fact that the Senate report on page 21 states:

> While the Commissioners need not be scientists or technical experts, they must combine clear judgment with imagination and courage, and they must, like the members of the judiciary, be so divorced from private and competing concerns as to give complete, disinterested, and undivided attention to their tasks.

I ask where could you find a better definition of an Army or Navy man than right there in that very paragraph by the Senate Committee. I look to the War Department and the Navy Department as being charged with the protection of this country. If you bar the 1,500,000 members of the armed forces from active participation on this Commission you may forget the importance of some of these developments to our national defense until it is too late. If you overlook the defense of the Nation in the development of atomic energy by not having any military men or naval men on the Commission, then when we are attacked, it will be entirely too late. I want to pin the responsibility squarely on the armed forces of this Nation to protect us before it is too late. In my opinion, it is highly important that a member of the armed forces be on this Commission. I have an amendment which will come up later, a committee amendment, that limits the number to not more than two in order to avoid military control of the Commission because I would be opposed to military control of the Commission. But that is a far different matter. In my opinion, we are letting down on our obligations to the Nation and its defense if we make ineligible for appointment to this Commission the 1,500,000 men who make the national defense of our Nation their life study and their life's work. At no time is it more important to get them into the picture than now in dealing with this super weapon that may be hurled against us by any future enemy of our country.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. JOHNSON of California. Under my amendment it is possible and probable that the President, the Commander in Chief, will and he can appoint an Army or Navy man. Is that not a fact?

Mr. MARTIN of Iowa. My answer to that is that the people speaking through their Congress should here and now make certain there is a member of the armed forces serving on this Commission because of the far-reaching responsibility in the field of national defense.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have heard some observations made here about the fact that General MacArthur and other men, even after retirement, as I understood, and if I did not understand it correctly I would like to be corrected, could not serve if appointed to this Commission. I would like to be enlightened on that because the information I have as to existing law is that after retirement they could serve on the Commission, although if their salary exceeds their retirement pay they would have to make an election as to what compensation they would accept.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARTIN of Iowa. You will find on page 8 of the bill, subsection (d), the section enabling retired and active duty officers to serve on such an assignment.

Mr. McCORMACK. Yes; I have noticed that. That is particularly intended to relate to officers on active duty.

The law I have before me is to the effect that after June 30, 1932, no person holding a civilian office or position, appointive or elective, under the United States Government, and so forth, can accept it where he gets over $3,000 retirement or pension unless he waives it. So that, as I understand the law, General Marshall could be appointed without the necessity of this amendment being adopted except that he would have to waive his retirement pay during the time that he is appointed if the salary that he receives while on the Commission were to exceed his Army pension.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BIEMILLER. I think the gentleman from Massachusetts is entirely correct. In the past 2 days I have checked with members of the Senate Committee on Atomic Energy and they informed me that in their opinion the bill as it left the Senate would permit any retired officer to serve.

Mr. McCORMACK. The gentleman from Ohio [Mr. ELSTON] made an observation that he has not heard one good reason why a military man should not serve on the Commission. As I look at this bill on page 7 under title "Military Liaison Committee," certainly there is complete protection here of our security from the angle of our military and our armed forces.

The bill provides, in addition to the creation of a Military Liaison Committee, consisting of representatives of the Department and the Navy, after defining their powers:

> If at any time the committee concludes that any action, proposed action, or failure to act of the Commission on such matters is adverse to the responsibilities of the departments of War or Navy, derived from the Constitution, laws, and treaties, the committee may refer such action, proposed action, or failure to act to the Secretaries of War and Navy. If either Secretary concurs, he may refer the matter to the President, whose decision shall be final.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes; I yield

Mr. ELSTON. Can those things not be done under existing law? If any Army officer is dissatisfied with something that the Commission is doing, can he not appeal to the Secretary of War and cannot the Secretary of War appeal to the President?

Mr. McCORMACK. But this is a provision in law. It is definite. It is governing. What the gentleman refers to is not anything of a governing nature. It is one thing in the practical operation that certain things may happen, but as a matter of law they cannot happen. Here we put it into the bill.

I have given a great deal of thought to putting anyone in active military service on any civilian commission. I am opposed to it on a fundamental basis. I consider it fundamental, in a democracy, that outside of war itself, during peacetime, the relationship of our armed forces to democratic institutions of govment should take their normal course.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes; I yield.

Mr. ELSTON. Does not the gentleman feel that a commission such as this, which deals with national defense, is more than a mere civilian commission? As a matter of fact, it is not simply a civilian commission; it is a commission dealing with matters of national defense and civilian interests.

Mr. McCORMACK. That is a matter of opinion. One of the main purposes of this will be the progress that will be made in the future, the use of it in our ordinary everyday life. The security question, I concede, is involved, but I do not concede it is the primary question. Wherever it is involved, wherever it might come to the front as a matter of importance, under the provisions of paragraph (c) on page 7, to which I just referred, absolute power exists for the War Department and the Navy Department to take such steps to assure the national security of our country.

I am firmly wedded to the fact that under the democratic institutions of government, when war is over the military should go back to its normal and proper place in the democracy. They do not perform civilian activities. The purpose of the conduct of our Government from a civilian angle is by civilians, not by any member of the armed forces being placed upon a commission which is civil in its nature.

I think this violates the fundamental rule of democracy that we have adhered to for over 150 years. There is adequate protection within this bill from the security angle to protect our country in case any situation arises where the security of our country is involved, and that is provided in the paragraph to which I have referred.

The committee amendment violates the spirit and the traditions of American institutions of government in practical operation and should be defeated.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the Members of the House, at least the greater number of us, are quite disturbed about this bill being enacted into law at the present time.

The papers every day carry headline stories emphasizing the great difficulty our representatives are having in the United Nations organization in their efforts to get some of our allies to agree on the fundamental questions of world peace. It surely can never be said that this Nation has not been interested in world peace. All through the course of our history, we have set the pattern and surely we have made more sacrifices in the interest of world peace than any other country on the face of the earth. You will recall that in 1922, in order that we might establish permanent peace, we entered into a naval disarmament conference and agreed to scrap 29 of our battleships, believing that by so doing, we could have peace in this world. How disillusioned we have been!

We are now perhaps in the most distressing period of our history in times of peace, and when the people of the world are craving for peace, yet, there is no peace to be had because, apparently, we have not yet learned to live together. Why are we at this moment in such a hurry to create this new Commission? Why are we so anxious to change the status of things insofar as the development of this bomb is concerned and the progress we may make in the further development of nuclear energy?

It was only a few weeks ago that we appropriated over $7,000,000,000 for our Army and over $4,600,000,000 for the Navy. We are calling the youth of this land into the armed forces because of the most critical period that lies ahead as stressed by President Truman, and because of unsettled conditions that exist everywhere in the world. Why are we so anxious, at this moment, to turn over to another Commission, all information and control, and to take it away from our military authorities at a time, when we are told that our Nation and the world are still in a great emergency.

We are told that we need 1,200,000 men in our Army by next July and that we must maintain a Navy of 500,000 men in the postwar period. I have seen with my own eyes the effect of the atomic bomb. I have visited and been on the spot at Hiroshima and Nagasaki and only recently I returned from Bikini. With these vivid pictures in mind, I say, why all this hurry at a time when there is so much unrest in the world? Why is it we cannot live together in peace and harmony? Why is it that we have not been able to get around a table even before now and establish a pattern of world peace?

It is only because some of our allies apparently still distrust us. How do we know that? We know that because in recent days on the floor of this House, we have had the so-called Dirksen amendment which stipulated that in providing aid through to UNRRA, we must have the authority and the right to send our newspaper men into those countries in which we are giving this relief. Up to the present time none of our representatives has been permitted to visit these areas.

Is there still distrust in this world? If you do not believe there is, then visit Korea; if you doubt there is, travel in North China and see what has been happening there for a long period of time. Talk to our Marines stationed there, discuss the situation with our inteligence officers in the Marine Corps, as I have done, and you will find the real truth as to what is the cause of the present unrest in the world.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, when we are drafting our youth into the armed services, is this a time to spread the information and knowledge we have of atomic energy? It was only last week on a ship from the Pacific that I viewed a motion picture prepared by the FBI in showing how

information was leaking out from the Manhattan Project. Are we going to establish new commissions to spread more information, are we going to have more civilian employees brought into it, or are we going to just hold ourselves for a little while longer, until the United Nations organization may at the peace conference to be held at the end of this month try to arrive at some foundation for a peace?

Mr. Chairman, we speak about the atomic bomb being the most devastating instrument or weapon ever devised by the mind of man. Yet, on the day after I returned from Bikini last week I clipped from a Honolulu paper in Hawaii the following statement:

POWERFUL NEW WAR POISON CAN SLAY MILLIONS

Figures given with the scientific report of the method of purifying the toxin show that 1 ounce of the pure white, needle-shaped crystals could kill 200,000,000 men each weighing 165 pounds.

These are facts behind the undetailed revelations of naval biological warfare researches made in Congress recently.

This deadly stuff, believed the most poisonous known substance per unit of weight, is only one of the weapons of germ warfare forged by United States scientists during the war.

Surely this germ is more deadly than the atomic bomb. Surely the devastation created by this new germ carries in its wake more horror and destruction than the atomic bomb. Whatever we have heard about the atomic bomb, it does have its limitation. This germ has recently been developed by our United States scientists. Do we want to give that over also to another commission or do we for the time being, in the face of uncertainty and unrest, want to keep this information to ourselves about atomic energy that cost us over $2,000,000,000 to create?

Mr. Chairman, for the reasons stated above I hope this bill will be recommitted to the committee until peace can be definitely and permanently established once again in this world.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. O'HARA. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I confess from the bottom of my soul a great concern about not only the legislation which we are debating today but the subject with which we are dealing. I know that from my heart and from yours we all want to do what is the right thing.

It is well for us to proceed with some calmness of decision in arriving at what is to be done. I join with those who have spoken and who have asked the unanswered question why the haste in acting upon this legislation? I might ask, also, what is wrong with having one from the military services serve on the Commission? If it is not possible for us to agree, if we give this power to a commission, on what the make-up of that commission will be, then, Mr. Chairman, how is it humanly possible for us to give them the great power that will be theirs by this bill?

After all, in dealing with the ingredients of the atomic bomb you are dealing not only with national defense, but with the cause of science, which means that so far as national defense is concerned we must act wisely, but that likewise the benefits from nuclear fission should be used in a scientific sense for the betterment of mankind, so it is well that we deal with that question also.

But, let me ask you this one single question: When in the history of this country, under conditions such as this, have we been so anxious to give away our most valued military secret? It has been a military secret up to date. It has been some 15 months now since we have had the end of the European war, and today we are still without a peace treaty. I think back in the last war which ended on November 11, 1918, they began the peace treaty negotiations some time in January or the latter part of December 1918, and the treaties were signed early in 1919. I wonder why we are having so much difficulty in arriving at what should be a simple matter of getting together at the peace table. I am wondering if there is a lack of confidence on the part of the Allies themselves. I hope there is not. That is why I say in this legislation that we are dealing with today that it might be just a swell if we waited a few months. There should be a conference and an agreement among the nations of the earth upon armament, including the right of inspection of arms and the atomic bomb and atomic bomb development, and unless we can agree upon that and not have to deal behind an iron curtain, where can there be any trust between nations or between men? That is the thing that causes me to hesitate and to say to you Members of the House, that I am a little worried about this legislation. Let us wait a few months and review it and then act. I agree with the gentlewoman from Connecticut that we should do something, but why should we rush to do that which might be bad?

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Does it not strike the gentleman as odd that everywhere you have heard of the terrible thing about sinking these ships, and immediately afterward, when they get the most damaging weapon in all history they want to black it out and not even have the War Department have anything to do with it. It seems downright suspicious to me the way this thing is working out. I cannot understand this effort to suppress the War Department.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and my colleagues, at long last, after being here 2 days, I finally have a chance, not being a member of the committee, to at least ask a question on this legislation that is declared to be the most important and significant legislation that has ever come before this House. It is because I have heard that repeated so often that I would like to get a little information in order to intelligently vote on the issue that is now before the House. That issue is the amendment offered by the gentleman from California [Mr. JOHNSON] to the committee amendment that appears in italics in the bill.

There has been a great deal of talk about this situation, and we all have had considerable mail and correspondence. There seems to be a feeling that the McMahon bill as it came to the House provided strictly for a civilian commission to administer the subject of atomic energy. I read the bill:

There is hereby established an Atomic Energy Commission (herein called the Commission), which shall be composed of five members. Three members shall constitute a quorum of the Commission. The President shall designate one member as Chairman of the Commission.

(2) Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate. In submitting any nomination to the Senate, the President shall set forth the experience and the qualifications of the nominee.

There is not another word in this bill that indicates any prohibition upon the appointing power that would prevent him, as far as I can see, from appointing five representatives of the Army and the Navy. The restriction against service by Army and Navy personnel in civilian status or upon civilian commissions is to be found in other legislation.

I know we have called military men to various civilian commissions. We called them in at the time of WPA, we called them in at the time of the Civilian Conservation Corps, we called them in from the Army to head up housing projects. In each case, as I recall, legislation was passed that would permit those Army officers to serve in civilian capacities. One of the late ones was the authorization of a military man to serve in one of the capacities in the Federal Security Agency.

Is not this the situation, and I am asking for information, as far as this specific bill is concerned, if there were no other prohibitions in the law the President could appoint five Army generals or five admirals to serve on this Commission?

Mr. ELSTON. May I say to the gentleman that existing law would preclude such an appointment.

Mr. KEEFE. I just said that. I said were it not for the existing law the President could appoint five generals or five admirals.

Mr. ELSTON. If the exception which has been written into this bill does not remain in the bill, such appointments cannot be made.

Mr. KEEFE. I go over to page 8, and I think it is important in the argument on this very question, where in line 19 you attempt to give by another committee amendment the right on the part of the President to appoint not to exceed two active or retired officers of the Army or the Navy. It says, "not to exceed two active or retired officers of the Army or the Navy may serve at the same time as members of the Commission."

Unless you adopt that provision which is found on page 8, an Army or Navy

officer would not be permitted to serve on this Commission. Is that true?

Mr. ELSTON. That is correct.

Mr. McCORMACK. I think it refers to an officer on active service.

Mr. KEEFE. I am not going to quibble over the situation as to whether he is in active service or in retired status.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEEFE. I understand thoroughly there is legislation on the books now which prevents the retired officer from serving in this sort of civilian capacity unless he sees fit to relinquish his retirement pay and take the pay that is provided in the job of civilian status.

Mr. McCORMACK. He can elect.

Mr. KEEFE. He can elect; that is what I understand it to be.

May I invite your attention to the language of this proposed amendment. It states, "at least one of whom shall be a representative of the armed forces." The amendment offered by the gentleman from California, if adopted, would make it read "five members, one of whom may be a representative of the armed forces." Then I turn to the committee report itself which states on the last part of page 6 and on page 7, "This member under that language may be a civilian who at the time of his appointment is designated by the President as being a representative of the armed forces." What are we quibbling about? What is all this argument about? Why, the President can appoint a man, a civilian. He can appoint Joe Doakes if he wants to, and say, "Joe Doakes shall be the representative of the armed services on this Commission." Joe Doakes may never have seen the Army nor the Navy and may never have had any connection with them whatsoever. As this language reads, he may appoint a representative of the armed forces—a civilian. Then what are we arguing about? I would like to hear some response from someone on this question about which we have been arguing here for 3 or 4 days. It is all a quibble, it seems to me.

Mr. ELSTON. I do not agree that the language "representative of the armed services" would include a civilian. You do not say somebody representing them—you say a representative of those services.

Mr. KEEFE. It says "a representative of both services." Then we have a situation confronting us. We have to depend upon somebody to construe the language in this bill. The minority says we have one construction and the majority has another construction. Who is going to be the judge and who will ultimately construe this proposition? In my opinion, the matter rests with the President of the United States, and he can submit his nominees to the Senate of the United States under the language of this bill and is only required to set forth the experiences and qualifications of the nominees. He can appoint five civilians under this very language, in my humble judgment, he can do this under the very language that the committee is offering to this bill as an amendment. I do not see how there can be a shadow of a doubt about that. The only thing the President would have to do when he makes the appointment is to say, "I designate Joe Doakes to be a representative of the armed services." We are quibbling over this situation. It is all a matter of quibble and speculation as whether the Navy or the Army shall dominate this situation. It is clear that the intent of the Senate, with which I thoroughly agree, was that there should be a Commission of five civilians. If the President wants to appoint an ex-military man, and that man wants to serve, he may appoint him under the language of the Senate bill. The jurisdiction and the authority is committed clearly to the President of the United States, the only restriction being that the Senate of the United States must confirm the people whom the President nominates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. I, as one Member of the Congress, am not prepared to say that the Senate of the United States or the President of the United States is going to put on this Commission or permit to be put on this Commission men who will willfully, knowingly, or unintentionally, if you please, throw away the protection and the best interests of the United States of America. If we have reached a point in this country when we say that we cannot trust the President in a matter of this kind and cannot trust the United States Senate to see to it that the interests of America are protected, then I say, God help America and its future. I, for one, am willing to trust the integrity, honor, and patriotism of the President, whoever he may be.

I am willing to trust the integrity and the honor of the men who compose the United States Senate.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 3:30 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS] for 1¼ minutes.

Mr. JENNINGS. Mr. Chairman, we are still at war. Up to this time the secrecy of the atomic bomb has been safely guarded. A person up in Canada seems to have stolen some uranium and managed to send it over to Russia. He has been convicted and sentenced to jail for 6 or 7 years. Up to this time the Army, Gen. Leslie R. Groves and Gen. Kenneth Nichols, and other magnificent members of the armed services, have kept inviolate this secret. Why slap them on the wrist? Why run the risk, in the dissemination of knowledge with reference to this terrible weapon in time of war? These men have proved true to their trust. No graduate of West Point or Annapolis has ever betrayed his country or any trust or confidence reposed in him. Let us guard the secret of this atomic bomb. We are walking daily in the shadow of a potential war—war with a country that has sought to steal and buy this secret. Let us leave it in the hands of General Groves and the men who up to this time have preserved the secret.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

The gentleman from Wisconsin [Mr. BIEMILLER] is recognized.

Mr. BIEMILLER. Mr. Chairman, I want to pay tribute to the speeches made earlier by the distinguished majority leader and my colleague from Wisconsin [Mr KEEFE]. I agree heartily with the views they have expressed.

I want to take this brief time to remind the members of the committee that there is a Military Liaison Committee provided for in the bill. The charge has been made on the floor that the War Department loses all control whatsoever over the use of atomic energy for military purposes. The reverse is true.

The bill specifically creates a Military Liaison Committee appointed by the Secretaries of War and Navy; and the Atomic Energy Commission is charged under the terms of the bill with consulting with the Military Liaison Committee on all items which the committee thinks are important to the defense of this country. Note that the military officers appointed by the War and Navy Departments make the decisions as to what aspects of atomic energy questions concern them.

Furthermore, in the event the committee and the Commission get into a disagreement either Secretary may take that disagreement to the President of the United States for solution.

It seems to me we have adequate safeguards in the bill for any military use of atomic energy and I hope this House will see fit to pass the original Senate version of the bill, rejecting the committee amendments and leave us with a Commission in the best American traditions, a civilian Commission from top to bottom.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I yield.

Mr. COOLEY. What is the real objection to having a military man on the committee? I have heard objection after objection raised but no one has stated why it would be objectionable.

Mr. BIEMILLER. My objection is the same that has been stated many times; namely, the tradition of America is against any military officer serving on a governmental body. We do not have them in the Cabinet, we do not have

them on any Commission. The laws of the United States specifically prohibit them from serving in any civil capacity without an exception being made by the Congress.

Mr. COOLEY. America has no tradition when it comes to dealing with atomic energy. It is something new entirely.

Mr. BIEMILLER. The Secretaries of War and Navy and General Eisenhower have testified that they favor an all-civilian committee. I stand with them.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The gentleman from Iowa [Mr. MARTIN] is recognized for a minute and a quarter.

Mr. MARTIN of Iowa. Mr. Chairman, first of all, I wish to state that this liaison committee has no powers in this matter They are purely a contact agency for information purposes and giving advice.

What I really rose to speak about at this time however is the very important point made by the gentleman from Massachusetts [Mr. MCCORMACK], with reference to eligibility of retired officers or men for service on the Commission. In the general debate yesterday I made the statement that special authorization is needed for the appointment of retired members of the armed forces as well as of members of the active list but I should have limited that requirement to the Director of Military Application and not to members of the Commission except as to matters of pay. I called the Judge Advocate General just after the gentleman from Massachusetts made his statement to varify the limitations and I will give you this as it was reported to me over the telephone in the last few minutes: Title 5, section 62, of the United States Code for 1940, which you will find cited in the enabling section 2 (d) on page 8 of the bill, is a bar to any active officer's holding civil office under the Federal Government; and it also operates against a retired officer's holding such a job. Certain exceptions are made and these exceptions include persons appointed by the President and confirmed by the Senate. Officers on that echelon or that level are specifically exempted from the law of July 31, 1894. Members of the Commission fall in this category whereas the Director of Military Application does not.

The other enabling legislation on page 8 of the bill has to do with the matter of pay and it is very important to have those provisions include both the retired list and the active list.

I want to thank the gentleman from Massachusetts for bringing that point out so we could get it more definite in the debate.

The CHAIRMAN. The gentleman from Ohio [Mr. ELSTON] is recognized for a minute and a half.

Mr. ELSTON. Mr. Chairman, since there seems to be some question about the interpretation of the word "representative" I have offered an amendment to the committee amendment to change the word "representative" to "member" so the amendment will read "at least one of whom shall be a member of the armed forces."

I believe the word "representative" is sufficient, but since there appears to be some question about it, it perhaps would be well to change it.

I presume the amendment will be voted on after the pending amendment of the gentlemen from California is disposed of.

The CHAIRMAN. The gentleman's amendment is not an amendment to the pending amendment and would have to wait until we dispose of the other first.

Mr. ELSTON. That was my first impression.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, my good friend from North Carolina asked the question, What is the objection to military men? Mine is a simple one. A military man on a commission of this nature would have a divided responsibility. The act as it now reads calls for commissioners who are divorced from any and every other activity. They must concern themselves solely with atomic energy problems as they affect the Nation as a whole. A military man's first loyalty is to the interests of the military. If a question came up wherein military and civilian interests conflicted, pro forma his decision would uphold the military.

The bill already grants full provision for the military to appeal to the President of the United States whenever they feel their interests are jeopardized by the attitude of the Commission. Furthermore, the Army and Navy heads, and General Eisenhower have protested that they do not want military representation on the Commission. I would like to ask why the urgency with all the conditions as now written into the Senate bill that the military be adequately recognized, why the demand that they be given supreme authority in a matter that will increasingly pertain to the civilian economy of the Nation?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman regard the atomic bomb as an instrumentality of war at the moment?

Mr. KOPPLEMANN. The atomic bomb—like any bomb—is an instrument of war. I would prefer that the bomb not be used at all. But this legislation is above and beyond the application of atomic energy for military purposes alone. We are endeavoring to formulate policy for the application of atomic energy for civilian purposes, for improving the public welfare, raising the standard of living, and promoting world peace. We must now progress from the restricted military use to opening atomic research for peaceful industrial application. Were we to continue to confine ourselves to military application alone this legislation would not be necessary. Our position today is comparable to our position when our scientists began to unearth the potentialities of electrical energy and envisioned the social and industrial revolution that would ensue. The power of electric energy has played its major role in military application too—but the military application has always been subordinate to the national civilian interest, except when in the emergency of war the military necessarily came first, and new inventions and discoveries were given wholeheartedly for the purpose of war. Only now are numerous inventions, developed during the war, and used solely for the war, being made available for civilian application. We have heard of their wondrous achievement during the war, but have yet to enjoy their use in our daily lives.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Chairman, in answer to the gentleman from North Carolina, we think of the atomic bomb at the moment as when we think of atomic energy; but, nevertheless, if we put all our faith in the future on atomic bombs, and General Eisenhower testified to this as well as General Arnold and general after general, then our future is very insecure indeed. Only peace can assure a future. If we put a military man on the commission it will give us no added security but will be harmfully unnecessary under the section providing for a military liaison committee; we will have every possible military protection by consultation, by direct suggestion from the military by control of military information, decision on how many atomic bombs there will be made and decision as to the amount of fissionable material to be used for military research. That has all been provided in the bill. By putting a military man on the commission we would run the risk of having the world think at this hour, when the scales are balancing between war or peace, that our preoccupation is with war, not with peace.

The proposal to place military members on the Atomic Energy Commission is both unnecessary and harmful.

The case against this amendment to militarize the Atomic Energy Commission is so clear and so compelling from both the military and civilian points of view, that it is possible only to wonder why these proposals were made at all.

Our colleague who told us yesterday that he had prepared this amendment, declared that he wrote it in for the purpose of removing from the bill the disqualification of members of the armed forces.

The one thing that S. 1717, unamended, does not do to the armed forces is to disqualify them. The armed forces are given the utmost power and scope throughout the bill. The amendment would actually detract from the effectiveness of the military in this program.

Most important in the structure of the atomic-energy program here proposed is the Military Liaison Committee.

The Military Liaison Committee consists of an unlimited number of officers detailed by the Secretary of War and

the Secretary of Navy to consult continuously with the Atomic Energy Commission. It is the duty of the Atomic Energy Commission to keep the Military Liaison Committee in close touch with all developments, inventions, and activities in the field of atomic energy, most particularly with all matters which might have military significance. The Military Liaison Committee has the responsibility of advising the Atomic Energy Commission on courses of action which it deems desirable.

If the Military Liaison Committee feels that the Atomic Energy Commission has failed to heed a valuable suggestion, or is proposing to take some militarily undesirable course, the Military Liaison Committee is specifically charged in this bill with the obligation of presenting its objections to the Secretary of War or the Secretary of Navy. If either or both of these Cabinet members concur in the Military Liaison Committee's objections to the Atomic Energy Commission's procedure, the objection is brought before the President of the United States—the Commander in Chief. The decision of the President in such a case would be final.

Through their liaison with the Atomic Energy Commission, the Military Establishments would be absolutely free, under this bill, to conduct military research with fissionable materials, to perform such public or secret nuclear experiments as might be necessary, to manufacture atomic weapons, to develop military tactics and strategy in atomic warfare, both defensive and aggressive. Military secrets would be closely guarded by the military, as they are at present. There is no restriction in this bill on military research.

What greater scope, what greater power could the military have in the atomic-energy program than this. What greater scope, what greater power has the military ever had in any governmental or industrial operation, including the munitions business?

These are the reasons why I say to you it is unnecessary to have military members of the Atomic Energy Commission.

And why is it harmful, as well as unnecessary? How would it detract from the effectiveness of the military?

Military membership on the Atomic Energy Commission would limit the power of the otherwise very powerful Military Liaison Committee.

If military men were members of the Atomic Energy Commission, decisions of the Commission would be assumed to have their approval—the approval of the military. This would weaken the role of the Military Liaison Committee in taking exceptions to such decisions. The Military Liaison Committee would be deprived of the force of its procedure. If it went to the Secretaries of War and Navy, protesting actions of the Atomic Energy Commission, it would seem like a farcical intramural fight among the military themselves, rather than a protest from the military against a civilian agency.

Placing military men on the Atomic Energy Commission would be a violation of a fundamental, underlying principle of our Constitution—that the functions of the military and the civilian agencies are kept separate, that the civilian government forms national policy and the military branch is an instrument of the Government for carrying out that policy. The military services do not form national policy. That is an essential concept of democracy. Only in a Fascist, totalitarian state does the military make policy. The Atomic Energy Commission is a policy-making body. The military, through the Military Liaison Committee, can object to any policy and can carry these objections to the President. But the Commission itself, to stay within the framework of our form of government, must be civilian and responsible to the civilian public.

The fact that our President, our Secretaries of War, Navy, and State, and our Congress, all of whom make the national policy relating to war and to peace, are civilians, is the most striking manifestation of our fidelity to this principle in our structure of government. A statute, passed in 1870, expressly prohibits any military officer on active duty status from occupying any position in the civilian government. This statute is a clear expression of our historic separation of military and state.

We have declared to the world that we have peaceful intentions. We have announced to our fellow nations that we believe atomic warfare should be outlawed. Placing military men on the Atomic Energy Commission would give our whole atomic energy program an overt warlike character. It would be an open challenge to an atomic armaments race—a suicidal competition.

The amendment to militarize the Atomic Energy Commission would be the final admission of faithlessness—a mortifying confession that we do not believe in the possibility of peace. And by this confession, we would atomize the possibility of peace. It would be a legislative Bikini.

I beg you to weigh these facts dispassionately and without prejudice—the fact that the armed forces, through the Military Liaison Committee, have a strong and effective representation in the atomic energy program; the fact that the efficiency of this machinery would be impaired by putting military men on the Atomic Energy Commission as well; the fact that the research program of the military is in no way hampered by the unamended bill; the fact that the separation of military from civilian agencies is a basic principle of democracy; the fact that militarization of the Commission would inspire the mistrust of our own people and the people of the world, and would thus wantonly throw away our single chance for peace. I feel sure that when you have weighed these facts, you will find no single counterbalance to the placing of military men on the Commission; I have confidence that you will agree with me that a vote against this amendment is a vote for peace.

The CHAIRMAN. The time of the gentlewoman from California has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, with reference to the question of a retired military officer serving on this commission, legislation which the House approved earlier in the session dealt with retired officers who were to serve with the Veterans' Administration. That bill did pass the House and it passed the other body and is now in conference. I find also that we have two amendments to the general statutes to permit retired officers to serve in the diplomatic or consular service and permitting them to appear before departments. I think it would be necessary for us to include language in this legislation if retired officers are to serve on the Atomic Energy Committee.

The CHAIRMAN. The time of the gentleman from South Dakota has expired. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. JOHNSON].

The question was taken; and on a division (demanded by Mr. JOHNSON of California) there were—ayes 3, noes 94.

So the amendment was rejected.

Mr. ELSTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELSTON to the committee amendment: Page 3, line 20, strike out the word "representative" and insert in lieu thereof the word "member."

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 115, noes 87.

Mr. THOMASON. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. THOMASON and Mr. MAY.

The Committee again divided; and the tellers reported that there were—ayes 127, noes 96.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 1, after the period insert "The Director of the Division of Military Application shall be a representative of the armed forces."

Mr. MAY. Mr. Chairman, I ask unanimous consent to correct the committee amendment to conform with the vote just taken on the amendment to the previous committee amendment by striking out the word "representative" and inserting in lieu thereof the word "member."

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, the reasons I have tried to advance in opposition to the amendment which was just adopted are prac-

tically the same as I advance in opposition to this amendment except I feel there is even more reason for the rejection of this amendment. We are going to have a peace conference meet in Paris on the 29th day of this month. It is my conviction that having the military predominate and even glorified by this bill is not conducive to the best efforts for establishing peace. I repeat what I said in connection with the remarks of the gentleman from Minnesota [Mr. JUDD] on the last amendment, and I do not know that that is so serious from a practical standpoint, but the reason I opposed that amendment was as a matter of policy because I do not regard the military as the policy makers of this country. Ours is a civilian government, and the military are the agents and representatives of the civilian government to preserve and promote peace and provide adequate national defense and to win wars if and when we have any. Atomic energy will, I hope, be diverted to the pursuits of peace rather than of war and toward the development of scientific research that will bring happiness, peace, and prosperity to not only the people of this Nation, but to the peoples of the earth.

We learned at Hiroshima and in the Pacific what the bomb can do and to now say that the director of this division shall be a military man is just carrying it a little bit too far in my judgment. It is fraught with danger and dissension.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield? The gentleman from Texas says he is afraid that this may endanger the peace of the world. Does not the gentleman also feel that the appointment of General Bedell Smith as Ambassador to Russia and General Marshall as our representative to China may also endanger the peace of the world?

Mr. THOMASON. General Bedell Smith and General Marshall are abroad trying to promote peace and they do not have atomic bombs in their pockets. That is waving a red flag in the face of other people regardless of what their views may be and how much we may disagree with them. If we are ever going to have peace in this world, I do not think we ourselves can be guilty of making the military the supermen in civilian and peacetime activities.

Mr. COOLEY. Mr. Chairman, will the gentleman yield? Does not the gentleman now regard atomic energy as an instrumentality of war and not of peace?

Mr. THOMASON. Of course, it is an instrumentality of war. That is what it has been. But heaven knows I hope that is not the only thing that we are going to do with atomic energy. I want to promote peace, just as I know the gentleman from North Carolina does.

Mr. COOLEY. We are still in the midst of conducting military experiments costing a tremendous amount of money. Does the gentleman think this Commission will be weakened domestically or internationally by putting some capable military man on the committee?

Mr. THOMASON. I think insofar as military advice is concerned that they get that from the military, and they will get it under the terms of this bill without placing military men in high command. We want their advice and cooperation but there is no justification in peacetime for them running the show.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. PRICE of Illinois Will the gentleman stress the fact that during the development of the atomic bomb this particular division was presided over by a civilian, Dr. Oppenheimer?

Mr. THOMASON. Well, it was the scientists of the country who developed and discovered atomic energy. It is true they had a distinguished and able Army officer there in charge of the business end of it, but you still have to depend on the scientists of the country to develop atomic energy for the aid of medical research, for the development of power, and for the development of all things we hope will come as the result of it, just as we enjoy the blessings of electricity.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. Does the gentleman admit that this particular amendment would apply only to the director of the particular division that has to do with the military application of atomic energy?

Mr. THOMASON. Yes. I think I would agree to that.

Mr. MAY. In view of the vote that has just been taken on the membership of the Commission, is it not more important that the men on this division be military men?

Mr. THOMASON. Well, I do not think either is necessary or important, especially in view of the fact that the Army will be consulted about this anyway, as well as the Navy. So if we are to have a civilian government and also at the same time have the aid of the military and naval authorities, why put all these high-ranking Navy and Army officers in charge of this division? It is neither necessary nor advisable and this amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GALLAGHER Mr. Chairman, much has been said about atomic energy and the atomic bomb. Many references have been made to its beginning with Einstein, the author of the theory of relativity and a man who speaks a language that neither you nor I can understand. But I was taught the principles of the split atom 53 years ago in high school.

Let me say further that I am not giving the principal credit for the production of the bomb to the scientists at the present time, for if they had been given the authority to pick their assistants they would have been 10 years late and it would have cost much more than the $2,000,000,000 it did cost to produce it. The fact of the matter is that the highly trained technicians who carried out the theories were hampered because the scientists did not know their business at every stage of the game; they were hampered in every way, shape, and manner; but eventually the trained fingers of the technicians and that trained organization—in other words, American know-how—produced the atomic bomb. I repeat, Mr. Chairman, that had the scientists been left alone at it, it would have taken at least 10 more years to have produced the bomb; and I want to say that even if another country could produce it, let them spend their $32,000,000,000, let them hire their technicians if they do not hire the ones that Roosevelt picked, and I venture to say that even with all that they would not have the class of bomb that we have.

Remember also that America wants the land of no other country. America is not an imperialistic nation. She will use what she knows only in the interest of peace.

I believe we are more than 10 years ahead of other countries and I believe in keeping that knowledge to ourselves and under our own control, because I am certain America will not abuse that control.

Mr. SIKES. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Florida is recognized for 5 minutes.

Mr. SIKES. Mr. Chairman, I am unable to follow or to comprehend the alarm which appears to attend our efforts to secure the inclusion of military personnel in this program. At no point, as some have indicated, do we attempt to place control of the atomic program in the hands of representatives of the War or Navy Departments. Let us take a look at the record and see just where we stand. The bill provides:

> There are hereby established within the Commission: (A) a general manager—

We did not ask that he be a military man. Then the bill provides that there shall be established a Division of Research. We did not ask that the director of that division be a military man.

There is established a Division of Production. We have not asked that the head of the Division of Production be a military man.

There is also established a Division of Engineering, and we did not ask that the head of that division be a military man. But then there is the Division of Military Application and we simply are asking that the people who fight this Nation's battles and who win its wars on the field of battle shall be the people who shall decide the policies of the Division of Military Application. They are the people who test and use the equipment. They are the ones primarily whose lives are at stake. That they should direct the policies of their own department seems to me to be reasonable enough and it seems to be perfectly in keeping with the action we have just taken in voting to include one or more persons from the armed forces on the personnel of the Commission.

I think we all are agreed here, as has been pointed out time after time, that the only real value of atomic energy at the present time is its military value. We hope it will have other values in the future, we are confident that other values will be developed, but at the moment the

only value it has is its military value. It has been pointed out in the bill that the paramount objective of our present effort is the common defense and security of this Nation. That is what this amendment seeks to implement.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Kentucky.

Mr. MAY. I think I can recall that in the testimony before our committee the distinguished Mr. Compton, president of the Massachusetts Institute of Technology, testified that it would probably be 10 years before the civilian uses of this thing will be utilized to any great extent. Are we going to wait all that time and allow the other features of the military application of it to be wandering around?

Mr. SIKES. I would like to emphasize that in no way can the action of our committee be construed as an attempt to turn the field of atomic energy control over to military personnel. We seek to give them a voice in it, a voice which they need in order to carry on the defense and to further the security of this country. That is all we are trying to do. I urge the adoption of the committee amendment.

Mr. ELSTON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. ELSTON: Page 6, line 2, after "(a)", strike out the word "representative" and insert the word "member" in lieu thereof.

Mr. MAY. Mr. Chairman, that amendment has already been adopted.

Mr. ELSTON. It was an amendment to the other section.

The CHAIRMAN. No. It was to this section.

Mr. ELSTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when I was speaking before I did not have the opportunity to refer to the testimony of General Groves which he gave before the Committee on Appropriations. You will recall that recently we appropriated $375,000,000 for the Manhattan project for the purpose of carrying on its work and for further research in connection with atomic energy. There has been raised in debate a question about whether or not the work carried on by the Army will be beneficial at all from an industrial standpoint. So I want to read from the testimony of General Groves before the Appropriations Committee during the month of May of this year.

The gentleman from Florida [Mr. HENDRICKS] asked this question:

Mr. HENDRICKS. General, the public sometimes gets the idea that the Army should not be in control of the atomic bomb and that it should be turned over to the scientists and let them develop energy for industrial uses and for the use of the public. Can you give us a statement as to whether or not the development of atomic energy for the use of the public is being delayed by the fact that the Army controls the atomic bomb?

General GROVES. The fact that the administration of the atomic-energy program is under the Army, in my opinion, neither impairs nor delays in any way the development of atomic energy for peacetime uses. As a matter of fact, I think that the administration by the Army—and I may be a little biased as the Administrator—has been of such a nature that, in fact, the peacetime uses of atomic energy will be discovered much sooner than they would be otherwise, and that they will be developed on a broader and on a much better basis than they would have been otherwise.

Mr. HENDRICKS. And our scientists are now working with the Army along that line?

General GROVES. Yes.

Mr. HENDRICKS. Doing experimental work?

General GROVES. We are doing considerable work in development of this energy for peacetime use. We are arranging, for example, the distribution of radioactive isotopes for research programs. They are very difficult to make. They are dangerous to make, and they are—most of them—involved in unknown processes. We are arranging to do that and we are doing it in close cooperation with the National Academy of Sciences in Washington, and we expect that as soon as possible the actual distribution will take place.

I submit, Mr. Chairman, that that is an answer to the claim of some that if the Army continues its control of the Manhattan project or has any voice in the affairs of the Commission, that they will delay the development of atomic energy for industrial purposes.

I want to join in the statement that the gentleman from Florida [Mr. SIKES] just made that it is exceedingly important that the member of the Military Application Committee be from the armed services. If you will read the section you will find that he can do nothing except under the direction of the Commission, for it is provided:

The Commission shall require each such division to exercise such of the Commission's powers under this act as the Commission may determine—

Since the Director of the Division of Military Application will be engaged entirely in the handling of military matters, its head should be someone who is trained in military subjects.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday the speakers repeatedly impressed upon us the fact that S. 1717, an act for the development and control of atomic energy, was without question the most important legislation that has ever been presented to this House.

Faithfully I listened to the debate. However, nothing was said that would cause me to change my mind, except the remarks of my good friend, the gentleman from Texas [Mr. LANHAM]. I ask the Members to read the remarks of this distinguished and able gentleman; it will give you something to think about. We again heard about the consequences if we did not take this legislation and what would happen to us. They are the same old catalog arguments that have been presented on almost every piece of legislation that has come before the House: You take this—or else.

The committee has been working on this legislation for several months, and, as stated by many speakers, the more they discussed it the less they knew about it and the more confused and befuddled they became. How can the Members of the committee expect to present this legislation to the House and in a couple of hours digest it and determine what should be done?

One of the speakers yesterday pointed out why we should accept this legislation, and then pointed out why we should not accept this legislation. Was for it and against it. Pointed out the consequences we would suffer and the trouble it would cause if we accepted it, and the consequences we would suffer if we did not take it.

Then the argument against having a member of the War Department represented on the Commission. Personally, I feel the War Department should control the Commission. The atomic bomb, and the further development and control of atomic energy, to my way of thinking, is a weapon of war and has been in the hands of the War Department. And the War Department has done a good job. We have thus far had no difficulty whatsoever in the handling of atomic matters. Now we propose to get civilians in on it. A civilian commission is going to direct the show. Why do not we mind our own business and let well enough alone until it is firmly established what direction the affairs of the world may take.

We seem to be in a sharing mood. Share everything, even though it may eventually destroy us. I wonder if it has ever occurred to any of the Members of the House how much consideration would be given us if some of the other countries of the world had the atom bomb and we insisted they share it with us? Now does not that make you laugh when you think of the attitude some nations have assumed in world affairs?

Now we want to enact legislation which will involve us in atomic-energy discussions with these same nations. Why not mind our own business and leave the matter rest with the War Department until such a time as the nations of the world indicate to us in no uncertain terms that they want Peace. I have faith in the character, integrity, and ability of the War Department and in their brilliant records in World Wars I and II. I have faith that they can handle this matter satisfactorily, not alone satisfactorily to the Congress, but to the people of this Nation and the world as well.

This legislation should be given further thought and study before any hurried action is taken by this House which we may have cause to regret.

I am in favor of this proposed bill, shall vote for the amendment, and shall vote to recommit the bill for further study.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 4:20 p. m.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mrs. DOUGLAS of California, Mr. FOLGER, and Mr. COOLEY objected.

Mr. MAY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 4:20 p. m.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Chairman, there is a difference between putting a military man in as head of the Division of Military Application and putting a military man on the Commission. The Commission will make policy. The Division will be concerned directly with research. This is work for a scientist. During the war radar, rockets, fighter planes, jet-propelled engines, proximity fuses, and atomic bombs were all discovered and developed either by the Office of Scientific Research and Development or the National Advisory Committee of Aeronautics. None of these discoveries were made or developed under the Army and the Navy, and the Army and the Navy would be the first to say so. They may have been carried out under contract with the Army and the Navy, but they were not made in the Army and Navy laboratories.

The head of the Los Alamos Laboratory was a man named Dr. Oppenheimer, a civilian. The head of that laboratory now is Dr. Bradbury, a civilian. It is in Los Alamos that the atomic bombs are made and that military research will be carried on. We need a scientist at the head of the Division of Military Application, if scientific research in this field is to go ahead. Making an atomic bomb is not a production job, it is a laboratory job and it takes a scientist to do it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, many thoughtful and able Members of this House, whose opinions all of us respect, have proposed that nothing would be lost and that much might be gained by postponing atomic-energy legislation 6 months or longer. I submit, Mr. Chairman, that there is a compelling reason why such postponement would be contrary to the basic philosophy of our form of government. Nothing is more firmly grounded in our beliefs than that military authority in America must be subordinate to civilian authority. Yet, if this legislation is now postponed, the military are left in sole control of a force so awful as to endanger the very existence of the world. When our country has been endangered in the past, have we replaced a President of the United States with an admiral or a general? Of course we have not. We believe in civilian control. That is the reason this legislation should not be postponed.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN], a member of the committee.

Mr. MARTIN of Iowa. Mr. Chairman, I want to call attention at this point to the fact that the Director of Military Application is appointed by the Commission and is therefore not exempt from the disability existing as to the holding of civilian appointive jobs in the same manner that the members of the Commission itself are exempt. Therefore, to qualify a retired officer or enlisted man, as well as an active officer or enlisted man for this job, we will have to put in enabling legislation which appears in section 2 (d) on page 8 of the bill. I, for one, cannot imagine turning over the military application of this superweapon of all times to a civilian and providing that that particular job shall not be filled by a member of the armed forces. If there is any position created by this legislation for which members of the armed forces should be eligible, it is this particular job of Director of Military Application. We have 1,500,000 men who are making the Army or Navy their career, and there are many highly qualified men among them who could take over the responsibility of the directorship of military application which we are now considering. For that reason, I am vigorously supporting the committee amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I would like to just ask this question: Whether it does not seem very "logical" that the Secretary of War should be a military officer. But he is not, and never has been in the United States. I am against this amendment for a little different reason than the ones advanced. A number of Members have said that this work of the production of military atomic weapons has been well carried on. If so, it would not seem wise to change the fact that a civilian has been at the head of it and that a civilian is now at the head of it. As a matter of fact, the atomic bomb was not produced by men in uniform, but by scientists. As a matter of fact, I believe it would be good policy and a fine gesture if we did not produce more bumbs during the time while negotiations are in progress to try to bring about international controls. But I am not in favor of abandoning our further development, research, or experimentation in the military field until we get the international control upon which some of us believe everything depends. If I feel that way, I feel it would be unwise to run the risk of making a change here which, in my judgment, will be calculated to decrease the efficiency of the military application work. Remember, this only has to do with scientific work. It does not have to do with what you do with your military equipment afterward, but only with the scientific work in the field of atomic energy. If you want that development to continue, it would seem wise to listen to the counsel of the only people who know how to do it. I believe it would be wiser to have a civilian head this agency. I grant all the arguments on the other side may sound logical. I, too, believe it sounds logical—military application—military man in charge. But the fact of the matter is the admirals, for example, do not direct the construction of battleships. An admiral runs a battleship afterward, but he does not build it.

Mr. COOLEY. Mr. Chairman, in the month of January through the dust of dead men I walked to the heart of a city of silence. I looked upon the cold, gray ashes, the mortal coils of the countless dead, I saw Hiroshima. My mind toyed with the tender sensibilities of my heart. I could not laugh; I was not happy, neither could I be sad or permit myself to become sentimental. I could not be sorry that it had happened, for I realized that Hiroshima was but a prelude to the abject surrender of a ruthless enemy. Frankly, I could not comprehend the real meaning of it all. In vain I tried to contemplate the magnitude of the devastation I was witnessing. Hiroshima, a thriving city of many thousands, dedicated to a dying cause, had, within the twinkling of an eye, been swept from the shores of sound to the great realms of silence, and I was certain that not a tear had been shed by any man, woman, or child who was devoted to the cause of liberty.

The dead cities of Hiroshima and Nagasaki are silent witnesses of the effective forces of atomic energy and the seared and dying flesh on the bodies of the few survivors supply the living testimony which speaks of destruction the like of which the world has never before witnessed. Atomic energy is at the moment an instrument of destruction. It is an implement of war. At some distant date man may be able to harness it and to use it in the prosecution of the pursuits of peace, but everyone admits that it is now the deadliest instrument of destruction that the genius of mankind has devised. I for one am therefore anxious to guard it, and every part and parcel of it, as carefully and as cautiously as it is possible for us to do.

If military men or others owing allegiance to this country were to divulge the secrets of the atomic bomb at this time, they would be guilty of treason and would be subject to the penalties of death. Do we need others to help keep the secrets involved in this mysterious and destructive power? Are we so anxious to apply this terrific force and energy to other and more beneficial uses that we are willing now to imperil the military secrets that are now being kept inviolate? All this talk about international psychology and the effect that the withholding of the secrets of the atomic bomb may have upon other people of the world just does not appeal to me at the moment. We are told that we should throw away our guns before we go to the peace table. If this argument is carried to its logical conclusion, we should by the same token disband our armies and sink our navies and at a time when we are very much afraid—yes, we are afraid—of the dreadful and uncertain future.

I believe that the time has come when all men of all nations should deal fairly and frankly one with the other. I believe that the time has come when we should insist upon an immediate termination of unilateral transactions which have handicapped and embarrassed our military men during the war and since war ended. If we have an ally which will not even permit our highest ranking military officers to inspect freely territory

which has been conquered or liberated by our joint efforts, and if we have an ally that is unwilling to advise us fully regarding postwar plans and programs, an ally which will tell us nothing of her resources or manpower and nothing of demobilization plans, if any have been adopted and approved, should we disclose all of our secrets and deliver up all of our instruments of destruction, not knowng what use may be made of them in the near or distant future? Certainly the world knows that America will never use the atomic bomb or any of its secrets in aggressive warfare, but, certainly, this does not mean that we should share the secrets with all the world.

Not a single sound argument has been made in opposition to the pending amendment. No reason has been shown why a member of the armed forces of America should not serve upon the committee, and I, frankly, do not believe a single such argument can be made. Technically, we are still at war. The atomic bomb is an instrument of war and we still have confidence in the members of our armed forces and I am willing for the high ranking men in our armed forces to know and be advised fully concerning all of the developments of atomic energy. I believe that the amendment should be adopted. Its adoption will strengthen rather than weaken the committee which, if finally established, I hope, will guard with its life all of the military secrets and all of the future developments which may play a vital part if war should ever again curse civilization.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The gentleman from North Carolina [Mr. FOLGER] is recognized for 2 minutes.

Mr. FOLGER. Mr. Chairman, I am distressed that there is now about to be written, with what has already been done, all over the face of this bill the substantial announcement to the world that we are particularly engaged in an effort to enlarge our military preparations for some kind of a war. Coming back to what we did a while ago, "At least one of whom shall be a member of the armed forces." That is not said about any other part of this Commission, that it is to be this man or that man in civilian life, a man of any particular employment.

Then we turn from there and the next thing we see is, "Division of Research." No requirement as to who he shall be. Division of Production. No requirement as to who he shall be. Division of Engineering. Then we go down to the Division of Military Application, and we added this amendment in bold type, "The Director of the Division of Military Application shall be a member of the armed forces." Then we turn to the next page and we see "Military Liaison Committee," with all kinds of power, with the right to tell the Commission what they want and what they shall do; and if they do not do it, then to appeal to the President for him to say whether they shall have their authority or not. It looks militaristic from beginning to end when you put all those things in here. I am sorry that this has been the case by these amendments, placing us in the position of hurrying to announce we are, above all, concerned with military control of the policies of this bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

All time has expired.

The question recurs on the committee amendment as modified.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 8, line 6:

"(d) Appointment of Army and Navy officers: Notwithstanding the provisions of section 1222 of the Revised Statutes (U. S. C., 1940 ed., title 10, sec. 576), section 212 of the act entitled 'An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes,' approved June 30, 1932, as amended (U. S. C., 1940 ed., title 5, sec. 59a), section 2 of the act entitled 'An act making appropriations for the legislative, executive and judicial expenses of the Government for the fiscal year ending June 30, 1895, and for other purposes,' approved July 31, 1894, as amended (U. S. C., 1940 ed., title 5, sec. 62), or any other law, not to exceed two active or retired officers of the Army or the Navy may serve at the same time as members of the Commission, and any active or retired officer of the Army or the Navy may serve as Director of the Division of Military Application established by subsection (a) (4) (B) of this section, without prejudice to their commissioned status as such officers. Any such officer serving as a member of the Commission or as Director of the Division of Military Application shall receive, in addition to his pay from the United States as such officer, an amount equal to the difference between such pay and the compensation prescribed in paragraph (2) or (4) (B), as the case may be, of subsection (a) of this section."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment to section 2.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: Page 3, line 23, after the word "Commission", add the following: "Not more than three of whom shall be members of any one political party."

The CHAIRMAN. The gentleman from California is recognized for 5 minutes on his amendment.

Mr. JOHNSON of California. Mr. Chairman, I am a little discouraged at the experience I have had in offering amendments. Let me say, however, that every amendment I have offered I thought was helpful and would improve the bill.

The amendment I am offering here is to insure that the Commission members will not be completely taken from one party. I realize that the men who will be appointed should be men of high caliber and men who have no particular interest in politics, but when I look back and see what happened to the Supreme Court of the United States, when I find that eight members of it were of one political party, when there are public statements made that men were appointed because they were members of a party, I am a little apprehensive of what could happen under this bill to this Commission.

Undoubtedly the President will want to appoint men on their qualifications only, irrespective of their party affiliations, but the thing that worries me is that I do not believe the men who surround the President of the United States will let him do that. They will want men placed on the Commission who have some political value to the party, and the pressure that might be placed on the President to put those party men on who ostensibly have the qualifications would be so great that he could not resist it That is the only purpose of offering this amendment. We have this same principle in the Federal Power Commission, we have it in the Federal Trade Commission. I believe this amendment would insure the Commission being bipartisan by not having more than three members of one political party. That means the other two would be from other political parties. It seems to me it is a very sound safeguard to place on the President in the appointments that he will make to this Commission.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. BAILEY. Is it not safe to assume that all these appointees will be Americans?

Mr. JOHNSON of California. Certainly.

Mr. BAILEY. Does not that answer the question?

Mr. JOHNSON of California. That does not answer my question. That is a silly and frivolous one. It is safe to assume that every member of the Supreme Court will be an American, but we know from our experience that every day certain men from the Supreme Court are dabbling in partisan politics.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. THOMAS of New Jersey. If there ever was an amendment offered to this bill or a statement made by any Member in connection with anything having to do with the bill that shows how ridiculous the bill is, it is the gentleman's amendment, and I will tell him why. We hope to get the right kind of people on the Commission—not Democrats, not necessarily Republicans, or anything else, but the gentleman is making a political issue out of it.

Mr. JOHNSON of California. I am not making any political issue out of it at all. The gentleman from New Jersey is the one who takes the biased view in this case by continually dragging in Communists and other red herrings. I am trying to insure that we will have a balanced Commission. I am trying to take away from the President the pressure that will be put on him to put people in there because of their politics.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mrs. ROGERS of Massachusetts. I would just like to give the gentleman the date on which the agreement was reached between Great Britain, Canada, and the United States. It was reached by Truman, Attlee, and King on the 5th of November 1945. Prior to that time the Chiefs of Staff negotiated the agreement.

Mr. JOHNSON of California. That has nothing to do with my amendment.

Mrs. ROGERS of Massachusetts. I agree it has not.

Mr. JOHNSON of California. And it should be put in at the appropriate place.

I hope the Committee of the Whole will accept this amendment in the spirit in which I have offered it. As I said before, I want a balanced Commission, I want the best men we can get, and I want to take the heat off the President so he can select that kind of men and not have to listen to party politicians.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. JOHNSON].

The question was taken; and on a division (demanded by Mr. COLE of Missouri) there were—ayes 38, noes 69.

Mr. JOHNSON of California. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. MAY. Mr. Chairman, I ask unanimous consent that the bill may be considered as read and that the amendments be called up and voted on as they appear in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. THOMAS of New Jersey. Mr. Chairman, I object.

The Clerk read as follows:

RESEARCH

SEC 3. (a) Research assistance: The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below by private or public institutions or persons and to assist in the acquisition of an ever-expending fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, grants-in-aid, and loans) for the conduct of research and development activities relating to—

(1) nuclear processes;

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of fissionable and radioactive materials for medical, biological, health, or military purposes;

(4) utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and

(5) the protection of health during research and production activities.

The Commission may make such arrangements without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and may make partial and advance payments under such arrangements, and may make available for use in connection therewith such of its equipment and facilities as it may deem desirable. Such arrangements shall contain such provisions to protect health, to minimize danger from explosion and other hazards to life or property, and to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine; but shall not contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law

(b) Research by the Commission: The Commission is authorized and directed to conduct, through its own facilities, activities and studies of the types specified in subsection (a) above.

Mr. CLASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLASON: On page 11, line 2, after the period on line 2, insert "The armed services, as well as private individuals, shall be permitted to engage in independent military research and to enter into research and development contracts with nongovernmental organizations provided that all such contracts are made subject to the provisions of this bill."

Mr. CLASON. Mr. Chairman, this amendment is taken from the words in the report of the Senate committee which are set forth on page 58. The amendment is based upon the statement of Mr. Kenney, the Assistant Secretary of the Navy. In his testimony before our committee he pointed out that the Navy is in a unique position; that the Navy is the greatest user of power and the largest power engineering organization in the world, which gives it an interest in the development and application of atomic energy for power uses.

Then he goes on to say that these ships have to carry fuel, and if they can use atomic energy it will mean much to them. He pointed out also that there are two propositions which, in connection with this bill, have given the Navy great concern. The first of them has to do with whether or not the armed services would be adequately taken care of on the Atomic Energy Commission. I believe that adequate protection for the Navy's interests will be furnished by any commission which is appointed.

The second proposition is whether the armed services will be free to continue its energetic program of research and development in the field of atomic energy. In connection with that program he pointed out that the Navy Department is at the present time engaged in a very large research and development activity. They have contracts with outside private firms and they wish to carry them on. Their point is that unless an amendment is offered in this bill the Navy must rely upon an interpretation of the provisions in this bill made in the report of the Senate committee to carry on these contracts and this research development.

Unfortunately the House committee in its report on page 8, section 3, research, makes no mention whatsoever as to the right of the armed services, either the Army or the Navy, to carry on their own development and research work. Because of that there is no interpretation by the House or its committee as to what the Army and the Navy would be able to do.

In view of the position of the Navy Department Mr. Kenney stated that the Navy Department is vitally interested in the development and use of atomic energy for many purposes, particularly as a source of power in ship propulsion. Plans are already under way whereby an extended program of research and development will be undertaken in the near future in the field of atomic power for use in ship propulsion.

The Navy's plans contemplate that eventually such a program will be carried out by projects placed with governmental organizations, including naval laboratories, and by means of contracts with private educational institutions and commercial organizations.

In view of the statement made by the Assistant Secretary, Mr. Kenney, I feel that the House ought to protect the armed services in this regard. The only purpose of this amendment is to put in this bill words which will indicate that the House agrees with the Senate, that the proper interpretation of this bill is that the armed services may go ahead with the work which they have already carried on with such outstanding success during the war. In peace it is going to mean much more to the United States insofar as the Navy and the Army are concerned if they can continue the development and research work which they have been heading up over the last 5 years.

For that reason I have offered this amendment, and unless it is in the bill, as I see it, the Navy might be wiped out by the absolute terms of this legislation from continuing work on which they have already expended millions of dollars and upon which they have a program which will also run into more millions. I feel it is very important that the Navy and the Army should be allowed to carry on the work which they have developed so well in the past.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CLASON].

The amendment was rejected.

Mr. MATHEWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHEWS: On page 9, line 16, strike out "grants-in-aid."

Mr. MATHEWS. Mr. Chairman, the purpose of this amendment is to prevent the giving of a blank check of unknown millions of the taxpayers' dollars for unnamed purposes to an unformed body of men. This Commission will be in a position of spending many millions and billions of dollars, particularly in paying for patents and royalties thereon, and for its own expenses and salaries. I do not think we should go so far as to give it a blank check in the form of grants-in-aid. Therefore, I think the amendment should be adopted.

More important, however, I am of the belief from talking to several Members of this House that they and outsiders

in business and industry are laboring under a misconception about this bill. This misconception is simply this. They are assuming that under the provisions of this bill the necessity for obtaining a license and the ability to obtain that license will be simultaneous. That is not correct. The moment the President signs this bill, if it is passed, all restrictions on ownership, on export and import, on transfer, and in every other respect will go into effect. The requirements for the licenses will go into effect, but there will be no place to get the licenses. That creates the gap, the hiatus, of which I spoke this morning, which will put the whole industry in an uproar and confusion.

A man using fissionable material or facilities in his own industry for his own business will go to his lawyer and say, "Tell me what I can do under this act without a license, or what I have to have a license for." If his lawyer is very, very smart he might be able to tell him. If he tells him what he needs a license for, the man may say, "Get me a license." The lawyer will say, "I cannot. The Commission is not formed, it has no organization, it has no employees, it has no forms of application, it has no personnel to make an inspection, and it has nobody to make a decision." That is the situation the industry will be in if this bill is passed and is then signed by the President.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I hope the gentleman's amendment will be adopted, for the further reason that the Commission is the judge of its own expenditures. Under the language of the bill on page 52, the General Accounting Office will not have the usual accounting authority over the Commission.

The bill provides that—

> The acts appropriating such sums may appropriate specified portions thereof to be accounted for upon the certification of the Commission only.

In other words, the Commission alone will decide about these grants-in-aid, and they cannot be restricted or examined by the General Accounting Office.

Mr. MATHEWS. That is right. That is why it is a real blank check.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. MATHEWS) there were—ayes 60, noes 55.

Mr. HINSHAW and Mr. BIEMILLER demanded tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MAY and Mr. MATHEWS.

The Committee again divided, and the tellers reported that there were—ayes 79, noes 68.

So the amendment was agreed to.

The Clerk read as follows:

PRODUCTION OF FISSIONABLE MATERIAL

SEC 4 (a) Definition: As used in this act, the term "produce," when used in relation to fissionable material, means to manufacture, produce, or refine fissionable material, as distinguished from source materials as defined in section 5 (b) (1), or to separate fissionable material from other substances in which such material may be contained or to produce new fissionable material.

(b) Prohibition: It shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

(c) Ownership and operation of production facilities:

(1) Ownership of production facilities: The Commission shall be the exclusive owner of all facilities for the production of fissionable material other than facilities which (A) are useful in the conduct of research and development activities in the fields specified in section 3, and (B) do not, in the opinion of the Commission, have a potential production rate adequate to enable the operator of such facilities to produce within a reasonable period of time a sufficient quantity of fissionable material to produce an atomic bomb or any other atomic weapon.

(2) Operation of the Commission's production facilities: The Commission is authorized and directed to produce or to provide for the production of fissionable material in its own facilities. To the extent deemed necessary, the Commission is authorized to make, or to continue in effect, contracts with persons obligating them to produce fissionable material in facilities owned by the Commission. The Commission is also authorized to enter into research and development contracts authorizing the contractor to produce fissionable material in facilities owned by the Commission to the extent that the production of such fissionable material may be incident to the conduct of research and development activities under such contracts. Any contract entered into under this section shall contain provisions (A) prohibiting the contractor with the Commission from subcontracting any part of the work he is obligated to perform under the contract, and (B) obligating the contractor to make such reports to the Commission as it may deem appropriate with respect to his activities under the contract, to submit to frequent inspection by employees of the Commission of all such activities, and to comply with all security regulations which may be prescribed by the Commission. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under such contracts. The President shall determine at least once each year the quantities of fissionable material to be produced under this paragraph.

(3) Operation of other production facilities: Fissionable material may be produced in the conduct of research and development activities in facilities which, under paragraph (1) above, are not required to be owned by the Commission.

(d) Irradiation of materials: For the purpose of increasing the supply of radioactive materials, the Commission is authorized to expose materials of any kind to the radiation incident to the processes of producing or utilizing fissionable material.

(e) Manufacture of production facilities: Unless authorized by a license issued by the Commission, no person may manufacture, produce, transfer, or acquire any facilities for the production of fissionable material. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish and shall be issued in accordance with such standards and upon such conditions as will restrict the production and distribution of such facilities to effectuate the policies and purposes of this act. Nothing in this section shall be deemed to require a license for such manufacture, production, transfer, or acquisition incident to or for the conduct of research or development activities in the United States of the types specified in section 3, or to prohibit the Commission from manufacturing or producing such facilities for its own use.

Committee amendment:

On page 12, line 20, after the comma, insert "except as authorized by the Commission."

Mr. MAY. Mr. Chairman, that merely means that without that amendment the Commission would not be able to subcontract in the letting of licenses. This was put in by the committee to enable them to expand their operations to small business

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment. Page 13, line 20, strike out the word "is" and insert "and persons performing pursuant to section 3 (a), section 4 (c) (1) (A) and (B), or section 7 are"

Mr. MAY. Mr. Chairman, I offer a corrective amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY as a substitute for the committee amendment: On page 13, line 20, strike out the word "is" and insert in lieu thereof the following: "and persons lawfully producing or utilizing fissionable material are."

The substitute amendment was agreed to.

Mr. HINSHAW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: On page 11, line 18, after the word "Commission", insert a comma and the words "as agent of and on behalf of the United States."

Mr. HINSHAW. Mr. Chairman, I hope the committee will agree to this amendment. I would like to call attention to the prohibition contained in line 11, page 11, which reads:

> It shall be unlawful for any person to own any facilities for the production of fissionable material or for any person to produce fissionable material, except to the extent authorized by subsection (c).

If you will note the language on page 43, lines 4, 5, and 6, the Commission is authorized to acquire and purchase land and hold real and personal property as agent of, and on behalf of, the United States.

The language I have used here is identical with that language on page 43.

My reason for offering the amendment is because of the definition in the bill of the term "person" and referring now back to the prohibition on page 11:

> It shall be unlawful for any person to own any facilities—

Please note that the definition of the term "person" means not only any indi-

vidual, corporation, partnership, and so forth, but it means also the United States or any agency thereof. The United States is included in the term "person."

I merely ask for the insertion of these words, Mr. Chairman, in order that this section shall be in such form as not to conflict with the definition of the term "person."

I hope the chairman of the committee will agree to accept the amendment, as I think it clarifies the matter. It is purely clarifying in nature.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 49, noes 2.

So the amendment was agreed to.

The Clerk read as follows:

Page 14, line 14:

"CONTROL OF MATERIALS

"SEC. 5. (a) Fissionable materials:

"(1) Definition: As used in this act, the term 'fissionable material' means plutonium, uranium enriched in the isotope 235, any other material which the Commission determines to be capable of releasing substantial quantities of energy through nuclear chain reaction of the material or any material artifically enriched by any of the foregoing; but does not include source materials, as defined in section 5 (b) (1).

"(2) Government ownership of all fissionable material: All right, title, and interest within or under the jurisdiction of the United States, in or to any fissionable material, now or hereafter produced, shall be the property of the Commission, and shall be deemed to be vested in the Commission by virtue of this act. Any person owning any interest in any fissionable material at the time of the enactment of this act, or owning any interest in any material at the time when such material is hereafter determined to be a fissionable material, or who lawfully produces any fissionable material incident to privately financed research or development activities, shall be paid just compensation therefor. The Commission may, by action consistent with the provisions of paragraph (4) below, authorize any such person to retain possession of such fissionable material, but no person shall have any title in or to any fissionable material.

"(3) Prohibition: It shall be unlawful for any person, after 60 days from the effective date of this act to (A) possess or transfer any fissionable material, except as authorized by the Commission, or (B) export from or import into the United States any fissionable material, or (C) directly or indirectly engage in the production of any fissionable material outside of the United States.

"(4) Distribution of fissionable material: Without prejudice to its continued ownership thereof, the Commission is authorized to distribute fissionable material, with or without charge, to applicants requesting such material (A) for the conduct of research or development activities either independently or under contract or other arrangement with the Commission, (B) for use in medical therapy, or (C) for use pursuant to a license issued under the authority of section 7. Such material shall be distributed in such quantities and on such terms that no applicant will be enabled to obtain an amount sufficient to construct a bomb or other military weapon. The Commission is directed to distribute sufficient fissionable material to permit the conduct of widespread independent research and development activity, to the maximum extent practicable. In determining the quantities of fissionable material to be distributed, the Commission shall make such provisions for its own needs and for the conservation of fissionable material as it may determine to be necessary in the national interest for the future development of atomic energy. The Commission shall not distribute any material to any applicant, and shall recall any distributed material from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health and to minimize danger from explosion or other hazard to life or property as may be established by the Commission, or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

"(5) The Commission is authorized to purchase or otherwise acquire any fissionable material or any interest therein outside the United States, or any interest in facilities for the production of fissionable material, or in real property on which such facilities are located, without regard to the provision of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made under contracts for such purposes. The Commission is further authorized to take, requisition, or condemn, or otherwise acquire any interest in such facilities or real property, and just compensation shall be made therefor.

"(b) Source materials:

"(1) Definition: As used in this act, the term 'source material' means uranium, thorium, or any other material which is determined by the Commission, with the approval of the President, to be peculiarly essential to the production of fissionable materials; but includes ores only if they contain one or more of the foregoing materials in such concentration as the Commission may by regulation determine from time to time.

"(2) License for transfers required: Unless authorized by a license issued by the Commission, no person may transfer or deliver and no person may receive possession of or title to any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source materials which, in the opinion of the Commission, are unimportant.

"(3) Issuance of licenses: The Commission shall establish such standards for the issuance, refusal, or revocation of licenses as it may deem necessary to assure adequate source materials for production, research, or development activities pursuant to this act or to prevent the use of such materials in a manner inconsistent with the national welfare. Licenses shall be issued in accordance with such procedures as the Commission may by regulation establish.

"(4) Reporting: The Commission is authorized to issue such regulations or orders requiring reports of ownership, possession, extraction, refining, shipment, or other handling of source materials as it may deem necessary, except that such reports shall not be required with respect to (A) any source material prior to removal from its place of deposit in nature, or (B) quantities of source materials which in the opinion of the Commission are unimportant or the reporting of which will discourage independent prospecting for new deposits.

"(5) Acquisition: The Commission is authorized and directed to purchase, take, requisition, condemn, or otherwise acquire, supplies of source materials or any interest in real property containing deposits of source materials to the extent it deems necessary to effectuate the provisions of this act. Any purchase made under this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made thereunder. The Commission may establish guaranteed prices for all source materials delivered to it within a specified time. Just compensation shall be made for any property taken, requisitioned, or condemned under this paragraph.

"(6) Exploration: The Commission is authorized to conduct and enter into contracts for the conduct of exploratory operations, investigations, and inspections to determine the location, extent, mode of occurrence, use, or conditions of deposits or supplies of source materials, making just compensation for any damage or injury occasioned thereby. Such exploratory operations may be conducted only with the consent of the owner, but such investigations and inspections may be conducted with or without such consent.

"(7) Public lands: All uranium, thorium, and all other materials determined pursuant to paragraph (1) of this subsection to be peculiarly essential to the production of fissionable material, contained, in whatever concentration, in deposits in the public lands are hereby reserved for the use of the United States; except that with respect to any location, entry or settlement made prior to the date of enactment of this act no reservation shall be deemed to have been made, if such reservation would deprive any person of any existing or inchoate rights or privileges to which he would otherwise be entitled or would otherwise enjoy: *Provided, however*, That no person, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such person, corporation, partnership, or association took part in such project. The Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources, under any of which there might result the extraction of any materials so reserved, a reservation to the United States of all such materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same, making just compensation for any damage or injury occasioned thereby. Any lands so patented, conveyed, leased, or otherwise disposed of may be used, and any rights under any such permit or authorization may be exercised, as if no reservation of such materials had been made under this subsection; except that when such use results in the extraction of any such material from the land in quantities which may not be transferred or delivered without a license under this subsection, such material shall be the property of the Commission and the Commission may require delivery of such material to it by any possessor thereof after such material has been separated as such from the ores in which it was contained. If the Commission requires the delivery of such material to it, it shall pay to the person mining or extracting the same, or to such other person as the Commission determines to be entitled thereto, such sums, including profits, as the Commission deems fair and reasonable for the discovery, mining, development, production, extraction, and other services performed with respect to such material prior to such delivery, but such payment shall not include any amount on account of the value of such material before removal from its place of deposit in nature. If the

Commission does not require delivery of such material to it, the reservation made pursuant to this paragraph shall be of no further force or effect.

"(c) Byproduct materials:

"(1) Definition: As used in this act, the term 'byproduct material' means any radioactive material (except fissionable material) yielded in or made radioactive by exposure to the radiation incident to the processes of producing or utilizing fissionable material."

Mr. THOMASON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, with the understanding that any amendments may be offered at the appropriate places.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. THOMAS of New Jersey. Mr. Chairman, reserving the right to object, how many amendments are there at the Clerk's desk?

The CHAIRMAN. There are 16 amendments.

Mr. THOMAS of New Jersey. How many committee amendment are there?

Mr. THOMASON. Three more.

The CHAIRMAN. There are three more.

Mr. THOMASON. Mr. Chairman, this is not an effort to deprive any one from offering an amendment at the appropriate place in the bill, but inasmuch as the Speaker is anxious to conclude the consideration of this bill on account of a very crowded calendar, we want to save time

Mr. THOMAS of New Jersey. Will the gentleman tell us when he expects to have the Committee rise?

Mr. THOMASON. If I may quote the Chairman and also the Speaker, I think there is an understanding to rise at 5:30.

Mr. THOMAS of New Jersey. If the gentleman will agree to rise at 5:30, I will not object; otherwise I will have to object.

Mr. KEEFE. Mr. Chairman, reserving the right to object, this is an extremely important bill and should be read section by section so that the Members may understand it; therefore I object.

Mr. THOMAS of New Jersey. Mr. Chairman, I object.

The Clerk read as follows:

(2) Distribution: The Commission is authorized to distribute, with or without charge, byproduct materials to applicants seeking such materials for research or development activity, medical therapy, industrial uses, or such other useful applications as may be developed. In distributing such materials, the Commission shall give preference to applicants proposing to use such materials in the conduct of research and development activity or medical therapy. The Commission shall not distribute any byproduct materials to any applicant, and shall recall any distributed materials from any applicant, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such materials in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor.

(d) General provisions:

(1) The Commission shall not distribute (A) any fissionable or source material to any person for a use which is not under or within the jurisdiction of the United States or to any foreign government.

(2) The Commission shall establish by regulation a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials or with the issuance, refusal, or revocation of a license to him for the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission. The Commission may in its discretion review and revise any decision of such board of appeal.

With the following committee amendments:

Page 20, line 10, strike out "person" and insert "individual."

Page 10, line 14, strike out "person" and insert "individual."

Page 20, line 15, after the word "project", insert "unless first authorized so to do by the Commission."

Page 22, line 22, after the word "distribute" insert "(A)."

The committee amendments were agreed to.

The Clerk read as follows:

Committee amendment: Page 22, line 23, strike out the words "or source."

Mr. THOMASON. Mr. Chairman, I offer a substitute for the committee amendment on page 22, line 22.

The Clerk read as follows:

Substitute offered by Mr. THOMASON for the committee amendment:

Page 22, line 22, strike out all of paragraph (1) and insert in lieu thereof the following:

"(1) The Commission shall not—

"(A) Distribute any fissionable material to (i) any person for a use which is not under or within the jurisdiction of the United States, (ii) any foreign government, or (iii) any person within the United States if, in the opinion of the Commission, the distribution of such fissionable material to such person would be inimical to the common defense and security.

"(B) License any person to transfer or deliver, receive possession of or title to, or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security."

Page 18, beginning in line 1, strike out "and no person may receive possession of or title to" and insert in lieu thereof "receive possession of or title to, or export from the United States."

Page 23, line 11, strike out "transfer or receipt" and insert in lieu thereof "transfer, delivery, receipt, or exportation."

The CHAIRMAN. The question is on the committee substitute.

The committee substitute was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the substitute.

The committee amendment was agreed to.

Mr. THOMASON. Mr. Chairman, I offer a clarifying amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Page 20, line 4, strike out the semicolon and all that follows down through the word "enjoy" in line 9, and insert in lieu thereof the words "subject to valid claims existing on the date of the enactment of this act."

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I understand the amendment correctly, it proposes on page 20 to strike out the language between line 4 and line 9 and to substitute merely langaguge reading "subject to existing claims."

Mr. THOMASON. Mr. Chairman, if the gentleman will yield, I will say to the gentleman from South Dakota that the language reads "subject to valid claims existing on the date of the enactment of this act." May I add that I do not pretend to be too familiar with the matter except the chairman of the committee, with the advice of counsel, tells me that the Department of the Interior sent this amendment over, with the assurance that it does not change the meaning or the import of the language in the bill but merely clarifies it to conform to existing law.

Mr. CASE of South Dakota. The language which is proposed to be stricken, as nearly as I can determine its meaning, seeks to make clear that valid claims are not violated or rights are not lost.

Mr. THOMASON. That is correct, and the substitute does the same thing.

Mr. CASE of South Dakota. The gentleman from Texas says it does the same thing?

Mr. THOMASON. That is what the chairman of the committee as well as counsel for the committee advise me, and that it was the request of the Department of the Interior.

Mr. CASE of South Dakota. While I am here, I would like to ask the gentleman from Texas also whether the committee proposes to do anything about the matter on the same page to which I drew attention yesterday? I pointed out yesterday that the language in the bill, which reads: "The Secretary of the Interior shall cause to be inserted in every patent, conveyance, lease, permit, or other authorization hereafter granted to use the public lands or their mineral resources," apparently would not apply similar requirements to lands in the national forest administered by the Secretary of Agriculture unless they went to patent.

Mr. THOMASON. My information is that it is subject to existing Executive orders which cover the subject, and therefore the committee would have no other amendment.

Mr. CASE of South Dakota. I should like to ask the gentleman then what would happen in a situation like this: Claims are filed in the national forests simply by the act of the individual who flies the claim. He goes out with a hatchet and pencil and makes his location. Within a certain number of days he files that location notice, if he desires, in the county courthouse. But from the time that he has put up his notice there he may mine that particular claim if he does a certain amount of development each year, called assessment work.

Mr. THOMASON. My personal opinion is that if the substitute amendment offered by the committee is

adopted, this is just about as plain as it could be made, because it is all subject to valid claims existing on the date of the act. Therefore, there could be no violence done to the existing claims.

Mr. CASE of South Dakota. I think that is probably correct, and certainly I am not objecting to that. I am trying to draw attention to another matter in the language that follows. I assume the purpose of the legislation from line 16 on is to make a specific reservation and have the Secretary of the Interior put it in any form of mineral permit he administers. I am wondering why you do not do the same for lands under the Secretary of Agriculture.

I know, as a matter of fact, for example, that a permit system is in operation on certain lands in the national forests in South Dakota which are what we call Federal game sanctuaries. Under that system, prospecting permits and mining permits are issued but they are issued by the Secretary of Agriculture and not by the Secretary of the Interior.

It is entirely immaterial to me. I am not seeking to tighten the bill in this respect, but in all fairness to the Committee I thought I should point out that there are mining permits which are administered by the Secretary of Agriculture and not by the Secretary of the Interior. If the Committee does not care to do anything about it, it is immaterial to me.

Mr. THOMASON Existing claims are not affected in any way.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Texas.

The committee amendment was agreed to.

Mr. ELSTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELSTON: On page 23, strike out subsection (2).

Mr. ELSTON. Mr. Chairman, the purpose of offering this amendment is to eliminate from the bill a rather strange form of procedure. This section you will notice touches on control of materials. The Commission under this section has the power and authority to distribute materials which may vitally affect the private industry of the Nation. The concluding paragraph of this section reads as follows:

The Commission shall establish by regulation a procedure by which any person who is dissatisfied with the distribution or refusal to distribute to him, or the recall from him, of any fissionable or byproduct materials, or with the issuance, refusal, or revocation of a license to him for the transfer or receipt of source materials may obtain a review of such determination by a board of appeal consisting of three members appointed by the Commission.

You will note that the Commission appoints its own board of appeal to pass on a question which may mean life or death to an industry, because if the time comes when fissionable material is used for industrial purposes it may make or break a company to be able to get it or not get it. The Commission makes an order on the use of fissionable material, and if a person is aggrieved by the order of the Commission, he may appeal, but he appeals to a board of appeal consisting of three members appointed by the Commission. If a person is not satisfied with the decision of the board of appeal, he does not appeal to the courts. The only recourse he has under this section is to do what is provided for in the last sentence of this section, which I read:

The Commission may in its discretion review and revise any decision of such board of appeal.

In other words, the Commission appoints the board of appeal in the first instance, and makes its own choice of membership If the person or company aggrieved is not satisfied with the decision of the board of appeal, which the Commission appoints, such person or company appeals back to the Commission itself. That is about the strangest appeal procedure of which I have ever heard. I submit that it should be eliminated from the bill, and the general provisions of the administrative code of procedure, which we adopted some time ago in this House, should apply.

Under that code an appeal could be had to the courts of the land. That code was inserted in this bill by an amendment which I offered in committee, and it was made applicable to any decision of the Commission. But since this separate section remains here I believe it would be construed as a special section and as an exception to the general appeal provisions laid down in the administrative code of procedure if it is not stricken out. Therefore, I am offering an amendment to strike this special appeal section out of the bill.

Mrs. LUCE. Does that mean if the Atomic Commission should manage, as Mr. Lilienthal predicts it will, to generate heat and electrical energy for commercial use, since it has the power to license this and sell it to the public, if an industry was not satisfied with what it got, it could only appeal to this board?

Mr. ELSTON. This is not the section under which you appeal with reference to the issuance of a license This is the section under which you would appeal from an order of the Commission allocating fissionable or byproducts material, which would be about the same thing because if you have a license and cannot get the material, the license would be meaningless.

Mr THOMASON. Mr. Chairman, I think there is merit to the amendment offered by the gentleman from Ohio. I do think there ought to be some appeal from the acts of the Commission, but since I am led to believe that it would be covered by the Administrative Appeals Act it seems to me it is more or less unnecessary. In my judgment, it seems to be a rather awkward procedure.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VORYS of Ohio. As I understood the gentleman from Ohio, by striking out this very awkward attempt at providing an appeals section we therefore put this bill under the appeal provisions of the code of administrative procedure over which the Congress has labored for so many years.

Mr. THOMASON. I think the gentleman is correct.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VOORHIS of California. Where would that leave the situation? I mean, where would that leave a person under the circumstances described by the gentleman from Ohio?

Mr. ELSTON. Mr. Chairman, if the gentleman from Texas will yield, may I say we not only depend on the code of administrative procedure, which we adopted some time ago in the House and which is now law, but to make certain that every kind of appeal that you might take from an order of the Atomic Energy Commission could be taken, we wrote into this bill that the code of administrative procedure should apply. The amendment which I offered in committee appears on pages 45 and 46 of the bill. So, if the section which I am endeavoring to strike from the bill is stricken from the bill, it is my opinion that we are fully protected under the code of administrative procedure plus the committee amendment which appears on pages 45 and 46 of the bill.

Mr. THOMASON. May I say to the gentleman from California, if I recall correctly, the gentleman from Ohio had offered in committee an amendment putting this under the terms of the Administrative Procedure Act.

Mr. ELSTON. Yes; that is correct.

Mr. THOMASON. So it does seem to me that it is not only rather cumbersome but superfluous.

Mr. VOORHIS of California. What I was trying to get at was, What would be the practical effect on a person if he felt he had been unjustly treated?

Mr. THOMASON. My reply to that is, from my limited knowledge of the subject, that he could appeal to the Commission, and if he still felt aggrieved he would have the right of judicial review.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VORYS of Ohio. Such a person would hire a lawyer and proceed under the code of judicial procedure which we have set up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ELSTON].

The amendment was agreed to.

Mr. LANHAM. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: On page 15, line 24, after the word "material", insert "owned by it"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 69, noes 39.

The motion was agreed to.

Mr. THOMASON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHN J. DELANEY, Chairman of the

Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1717) for the development and control of atomic energy, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6739) entitled "An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate still further insists upon its amendment No. 39 to the foregoing bill, disagreed to by the House; asks a still further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. McKELLAR, Mr. RUSSELL, Mr. MEAD, Mr. MURDOCK, Mr. WHITE, Mr. BALL, and Mr. BRIDGES to be the conferees on the part of the Senate.

DEPARTMENT OF LABOR AND FEDERAL SECURITY AGENCIES APPROPRIATION BILL, 1947

Mr. HARE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6739) making appropriations for the Department of Labor and Federal Security Agencies, with Senate amendments thereto and that the House further insist on its disagreement to Senate amendment No. 39.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARE, TARVER, ROONEY, NEELY, ENGEL of Michigan, KEEFE, and H. CARL ANDERSEN.

EXTENSION OF REMARKS

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a communication from the Federal Council of Churches, and in the other an editorial by William Green.

Mr. GEELAN asked and was given permission to extend his remarks in the RECORD and include five resolutions which were unanimously adopted at the Twenty-sixth Annual Department Encampment, Department of Connecticut, of Veterans of Foreign Wars.

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Catholic, entitled "To the Point."

Mr. BIEMILLER asked and was given permission to include in the remarks he made in the Committee of the Whole today a newspaper advertisement.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include a poem from a blind constituent and also to extend his remarks in the RECORD and include an editorial from the Advertiser Review.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD in three instances and to include a series of articles written by the editor of the Cleveland Plain Dealer.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD and include several newspaper articles.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from Robert S. Allen.

Mr. PITTENGER (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a statement he made before the Post Office and Post Roads Committee.

AMENDMENT TO SOCIAL SECURITY ACT

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that I may have until midnight tomorrow night to file supplementary views on the bill (H. R. 7037) to amend the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDER GRANTED

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that after other special orders today I may address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SITE, ACQUISITION, AND DESIGN OF FEDERAL BUILDINGS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 714, Rept. No. 2563), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H R 6917) to provide for the site acquisition and design of Federal buildings, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FOREIGN SERVICE OF THE UNITED STATES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 715, Rept. No. 2564), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6967) to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT TO SOCIAL SECURITY ACT

Mr. GORE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORE. Mr. Speaker, I believe the Members of this body will be very interested, and I know many will be surprised, at an analysis of the compromise bill amending the Social Security Act which it is anticipated will soon be before this body for consideration.

There is something wrong with it, badly wrong. Ninety percent of the new Federal expenditure which it provides for old-age assistance will go to five States; the remaining 10 percent will go to 26 States, while the increase for 17 States will be exactly zero.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. GORE. I yield to the able gentleman from West Virginia.

Mr. RANDOLPH. Am I correctly informed that no increase will go to West Virginia?

Mr. GORE. That is right. No increase would go to the needy old people of West Virginia and I do not think that is fair, especially so when by the terms of the bill more than $24,000,000 would go to the old people of only five States.

Mr. Speaker, H. R. 7037, the compromise bill amending the Social Security Act, which it is anticipated will be presented for consideration within the next few days, does a great injustice to the needy old people of a great many States.

I have never thought that need stopped with a State line nor that rank discrimination between our citizens should be perpetrated by the Federal Government.

H. R. 7037 increases the inequity of existing disbursement of Federal social-security funds. For instance, I have before me a chart compiled by the Social Security Board which shows that by this bill the old people most direly in need of increased assistance would receive no increase whatsoever. In a great many other States the needy old people would receive very little increase by this bill. But on the other hand, Mr. Speaker, five States would receive very large additional Federal assistance. That would be unfair treatment. That would be discrimination. We must not do it.

By terms of H. R. 7037 increased assistance would be provided for States be-

ginning with October 1, 1946, and running through December 31, 1947—five quarters. I would like to point out that States would have little opportunity, to say nothing of ability, to meet the increased requirements in order to benefit from the provisions of H. R. 7037 before October 1. On the other hand, some States already have State laws and State programs by reason of which they could receive immediate benefit of the augmented Federal funds provided by this bill; but that would be of little consolation to the needy old people in a majority of the States where only a pittance is now being provided and where in a great many cases the States are simply not able to match Federal funds already available. I understand that it was the able young Member from Arkansas on the committee, the Honorable WILBUR MILLS, who insisted that this provision be limited to the five-quarter period.

Before going further, I would like to show the actual amount of increased Federal expenditure provided for each State over the present rate by H. R. 7037 for old-age assistance:

State:	*Increase over 1943-44 rate of expenditure*
Alabama	$4,000
Alaska	25,000
Arizona	355,000
Arkansas	----------
California	13,031,000
Colorado	1,496,000
Connecticut	200,000
Delaware	----------
District of Columbia	5,000
Florida	----------
Georgia	----------
Hawaii	----------
Idaho	14,000
Illinois	271,000
Indiana	----------
Iowa	146,000
Kansas	302,000
Kentucky	----------
Louisiana	126,000
Maine	8,000
Maryland	2,000
Massachusetts	4,969,000
Michigan	72,000
Minnesota	40,000
Mississippi	----------
Missouri	----------
Montana	10,000
Nebraska	----------
Nevada	82,000
New Hampshire	0,000
New Jersey	250,000
New Mexico	155,000
New York	2,810,000
North Carolina	----------
North Dakota	32,000
Ohio	32,000
Oklahoma	60,000
Oregon	71,000
Pennsylvania	58,000
Rhode Island	85,000
South Carolina	----------
South Dakota	----------
Tennessee	----------
Texas	----------
Utah	326,000
Vermont	----------
Virginia	----------
Washington	2,900,000
West Virginia	----------
Wisconsin	34,000
Wyoming	6,000
Total	27,289,000

Source: Social Security Board.

Mr. Speaker, I submit that this is wrong, that by this bill the gross inequity now prevailing is only made worse.

What is the remedy? We must amend the bill. If we are afforded no opportunity of doing so by the terms of the rule presented for the purpose of governing consideration of the bill, then we must vote down the previous question on the rule and amend it so as to give the House an opportunity to correct this wrong. It is said that we cannot write legislation on the floor. Well, Mr. Speaker, I think we can do better than the committee has done on H. R. 7027; certainly no worse. Anyway, I am not one of those who is willing to delegate to one small committee of the House the sole and unquestioned right and responsibility of writing all of the country's laws affecting social security in which the whole people as well as the whole Congress is interested, vitally interested, giving it to us in a confused, jumbled manner, saying merely, "Take it or leave it."

The Social Security Board recommended a formula for correcting some of the rank inequities of the social-security program. The Ways and Means Committee reported a bill on July 1 embodying the variable matching formula for distribution of Federal funds for old-age assistance. But for some reason, unknown to me, the committee has now backed down and on July 15 reported a new bill, H. R. 7037, which worsens instead of bettering the present situation. True, there are some features in the bill which all of us would like to support, particularly the provisions relating to veterans' benefits, but those benefits for veterans need not be adversely affected even though it becomes necessary to defeat outright H. R. 7037, because the Senate has already passed a separate bill embodying these benefits for veterans, and I am sure that the chairman of the committee could call this separate veterans' bill up in the House and pass it by unanimous consent.

There is another feature of the bill in which some Members may be interested, and that is the provision which freezes the social-security tax rate. The Congress appropriated $50,000 for the Ways and Means Committee to employ a technical staff to make a study of this question. The competent Calhoun staff was employed by the committee, and after exhaustive study the staff recommended that the social-security tax rate be increased. The Social Security Board also urgently recommended an increase. At first accepting and acting favorably upon this recommendation, the committee has now done a right-about face, reporting a bill freezing the rate. The freezing of the social-security rate, embodied in H. R. 7037, is contrary to the best judgment of the most competent technical advisers available to the Congress, and yet by the rule we are asked to swallow this bill in toto with no opportunity to dot an "i" or cross a "t."

But however Members feel about freezing or increasing the social-security tax rate, the injustices and inequities of the Federal old-age assistance program should be corrected, at least ameliorated, not worsened.

The variable-matching formula may not be a perfect method for allocation of Federal funds for old-age assistance, but it is a step in the direction of equality of treatment by the Federal Government of the individual aged citizen in need of assistance.

After careful study, technical experts have devised the formula which in their opinion would best meet the needs of the program which after trial has been found to work unfairly and inadequately. Indeed, the Ways and Means Committee, by a heavy majority, I am informed, recommended adoption of the formula in a report accompanying H. R. 6911. I hope the Congress will have an opportunity to consider this formula. Perhaps the House might want to substitute H. R. 6911 for H. R. 7037. In order that Members may know just how it would affect each State's old-age assistance program, I am listing below the amount of Federal expenditures for old-age assistance to each State in 1943–44, the amount which would be provided by H. R. 6911, and a third column which shows the increase provided by H. R. 6911 over the 1943–44 disbursement:

Old-age assistance from Federal funds in 1943–44 and under H. R. 6911

State	1943–44	Total	Increase over 1943–44
Total	$326,870,000	$428,444,000	$101,574,000
Alabama	2,325,000	4,650,000	2,325,000
Alaska	253,000	278,000	25,000
Arizona	2,185,000	3,153,000	968,000
Arkansas	2,470,000	4,944,000	2,474,000
California	76,822,000	92,838,000	16,017,000
Colorado	8,907,000	11,390,000	2,483,000
Connecticut	2,798,000	3,090,000	292,000
Delaware	139,000	139,000	0
District of Columbia	497,000	701,000	4,000
Florida	4,272,000	6,414,000	2,142,000
Georgia	4,412,000	8,827,000	4,415,000
Hawaii	171,000	171,000	0
Idaho	1,683,000	2,055,000	373,000
Illinois	24,600,000	25,706,000	1,097,000
Indiana	8,601,000	8,601,000	0
Iowa	8,208,000	9,446,000	1,177,000
Kansas	4,017,000	5,706,000	1,089,000
Kentucky	3,408,000	6,816,000	3,408,000
Louisiana	4,533,000	9,457,000	4,924,000
Maine	2,273,000	2,564,000	291,000
Maryland	1,894,000	1,919,000	25,000
Massachusetts	10,261,000	20,236,000	3,975,000
Michigan	14,742,000	14,814,000	72,000
Minnesota	9,588,000	12,226,000	2,638,000
Mississippi	1,402,000	2,922,000	1,441,000
Missouri	13,382,000	17,031,000	3,648,000
Montana	1,896,000	1,946,000	50,000
Nebraska	3,948,000	5,236,000	1,283,000
Nevada	457,000	528,000	72,000
New Hampshire	1,062,000	1,498,000	414,000
New Jersey	4,003,000	4,313,000	309,000
New Mexico	920,000	1,846,000	926,000
New York	20,206,000	22,478,000	2,263,000
North Carolina	2,276,000	4,549,000	2,273,000
North Dakota	1,880,000	1,865,000	485,000
Ohio	21,360,000	21,710,000	330,000
Oklahoma	11,409,000	22,812,000	11,403,000
Oregon	3,731,000	3,731,000	205,000
Pennsylvania	14,572,000	15,250,000	278,000
Rhode Island	1,271,000	1,289,000	69,000
South Carolina	1,667,000	3,336,000	1,669,000
South Dakota	1,796,000	2,065,000	869,000
Tennessee	3,493,000	7,280,000	3,886,000
Texas	22,357,000	36,509,000	14,152,000
Utah	2,828,000	3,452,000	623,000
Vermont	627,000	831,000	204,000
Virginia	1,185,000	1,706,000	521,000
Washington	13,537,000	15,582,000	2,045,000
West Virginia	1,747,000	3,380,000	1,633,000
Wisconsin	7,743,000	8,383,000	641,000
Wyoming	640,000	694,000	53,000

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain compilations prepared by the Social Security Board.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AMENDING CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JACKSON, MANASCO, RAYFIEL, REES of Kansas, and BYRNES of Wisconsin.

INDIAN CLAIMS COMMISSION

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4497) to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JACKSON, FERNANDEZ, STIGLER, MUNDT, and ROBERTSON of North Dakota.

SUGAR ACT OF 1937

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6689) to extend for an additional year the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Page 2, strike out lines 7 to 10, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the purport of the matter stricken out by the Senate?

Mr. FLANNAGAN. The House passed the extension bill for 1 year. The Senate reported out a 3-year bill but finally accepted the House extension for a year to eliminate section 3 which applies to sugar quotas from the Philippines, due to the fact that the Philippines in the meantime had been granted their independence, and the sugar quota was taken care of in the act granting independence to the Philippines.

Mr. HOPE. It therefore would be superfluous?

Mr. FLANNAGAN. It would be superfluous now. It should have been in the original act, but at that time the Independence Act had not gone into affect.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

JULY 19, 1946

HON SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Accounts.

Respectfully yours,
LEO E. ALLEN,
Thirteenth Illinois District.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

PANAMA CANAL

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3748) to amend an act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PETERSON of Flordia, BONNER, and HERTER.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPOSITION OF PROPERTY ACQUIRED BY GOVERNMENT AGENCIES

Mr. BRADLEY of Michigan. Mr. Speaker, I was very much surprised to learn in the hearing before the Committee on the Merchant Marine and Fisheries yesterday, at which several division heads from the General Accounting Office were present, that the Accounting Act does not provide for the Comptroller General to check on the disposition of property acquired by the various Government departments and agencies with the single exception of the Maritime Commission, and that is provided in the Merchant Marine Act of 1936, as amended. In other words, they check into the financial transactions only. They make sure that the proper payments are made for the proper materials as ordered and as received, but they have no authority to check into the disposition of that property. It may be lost or stolen, and no check is made by an independent agency. The next Congress should correct that situation.

EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the RECORD.

Mr. HINSHAW (at the request of Mr. MARTIN of Massachusetts) was given permission to include certain excerpts in the remarks he made in the Committee of the Whole today.

APPOINTMENT OF AN ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

Mr. SUMNERS of Texas submitted a conference report and statement on the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware.

FEES OF UNITED STATES COMMISSIONERS

Mr. SUMNERS of Texas submitted a conference report and statement on the bill (S. 346) to amend section 21 of the act of May 28, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners.

FIXING THE SALARIES OF CERTAIN JUDGES OF THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for immediate consideration of the bill (S. 920) to fix the salaries of certain judges of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RUSSELL. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee if this is the bill that raises the salaries of all the members of the judiciary, in some brackets as high as 50 percent, and as to Federal district judges from $10,000 a year to $15,000 a year?

Mr. SUMNERS of Texas. That is the bill.

Mr. RUSSELL. Does not the chairman think that a bill of this magnitude, in view of the strained financial condition of our country, should come before the House when a quorum is here to consider it and decide whether or not we should agree to an inflationary measure like this?

Mr. SUMNERS of Texas. May I say to my disinguished friend that while we do not have as many Members here as we sometimes have, we certainly have a very fine cross-section of the House on each side, Members with lots of intelligence, and I imagine they can pass on the question.

Mr. RUSSELL. Mr. Speaker, much as I hate to do so, and without any reflection upon the chairman of the great Committee on the Judiciary or the fine gentleman who is the author of this bill, I am compelled to object to the present consideration of this bill.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUSPENSION OF THE RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order on Saturday next for the Speaker to recognize Members to move to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from South Dakota [Mr. MUNDT] is recognized for 30 minutes.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter which I have written to J. Edgar Hoover of the Federal Bureau of Investigation and a letter which J. Edgar Hoover wrote to me.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WHAT IS HAPPENING TO AMERICA'S FIRST LINE OF DEFENSE?

Mr. MUNDT. Mr. Speaker, if that great American was right who said, "Eternal vigilance is the price of liberty," and in my opinion he was 100-percent correct, then the Budget Bureau of President Truman is eternally wrong in gambling with fate the way it has in recommending specific cuts in appropriations which virtually mean the dismantling of the investigation service of the United States Civil Service. It should be a matter of real public concern to determine just who it was, either on or off the staff of the Budget Bureau, who succeeded in thus sabotaging America's first line of defense because certainly the first place to safeguard our Nation's security is to make certain that those who work for our Government believe in the system which they are privileged to help operate.

It is, however, of even greater public concern that Congress now take steps to protect America against the foolhardy and dangerous relaxations which have been made in the investigation of potential Government employees so that it now amounts to practically giving the green light to every political saboteur and un-American agent in this Republic who desires to see our public offices infiltrated to the point of saturation with undesirable, unpatriotic, and un-American personnel. In my opinion, it has never been more important at any time in our whole national history to "place only Americans on guard"; instead, we have let down the bars and unlocked the doors without justification, without reason, and without due regard to our national security.

Mr. Speaker, I am not alone in these fears. In the course of my remarks, I propose to quote no less an authority than J. Edgar Hoover, himself, who as Director of the Federal Bureau of Investigation is charged with safeguarding our civilian security. I shall also quote from Mr. Arthur S. Flemming, our able and alert Civil Service Commissioner. Both of these good public officials are seriously disturbed at this action by the Budget Bureau which, due to the pressure of a multitude of other public duties upon Members of Congress, has up to now all but escaped public notice and completely escaped congressional correction.

I am recommending that the appropriate committees of Congress take action without delay to correct a condition which if longer ignored or completely neglected is likely to result in the certifying into positions of public responsibility a large number of people whose primary motive for seeking public service is to destroy rather than to develop the system of government which gives them employment.

As a member of the House Committee to Investigate Un-American Activities, I shall ask our committee to devote special attention to the conditions which are apt to develop from the horrific lassitude—if it is not worse than that—which the Budget Bureau has exemplified toward the all-important matter of carefully screening and systematically investigating the character and suitability of applicants for Federal positions before they are given places of responsibility and access to records and data of vital importance to our country as a whole. However, our Committee to Investigate Un-American Activities can function only to expose that which has already occurred—we are not able to enforce standards of selection which will prevent the employment of political saboteurs, un-American agents, and outright criminals. That must be done by authorities charged with the responsibility and equipped with the personnel and the authority to make the necessary pre-employment checks and investigations required to make positive that those who would work in the American Government are loyal to America and are adherents to the American way of life.

Only the Civil Service Commission and the Federal Bureau of Investigation are equipped with the authority to do that and I shall show conclusively that neither agency has the personnel or funds with which to accept this significant responsibility. Both agencies recognize the need for such investigations, both agencies view with acute alarm the steps which have been taken by the Budget Bureau to circumscribe their powers of investigation, and both agencies have made public their warnings that they cannot be expected to safeguard America against the employment of undesirables on the public pay rolls under prevailing circumstances.

Mr. Speaker, here is the record of the sordid story showing how under the false guise of economy, the preemployment investigation services of our Government have been almost destroyed insofar as the Civil Service Commission is concerned and how they have been hopelessly crippled insofar as the Federal Bureau of Investigation is concerned. The evidence is all taken from the public records except for that which I am including with my discussion in the form of a letter from J. Edgar Hoover.

Congress last week voted to loan or give $3,750,000,000 to Great Britain under the stimulus of arguments which emphasized over and over again that the loan was necessary "to stop the extension of communism." That loan is now a fait accompli, Mr. Speaker, and I have no desire to rehash the arguments as to its merits or demerits. The unfolding of history will answer that enigma.

However, it should be axiomatic to all Americans that the first place and the most important place "to stop the extension of communism" insofar as this Republic is concerned is right here in the United States and especially within the ranks of those on the Government pay roll and among those making and executing decisions on public policy as officials of this Government. Instead, we are confronted with indisputable evidence to show that at the very time we are making $3,750,000,000 available to a single foreign country "to stop communism," we practice penny-wise and pound-foolish economy by accepting Budget Bureau recommendations which under the guise of saving a few million dollars, actually leave the doors of Government employment open in this country to hundreds and thousands of people whose main objective may well be to create confusion and inefficiency in Government so that our free institutions can be made to fumble and falter to the end that those advocating communism can point to these deficiencies in support of their own poisonous political creed. Even worse, we leave our doors open to those who may not be content to create confusion but who may well go so far as to reveal secrets and to relay information to countries to which they pay a greater allegiance of loyalty than they do to the United States.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. BRADLEY of Michigan. I have been listening with a great deal of interest to the gentleman's remarks, and I subscribe to them in their entirety. Of course the gentleman knows, as he pointed out earlier, that a great deal of this attack on our investigative services is due to the activities of the Bureau of the Budget. At the present time the Acting Director of the Bureau of the Budget is Mr. Paul H. Appleby, formerly with the Department of Agriculture.

Mr. MUNDT. That is correct.

Mr. BRADLEY of Michigan. Appleby has under him a gentleman by the name of George F. Schwarzwalder, who was sent out to streamline the intelligence departments of the Army, the Navy, and the State Department, and he said that the records of the Communists in those files should have a "lean and hungry look," and so they have been pulled out and destroyed.

He also sought to replace Mr. J. Edgar Hoover, head of the Federal Bureau of Investigation. Should the FBI files be pulled, we would never have a record of

any of the Communists who now seek employment with the Government. The point of the matter is that Mr. Paul H. Appleby, in a communication over his own signature, which I have seen, stated that—

A man in the employ of the Government had just as much right to be a member of the Communist Party as he has to be a member of the Democratic or Republican Party.

If Mr. Appleby should be proposed as Director of the Budget to succeed the very splendid man who left a short while ago to accept a better position, then I suggest, in the interest of real Americanism and in the interest of the soundness of this Government of ours, the Senate had better give pretty careful consideration to Mr. Appleby's philosophy of government before confirming such an appointment.

Mr. MUNDT. I certainly appreciate the gentleman's contribution. It is doubly important, due to the fact that the Members know the gentleman has made a careful study of the investigating service of this Government, and the gentleman from Michigan is also the man who delivered a splendid speech on the floor of the House some few months ago when there were rumors that some of the New Deal crowd were trying to displace J. Edgar Hoover. Largely as a result of his speech and his direction of public attention to that well-planned effort, the scheme collapsed and J. Edgar Hoover has been continued in his position as Director of the FBI.

Mr. BRADLEY of Michigan. I thank the gentleman for the compliment he has extended. Of course, at that time it was rumored that this man Schwarzwalder was due to succeed Mr. Hoover. He had no record of past accomplishment in crime detection. For 9 years before entering the Government service he was a social-service worker in Philadelphia. He sold books for the United Cigar Co. He was a surveyor. He was a clerk for the Pennsylvania Railroad. All of which shows his remarkable ability as a superdetective, as a New Dealer interprets job qualifications.

Mr. MUNDT. I certainly agree that it would have been a calamity had J. Edgar Hoover been removed and Mr. Schwarzwalder put in his position, or if anybody else selected by the New Deal crowd had been put in as a political appointee instead of that great public servant, J. Edgar Hoover.

I want to say about Mr. Paul Appleby, who was brought into the discussion, that later on in my speech I suggest that the House Committee on the Civil Service make an investigation to determine who it was in the Bureau of the Budget who brought about this almost complete scuttling of the investigative service. If the particular individual who engineered this travesty, whoever he is, should be considered as Director of the Budget, the United States Senate should know about his record in advance, because obviously he would be an unfit man for such a position.

Mr. BRADLEY of Michigan. I think the House is to be commended for the prompt action it took, in blocking the dismissal of Mr. Hoover and seeing to it that his salary was increased 40 percent. It should have been done long ago. The House thereby showed their confidence in his ability.

Mr. MUNDT. The gentleman is absolutely correct.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. CHURCH. The gentleman from Michigan [Mr. BRADLEY] has suggested the possibility of certain files being pulled and everything lost. Would not the gentleman, one of the active members of the Committee on Un-American Activities, think that your committee should make certain that those files and the information in them are gotten for your committee so that the people and the Congress should have that information forever?

Mr. MUNDT. I may say that the files to which the gentleman from Michigan refers are files which he says have already been pulled, and we would only be attempting to lock doors behind stolen horses.

The Committee on Un-American Activities of the House, of which I am a member, is doing all it can, however, to see to it that the type of thing that the gentleman from Michigan described does not occur again.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Michigan.

Mr. RABAUT. In all this talk about Mr. Hoover, let it be remembered that Mr. Hoover had his great opportunity since the day the Democrats came into power, and even the raise he received recently was instigated right on this side of the aisle, I will say, with the full cooperation of everybody in this House; and we have championed his cause if anybody has ever championed it. We hold him in high regard as a great public official.

Mr. MUNDT. I am certainly delighted to know that the Democrats are supporting J. Edgar Hoover as vigorously as are the Republicans. I might add that if the Democrats would extend the same good judgment in support of other public officials which they have manifested in favor of J. Edgar Hoover they would perform a great service to the entire country.

Mr. BRADLEY of Michigan. Let me say for the RECORD that Mr. Hoover has been Director for 21 years.

Mr. MUNDT. That, of course, is true. I do not believe the gentleman from Michigan knows whether Mr. Hoover is a Republican or a Democrat; but he is a mighty fine public servant. He merits the support of all good men of all patriotic parties.

A HIDDEN STORY IN THE PUBLIC RECORDS

Mr. Speaker, tucked away in a few pages of the 1,189-page volume of hearings held by the independent offices appropriation bill subcommittee is found the testimony of Civil Service Commissioner Arthur S. Flemming, beginning on page 1070 of that volume. In reviewing these hearings for another purpose, I first came across the prolog to the dangerous drama I am about to describe. I shall authenticate it for you by verse, chapter, and line.

On page 1096 of his testimony, Mr. Fleming discusses the recommendations made by the Budget Bureau for appropriations for the investigatory services of the Civil Service Commission. He speaks particularly about the funds for investigations to "determine the general suitability" of prospective employees. That, Mr. Speaker, is fancy, polysyllabic language to identify the type of investigations made by the Civil Service Commission to make certain it does not certify for employment people with subversive, un-American backgrounds, Communists, Fascists, political saboteurs, or political agents. It is the check the Civil Service Commission makes to meet its objective of "placing only Americans on guard" in positions of public trust and Government responsibility.

Mr. Flemming says of the Budget Bureau recommendations for money for this type of work, "It will leave just $78,624 to be used for the purpose of making investigations to determine general suitability." Mr. Speaker, let us examine the situation carefully so that we can fully grasp the significance of Mr. Flemming's plaintive protest against cutting the funds for the investigation of general suitability to "just $78,624." I have discussed this matter with Mr. Flemming and I have gone into the past records of the requirements of the civil-service investigation staff for this purpose. Here is the startling situation which we now confront:

In 1945 the civil-service investigation staff had $2,246,498 for this purpose.

In 1946 the civil-service investigation staff had $438,539 for this purpose.

In 1947 the civil-service investigation staff has $78,624 for this purpose. Bad as is the story indicated by this drastic cut, it does not reveal the total description of the dangerous situation which is created by this action of the Budget Bureau.

Mr. Flemming reports, for example, the following break-down of what this cut entails:

In 1945, 100,905 civil-service investigations were made as to general suitability.

In 1946, through May, 24,483 civil-service investigations were made of the general suitability of applicants for Federal positions.

In 1947 only 1,400 such investigations can be made on the $78,624 made available.

Mr. Speaker, even these facts do not indicate the full extent of the actual threat which this situation creates to the preservation and the functioning of our free American institutions of Government. For example, Mr. Flemming told me this week that it is estimated that in 1947 there will be 790,000 placements to be made in the Federal service. Of these only 1,400 can be given any investigation as to their loyalty and general suitability; only 1,400 can be carefully screened to make certain they are not

agents of communism or other un-American forces.

Commissioner Flemming pointed out to me in my conversation with him this week that, since many positions temporarily filled by war-service appointments during the war must be replaced or reclassified during 1947, the need for funds and personnel to investigate their loyalty and general suitability is actually more than normal. Instead, we find that the flow of funds for this protective service has been reduced to a trickle and money enough has been provided for only 1,400 such investigations. This means that well over 750,000 Federal employees may enter the Federal service in the fiscal year of 1947 without being screened by an adequate examination or investigation to determine their loyalty.

BOTH FLEMMING AND J EDGAR HOOVER VOICE ALARM

Mr. Speaker, if Congress permits this wanton gamble with our national security to occur, in all fairness the American public should blame neither Commissioner Flemming of the Civil Service Commission nor J. Edgar Hoover, Director of the Federal Bureau of Investigation, for the debacle which may well result if our Government offices are soon teeming with termites of political disaster who are guided into Government service by American Communist leaders and other political agents provocateurs who are motivated by un-American motives. Both Flemming and Hoover have publicly warned the country of what may happen unless remedial steps are taken before it is too late.

Mr. LANDIS. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Indiana.

Mr. LANDIS. As a matter of fact, is it not true that the Truman administration is responsible for this shocking condition because the Bureau of the Budget is an arm of the White House rather than of Congress?

Mr. MUNDT. I am glad the gentleman brings that up, because many citizens who are not Members of Congress do not realize that the Budget Bureau is not an independent agency or government or that it has no relationship with Congress. The gentleman is precisely correct. The Budget Bureau is an arm of the White House. It comprises the financial eyes and ears of the White House. It recommends its financial proposals in conformity with White House policy. Congress has no way in which to determine what type of recommendation the bureau will make or to influence its decisions.

Mr. LANDIS. Is it not a fact that in every campaign year the Democrats always make some statement down there in the executive departments about investigating Communists, but, in fact, nothing is ever done about it. The only way we are ever going to get rid of these subversive individuals in the Government is to elect Republicans.

Mr. MUNDT. I think that is the best and surest way. I am not sure it is going to be the quickest way. I hope, however, it is as quick as it would be sure. According to the best data which can be collected, there are now some 2,000 Communists of one degree or another who have wormed their way on to our Federal pay roll. Every one of them should be removed and adequate precautions should be taken to make positive that no more disloyal un-American agents of any stripe, kind, or description are ever again employed.

On page 1096 of the Independent Offices Appropriation Hearings for 1947, Mr. Flemming says, "Under this greatly reduced program, the Commission will, of course, continue to require that the fingerprints of all appointees to Federal positions be cleared through the FBI fingerprint file. It also hopes that arrangements can be worked out whereby the names of such employees can be cleared through the FBI name file." I asked Mr. Flemming last Monday whether the FBI had advised him as to its ability to render this service with their present personnel. Mr. Flemming replied, "Yes, and the FBI has told us it does not have the personnel with which to undertake this responsibility." That situation is verified, Mr. Speaker, in a letter which I received from Mr. Hoover and which I shall include as a part of these remarks.

Again, J. Edgar Hoover, in testifying on January 17 of this year in support of his request for appropriations said—and his testimony in this connection is found on pages 150 to 158 of the Justice Department appropriations hearings:

> I am informed as a result of the cut in the appropriation of the Civil Service Commission, they will not make any investigations of persons who are being considered for Government positions except on very special projects. I feel that such a practice is very undesirable It does not come within my jurisdiction but I feel that persons who apply for positions with the United States Government ought to be thoroughly investigated and fingerprinted to ascertain whether they have good records and whether they have criminal backgrounds or arrest records This information should be available before appointment.

It is significant, Mr. Speaker, that J. Edgar Hoover, of the FBI, whose great work in fighting un-American influences and disloyal agents is universally recognized and acclaimed went out of his way to warn the country against discontinuing the preemployment investigations by the civil service and that he says with reference to checking the suitability of Federal appointees, "This information should be available before appointment."

Indeed, sir, the time to detect disloyalty and un-Americanism on the part of a potential Federal employee is before appointment. Anybody acquainted with the Government knows how difficult it is to remove or disqualify a civil-service appointee once he has become entrenched in his position. Congress tried to do it by an overwhelming vote in the case of Watson, Lovett, and Dodd, and the United States Supreme Court reversed our action. Numerous department chiefs have told me it is almost impossible to force the dismissal of a civil-service employee on evidence of un-American activities once the 1-year probationary period of employment is passed. I was reliably informed this week that the State Department has encountered real difficulty in ridding its rolls of persons whom its security committee has defined as undesirable. If Mr. Flemming is right when he estimated there will be 790,000 Federal placements in the fiscal year 1947 and that the paltry sum of $78,624 he has been allocated for suitability investigations will permit an adequate investigation of only 1,400 cases per year, it will require over 563 years to complete the check-up on the recruitments to Federal service for next year alone. If such a state of affairs is not the complete sabotaging of our preemployment inspection system, Mr. Speaker, I defy any Communist in the United States to do the job more effectively.

On July 15 I addressed a formal letter to J. Edgar Hoover asking him whether the FBI was equipped and financed to undertake the new responsibilities of checking upon the loyalty of potential Federal employees which must fall to it or be entirely neglected for all practical purposes, and inquiring, secondly, whether in his opinion "checking the name and fingerprint files of the FBI would provide a sufficient safeguard to make certain that un-American influences do not find an opportunity to exert themselves from within our Government."

Under date of July 16, I received a prompt and direct reply from Mr. Hoover. Both of these letters will be inserted in the RECORD in full at this point. However, let me say here for purposes of emphasis that Mr. Hoover said positively the FBI could not do the work now being abandoned by the economies forced upon the Civil Service Commission by the Budget Bureau. Mr. Hoover wrote:

> The demands upon the FBI occasioned by the current crime situation and special matters growing out of the war effort have exceeded our expectations, and consequently it would be impossible for us to assume any further investigative responsibilities such as the investigative work formerly performed by the Civil Service Commission. As a matter of fact, as the result of our reduced appropriation and personnel, our work is in a seriously delinquent status at the present time.

In response to my question about the adequacy of a name check and fingerprint file examination, Mr. Hoover wrote:

> As indicated in my testimony (before the Appropriations Committee), I feel very strongly that all persons who are being considered for appointment in the Federal service should be thoroughly investigated to determine their suitability for employment. Otherwise, there can be no assurance that individuals with undesirable tendencies and backgrounds will not secure employment in the various agencies of the Government and possible access to important and highly confidential documents and information.

Mr. Speaker, our exchange of communications reads as follows:

> CONGRESS OF THE UNITED STATES,
> HOUSE OF REPRESENTATIVES,
> *Washington, D. C., July 15, 1946.*
>
> Mr. J EDGAR HOOVER,
> *Director, Federal Bureau of Investigation, Department of Justice,*
> *Washington, D. C.*
>
> DEAR MR. HOOVER: I have been considerably disturbed by the drastic reductions in the appropriation made available for 1947 to the

Civil Service Commission for the purpose of making preemployment investigations of people seeking positions with the Federal Government. I note that while in 1945, $2,246,498 were available for this purpose and while in 1946, $438,530 were allocated for this purpose, Mr. Arthur S. Flemming, Civil Service Commissioner, testified on page 1096 of the independent offices appropriation bill hearings for 1947 that for next year $76,624 were recommended by the Budget Bureau to be used for the purposes of making investigations to determine the general suitability of people desiring employment with the Federal Government. I note in the testimony which you gave to the Appropriations Committee on January 17 of this year that on pages 150 and 151 of the hearing you view with considerable alarm the fact that there has been such a serious reduction in the appropriation for the investigatory service of the Civil Service Commission. I definitely share with you this alarm since I have always felt that a complete and authentic preemployment investigation of potential Federal employees is an essential step in the process of getting the proper type of personnel in our various Federal agencies and departments.

In reading the hearings, I notice that Commissioner Flemming said on page 1096 that the Civil Service Commission hopes to compensate for this virtual dismantlement of its investigatory service by asking the FBI to undertake a considerable part of the responsibility which formerly fell to the Civil Service Commission. Commissioner Flemming said in part "It (the Civil Service Commission) also hopes that arrangements can be worked out whereby the names of such employees can be cleared through the Federal Bureau of Investigation main file." My purpose in writing this letter is to inquire of you frankly whether the Federal Bureau of Investigation will have sufficient funds and personnel under the appropriation as passed for the fiscal year of 1947 to enable it to adequately take over the investigatory service formerly performed by the Civil Service Commission. I shall appreciate a candid reply from you in response to this question.

It also occurs to me that if the investigation of applicants for Federal appointments and positions is to be adequate that something more is required that merely the checking of the FBI name file and the checking of the fingerprint records of applicants for employment. It would appear from where I sit that it is entirely conceivable that people with un-American affiliations and with subversive backgrounds might well escape detection altogether in their efforts to secure Government positions if no further investigation is made of their background from what can be found in a name and fingerprint file. In my opinion, many of the most highly undesirable people from the standpoint of their un-American connections might well be those whom police officials have never had occasion to fingerprint and who have no criminal record which might have resulted in their names being present in any of the FBI files. I would appreciate it if, when writing me, you would also comment as to whether you believe checking the name and fingerprint files of the FBI is a sufficient safeguard to make certain that un-American influences do not find an opportunity to exert themselves from within our Government through the appointment of people whose loyalty to America is under question.

I shall deeply appreciate it if you will write me at your early opportunity in connection with the contents of this letter.

With best wishes, I am,

Cordially yours,

KARL E. MUNDT,
Member of Congress.

JULY 16, 1946.

Hon KARL E MUNDT,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I have received your letter, dated July 15, 1946, in which you express concern with respect to the limited funds granted to the Civil Service Commission for the purpose of making investigations to determine the general suitability of persons desiring employment with the Federal Government during the fiscal year 1947.

You inquire "whether the Federal Bureau of Investigation will have sufficient funds and personnel under the appropriation, as passed for the fiscal year of 1947, to enable it to adequately take over the investigatory service, formerly performed by the Civil Service Commission."

In response to your inquiry, I desire to advise that the appropriation of the Federal Bureau of Investigation for the fiscal year 1947 will not permit it to perform such functions. The 1947 appropriation for the FBI, as recommended by the Budget Bureau and approved by Congress, made it necessary for the Bureau to reduce its staff by 1,200 employees by July 1, 1946, below the number of employees originally requested by the FBI for the present fiscal year. The demands upon the FBI occasioned by the current crime situation and special matters growing out of the war effort have exceeded our expectations and, consequently, it would be impossible for us to assume any further investigative responsibilities, such as the investigative work formerly performed by the Civil Service Commission As a matter of fact, as the result of our reduced appropriation and personnel, our work is in a seriously delinquent status at the present time

You also inquire whether I feel that checking the name and fingerprint files of the FBI of applicants for employment in the Federal civil service "is a sufficient safeguard to make certain that un-American influences do not find an opportunity to exert themselves from within our Government through the appointment of people whose loyalty to America is under question."

In my testimony before the Subcommittee on Appropriations of the House of Representatives on January 17, 1946, in referring to this matter, I made the following statement: "* * * I am informed as a result of the cut in the appropriation of the Civil Service Commission, they will not make any investigations of persons who are being considered for Government positions except on very special projects. Again I feel that such a practice is very undesirable. It does not come within my jurisdiction, but I feel that persons who apply for positions with the United States Government ought to be thoroughly investigated and fingerprinted, to ascertain whether they have good records and whether they have criminal backgrounds or arrest records. This information should be available before appointment"

As indicated in my testimony, I feel very strongly that all persons who are being considered for appointment in the Federal service should be thoroughly investigated to determine their suitability for such employment. Otherwise, there can be no assurance that individuals with undesirable tendencies and backgrounds will not secure employment in the various agencies of the Government and possible access to important and highly confidential documents and information.

I trust that the foregoing will answer the questions propounded in your communication of July 15, 1946.

With expressions of my high esteem and kind personal regards, I am

Sincerely yours.

Mr. Speaker, I want to call attention to the fact that Mr. J. Edgar Hoover has described the situation so that all the country may know exactly the hazardous conditions facing us from the standpoint of the potential Federal employment, not only of Communists and political saboteurs but of outright criminals.

Over in the other body today and during the past few weeks an investigating committee has been making an examination of war contractors. At least one and perhaps more of the clerks whom they have investigated are clerks who were employed by the Federal Government but who had police records before they were so employed. Those police records were not exposed in part at least because neither the FBI nor the Civil Service Commission had money enough to make a proper and adequate preemployment investigation as to the character, the loyalty, and general stability of the people being employed and put on the public pay roll. Now the funds for these investigative services are again being drastically curtailed by the administration's program.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Michigan.

Mr. BRADLEY. It looks as though some of those gentlemen may have a longer police record in the future. The committee over there is to be congratulated.

Mr. MUNDT. The gentleman is correct and I hope justice prevails—let the chips fall where they will.

In his testimony on page 150 of the Justice Department appropriations hearings, J. Edgar Hoover calls attention to the desperate although futile effort which the Civil Service Commission is planning to make to overcome the dismantling of its own investigative service which was forced upon it by the President's Budget Bureau. He says:

> The procedure now, I understand, is that each individual governmental agency will send to us (the FBI) the prints of persons whom they consider for employment. I consider the proposed practice a great defect; because, when you scatter this responsibility through many Government agencies complete compliance may not be secured. It is entirely possible that certain of the agencies will fail to submit the prints for check against our files. I feel that the previous methods of submission should be continued if at all possible.

In other words, Mr. Speaker, the man in America who knows most about the activities and methods of un-American agents solemnly and publicly warns us all that the new proposal will not do the job and he calls specific attention to the need of continuing the civil-service investigations as they have formerly operated and as they have concentrated on making their loyalty checks before appointment.

That, sir, is the situation which I desire to call to the attention of the Congress and the country in this address. This is not the alarmist language of a Red baiter; it is not the story of somebody accustomed to seeing bugaboos under the bed; it is the report to the American public of Commissioner Flemming

of the United States Civil Service and of J. Edgar Hoover, Director of the Federal Bureau of Investigation.

Many citizens will wonder, as I do, as to just who it was—working from within the secret walls of the Budget Bureau or exercising a controlling influence upon the Bureau from without—who succeeded in sabotaging the preemployment investigation services of our Government. I think the public should be entitled to know who was responsible for this travesty upon our national security before the President selects a new director of the Budget Bureau. Surely it would be a tragedy if by some unhappy chance the President should select as the Budget director the person responsible for scuttling America's first line of defense against the un-American influences which plot to work behind the scenes in Government.

RECOMMENDATIONS

First. I recommend therefore that the Civil Service Committee of the House of Representatives which is now undertaking an investigation of un-American elements in the public service expand its investigation so that it can determine the identity of the person or persons who engineered this break-down of our preemployment investigation service. Once that identity has been determined, it should be made a matter of public knowledge. I commend this recommendation to the special attention of the gentleman from Kansas, Congressman EDWARD REES, who has been doing trojan work in pushing the investigations by the House Committee on Civil Service.

Second. I recommend that before this Congress adjourns it pass a special appropriation bill or authorize a deficiency appropriation for restoring to the Civil Service Commission the funds and the personnel required to continue and augment its program of investigating "before appointment" the suitability and loyalty of people seeking Government employment. In view of Mr. Hoover's testimony, I also recommend that additional money be made available to the FBI for this crucial period.

Third. I recommend that veterans' organizations, patriotic groups, public-spirited newspapers, and others join in insisting that America's first line of defense against internal collapse and planned confusion be restored as proposed in the preceding paragraph.

As a member of the House Committee to Investigate Un-American Activities, I assure the Congress and the country that our committee will continue and intensify its effort to expose and prevent the efforts of un-American forces to gain footholds within the sacred confines of our citadel of Government. However, we alone cannot meet this challenge. If the country and the Congress choose to ignore the solemn warnings of J. Edgar Hoover and Mr. Flemming, we shall continue to run up warning signals where they are needed and to sound the alarm as indicated. However, if the skipper of a ship, no matter how sturdy its construction, closes his eyes to the well-marked dangers ahead, there is little which can be done to avert disaster.

Americans, awake! A country and an ideal worth fighting for abroad is assuredly worth protecting at home. The cash transaction involved in the British loan with its announced aim to stop the extension of communism may prove to be a good or a bad investment. The passage of time alone can answer that. Since it is now an investment by all Americans, all Americans must hope it proves to be a successful program. However, this much is obviously clear today—the amount of money involved in that transaction would provide the additional funds required for our investigative services to provide adequate pre-employment screening to stop the extension of communism within our own citadel of Government here in the United States for more than 1,000 years.

That which we are trying so valiantly and with so much sacrifice to safeguard throughout the world let us not recklessly abandon here at home through hasty oversight or a misguided sense of what is sound economy. Let us restore without delay the funds required to give J. Edgar Hoover and Arthur S. Flemming the personnel and equipment they need to protect our Government against the poisonous creeds of un-American concepts which can so effectively be promoted when the wrong man gets in the right position of authority in our Federal service.

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. HOEVEN] is recognized for 15 minutes.

SHORTAGE OF FARM MACHINERY

Mr. HOEVEN. Mr. Speaker, the shortage of farm machinery is still very acute, and if the farmers of America are to produce the food the world needs so much, they must be given the tools—the farm machinery—with which to do the job. In an Iowa farm poll taken early in July, 40 percent of Iowa farmers felt that they were handicapped by not being able to buy items of farm equipment which they needed. Tractors ranked highest on the farmers' list of needed equipment. Besides tractors, Iowa farmers ranked repairs on implements, cultivators, planters, discs, corn pickers, combines, and plows high on their list of items they needed. The result of this poll is only typical of the situation throughout the food-producing States.

Farmers are becoming aroused and resent the fact that the manufacture of farm machinery and equipment has been held up as a result of strikes among farm-machinery plant workers and in other industries. In the poll abovementioned, for instance, 64 percent of the Iowa farmers feel that much of the shortage of farm equipment could have been avoided and farm production helped had the Government taken over and operated the strike-bound farm-implement plants. Now, however, we have the distressing news that an industry-wide strike of farm-machinery plant workers is advocated by the international executive board of the CIO United Farm Equipment and Metal Workers if the Allis-Chalmers and J. I. Case strikes are not settled by July 31.

In the 3½ years of its existence, the Republican Congressional Food Study Committee has established a unique record of anticipating well in advance most of the difficulties which have arisen in our production and distribution of food, and of making recommendations which, had they been heeded by the administration, would have prevented most of those same difficulties.

Most of this committee's major recommendations have eventually been adopted by a reluctant administration—but only after their own pet theories have failed in operation, or have actually created situations which became so intolerable to the American people that the administration was forced to take the action this committee had recommended.

There is no better example of the Administration's fumbling and fiddling than in the case of farm machinery.

The cold fact today is that—in spite of the Department of Agriculture's optimistic predictions—we are not going to grow and harvest in the United States this year as much food as we are going to need next winter to meet the demands of our own consumers and people in other countries.

Food production in the United States is being seriously retarded by lack of farm machinery. There is not a State where production will reach the point it could have reached if farmers had the tools and machinery they need.

There is only one reason why they do not have these tools. That reason is the administration's failure and refusal—over a period of more than 3 years—to take the most elementary steps to see that farmers were provided with the tools they need to do their food-production job.

From the very beginning our Food Study Committee has insisted that food production should be made an essential industry—with priorities and manpower allocations second to no industry in the country.

On April 24, 1945, this became the official position of all the Republicans in Congress, when the Republican conference adopted such a recommendation and forwarded it to the President over a year ago. On June 30, 1945—when there had been no action by the administration—I pointed out on the floor of the House, speaking for the committee, the urgent necessity of priorities for stimulating the production of farm machinery.

Our committee then—more than a year ago—clearly foresaw the demand that would be made upon our food supplies by war-ravaged peoples. We knew that food could not be produced in the tremendous quantity required without new machinery. We urged—even pleaded with the burcaucrats to give farmers the tools they needed to do their job.

What happened? The bureaucrats fiddled and feddled while war plants stood idle after VJ-day, while the output of farm machinery dwindled until it was

not even enough to meet necessary replacements in 1945, and while crops went unharvested for lack of machinery.

When the present Secretary of Agriculture took office, I assured him of our support in his announced intention of establishing agriculture on the same priority footing as other war agencies, and said on the floor of the House:

In a spirit of helpfulness, may I suggest to the new Secretary of Agriculture that he turn his attention first to the War Production Board—and to the task somehow convincing the industrialists in WPB that if farmers are to produce the food the world needs so much, they must be given the tools—the farm machinery—with which to do the job.

By the end of 1945, with the war then completely over and all war production stopped, it was apparent that the Secretary's efforts to secure priorities and other aids to the production of farm machinery had failed completely—assuming he had made such efforts.

Therefore, during January 1946—anticipating the great need for new farm machinery this crop year—the food study committee carried on informal negotiations with the Department of Agriculture and the Civilian Production Administration, trying to get them to agree to issue priorities for materials to farm machinery manufacturers. We got nothing but promises and excuses.

On March 15, 1946, Chairman Jenkins of the Food Study Committee, publicly renewed this committee's demand in a letter to Civilian Production Administrator Small, in which he said:

It is difficult to understand the indifference with which the administration has viewed—and apparently continues to regard—the whole subject of farm machinery. * * * I urge you to give the manufacturers of farm machinery top priorities on all necessary materials, and to do everything in your power to encourage and assist the production of such machinery in time to be of benefit during the coming season.

As usual, nothing was done—except to write a long letter full of excuses and meaningless double-talk—until the situation was so desperate that the bureaucrats in the administration were virtually forced to act.

Finally on July 1, 1946, 4½ years after the war started, more than 3 years after this committee had clearly seen the need for such action, at least 6 months too late to be of real assistance during this critical crop year, finally, on July 1, 1946—just 17 days ago—the Civilian Production Administration put into operation the first effective priority for steel that had been given farm machinery manufacturers since the tremendous wartime need for food materialized. This new regulation allows manufacturers of wheeled tractors and harvesting equipment to automatically certify their own orders at the steel mills, thus in effect giving them first priority on steel. It is to be hoped that this regulation will assure the production of new equipment scheduled by the farm equipment industry.

People are going hungry in the world again next winter. And some of them are going hungry simply because of stubborn bureaucratic refusal to give American farmers the tools they need to plant and harvest all the abundant food this country is capable of producing.

But while our administration planners have been adamant in their refusal to provide American farmers with new machines, they have not been so niggardly with foreign countries. Our exports of farm machinery have mounted during the war years.

During 1945, $163,569,902 worth of farm machinery was shipped abroad, and more than $132,000,000 of this was tractors. This is more than twice as much farm machinery as was exported in 1942—and the value of the tractors shipped overseas in 1945 was 240 percent of the 1942 figure.

Now an order of the CPA directs the exportation of 14,500 tractors to Europe in the next 6 months. A spokesman for the International Harvester Co. was quoted in a press release dated July 11, 1946, as stating that this order would wreck their export schedules since they had been operating on a basis of sending tractors where the need is greatest and where the season is approaching. He stated that normally they exported tractors to wheat countries like Argentina, Australia, Canada, and Brazil, and he pointed out that the 14,500 tractors under the CPA order were apparently going to the rocky and barren countries like Greece and Albania. Everyone knows of the rugged topography in these countries and it seems that these tractors are being forced into localities where they cannot be used and very likely are not even wanted.

More than a third of these tractors are to be delivered behind Stalin's iron curtain for use in Communist-dominated Poland, Yugoslavia, Albania, Czechoslovakia, and Rumania. UNRRA was recently shamed into stopping shipments to Russia proper when press reports disclosed that the Russians were peddling tractors in the Argentine.

The extent to which agriculture was mechanized in these countries is suggested by the number of tractors which the United States exported to them in the 5 years before the war. In that period Poland bought 25 American tractors, Czechoslovakia, 8; Yugoslavia, 7; and Albania, 1. Figures are not available on Rumania.

The whole program is nonsensical. Obviously, the peasants of these countries do not know how to use tractors and will abandon them and leave them to rust whenever they break down. UNRRA tacitly expects this when it confesses that it will have to train 10,000 or more tractor drivers and mechanics in Poland. Nor are the mountain fields of Yugoslavia, Czechoslovakia, and Albania suited, in most instances, to tractor culture. Peasants there cultivate tiny pieces of ground and where the Russian Army holds sway the larger farms have been cut up and redistributed or collectivized.

Although all shipment of tractors by UNRRA is contributed by the United States, other farm equipment is contributed in approximately the following proportion: United States, 45 percent; United Kingdom, 25 percent; Canada, 15 percent; and Australia, 15 percent.

In spite of decreasing production early this year, the export rate of farm machinery being sent to foreign countries was almost as large during the first 3 months as it was last year and included for those 3 months $25,611 030 worth of tractors.

It might be remarked, parenthetically, that during the last 3 months of 1945 and the first 3 months of 1946—when $50,000,000 worth of tractors were being shipped overseas—there were not enough tractors available to farmers in the United States to even meet the priority certificates held by returning veterans.

Unfortunately, the farm machinery problem has been handled on a "too little and too late" basis. The harvesting of small grain has already begun in the Midwest, and the farmers are getting along with their old machinery as best they can. Perhaps they will be able to get some of the needed repairs for their corn-picking machinery before the corn crop matures, but it appears rather doubtful just now. Therefore, about the most we can do is to set our sights for 1947 and do everything in our power to see that farm-machinery repairs are made available before the planting season begins next year. At the same time, we must exert every effort to get the needed new machinery without further delay. In addition, I think it is high time that the Congress make an investigation relating to the exportation of farm machinery, and we should insist that the unwarranted exportation of such machinery be stopped.

There is yet much work for the Republican Food Study Committee to do. But we can assure the farmers of America that we will continue our study and investigation of this problem to the end that the farmers may have the tools they need before another planting season arrives. In our effort to be generous to all the nations of the earth, we must not forget the farmers of America, who are being called upon by all humanity to provide food, not only for our own people, but for all the unfortunate people of the world.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. CHURCH] is recognized for 5 minutes.

PAYMENT OF EARNED SALARIES OF POST-OFFICE EMPLOYEES

Mr. CHURCH. Mr. Speaker, I have today introduced a continuing resolution to provide for payment of wages previously earned by post-office employees which cannot be paid because of the failure of the Congress to enact the Treasury and Post Office Departments appropriations bill for 1947.

About 2 months ago, by virtually a unanimous vote, the Congress agreed to increase postal salaries and now because of a matter with which post-office employees have no concern, payment of all salaries is being denied.

Senate amendment No. 7 to the Treasury and Post Office Departments appro-

priations bill for 1947 authorizes the sale of Treasury-owned silver, amends the Silver Purchase Act, repeals the transactions tax on sales of silver bullion, and prohibits the establishment of price ceilings on silver and silver products. Failure to agree to this unrelated amendment to the Treasury-Post Office Appropriations Act of 1947 is not a just cause for withholding earned salaries of some one-half million postal employees. These employees have fixed obligations and are dependent upon the regular payment of wages. They are made to appear ridiculous when such wages are not paid. Such failure to pay has an effect on merchants and tradesmen, who have a right to expect all postal employees to pay their bills on time.

A continuing resolution such as I have today introduced, allowing for the payment of earned salaries and leaving for future determination the question at issue, is only simple justice. On behalf of postal employees everywhere, and particularly those in the Tenth Congressional District of Illinois, the district I have the honor to represent, I express the hope that we will take immediate steps to correct this obvious and needless injustice to this group, which I consider the most worthy and hard-working of all Federal employees

As part of my remarks, I am inserting in the RECORD the attached letter from E C Hallbeck, legislative representative of the National Federation of Post Office Clerks:

NATIONAL FEDERATION OF
POST OFFICE CLERKS,
Washington, D C., July 18, 1946.

Hon RALPH E CHURCH,
House Office Building,
Washington, D. C

MY DEAR CONGRESSMAN: The unfortunate plight of more than 400,000 postal employees who are denied earned wages by the failure of the Congress to pass the Treasury-Post Office Appropriations Act of 1947 is one that deserves immediate consideration.

In your district, more than 2,000 employees have already been denied wages earned during the first half of July and unless action is taken in the near future, their condition will become progressively worse.

Your good offices in an effort to correct the present unwholesome situation will be sincerely appreciated.

Sincerely yours,

E. C HALLBECK,
Legislative Representative.

(Mr. CHURCH asked and was given permission to revise and extend his remarks and include a letter received from Mr. E C. Hallbeck, legislative representative of the National Federation of Post Office Clerks.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TOLAN, for an indefinite period, on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S 162. An act for the relief of Walter S. Faulkner; to the Committee on Claims.

S 357. An act for the relief of the Forward Columbus Fund, of Columbus, Nebr.; to the Committee on Claims.

S 669. An act to name a dam on the Little Missouri River in Pike County, Ark., and the reservoir created by the same; to the Committee on Flood Control.

S. 1277. An act conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William S Brown, to the Committee on Claims.

S. 1372. An act to officially name the flood-control project authorized by Public Law 534, Seventy-eighth Congress, approved December 22, 1944, on Lytle and Cajon Creeks near San Bernardino, Calif., the "Sheppard Floodway"; to the Committee on Flood Control.

S. 1478 An act to record the lawful admission to the United States for permanent residence of Edith Frances de Becker Sebald; to the Committee on Immigration and Naturalization

S 1549 An act for the relief of the legal guardian of Duane N Thompson, a minor, to the Committee on Claims

S 1561. An act to amend the act entitled "Compensation for injury, death, or detention of employees of contractors with the United States outside the United States," as amended, for the purpose of making the 100-percent earning provisions effective as of January 1, 1942; to the Committee on the Judiciary.

S 1573 An act for the relief of James H. Wilkinson; to the Committee on Claims

S 1602. An act to confirm title to certain railroad-grant lands located in the county of Kern, State of California, to the Committee on the Public Lands

S. 1607. An act to provide for the naturalization of Peter Kim, to the Committee on Immigration and Naturalization

S 1674. An act for the relief of Michael Joseph Bennett, a minor; to the Committee on Claims.

S 1731 An act for the relief of Lester A. Dessez; to the Committee on Claims.

S 1733 An act for the relief of Desmark Wright, the estates of Alberta Wright, Desmark Wright, Jr., and Harold Evans; and the legal guardians of Bobby Dennis Wright and Irvin Lee Wright, minors, to the Committee on Claims

S 1751 An act for the relief of Wayne Parker, to the Committee on Claims

S 1880 An act for the relief of the Crosby Yacht Building & Storage Co., Inc., to the Committee on Claims.

S 1910 An act for the relief of George D. King; to the Committee on Claims

S. 2020 An act granting a right-of-way at a revised location to the West Shore Railroad Co., the New York Central Railroad Co., lessee, across a portion of the military reservation at West Point, to the Committee on Military Affairs

S 2036 An act granting the consent of Congress to the State of Rhode Island to construct, maintain, and operate a free highway bridge across the Sakonnet River between the towns of Tiverton and Portsmouth in Newport County, R. I.; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R 6777. An act making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 141. An act to clarify the law relating to the filling of the first vacancy occurring in the office of district judge for the eastern district of Pennsylvania, and to provide for the appointment of an additional United States district judge for the eastern, middle, and western districts of Pennsylvania; and

S 1516 An act to amend section 12 of the Bonneville Project Act, as amended.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p. m.) the House, under its previous order, adjourned until tomorrow, July 19, 1946, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Friday, July 19, 1946, at 9:30 a. m. to consider H. R. 7038.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1467 A letter from the Administrator, Office of Price Administration, transmitting the Seventeenth Report of the Office of Price Administration, covering the period ended March 31, 1946 (H Doc No 711); to the Committee on Banking and Currency and ordered to be printed.

1468 A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies, to the Committee on the Disposition of Executive Papers

1469 A letter from the Chairman, Reconstruction Finance Corporation, transmitting report covering its operations for the period from the organization of the Corporation on February 2, 1932, to March 31, 1946, inclusive; to the Committee on Banking and Currency.

1470 A letter from the Secretary of State, transmitting a letter and enclosure from the President of the Cuban Senate, entitled "Roosevelt", to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DREWRY: Committee on Naval Affairs. S. 1917. An act to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes; with amendments (Rept. No 2549) Referred to the Committee of the Whole House on the State of the Union.

Mr. LANHAM. Committee on Public Buildings and Grounds. H R. 6966. A bill to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes; with amendments (Rept. No 2550). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers House Report No 2551. Report on the disposition of certain papers of sundry executive departments Ordered to be printed.

Mr. MADDEN: Committee on Naval Affairs. S. 1547. An act to provide for the disposition of vessels, trophies, relics, and material of historical interest by the Secretary of the Navy, and for other purposes; without

amendment (Rept. No. 2552). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of New York: Committee on Naval Affairs S 2247. An act to permit the Secretary of the Navy to delegate the authority to compromise and settle claims against the United States caused by vessels of the Navy or in the naval service, or for towage or salvage services to such vessels, and for other purposes; without amendment (Rept. No. 2553). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS: Committee on Naval Affairs. H. R. 6992. A bill to amend the act of May 4, 1898 (30 Stat. 369), as amended, to authorize the President to appoint 250 acting assistant surgeons for temporary service, without amendment (Rept. No. 2554). Referred to the Committee of the Whole House on the State of the Union.

Mr. BIEMILLER: Committee on Naval Affairs. H. R. 6993. A bill to further amend the act of January 16, 1936, as amended, entitled "An act to provide for the retirement and retirement annuities of civilian members of the teaching staff at the United States Naval Academy and the Postgraduate School, United States Naval Academy"; without amendment (Rept. No. 2555). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of New York: Committee on Naval Affairs H. R. 6994. A bill to permit the Secretary of the Navy to delegate the authority to compromise and settle claims for damages to property under the jurisdiction of the Navy Department, and for other purposes, without amendment (Rept. No. 2556). Referred to the Committee of the Whole House on the State of the Union

Mr. HESS: Committee on Naval Affairs. H. R. 7039. A bill to further amend section 304 of the Naval Reserve Act of 1938, as amended, so as to grant certain benefits to naval personnel engaged in training duty prior to official termination of World War II; without amendment (Rept. No 2557). Referred to the Committee of the Whole House on the State of the Union.

Mr LESINSKI: Committee on Immigration and Naturalization. H. R 6995. A bill to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad; with amendments (Rept. No. 2559). Referred to the Committee of the Whole House on the State of the Union.

Mr. HEDRICK: Committee on Immigration and Naturalization. H. R. 6996 A bill to amend the Immigration Act of February 5, 1917, as amended, with amendment (Rept. No. 2560). Referred to the Committee of the Whole House on the State of the Union.

Mr SABATH: Committee on Rules. House Resolution 714 Resolution providing for the consideration of H. R. 6917, a bill to provide for site acquisition and design of Federal buildings, and for other purposes; without amendment (Rept. No 2563). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 715. Resolution providing for the consideration of H. R. 6967, a bill to improve, strengthen, and expand the Foreign Service of the United States and to consolidate and revise the laws relating to its administration; without amendment (Rept. No. 2564). Referred to the House Calendar.

Mr. BLOOM. Committee on Foreign Affairs. H. R. 4502. A bill to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer; with amendments (Rept. No. 2565). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEARNEY: Committee on Immigration and Naturalization. H R. 5047. A bill for the relief of Edna Rita Saffron Fidone; with amendments (Rept. No. 2548). Referred to the Committee of the Whole House.

Mr HEDRICK: Committee on Immigration and Naturalization H. R. 6376. A bill for the relief of Mrs. Fuku Kurokawa Thurn; with amendment (Rept. No 2558). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr CURTIS:

H. R 7071 A bill to amend section 421 of the Internal Revenue Code so as to provide for the refund of income taxes paid for taxable year beginning after December 31, 1941, by persons who die while serving in the armed forces; to the Committee on Ways and Means.

By Mr. NEELY:

H. R 7072. A bill to increase the compensation of postmasters and employees of the postal service; to the Committee on the Post Office and Post Roads

H. R 7073. A bill to increase the rates of compensation of officers and employees of the Federal Government; to the Committee on the Civil Service.

By Mr WHITE:

H. R. 7074. A bill to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins; to the Committee on Coinage, Weights, and Measures.

By Mr. O'BRIEN of Michigan:

H R. 7075. A bill to supersede the provisions of Reorganization Plan No. 2 of 1946 by reestablishing the United States Employees' Compensation Commission; to the Committee on Expenditures in the Executive Departments.

By Mr. D'ALESANDRO:

H. J. Res 384. Joint resolution providing for payment of compensation of employees of the postal service; to the Committee on Appropriations.

By Mr. BALDWIN of New York:

H. J. Res 385. Joint resolution authorizing the President to establish rationing of various commodities under certain circumstances; to the Committee on Banking and Currency.

By Mr CHURCH:

H. J. Res 386. Joint resolution providing for payment of salaries of postal employees payable in the month of July 1946; to the Committee on Appropriations.

By Mr. MANSFIELD of Texas:

H. Res. 713. Resolution directing that the Board of Engineers for Rivers and Harbors prepare a revised edition of a compilation of all preliminary examination and survey and review reports tranamitted to Congress prior to July 31, 1946; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LESINSKI:

H. R. 7076 A bill for the relief of Hristos Paulos Divitaris, alias Christ D. Paul; to the Committee on Immigration and Naturalization.

By Mr. LEWIS:

H R. 7077. A bill for the relief of Pantelis Georgelis; to the Committee on Immigration and Naturalization.

By Mr. SIKES:

H R. 7078. A bill for the relief of Mrs. E. H. Lundy, to the Committee on Claims.

By Mr. STEFAN:

H. R 7079. A bill for the relief of the Forward Columbus Fund of Columbus, Nebr; to the Committee on Claims.

By Mr. BLOOM:

H J. Res. 387. Joint resolution granting permission to Thomas Parran, Surgeon General of the Public Health Service, Rolla E. Dyer, Assistant Surgeon General, Public Health Service; Howard F. Smith, Assistant Surgeon General, Public Health Service; Herbert A. Spencer, medical director, Public Health Service; and Gilbert L. Dunnahoo, medical director, Public Health Service, to accept and wear certain decorations bestowed upon them by France, Cuba, Mexico, Chile, Finland, and Luang-Prabang; to the Committee on Foreign Affairs.

PROPERTY OF UNIVERSITY
OF WASHINGTON LIBRARIES
GRADUATE READING ROOM
NON-CIRCULATING

W
2018